

Annual General Meeting

The Annual General Meeting of Service Stream Limited will be held at Service Stream Limited Level 5, 655 Collins Street, Docklands Wednesday 22 October 2025, 10.00am

Service Stream Limited

ABN 46 072 369 870

Annual report for the financial year ended

30 June 2025

Service Stream Limited ABN 46 072 369 870

Annual Report

for the year ended 30 June 2025

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These financial statements are the consolidated financial statements of the consolidated entity consisting of Service Stream Limited and its subsidiaries. The financial statements are presented in Australian dollars.

Service Stream Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 5, 655 Collins Street Docklands VIC 3008.

A description of the nature of the consolidated entity's operations and its principal activities is included in the review of operations and financial performance on pages 12 to 16, which is not part of these financial statements.

The financial statements were authorised for issue by the Directors on 20 August 2025. The Directors have the power to amend and reissue the financial statements.

Through the use of the internet, we have ensured that our corporate reporting is timely and complete. All media releases, financial reports and other information are available on our website: www.servicestream.com.au.

About Service Stream

Service Stream, a proud Australian S&P/ASX listed company, is a leading provider of integrated end-to-end asset lifecycle services across Australia. Service Stream specialises in the design, construction, operation, and maintenance of essential infrastructure networks, including electricity, gas, water, renewable energy, fixed and wireless telecommunications, industrial and road assets.

Our customer base comprises some of Australia's largest infrastructure organisations, with approximately 67% of our revenue derived from government-related entities, reflecting our strong relationships with both public and private asset owners.

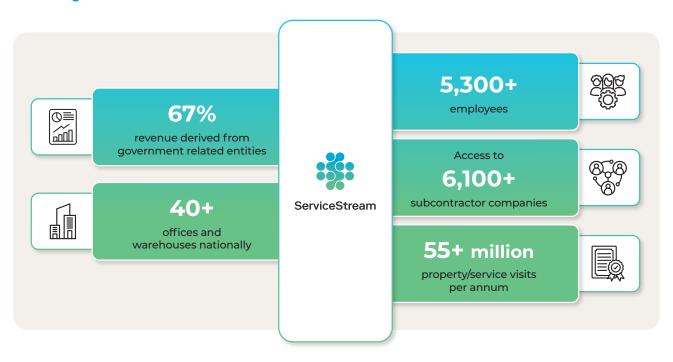
Service Stream operates across all States and Territories, supported by over 40 office and warehouse locations. We provide local career opportunities, support small businesses, and contribute to local communities.

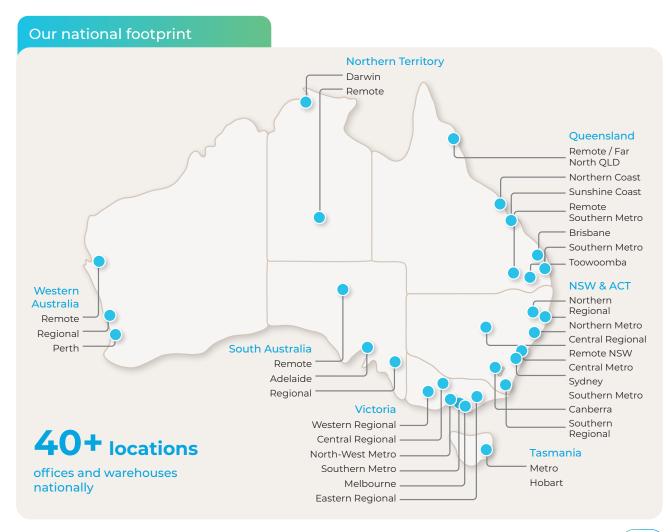
Annually, our teams complete over 55 million property/asset service visits across Australia. Our workforce comprises over 5,300 employees and we have access to a pool of more than 6,100 subcontracting companies, demonstrating our scale and capability.

We are committed to safety, delivery, people, and accountability, and we strive to keep communities connected to the essential infrastructure that Australians depend on every day.



Leading provider of integrated end-to-end asset lifecycle services nationwide





Performance Highlights

Financial Performance

for the year ended 30 June 2025

Total Revenue

\$2.42b

▲ Increase of 1.2% on pcp

Underlying EBITDA-A

\$146.1m

▲ Increase of 13.1% on pcp

EPS (statutory)

9.7cps

▲ Increase of 82.1% on pcp

EPS-A

11.2cps

▲ Increase of 37% on pcp

Cashflow Conversion

104.4%

OCFBIT

FY2025 Dividends

5.5cps

Total FY2025 dividend

▲ Increase of 22% on pcp





ServiceStream



Telecommunications

Fixed Communications, Mobile/Wireless

FY2025 Revenue

\$1.2b

Service Stream's

Telecommunications division remains a leader in providing comprehensive, end-to-end services for fixed-line and wireless telecommunication networks.

Partnering with Australia's major carriers, the division delivers tailored solutions covering network design, construction, installation, operations and maintenance

Our key capabilities include customer connections, network assurance, site acquisition, infrastructure upgrades, asset remediation, network expansion, relocations and management of high volumes of Tickets of Work. These services underpin reliable connectivity, meeting the evolving needs of our clients and the communities we serve.



Utilities

Gas, Power, Network Services, Water, Industrial

FY2025 Revenue

\$1.0b

Service Stream's Utilities division plays a critical role in supporting and maintaining Australia's essential infrastructure. We deliver a full range of services, including engineering, construction, maintenance, turnarounds, and asset management.

Collaborating with major gas, water, electricity, and industrial asset owners, operators and regulators, our team ensures the continued delivery of vital services to communities across the nation.

Our expertise includes network asset maintenance and upgrades, the design and construction of new infrastructure, metering services, and inspection and compliance auditing. These efforts ensure the resilience and reliability of key utility networks.



Transport

Road, Tunnel, Intelligent Transport Systems and Asset Services

FY2025 Revenue

\$246.0m

Service Stream's Transport division provides comprehensive life-cycle services for critical transport infrastructure, delivering long-term value across the planning, maintenance, operation, and optimisation of roads, tunnels and integrated transport systems.

Our expertise extends to road maintenance, minor capital works, incident response, control centre operations and intelligent transport systems (ITS), underpinned by a scalable operating model, deep technical capability, and disciplined execution.

Trusted by public and private asset owners, we support the reliability, safety, and performance of Australia's transport infrastructure. Our whole-of-life approach reduces life-cycle costs, extends asset value, and positions Service Stream as a key partner in enabling sustainable, future-ready transport networks.

FY2025 Contract Renewals and New Business

NBN

Field Module Contract New Developments Contract

TPC

Wireless Network Services

NSW Telco Authority

Public Safety Network Program

Telstra

Mobile Network Modernisation Program

Urban Utilities

Mechanical, Electrical and Control Systems Maintenance

Sydney Water

Delivering for Customers (D4C) Regional Delivery Partner Extension

AGL

Major Outage Program – Loy Yang Station

Dep't of Transport & Planning

Victorian Roads Maintenance Contract (VRMC), Metro South Central roll-out

SA Roads (SA Outback Zone)

Buyout of 50% SARS JV

Transurban – VIC & QLD Asset Rehabilitation

Lighting upgrade Burnley Tunnel, LV cable replacement and ventilation refurbishments

Annual Report

20 August 2025

Chairman's Letter

FY2025 Highlights

FY2025 has been an exceptional year for Service Stream. Our Company has secured a record amount of work-in-hand, invested for the long-term, exceeded all financial performance metrics, and delivered strong returns to shareholders. This success is built upon the execution of our Group strategy and underpinned by the continued support of our customers, shareholders and dedicated workforce.

Key highlights during the year include:

- Securing approximately \$4.2 billion of revenue under new and existing agreements across all our reporting Divisions. This brings our work-inhand to \$7.6 billion for the Group.
- Improvements across all key financial metrics including:
 - EBITDA from Operations of \$146.1 million
 - OCFBIT conversion rate of 104.4% for the year.
 - Net cash of \$73.6 million.
 - NPAT-A of \$68.5 million.
- A ~55% increase in our share price from this time last year.
- A total fully-franked dividend of 5.5 cents per share for the year.

With a robust balance sheet, strong cash flow, and significant portfolio of work-in-hand, the Group is very well positioned to continue to grow and deliver further value to our shareholders in FY2026.

Safety

As part of the business commitment to continuous safety improvement, we constantly evaluate opportunities to enhance the Group's safety culture and performance.

In FY2025, the Company adopted the Human Organisational Performance (HOP) framework to drive improved levels of safety performance. HOP takes the perspective that safety is just one of many emergent outcomes from work. It seeks to move away from viewing people as problems to be

managed, acknowledging that human errors are inevitable, and supports the view that these human errors represent an opportunity to foster growth and drive improvement.

HOP emphasises proactive methods to reduce workplace hazards, aligning with Service Stream's initiatives like the Safety Leadership Workshops; the Walk, Talk, Lead, Care Safety Model; and our Critical Controls Program.

While this year we have seen most lag-indicator frequency rates trending downwards, with our TRIFR of <2.18 and HPIFR <1.16 remaining industry leading, we acknowledge that we can never be complacent when it comes to safety.

Financial Performance

The Board is delighted with the financial performance of the business in FY2025 and remains very optimistic with the strength of the business' balance sheet heading into the FY2026.

This year, the Group recorded an underlying EBITDA from Operations of \$146.1 million, an increase of 13.1% on FY2024, NPAT-A of \$68.5 million which is an increase of 36.7% on the prior year, and a Group Total Revenue of \$2.42 billion.

The continuation of strong working capital disciplines has enabled the Group to record a net cash position of \$73.6 million and outstanding cash conversion rate for the full-year of 104.4%.

A sustainable business is built on profitability and returns for shareholders. It is pleasing that this year shareholders were rewarded with a share price increase of over 55% during FY2025 and a total fully-franked dividend of 5.5 cents per share, which was an improvement of 22% on the prior year.

The Board remains committed to the consistent payment of dividends to our shareholders aligned to the business' profit, while ensuring the Group maintains an appropriate capital management strategy which can support both operational delivery and our strategic plan.

Group Strategy

The exceptional financial results that the business delivered in FY2025 are a product of decisions diligently executed by Management over the prior three years. The Company's strategy, which is in its third year, is underpinned by our strategic pillars of 'Delivery, Optimisation and Growth'. This year, shareholders have continued to realise the benefit of the successful acquisition and integration of Lendlease Services, the implementation of our optimisation program, investment in our people and systems and the transition away from the uncertainty of large fixed-price lump sum contracts.

In FY2026, our strategic priorities will include the diversification of revenue and customer base, the optimisation of our ERP systems, and embedding HOP principles and tools into our safety framework.

Our Outlook for FY2026 and Beyond

FY2025 was a very successful year for the business, showcased by the successful execution of our strategy and outstanding financial performance. It was also an important year for our organisation, marking 20 years as Service Stream. We enter FY2026 secure in the knowledge that we have more than 3 years of work-in-hand and remain well positioned to secure material new business under the existing corporate overhead. With our strong balance sheet we're able to comfortably fund these opportunities should they arise.

By maintaining our disciplined approach to the delivery of our services, we will continue to position ourselves to secure new opportunities as our clients commit to the ongoing investment in the construction, upgrading and maintenance of their essential infrastructure networks.

The future is bright for Service Stream and I'm excited about the runway ahead for our people and our shareholders.

Personal Note



On behalf of the Board, I would like to acknowledge and thank all our valued people working across the business for their hard work and dedication throughout the year. Their ongoing support is the reason behind our success. The Board continues to focus on supporting our people as we execute on the key drivers that shape our strategic plan."



Off

Brett Gallagher Chairman

Directors' Report

Your Directors present their report on the consolidated entity (the Group) consistent of Service Stream Limited and entities it controlled at the end of, or during, the year ended 30 June 2025, and in order to comply with the provisions of the *Corporations Act 2001*. The Directors' report is as follows:

Board of Directors biographical details

The names and particulars of the Directors of the Company during or since the end of the financial year are:



Brett Gallagher Chairman

Term of Office: Non-Executive Director from April 2010 to April 2013 and from November 2013 to May 2014, Managing Director from April 2013 to November 2013, Executive Director from May 2014 to February 2015, Chairman since March 2015.

Qualification: FAICD.

Brett Gallagher brings to the Board extensive commercial and operational expertise, and strategic leadership gained in the telecommunications, utilities, infrastructure and technical services industries. He has spent over 25 years as a senior executive, director and owner of businesses within these sectors. Brett has specific experience in service delivery, contract management, business development, health, safety & environment, corporate finance and mergers & acquisitions.

Brett is an experienced company director and has experience in governance and compliance, reporting and investor relations. His current directorships include not-for-profit and several private businesses that operate predominantly in the utilities and services sector.

Brett is a member of the Health, Safety & Environment Committee.

Brett has no other listed company directorships and has held no other listed company directorships in the last three years.



Leigh Mackender Managing Director

Term of Office: Managing Director since May 2014.

Qualifications: MBA (VU), MAICD.

Leigh Mackender was appointed as the Managing Director of Service Stream in May 2014, after holding a number of management and executive roles within the business since joining in 2005.

Leigh has held senior roles in government, private and public businesses over the past 20 years, with a strong focus on the development and implementation of business strategy, operational and financial management, stakeholder relations, health & safety and information technology.

Leigh is a member of the Health, Safety & Environment Committee.

Leigh has no other listed company directorships and has held no other listed company directorships in the last three years.



Elizabeth Ward
Non-Executive Director

Term of Office: Non-Executive Director since September 2021.

Qualifications: MBA, MAICD.

Elizabeth Ward brings to the Board extensive operational, contracting and commercial expertise gained across a diverse range of industries including large-scale infrastructure, transport, fisheries and telecommunications in Australia and New Zealand. She has over 30 years' experience as a CEO, senior executive and strategic advisor across these sectors. She has specific experience in change management, business development, industrial relations, contract management, stakeholder engagement, service delivery and mergers & acquisitions.

Elizabeth has held CEO roles with Gough Group, Kennards Hire and CentrePort Ltd and is an experienced company director gained across government, privately owned and regulated entities such as NSW Telco Authority and Moana (formerly Aotearoa Fisheries Ltd). She has experience in audit and risk, health and safety, and remuneration board committees.

Elizabeth is Chair of the Health, Safety & Environment Committee and a member of the Remuneration and Nomination Committee.

Elizabeth has no other listed company directorships and has held no other listed company directorships in the last three years.



Martin Monro
Non-Executive Director

Term of Office: Non-Executive Director since October 2022.

Qualifications: BA (Psych) FAICD, FAIB.

Martin Monro brings to the Board extensive operational, contracting and commercial expertise gained across large-scale infrastructure projects in Australia and overseas. He has over 30 years' experience as a CEO, senior executive and strategic advisor across these sectors. He has specific experience in risk management, industrial relations, contract management, stakeholder engagement and service delivery.

Martin was previously Managing Director and CEO of Watpac Limited (now BESIX Watpac) and held senior roles at Baulderstone Hornibrook. He is an experienced company director gained across listed entities such as Fleetwood Limited, Big River Industries and BESIX Watpac, as well as private and government enterprises such as Moits Geo-Civil Contracting, Pannell Enoteca (previously S.C. Pannell Wines) and Royal Melbourne Showgrounds Unincorporated Joint Venture. He has experience in audit and risk, health and safety, and remuneration board committees.

Martin is Chairman of the Remuneration and Nomination Committee, a member of the Health, Safety & Environment Committee and a member of the Audit and Risk Committee.

Martin is currently Chair of Big River Industries and a Non-Executive Director of Fleetwood Limited, and has held no other listed company directorships in the last three years.



Sylvia Wiggins
Non-Executive Director

Term of Office: Non-Executive Director since November 2022.

Qualifications: LLB, LJuris Law, GAICD.

Sylvia Wiggins brings to the Board extensive infrastructure, finance, strategic planning and risk management gained across a diverse range of industries including energy, infrastructure, finance, funds management, transport and government in Australia and overseas. She has over 30 years' experience as a CEO, senior executive and strategic advisor across these sectors. She has specific experience in corporate finance, audit, risk management, contract management, stakeholder engagement and service delivery.

Sylvia was previously a public market CEO at Global Investments Limited and Executive Director of Finance & Commercial of ASX listed company Infigen Energy Group, prior to its takeover.

Sylvia is an experienced company director and currently a Non-Executive Director of Collgar Renewables Group, Epic Energy Group, Scheme Financial Vehicle Pty Limited, Lander & Rogers, Ausgrid Group and ERIC-A Group.

Sylvia is Chair of the Audit and Risk Committee and a member of the Remuneration and Nomination Committee.

During the last three years, Sylvia held listed directorships with Aeris Resources Limited (retired 31 December 2023) and Altium Limited (retired 1 August 2024).



Brent Dennison
Non-Executive Director

Term of Office: Non-Executive Director since March 2025.

Qualifications: BComm.

Brent Dennison brings to the Board extensive operational, finance, strategic planning and commercial expertise gained across a diverse range of industries including infrastructure, finance, funds management and medical in Australia and overseas. He has over 30 years' experience as a CEO, senior executive and strategic advisor across these sectors. He has specific experience in corporate strategy, mergers and acquisition, business development, change management, industrial relations, stakeholder engagement and service delivery.

Brent was most recently CEO of the Cell Care Group in Australia and North America. His expertise as a company director is gained across both listed entities and private enterprises. He is currently serving on boards in the health care, retail and education sectors. His board responsibilities include audit and risk, health and safety, and remuneration committees.

Brent is a member of the Audit and Risk Committee

Brent has no other listed company directorships and has held no other listed company directorships in the last three years.

Directors' Shareholdings

The following table sets out each Director's relevant interest in shares of the Company as at the date of this report.

Table 1 - Director's relevant interest in shares

	Fully paid ordinary shares	Performance rights
Directors	Number	Number
B Gallagher	2,300,000	-
E Ward	109,559	-
M Monro	100,000	-
S Wiggins	112,725	-
B Dennison	-	-
L Mackender	1,767,706	2,571,710#

^{*}Aggregation of performance rights granted under FY2023, FY2024 and FY2025 LTI Plans.

Key updates (appointment of Brent Dennison)

Brent Dennison was appointed to the Service Stream Limited Board on 3 March 2025.

Remuneration of key management personnel

Information about the remuneration of key management personnel is set out in the remuneration report of this Directors' report, on pages 33 to 55.

Performance rights granted to Directors and senior management

During and since the end of the financial year, the following performance rights were granted to Directors and to the five highest remunerated officers of the Group as part of their remuneration:

Table 2 – Performance rights granted to Directors and senior management

Director and senior executives	Number of rights granted	Number of ordinary shares under rights
L Mackender	661,541	661,541
L Kow	401,377	401,377
D Zropf	336,394	336,394
K Smith	310,543	310,543
J Van Dyk	220,809	220,809
	1,930,664	1,930,664

Company secretaries

Chris Chapman

Qualifications: LLB, BA (Politics), GAICD.

Chris Chapman was appointed General Counsel for the Group in August 2015. Chris has significant in-house experience having held senior legal positions at large private and listed construction and infrastructure businesses. Chris was appointed Company Secretary in February 2019.

Jamie O'Brien

Qualifications: LLB (Hons), BA.

Jamie O'Brien joined Service Stream in April 2015 and is currently the General Manager of the Legal team. He has extensive experience as an in-house lawyer and senior lawyer in Australian and overseas law firms. Jamie O'Brien was appointed as additional Company Secretary in April 2021.

Principal activities

Service Stream is an essential services provider in Australia. The Group designs, constructs, operates and maintains critical infrastructure networks across the Telecommunications, Utilities and Transport sectors. Services are provided on behalf of government, government related entities and private asset owners / network operators.

Review of operations and financial performance

Financial Overview

Table 3 - Financial performance

\$'000	FY2025	FY2024	Change
Revenue	2,328,528	2,291,589	36,939
EBITDA from Operations ¹	146,098	119,372	26,726
Joint venture adjustments	(3,531)	(2,620)	(911)
Depreciation & amortisation	(46,239)	(42,775)	(3,464)
Gain on sale of assets	3,234	-	3,234
Amort. of customer contracts / relationships	(13,308)	(15,686)	2,378
EBIT	86,254	58,291	27,963
Net financing costs	(7,472)	(11,396)	3,924
Income tax expense	(19,598)	(14,597)	(5,001)
Net profit after tax	59,184	32,298	26,888
Statutory Basic EPS (cents)	9.66	5.25	4.41
Total Dividends (cents per share)	5.5	4.5	1.00
Adjusted profitability ² :			
Total Revenue	2,420,114	2,391,801	28,313
Underlying EBITDA from Operations	146,098	129,172	16,926
Underlying EBITDA from Operations margin	6.04%	5.40%	0.64%
Adjusted NPAT (NPAT-A)	68,500	50,138	18,362
Adjusted EPS (cents)	11.18	8.15	3.03

EBITDA from Operations is calculated as earnings before interest, tax, depreciation and amortisation, non-operational costs and joint venture proportionate consolidation adjustments.

²Adjusted profitability includes non-IFRS measures that have been adjusted for non-operational costs, amortisation of customer contracts and proportionate consolidation of equity-accounted joint ventures. Refer to reconciliation between IFRS and non-IFRS financial information for further details on page 13.

Group results

Revenue increased by 1.6% to \$2,328.5 million from \$2,291.6 million driven by:

- Utilities segment with robust growth across Industrials and Water sectors despite phasing out revenue from discontinued operations; and
- Transport segment with the commencement of the new long-term Victorian Roads Maintenance contract and acquisition of the remaining 50% of the SARS joint venture in September 2024.

This was partially offset by the Telecommunications segment due to lower volumes from the nbn N2P program with the progressive completion of the initial program of works.

EBITDA from Operations increased to \$146.1 million from \$119.4 million, primarily driven by the Utilities segment due to the revenue drivers outlined above and progressive margin improvement through strong operational delivery across key contracts.

Depreciation & amortisation expense increased by \$3.5 million due to uplift in fleet refresh and IT software.

The Group's net financing costs decreased by \$3.9 million resulting from the enhanced net cash position during the year.

Tax expense for the year was \$19.6 million, reflecting an effective tax rate (ETR) of 25% due to a one-off historical tax refund.

Group net profit after tax (NPAT) was \$59.2 million in FY2025, increasing \$26.9 million from prior year. This was driven mainly by the EBITDA from Operations drivers outlined above, offset by higher tax expense. FY2024 results included \$9.8m of increased costs associated with the QLD Utility onerous contract.

The Directors have declared a final FY2025 dividend of 3.0 cents per share (fully franked).

Reconciliations between IFRS and non-IFRS financial information

Table 4 - Reconciliations information

\$'000	FY2025	FY2024
Reconciliation of Total Revenue to revenue		
Total Revenue	2,420,114	2,391,801
Less: Share of revenue from joint ventures ¹	91,586	100,212
Revenue	2,328,528	2,291,589
Reconciliation of Underlying EBITDA from Operations to net profit/(loss) after to	ax	
Underlying EBITDA from Operations	146,098	129,172
Onerous contract provision for QLD Utility project	-	(9,800)
EBITDA from Operations	146,098	119,372
Adjustments for joint ventures ²	(3,531)	(2,620)
Depreciation and amortisation	(59,547)	(58,461)
Gain on sale of assets	3,234	-
Net finance costs	(7,472)	(11,396)
Tax expense	(19,598)	(14,597)
Net profit after tax	59,184	32,298
Reconciliation of NPAT-A to net profit after tax		
Adjusted NPAT (NPAT-A)	68,500	50,138
- Amort. of customer contracts (tax-effected)	(9,316)	(10,980)
- Onerous contract provision for QLD Utility project (tax effected) ²	-	(6,860)
Net profit after tax	59,184	32,298

¹Proportionate share of revenue from equity accounted joint ventures.

²Relates to depreciation and amortisation, interest and tax expense associated with equity accounted joint ventures.

Segment Results

Table 5 - Segment Results

\$'000	FY2025	FY2024	Change
Telecommunications	1,165,899	1,200,215	(34,316)
Utilities	1,008,159	972,117	36,042
Transport	245,814	219,475	26,339
Eliminations, interest & other revenue	242	(6)	248
Total Revenue	2,420,114	2,391,801	28,313
Telecommunications	103,768	105,408	(1,640)
Utilities (Underlying)	45,331	34,161	11,170
Transport	17,156	14,329	2,827
Unallocated corporate costs	(20,157)	(24,726)	4,569
EBITDA from Operations (underlying)	146,098	129,172	16,926
Telecommunications	8.9%	8.8%	0.1%
Utilities	4.5%	3.5%	1.0%
Transport	7.0%	6.5%	0.5%
EBITDA from Ops Margin	6.0%	5.4%	0.6%

Telecommunications

Telecommunications' Total Revenue decreased by \$34.3 million (2.9%) compared to FY2024 due to lower build volumes flowing from the nbn fibre overbuild program, with the progressive completion of the initial program of works. This was partially offset by increased connection demand and network remediation backlog clearing in H1.

Telecommunications' EBITDA from Operations was \$103.8 million, a decrease of 1.5% against prior year, reflecting impact of the revenue drivers outlined and the retention of resources for the commencement of the next nbn fibre overbuild program. EBITDA margin of 8.9% marginally increased (0.1%) on prior period.

Utilities

Utilities' Total Revenue increased by \$36.1 million (3.7%) compared to FY2024 with robust growth across Industrials and Water sectors despite phasing out revenue from discontinued operations.

EBITDA from Operations was \$45.3 million, an increase of \$11.2 million. Exceptional performance from core O&M contracts and progressively closing out problematic legacy projects enabled EBITDA margin improvement to 4.5%.

Transport

Transport's Total Revenue increased by \$26.3 million (12.0%) compared to FY2024, with the commencement of the new Victorian Roads Maintenance contract in July 2024, acquisition of remaining 50% of the SARS joint venture in September 2024.

EBITDA from Operations increased to \$17.2 million due to revenue drivers detailed above as well as additional project works across the ConnectSydney joint venture contract.

Cash flow and Financial Position

Table 6 - Cash flow

\$'000	FY2025	FY2024	Change
EBITDA	142,567	116,751	25,817
+/- non-cash items & change in working capital	7,374	3,600	3,774
Adjustment for joint ventures	(1,049)	(1,739)	690
OCFBIT ¹	148,892	118,612	30,280
EBITDA to OCFBIT 1 conversion %	104.4%	101.6%	2.84%
Net interest and financing paid	(6,120)	(9,535)	3,415
Income taxes paid	(7,679)	(11,947)	4,268
Operating cash flow	135,093	97,130	37,963
Net Capital expenditure	(8,906)	(6,329)	(2,577)
Cash acquired upon acquisition	1,358	-	1,358
Free cash flow	127,545	90,801	36,744
Dividends paid	(30,665)	(18,436)	(12,229)
Lease liability payments	(25,313)	(24,554)	(759)
Repayment of borrowings	(55,000)	(65,000)	10,000
Purchase of shares	(5,961)	(4,131)	(1,830)
Net increase in cash	10,606	(21,320)	31,926
\$'000	FY2025	FY2024	Change
Net cash / (debt)	73,553	7,914	65,639

 $^{{}^{\}mbox{\scriptsize 1}}\!\mbox{\scriptsize Operating cash flow before interest, tax and non-operational costs.}$

Cash flow

Operating cash flow was \$135.1 million, an increase of \$37.9 million against prior year, driven by:

- Strong operating performance primarily in the Utilities segment;
- Continued focus on optimising our operational balance sheet accounts;
- Lower financing costs due to an improved leverage position; and
- Lower tax payments due to a one-off historical tax refund.

Operating cash flow before interest, tax and nonoperational costs (OCFBIT) was \$148.9 million, representing an exceptional cash flow conversion rate of 104.4%. Net investing cash outflows were \$7.5 million and comprised:

- \$13.1 million of capital expenditure relating to investment in technology and plant & equipment; offset by
- \$4.3 million received as proceeds from the sale of fleet assets.
- \$1.3 million of cash acquired upon acquisition related to the SARS joint venture remaining 50% interest

Net financing outflows for the year were \$116.9 million which included:

- Operating lease payments for fleet assets and property of \$25.3 million;
- Dividends of \$30.7 million; and
- Repayment of net borrowing of \$55.0 million, as the Group improved its net cash profile following a strong operating cash flow result.

Financial position

The Group had net assets of \$512.6 million at 30 June 2025 (2024: \$480.3 million).

Cash and financing facilities

- The Group ended the year with net cash of \$73.6 million, an improvement of \$65.7 million from prior year. The increase is driven primarily by strong cash flow generated by operating activities and continued focus on working capital optimisation across the Group.
- As at 30 June 2025, the Group had liquidity of \$340.0 million comprising cash balances of \$73.6 million and an undrawn committed loan facility of \$266.4 million.
- The Group was in compliance with each of the financial covenants that applied during the year across all its financing facilities with its lenders.

Other Balance Sheet items / movements

Other key balance sheet movements during the year included:

- Net working capital (comprising the net of trade & other receivables, inventories, accrued revenue, other assets, trade & other payables and provisions) at 30 June 2025 was a net asset position of \$86.0 million, a decrease of \$0.1 million from 30 June 2024. Net working capital as a percentage of revenue was 3.7%, down from 3.8% in prior year reflecting the strong focus on working capital optimisation throughout the business.
- Property, plant and equipment at 30 June 2025
 was \$24.3 million compared to \$33.2 million at
 30 June 2024. The decrease is primarily resulting
 from lower capital expenditure and a higher
 depreciation charge for the year associated with
 revalued fleet assets acquired as part of the LLS
 acquisition.
- Intangible assets at 30 June 2025 were \$400.8
 million compared to \$418.1 million at June 2024.
 This included amortisation of software assets and customer intangible assets acquired through business combinations.
- Right-of-use assets and lease liabilities recognised under AASB 16 Leases were \$74.5 million (2024: \$60.7 million) and \$77.2 million (2024: \$62.5 million), respectively. The increase attributed to property leases as the Group entered into new leases as part of its continued consolidation of its premises footprint following the acquisition of LLS in FY2022.

Risk Management

Overall Group approach to risk management

The Company's approach to Risk Management ensures the creation and protection of value for our shareholders, employees, customers and partners and supports the achievement of our strategic objectives. It optimises potential outcomes and balances risk and reward. With the vision to be Australia's leading essential network service provider we are committed to:

- building a risk management capability and a positive risk culture that recognises, rewards and promotes behaviour that enhances risk management effectiveness; and
- embedding risk management processes and practices to ensure there is a consistent and integrated approach to managing risks and opportunities at all levels and into our day-to-day work.

Our risk management governance structure

We manage risk across all levels of our organisation. The following diagram illustrates our high-level governance structure.

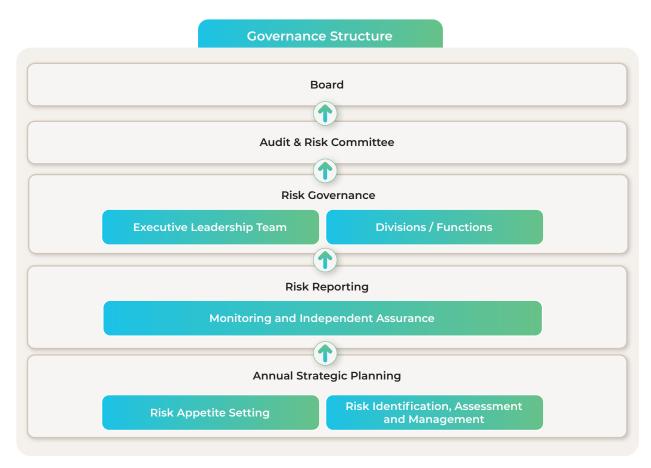


Figure 1 – Governance Structure

Risk management policy

Service Stream's Risk Management Policy aims to support effective decision-making and is the foundation for our Risk Management Framework along with the Risk Appetite Statement. The Risk Management Framework actively supports and addresses the six commitments of the Risk Management Policy (refer Figure 2).



Figure 2 - Risk Management Commitments

Our risk management framework

Our Risk Management Framework articulates our proactive approach to managing risk across the organisation.



Figure 3 – Service Stream Risk Management Framework

The Framework aligns with the principles in the Risk Management International Standard (AS ISO 31000:2018 Risk Management – Principles and Guidelines).

Our Risk Management Framework is designed to assist in the achievement of our strategic objectives and is identified as one of the core disciplines within our strategy. Alignment is achieved through the integration of risk management processes with strategic planning and day-to-day operations. They are reported through risk profiles to the Audit and Risk Committee and management.

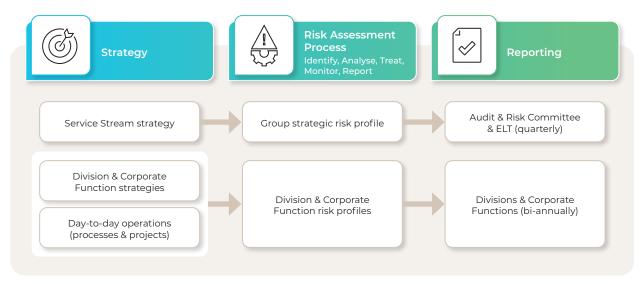


Figure 4 - Alignment of strategy to risk

To support the Risk Management Policy and Framework, Service Stream has developed a cohesive risk management document architecture. The below diagram outlines the structured framework we employ to identify, assess and mitigate risks across our organisation, ensuring robust and proactive risk management.



Figure 5 – Risk management document framework

Material risks and our approach to managing those risks

Identifying and managing risks is essential in supporting the achievement of Service Stream's strategy and business objectives.

The table below outlines the material risks that may affect Service Stream's ability to create value over the short, medium and long-term; their potential impacts and how we are managing them.

Table 7 – Approach to managing risk

Material Risk

Approach to managing risk

Customer concentration & loss of material contract

The Group's exposure to a small number of key clients, contracts and infrastructure programs as a source of revenue and profitability, particularly within the telecommunications sector.

There is a risk that material contracts may be cancelled, not renewed, or renewed on less favourable terms and/ or lower margins.

- Expanding the Group's customer base and creating a broader portfolio of operations across the wider infrastructure services market through organic and acquisition opportunities.
- Diversification of income streams by developing and offering a broad range of services and geographic coverage.

Client demand

Many of the Group's contractual agreements do not contain volume commitments. Therefore, volumes may be dependent on the client's demand requirements which could change over time and lead to variability in expected future earnings.

In addition, the potential variability in client demand presents operational challenges to the Group.

- Maximising the variability of the Group's cost-base and structures by maintaining an appropriate balance between an employee-based workforce and the use of specialist subcontractors.
- Maintaining a flexible workforce model to attract, mobilise, and retain key resources to ensure that they are available at the right time and right place to match customer volume forecasts.

Competitor landscape

Increased competition and changes in the contracting landscape to panel agreements can impact our ability to renew or secure new contracts. Such events could lead to reduced revenue, profitability, and work-in-hand.

- Dedicated Business Development functions at Group and Operational Division levels to maintain strong relationships with customers.
- Commitment to successful delivery of our services for our customers. Delivery is a strategic pillar for the business and a core Company value.
- Offering scale, a broad range of services, operational efficiency and technology solutions to maintain competitive edge.
- Focus on meeting or exceeding customer KPIs to demonstrate operational excellence and value for money service offering.

Approach to managing risk

Government Policy & Expenditure

A significant proportion of Service Stream's revenue is generated from Australian government entities and regulatory authorities.

Changes in government expenditure, policy and strategy (e.g., outsourcing to insourcing workforce) may impact our earnings.

- We deliver essential operations and maintenance services to critical infrastructure assets. The essential nature of these services helps mitigate both the impact of changing government spending priorities and the duration of any decline in spending.
- We operate in all States and Territories and across a diversified portfolio of utilities markets to mitigate the impact of changes in government expenditure, policy and strategy.
- We maintain a diversified book of secured work with long-term contracts, which underpins future earnings.

Cost Escalation

The nature of Service Stream's operations can be exposed to cost escalation pressures across materials, labour and other operating costs.

If we are unable to offset these cost escalation pressures it could adversely impact the business' profitability and financial performance.

- Incorporating anticipated inflationary increases into the prices charged to clients.
- Incorporating price review and relief mechanisms into client contracts.
- Limiting the Group's exposure to fixed-price lump sum contracts.
- Implementing a procurement framework and executing national supply agreements that seek to provide greater certainty on material costs.

New business governance and commercial models

Poor tender governance processes may lead to Service Stream accepting sub-optimal commercial models and contract terms in client contracts. This can expose the business to material liabilities and/or the adoption of risks that cannot be appropriately managed or mitigated which could reduce future earnings and increase the risk of significant losses.

- We have developed and implemented a Commercial Contract Standards policy that specifies the minimum acceptable terms for the Group and the approval process for diverting from those Standards.
- We have a Business Development Compliance Framework that is managed by Group Commercial. The Framework establishes gated processes for new business opportunities, formalises delegations of authority for those opportunities, and is linked to the Group's Commercial Contract Standards.
- We have three tiers of Tender Investment Committees for the approval of tender submissions: SIC (chaired by the Managing Director), EIC (chaired by the relevant Executive General Manager for the Business Unit), and MIC (chaired by the relevant General Manager for the Business Unit). The delegations of authority determine the Committee required to approve a tender submission.
- We have dedicated in-house Corporate Legal and Commercial functions to assist in the review and negotiation of client contracts.

Approach to managing risk

Project Delivery and Performance

The ineffective commercial administration of client contracts over their term and the inability to execute projects on time and within budget and meet customer expectations, could adversely impact profitability and financial performance.

If we fail to manage our contracts or deliver poor quality work, we may incur additional costs, be imposed with time based contractual damages, and/or lose customer contracts.

Project delivery and performance is supported by the following:

- A project execution framework (PeX) to support Project Leads through the full life cycle of a project. PeX provides standardised delivery applications and continuous improvement for project management.
- Dedicated project management offices (PMO) within the Business Units.
- Project risk deep-dive assessments periodically undertaken for early detection of project delivery issues.
- A precedent suite of contract notices, subcontracts and consultancy agreements to assist in the management of contractual entitlements and the discharging of delivery obligations.
- Contract managers dedicated to material or complex client contracts.
- Implementation of a Commercial Health-Check Program to assist in embedding sound contract management disciplines across the Group.

Weather / Climatic Conditions

In undertaking and delivering programs for our clients, Service Stream is exposed to the impacts of adverse weather events such as floods, bushfires and extreme heat, as well as the effects of climate cycles such as La Nina and El Nino.

Adverse weather event material risks include physical risks to fixed assets, key sites and locations, as well as delays and increased costs to completing work under contract.

- Group-wide or project specific insurance policies.
- Negotiated contract positions which enable Service Stream to recover some of the cost impacts associated with adverse weather.
- Limiting the Group's exposure to fixed-price lump sum contracts.
- Allowing for appropriate risk contingency in pricing models and programs.

Attracting and retaining talent

Attracting and retaining key personnel presents a risk to Service Stream's ability to win work, deliver our contractual requirements and achieve our strategic objectives.

The inability to attract and retain suitably qualified personnel may also impact growth and profitability and reduce our productivity.

- We have a remuneration framework that is structured to attract, motivate and retain talent and reward employees for delivering long-term shareholder value. The Remuneration and Nomination Committee governs the remuneration framework.
- Implementation and refinement of Group employee value proposition initiatives such as incentive arrangements, remuneration reviews, retention bonuses, and employee development and talent identification programs.
- Provide hybrid working arrangements that involve a mix of working from home, office and site.
- Roll-out of employee engagement surveys to understand and address priority issues for our workforce.
- Capital investments to improve the subcontractor engagement and onboarding experience, market competitive payment terms, and market rate reviews assist with the retention of the Group's growing subcontractor base.

Approach to managing risk

Key subcontractors and suppliers

We rely on subcontractors and suppliers to assist in the delivery of our contractual obligations to our clients.

Shortages in key subcontractors or suppliers, and/or the failure of our subcontractors and suppliers to meet their contractual obligations can negatively impact our ability to perform our services, the profitability of contracts and our relationship with clients.

- We have implemented a Group Procurement Framework designed to assist in the standardised engagement of suppliers and provide greater cost and labour certainty for the business.
- A precedent suite of subcontracts and supplier agreements to assist in the management of our subcontractors and suppliers and protect Service Stream against their failure to discharge their delivery obligations.
- We have Business Continuity Plans to assess and manage subcontractor and supply chain resilience.

Working with potential safety hazards

In undertaking work and delivering programs for its clients, Service Stream's employees and subcontractors can operate in potentially hazardous environments and perform potentially hazardous tasks. Poor safety performance and the failure to comply with health and safety legislation can result in the loss of customer contracts and regulatory penalties.

- We have a dedicated HSE Committee to monitor and govern the effectiveness of the Group's safety framework.
- We have a dedicated Corporate HSE Team, as well as safety teams embedded within each Business Unit.
- Investment in safety platforms, training, supervisors, equipment and programs to increase awareness of significant hazards and prevent injuries to employees and subcontractors.

Cyber Security and reliance on information technology systems

The Group'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. Our dependence on third party service and software providers adds to this risk.

A failure to maintain our businesscritical systems and/or the occurrence of a cyber security incident could result in business disruption and inability to deliver our services, the loss of a customer contract, reduce revenue and/or impact Service Stream's profitability.

The failure to protect confidential information could lead to data loss, legal breaches, and reputational damage.

Information technology and defence against cyber security incidents and business interruption are managed through the following:

- Appropriate IT funding and investment to maintain fit-for-purpose system applications and infrastructure. IT funding and investment is a core component of the Group's strategic plan.
- Dedicated investment in cyber security capability to protect both our clients' and the Company's information assets. The backbone of our approach is a formal Information Security Management System (ISMS), which provides a detailed overview to the Board, Audit & Risk Committee, and our managers of key security risks.
- Dedicated IT security team to manage cyber security risk and improve controls.
- The development, implementation and testing of Cyber Security Incident Response Plans and Ransomware Playbook.
- By obtaining and subsequently maintaining ISO 27001 certification, along with a cybersecurity framework of process controls, which include automated surveillance, system, network and end-point protection, detect and respond capability and 24/7 monitoring.
- Employee cybersecurity education programs, including phishing awareness and testing campaigns.
- The development, implementation, testing and review of Business Continuity Plans for the Group.
- Monitoring and reviewing the Group's Business Continuity
 Plans and strategic risk registers (including the risk register for
 Information Technology) via the Audit & Risk Committee.

Approach to managing risk

Financial disclosures

Inaccurate financial forecasting and related financial disclosures may adversely affect investor confidence and our share price. Regulatory and legal action may also be taken for inaccurate financial disclosures which may impact profitability.

Financial reporting is supported by the following:

- Weekly finance meetings between Group Finance and Business Unit finance teams, as well as regular budgeting and reforecasting sessions.
- Monthly continuous disclosure meetings to monitor compliance to the Company's continuous disclosure obligations.
- Investment in the optimisation of finance systems and processes to increase transparency, accuracy and timeliness of financial reporting.

Regulatory Compliance

Service Stream is affected by a range of industry specific, legal and regulatory controls. Changes in these types of controls can have an adverse effect on Service Stream's financial performance.

Non-compliance with legislative or regulatory requirements can impact our licence to operate and perform our services.

- We have a dedicated Group Legal and Compliance team that advises the business on its legal, regulatory and compliance obligations in all jurisdictions within Australia.
- We seek to negotiate 'change in law' mechanisms in our client contracts to enable us to recover the cost impact of unexpected legislative changes.
- We have a formal whistleblower policy and process and utilise an external platform provider 'Stopline' to assist in the reporting of inappropriate, unethical and corrupt behaviour, as well as misconduct and any other improper state of affairs.

Industrial Relations / Employee relations

A significant portion of Service Stream's field workforce is covered by enterprise agreements and modern awards. Consequently, we may be exposed to the risk of industrial action which can adversely impact operations and profitability.

Enterprise agreements and modern awards are complex documents that require interpretation to accurately determine payments and accrual of employee benefits. The complexity of these documents increases the risk of incorrectly interpreting their application. This could result in under or over-payment of our employees, regulatory issues, and reputational damage. All of which may have a negative impact on our financial performance.

- We have a dedicated Industrial Relations function, comprised of industrial relations specialists and employment lawyers to manage industrial relations risk and the interpretation of enterprise agreements and modern awards.
- Service Stream is currently reviewing its workforce management system with a view to improve the end-to-end activities associated with employee time capture and payments.
- We have an Employee Payroll function that works closely with our Industrial Relations function to provide assurance across processes and controls supporting employee payments.

Dividends

Dividends paid or declared by the Company during and since the end of the year are set out in Note 19 to the financial statements and further set out below:

Table 8 - Dividends

	Final 2025	Interim 2025	Final 2024
Per share (cents)	3.00	2.50	2.50
Total amount (\$ million)	18.48	15.39	15.39
Franked	100%	100%	100%
Payment date	3 October 2025	4 April 2025	4 October 2024

Significant changes in the state of affairs

Except as stated in the review of operations and financial performance, there were no other significant changes in state of affairs of the Group during the financial year.

Events after the reporting date

There has not been any matter or circumstance arising in the interval between the end of the financial year and the date of this consolidated financial report, that in the opinion of the Directors that affect significantly the operations, results of those operations, or the state of affairs of the Group in future financial years.

Environmental regulation

Other than compliance with general obligations under Federal and State environmental laws and regulations, the Group's operations are not subject to any particular or significant environmental regulation under a Commonwealth, State or Territory law.

Shares under performance rights

Details of unissued shares under performance rights at the date of this report are:

Table 9 - Shares under performance rights

Series	Class of shares	Exercise price of right	Rights vesting date	Share grant date	Number of shares under rights
FY23 LTI Tranche	Ordinary	\$0.79	30 June 2025	September 2025	5,402,223
FY24 LTI Tranche	Ordinary	\$0.88	30 June 2026	September 2026	5,170,012
FY25 LTI Tranche	Ordinary	\$1.46	30 June 2027	September 2027	3,551,591
					14,123,826
FY24 Deferred STI	Ordinary	\$0.00	30 June 2025	September 2025	413,772
					413,772

The holders of these rights do not have the right, by virtue of the performance right, to participate in any share issue of the Company or of any other body corporate or registered scheme. No further performance rights have been issued since the end of the financial year.

In accordance with the Employee Share Ownership Plan:

- the shares relating to the deferred component of the FY2024 Short-Term Incentive (STI) Plan will be issued to participants after release of the FY2025 full-year results, to the extent there is 'no malus'; and
- the shares relating to the Long-Term Incentive (LTI) Plan will be issued to participants after release of the financial statements in the relevant financial year, to the extent that the vesting criteria have been satisfied.

Directors' meeting attendance

The following table sets out the number of Directors' meetings (including meetings of Committees of Directors) held during the financial year and the number of meetings attended by each Director (while they were a Director or Committee member).

Table 10 - Directors' meeting attendance

Meetings of Committees						
	Board meetings	Audit and Risk	Remuneration and Nomination	Health, Safety & Environment	Term of Directorship	
No. of meetings held	11	4	4	4		
No. of meetings attend	ded by					
B Gallagher ¹	11	1* 2#	3*	3#	15 years	
E Ward	11	4*	4#	4#	3 years	
M Monro	10	4 #	4#	4#	2 years	
S Wiggins	11	4#	4#	4*	2 years	
L Mackender	11	4*	4*	4#	11 years	
B Dennison ²	5]#	٦*]*	1 year	

^{*}Attended as Standing Invitee

Indemnification of officers and auditors

During the financial year, the Group paid a premium in respect of a contract insuring the Directors of the Company (as named above), the Company Secretaries, and all officers of the Group and any related body corporate against a liability incurred as a Director, Secretary or officer to the extent permitted under the *Corporations Act 2001*.

The contract of insurance prohibits the general disclosure of the terms and conditions, nature of the liability insured and the amount of the deductible or premium paid for the contract.

The Group has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer of the Company or of any related body corporate against a liability incurred as an officer.

The auditors of the Group are not indemnified by the Group or covered in any way by the above insurance in respect of the audit.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

Non-audit services and auditors

Details of any amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in note 31 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the year by the auditor (or by another person or firm on the auditor's behalf) are compatible with the general standard of independence of auditors imposed by the *Corporations Act 2001*.

[#]Attended as a member

¹B Gallagher stepped down as a member of the Audit and Risk Committee on 1 April 2025.

²B Dennison was appointed as a Non-Executive Director on 3 March 2025 and member of the Audit and Risk Committee on 1 April 2025.

PricewaterhouseCoopers has been the auditor of the company since FY 2013, and Andrew Cronin has been the Partner responsible since FY 2023.

The Directors are of the opinion that the services disclosed in note 31 to the financial statements do not compromise the external auditor's independence, based on advice received from the Audit and Risk Committee, for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in the Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Auditor's independence declaration

The auditor's independence declaration is included on page 56 of the annual financial report.

Rounding of amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the rounding-off of amounts in the Directors' report and the financial report. Amounts in the Directors' report and the financial report have been rounded-off to the nearest thousand dollars, in accordance with that Instrument.

Corporate governance statement

Service Stream Limited and the Board are committed to achieving and demonstrating the highest standards of corporate governance. Service Stream has reviewed its corporate governance practices against the 4th edition ASX Corporate Governance Principles and Recommendations. Service Stream is materially compliant with all ASX Corporate Governance Principles and Recommendations.

A description of the Group's current corporate governance practices is set out in the Group's corporate governance statement which can be viewed at: https://servicestream.com.au/investor-hub/board-and-governance. The corporate governance statement is accurate and up to date as at 20 August 2025 and has been approved by the Board.

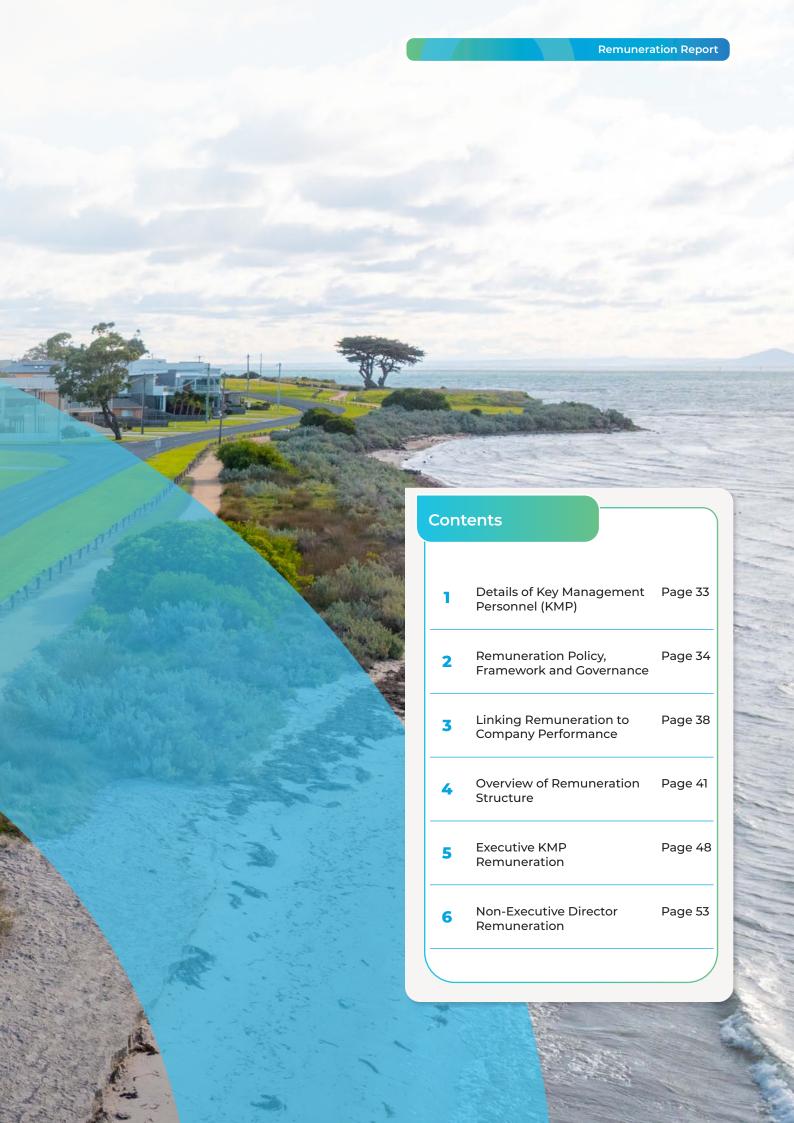
Sustainability report

Service Stream Limited and the Board recognise the importance of driving long-term sustainable practices which support and enhance the environment, social and economic performance for both the Group and our wider stakeholders.

The Group's current sustainability report can be viewed at: https://servicestream.com.au/investor-hub/board-and-governance.







Remuneration Report

20 August 2025

Message from the

Chairman of the Remuneration and Nomination Committee

Dear Shareholders.

On behalf of the Board, I am pleased to present Service Stream's FY2025 Remuneration Report (**Report**). This letter and the accompanying Report detail the remuneration outcomes for FY2025, the remuneration increases for FY2026, and Service Stream's remuneration framework.

FY2024 Remuneration Outcome

In our FY2024 Remuneration Report we advised shareholders that the organic growth target of the Managing Director's FY2024 STI could not be measured at the date of that report. That target can only be assessed when the Australian Department of Defence Base Services Transformation Program tender outcome is known.

As at the date of this Remuneration Report, that outcome remains unknown. The Company will make appropriate disclosures when the target can be properly assessed and measured.

FY2025 Remuneration Outcomes

It is very pleasing that the business has again delivered material financial returns for our shareholders in FY2025. These include:

- an increase of 13.1% on underlying EBITDA from operations;
- an OCFBIT cash conversion rate of 104.4%;
- adjusted earnings per share of 11.2 cents;
- a total of 5.5 cents per share fully-franked dividend, which is an increase of 22% on FY2024; and
- a share price increase of ~55% in FY2025.

The FY2025 STI and FY2023 LTI remuneration outcomes for our Executive Key Management Personnel (**KMP**) are a reflection of the value delivered for shareholders over the past three financial years. The outcomes are summarised below.

- A short-term incentive (STI) weighted payout outcome of 106% for both the Managing Director and CFO. The underlying EBITDA-A metric exceeded its target, while the cash conversion ratio, safety metrics and personal metrics were fully achieved for both individuals.
- Vesting outcomes of the FY2023 long-term incentive (LTI) scheme are provisional and will be confirmed following the release of the Company's audited FY2025 results. However, I note that the EPS growth target was achieved (being EPS-CAGR of 27.9%), while the relative TSR metric is not presently known.

The Board considers the FY2025 STI and FY2023 LTI outcomes as evidence that the Company's remuneration framework is operating in accordance with its functional design. Namely, to reward executive management for outstanding short-term performance, while appropriately balancing long-term financial performance; delivering consistent value for shareholders; the disciplined execution of long-term strategic priorities; and maintaining a sustained focus on operational performance, transformation, and future growth.

For more details on the remuneration outcomes, including individual scorecards, please refer to section 5 of the Report.

FY2026 Remuneration Increases

For FY2026, the Managing Director's and CFO's fixed remuneration will increase by 3% (inclusive of the statutory superannuation rate increase from 11.5% to 12% (**Superannuation Increase**)). These adjustments are consistent with executive-level increases in our industry in FY2026.

The Board is satisfied that the Managing Director's and CFO's remuneration has been set to ensure fairness, reflects the complexity of their roles and the scale of the business, and remains competitive against external market benchmarks.

For Non- Executive Directors, we have determined that there will be no overall fee increase other than the Superannuation Increase. Fees for the Chairman and Non-Executive Directors were reviewed in 2025 and adjusted at the commencement of FY2025. Those fees remain appropriate when benchmarked against peer companies.

FY2026 Remuneration Framework

In FY2025, the Board introduced key changes to the Executive KMP STI and LTI Incentive Plans. Those changes were implemented following consultation with stakeholders and disclosed in the FY2024 Remuneration Report.

In the past year we have continued to engage with proxy advisors and external remuneration consultants to obtain feedback on the Company's remuneration framework. Following those conversations and noting the changes we have previously implemented, the Board is of the view that there is presently no need to amend the structure or performance measures of Service Stream's incentive plans.

I am cognisant of stakeholder requests for enhanced disclosures in our Remuneration Report. The Board is committed to finding the right balance between increased disclosures and the preservation of commercial-in-confidence information. In this year's report we have addressed some of the feedback we have received from proxy advisors over the past 12-months.

For more detail on the remuneration framework, please refer to section 2 of the Report.

Personal Comment



A remuneration framework that is competitive, encourages positive long-term behaviours and decisions, supports talent retention, aligns with the Group's strategic objectives, and fairly recognises the ongoing contributions of employees remains a priority of the Remuneration and Nomination

I am confident that our current remuneration framework is aligned to the Board's remuneration philosophy of linking measured rewards for our Executives to the achievement of our strategic objectives. By maintaining a structure that fairly reflects performance we will create value for both shareholders and employees.

I look forward to engaging with you in FY2026 and thank you for your ongoing support of Service Stream."





Martin Monro
Chairman of the Remuneration and Nomination
Committee

1. Details of Key Management Personnel (KMP)

We have prepared this report in accordance with section 300A of the *Corporations Act 2001 (Cth)* and Accounting Standards. It outlines the remuneration strategy for the financial year ended 30 June 2025 and gives detailed information on the remuneration framework and arrangements for KMP.

The following tables depict the Personnel of the Group who were classified as KMP for the entire financial year unless otherwise indicated in accordance with the definition of a KMP under AASB 124.

Table 11 - KMP Group Personnel - Non-Executive

Non-Executive Directors	
Brett Gallagher	Chairman
Brent Dennison ¹	Non-Executive Director
Martin Monro	Non-Executive Director
Elizabeth Ward	Non-Executive Director
Sylvia Wiggins	Non-Executive Director

¹B Dennison commenced on 3 March 2025.

Table 12 - KMP Group Personnel - Executive

Executive Key Management Personnel				
Leigh Mackender CEO & Managing Director				
Linda Kow	Chief Financial Officer			

2. Remuneration Policy, Framework and Governance

2.1 Remuneration Strategy and Objectives

Our Remuneration Strategy

Service Stream's remuneration framework has been structured to support the Company's strategy and deliver value to our shareholders. Our success relies on the ability to attract, motivate and retain talent and appropriately reward them for decision making that delivers consistent and long-term shareholder value.

Our strategic pillars set out how we will deliver improved, consistent and incremental value to our shareholders over the long term. Our strategy drives delivery excellence, the enhancement of our delivery model and profitable growth, while continuing to meet the core expectations of our stakeholders.



The Board's remuneration philosophy links the achievement of our strategic objectives with appropriate and measured rewards for the Company's Executives. Our remuneration principles are aligned to our strategy and used to develop our remuneration framework.

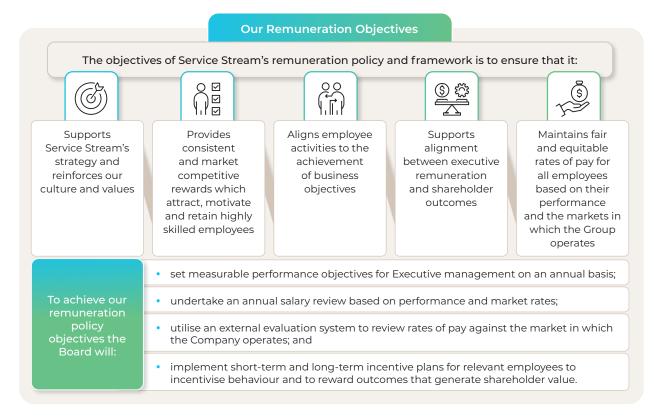


Figure 3 – Remuneration Strategy and Objectives

2.2 KMP Remuneration Framework

Our remuneration framework for Executive KMP is comprised of the following:

Component¹ Performance Measure Strategic Objective Relevant to role, skill, · Attract and retain key staff **Fixed Annual** responsibilities, qualifications Appropriate base for STI and Remuneration (FAR) and experience LTI plans Base salary plus superannuation Benchmarked against peers · Competitive market pay to and industry Pay Mix FAR: 41% to 44% peers Remuneration delivery time: 1 year Reward for financial, safety Aligned to the Group's **Short Term Incentive** and personal objectives set short-term and long-term Split between cash (50%) and by the Board objectives performance rights (50%) Aligned to shareholder Significant focus on financial return to shareholders expectations Pay Mix STI: 28% to 29% plus stretch measures Split between cash payment 1-year deferral protects shareholders' interests and performance rights Performance Base STI: Motivate and retain key staff 58% to 84% of FAR Remuneration delivery time: 3 years (Y1, plus 12 & 24 months) Vesting on achievement of Delivery of consistent **Long Term Incentive** EPS CAGR and TSR goals and incremental value to Rights to receive fully paid shareholders ordinary shares subject to Motivate and retain key staff performance Reward for long-term Pay Mix LTI: 27% to 31% decision making Performance Base LTI: 60% to 75% of FAR Remuneration delivery time: 3 years Attract, motivate and retain Improved, consistent and incremental value to our talent shareholders Reward for short and long **Total Remuneration** Deliver on core expectations term performance for our stakeholders

Figure 4 – Remuneration Framework

¹ Please refer to Section 4 of the Report for more detail on KMP FAR, STI and LTI entitlements.

2.3 Remuneration Governance

Service Stream's remuneration framework is governed by the Remuneration and Nomination Committee (**RNC**).

The RNC is comprised of three Independent Non-Executive Directors and is responsible for reviewing and making recommendations to the Board on the remuneration policies and frameworks for the Group, as well as the remuneration packages for the Non-Executive Directors, KMP and the Executive management team.

The RNC's delegated responsibilities are stipulated in the below diagram.

RNC Responsibilities



Strategies

Develop strategies to:

- Drive performance, including the annual evaluation of the performance of the Managing Director, by giving guidance to the Board.
- Identify the necessary and desirable competencies of directors, and to evaluate the extent to which those competencies are reflected in the diversity and mix of skills, expertise and experience offered by the Board.



People

- Carry out succession planning, including the development of appropriate succession plans for the Board and Managing Director.
- Develop people strategies, including strategies for advancing diversity in the workplace, in particular diversity reporting and compliance and improving employee engagement.



Remuneration

- Assist with the management of the Company's remuneration **policy** by overseeing the remuneration philosophy and policy, its specific application to the Managing Director and executives reporting to the Managing Director, and its general application to all employees throughout the Company.
- Oversee the remuneration of Non-Executive Directors



Recommendations

- Recommend appropriate Board performance review methodologies.
- Make
 recommendations
 to the Board in
 respect of any
 remuneration
 related disclosures
 in the annual report,
 or otherwise as
 required by ASX
 Listing Rules, the
 Corporation Act
 2001 (Cth) or other
 relevant laws.

Figure 5 - RNC Responsibilities

2.4 Annual Remuneration Reviews

The RNC reviews the remuneration packages of all Non-Executive Directors, Executive KMP and Executive managers on an annual basis and makes recommendations to the Board in respect to any changes thereto. Remuneration packages are reviewed with due regard to performance, the relativity of remuneration to comparable companies and the level of remuneration required to attract, retain, and compensate Non-Executive Directors, Executive KMP and Executive managers, given the nature of their work and responsibilities.

2.5 External Consultants

The RNC periodically seeks independent advice from external consultants on various remuneration-related matters to assist in performing its duties. During FY2025, the RNC has continued to engage Korn Ferry to provide remuneration benchmarking data for salaried roles across the organisation that are consistent with the markets in which Service Stream operates. No remuneration recommendations as defined in Section 9B of the Corporations Act 2001 were provided by Korn Ferry.

2.6 Securities Trading Policy

The Company's Securities Trading Policy prohibits employees from dealing in the Company's securities while in possession of market sensitive information relevant to the entity. In addition, designated persons, including KMP, are prohibited from dealing in the Company's securities during prescribed closed trading periods.

3. Linking Remuneration to Company Performance

The Executive remuneration framework is linked to the Group's performance by:

- requiring a significant portion of executive remuneration to vary with short-term and longterm performance;
- requiring a 'Minimum Group Performance
 Threshold' to be met before any STI can be paid
 to executive management; linked to achieving
 the Group's EBITDA from Operations target;
- tying individual performance goals to the annual objectives of the Group; linked directly to the overall Group strategy; and
- delivering a significant portion of remuneration in equity, to align with shareholder interests.

Service Stream measures performance across key corporate measures, including:

- Group EBITDA from Operations;
- EBITDA to Operating Cash Flow Before Interest and Tax (OCFBIT) conversion;
- Adjusted earnings per share (EPS) performance measured using a point-to-point compounding annual growth rate (CAGR);
- Total Shareholder Returns (TSR) relative to the ASX 200 Industrials index; and
- Health & Safety Performance based on targets.

Performance across the key corporate measures for the past 12 months are summarised below and outlined in detail throughout the report.

3.1 Group Financial Performance

The table below outlines the Group's performance against key financial and non-financial performance indicators over the past 5 years.

Table 13 - Key Indicators

Key Indicators	2021	2022	2023	2024	2025
Total Revenue¹ (\$'000)	804,163	1,563,767	2,150,782	2,391,801	2,420,114
Underlying EBITDA from Operations ¹ (\$'000)	80,111	91,114	114,097	129,172	146,098
Net profit/(loss) after tax (\$'000)	29,274	(36,324)	4,462	32,298	59,184
Statutory Basic Earnings per share (cents)	7.2	(6.1)	0.7	5.3	9.7
Adjusted Basic Earnings per share (cents)	9.5	5.3	6.0	8.2	11.2
Total Dividends per share (cents)	2.5	1.0	1.5	4.5	5.5
Share price 30 June (\$)	0.87	0.88	0.81	1.28	1.99

Total Revenue, underlying EBITDA from Operations and Adjusted Earnings per share are non-IFRS measures that have been derived from statutory information.

Group Performance

for the year 30 June 2025

Revenue (including joint venture)

\$2.42b

EPS (statutory)

9.7cps

TRIFR

<2.18

Underlying EBITDA-A

\$146.1m

EPS-A

11.2cps

Dividends per share

5.5cps

Total FY2025 dividend



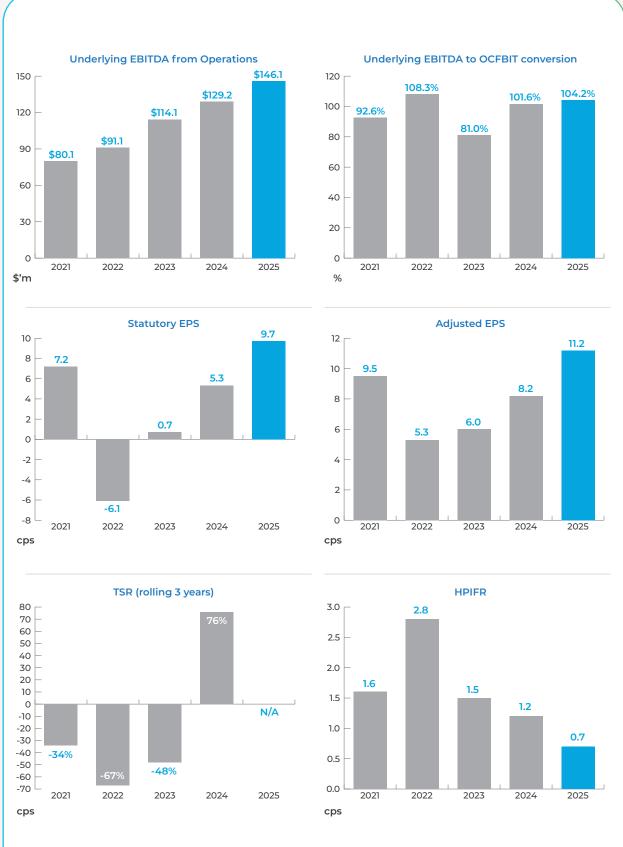


Figure 6 - Group's Performance

 * The 10-day VWAP after announcement is used for TSR calculation. As a result, FY2025 TSR is not yet available.

4. Overview of Remuneration Structure

Executive KMPs total remuneration packages are comprised of both fixed and variable components:

- a fixed annual remuneration (inclusive of superannuation);
- a variable short-term cash-based incentive (STI), of which 50% of any award is deferred into a 50/50 equity split over two years, for 12 and 24 months; and
- a variable long-term share-based incentive (LTI), measured over a 3-year horizon.

The total remuneration received by an Executive each year will vary as it is dependent upon the business' performance and individual achievements.

The below graph depicts the fixed, 'at risk' and pay mix components of the Executive KMPs remuneration.

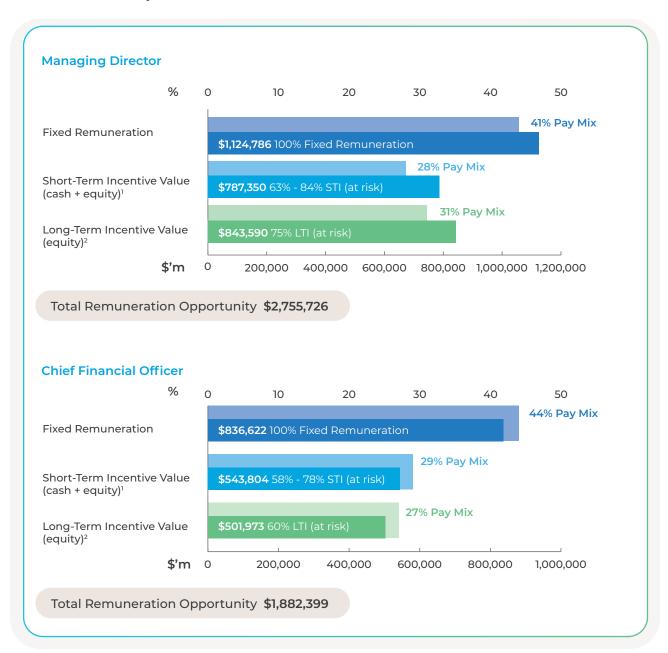


Figure 8 - Remuneration Opportunity

¹Excludes any amount received for exceeding STI target. Amount is split 50/50 between cash and equity. The actual value of the equity component of the STI at the time of any performance rights vesting cannot be determined at this time.

² Face value. The actual value of the LTI at the time of any performance rights vesting cannot be determined at this time.

The below table describes the maximum total performance-based remuneration (as a percentage of total remuneration) that may be payable to the Executive KMP.

Table 14 - Maximum Total Performance Based Remuneration

Executive KMP Position	Target STI	Maximum STI	Target LTI % of fixed remu	Maximum LTI neration	Maximum total performance- based pay
Managing Director	70	84	75	75	159
Chief Financial Officer	65	78	60	60	138

Details of each component of the Managing Director's and Chief Financial Officer's remuneration packages are outlined below.

4.1 Fixed Remuneration

Fixed remuneration consists of base compensation and the direct cost of providing employee benefits including superannuation contributions and fringe benefits tax.

The Managing Director's and Chief Financial Officer's remuneration are reviewed annually. The RNC takes into consideration market trends, external benchmarking, changes in roles and responsibilities, internal relativities, and broader employment market environment.

For FY2025, the RNC was cognisant of the need to adjust the CFO's fixed remuneration to better align Executive salaries following the acquisition of Lendlease Services and employment of new Executives.

The base salaries for the Managing Director and Chief Financial Officer in FY2025 were:

Table 15 – Base Salaries (inclusive of superannuation)

Role	FY2025 Base Salary	% Increase on prior year ¹	
Managing Director	\$1,124,786	3.5%	
Chief Financial Officer	\$836,622	12%	

¹ Increase passed onto 'base' salary (plus SG Annual Maximum Contribution Threshold \$29,932.20).

4.2 Short Term Incentive (STI)

4.21. STI Overview

The STI plan provides for an annual payment which varies depending on the performance achieved over the assessment period. The incentive plan is designed to reward participants for the delivery of financial and operational performance which is key to the success of Service Stream.

The award of any STI related incentives are first subject to Group performance meeting or exceeding the 'Minimum Group Performance Threshold'; that being the achievement of at least 90% of the Group's EBITDA from Operations target for the financial year. The minimum Group Performance Threshold exists as a gate and is applicable to Executive KMP regardless of their individual performance.

Where 90% or more of the Group's EBITDA from Operations target is achieved, the STI is payable based on Group, Safety and Individual performance against measurable targets. For Executive KMP, a stretch opportunity may be available for the Group component only of the STI, should challenging stretch targets be met or exceeded.

For the Executive KMP, 50% of any STI award is paid in cash after finalisation of the annual audited results. The remaining 50% of the STI award is split 50/50 and deferred for 12 and 24-months respectively and remunerated in the form of performance rights.

For all other Executive management, 75% of any STI award is paid in cash after finalisation of the annual audited results. The remaining 25% of the STI award is deferred for 12-months and remunerated in the form of performance rights.

The Board retains discretion over the payment of any STI, including whether to pay the performance rights in cash.

4.22. Group Performance

Group Performance is set annually and is reflected as the Group's EBITDA from Operations target for the financial year. Each year the Board assesses the proposed budget put forward by Management, aligned to the Group's strategic plan. Following detailed analysis and discussion a target is agreed which reflects the Group's annual EBITDA from Operations budget.

4.23. Individual Performance

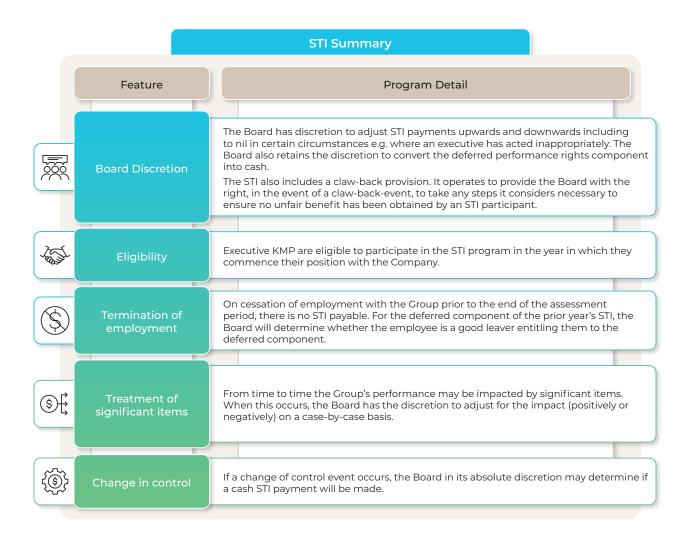
Individual performance goals are tied to the annual objectives of the Group, linked directly to the overall Group strategy and depending on the individual, can be categorised into three measures of Group Financial Performance, Group Safety Performance and Individual Performance.

$4.2\,4.\,$ STI Summary Table – How the STI Works

The key terms of the FY2025 STI applicable to the Executive KMP are summarised as follows:

Table 11 – STI Summary table

STI Summary							
	Feature	Program Detail					
(S)	Purpose of short-term incentive plan	Reward participants for the delivery of financial and operational performance that are key to the success of Service Stream.					
	Minimum performance threshold	Achievement of 90% or more against annual Group EBITDA target for before the award of any incentives under the Group, Safety or Individual Performance will be considered					
<u></u>	Performance requirements	STIs have performance criteria set across three separate areas: 1. Group Financial Performance 2. Group Safety Performance 3. Individual Performance					
6	Target STI Opportunity	70% of total fixed remuneration for the Managing Director. 65% of total fixed remuneration for the Chief Financial Officer.					
77,	Stretch STI Target Opportunity	The stretch award will commence at 101% of the Group's EBITDA from Operations target being met and will increase with 2.5% incremental STI paid for each 1% in EBITDA delivered up to 120% of the EBITDA from Operations target. The stretch is applicable to financial performance only (being Group EBITDA) and will be capped at up to 150% of the applicable financial targets.					
ची	Maximum STI opportunity	84% of total fixed remuneration for the Managing Director. 78% of total fixed remuneration for the Chief Financial Officer.					
<u>₽</u>	Performance period	1 July 2024 to 30 June 2025.					
0 <u>−</u> 0	Assessment period	August 2025, following the audit of the Group's financial statements.					
\$	Payment form	50% cash-based payment, 50% performance rights payment. Performance rights payment split 50/50 and deferred for 12 and 24-months respectivel. Executive KMP will receive a cash payment equal to the value of any dividends paid by the Company between the date any STI performance rights are granted and the date that they vest.					
\$	Payment timing	September 2025 for the cash-based payment of the STI award. September 2026 for 50% of the deferred performance rights payment (subject to no malus September 2027 for the remaining 50% of the deferred performance rights payment (subject to no malus).					



4.3 Long-Term Incentive (LTI)

4.31. LTI Overview

The LTI is an equity-based plan that provides for an incentive award that vests subject to Company performance over a three-year performance period. A three-year measure of performance is considered to be the most appropriate and reasonable time period which is consistent with market practice, the average term of our customer contracts and Service Stream's specific industry dynamics.

The LTI operates within the shareholder approved Employee Share Ownership Plan (ESOP), which is overseen by the RNC. The extent of individual participation and the associated number of performance rights offered is recommended by the Managing Director and reviewed by the RNC, which will then make recommendations to the Board for approval.

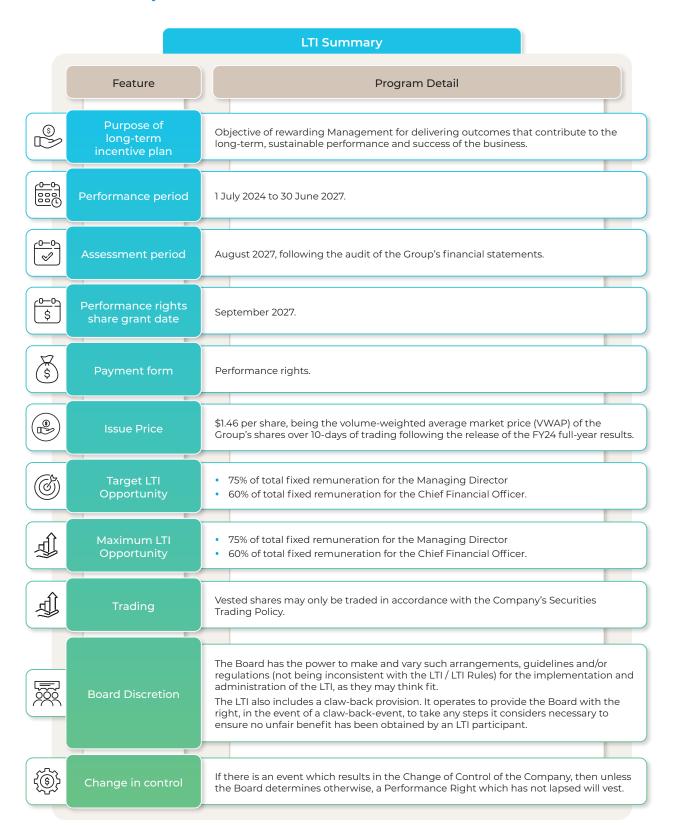
Any LTI award will be in the form of performance rights which are issued to participating employees, with each performance right converting into one ordinary share of Service Stream Limited on meeting the vesting criteria. No amounts are paid or payable by the participant on receipt of the performance rights, and the performance rights do not carry rights to dividends or voting.

The number of performance rights granted is based on the employee's long-term incentive opportunity, which is expressed as a percentage of the participant's total fixed remuneration, and the volume-weighted average market price (VWAP) of the Group's shares over 10-days of trading following the release of full-year results.

4.32. LTI Summary

The key terms of the FY2025 LTI Tranche applicable to the Executive KMP are summarised as follows:

Table 12 - LTI Summary table



LTI Summary

Feature

Program Detail

The performance rights granted will each vest where the following vesting conditions are met:

- 50% of the performance rights granted will vest where the EPS CAGR over the three financial years ending 30 June 2027 (Performance Period) meet the growth targets (EPS Target); and
- 50% of the performance rights granted will vest where the Company's Total Shareholder Return (TSR) over the Performance Period is such that it would rank in the top quartile of a relevant peer group of companies (being the ASX200 Industrials).

The performance rights are subject to proportional vesting according to the tables below where the vesting conditions specified above are not fully met.

Earnings Per Share (50% weighting)

The growth performance condition is based on the Company's EPS CAGR over the Performance Period. The tranche of performance rights will vest on a pro-rata basis upon achieving annual EPS CAGR growth of between 5% and 10%.

The performance vesting scale that will apply to the performance rights which are subject to the EPS Target is outlined in the table below:

EPS CAGR	Percentage of performance rights which qualify for vesting subject to the EPS conditions
< 5%	0%
5%	50%
Above 5% and less than 10%	Straight-line vesting (i.e., 10% incremental vesting for each 1% of EPS CAGR delivered)
10% or more	100%



Performance

Relative Total Shareholder Return (TSR) (50% weighting)

The relative TSR performance condition is based on the Company's TSR performance relative to the TSR of comparative companies, as at the start of the Performance Period and measured over the Performance Period. If the TSR in the comparison group is ranked from highest to lowest, the median TSR is the percentage return to shareholders that exceeds the TSR for half of the comparison companies. The 75th percentile TSR is the percentage return required to exceed the TSR for 75% of the comparison companies.

The comparator companies for the purposes of the TSR is the ASX200 Industrials. The Board considers this the most appropriate comparator group as it includes Service Stream's peer competitor companies.

The performance vesting scale that will apply to the performance rights which are subject to the TSR test is outlined in the table below:

The Company's TSR ranking	Percentage of performance rights which qualify for vesting subject to the TSR condition
< 50th percentile	0%
50th percentile	50%
Above 50th and below 75th percentile	Straight-line vesting (i.e., 2% incremental vesting for each percentile ranking achieved)
75th percentile and above	100%



Eligibility

Eligible participants must remain an employee of the Company on 30 June 2027.



Ceasing Executive

Where an Executive KMP ceases to be employed by the Company, the Board will determine if they are a good leaver. If the executive is determined to be a good leaver then the number of the performance rights held by that executive that have not been exercised will lapse subject to an agreed formula which takes into consideration the number of months between cessation of employment and the end of the performance period. Any performance right that does not lapse remains eligible to vest in accordance with the performance conditions.

If the executive is not determined to be a good leaver then all performance rights will lapse.

5. Executive KMP Remuneration

5.1 Fixed Remuneration and Incentive Outcomes

FY2025 Remuneration

The below table provides remuneration information prepared in accordance with Australian accounting standards.

Table 16 - Statutory Remuneration Table

		Short-term employee benefits		Post-employment and Long-term benefits		Share-based payments		Total					
	Year	↔ Salary	မာ STI (cash)	w Dividend	A Non-monetary	⇔ Super	+ LSL	Termination benefits	LTI	STI ¹	↔ Total	% Fixed	% At Risk
L Mackender	2025	1,094,854	417,414	5,981	-	29,932	33,014	-	607,084	200,267	2,388,546	47%	53%
	2024	1,059,351	366,777	-	-	27,399	31,295	-	650,820	61,130	2,196,772	51%	49%
L Kow	2025	806,690	289,416	4,111	-	29,932	20,589	-	342,967	138,490	1,632,195	53%	47%
	2024	719,586	252,107	-	-	27,399	16,952	-	352,063	42,018	1,410,125	54%	46%
Total	2025	1,901,544	706,830	10,093	-	59,864	53,604	-	950,051	338,757	4,020,743	50%	50%
	2024	1,778,937	618,884	-	-	54,798	48,247	-	1,002,883	103,148	3,606,897	52%	48%

¹Represents the 50% FY2025 STI amount deferred into equity for 12 months and 24 months, of which amortised across FY2025, FY2026 and FY2027.

5.2 FY2025 STI Performance Outcomes

A minimum of 90% or more against the annual Group EBITDA target must be achieved before the award of an STI under the Group, Divisional or Individual Performance will be considered for KMP.

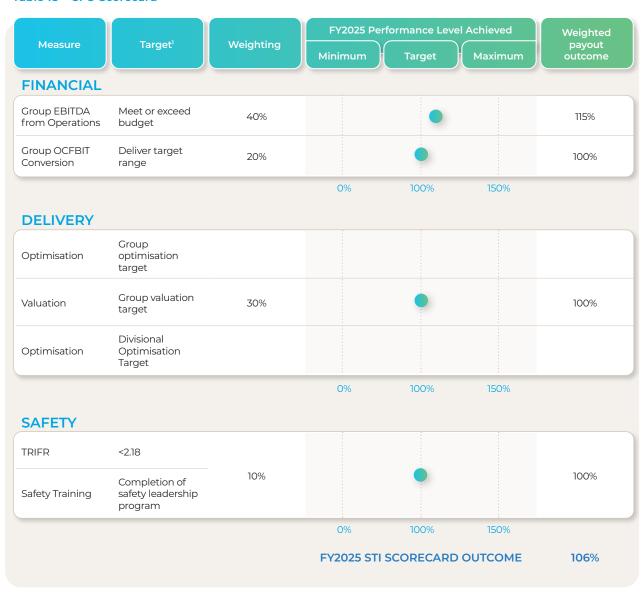
In FY2025, the minimum of 90% against the annual Group EBITDA target was achieved (refer to section 3.1 for more detail) on Group Performance and accordingly the following STIs were awarded to the Executive KMP.

Table 17 - Managing Director Scorecard



¹ Specific financial, commercial and operational targets remain commercially sensitive and as such, have not been disclosed.

Table 18 - CFO Scorecard



¹ Specific financial, commercial and operational targets remain commercially sensitive and as such, have not been disclosed.

5.3 LTI Performance Outcomes

The FY2023 LTI performance period concluded on 30 June 2025. Table 15 below table summarises the LTI performance measures. Test outcomes for the FY2023 LTI are provisional and will be confirmed following release of the Company's audited FY2025 results.

Table 19 - FY2023 LTI Performance

KMP Executive(s)	LTI Measure	LTI Performance Outcome	% LTI tranche that vested	
	EPS growth target	Achieved EPS-CAGR of 27.9%	100%	
L Mackender and L Kow	TSR Ranking relative to ASX200 Industrials	Not yet formally determined#	N/A	

^{*}The TSR Ranking relative to the ASX200 Industrials can only be determined following the release of the Company's FY2025 results.

The below summarises the LTI performance rights grants balance for Executive KMP at the end of the FY2025 financial year, along with the percentage of performance rights that vested or were forfeited during the financial year for each LTI plan that affects compensation in this or future reporting periods.

Table 20 – Summary of Grants under LTI

Name	Plan	Balance as at 1 July 2024	Awarded but not vested	Vested and exercised	% of total vested	Forfeited	Balance as at 30 June 2025	Fair value per right	Unamortised value
		Number	Number	Number	%	Number	Number	\$	\$
	FY22 LTI	794,792	-	(794,792)	-	-	-	0.65	-
	FY23 LTI	990,441	-	-	-	-	990,441	0.48	-
L Mackender	FY24 LTI	919,727	-	-	-	-	919,727	0.70	214,603
	FY25 LTI	-	577,802	-	-	-	577,802	1.22	468,020
	FY22 LTI	424,491	-	(424,491)	-	-	-	0.65	-
L Kow	FY23 LTI	544,629	-	-	-	-	544,629	0.50	-
	FY24 LTI	505,745	-	-	-	-	505,745	0.67	112,950
	FY25 LTI	-	343,818	-	-	-	343,818	1.22	278,493

5.4 Shareholdings of Managing Director and Chief Financial Officer

The below table sets out the equity holdings in fully paid ordinary shares in Service Stream of the Managing Director and Chief Financial Officer for the 2025 financial year:

Table 21 - Equity Holdings

Name	Balance at 1 July 2024	Received on vesting of performance rights	(Disposed)/Acquired during the year	Balance at 30 June 2025
2025				
L Mackender	1,772,914	794,792	(800,000)	1,767,706
L Kow	1,256,789	848,982	(1,224,491)	881,280

5.5 Employment Contracts

The below table identifies the key terms of the employment contracts for the Managing Director and Chief Financial Officer.

Table 22 – Key Terms

Position	Term	Detail		
Managing Directo	r			
	Term	No fixed end date Until terminated by either party		
	Total Fixed Remuneration	\$1,124,786 (inclusive of Superannuation)		
	Incentives	STI: 70% of total fixed remuneration up to a maximum of total 84% of fixed remuneration		
	Termination	No fixed end date Until terminated by either party \$1,124,786 (inclusive of Superannuation) STI: 70% of total fixed remuneration up to a maximum of total 84% of fixed remuneration LTI: 75% of total fixed remuneration 6 months either party (or payment in lieu) Immediate for serious misconduct or breach of contract Statutory requirements only for termination with cause No fixed end date Until terminated by either party \$836,622 (inclusive of superannuation) STI: 65% of total fixed remuneration up to a maximum of total 78% of fixed remuneration LTI: 60% of total fixed remuneration 6 months either party (or payment in lieu) Immediate for serious misconduct or breach of contract		
Chief Financial Off	Ficer			
	Term			
	Total Fixed Remuneration	\$836,622 (inclusive of superannuation)		
	Incentives	·		
		LTI: 60% of total fixed remuneration		
	Termination	, , , , , , , , , , , , , , , , , , , ,		

6. Non-Executive Director Remuneration

The RNC is responsible for reviewing and making recommendations to the Board on the remuneration for the Non-Executive Directors. Non-Executive Directors are remunerated by way of fixed fees (inclusive of superannuation where applicable). To preserve independence and impartiality, Non-Executive Directors do not receive any performance related compensation.

The current maximum aggregate fee pool for the Non-Executive Directors is \$1,300,000 as approved by shareholders. Board and Committee fees (inclusive of superannuation where applicable) are included in the aggregate pool.

Fees are reviewed annually taking into account comparable roles and market data provided by the Board's independent remuneration advisor Korn Ferry. As previously advised, the following adjustments took effect in FY2025:

- the Chairman of the Board's fee was increased to by 4% (inclusive of superannuation);
- the base fee for Non-Executive Directors was increased by 0.5% (being the statutory superannuation increase);
- RNC and HSE chair committee fee were reduced by 12%;
- ARC chair committee fee was increased by 26%; and
- Committee member fee of \$7,000 introduced.

6.1 FY2025 Non-Executive Director Fees

The fees payable to the Non-Executive Directors of Service Stream are summarised in the below table.

Table 23 - Non-Executive Director Fees

Role	Fees
Chairman of the Board	\$260,000 per annum (inclusive of superannuation)
Base Fee Non-Executive Director	\$123,000 per annum (inclusive of superannuation)
Committee Member Fee (NED is limited to 1 committee fee)	\$7,000 per annum (inclusive of superannuation)
RNC and HSE Chair Committee Fee	\$12,000 per annum (inclusive of superannuation)
ARC Chair Committee Fee	\$17,000 per annum (inclusive of superannuation)

6.2 FY2025 Non-Executive Directors' remuneration

The below table lists the fees by Non-Executive Directors for the 2024 and 2025 financial years that are measured in accordance with Australian Accounting Standards.

Table 24 - Non-Executive Director Remuneration

Name	Year	Board and Committee fees	Super	Total
B Gallagher	2025	239,462	27,538	267,000
	2024	225,225	24,775	250,000
P Dempsey ¹	2025	-	-	-
	2024	37,249	4,097	41,346
E Ward	2025	127,355	14,645	142,000
	2024	122,283	13,451	135,734
M Monro	2025	142,000	-	142,000
	2024	135,734	-	135,734
S Wiggins	2025	147,000	-	147,000
	2024	135,734	-	135,734
B Dennison ³	2025	42,750	-	42,750
	2024	-	-	-
N Miller ²	2025	-	-	-
	2024	26,697	2,937	29,634
Total	2025	698,567	42,183	740,750
	2024	682,992	45,260	728,252

¹P Dempsey retired as a Non-Executive Director effective 18 October 2023.

²N Miller was appointed as a Non-Executive Director effective 1 November 2023 and retired 16 January 2024.

³B Dennison was appointed as a Non-Executive Director effective 3 March 2025.

6.3 Non-Executive Directors' Shareholding

The table below sets out the equity holdings in fully paid ordinary shares in Service Stream of the Non-Executive Directors for the 2025 financial year.

Table 25 – Non-Executive Director Equity Holdings

Name	Balance at 1 July 2024	Received on vesting of performance rights	(Disposed) / Acquired during the year	Balance at date of resignation	Balance at 30 June 2025
B Gallagher	2,390,243	-	(90,243)	-	2,300,000
E Ward	100,559	-	9,000	-	109,559
M Monro	75,000	-	25,000	-	100,000
S Wiggins	112,725	-	-	-	112,725
B Dennison ¹	-	-	-	-	-

¹B Dennison was appointed as a Non-Executive Director effective 3 March 2025.

6.4 Related Party and Other Transactions

There were no other transactions entered into with KMP and their related parties during FY2025.

The Directors' report is signed in accordance with a resolution of the Directors made pursuant to s.298(2) of the *Corporations Act 2001*.

On behalf of the Directors

Brett Gallagher Chairman 20 August 2025 Leigh Mackender Managing Director 20 August 2025



Auditor's Independence Declaration

As lead auditor for the audit of Service Stream Limited for the year ended 30 June 2025, I declare that to the best of my knowledge and belief, there have been:

- a. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b. no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Service Stream Limited and the entities it controlled during the period.

Andrew Cronin

Partner

PricewaterhouseCoopers

Melbourne 20 August 2025

Consolidated statement of profit or loss and other comprehensive income

for the financial year ended 30 June

	Notes	2025 \$'000	2024 \$'000
Revenue from continuing operations			
Revenue from contracts with customers	3	2,326,464	2,288,793
Other income	4	2,064	2,796
		2,328,528	2,291,589
Expenses			
Employee salaries and benefits		(674,350)	(636,573)
Subcontractor fees		(1,303,217)	(1,304,158)
Raw materials and consumables used		(107,447)	(131,619)
Depreciation and amortisation	6	(59,547)	(58,461)
Net finance costs	5	(7,472)	(11,396)
Other expenses		(109,186)	(108,601)
Gain on disposal of fixed assets		3,234	-
Share of profits from investment in joint ventures and associates	25	8,239	6,114
Profit before tax		78,782	46,895
Income tax expense	7	(19,598)	(14,597)
Profit for the year		59,184	32,298
Total comprehensive income for the year		59,184	32,298
Profit attributable to the equity holders of the parent		59,184	32,298
Total comprehensive income attributable to equity holders of the parent		59,184	32,298
Earnings per share			
Basic (cents per share)	8	9.66	5.25
Diluted (cents per share)	8	9.44	5.14

The accompanying notes to the consolidated financial statements are on pages 61 to 111.

Consolidated statement of financial position

at 30 June

	Notes	2025 \$'000	2024 \$'000
ASSETS		7.00	
Current assets			
Cash and cash equivalents	20	73,553	62,947
Trade and other receivables	9	150,233	164,714
Inventories	10	16,437	19,485
Accrued revenue	11	282,278	266,621
Other assets	12	10,290	12,547
Asset held for sale	13	2,150	-
Total current assets		534,941	526,314
Non-current assets			
Investments accounted for using the equity method	25	10,504	10,306
Property, plant and equipment	13	24,279	33,170
Right-of-use assets	15	74,555	60,653
Intangible assets	14	400,757	418,116
Capitalised borrowing costs		910	-
Total non-current assets		511,005	522,245
Total assets		1,045,946	1,048,559
LIABILITIES			
Current liabilities			
Trade and other payables	16	276,148	285,571
Provisions	17	74,446	70,222
Lease liabilities	15	24,235	21,341
Current tax liabilities	7	26,683	4,034
Total current liabilities		401,512	381,168
Non-current liabilities			
Deferred tax liability (net)	7	56,256	69,918
Provisions	17	22,654	21,507
Borrowings		-	54,496
Lease liabilities	15	52,952	41,182
Total non-current liabilities		131,862	187,103
Total liabilities		533,374	568,271
Net assets		512,572	480,288
EQUITY			
Capital and reserves			
Contributed equity	18	493,462	496,344
Reserves		1,065	(5,582)
Accumulated profits / (losses)		18,045	(10,474)
Total equity		512,572	480,288

Consolidated statement of changes in equity

for the financial year ended 30 June

	Contributed equity	Employee equity-settled benefits reserve	Retained earnings/ (accumulated losses)	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2023	499,682	(9,988)	(24,336)	465,358
Profit for the period	-	-	32,298	32,298
Total comprehensive loss for the year	-	-	32,298	32,298
Equity-settled share-based payments, inclusive of tax adjustments	-	5,021	-	5,021
Acquisition of treasury shares	(4,131)	-	-	(4,131)
Issue of treasury shares to employees	793	(615)	-	178
Dividends paid	-	-	(18,436)	(18,436)
Balance at 30 June 2024	496,344	(5,582)	(10,474)	480,288
Balance at 1 July 2024	496,344	(5,582)	(10,474)	480,288
Profit for the period	-	-	59,184	59,184
Total comprehensive income for the year	-	-	59,184	59,184
Equity-settled share-based payments, inclusive of tax adjustments	-	9,217	-	9,217
Issue of shares (net of transaction costs)	-	-	-	-
Acquisition of treasury shares	(5,961)	-	-	(5,961)
Issue of treasury shares to employees	3,079	(2,570)	-	509
Dividends paid	-	-	(30,665)	(30,665)
Balance at 30 June 2025	493,462	1,065	18,045	512,572

¹ Dividend paid is net of dividend received from treasury shares held as at 30 June 2025 as disclosed in Note 18 (c).

The accompanying notes to the consolidated financial statements are on pages 61 to 111.

Consolidated statement of cash flows

for the financial year ended 30 June

	Notes	2025 \$'000	2024 \$'000
Cash flows from operating activities			
Receipts from customers (including GST)		2,551,290	2,523,592
Payments to suppliers and employees (including GST)		(2,409,761)	(2,409,300)
Interest received		2,744	2,014
Interest and facility costs paid		(8,864)	(11,549)
Income taxes paid		(7,679)	(11,947)
Dividends from joint venture associates		7,263	4,375
Net cash provided by operating activities	20	134,993	97,185
Cash flows from investing activities			
Payments for plant and equipment		(8,413)	(8,557)
Proceeds from the sale of plant and equipment		4,299	4,089
Payments for intangible assets		(4,692)	(1,916)
Payment for businesses (net of cash acquired) ¹		1,358	-
Net cash used in investing activities		(7,448)	(6,384)
Cash flows from financing activities			
Purchase of shares (net of transaction costs)		(5,961)	(4,131)
Principal elements of lease payments		(25,313)	(24,554)
Dividends paid		(30,665)	(18,436)
Proceeds from borrowings		60,546	50,000
Repayment of borrowings		(115,546)	(115,000)
Net cash used in financing activities		(116,939)	(112,121)
Net increase / (decrease) in cash held		10,606	(21,320)
Cash at the beginning of the year		62,947	84,267
Cash at the end of the year	20	73,553	62,947

¹On 18 September 2024, the Group acquired the remaining 50% of South Australia Road Services, with net cash acquired of \$1.36 million.

The accompanying notes to the consolidated financial statements are on pages 61 to 111.

Notes to the consolidated financial statements

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1 General information

Service Stream Limited (the Company) is a limited company incorporated in Australia and listed on the Australian Securities Exchange (ASX: SSM).

Service Stream Limited's registered office and its principal place of business is Level 5, 655 Collins Street, Docklands Melbourne, Victoria 3008.

The principal activities of the Company and its subsidiaries (the Group) are described in note 2.

2 Segment information

(a) Products and services from which reportable segments derive their revenues

The Group's operating segments have been determined based on the nature of the business activities undertaken by the Group and by reference to the structure of internal reporting that is prepared and provided to the chief operating decision maker, being the Managing Director, who provides the strategic direction and management oversight of the Group in terms of monitoring results and approving strategic planning for the business. The principal services of the Group's reportable segments are as follows:

Telecommunications

Telecommunications provides a wide range of operations, maintenance, installation, design and construction services to the owners of fixed-line and wireless telecommunication networks in Australia. Service capability includes customer connections, service and network assurance, site acquisition, engineering, design, construction and installation of broadband, wireless and fixed-line project services, as well as minor projects for asset remediation, augmentation and relocation.

Utilities

Utilities provides a broad range of operations, maintenance, design and construction services to gas, water and electricity network owners, industrial asset owners and other customers in Australia. Service capability includes asset maintenance, upgrades and replacement, engineering, design and construction of network assets, meter reading and network assurance, as well as specialist inspection, auditing and compliance services.

Transport

Transport provides long-term operational support and maintenance services to public and private road and tunnel asset owners. Service capabilities include road network maintenance, control room operations, minor civil construction services and installation and operation of intelligent transport systems (ITS).

Performance is measured on the segment result which is EBITDA from Operations (earnings before depreciation and amortisation, interest, taxation, non-operational costs and adjustments for equity accounted joint ventures) as included in the internal management reports that are reviewed by the Managing Director.

The segment results include the allocation of overheads that can be directly attributable to an individual business segment. Costs relating to certain head office functions and non-operational activities are managed at Group level and not allocated to the Group's segments. This includes business development expenditure incurred in the pursuit of new contracts in new segments and markets. The information presented to the Managing Director does not report on segment assets and liabilities and as such is not presented in this report.

2 Segment information (continued)

(b) Segment revenue and results

30 June 2025	Telecommunications	Utilities	Transport	Eliminations/ Unallocated	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Segment revenue	1,165,899	1,006,095	154,228	242	2,326,464
Other income	-	2,064	-	-	2,064
Share of revenue from joi ventures	nt _	-	91,586	-	91,586
Total revenue (including venture) 1	joint 1,165,899	1,008,159	245,814	242	2,420,114
EBITDA from Operations	² 103,768	45,331	17,156	(20,157)	146,098

30 June 2024	Telecommunications	Utilities	Transport	Eliminations/ Unallocated	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Segment revenue	1,200,215	969,587	119,155	(164)	2,288,793
Other income	-	2,530	107	159	2,796
Share of revenue from join ventures	t _	-	100,212	-	100,212
Total revenue (including j venture) ¹	oint 1,200,215	972,117	219,474	(5)	2,391,801
EBITDA from Operations	105,408	24,361	14,329	(24,726)	119,372

¹ This is a non-statutory disclosure as it includes other income and Service Stream's share of revenue from equity accounted joint

 $^{^{\}rm 2}$ Performance is measured using EBITDA from Operations.

Reconciliation of EBITDA from Operations to net profit after tax	2025 \$'000	2024 \$'000
EBITDA from Operations	146,098	119,372
Adjustments for joint ventures ¹	(3,531)	(2,620)
Depreciation and amortisation	(59,547)	(58,461)
Gain on disposal of assets	3,234	-
Net finance costs	(7,472)	(11,396)
Income tax expense	(19,598)	(14,597)
Net profit after tax	59,184	32,298

 $^{^{1}}$ Adjustment for joint venture represents joint venture tax that is equity accounted in statutory EBITDA, but excluded in EBITDA from Operations.

2 Segment information (continued)

(c) Information about major customers

In 2025 and 2024, a customer in the Telecommunication segment and a customer in the Utilities segment contributed more than 10% of the Group's total revenue. Apart from that, no other customers contributed more than 10% of the Group's total revenue in 2025 or 2024.

3 Revenue from contracts with customers

(a) Revenue from contracts with customers

	2025 \$'000	2024 \$'000
Revenue	2,326,464	2,288,793

(b) Disaggregation of segment revenue

The Group derives revenue from the transfer of goods and services over time and at a point in time. The table below provides a disaggregation of reportable segment revenues from contracts with customers.

30 June 2025	elecommunications	Utilities	Transport	Other	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Segment revenue	1,165,899	1,006,095	154,228	242	2,326,464
Intra/Inter-segment revenue	-	-	-	-	-
Revenue from contracts with custo	mers 1,165,899	1,006,095	154,228	242	2,326,464
Timing of revenue recognition					
At point in time	624,493	544,264	65,656	242	1,234,655
Over time	541,406	461,831	88,572	-	1,091,809
Revenue from contracts with custor	mers 1,165,899	1,006,095	154,228	242	2,326,464
30 June 2024	.liti	t tatillat	Tuesday	Othor	Total
30 June 2024 Te	elecommunications	Utilities	Transport	Other	Total
30 June 2024 Te	elecommunications \$'000	Utilities \$'000	Transport \$'000	Other \$'000	Total \$'000
30 June 2024 To					
	\$'000	\$'000	\$'000	\$'000	\$'000
Segment revenue	\$'000 1,200,215 -	\$'000	\$'000 119,155	\$'000 (164)	\$'000
Segment revenue Intra/Inter-segment revenue	\$'000 1,200,215 -	\$'000 969,587	\$'000 119,155	\$'000 (164)	\$'000 2,288,793 -
Segment revenue Intra/Inter-segment revenue	\$'000 1,200,215 -	\$'000 969,587	\$'000 119,155	\$'000 (164)	\$'000 2,288,793 -
Segment revenue Intra/Inter-segment revenue Revenue from contracts with custo	\$'000 1,200,215 -	\$'000 969,587	\$'000 119,155	\$'000 (164)	\$'000 2,288,793 -
Segment revenue Intra/Inter-segment revenue Revenue from contracts with custo Timing of revenue recognition	\$'000 1,200,215 - mers 1,200,215	\$'000 969,587 - 969,587	\$'000 119,155 - 119,155	\$'000 (164) - (164)	\$'000 2,288,793 - 2,288,793

3 Revenue from contracts with customers (continued)

(c) Assets and liabilities related to contracts with customers

	2025 \$'000	2024 \$'000
Revenue recognised that was included in contract liability balance at the beginning of the period	38,368	71,930
Revenue reversed from performance obligations satisfied in previous periods	(3,351)	(5,286)

(d) Significant estimates and judgment

Measure of progress

Judgement is used in selecting an appropriate measure of progress towards completing satisfaction of a performance obligation. The selected method considers the nature of the good or service that the Group has promised to transfer to the customer and will be consistently applied to similar performance obligations throughout the contract.

State of completion

In assessing the stage of completion using percentage of cost to complete, significant judgement may be required to estimate total contract costs to complete. In making these estimates, management has relied on internal and external subject matter experts and also on past experience of completed projects to determine the progress of completion for projects.

Variation and valued claim

A variation or valued claim is a contract modification involving amendment of a contract with the consent of all parties, where the Group has an enforceable right to payment. Revenue in relation to variation claims is only included in the transaction price when the amount claimable is highly probable. Management uses judgement in determining whether an approved enforceable right exists.

Variable considerations

Management estimates the amount of variable consideration based on either the 'expected value' or the 'most likely amount'. The estimate of variable consideration is only recognised to the extent it is highly probable that a significant revenue reversal will not occur in the future.

Changes in these estimates or judgements could have a material impact on the financial statements of the Group.

4 Other income

	2025 \$'000	2024 \$'000
Other income	2,064	2,796
	2,064	2,796

5 Net finance costs

	2025 \$'000	2024 \$'000
Interest income	(2,744)	(2,014)
Interest expense: leases	3,735	2,736
Interest expense: borrowings	5,900	9,639
Facility establishment costs	581	1,035
	7,472	11,396

6 Other expense items

(a) Depreciation and amortisation expense

	Notes	2025 \$'000	2024 \$'000
Depreciation of plant and equipment	13	12,820	14,264
Depreciation of right-of-use assets	15	25,712	23,369
Amortisation of software	14	7,707	5,142
Amortisation of customer contracts / relationships	14	13,308	15,686
		59,547	58,461

(b) Employee benefit expense

	2025 \$'000	2024 \$'000
Superannuation expense	56,547	46,651
Equity-settled share-based payments	5,935	3,540
	62,482	50,191

7 Income tax expense

(a) Income tax recognised in profit or loss

	2025 \$'000	2024 \$'000
Tax expense comprises:		
Current tax expense	35,445	18,932
(Over) / Under provision in prior years	(4,795)	93
Deferred tax expense	(11,052)	(4,428)
Income tax expense	19,598	14,597

(b) Reconciliation of income tax expense to tax payable

	2025 \$'000	2024 \$'000		
Profit before income tax	income tax 78,782			
Tax at the Australian tax rate of 30%	23,635	14,068		
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income				
Other non-deductible expenses	3,004	2,778		
Franking credits on dividends received	(2,179)	(1,313)		
Deferred tax reconciliation: CY revaluations and PY adjustments	(936)			
Other prior period adjustments	(67)	-		
Income tax expense as per consolidated statement of profit or loss and other comprehensive income	19,598	14,597		
Over/ (Under) provision in prior years	4,795	(93)		
Movement through deferred tax (note: 7c)	11,052	4,428		
Tax payable	35,445	18,932		
Less current year tax instalments paid during the year	(8,762)	(8,938)		
Less outstanding refund relating to the prior year		(5,960)		
Net income tax payable	26,683	4,034		
Effective tax rate	<i>25</i> %	31%		

7 Income tax expense (continued)

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period.

(c) Deferred tax balances

Deferred tax balances arise from the following:

	Opening balance	Timing difference related to prior periods ¹	DTL (Net) Acquired through Acquisition	Charged to Income	Charged to equity	Closing balance
2025	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Temporary differences						
Trade and other receivables	221	-	-	178	-	399
Accrued revenue	(67,991)	-	-	4,982	-	(63,009)
Trade, other payables and provisions	9,111	-	-	2,918	-	12,029
Share issue costs	1,264	-	-	(652)	-	612
Tax Losses	638	-	-	(638)	-	-
Employee benefits	24,729	-	-	1,042	3,287	29,058
Plant and equipment	(1,457)	-	-	837	-	(620)
Customer contracts / relationships	(32,619)	-	-	4,253	-	(28,366)
Right of use assets	(18,196)	-	-	(3,854)	-	(22,050)
Lease liabilities	18,757	-	-	4,083	-	22,840
Other	(4,375)	(491)	(186)	(2,097)	-	(7,149)
	(69,918)	(491)	(186)	11,052	3,287	(56,256)

7 Income tax expense (continued)

(c) Deferred tax balances (continued)

	Opening balance	Timing difference related to prior periods ¹	DTL (Net) Charged Acquired to through Income Acquisition		Charged to equity	Closing balance
2024	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Temporary differences						
Trade and other receivables	144	-	-	77	-	221
Accrued revenue	(65,099)	-	-	(2,892)	-	(67,991)
Trade, other payables and provisions	6,692	-	-	2,419	-	9,111
Share issue costs	2,005	-	-	(741)	-	1,264
Tax Losses	6,788	(3,750)	-	(2,400)	-	638
Employee benefits	18,711	-	-	4,552	1,466	24,729
Plant and equipment	(16)	(2,020)	-	579	-	(1,457)
Customer contracts / relationships	(37,052)	(230)	-	4,663	-	(32,619)
Right of use assets	(15,057)	-	-	(3,139)	-	(18,196)
Lease liabilities	15,973	-	-	2,784	-	18,757
Other	(2,760)	(141)	-	(1,474)	-	(4,375)
	(69,671)	(6,141)	-	4,428	1,466	(69,918)

¹The prior period timing difference arose from a true-up of deferred tax and tax payable position at balance date to the subsequent tax return lodgement date.

Deferred tax assets and liabilities have been offset by the Group and are presented in the Consolidated statement of financial position as a net deferred tax liability.

7 Income tax expense (continued)

(d) Tax consolidation

Tax consolidation of the Group

The Company and all its wholly-owned Australian resident entities are part of a tax-consolidated group under Australian taxation law. Service Stream Limited is the head entity in the tax-consolidated group. The members of the tax-consolidated group are identified in note 24. A tax funding arrangement and a tax sharing agreement have been entered into between the entities. As such a notional current and deferred tax calculation for each entity as if it were a taxpayer in its own right has been performed (except for unrealised profits, distributions made and received and capital gains and losses and similar items arising on transactions within the tax-consolidated group which are treated as having no tax consequences). Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax-consolidated group are recognised by the Company (as the head entity in the tax consolidation group).

Nature of tax funding arrangements and tax sharing agreements

Entities within the tax-consolidated group have entered into a tax arrangement and a tax sharing agreement with the head entity. Under the terms of the tax funding arrangement, Service Stream Limited and each of the other entities in the tax-consolidated group have agreed to pay or receive a tax equivalent payment to or from the head entity, based on the current tax liability or current tax asset of the entity.

8 Earnings per share

Basic and diluted earnings per share

	2025 Cents per share	2024 Cents per share
Basic earnings per share:		
Total basic earnings per share	9.66	5.25
Diluted earnings per share:		
Total diluted earnings per share	9.44	5.14

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

	2025 \$'000	2024 \$'000
Profit for the year attributable to owners of the Company	59,184	32,298
Earnings used in the calculation of basic and diluted EPS	59,184	32,298
	2025 '000	2024 \$'000
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	612,538	614,909
Shares deemed to be issued for no consideration in respect of employee share schemes	14,538	13,949
Weighted average number of ordinary shares for the purposes of diluted earnings per share	627,076	628,858

9 Trade and other receivables

	Trade receivables	Expected credit loss	Total	Trade receivables	Expected credit loss	Total
	2025 \$'000	2025 \$'000	2025 \$'000	2024 \$'000	2024 \$'000	2024 \$'000
Current	128,403	(55)	128,185	128,539	(38)	128,501
1 Month	16,906	(58)	16,668	25,147	(29)	25,118
2 Months	1,094	(18)	989	2,741	(15)	2,726
3 Months	1,157	(103)	874	1,818	(22)	1,796
Over 3 months	1,182	(1,095)	697	6,455	(634)	5,821
	148,742	(1,329)	147,413	164,700	(738)	163,962
Other receivables			2,820			752
			150,233			164,714

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. All new customers are subject to credit checks using external credit reporting agency information to ascertain their risk profile against both internal and industry benchmarks and are used in determination of appropriate credit limits. They are generally due for settlement within 30 days and therefore are all classified as current assets. Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, then they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Group's impairment policies and the calculation of the loss allowance are provided at note 21(c).

10 Inventories

	2025 \$'000	2024 \$'000
Inventories	16,437	19,485

Inventories recognised as an expense during the year ended 30 June 2025 amounted to \$107 million (2024: \$132 million). These were included in the raw materials and consumables used line item in the consolidated statement of profit and loss and other comprehensive income.

11 Accrued revenue

	2025 \$'000	2024 \$'000
Accrued revenue	282,278	266,621

Accrued revenue is defined as a contract asset under AASB 15. The accrued revenue balance represents revenue which has yet to be invoiced to customers due to work not yet reaching a stage where it can be invoiced and where the Group's customers require payment claims to be submitted and approved prior to invoices being issued. The Group adopts the principle that is consistent with AASB 15 and will not recognise revenue until it is considered to be highly probable which has historically resulted in a high level of recoverability of amounts invoiced. Where work has not yet reached a stage where it can be invoiced, revenue is accrued in line with the Group's accounting policies as outlined at note 32(e) revenue recognition. Details about the Group's impairment policy and assessment of the loss allowance are provided in note 21(c).

The Group is not subject to any significant financing component and the transaction price within the customer contracts has not been adjusted. The Group has opted to apply the practical expedient available under AASB 15.121 whereby the financing component of the performance obligations is not disclosed further as having an original expected duration of one year or less.

12 Other assets

	2025 \$'000	2024 \$'000
Prepayments	9,469	10,067
Other assets	821	2,480
	10,290	12,547

13 Property, plant and equipment

	Land	Leasehold improvements	Plant and equipment	Motor vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Year Ended 30 June 2024					
Opening net book value	2,150	1,058	34,215	5,594	43,017
Additions	-	977	6,002	1,578	8,557
Disposals ¹	-	-	(3,684)	(456)	(4,140)
Depreciation charge	-	(190)	(10,515)	(3,559)	(14,264)
Closing net book value	2,150	1,845	26,018	3,157	33,170
At 30 June 2024					
Cost ¹	2,150	11,766	82,459	20,579	116,954
Accumulated depreciation ¹	-	(9,921)	(56,441)	(17,422)	(83,784)
Net book value	2,150	1,845	26,018	3,157	33,170
Year Ended 30 June 2025					
Opening net book value	2,150	1,845	26,018	3,157	33,170
Additions	-	1,255	5,595	1,183	8,033
Disposals ¹	-	-	(1,194)	(760)	(1,954)
Depreciation charge	-	(457)	(11,313)	(1,050)	(12,820)
Transfer to asset held for sale	(2,150)	-	-	-	(2,150)
Closing net book value	-	2,643	19,106	2,530	24,279
At 30 June 2025					
Cost	-	13,021	84,230	18,487	115,738
Accumulated depreciation	-	(10,378)	(65,124)	(15,957)	(91,459)
Net book value	-	2,643	19,106	2,530	24,279

¹Opening cost and accumulated depreciation have been restated for gross-up error. Refer Note 13 (a) for details.

 $^{^{\}rm 2}\,\mbox{Disposals}$ are net of accumulated depreciation.

13 Property, plant and equipment (continued)

The following asset was reclassified as held for sale as at 30 June 2025:

	2025 \$'000	2024 \$'000
Assets classified as held for sale		
Land	2,150	-

On 11 April 2025, the Group sold its Morwell land for consideration of \$2.4m with settlement due in 12 months. As a result, the land is classified as held for sale and accounted in accordance with Note 32(x).

(a) Opening Balance Reclassifications

In the prior years, assets from business acquisitions were taken up at net book values in the cost line, but the disposals of such assets in subsequent years were done at gross cost and accumulated depreciation, resulting in misstatement in gross cost and accumulated depreciation respectively. Underlying net book value is not impacted and remains unchanged.

The impact on gross cost and accumulated depreciation adjustment is as follows:

		30 June 2024	Adjust- ment	Revised 30 June 2024	1 July 2023	Adjust- ment	Revised 1 July 2023
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Leasehold improvement	Cost	11,683	83	11,766	10,705	83	10,788
Improvement	Accumulated depreciation	(9,838)	(83)	(9,921)	(9,647)	(83)	(9,730)
	Net Book Value	1,845	-	1,845	1,058	-	1,058
Plant and equipment	Cost	72,194	10,265	82,459	73,369	10,011	83,380
счартеле	Accumulated depreciation	(46,176)	(10,265)	(56,441)	(39,154)	(10,011)	(49,165)
	Net Book Value	26,018	-	26,018	34,215	-	34,215
Motor Vehicles	Cost	9,848	10,731	20,579	13,739	9,630	23,369
	Accumulated depreciation	(6,691)	(10,731)	(17,422)	(8,145)	(9,630)	(17,775)
	Net Book Value	3,157	-	3,157	5,594	-	5,594

14 Intangible assets

	Software	Customer contracts and relationships	Goodwill	Total
	\$'000	\$'000	\$'000	\$'000
Year Ended 30 June 2024				
Opening net book value	13,847	124,270	298,911	437,028
Additions	1,916	-	-	1,916
Amortisation charge	(5,142)	(15,686)	-	(20,828)
Closing net book value	10,621	108,584	298,911	418,116
At 30 June 2024				
Cost	63,346	183,371	298,911	545,628
Accumulated amortisation & impairment	(52,725)	(74,787)	-	(127,512)
Net book value	10,621	108,584	298,911	418,116
Year Ended 30 June 2025				
Opening net book value	10,621	108,584	298,911	418,116
Additions	4,692	-	-	4,692
Asset written off	(1,036)	-	-	(1,036)
Amortisation charge	(7,707)	(13,308)	-	(21,015)
Closing net book value	6,570	95,276	298,911	400,757
At 30 June 2025				
Cost	67,002	183,375	298,911	549,781
Accumulated amortisation & impairment	(60,432)	(88,099)	-	(149,024)
Net book value	6,570	95,276	298,911	400,757

14 Intangible assets (continued)

(a) Opening Balance Reclassifications

In the prior years, assets from business acquisitions were taken up at net book values in the cost line, but the disposals of such assets in subsequent years were done at gross cost and accumulated depreciation, resulting in misstatement in gross cost and accumulated depreciation respectively. Underlying net book value is not impacted and remains unchanged.

The impact on gross cost and accumulated depreciation adjustment is as follows:

		30 June 2024	Adjust- ment	Revised 30 June 2024	1 July 2023	Adjust- ment	Revised 1 July 2023
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Software	Cost	61,472	1,874	63,346	59,537	1,874	61,411
	Accumulated depreciation	(50,851)	(1,874)	(52,725)	(45,690)	(1,874)	(47,564)
	Net Book Value	10,621	-	10,621	13,847	-	13,847

(b) Impairment tests for goodwill

Goodwill and indefinite life intangible assets are tested annually for impairment. An impairment loss is recognised if the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount.

It is Management's judgement that the CGU is at its lowest level of aggregation and no further distinctions can be made. The judgements and assumptions used in such determination are Management's best estimates based on the current market dynamics, business operations, service offerings, interactions with its customers and operational synergies achieved. Changes impacting these assumptions could result in changes in the determination of CGUs and recognition of impairment charges in future periods.

Goodwill is monitored at the level of operating segments as identified in Note 2.

A summary of the goodwill allocation are as follows:

	2025 \$'000	2024 \$'000
Telecommunication	159,665	159,665
Utilities	129,947	129,947
Transport	9,299	9,299
	298,911	298,911

(c) Key assumptions used in the calculation of recoverable amount

The recoverable amount of an asset or CGU is the greater of its value in use or its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in its principal or most advantageous market at the measurement date. It is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial item assumes it is put to its highest and best use.

14 Intangible assets (continued)

(c) Key assumptions used in the calculation of recoverable amount (continued)

The recoverable amount of all CGUs was determined through a fair value less costs to sell calculation using a detailed 5-year cash flow financial model with revenue and earnings forecasts, discount rate and costs to sell reflective of a market participant's view of valuing the business. The fair value measurement was categorised as a Level-3 fair value based on the inputs in the valuation technique used (refer Note 32 (o) for further details on fair value measurements).

The cash flows are based on the Board approved budget covering a one-year period together with management prepared cash flows through to FY2030 with a terminal growth rate applied thereafter. Management's determination of cash flow projections is based on past performance and its expectations for the future. The cash flows assume that all businesses continue to undertake significant work with new and existing customers. This assumes existing contracts are extended, new contracts are awarded, and margins remain relatively stable.

The following table sets out the key assumptions for all CGUs with goodwill allocated to them:

CGU	Telecommunication	Utilities	Transport
Terminal growth rate	2.5%	2.5%	2.5%
Pre-tax discount rate	13.9%	13.7%	13.5%

A post-tax discount rate to post-tax cash flows has been applied as the valuation calculated using this method closely approximates applying pre-tax discount rates to pre-tax cash flows.

The terminal growth rate represents estimates of the CGUs' growth to perpetuity.

Sensitivity analysis

The directors and management have considered sensitivity analysis in relation to discount rate, growth rate and cash flow assumptions. No reasonably possible change in key assumptions would give rise to an impairment of any of the CGUs.

15 Leases

(a) Amount recognised in the Consolidated statement of financial position

The consolidated statement of financial position shows the following amounts relating to leases:

	2025 \$'000	2024 \$'000
Properties	29,384	23,231
Motor vehicles	37,624	31,865
Equipment	7,547	5,557
Total right-of-use assets	74,555	60,653
Current lease liabilities	24,235	21,341
Non-current lease liabilities	52,952	41,182
Total lease liabilities	77,187	62,523

15 Leases (continued)

(a) Amount recognised in the Consolidated statement of financial position (continued)

The Group's weighted average incremental borrowing rate applied to the lease liabilities as at 30 June 2025 was 6.08% (2024: 5.55%).

Additions to the right-of-use assets during the 2025 financial year were \$33.7 million (2024: \$27.9 million).

(b) Amount recognised in the consolidated statement of profit or loss and other comprehensive income

The consolidated statement of profit and loss and other comprehensive income shows the following amounts relating to leases:

	2025 \$'000	2024 \$'000
Depreciation of right-of-use assets		
Properties	9,766	10,055
Motor vehicles	13,851	11,718
Equipment	2,095	1,596
	25,712	23,369
Interest expense (included in interest expense and other finance costs)	3,735	2,909
Expense relating to short-term leases (included in the occupancy and motor vehicle expenses)	4,130	3,524

The total cash outflow for leases in 2025 was \$29.0 million (2024: \$27.2 million).

(c) The Group's leasing activities and how these are accounted for:

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life or the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- amounts expected to be payable by the Group under residual value guarantees;
- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate; and
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the Group's incremental borrowing rate is used, being the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received; and
- any initial direct costs.

15 Leases (continued)

(c) The Group's leasing activities and how these are accounted for: (continued)

(i) Variable lease payments

There are no variable lease payments requiring estimations.

(ii) Extension and termination options

Extension and termination options are included in a number of properties, equipment and motor vehicles leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

(d) Critical judgements

In determining the lease term, management consider all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Potential future cash outflows of approximately \$31.7 million (undiscounted) have not been included in the lease liability because it is not reasonably certain that the leases will be extended or not terminated.

16 Trade and other payables

	2025 \$'000	2024 \$'000
Trade creditors	46,681	54,739
Sundry creditors and accruals	150,170	141,827
Income in advance	79,297	89,005
	276,148	285,571

Income in advance is defined as contract liabilities under AASB 15. A contract liability pertains to the Group's obligation to transfer services to its customer for which it has already received payment. The amounts included in income in advance reflect the aggregate performance obligation amounts not yet satisfied as at the end of the reporting period. The Group has opted to apply the practical expedient available under AASB 15.121 whereby the performance obligations are not disclosed further as they have an original duration of one year or less.

17 Provisions

	2025 \$'000	2024 \$'000
Current		
Employee benefits ¹	51,975	51,705
Provision for contractual obligations ²	11,852	9,441
Provision for onerous contracts ³	4,042	4,536
Other provisions ⁴	6,577	4,540
	74,446	70,222
Non-current		
Provision for contractual obligations ²	12,736	14,175
Employee benefits ¹	9,918	7,332
	22,654	21,507
Total provisions	97,100	91,729

 $^{^{\}mbox{\tiny 1}}$ The provision for employee benefits represents vesting leave entitlements.

The Group does not offer its customers the option to purchase warranties as a separate service. Warranties simply relate to rectifications and rework required to be performed on completed services. These assurance-type warranties are accounted for in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets.

(a) Movement in provisions

	Contractual obligations \$'000	Onerous contracts \$'000	Other provisions \$'000
Balance at 1 July 2023	13,608	6,929	2,846
Additional provisions recognised	15,134	16,479	3,055
Unused amounts reversed	(3,528)	(989)	(1,210)
Amounts used during the year	(1,598)	(17,883)	(151)
Balance at 30 June 2024	23,616	4,536	4,540

 $^{^2}$ The provision for contractual obligations represents the present value of estimated future outflows that may be required under the Group's obligations for warranties, rectification and rework with its various customers.

³ The provision for onerous contracts represents best estimation on loss-making projects where that cost is expected to exceed total revenue

⁴ Other provisions include make good provisions on premises, and other provisions as required.

17 Provisions (continued)

(a) Movement in provisions (continued)

	Contractual obligations \$'000	Onerous contracts \$'000	Other provisions \$'000
Balance at 1 July 2024	23,616	4,536	4,540
Additional provisions recognised	6,583	5,930	5,216
Unused amounts reversed	(2,109)	(884)	(1,615)
Amounts used during the year	(3,502)	(5,540)	(1,564)
Balance at 30 June 2025	24,588	4,042	6,577

(b) Significant estimates

Management estimates the provisions for future claims based on the value of work historically performed and the claims of any on-going disputes. Actual claim amounts in the next reporting period are likely to vary from Management's estimates. Amounts may be reversed if it is determined they are no longer required.

18 Contributed equity

	Number of shares	5	Share capital	
	2025 No.'000	2024 No.'000	2025 \$'000	2024 \$'000
Fully paid ordinary shares	612 589	612,825	493,462	496,344
	612,589	612,825	493,462	496,344

(a) Fully paid ordinary shares

	Number of shares	Share capital
	'000	\$'000
Balance at 1 July 2023	615,953	499,682
Treasury shares purchased	(3,901)	(4,132)
Shares issued under employee share scheme	773	794
Balance at 30 June 2024	612,825	496,344
Treasury shares purchased	(4,000)	(5,961)
Share issued under employee share scheme	3,764	3,079
Balance at 30 June 2025	612,589	493,462

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

18 Contributed equity (continued)

(b) Employee share schemes

Information relating to the employee share schemes is set out in note 23.

(c) Treasury shares

Treasury shares are shares in Service Stream Limited that are held by the Service Stream Employee Share Trust for the purpose of issuing shares under various share-based incentives plans. Shares issued to employees are recognised on a first-in-first-out basis.

	Number of shares	Share capital
	'000	\$'000
Balance at 1 July 2023	-	-
Acquisition of treasury shares (average prices; \$1.06 per share)	3,901	4,131
Share issued under employee share scheme	(773)	(793)
Balance at 30 June 2024	3,128	3,338
Acquisition of treasury shares (average prices; \$1.49 per share)	4,000	5,961
Share issued under employee share scheme	(3,764)	(4,611)
Balance at 30 June 2025	3,364	4,688

19 Dividends

		2025		2024
	Cents per share	Total Amount \$'000	Cents per share	Total Amount \$'000
Prior year final	2.5	15,399	1.00	6,160
Current year interim	2.5	15,399	2.00	12,319
	5.0	30,798	3.00	18,479

A final dividend of 3.0 cents per share has been declared by the Board for the year ended 30 June 2025 (2024: 2.5 cents). The amount will be paid on 3 October 2025 and, as it was declared subsequent to 30 June 2025, no provision has been made as at 30 June 2025.

19 Dividends (continued)

		Company
	2025 \$'000	2024 \$'000
Franking credits available for subsequent reporting periods based on a tax rate of 30% (2024: 30%)	36,077	12,805

The above amounts are calculated from the balance of the franking account as at the end of the reporting period, adjusted for franking credits and debits that will arise from the settlement of liabilities or receivables for income tax after the end of the year. The balance excludes the impact on franking credits associated with the final dividends declared at year-end.

20 Notes to the consolidated statement of cash flows

(a) Reconciliation of cash and cash equivalents

	2025 \$'000	2024 \$'000
Cash and cash equivalents	73,553	62,947
Balance per consolidated statement of cash flows	73,553	62,947

(b) Reconciliation of profit for the year to net cash flows from operating activities

	2025 \$'000	2024 \$'000
Profit for the year	59,184	32,298
Gain on sale of disposal of non-current assets	(2,814)	(17)
Depreciation and amortisation	59,547	58,461
Equity-settled share-based payments expense	5,935	4,390
Increase in tax balances & other tax adjustments	13,647	1,186
Movement in working capital:		
Decrease in trade and other receivables	14,482	21,405
Increase in accrued income	(15,658)	(12,185)
Decrease/ (Increase) in other assets	2,293	(1,508)
Decrease/ (Increase) in inventories	3,047	(3,040)
Decrease in trade and other payables	(10,041)	(16,188)
Increase in provisions	5,371	12,383
Net cash provided by operating activities	134,993	97,185

20 Notes to the consolidated statement of cash flows (continued)

(c) Liabilities from financing activities

	Borrowings	Lease liabilities
	\$'000	\$'000
Balance as at 30 June 2023	121,579	53,244
Additions	-	27,993
Remeasurements	-	5,841
Financing cash flows	(65,000)	(24,554)
Interest expense	7,676	2,736
Interest payments	(8,813)	(2,736)
Balance as at 30 June 2024 ¹	55,442	62,524

	Borrowings	Lease liabilities
	\$'000	\$'000
Balance as at 30 June 2024	55,442	62,524
Additions	-	33,738
Remeasurements	-	6,240
Financing cash flows	(55,000)	(25,315)
Interest expense	5,901	3,734
Interest payments	(6,343)	(3,734)
Balance as at 30 June 2025 ¹	-	77,187

¹ Bank borrowings as at 30 June 2025 were \$nil (2024: \$55.0 million) and accrued interest of \$nil (2024: \$0.9 million), which is classified as trade and other payables.

21 Financial instruments

(a) Overview

The Group's activities expose it to a variety of financial risks including interest rate, credit and liquidity risk exposures. The Group's risk management program looks to identify and quantify these exposures and where relevant reduce the sensitivity to potential adverse impacts on its financial performance. The Group operates a centralised treasury function which manages all financing facilities and external payments on behalf of the Group. Compliance with financial risk management policies, financial exposures and compliance with risk management strategy are reviewed by senior management and reported to the Group's Audit and Risk Committee and Board on a regular basis.

(b) Market risk – interest rate risk management

Based upon a 100-basis point increase in prevailing market interest rates as applied to the Group's net cash balance at 30 June 2025 the Group's sensitivity to interest rate risk would be equivalent to a \$736,000 per annum favourable impact to profit before tax (2024: \$85,000 favourable).

(c) Credit risk management

Credit risk of the Group arises predominately from outstanding receivables and unbilled accrued revenue to its customers. Refer below for details of the Group's impairment of financial assets assessment.

The Group does not recognise revenue until it is considered to be highly probable. Historically the Group has had a high level of recoverability of accrued revenue.

Receivable balances are monitored on an ongoing basis and the Group has a policy of only dealing with creditworthy counterparties and where appropriate, obtaining credit support as means of mitigating the risk of financial loss from credit defaults.

Credit reporting information is supplied by independent credit rating agencies where available and the Group uses publicly available information and its own internal trading history to credit-assess customers.

Impairment of financial assets

The Group has two types of financial assets that are subject to the expected credit loss model:

- trade receivables; and
- accrued revenue (contract assets) relating to its customer contracts.

While cash and cash equivalents are also subject to the impairment requirements of AASB 9, the expected credit loss is immaterial.

Trade receivables and accrued revenue

The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and accrued revenue.

The expected loss rates on trade receivables are based on the payment profiles of sales over a period of 12 months and the corresponding historical credit losses experienced within this period. This historical loss rate is adjusted to reflect current and forward-looking information affecting the ability of specific customers to settle their receivables. The nature of the Group's customers, which includes government enterprises and large private sector corporations, is such that the risk of default of receivables is low.

When applying the impairment requirement of AASB 9 to accrued revenue, the Group recognises that the ageing of accrued revenue is not indicative of its recoverability profile, rather the ability to complete work in progress and/or pending customers' approval in order to invoice. Under the expected credit loss principle adopted, the Group assessed that the accrued revenue balance carries a similar expected loss profile as those trade receivables aged as current, before adjusting for any specific forward-looking factors. Applying the associated expected loss rate to the accrued revenue balance results in an impairment loss.

(c) Credit risk management (continued)

On that basis, the loss allowance as at 30 June was determined as follows.

	Current	0-30 days	31-60 days	61-90 days	91 days +	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2025						
Expected loss rate	0.04%	0.34%	1.66%	8.88%	92.72%	
Gross carrying amount - trade receivables	128,403	16,906	1,094	1,157	1,182	148,742
Loss allowance	55	58	18	103	1,095	1,329
	Current	0-30 days	31-60 days	61-90 days	91 days +	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2024						
Expected loss rate	0.03%	0.11%	0.55%	1.23%	9.83%	
Gross carrying amount - trade receivables	128,539	25,147	2,741	1,818	6,455	164,700
Loss allowance	38	29	15	22	634	738

 $The loss allowances for trade\ receivables\ at\ 30\ June\ 2025\ reconciles\ to\ the\ opening\ loss\ allowances\ as\ follows:$

	2025	2024
	\$'000	\$'000
Opening balance	738	481
Additional provision recognised	2,685	300
Receivables written-off during the year as uncollectable	(17)	-
Unused amount reversed	(2,075)	(43)
Closing balance	1,329	738

(d) Liquidity risk management

Management of the Group's liquidity risk exposure is undertaken daily by the Group's treasury and finance functions via monitoring of the Group's actual cash flows and regularly updated forecasts of payable and receivable profiles.

In order to maintain adequate liquidity, the Group typically maintains an at-call cash buffer as well as having access to overdraft facilities and syndicated funding lines.

Included in note 21(d)(ii) are details of the financing facilities available to the Group at 30 June 2025.

(d)(i) Liquidity and interest rate risk tables

The following table details the Group's maturity profile for financial liabilities.

The amount disclosed in the table represents the undiscounted cash flows of financial liabilities based on the earliest date on which the Group is contracted to repay principal. Where applicable, these amounts represent both interest and principal cash flows.

	Weighted average interest rate	Carrying amount	Contractual cash flow	6 months or less	6 - 12 months	1-2 years	2 - 5 years	5+ years
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2025 Financial lia	bilities							
Lease liabilities	6.10%	(77,187)	(85,902)	(13,801)	(13,838)	(22,164)	(34,885)	(1,214)
Borrowings	-	-	-	-	-	-	-	-
Trade and other payables		(286,638)	(286,638)	(286,638)	-	-	-	-
		(363,825)	(372,540)	(300,439)	(13,838)	(22,164)	(34,885)	(1,214)

(d) Liquidity risk management (continued)

	Weighted average interest rate	Carrying amount	Contractual cash flow	6 months or less	6 - 12 months	1-2 years	2 - 5 years	5+ years
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2024 Financial li	abilities							
Lease liabilities	5.55%	(62,523)	(68,794)	(13,540)	(10,443)	(17,922)	(23,719)	(3,170)
Borrowings	5.62%	(54,496)	(59,363)	(1,559)	(1,534)	(56,270)	-	-
Trade and other payables		(285,571)	(285,571)	(285,571)	-	-	-	-
		(402,590)	(413,728)	(300,670)	(11,977)	(74,192)	(23,719)	(3,170)

(d)(ii) Financing facilities

	2025	2024
	\$'000	\$'000
Bank guarantees	128,564	115,245
Surety bonds	20,445	19,471
Borrowings	-	55,000
Amount used	149,009	189,716

As at 30 June 2025, the Group had undrawn committed loan facilities of \$271 million (FY24: \$230.3 million) across bank guarantees, surety bonds, borrowings and bank overdraft, of which the overdraft facility had \$25 million available. During the year, the Group refinanced its banking facilities with these facilities now maturing in December 2027 (previously November 2025). Key terms and conditions associated with these facilities remain unchanged.

Borrowing Covenants

As part of its borrowing facilities, the Group is required to comply with certain covenants on net leverage ratio, interest cover ratio and certain levels of net assets. The Group complied with these ratios throughout the reporting year, and there are no indications that the entity may have difficulties complying with the covenants when they will be next tested at the 31 December 2025 interim reporting date or next 30 June 2026 year end.

(e) Categories of financial instruments

	2025 \$'000	2024 \$'000
Financial assets at amortised cost		
Cash and cash equivalents	73,553	62,947
Accrued revenue	282,278	266,621
Trade and other receivables	150,233	164,714
	506,064	494,282

	2025 \$'000	2024 \$'000
Financial liabilities at amortised cost		
Lease liabilities	77,187	62,523
Borrowings	-	54,496
Trade and other payables	276,148	285,571
	353,335	402,590

The Group considers that the carrying amounts of financial assets and liabilities recognised at amortised cost in the financial statements approximates their fair value.

22 Capital risk management

The Group manages its capital to ensure that it is able to continue as a going concern and to maximise returns to shareholders. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends and return capital paid to shareholders or issue new shares. Capital is managed in order to maintain a strong financial position and ensure that the Group's funding needs can be optimised at all times in a cost-efficient manner to support the goal of maximising shareholder wealth.

The Board and Senior Management review the capital structure of the Group at least annually considering any restrictions or limitations that may exist under current financing arrangements with regard to the mix of capital.

The Group is subject to various financial covenants under its Syndicated Facilities Agreement regarding minimum levels of equity, gearing, fixed charge cover and borrowing base; all of which are regularly monitored and reported upon as disclosed in Note 21(d) (ii) above.

23 Share-based payments

(a) Long-Term Incentive (LTI) Plan

Recognition and measurement

The Group operates equity incentive plans which provide equity instruments to certain executives as a component of their remuneration. Any LTI award will be in the form of performance rights, which are issued to participating employees, with each performance right converting into one ordinary share of Service Stream Limited on meeting the vesting criteria. No amounts are paid or payable by the participant on receipt of the performance right, and the performance rights do not carry rights to dividend or voting.

The number of performance rights granted is based on the employee's long-term incentive opportunity, which is expressed as a percentage of the participant's total fixed remuneration (TFR), and the volume-weighted average market price (VWAP) of the Group's shares over 10-days of trading following the release of full-year results. Refer to the Remuneration Report for further details of the LTI plan.

The amount recognised as expense over the vesting period is adjusted to reflect management's estimate of actual number of performance rights that are likely to vest except where forfeiture is due to failure to achieve market-based performance indicators.

The following LTI performance rights arrangements were in existence at the end of the current period:

Tranche	Number	Grant date	Fair value per right at grant date	Rights vesting date	Share grant date	Performance period
FY23	4,411,782	17 November 2022	TSR - 34.90 cps EPS - 64.93 cps	June 2025	September 2025	1 July 2022 - 30 June 2025
FY23 - MD	990,441	19 October 2022	TSR - 33.50 cps EPS - 61.77 cps	June 2025	September 2025	1 July 2022 - 30 June 2025
FY24	4,250,284	24 November 2023	TSR - 54.54 cps EPS - 79.24 cps	June 2026	September 2026	1 July 2023 - 30 June 2026
FY24 - MD	919,727	18 October 2023	TSR - 58.30 cps EPS - 81.90 cps	June 2026	September 2026	1 July 2023 – 30 June 2026
FY25	3,551,591	23 October 2024	TSR - \$1.01 per share EPS - \$1.42 per share	June 2027	September 2027	1 July 2024 – 30 June 2027

23 Share-based payments (continued)

(a) Long-Term Incentive (LTI) Plan (continued)

Movements in the LTI performance rights during the year

The following table reconciles the outstanding performance rights granted under the LTI at the beginning and end of the financial year:

		2025		2024
	Number of rights	Grant date weighted avg FV \$	Number of rights	Grant date weighted avg FV \$
Balance at start of the financial year	13,948,725	0.630	9,858,921	0.642
Granted during the year	3,551,591	1.215	5,346,354	0.675
Vested during the year	(3,116,082)	-	(240,199)	-
Forfeited during the year	(260,408)	0.600	(1,016,351)	1.129
Balance at end of the financial year	14,123,825	0.917	13,948,725	0.630

Fair value of performance rights

The FY25LTI performance rights with the relative TSR hurdle vesting condition have been valued by an independent expert using a Monte-Carlo simulation. The FY25 LTI performance rights with the Adjusted EPS hurdle vesting condition have been valued using a Binominal tree methodology. Both valuation methodologies are underpinned by a 'risk-neutral' probability framework with key inputs as outlined below.

Tranche	Share price at grant date	Expected life	Volatility ¹	Risk-free interest rate	Dividend yield	Rights vesting date	Share grant date
FY23	\$0.74	2.67 years	40%	3.19%	4.99%	June 2025	September 2025
FY23 – MD	\$0.71	2.70 years	40%	3.46%	5.16%	June 2025	September 2025
FY24	\$0.88	2.60 years	40%	4.15%	4.03%	June 2026	September 2026
FY24 – MD	\$0.91	2.70 years	40%	4.13%	3.90%	June 2026	September 2026
FY25	\$1.56	2.77 years	32.5%	3.96%	3.63%	June 2027	September 2027

¹The expected volatility is based on historic volatility (based on the remaining life of the options), adjusted for any expected changes in future volatility due to publicly available information.

24 Subsidiaries

Details of the Company's subsidiaries at 30 June 2025 are as follows:

Details of the Company's subsidiaries at 30 June 2025 are as	10110443.		Ownersh	p interest
Name of entity	Country of incorporation	Tax Residency	2025 %	2024 %
Parent entity				
Service Stream Limited	Australia	Australian		
Subsidiaries				
Service Stream Holdings Pty Ltd (i)	Australia	Australian	100	100
Service Stream Fixed Communications Pty Ltd (i)	Australia	Australian	100	100
Service Stream Mobile Communications Pty Ltd (i)	Australia	Australian	100	100
Service Stream Customer Care Pty Ltd (i)	Australia	Australian	100	100
Radhaz Consulting Pty Ltd (i)	Australia	Australian	100	100
Service Stream Infrastructure Services Pty Ltd (i)	Australia	Australian	100	100
Service Stream Energy & Water Pty Ltd (i)	Australia	Australian	100	100
Service Stream Nominees Pty Ltd (i)	Australia	Australian	100	100
Service Stream Property Pty Ltd (i)	Australia	Australian	100	100
TechSafe Australia Pty Ltd (i)	Australia	Australian	100	100
TechSafe Management Pty Ltd (i)	Australia	Australian	100	100
Ayrab Pty Ltd (i)	Australia	Australian	100	100
Service Stream Utilities Pty Ltd (i)	Australia	Australian	100	100
Comdain Civil Constructions Pty Ltd (i)	Australia	Australian	100	100
Comdain Civil Constructions (QLD) Pty Ltd (i)	Australia	Australian	100	100
Comdain Services Pty Ltd (i)	Australia	Australian	100	100
Comdain Asset Management Pty Ltd (i)	Australia	Australian	100	100
Comdain Gas (Aust) Pty Ltd (i)	Australia	Australian	100	100
Comdain Services (AMS) Pty Ltd (i)	Australia	Australian	100	100
Comdain Corporate Pty Ltd (i)	Australia	Australian	100	100
Comdain Assets Pty Ltd (i)	Australia	Australian	100	100
Service Stream Maintenance Pty Ltd (i)	Australia	Australian	100	100
Westlink (Services) Pty Limited	Australia	Australian	100	100
EnerSafe Pty Ltd	Australia	Australian	100	100
South Australian Road Services Pty Limited	Australia	Australian	100	50

⁽i) These wholly-owned subsidiaries have entered into a deed of cross guarantee with Service Stream Limited pursuant to ASIC Corporations (wholly-owned companies) Instrument 2016/785 (Instrument) and are relieved of the requirement to prepare and lodge audited financial reports and Directors' report.

25 Joint arrangements

(a) Joint Operations

Recognition and measurement

In accordance with AASB 11 Joint Arrangements, the group recognises its direct right to the jointly held assets, liabilities, revenues and expenses of its joint operations as described in Note 32(b).

	Principal activity	Principal place of business	Ownershi	p interest
			June 2025	June 2024
Delivering for Customer (D4C) ¹	Sydney Water design, construction, maintenance and management services	Australia	60.0%	60.0%
Delivering for Customer (SAF) ¹	Sydney Water design, construction, maintenance and management services	Australia	45.0%	-
The Intelligent Freeways Alliance (IFA)	Road and Maintenance services for Mitchell Freeway	Australia	42.1%	42.1%

¹Both joint operations above are unincorporated.

(b) Details of joint ventures and associates

The Group has interest in the following joint ventures and associates which are equity accounted as described in Note 32 (b).

	Ownersh	ip interest		
	June 2025	June 2024	basis	and country of incorporation
LTJoint Venture Pty Ltd ¹	50%	50%	Equity Accounted	Victoria, Australia
ConnectSydney Pty Ltd	50%	50%	Equity Accounted	New South Wales, Australia
South Australian Road Services Pty Ltd ²	100%	50%	Full consolidation	South Australia, Australia
Brisbane Motorway Services Pty Ltd ¹	50%	50%	Equity Accounted	Queensland, Australia

 $^{^{\}rm 1}$ These joint ventures are dormant and are in the process of being liquidated.

 $^{^2}$ The Group acquired the remaining 50% of South Australia Road Services on 18 September 2024. As a result, the Group has 100% ownership interest and has fully consolidated the entity as a subsidiary as disclosed in Note 24.

25 Joint arrangements (continued)

(c) Summarised financial information for joint ventures and associates

Reconciliation of carrying amount in joint ventures and associates:

	LT Joint Venture	Connect- Sydney	South Australian Road Services	Brisbane Motorway Services	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2023	51	8,128	383	5	8,567
Total share of profit	-	5,855	259	-	6,114
Dividends received	-	(4,375)	-	-	(4,375)
Closing balance as at 30 June 2024	51	9,608	642	5	10,306
Opening balance as at 1 July 2024	51	9,608	642	5	10,306
Total share of profit	15	8,088	136	-	8,239
Dividends received	(63)	(7,200)	-	-	(7,263)
Derecognition on acquisition	-	-	(424)	-	(424)
Loss on remeasurement ¹	-	-	(354)	-	(354)
Closing balance as at 30 June 2025	3	10,496	-	5	10,504

¹ The Group acquired the remainder 50% of South Australia Road Services on 18 September 2024, with net cash acquired of \$1.36 million and loss on remeasurement and derecognition recognised as per above. The acquisition is an individually immaterial business combination with minimal impact to the Group.

26 Deed of cross guarantee

The Australian wholly owned subsidiaries listed in note 24 (excluding Westlink (Services) Pty Limited and Enersafe Pty Ltd), are parties to a deed of cross guarantee under which each company guarantees the debts of the others. Pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785, the wholly-owned subsidiaries listed in note 24 (excluding Westlink (Services) Pty Limited and Enersafe Pty Ltd) are relieved from the Corporations Act 2001 requirements for preparation, audit and lodgment of financial reports, and Directors' report.

A Consolidated statement of profit or loss and other comprehensive income and a Consolidated statement of financial position for the year ended 30 June 2025 for the deed of cross guarantee group are set out below:

26 Deed of cross guarantee (continued)

(a) Consolidated Statement of Profit or Loss and Other Comprehensive Income of the deed of cross guarantee group

	2025 \$'000	2024 \$'000
Revenue	2,296,809	2,262,852
Expenses	(2,229,818)	(2,224,557)
Share of profits from investment in associates	8,239	6,114
Profit before tax	75,230	44,409
Income tax expense	(19,598)	(14,597)
Profit for the year	55,632	29,812
Total comprehensive profit for the year	55,632	29,812

(b) Consolidated statement of financial position of the deed of cross guarantee group

	2025 \$'000	2024 \$'000
ASSETS		
Current assets	537,491	530,933
Non-current assets	509,040	522,245
Total assets	1,046,531	1,053,178
LIABILITIES		
Current liabilities	420,539	408,667
Total non-current liabilities	120,915	173,148
Total liabilities	541,454	581,815
Net assets	505,077	471,363
EQUITY		
Capital and reserves		
Contributed equity	493,462	496,344
Reserves	3,546	(5,582)
Retained earnings / (accumulated losses)	8,069	(19,399)
Total equity	505,077	471,363

27 Related party transactions

The immediate parent and ultimate controlling party of the Group is Service Stream Limited.

Balances and transactions between the Group and its controlled entities, which are related parties of the Group, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

(a) Key management personnel compensation

The aggregate compensation made to key management personnel of the Group is set out below:

	2025 \$'000	2024 \$'000
Short-term employee benefits	3,363	3,081
Post-employment benefits	102	100
Other long-term benefits	54	48
Share-based payments ¹	1,289	1,106
	4,808	4,335

 $^{1\,} The fair value of performance rights is sued under the LTI plan allocated on a pro-rata basis to the current financial year.$

The compensation of each member of the key management personnel of the Group is set out in the remuneration report.

(b) Other transactions with key management personnel of the Group

There were no other transactions with key management personnel of the Group for the financial year ended 30 June 2025.

28 Parent entity information

The accounting policies of the parent entity, which have been applied in determining the financial information of the parent entity shown below, are the same as those applied in the consolidated financial statements. Refer to Note 32 for a summary of the significant accounting policies relating to the Group.

(a) Financial position

	2025 \$'000	2024 \$'000
Non-current assets	645,117	483,079
Total assets	645,117	483,079
Current liabilities	62,581	7,642
Non-current liabilities	-	247
Total liabilities	62,582	7,889
Net assets	582,536	475,190
Issued capital	471,928	478,219
Reserves - equity-settled employee benefits	1,065	(5,336)
Accumulated profit	109,543	2,307
Equity	582,536	475,190

(b) Financial performance

	2025 \$'000	2024 \$'000
Profit for the year	137,901	44,391
Total comprehensive income	137,901	44,391

(c) Determining the parent entity financial information

(i) Investment in subsidiaries

Investments in subsidiaries are accounted for at cost in the financial statements of Service Stream Limited. Dividends received from associates are recognised in the parent entity's profit or loss when its right to receive the dividend is established.

(ii) Guarantees entered into by parent entity

The parent entity is party to the Group's financing facilities as a security provider under the Security Trust Deed. In addition, the parent entity provides cross guarantees as described in notes 24 and 26, and the parent entity provides guarantees to certain clients in relation to subsidiary contract performance obligations.

(iii) Share-based payments

The grant by the Group of shares over its equity instruments to the employees of subsidiaries is treated as a capital contribution to that subsidiary. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to the investment in subsidiary undertakings, with a corresponding credit to the equity.

29 Contingent assets and liabilities

At the date of this report there are no contingent assets and liabilities that are expected to materially impact, either individually or in aggregate, the Group's financial position or results from operations (2024: nil).

30 Events after the reporting period

There have not been any matters or circumstances occurring subsequent to the end of the financial year that has significantly affected, or may significantly effect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

31 Remuneration of auditors

	2025	2024
	\$	\$
Auditors of the Group		
Audit and review of the financial report	1,049,000	1,081,000
Other assurance services	102,150	20,900
Tax services	128,900	68,285
Total services provided by PwC	1,280,050	1,170,185
Other auditors and their related network firms		
Controlled entities and joint operations	74,654	70,490
Total services provided by other auditors (excluding PWC)	74,654	70,490
Total remuneration of auditors	1,354,704	1,240,675

32 Material accounting policies

This note provides a list of Material accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented. The financial statements are for the consolidated entity consisting of Service Stream Limited and its subsidiaries.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. Service Stream Limited is a for-profit entity for the purpose of preparing the consolidated financial statements. The consolidated financial statements were prepared on the going concern basis of accounting.

The consolidated financial statements were authorised for issue by the Directors on 20 August 2025.

(i) Compliance with IFRS

The consolidated financial statements of the Group also comply with International Financial Reporting Standards as issued by the International Accounting Standard Board.

(ii) Historical cost convention

The consolidated financial statements have been prepared on the basis of historical cost, except for certain assets and liabilities that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars.

(iii) New and amended standards adopted by the Group

The group has applied AASB 2020-1, 2022-5, 2022-6 and 2023-1 for the first time for the annual reporting period commencing 1 July 2024. The amendments above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(iv) New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 30 June 2025 reporting periods have not been early adopted by the group. These standards, amendments or interpretations are not expected to have a material impact on the group in the current or future reporting periods and on foreseeable future transactions.

(v) Changes in accounting policy

There were no changes in accounting policies during the period.

(vi) Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statement, are disclosed in note 33.

(a) Basis of preparation (continued)

The consolidated financial statements incorporate the financial statements of the Group and entities controlled by the Group (its subsidiaries).

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the Group ceases to consolidate an entity, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This means that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(b) Joint arrangements

Joint arrangements under AASB 11 Joint Arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Investments in joint ventures

A joint venture is an arrangement in which Service Stream has joint control and Service Stream has rights to the net assets of the arrangement, rather than right to its assets and obligations for its liabilities. Investments in joint ventures are accounted for using the equity method.

Under the equity method of accounting, the investments in joint ventures are initially recognised in the Consolidated statement of financial position at cost and adjusted thereafter to recognise the group's share of profits or losses of the joint venture. Dividends received or receivable from joint ventures are recognised as a reduction in carrying amount of the investment.

Where the group's share of losses in an equity accounted investment equals or exceeds its interest in the joint venture, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

Unrealised gains on transactions between the group and its joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 32 (I).

Joint operations

The Group recognises its direct right to the assets, liabilities, revenue and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements. Details of the joint arrangements are set out in note 25.

(c) Goodwill

Goodwill acquired in a business combination is initially measured at its cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised at the date of the acquisition. Goodwill is subsequently measured at its cost less any impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating units, or groups of cash generating units (CGUs), expected to benefit from the synergies of the business combination. CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently if events or changes in circumstances indicate that goodwill might be impaired. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then pro-rata on the basis of the carrying amount of each asset in that CGU. An impairment loss for goodwill is recognised immediately in the profit or loss and is not reversed in a subsequent accounting period.

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(d) Operating segments

Operating segments are determined based on the nature of the business activities undertaken by the Group and by reference to the structure of internal reporting provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments. Where operating segments have been assessed as bearing similar economic characteristics and being similar in terms of each of the aggregation criteria set out in AASB 8 Operating Segments including the nature of services, the type of customers and the method by which services are provided, they may be aggregated into a single reportable segment. Details of the Group's segment reporting is set out in note 2.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

(e) Revenue recognition

The Group has three distinct revenue streams, being (i) revenue from the provision of ticket of work services, (ii) revenue from the delivery of projects and (iii) revenue from cost reimbursable contracts.

Ticket of work services

Ticket of work services are repetitive, high volume tasks performed by the Group such as the provision of:

- operations and maintenance services to the owners and operators of telecommunications, gas and water networks including customer connections and service assurance;
- specialist metering, in-home and new energy services in respect of electricity, gas, power and water networks;
- inspection, auditing and compliance services to electricity network owners and regulators, government entities and electrical contractors; and
- contact centre services and workforce management support for key contracts.

The benefits provided to customers under this category of work type do not transfer to the customer until the completion of the service and as such revenue is recognised upon completion (At point in time).

Project delivery

Project works relate primarily to:

 turnkey services associated with the engineering, design and construction of infrastructure projects in the telecommunications, utilities and transport sectors. Service capability includes program management, site acquisition, town planning, design, engineering and construction management for projects in telecommunications, gas, power, road, intelligent transport services (ITS) and water utility networks;

(e) Revenue recognition (continued)

- lump sum term maintenance contracts, typically associated with infrastructure networks. Under these
 contracts delivery obligations may consist of program management, asset management, routine
 maintenance and periodic maintenance tasks; and
- minor work services such as asset remediation, augmentation and relocation.

The benefits provided to customers under this category of work transfers to the customer as the work is performed and as such revenue is recognised over the duration of the project based on percentage of completion. The Group's performance obligation is fulfilled over time and as such revenue is recognised over time (Over time).

Percentage of completion is measured according to the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Where this is the case, stage of completion is measured using milestone basis.

As work is performed on the assets being constructed, they are controlled by the customer and have no alternative use to the Group, with the Group having a right to payment for performance to date. Project revenue earned is typically invoiced monthly or in some cases on achievement of milestones. Payment of invoices is typically subject to customer approval/certification. Invoices are paid on standard commercial terms, which may include the customer withholding a retention amount until finalisation of the construction.

Where recognised project revenues exceed progress billings, the surplus is shown in the Consolidated statement of financial position as an asset, under accrued revenue. Where progress billings exceed recognised revenues, the surplus is shown in the Consolidated statement of financial position as a liability, as income in advance under trade and other payables. Amounts billed for work performed but not yet paid by the customer are included in the Consolidated statement of financial position as an asset, under trade and other receivables.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense and onerous contract provision as set out in note 17.

Cost reimbursable

The Group recognises revenue (and its associated margins) on all direct, indirect and overhead related costs, as prescribed under the cost reimbursable contract.

The work performed has no alternative use for the Group and there is an enforceable right to payment, including a profit margin, when the costs are incurred. As such revenue is recognised over time (Over time).

Overhead recovery

Certain customer contracts allow for the recovery of specified overhead costs.

These are recognised on a straight-line basis over the life of the contract or recovered based on an actual cost basis.

Variable consideration

It is common for contracts to have variable considerations such as variations, performance bonuses or penalties and other performance constraints related KPIs. The expected value of revenue is only recognised when the uncertainty associated with the variable consideration is subsequently resolved, or when it becomes highly probable. The Group assesses the variable consideration to be included in the transaction price periodically. This assessment involves judgement and is based on all available information including historical performance and any variations that are entered into.

(e) Revenue recognition (continued)

Contract assets and liabilities

AASB 15 uses the terms contract assets and contract liabilities to describe what the Group refers to as accrued revenue and income in advance respectively. Trade receivables represent receivables in respect of which the Group's right to consideration is unconditional subject only to the passage of time. Accrued revenue represents the Group's right to consideration for services provided to customers for which the Group's right remains conditional on something other than the passage of time. Income in advance arises where payment is received prior to the work being performed. Accrued revenue and income in advance are recognised and measured in accordance with this accounting policy.

Contract fulfilment costs

Costs incurred prior to the commencement of a contract may arise due to mobilisation/site set-up costs, feasibility studies, environmental impact studies and preliminary design activities as these are costs incurred to fulfil a contract. Where these costs are expected to be recovered, they are capitalised and amortised over the course of the contract consistent with the transfer of service to the customer. Where the costs, or a portion of these costs, are reimbursed by the customer, the amount received is recognised as deferred revenue and allocated to the performance obligations within the contract and recognised as revenue over the course of the contract.

Financing components

The Group does not have any contracts where the period between the transfer of the promised goods or services to the customer represents a financing component. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Warranties and defect periods

Construction and services contracts generally include defect and warranty periods following completion of the project. These obligations are not deemed to be separate performance obligations and therefore estimated and included in the total costs of the contracts. Where required, amounts are recognised accordingly in line with AASB 137 Provision, Contingent Liabilities and Contingent Assets.

(f) Leases

The Group recognises leases in line with AASB 16 Leases, measuring lease liabilities at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate. The Group's leasing policy is described in note 15(c).

Right-of-use assets

Right-of-use assets are initially recognised at cost, comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date of the lease, less any lease incentives received, any initial direct costs incurred by the Group, and an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Subsequent to initial recognition, right-of-use assets are measured at cost (adjusted for any remeasurement of the associated lease liability), less accumulated depreciation and any accumulated impairment loss. Right-of-use assets are depreciated over the shorter of the lease term and the estimated useful life of the underlying asset, consistent with the estimated consumption of the economic benefits embodied in the underlying asset.

(f) Leases (continued)

Lease liabilities

Lease liabilities are initially recognised at the present value of the future lease payments (i.e., the lease payments that are unpaid at the commencement date of the lease). These lease payments are discounted using the interest rate implicit in the lease if that rate can be readily determined, or otherwise using the Group's incremental borrowing rate.

Subsequent to initial recognition, lease liabilities are measured at the present value of the remaining lease payments (i.e., the lease payments that are unpaid at the reporting date). Interest expense on lease liabilities is recognised in profit or loss (presented as a component of finance costs). Lease liabilities are remeasured to reflect changes to lease terms, changes to lease payments and any lease modifications not accounted for as separate leases.

Variable lease payments not included in the measurement of lease liabilities are recognised as an expense when incurred.

Leases of 12-months or less and leases of low value assets

Lease payments made in relation to leases of 12-months or less and leases of low value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense on a straight-line basis over the lease term.

(g) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of employee short-term benefits are measured at their nominal values using the remuneration rate expected to apply at the time of the settlement.

Liabilities recognised in respect of long-term employee benefits are measured as the present value of the estimated future cash outflows in respect of services provided by employees up to reporting date. Expected future payments falling due more than 12 months after the end of the reporting period are discounted using corporate bonds market yields. Remeasurements as a result of employment status and changes in actuarial assumptions are recognised in profit or loss.

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or to providing termination benefits as a result of an offer made to encourage voluntary redundancy where applicable.

The obligations are presented as current liabilities in the consolidated statement of financial position if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

(h) Share-based payments

Equity-settled share-based payments to Senior Executives are measured at the fair value of the equity instrument at the grant date. Details regarding the determination of the fair value of the equity instruments are set out in note 23.

The fair value determined at the grant date is expensed on a straight-line basis over the vesting period. At the end of each reporting period the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

(i) Taxation

Current tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by any changes in the deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted by the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than the recognition of leases) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is included in the accounting for the business combination.

(j) Property, plant and equipment

Plant and equipment, leasehold improvements and motor vehicles are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amount payable to the present value as at the date of acquisition.

Depreciation is calculated on a straight-line basis so as to write-off the net costs or other revalued amount of each asset over its expected useful life to its estimated residual value. Depreciation methods, estimated useful lives and residual values are reviewed at the end of each annual accounting period, with the effect of any changes recognised on a prospective basis.

Plant and equipment is de-recognised upon disposal or when no future economic benefits is expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

(j) Property, plant and equipment (continued)

The following estimated useful lives are used in the calculation of depreciation:

- Leasehold improvements: 3 13 years
- Plant and equipment: 1 10 years
- Motor vehicles: 5 10 years

(k) Intangible assets

Costs incurred in developing products or systems and costs incurred in acquiring software and licences that the Group controls and that will contribute to future period financial benefits through revenue generation or cost reduction are capitalised as software. Software is assessed as being controlled by the Group if it has the power to obtain the future economic benefits flowing from the software itself and to restrict others' access to those benefits. Any costs associated with maintaining this software are recognised as expenses as incurred. IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the Group has an intention and ability to use the asset. The amount initially recognised includes direct costs of materials and services, payroll and other payroll-related costs of employees' time spent on the project.

Customer contracts and relationships acquired in a business combination are initially recognised at their fair value at the acquisition date, which is regarded as their cost.

Software, customer contracts and relationships have finite lives and are carried at cost less any accumulated amortisation and any impairment losses.

Amortisation is recognised on a straight-line basis over each asset's estimated useful life. The estimated useful life and amortisation methods are reviewed at the end of each annual accounting period, with the effect of any changes in estimates being accounted for on a prospective basis.

The estimated useful lives used in the calculation of amortisation ranges from 3 to 8 years for software, 1 to 15 years for customer contracts and 15 years for customer relationships.

(I) Impairment of tangible and intangible assets excluding goodwill

At the end of each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have incurred an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating units, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher of the fair value less costs of disposal and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using the pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

(m) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs are assigned to inventories by the method most appropriate to the particular class of inventory, with inventory valued on a first in, first out basis and weighted average basis, where applicable. The inventory balance is comprised of purchased inventory, the cost of which is determined after deducting rebates and discounts.

(n) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(o) Financial instruments

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instrument.

(i) Classification

The Group classifies its financial assets and liabilities in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (OCI) or profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and liabilities and the contractual terms of the cash flows.

For assets and liabilities measured at fair value, gains and losses will either be recorded in profit or loss or OCI.

(ii) Recognition and derecognition

Purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value, plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss (FVPL) are expensed in profit or loss.

Changes in the fair value of financial assets at FVPL are recognised in other gains/losses in the statement of profit or loss and other comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at fair value through other comprehensive income (FVOCI) are not reported separately from other changes in fair value.

(iv) Impairment

The Group assesses, on a forward-looking basis, the expected credit losses associated with its financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables and contracts assets, the group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from the date of initial recognition, see note 21(c) for further details

(o) Financial instruments (continued)

(v) Borrowings

Borrowings are initially measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(vi) Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Financial quarantee liabilities

A financial guarantee is a contract that requires the issuer of the guarantee to make a specified payment to the holder of the guarantee in the event that it suffers a loss due to the guarantee drawer's failure to make payment or otherwise satisfy its contractual obligations under an agreement with the holder. The drawer of the guarantee is required to reimburse the issuer for any loss suffered in satisfaction of the guarantee obligation to the holder.

Financial guarantee liabilities are initially measured at their fair values and are subsequently measured at the higher of:

- the amount of the obligation under the contract, as determined in accordance with AASB 137 Provisions,
 Contingent Liabilities and Contingent Assets; and
- the amount initially recognised, less where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies.

Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss (FVTPL) or other financial liabilities.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying value on initial recognition.

(o) Financial instruments (continued)

De-recognition of financial liabilities

The Group de-recognises financial liabilities only when the Group's obligations are fully discharged, cancelled or otherwise expire. The difference between the carrying amount of the financial liability de-recognised and the consideration paid or payable is then recognised in profit or loss.

(p) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance. See note 21(c) for an assessment of the Group's impairment methodology.

(q) Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and are not discounted if the effect of discounting is immaterial.

(r) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or other payables in the Consolidated statement of financial position as applicable.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority are presented as operating cash flows.

(s) Cash and cash equivalents

Cash comprises cash on hand and outstanding deposits less any unpresented cheques. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value and have a maturity of three months or less at the date of acquisition.

Bank overdrafts are shown within borrowings in current liabilities in the Group's Consolidated statement of financial position.

(t) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Where any Group company purchases the Company's equity instruments, for example as the result of a share buy-back or a share-based incentive scheme, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of Service Stream Limited as treasury shares until the shares are cancelled or reissued.

Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of Service Stream Limited.

Shares held by the Service Stream Employee Share Trust are disclosed as treasury shares and deducted from contributed equity.

(u) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(v) Earnings per share

Basic earnings per share.

Basic earnings per share is calculated by dividing:

- profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares; and
- by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(w) Rounding of amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial / Directors' reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' report and the financial report. Amounts in the Directors' report and the financial report have been rounded off to the nearest thousand dollars, in accordance with that Instrument.

(x) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the noncurrent asset is recognised at the date of derecognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale.

Non-current assets classified as held for sale is presented separately from the other assets in the statement of financial position.

33 Critical accounting judgement and key sources of estimation uncertainty

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies as described in Note 32.

The areas involving a higher degree of judgement or estimates are:

- Recognition of revenue from contracts with customers note 3(d);
- Testing of goodwill for impairment notes 14(b);
- Estimation uncertainties and judgements made in relation to lease accounting note 15(d);
- Estimation of provision for contractual obligations, contractual disputes and onerous contracts note 17(b); and

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Consolidated entity disclosure statement

as at 30 June 2025

Name of entity	Type of entity	% of share capital	Place of business/ country of incorporation	Australian resident/ foreign resident
Parent entity				
Service Stream Limited	Body Corporate	n/a	Australia	Australian
Subsidiaries				
Service Stream Holdings Pty Ltd	Body Corporate	100	Australia	Australian
Service Stream Fixed Communications Pty Ltd	Body Corporate	100	Australia	Australian
Service Stream Mobile Communications Pty Ltd	Body Corporate	100	Australia	Australian
Service Stream Customer Care Pty Ltd	Body Corporate	100	Australia	Australian
Radhaz Consulting Pty Limited	Body Corporate	100	Australia	Australian
Service Stream Infrastructure Services Pty Ltd	Body Corporate	100	Australia	Australian
Service Stream Energy & Water Pty Ltd	Body Corporate	100	Australia	Australian
Service Stream Nominees Pty Ltd	Body Corporate and Trustee of a Trust	100	Australia	Australian
Service Stream Property Pty Ltd	Body Corporate	100	Australia	Australian
TechSafe Australia Pty. Ltd.	Body Corporate	100	Australia	Australian
TechSafe Management Pty Ltd	Body Corporate	100	Australia	Australian
Ayrab Pty. Ltd.	Body Corporate and Trustee of a Trust	100	Australia	Australian
Service Stream Utilities Pty Ltd	Body Corporate	100	Australia	Australian
Comdain Civil Constructions Pty. Ltd.	Body Corporate	100	Australia	Australian
Comdain Civil Constructions (QLD) Pty Ltd	Body Corporate	100	Australia	Australian
Comdain Services Pty Ltd	Body Corporate	100	Australia	Australian
Comdain Asset Management Pty Ltd	Body Corporate	100	Australia	Australian
Comdain Gas (Aust) Pty Ltd	Body Corporate	100	Australia	Australian
Comdain Services (AMS) Pty Ltd	Body Corporate	100	Australia	Australian
Comdain Corporate Pty Ltd	Body Corporate	100	Australia	Australian
Comdain Assets Pty Ltd	Body Corporate	100	Australia	Australian
Service Stream Maintenance Pty Ltd	Body Corporate	100	Australia	Australian

Name of entity	Type of entity	% of share capital	Place of business/ country of incorporation	Australian resident/ foreign resident
Westlink (Services) Pty Limited	Body Corporate	100	Australia	Australian
EnerSafe Pty Ltd	Body Corporate	100	Australia	Australian
South Australian Road Services Pty Ltd	Body Corporate	100	Australia	Australian
Trust				
Service Stream Employee Share Trust	Trust	n/a	n/a	Australian
Ayrab Unit Trust	Trust	n/a	n/a	Australian

Basis of Preparation:

This consolidated entity disclosure statement (CEDS) has been prepared in accordance with the *Corporations Act 2001* and includes information for each entity that was part of the consolidated entity as at the end of the financial year in accordance with *AASB 10 Consolidated Financial Statements*.

<u>Trust</u>

Australian tax law does not contain specific residency test for trust. Generally, these entities are taxed on a flow-through basis so there is no need for a general residency test. There are some provisions which treat trust as residents for certain tax purposes, but this does not mean the trust itself is an entity that is subject to tax.

Notes to the consolidated financial statements

Directors' declaration

In the Directors' opinion:

- (a) the financial statements and notes thereto are in accordance with the Corporations Act 2001, including:
- (b) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
- (c) giving a true and fair view of the consolidated entity's financial position as at 30 June 2025 and of its performance for the year ended on that date, and
- (d) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, and
- (e) the consolidated entity disclosure statement on page 112 is true and correct, and
- (f) at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed Group identified in note 24 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 26

Note 32 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Directors.

Brett Gallagher

5/h

Chairman

20 August 2025

Leigh MackenderManaging Director

20 August 2025



Independent auditor's report

To the members of Service Stream Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Service Stream Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

- a. giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year then ended
- b. complying with Australian Accounting Standards and the Corporations Regulations 2001.

What we have audited

The financial report comprises:

- the consolidated statement of financial position as at 30 June 2025
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated statement of profit or loss and other comprehensive income for the year then ended
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information
- the consolidated entity disclosure statement as at 30 June 2025
- the directors' declaration.

PricewaterhouseCoopers, ABN 52 780 433 757 2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001 T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au



Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

Audit Scope

- Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.
- In establishing the overall approach to the group audit, we determined the type of work that needed to be performed by us, as the group auditor.



Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit and Risk Committee.

Key audit matter

Revenue recognition

(Refer to note 3, 11 and 32(e))

As described in Note 32(e) to the consolidated financial statements, the Group has three distinct revenue streams, which includes ticket of work services and project delivery.

Revenue from the provision of ticket of work services involves a high volume of transactions and is recognised at a point in time once services or activities have been completed. Additionally, due to contractual terms and certain customers requiring payment claims to be submitted and approved prior to invoices being issued, this process can extend the time that revenue is classified as accrued. Judgement is required to determine if accrued revenue will be recoverable. Only revenue that is highly probable of not reversing can be recognised.

Revenue recognition in relation to the delivery of projects is subjective because it is based on the Group's estimates of:

- the stage of completion of the contract activity
- total forecast contract costs, and
- variable consideration.

Therefore revenue recognition for ticket of work services that was accrued at 30 June 2025, and revenue from project delivery was considered a key audit matter.

How our audit addressed the key audit matter

Our audit procedures, included the following, amongst others:

- Developed an understanding of the key controls associated with the recognition and measurement of revenue.
- We considered the appropriateness of the Group's accounting policy in relation to the recognition and measurement of revenue against the requirements of the Australian Accounting Standards.
- For a selection of project delivery contracts based on quantitative factors, we performed the following procedures amongst others:
 - We obtained an understanding of the terms and conditions of contracts.
 - We held meetings with project managers/senior management for the selected projects to develop an understanding of the scope, status, key changes in cost estimates, any variable consideration, and status of any unapproved variations.
 - We obtained an understanding of, and agreed to supporting documents on a sample basis, the estimates of total contract revenue and forecast contract costs and evaluated the percentage of completion based on the actual costs incurred to date and the estimated costs to complete.
- For both ticket of work services and project revenue that was accrued at 30 June 2025, we tested a sample to supporting documents including subsequent customer approval,



Key audit matter

How our audit addressed the key audit matter

subsequent billing, or inspecting artefacts for work completed.

 We evaluated the reasonableness of the Group's disclosures against the requirements of Australian Accounting standards.

Goodwill impairment assessment - Utilities

(Refer to note 14)

Under Australian Accounting Standards, the Group is required to test goodwill annually for impairment at the cash generating unit (CGU) level.

The consolidated statement of financial position at 30 June 2025 includes goodwill relating to the Utilities CGU (\$129.9 million). This assessment is inherently complex and requires judgement in forecasting the operational cash flows and determining the discount rate and growth rates used in the cash flow model.

The recoverable amount of the Utilities CGU was a key audit matter given the level of estimation and judgement required by the Group in determining the assumptions used to perform the impairment testing.

Our audit procedures, included the following, amongst others:

- Developed an understanding of the key controls associated with the preparation of the discounted cash flow model used to assess the recoverable amount of the Utilities CGU.
- Assessed the appropriateness of the discount rate, long-term growth rate and valuation methodology, with the assistance of PwC valuation experts.
- Evaluated the Group's historical ability to forecast future cash flows by comparing forecast cash flows with reported actual performance.
- Evaluated the appropriateness of underlying cash flow assumptions for selected key customer contracts with reference to historical results and expected project pipelines.
- Considered whether the allocation of corporate costs between CGUs was appropriate.
- We evaluated the reasonableness of the Group's disclosures against the requirements of Australian Accounting standards.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.



Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://auasb.gov.au/media/bwvjcgre/ar1_2024.pdf. This description forms part of our auditor's report.



Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2025.

In our opinion, the remuneration report of Service Stream Limited for the year ended 30 June 2025 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

PricewaterhouseCoopers

Pricuntamoneloopers

Andrew Cronin Partner Melbourne 20 August 2025

ASX Additional Information for the financial year ended 30 June 2025

Additional information required by the Australian Stock Exchange Limited Listing Rules and not disclosed elsewhere in this report.

A. Distribution of Shareholders Number as at 8 August 2025

Category (size of holding)	Holders
1-1,000	1,788
1,001- 5,000	2,262
5,001-10,000	1,078
10,001-100,000	1,639
100,001+	159
	6,926

B. There are 6,926 holders of fully paid ordinary shares.

The Company has no other class of shares issued.

- C. The number of shareholdings held in less than marketable parcels is 359.
- D. The names of the substantial shareholders listed in the holding company's register, and their shareholdings (including shareholdings of their associates), as at 8 August 2025 are:

Shareholdel	Ordinary	%
None	Nil	Nil

E. Voting Rights

The voting rights attached to each class of equity security are as follows:

Ordinary shares

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

Options

These securities have no voting rights.

F. Net Tangible Assets

The net tangible assets per security is \$0.1815 (2024: \$0.1009)

G. 20 Largest Shareholders as at 8 August 2025 - Ordinary Shares

	Ordinary shares Fully paid number of shares	
Name of 20 largest shareholders in each class of share	held	% Held
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	156,679,615	25.44
CITICORP NOMINEES PTY LIMITED	152,296,259	24.73
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	107,267,783	17.41
UBS NOMINEES PTY LTD	28,227,409	4.58
NATIONAL NOMINEES LIMITED	12,848,798	2.09
COMDAIN NOMINEES PTY LTD <coen a="" c="" family=""></coen>	9,420,880	1.53
MR KENNETH JOSEPH HALL <hall a="" c="" park=""></hall>	7,109,288	1.15
RUBINO GROUP PTY LTD <rubino a="" c="" group=""></rubino>	7,000,000	1.14
BNP PARIBAS NOMS PTY LTD	6,709,133	1.09
BNP PARIBAS NOMINEES PTY LTD <agency a="" c="" lending=""></agency>	5,331,263	0.87
WARBONT NOMINEES PTY LTD < UNPAID ENTREPOT A/C>	4,735,667	0.77
BNP PARIBAS NOMINEES PTY LTD <hub24 custodial="" ltd="" serv=""></hub24>	3,698,888	0.60
SERVICE STREAM NOMINEES PTY LTD <shares a="" c="" minnett="" ord="" –=""></shares>	3,363,928	0.55
ECAPITAL NOMINEES PTY LIMITED <accumulation a="" c=""></accumulation>	3,280,123	0.53
NETWEALTH INVESTMENTS LIMITED <wrap a="" c="" services=""></wrap>	2,669,129	0.43
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	1,814,405	0.29
MR KEVIN ASHLEY SMITH	1,800,000	0.29
BNP PARIBAS NOMS PTY LTD <global markets=""></global>	1,662,152	0.27
CRISTATUS PTY LTD <dempsey a="" c="" f="" family="" s=""></dempsey>	1,200,000	0.19
JASFORCE PTY LTD <alex a="" c="" retirement="" waislitz=""></alex>	1,121,500	0.18
	518,236,220	84.14

Corporate Directory

Directors

Brett Gallagher

Leigh Mackender

Elizabeth Ward

Martin Monro

Sylvia Wiggins

Brent Dennison

Company Secretaries

Chris Chapman Jamie O'Brien

Registered Office

Level 5

655 Collins Street

Docklands Victoria 3008

Tel: +61 3 9677 8888 Fax: +61 3 9677 8877

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Bankers

Australia & New Zealand Banking Group Commonwealth Bank of Australia HSBC Bank Australia Limited Westpac Banking Corporation

Share Registry

Computershare Investor Services Pty Limited

Yarra Falls

452 Johnson Street

Abbotsford Victoria 3067

Tel: 1300 850 505 (within Australia)

+61 3 9415 4000 (outside Australia)

Fax: +61 3 9473 2500

Auditor

PricewaterhouseCoopers



ServiceStream

ABN: 46 072 369 870 Level 5, 655 Collins Street, Docklands, VIC 3008

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