

ASX Announcement

27 July 2021

RETAIL OFFER BOOKLET

Leading essential network services company Service Stream Limited (ASX: **SSM**) attaches a copy of the retail entitlement offer booklet (**Retail Offer Booklet**) in relation to the retail component of the 1 for 3 accelerated non-renounceable entitlement offer (**Entitlement Offer**) of new shares in Service Stream, which was announced on Wednesday, 21 July 2021.

The Retail Offer Booklet, including personalised entitlement and acceptance forms, will be despatched to eligible retail shareholders today.

Retail Entitlement Offer

The retail component of the Entitlement Offer (**Retail Entitlement Offer**) opens today, Tuesday, 27 July 2021 and is expected to close on 5.00pm (Sydney time) on Monday, 9 August 2021.

Eligible retail shareholders should carefully read the Retail Offer Booklet for further details about the Retail Entitlement Offer.

You should seek appropriate professional advice before making any investment decision. If you have any questions about the Retail Entitlement Offer, please contact the Service Stream Offer Information Line on 1300 850 505 (from within Australia) or +61 3 9415 4000 (from outside Australia) between 8.30am and 5.00pm (Sydney time), Monday to Friday, before the Retail Entitlement Offer closes, which is expected to be at 5.00pm (Sydney time) on Monday, 9 August 2021.

For and on behalf of Service Stream



Chris Chapman
Company Secretary

This document has been authorised for release by the Board of Directors.

About Service Stream Limited:

Service Stream is a public company listed on the Australian Securities Exchange (Code: SSM). Service Stream is a provider of essential network services to the telecommunications and utility sectors. Service Stream operates across all estates and territories, has a workforce in excess of 2,200 employees and access to a pool of over 3,000 specialist contractors. For more information visit www.servicestream.com.au

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RETAIL ENTITLEMENT OFFER



1 for 3 accelerated non-renounceable pro rata entitlement offer of fully paid ordinary shares in Service Stream Limited at an issue price of \$0.90 per New Share.

Retail Entitlement Offer closes: 5.00pm (Sydney, Australia time) on Monday, 9 August 2021 (unless extended). Valid Applications must be received before that time.

If you are an Eligible Retail Shareholder, this Retail Offer Booklet together with the personalised Entitlement and Acceptance Form which accompanies it are important documents that require your immediate attention. These documents should be read in their entirety. This Retail Offer Booklet is not a prospectus under the *Corporations Act 2001* (Cth) and has not been lodged with the Australian Securities and Investments Commission. You should consult your stockbroker, solicitor, accountant or other professional adviser if you have any questions about the Retail Entitlement Offer. You can also contact the Offer Information Line on 1300 850 505 (from within Australia) or +61 3 9415 4000 (from outside Australia) at any time between 8.30am and 5.00pm (Sydney time), Monday to Friday during the Retail Entitlement Offer Period if you have any questions about the details of the Retail Entitlement Offer.

Not for release to US wire services or distribution in the United States

IMPORTANT NOTICES

This Retail Offer Booklet is dated 27 July 2021. Capitalised terms used in this Retail Offer Booklet have the meaning given to them in Section 7 of this Retail Offer Booklet.

The Retail Entitlement Offer is made pursuant to section 708AA of the Corporations Act (as notionally modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73*), which allows entitlement offers to be made without a prospectus or other disclosure document. As a result, the Retail Entitlement Offer is not being made under a prospectus and it is important for Eligible Retail Shareholders to read carefully and understand this Retail Offer Booklet and the information about Service Stream and the Retail Entitlement Offer made publicly available, prior to deciding whether to take up all or part of their Entitlement, take up all of their Entitlement and apply for Additional New Shares under the Oversubscription Facility or do nothing in respect of their Entitlement.

This Retail Offer Booklet does not contain all of the information which an investor may require to make an informed investment decision, nor does it contain all the information which would be required to be disclosed in a prospectus or other disclosure document prepared in accordance with the requirements of the Corporations Act. The information in this Retail Offer Booklet does not constitute financial product advice and does not take into account your investment objectives, financial situation or particular needs.

This Retail Offer Booklet should be read in its entirety before you decide to participate in the Retail Entitlement Offer. In particular you should consider the risk factors that could affect the performance of Service Stream or the value of an investment in Service Stream. Please refer to the “Key risks” section of the Investor Presentation (see Section 4 of this Retail Offer Booklet). This Retail Offer Booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC. By returning an Entitlement and Acceptance Form or otherwise paying for your New Shares through BPAY[®] in accordance with the instructions on the Entitlement and Acceptance Form, you will be deemed to have acknowledged that you have read this Retail Offer Booklet and you have acted in accordance with and agree to the terms of the Retail Entitlement Offer detailed in this Retail Offer Booklet.

Foreign jurisdictions

This Retail Offer Booklet has been prepared to comply with the requirements of the securities laws of Australia and New Zealand.

This Retail Offer Booklet, the Investor Presentation, any accompanying ASX announcements and the Entitlement and Acceptance Form do not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to any person who is acting for the account or benefit of any person in the United States (to the extent such person holds Service Stream Shares and is acting for the account or benefit of a person in the United States) or in any jurisdiction in which, or to any person to whom it would not be lawful to make such an offer. No action has been taken to register or qualify the Retail Entitlement Offer or the New Shares, or otherwise permit the offering of the New Shares, in any jurisdiction other than Australia and New Zealand. Return of the personalised Entitlement and Acceptance Form will be taken by Service Stream to constitute a representation by you that there has been no breach of any such laws. Eligible Retail Shareholders who are nominees or custodians should see Section 3.13.

The distribution of this document (including in electronic format) outside Australia and New Zealand may be restricted by law. If you come into possession of this Retail Offer Booklet, you must observe such restrictions. In particular, this document or any copy of it must not be distributed in the United States. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Foreign exchange control restrictions or restrictions on remitting funds from your country to Australia may apply. Your Application for New Shares is subject to all requisite authorities and clearances being obtained by Service Stream to lawfully receive your Application Monies.

New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing Shareholders of Service Stream with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This Retail Offer Booklet has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This Retail Offer Booklet is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

United States

Neither this Retail Offer Booklet, the personalised Entitlement and Acceptance Form accompanying it, the Investor Presentation nor any accompanying ASX announcements constitutes an offer to sell, or the solicitation of an offer to buy, any securities in the United States. This Retail Offer Booklet (or any part of it) may not be released to US wire services or distributed in the United States.

The New Shares have not been, nor will be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Entitlements may not be taken up by, and the New Shares may not be offered or sold to persons in the United States or persons that are acting for the account or benefit of persons in the United States (to the extent that such person holds shares for the account or benefit of a person in the United States). The New Shares to be offered and sold in the Retail Entitlement Offer may only be offered and sold outside the United States in “offshore transactions” (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the US Securities Act.

Definitions, currency and time

Defined terms used in this Retail Offer Booklet are contained in Section 7 of this Retail Offer Booklet. All references to time are to Sydney, Australia time, unless otherwise indicated.

Foreign exchange

All references to ‘\$’ are AUD unless otherwise noted.

Taxation

There will be tax implications associated with participating in the Retail Entitlement Offer and receiving New Shares. Section 6 of this Retail Offer Booklet provides a general guide to the Australian income tax, goods and services tax and stamp duty implications of the Retail Entitlement Offer for Eligible Retail Shareholders. The guide does not take account of the individual circumstances of particular Eligible

Retail Shareholders and does not constitute tax advice. Neither Service Stream nor any of its officers or employees, nor its taxation and other advisers, accepts any liability or responsibility in respect of any statement concerning taxation consequences, or in respect of the taxation consequences. Service Stream recommends that you consult your professional tax adviser in connection with the Retail Entitlement Offer.

Privacy

Service Stream collects information about each Applicant provided on an Applicant’s personalised Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant’s shareholding in Service Stream.

By submitting your personalised Entitlement and Acceptance Form, you will be providing personal information to Service Stream (directly or through its Share Registry). Service Stream collects, holds and will use that information to assess your Application. Service Stream collects your personal information to process and administer your shareholding in Service Stream and to provide related services to you. Service Stream may disclose your personal information for purposes related to your shareholding in Service Stream, including to its Share Registry, Service Stream’s related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory bodies. You can obtain access to personal information that Service Stream holds about you. To make a request for access to your personal information held by (or on behalf of) Service Stream, please contact Service Stream through its Share Registry.

Governing law

This Retail Offer Booklet, the Retail Entitlement Offer and the contracts formed on acceptance of the Applications are governed by the law of Victoria, Australia. Each Applicant submits to the exclusive jurisdiction of the courts of Victoria, Australia.

No representations

No person is authorised to give any information or to make any representation in connection with the Retail Entitlement Offer which is not contained in this Retail Offer Booklet. Any information or representation in connection with the Retail Entitlement Offer not contained in the Retail Offer Booklet may not be relied upon as having been authorised by Service Stream, its related bodies corporate or any of their respective directors, officers, employees, agents, advisers or representatives. Except as required by law, and only to the extent so required, none of Service Stream, its related bodies corporate or any their respective directors, officers, employees, agents, advisers or representatives, or any other person, warrants or guarantees the future performance of Service Stream or any return on any investment made pursuant to this Retail Offer Booklet.

Past performance

Investors should note that any past performance information given in this Retail Offer Booklet is provided for illustrative purposes only and should not be relied upon as, and is not, an indication of future Service Stream performance, including future share price performance.

Future performance and forward-looking statements

This Retail Offer Booklet contains certain “forward-looking statements” that are based on management’s beliefs, assumptions and expectations and on information currently available to management. Forward-looking statements can generally be identified

by the use of forward-looking words such as, “expect”, “anticipate”, “likely”, “intend”, “should”, “could”, “may”, “predict”, “plan”, “propose”, “will”, “believe”, “forecast”, “estimate”, “target”, “outlook”, “guidance” and other similar expressions within the meaning of securities laws of applicable jurisdictions. Such forward-looking statements include statements regarding the timetable, conduct and outcome of the Entitlement Offer and the use of proceeds thereof, statements about the plans, objectives and strategies of the management of Service Stream, statements about the industry and the markets in which Service Stream operates and statements about the future performance of the Service Stream Group businesses. Indications of, and guidance or outlook on, future earnings or financial position or performance, future earnings and distributions are also forward-looking statements.

You are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the outbreak of COVID-19.

Any such statements, opinions and estimates in this Retail Offer Booklet speak only as of the date hereof and are based on assumptions and contingencies subject to change without notice, as are statements about market and industry trends, projections, guidance and estimates. Forward-looking statements are provided as a general guide only. The forward-looking statements contained in this Retail Offer Booklet are not indications, guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of Service Stream, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Forward-looking statements may also assume the success of Service Stream’s business strategies. The success of any of these strategies is subject to uncertainties and contingencies beyond Service Stream’s control, and no assurance can be given that any of the strategies will be effective or that the anticipated benefits from the strategies will be realised in the period for which the forward looking statements may have been prepared or otherwise. Refer to the “Key risks” on slides 37 to 44 of the Investor Presentation for a non-exhaustive summary of certain acquisition, business, general and Offer risk factors that may affect Service Stream. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements, including (without limitation) the risks and uncertainties associated with the ongoing impacts of COVID-19, the Australian and global economic environment and capital market conditions and other risk factors set out in the Investor Presentation. Investors should consider the forward-looking statements contained in this Retail Offer Booklet in light of those risks and disclosures. The forward-looking statements are based on information available to Service Stream as at the date of this Retail Offer Booklet. No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including Service Stream or any of its advisers). In particular, no representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward-looking statements in this Retail Offer Booklet will actually occur. Actual operations, results, performance, production targets or achievement may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. Except as required by law or regulation (including the Listing Rules), Service Stream disclaims any obligation or undertaking to update forward-looking statements in this Retail Offer Booklet to reflect any changes in expectations in relation to any forward-looking statement or change in events, circumstances or conditions on which any statement is based.

Underwriter

The Underwriter has acted as manager and underwriter to the Offer (including the Retail Entitlement Offer). The Underwriter, nor any of its respective affiliates, shareholders or related bodies corporate (as that term is defined in the Corporations Act), nor any of their respective directors, employees, officers, representatives, agents, partners, consultants, affiliates, advisers or intermediaries (together the “**Underwriter Parties**”), nor the advisers to Service Stream or any other person including clients named in this document (other than Service Stream), have authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this Retail Offer Booklet (or any other materials released by Service Stream) and the Underwriter Parties do not make or purport to make, and have not authorised, approved or verified, any statement (including any forward-looking statement) in this Retail Offer Booklet and there is no statement in this Retail Offer Booklet which is based on any statement by any of them.

The Underwriter is a full service financial institution engaged in various activities, which may include trading, financing, financial advisory, investment management, research, principal investment, hedging, market making, brokerage and other financial and non-financial activities including for which it has received or may receive customary fees and expenses. The Underwriter or other Underwriter Parties may have interests in the shares of Service Stream, including being directors of, or providing investment banking services to, Service Stream.

The Underwriter is acting for and providing services to Service Stream in relation to the Offer and will not be acting for or providing services to Shareholders or potential investors. The Underwriter has been engaged solely as an independent contractor and is acting solely in a contractual relationship on an arm’s length basis with Service Stream. The engagement of the Underwriter is not intended to create any fiduciary obligations, agency or other relationship between the Underwriter and Shareholders or potential investors and no Underwriter Party accepts any fiduciary obligations owed to or relationship with any investor or potential investor in connection with the Offer or otherwise, and by accepting this Retail Offer Booklet each recipient expressly disclaims any fiduciary relationship and agrees that it is responsible for making its own independent judgements with respect to the Offer, and any other transaction or other matter arising in connection with this Retail Offer Booklet.

The Underwriter will receive fees and expenses for acting as manager and underwriter to the Offer. The Underwriter Parties may, from time to time, hold interests in the securities of, or earn brokerage, fees or other benefits from Service Stream and may in the future be lenders to Service Stream or its affiliates.

Disclaimer

Determination of eligibility of investors for the purposes of the institutional or retail components of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Service Stream and the Underwriter. To the maximum extent permitted by law, each of Service Stream and its respective affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers and each Underwriter Party disclaim any duty or liability (including for fault or negligence) in respect of that determination and the exercise or otherwise of that discretion. To the maximum extent permitted by law, the Underwriter Parties expressly exclude and disclaim all liability (including, without limitation, any liability arising from fault or negligence on the part of any person) and any direct, indirect, consequential or contingent loss, damage, expense or cost whatsoever incurred by you as a result of your participation in or failure to participate in the Retail Entitlement Offer and the information in this Retail Offer Booklet being inaccurate or due to information being omitted from this Retail

Offer Booklet and make no representation or warranty, express or implied, as to whether you or your related parties should participate in the Entitlement Offer nor do they make any representations or warranties, express or implied, as to the fairness, currency, accuracy, reliability or completeness of the information in this Retail Offer Booklet.

The Underwriter Parties make no representation regarding and take no responsibility for any part of this Retail Offer Booklet or any action taken by you on the basis of that information. To the maximum extent permitted by law, the Underwriter Parties exclude and disclaim all liability (including, without limitation, any liability arising from fault or negligence on the part of any person) and any direct, indirect, consequential or contingent loss, damage, expense or cost whatsoever arising from the use of any part of this Retail Offer Booklet or otherwise arising in connection with it.

The Underwriter Parties make no recommendation as to whether you or your related parties should participate in the Retail Entitlement Offer nor do they make any representations or warranties, express or implied, to you or any other person concerning the Entitlement Offer or any such information, and by returning your personalised Entitlement and Acceptance Form or otherwise paying for your New Shares through Bpay® in accordance with the instructions on your personalised Entitlement and Acceptance Form you represent, warrant and agree that you have not relied on any statements made by the Underwriter Parties in relation to the New Shares or the Entitlement Offer generally and you further expressly disclaim that you are in a fiduciary relationship with any of them.

The Retail Entitlement Offer is being undertaken by Service Stream and the Underwriter has no role, involvement or responsibility for the Retail Entitlement Offer.

Risks

An investment in New Shares is subject to investment and other known and unknown risks, some of which are beyond the control of Service Stream, including possible delays in repayment and loss of income and principal invested. Service Stream does not guarantee any particular rate of return or the performance of Service Stream, nor does it guarantee the repayment of capital from Service Stream or any particular tax treatment.

Shareholders should refer to the “Key risks” section of the Investor Presentation included in Section 4 of this Retail Offer Booklet for a summary of general and specific risk factors that may affect Service Stream.

Trading New Shares

To the maximum extent permitted by law, Service Stream, the Underwriter and each of their respective affiliates and related bodies corporate, and each of their respective directors, officers, partners, employees, consultants, advisers and agents will have no responsibility and disclaim all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by Service Stream or its Share Registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to.

If you are in any doubt, as to these matters you should first consult with your stockbroker, solicitor, accountant or other professional adviser.

No Entitlements trading

Entitlements are non-renounceable and cannot be traded on ASX or any other exchange, nor can they be privately transferred.

The information in this Retail Offer Booklet remains subject to change without notice.

This document has been authorised for release to ASX by the Service Stream Board of Directors.

CHAIRMAN'S LETTER

27 July 2021

Dear Shareholder,

On behalf of the Board of Service Stream Limited ("**Service Stream**"), it is my pleasure to invite you to participate in a fully underwritten pro-rata accelerated non-renounceable entitlement offer of new shares in Service Stream ("**New Shares**") at an issue price of \$0.90 per New Share ("**Entitlement Offer**").

Offer

The Entitlement Offer forms part of the equity raising as announced by Service Stream on Wednesday, 21 July 2021. The Offer is being conducted in conjunction with an underwritten placement of ordinary shares to institutional investors ("**Placement**") to raise in aggregate approximately \$185 million.

The Entitlement Offer comprises an institutional component to raise approximately \$67.7 million ("**Institutional Entitlement Offer**"), and a retail component to raise approximately \$55.4 million ("**Retail Entitlement Offer**"). The Institutional Entitlement Offer and Placement is proposed to complete on Monday, 2 August 2021, and together will raise approximately \$129.6 million.

This Retail Offer Booklet relates to the Retail Entitlement Offer.

The Offer is underwritten by Ord Minnett Limited (ACN 002 733 048) subject to the terms of the Underwriting Agreement (see Section 5.6 of this Retail Offer Booklet).

Use of proceeds

As announced on Wednesday, 21 July 2021, Service Stream has entered into a binding agreement ("**Acquisition Agreement**") to acquire 100% of all the issued shares of Lendlease Services Pty Limited (ACN 081 540 847) ("**Lendlease Services**") for an enterprise value of \$310 million, less adjustments for debt and debt-like items.

Proceeds raised from the Placement and Entitlement Offer will be used to partly fund the upfront purchase price of Lendlease Services and pay associated transaction costs.

Acquisition of Lendlease Services

Lendlease Services is a leading national service business providing Operations and Maintenance (O&M) and specialist Design and Construction (D&C) services across the telecommunications, utilities and transportation sectors.

Lendlease Services provides a comprehensive range of specialist capabilities and service offerings, supporting critical infrastructure at each stage of its life cycle. The business holds a strong portfolio of client contracts with asset owners, operators, government and government related entities, with many longstanding relationships maintained over successive renewal periods and some exceeding 20+ years.

The business also has a strong national presence, with an experienced management team and skilled workforce of more than 2,200 employees across Australia, and access to a pool of skilled subcontractors.

As part of Service Stream's strategy, Service Stream continues to actively assess opportunities across current and adjacent markets which support diversification and future growth. Successful execution of Service Stream's strategy to date has been demonstrated by its successful acquisition and integration of Comdain Infrastructure in January 2019 which substantially expanded its service offerings and bolstered utility operations.

Service Stream believes that Lendlease Services is highly complementary to the Service Stream portfolio and aligns with Service Stream's strategy of diversifying revenues, enhancing capabilities and expanding Service Stream's addressable markets. The acquisition of Lendlease Services adds new transportation (roads), electricity and industrial maintenance businesses, and deepens existing Service Stream telecommunications and water maintenance capabilities providing further organic growth avenues.

The combination of Lendlease Services and Service Stream would create a leading multi-network service provider with diversified operations across Australia's essential infrastructure.

The Acquisition is expected to deliver attractive financial synergies, including FY22 pro forma EPS accretion of approximately 30% before one-off transaction and implementation costs.

Further information about the Acquisition, including its strategic and financial benefits, is detailed in Service Stream's ASX Announcement and investor presentation lodged with the ASX on Wednesday, 21 July 2021 (and included in this Retail Offer Booklet in Section 4).

Retail Entitlement Offer

Under the Retail Entitlement Offer, Eligible Retail Shareholders have the opportunity to invest at the same price as the Institutional Investors who participated in the Institutional Entitlement Offer.

Under the Retail Entitlement Offer, Eligible Retail Shareholders can subscribe for 1 New Share for every 3 Shares they hold as at the Record Date at an offer price of \$0.90 per New Share. The Offer Price under the Retail Entitlement Offer is the same Offer Price as for the Institutional Entitlement Offer, and represents a:

- discount of 6.2% to the closing price of \$0.96 on Tuesday, 20 July 2021;
- discount of 10.4% to the 5-day VWAP² of \$1.0050 as at Tuesday, 20 July 2021; and
- discount of 4.3% to the TERP³ of \$0.94.

New Shares issued under the Offer will rank equally with Existing Shares.

The number of New Shares for which you are entitled to subscribe for under the Retail Entitlement Offer is set out in your personalised Entitlement and Acceptance Form that will accompany this Retail Offer Booklet when it is dispatched to Eligible Retail Shareholders on Tuesday, 27 July 2021. Shareholders in the United States are not eligible to participate in the Retail Entitlement Offer. Similarly, Shareholders (including nominees and custodians) who hold Shares on behalf of persons in the United States, or who are acting for the account or benefit of persons in the United States, are not eligible to participate in the Retail Entitlement Offer on behalf of those persons (to the extent that such person holds shares for the account or benefit of a person in the United States).

Under the Retail Entitlement Offer, Eligible Retail Shareholders that take up their full Entitlement may also apply for Additional New Shares in excess of their Entitlement, up to a maximum of 100% of their Entitlement, at the Offer Price ("**Oversubscription Facility**"). Service Stream is providing the Oversubscription Facility to provide Eligible Retail Shareholders with the opportunity to acquire Additional New Shares to minimise the dilutionary impact of the Placement.

Additional New Shares will only be available under the Oversubscription Facility to the extent that there are Entitlements under the Retail Entitlement Offer that are not taken up by Eligible Retail Shareholders. Applications under the Oversubscription Facility will be subject to scale back if Eligible Retail Shareholders apply for more Additional New Shares than available under the Oversubscription Facility (see Section 3.4 of this Retail Offer Booklet for further information). There is no guarantee that Eligible Retail Shareholders will receive the number of Additional New Shares applied for under the Oversubscription Facility. Directors of Service Stream are not entitled to participate in the Oversubscription Facility.

The Entitlement Offer is non-renounceable and therefore your Entitlements will not be tradeable on ASX or otherwise transferable. This means that Eligible Retail Shareholders who do not take up their full Entitlement will receive no value for those Entitlements and their percentage holding in Service Stream will be reduced.

How to apply

To participate in the Retail Entitlement Offer, please ensure that your application monies are received before 5:00pm (Sydney time) on Monday, 9 August 2021. You can view details of your Entitlement online at www.ssmoffer.com.au. You can accept by paying your Application Monies via BPAY®.

Eligible Retail Shareholders in Australia are required to pay Application Monies using BPAY®. If you pay via BPAY® you are not required to submit the Entitlement and Acceptance Form but are taken to make the declarations, representations and warranties on that form and representations outlined below in Section 3.11 of this Retail Offer Booklet.

For Eligible Retail Shareholders in New Zealand only, alternative EFT payment arrangements for the payment of Application Monies will be provided online at www.ssmoffer.com.au.

Cash payments will not be accepted. Additionally, due to postal delays and for public health and safety reasons in light of the COVID-19 pandemic, payments by cheque, bank draft or money order will not be accepted. If you have any difficulties in making payment via BPAY®, please contact the Offer Information Line.

Detailed payment instructions are set out in the personalised Entitlement and Acceptance Form that accompanies this Retail Offer Booklet.

Further information

Further information on the Retail Entitlement Offer and Service Stream's business is detailed in this Retail Offer Booklet. You should carefully read this Retail Offer Booklet in its entirety and consult your stockbroker, accountant or other professional adviser before making your investment decision. In particular, you should read and consider the "Key risks" section in the Investor Presentation included in Section 4 of this Retail Offer Booklet, which contains a summary of some of the general and specific risk factors that may affect Service Stream and any investment in New Shares.

If you have any questions about the Retail Entitlement Offer, please do not hesitate to contact the Offer Information Line on 1300 850 505 (from within Australia) or +61 3 9415 4000 (from outside Australia) at any time between 8.30am and 5.00pm (Sydney time), Monday to Friday during the Retail Entitlement Offer Period or visit the website www.ssmoffer.com.au.

The Board encourages you to participate in the Retail Entitlement Offer and thanks you for your continued support of Service Stream.

Yours sincerely,

Brett Gallagher

Chairman

Service Stream Limited

² Volume weighted average price.

³ Theoretical ex-rights price ("**TERP**") includes Shares issued under the Institutional Entitlement Offer, Retail Entitlement Offer and Placement. TERP is the theoretical price at which Shares should trade immediately after the ex-date for the Entitlement Offer based only on the last traded price and issuance of shares at the Offer Price in the Entitlement Offer and Placement. TERP is a theoretical calculation only and the actual price at which Service Stream's Shares trade on ASX immediately after the ex-date for the Entitlement Offer depends on many factors and may not be equal to TERP. TERP is calculated by reference to the closing price of Service Stream's Shares as traded on ASX of \$0.96 on Tuesday, 20 July 2021, being the last trading day prior to the announcement of the Entitlement Offer.

SUMMARY OF ENTITLEMENT OFFER

Institutional Entitlement Offer	
Ratio	1 New Share for every 3 Existing Shares held
Offer Price	\$0.90 per New Share
Size	Approximately 75.2 million New Shares
Gross proceeds	Approximately \$67.7 million
Retail Entitlement Offer	
Ratio	1 New Share for every 3 Existing Shares held (same as Institutional Entitlement Offer)
Offer Price	\$0.90 per New Share (same as Institutional Entitlement Offer)
Size	Approximately 61.6 million New Shares
Gross proceeds	Approximately \$55.4 million
Total gross proceeds	
Expected total gross proceeds of the Entitlement Offer	Approximately \$123.1 million

KEY DATES

Activity	Date
Announcement of the Placement and Entitlement Offer	Wednesday, 21 July 2021
Institutional Entitlement Offer and Placement opens	Wednesday, 21 July 2021
Institutional Entitlement Offer and Placement closes	Wednesday, 21 July 2021
Announcement of results of Institutional Entitlement Offer and Placement	Thursday, 22 July 2021
Shares recommence trading	Thursday, 22 July 2021
Record Date for Retail Entitlement Offer (7.00pm Sydney time)	Friday, 23 July 2021
Retail Offer Booklet lodged with ASX	Tuesday, 27 July 2021
Retail Offer Booklet and Entitlement and Acceptance Form dispatched to Eligible Retail Shareholders	Tuesday, 27 July 2021
Retail Entitlement Offer opens	Tuesday, 27 July 2021
Settlement of New Shares issued under the Institutional Entitlement Offer and Placement	Friday, 30 July 2021
New Shares issued under the Institutional Entitlement Offer and Placement and commence trading	Monday, 2 August 2021
Retail Entitlement Offer closes (5.00pm Sydney time)	Monday, 9 August 2021
Announcement of results of Retail Entitlement Offer	Thursday, 12 August 2021
Settlement of New Shares issued under the Retail Entitlement Offer	Friday, 13 August 2021
Allotment of New Shares issued under the Retail Entitlement Offer	Monday, 16 August 2021
Normal ASX trading for New Shares issued under the Retail Entitlement Offer commences	Tuesday, 17 August 2021
Dispatch of holding statements for New Shares issued under the Retail Entitlement Offer	Tuesday, 17 August 2021

This timetable above (and each reference to it or to dates in it in this Retail Offer Booklet) is indicative only and subject to change without notice. All times and dates in the timetable refer to Sydney, Australia time. Service Stream, with the prior written consent of the Underwriter, reserves the right to amend any or all of these dates and times, subject to the Corporations Act, the Listing Rules and other applicable laws. In particular, Service Stream reserves the right to extend the Closing Date for the Retail Entitlement Offer, to accept late Applications under the Retail Entitlement Offer (either generally or in particular cases) and to withdraw the Retail Entitlement Offer without prior notice. Any extension of the Closing Date will have a consequential effect on the allotment date of New Shares. The quotation of New Shares is subject to confirmation from the ASX.

Service Stream also reserves the right not to proceed with the Entitlement Offer in whole or in part at any time prior to allotment and issue of the New Shares. In that event, the relevant Application Monies (without interest) will be returned in full to Applicants.

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your Application once it has been accepted. Eligible Retail Shareholders wishing to participate in the Retail Entitlement Offer are encouraged to submit their Entitlement and Acceptance Form as soon as possible after the Retail Entitlement Offer opens.

ENQUIRIES

If you have any doubt about whether you should participate in the Retail Entitlement Offer, you should seek professional financial advice from your stockbroker, solicitor, accountant or other professional adviser before making any investment decision.

If you have questions on how to complete the Entitlement and Acceptance Form or how to take up your Entitlement or have lost your Entitlement and Acceptance Form and would like a replacement form, please contact the Offer Information Line on 1300 850 505 (inside Australia) and +61 3 9415 4000 (outside Australia) between 8.30am and 5.00pm (Sydney time) Monday to Friday during the Retail Entitlement Offer Period.

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1 SUMMARY OF OPTIONS AVAILABLE TO YOU

If you are an Eligible Retail Shareholder,⁴ you may take one of the following actions:

- take up all of your Entitlement (see Section 3.3 of this Retail Offer Booklet);
- if you take up all of your Entitlement, you may also apply for Additional New Shares under the Oversubscription Facility (see Section 3.4 of this Retail Offer Booklet);
- take up part of your Entitlement and allow the balance to lapse, in which case you will receive no value for your lapsed Entitlement (see Section 3.5 of this Retail Offer Booklet); or
- do nothing, in which case your Entitlement will lapse and you will receive no value for your lapsed Entitlement (see Section 3.6 of this Retail Offer Booklet).

If you are a retail Shareholder that is not an Eligible Retail Shareholder, you are an **Ineligible Retail Shareholder**. Ineligible Retail Shareholders are not entitled to participate in the Entitlement Offer.

Options available to you	Key considerations
Option 1: Take up all of your Entitlement	<ul style="list-style-type: none"> • You may elect to take up all of your Entitlement. • For instructions on how to take up all or part of your Retail Entitlement, see Section 3 of this Retail Offer Booklet. You will need to follow the instructions set out in the Entitlement and Acceptance Form or online at www.ssmoffer.com.au and pay your Application Monies via BPAY® so that they are received before 5.00pm on the day that the Retail Entitlement Offer closes. • The Retail Entitlement Offer closes at 5.00pm (Sydney time) on Monday, 9 August 2021. • The New Shares will rank equally in all respects with Existing Shares from their date of issue.
Option 2: Take up all of your Entitlement, and also apply for Additional New Shares under the Oversubscription Facility	<ul style="list-style-type: none"> • You may elect to take up all of your Entitlement (see Section 3 of this Retail Offer Booklet for instructions on how to do so) and also elect to purchase Additional New Shares up to a maximum of 100% of your Entitlement at the Offer Price (see Section 3 of this Retail Offer Booklet for instructions on how to take up Additional New Shares). • Additional New Shares will only be available to the extent there are Entitlements under the Retail Entitlement Offer which are not taken up by Eligible Retail Shareholders. The allocation of Additional New Shares will be subject to the availability of Additional New Shares and any scale back will be applied by Service Stream in its absolute discretion. • The New Shares and the Additional New Shares will rank equally in all respects with Existing Shares from their date of issue.
Option 3: Take up part of your Entitlement	<ul style="list-style-type: none"> • You may elect to take up part of your Entitlement (see Section 3 of this Retail Offer Booklet for instructions on how to do so). • If you do not take up your Entitlement in full, those Entitlements not taken up will lapse and you will not receive any payment or value for them. • Your Entitlement to participate in the Retail Entitlement Offer is non-renounceable, which means it is non-transferrable and cannot be sold, traded on ASX or any other exchange, nor can it be privately transferred. • If you do not take up your Entitlement in full, your proportionate holding in Service Stream will be diluted as a result of the Entitlement Offer.
Option 4: Do nothing, in which case your Entitlement will lapse and you will receive no value for your lapsed Entitlements	<ul style="list-style-type: none"> • If you do not take up your Entitlement, you will not be allocated New Shares and your Entitlement will lapse. • Your Entitlement to participate in the Retail Entitlement Offer is non-renounceable, which means it is non-transferrable and cannot be sold, traded on ASX or any other exchange, nor can it be privately transferred. • If you do not take up your Entitlement, you will not receive any payment or value for your Entitlement and your proportionate holding in Service Stream will be diluted as a result of the Entitlement Offer.

⁴ See Section 2.4 of this Retail Offer Booklet.

2 OVERVIEW OF THE ENTITLEMENT OFFER

2.1 Overview

Service Stream intends to raise approximately \$123.1 million under the Entitlement Offer. Under the Entitlement Offer, Service Stream is offering Eligible Shareholders the opportunity to subscribe for 1 New Share for every 3 Existing Shares held on the Record Date. The Offer Price per New Share is \$0.90.

Service Stream has also conducted a Placement to certain Institutional Investors which raised approximately \$61.9 million.

Service Stream will use the proceeds of the Entitlement Offer and Placement to partly fund the upfront purchase price of Lendlease Services and pay associated transaction costs.

The Entitlement Offer has two components:

- (a) **Institutional Entitlement Offer** – Eligible Institutional Shareholders were given the opportunity to take up all or part of their Entitlement, and a bookbuild process to sell Entitlements not taken up by Eligible Institutional Shareholders as well as New Shares that otherwise would have been offered to Ineligible Shareholders was carried out. The Institutional Entitlement Offer raised approximately \$67.7 million; and
- (b) **Retail Entitlement Offer** (to which this Retail Offer Booklet relates) – Eligible Retail Shareholders will be given the opportunity to take up all or part of their Entitlement, take up all of their Entitlement and apply for Additional New Shares under the Oversubscription Facility, or do nothing in respect of their Entitlement. The Retail Entitlement Offer is expected to raise approximately \$55.4 million.

Both the Institutional Entitlement Offer and the Retail Entitlement Offer are non-renounceable. Accordingly, Entitlements cannot be traded on the ASX, nor can they be sold, transferred or otherwise disposed of.

New Shares issued under the Retail Entitlement Offer are to be issued at the same price as New Shares issued under the Institutional Entitlement Offer. In addition, Eligible Shareholders' Entitlements under the Institutional Entitlement Offer and the Retail Entitlement Offer are calculated based on the same ratio.

The Entitlement Offer is underwritten by the Underwriter in accordance with the terms of the Underwriting Agreement (see Section 5.6 of this Retail Offer Booklet).

2.2 Institutional Entitlement Offer and Placement

Service Stream has already raised approximately \$129.6 million from Institutional Investors as part of the Institutional Entitlement Offer and Placement, at \$0.90 per New Share.⁵

New Shares are expected to be issued under the Institutional Entitlement Offer and Placement on Monday, 2 August 2021.

2.3 Retail Entitlement Offer

The Retail Entitlement Offer is being made pursuant to section 708AA of the Corporations Act (as notionally modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73*) which allows entitlement offers to be offered without a prospectus, provided certain conditions are satisfied.

As a result, the Retail Entitlement Offer is not being made under a prospectus and it is important for Eligible Retail Shareholders to read and understand the information on Service Stream and the Retail Entitlement Offer made publicly available prior to taking up all or part of their Entitlement or taking up all of their Entitlement and applying for Additional New Shares under the Oversubscription Facility. In particular, please refer to the materials in Section 4 of this Retail Offer Booklet, other announcements made by Service Stream (available at asx.com.au) and all other parts of this Retail Offer Booklet carefully before making any decisions in relation to your Entitlement.

The Retail Entitlement Offer constitutes an offer to Eligible Retail Shareholders, who are invited to apply for 1 New Share for every 3 Existing Shares held on the Record Date. The Offer Price of \$0.90 per New Share represents a:

- discount of 6.2% to the closing price of \$0.96 on Tuesday, 20 July 2021;
- discount of 10.4% to the 5-day VWAP of \$1.0050 as at Tuesday, 20 July 2021; and
- discount of 4.3% to the TERP⁶ of \$0.94.

Eligible Retail Shareholders who take up their full Entitlement may also apply to participate in the Oversubscription Facility by applying for Additional New Shares in excess of their Entitlement at the Offer Price, up to a maximum of 100% of their Entitlement.

⁵ Settlement of the Institutional Entitlement Offer and Placement is due to occur on Friday, 30 July 2021 and is subject to certain conditions and termination events. Refer to Section 5.6 of this Retail Offer Booklet.

⁶ Refer to footnote 2.

The Retail Entitlement Offer opens on Tuesday, 27 July 2021. This is also the date when the Retail Offer Booklet will be dispatched, along with a personalised Entitlement and Acceptance Form, to Eligible Retail Shareholders. The Retail Entitlement Offer is expected to close at 5.00pm (Sydney, Australia time) on Monday, 9 August 2021.

Please consult your financial adviser, accountant or other professional adviser if you have any queries or are uncertain about any aspect of the Retail Entitlement Offer. In particular, please refer to the “Key risks” section of the Investor Presentation (see Section 4 of this Retail Offer Booklet).

2.4 Eligibility of Retail Shareholders

The Retail Entitlement Offer is being offered to all Eligible Retail Shareholders only and has been prepared in accordance with section 708AA of the Corporations Act (as notionally modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73*).

Eligible Retail Shareholders are Shareholders on the Record Date who:

- (a) are registered as a holder of Existing Shares;
 - (b) (i) have a registered address in Australia or New Zealand as noted on Service Stream’s share register, (ii) are Institutional Investors in another Permitted Jurisdiction or (iii) are other persons that Service Stream has determined in its discretion are Eligible Retail Shareholders;
 - (c) are not in the United States and are not acting for the account or benefit of a person in the United States;
 - (d) were not invited to participate in the Institutional Entitlement Offer and were not treated as Ineligible Institutional Shareholders under the Institutional Entitlement Offer (other than as a nominee or custodian, in each case in respect of other underlying holdings), at the discretion of the Underwriter; and
 - (e) are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer,
- provided that, if a Shareholder (including a nominee or custodian) is acting for the account or benefit of a person in the United States, it may not participate in the Retail Entitlement Offer on behalf of such person.

Ineligible Retail Shareholders are Shareholders who are not Eligible Retail Shareholders, Eligible Institutional Shareholders or Ineligible Institutional Shareholders.

Service Stream has determined that it is unreasonable to extend the Retail Entitlement Offer to Ineligible Retail Shareholders because of the small number of such Shareholders, the number and value of Shares that they hold and the cost of complying with the applicable regulations in jurisdictions outside Australia and New Zealand, but reserves its right to do so (subject to compliance with relevant laws).

3 HOW TO APPLY

3.1 Your Entitlement

An Entitlement and Acceptance Form setting out your Entitlement (calculated as 1 New Share for every 3 Existing Shares held on the Record Date with fractional entitlements rounded up to the nearest whole number of New Shares) accompanies this Retail Offer Booklet and is available to view online at www.ssmoffer.com.au. Eligible Retail Shareholders may subscribe for all or part of their Entitlement. If you have more than one registered holding of Shares, you will be sent more than one Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding.

Any New Shares not taken up by the day the Retail Entitlement Offer closes may be made available to those Eligible Retail Shareholders who took up their full Entitlement and applied for Additional New Shares under the Oversubscription Facility at the Offer Price, up to a maximum of 100% of their Entitlement. To avoid doubt, Eligible Retail Shareholders may only apply for Additional New Shares if they take up 100% of their Entitlement. There is no guarantee that Eligible Retail Shareholders will receive the number of Additional New Shares applied for under the Oversubscription Facility. Additional New Shares will only be allocated to Eligible Retail Shareholders under the Oversubscription Facility if available and then only if and to the extent that Service Stream so determines, in agreement with the Underwriter. Any scale-back will be applied by Service Stream in agreement with the Underwriter. Directors of Service Stream are not entitled to participate in the Oversubscription Facility.

Please note that the Entitlement stated on your Entitlement and Acceptance Form may be in excess of the actual Entitlement you may be permitted to take up where, for example, you are holding Shares on behalf of a person in the United States (refer to the definition of Eligible Retail Shareholders in Section 2.4 of this Retail Offer Booklet).

Eligible Retail Shareholders who hold Shares in the capacity as trustee, nominee or custodian (or in any other capacity) for a person that is in the United States, or who are otherwise acting for the account or benefit of a person in the United States, cannot take up Entitlements or purchase New Shares on behalf of that person. See Section 3.13 of this Retail Offer Booklet for the notice to nominees and custodians.

Eligible Retail Shareholders should be aware that an investment in Service Stream involves both known and unknown risks. These risks include the possible loss of income and principal invested. Service Stream does not guarantee any particular rate of return or the performance of the New Shares offered under the Retail Entitlement Offer or the performance of Service Stream, nor does it guarantee repayment of capital from Service Stream. The key risks identified by Service Stream are set out in slides 37 to 44 of the Investor Presentation (see Section 4 of this Retail Offer Booklet).

3.2 Options available to you

The number of New Shares to which Eligible Retail Shareholders are entitled is shown on the Entitlement and Acceptance Form that accompanies this Retail Offer Booklet and is available to view online at www.ssmoffer.com.au. Eligible Retail Shareholders may:

- (a) take up their Entitlement in full by the Closing Date (refer to Section 3.3 of this Retail Offer Booklet);
- (b) take up all of their Entitlement in full and apply for Additional New Shares under the Oversubscription Facility by the Closing Date (refer to Section 3.4 of this Retail Offer Booklet);
- (c) take up part of their Entitlement by the Closing Date, in which case the balance of their Entitlement would lapse (refer to Section 3.5 of this Retail Offer Booklet); or
- (d) do nothing and allow their Entitlement to lapse (refer to Section 3.6 of this Retail Offer Booklet).

The Retail Entitlement Offer is an offer to Eligible Retail Shareholders only. Ineligible Retail Shareholders may not participate in the Retail Entitlement Offer.

Service Stream reserves the right to reject any Entitlement and Acceptance Form that is not correctly completed or that is received after the Closing Date. If you do not accept all or part of your Entitlement in accordance with the instructions set out in this Retail Offer Booklet, those New Shares that you would have otherwise been entitled to under the Retail Entitlement Offer (including New Shares that relate to the portion of your Entitlement that has not been accepted) will be acquired by Eligible Retail Shareholders as Additional New Shares or by the Underwriter or any sub-underwriters.

By allowing your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up your Retail Entitlement and you will not receive any value for your Retail Entitlement. Your proportionate interest in Service Stream will also be diluted.

The Closing Date for acceptance of the Retail Entitlement Offer is **5.00pm (Sydney time) on Monday, 9 August 2021** (however, that date may be varied by Service Stream, in accordance with the Listing Rules and applicable law).

3.3 Taking up all of your Entitlement

If you wish to take up all of your Entitlement, you are encouraged to make payment via BPAY® by following the instructions set out on the personalised Entitlement and Acceptance Form available online at www.ssmoffer.com.au.

If you are a Shareholder who does not have an Australian bank account or do not wish to pay via BPAY®, please contact the Offer Information Line.

If Service Stream receives an amount that is more than your full Entitlement, you are deemed to have applied for as many Additional New Shares as your excess amount will pay for in full (subject to a maximum of 100% of your Entitlement and any scale-back determined by Service Stream in agreement with the Underwriter).

Payment must be received by the Share Registry by no later than 5.00pm (Sydney time) on Monday, 9 August 2021.

3.4 Taking up all of your Entitlement and applying for Additional New Shares

If you take up all of your Entitlement, you may also apply for Additional New Shares under the Oversubscription Facility at the Offer Price, up to a maximum of 100% of your Entitlement. Any Application Monies received for more than your full Entitlement will be treated as applying for as many Additional New Shares as it will pay for in full. To avoid doubt, Eligible Retail Shareholders may only apply for Additional New Shares if they take up 100% of their Entitlement.

Additional New Shares will only be allocated to Eligible Retail Shareholders if available, and subject to the Corporations Act, Listing Rules and other applicable laws and regulations. If Eligible Retail Shareholders apply for more Additional New Shares than available under the Oversubscription Facility, Service Stream, in agreement with the Underwriter, will scale back applications for Additional New Shares in its absolute discretion having regard to the pro-rata Entitlement of Eligible Retail Shareholders who apply for Additional New Shares.

Directors of Service Stream are not entitled to participate in the Oversubscription Facility.

3.5 Taking up part of your Entitlement and allowing the balance to lapse

If you wish to take up part of your Entitlement, you are encouraged to make payment by following the instructions set out on the personalised Entitlement and Acceptance Form or available online at www.ssmoffer.com.au.

If you are a Shareholder who does not have an Australian bank account or do not wish to pay via BPAY®, please contact the Offer Information Line.

If Service Stream receives an amount that is less than the Offer Price multiplied by your Entitlement, your payment may be treated as an Application for as many New Shares as your Application Monies will pay for in full.

Eligible Retail Shareholders who do not take up their Entitlements in full will not receive any value for those Entitlements they do not take up.

3.6 Allowing your Entitlement to lapse

If you take no action, you will not be allotted your Entitlement.

Any Entitlements which you do not take up will lapse and may be acquired by Eligible Retail Shareholders under the Oversubscription Facility.

By allowing your Entitlement to lapse you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up your Entitlement. Your percentage interest in Service Stream will also be reduced as a result of the Entitlement Offer.

3.7 Consequences of not taking up all or part of your Entitlement

If you do not take up all or part of your Entitlement in accordance with the instructions set out above, your Entitlements will lapse and those New Shares for which you would have otherwise been entitled under the Retail Entitlement Offer (including New Shares that relate to the portion of your Entitlement that has not been taken up) may be acquired by Eligible Retail Shareholders under the Oversubscription Facility or acquired by the Underwriter or any sub-underwriters.

By allowing all or part of your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Shares representing that part of your Entitlement not taken up and you will not receive any value for that part of your Entitlement. Your percentage interest in Service Stream will also be diluted to the extent that New Shares are issued under the Offer.

3.8 Payment and refunds

You should pay your Application Monies using BPAY® (see below at Section 3.9 of this Retail Offer Booklet).

If you are a Shareholder who does not have an Australian bank account or do not wish to pay via BPAY®, please contact the Offer Information Line.

Service Stream will treat you as applying for as many New Shares as your payment will pay for in full up to your Entitlement and if you do pay for more than your full Entitlement, you are deemed to have applied for as many Additional New Shares as your excess amount will pay for in full (subject to a maximum of 100% of your Entitlement and any scale-back determined by Service Stream in agreement with the Underwriter).

Any Application Monies received for more than your final allocation of New Shares will be refunded as soon as practicable after the close of the Retail Entitlement Offer. No interest will be paid to applicants on any Application Monies received or refunded.

Refund amounts, if any, will be paid in Australian dollars. You will be paid either by direct credit to the nominated bank account as noted on the share register as at the Closing Date or by cheque sent by ordinary post to your address as recorded on the share register (the registered address of the first-named in the case of joint holders). If you wish to advise or change your banking instructions with the Share Registry you may do so by going to www.investorcentre.com/au before the Closing Date.

3.9 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form or available online at www.ssmoffer.com.au. You can only make payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

If you are paying by BPAY®, please make sure you use the specific Biller Code and your unique Customer Reference Number (“**CRN**”) on your Entitlement and Acceptance Form. If you have multiple holdings and consequently receive more than one personalised Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings only use the CRN specific to that holding. If you do not use the correct CRN specific to that holding your Application will not be recognised as valid.

Please note that by paying by BPAY®:

- (a) you do not need to submit your personalised Entitlement and Acceptance Form but are taken to make the declarations, representations and warranties on that Entitlement and Acceptance Form and in Section 3.11 of this Retail Offer Booklet; and
- (b) if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies; and
- (c) if you do pay for more than your full Entitlement, you are deemed to have applied for as many Additional New Shares as your excess amount will pay for in full (subject to a maximum of 100% of your Entitlement and any scale-back determined by Service Stream in agreement with the Underwriter).

It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 5.00pm (Sydney time) on Monday, 9 August 2021. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration in the timing of when you make payment.

3.10 If you are unable to pay by BPAY®

If you are a Shareholder who does not have an Australian bank account or do not wish to pay via BPAY®, please contact the Offer Information Line on 1300 850 505 (inside Australia) and +61 3 9415 4000 (outside Australia) between 8.30am and 5.00pm (Sydney time) Monday to Friday during the Retail Entitlement Offer Period.

3.11 Payment through BPAY® or submission of Entitlement and Acceptance Form is binding

A payment made through BPAY® or a completed and lodged Entitlement and Acceptance Form together with the payment of requisite Application Monies constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Retail Offer Booklet and the accompanying Entitlement and Acceptance Form and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid Application for New Shares. Service Stream’s decision whether to treat an Application as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By making a payment by BPAY® or by completing and returning your Entitlement and Acceptance Form with the requisite Application Monies, you will also be deemed to have acknowledged, represented and warranted on your own behalf and on behalf of each person on whose account you are acting that:

- (a) you are (or the person on whose account you are acting is) an Eligible Retail Shareholder;
- (b) you have received, read and understood this Retail Offer Booklet and your Entitlement and Acceptance Form in their entirety;
- (c) you agree to be bound by the terms of the Retail Entitlement Offer, the provisions of this Retail Offer Booklet (and accompanying Entitlement and Acceptance Form), and Service Stream’s constitution;
- (d) you authorise Service Stream to register you as the holder(s) of New Shares allotted to you under the Retail Entitlement Offer;

- (e) all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- (f) you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the Entitlement and Acceptance Form;
- (g) you accept that there is no cooling off period under the Retail Entitlement Offer and you acknowledge that once Service Stream receives your Entitlement and Acceptance Form or any payment of Application Monies via BPAY®, you may not withdraw your Application or funds provided except as allowed by law;
- (h) you agree to apply for and be issued up to the number of New Shares specified in the Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via BPAY®, at the Offer Price per New Share;
- (i) you authorise Service Stream, the Underwriter, the Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in your Entitlement and Acceptance Form;
- (j) you were the registered holder(s) at the Record Date of the Shares indicated on the Entitlement and Acceptance Form as being held by you on the Record Date and are an Eligible Retail Shareholder;
- (k) the information contained in this Retail Offer Booklet and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- (l) this Retail Offer Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in Service Stream and is given in the context of Service Stream's past and ongoing continuous disclosure announcements to ASX;
- (m) you acknowledge the statement of risks in the section entitled "Key risks" in the Investor Presentation (see Section 4 of this Retail Offer Booklet), and that investments in Service Stream are subject to risk;
- (n) none of Service Stream nor the Underwriter, nor their respective related bodies corporate or affiliates nor any of their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of the New Shares or the performance of Service Stream, nor do they guarantee the repayment of capital from Service Stream;
- (o) you agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of Shares on the Record Date;
- (p) you authorise Service Stream to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- (q) for the benefit of Service Stream, the Underwriter and their respective related bodies corporate and affiliates, you acknowledge that you did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, you are not an Ineligible Institutional Shareholder under the Institutional Entitlement Offer, you are not an Ineligible Retail Shareholder and are otherwise eligible to participate in the Retail Entitlement Offer;
- (r) you acknowledge and agree that:
 - (i) determination of eligibility of investors for the purposes of the Institutional Entitlement Offer and the Retail Entitlement Offer was determined by reference to a number of matters, including legal and regulatory requirements, logistical and Share Registry constraints and the discretion of Service Stream and/or the Underwriter; and
 - (ii) each of Service Stream and the Underwriter and their respective related bodies corporate and affiliates disclaim any duty or liability (including for negligence) in respect of that determination and the exercise of that discretion to the maximum extent permitted by law;
- (s) you acknowledge and agree that Service Stream, the Underwriter and each of their respective affiliates disclaim any duty or liability (including for negligence) in respect of any scale back decisions made in respect of Additional New Shares, to the maximum extent permitted by law;
- (t) the law of your jurisdiction does not prohibit you from being given this Retail Offer Booklet and the Entitlement and Acceptance Form, nor does it prohibit you from making an Application for New Shares and that you are otherwise eligible to participate in the Retail Entitlement Offer;
- (u) you are not in the United States and you are not subscribing for or purchasing New Shares for the account or benefit of a person in the United States and you are not otherwise a person to whom it would be illegal to make an offer of or issue of New Shares under the Retail Entitlement Offer and under any applicable laws and regulations;
- (v) you understand and acknowledge that the New Shares have not been, nor will be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States;
- (w) you understand that the Entitlements may not be taken up by, and the New Shares may not be offered or sold to persons in the United States or persons that are acting for the account or benefit of persons in the United States (to the extent such persons are acting for the account or benefit of a person in the United States);

- (x) you are subscribing for or purchasing the New Shares, and you acknowledge that the Entitlements and New Shares issued pursuant to the Retail Entitlement Offer may be offered or sold only, outside the United States in an “offshore transaction” (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the US Securities Act;
- (y) you are not engaged in the business of distributing securities;
- (z) you and each person on whose account you are acting have not and will not send this Retail Offer Booklet, the Entitlement and Acceptance Form or any other materials relating to the Retail Entitlement Offer to any person in the United States or any other country outside Australia and New Zealand (excluding nominees and custodians as permitted below);
- (aa) if in the future you decide to sell or otherwise transfer the New Shares acquired under the Retail Entitlement Offer you will only do so in “regular way” transactions on ASX or Chi-X where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, in the United States;
- (bb) you are eligible under applicable securities laws to exercise Entitlements and acquire New Shares under the Retail Entitlement Offer;
- (cc) if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia or New Zealand or is an Institutional Investor in another Permitted Jurisdiction, and you have not sent this Retail Offer Booklet, the Entitlement and Acceptance Form or any information relating to the Retail Entitlement Offer to any person outside Australia and New Zealand except to beneficial shareholders who are Institutional Investors in another Permitted Jurisdiction; and
- (dd) you make all other representations and warranties set out in this Retail Offer Booklet.

3.12 Brokerage and stamp duty

No brokerage fee is payable by Eligible Retail Shareholders who accept their Entitlement. No stamp duty is payable for subscribing for New Shares under the Retail Entitlement Offer.

3.13 Notice to nominees and custodians

The Retail Entitlement Offer is being made to all Eligible Retail Shareholders. Nominees or custodians with registered addresses in Australia or New Zealand, irrespective of whether they participate under the Institutional Entitlement Offer, may also be able to participate in the Retail Entitlement Offer in respect of some or all of the beneficiaries on whose behalf they hold Existing Shares, provided that the applicable beneficiary would satisfy the criteria for an Eligible Retail Shareholder.

Nominees and custodians who hold Shares as nominees or custodians will have received, or will shortly receive, a letter from Service Stream. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Retail Entitlement Offer is not available to:

- (a) beneficiaries on whose behalf they hold Existing Shares who would not satisfy the criteria for an Eligible Retail Shareholder;
- (b) Eligible Institutional Shareholders who were sent an offer to participate in the Institutional Entitlement Offer (whether they accepted their Entitlement or not);
- (c) Ineligible Institutional Shareholders who were ineligible to participate in the Institutional Entitlement Offer; or
- (d) Shareholders who are not eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

In particular, persons acting as nominees or custodians for other persons may not take up Entitlements, or subscribe for or purchase New Shares, on behalf of, or send any documents relating to the Retail Entitlement Offer to, any person in the United States or elsewhere outside Australia and New Zealand except to Institutional Investors in other Permitted Jurisdictions.

Service Stream is not required to determine whether or not any registered holder is acting as a nominee or custodian or the identity or residence of any beneficial owners of Shares. Where any holder is acting as a nominee or custodian for a foreign person, that holder, in dealing with its beneficiary, will need to assess, taking into account guidance provided in this Retail Offer Booklet, whether indirect participation by the beneficiary in the Retail Entitlement Offer is compatible with applicable foreign laws.

3.14 Rights of Service Stream

For the avoidance of doubt, Service Stream reserves the right (in its absolute sole discretion) to reduce the number of Entitlements, New Shares or Additional New Shares allocated to Eligible Retail Shareholders, or persons claiming to be Eligible Retail Shareholders, if their claims prove to be overstated or if they (or their nominees/custodians) fail to provide information to substantiate their claims. In that case Service Stream may, in its discretion and subject to the terms of the Underwriting Agreement, require the relevant Shareholder to transfer excess New Shares to the Underwriter at the Offer Price per New Share. If necessary, the relevant Shareholder may need to transfer Existing Shares held by them or purchase additional Shares on-market to meet this obligation. The relevant Shareholder will bear any and all losses and expenses caused by subscribing for New Shares in excess of their Entitlement and any actions they are required to take in this regard.

By applying under the Entitlement Offer, you irrevocably acknowledge and agree to do the above as required by Service Stream in its absolute discretion. You acknowledge that there is no time limit on the ability of Service Stream to require any of the actions set out above.

Service Stream also reserves the right to reject any acceptance of an Entitlement that it believes comes from a person who is not eligible to accept an Entitlement.

3.15 Withdrawal of the Entitlement Offer

Subject to applicable law, Service Stream reserves the right to withdraw the Entitlement Offer at any time. If Service Stream exercises this right it will refund any Application Monies received in relation to New Shares not already issued in accordance with the Corporations Act and will do so without interest being payable to Applicants. In circumstances where New Shares have been allotted under the Institutional Entitlement Offer, provided it is able to obtain any necessary regulatory relief, Service Stream will only be able to withdraw the Offer with respect to New Shares to be issued under the Retail Entitlement Offer.

Refund amounts, if any, will be paid in Australian dollars. You will be paid either by direct credit to the nominated bank account as noted on the share register as at the Closing Date or by cheque sent by ordinary post to your address as recorded on the share register (the registered address of the first-named in the case of joint holders).

3.16 Risks

Eligible Retail Shareholders should be aware that an investment in Service Stream involves risks. The key risks identified by Service Stream are set out in the "Key risks" section of the Investor Presentation in Section 4 of this Retail Offer Booklet, but these are not an exhaustive list of the risks associated with an investment in the Shares. You should consider these risks carefully in light of your personal circumstances, including financial and taxation issues, before making an investment decision in connection with the Retail Entitlement Offer.

3.17 Further enquiries

If you have not received or you have lost your Entitlement and Acceptance Form, or have any questions regarding the Entitlement Offer, please contact the Offer Information Line on 1300 850 505 (within Australia) and +61 3 9415 4000 (outside of Australia) at any time from 8.30am to 5.00pm (Sydney time) Monday to Friday, during the Retail Entitlement Offer Period. If you have any further questions, you should contact your stockbroker, solicitor, accountant or other professional adviser.

4 ASX ANNOUNCEMENT AND INVESTOR PRESENTATION

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES



ASX & MEDIA RELEASE

21 July 2021

Service Stream announces acquisition of Lendlease Services and launches \$185.0 million equity raising

HIGHLIGHTS

- Service Stream to acquire Lendlease Services, a leading national service provider operating across the telecommunication, utilities and transportation sectors
- Enterprise value of \$310 million, and an expected equity purchase price of approximately \$295 million after adjusting for debt and debt-like items¹
- Implied EV / FY21 Pro forma (FY21PF) EBITDA multiple of 6.9x pre-synergies or 5.0x post-synergies²
- Expected to deliver strong EPS-A accretion of ~30% on a FY22 pro forma (FY22PF) basis, including synergies^{3,4}
- Acquisition is highly complementary and supported by compelling strategic rationale:
 - Transformational acquisition diversifying operations and creating a leading multi-network service provider
 - Enhances capabilities and expands addressable markets
 - Complementary client base across known and familiar markets
 - Compelling synergy realisation and business combination benefits
 - Financially attractive and highly accretive to earnings
- Acquisition funded through a combination of expanded debt facilities and proceeds from a fully underwritten \$185 million equity raise⁵
- Confirmation of Service Stream FY21 unaudited EBITDA from Operations of \$80.3 million, unaudited Adjusted NPAT (NPAT-A) of \$39.1 million and statutory NPAT of \$29.4 million

¹ Enterprise value of \$310 million excludes transaction costs of approximately \$12.5 million. The equity value of \$295 million is net of estimated lease liabilities at Completion. This is an estimate only, with the final equity value subject to a net asset adjustment post-Completion.

² This assessment is based on due diligence enquiries undertaken by Service Stream in respect of Lendlease Services and the actual outcome may differ. Further, these numbers have been adjusted to include the full pro forma run-rate of synergies which are discussed in greater detail on pages 23-24 of the Investor Presentation. Please refer to the "Key Risks" section of the Investor Presentation for further information.

³ Earnings per share (EPS-A) excludes one-off costs (refer page 23 of the Investor Presentation) and any impact of acquisition accounting. FY22PF EPS-A accretion is calculated against broker consensus published in the past three months for Service Stream's FY22 EPS-A on a standalone basis. In calculating FY22PF EPS-A accretion, the Combined Group's FY22PF EPS-A is based on management's assessment, assuming the full pro forma run-rate of net synergies (\$17 million) and increased interest expense associated with the debt component of the Acquisition financing. Management's assessment considers key findings throughout the Acquisition due diligence process. The actual outcome may differ because events and actual circumstances may not occur as projected or assumed. Please refer to the "Key Risks" section of the Investor Presentation for further information.

⁴ EPS-A is calculated as NPAT-A divided by shares outstanding. NPAT-A represents net profit after tax after adding back amortisation, acquisition costs and acquisition integration costs (after tax)

⁵ Subject to the terms and conditions of an underwriting agreement which is summarised in the "Key Risks" section of the Investor Presentation.

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ACQUISITION DETAILS

Service Stream Limited (ASX:SSM) (**Service Stream**) is pleased to announce it and its subsidiary, Service Stream Holdings Pty Ltd, have entered into a binding agreement to acquire 100% of Lendlease Services Pty Ltd (**Lendlease Services**) from Lendlease Group for an enterprise value of \$310 million, less adjustments for debt and debt-like items (**Acquisition**).

The Acquisition and associated transaction costs will be funded through a combination of:

- ~\$123.1 million fully underwritten⁶ 1 for 3 Entitlement Offer
- ~\$61.9 million fully underwritten⁶ Placement
- ~\$123 million from draw down of debt facilities and available cash. Existing debt facilities increased by \$120 million to \$395 million to partially fund the Acquisition, provide for client bonding requirements, and support the expanded Group's operations post completion of the Acquisition (**Completion**)

The implied enterprise value (**EV**) / FY21PF EBITDA multiple of the Acquisition is 6.9x pre-synergies or 5.0x post-synergies.⁷

As a result of the Acquisition, pro forma net debt to FY22 pro forma (**FY22PF**) EBITDA including synergies is expected to be 1.3x at Completion, with a strong cash flow de-leveraging profile enabling the business to target a leverage ratio of less than 1.0x within 24 months of Completion.⁸

The acquisition is expected to be highly accretive to Service Stream shareholders, with EPS-A accretion of approximately 30% on a FY22PF basis.⁹ This includes the delivery of expected cost synergies but excludes one-off integration costs and costs associated with undertaking the Acquisition and Offer. Synergies are estimated to be \$17 million per annum with approximately 50% expected to be realised on a run-rate basis within 12 months of Completion, and 100% realised within 24 months of Completion. Further synergy opportunities have been identified and will be fully assessed during the integration program.

OVERVIEW OF LENDLEASE SERVICES

Lendlease Services is a leading national business providing Operations and Maintenance (O&M) and specialist Design and Construction (D&C) services across the utilities, transportation and telecommunication sectors.

Lendlease Services provides a comprehensive range of specialist capabilities, supporting critical infrastructure at each stage of its life cycle. The business holds a strong portfolio of client contracts with asset owners, operators, government and government related entities, with many longstanding relationships maintained over successive renewal periods and some exceeding 20+ years.

The business has a national presence with an experienced management team and skilled workforce of more than 2,200 employees, and access to a pool of skilled subcontractors.

⁶ Refer to footnote 5

⁷ Refer to footnote 2

⁸ Actual financial results may differ because events and actual circumstances may not occur as estimated or assumed. Please refer to the "Key Risks" section of the Investor Presentation for further information.

⁹ Refer to footnotes 3 and 4

COMPELLING STRATEGIC RATIONALE

Consistent with Service Stream's strategy, the Acquisition will diversify revenues, enhance current capabilities and expand the Group's addressable markets. Lendlease Services is highly complementary to Service Stream's existing business, with the Acquisition expected to:

- Diversify Service Stream's operations, creating a comprehensive multi-network essential service provider with increased scale and exposure to the broader infrastructure services market
- Enhance existing service offerings and provide new capabilities across electricity, water & wastewater, industrial and transportation sectors
- Complement and expand on the current client base of major asset owners, operators and government entities across the growing infrastructure services market
- Realise compelling synergies and business combination benefits, including cost synergies of ~\$17 million and further opportunities to be fully assessed during the integration process
- Be accretive to earnings, with expected FY22PF EPS-A accretion of ~30% before one-off transaction and implementation costs¹⁰

Service Stream's Managing Director, Leigh Mackender, said:

"In line with our stated strategy, the acquisition of Lendlease Services marks an exciting chapter for Service Stream, transforming the business into a diverse, multi-network essential service provider, operating across the growing infrastructure services sector.

The acquisition is highly complementary to Service Stream's existing business, expanding our utility operations, delivering an established transportation infrastructure division and enhancing Service Stream's contracted operations within the telecommunications sector.

The Acquisition will further diversify Service Stream's revenues, bolster the scale and depth of our operations and expand the Group's immediate and future addressable markets to support ongoing growth."

The Acquisition is expected to complete around November 2021, subject to satisfaction of the condition precedent in respect of counterparty consents described in the Investor Presentation and subject to satisfaction of market standard completion processes.

FINANCIAL OVERVIEW

- The Combined Group expects FY21PF revenue of ~\$1.6 billion and FY21PF EBITDA from Operations of approximately ~\$142 million, including the full-year pro forma run rate of synergies¹¹

¹⁰ Refer to footnotes 3 and 4

¹¹ Refer to footnote 2

- Cost synergies estimated to be ~\$17 million per annum, primarily driven through consolidating each of the Telecommunication and Utility divisions, rationalising corporate support functions and realising business cost efficiencies
- Expected EPS-A accretion of approximately 30% on a FY22PF basis, including synergies¹²
- Expected pro forma net debt to FY22PF EBITDA including synergies to be 1.3x at Completion¹³
- Synergy realisation and strong cashflow performance is expected to support deleveraging post transaction. Service Stream expects leverage to reduce to < 1.0x EBITDA within 24 months of Completion¹⁴

FY21 TRADING UPDATE AND FULL YEAR UNAUDITED FINANCIAL RESULTS

The table below provides detail on the preliminary and unaudited financial performance results for Service Stream for the FY21 full year: ^{15 16}

\$ million	FY21	FY20	Change
Profitability:			
Revenue	\$804.4	\$929.1	(\$124.7)
EBITDA from Operations	\$80.3	\$108.1	(\$27.8)
EBITDA from Operations %	10.0%	11.6%	(1.7%)
Adjusted NPAT (NPAT-A)	\$39.1	\$58.8	(\$19.7)
Cashflow & Capital Management:			
OCFBIT	\$74.3	\$86.4	(\$12.1)
EBITDA to OCFBIT conversion %	98.6%	81.9%	17%
Operating Cashflow	\$45.4	\$57.7	(\$12.3)
Net Cash	\$15.6	\$19.5	(\$3.9)
Statutory Profitability:			
Reported EBITDA	\$75.3	\$105.6	(\$30.2)
Statutory NPAT	\$29.4	\$49.3	(\$19.9)

Results Commentary

- FY21 unaudited revenue of \$804.4 million, down by \$124.7 million from FY20. This was driven by lower Telecommunication segment revenue following the conclusion of the nbn D&C program in FY20

¹² Refer footnotes 3 and 4

¹³ Refer to footnote 8

¹⁴ Refer to footnote 8

¹⁵ FY21 financials are estimates only, based on preliminary unaudited financial results for the year ended 30 June 2021. These results remain subject to finalisation, audit, Board review and approval and may change.

¹⁶ EBITDA from Operations and NPAT-A are non-IFRS measures. Refer to the Investor Presentation for further details of non-operational costs and amortisation of acquired customer contracts, and a reconciliation of these metrics to statutory NPAT.

and reduced activation and assurance volumes. Comdain Infrastructure achieved 10.9% revenue growth

- FY21 unaudited EBITDA from Operations of \$80.3 million, with the reduction from FY20 reflective of lower Telecommunication segment revenue
- COVID-19 restrictions impacted operations with some deferral of discretionary spend, parts shortages and delays to project schedules due to snap lockdowns and border restrictions
- FY21 unaudited Adjusted NPAT (NPAT-A) of \$39.1 million and statutory NPAT of \$29.4 million. Statutory NPAT is net of non-operational M&A and restructuring costs of \$3.5 million and \$1.5 million respectively, and amortisation of historical customer contracts (tax-effected) excluded from NPAT-A
- Net cash of \$15.6 million, driven by strong EBITDA to OCFBIT conversion of 98.6%
- The Directors have determined that a final FY21 dividend will not be declared to assist with funding the Acquisition. Resumption of dividends is expected post Completion, and will be based on business performance for the relevant period

DETAILS OF THE EQUITY RAISING

Service Stream is undertaking a fully underwritten¹⁷ Equity Raising comprising:

- A 1 for 3 Entitlement Offer of ~\$123.1 million, comprising an Institutional Entitlement Offer and a Retail Entitlement Offer; and
- A Placement of ~\$61.9 million

All shares under the Offer will be issued at \$0.90 per share ("**Offer Price**"). Approximately 205.6 million new fully paid ordinary shares in Service Stream ("**New Shares**") will be issued, which is equivalent to approximately 50.1% of existing ordinary shares on issue.

The Offer Price represents a:

- 6.2% discount to the last traded price of \$0.96 on Tuesday, 20th July 2021;
- 10.4% discount to the 5-day VWAP as at Tuesday, 20th July 2021 of \$1.005; and
- 4.3% discount to TERP¹⁸ of \$0.94.

Each New Share issued under the Equity Raising will rank equally with all existing fully paid ordinary SSM shares ("**Shares**") on issue and will be eligible for any dividend declared for the financial year ending 30 June 2022, including any dividend declared for the half year to 31 December 2021. Service Stream will apply for quotation of New Shares on the ASX.

¹⁷ Refer to footnote 5

¹⁸ Theoretical ex-rights price ("TERP") includes shares issued under the Placement, Institutional Entitlement Offer and the Retail Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Service Stream shares trade immediately following the ex-date for the Entitlement Offer may be different from TERP. TERP is calculated by reference to the closing price of Service Stream's shares as traded on ASX of \$0.96 on 20th July 2021, being the last trading day prior to the announcement of the Entitlement Offer.

Placement

The fully underwritten Placement of ~\$61.9 million will be offered to sophisticated and institutional investors in Australia and certain overseas jurisdictions at the Offer Price. The Placement is being conducted today, Wednesday, 21st July 2021. Approximately 68.8 million New Shares will be issued as part of the Placement.¹⁹

Entitlement Offer

The fully underwritten Entitlement Offer of ~\$123.1 million will consists of a 1 for 3 accelerated pro-rata non-renounceable entitlement offer, comprising:

- a fully underwritten institutional entitlement offer of ~75.2 million New Shares to raise ~\$67.7 million ("**Institutional Entitlement Offer**"); and
- a fully underwritten retail entitlement offer of ~61.6 million New Shares to raise ~\$55.4 million ("**Retail Entitlement Offer**").

Under the Entitlement Offer, eligible shareholders are invited to subscribe for 1 Service Stream share for every 3 Shares they hold as at 7.00pm (Sydney time) on Friday, 23rd July 2021 (the Record Date). All New Shares in the Entitlement Offer will be issued at the Offer Price.

The Entitlement Offer is non-renounceable, and entitlements will not be tradeable on the ASX or be otherwise transferable. Shareholders who do not take up their full entitlement will not receive any payment or value in respect of entitlements they do not take up and their percentage equity interest in Service Stream will be diluted.

Service Stream shares will remain in trading halt pending completion of the Placement and the Institutional Entitlement Offer.

Institutional Entitlement Offer

Eligible institutional shareholders will be invited to participate in the Institutional Entitlement Offer which will take place today, Wednesday, 21st July 2021. Eligible institutional shareholders may opt to take up all, part or none of their entitlement.

Institutional entitlements that eligible institutional shareholders do not take up by the close of the Institutional Entitlement Offer, and institutional entitlements that would otherwise have been offered to ineligible institutional shareholders, will be offered to eligible institutional shareholders who apply for New Shares in excess of their entitlement, as well as to certain other eligible institutional investors who bid into the Placement being conducted concurrently with the Institutional Entitlement Offer.

¹⁹ ASX has granted Service Stream a standard waiver from Listing Rule 7.1, to enable Service Stream to undertake the Placement with an expanded placement capacity given the Entitlement Offer is fully underwritten. The Placement is within Service Stream's expanded placement capacity.

Retail Entitlement Offer

Eligible retail shareholders registered as a shareholder of Service Stream in Australia and New Zealand as at 7.00pm on Friday, 23rd July 2021 will be invited to participate in the Retail Entitlement Offer at the same Offer Price and offer ratio as under the Institutional Entitlement Offer. The Retail Entitlement Offer will open on Tuesday, 27th July 2021 and close at 5:00pm on Monday, 9th August 2021.

Eligible retail shareholders will be sent an information booklet (**Retail Entitlement Offer Booklet**) including a personalised entitlement and acceptance form on Tuesday, 27th July 2021. The Retail Entitlement Offer Booklet will provide the details of how to participate in the Retail Entitlement Offer. A copy of the Retail Entitlement Offer Booklet will also be lodged with the ASX on Tuesday, 27th July 2021. Eligible retail shareholders may opt to take up all, part or none of their entitlement.

In addition to each eligible retail shareholder's entitlement under the Retail Entitlement Offer, eligible shareholders will be offered the opportunity to apply for additional New Shares (up to 100% of their entitlement) under a 'top-up' facility (**Top-up Facility**). Eligible retail shareholders are not assured of being allocated any New Shares in excess of their entitlement under the Top-up Facility. New Shares allocated under the Top-up Facility will be allocated in accordance with the allocation policy outlined in the Retail Entitlement Offer Booklet. Service Stream retains absolute discretion regarding allocation under the Top-up Facility.

Service Stream may (in its absolute discretion) extend the Retail Entitlement Offer to any institutional shareholder that was eligible to, but was not invited to participate in, the Institutional Entitlement Offer (subject to compliance with relevant laws).

Director and Key Management Participation

All Directors will participate in the Retail Entitlement Offer component of the Equity Raising. Directors of Service Stream will not participate in the Placement.

As a result of the Equity Raising, the relevant interests of each Director in Service Stream shares will be diluted. Further details of this dilutionary effect will be contained in the Retail Offer Booklet.

Key Service Stream executives and select senior staff members (including the CFO) intend to participate in the Equity Raising in an amount, in aggregate, of approximately \$2.3 million.

KEY DATES FOR THE EQUITY RAISING

Event	Date ²⁰
Trading halt and announcement of the Acquisition and Entitlement Offer and Institutional Entitlement Offer opens	Wednesday, 21 July 2021
Institutional Entitlement Offer closes	5.00pm Wednesday, 21 July 2021
Announcement of results of Institutional Entitlement Offer	Thursday, 22 July 2021
Trading halt lifted – shares recommence trading on ASX on an “ex-entitlement” basis	Thursday, 22 July 2021
Record Date for Entitlement Offer	7.00pm Friday, 23 July 2021
Retail Offer Booklet dispatched and Retail Entitlement Offer opens	Tuesday, 27 July 2021
Settlement of Placement and Institutional Entitlement Offer	Friday, 30 July 2021
Allotment and normal trading of New Shares under the Placement and Institutional Entitlement Offer	Monday, 2 August 2021
Retail Entitlement Offer closes	5.00pm Monday, 9 August 2021
Settlement of New Shares under the Retail Entitlement Offer	Friday, 13 August 2021
Allotment of New Shares under the Retail Entitlement Offer	Monday, 16 August 2021
Normal trading of New Shares issued under the Retail Entitlement Offer	Tuesday, 17 August 2021

ADDITIONAL INFORMATION

Further details of the Acquisition and the Offer are set out in the Investor Presentation provided to the ASX today. The Investor Presentation includes important information including key risks and foreign selling restrictions in relation to the Equity Raising.

²⁰ The above timetable is indicative only and subject to change. The commencement and quotation of securities is subject to confirmation from ASX. Subject to the requirements of the Corporations Act, the ASX Listing Rules and other applicable rules, Service Stream reserves the right to amend this timetable at any time subject to the written consent of the Underwriter (subject to the terms of the Underwriting Agreement), including extending the period for the Entitlement Offer or accepting late applications, either generally or in particular cases, without notice.



Ord Minnett Limited is acting as lead manager, bookrunner and underwriter to the Equity Raising.

Macquarie Capital (Australia) Limited is acting as financial adviser in relation to the Acquisition.

King and Wood Mallesons is acting as legal adviser in relation to the Acquisition and Equity Raising.

If you have any questions in relation to the details of the Entitlement Offer, please contact the Service Stream Offer Line on 1300 850 505 (from within Australia) or +61 3 9415 4000 (from outside Australia) between 8:30am and 5:00pm (AEST) Monday to Friday during the Retail Entitlement Offer Period. For other questions, you should consult your broker, solicitor, accountant, financial adviser, or other professional adviser.

For further details contact:

Service Stream Limited

Leigh Mackender, Managing Director

Tel: +61 3 9937 6350

Service Stream Limited

Linda Kow, Chief Financial Officer

Tel: +61 3 9937 6350

About Service Stream Limited:

Service Stream is a public company listed on the Australian Securities Exchange (Code: SSM). Service Stream is a provider of essential network services to the telecommunications and utility sectors. Service Stream operates across all states and territories, has a workforce in excess of 2,200 employees and access to a pool of over 3,000 specialist contractors. For more information please visit www.servicestream.com.au

SERVICE STREAM LIMITED

Acquisition of Lendlease Services and Capital Raising

21 July 2021



Important Notice & Disclaimer

The following important notice and disclaimer applies to this investor presentation ("**Presentation**") and you are therefore advised to read this carefully before reading or making any other use of this Presentation or any information contained in this Presentation. By accepting this Presentation you represent and warrant that you are entitled to receive this Presentation in accordance with the restrictions, and agree to be bound by the limitations, contained within it. This Presentation has been prepared by Service Stream Limited (ACN 072 369 870) ("**SSM**") and is dated 21 July 2021. This Presentation has been prepared in connection with SSM's proposed acquisition of Lendlease Services Pty Limited (ACN 081 540 847) ("**Lendlease Services**") (the "**Acquisition**") and:

- an underwritten institutional placement of new fully paid ordinary shares in SSM ("**New Shares**") to certain institutional and sophisticated investors ("**Placement**"); and
- an underwritten accelerated non-renounceable pro rata entitlement offer of New Shares to eligible existing shareholders of SSM ("**Entitlement Offer**"), (the Placement and Entitlement Offer are together, the "**Offer**").

The Entitlement Offer will comprise of an offer:

- to eligible institutional shareholders of SSM in certain permitted jurisdictions; and
- to eligible retail shareholders of SSM in Australia and New Zealand ("**Retail Entitlement Offer**"), under section 708AA of the Corporations Act 2001 (Cth) ("**Corporations Act**") as modified by the Australian Securities and Investments Commission ("**ASIC**") Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73.

The distribution of this Presentation in jurisdictions outside Australia and New Zealand may be restricted by law and you should observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

SUMMARY INFORMATION

This Presentation contains summary information about the current activities of SSM and its subsidiaries as at the date of this Presentation. The information in this Presentation is of a general nature and does not purport to be complete. This Presentation does not purport to contain all the information that an investor should consider when making an investment decision nor does it contain all the information which would be required in a disclosure document prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with SSM's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange ("**ASX**"), which are available at www.asx.com.au.

LENDLEASE SERVICES INFORMATION

Certain information in this Presentation is based on the due diligence enquiries undertaken by SSM in respect of Lendlease Services. While steps have been taken to confirm that information, no representation or warranty, expressed or implied, is made as to its fairness, accuracy, completeness, reliability or adequacy.

SSM undertook a due diligence process in respect of the Acquisition, which relied in part on the review of financial and other information provided by Lendlease Services. Despite making reasonable efforts, SSM has not been able to verify the accuracy, reliability or completeness of all the information which was provided to it. If any such information provided to, and relied upon by, SSM in its due diligence and in its preparation of this Presentation proves to be incorrect, incomplete or misleading, there is a risk that the actual financial position and performance of Lendlease Services (and the financial position and performance of SSM following the Acquisition) may be materially different to the expectations reflected in this Presentation.

Investors should also note that there is no assurance that the due diligence conducted was conclusive, and that all material issues and risks in respect of the Acquisition have been identified and avoided or managed appropriately (for example, because it was not possible to negotiate indemnities or representations and warranties from Lendlease Services to cover all potential risks). Therefore, there is a risk that issues and risks may arise which will also have a material impact on SSM (for example, SSM may later discover liabilities or defects which were not identified through due diligence or for which there is no contractual protection for SSM). This could adversely affect the operations, financial performance and/or financial position of SSM.

FINANCIAL INFORMATION

The financial information in this Presentation is presented in an abbreviated form insofar as it does not include all of the presentation and disclosures required by the Australian Accounting Standards ("**AAS**") and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act. You should consider the basis of preparation and assumptions underlying the financial information contained in this Presentation.

The financial information for SSM contained in this Presentation has been extracted from the audited consolidated annual financial statements of SSM for the fiscal year ended 30 June 2020 and the reviewed consolidated financial statements for the 6 months ended 31 December, as lodged with the ASX pursuant to SSM's continuous disclosure obligations. All financial information disclosed in this Presentation are on a post AASB-16 basis.

The financial information for Lendlease Services contained in this Presentation has been extracted from financial information made available by Lendlease Services in connection with the Acquisition. SSM has not independently reviewed or verified such information of Lendlease Services and investors should note that neither SSM nor any other person makes any representation or warranty with respect to the accuracy, completeness or adequacy of such information. Accordingly, investors should not place undue reliance on any such information.

This Presentation also contains pro forma historical financial information to show the impact of the Acquisition as if Lendlease Services had been acquired on 31 December 2020 and the impact of the Offer.

Important Notice & Disclaimer (cont'd)

The pro forma information has not been audited or reviewed by SSM's auditors. The pro forma financial information provided in this Presentation is for illustrative purposes only and is not represented as being indicative of SSM's (nor anyone else's) views on its future financial condition and/or performance or any scale benefits, synergies or opportunities that may be realised as a result of the Acquisition. The pro forma financial information has been prepared on the basis set out on pages 8 to 10 and 30 to 32 of this Presentation.

The pro forma financial information has been prepared by SSM in accordance with the recognition and measurement principles of AAS.

Investors should also be aware that certain financial measures included in this Presentation are 'non-IFRS financial information' under ASIC Regulatory Guide 230: 'Disclosing non-IFRS financial information' published by ASIC and are not recognised under AAS and International Financial Reporting Standards ("IFRS").

Such non-IFRS financial information/non-GAAP financial measures do not have a standardised meaning prescribed by AAS or IFRS. Therefore, the non-IFRS financial information/non-GAAP financial measures may not be comparable to similarly titled measures presented by other entities and should not be construed as an alternative to other financial measures determined in accordance with AAS or IFRS.

Although SSM believes these non-IFRS financial information/non-GAAP financial measures provide useful information to investors in measuring the financial performance and condition of its business, investors are cautioned not to place undue reliance on any non-IFRS financial information/non-GAAP financial measures included in this Presentation.

All dollar values are in Australian dollars ("A\$" or "\$"). A number of figures, amounts, percentages, estimates, calculations of value and fractions in this Presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Presentation.

PAST PERFORMANCE

Past performance and pro forma historical information in this Presentation is given for illustrative purposes only and should not be relied upon (and is not) an indication of future performance including future share price information.

FORWARD LOOKING STATEMENTS

This Presentation contains certain "forward-looking statements". The words "forecast", "estimate", "likely", "anticipate", "believe", "expect", "project", "opinion", "predict", "outlook", "guidance", "intend", "should", "could", "may", "target", "plan", "project", "consider", "foresee", "aim", "will", "seek" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements, and include statements in this Presentation regarding the potential impact and duration of the global COVID-19 pandemic, the timing, impact and outcome of the Acquisition (including integration), the conduct and outcome of the Offer, the use of proceeds, the future performance of SSM and Lendlease Services post-Acquisition, estimated net synergies and scale benefits after combination with Lendlease Services, SSM's outstanding debt, and SSM's outlook for FY21.

Forward-looking statements, opinions and estimates provided in this Presentation are based on assumptions and contingencies which are subject to change without notice and involve known and unknown risks, uncertainties, assumptions, contingencies and other factors, many of which are beyond the control of SSM and its related bodies corporate and affiliates and each of their respective directors, securityholders, officers, employees, partners, agents, advisers and management. These statements may assume the success of SSM's business strategies and the integration of Lendlease Services following completion of the Acquisition, the success of which may not be realised within the period for which the forward-looking statements may have been prepared, or at all.

Investors are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the COVID-19 pandemic.

Nothing in this Presentation is a promise or representation as to the future. Forward-looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Actual results, performance or achievements may vary materially from those expressed or implied in those statements and any projections and assumptions on which these statements are based. These statements may assume the success of SSM's business strategies and the integration of Lendlease Services following completion of the Acquisition, the success of which may not be realised within the period for which the forward-looking statements may have been prepared, or at all.

No guarantee, representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns, statements or tax treatment in relation to future matters contained in this Presentation. The forward-looking statements are based only on information available to SSM as at the date of this Presentation. Except as required by applicable laws or regulations, none of SSM, its representatives or advisers undertake any obligation to provide any additional or updated information or revise the forward-looking statements or other statements in this Presentation, whether as a result of a change in expectations or assumptions, new information, future events, results or circumstances.

NOT AN OFFER IN THE UNITED STATES

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The New Shares have not been, nor will be, registered under the U.S. Securities Act of 1933 or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements may not be taken up by, and the New Shares may not be offered or sold to persons in the United States, except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States.

Refer to the 'International offer restrictions' on page 46 of this Presentation for more information.

INFORMATION AND LIABILITY

No party other than SSM has authorised, permitted or caused the issue, submission, dispatch or provision of this Presentation or makes or purports to make any statement in this Presentation. Ord Minnett Limited (ACN 002 733 048) ("Underwriter") is the sole lead manager, bookrunner and underwriter to the Offer. A summary of the key terms of the Underwriting Agreement is included in Section 7 "Key Risks" of this Presentation. To the maximum extent permitted by law, each of SSM, the Underwriter and their respective affiliates and related bodies corporate and each of their respective directors, officers, partners, employees, agents and advisers (together, the "Beneficiaries") exclude and expressly disclaim:

- all duty and liability (including, without limitation, any liability arising from fault, negligence or negligent misstatement) for any expenses, losses, damage or costs (whether foreseeable or not) incurred by you as a result of your participation in, or failure to participate in, the Offer or the information in this Presentation being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise;
- any obligations or undertaking to release any updates or revisions to the information in this Presentation to reflect any change in expectations or assumptions; and
- all liabilities in respect of, and make no representation or warranty, express or implied, as to the fairness, currency, accuracy, reliability or completeness of information in this Presentation or any constituent or associated presentation, information or material, or the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects or returns (or any event or results expressed or implied in any forward looking statement) contained in, implied by, the information in this Presentation or any part of it, or that this Presentation contains all material information about SSM or which a prospective investor or purchaser may require in evaluating a possible investment in SSM or acquisition of securities in SSM.

The Underwriter and its Beneficiaries:

- have not independently verified any of the information in this Presentation and take no responsibility for any part of this Presentation or the Offer;
- have not authorised, permitted or caused the issue, lodgement, submission, dispatch or provision of this Presentation;
- make no recommendations as to whether you or your related parties should participate in the Offer nor do they make any representations or warranties to you concerning the Offer; and
- do not make or purport to make any statements in this Presentation and there is no statement in this Presentation which is based on any statement by any of them.

You represent, warrant and agree that you have not relied on any statements made by the Underwriter or its Beneficiaries in relation to the Offer and you further expressly disclaim that you are in a fiduciary relationship with any of them. You undertake that you will not seek to sue or hold the Underwriter and its Beneficiaries liable in any respect in connection with this Presentation or the Offer (to the maximum extent permitted by law).

You acknowledge and agree that:

- determination of eligibility of investors for the purposes of the Offer is determined by reference to a number of matters, including legal and regulatory requirements and the discretion of SSM and the Underwriter. You further acknowledge and agree that each of SSM and the Underwriter and their respective Beneficiaries exclude and expressly disclaim any duty or liability (including, without limitation, any liability arising from fault, negligence or negligent misstatement) in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law;
- allocations are at the sole discretion of the Underwriter and/or SSM. The Underwriter and SSM disclaim any duty or liability (including, without limitation, any liability arising from fault, negligence or negligent misstatement) in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law; and
- SSM reserves the right (with the prior written consent of the Underwriter (such consent not to be unreasonably withheld or delayed)) to change the timetable in its absolute discretion including by closing the Offer early, withdrawing the Offer entirely or extending the Offer closing time (generally or for particular investor(s)) in its absolute discretion (but have no obligation to do so), without recourse to SSM or notice to you. Furthermore, communications that a transaction is "covered" (i.e. aggregate demand indications exceed the amount of the security offered) are not an assurance that the transaction will be fully distributed.

You acknowledge that SSM and the Underwriter (and their respective Beneficiaries) are relying on you complying with this Important Notice and Disclaimer and on the truth and accuracy of the acknowledgements given by you.

The Underwriter and its affiliates are full service financial institutions engaged in various activities, which may include trading, financing, corporate advisory, financial advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Underwriter and its affiliates have provided, and may in the future provide, financial advisory, financing services and other services to SSM and to persons and entities with relationships with SSM, for which they received or will receive customary fees and expenses. In the ordinary course of their various business activities, the Underwriter and its affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and those investment and trading activities may involve or relate to assets, securities and/or instruments of SSM, and/or persons and entities with relationships with SSM. The Underwriter and its affiliates may also communicate independent investment recommendations, market colour or trading ideas and/or publish or express independent research views in respect of those assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in those assets, securities and instruments.



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Important Notice & Disclaimer (cont'd)

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In connection with the Offer, one or more investors may elect to acquire an economic interest in the New Shares ("**Economic Interest**"), instead of subscribing for or acquiring the legal or beneficial interest in those shares. The Underwriter (or its affiliates) may, for their own respective accounts, write derivative transactions with those investors relating to the New Shares to provide the Economic Interest, or otherwise acquire shares in SSM in connection with the writing of those derivative transactions in the Offer and/or the secondary market. As a result of those transactions, the Underwriter (or its affiliates) may be allocated, subscribe for or acquire New Shares in the Offer and/or the secondary market, including to hedge those derivative transactions, as well as hold long or short positions in those shares. These transactions may, together with other shares in SSM acquired by the Underwriter (or its affiliates) in connection with their ordinary course sales and trading, principal investing and other activities, result in the Underwriter (or its affiliates) disclosing a substantial holding and earning fee.

The Underwriter (and/or its affiliates) may also receive and retain other fees, profits and financial benefits in each of the above capacities and in connection with the above activities, including in their capacity as Underwriter to the Offer.

NOT AN OFFER, ADVICE OR RECOMMENDATION

This Presentation is for information purposes only and should not be read or understood as an offer, invitation, solicitation, inducement or recommendation to subscribe, buy or sell New Shares or any other financial products in any jurisdiction. This Presentation will not form any part of any contract or commitment for the acquisition of New Shares. This Presentation is not a prospectus, disclosure statement, product disclosure statement or other offering document under Australian law or under any other law. It will not be lodged with ASIC.

Nothing contained in this Presentation constitutes financial product, investment, legal, tax or other advice or any recommendation. It does not take into account the investment objectives, financial situation or needs of any particular investor. Before making an investment decision, prospective investors should consider the appropriateness of the information in this Presentation having regard to their own investment objectives, financial situation and needs and with their own professional advice. SSM is not licensed to provide financial product advice in respect of New Shares. Cooling off rights do not apply to the acquisition of New Shares.

Each recipient of this Presentation should make its own enquiries and investigations regarding all information included in this Presentation including but not limited to the assumptions, uncertainties and contingencies which may affect future operations of SSM and the values and the impact that different future outcomes may have on SSM.

The Retail Entitlement Offer will be made on the basis of the information contained in the retail offer booklet to be prepared for eligible retail shareholders in Australia and New Zealand ("**Retail Offer Booklet**") and made available following its lodgement with ASX. Any eligible retail shareholder in Australia or New Zealand who wishes to participate in the Retail Entitlement Offer should read the Retail Offer Booklet before deciding whether to apply for New Shares under the Retail Entitlement Offer. Anyone who wishes to apply for New Shares under the Retail Entitlement Offer will need to apply in accordance with the instructions contained in the Retail Offer Booklet and the entitlement and acceptance form.

INVESTMENT RISK

An investment in SSM shares is subject to investment and other known and unknown risks, some of which are beyond the control of SSM, including possible loss of income and principal invested. SSM does not guarantee any particular rate of return or the performance of SSM, nor does it guarantee the repayment of capital from SSM or any particular tax treatment. In considering an investment in SSM shares, investors should have regard to (amongst other things) the risks outlined in this Presentation. You should carefully consider these factors in light of your investment objectives, financial situation and particular needs (including financial and taxation issues) and seek professional advice from your stockbroker, solicitor, accountant, financial adviser, tax adviser or other independent professional adviser before deciding whether to invest in SSM shares.

MARKET AND INDUSTRY DATA AND OTHER INFORMATION

Certain market and industry data and other information used in this Presentation may have been obtained from research, surveys or studies conducted by third parties, including industry or general publications. Neither SSM nor its representatives or its advisers have independently verified, or can assure investors as to the accuracy of, any market or industry data or other information provided by third parties or industry or general publications.

Photographs and diagrams used in this Presentation that do not have descriptions are for illustration only and should not be interpreted to mean that any person shown in them endorses this Presentation or its contents or that the assets shown in them are owned by SSM. Diagrams used in this Presentation are illustrative only and may not be drawn to scale.

GENERAL

In this Presentation references to 'SSM', 'we', 'us' and 'our' are to Service Stream Limited and (where applicable) its controlled subsidiaries.

Statements made in this Presentation are made only as at the date of this Presentation. The information in this Presentation remains subject to change without notice. SSM may in its absolute discretion, but without being under any obligation to do so, update or supplement this Presentation. Any further information will be provided subject to the terms and conditions contained in this Important Notice and Disclaimer.

SSM reserves the right to withdraw or vary the timetable for the Offer without notice.

In consideration for being given access to this Presentation, you confirm, acknowledge and agree to the matters set out in this Important Notice and Disclaimer and any modifications notified to you and/or otherwise released on ASX.



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1. EXECUTIVE SUMMARY

Executive Summary

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Acquisition of Lendlease Services

- Service Stream has entered into a binding agreement to acquire 100% of Lendlease Services Pty Ltd (**Lendlease Services**) from Lendlease Group (the **Acquisition**) for an enterprise value of \$310 million¹ and an expected equity purchase price of ~\$295 million once debt and debt-like items are considered
 - Implied Enterprise Value (**EV**) / FY21 pro forma (**FY21PF**) EBITDA multiple of 6.9x pre-synergies or 5.0x post-synergies²
 - Acquisition expected to deliver strong EPS-A accretion of ~30% on FY22 pro forma (**FY22PF**) basis^{3,4}

Overview of Lendlease Services

- Lendlease Services is a leading provider of operations and maintenance (**O&M**) and specialist design and construction (**D&C**) services
- Provides services across the Telecommunications (**Telco**), Utilities and Transportation (**Transport**) sectors
- Long standing relationships across a diverse customer base, including some of the largest private and public infrastructure clients across Australia
- Balanced and stable portfolio of long-term contracts with >\$3 billion of closing backlog revenues, providing strong visibility
- FY21 forecast (**FY21F**) revenue of \$793 million and EBITDA of \$45 million (excluding synergies)

Strategic Rationale

- Aligns with Service Stream's strategy of diversifying revenues, enhancing capabilities and expanding the Group's addressable markets
- Adds new transportation (roads), electricity and industrial maintenance businesses, and deepens existing Service Stream telecommunications and water maintenance capabilities providing further organic growth avenues
- Highly complementary acquisition creating a leading multi-network service provider with diverse operations servicing Australia's essential infrastructure
- Provides additional scale to Service Stream whilst building upon the successful acquisition of Comdain Infrastructure in January 2019
- The combined group of Service Stream and Lendlease Services post-acquisition (**Combined Group**) is well positioned to benefit from the significant government stimulus spending across the infrastructure sector, and longer O&M requirements flowing from these investments
- Significant potential synergies with intent to select and adopt the best people, systems and processes from across the combined businesses

1. Enterprise value of \$310 million excludes transaction costs of ~\$12.5 million. The equity value of \$295 million takes into account estimated lease liabilities as at completion of the Acquisition (**Completion**). This is an estimate only, with the final equity value subject to a net asset adjustment post-Completion.

2. This assessment is based on the due diligence undertaken by Service Stream in respect to Lendlease Services and the actual outcome may differ. Further, these numbers have been adjusted to include the full pro forma run-rate of synergies which are discussed in greater detail on pages 23-24 of this Presentation. Please refer to the Key Risks section for further information.

3. Earnings per share (EPS-A) excludes one-off costs and any impact of acquisition accounting. FY22PF EPS-A accretion is calculated against broker consensus published in the past three months for Service Stream's FY22 EPS-A on a standalone basis. In calculating FY22PF EPS-A accretion, the Combined Group's FY22PF EPS-A is based on management's assessment, assuming the full pro forma run-rate of net synergies (\$17 million) and increased interest expense associated with the debt component of the Acquisition financing. Management's assessment considers key findings throughout the Acquisition due diligence process. The actual outcome may differ because events and actual circumstances may not occur as projected or assumed. Please refer to the Key Risks section for further information.

4. EPS-A is calculated as NPAT-A divided by shares outstanding. NPAT-A represents net profit after tax after adding back amortisation, acquisition costs and acquisition integration costs (after tax). Refer to page 50 for a reconciliation of statutory NPAT to NPAT-A.

Executive Summary (cont'd)

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Expected Financial Impact	<ul style="list-style-type: none"> Acquisition is expected to be ~30% EPS-A accretive on FY22PF basis^{1,2,3} <ul style="list-style-type: none"> Includes expected cost synergies, but excludes one-off integration costs and costs associated with undertaking the Acquisition and Offer The Combined Group expects FY21PF revenue of ~\$1.6 billion and FY21PF EBITDA from Operations of ~\$142 million, including the full pro forma run-rate of synergies Cost synergies estimated to be ~\$17 million p.a., with ~50% of run-rate synergies expected to be realised within 12 months from Completion, and 100% realised within 24 months from Completion <ul style="list-style-type: none"> Synergies are predominately cost savings associated with leveraging scale and efficiencies across the combined business Additional synergy opportunities have been identified and will be further assessed during the business integration program Expected one-off integration costs of ~\$15 million to be incurred over 18 months following Completion. Additional transitional services costs from Lendlease Group to support the separation phase is estimated at ~\$6 million Pro forma net debt / FY22PF EBITDA including synergies is expected to be 1.3x at Completion <ul style="list-style-type: none"> Strong de-leveraging profile with leverage expected to reduce to <1.0x EBITDA within 24 months from Completion Significant headroom to covenants under the existing debt facilities The Directors have determined that a final FY21 dividend will not be declared to assist with funding the Acquisition. Resumption of dividends is expected post Completion, and will be assessed on business performance over the relevant period
Funding	<ul style="list-style-type: none"> Total upfront funding requirement of ~\$307.9 million for acquisition consideration and transaction costs funded by: <ul style="list-style-type: none"> ~\$123.1 million fully underwritten⁴ 1 for 3 accelerated pro-rata, non-renounceable entitlement offer (Entitlement Offer) ~\$61.9 million fully underwritten⁴ institutional placement (Placement) (together, the Placement and Entitlement Offer is the "Offer" or "Equity Raising") \$122.9 million from draw down of debt facilities and available cash. Existing debt facilities increased by \$120 million to \$395 million to partially fund the Acquisition, provide for client bonding requirements, and support the Combined Group's operations post Completion

- Earnings per share (EPS-A) excludes one-off costs and any impact of acquisition accounting. Assumes a full year contribution from the acquisition and target run-rate synergies. This assessment is based on the due diligence undertaken by Service Stream in respect to Lendlease Services and is subject to a range of assumptions and contingencies including contract wins, value of contract wins, contract margins and timing of work being completed and billed to customers. The actual outcome may differ because events and actual circumstances may not occur as projected or assumed. Please refer to the Key Risks section for further information.
- FY22PF EPS-A accretion is calculated against broker consensus published in the past three months for Service Stream's FY22 EPS-A on a standalone basis. In calculating FY22PF EPS-A accretion, the Combined Group's FY22PF EPS-A is based on management's estimates, assuming the full pro forma run-rate of net synergies (\$17 million) and increased interest expense associated with the debt component of the Acquisition financing. Management's estimates considers key findings throughout the Acquisition due diligence process.
- EPS-A is calculated as NPAT-A divided by shares outstanding. NPAT-A represents net profit after tax after adding back amortisation, acquisition costs and acquisition integration costs (after tax). Refer to page 50 for a reconciliation of statutory NPAT to NPAT-A.
- Subject to the terms and conditions of an underwriting agreement which is summarised in the Key Risks section of this Presentation.



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Executive Summary (cont'd)

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Timing and Conditions	<ul style="list-style-type: none"> The Acquisition has received pre-approval from the Australian Competition and Consumer Commission (ACCC) and is not subject to any further regulatory approvals Completion is expected to occur around November 2021, subject to satisfaction of the condition precedent in respect of counterparty consents described on page 48 and subject to satisfaction of market standard completion processes
FY21 Update and Combined Group Outlook ¹	<ul style="list-style-type: none"> Consistent with the Business Update on 15 June 2021, Service Stream expects to report second half EBITDA from Operations in-line with first half results Service Stream confirms preliminary unaudited EBITDA from Operations of \$80.3 million and NPAT-A of \$39.1 million for FY21² Strong cash generation for the full year, with operating cash flow conversion (OCFBIT) of 98.6% Closing net cash position of \$15.6 million Statutory NPAT of \$29.4 million, including \$5.0 million of non-operational costs (M&A and restructuring) and amortisation of customer intangibles² No significant impacts across operations associated with recent COVID-19 lockdowns across various states through to the end of June. There have been some minor restrictions from the current lockdown impacting NSW operations and the business will continue to carefully monitor the changing situation The business has secured a strong backlog of work heading into FY22, with ~75% of forecast FY22 Service Stream standalone revenue currently secured¹ Acquisition provides Service Stream with a step-change to its financial and earnings profile, with expected Combined Group financials materially higher than on a Service Stream standalone basis: <ul style="list-style-type: none"> Combined Group FY22PF Revenue of ~\$1.7 billion Combined Group FY22PF EBITDA of ~\$120 – 125 million

- FY21 financials are estimates only, based on preliminary unaudited financial results for the year ended 30 June 2021. These results remain subject to finalisation, audit, Board review and approval and may change. Actual financial results may differ because events and actual circumstances may not occur as estimated or assumed. These contracts do not guarantee volume with the risk of lower volume of work being allocated. Please refer to the Key Risks section for further information.
- These underlying profit metrics are non-IFRS measures. Refer to page 50 for further details of non-operational costs and amortisation of acquired customer contracts, and a reconciliation of these metrics to statutory NPAT. NPAT-A represents net profit after tax after adding back amortisation, acquisition costs and acquisition integration costs (after tax).



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Service Stream Going Forward

Post-acquisition, Service Stream will reflect a leading Australian essential networks services business operating across the Telco, Utilities and Transport sectors, underpinned by a core earnings base and positioned for significant and sustainable long-term growth



Vision

Australia's leading essential network service provider

Our markets

TELECOMMUNICATIONS

UTILITIES

TRANSPORT INFRASTRUCTURE

Our services

DESIGN

CONSTRUCT

OPERATE

MAINTAIN



Leading essential networks services business

- ✓ Trusted partner across Telecommunications, Utilities & Transportation sectors
- ✓ 3 distinct divisions, operating across attractive market sectors
- ✓ Strong track record of safety, service delivery and customer experience
- ✓ O&M and specialist D&C capabilities



Strong core underlying business

- ✓ National capability operating across essential network infrastructure
- ✓ Proven track record of profitability and customer contract retention
- ✓ >4,400 employees and extensive pool of skilled contractors



Blue chip underlying client base

- ✓ Portfolio of clients that include some of the largest private and public infrastructure asset owners and operators in Australia
- ✓ Includes numerous long-term customer relationships with many maintained over consecutive contract renewal cycles



Customer contract life-cycle focus

- ✓ Commercial expertise and customer relationships in each state strengthened through the combination of businesses
- ✓ Contracts are typically multi-year terms with extension options
- ✓ Combined contract backlog of ~\$5.8 billion



Compelling organic growth opportunities

- ✓ Increase in industry expenditure forecast across all operating markets
- ✓ Essential and resilient operating sectors servicing critical infrastructure networks
- ✓ Extensive pipeline of opportunities across all operating markets



Experienced management team

- ✓ Highly skilled and experienced management teams will support an uplift in Combined Group's future capabilities
- ✓ Oversight from an experienced and long-standing Board of Directors



Ability to drive financial returns

- ✓ FY22PF Revenues of ~\$1.7 billion comprising ~85% secured revenue
- ✓ FY22PF EBITDA of \$120-125 million
- ✓ Significant pipeline of synergies to execute
- ✓ Strong cash flow conversion
- ✓ Conservative balance sheet

2. OVERVIEW OF LENDLEASE SERVICES



Lendlease Services Overview

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Leading provider of Operation & Maintenance (O&M) and specialist Design & Construction (D&C) services across Telecommunications, Utilities and Transportation sectors



FY2021 Forecast¹
Revenue ~\$793 million
EBITDA ~\$45 million



Solid order book
of >\$3 billion
backlog revenue



> 2,200 employees and
extensive pool of skilled
contractors



Long standing contractual
relationships across blue
chip industrial client base



Specialised O&M and D&C
provider across Telco,
Utilities & Transportation
sectors



National capability and
footprint



Company Overview

- Lendlease Services is a provider of Operations and Maintenance and Specialist Design & Construction services across critical infrastructure
- Structured across three operating divisions:
 - Telecommunications
 - Utilities
 - Transportation Infrastructure
- Offers a comprehensive range of capabilities and services with solutions across essential assets entire life cycle
- Strong national presence, with an experienced management team and skilled workforce of > 2,200 employees across Australia²



Markets & Customers

- Diverse client base, including many of Australia's largest public and private infrastructure owners and operators
- Stable portfolio of contracts across a blue-chip industrial client base, with a number of longstanding relationships maintained and enhanced across consecutive contract renewal periods
- The majority of contracts operate under well known, lower-risk schedule of rate operating models³
- Scalable operations with exposure to a strong pipeline of opportunities across current operating sectors

1. This assessment is based on the due diligence undertaken by Service Stream in respect to Lendlease Services. Please refer to the Key Risks section for further information.

2. Employees as of May 2021.

3. These contracts do not guarantee volume with the service provider bearing the risk of lower volume of work being allocated. Please refer to the Key Risks section for further information.

Lendlease Services Operating Divisions

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Operates across Telecommunications (Telco), Utilities (Utilities) and Transportation Infrastructure (Transport)



Telecommunications

Telco (fixed / wireless)



Design, construction, operations
and maintenance of wireless
and fixed-line network
infrastructure



Utilities

Electricity



Design, construction, operations
and maintenance of energy,
control and power distribution
assets

Water



Engineering, installation,
operations and maintenance of
water and waste-water
infrastructure

Industrial



Shutdown and maintenance
support services for industrial
and utility asset owners and
operators



Transport Infrastructure

Roads



Long-term operational support
and maintenance services to
public and private road and
tunnel asset owners

Operation & Maintenance (O&M) Capabilities

Specialist Design & Construction (D&C) Capabilities

Lendlease Services Operating Divisions (cont'd)

Broad service offering across three large and attractive infrastructure sectors

	Telecommunications	Utilities			Transport Infrastructure
	Telco	Water	Electricity	Industrial	Roads
O&M Capabilities	<ul style="list-style-type: none"> Fixed network services Aerial/underground network field services Network installation Mobile/fixed wireless Network operation centre 	<ul style="list-style-type: none"> Treatment plant Pumping station and network operations Network maintenance Asset renewals 	<ul style="list-style-type: none"> Control system Distribution Assets (poles & wires) Connections and metering Engineering (e.g. loads) 	<ul style="list-style-type: none"> Process plant maintenance Major shutdown maintenance projects 	<ul style="list-style-type: none"> Control room operations Transport tolling systems Routine maintenance and periodic / minor works Bridge maintenance
Minor D&C Capabilities	<ul style="list-style-type: none"> ICT network, microwave and radio, project management Site acquisition Fixed/fibre optic Mobile network 	<ul style="list-style-type: none"> Civil construction / capital works Treatment plants including desalination 	<ul style="list-style-type: none"> Project management Distribution network assets Substations & switchyards 	<ul style="list-style-type: none"> Civil construction / capital works 	<ul style="list-style-type: none"> Minor capital works & civil construction Installation, testing and commissioning
FY21F Revenue ¹	\$276 million	\$264 million			\$253 million
Employees ²	~600	~1,100			~500
Customers	Optus; nbn; NSW Telco Authority; TransGrid; TPG	Energy Australia; Sydney Water; Coliban Water; SA Water; Viva Energy; Mobil; AusNet Services; CitiPower; Powercor Australia; TasNetworks; AGL; Ausgrid; Intellihub; South East Water			Transport NSW; VIC Roads; Mainroads WA; SA Dept for Infrastructure & Transport; Transurban

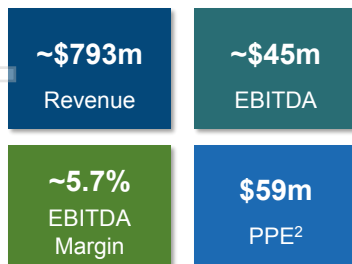
1. This assessment is based on the due diligence undertaken by Service Stream in respect to Lendlease Services. Please refer to the Key Risks section for further information.

2. Employees as of 31 May 2021. There are a further ~60 head office employees in addition to the above.

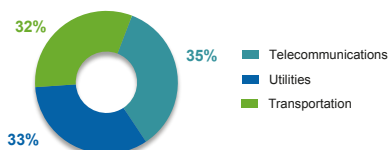
Lendlease Services Financial Overview

High quality, profitable business with a track record of financial performance

Key Financials (FY21F)¹



FY21F Revenue by Division¹



Key Highlights

- Diversified client base with balanced distribution of revenue across operating units
- >90% of FY22F revenue is currently secured¹, and underpinned by significant recent contract awards: nbn Unify Services, nbn fibre to node upgrade, SA Water and Connect Sydney – Sydney East Zones
- Significant new Property Plant & Equipment (PPE) investment expected over Q4 FY21 of \$23 million primarily supporting new contract wins. \$15 million of this investment is through operating leases (right-of-use (ROU) assets)
- Depreciation profile currently \$17 million p.a. but will increase with FY21 capex investments
- Historical working capital requirement has been variable and impacted by certain contracts. OCFBIT of ~80% in line with Service Stream targets expected over time
- Bonding requirements of \$91 million¹

1. This assessment is based on the due diligence undertaken by Service Stream in respect to Lendlease Services and the actual outcome may differ. Please refer to the Key Risks section for further information.

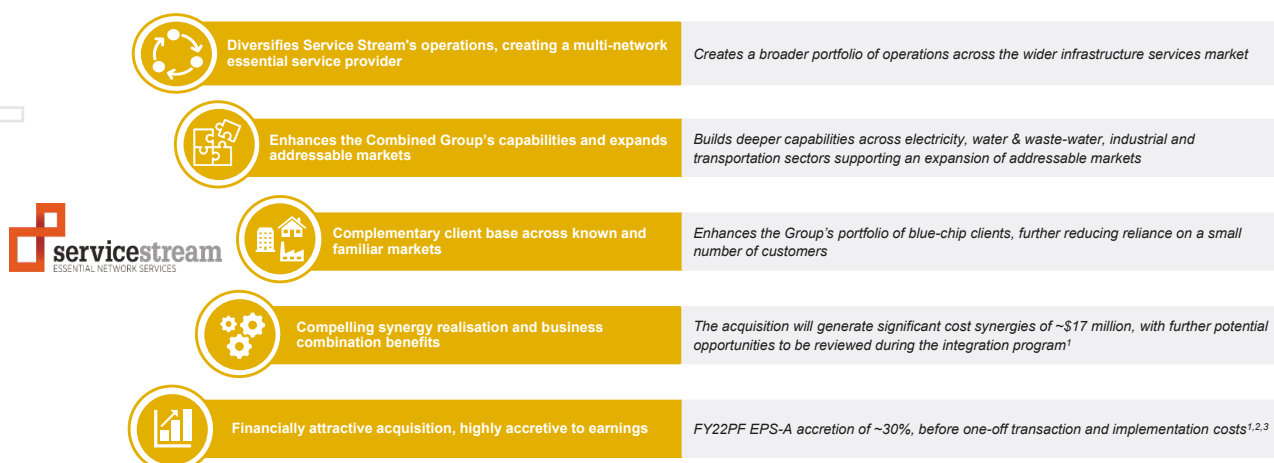
2. Property, plant & equipment (PPE) balance of \$59 million includes \$5.6 million of right-of-use assets. Values are as at March 2021.

3. STRATEGIC RATIONALE

Strategic Rationale

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Consistent with Service Stream's strategy, the acquisition of Lendlease Services will diversify revenues, enhance current capabilities and expand the Combined Group's addressable markets

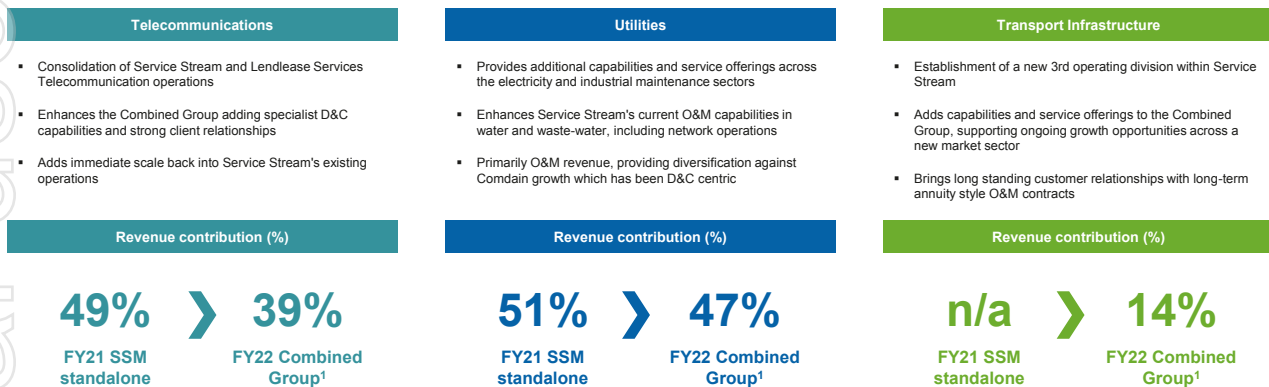


1. Actual financial results may differ because events and actual circumstances may not occur as estimated or assumed. Please refer to the Key Risks section for further information.
2. FY22PF EPS-A accretion is calculated against broker consensus published in the past three months for Service Stream's FY22 EPS-A on a standalone basis. In calculating FY22PF EPS-A accretion, the Combined Group's FY22PF EPS-A is based on management's assessment, assuming the full pro forma run-rate of net synergies (\$17 million) and increased interest expense associated with the debt component of the Acquisition financing. Management's assessment considers key findings throughout the Acquisition due diligence process.
3. EPS-A is calculated as NPAT-A divided by shares outstanding. NPAT-A represents net profit after tax after adding back amortisation, acquisition costs and acquisition integration costs (after tax).

Diversifies Operations

Creates a broader portfolio of businesses by expanding operations across the wider infrastructure services market

- Further diversifies earnings across a broader range of sectors and sub-sectors, thereby reducing exposure to cycles within a particular sector at any one time
- Whilst supporting the replacement of historical Telecommunication earnings, provides further earnings across Utilities and the addition of a new Transport unit
- Further complements the successful acquisition of Comdain Infrastructure
- The Combined Group is well positioned to benefit from the significant government and private industry investment across the infrastructure sector, and longer-term O&M requirements



1. Actual financial results may differ because events and actual circumstances may not occur as estimated or assumed. Please refer to the Key Risks section for further information.

Enhances Combined Group Capabilities

Deepens capabilities across electricity, water & waste-water, industrial and transportation sectors supporting an expansion of the Combined Group's addressable markets

Telecommunications	Utilities				Transport Infrastructure
Fixed / Wireless	Electricity	Water	Gas	Industrial	Roads
O&M Capabilities	O&M Capabilities	O&M Capabilities	O&M Capabilities	O&M Capabilities	O&M Capabilities
<ul style="list-style-type: none"> Network maintenance Network operations Customer connections Faults and emergency maintenance Mobile / fixed line wireless 	<ul style="list-style-type: none"> Control systems Distribution assets (Poles and wires) Engineering & design Routine / Programmed maintenance Connections / Metering Asset inspection Faults and emergency support 	<ul style="list-style-type: none"> Pumping stations Distribution assets Asset renewal / replacement Network maintenance Treatment plant operations Network operations Faults and emergency support 	<ul style="list-style-type: none"> Transmission assets Distribution assets Network operations Monitoring and control systems Network maintenance Faults and emergency support 	<ul style="list-style-type: none"> Process plant maintenance Programmed Shutdowns 	<ul style="list-style-type: none"> Control room operation Transport tolling systems Routine / Programmed maintenance Emergency support Bridge & Tunnel maintenance
D&C Capabilities	D&C Capabilities	D&C Capabilities	D&C Capabilities	D&C Capabilities	D&C Capabilities
<ul style="list-style-type: none"> Project Management Site acquisition and design Fixed / Wireless Network Design Fixed / Wireless Network Construction 	<ul style="list-style-type: none"> Project management Distribution (poles and wires) Substations and switchyards 	<ul style="list-style-type: none"> Project management Civil construction Distribution / Transmission pipelines Treatment plants Desalination plants 	<ul style="list-style-type: none"> Project management Civil construction Distribution / Transmission pipelines Fabrication 	<ul style="list-style-type: none"> Project Management Civil construction 	<ul style="list-style-type: none"> Intelligent transport systems installation, testing and maintenance
					Additional Lendlease Services capabilities

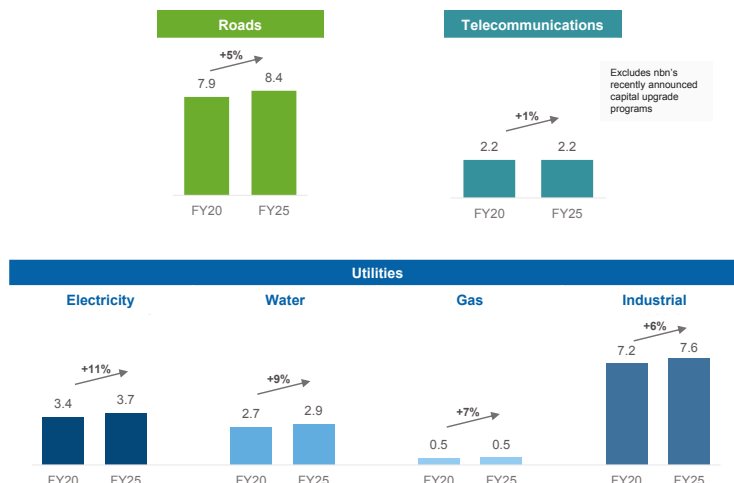
Exposure to Growing Infrastructure Sector

The Acquisition enhances Service Stream's exposure to Australia's growing Infrastructure Sector

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- The Australian maintenance services market is estimated at \$48.3 billion in FY20, and expected to average \$51.6 billion p.a. over the next 5 years¹
- The addressable market of the Combined Group is estimated at approximately half of the total Australian maintenance services market, at \$25.3 billion by 2025
- Strong industry fundamentals will continue to drive sustained demand and growth for maintenance services:
 - Large base of existing infrastructure assets in Australia that will require continued maintenance
 - New pipeline of projects benefitting from increased Government stimulus and private sector investment requiring maintenance over the long term
 - In the near term, resumption of proactive maintenance activities and upgrades deferred due to COVID-19
 - Continued trend towards outsourcing of maintenance to the private sector
 - Ageing infrastructure requiring increased maintenance and/or replacement
 - Changes to technology and safety standards requiring refresh to assets

Australian Maintenance Sector Annual Expenditure (\$ billion)¹



1. Source: BIS Oxford Economics 2021, 'Maintenance in Australia' 2021 Edition. Excludes capital expenditure forecast. Actual expenditure or amounts may differ because events and actual circumstances may not occur as estimated or assumed.

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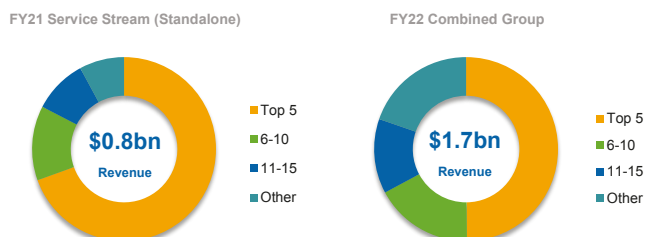
Complementary Blue-Chip Client Base

Enhances the Combined Group's portfolio of blue-chip clients, further reducing reliance on a small number of customers

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- Lendlease Services portfolio of quality clients is highly complementary to the Service Stream's existing customer base
- Strong alignment of customers without cannibalising current contracted revenues¹
- The majority of Lendlease Services' contracts are long term, O&M focussed
- The majority are based on a schedule of rates operating models, consistent with Service Stream's preferred contracting approach and risk profile²
- The Acquisition provides significant customer diversification, reducing reliance on a small number of customers²
- High quality contract book provides solid core to leverage further growth²
 - Majority (~85%) of FY22F Combined Group revenue currently secured
 - Solid contract cover positions across all business units
 - Closing contract backlog revenue at June 21 estimated at \$5.8 billion
 - Represents ~3.4 years contract cover on FY22F revenue

Pro forma Customer Concentration



1. There are a small number of overlapping contracts where the acquisition of Lendlease Services is expected to provide further market share or increased revenue through expanded regions serviced.
 2. Actual financial results may differ because events and actual circumstances may not occur as estimated or assumed. These contracts do not guarantee volume with the risk of lower volume of work being allocated. Please refer to the Key Risks section for further information.

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Compelling Acquisition Synergies

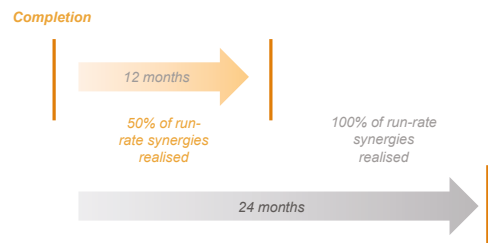
Following a detailed assessment and completion of due diligence, the business expects to realise significant cost synergies

- The acquisition of Lendlease Services is expected to generate cost synergies across the Combined Group of ~\$17 million
- Additional synergy opportunities have been identified and will be assessed during the integration program
- Whilst revenue synergies are expected over time, no value has been ascribed
- The program excludes cost & benefits from longer term IT systems consolidation with the merits of each proposal to be considered
- The business expects to incur one-time integration costs of ~\$15 million. Delivery of additional synergies may require further integration costs
- A Transitional Services Agreement (TSA) has been agreed with Lendlease Group for a period of up to 8 months post Completion, to support business continuity during the integration. The cost of the TSA over the 8-month period is estimated to be ~\$6 million

Synergy Identification

Synergy	
Business Unit Synergies	~\$8 million
Corporate Support Functions	~\$7 million
Other Cost Savings	~\$2 million
Total estimated annual synergies	~\$17 million

Delivery Timeframe



1. All information contained in this page comprises a detailed management estimate of achievable acquisition synergies. Please refer to the Key Risks section for further information.

Synergy Realisation and Business Integration

Following completion of due diligence, the business has identified significant opportunities for cost synergies and business integration

- Independent due diligence has been completed by Service Stream's advisers to identify and quantify potential synergies and assist with integration planning
- The integration program is expected to be completed over an 18-24 month period with primary focus on ensuring continuing operations and realisation of synergies
- Intent is to select and adopt the best people, systems and processes from across the combined businesses
- The integration program will leverage the framework and learnings from the successful integration of Comdain Infrastructure which was delivered on time and budget

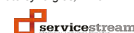
Business Unit Synergies	Corporate Support Functions	Other Cost Savings
Synergies from the consolidation of the Telecommunication and Utility divisions of ~\$8 million	Synergies from consolidation of corporate support and enabling functions of ~\$7 million	Synergies from leveraging combined scale ~\$2 million
<ul style="list-style-type: none"> Consolidation of respective Telecommunication and Utility operations into single divisions Streamlined national management structures from operational to executive levels Consolidate and align operating division support functions: <ul style="list-style-type: none"> Finance Business Development / Pre-contracts Commercial 	<ul style="list-style-type: none"> Combined Group support / enabling functions to deliver headcount savings, efficiencies and standard operating models: <ul style="list-style-type: none"> Corporate strategy, governance and leadership Finance and shared services HR HSEQ Legal Offset by increased resources required to service a larger combined business 	<ul style="list-style-type: none"> Consolidation of central state-based office locations into existing Service Stream premises Consolidation of operational depots Leverage IT infrastructure and systems Savings across indirect costs

Business Combination

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	Service Stream (standalone)	Lendlease Services	Combined Group
Business Units	Telecommunications Utilities	Telecommunications Utilities Transport Services	Telecommunications Utilities Transport Services
Revenue FY21F (\$m)	\$804.4	\$792.7	\$1,597.0
EBITDA from Operations ¹ FY21F (\$m)	\$80.3	\$44.9	\$125.3
Employees	2,218	2,244	4,462
Revenue by segment (FY21F)	<p>Telco 51% Utilities 49%</p>	<p>Telco 35% Utilities 33% Transport 32%</p>	<p>Telco 42% Utilities 42% Transport 16%</p>

1. This assessment is based on the due diligence undertaken by Service Stream in respect to Lendlease Services and Service Stream's unaudited financial results for the year ended 30 June 2021. These results remain subject to finalisation, audit, Board review and approval and the actual outcome may differ. Please refer to the Key Risks section for further information. Combined Group EBITDA of \$125.3 million excludes \$17 million of full pro forma run rate synergies, which are discussed in greater detail on pages 23-24 of this Presentation.



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Financially Attractive Acquisition

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Materially enhances Service Stream's scale and revenue	<ul style="list-style-type: none"> Acquisition transforms Service Stream's scale and revenue Combined Group's revenue for FY21PF expected to be \$1.6 billion and EBITDA from Operations expected to be \$142.3 million (including synergies)
Highly accretive to earnings	<ul style="list-style-type: none"> EPS-A accretion of ~30% on a FY22PF NPAT-A basis including expected total synergies^{1,2}
Maintains strong balance sheet	<ul style="list-style-type: none"> Service Stream is committed to maintaining a strong balance sheet Pro forma net debt / FY22PF EBITDA following the acquisition is expected to be 1.3x Strong cash flow generation to support deleveraging over time
Dividend Policy	<ul style="list-style-type: none"> As a result of the Acquisition, and to ensure a strong balance sheet is maintained, the Board of Service Stream has determined that a final FY21 dividend will not be declared The resumption of dividends is expected post Completion, and will be determined based on business performance for the relevant period
Earnings outlook going forward	<ul style="list-style-type: none"> Acquisition provides Service Stream with a step-change to its financial and earnings profile, with expected Combined Group financials materially higher than on a Service Stream standalone basis: <ul style="list-style-type: none"> Combined Group FY22PF Revenue of ~\$1.7 billion Combined Group FY22PF EBITDA of ~\$120 – 125 million

1. FY22PF EPS-A accretion is calculated against broker consensus published in the past three months for Service Stream's FY22 EPS-A on a standalone basis. In calculating FY22PF EPS-A accretion, the Combined Group's FY22PF EPS-A is based on management's assessment, assuming the full pro forma run-rate of net synergies (\$17 million) and increased interest expense associated with the debt component of the Acquisition financing. Management's assessment considers key findings throughout the Acquisition due diligence process.

2. EPS-A is calculated as NPAT-A divided by shares outstanding. NPAT-A represents net profit after tax after adding back amortisation, acquisition costs and acquisition integration costs (after tax).



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4. SERVICE STREAM FY21 UPDATE



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Service Stream FY21 Update

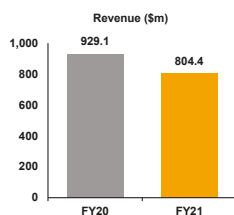
Service Stream confirms that the full year unaudited results is in line with guidance provided to the market on 15 June 2021¹

FY21 Revenue

\$804.4m

-13.4% v FY20

- Revenue down by \$124.7 million from FY20
- Reduction driven by lower Telco segment revenue following the conclusion of the nbn D&C program in FY20 and reduced activation and assurance volumes
- Comdain achieved 10.9% growth

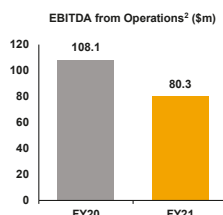


FY21 EBITDA from Operations²

\$80.3m

-25.7% v FY20

- EBITDA from Operations² down from \$108.1 million in FY20
- Reduction reflective of lower Telco segment revenues
- COVID-19 restrictions impacted operations, with some reduction due to deferred discretionary spend, parts shortages and delays to project mobilisations

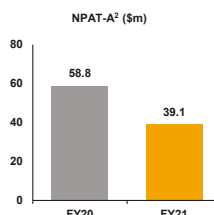


FY21 NPAT-A²

\$39.1m

-33.5% v FY20

- NPAT-A² down from \$58.8 million in FY20
- Statutory NPAT of \$29.4 million is net of:
 - non-operational M&A and restructuring costs of \$3.5 million and \$1.5 million respectively
 - amortisation of customer contracts from historical acquisitions

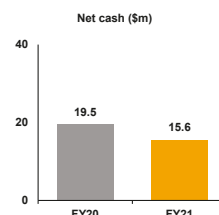


Net Cash

\$15.6m

-\$3.9m v FY20

- Strong FY21 EBITDA to OCFBIT conversion rate of 98.6%



1. FY21 financials are estimates only, based on preliminary unaudited financial results for the year ended 30 June 2021. These results remain subject to finalisation, audit, Board review and approval and may change.
 2. These underlying profit metrics are non-IFRS measures. Refer to page 50 for further details of non-operational costs and amortisation of acquired customer contracts, and a reconciliation of these metrics to statutory NPAT. NPAT-A represents net profit after tax after adding back amortisation, acquisition costs and acquisition integration costs (after tax).

5. ACQUISITION FUNDING

Acquisition Funding and Terms

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Key acquisition terms

Acquisition price	<ul style="list-style-type: none"> Total consideration of \$310.0 million excluding Acquisition and Offer transaction costs of ~\$12.5 million¹ Expected equity purchase price of ~\$295 million once debt and debt-like items are considered¹ Implied Enterprise Value (EV) / FY21 pro forma (FY21PF) EBITDA multiple of 6.9x pre-synergies or 5.0x post-synergies²
Funding	<ul style="list-style-type: none"> Service Stream is undertaking a \$185.0 million fully underwritten³ Offer via a: <ul style="list-style-type: none"> ~\$61.9 million fully underwritten Placement; and ~\$123.1 million fully underwritten Entitlement Offer ~\$122.9 million from draw down of debt facilities and available cash. Existing debt facilities increased by \$120 million to \$395 million to partially fund the Acquisition, provide for client bonding requirements, and support the Combined Group's operations post Completion
Timing Considerations	<ul style="list-style-type: none"> The Acquisition has received pre-approval from ACCC and is not subject to any further regulatory approvals Completion is expected to occur around November 2021, subject to customary completion processes including client consents

Sources and uses of funds

Sources of funds	\$ million	Uses of funds	\$ million
Placement	\$61.9	Acquisition enterprise value	\$310.0
Entitlement Offer	\$123.1	Estimated purchase price adjustment at Completion	(\$14.6)
Incremental drawn debt	\$122.9	Transaction costs and stamp duty	\$12.5
Total sources	\$307.9	Total uses	\$307.9

1. The final consideration payable is subject to customary purchase price adjustments post-Completion.

2. This assessment is based on the due diligence undertaken by Service Stream in respect to Lendlease Services and the actual outcome may differ. Further, these numbers have been adjusted to include the pro forma run-rate of synergies which are discussed in greater detail on pages 23-24 of this Presentation. Please refer to the Key Risks section for further information.

3. Subject to the terms and conditions of an underwriting agreement which is summarised in the Key Risks section of this Presentation.

FY21PF Profit and Loss

\$ million	Service Stream (FY21 ²)	Lendlease Services (FY21 ²)	Acquisition Adjustments	Pro Forma Combined Group ²
Revenue	\$804.4	\$792.7	-	\$1,597.0
EBITDA from Operations ¹	\$80.3	\$44.9	\$17.0	\$142.3
EBITDA from Operations (% of Revenue)	10.0%	5.7%	n/a	8.9%
Depreciation & Amortisation	(\$29.2)	(\$18.1)	-	(\$47.3)
Adjusted EBIT (EBITA)	\$51.1	\$26.8	\$17.0	\$94.9
NPAT-A ¹	\$39.1	\$19.1	\$9.3	\$67.5
EPS-A (\$ / share)	\$0.0953	n/a	n/a	\$0.1096
Statutory Profitability:				
Reported EBITDA	\$75.3	\$44.9	\$17.0	\$137.2
Reported EBIT	\$46.1	\$26.8	\$17.0	\$89.9

- These underlying profit metrics are non-IFRS measures. Refer to page 50 for further details of non-operational costs and amortisation of acquired customer contracts, and a reconciliation of these metrics to statutory NPAT. NPAT-A represents net profit after tax after adding back amortisation, acquisition costs and acquisition integration costs (after tax).
- FY21 financials are estimates only, based on preliminary unaudited financial results for the year ended 30 June 2021. These results remain subject to finalisation, audit, Board review and approval and may change.



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Pro Forma Balance Sheet as at 31 December 2020

\$ million	Service Stream (31 Dec 2020)	1HFY21 Dividend	Total Acquisition impact including transaction costs	Impact of the Offer and debt drawdown	Pro Forma Combined Group
Assets					
Cash and cash equivalents	\$50.5	(\$9.6)	(\$304.1)	307.9	\$44.7
Trade and other receivables	\$35.1	-	\$47.2	-	\$82.3
Inventories	\$7.3	-	\$6.7	-	\$14.0
Accrued revenue	\$88.5	-	\$54.8	-	\$143.3
Other current assets	\$7.7	-	\$6.2	-	\$13.9
Investments	\$0.0	-	\$9.9	-	\$9.9
Plant and equipment	\$14.8	-	\$54.6	-	\$69.4
Right-of-use assets	\$29.5	-	\$6.5	-	\$36.0
Intangible assets	\$310.0	-	\$194.7	-	\$504.7
Total Assets	\$543.4	(\$9.6)	\$76.5	\$307.9	\$918.2
Liabilities					
Trade and other payables	\$95.0	-	\$56.6	-	\$151.6
Provisions	\$32.9	-	\$26.1	-	\$59.0
Borrowings	\$38.6	-	-	\$122.9	\$161.5
Lease liabilities	\$33.6	-	\$6.3	-	\$39.9
Deferred tax liability	\$22.9	-	(\$1.6)	-	\$21.3
Total Liabilities	\$222.9	-	\$87.4	\$122.9	\$433.2
Net Assets	\$320.5	(\$9.6)	(\$10.9)	\$185.0	\$485.0
Net cash / (debt) (excl. capitalised borrowing costs)	\$10.5	(\$9.6)	(\$304.1)	\$185.0	(\$118.2)

- The cash impact of the Lendlease Services acquisition of \$304.1 million includes cash consideration of \$307.9 million (including transaction costs) net of \$3.8 million of restricted cash required to be held in accordance with legislative requirements. The final cash consideration to be paid will be subject to customary purchase price adjustments at Completion.
- Lendlease Services net assets is based on the pro forma balance sheet at 31 December 2020. The difference between the cash acquisition payment of \$307.9 million and net assets acquired has been allocated to intangible assets. A formal purchase price allocation exercise will be undertaken post-Completion.
- Cash funding of the acquisition will be sourced through a \$185 million placement and entitlement offer, with a further \$122.9 million to be sourced from a drawdown of existing debt facilities.



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6. DETAILS OF THE OFFER



Overview of the Offer

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Offer Structure	<ul style="list-style-type: none"> \$185.0 million fully underwritten¹ Equity Raising comprising: <ul style="list-style-type: none"> ~\$61.9 million institutional placement ~\$123.1 million 1 for 3 accelerated, pro rata non-renounceable entitlement offer, consisting of an: <ul style="list-style-type: none"> Institutional Entitlement Offer expected to raise ~\$67.7 million; and Retail Entitlement Offer² expected to raise ~\$55.4 million ~205.6 million new ordinary shares (New Shares) representing ~50.1% of existing shares on issue The Entitlement Offer is non-renounceable and entitlements will not be tradeable or otherwise transferable
Offer Price	<ul style="list-style-type: none"> All shares under the Offer will be issued at \$0.90 per New Share (Offer Price), representing a: <ul style="list-style-type: none"> 6.2% discount to last close at 20 July 2021 of \$0.96; 10.4% discount to the 5-day VWAP as at 20 July 2021 of \$1.005; and 4.3% discount to TERP³ as at 20 July 2021 of \$0.940
Use of Proceeds	<ul style="list-style-type: none"> Proceeds from the Offer will be used to partly fund the upfront purchase price of Lendlease Services and pay associated transaction costs
Placement and Institutional Entitlement Offer	<ul style="list-style-type: none"> The Placement and the institutional component of the Entitlement Offer (Institutional Entitlement Offer) will be conducted by way of bookbuild process on Wednesday, 21 July 2021 Entitlements under the Institutional Entitlement Offer that are not taken up and entitlements of ineligible institutional shareholders and ineligible retail shareholders under the Entitlement Offer will be offered for sale in the bookbuild
Retail Entitlement Offer ³	<ul style="list-style-type: none"> The Retail Entitlement Offer will open at 9:00am, Tuesday, 27 July 2021 and close at 5:00pm, Monday, 9 August 2021 Only eligible Service Stream shareholders with a registered address in Australia or New Zealand may participate in the Retail Entitlement Offer Under the Retail Entitlement Offer, Eligible Retail Shareholders that take up their full Entitlement may also apply for additional New Shares in excess of their Entitlement, up to a maximum of 100% of their Entitlement at the Offer Price
Director and Executive Participation	<ul style="list-style-type: none"> All Service Stream Directors have each confirmed their intention to participate in the Entitlement Offer Key Service Stream executive and select senior staff members (including the CFO) intend to participate in the Equity Raising in aggregate for ~\$2.3 million
Underwriting	<ul style="list-style-type: none"> The Offer is fully underwritten by Ord Minnett Limited¹
Ranking	<ul style="list-style-type: none"> New Shares issued under the Offer will rank pari passu with existing shares from the date of issue
Record Date	<ul style="list-style-type: none"> 7.00pm, Friday, 23 July 2021

Note: The above dates and times are indicative only and subject to change without notice. All dates and times are Sydney time.

1. Subject to the terms and conditions of an underwriting agreement which is summarised in the Key Risks section of this Presentation

2. The Retail Entitlement Offer is only available to eligible retail shareholders of Service Stream with a registered address on the Company's share register in Australia or New Zealand on the Record Date – see the Retail Offer Booklet for further details on eligibility once available.

3. Theoretical ex-rights price (TERP) includes shares issued under the Placement, Institutional Entitlement Offer and the Retail Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Service Stream shares trade immediately following the ex-date for the Entitlement Offer may be different from TERP.



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Offer Timetable

Event	Date
Trading halt and announcement of the Acquisition and Equity Raising, Placement and Institutional Entitlement Offer opens	Wednesday, 21 July 2021
Placement and Institutional Entitlement Offer closes	5.00pm Wednesday, 21 July 2021
Announcement of results of Placement and Institutional Entitlement Offer	Thursday, 22 July 2021
Trading halt lifted – shares recommence trading on ASX on an “ex-entitlement” basis	Thursday, 22 July 2021
Record Date for Entitlement Offer	7.00pm Friday, 23 July 2021
Retail Offer Booklet dispatched and Retail Entitlement Offer opens	Tuesday, 27 July 2021
Settlement of Placement and Institutional Entitlement Offer	Friday, 30 July 2021
Allotment and normal trading of New Shares under the Placement and Institutional Entitlement Offer	Monday, 2 August 2021
Retail Entitlement Offer closes	5.00pm Monday, 9 August 2021
Settlement of New Shares under the Retail Entitlement Offer	Friday, 13 August 2021
Allotment of New Shares under the Retail Entitlement Offer	Monday, 16 August 2021
Normal trading of New Shares issued under the Retail Entitlement Offer	Tuesday, 17 August 2021
Dispatch of holding statements for New Shares issued under the Retail Entitlement Offer	Tuesday, 17 August 2021

Note: The above timetable is indicative only and subject to change without notice. All dates and times are Sydney time.

7. KEY RISKS



Key Risks

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

SSM's financial position and performance, its dividends and the market price of SSM's shares may be adversely affected, sometimes materially, by a number of risk factors. Holders of SSM shares ("**SSM Shareholders**") should accordingly be aware that an investment in SSM carries a number of risks, some of which are specific to SSM (that is, matters that relate directly to the Acquisition or SSM's business) and some of which are general risks that relate to the industries in which SSM operates or to listed securities generally. These risks mean that the price and value of SSM shares may rise or fall over any given period. Some of these risks are beyond SSM's control.

SSM Shareholders should be aware of the following risks (which are some, but not necessarily all, of the risks) which may affect the future operating and financial performance of SSM and the value of SSM shares. Additional risks and uncertainties that SSM is unaware of, or that it currently considers to be immaterial, may also become important factors that adversely affect SSM's operating and financial performance.

Before investing in SSM shares, you should consider whether this investment is suitable for you. Potential investors should also consider publicly available information on SSM (such as that available on the websites of SSM and ASX), carefully consider their personal circumstances and consult their stockbroker, solicitor, accountant or other professional advisor to ensure they understand fully the terms of the Offer and the inherent risks before making an investment decision.

ACQUISITION RISKS

(I) COMPLETION RISK

Completion of the Acquisition is conditional on change of control consents being provided by certain contractual counterparties (such as customers and joint venture partners) as set out in the share sale agreement in respect of the Acquisition ("**Sale Agreement**").

If the condition precedent is not satisfied and/or waived, completion of the Acquisition may not occur on the current terms or at all. Similarly, if any of the completion deliverables are not delivered, completion of the Acquisition may be deferred or may not occur on the current terms or at all.

If completion of the Acquisition is delayed, SSM may incur additional costs and it may take longer than anticipated for SSM to realise the benefits of the Acquisition. Further, a significant delay to completion may have adverse effects on the Lendlease Services business including in terms of growth, employee engagement or funding costs. Any failure to complete, or delay in completing, the Acquisition may have a material adverse effect on SSM's financial performance, financial position and trading prices of SSM shares.

If the Acquisition is not completed as a result of a failure to satisfy the condition (or otherwise), SSM will consider alternative uses for and/or ways to return the proceeds of any money received from SSM shareholders under the Offer. This may include SSM utilising capital proceeds for general corporate purposes and potential future growth opportunities or seeking to return proceeds in whole or in part, having regard to all the circumstances at the time and relevant commercial, tax, legal and other considerations. Any action required to be taken to return capital may have a material adverse effect on SSM's financial performance, financial position and share price.

(II) HISTORICAL LIABILITIES

If the Acquisition completes, SSM may become directly or indirectly exposed to liabilities that Lendlease Services has incurred or is liable for in respect of prior acts or omissions (including arising from the performance of service contracts), including legal and regulatory liabilities for which it may not be adequately indemnified or insured against, or liabilities which were not identified during SSM's due diligence (including in respect of matters of which Lendlease Services was not aware) or which are greater than expected, or for which SSM was unable to negotiate sufficient protection in the Sale Agreement. Such liabilities may adversely affect the financial performance or position of SSM after the Acquisition.

(III) DISCLOSURE RISK

The Sale Agreement contains a number of representations, warranties and indemnities, however the warranties and indemnities may not be sufficient to cover the actual liability incurred in connection with any known or unknown liabilities of Lendlease Services. The warranties and indemnities are also subject to certain financial claims thresholds and other limitations. Any material unsatisfied warranty or indemnity claims could adversely affect SSM's business, operations or financial performance.

(IV) RELIANCE ON INFORMATION PROVIDED

SSM undertook a due diligence process in respect of the Acquisition, which relied in part on the review of financial and other information provided by Lendlease Services or discussed at meetings held with Lendlease Services management. Despite making reasonable efforts, SSM has not been able to verify the accuracy, reliability or completeness of all the information which was provided.

If any information provided and relied upon by SSM in its due diligence and preparation of this Presentation proves to be incorrect, incomplete or misleading, there is a risk that the actual financial position and performance of Lendlease Services and SSM may be materially different to the expectations and targets reflected in this Presentation.

Investors should also note that there is no assurance that the due diligence conducted was conclusive, and that all material issues and risks in respect of the Acquisition have been identified and avoided or managed appropriately (for example, because it was not always possible to negotiate indemnities or representations and warranties from Lendlease Services to cover all potential risks). Therefore, there is a risk that issues and risks may arise which will also have a material impact on SSM (for example, SSM may later discover liabilities, defects or gaps which were not identified through due diligence or for which there is no contractual protection for SSM). This could adversely affect the operations, financial performance or position of SSM.



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Key Risks (cont'd)

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

(V) INTEGRATION AND SYNERGIES

The Acquisition is a complementary acquisition that will create a leading multi-network essential provider with diverse operations. There are strong cost synergies with the potential to realise tenders for larger opportunities through increased scale.

There is a risk that the success and profitability of SSM following completion could be adversely affected if Lendlease Services is not integrated effectively, such as in relation to integration of employees or IT systems, infrastructure and data. There will be certain transitional services provided by Lendlease following the completion of the Acquisition to facilitate Lendlease Service's integration into the SSM business.

There is a risk that integration could take longer, be more complex or cost more than expected, encounter unexpected challenges or issues, divert management attention or that the anticipated benefits and synergies of the integration may be less than estimated. Possible problems may include:

- differences in corporate culture between the businesses being integrated;
- lack of capability and talent to deliver integration;
- unanticipated or higher than expected costs, delays or failures relating to integration of businesses, support operations, accounting, other systems or insurance arrangements;
- unanticipated or higher than expected costs or extensive delays in the planned upgrades, migration, integration and decommission of information technology systems and platforms;
- loss of, or reduction in, key personnel, expert capability or employee productivity, or failure to procure or retain employees;
- failure to derive the expected benefits of the strategic growth initiatives; and
- disruption of ongoing operations of other SSM businesses.

Any failure to achieve the targeted synergies of integration may impact on the financial performance, operation and position of SSM and the future price of SSM shares.

(VI) SSM'S STRATEGIC GROWTH INITIATIVES

There is a risk that existing customers may elect to leave Lendlease Services following completion. Should this occur on a large scale, this could result in one of the strategic rationales for the acquisition being materially different to the expectations reflected in this Presentation and may also affect the diversification of SSM's revenue following completion.

(VII) RISKS ASSOCIATED WITH EXISTING CONTRACTS AND AGREEMENTS

As part of completion, certain contracts, guarantees (such as parent and/or performance guarantees) and other forms of bonding will need to be assigned, transferred, novated, terminated and/or replaced, as part of the transitional and separation arrangements in respect of the Acquisition. There is a risk that the assignment, transfer or replacement of such contracts, guarantees and other forms of bonding may be delayed or may not proceed as efficiently as anticipated by SSM.

Lendlease Services is a party to certain contractual arrangements (including joint venture arrangements) containing termination for convenience provisions and change of control provisions that, in the absence of counterparty consent, may be triggered by implementation of the Acquisition. There is a risk of each counterparty or joint venture party refusing or imposing onerous or unacceptable conditions on their consent. As parts of Lendlease Services operations rely on government and government agency contracts, these may be affected by changes to relevant government policy or trading practice and there is a risk that existing contracts are not completed or terminated.

While the Acquisition will result in diversification of SSM's revenues, there is some overlap between Lendlease Services' customer base and SSM's existing customer base. As a result, following the Acquisition, SSM may be exposed to customer concentration risk or a reduction in opportunities in respect of those customers. Customers may also seek to amend the rates and overheads paid to the Combined Group under existing agreements after Completion.

There is also a risk that contractual arrangements could be terminated, lost or impaired, or renewed or replaced on less favourable terms from time to time. Some of these contractual arrangements can be terminated without cause or on short notice periods (depending on the circumstances). Further, some contractual arrangements may be breached or terminated as a result of the Acquisition. The breach, termination or non-renewal of material contracts could have adverse consequences for SSM's operational and financial performance or financial condition.

(VIII) RISKS ASSOCIATED WITH EMPLOYEES

Employees employed by Lendlease Services at the time it is acquired will be covered by contractual terms and conditions which may differ to SSM's arrangements. SSM will have to meet employees' existing employment terms and conditions or if those conditions cannot be met because of operational or commercial constraints, SSM will have to provide commensurately beneficial terms to the employees (this may be financially onerous) or implement variations to terms and conditions of employment (this may result in disputes, or SSM may not secure the desired changes).

Given there will be cultural differences between Lendlease Services and SSM, there is a risk that these differences, if not carefully managed, may lead to a loss of Lendlease Services employees or give rise to potential industrial disputes (in respect of Lendlease Services and/or SSM employees). Any inability to retain, attract and motivate key Lendlease Services and/or SSM employees following the Acquisition could also adversely impact SSM's future operating and financial performance.

(IX) IMPAIRMENT OF INTANGIBLE ASSETS

As part of the acquisition, SSM will need to perform a fair value assessment of Lendlease Services' assets (including intangibles) and liabilities. In the event that goodwill or any other intangible assets are recognised upon acquisition, it will be required to be tested annually for impairment. Should, under the Australian Accounting Standards, it be assessed that there is an impairment to intangible assets in future periods, this will result in an additional expense in SSM's income statement.



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Key Risks (cont'd)

(X) FUNDING AND UNDERWRITING RISK

SSM intends to fund the Acquisition through a mix of cash, debt financing and partly through the funds raised under the Offer.

SSM has entered into an Underwriting Agreement with the Underwriter (**Underwriting Agreement**) pursuant to which the Underwriter has agreed to underwrite the Offer, subject to the terms and conditions of the Underwriting Agreement. If certain conditions are not satisfied or certain customary termination events occur, the Underwriter may terminate the Underwriting Agreement. Those termination events are summarised on pages 42 and 43 of this Presentation. Termination of the Underwriting Agreement could have an adverse impact on the amount of proceeds raised under the Offer, which could result in SSM not having access to sufficient capital to fund the Acquisition or to undertake integration activities.

SSM may need to seek alternative sources of funding, which may result in SSM incurring additional costs (for example, by way of interest payments on debt) and/or restrictions being imposed on the manner in which SSM conducts its business and deals with its assets (for example, by way of restrictive covenants binding upon SSM). There is no guarantee that alternative funding could be sourced on satisfactory terms and conditions or at all. Failure to source alternative funding could result in SSM being unable to perform its obligations to complete the Acquisition or being unable to implement the proposed integration of Lendlease Services. Any of these outcomes could have a material adverse impact on SSM's financial position, prospects and reputation.

(XI) ANALYSIS OF ACQUISITION OPPORTUNITY

SSM has undertaken financial, tax, legal, employment, health safety and environment, commercial, insurance, and separation analysis of Lendlease Services in order to determine its attractiveness to SSM (including in relation to synergies) and whether to proceed with the Acquisition. It is possible that despite such analysis and the best estimate assumptions made by SSM, the conclusions drawn are inaccurate or are not realised. To the extent that the actual results achieved by the Acquisition are different to those indicated by SSM's analysis, there is a risk that the performance of SSM following the Acquisition may be different (including in a materially adverse way) from what is reflected in this Presentation.

KEY RISKS ASSOCIATED WITH SSM'S BUSINESS

SSM's activities are subject to risks that can adversely impact its business, operations and financial condition. Certain risks and uncertainties that SSM may face are summarised below.

Additional risks and uncertainties that SSM is unaware of, or that SSM currently deems to be immaterial, may also become important factors that affect it. If any of the listed or unlisted risks actually occur, SSM's business, operations, financial condition, or reputation could be materially and adversely affected, with the result that the trading price of SSM's shares could decline, and investors could lose all or part of their investment.

(I) COVID-19 PANDEMIC

The COVID-19 pandemic has created an unprecedented level of uncertainty. SSM continues to experience some minor impacts from COVID-19 (including reduced volumes, shortage of materials and from State based short-term snap lockdowns). Although impact to SSM's operations to date, and demand for its services, have not been significant, the evolution of the pandemic and any escalation of the government's response, including but not limited to, further lockdowns, increased restriction of workforce movement, increased safety protocols, and reduction in demand from SSM's customers may further negatively impact SSM's operations.

(II) CUSTOMER CONCENTRATION

SSM has exposure to a small number of key customers and infrastructure programs particularly within the telecommunications sector as a source of revenue and profitability. SSM remains alert to factors that could disrupt or delay the flow of work from its major customers, and implements strategies (including through inorganic growth, such as the Acquisition) to actively pursue the diversification of income streams both within and separate to those customers by developing and offering a broad range of services and geographic coverage.

(III) CUSTOMER DEMAND

Many of SSM's customer contracts do not contain volume commitments and are therefore dependent on the customer's demand requirements which can change at any time. The rate of adoption of new technology by SSM's customers, such as 5G technology, can also provide variability against expected future earnings. Whilst SSM takes a balanced view on the level of customer demand that is expected to arise when forecasting financial performance, there is a risk that the level of customer demand may change over time. Should the level of customer demand decrease, SSM may suffer from a loss of scale in its operations, which may in turn impact its operating margins and financial performance beyond the loss of volume.

In addition, the potential variability in customer demand (including as a result of volumes not being properly forecast by customers or tender timelines being altered by customers) presents operational challenges to SSM. In this regard, SSM is conscious of the need to maximise the variability of its cost-base and structures by maintaining an appropriate balance between a self-perform workforce and the use of subcontractors. Processes are therefore established and maintained to attract, mobilise and retain key resources to ensure that they are available at the right time and right place to match customers' forecasts of volume as they change over time.

(IV) CONTRACT MANAGEMENT

SSM's operating model is premised on the provision of infrastructure-related services to customers under periodically renewed contracts. SSM is therefore required to manage its exposure to risks that can arise through the acceptance of sub-optimal conditions in customer contracts and through the ineffective commercial administration of these contracts over their term. SSM remains focused on ensuring that appropriate contract management disciplines are effectively embedded in the organisation to manage contract risks and to maximise contract entitlements.

(V) RENEWAL OF CUSTOMER CONTRACTS

Whilst SSM has been successful in renewing and extending the majority of all customer contracts that have recently expired, the renewal of contracts remains a risk that SSM continues to actively monitor and manage. SSM operates in a limited number of market segments in which there are relatively few competitors. SSM is therefore particularly conscious of the risks related to the loss of business to competitors either through their ability to potentially leverage more cost-effective business platforms or as a consequence of their potential adoption of loss-leading strategies to maintain or increase market share.

Key Risks (cont'd)

(VI) RETENTION OF KEY PERSONNEL AND SOURCING OF CONTRACTORS

The talents of a growing, yet relatively small number of key personnel contribute significantly to SSM's operational effectiveness. SSM has implemented strategies to retain those personnel, including participation in appropriate incentive arrangements and participation in SSM's employee development, talent identification and succession programs. However, the unexpected departure of an individual in a key role, or SSM's failure to recruit and retain appropriately skilled and qualified persons into these roles, could each have an adverse effect on SSM's business, prospects, reputation, financial performance or financial condition.

Access to an appropriately skilled and resourced pool of subcontractors across Australia is also critical to SSM's ability to successfully secure and complete field-based work for its customers. Failure to obtain sufficient numbers of subcontractors may also have an adverse effect on SSM's business, prospects, reputation, financial performance or financial condition.

(VII) WORKING WITH POTENTIAL SAFETY HAZARDS

In undertaking work and delivering programs for its customers, SSM's employees and subcontractors can operate in potentially hazardous environments and perform potentially hazardous tasks. SSM remains alert to the safety risks posed to employees and subcontractors, devotes significant time to monitoring the effectiveness of its safety framework, and has implemented a wide range of controls and proactive programs to increase awareness of significant hazards and prevent injuries to employees and subcontractors.

However, there remains a risk of non-compliance with these controls and programs, which may result in personal injury or property damage and associated claims, regulatory non-compliance and consequent fines, and adverse publicity and additional cost to SSM.

(VIII) WORKING WITH DIGITAL DISRUPTION

As technology continues to change and evolve at a rapid pace, it is possible that such advances may cause disruptions to certain elements of the markets in which SSM operates, or to services that SSM provides. SSM undertakes a detailed assessment of relevant external factors, including digital disruption or technological changes, which may have a bearing on SSM's current markets and service offerings, and in turn its business financial performance or financial condition.

(IX) INFORMATION TECHNOLOGY SYSTEMS AND CYBER SECURITY

SSM's operational agility, overall cost effectiveness and ability to convert works to cash in a timely manner are becoming increasingly reliant on a number of business-critical systems and in turn, the appropriate management of data and information and risks associated with cyber security and malicious emails. Cyber security is also a key potential risk for Lendlease Services.

SSM remains alert to ensure that funds are sufficient and made available to maintain fit-for-purpose system applications and infrastructure, and that IT investments are appropriately prioritised and undertaken effectively as part of SSM's annual strategic planning process.

(X) ENVIRONMENTAL AND CLIMATE CHANGE RISK

SSM and its customers operate businesses in a range of sectors and geographical locations which are exposed to environmental risks as well as risks related to climate change. A failure to manage these risks and respond appropriately could adversely impact SSM's reputation and financial performance.

(XI) FUNDING RISK

SSM's banking facilities require SSM to operate its business within facility limits and certain covenants that have been agreed with SSM's financiers. There is a risk that profit and cashflow underperformance may require concessions to be sought from SSM's financiers or access to additional funding by way of subordinated debt or equity. The same risk of profit and cashflow underperformance may impede the ability of SSM to secure refinancing at competitive rates following expiry of current facility terms.

If SSM fails to maintain its current creditworthiness, this could adversely affect SSM's cost of funds and related margins, competitive position and its access to capital and funding markets. This could adversely affect SSM's businesses, tenders for new contracts, financial performance, liquidity, financial condition and prospects. The extent and nature of these impacts would depend on various factors, including the extent of any change in creditworthiness, whether the creditworthiness of SSM differs among credit funding providers and whether any creditworthiness changes also impact SSM's peers.

(XII) REGULATORY AND LITIGATION RISK

The telecommunications and utility industries are highly regulated. SSM is subject to regulatory and licensing requirements, and its business is sensitive to regulatory changes. Obtaining and maintaining approvals from regulatory bodies or other third parties can involve significant time and expense, and delays in obtaining approvals or changes to laws and regulations may adversely impact SSM's operations.

SSM may also be subject to litigation in the future and there can be no assurance that the outcome of legal proceedings from time to time will not have an adverse effect on SSM's businesses, financial performance, financial condition or prospects.

Key Risks (cont'd)

(XIII) OPERATIONAL RISK

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems (including information security systems), or from external events. SSM is exposed to a variety of risks including those arising from process error, fraud, technology failure, security and physical protection, staff skills, workplace safety, compliance, business continuity and crisis management. In response to COVID-19, a proportion of SSM's workforce is now working from home. This exposes SSM to additional operating risk, including increased risk of fraud, technology and related risks and employee health and safety risks.

(XIV) REPUTATION RISK

Reputation risk may arise through the actions of SSM or other industry participants and adversely affect perceptions of SSM held by the public, holders of its shares, regulators or rating agencies. Damage to SSM's reputation may have an adverse impact on SSM's financial performance, financial position and prospects.

(XV) FAILURE OF RISK MANAGEMENT STRATEGIES

SSM has implemented risk management strategies and internal controls involving processes and procedures intended to identify, assess, measure, monitor, report and mitigate risks to which it is subject. However, there are inherent limitations with any risk management framework as there may exist, or develop in the future, risks that SSM has not anticipated or identified or controls that may not operate effectively. If any of SSM's risk management processes and procedures prove ineffective or inadequate or are otherwise not appropriately implemented, SSM could suffer unexpected losses and reputational damage which could adversely impact SSM's financial performance, financial position and prospects.

(XVI) CHANGES TO ACCOUNTING POLICIES AND/OR METHODS IN WHICH THEY ARE APPLIED MAY ADVERSELY AFFECT SSM'S BUSINESS, OPERATIONS AND FINANCIAL CONDITION

The accounting policies and methods that SSM applies are fundamental to how it records and reports its financial position and results of operations. SSM must exercise judgment in selecting and applying many of these accounting policies and methods as well as estimates and assumptions applied so that they not only comply with generally accepted accounting principles but they also reflect the most appropriate manner in which to record and report on the financial position and results of operations. However, these accounting policies may be applied inaccurately, and/or incorrect assumptions or judgments made, resulting in a misstatement of financial position and results of operations leading to an adverse impact on SSM's financial performance, financial position and prospects.

(XVII) INSURANCE RISK

SSM maintains insurance that it considers to be prudent for the scope and scale of its activities. If SSM's third-party providers fail to perform their obligations and/or its third-party insurance cover is insufficient for a particular matter or group or related matters, the net loss to SSM could adversely impact SSM's financial performance, financial position and prospects.

Future changes to insurance market conditions may also result in material or significant increases in the cost of obtaining insurance, and/or the inability for SSM to obtain insurance coverage: (i) in respect of certain risks; (ii) to the extent to which it had previously obtained; or (iii) to the level it considers prudent for the scope and scale of its activities.

(XVIII) STRATEGIC RISK

Strategic risk is the risk associated with the pursuit of SSM's strategic objectives including the risk that it fails to execute its chosen strategy effectively or within a timely manner. A failure to execute SSM's strategic objectives may result in a failure to achieve anticipated benefits and ultimately adversely impact SSM's operations, financial performance, financial position and prospects.

(XIX) MERGER, ACQUISITIONS AND DIVESTMENTS

SSM may engage in merger, acquisition or divestment activities which facilitate SSM's strategic direction. Whilst SSM recognises that benefits may arise from merger, acquisition or divestment activities, significant risks exist in both the execution and implementation of such activities. It is likely that SSM would raise additional debt or raise equity to finance any major merger or acquisition and this would cause SSM to face the financial risks and costs associated with additional debt or equity. Changes in ownership and management may result in impairment of relationships with employees and customers of the acquired businesses. Depending on the type of transaction, it could take a substantial period of time for SSM to realise the financial benefits of the transaction, if any.

Any acquisition or divestment may result in a material positive or negative impact on SSM's financial position. There can be no assurance that any acquisition (or divestment) would have the anticipated positive results, including results relating to the total cost of integration (or separation), the time required to complete the integration (or separation), the amount of longer-term cost savings, the overall performance of the combined (or remaining) entity, or an improved price for SSM's shares. SSM's operating performance, risk profile and capital structure may be affected by these corporate opportunities.

Integration (or separation) of an acquired (or divested) business can be complex and costly, sometimes including combining (or separating) relevant accounting and data processing systems, and management controls, as well as managing relevant relationships with employees, customers, regulators, counterparties, suppliers and other business partners. Integration (or separation) efforts could create inconsistencies in standards, controls, procedures and policies, as well as diverting management attention and resources. This could adversely affect SSM's ability to conduct its business successfully and impact SSM's financial performance, financial position and prospects. Additionally, there can be no assurance that employees, customers, counterparties, suppliers and other business partners of newly acquired (or retained) businesses will remain post-acquisition (or post-divestment), and the loss of employees, customers, counterparties, suppliers and other business partners could adversely affect SSM's financial performance, financial position and prospects.

(XX) RELIANCE ON EXTERNAL PARTIES

SSM's operations depend on performance by a number of external parties under contractual arrangements with SSM. Non-performance of contractual obligations and poor operational performance of external parties may have an adverse effect on SSM's business and financial performance.

Key Risks (cont'd)

OFFER AND GENERAL RISKS

(I) MARKET PRICE OF ORDINARY SHARES WILL FLUCTUATE

Ordinary shares trade on ASX. The market price of ordinary shares on ASX may fluctuate due to various factors, including:

- the impact of COVID-19, or other pandemics or epidemics, and the measures taken to control their spread;
- the impact of government stimulus and other fiscal measures employed in response to COVID-19 and the timing and impact of when those measures cease to have effect;
- Australian and international general economic conditions (which have generally deteriorated in the context of COVID-19) (including inflation rates, the level of economic activity, interest rates and currency exchange rates), changes in government policy, changes in regulatory policy, the expressed views of regulators, investor sentiment and general market movements, which may or may not have an impact on SSM's actual operating performance;
- operating results that vary from expectations of securities analysts and investors;
- changes in expectations as to SSM's future financial performance, including financial estimates by securities analysts and investors;
- changes in market valuations of competitors;
- changes in dividends paid to shareholders, SSM's dividend payout policy or SSM's ability to frank dividends;
- announcement of the results of tenders, entry into or cessation of contracts, acquisitions, strategic partnerships, joint ventures or capital commitments by SSM or its competitors;
- changes in the market price of ordinary shares and / or other securities issued by SSM or by other issuers, or changes in the supply of equity securities or capital securities issued by SSM or by other issuers;
- changes in institutional or shareholder (including director) portfolio management or shareholding strategies;
- changes in laws, regulations and regulatory policy;
- SSM's failure to comply with law, regulations or regulatory policy;
- other major Australian and international events such as hostilities and tensions, and acts of terrorism; and
- other events set out on pages 39 to 41 under the heading "Key risks associated with SSM's business".

It is possible that the price of ordinary shares will trade at a market price below the Offer Price as a result of these and other factors. It is also possible that new risks might emerge as a result of Australian or global markets experiencing extreme stress or existing risks may manifest themselves in ways that are not currently foreseeable. There have been in recent months, and may be in the future, significant fluctuations and volatility in the prices of shares. In particular, the COVID-19 pandemic, and the continuing uncertainty as to its future impact on the Australian and global economies, has contributed to significant market falls and volatility, including on the prices of shares trading on the ASX (including the price of SSM shares) and other foreign securities exchanges, which may materially adversely impact the market price of New Shares.

(II) UNDERWRITING RISK

SSM and the Underwriter have entered into the Underwriting Agreement, under which the Underwriter has agreed to act as underwriter, lead manager and bookrunner to the Offer, subject to the terms and conditions of the Underwriting Agreement. If certain conditions are not satisfied or certain events occur, then the Underwriter may terminate the Underwriting Agreement. The events which may trigger termination of the Underwriting Agreement include (but are not limited to) the following:

- ASX announces that SSM will be delisted or the Offer Shares suspended from quotation by ASX for any reason;
- ASX does not, or states that it will not, agree to grant official quotation of all the Offer Shares on an unconditional basis by the time required in the timetable;
- SSM alters its capital structure without the consent of the Underwriter (acting reasonably), other than by issuing Shares pursuant to the terms of the Offer or as otherwise permitted under the Underwriting Agreement;
- any event specified in the timetable;
- which is due to occur on or before the announcement of the results of the Institutional Entitlement Offer and Placement in accordance with the timetable is delayed by SSM for 1 or more business days without the prior written consent of the Underwriter;
 - which is due to occur after the announcement of the results of the Institutional Entitlement Offer and Placement but on or before the settlement of the Institutional Entitlement Offer and Placement under the timetable is delayed by SSM for more than 2 business days or more without the prior written consent of the Underwriter; or
 - which is due to occur after the Settlement of the Institutional Entitlement Offer and Placement under the timetable is delayed 3 business days or more without the prior written consent of the Underwriter;
- SSM withdraws the Offer (or any component of it) or indicates that it does not intend to or is unable to proceed with the Offer (or any component of it);
- any certificate which is required to be furnished by SSM under the Underwriting Agreement is either:
 - not furnished when required; or
 - misleading or deceptive (including by omission) or otherwise incorrect;
- SSM (or any of its related bodies corporate) or the Target Group become insolvent;
- a statement contained in the Offer materials is or becomes misleading or deceptive or likely to mislead or deceive, or the Offer materials omit any information they are required to contain;
- the Offer materials include any forecast, expression of opinion, belief, intention or expectation which is not based on reasonable grounds or which ceases to be based on reasonable grounds;
- ASX or ASIC withdraws, revokes or amends any ASX waivers or ASIC modifications;
- SSM or Lendlease Services or any of their directors or officers engage in any fraudulent conduct or activity whether or not in connection with the Offer;
- a director or senior manager of SSM or Lendlease Services is charged in relation to fraudulent conduct, whether or not in connection with the Offer, or a director of SSM is charged with an indictable offence relating to financial or corporate matters or a director of SSM is disqualified from managing a corporation;
- there is an event or occurrence, including any statute, order, rule, regulation, directive or request of any Government Agency which makes it illegal for the Underwriter to satisfy an obligation under the Underwriting Agreement, or to market, promote, underwrite or settle the Offer;
- a change in the Managing Director, Chief Financial Officer or the General Counsel and Company Secretary or board of directors of SSM occurs or is announced;

Key Risks (cont'd)

- ASIC or any other Government Agency issues, or indicates an intention to issue, proceedings in relation to the Offer or commences an inquiry or investigation into the Offer, SSM or any Offer materials;
- there is an application to any Government Agency for any order, declaration or other remedy in connection with the Offer and such application is not unconditionally withdrawn or revoked within 2 business days;
- ASIC or any other Government Agency commences or gives notice of an intention to commence a prosecution of SSM or any director or employee of SSM;
- SSM is in breach of any terms and conditions of the Underwriting Agreement or any representation or warranty given by SSM is or becomes incorrect, untrue or misleading;
- certain due diligence reports in respect of the Acquisition or any other information supplied by or on behalf of SSM to the Underwriter for the purposes of the due diligence investigations, the Offer materials or the Offer, is or becomes false, misleading or deceptive (including by omission);
- a new circumstance that would be adverse from the point of view of an investor arises that would have been required to be disclosed in the Offer materials had it arisen, or otherwise been known, before the Offer materials were lodged with ASX;
- in the reasonable opinion of the Underwriter an obligation arises on SSM to give, or SSM gives, ASX a notice in accordance with sections 708AA(10) or 708AA(12) of the Corporations Act;
- there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any State of Australia a new law, or the Reserve Bank of Australia, or any Commonwealth or State authority, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced prior to the date of the Underwriting Agreement) any of which does or is likely to prohibit or regulate the Offer, capital markets or stock markets;
- SSM or the Target Group charges, or agrees to charge, the whole or a substantial part of their respective business or property other than in situations specified in the Underwriting Agreement;
- SSM commits a contravention of the Corporations Act, its constitution, any of the ASX Listing Rules, any other applicable law or regulation (as amended or varied) or order or request made by or on behalf of ASIC, ASX, Financial Markets Authority of New Zealand or any Government Agency;
- any aspect of the Offer does not comply with the Corporations Act or the ASX Listing Rules any other applicable laws, or any ASX waivers or ASIC modifications;
- SSM is prevented from allotting and issuing the Offer Shares under the ASX Listing Rules, applicable laws, an order of a court of competent jurisdiction or a Government Agency;
- trading of all securities quoted on ASX, LSE, NASDAQ or NYSE is suspended or limited in a material respect for one or more trading days or a substantial part of a trading day;
- a general moratorium on commercial banking activities in Australia, the United States or the United Kingdom is declared by the relevant central banking authority in any of those countries or there is a material disruption in commercial banking or Share settlement or clearance services in any of those countries;
- any adverse change or disruption to the existing financial markets, political or economic conditions of Australia, the United States of America, the United Kingdom or the international financial markets or any change involving a prospective adverse change in national or international political, financial or economic conditions; or
- hostilities not presently existing commence or a major escalation in existing hostilities occurs involving any one or more of Australia, Singapore, the United States of America, United Kingdom, Japan, North Korea, any member state of the European Union, Israel or the People's Republic of China (including Hong Kong) or a national emergency is declared (other than as already declared prior to the date of the Underwriting Agreement) or there is an escalation or extension of a national emergency (other than as already declared prior to the date of the Underwriting Agreement) by any of those countries or a major terrorist act is perpetrated anywhere in the world.

The ability of the Underwriter to terminate the Underwriting Agreement in respect of the above termination events denoted with an asterisk (*) will depend on whether the event, in the actual and reasonable opinion of the Underwriter:

- has, or is likely to have, individually or in the aggregate, a material adverse effect on the success, marketing or settlement of the Offer, the value of the Shares or the willingness of investors to subscribe for Offer Shares;
- has, or is likely to have, individually or in the aggregate, a material adverse effect on the business, financial position or prospects of SSM and its subsidiaries; or
- leads, or is likely to lead:
 - to a contravention by the Underwriter (or one of its affiliates) of, or the Underwriter (or one of its affiliates) being involved in a contravention of, the Corporations Act or any other applicable law; or
 - to a liability for the Underwriter (or one of its affiliates) under the Corporations Act or any other applicable law.

If the Underwriting Agreement is terminated for any reason, then SSM may not receive the full amount of the Offer, its financial position may change, and it may need to take other steps to raise capital.

The Underwriting Agreement is also subject to customary conditions precedent, representations, warranties and indemnities.

- "Government Agency" means any government or any government department, governmental, semi-governmental, administrative, fiscal, judicial, investigative, review or regulatory body, department, commission, authority, tribunal, agency, stock exchange or entity in any jurisdiction relevant to the Offer, including ASX, ASIC, the Australian Taxation Office, the Foreign Investment Review Board, the Treasurer of the Commonwealth of Australia (or his or her delegate) and the Takeovers Panel; and
- "Target Group" means Lendlease Services, its subsidiaries and any other entity in which it has an equity interest.

(III) DILUTION

Entitlement Offer rights cannot be traded on ASX or otherwise transferred. If SSM Shareholders do not participate in the Entitlement Offer, then their percentage shareholding in SSM will be diluted and they will not be exposed to future increases or decreases in SSM's share price in respect of those New Shares that would have been issued to them had they participated in the Entitlement Offer. Similarly, SSM Shareholders who are ineligible, unable to, or do not participate in the Placement for a pro rata share will have their percentage security holding in SSM diluted.

(IV) LIQUIDITY RISK

SSM Shareholders who wish to sell their ordinary shares may be unable to do so at an acceptable price, or at all, if insufficient liquidity exists in the market for ordinary shares. SSM does not guarantee the market price or liquidity of ordinary shares and there is a risk that you may lose some of the money you invested.

(V) DIVIDENDS MAY FLUCTUATE OR MAY NOT BE PAID

Dividends are discretionary and do not accrue. The rate of dividends may fluctuate or SSM may not pay dividends at all. There is a risk that dividends may become less attractive compared to returns on comparable securities or investments. None of SSM, SSM's directors or any other person guarantees any particular rate of return on ordinary shares.

Key Risks (cont'd)

(VI) TAXATION

Any change to the current rate of company income tax or tax law in jurisdictions where SSM operates may impact on shareholder returns. Any changes to the current rates of income tax or tax law applying to shareholders, whether they are individuals, trusts or companies may similarly impact on shareholder returns.

(VII) SHAREHOLDERS ARE SUBORDINATED AND UNSECURED INVESTORS

In a winding up of SSM, shareholders' claims will rank after the claims of creditors preferred by law, secured creditors and general creditors. Shareholders' claims will rank equally with claims of holders of all other ordinary shares.

If SSM were to be wound up and, after the claims of creditors preferred by law, secured creditors, general creditors and holders of subordinated instruments (if any) are satisfied, there are insufficient assets remaining, you may lose some or all of the money you invested in ordinary shares.

(VIII) FUTURE ISSUES OF DEBT OR OTHER SECURITIES BY SSM

SSM may, at its absolute discretion, issue additional securities in the future that may rank ahead of, equally with or behind ordinary shares, whether or not secured. Any issue or conversion of securities may dilute the relative value of existing ordinary shares and affect your ability to recover any value in a winding up.

An investment in ordinary shares confers no right to restrict SSM from raising more debt or issuing other securities (subject to restrictions imposed under the ASX Listing Rules), to require SSM to refrain from certain business changes, or to require SSM to operate within potential certain ratio limits.

An investment in ordinary shares carries no right to participate in any future issue of securities (whether equity, hybrid, debt or otherwise), other than future pro rata issues if the shareholder is eligible to participate in the pro rata issue under relevant laws.

No prediction can be made as to the effect, if any, such future issues of debt or other issues of securities may have on the market price or liquidity of ordinary shares.

(IX) OTHER EXTERNAL EVENTS

Acts of terrorism, an outbreak of international hostilities, labour strikes, civil wars or fires, floods, earthquakes, cyclones and other natural disasters (including where the frequency and severity of such events increase as a result of the effects of climate change), and outbreaks of disease and biosecurity threats such as COVID-19 may cause an adverse change in investor sentiment with respect to SSM specifically or the share market more generally, which could have a negative impact on the value of an investment in ordinary shares.

8. INTERNATIONAL OFFER RESTRICTIONS

International Offer Restrictions

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This document does not constitute an offer of new ordinary shares ("**New Shares**") of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance). No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities. The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "**FMCA**"). The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMCA Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMCA Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMCA Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMCA Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMCA Act.

Norway

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007 no. 75. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act. The New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in the Norwegian Securities Trading Act).

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XII of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA. This document has been given to you on the basis that you are (i) an "institutional investor" (as defined in the SFA) or (ii) an "accredited investor" (as defined in the SFA). If you are not an investor falling within one of these categories, please return this document immediately. You may not forward or circulate this document to any other person in Singapore. Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares constitutes a prospectus or a similar notice, as such terms are understood under art. 35 of the Swiss Financial Services Act or the listing rules of any stock exchange or regulated trading facility in Switzerland. No offering or marketing material relating to the New Shares has been, nor will be, filed with or approved by any Swiss regulatory authority or authorised review body. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority ("**FINMA**"). Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to investors who qualify as "professional clients" (as defined in the Swiss Financial Services Act). This document is personal to the recipient and not for general circulation in Switzerland.

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("**FSMA**")) has been published or is intended to be published in respect of the New Shares. The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom. Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company. In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("**FPO**"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "**relevant persons**"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

9. SUMMARY OF SHARE SALE AGREEMENT



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Summary of Share Sale Agreement

Acquisition	<ul style="list-style-type: none">Service Stream, through its wholly-owned subsidiary Service Stream Holdings Pty Ltd, has agreed to acquire 100% of the ordinary share capital in Lendlease Services from Lendlease Services (Holdings) Pty Limited pursuant to a share sale agreement (SSA)
Purchase price	<ul style="list-style-type: none">The purchase price is \$310 million, subject to standard closing account adjustments in relation to net assets (expected to result in a purchase price of ~\$295 million)
Condition precedent (CP)	<ul style="list-style-type: none">Completion is conditional on consents being obtained in connection with the change in ownership in Lendlease Services from certain contractual counterparties (such as customers and joint venture partners)
Completion	<ul style="list-style-type: none">Subject to the satisfaction of the CP, completion is currently expected to occur in or around November 2021 (noting that timing is subject to the satisfaction of the CP)For the period between signing and completion, Lendlease must ensure that the business of Lendlease Services is conducted in the ordinary course consistent with usual business practices and policies, with various customary restrictions
Liability regime	<ul style="list-style-type: none">The SSA contains a suite of business and tax warranties and indemnities, which are standard for a transaction of this nature and subject to various limitations, qualifications and exceptionsIndemnities have also been provided for specific matters, such as tax and in respect of certain restructures that are anticipated to occur prior to completionThe warranties and indemnities are subject to an aggregate limit of the purchase price
Transitional services	<ul style="list-style-type: none">The parties have agreed transitional arrangements in relation to the separation and disengagement of Lendlease Services from Lendlease and transitioning to Service Stream, to be governed by a transitional services agreement (to which Service Stream Holdings Pty Ltd is also a party)

10. APPENDIX

Service Stream Financial Reconciliations

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The following table reconciles reported EBITDA to EBITDA from Operations, and Statutory NPAT to NPAT-A¹

\$ million	FY20 (audited)	FY21 (unaudited)
Reported EBITDA to EBITDA from Operations		
Reported EBITDA	\$105.6	\$75.3
Due diligence costs on acquisition opportunities	\$1.3	\$3.5
Restructuring costs	-	\$1.5
Integration costs (Comdain)	\$1.2	-
EBITDA from Operations	\$108.1	\$80.3
Statutory NPAT to NPAT-A		
Statutory NPAT	\$49.3	\$29.4
As above for EBITDA adjustments	\$2.5	\$5.0
Amortisation of acquired customer contracts	\$11.0	\$8.9
Tax effect of above (as relevant)	(\$4.1)	(\$4.1)
NPAT-A	\$58.8	\$39.1

1. FY21 financials are estimates only, based on preliminary unaudited financial results for the year ended 30 June 2021. These results remain subject to finalisation, audit, Board review and approval and may change.

5 ADDITIONAL INFORMATION

5.1 Responsibility for this Retail Offer Booklet

This Retail Offer Booklet (including the enclosed ASX Announcement and Investor Presentation and attached Entitlement and Acceptance Form) has been prepared by Service Stream. No party other than Service Stream has authorised or caused the issue of this Retail Offer Booklet, or takes any responsibility for, or makes or gives any statements, representations or undertakings in, this Retail Offer Booklet.

5.2 Date of this Retail Offer Booklet

This Retail Offer Booklet is dated 27 July 2021. Subject to the following paragraph, statements in this Retail Offer Booklet are made only as of the date of this Retail Offer Booklet unless otherwise stated and the information in this Retail Offer Booklet remains subject to change without notice. Service Stream is not responsible for updating this Retail Offer Booklet.

The ASX Announcement and Investor Presentation set out in Section 4 of this Retail Offer Booklet are current as at the date on which they were released. There may be additional announcements that are made by Service Stream (including after the date of this Retail Offer Booklet) that may be relevant to your consideration of whether to take up your Entitlement. Therefore, it is prudent that you check whether any further announcements have been made by Service Stream before submitting an Application. That information is available to the public from ASX and can be accessed at www.asx.com.au.

5.3 Ranking of New Shares

The New Shares (including any Additional New Shares) issued under the Retail Entitlement Offer will be fully paid and rank equally with Existing Shares with effect from their date of issue.

The rights attaching to the New Shares are set out in Service Stream's constitution and are regulated by the Corporations Act, Listing Rules and general law.

5.4 Allotment, quotation and trading

Service Stream will apply for quotation of the New Shares on ASX in accordance with Listing Rule requirements. If ASX does not grant quotation of the New Shares, Service Stream will repay all Application Monies (without interest).

Subject to ASX approval being granted, it is expected that the New Shares allotted under the Retail Entitlement Offer will commence trading on a normal basis on Tuesday, 17 August 2021. Application Monies will be held by Service Stream on trust for Applicants until the New Shares are allotted. No interest will be paid on Application Monies, and any interest earned on Application Monies will be for the benefit of Service Stream and will be retained by Service Stream irrespective of whether New Shares are issued.

It is the responsibility of Applicants to determine the number of New Shares allotted and issued to them prior to trading in such Shares. The sale by an Applicant of New Shares prior to receiving their holding statement is at the Applicant's own risk. Service Stream, the Underwriter and the Share Registry and their advisers disclaim all liability whether in negligence or otherwise (to the maximum extent permitted by law) to persons who trade New Shares before receiving their holding statements, whether on the basis of confirmation of the allocation provided by Service Stream or the Share Registry or the Underwriter or otherwise.

5.5 Reconciliation

In any entitlement offer, investors may believe that they own more Shares on the Record Date than they ultimately do. This may result in a need for reconciliation to ensure all Eligible Shareholders have the opportunity to receive their full Entitlement.

Service Stream may need to issue a small quantity of additional New Shares to ensure all Eligible Shareholders have the opportunity to receive their appropriate allocation of New Shares. The price at which these New Shares would be issued, if required, is the same as the Offer Price.

Service Stream reserves the right (in its absolute sole discretion) to reduce the number of Entitlements or New Shares allocated to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if their claims prove to be overstated, or if they (or their nominees/custodians) fail to provide information to substantiate their claims. See Section 3.14 of this Retail Offer Booklet for further details.

5.6 Underwriting

The Underwriter is acting as underwriter, sole lead manager and bookrunner to the Offer. Service Stream entered into an Underwriting Agreement with the Underwriter in respect of the Offer on Wednesday, 21 July 2021 ("**Underwriting Agreement**").

The Underwriter's obligation to underwrite the Offer is conditional on certain matters, including Service Stream delivering certain certificates, sign-offs and opinions to the Underwriter and the Acquisition Agreement not having been breached, terminated, rescinded or varied in a material respect.

If certain events occur (which in some cases will depend on whether the event has, or is likely to have: a material adverse effect on the success, marketing or settlement of the Offer; a material adverse effect on the business, financial position or prospects of Service Stream and its subsidiaries; or where it leads, or is likely to lead, to a contravention of law by or a liability for the Underwriter or its affiliates), the Underwriter may terminate the Underwriting Agreement. For a more detailed summary of the key terms of the Underwriting Agreement see slides 42 to 43 of the Investor Presentation set out in Section 4 of this Retail Offer Booklet.

Neither the Underwriter nor any of its related bodies corporate and affiliates, nor any of their respective directors, officers, partners, employees, representatives, advisers or agents (the **Underwriter Parties**) have authorised or caused the issue of this Retail Offer Booklet, or made or authorised the making of any statement that is included in this Retail Offer Booklet or any statement on which a statement in this Retail Offer Booklet is based, and they do not take any responsibility for this Retail Offer Booklet or any action taken by you on the basis of such information.

To the maximum extent permitted by law, each Underwriter Party excludes and disclaims all liability for any expenses, losses, damages or costs incurred by you (directly or indirectly) as a result of your participation in the Entitlement Offer and this Retail Offer Booklet being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise.

None of the Underwriter Parties make any recommendations as to whether you or your related parties should participate in the Entitlement Offer, nor do they make any representations or warranties to you concerning this Entitlement Offer or any such information and you represent, warrant and agree that you have not relied on any statements made by the Underwriter Parties in relation to the New Shares or the Entitlement Offer generally.

5.7 Continuous disclosure

Service Stream is a “disclosing entity” under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules, including the preparation of annual reports and half yearly reports.

Service Stream is required to notify ASX of information about specific events and matters as they arise for the purposes of ASX making that information available to the stock markets conducted by ASX. In particular, Service Stream has an obligation under the Listing Rules (subject to certain exceptions) to notify ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of Service Stream Shares. That information is available to the public from ASX and can be accessed at www.asx.com.au.

Some documents are required to be lodged with ASIC in relation to Service Stream. These documents may be obtained from, or inspected at, an ASIC office.

5.8 No cooling off rights

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your Application once it has been made or accepted.

5.9 Rounding of Entitlements

Where fractions arise in the calculation of an Entitlement, they will be rounded up to the nearest whole number of New Shares.

5.10 Not financial product or investment advice

This Retail Offer Booklet and the accompanying Entitlement and Acceptance Form is for information purposes only and is not a prospectus, disclosure document or other offering document under the Corporations Act or any other law and has not been lodged with ASIC. It is also not financial product or investment advice or a recommendation to acquire New Shares and has been prepared without taking into account your objectives, financial circumstances or particular needs. This Retail Offer Booklet should not be considered to be comprehensive and does not purport to contain all the information that you may require to make a decision about whether to submit your Entitlement and Acceptance Form and invest in New Shares. This Retail Offer Booklet should be read in conjunction with Service Stream's other periodic statements and continuous disclosure announcements lodged with ASX which are available at www.asx.com.au.

Before making an investment decision, you should consider the appropriateness of the information in this Retail Offer Booklet having regard to your own objectives, financial situation and needs and seek legal and taxation advice appropriate to your jurisdiction. If you have any questions about whether you should participate in the Entitlement Offer, you should seek professional financial advice before making any investment decision. Service Stream is not licensed to provide financial product advice in respect of New Shares.

5.11 Financial data

All dollar values are in Australian dollars (\$A).

All financial data is presented as at 27 July 2021 unless otherwise stated.

5.12 Ineligible Shareholders

All Shareholders who do not satisfy the criteria to be Eligible Retail Shareholders or Eligible Institutional Shareholders are Ineligible Shareholders. Ineligible Shareholders are not entitled to participate in the Entitlement Offer, unless Service Stream otherwise determines.

The restrictions upon eligibility to participate in the Entitlement Offer arise because Service Stream has determined, pursuant to Listing Rule 7.71(a) and section 9A(3)(a) of the Corporations Act, that it would be unreasonable to extend the Entitlement Offer to Ineligible Shareholders. This decision has been made after taking into account the relatively small number of Ineligible Shareholders, the number and value of New Shares to which those Ineligible Shareholders would otherwise be entitled and the potential costs of complying with legal and regulatory requirements in the jurisdictions in which the Ineligible Shareholders are located in relation to the Entitlement Offer.

Service Stream, in its absolute discretion, may extend the Entitlement Offer to any Shareholder if it is satisfied that the Entitlement Offer may be made to the Shareholder in compliance with all applicable laws. Determination of eligibility of investors for the purposes of the institutional or retail components of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Service Stream and the Underwriter. To the maximum extent permitted by law, each of Service Stream and the Underwriter and each of their respective affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers disclaim any duty or liability (including for fault or negligence) in respect of that determination and the exercise or otherwise of that discretion.

6 AUSTRALIAN TAXATION CONSEQUENCES

Below is a general guide to the Australian income tax, GST and stamp duty implications of the Retail Entitlement Offer for Eligible Retail Shareholders that hold their New Shares on capital account. In addition, the guide below applies only to Eligible Retail Shareholders who are Australian tax resident individuals, companies or complying superannuation entities. The guide does not apply to Eligible Retail Shareholders who:

- (a) hold Shares as revenue assets or trading stock (which will generally be the case if you are a bank, insurance company, carry on a business of share trading or have made certain elections under the Taxation of Financial Arrangements regime in Division 230 of the *Income Tax Assessment Act 1997* (Cth)), or are exempt from Australian income tax;
- (b) acquired the Shares in respect of which their Entitlements are issued under any employee share scheme or where New Shares are acquired pursuant to any employee share scheme; or
- (c) may be subject to special tax rules, such as insurance companies, partnerships, tax exempt organisations, trusts (except where expressly stated), non-complying superannuation funds (except where expressly stated) or temporary residents.

The guide does not take account of the individual circumstances of particular Eligible Retail Shareholders and does not constitute tax advice. It does not purport to be a complete analysis of the potential tax consequences of the Retail Entitlement Offer and is intended as a general guide to the Australian income tax, GST and stamp duty implications. Eligible Retail Shareholders should seek advice from an appropriate professional adviser in relation to the tax implications of the Retail Entitlement Offer based on their own individual circumstances.

The comments below are based on the Australian tax law as it applies as at 5.00pm (Sydney, Australia time) on 27 July 2021. Other than as expressly discussed or specified, the comments do not take into account or anticipate changes in Australian tax law or future judicial interpretations of law after this time. The comments also do not take into account tax legislation of any country other than Australia.

6.1 Issue of Entitlement

The issue of the Entitlement should be non-assessable non-exempt income and should not, in itself, result in any amount being included in the assessable income of an Eligible Retail Shareholder.

6.2 Exercise of Entitlement and Acquisition of Additional New Shares

New Shares will be acquired where the Eligible Retail Shareholder exercises all or part of their Entitlement and, to the extent relevant, participates in the Oversubscription Facility, under the Retail Entitlement Offer.

An Eligible Retail Shareholder should not derive any assessable income, or make any capital gain or capital loss, at the time of exercising their Entitlement (in full or in part) under the Retail Entitlement Offer.

For Australian CGT purposes, New Shares will be taken to have been acquired on the day that an Eligible Retail Shareholder exercises their Entitlement. The cost base of each New Share will be equal to the Offer Price payable for each New Share plus certain non-deductible incidental costs the Eligible Retail Shareholder incurs in acquiring, holding and disposing of the New Shares.

6.3 Lapse of Entitlement

If an Eligible Retail Shareholder does not accept all or part of their Entitlement in accordance with the instructions set out above, then that Entitlement will lapse and the Eligible Retail Shareholder will not receive any consideration for their Entitlement that is not taken up. There should be no tax implications for an Eligible Retail Shareholder from the lapse of the Entitlement.

6.4 Taxation in respect of dividends on New Shares

Any future dividends or other distributions made in respect of New Shares will be subject to the same income taxation treatment as dividends or other distributions made on Existing Shares held in the same circumstances.

6.5 Disposal of New Shares

The disposal of New Shares should constitute a disposal for CGT purposes.

On disposal of a New Share, an Eligible Retail Shareholder will make a capital gain if the capital proceeds received on disposal exceed the cost base of the New Share. An Eligible Retail Shareholder will make a capital loss if the capital proceeds are less than the reduced cost base of the New Share.

Eligible Retail Shareholders that are individuals, trusts or complying superannuation entities and that have held their New Shares for 12 months⁷ or more at the time of disposal should be entitled to apply the applicable CGT discount factor to reduce the capital gain (after offsetting capital losses). The CGT discount factor is 50% for individuals and trusts and 33⅓% for complying superannuation entities.

Eligible Retail Shareholders will be taken to have acquired New Shares on the day they exercise their Entitlement or participate in the Oversubscription Facility under the Retail Entitlement Offer. Accordingly, to be eligible for the CGT discount, the New Shares must be held for at least 12 months⁸ after the date that the Eligible Retail Shareholder exercised their Entitlement.

If Eligible Retail Shareholders make a capital loss, they can only use that capital loss to offset capital gains made from other sources (i.e. the capital loss cannot be applied against taxable income on revenue account). However, if the capital loss cannot be used in a particular income year, then it can be carried forward to use in future income years, provided certain tests are satisfied.

6.6 Provision of TFN and/or ABN

Service Stream may be required to withhold tax from Eligible Retail Shareholders on payments of dividends that are not fully franked, at the specified rate, and remit such amounts to the Australian Taxation Office, unless the Eligible Retail Shareholders have provided an Australian Business Number (**ABN**), Tax File Number (**TFN**), or they have informed Service Stream that they are exempt from quoting their ABN or TFN.

Eligible Retail Shareholders are not required to provide their ABN or TFN to Service Stream, however they may choose to do so. If Eligible Retail Shareholders have previously quoted their ABN, TFN or have notified Service Stream that an exemption from quoting their TFN or ABN exists, that quotation or exemption will also apply in respect of any New Shares acquired by them.

6.7 GST and stamp duty

No Australian GST or stamp duty should be payable in respect of the issue, exercise or lapse of Entitlements or the acquisition of New Shares pursuant to the Retail Entitlement Offer.

Subject to certain requirements, there may be a restriction on the entitlement of Eligible Retail Shareholders to claim an input tax credit for any GST incurred on costs associated with the acquisition or disposal of New Shares (such as brokerage or adviser fees).

⁷ The ATO measures the period of 12 months for this purpose exclusive of both the acquisition date and the disposal date.

⁸ See above footnote.

7 DEFINITIONS

ABN means Australian Business Number.

Acquisition means the acquisition of all the issued shares of Lendlease Services Pty Limited (ACN 081 540 847).

Acquisition Agreement means the binding agreement entered into by Service Stream on 21 July 2021 to acquire 100% of all the issued shares of Lendlease Services Pty Limited (ACN 081 540 847).

Additional New Shares means New Shares in excess of an Eligible Shareholder's Entitlement.

Applicant means an Eligible Retail Shareholder who has submitted a valid Application.

Application means the arranging for payment of the relevant Application Monies through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form or the submission of an Entitlement and Acceptance Form accompanied by the relevant Application Monies.

Application Monies means the aggregate amount payable for the New Shares and Additional New Shares (as applicable) applied for through BPAY® or in a duly completed Entitlement and Acceptance Form.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or, where the context requires, the securities exchange operated by it on which Shares are quoted.

ASX Announcement means the announcement released to ASX by Service Stream on 21 July 2021 in connection with the Entitlement Offer and Placement, incorporated in Section 4 of this Retail Offer Booklet.

BPAY® means registered to BPAY® Pty Ltd (ABN 69 079 137 518).

CGT means capital gains tax.

Closing Date means the day the Retail Entitlement Offer closes, expected to be 5.00pm (Sydney, Australia time) on 9 August 2021.

Corporations Act means the *Corporations Act 2001* (Cth).

Eligible Institutional Shareholder means an Institutional Shareholder on the Record Date whom the Underwriter determines in its discretion:

- (a) is eligible to participate in the Institutional Entitlement Offer; and
- (b) successfully receives an offer from, or on behalf of, Service Stream under the Institutional Entitlement Offer, provided that if such person is in the United States, the person meets certain eligibility criteria determined by Service Stream and the Underwriter (and who, for the avoidance of doubt, is not an Ineligible Institutional Shareholder under the Underwriting Agreement).

Eligible Retail Shareholder has the meaning in Section 2.4 of this Retail Offer Booklet.

Eligible Shareholder means a person who is an Eligible Institutional Shareholder or an Eligible Retail Shareholder.

Entitlement means the right to subscribe for 1 New Share for every 3 Existing Shares held by Eligible Shareholders on the Record Date, pursuant to the Entitlement Offer.

Entitlement and Acceptance Form means the personalised entitlement and acceptance form that accompanies this Retail Offer Booklet.

Entitlement Offer means the accelerated non-renounceable pro rata entitlement offer of New Shares to Eligible Shareholders to raise approximately A\$123.1 million at the Offer Price on the basis of 1 New Share for every 3 Existing Shares held on the Record Date, and comprised of the Institutional Entitlement Offer and the Retail Entitlement Offer.

Existing Shares means the Shares already on issue on the Record Date.

GST means goods and services tax imposed in Australia pursuant to the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Ineligible Institutional Shareholder means an Institutional Shareholder that is not an Eligible Institutional Shareholder.

Ineligible Retail Shareholder means a retail Shareholder that is not an Eligible Retail Shareholder.

Ineligible Shareholder means an Ineligible Institutional Shareholder and an Ineligible Retail Shareholder.

Institutional Entitlement Offer means the accelerated non-renounceable pro rata entitlement offer of New Shares to Eligible Institutional Shareholders under the Entitlement Offer.

Institutional Investor means a person who the Underwriter reasonably believes to be a person to whom an offer of New Shares may be made:

- (a) in Australia without issue of a prospectus under Chapter 6D, any other lodgement (disregarding the operation of section 708AA), registration or approval with or by a government agency (other than one with which Service Stream is willing to comply);
 - (b) if in Hong Kong, to a “professional investor” as defined under the Securities and Futures Ordinance of Hong Kong, Chapter 571 of the Laws of Hong Kong;
 - (c) if in New Zealand, to a wholesale investor within the meaning of Schedule 1 of the Financial Markets Conduct Act 2013;
 - (d) if in Norway, to a “professional client” as defined in Norwegian Securities Trading Act of 29 June 2007 no. 75;
 - (e) if in Singapore, is an “institutional investor” or an “accredited investor” (as such terms are defined in the Securities and Futures Act of Singapore (“SFA”));
 - (f) if in Switzerland, to a “professional client” within the meaning of article 4(3) of the Swiss Financial Services Act (“FinSA”) or have validly elected to be treated as a professional client pursuant to article 5(1) of the FinSA; or
 - (g) if in the United Kingdom, to (i) a “qualified investor” within the meaning of Article 2(e) of the UK Prospectus Regulation and (ii) within the categories of persons referred to in Article 19(5) (investment professionals) or Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended,
- provided that if such person is in the United States, the person meets certain eligibility criteria determined by Service Stream and the Underwriter.

Institutional Shareholder means a Shareholder who is an Institutional Investor.

Investor Presentation means the presentation to investors released to the ASX on 21 July 2021, incorporated in Section 4 of this Retail Offer Booklet.

Listing Rules means the official listing rules of ASX.

New Shares means Shares, including Additional New Shares, to be allotted and issued under the Entitlement Offer and the Placement (as applicable), including to the Underwriter or any sub-underwriter.

Offer means the offer of New Shares under the Placement and the Entitlement Offer.

Offer Price means \$0.90 per New Share, being the price payable per New Share under the Entitlement Offer.

Oversubscription Facility means the opportunity for Eligible Retail Shareholders who take up all of their Entitlement to also apply for Additional New Shares in excess of their Entitlement up to a maximum of 100% of their Entitlement (subject to any scale-back as outlined in this Retail Offer Booklet).

Permitted Jurisdictions means Australia, New Zealand, Hong Kong, Norway, Singapore, Switzerland and the United Kingdom.

Placement means the institutional placement, as announced by Service Stream on 21 July 2021.

Record Date means 7.00pm (Sydney time) on 23 July 2021.

Retail Entitlement Offer means the pro rata non-renounceable entitlement offer of New Shares to Eligible Retail Shareholders under the Entitlement Offer.

Retail Entitlement Offer Period means the period from 27 July 2021 to 9 August 2021.

Retail Offer Booklet means this document (including the personalised Entitlement and Acceptance Form accompanying it).

Section means a section of this Retail Offer Booklet.

Service Stream means Service Stream Limited (ABN 46 072 369 870).

Share means a fully paid ordinary share in the capital of Service Stream.

Share Registry means Computershare Investor Services Pty Limited (ABN 48 078 279 277).

Shareholder means a registered holder of Shares.

TFN means tax file number.

Underwriter means Ord Minnett Limited (ABN 86 002 733 048).

Underwriting Agreement means the underwriting agreement entered into on 21 July 2021 between Service Stream and the Underwriter.

US Securities Act means the U.S. Securities Act of 1933, as amended.

8 CORPORATE INFORMATION

Service Stream

Service Stream Limited
Level 4, 357 Collins Street
Melbourne VIC 3000

Service Stream Retail Entitlement Offer Information Line

If you have any questions about the Retail Entitlement Offer, please contact the Offer Information Line:

Australia: 1300 850 505

International: +61 3 9415 4000

Open 8.30am to 5.00pm (Sydney, Australia time) Monday to Friday during the Retail Entitlement Offer Period.

Investor enquiries

For further information, please contact:

Service Stream Limited

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Service Stream Limited

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Chief Financial Officer
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Underwriter

Ord Minnett Limited
Level 8, NAB House
255 George Street
Sydney NSW 2000

Share Registry

Computershare Investor Services Pty Ltd
Yarra Falls 452 Johnston St
Abbotsford VIC 3067

Legal adviser

King & Wood Mallesons
Level 27, Collins Arch
447 Collins Street
Melbourne VIC 3000

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