22 October 2020

CEO & Managing Director’s Address by Susan Reisbord

Annual General Meeting – 22 October 2020

INTRODUCTION

Thank you, Michael.

Good morning.

I’d like to reiterate Michael’s welcome to you all and thank you for your attendance today at our first virtual AGM.

When I am actively recruiting new staff to Cardno I confidently say that there has never been a better time to be at Cardno. That feeling is rooted in the excitement I have with regard to the people, projects and purpose of mission that defines Cardno. FY20 was a very challenging year not just for Cardno but for the world. Despite the demerger, a CEO transition, devastating Australian bushfires, and a global pandemic, we emerged stronger. We emerged stronger financially with 11.1% EBITDAI growth year over year (pre AASB 16 basis) to $43.0 million, operating cash flow of $43.5 million (pre AASB 16 basis), and a conservative balance sheet (net debt of $0.6 million), but even more importantly as a global team operating with a single vision, purpose, and values.

OUR VISION

To be leaders in improving the physical and social environment for people around the world.

OUR VALUES

- SAFETY: Safety comes first
- INTEGRITY: We do the right thing
- PEOPLE: We care about our people & communities
- EXCELLENCE: We deliver high quality services

OUR PURPOSE

Making a difference.

I have had the privilege to be with Cardno since 2015. As you are aware the past five years have been a time of tremendous challenge. It required us to roll up our sleeves and do the hard work of integrating people, processes, and systems to begin to realise the true potential of our acquisition growth history. Interestingly enough I feel very strongly that the demerger was also key to realising our potential. The successful demerger of our Quality, Testing and Measurement businesses to create Intega Group Limited in October 2019 provided the honing of services needed to rationalise a Cardno corporate identity. We
have moved from a company trying to be all things to all clients, to a firm that provides consulting solutions
to the most complex problems in the health sciences, energy and natural resources, infrastructure and
international development.

OUR COVID-19 RESPONSE

On the heels of the demerger I shared our H1 results and mentioned that our next great challenge would
be to move Cardno from being a company with global offices to a truly global company. Only a few weeks
later on 11 March 2020, COVID-19 was declared a pandemic by the World Health Organisation, and that
process began in earnest. Our staff and leadership teams locked arms to mobilise the majority of our staff
to Work From Home (WFH), where the majority of them remain today. We instituted the Global and
Regional Incident Management Teams and Global and Regional Business Continuity Teams to address
the myriad of issues that we were fielding each day, and interestingly enough a global company was born.
Each day we used our shared values to guide our decision making.

We benefitted greatly from having our own experts in house. ChemRisk, our team of leading
epidemiologists, toxicologists, and health scientists are one of the reasons that Cardno has had such a
low rate of work related COVID-19 exposure. ChemRisk’s research and guidance informed not only the
Cardno response to safety and business continuity, but that of a long list of clients. In addition, ChemRisk was
acknowledged by Lawrence Slone, CEO of the American Industrial Hygiene Association for the tremen-
dous leadership on their COVID-19 Open America Guidelines Task Force.

SAFETY is Cardo’s number 1 core value. Therefore, it drove each and every business decision we made
as we navigated those early days of response.

SAFETY continues to drive each decision we make today about office reopenings and field protocols.

COVID-19 has stressed mental and emotional health throughout the world. Our marketing and
communications team rose to the challenges to create My Cardno Village where we could get together
virtually, and crowd source solutions to the different challenges we face. My Cardno Village includes Kids
Corner, Cardno Cooks, The Wellness Difference, The Cardno Lounge and a variety of communities
gearied to the different needs and interests of our staff.

For the past five years Cardno has continually increased the fiscal discipline with which we run the
business. We have increased the granularity, transparency, and visibility of key business metrics over the
past few years. That work served us well to face COVID-19. COVID-19’s major impact was to increase

<table>
<thead>
<tr>
<th>COVID-19 Response</th>
<th>Impact</th>
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<tbody>
<tr>
<td>ChemRisk puts Cardno on the Forefront of Health Science Research for COVID-19 Response</td>
<td>Safety, Safety Continuity, Client List</td>
</tr>
<tr>
<td>COVID has redefined SAFETY to include Mental and Emotional Well Being</td>
<td>Safety, Safety Continuity, Client List</td>
</tr>
<tr>
<td>Sound Business Practices and Increased Communication</td>
<td>Safety, Safety Continuity, Client List</td>
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the frequency with which we monitor segments of that data set, especially with regard to cash flow and backlog.

FINANCIAL PERFORMANCE HIGHLIGHTS

<table>
<thead>
<tr>
<th>FY20 Results AS$ million</th>
<th>FY20</th>
<th>FY19*</th>
<th>Percent change year on year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Revenue</td>
<td>978.3 m</td>
<td>936.9 m</td>
<td>▲ 4.4%</td>
</tr>
<tr>
<td>Fee Revenue</td>
<td>677.1 m</td>
<td>606.9 m</td>
<td>▲ 11.6%</td>
</tr>
<tr>
<td>Underlying EBITDAI 1</td>
<td>73.5 m</td>
<td>38.7 m</td>
<td>▲ 89.9%</td>
</tr>
<tr>
<td>Underlying EBITDAI Pre AASB16 impact 2</td>
<td>43.0 m</td>
<td>38.7 m</td>
<td>▲ 11.1%</td>
</tr>
<tr>
<td>Underlying NOPAT 3</td>
<td>9.4 m</td>
<td>16.3 m</td>
<td>▼ 42.2%</td>
</tr>
<tr>
<td>Loss before tax from continuing operations</td>
<td>(49.6) m</td>
<td>(30.0) m</td>
<td>▼ 65.3%</td>
</tr>
<tr>
<td>Profit before tax from discontinued operations</td>
<td>120.7 m</td>
<td>0.4 m</td>
<td>▲ 30,075.0%</td>
</tr>
<tr>
<td>Net loss after tax from continuing operations</td>
<td>(67.1) m</td>
<td>(40.6) m</td>
<td>▼ 65.3%</td>
</tr>
<tr>
<td>Net profit/(loss) after tax from discontinued operations</td>
<td>123.7 m</td>
<td>(3.8) m</td>
<td>▲ 3,355.3%</td>
</tr>
<tr>
<td>Net profit/(loss) after tax</td>
<td>56.6 m</td>
<td>(44.5) m</td>
<td>▲ 227.2%</td>
</tr>
<tr>
<td>Operating Cash Flow (Pre AASB 16 impact)</td>
<td>43.5 m</td>
<td>40.8 m</td>
<td>▲ 6.6%</td>
</tr>
<tr>
<td>EPS from continuing operations – basic (cents)</td>
<td>(15.07)</td>
<td>(8.93)</td>
<td>▼ 88.8%</td>
</tr>
<tr>
<td>EPS - basic (cents)</td>
<td>12.71 m</td>
<td>9.78 m</td>
<td>▲ 230.0%</td>
</tr>
<tr>
<td>NOPAT EPS - basic (cents)</td>
<td>2.10 m</td>
<td>3.57 m</td>
<td>▼ 41.2%</td>
</tr>
<tr>
<td>Backlog</td>
<td>1,214.3 m</td>
<td>1,286.3 m</td>
<td>▼ 4.1%</td>
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As I stated earlier, the company achieved full year underlying EBITDAI (Pre AASB 16) of $43.0m, up 11.1% year on year and up on half-year guidance.

- Fee revenue was up 11.6% on prior year.
- Underlying Net Operating Profit After Tax of $9.4m is before abnormal items including a $69.6m non-cash impairment charge on goodwill, a refinance, demerger project, redundancy costs of $2.2m, and a profit on demerger of $119.1m. After these items, a statutory net profit after tax of $56.6m was recorded.
- Operating cash flow (Pre AASB 16 impact) of $43.5m, up 6.6%, reflects ongoing working capital management and the timing of debtor receipts and creditor payments. Our Debtors+WIP DSO is approaching industry best practice.
- Backlog decreased 4.1%, driven by the multi year contract cycle in International Development. Consulting divisions have shown a steady backlog increase on PCP.
DIVISION HIGHLIGHTS

Asia Pacific

Asia Pacific’s rebuilding extended well into FY20 burdened by an inefficient operating model and too many initiatives resulting in a disappointing EBITDAI of $1.0 million (pre AASB 16 basis). H2 saw a significant move to simplicity with the Asia Pacific leadership team focusing on fewer more impactful drivers like backlog growth, staffing profile optimisation, and margin protection. Critically Asia Pacific continued to build backlog, now up 3% year-over-year, not just in size but more significantly in quality. The mid-year staff profile work completed in Q3 was instrumental in weathering Q4, and delivering a Q4 trend consistent with FY21 performance expectations. Finally, significant progress was made in Q4 establishing consistent financial and project controls and reporting, leveraging Americas’ means and methods.

Asia Pacific enters FY21 with a strong backlog position, positive trending financial performance, a continued focus on financial discipline and excellent project delivery.

Americas

Americas had a record year of performance resulting in EBITDAI of $38.7 million (pre AASB 16 basis). This result was largely driven by specialty service offerings in the health sciences, natural resources and asset management in Science & Environment (S&E) and Government Services (GS) and achieved through effective prepositioning and key account management. We were the beneficiaries of a perfect storm of demand in FY20. Important de-risking was successful with the demerger (reducing conflicts of interest impacting growth) and the divestiture of the structural engineering business.

While we expect strong performance from the Americas for FY21, we are not counting on a repeat of the over performance in FY20 from S&E and GS. All groups have strong growth and profitability goals consistent with industry margins. Americas enters FY21 with momentum and a commitment for acquisitive growth for the Infrastructure Division with a particular emphasis on Transport and Water.

International Development

International Development had a good year resulting in EBITDAI of $2.7 million (pre AASB 16 basis). The result was due to the very strong performance of the US and APAC International Development (ID) businesses which buoyed underperformance in Europe due to political uncertainty. ID’s performance was
Despite the onset of COVID-19 and their outstanding feat demobilising and then subsequently remobilising personnel hand-in-hand with our clients' project needs and requirements, with the utmost duty of care.

COVID-19 has presented enormous challenges to all of our clients, maybe none more than on our ID clients - donor organisations - driving global solutions to promote environmental, economic, and health resiliency and sustainability. For FY21 our priority is helping these clients deliver on their respective missions in the wake of COVID-19.

OUTLOOK

Cardno will complete its transition from a company with global offices to a global company and come out as a leader in the ESG (Environmental Social Governance) space. There isn’t a company better positioned to help clients deliver on their ESG commitments, especially with regard to human health risk, human health equity, climate science and resilience and social development globally.

While forward looking projections are particularly challenging in the current environment, Cardno currently anticipates FY21 EBITDA (pre AASB 16 basis) to be in the range of $40 million to $45 million.

Some Cardno businesses stand to grow revenues due to COVID-19, while others will be negatively impacted.

This outlook is consistent with and slightly more aggressive than industry predictions. This reflects our industry leading presence in the health sciences.

Asia Pacific is in year one of a two-year rebuilding plan, starting with a focus on project and business controls with activities really focused on margin lift. This includes simplification of major service lines to transport, water, buildings and environment.

The Americas’ focus will be on maintaining momentum, despite a COVID-19 resurgence, growing all of our businesses and looking for acquisition growth in particular with building out Infrastructure in the areas of transport and water and water resources.

International Development is pivoting resources to the Indo-Pacific with a specific focus on USAID and DFAT, in addition to a focus on re-establishing brand eminence through enhanced client efforts.

There remains significant opportunity, as well, for further simplification and lower cost to serve. For example, we would move to a single global ERP post the demerger TSA (Transition Services Agreement) with Intega.
If you are one of the ~4,400 (and growing) staff members of Cardno, Thank You! For FY21 you can expect:

> the safety and security of employment with benefits and performance based pay,
> engagement, communication and voice
> career path clarity with feedback, opportunity and investment in development
> meaningful commitment to Diversity, Inclusion and Equity

If you are one of our more than 6,000 clients, Thank You! For FY21 you can expect:

> global thought leadership with accessible local delivery
> delivery based on agreed upon scope, schedule, and budget
> innovation to increase quality and drive down costs
> partnership for business solutions

If you are one of our more than 9,000 shareholders, Thank You! For FY21 you can expect:

> consistent and reliable performance
> stability of the Leadership Team
> getting APAC right
> Environmental, Social and Governance Leadership
CONCLUSION

I am very proud of how the Cardno team supported our clients, weathered the storm that was FY20 and delivered for our shareholders. I’d like to thank our dedicated staff and management team around the world, and also the board for their continued support and counsel. I look forward to a successful FY21.

I will now hand back to our Chairman to conduct the formal Items of Business.

Susan Reisbord
CEO & Managing Director, Cardno Limited

Authorised for release to the ASX by Susan Reisbord, CEO & Managing Director

- ENDS -

For further information contact:

Authorised Officer and Investor enquiries:  
Peter Barker  
Chief Financial Officer  
t: +61 7 3139 2996  
m: +61 449 011 623  
e: peter.barker@cardno.com.au

Media enquiries:  
Jackie McPhee  
Corporate Marketing Manager  
t: +61 7 3100 2142  
m: +61 421 896 983  
e: jackie.mcphee@cardno.com.au

About Cardno: Cardno is a global provider of integrated professional services which enrich the physical and social environment for the communities in which we live and work. Our team of multidisciplinary specialists around the world has over 75 years’ experience in designing, developing and delivering sustainable projects and community advancement programs. Cardno is listed on the Australian Securities Exchange (ASX:CDD), www.cardno.com.