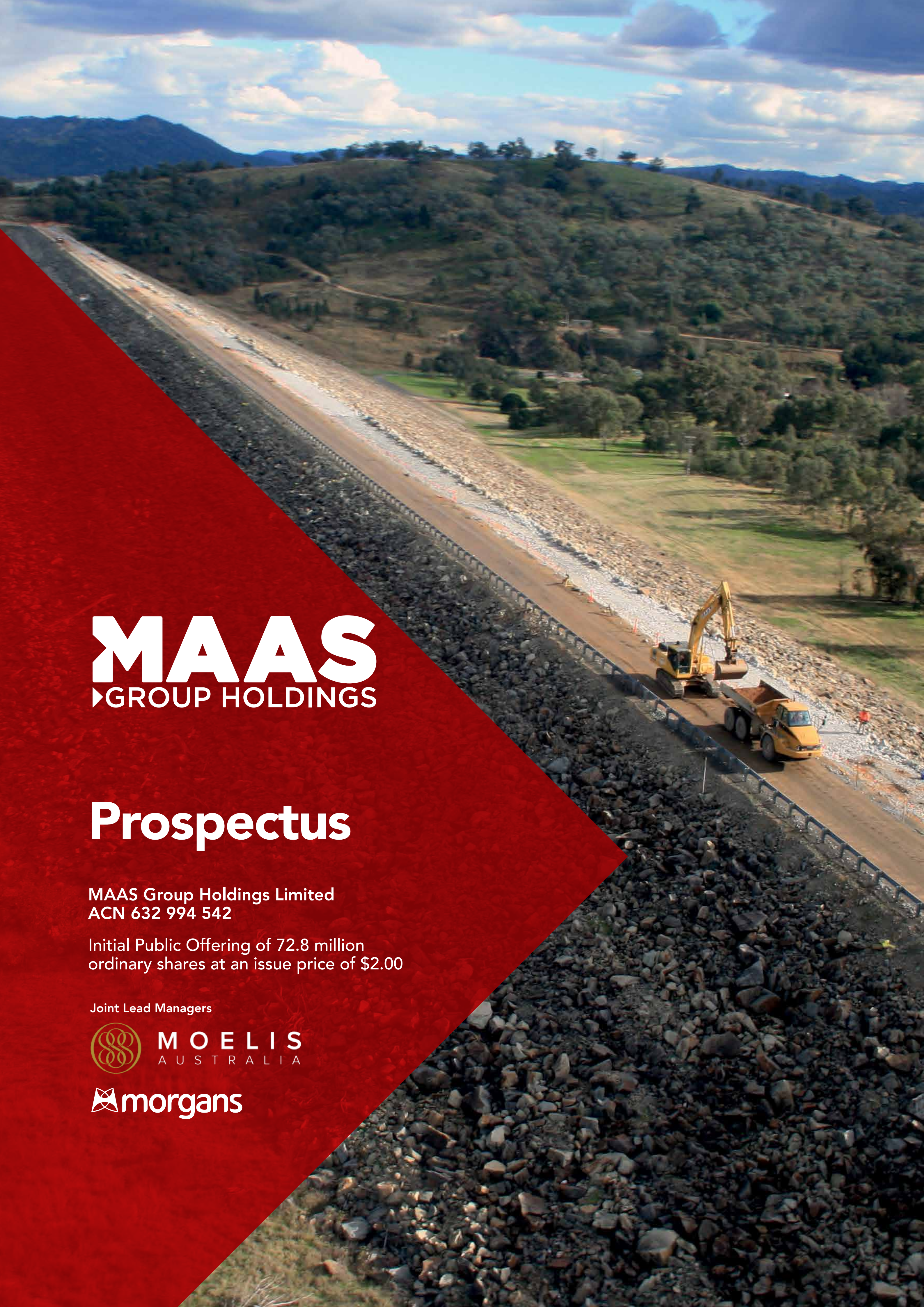

MAAS GROUP HOLDINGS

Prospectus

MAAS Group Holdings Limited
ACN 632 994 542

Initial Public Offering of 72.8 million ordinary shares at an issue price of $2.00

Joint Lead Managers

MOELIS AUSTRALIA

morgans

Important Notices

Offer

This Prospectus is issued by MAAS Group Holdings Limited (ACN 632 994 542) (**Company**) and MGH SaleCo Limited (ACN 644 755 715) (**SaleCo**) for the purposes of Chapter 6D of the *Corporations Act 2001* (Cth) (**Corporations Act**). The Offer contained in this Prospectus is an initial public offering to acquire fully paid ordinary shares in MAAS Group Holdings Limited (**Shares**). See Section 9 for further information on the Offer, including the details of the Shares that will be issued under this Prospectus.

Lodgement and listing

This Prospectus is dated 6 November 2020 (**Prospectus Date**) and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. The Company will apply to ASX within seven days after the Prospectus Date for admission of the Company to the Official List and quotation of its Shares on the ASX. None of ASIC, ASX or their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

The Company, SaleCo, the Share Registry, and the Joint Lead Managers and Underwriters disclaim all liability, whether in negligence or otherwise, to persons who trade Shares before receiving their holding statements.

Expiry Date

This Prospectus expires on the date that is 13 months after the Prospectus Date (**Expiry Date**). No Shares will be issued or transferred on the basis of this Prospectus after the Expiry Date.

Not investment advice

The information contained in this Prospectus is not financial product advice and does not take into account your investment objectives, financial situation or particular needs. It is important that you read this Prospectus carefully and in its entirety before deciding whether to invest in the Company.

In particular, you should consider the risk factors that could affect the performance of the Company. You should carefully consider these risks in light of your investment objectives, financial situation and personal circumstances (including financial and tax issues) and seek professional advice from your accountant, financial adviser, broker, lawyer or other independent professional adviser before deciding whether to invest in the Company. Some of the key risk factors that should be considered by prospective investors are set out in Section 7.

There may be other risk factors in addition to the risks in Section 7 that should be considered in light of your personal circumstances.

No person named in this Prospectus, nor any other person, warrants or guarantees the performance of the Company or the repayment of capital by the Company or any return on investment in Shares made pursuant to this Prospectus.

No person is authorised to give any information or to make any representation in connection with the Offer described in this Prospectus which is not contained in this Prospectus. Any information not so contained may not be relied upon as having been authorised by the Company, SaleCo, the Directors, the Joint Lead Managers and Underwriters or any other person in connection with the Offer. You should rely only on information contained in this Prospectus.

Financial information presentation

Section 5 sets out in detail the financial information referred to in this Prospectus and the basis of preparation of that information. The Historical Financial Information includes statutory historical financial information for the years ended 30 June 2018 (**FY18**), 30 June 2019 (**FY19**) and 30 June 2020 (**FY20**) which was audited by BDO Audit Pty Ltd. The Financial Information in this Prospectus should be read in conjunction with, and is qualified by reference to, the information contained in Section 5.

Investors should note that certain financial data included in this Prospectus is not recognised under the Australian Accounting Standards and is classified as 'non-IFRS financial information' under ASIC Regulatory Guide 230 'Disclosing non-IFRS financial information (**RG 230**). The Company and SaleCo consider that non-IFRS information provides useful information to users in measuring the financial performance and condition of the Company. The non-IFRS financial measures do not have standardised meanings under the Australian Accounting Standards and therefore may not be completely comparable to similarly titled measures presented by other entities, nor should they be interpreted as an alternative to other financial measures determined in accordance with the Australian Accounting Standards. Investors are cautioned therefore not to place undue reliance on any non-IFRS financial information and ratios in this Prospectus.

All financial amounts contained in this Prospectus are expressed in Australian dollars and rounded to the nearest $0.1 million unless otherwise stated.

Any discrepancies between totals and sums of components in tables contained in this Prospectus are due to rounding.

Forward looking statements

This Prospectus contains forward looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'expects', 'intends' and other similar words that involve risks and uncertainties.
Any forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause actual events or outcomes to differ materially from the events or outcomes expressed or anticipated in these statements, many of which are beyond the control of the Company or SaleCo. The forward looking statements should be read in conjunction with, and qualified by reference to, the risk factors as set out in Section 7, and other information contained in this Prospectus.

The Directors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on such forward looking statements. The Company does not intend to update or revise forward looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

There is no assurance that any of the third party estimates or projections contained in this Prospectus will be achieved. Estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed in the risk factors set out in Section 7.

Statements of past performance

This Prospectus includes information regarding past performance of the Company and prospective investors should be aware that past performance is not and should not be relied upon as being indicative of future performance.

Industry and Market Data

This Prospectus contains statistics, data and other information (including estimates and projections) relating to markets, market sizes, market shares, market segments, market positions and other industry data relating to the Company and the markets in which it operates, which uses market data and third party estimates and projections.

Investors should note that market data and statistics are inherently subject to uncertainty and may not necessarily be reflective of actual market positions. The general warnings set out above regarding forward looking information, forecasts and estimates apply to the market and industry data and any other market research as well as statements based upon it. The Company and SaleCo cannot give any assurances as to the accuracy or completeness of the market and industry data or the underlying assumptions used in generating this market and industry data.

Disclaimers

Moelis Australia Advisory Pty Ltd (ACN 142 008 446) (**Moelis**) and Morgans Corporate Limited (ABN 32 010 539 607) (**Morgans**) have acted as the Joint Lead Managers and Underwriters to the Offer. Moelis and Morgans have not authorised, permitted or caused the issue or lodgement, submission, despatch or provision of this Prospectus and there is no statement in this Prospectus that is based on any statement made by them or by any of their affiliates, officers or employees. To the maximum extent permitted by law, Moelis and Morgans and their affiliates, officers, employees and advisers expressly disclaim all liabilities in respect of, and make no representations regarding, and take no responsibility for, any part of this Prospectus other than references to their name and make no representation or warranty as to the currency, accuracy, reliability or completeness of this Prospectus.

Selling restrictions

This Prospectus does not constitute an offer or invitation to apply for Shares in any place in which, or to any person to whom, it would be unlawful to make such offer or invitation. No action has been taken to register or qualify the Shares or the Offer, or to otherwise permit a public offering of the Shares, in any jurisdiction outside Australia. The taxation treatment of Australian securities may not be the same as those for securities in foreign jurisdictions. The distribution of this Prospectus outside Australia may be restricted by law and persons who come into possession of this Prospectus outside Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Prospectus may not be distributed to, or relied upon by, persons in the United States. The Shares have not been, and will not be, registered under the United States Securities Act of 1933 (**US Securities Act**) or the securities laws of any state of the United States, and may not be offered or sold in the United States, except in a transaction exempt from, or not subject to, registration under the United States Securities Act and applicable US state securities laws.

For details of selling restrictions that apply to the Offer and the sale of Shares in certain jurisdictions outside of Australia, refer to Section 10.13.

Exposure Period

The Corporations Act prohibits the Company from processing Applications for Shares in the seven day period after the Prospectus Date (**Exposure Period**). ASIC may extend this period by up to a further seven days (that is, up to a total of 14 days). The purpose of the Exposure Period is to enable the Prospectus to be examined by market participants prior to the raising of the funds. The examination may result in the identification of deficiencies in this Prospectus, in which case any Application may need to be dealt with in accordance with Section 724 of the Corporations Act.

Applications received during the Exposure Period will not be processed until after the expiry of the Exposure Period. No preference will be given to Applications received during the Exposure Period.

Prospectus availability

During the Offer period, a paper copy of this Prospectus is available free of charge to any person in Australia by calling the Company IPO Information Line on 1800 425 578 (within Australia) and +61 1800 425 578 (outside Australia) from 8.30am to 5.00pm (Sydney time), Monday to Friday (excluding public holidays). This Prospectus is also available to persons who are Australian residents in electronic form at the Offer website https://events.miraqle.com/mgh-offer. The Offer constituted by this Prospectus in electronic form is available only to persons downloading or printing it within Australia. Persons who access the electronic version of this Prospectus must ensure that they download and read the entire Prospectus.

Applications

Applications may be made only during the Offer period on the Broker Firm Offer Application Form or Employee Offer Application Form, as appropriate (**Application Form**) attached to, or accompanying, this Prospectus in its paper copy form, or in its electronic form which must be downloaded in its entirety from https://events.miraqle.com/mgh-offer. By making an Application, you represent and warrant that you were given access to the Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing on to another person the Application Form unless it is attached to, or accompanied by, the complete and unaltered version of this Prospectus.

Offer management

The Offer is being arranged and managed by Moelis and Morgans.

No cooling-off rights

Cooling-off rights do not apply to an investment in Shares issued under this Prospectus. This means that, in most circumstances, you cannot withdraw your Application once it has been accepted.

Defined terms and abbreviations

Some words and expressions used in this Prospectus have defined meanings, which are explained in the Glossary. Unless otherwise stated or implied, a reference to time in this Prospectus is to Sydney time. Unless otherwise stated or implied, references to dates or years are calendar year references. All financial amounts contained in this Prospectus are expressed in Australian dollars unless otherwise stated. Any discrepancies between totals and the sum of components in tables contained in this Prospectus are due to rounding.

Privacy

By completing an Application Form to apply for Shares, you are providing personal information to the Company, through its service provider, Link Market Services (**Share Registry**), which is contracted by or on behalf of the Company to manage Applications. The Company and the Share Registry on its behalf, may collect, hold and use that personal information in order to process your Application, provide facilities and services that you request and administer the Company. If you do not provide the information requested in the Application Form, the Company and the Share Registry may not be able to process or accept your Application.

Your personal information may also be used from time-to-time to inform you about other products and services offered by the Company, which it considers may be of interest to you. Your personal information may also be provided to the Company's members, agents and services providers on the basis that they deal with such information in accordance with the Company's privacy policy and applicable laws. The members, agents and service providers of the Company may be located outside Australia where your personal information may not receive the same level of protection as afforded under Australian law.

The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared are:

- the Share Registry for ongoing administration of the register of members;
- printers and other companies for the purpose of preparation and distribution of statements and for handling mail;
- market research companies for the purpose of analysing the Shareholder base and for product development and planning; and
- legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering, and advising on, the Shares and for associated actions.

You may request access to your personal information held by or on behalf of the Company. You may be required to pay a reasonable charge to the Share Registry in order to access your personal information.

Photographs and diagrams

Photographs and diagrams used in this Prospectus that do not have descriptions are for illustration only and should not be interpreted to mean that any person shown in them endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the Prospectus Date. This Prospectus contains trade marks and service marks that are the property of their respective owners.

Company website

The Company maintains a website at www.maasgroup.com.au Any references to documents included on the Company's website are for convenience only, and information contained in or otherwise accessible through this or a related website is not a part of this Prospectus.

Questions

If you have any questions about how to apply for Shares, please call your Broker. Instructions on how to apply for Shares are set out in Section 9 of this Prospectus and on the back of the Application Form. Alternatively, call the Company IPO Offer Information Line on 1800 425 578 (within Australia) and +61 1800 425 578 (outside Australia) from 8:30am to 5:00pm (Sydney time) Monday to Friday (excluding public holidays).

If you have any questions about whether to invest in the Company, you should seek professional advice from your accountant, financial adviser, broker, lawyer or other independent professional adviser before deciding whether to invest in Company.

THIS PROSPECTUS IS IMPORTANT AND SHOULD BE READ IN ITS ENTIRETY.

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Key Offer Statistics and Important Dates

Key Offer Statistics

Offer Price	$2.00 per share
Proceeds to the Company from the issue of New Shares	$82.0m
Proceeds to SaleCo from the sale of Existing Shares	$63.6m
Total proceeds under the Offer	$145.6m
Total number of Shares available under the Offer	72.8m
Total number of Shares on issue at Completion of the Offer[1]	264.9m
Total number of Shares held by the Founding Shareholders and CN Shareholders at Completion of the Offer	192.1m
Market capitalisation at the Offer Price	$529.9m
Pro forma Net Debt ex. property rental lease liability	$77.9m
Enterprise Value at Completion of the Offer	$607.8m
Enterprise Value/pro forma FY20 EBITDA	9.4x
Enterprise Value/pro forma FY20 EBITA	11.7x
Offer Price/pro forma FY20 NPATA per Share	15.7x
FY21 Dividend per Share	$0.05
Dividend Yield at the Offer Price	2.5%

The table below is a summary of the Company's pro forma historical financial information for FY18, FY19, and FY20. This information is intended as a summary only. More detailed financial information, including a reconciliation between the pro forma financial information presented below and the statutory equivalent financial information, can be found in Section 5.4.

($ million)	Pro Forma		
	FY18	FY19	FY20
Sales	203.0	192.0	221.8
EBITDA	50.5	50.0	64.7
EBITA	39.5	37.6	51.8
NPATA	24.5	22.8	33.7

1 *This includes approximately 11.7 million Shares issued to CN Shareholders on conversion of the Convertible Notes (see Section 5.3.2 for more detail) and 7.4 million Shares issued on conversion of Shareholder Loans to Shares.*

Important Dates

Important Dates	
Prospectus Date	6 November 2020
Broker Firm Offer, Institution Offer and Employee Offer open	16 November 2020
Broker Firm Offer and Institution Offer close	24 November 2020
Expected date of allotment of Broker Firm and Institution Offer	27 November 2020
Employee Offer closes	30 November 2020
Expected date of allotment of Employee Offer	1 December 2020
Shareholding statements expected to be dispatched	1 December 2020
Expected date for commencement of ASX trading	4 December 2020

Dates may change

All dates are subject to change and are indicative only. The Company, in consultation with the Joint Lead Managers and Underwriters, reserves the right to vary these dates without prior notice.

How to invest

Applications for Shares can only be made by completing and lodging an Application Form. Instructions on how to apply for Shares are set out in Sections 9.8 (for applications under the Broker Offer) and Section 9.10 (for applications under the Employee Offer), and on the back of the Application Form.

What should you do with any enquiries?

If you require assistance to complete the Application Form, require additional copies of this Prospectus, have any questions in relation to the Offer or you are uncertain as to whether obtaining Shares in the Company is a suitable investment for you, you should seek professional advice from your accountant, financial adviser, broker, lawyer or other independent professional adviser.

Letter from the Founder

November 2020

Dear Investor,

I founded the business that became MAAS Group in 2002 at the age of 22. Having put all my savings towards one bobcat and a tipper truck, I started undertaking small civil works around the regional centre of Dubbo. Ever since that time, I have continually reinvested profits into growing and expanding the business. Fast forward 18 years and MAAS Group has over 760 pieces of machinery and contributes to some of Australia's biggest infrastructure projects nationwide, with a growing international presence.

MAAS Group's continued growth since its foundation is underpinned by a disciplined investment philosophy and framework that ensures that we manage our assets efficiently and participate in economically viable projects.

Our focus on driving growth and leveraging different parts of the business to improve margins through vertical integration has allowed us to grow the business to where it is today. With four complementary business segments, and 631 dedicated employees who work hard every day to make MAAS Group what it is, I am proud to say that we achieved $221.8m of pro forma revenue and $64.7m of pro forma EBITDA in FY20.

Our focus on vertical integration allows us to leverage each of our business segments and utilise latent capacity in the business to generate value. I strongly believe that MAAS Group's vertical integration and breadth of product offering across each of our Construction Materials, Civil Construction and Hire, Underground Equipment and Services, and Real Estate segments distinguishes MAAS Group from other listed companies in Australia and will provide you with a differentiated investment opportunity.

MAAS Group is a proud regional Australian company, with a strong sense of heritage. We know where we came from and maintain the same values today that we had when we started in 2002. Over our history we have developed strong, complementary relationships and supported the growth of select local businesses providing essential equipment and services to us. I am proud to say that almost every member of our management team has been with the business in some form for over 15 years and we each share the same values and determination to continue to grow the business. There is a strong relationship between each of us, having grown up together, and we are proud to call each other close friends as well as colleagues.

In 2019 the decision was made to bring all our businesses together under the MAAS Group banner, establishing a unified and diversified industrial group and providing a platform for future growth of the Company as a leading independent Australian construction materials, equipment and services provider.

Our strategy and ambition is to continue to innovate and grow MAAS Group. As an entrepreneur at heart, every day I am on the hunt for ways to grow our business, both organically and through selective strategic acquisitions. It is the nature of our business that as we grow one business segment, the others will follow organically due to the vertical integration and cross-selling opportunities between our segments. We see plenty of opportunities for our business to grow in the future and we are excited to start actioning these with the benefit of additional capital and financial flexibility that will result from our initial public offering. Despite our years of experience working together, we are fundamentally a young management team and are fully committed to driving the business forward well into the future.

Like all entrepreneurs who started with next to nothing, I am proud of how far we have travelled and very excited as to what lies ahead. I am confident that our journey is just beginning.

I will be the largest shareholder in MAAS Group post listing. Thank you for considering joining the Founding Shareholders on this exciting journey as an investor in MAAS Group.

Wes Maas
Founder – MAAS Group Holdings Limited

Chairman's Letter

November 2020

Dear Investor,

On behalf of the Board of Directors, I am delighted to present you with the opportunity to become a shareholder of MAAS Group Holdings Limited (**MAAS Group** or the **Company**).

The origins of MAAS Group were established in Dubbo, NSW, in 2002 by Wes Maas with a single bobcat and tipper truck, initially undertaking town-based hourly plant hire works. Under Wes' entrepreneurial leadership, the Company has grown strongly over time through a combination of organic business growth, disciplined investment, and acquisitions of complementary businesses, quarries, and residential subdivisions. MAAS Group has grown to become a leading independent Australian construction materials, equipment and services provider with diversified exposures across the civil, infrastructure, mining and property end markets.

MAAS Group has undertaken significant historical investment in a portfolio of strategic quarry and property assets that do not currently generate earnings, but are anticipated to contribute to future shareholder value for MAAS Group.

The Company intends to pursue continued future growth by leveraging its strong market positions, the competitive advantages offered by its vertically integrated business model, its disciplined return on investment policies and its favourable exposure to growing end markets including infrastructure construction in Australia.

MAAS Group is led by a strong, stable, experienced, and passionate management team with a cohesive and high performance culture and strong safety track record. The past and future success of MAAS Group is driven by the collective efforts of all members of the team and I would like to acknowledge their ongoing dedication and commitment.

The funds raised by this Offer will provide the Company with increased financial flexibility to fund its future growth. Additionally, an ASX listing will provide MAAS Group with access to equity capital markets, the ability to facilitate corporate transactions through the issue of shares, give our valued employees an opportunity to participate in the future ownership of the Company and provide a liquid market for Shares. The Founding Shareholders including Wes Maas will remain strong supporters of the Company and will hold 70.1% of the Shares at Completion of the Offer. The Founding Shareholders have entered into voluntary escrow deeds in relation to their Escrowed Shares held at Completion of the Offer until after the release of MAAS Group's FY22 results with a progressive release over a further two years.

This Prospectus contains detailed information about MAAS Group and I encourage you to read it carefully, and in its entirety, before making your investment decision. Before applying for Shares, any prospective investor should be satisfied that they have a sufficient understanding of the risks involved in making an investment in MAAS Group. These risks include both specific investment risks and general investment risks and are described in Section 7.

I am pleased to serve as Chairman of MAAS Group, a well-run business with an entrepreneurial history and exciting future growth prospects supported by positive industry thematics. On behalf of the Directors, I look forward to welcoming you as a shareholder of MAAS Group.

Yours faithfully,

Stephen Bizzell
Chairman – MAAS Group Holdings Limited

Section 1
Investment Overview

1 Investment Overview

1.1 Introduction

Question	Answer	Section
Who is MAAS Group and what are its core activities?	MAAS Group is a leading independent Australian construction materials, equipment and services provider with diversified exposures across the civil, infrastructure, mining and real estate end markets. MAAS Group operates a vertically integrated and diversified business model in key growth markets in Australia, with a strong presence in regional areas, and has an emerging international presence. MAAS Group holds strong market positions in each of its complementary segments: • Construction Materials • Civil Construction and Hire • Real Estate • Underground Equipment and Services	Section 3.1

What are the core activities of each of MAAS Group's business segments?	• **Construction Materials** operates in NSW under the 'Regional Group' brand, with 20 strategically located quarries (nine operating and 11 expected to commence production in the near future), one of the largest mobile crushing and screening operations in NSW, and it is in the process of growing its Premix and Precast Concrete business unit in NSW.
	• **Civil Construction and Hire** provides construction and above ground plant hire services to major civil and infrastructure projects in Australia, electrical infrastructure works across NSW, and underground electrical equipment manufacture, hire, and sales for tunnelling and underground hard-rock mining.
	  – The Civil Construction business unit undertakes a diverse range of civil and infrastructure works across a broad range of projects including roads, rail, airports, dams, mining, energy and renewables, primarily in NSW. The business does not undertake civil design works, which assists in mitigating risk.
	  – The Plant Hire and Sales business unit supplies plant and equipment for hire or sale to the civil, infrastructure, property and above ground mining industries in Australia. The business also performs all service and repairs of its fleet at its workshops and manages its plant procurement, sales, and trading activities through the 'Nationwide' brand.
	  – The Electrical Services business unit, under the 'JLE Electrical' brand, provides electrical infrastructure works, communication networks and electrical services as well as new and used underground electrical equipment sales, hire, and project and site services.
	• **Real Estate** develops residential housing estates, primarily focussed on regional centres in NSW that have been designated by the NSW Government as 'leading regional cities'. The business also has a growing pipeline of future industrial properties, commercial properties, and development opportunities.
		Section 3.1

Question	Answer	Section
What are the core activities of each of MAAS Group's business segments? continued	• **Underground Equipment and Services** specialises in providing mobile equipment for the underground tunnelling and mining industries in Australia and globally. – The Underground Mobile Equipment Hire business unit hires and sells new and used underground mobile equipment as well as offering skilled labour hire and equipment repair/rebuild services to maintain its fleet. – The Underground Equipment Manufacturing and Sales business unit manufactures and sells a range of underground mobile equipment, operating under the VMS brand with a dedicated low-cost manufacturing facility located in Vietnam.	
Who are MAAS Group's key customers?	MAAS Group provides its products and services to a diversified, blue-chip customer base. Key customers for each segment include: • **Construction Materials:** – Quarry materials, premix concrete and precast concrete customers include Government departments, infrastructure construction contractors, commercial and residential building contractors, concrete and asphalt producers and landscaping suppliers. – Crushing and Screening customers may include independent and Council quarry owners, construction contractors, mines and mining services providers. – Key customers include NSW Government Roads and Maritime Services, Dubbo Regional Council, Orange City Council, Inland Rail, and internal supply to other MAAS Group segments that require construction materials. • **Civil Construction and Hire:** – Customers include large tier 1 and tier 2 construction contractors, smaller tier 3 contractors and subcontractors, Councils, civil tunnelling contractors and underground hard-rock mining and mining services companies. – Key customers include Lendlease, Seymour Whyte, Fulton Hogan, Dubbo Regional Council, Northparkes Mine, CPB Contractors, and other MAAS Group segments that require plant hire. • **Real Estate:** – Customers for the Real Estate segment's developments may include the end users or tenants of the properties, or professional real estate owners and investors. • **Underground Equipment and Services:** – Customers include civil tunnelling contractors and underground hard-rock mining and mining services companies. – Key projects that MAAS Group has provided equipment to include the Melbourne Metro Tunnel, WestConnex and Brisbane Cross River Rail.	Section 3.2

Question	Answer	Section
Who are MAAS Group's key competitors?	MAAS Group has a number of competitors across each of its segments including: • **Construction Materials:** – National construction materials providers including Holcim, Boral, Hanson, and local and regional quarry, concrete and precast concrete operators. • **Civil Construction and Hire:** – **Civil Construction:** Smaller tier 3 and regional or locally based contractors. Key competitors include Daracon, Hynash, A1 Earthworx, Ditchfield Contractors, Anacon, ARA Group, Keeden Constructions, and JK William. – **Plant Hire and Sales:** Larger state based and occasionally national providers of above ground plant and equipment for hire and sale. Key competitors include Daracon, EA Hire, Egan's Plant Hire, and Salmon Earthmoving. – **Electrical Services:** Competes above ground with a number of regional and national providers including O'Brien's Electrical (Laser Electrical), Star Electrical, Country Powerlines, Stowe Electrical & Power, ARA Group, Quanta Lines, and Consolidated Power Projects. Larger competitors in underground electrical equipment sales and hire include Ampcontrol and PBE Rutherford. • **Real Estate:** – The real estate market in regional NSW is highly fragmented, featuring a large number of competitors from national, state based and regional operators through to smaller local competitors across all sub-segments of the market. • **Underground Equipment and Services:** – Competitors in Underground Equipment and Services vary by product and geography. – **Underground Mobile Equipment Hire:** larger state based national equipment rental and sales providers such as WesTrac, Emeco and Pybar. – **Underground Equipment Manufacturing and Sales:** Key global competitor is Normet, a Finnish manufacturer of underground equipment for the civil tunnelling and underground hard-rock mining industries.	Section 3.2
What are MAAS Group's competitive advantages?	• MAAS Group is a significant independent competitor with strong regional market positions and diversified exposures across the civil, infrastructure, property and mining end markets. • MAAS Group operates a vertically integrated business model, with a track record of capturing margin opportunities across the business cycle, with an average of 13.4% of gross revenue generated by intercompany work between FY18 and FY20 (before eliminations). • MAAS Group employs a disciplined approach to the deployment of capital and managing assets, with a focus on achieving strong financial returns on investment. • MAAS Group has undertaken significant historical investment in a portfolio of strategic quarry and property assets that do not currently generate earnings, but are anticipated to contribute to future shareholder value for MAAS Group. • MAAS Group has a strong, stable, experienced and passionate management team.	Sections 3.1.3, 3.1.4 and 3.3

Question	Answer	Section
What is MAAS Group's history of growth?	The business that became MAAS Group was founded in 2002 by Wes Maas and has grown strongly over time thorough a combination of organic business growth, disciplined investment, and acquisitions of complementary businesses, quarries, and residential subdivisions.	Section 3.1.2
What is MAAS Group's historical financial performance?	The financial information presented below is a summary only and should be read in conjunction with the information set out in Section 5. The information should also be considered having regard to the risks summarised in Section 5.13.	Section 5.4.1

($ million)	Pro Forma		
	FY18	FY19	FY20
Sales	203.0	192.0	221.8
EBITDA	50.5	50.0	64.7
EBITA	39.5	37.6	51.8
NPATA	24.5	22.8	33.7

Question	Answer	Section
What is MAAS Group's recent trading performance?	• Consolidated MAAS Group revenue and EBITDA year to date as at 31 August 2020 were $39.3m and $9.9m respectively. • Refer to Section 5.10 for further detail.	Section 5.10
What is MAAS Group's financial position and how has it funded growth?	MAAS Group's Pro Forma Historical Statement of Financial Position is provided in Section 5.6.1. MAAS Group has historically funded its growth through a combination of cash generated from operations, cash from disposals of equipment, borrowings including bank loans, hire purchase agreements, shareholder loans, and vendor financing.	Section 5.6
What is the Company's dividend policy?	It is the Directors' current intention is to pay out approximately 20%-40% of MAAS Group's annual cash NPAT attributable to shareholders in dividends. It is the Directors' current intention to pay interim dividends in respect of half years ending 31 December and final dividends in respect of full years ending 30 June each year.	Section 5.11
Who are the Directors of MAAS Group?	The Directors of MAAS Group are: • Stephen Bizzell – non-executive Chairman; • Wes Maas – Chief Executive Officer and Managing Director; • Stewart Butel – Independent non-executive Director; • Neal O'Connor – Independent non-executive Director; and • Michael Medway – non-executive Director.	Section 4.1

Question	Answer	Section
Who are the members of Senior Management?	The Senior Management of MAAS Group is: • Wes Maas – Chief Executive Officer and Managing Director; • Craig Bellamy – Chief Financial Officer and Company Secretary; • Damien Porter – General Manager – MAAS Plant Hire; • Dominic Wilson – General Manager – MAAS Civil; • Steve Guy – General Manager – MAAS Group Properties; • Josh Large – General Manager – JLE Electrical; • Richard Tomkins – General Manager – Regional Group Australia; and • Jason Finlay – General Manager – EMS.	Section 4.2

1.2 The industry

Topic	Summary	Section
What industries does MAAS Group operate in?	The key industries that each of MAAS Group's segments operate in are summarised below. • **Construction Materials:** – **Quarries:** Civil infrastructure construction and maintenance, and residential and commercial construction. – **Crushing and Screening:** Civil infrastructure construction and maintenance, mining construction, and mining production. – **Premix and Precast Concrete:** Civil infrastructure construction and maintenance, mining construction, mining production, and residential and commercial construction. • **Civil Construction and Hire:** – **Plant Hire and Sales, Civil Construction:** Civil infrastructure construction and maintenance, and mining construction. – **Electrical Services:** Electrical infrastructure construction and maintenance, large scale commercial construction, civil tunnelling construction and underground hard-rock mining construction and production. • **Real Estate:** – Residential and commercial property development and construction. • **Underground Equipment and Services:** – Civil tunnelling construction and underground hard-rock mining construction and production.	Section 2.1
Who are the market participants?	Refer to "Who are MAAS Group's key competitors?".	Section 2.2

Topic	Summary	Section
What are the key drivers of the industries in which MAAS Group operates?	The key industry drivers for each of MAAS Group's segments are detailed below. • **Construction Materials:** – Infrastructure construction activity in regional NSW; – Mining construction activity in regional NSW; and – Government funding for infrastructure construction. • **Civil Construction and Hire:** – Infrastructure construction activity in Australia; – Macroeconomic activity in Australia; – Government funding for infrastructure construction; – Mining production activity in Australia; and – Global civil tunnelling activity. • **Real Estate:** – Residential and non-residential building and construction activity in NSW; – Population growth in Australia; and – Macroeconomic activity in Australia. • **Underground Equipment and Services:** – Mining production activity in Australia; – Global civil tunnelling activity; and – Global tunnelling and rock drilling equipment demand.	Section 2.2

1.3 Capital structure and interests of related parties

Question	Answer	Section
What is the current capital structure of the Company?	(see table below)	Section 9.6

	Shares held	Percentage held
Maas Family	173.3	77.4%
Other Founding Shareholders[2]	44.2	19.7%
Employee Offer	0.0	0.0%
Other CN shareholders	6.4	2.8%
Total	223.8	100.0%

Question	Answer	Section
What is the capital structure of the Company upon completion of the Offer and Listing?	(see table below)	Section 9.6

	Shares held	Percentage held
Maas Family	147.3	55.6%
Other Founding Shareholders[2]	38.4	14.5%
Employee Offer	13.5	5.1%
Other CN shareholders	6.4	2.4%
New Shareholders	59.3	22.4%
Total	264.9	100.0%

In addition to the above, the sellers of Macquarie Geotechnical Pty Ltd will be issued up to $2,693,373.30 worth of Shares (at the Offer Price) on the 3rd through 5th anniversaries of Listing.

2 For the purposes of this table, includes 0.1m Shares held by an associated entity of Damien Porter as a result of conversion of a Shareholder Loan to equity.

Question	Answer	Section
What significant benefits and interests are payable to the Directors and other persons connected with the Offer?	**Interest or benefit** Advisers and other service providers: Fees for services, the details of which are set out in Section 10.6. Non-executive directors: Remuneration and fees on ordinary commercial terms as described in Section 4.5. Founding Shareholders: Offer proceeds will be paid to SaleCo to facilitate the sale of Sale Shares by the Founding Shareholders as set out in Section 8.3. Executive remuneration as described in Section 4.4.	Sections 4.4, 4.5, 8.3, and 10.6.
Are there any related party transactions?	Yes, please refer to Section 4.18 Related party arrangements.	Section 4.18
Will any Shareholders have a voting power of 20% or more?	Yes, following the Offer the Maas Family will hold 55.6% of the Company. However, the Corporations Act and Listing Rules in general will exclude the Maas Family from voting on matters in which they have a material interest.	Section 9.6
Are there any escrow arrangements?	Details of the escrow agreements are provided in Section 8.5.	Section 8.5

1.4 Key risks

Topic	Summary	Section
Workplace health and safety	• MAAS Group's employees are at risk of workplace accidents and incidents given the nature of the industries in which MAAS Group operates. • A serious accident may occur, causing damage, injury or death, which may have operational implications for MAAS Group and may have a material adverse impact on MAAS Group's financial position. • The activities undertaken by the group can generate environmental impacts such as dust and noise. There is a risk that actions could be brought against MAAS Group, alleging adverse effects of hazardous materials (such as dust) on personal health. • If any injuries or accidents occur on a worksite, this could have adverse reputational and financial implications including legal claims for personal injury, wrongful death, amendments to approvals, potential production delays or stoppages, any of which may have a material adverse effect on MAAS Group's financial position.	Section 7.2.1

Topic	Summary	Section
Environmental claims	• The projects and activities undertaken by MAAS Group are subject to certain regulations regarding environmental matters, as determined by governments, local authorities and enforcement agencies. • The group's activities, particularly with respect to its quarrying, real estate development and civil construction activities, are expected to have an impact on the environment. • Environmental issues may potentially delay contract performance or result in a shutdown of a project, causing a deferral or preventing receipt of anticipated revenues. These environmental risks may give rise to remediation obligations, civil claims and criminal penalties. • Despite efforts to conduct activities in an environmentally responsible manner and in accordance with all applicable laws, there is a risk of an adverse environmental event occurring which could impact production or delay future development timetables and may subject the Company to substantial penalties including fines, damages, clean-up costs or other penalties. Additionally, an adverse environmental event may require an amendment to the group's existing environmental approvals. • Any potential liability or penalty arising in respect of an environmental issue may have a material adverse impact on MAAS Group's financial position.	Section 7.2.2
Contractual risks	• Contractual relationships with customers and suppliers form a fundamental part of MAAS Group's operations. • Contracts carry a risk that the respective parties will not adequately or fully comply with their respective contractual rights and obligations, or that these contractual relationships may be terminated. • In certain instances, it may be costly for MAAS Group to enforce its contractual rights. • There is a risk that disputes in respect of a major contract will have a material adverse impact on MAAS Group's financial position.	Section 7.2.3
Operating risks	• MAAS Group and its customers and suppliers are exposed to a range of operational risks relating to both current and future operations. • These risks include, but are not limited to, failure to sell its products, failure to complete projects on time, failure to achieve production, mechanical failure or plant breakdown, unanticipated manufacturing problems, infrastructure availability and unexpected shortages, loss or damage to operating assets and equipment, human error, accidents, weather, natural disasters, terrorism, cost overruns, delays, industrial and environmental accidents, industrial disputes, contract losses, delays due to government actions, delays due to public health issues (including the outbreak of pandemic or contagious disease, such COVID-19), litigation or damage by third parties, or increases in the cost of consumables, spare parts, labour, plant and equipment. • MAAS Group cannot control the risks its customers and suppliers are exposed to, nor can it completely remove all disruption risk to its own business, and one or more of these risks may lead to a material adverse impact on MAAS Group's financial position.	Section 7.2.4

Topic	Summary	Section
Decreases in capital investment and construction activity in the Australian infrastructure sector	• A significant portion of MAAS Group's revenue is attributable to the Australian infrastructure sector. • MAAS Group expects to benefit from the high levels of government investment into infrastructure in NSW and Australia wide expected over the next few years. • If the level of investment in the infrastructure sector falls or the forecast infrastructure spend does not eventuate, this may have a material adverse impact on MAAS Group's financial position. • There can be no assurance that the current levels of capital investment and construction activity in the Australian infrastructure sector will grow or be maintained in the future.	Section 7.2.5
Remote locations and underground works	• MAAS Group undertakes projects in remote locations and projects can occasionally involve underground work. • This may involve difficulties in accessing plant, equipment and materials. • Some locations involve inherent risk to personnel due to the nature of the operating conditions in these environments.	Section 7.2.6
Manufacturing and product quality risk	• MAAS Group's manufactured products must meet certain quality standards. • Failure by MAAS Group, or its suppliers, to continuously comply with these standards, or failure to take satisfactory action in response to products that do not adhere to these standards could result in returned products, reputational damage and enforcement actions that may have a material adverse impact on MAAS Group's financial position.	Section 7.2.7
Supplier risk and access to resources	• MAAS Group contracts with and has access to a number of key suppliers on which it relies for the supply of equipment and equipment parts. • A disruption in supply (including any loss of parts during transit) could cause a delay in the availability of MAAS Group's products, leading to a potential loss of profitability. • The inability to secure supply or maintain existing supplier relationships would also have a material adverse impact on the financial performance and prospects of MAAS Group. • Inability to source materials and other key inputs required by MAAS Group or suitable contractors could limit the Company's ability to deliver against its objectives which could have a material adverse impact on its financial position.	Section 7.2.8
Increased maintenance expenditure	• MAAS Group is required to incur a certain level of expenditure to maintain its operations. • If the level of maintenance expenditure required is higher than expected, if it must be undertaken earlier than anticipated, or if there is a significant operational failure requiring unplanned maintenance expenditure this may have a material adverse impact on MAAS Group's financial position.	Section 7.2.9

Topic	Summary	Section
Cyclical nature of businesses	• The Australian residential property market can be cyclical and risk is always present when land is acquired for future development. This may impact the timeline for completion of sales or whether sales can be completed at all which may affect MAAS Group's revenue, profitability and growth. • The construction industry can be cyclical in the volume of business undertaken both in Australia and globally. A trough in the construction cycle of Australia and other global jurisdictions in which MAAS Group operates may have a material adverse impact on its financial position. • The loss of major customers through industry downturns or for any other reason could materially and adversely affect MAAS Group's operational and financial performance.	Section 7.2.10
Changing Customer Preferences regarding the rental of equipment	• MAAS Group's business prospects partly depend on a continuation of the trend towards outsourcing of non-core functions by potential clients. • A change in the preference of current or future customers that results in reduced use of rental equipment to meet their requirements would have a material adverse impact on MAAS Group's financial position.	Section 7.2.11
Competition and loss of reputation	• The industries in which MAAS Group operates are highly competitive and are expected to remain so. • Any increase in competition could result in loss of market share, reduced operating margins, and price reductions. • Although the Company has a sound track record in securing new contracts and competing effectively, there can be no assurance that any or all of its businesses will continue to perform in the future. • Some of MAAS Group's products compete with existing products that are already available to customers. • Downward pricing pressures from competition are experienced from time to time and MAAS Group is not always able to quickly recover increases in operating expenses through higher selling prices. • The success of MAAS Group is partly reliant on its reputation and brand. • Any event or occurrence that diminishes its reputation or brand could have a material adverse impact on its financial position.	Section 7.2.12
Exposure to regional NSW residential property market and customer settlement risk	• MAAS Group owns residential dwellings including a level of existing and recently constructed unsold units as a part of their developments. • There is a risk that these residential dwellings will not be sold to new residents at the rate assumed and MAAS Group's earnings and cash flow may be reduced as a result. • MAAS Group relies on customers to meet obligations under long-dated sale contracts at the scheduled settlement date. • To the extent customers are unable to meet such settlement obligations on time, the Company's revenue receipts and profits will be impacted and an equivalent resale price may not be able to be achieved. • Timing of the receipt of settlement payments from customers also means that the Real Estate segment's cash flows are relatively irregular.	Section 7.2.13

Topic	Summary	Section
Liability for defect	• MAAS Group is exposed to risks relating to structural and building defects for a period of six years post practical completion as a part of the statutory warranty. • These may result in a negative customer experience, potential brand damage and financial costs to MAAS Group for repairs and rectification. • MAAS Group provides certain warranties in respect of performance of its obligations under the various building contracts, which may also expose it to further costs associated with repairs. • These factors, either individually or in combination, could have a material adverse impact on MAAS Group's financial position.	Section 7.2.14
Growth	• MAAS Group has experienced growth that has resulted in an increased level of responsibility for new and existing management personnel. • To manage this growth effectively, MAAS Group will need to continue to develop and refine its management systems. • There is a risk that MAAS Group may be unable to manage its future growth successfully. • The Company may not maintain or grow the volume of its projects and its project pipeline going forward.	Section 7.2.15
Acquisition integration	• MAAS Group has pursued and may in the future pursue strategic acquisitions in the course of its business. • To finance any future acquisitions, MAAS Group may procure additional debt and/or seek to raise equity capital. • There can be no assurance that MAAS Group will be able to identify suitable candidates for successful acquisitions at acceptable prices, or successfully execute acquisitions and integration of targets once identified. • MAAS Group's past and future acquisitions may subject it to unanticipated risks or liabilities. • A strategy of growth through acquisition entails numerous operational and financial risks and this may have a material adverse impact on the Company's financial position.	Section 7.2.16
Dependence upon key personnel	• The day-to-day management of MAAS Group relies on senior managers and Directors, and in particular, Wes Maas, and the success of MAAS Group's business depends on retaining the key employees and general motivation of the workforce. • If any of MAAS Group's key personnel leave, this could have a material adverse impact on the Company's financial position.	Section 7.2.17

Topic	Summary	Section
Sensitivity of earnings to project revenue and timing of contracts	• A substantial portion of MAAS Group's revenue is derived from contracted revenue, some of which relates to specific projects with shorter time frames. • This revenue has a greater propensity to vary from year to year. • MAAS Group's performance in any future period is sensitive to the timely and successful execution of projects and changes in utilisation rates driven by project activity levels. • The Company cannot anticipate with certainty the exact time it will be able to generate the rental revenue associated with certain projects as customers may decide to cancel or delay equipment rental. • If MAAS Group is not able to substitute a terminated or delayed contract with another contract, this could have a material adverse impact on its financial position.	Section 7.2.18
Movements in foreign exchange rates	• MAAS Group has significant manufacturing operations in Vietnam and sources equipment and parts from overseas. These costs are exposed to foreign currencies. • MAAS Group's currencies with annual exposure >A$1.0m currently include USD, VND, IDR and Euro. • Unfavourable movements in the foreign exchange rates between the Australian dollar and the currencies of MAAS Group's manufacturing operations and import costs may have a material adverse impact on the Company's financial position.	Section 7.2.19
Foreign operations	• MAAS Group has a significant manufacturing operation in Vietnam, derives a proportion of its revenue from operations in foreign countries, and acquires equipment from a number of other countries around the world and is continuing to seek growth and expansion in overseas markets. • There are certain risks inherent in doing business on an international level, such as unexpected changes in regulatory requirements, tariffs, customs, duties and other trade barriers, difficulties in staffing and managing foreign operations, longer payment cycles, problems in collecting accounts receivable, political instability, expropriation, nationalisation and war, or public health issues (including the outbreak of pandemic or contagious disease, such as COVID-19). There may also be fluctuations in currency exchange rates, foreign exchange controls that restrict or prohibit repatriation of funds, technology export and import restrictions or prohibitions and delays from customers, brokers or government agencies. MAAS Group may also be adversely affected by seasonal reductions in business activity and potentially adverse tax consequences, any of which may adversely impact the success of MAAS Group's international operations. • The Company may incur fines or penalties, damage to its reputation or suffer other adverse consequences if it is alleged to have violated anti-bribery and corruption laws in any of the jurisdictions in which it operates. • The Company's internal policies and controls may not be effective in each case to ensure that MAAS Group is protected from reckless or criminal acts.	Section 7.2.20

Topic	Summary	Section
Foreign operations continued	• Any such improper actions could expose MAAS Group to civil or criminal investigations in Australia or overseas, which could lead to substantial civil or criminal monetary and non-monetary penalties against the Company, and could damage its reputation. • A restriction in MAAS Group's ability to expand into new geographies, and/or the materialisation of the risks mentioned above may have a material adverse impact on MAAS Group's financial position.	Section 7.2.20
Regulation	• MAAS Group is subject to a broad and increasingly stringent range of environmental laws, regulations and standards. • MAAS Group abides by the respective laws and regulations in each of the jurisdictions in which it operates. • Changes to these laws and regulations may have a material adverse impact on the Company's financial position. • MAAS Group's operations may not be successful at all times in complying with all demands of relevant laws and regulatory agencies in a manner which may materially adversely affect its business, financial condition or results of operations. • Failure to comply with applicable laws and regulations may result in penalties against MAAS Group and loss of income or reputation, which may have a material adverse impact on MAAS Group's financial position.	Section 7.2.21
Industrial relations	• MAAS Group may be adversely impacted by industrial relations issues in connection with its employees or the employees of its customers, contractors and suppliers due to strikes, work stoppages, work slowdowns, grievances, complaints, claims of unfair practices or other industrial activity under the enterprise bargaining arrangements governing their employment arrangements. • Such enterprise bargaining arrangements are subject to renegotiation, which may result in product delays, increased labour costs or industrial action. • Industrial relations in the Australian construction industry are influenced by changes in government legislation, negotiation of workplace and project agreements, and related matters. • Industrial disputes can adversely impact project completion and may have a material adverse impact on the Company's financial position.	Section 7.2.22
Political factors	• MAAS Group undertakes work for a range of public and private sector clients and its operating and financial performance may be influenced by a number of political considerations including, but not limited to, the priority accorded by governments to infrastructure projects, the attitude of governments to private sector participation in infrastructure projects and changes in the level of government spending on such projects. • These factors may affect MAAS Group's operations in any or all of the jurisdictions in which it operates and may have a material adverse impact on MAAS Group's financial position.	Section 7.2.23

Topic	Summary	Section
Inability to secure adequate insurance	• Whilst MAAS Group seeks to maintain insurance coverage that is consistent with industry practice, there is a risk that coverage may not be available when required, at commercially acceptable premiums, or at all. • In addition, any claim under MAAS Group's insurance policies may be subject to certain exceptions, or may not be honoured (in full or in part). • If liabilities are incurred without adequate insurance, this may have a material adverse impact on MAAS Group's financial position.	Section 7.2.24
Debt covenants may be breached if performance declines	• MAAS Group is party to the Banking Facilities pursuant to which MAAS Group is subject to various debt covenants. • Factors such as a decline in operational and financial performance could lead to a breach of its debt covenants. • If a breach occurs, its financiers may seek to exercise enforcement rights under the Banking Facilities, including requiring immediate repayment, which may have a material adverse impact on MAAS Group's financial position.	Section 7.2.25
Requirement to raise additional funds	• MAAS Group's continued ability to effectively implement its business plan over time may depend in part on its ability to raise additional funds and/or refinance its existing debt. As MAAS Group's business grows, it may require additional working capital. • There can be no assurance that any such equity or debt funding will be available on favourable terms or at all. If adequate funds are not available on acceptable terms, MAAS Group may not be able to take advantage of opportunities, develop new ideas or otherwise respond to competitive pressures. • While MAAS Group will be subject to the constraints of the Listing Rules regarding the percentage of its capital it is able to issue within a 12 month period (other than where specific exceptions apply), Shareholders' interests may be diluted by any future equity raising, which could result in a potential loss in the value of their equity.	Section 7.2.26
Capital structure	• Following Completion of the Offer, the Maas Family will retain a significant holding and will therefore have significant influence over MAAS Group. • This interest may also have an impact on liquidity (particularly having regard to the escrow arrangements referred to below), as well as acting as a potential deterrent to corporate transactions. • The sale of Shares in the future by the Escrowed Shareholders or CN Shareholders (following expiry of the escrow period), or the perception that such sales might occur, could adversely affect the market price of the Shares.	Section 7.2.27
Escrow arrangements	• The Escrowed Shareholders and CN Shareholders of MAAS Group will be subject to escrow requirements, designed to protect the integrity of the market and allow MAAS Group to develop a track record as a listed company. • At the end of the Escrow Period, certain of these Shares will be released from escrow, which may impact MAAS Group's share price if relevant persons seek to trade their Shares at or around the same time.	Section 7.2.28

Topic	Summary	Section
Pandemic and other public health risks (COVID-19)	• The ongoing outbreak of the coronavirus disease (COVID-19) and any other possible future outbreaks of contagious diseases may have a significant adverse impact on MAAS Group's activities. • The spread of such diseases amongst its executives, employees, contractors, suppliers and logistic networks, as well as any lockdown, quarantine and isolation requirements, may reduce MAAS Group's ability to operate in an efficient manner (or at all) and may have a material adverse impact on MAAS Group's financial position. • There is continuing uncertainty as to final effects of the COVID-19 pandemic or other possible disease outbreaks and on what effect such factors may have on MAAS Group, the Australian and global economy, and share markets. It is possible that it will have a substantial negative effect on the economies where MAAS Group operates. • To the extent that the COVID-19 pandemic outbreak adversely affects MAAS Group's business and financial performance, it may also have the effect of exacerbating many of the other risks identified in this Prospectus. • Should any of these events occur, this would have a material adverse impact on MAAS Group's financial position.	Section 7.2.29
Employee misconduct and fraud related risks	• Employee, agent or partner misconduct or MAAS Group's overall failure to comply with laws or regulations could weaken its ability to win contracts. • Misconduct, falsifying accounting records, fraud, non-compliance with applicable laws and regulations, or other improper activities by one of its employees, agents or partners could have a significant negative impact on MAAS Group's business and reputation. • MAAS Group relies on its systems and processes, as well as its external auditors, to prevent and detect these activities, however this may not be effective and it could face unknown risks or losses. • MAAS Group's failure to comply with applicable laws or regulations, or acts of misconduct, could subject MAAS Group to fines and penalties, cancellation of contracts, loss of security clearance and suspension or debarment from contracting, which could weaken its ability to win contracts and may have a material adverse impact on MAAS Group's financial position.	Section 7.2.30

1.5 The Offer

Question	Answer	Section
Who is the issuer of this Prospectus?	MAAS Group Holdings Limited and MGH SaleCo Limited.	Sections 9.1 and 10.1
What is the Offer?	The Company is offering Shares for subscription under the Offer at $2.00 per Share to raise gross proceeds of approximately $145.6m. The Shares available for subscription under the Offer comprise: (a) 41.0m New Shares issued by the Company to raise gross proceeds of $82.0m (before costs and expenses); and (b) 31.8m Shares to be transferred by SaleCo, being the Sale Shares sold by the Founding Shareholders and Miller to raise gross proceeds of $63.6m (before costs and expenses). The Offer includes the Employee Offer, which is open to Employees and Directors only. The New Shares and the Sale Shares will be issued or transferred (as the case may be) to successful Applicants as soon as possible after the Closing Date or Employee Offer Closing Date (in respect of the Employee Offer only). All Shares issued or transferred under this Prospectus will rank equally with existing Shares. The total number of Shares on issue at completion of the Offer will be 264.9m. The free float will be approximately 24.8% of the Shares on issue on completion of the Offer.	Section 9.1
Who is SaleCo?	SaleCo is a special purpose vehicle established to facilitate the sale of the Sale Shares by the Founding Shareholders and Miller.	Section 10.1
Will the Shares be quoted?	The Company will apply to ASX for admission to the Official List within seven days of the date of this Prospectus. The reserved ASX code is MGH and if MAAS Group is admitted to the Official List, quotation of the Shares will commence as soon as practicable following the issue of CHESS statements. If permission is not granted for official quotation of the Shares on ASX within three months of the date of this Prospectus, all Application Monies received will be refunded without interest as soon as practicable in accordance with requirements of the Corporations Act. It is expected that the trading of Shares on ASX will commence on 4 December 2020. It is the responsibility of each Applicant to confirm their holding before trading in Shares. Applicants who sell Shares before they receive an initial holding statement do so at their own risk. The Company, the Share Registry and the Joint Lead Managers and Underwriters disclaim all liability, whether in negligence or otherwise, if you sell Shares before receiving your holding statement, even if you confirmed your firm allocation through a Broker or otherwise.	Section 9.15

<table>
<tr><th>Question</th><th>Answer</th><th>Section</th></tr>
<tr><td>What is the purpose of the Offer?</td><td>The Offer is being conducted to:
• raise new funds to support MAAS Group's continued growth;
• provide working capital to strengthen the balance sheet of the Company; and
• undertake an ASX listing and provide the Company with the benefits of being a listed entity, which include:
– further increased company profile;
– ongoing access to capital markets; and
– ability to provide scrip consideration as consideration for planned and future acquisitions.
The Offer also provides the Founding Shareholders with an opportunity to sell down a portion of their shareholding and Miller an opportunity to sell all of its shareholding.</td><td>Section 9.3</td></tr>
<tr><td>What is the intended use of funds raised through the Offer?</td><td>The Offer proceeds will be applied as follows:
<table>
<tr><th>Use of proceeds</th><th>Amount ($millions)</th></tr>
<tr><td>Repayment of borrowings</td><td>$33.50m</td></tr>
<tr><td>Repayment of Shareholder Loans</td><td>$26.57m</td></tr>
<tr><td>Payment of cash consideration to Macquarie Geotechnical Pty Ltd shareholders</td><td>$6.28m</td></tr>
<tr><td>Payment of cash consideration to VMS shareholders</td><td>$2.56m</td></tr>
<tr><td>Cash to MGH balance sheet</td><td>$12.67m</td></tr>
<tr><td>Cash transaction costs</td><td>$0.42m</td></tr>
<tr><td>Proceeds to SaleCo for the transfer of Sale Shares under the Offer</td><td>$63.65m</td></tr>
<tr><td>Total</td><td>$145.65m</td></tr>
</table></td><td>Section 9.4</td></tr>
<tr><td>Who can participate in the Offer?</td><td>The Offer is open to:
• Australian residents who receive an allocation through the Broker Firm Offer;
• institutional Investors; and
• for the Employee Offer only, the Employees and Directors.</td><td>Sections 9.8, 9.9 and 9.10</td></tr>
<tr><td>How is the Offer structured?</td><td>The structure of the Offer comprises:
• the Broker Firm Offer, which is open to Australian resident retail clients of Brokers who have received a firm allocation from their Broker;
• the Institutional Offer, which consists of an invitation to bid for Shares made to Institutional Investors; and
• the Employee Offer which is only open to Employees and Directors.</td><td>Sections 9.8, 9.9 and 9.10</td></tr>
</table>

Question	Answer	Section
How do I apply?	How you apply will depend on whether you are applying under the Broker Firm Offer, the Institutional Offer of the Employee Offer. If you have received a Broker Firm Offer, Application Forms must be completed in accordance with the instructions given to you by your broker and the instructions set out on the back of the Application Form. Applicants under the Broker Firm Offer must not send their Application Forms or payment to the Share Registry. The Joint Lead Managers and Underwriters will advise the application procedures for Institutional Investors. Applications under the Employee Offer must be made on an Employee Application Form in accordance with the instructions set out on the back of the Application Form.	Sections 9.8, 9.9 and 9.10
What is the Offer Price of the Shares?	The Shares are being issued at $2.00 per Share.	Section 9.1
What is the minimum Application size?	Applicants must apply for a minimum of 1,000 Shares, representing a minimum investment of $2,000.	Section 9.7
What are the rights attaching to the Shares?	The New Shares will rank equally in all respects with all other Shares issued by the Company. A summary of the rights and liabilities attaching to the Shares is set out in Section 10.2.	Section 9.7
Is the Offer underwritten?	The Broker Offer and Institutional Offer are fully underwritten by the Joint Lead Managers. If MAAS Group does not receive valid applications for the full amount of 59.3m Shares under the Broker Offer and Institutional Offer, the Underwriters will subscribe for, or procure subscriptions for, any shortfall. Details of the Underwriting Agreement, including the circumstances in which the Underwriters may terminate its obligations are set out in Section 8.2.	Section 8.2
What is the allocation policy?	The allocation of Shares between the Broker Firm Offer and the Institutional Offer has been determined by the Joint Lead Managers and Underwriters, in consultation with MAAS Group. Details of the allocation policies are set out in Sections 9.8 and 9.9. The Employee Offer is open to Employees and Directors only.	Sections 9.8 and 9.9
Can the Offer be withdrawn?	The Company may withdraw the Offer at any time before the issue of Shares to successful Applicants. If the Offer, or any part of it, does not proceed, all relevant Application Monies will be refunded (without interest). The Company and the Joint Lead Managers and Underwriters reserve the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late Applications either generally or in particular cases, reject any Application, or allocate to an Applicant fewer Shares than applied for.	Section 9.20
Are there any brokerage, commission or stamp duty considerations?	No brokerage, commission or stamp duty is payable by Applicants on acquisition of Shares under the Offer.	Section 9.7

Question	Answer	Section
Are there tax implications?	The taxation consequences of an investment in the Company will depend upon the investor's particular circumstances. Investors should make their own enquiries about the taxation consequences of an investment in the Company.	Section 9.18
Further questions?	If you have questions in relation to the Offer, please contact +61 1800 425 578. All enquiries in relation to the Broker Firm Offer should be directed to your Broker. If you are unclear in relation to any matter or are uncertain as to whether MAAS Group is a suitable investment for you, you should seek professional advice from your stockbroker, solicitor, accountant or other independent professional adviser.	

1.6 Key investment highlights

Topic	Summary
Significant independent competitor in Australian construction materials, equipment and services with diversified exposures across the civil, infrastructure, property and mining end markets	• MAAS Group operates a vertically integrated and diversified business model in key regional growth areas in Australia, and has an emerging international presence through the continued growth of its Underground Equipment and Services segment. • MAAS Group holds strong market positions in its complementary segments in the geographies and regions where it operates. • MAAS Group benefits from a diversified exposure to a variety of end markets, including infrastructure, civil construction, mining, real estate, and construction materials.
Vertically integrated business model with a track record of capturing significant growth and margin opportunities across the business cycle	• MAAS Group operates a vertically integrated business model, which enables it to capture additional margin opportunities and cost synergies, and mitigate risks across all points of the business cycle. • An average of 13.4% of gross revenue was generated by intercompany work between FY18 and FY20 (before eliminations). • Key examples of vertical integration across the business include: – The Construction Materials segment quarry materials, premix and precast concrete products, and provides crushing and screening services to civil and infrastructure projects where MAAS Group is also providing construction services or equipment for hire, and has the ability to tender these services together. – The Construction Materials segment supplies quarry materials to the Real Estate segment's property developments. – The Civil Construction and Hire segment provides civil construction, equipment hire, and electrical services to the Real Estate segment. – The Plant Hire and Electrical Services business units and the Underground Equipment and Services segment collaborate in evaluating and tendering for opportunities in the infrastructure sector, particularly in tunnelling projects.

Topic	Summary
Favourable underlying industry drivers, supported by strong infrastructure spend and growth in key regional areas	• MAAS Group's business is well positioned for future growth due to the expected significant future growth in public and private sector investment in civil construction, infrastructure construction and mining/minerals projects across Australia. • In its FY20 budget, the Australian Government committed to investing more than $100bn over 10 years from the commencement of FY20 through a rolling infrastructure program. In its FY21 budget, the Australian Government increased the infrastructure investment pipeline by $10bn to $110bn. This includes a commitment by the NSW Government to undertake $93bn of infrastructure investment over the four year period to FY23. • MAAS Group's key markets in Australia, including regional areas of NSW, are expected to grow strongly, underpinned by a visible pipeline of committed infrastructure, resources sector activity, and other major projects that will help drive the economic and population growth of these regions. • Furthermore, MAAS has an emerging international presence, which is expected to benefit from the strong expected growth in tunnelling infrastructure and underground hard-rock mining activity globally.
Track record of strong financial performance supported by solid growth in each business unit	• MAAS Group's strong historical growth in revenue and profitability has been supported by the vertical integration and diversification of its business model, a highly disciplined approach to capital investment and acquisitions, and its focus on carefully managing equipment and assets to ensure strong financial returns are consistently delivered. • From FY19 to FY20, MAAS Group achieved pro forma EBITDA growth of 29%, reflecting strong sales growth in Construction Materials and Civil Construction and Hire, as well as margin uplift in the Construction Materials, Real Estate, and Underground Equipment and Services segments.
Disciplined approach to driving strong financial returns through rigorous approach to deployment of capital and managing assets	• MAAS Group employs a disciplined approach to the deployment of capital and managing assets, with a focus on achieving strong financial returns on investment that has underpinned the historical growth of the Company. • MAAS Group's management focuses on Return on Invested Capital (ROIC) as a key performance indicator for investments and projects and favours projects where it will be able to deploy its own workforce and plant, targeting completion of the majority of work in-house and minimising its operating risks.
Valuable portfolio of quarries, residential subdivisions and commercial properties	• MAAS Group has undertaken significant historical investment in a portfolio of strategic quarry and property assets that do not currently generate earnings, but are anticipated to contribute to future shareholder value for MAAS Group. • MAAS Group is only currently operating nine out of its 20 quarries and has a residential property subdivision pipeline of approximately 4,400 residential subdivision lots remaining as well as 12 Industrial and Commercial real estate developments currently planned.

Topic	Summary
Flexible capital structure and high operating cash flow conversion supports multiple future growth opportunities across all business segments	• At completion of the Offer, MAAS Group will have pro forma leverage of 1.2x Net Debt/FY20 EBITDA, with pro forma undrawn facilities of $59.0 million and a pro forma cash balance of $25.1m providing financial flexibility to fund future growth in the business. • MAAS Group's strong margins and disciplined investment policies have supported its strong historical operating cash flow generation. In FY20, MAAS Group achieved pro forma operating cash flow conversion of 89%. • MAAS Group believes that its pro forma capital structure and strong operating cash flows will provide financial flexibility to fund its significant expected pipeline of growth opportunities across all of its business segments. • Further information on MAAS Group's growth strategy is set out in Section 1.7 and Section 3.4.
Strong, stable, experienced, and passionate management team with a cohesive and high performance culture and strong safety track record	• MAAS Group has a highly respected and experienced management team, with over 164 years of combined experience, and an average tenure of ten years at MAAS Group. • MAAS Group's management team has a proven track record of delivering strong and consistent financial performance, supported by a company culture of agility, performance and respect where its people work together as one team to achieve a common set of goals. • Board members bring more than 130 years combined experience. • MAAS Group's founder, Wes Maas, will remain as CEO and Managing Director.
High quality, diversified blue chip customer base	• MAAS Group is diversified across a large number of customers, varying from local construction companies and Councils through to tier 1 contractors, international mining companies, and large-scale civil contractors. • Furthermore, MAAS Group is vertically integrated and will often provide services across business units to capture margin opportunities, realise cost synergies, and mitigate risk.

1.7 Growth strategy

Topic	Summary
What is MAAS Group's growth strategy?	• MAAS Group is well placed to take advantage of its strong market positions, the competitive advantages offered by its vertical integration, disciplined return on investment policies, its strategically positioned operations and exposure to growing end markets to continue to grow the business. • The key elements of MAAS Group's growth strategy by segment are summarised below. • **Construction Materials:** – MAAS Group's high quality, strategically located quarry assets with long life reserves have ample capacity to grow organically and have further long term expansion potential. – Out of MAAS Group's 20 quarries, the 11 quarries acquired in FY20 are not producing any quarry products. Production will commence at new quarry sites to meet anticipated demand emanating from nearby infrastructure projects. – Approximately 1m tonnes were sold in FY20 from the nine operating quarries. Current permits/licenses allow for total production up to 3.255m tonnes per annum from the 20 quarries. Applications underway have potential to increase permitted capacity to 7.77m tonnes per annum to align production capability with future market growth requirements. – MAAS Group has a track record of acquiring quarry sites in its course of business. In the future MAAS Group may acquire additional high quality hard rock and sand quarries at sites strategically located in proximity to key infrastructure projects in NSW. – The Company's expansion into premix and precast concrete is underway following the acquisition of a mobile concrete business and precast concrete business. It expects to leverage its Quarries capability together with mobile concrete capability to provide concrete products along the length of the Inland Rail corridor. – MAAS Group continues to monitor for opportunities to expand its Crushing and Screening operations, which will expand organically as the quarry network expands, as well as the acquisition of complementary businesses such as Macquarie Geotechnical. • **Civil Construction and Hire:** – Increasing construction activity in infrastructure and mining is expected to support segment growth. – Unique exposure to high growth regions including regional NSW with significant expected future project activity. – Growth in the Plant Hire fleet is expected to be supported by contract wins and increased demand from the Real Estate segment. – Benefit from growth in all other MAAS Group segments: focus on continued growth through vertical integration. – Acquisition of complementary civil construction and hire businesses may be considered to provide additional growth in new geographies. – Electrical Services business unit expected to grow significantly due to geographic expansion and growth of its customer base.

Topic	Summary
What is MAAS Group's growth strategy? continued	• **Real Estate:** – Long term focus on growth through asset/property acquisitions, disciplined value creation including subdivision and development, and managed investment realisation. – Current pipeline of approximately 4,400 lots which includes various options to purchase future subdivision estates. – Expected additional growth through commercial and industrial property developments. – MAAS Group intends to continue to evaluate real estate acquisition opportunities with a long-term counter-cyclical approach. • **Underground Equipment and Services:** – The Underground Equipment and Services segment is well positioned to grow following the recent Jacon acquisition and the completion of the VMS manufacturing facility in Vietnam. – Access to cost effective manufacturing is expected to provide MAAS Group with a competitive advantage in the specialised underground hard-rock mining and civil tunnelling industries. – Expansion of the Underground Equipment and Services hire fleet is expected to be supported by contract wins and an increase in market share through MAAS Group's competitive advantage of delivering specialised equipment at cost effective pricing. – The Underground Equipment and Services segment expects to deliver 95 machines in FY21. The Vietnam facility has the capacity to manufacture substantially more than 95 machines without further capital investment. – VMS expects to expand its product range to compete directly with its major competitors across more product categories. – The current active fleet of Jacon branded underground machinery is estimated at around 300 units. MAAS Group expects to generate additional earnings through providing parts and services to the growing active fleet throughout its lifetime.

1.8 What has been the impact of COVID-19 on MAAS Group and how has MAAS Group responded?

Topic	Summary
What has been the impact of COVID-19 on MAAS Group?	• The global economic outlook is uncertain due to the current COVID-19 pandemic, which has had, and will likely continue to have, a significant impact on global economic activity, including in Australia. • To date, the COVID-19 pandemic has not materially impacted the Company's operations or financial position. • The impact for COVID-19 has to date been largely limited to the Real Estate segment, with delays in land settlements, and the Underground Equipment and Services segment, with a slowdown in supply chains out of Vietnam. • Only a small number of projects were delayed as a result of COVID-19 related restrictions and lockdowns. • To date no MAAS Group employees have tested positive to COVID-19, however there is continuing uncertainty as to the final effects of the COVID-19 pandemic. • The spread of such diseases amongst MAAS Group's executives, employees, contractors, suppliers and logistic networks, as well as any lockdown, quarantine and isolation requirements, may reduce MAAS Group's ability to operate in an efficient manner (or at all), which may have a material adverse impact on MAAS Group's financial position. • Refer to Section 7.2.29 for further information.
How has MAAS Group responded?	• MAAS Group acted quickly in relation to the COVID-19 pandemic, implementing a number of operational measures to minimise the risk and interruption to the business while keeping its Employees safe, and ensure the continuation of operations on a normal basis (to the maximum extent that was possible). • Working from home arrangements have been implemented as required for all office-based staff and this has worked effectively. Hygiene and social distancing procedures have been implemented and widely embraced across work sites. The Company's COVID-19 management plan is reviewed and updated based on the latest guidance from health professionals and the government as the situation develops.

Important notice

This Section is not intended to provide full information for investors intending to apply for Shares. This Prospectus should be read in its entirety. The Shares offered pursuant to this Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividends or the future value of the Shares.

Section 2
Industry Overview

2 Industry Overview

2.0 Industry Overview

Section 2 provides an overview of MAAS Group's key industry, geographical and end market exposures where it currently operates across its four business segments. This section also provides a summary of MAAS Group's regulatory environment.

MAAS Group operates a vertically integrated business model, which enables it to realise additional margin opportunities and cost synergies across its operations. MAAS Group believes that this vertically integrated model together with the diversification of its business segments across industries, end markets and geographies, enhances its operating efficiency and flexibility to mitigate operating risks and manage fluctuations in industry conditions over time.

2.1 Introduction to MAAS Group's key industry exposures

MAAS Group is a leading independent Australian construction materials, equipment and services provider with diversified exposures across the civil, infrastructure, mining and real estate end markets.

The key industry drivers, geographical and end market exposures relevant to MAAS Group for each of its four business segments are described below and summarised in Figure 1.

Figure 1: Summary of MAAS Group's key industry exposures by segment and business unit

Segment	Industry demand drivers	Key geographical exposures by business unit	Key industry/end market exposures by business unit	Section references
Construction Materials	• Infrastructure construction activity in Australia • Mining construction activity in Australia • Government funding for infrastructure construction	• **Quarries:** regional NSW • **Crushing and Screening:** NSW • **Premix and Precast Concrete:** regional NSW	• **Quarries:** – Civil infrastructure construction and maintenance – Residential and non-residential construction • **Crushing and Screening:** – Civil infrastructure construction and maintenance • **Premix and Precast Concrete:** – Civil infrastructure construction and maintenance – Residential and non-residential construction	2.2.1

Segment	Industry demand drivers	Key geographical exposures by business unit	Key industry/end market exposures by business unit	Section references
Civil Construction and Hire	• Infrastructure construction activity in Australia • Macroeconomic activity in Australia • Government funding for infrastructure construction • Mining production activity in Australia • Global civil tunnelling activity	• **Civil Construction:** NSW, with a primary focus on regional NSW • **Plant Hire and Sales:** Australia-wide • **Electrical Services:** NSW, WA, QLD • **Underground Electrical Equipment Hire:** Australia	• **Civil Construction and Plant Hire and Sales:** – Transport infrastructure – Industrial support infrastructure – Mining construction – Residential and commercial subdivision works • **Electrical Services:** – Electrical infrastructure construction – Large scale commercial construction – Civil tunnelling construction – Underground hard-rock mining construction and production	2.2.2
Real Estate	• Residential and non-residential building and construction activity in NSW • Population growth in Australia • Macroeconomic activity in Australia	• **Residential:** regional NSW • **Industrial and Commercial:** NSW	• **Residential:** – Residential construction • **Industrial and Commercial:** – Commercial construction	2.2.3
Underground Equipment and Services	• Mining production activity in Australia • Global civil tunnelling activity • Global tunnelling and rock drilling equipment demand	• **Underground Mobile Equipment Hire:** – Australia – Vietnam • **Underground Equipment Manufacturing and Sales:** – Asia: Vietnam, Indonesia, India, Mongolia, Hong Kong, Singapore – Europe: United Kingdom – Americas: Chile	• **Underground Mobile Equipment Hire:** – Civil tunnelling construction – Underground hard-rock mining construction and production • **Underground Equipment Manufacturing and Sales:** – Civil tunnelling construction – Underground hard-rock mining construction and production	2.2.4

2.2 Industry overview by segment

MAAS Group's key customers, competitors, demand drivers and barriers to entry by segment are described below.

2.2.1 Construction Materials

The Construction Materials segment supplies quarry materials, aggregates, premix concrete, precast concrete and crushing and screening services to the civil infrastructure, building and construction, and mining sectors in NSW, with a primary focus on regional NSW.

Quarry materials include aggregates, rail ballast, drainage rock, manufactured sand, natural sand and specialty stone and rock. Quarry materials are used in, and typically account for, a significant proportion of concrete and asphalt production by volume, are commonly utilised as base materials underlying foundations for earthworks, roads, rail and other infrastructure, and are also used in landscaping and various other applications. Crushing and screening services involve the utilisation of specialised plant and equipment to crush both owned and third-party resources such as quarry rock and gravel to suit the specific size requirements of customers for various applications.

Key customers for quarry materials, premix concrete and precast concrete include infrastructure construction contractors, commercial and residential building contractors, concrete and asphalt producers and landscaping suppliers. Crushing and screening customers may include independent, government or Council quarry owners, construction contractors, mines and mining services providers.

Competition in the supply of quarry materials, premix concrete and precast concrete tends to be based on product quality, the ability to meet customer specifications, reliability of supply and the delivered cost of materials, which is dependent on the distance to the customer's site. Transport costs can represent a significant proportion of the delivered cost of quarry materials given their bulk and weight. Key competitors in the supply of quarry materials include national construction materials operators which may utilise a significant proportion of their own materials across their in-house concrete and asphalt operations, and smaller regional or local operators. Competition in crushing and screening services is typically based on the availability of specialised plant and equipment, with key competitors including civil contractors and quarry operators with surplus equipment. The Construction Materials segment typically competes with national operators including Holcim, Boral, and Hanson, and several smaller regional and local quarry operators.

Key barriers to ownership or access to future quarry resources for competitors include costs and long development lead times including planning and resource extraction approvals associated with developing greenfield quarries, the difficulty in establishing economic resources in sufficient geographical proximity to existing sources of demand, operating expertise, and access to sufficient financial resources.

The demand drivers include the following, which are described further in Section 2.3:

- infrastructure construction activity in Australia;
- mining construction activity in Australia; and
- government funding for infrastructure construction.

2.2.2 Civil Construction and Hire

Civil Construction and Hire provides construction and above ground plant hire services to major civil and infrastructure projects in Australia, electrical infrastructure works to projects in NSW, WA and QLD, and underground electrical equipment to civil tunnelling and underground hard-rock mining projects.

Key customers include large tier 1 and tier 2 construction contractors, smaller tier 3 contractors and subcontractors, government departments, Councils, and mining companies. Services and plant and equipment are provided to various stages of implementation of large and small civil infrastructure projects, mining construction projects, mining production activities, and general building and construction works.

In Civil Construction, MAAS Group competes with regional and locally based contractors. In Plant Hire and Sales, MAAS Group competes on a national basis with larger state based and national providers of above ground plant and equipment for hire and sale. Many customers may also own their own plant and may substitute between owned and hired plant over time depending on project specific requirements and internal capacity. MAAS Group's underground electrical equipment product offering competes on a global basis with Ampcontrol and PBE Rutherford, together with a number of smaller local and regional competitors in each geographical region.

Key barriers to entry for competitors in Civil Construction and Hire include established customer relationships with tier 1 and tier 2 contractors, customer safety and operating standards requiring an established operating track record, stringent prequalification requirements to tender for Government contract works, capital investment requirements to establish a significant fleet of plant and equipment, and the ability to sustain profitability across customers and projects.

The demand drivers include the following, which are described further in Section 2.3:

- infrastructure construction activity in Australia;
- macroeconomic activity in Australia;
- government funding for infrastructure construction;
- mining production in Australia; and
- global civil tunnelling activity.

2.2.3 Real Estate

The Real Estate segment undertakes residential, commercial and industrial property developments in NSW, with a primary focus on key regional areas including Dubbo, Orange, Tamworth and Mudgee.

The real estate market in regional NSW is highly fragmented, featuring many competitors from larger national, state based and regional operators through to smaller local competitors across all sub-segments of the market.

Key barriers to entry and competitive advantages for property developers include the ability to source cost competitive development opportunities, access to sufficient capital resources including bank financing, economies of scale, the ability to manage and control permitting, building and development costs, and the ability to manage key financial risks including market variability in finished property sale prices.

The demand drivers include the following, which are described further in Section 2.3:

- building activity in NSW; and
- population growth in Australia.

2.2.4 Underground Equipment and Services

The Underground Equipment and Services segment specialises in providing mobile equipment sales, hire, and service solutions to the underground hard-rock mining and civil tunnelling industries in Australia and globally.

Key customers for MAAS Group's underground equipment include civil tunnelling contractors and underground hard-rock mining and mining services companies. Civil tunnelling activity is an essential and specialist construction activity globally in transport infrastructure projects, and consequently many major tunnelling contractors operate globally.

Key competitors in the underground equipment space vary by product and geography.

In the underground mobile equipment sales and hire sector in Australia, MAAS Group competes with larger state based and national equipment rental and sales providers such as WesTrac, Emeco and Pybar. In Underground Equipment Manufacturing and Sales, the key global competitor is Normet, a Finnish manufacturer of underground equipment supplied to the civil tunnelling and underground hard-rock mining sectors.

Key barriers to entry for competitors include product design capabilities to meet the challenges of underground operating environments across diverse markets and customers, establishing cost competitive manufacturing capabilities, fleet size and diversity for hire operations, establishing and maintaining global customer relationships, maintaining specialised and cost competitive repair and rebuild capabilities including used equipment procurement, and access to capital resources to invest in fleet and inventory to support growth.

The demand drivers include the following, which are described further in Section 2.3:

- mining production activity in Australia;
- global civil tunnelling activity; and
- global tunnelling and rock drilling equipment demand.

2.3 Key demand drivers for MAAS Group

Key drivers of demand for MAAS Group's end markets are summarised below. Demand for MAAS Group's services within its four business segments is positively related to macroeconomic factors, construction and infrastructure activity, building activity and mining production.

Importantly, in light of recent market conditions and volatility, demand drivers as described below are subject to uncertainties in production, volume and growth that are outside of MAAS Group's control. Additionally, given the recent COVID-19 outbreak, MAAS Group's end markets may be exposed to significant challenges and uncertainties that may materially impact its outlook. Section 7.2.29 provides further detail on the key risks for MAAS Group associated with the COVID-19 outbreak.

2.3.1 Macroeconomic activity in key locations for MAAS Group

2.3.1.1 Australian macroeconomic conditions

According to the Australian Bureau of Statistics (**ABS**), between CY09 and CY19 Australia's GDP grew at a CAGR of 2.51%.[3] The Australia Government forecasts GDP to contract by 3.75% in CY20, before growing by 4.25% in CY21.[4] Economic growth in CY21 is expected to be supported by further easing of containment measures, improving business and consumer confidence and unprecedented government economic support.[5]

2.3.1.2 Australian population growth

The ABS estimates that between CY09 and CY19, Australia's population grew at a CAGR of 1.4%.[6] In its population projection report released in November 2018, the ABS forecast Australia's population to grow to 28.8m by CY27, representing a CAGR of 1.6%.[7] NSW was forecast to remain the most populated state, with its total population expected to grow to over 9m people by CY27,[8] an increase from approximately 8m as at 30 June 2019.[9] In regional NSW, that is areas outside of Greater Sydney, the population is forecast to reach between 2.9m and 3.0m by CY27.[10]

The onset of COVID-19 has resulted in revisions to forecast population growth. Post-COVID-19, population growth is forecast to fall to its slowest growth rate in a century, with 0.2% expected in FY21 and 0.4% in FY22.[11] The reduction in population growth is expected to stem from negative net overseas migration during the period.[12]

MAAS Group expects that continued population growth will drive increased demand for infrastructure investment in NSW, including regional NSW, where MAAS Group's business segments are well positioned to benefit.

2.3.1.3 Global economic growth

The International Monetary Fund (**IMF**) forecasts global growth to contract by 4.9% in CY20, before growing by 5.4% in CY21.[13] Macroeconomic support including record stimulus, totalling approximately US$13 trillion or 15% of global GDP, unconventional monetary policy and near-zero policy interest rates is expected to continue to ease the impact of COVID-19.[14] Notwithstanding, the strength of economic recovery is expected to be driven by COVID-19 health outcomes.[15] Economies that have brought COVID-19 under control quickly have experienced stronger economic recovery whereas economies that have struggled to contain the virus and imposed stricter containment measures, such as the UK, much of Europe, India and the US, have suffered more significant economic contractions and are expected to recover at a slower rate.[16]

3 *Australian Bureau of Statistics (ABS), Australian National Accounts: National Income, Expenditure and Product (Report 5206.0) (June 2020).*
4 *Commonwealth of Australia, Federal Budget 2020-21 Overview: Economic Recovery Plan for Australia (October 2020).*
5 *Commonwealth of Australia, Federal Budget 2020-21 Overview: Economic Recovery Plan for Australia (October 2020).*
6 *Australian Bureau of Statistics (ABS), Australian Demographic Statistics (Report 3101.0) (December 2019).*
7 *Australian Bureau of Statistics (ABS), Population Projections (Report 3222.0), Australia, 2017 (base) – 2066 (November 2018).*
8 *Australian Bureau of Statistics (ABS), Population Projections (Report 3222.0), Australia, 2017 (base) – 2066 (November 2018).*
9 *Australian Bureau of Statistics (ABS), Population Projections (Report 3222.0), Australia, 2017 (base) – 2066 (November 2018).*
10 *Australian Bureau of Statistics (ABS), Population Projections (Report 3222.0), Australia, 2017 (base) – 2066 (November 2018).*
11 *Commonwealth of Australia, Federal Budget 2020-21 Budget Paper No.1 – Budget Strategy and Outlook (October 2020).*
12 *Commonwealth of Australia, Federal Budget 2020-21 Budget Paper No.1 – Budget Strategy and Outlook (October 2020).*
13 *International Monetary Fund (IMF), World Economic Outlook Update (June 2020).*
14 *Commonwealth of Australia, Federal Budget 2020-21 Overview: Economic Recovery Plan for Australia (October 2020).*
15 *International Monetary Fund (IMF), World Economic Outlook Update (June 2020).*
16 *International Monetary Fund (IMF), World Economic Outlook Update (June 2020).*

2.3.2 Government investment in infrastructure in Australia

2.3.2.1 Australian Government infrastructure investment

Since 2013, the Australian Government has invested in more than 770 major infrastructure projects and committed to more than 24,000 smaller projects across the country.[17] In its FY20 budget, the Australian Government committed to investing more than $100bn over 10 years from the commencement of FY20 through a rolling infrastructure program.[18] In its FY21 budget, the Australian Government increased the infrastructure investment pipeline by $10bn to $110bn over the same timeframe, with funds earmarked for significant near-term investment in major road and rail projects, road safety and community infrastructure.[19] Many of these projects have been nominated by Infrastructure Australia in its Infrastructure Priority List (Priority List), which highlights key initiatives and projects representing major national and state level priorities for the infrastructure and construction industry. A recently released mid-year Priority List update included 12 new Infrastructure proposals resulting in a refreshed infrastructure pipeline priority list of 155 infrastructure proposals of national significance worth more than $64bn.[20] In addition, the Australian Government has committed to fast-tracking shovel-ready projects by providing an additional $3bn funding, building on the $2bn announced since May 2020.[21] It is intended funds will be deployed on a "use it or lose it" basis[22].

2.3.2.2 High priority infrastructure projects in regional NSW

Over the seven years to December 2018, the NSW Government invested more than $111bn in infrastructure projects.[23] In its FY20 budget, the NSW Government committed to undertake $93bn of infrastructure investment over the four-year period to FY23,[24] the largest infrastructure investment commitment made by a state government.[25] Earmarked investment funds were expected to deliver over 3,500 road and rail projects, 40 hospital and healthcare facilities, 190 new or upgraded schools and numerous other infrastructure projects.[26] Major infrastructure projects noted by the NSW Government included Sydney Metro West, North South Metro Rail Link, and the M12 Motorway upgrade.

In addition, the NSW Government established the Restart NSW Fund (**Restart NSW**) in 2011 to enable the funding and delivery of high-priority infrastructure projects. To 30 June 2019, the last reported date, inflows into Restart NSW exceeded $33.3bn.[27] The NSW Government has committed to supporting regional areas through this initiative with 30% of Restart NSW funding targeted to regional areas outside the metropolitan areas of Sydney, Newcastle and Wollongong.[28]

The Priority List identified a number of priority projects and high priority initiatives in regional NSW. MAAS Group believes it is well positioned to benefit from priority projects and initiatives due to its geographical proximity to identified large transport and construction projects including:

- **Inland Rail Project** – freight connectivity between Melbourne and Brisbane remains a priority for the Australian Government over the next five to ten years.[29] The Australian Government has forecast the demand for freight transport along this corridor to grow to approximately 13m tonnes, or 1.1m containers (twenty-foot equivalent units or TEUs) by 2050 (from 4.9m tonnes in 2016).[30] Significant construction to increase freight capacity in the Melbourne to Brisbane corridor has been identified as essential to facilitate increased freight demand.
- **Regional road network safety improvements** – significant investment in regional arterial roads and highways has been identified as a requirement to address existing safety issues that are expected to be exacerbated by increased freight requirements. The Australian Government has identified a disproportionate number of road fatalities in regional areas, highlighting that 55% of road fatalities between 2008 and 2016 occurred in regional areas. Relative to population size, this was over four times greater in regional areas than for major cities.[31] The Australian Government has highlighted these network safety improvements as a high priority as these safety issues will only be exacerbated as they expect freight traffic volumes in NSW to nearly double from 2011 to 2031.[32]

17 *Department of Infrastructure, Regional Development and Cities, Building Our Future: Delivering the Right Infrastructure for a Growing Nation (April 2019).*
18 *Commonwealth of Australia, Federal Budget 2019-20 Budget Paper No.1 – Budget Strategy and Outlook (April 2019).*
19 *Commonwealth of Australia, Federal Budget 2020-21 Budget Paper No.1 – Budget Strategy and Outlook (October 2020).*
20 *Infrastructure Australia, Infrastructure Priority List, Update to the February 2020 Infrastructure Priority List (August 2020).*
21 *Commonwealth of Australia, Federal Budget 2020-21 Budget Paper No.1 – Budget Strategy and Outlook (October 2020).*
22 *Infrastructure Australia, Infrastructure Priority List, Update to the February 2020 Infrastructure Priority List (August 2020).*
23 *NSW Government, NSW Infrastructure Pipeline (December 2018).*
24 *NSW Government, Letter to the construction and engineering sectors of NSW, NSW Government committed to vital infrastructure program (2020).*
25 *NSW Government, Budget Paper No.2: Infrastructure Statement 2019-20 (June 2019).*
26 *NSW Government, Budget Paper No.2: Infrastructure Statement 2019-20 (June 2019).*
27 *NSW Government, Budget Paper No.2: Infrastructure Statement 2019-20 (June 2019).*
28 *Infrastructure NSW, Restart NSW: Local and Community Infrastructure Projects (July 2019).*
29 *Infrastructure Australia 2020, Infrastructure Priority List (August 2020).*
30 *Infrastructure Australia 2020, Infrastructure Priority List (August 2020).*
31 *Infrastructure Australia 2020, Infrastructure Priority List (August 2020).*
32 *Infrastructure Australia 2020, Infrastructure Priority List (August 2020).*

- **Newell Highway upgrade** – investment in the Newell Highway is being undertaken to facilitate increased road freight efficiency between Brisbane and Melbourne and improve services to regional producers in central and western NSW. As noted above, freight demand across this corridor is expected to increase significantly over the next five to ten years.[33]

WaterNSW has announced plans to deliver a portfolio of water infrastructure works totalling in excess of $10bn over the five years from FY20 to FY25[34] Of these earmarked projects, MAAS Group has identified three projects it believes it is well positioned to service including:

- **Wyangala Dam Wall Raising** – raising dam height by approximately 10 metres; estimated to cost $650m with construction expected to commence in 2021;[35]
- **Dungowan Dam** – a new 22.5 GL rockfill dam and 55km pipeline; estimated to cost $480m with commencement of works expected in 4QCY20;[36] and
- **Mole River Dam** – new rockfill dam at Upper Mole River with an estimated cost of $355m.[37]

In addition to the specific projects listed above, there is a significant pipeline of infrastructure projects to be rolled out across the east coast of Australia that MAAS Group has identified as potential targets.

2.3.3 Building and construction activity in Australia

MAAS Group is exposed to demand for building and construction activity in Australia and in particular NSW, which is broadly comprised of three key segments:

- **Engineering and infrastructure construction** – includes construction of roads, bridges, rail, mining and heavy industrial resource-based operations;
- **Non-residential construction** – includes construction of industrial and commercial facilities; and
- **Residential construction** – includes construction of houses, units, and apartments (including multi-level).

2.3.3.1 Engineering and infrastructure construction activity in Australia

The Australian engineering and infrastructure construction market has experienced significant growth in recent years, driven by government and private sector investment.[38] Over the four years to FY24, the Australian Construction Industry Forum (**ACIF**) forecasts engineering and infrastructure construction activity in Australia to total $95bn.[39] Despite the current effects of the COVID-19 pandemic, Australia has a well-established and identified pipeline of major engineering and infrastructure projects that is expected to continue to drive activity and contribute to a post-pandemic economic recovery.[40] This pipeline of work is supported by government funding for infrastructure development and infrastructure priority initiatives, discussed in section 2.3.2.1 above.

2.3.3.2 Engineering and infrastructure construction activity in NSW

Engineering and infrastructure construction activity in NSW grew at a CAGR of 8.8% to $23bn in the four years to FY19.[41] From FY19 to FY24, activity is forecast to grow at a modest CAGR of 0.2% to $24bn.[42] The NSW Government has committed to significant investment over the years to FY24, discussed in section 2.3.2.2 above, which is expected to support ongoing activity.

MAAS Group is expected to benefit from ongoing infrastructure construction activity throughout NSW. As noted in section 2.3.2.2, the NSW Government planned to deliver on over 3,700 projects over the four years to FY23. MAAS Group believes it is well placed to tender for and deliver upon a number of the proposed projects.

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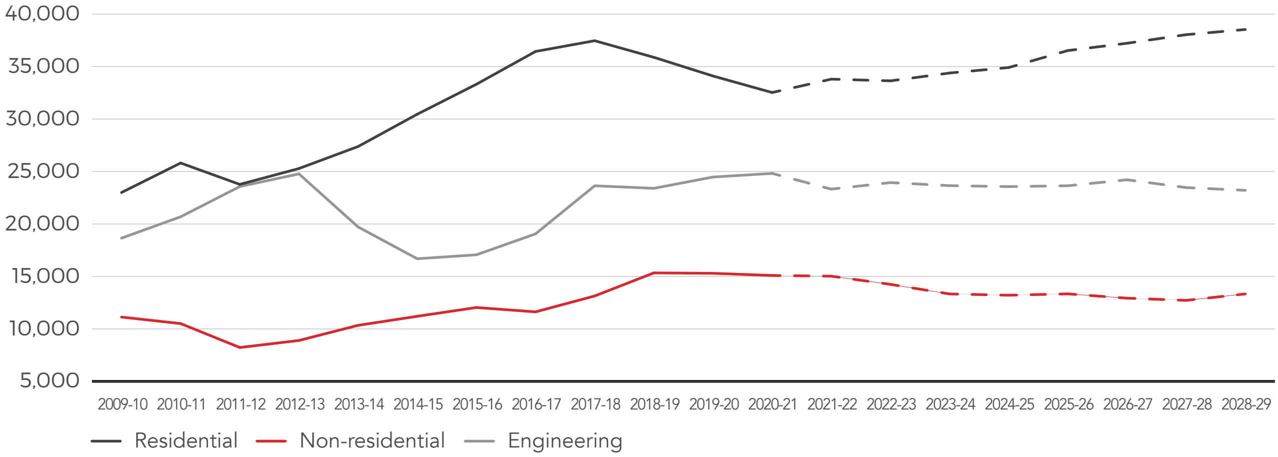
33 *Infrastructure Australia 2020, Infrastructure Priority List (August 2020).*
34 *WaterNSW, WaterNSW Industry Opportunities – Industry Briefing (November 2019).*
35 *WaterNSW, WaterNSW Industry Opportunities – Industry Briefing (November 2019).*
36 *WaterNSW, New Dungowan Dam Fact Sheet (February 2020).*
37 *WaterNSW, Upper Mole River Dam Fact Sheet (October 2019).*
38 *Australian Construction Industry Forum, Australian Construction Market Report (November 2019); Australian Construction Industry Forum, Australian Construction Market Update Report (May 2020).*
39 *Australian Construction Industry Forum, Australian Construction Market Report (November 2019); Australian Construction Industry Forum, Australian Construction Market Update Report (May 2020).*
40 *Australian Construction Industry Forum, Australian Construction Market Report (November 2019); Australian Construction Industry Forum, Australian Construction Market Update Report (May 2020).*
41 *Australian Construction Industry Forum, Australian Construction Market Report (November 2019); Australian Construction Industry Forum, Australian Construction Market Update Report (May 2020).*
42 *Australian Construction Industry Forum, Australian Construction Market Report (November 2019); Australian Construction Industry Forum, Australian Construction Market Update Report (May 2020).*

2.3.3.3 Residential and non-residential building and construction activity in NSW

Over the four-year period from FY15 to FY19, total building and construction work in NSW grew at a CAGR of 6.3% to $75bn.[43] Over the same period, residential building and construction grew at a CAGR of 4.2% to $36bn and non-residential building and construction (commercial and industrial) grew at a CAGR of 8.2% to $15bn.[44] The balance comprises engineering and infrastructure construction activity.

From FY19 to FY24, ACIF forecasts total construction activity in NSW to decline by 4.4% to $71bn.[45] During this period, residential building and construction is expected to decline by 4.2% to $34bn and non-residential building and construction by 13.1% to $13.3bn.[46] The expected decline in overall work is largely reflective of the expected softening in dwelling investment.[47]

Figure 2: NSW building and construction aggregates[48]



2.3.4 Resources sector activity in Australia

Demand for MAAS Group's services to the resources sector is driven by resources production and construction activity, including associated capital expenditure (as described below). Construction activity in the resources sector typically comprises a variety of engineering disciplines including civil, mechanical and structural construction services, electrical, instrumentation and control design and installation services. Additionally, production and construction activity drive the consumption of construction materials and demand for equipment and related services.

2.3.4.1 Resources sector production activity in Australia

In FY20, the resources sector accounted for approximately 9% of Australia's GDP.[49]

The COVID-19 pandemic led to an economic contraction as discussed above. However, with respect to resource commodity markets the most notable development in recent months has been the strength of Chinese demand, as the level of economic activity in China recovers to pre COVID-19 levels. Despite generally weaker prices, both higher export volumes and a lower than expected Australian dollar resulted in Australia's resource and energy exports to reach a record $290bn in FY20.[50]

43 *Australian Construction Industry Forum, Australian Construction Market Report (November 2019); Australian Construction Industry Forum, Australian Construction Market Update Report (May 2020).*

44 *Australian Construction Industry Forum, Australian Construction Market Report (November 2019); Australian Construction Industry Forum, Australian Construction Market Update Report (May 2020).*

45 *Australian Construction Industry Forum, Australian Construction Market Report (November 2019); Australian Construction Industry Forum, Australian Construction Market Update Report (May 2020).*

46 *Australian Construction Industry Forum, Australian Construction Market Report (November 2019); Australian Construction Industry Forum, Australian Construction Market Update Report (May 2020).*

47 *Australian Construction Industry Forum, Australian Construction Market Report (November 2019); Australian Construction Industry Forum, Australian Construction Market Update Report (May 2020).*

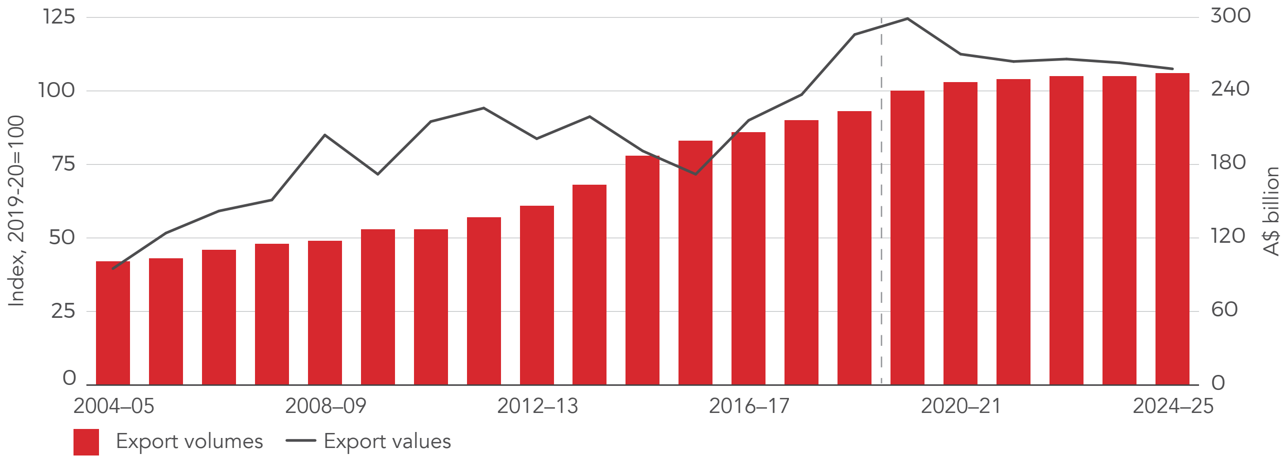
48 *Australian Construction Industry Forum, Australian Construction Market Report (November 2019); Australian Construction Industry Forum, Australian Construction Market Update Report (May 2020).*

49 *Department of Industry, Innovation and Science, Resources and Energy Quarterly (September 2020).*

50 *Department of Industry, Innovation and Science, Resources and Energy Quarterly (September 2020).*

The Office of the Chief Economist (Department of Industry, Science, Energy and Resources) forecast Australian export volumes to rise 3.9% over FY21 and FY22. It anticipates this increase in export volumes will be offset by a fall in commodity price and rising Australian dollar leading to its forecast FY21 and FY22 Australian export values of $256bn and $252bn respectively.[51] Over the period from FY20 to FY22, the Australian Department of Industry, Innovation and Science forecasts total production growth of 17.1% in gold, 1.3% in copper, 54.8% in nickel and 17.4% in zinc.[52] MAAS Group has an exposure to growth in these commodities through the customers it services across several of its segments.

Figure 3: Australia's resource export values/volumes[53]



Demand for mineral commodities is aligned to the mineral's application and underlying dynamics. Historically, mineral commodities have been positively correlated to global economic and population growth. As a result of containment measures to limit the health impacts of the COVID-19 pandemic, the International Monetary Fund forecasts the global economy to contract by 4.9% in CY20, and projects 5.4% global growth in CY21.[54]

Major global trends, including urbanisation and the resultant demand for infrastructure investment, are expected to sustain long-term demand for metals and minerals, while the transition to renewable energy technologies, energy storage, and electric vehicles is expected drive demand for "new technology minerals" such as graphite, lithium, copper, nickel and cobalt.[55]

Over recent years there has been an increased focus by mining companies on productivity and safety given increasing geological, operational and environmental complexities. As a result, many mining operations seek innovative products and services that assist with improving operating efficiency. It is generally considered that the majority of near-surface, high quality mineral deposits have been identified and developed, leading to future deposits being deeper, more remote and more difficult to mine. Underground mining also benefits from having smaller footprints that can reduce the environmental and community impact relative to surface (open-cut) operations. Over time, the Company anticipates that there will be a proportional increase in more complex underground mining operations relative to open cut mining operations. MAAS Group is well positioned to benefit from this trend given its cost competitive and growing underground mobile equipment and electrical equipment manufacturing capability.

2.3.4.2 Resources sector capital investment activity

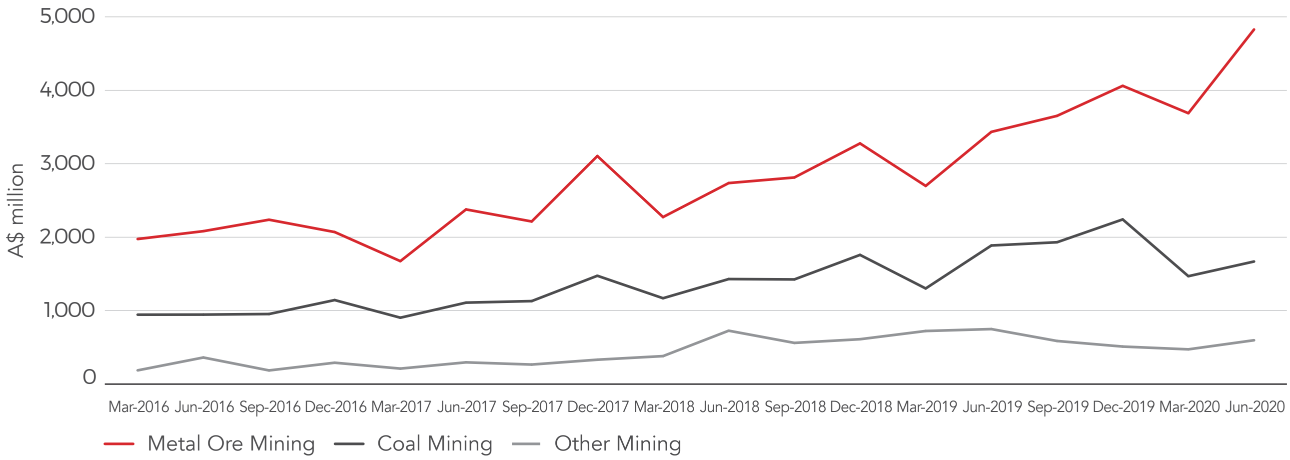
Mining capital expenditure is typically influenced by expectations of future commodity demand and pricing and the need to address resource depletion in operating mines. Operational expenditure is typically influenced by the level of commodity production activity and a focus on operating efficiency.

After reaching a peak in FY13, mining industry capital expenditure declined over the six years to FY19. In FY20, total mining investment in Australia exceeded $35bn.[56] It is expected that capital investment in mining and resources will remain steady at this level through FY21,[57] driven by ongoing strength in commodity prices.[58]

51 *Department of Industry, Innovation and Science, Resources and Energy Quarterly (September 2020).*
52 *Department of Industry, Innovation and Science, Resources and Energy Quarterly (September 2020).*
53 *Department of Industry, Innovation and Science, Resources and Energy Quarterly (June 2020).*
54 *World Economic Outlook Update, International Monetary Fund (June 2020).*
55 *CSIRO Futures, Mining Equipment Technology and Services – A Roadmap for unlocking future growth opportunities for Australia (May 2017).*
56 *Department of Industry, Innovation and Science, Resources and Energy Quarterly (September 2020).*
57 *Department of Industry, Innovation and Science, Resources and Energy Quarterly (September 2020).*
58 *Department of Industry, Innovation and Science, Resources and Energy Quarterly (September 2020).*

Despite the recent decline in capital expenditure across the broader industry, expenditure in key commodity exposures for MAAS Group stabilised and experienced significant growth over the period FY18 to FY20.[59] With the exception of oil and gas extraction, which declined at a CAGR of 28.6%, coal mining grew at a CAGR of 14.6%, metal ore mining grew at a CAGR of 26.6% and other mining (metallic mineral mining and exploration mining) grew at a CAGR 26.3% over the period.[60]

Figure 4: Mining industry capital expenditure by commodity[61]



2.3.5 Global tunnelling and underground development activity

According to the ITA, the global tunnelling and underground development market generates approximately $100bn of construction activity per annum, driven by the increasing requirement for underground mining applications and rising urban populations prompting governments to seek underground solutions.[62]

MAAS Group is well positioned to benefit from this significant addressable market given its extensive range of cost competitive, specialised underground mobile equipment and electrical equipment and capability to provide innovative solutions to customers operating in the tunnelling and underground development sector.

MAAS Group is currently contracted on large tunnelling and underground development projects including Sydney WestConnex 3A, Brisbane Cross River Rail, Melbourne Cross Yarra Passage and Snowy 2.0.

2.4 Regulatory framework

MAAS Group is required to comply, within each industry, with a broad range of laws and regulations in each jurisdiction where it conducts business.

Australia

In Australia, federal, state and local governments play significant roles both as regulators and major clients. Other regulators include industry specific trade and accreditation bodies.

MAAS Group is required to hold environmental licences, development consents and construction certificates for screening and crushing activities at the Company's quarries. The capacity of MAAS Group's extraction activities is determined by its environmental protection licences granted under the *Protection of the Environment Operations Act 1997* (NSW) and development consents issued pursuant to the *Environmental Planning and Assessment Act 1979* (NSW). MAAS Group must also observe special conditions imposed by the NSW Environmental Protection Authority and relevant local councils. MAAS Group also has authority to use electrical contractor licenses in WA and QLD pursuant to the *Electrical Safety Regulation 2013* (Qld) and *Electricity Licensing Regulations 1991* (WA).

59 *Australian Bureau of Statistics (ABS), Private new capital expenditure and expected expenditure (Report 5625.0) (June 2020).*
60 *Australian Bureau of Statistics (ABS), Private new capital expenditure and expected expenditure (Report 5625.0) (June 2020).*
61 *Department of Industry, Innovation and Science, Resources and Energy Quarterly (September 2020). Excludes Oil and Gas.*
62 *ITA (International Tunneling and Underground Association), A positive outlook for global tunneling industry (March 2017).*

In the civil construction and hire industry, MAAS Group must comply with various laws relating to civil and electrical infrastructure construction and hire services. In order to provide contestable electrical infrastructure services, MAAS Group must obtain accreditation under the *Electricity Supply Act 1995* (NSW). MAAS Group's accreditation is issued by the NSW Department of Planning and the Environment. MAAS Group entities must also hold contractor licenses issued by NSW Fair Trading pursuant to the *Home Building Act 1989* (NSW) to perform residential building and trade work.

MAAS Group's Real Estate segment is subject to stringent environmental planning laws and regulations relating to the design, construction and management of property developments. This includes state environmental planning laws including the *Environmental Planning and Assessment Act 1979* (NSW). MAAS Group currently holds development consents required under state laws and council regulations. MAAS Group is also required to hold construction certificates, subdivision certificates and road permits. Key players within the regulatory framework include the Australian Building Codes Board, Standards Australia, the Australasian Procurement and Construction Council and builders' licensing authorities.

MAAS Group must also hold licences, authorisations and certificates in relation the supply of underground equipment and services, including a motor dealers and repairers licence pursuant to the *Motor Dealers and Repairers Act 2013* (NSW). In order to carry out safety checks on vehicles, MAAS Group is authorised to operate a vehicle inspection station by Roads and Maritime Services NSW.

More generally, MAAS Group must comply with laws and regulations in each state where it conducts operations, such as employment, work place health and safety, taxation, consumer protection and intellectual property. MAAS Group entities must also comply with transport and heavy vehicle legislation, including the Heavy Vehicle National Law adopted in NSW and applicable exemption notices issued by the NSW State Government.

Vietnam

MAAS Group's entities are required to comply with local laws and regulations which apply to their Vietnamese operations or the entities operating within Vietnam.

Under Vietnamese law, to undertake the manufacturing enterprise undertaken by VMS, foreign investors must register the 'investment project' and establish an enterprise to implement that project. The investment project of VMS is:

- the manufacture of concrete injection machines, concrete transportation machines in underground mining, high voltage cabinets and substations;
- the repair and maintenance of machines and equipment; and
- the export, import and wholesale distribution of, among others, machines and equipment,

in accordance with the Investment Registration Certificate issued in respect of the investment project. VMS is also required to obtain various environmental and construction permits and authorisations for its activities, including, approval of an Environmental Impact Assessment Report, a construction permit and approval for fire prevention and extinguishment design. VMS has ongoing environmental compliance requirements including filing semi-annual and annual environmental supervision reports.

MAAS Group has compliance requirements in respect of its Vietnamese employees, including, for companies with more than ten employees, registration of internal labour rules with the labour authority where such entity is located.

Under Vietnamese law, land is considered as property under collective/common ownership of the people, and as such, a Vietnamese or foreign individual or entity cannot be permitted to 'own' land. The State of Vietnam acts as the owner's representative by granting land use rights to land users and managing the land use.

2.5 Impact of COVID-19 pandemic

The ongoing outbreak of COVID-19 may have a material adverse impact on MAAS Group and its key industry and end market exposures by business unit, as well as the Australian and global economy. Though there is continuing uncertainty as to the final effects of the COVID-19 pandemic, MAAS Group expects that government infrastructure stimulus packages and fiscal stimulus to employment will soften any potential effect it may have. The impact of COVID-19 on MAAS Group has, to date, been largely limited to the Real Estate segment, with delays in land settlements, and the Underground Equipment and Services segment, with a slowdown in supply chains out of Vietnam. To date no MAAS Group employees have tested positive to COVID-19, however there is continuing uncertainty as to the final effects of the COVID-19 pandemic. Refer to Section 7.2.29 for further information regarding the risks associated with the COVID-19 pandemic.

Section 3
Company Overview

3 Company Overview

3.1 Overview of MAAS Group

3.1.1 Introduction

MAAS Group is a leading independent Australian construction materials, equipment and services provider with diversified exposures across the civil, infrastructure, mining and real estate end markets. MAAS Group operates a vertically integrated and diversified business model in key growth markets in Australia, with a strong presence in regional areas, and has an emerging international presence.

MAAS Group is headquartered in Dubbo, NSW, and operates across Australia and internationally with key locations in Sydney, Perth, Brisbane, and Vietnam. MAAS Group has approximately 631 employees across Australia and South East Asia.

MAAS Group has experienced significant growth since the business was founded by Wes Maas in 2002. This growth has been underpinned by a disciplined investment philosophy and framework, ensuring that MAAS Group manages its assets efficiently and participates in economically viable projects.

MAAS Group is strategically positioned to capitalise on its exposure to the civil, infrastructure, mining and real estate end markets as set out in Section 2. The current significant pipeline of infrastructure construction in regional NSW is anticipated to provide opportunities for MAAS Group to leverage its strong market positions and vertically integrated business model to provide construction materials, equipment and services to a range of civil and infrastructure projects. Further, economic and population growth in regional NSW is expected to drive demand for affordable housing and services, providing opportunities for MAAS Group to develop existing and additional residential housing estates and commercial properties. There are also global opportunities for MAAS Group to expand its product range and distribution reach for its mobile and electrical equipment in the specialised civil tunnelling and underground hard-rock mining markets. The Company has manufacturing facilities in Vietnam that supply underground mobile and electrical equipment to the civil tunnelling and underground hard-rock mining industries in Australia and globally.

MAAS Group delivered $221.8m of pro forma revenue and $64.7m of pro forma EBITDA in FY20 representing 15% revenue and 29% EBITDA growth notwithstanding the 2020 bushfires and COVID-19 pandemic.

MAAS Group operates through four complementary business segments: Construction Materials, Civil Construction and Hire, Real Estate and Underground Equipment and Services. A summary of each segment is provided in Figure 5 below.

Figure 5: MAAS Group segments

Segments	Construction Materials	Civil Construction and Hire	Real Estate	Underground Equipment and Services
Brand(s)	REGIONAL GROUP	MAAS PLANT HIRE, MAAS CIVIL, JLE Engineering Electrical Power, NATIONWIDE MACHINERY	MAAS PROPERTIES	EMS GROUP, COMET EQUIPMENT, VMS, JACON EQUIPMENT
Business units	• Quarries • Crushing and Screening • Premix and Precast Concrete	• Plant Hire and Sales • Civil Construction • Electrical Services	• Residential • Industrial and Commercial	• Underground Mobile Equipment Hire • Underground Equipment Manufacturing and Sales
Key services and products	• 20 long life quarries strategically located in regional NSW growth markets • Supply of quarry products to civil and infrastructure construction projects • Supply of product to key NSW government departments and Councils • Mobile crushing and screening • Premix concrete and precast concrete products	• Significant plant hire business supplying quality plant and equipment to major construction and infrastructure projects • Civil infrastructure construction, roads, dams and mining infrastructure • Electrical infrastructure, communications and specialised services • Plant acquisition and sales • Underground electrical equipment manufacture, hire, and sales for tunnelling and underground hard-rock mining	• Significant pipeline of residential housing lots throughout NSW • Future industrial and commercial developments	• Mobile equipment sales for tunnelling and underground hard-rock mining • Underground equipment hire • Manufacture and sales of equipment and attachments in Australia and Vietnam for underground and civil markets
Key business drivers	• Domestic civil and infrastructure construction activity • Vertical integration with other MAAS Group segments	• Domestic civil and infrastructure construction activity • Electrical infrastructure and communications activity • Mining activity • Vertical integration with other MAAS Group segments	• Pipeline of approximately 4,400 residential lots • Population growth in regional NSW • Demand for affordable housing • Vertical integration with other MAAS Group segments	• Global underground tunnelling/ infrastructure construction activity • Underground hard-rock mining activity – domestic and global • Vertical integration with other MAAS Group segments

Segments	Construction Materials	Civil Construction and Hire	Real Estate	Underground Equipment and Services
FY20 pro forma Revenue[63]	• $45.2m	• $113.7m	• $39.2m	• $43.6m
FY20 pro forma EBITDA[63]	• $17.8m	• $22.3m	• $15.3m	• $15.2m
FY20 pro forma EBITDA contribution (%)[63]	• 25%	• 32%	• 22%	• 21%
Geographical presence	• Strategic locations in Regional NSW along the Newell Highway and Inland Rail developments • Dubbo, NSW • Gilgandra, NSW • Narromine, NSW • Moree, NSW • Orange, NSW • Forbes, NSW • West Wyalong, NSW • Narromine, NSW • Tullamore, NSW • North Star, NSW	• Dubbo, NSW • Orange, NSW • Sydney, NSW • Brisbane, QLD • Perth, WA • Gladstone, QLD • Further presence across the ACT and VIC	• Dubbo, NSW • Orange, NSW • Mudgee, NSW • Tomago, NSW • Maitland, NSW • Ulan, NSW • Tamworth, NSW	• Dubbo, NSW • Orange, NSW • Sydney, NSW • Brisbane, QLD • Kalgoorlie, WA • Melbourne, VIC • Perth, WA • Vietnam • Further sales and distribution presence in India, Indonesia, Mongolia, Chile, Hong Kong, Singapore, and the UK/Europe
Employees		427 (Australia) 204 (Vietnam)		

3.1.2 History of MAAS Group

The business that became MAAS Group was founded in Dubbo, NSW, in 2002 by Wes Maas with a single bobcat and tipper truck, initially undertaking town-based hourly plant for hire works and expanding to small scale civil works projects in 2004.

Equipment sales were commenced in 2007 following the purchase of an articulated dump truck and the business experienced strong growth across its Plant Hire and Sales business unit, expanding into project related work for coal, gas and infrastructure projects. The Construction Materials segment was established via the acquisition of a leasehold quarry site in Dubbo in 2007, providing MAAS Group with the opportunity to source and supply quarry products and provide mobile crushing and screening services.

In 2015 the business model was further diversified, investing in underground hard-rock equipment and services company EMS, and also expanding into residential property development with the purchase of a number of residential subdivision assets. The Real Estate segment provided additional opportunities for vertical integration across the group, facilitating further growth in the Construction Materials and Civil Construction and Hire segments. Following a period of strong growth in the EMS brand, MAAS Group expanded its range of specialised underground equipment in 2019 through the acquisition of Jacon, a Vietnam-based underground equipment manufacturing business.

63 *Pre-corporate expense and intercompany eliminations.*

In addition to its own business growth, over its history, MAAS Group developed strong and complementary relationships and supported the growth of select local businesses providing essential equipment and services to the Company, including Nationwide (plant procurement and sales) and JLE Electrical (electrical services). In 2019, these businesses together with EMS were merged into MAAS Group Holdings Limited, establishing a unified and diversified industrial group and providing a platform for future growth of the Company as a leading independent Australian construction materials, equipment and services provider. In 2020, MAAS Group continued to integrate each of its businesses and also expanded its offering with the addition of 11 quarries and the expected acquisition of the Macquarie Geotechnical business to provide in-house capability in quality testing and assurance for construction materials (refer to Section 8.7.1).

The key milestones in the group's history are set out in the illustrative timeline in Figure 6 below.

Figure 6: The group's history

CY02 - CY06

SETTING THE FOUNDATIONS
- **Wes Maas founded**
- Commenced small-scale civil construction works
- Commenced town-based plant for hire works

CY07 - CY12

RAPID GROWTH
- Expanded into coal, gas and infrastructure projects
- Nationwide Machinery purchased its first truck
- **Established the Plant Hire and Sales and Civil Construction business units**
- Acquired a leasehold quarry and started the Regional Group brand

CY13 - CY18

DIVERSIFIED TO CONTINUE GROWTH
- **Established MAAS Group Properties** and purchased residential subdivisions:
  - Southlakes, Keswick and Magnolia in Dubbo
  - Bombira in Mudgee
- **Established Quarries and Crushing and Screening** business units
  - Acquired South Keswick Quarry
- **Invested in EMS Group**

CY19

A UNIFIED, DIVERSIFIED COMPANY WITH A CLEAR GROWTH STRATEGY
- Acquired additional quarries (including Dubbo Sands) and residential subdivisions (including Bizitay)
- Acquired Millers to expand Crushing and Screening business unit
- Significant expansion within **Underground Equipment and Services segment**:
  - Acquired Jacon
  - Vietnam manufacturing facility opened
- **In 2019, all businesses merged into MAAS Group Holdings Ltd**

CY20

CONTINUED INTEGRATION AND GROWTH OF MAAS GROUP'S CORE BUSINESSES
- Continued integration of the MAAS Group businesses
- Expansion into Premix and Precast Concrete
- Addition of 11 quarries
- Acquired option to expand MAAS Group Properties into Tamworth
- Expected acquisition of Macquarie Geotech

3.1.3 Disciplined investment approach

MAAS Group employs a disciplined approach to the deployment of capital and managing assets, with a focus on achieving strong financial returns on investment. Prospective investments and projects are subject to strict hurdle rates including ROIC[64] metrics. This strict focus on returns is maintained to ensure that capital and assets are deployed selectively on projects with positive cash flows and a visible pathway to profitability. Other key performance indicators monitored closely by management include profitability, margins, the percentage of the project able to be completed using MAAS Group's internal resources (e.g. plant and employees), and IRR.

MAAS Group's strong historical track record of sustained, profitable growth demonstrates management's ability to consistently identify profitable projects and attractive investment opportunities.

3.1.4 Valuable quarry and property portfolio

MAAS Group has undertaken significant historical investment in a portfolio of strategic quarry and property assets that do not currently generate earnings, but are anticipated to contribute to future shareholder value for MAAS Group.

Quarries: MAAS Group is only currently operating nine out of its 20 quarries. MAAS Group has invested in 11 strategically located quarries in CY20 in anticipation of demand for its product emanating from infrastructure projects. MAAS Group sold approximately 1m tonnes of quarry products in FY20, however MAAS Group has current capacity of 3.255m tonnes per annum with potential to upgrade to 7.77m tonnes per annum in the future. MAAS Group expects to sell between 2m and 3m tonnes per annum over the next few years.

Real Estate – Residential: MAAS Group has a pipeline of approximately 4,400 residential subdivision lots (refer to Figure 28). This is expected to provide approximately 15 years of subdivision sales. MAAS Group settled 125 lots in FY20 and expects to sell approximately 200 lots in FY21 based on current market conditions. Subject to obtaining the relevant approvals there is expected to be a further step change when MAAS Group begins developing the Tamworth subdivisions, stepping up to potential sales in excess of 300 lots per annum.

Real Estate – Industrial and Commercial: MAAS Group has 12 Industrial and Commercial real estate developments planned over the course of the next few years. The current portfolio is described further in Section 3.4 (refer to Figure 41 for a summary of the Industrial and Commercial development portfolio).

3.2 Business segments

MAAS Group operates four complementary business segments: Construction Materials, Civil Construction and Hire, Real Estate and Underground Services and Equipment.

3.2.1 Construction Materials

Construction Materials operates under the Regional Group brand, comprising of 20 strategically located quarries throughout NSW and one of the largest mobile crushing and screening operations in NSW.

The business has extensive reach across regional NSW, with an established track record of supplying quarry products and providing crushing and screening services for customers including Councils and major contractors.

The Construction Materials segment typically competes with national operators including Holcim, Boral, and Hanson, and a number of smaller local and regional quarry, concrete and precast concrete operators. Competition in the supply of quarry materials tends to be based on product quality, the ability to meet customer specifications, reliability of supply and the delivered cost of materials, which is dependent on the distance from a quarry to the customer's site. The addition of the Macquarie Geotechnical business is expected to provide MAAS Group with in-house quality assurance capability to ensure it can reliably supply concrete for all applications, including major infrastructure projects, to the highest specifications.

The Construction Materials segment is anticipated to grow both organically and through the potential acquisition of select quarries.

A summary of the business units that comprise the Construction Materials segment can be found in Figure 7.

64 *Defined as Profit Before Tax/Total Invested Capital.*

Figure 7: Business units – Construction Materials

Business units/brands	Services	End markets	Customers include
Quarries	• Supply of quarry products to construction projects	• Civil infrastructure • Real estate • General construction	• NSW Government Transport and Maritime Services • Dubbo Regional Council • Orange City Council • John Holland • Fulton Hogan • Haslin • BMD • Inland Rail • GSC Gilgandra Shire Council • Triton Copper Mine • KB Concrete • Other major construction materials companies
Crushing and Screening	• Mobile crushing and screening	• Mining • Civil infrastructure • Real estate	• Dubbo Regional Council • Gosford Quarries • Narromine Shire Council • Narrabri Shire Council • Brewarrina Shire Council • Temora Shire Council • Parkes Shire Council • Zenviron
Premix and Precast Concrete	• Provide premix concrete and precast concrete products	• Mining • Civil infrastructure • Real estate	• Operations yet to commence

The Construction Materials segment delivered strong growth in FY20. This growth was driven by the acquisition and development of quarries in strategic locations within NSW. The increased scale of operations has enabled MAAS Group to reduce operating costs through the centralisation of administrative functions.

Figure 8: Construction Materials Pro forma Revenue

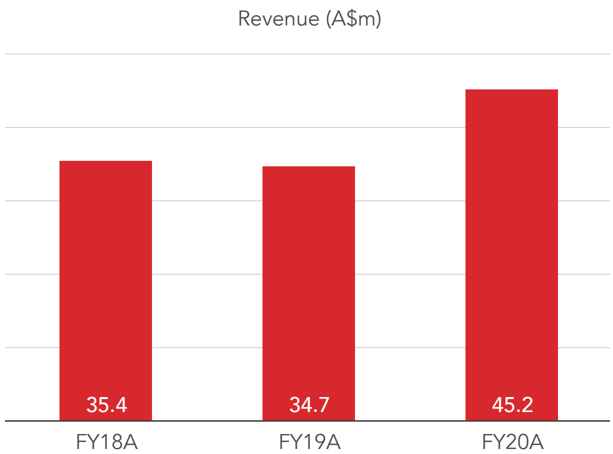
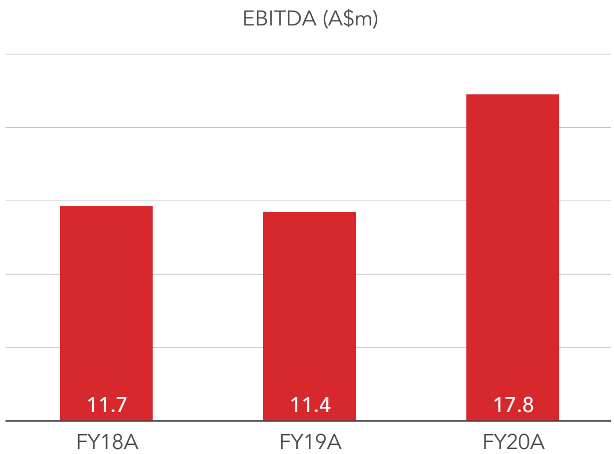


Figure 9: Construction Materials Pro forma EBITDA



Refer to Section 5.8.2.1 for a discussion of the Construction Materials segment's historical financial performance.

Quarries

Regional Group has 20 quarries located throughout NSW, comprising six permanent freehold quarries and 14 leased quarries, with three of these pits operated on a campaign basis under third party royalty agreements to service customer or project demand.

MAAS Group's quarries have long estimated reserve lives, and are strategically located along, or close to, major transport roads. All quarries are well located in close proximity to areas of expected near and medium-term demand for construction materials. The close proximity of the quarries to one another means they can have a centralised administration system and share equipment where required.

The locations of MAAS Group's quarries are depicted in Figure 10 and details of each quarry are provided in Figure 11. MAAS Group has established or acquired quarries along both the Newell Highway and Inland Rail developments, which are both key sources of projected demand for quarry materials.

Figure 10: Quarry locations

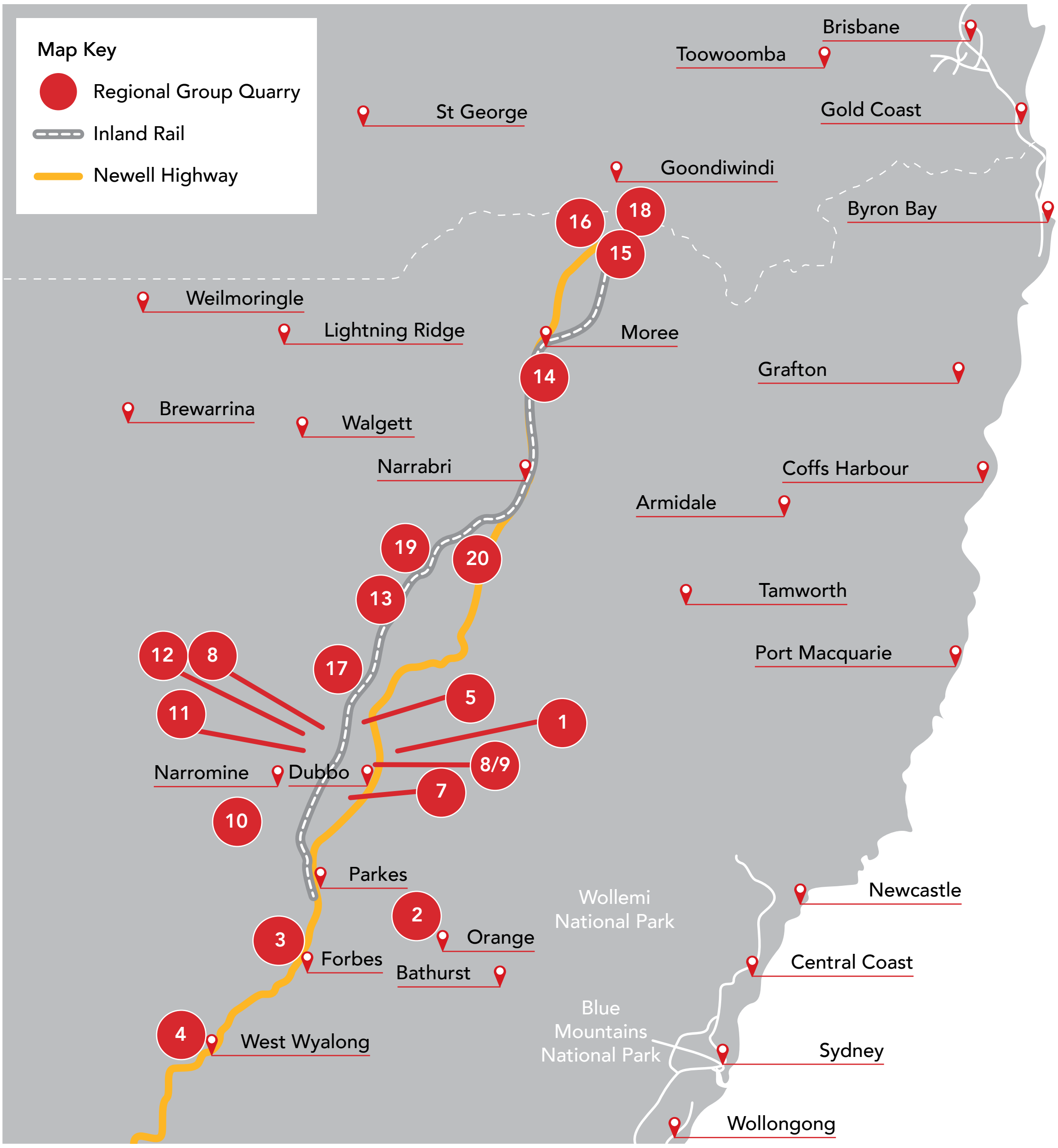


Figure 11: Quarries and planned developments

	Quarry	Ownership	Status	Current annual consent (tonnes p.a.)	Potential future upgrade (tonnes p.a.)[65]	Projects serviced
1	**South Keswick**	Freehold	Operating (Fixed plant, long term operation)	495,000	495,000	• Inland Rail • Newell Highway • Regional Rail Project (ARTC) • South Keswick baseload demand
2	**Bald Hill**	Freehold	Operating (Mobile plant, long term operation)	150,000	250,000	• Orange baseload demand
3	**Forbes**	Freehold	Operating (Fixed plant, long term operation)	495,000	495,000	• Newell Highway • Inland Rail • Forbes baseload demand
4	**West Wyalong**	Freehold	Operating (Fixed plant, long term operation)	250,000	250,000	• Newell Highway • West Wyalong baseload demand
5	**Dubbo Sands**	Freehold	Operating (Fixed plant, long term operation)	150,000	495,000	• Skypark Narromine • Apex Oval, Dubbo • Drainage Aggregates • DRC Grey Water Duplication project • Dubbo and surrounding regions baseload demand
6	**Macquarie Manor, Narromine**	Leased	Operation to commence in 2021 (Long term operation)	495,000	495,000	• Newell Highway • Macquarie Manor and Narromine baseload demand
7	**Cooks Pit**	Leased	Operational (Campaign basis)	30,000	30,000	• Newell Highway • Supplies fill product on a campaign basis
8	**Mewburns MAAS**	Leased	Operational (Campaign basis)	30,000	30,000	• Newell Highway • Mewburns baseload demand
9	**Mewburns Old RMS**	Leased	Operational (Campaign basis)	30,000	30,000	• Newell Highway • Mewburns baseload demand

65 *Potential upgrades subject to successful receipt of relevant licence/permit amendment applications.*

	Quarry	Ownership	Status	Current annual consent (tonnes p.a.)	Potential future upgrade (tonnes p.a.)[65]	Projects serviced
10	**Tullamore**	Leased	Operation to commence in 2021 (Long term operation)	60,000	250,000	• Clean Teq Sunrise Project • Tullamore baseload demand
11	**Dappo Road**	Leased	Operation to commence in 2021	Consent pending	495,000	• Inland Rail • Newell Highway • Dappo Road baseload demand
12	**Eumungerie Road, Narromine**	Leased	Operation to commence in 2021	Consent pending	495,000	• Inland Rail • Eumungerie Road baseload demand
13	**Mount Tenandra**	Leased	Operation to commence in 2021 (Long term operation)	Consent pending	495,000	• Inland Rail • Mount Tenandra baseload demand
14	**Bellatta**	Leased	Operation to commence in 2021 (Long term operation)	Consent pending	495,000	• Inland Rail • Newell Highway • Bellatta baseload demand
15	**Pearlman**	Leased	Operation to commence in 2021	495,000	495,000	• Inland Rail
16	**Tikitere**	Leased	Operation to commence in 2020	495,000	495,000	• Inland Rail • Newell Highway • Tikitere baseload demand
17	**Berakee, Gilgandra**	Freehold	Operating (Long term operation)	80,000	495,000	• Inland Rail • Berakee baseload demand
18	**North Star**	Leased	Operation to commence in 2021 (Long term operation)	Consent pending	495,000	• Inland Rail • Newell Highway • Regional area baseload demand
19	**Table Top Mountain**	Leased	Operation to commence in 2021	Consent pending	495,000	• Inland Rail • Table Top baseload demand
20	**Baradine**	Leased	Operation to commence in 2021	Consent pending	495,000	• Inland Rail • Baradine baseload demand
	Total			**3,255,000**	**7,770,000**	

In FY20, the Quarries business unit sold approximately 1m tonnes of quarry products. The quarries currently have capacity for 3.255m tonnes with potential to upgrade to 7.77m tonnes per annum. Capacity of the quarries today exceeds historical rates of production and MAAS Group expects that it will be able to significantly increase capacity with minimal further investment and licence improvements, many of which have already been received or are in the process of receiving approval.

The quarries supply aggregates, crushed rock and road base, fill material, sand and specialty rock predominantly to key NSW government departments, Councils, major infrastructure projects, ready-mix concrete plants, residential and commercial builders, and road builders.

Key quarry products supplied by the Quarries business unit are summarised in Figure 12 below. The Quarries business unit has the in-house capability and transport equipment to deliver large volumes of quarry products to sites as required. The Quarries business unit also supplies quarry materials to the Company's own projects, including its civil works projects and residential housing developments.

Figure 12: Key quarry products

Aggregates	Crushed Rock and Road Base	Fill Material	Sand	Specialty Rock
				
• Concrete aggregates • Sealing aggregates • Decorative aggregates • Drainage aggregates • Dust/manufactured sand • Rail ballast	• Specified road base • Cement treated road base • Crushed rock • Non-specification road base	• General fill • Specified fill • Unspecified fill	• Manufactured sand • Natural sand • Overburden	• Armour rock • Gabion rock • Shot rock • Spalls

Crushing and Screening

The Crushing and Screening business unit provides contract services under the Regional Group brand, including crushing and screening for quarries and civil works. The Crushing and Screening business unit operates one of the largest mobile crushing and screening fleets in NSW, providing the capability to deliver a broad range of tailored screening and solutions.

The mobile fleet has the capability to work in hard-rock quarries, mines and civil projects. Key external Crushing and Screening customers include Councils, mines and major contractors, and the business unit also provides crushing and screening services at MAAS Group owned quarries and civil construction projects. The Crushing and Screening operations are expected to grow organically as the Company's quarry network expands.

Following the acquisition of the Millers business in August 2019, the Crushing and Screening business unit has access to a significant fleet that provides flexibility for future growth in expanding existing quarry assets or commissioning greenfield quarries.

Figure 13: Equipment breakdown by type as at 30 June 2020

Machinery type	Total	Average % of life remaining
Jawcrushers	12	50%
Boom Lifts	2	76%
Cone Crushers	9	67%
Drills	2	28%
Dump Trucks	7	31%
Excavators	4	64%
Fixed crushing plant	11	65%
Forklifts	3	85%
Generators	9	52%
Impactors	2	71%
Loaders	17	35%
Pugmills	4	89%
Screens	15	67%
Skid Steer	4	74%
Stackers	15	65%
Watercarts	4	22%
Tipper and dog trailers	38	38%
Total/average:	**158**	**58%**

Premix and Precast Concrete

The Construction Materials segment has recently commenced an expansion into fixed and mobile premix concrete operations and precast concrete through the acquisition of all the assets belonging to Integrated Concrete Services, a mobile concrete and precast business, in June 2020.

MAAS Group has modern mobile concrete plants equipped with computerised batching software to ensure a high level of compliance on technical projects, which can be established on site within two days of mobilisation.

MAAS Group anticipates it will leverage its Quarries capability together with its mobile concrete capability to provide concrete and concrete products to the Inland Rail projects.

MAAS Group is in the advanced stages of establishing a precast concrete production site in Dubbo. The proposed facility will incorporate its own concrete batch plant and over 2,000m^2 of shed space. It will be large enough to manufacture the largest precast concrete units required for the Inland Rail project.

A large storage yard in excess of 20,000m^2 is also being constructed, allowing MAAS Group to produce units required for the Inland Rail project ahead of time to ensure any program risk is greatly reduced. Mould construction is well underway, and the business already has a large range of culvert and head wall moulds certified and ready for use.

MAAS Group's management has had extensive prior experience in the delivery of concrete and large scale mobile concrete projects in remote regions, with projects such as shotcrete supply to Cadia Mine, Cracow Mine, Eagle Downs Coal and structural concrete to large projects such as the Yeppen South Bridge in Rockhampton.

3.3.2 Civil Construction and Hire

The Civil Construction and Hire segment provides civil works and plant hire services to major civil and infrastructure projects along the east coast of Australia. JLE Electrical provides electrical infrastructure works, communication networks and electrical services.

The Civil Construction and Hire business units and brands are summarised in Figure 14 and described further below.

Figure 14: Business units – Civil Construction and Hire

Business units/brand(s)	Services	End markets	Customers include
Plant Hire and Sales MAAS PLANT HIRE	• Plant hire for major infrastructure projects	• Civil infrastructure • Mining	• INLink • BMD • Seymour Whyte • Fulton Hogan • CPB Contractors • John Holland • Lendlease
Civil Construction MAAS CIVIL	• Civil infrastructure construction, roads, dams and mining infrastructure	• Civil infrastructure • Mining	• Dubbo Regional Council • Coleman Rail • Fletcher International • David Payne Construction • Evolution Mining • Northparkes Mine • CPB Contractors • Graymont
Electrical Services JLE Engineering Electrical Power	• Electrical infrastructure, communications and specialised services • Specialised new and used underground electrical equipment manufacture, sales, hire, and project and site services	• Electrical infrastructure • Design and Engineering • General construction • Underground hard-rock mining • Civil tunnelling	• Visionstream • Orana Mall • Taronga Western Plains Zoo • UNE • NSW Government • Dubbo Regional Council • Coleman Rail • Fletcher International • David Payne Construction • Evolution Mining • Northparkes Mine • CPB Contractors

Where possible, MAAS Group aims to leverage its integrated business model to provide multiple civil, plant hire and electrical services to projects to maximise its revenue and margin opportunities. The group typically tenders on works comprising civil construction and/or electrical services, or to supply hire equipment to lead contractors for the project. Civil Construction and Electrical Services customers often overlap, providing the group opportunities to tender for projects together or separately. For example, the Civil Construction business unit may engage the services of JLE Electrical on a civil project. If the electrical services work is separated (may be an early works package), then JLE Electrical is also able to work directly for the customer rather than working for the group's Civil Construction business unit.

Key competitive advantages of the group's vertical integration in the Civil Construction and Hire segment include:

- enabling MAAS Group to present a stronger value proposition and increased convenience for customers by minimising the number of subcontractors and project managers on site and reducing project management costs, combining key works efficiently into a package as one service provider, whereas competitors may have increased costs and/or friction in bringing these costs together from different service providers;
- increased visibility of all the costs of a project, so MAAS Group can be more competitive on tenders; and
- sharing of tender opportunities across business units to enable MAAS Group to have more comprehensive visibility, allowing for earlier preparation and capture of a broader opportunity set.

MAAS Group's Civil Construction and Hire segment represents the historical backbone of its operations. Its exposure to major infrastructure projects both in NSW and Australia wide enables the business to leverage off its strong foundations to capitalise on these opportunities and to deliver consistent performance.

Figure 15: Civil Construction and Hire Pro forma Revenue

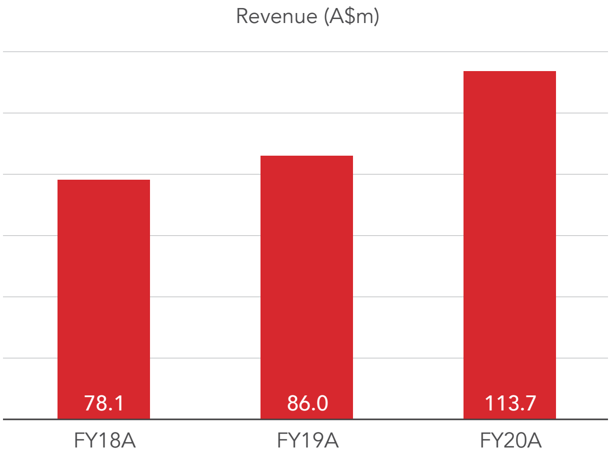
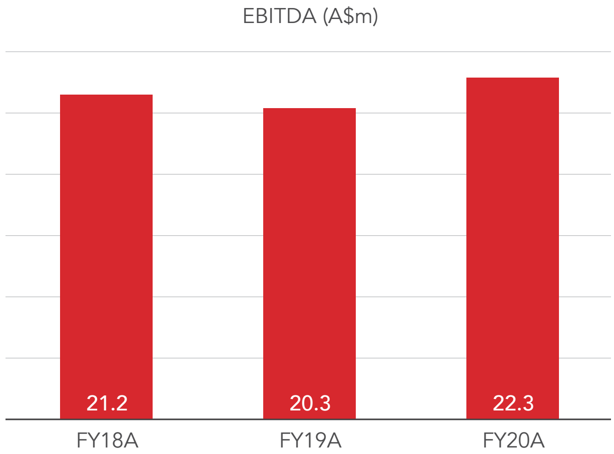


Figure 16: Civil Construction and Hire Pro forma EBITDA



Refer to Section 5.8.2.2 for a discussion of the Civil Construction and Hire segment's historical financial performance.

Plant Hire and Sales

The Plant Hire and Sales business unit supplies plant and equipment for hire or sale to the civil, infrastructure, property and above ground mining industries in Australia. The business maintains an extensive equipment fleet including articulated and rigid dump trucks, excavators, bulldozers, graders, compactors, loaders and water carts from leading brands such as Caterpillar, Komatsu, and Hitachi. The business unit also performs all service and repairs of its fleet in house.

Figure 17: Equipment overview

Brands	Example Equipment types		Sample equipment brands
MAAS PLANT HIRE NATIONWIDE MACHINERY	• Articulated dump trucks • Rigid dump trucks • Excavators • Compactors • Loaders • Dozers • Tipper trucks • Pumps • Water carts	• Rollers • Graders • Cranes • Forklifts • Telescopic handlers • Generators • Machinery attachments (buckets, grapples, hitches, booms etc)	• Caterpillar • Hitachi • Komatsu • Kenworth • Dynapac • Mack • Volvo

MAAS Group has a well-developed purchase and sale policy for its machinery, actively managing and monitoring the life of the fleet (tracked through a database weekly) and monitoring industry supply and demand dynamics for plant to facilitate timely and effective acquisitions and disposals of equipment. Historically, proceeds from disposal of equipment have contributed towards the cost of acquiring new equipment, as MAAS Group has utilised its scale and equipment market access to efficiently manage its fleet age and costs. MAAS Group benefits from significant scale, market position, and strong know-how in procuring plant, providing it with a competitive advantage in the fragmented equipment market.

MAAS Group's Plant Hire and Sales available hire fleet is summarised in Figure 18.

Figure 18: Plant Hire and Sales available hire fleet breakdown by type as at 30 June 2020

Machinery type	Total	Average % of life remaining
Compactors	7	62%
Dozers	13	47%
Articulated dump trucks	80	67%
Excavators	34	82%
Road water carts	8	50%
Graders	11	36%
Wheel loaders	31	68%
Rigid dump trucks	9	73%
Rollers	25	62%
Scrapers	12	64%
Articulated water carts	13	38%
Total/average	**243**	**59%**

The Plant Hire and Sales business unit has an extensive offering, with some key equipment examples shown in Figure 19.

Figure 19: Plant Hire and Sales – Equipment examples

Select equipment examples

Articulated Dump Truck

Excavator

Scraper

Grader

Water cart

Roller

The Plant Hire and Sales business unit provides equipment to MAAS Group's quarries, civil construction projects and residential and commercial property developments. This internal demand, along with external customer opportunities, has enabled the Plant Hire and Sales business unit to achieve high utilisation rates on its equipment. The Company's in-house repair and maintenance capability enables the Plant Hire and Sales business unit to extend the useful life of its equipment, minimise downtime and increase efficiency, while the Company's internal equipment trading and sales capability gives the Plant Hire and Sales business unit a competitive advantage in managing its equipment inventory to maximise returns on investment.

The business unit leases equipment to customers on both a 'Wet Hire' or Dry Hire basis, and has historically operated with an average utilisation rate of approximately 75% from FY18 to FY20. The ability to lease on either a Dry Hire or Wet Hire basis is a competitive advantage relative to other plant hire companies. Many competitors do not offer Wet Hire due to the difficulty in maintaining utilisation of equipment and staff when projects end. MAAS Group is able to also utilise these resources for its own civil works projects.

Figure 20: Plant Hire and Sales – example of key projects

	Job name	Client	Job description	MAAS project value	Average machines
	• WestConnex M5	• CPB/ Dragados/ Samsung JV	• A combination of dry hire and wet hire machinery to site • Tunnelling road infrastructure	• $6.9m • Complete	• 27
	• Eton Range	• Fulton Hogan	• A combination of dry hire and wet hire machinery to site • Road realignment for QLD main roads	• $2.8m • Complete	• 17
	• Sydney Metro	• John Holland/ CPB/Ghella JV	• Dry hire of machines to site • Rail tunnelling infrastructure	• $2.2m • Complete	• 10
	• WestConnex M4E	• CPB/ Samsung/ John Holland JV	• A combination of dry hire and wet hire machinery to site • Tunnelling road infrastructure	• $6.4m • Complete	• 25
	• Woodlawn Zinc/ Copper Mine	• Ertech	• Wet hire, mine infrastructure developments • Tailing dams, box cuts and civil site preparation	• $7.0m • Complete	• 30

	Job name	Client	Job description	MAAS project value	Average machines
	• Inland Rail	• Inlink JV	• Rail infrastructure and associated road infrastructure	• $6.2m • Complete	• 27
	• Upper Yarra Dam	• Seymour Whyte	• Dam safety upgrade – Deconstruct and reconstruct • Combination of wet and dry hire	• $5.4m • Ongoing	• 25
	• Snowy 2.0	• Future Generation	• Hydro power • Combination of wet and dry hire	• $6.3m • Ongoing	• 22
	• WestConnex M4 – M5 Link	• Lendlease/ Samsung/ Bouyges JV	• A combination of dry hire and wet hire machinery to site • Tunnelling road infrastructure	• $1.5m • Ongoing	• 8 – 12
	• Cross River Rail	• CBP/BAM Ghella/UGL JV	• A combination of dry hire and wet hire machinery to site • Tunnelling road infrastructure	• $2.4m • Yet to commence	• 8

The Plant Hire and Sales business unit is expected to grow as the business tenders to supply hire equipment to contractors undertaking construction works on major infrastructure projects throughout the east coast of Australia. Furthermore, MAAS Group is expected to benefit from contract wins by tier 1 and tier 2 contractors as they hire equipment to complete these contracts. The use of hire fleets by large contractors is expected to remain consistent, as contractors typically do not wish to purchase fleet for individual contracts.

The plant hire industry in Australia is fragmented, with MAAS Group representing a small proportion of the market. The industry features a number of small and medium sized state based plant hire providers, including Daracon, EA Hire, Egan's Plant Hire and Salmon Earthmoving.

Civil Construction

The Civil Construction business unit specialises in civil and infrastructure construction including roads, dams and mining projects, targeting "hard dollar" contracts and avoiding projects that involve design or engineering contracting risk. MAAS Group aims to maximise control over its own scope of construction works in order to control costs. This business model has enabled MAAS Group to generate a consistent track record of successful project completion and profitability. Examples of civil projects completed by MAAS Group include the South Dubbo Weir, Southlakes Estate, Dubbo Aviation Precinct, Parkes Logistics Terminal and the Fletcher Rail Siding Upgrade, which are in Figure 21 below. The Southlakes Estate project represents an example of MAAS Group's vertical integration and the benefits provided by the Company's residential and commercial property developments for Civil Construction.

Figure 21: Civil Construction – example of key projects

	Job name	Client	Job description	MAAS project value
	• Mugga Lane	• Dale & Hitchcock	• Machine hire (wet) and crushing hire, cells 3 & 4 for rubbish tip • Load and haul bulk earthworks	• <$2m • Complete
	• Dargues Creek	• Big Island Mining	• Machine hire (wet), bulk earthworks, tailings dams	• <$2m • Complete
	• Parkes Intermodal Terminal	• Coleman Rail	• Civil construction of intermodal terminal for Pacific National for the Inland Rail	• $3.7m • Complete
	• Dubbo Regional Airport Upgrades	• Dubbo Regional Council	• Civil construction and upgrade of general aviation precinct • Earthworks and construction of aeromedical facility • Civil construction of NSW Rural Fire Service training facility and carpark • Civil construction of road infrastructure	• $8.9m • Complete
	• South Dubbo Weir Fishway	• David Payne Constructions	• Environmental infrastructure	• $2.6m • Complete
	• Southlakes subdivision	• MAAS Properties	• Civil construction and road infrastructure	• $30m+ • Ongoing
	• Northparkes Mines	• Northparkes Mine CMOC	• Civil construction and infrastructure of tailings dams	• $8.4m • Complete

	Job name	Client	Job description	MAAS project value
	• Lake Cowal	• Evolution Mining	• 5km of road infrastructure	• $1.5m • Complete
	• Narromine Residential Subdivision	• Narromine Shire Council	• Civil construction and road infrastructure	• $1.5m • Complete
	• Narromine Light Industrial Subdivision	• Narromine Shire Council	• Civil construction and road infrastructure	• $3.4m • Complete
	• William Maker Drive Roundabout, Orange	• Orange Shire Council	• Road infrastructure	• $4.8m • Ongoing
	• Regional Rail Bulk	• CPB Contractors	• Bulk excavation and subgrade preparation	• $3.9m • Ongoing

	Job name	Client	Job description	MAAS project value
	• Southern Feeder Road Stage 3, Orange	• Orange Shire Council	• Road upgrade infrastructure • RMS intersection	• $6.9m • Ongoing
	• RAAF Base Subdivision, Dubbo	• Andorra Developments	• RMS traffic lights, construction of three roundabouts, sewer and stormwater infrastructure	• $4.8m • Ongoing

MAAS Group has a careful and selective approach to tendering. The business typically targets civil projects of up to $30 million value and where it can utilise MAAS Group employees and plant to complete the majority of the project. Since 1 July 2017, approximately 70% of Civil Construction projects have been less than $5 million. On larger projects, MAAS Group pursues opportunities to supply construction materials to the project or to provide plant hire to lead tier 1 and 2 contractors. MAAS Group's typically have a tenure of nine months on average, with the highly contracted nature of these projects and lead times providing clear visibility over profitability and equipment utilisation for the coming 9-12 months.

The Civil Construction business unit operates in a fragmented market, with a large number of competitors, primarily small and medium sized private operators including Hynash, A1 Earthworx, Dubbo Hardcore, Keeden Constructions, Robson, Ditchfield, JK Williams and occasionally tier 3 contractors such as Daracon at the top end of its project range.

Consistent with the expected growth in Plant Hire and Sales, Civil Construction is expected to grow as the business tenders for civil construction projects throughout the east coast of Australia and is expected to benefit from the significant infrastructure spending and growth in economic activity in these areas. The Civil Construction business unit also plans to tender on a range of smaller civil construction projects in regional NSW, and is expected to benefit from continued pull-through of demand from MAAS Group residential and commercial property developments.

Electrical Services

MAAS Group's Electrical Services business unit operates under the JLE Electrical brand and provides electrical infrastructure works, communication networks and electrical services as well as new and used underground electrical equipment sales, hire, and project and site services.

JLE Electrical is an authorised Level 1 and 2 Service Provider, designing and constructing overhead and sub-surface high voltage and low voltage powerlines and supplying and installing pole and pad mounted substations. The business delivers turnkey solutions to builders, developers and Councils as well as underground hard-rock mining companies and underground infrastructure projects.

The Electrical Services business unit also provides electrical installation services to the Real Estate segment's residential housing developments and commercial projects. This vertical integration enables MAAS Group to internally manage staff, inventory and costs to maximise efficiency and minimise costs in delivering its residential real estate projects.

MAAS Group believes that JLE Electrical is recognised by customers for its expertise in completing large-scale residential projects, having completed well over 1,000 new subdivision lots in regional NSW over the last three years. Selected projects completed by the Electrical Services business unit are outlined in Figure 22 below.

The Electrical Services business unit competes above ground with a number of regional and national providers including O'Brien's Electrical (Laser Electrical), Star Electrical, Country Powerlines, Stowe Electrical & Power, ARA Group, Quanta Lines, and Consolidated Power Projects. Its underground product offering competes on a global basis with Ampcontrol and PBE Rutherford, together with a number of smaller local and regional competitors in each geographical region.

Consistent with the expected growth in Plant Hire and Sales and Civil Construction, Electrical Services is expected to grow as the business tenders for electrical and communications works throughout regional NSW and QLD, and consistent with the expected growth in Underground Equipment and Services, Electrical Services is expected to grow as the business tenders for large underground infrastructure and mining projects in Australia.

Figure 22: Electrical Services – example of key projects

	Project	Details	Scope of works
	University of New England	• Client: University of New England • Value: $2m – $6m • Ongoing	• Upgrades to all high voltage (HV) and low voltage (LV) infrastructure for UNE Armidale, including LV main switchboard upgrades and metering • Ten year contract ongoing for HV Asset upgrades and maintenance
	Taronga Western Plains Zoo	• Client: David Payne Properties • Completed: 2012 • Value: $0.5m – $1m	• Redevelopment of existing function centre with external lighting and major power upgrades
	Dubbo Base Hospital	• Client: Health Infrastructure • Completed: 2014 • Value: <$0.5m	• Installation of two new 15000kVA pad-mounted substations with construction of new underground reticulation including UGOH from overhead network
	Power supply to NBN sites	• Client: Visionstream • Completed: October 2019 • Value: approximately $0.5m	• Supplying power to new NBN tower sites across various locations in the central west of NSW
	Dubbo Hospital Stage 2	• Client: Hansen & Yunken • Completed: 2018 • Value: $1.3m	• HV enabling works upgrades • Augmentation of HV networks and installation of new 1500kva pad mounted substation. Installation of new MSB, consumer mains and generator
	GrainCorp	• Client: GrainCorp • Completed: 2017 • Value: $1.0m	• Rail load out upgrades • Installation of three new MSBs with automation control for grain terminal, rerun new cable tray and rewire internal and external light and power to grain terminal
	Parkes Rail Hub	• Client: Coleman Rail • Completed: 2019 • Value: $1.1m	• Design and construction of new overhead HV supply to compound and supply of light and power to newly constructed rail hub
	RFS Training Facility Stage 1	• Client: David Payne Constructions • Completed: 2019 • Value: $1.8m	• Supply and installation of internal and external light and power to new training facility in Dubbo

	Project	Details	Scope of works
	Inland Rail	• Client: BMD • Completed: October 2019 • Value: $1.2m	• Supply and installation of civil pit and pipe services for the Inland Rail electrical signalling
	WestConnex 3A	• Client: Lendlease • Ongoing	• Manufacture and hire of HV tunnelling assets for tunnelling construction
	Snowy Hydro 2.0	• Client: Future Gen • Estimated completion March/April 2021	• Supply and installation of 33Kv power supply for tunnel boring machines
	CMOC Northparkes	• Client: CMOC Northparkes • Estimated completion November 2020 • Value: $3.2m	• 50Mva transformer install • HV electrical upgrade works to enable new secondary crusher installation

The Electrical Services business unit has approximately 263 units of underground electrical equipment for hire, set out in Figure 23. Its electrical hire fleet is relatively young with an average useful life remaining of 82% as at 30 June 2020, representing an advantage over competitors with older fleets.

Figure 23: Underground Electrical Equipment Hire – fleet breakdown as at 30 June 2020

Machinery type	Quantity	Average % of useful life remaining
Substations	85	87%
Gate End Box	31	89%
Metering Panel	11	94%
Transformers	7	92%
Neutral Earthing Resistors	5	90%
Ring Main Units	9	92%
Generators	5	68%
Vent Fan	6	45%
Trailing Cable	104	80%
Total/average:	**263**	**82%**

JLE Electrical's manufactured underground electrical equipment caters specifically to the underground hard-rock mining and tunnelling industries. Customers include underground infrastructure and mining operators and contractors operating in tunnelling. JLE Electrical's manufactured underground electrical equipment includes electrical switchboards, skid-mounted substations and electrical transformer boxes and is summarised in Figure 24.

Figure 24: Key Underground equipment examples

Item	Image	Description
Gate End Boxes		• Gate End Boxes are a specialised distribution boards used in the tunnelling industry to provide additional power outlets for machines.
Starter Box		• Starter Boxes are used in the mining and tunnelling industry to supply power and protection to mining machinery running on electricity either underground or on the surface.
2MVA Skid Mounted Substation		• Skid Mounted substations are used in the mining and tunnelling industry step the high voltage power supply down to a useable voltage normally 1000V for underground operations which can then be used to supply Gate end panels or distribution boards.
High Voltage Metering Unit		• Electricity Revenue Meters used for dedicated tunnelling projects.

3.2.3 Real Estate

Real Estate is a core pillar of MAAS Group's vertical integration strategy, providing pull-through demand for products and services provided by the Construction Materials and Civil Construction and Hire segments. MAAS Group owned and operated equipment is used throughout the real estate development process from civil works, including road construction using internally sourced quarry materials, through to property construction and electrical installation. This vertically integrated business model enables MAAS Group to control costs, capture multiple margin opportunities and maximise its equipment utilisation.

The Real Estate segment operates under the MAAS Group Properties brand and currently develops residential housing estates, with a pipeline of future industrial properties, commercial properties and development opportunities. The group purchased its first residential subdivisions in Dubbo in 2014 and commenced its first industrial and commercial developments in 2016. Figure 25 provides a summary of products offered by the Real Estate segment.

Figure 25: Product offering – Real Estate

Business unit	Products	Key locations
Residential	• Residential houses, dual-occupancies, and units in gated communities	• Dubbo, NSW • Mudgee, NSW • Orange, NSW • Tamworth, NSW*
Industrial and Commercial	• Shopping centres • Commercial developments • Parks, pathways and roads • Childcare centres • Petrol stations • Industrial developments • Serviced apartments	• Dubbo, NSW • Mudgee, NSW • Orange, NSW • Newcastle, NSW • Tomago, NSW • Maitland, NSW • Ulan, NSW

* *Note: Tamworth is subject to an option exercisable in February 2021 and development approval.*

The Real Estate segment typically competes with local residential builders and developers, which may include Councils undertaking subdivision works.

MAAS Group expects to grow its Real Estate segment by growing its pipeline of residential housing estates and expanding its pipeline of industrial and commercial property development opportunities. The Real Estate segment represents an important customer for MAAS Group's Civil Construction and Hire segment, with flexibility to manage flows in project activity and enhance the utilisation of plant and employees.

MAAS Group's Real Estate segment's historical performance mainly reflects its residential property operations in Dubbo. This residential footprint has more recently been expanded to Mudgee, Orange, and Tamworth. Additionally, the segment is anticipated to expand into commercial development in FY21 with a childcare centre, Ulan Property (Industrial Subdivision) and the Bizitay Tomago Development. Refer to Section 3.4 (Growth Strategy) and Figure 41 for more information.

Figure 26: Real Estate Pro forma Revenue

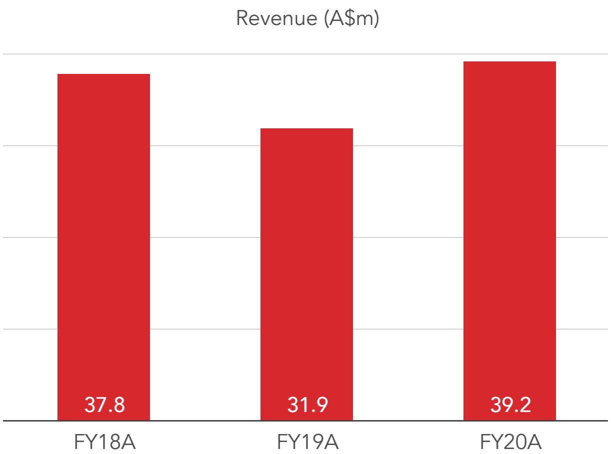
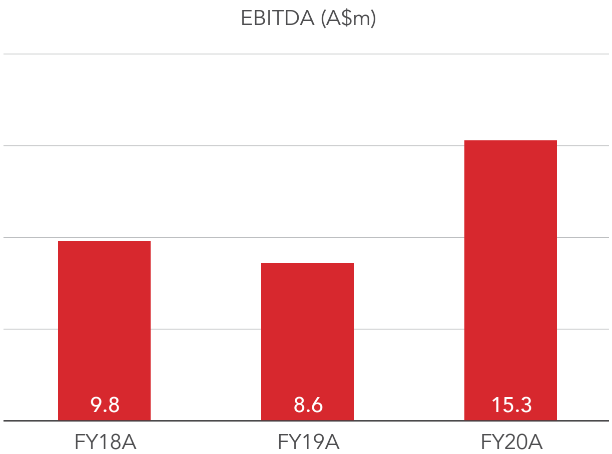


Figure 27: Real Estate Pro forma EBITDA



Refer to Section 5.8.2.3 for a discussion of the Real Estate segment's historical financial performance.

Residential

MAAS Group's Real Estate segment is primarily engaged in the development of residential housing estates in various regional centres across NSW. The Residential business unit has an established track record of residential development, having developed over 600 lots since 1 July 2017 across estates including Southlakes, Magnolia and Keswick in Dubbo, and Bombira and Highlands in Mudgee and Westwinds in Orange. MAAS Group settled 125 residential lots in FY20.

The Residential pipeline currently comprises approximately 4,400 residential lots across 11 estates. Assuming a consistent rate of lot delivery over time, this pipeline provides around 15 years of subdivision sales. The Residential business unit intends to grow its pipeline through the acquisition of additional land banks with potential to be subdivided for future residential housing developments.

The average selling price per lot sold in FY20 was $314k with House and Land packages representing 43% of total revenue. Refer to Section 5.8.2.3 for further detail.

The current portfolio of residential developments is summarised in Figure 28 below.

Figure 28: Key residential developments

Estate	Location	Lots	Settled[1]	Approved not settled	In-detailed design[2]	Remaining	Settled FY20	Forecast FY21[3]
Southlakes Estate Dubbo	Dubbo	2,334	388	307	1,639	1,946	58	104
Lakeview Estate Dubbo	Dubbo	73	65	13	0	13	15	13
Keswick Estate Dubbo	Dubbo	126	68	13	45	58	7	4
Magnolia Estate Dubbo	Dubbo	211	99	112	0	112	14	30
Sheraton View Estate Dubbo[4]	Dubbo	250	0	50	200	250	0	0
Bombira Estate Mudgee	Mudgee	146	41	105	0	105	16	29
Highlands Estate Mudgee	Mudgee	27	15	12	0	12	15	12
Fairydale Estate Mudgee	Mudgee	45	0	45	0	45	0	0
Westwinds Estate Orange	Orange	142	0	96	46	142	0	16
Arcadia Estate Tamworth[5]	Tamworth	1,500	0	0	1,500	1,500	0	0
Browns Lane Tamworth[6]	Tamworth	255	0	0	255	255	0	0
Total		**5,109**	**676**	**753**	**3,685**	**4,438**	**125**	**208**

Notes:

1. *Includes lots not held by MGH or its subsidiaries at the date of settlement, for which MAAS Group managed and received a fee. The revenue and profit margin relating to the settled lots is included in the pro forma financial information of MGH (refer to Section 5.2 and Table 6, note 3 for further details).*
2. *Subject to development approval.*
3. *43 lots have settled with a further 116 contracted and pending settlement as at 2 November 2020. Includes lots not held by MAAS Group, for which it manages and receives a fee – see footnote 1.*
4. *The entity holding Sheraton View Estate does not form part of MAAS Group. The shares in that entity are subject to a purchase option. Refer to section 4.18.*
5. *Arcadia Estate Tamworth is yet to be acquired and is subject to a purchase option exercisable in February 2021. Arcadia Estate Tamworth is subject to development approval.*
6. *Browns Lane Tamworth is subject to development approval.*

The Residential business unit's housing estates feature a mix of detached houses, townhouses, dual-occupancies, and gated communities. This diversified product mix allows the Residential business unit to meet demand from an array of buyers at a range of price points, including first home buyers, families, investors and retirees.

The land development process involves arranging town planning approvals, determining the subdivision layout including the location of facilities such as shopping centres and parks, the design and construction of roads and services and provision of street lighting and parks. The Residential business unit adds value in planning the layout and staging of its residential housing developments. The vertically integrated operations of the wider group ensure the significant cost of civil and electrical works required to deliver subdivisions is thoroughly understood and incorporated in the development budget from its earliest stages. The Real Estate segment is able to rely on other MAAS Group business units such as Civil Construction and Electrical Services to complete its work on time and on budget.

Industrial and Commercial

In addition to its residential portfolio, the Real Estate segment's Industrial and Commercial business unit delivers a range of industrial and commercial properties including shopping centres, childcare facilities, and other smaller industrial developments. Historically the focus of commercial developments for the Real Estate segment has been on delivering these properties to complement its planned residential neighbourhoods and to add to the value and amenity of those estates.

The Industrial and Commercial business unit is disciplined in its approach to evaluating development opportunities and will only invest where there is a strong forecast return on investment. Its development pipeline currently consists of commercial projects across diverse industries and regional locations including a neighbourhood shopping centre, childcare centres, serviced apartments, restaurant premises and a mixed-use office building. It is expected that these properties will be leased to commercial operators when completed, with the potential to be retained by MAAS Group as income generating assets or sold to release capital for recycling in future developments. A summary of the expected Industrial and Commercial developments can be found in Section 3.4.

3.2.4 Underground Equipment and Services

The Underground Equipment and Services segment specialises in providing mobile equipment sales, hire and service solutions to the global underground hard-rock mining and tunnelling industries.

EMS was established in 2010 to provide underground equipment and services primarily to underground hard-rock mining customers in central and western NSW. In 2013, EMS commenced the provision of underground equipment hire increasing its reach into tunnelling and construction projects. EMS has grown its presence in its key markets and is now a preferred equipment provider to large underground infrastructure and mining projects in Australian and international markets. EMS is also able to leverage JLE Electrical's underground electrical equipment offering to offer a full suite of products and be competitive on projects that it tenders for.

VMS Engineering was established by MAAS Group in 2018 as a large-scale equipment engineering, design and manufacturing operation located in Ho Chi Minh City Vietnam, with capability to supply high quality, cost effective equipment to EMS in Australia and customers in other regions globally.

MAAS Group's expansion in Underground Equipment Manufacturing and Sales was further complemented by the acquisition of the Jacon business in August 2019, a globally recognised provider of quality underground concrete pumping, spraying and transportation equipment with its own manufacturing presence in Vietnam.

The business units that comprise MAAS Group's Underground Equipment and Services segment are summarised in Figure 29.

Figure 29: Business units – Underground Equipment and Services

Business units/brands	Offering	Geographical presence
Underground Mobile Equipment Hire EMS GROUP	• New and used underground mobile equipment sales, hire, rebuilds, services, and parts supply	• All key markets in Australia
Underground Equipment Manufacturing and Sales VMS JACON EQUIPMENT	• Manufacturing and sales of underground mobile equipment	• Manufactured in Vietnam • Global sales presence

Figure 30: Underground Equipment and Services Pro forma Revenue

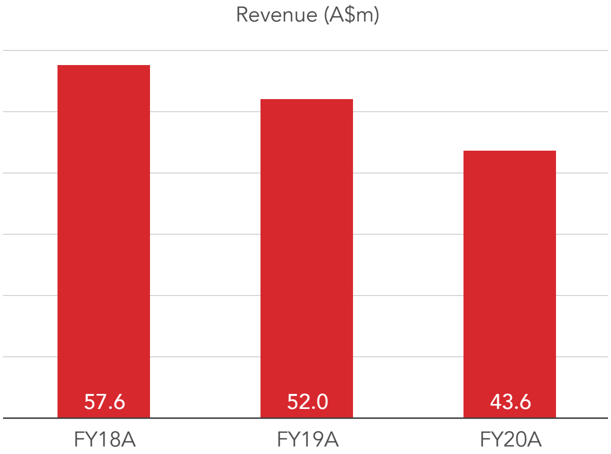
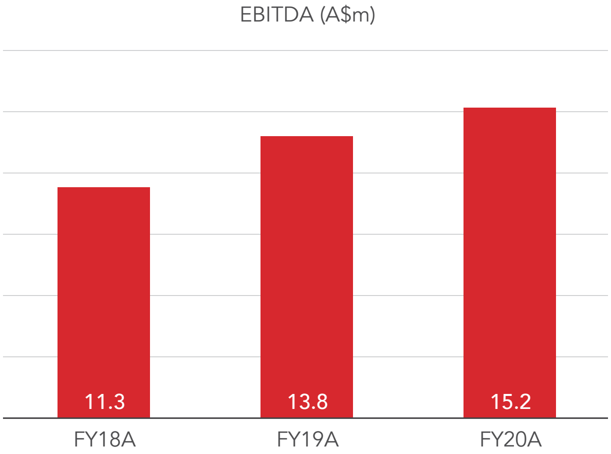


Figure 31: Underground Equipment and Services Pro forma EBITDA



Refer to Section 5.8.2.4 for a discussion of the Underground Equipment and Services segment's historical financial performance.

Underground Mobile Equipment Hire

EMS is a large provider of underground mobile equipment to the tunnelling and underground hard-rock mining industries in Australia.

EMS has supplied equipment to underground infrastructure projects including the Melbourne Metro Tunnel and WestConnex, and also a number of underground hard-rock mining projects.

EMS is the major distributor and hire provider of VMS and Jacon manufactured mobile equipment in Australia. EMS also provides hire of high quality underground equipment from other manufacturers such as Caterpillar, Sandvik, Atlas Copco, and Volvo. As at 30 June 2020, EMS had a fleet 72 vehicles that had 59% of their useful life remaining on average as shown in Figure 32.

Figure 32: Underground Mobile Equipment Hire – fleet breakdown as at 30 June 2020

Machinery type	Quantity	Average % of useful life remaining
Drills	5	33%
Trucks	12	60%
Boggers	8	85%
Agitators	16	86%
Shotcrete	12	63%
Ancillary[66]	3	46%
Tool Carriers	16	42%
Total/average:	**72**	**59%**

66 *Ancillary equipment predominantly consists of explosives rigs, underground graders, watercarts, excavator drill rigs, and telehandlers.*

Due to the consistency of the number of hours equipment is used underground per month, the Underground Mobile Equipment Hire business unit hires out equipment on a monthly basis, with average utilisation of 65%.

The Underground Mobile Equipment Hire business unit typically competes with larger state based and national equipment rental and sales providers such as WesTrac, Emeco and Pybar, together with a range of smaller local and regional competitors. MAAS Group has significant scale advantages when it comes to procurement of underground equipment, and the size of its fleet relative to smaller competitors.

Rebuild and repairs

As part of its hire offering, EMS undertakes aftermarket equipment servicing, maintenance and repairs in-house to support underground equipment. Rebuilds and repairs are conducted at EMS workshops in Australia or at the VMS manufacturing site in Vietnam.

Underground machinery may be cost effectively rebuilt two or three times through its life cycle. EMS maintains a database tracking the component history on each machine to monitor where each machine may require maintenance or is nearing the end of its life. When a machine reaches the end of its life, it may be rebuilt by the Underground Mobile Equipment Hire business unit to then be sold or continue to be utilised in the rental fleet.

MAAS Group's rebuild capability provides a cost advantage over competitors who do not have this capability, with the potential to add significant value to its existing fleet and any second-hand equipment purchases.

Figure 33: Rebuild illustration

Pre-rebuild	Rebuild phase	Post-rebuild

Underground Equipment Manufacturing and Sales

MAAS Group's Underground Equipment Manufacturing and Sales business unit manufactures, maintains, and rebuilds a range of underground mobile equipment for hire or sale to customers in the underground hard-rock mining and tunnelling. MAAS Group is a significant dealer of second hand underground hard-rock equipment in Australia.

MAAS Group's underground equipment manufacturing facilities, sales channels and product range are summarised in Figure 34 below.

Figure 34: Underground Equipment Manufacturing and Sales – internal channels

	Underground Equipment Sales	
Manufacturing facilities (Vietnam)	VMS	
Underground equipment type	Mobile and general	Mobile
Brands	COMET EQUIPMENT	JACON EQUIPMENT
Products	• Off-Highway Water Tanks • Mobile Stackers • Fixed Conveyor Segments • Mining Work Baskets • Shotcrete machines	• Shotcrete machines • Agitator trucks • Utility vehicles • Charging vehicles • Concrete pumping equipment
Distribution channels	• International dealers for VMS-manufactured underground equipment • EMS is the Australian dealer for VMS-manufactured underground equipment	• Jacon distributes its products globally, with key markets in Australia, India, Indonesia, Mongolia, Chile and South Africa

In Underground Equipment Manufacturing and Sales, MAAS Group's largest competitor is Normet, a Finnish manufacturer of underground equipment supplied to the civil tunnelling and underground hard-rock mining industries.

Manufacturing

Through its subsidiary VMS, MAAS Group manufactures Comet and Jacon branded underground mobile in Vietnam for supply to the mining and tunnelling industries in Australia and globally. VMS has operated since 2018 in Vietnam and manufactures equipment from the Company owned 20,000sqm manufacturing facility in Ho Chi Minh City, Vietnam commissioned in 2019 (refer to Figure 35. This large-scale manufacturing base in Vietnam provides MAAS Group with significant capability to supply high quality, cost effective equipment to customers globally. To date, MAAS Group has supplied underground equipment to customers in Australia, India, Indonesia, Mongolia, Chile and Africa.

Figure 35: VMS manufacturing facility

The Underground Equipment Manufacturing and Sales business unit's underground mobile range is summarised in Figure 36.

Figure 36: Key Underground equipment examples

	Item	Image	Description
Jacon Range	**Shotcrete equipment**		Jacon offers a complete range of purpose-built mobile shotcrete equipment available in various configuration to meet the mining and tunnelling industry's needs for improved safety and higher productivity.
	Combo vehicles		The Jacon Combo vehicles are set up for single person operation – the bowl automatically discharges to keep the hopper filled to a set, predetermined height so the operator can concentrate on the spraying of the shotcrete and control of the boom and nozzle functions.
	Concrete transportation equipment		The Jacon Transmixer range offers a complete and unique solution to batch mixing and transportation of concrete in mines and tunnels. The Jacon Transmixers feature dual cabins with full driver control and are available in different sized capacity.
	Concrete pumping equipment		Jacon's enhanced range of concrete pumps vary in output capabilities to provide a variety of concrete pumping services such as footings, concrete slabs, blockfilling, footpaths and driveways. The S-Series Trailer Pumps are available in both diesel and electric powered options and can be configured to trailer, skid and track mounted options to adapt different working environments. The T-Series Truck Mounted Pumps comes in output capacities ranging from 30m3/hr – 125m3/hr and can be utilised for many applications within the civil industry.
	Utility vehicles		The Jacon Utimine Series provides a wide range of cost-effective solutions to meet the logistical requirements of underground mining and tunnelling operations. Specifically designed and purpose-built for a wide range of applications: • Cabolt servicing • Material transport • Personnel transport • Fuel transport • Water transport and more

	Item	Image	Description
Underground Mobile and General Equipment	**Comet Minishot**		The Comet Minishot is a compact mobile sprayer for wet-mix concrete. The skid-steer drive enables a very small turning circle to enable manoeuvrability in very close quarters. The Minishot is typically used for spraying in a cross-passage environment.
	Comet Ultrashot		The Comet Ultrashot is a mid-sized unit designed primarily for underground hard-rock mining applications. It has a 10m boom with a 30m3/hr pump and is diesel powered. The Comet Ultrashot is suited for decline heading activities.
	Comet Watertank		The Comet range of Watertanks is designed to fit on Caterpillar and Hitachi 30-40T articulated trucks, with larger models to be added soon.
	Comet Stacker		The Comet range of Tracked Conveyor Stackers utilises Caterpillar powered engines and heavy-duty components. Range currently includes belt widths between 900mm and 1,000mm and between 20 – 25m long.

Sales

MAAS Group sells Comet and Jacon branded equipment to a range of global customers. MAAS Group's Underground Equipment Manufacturing and Sales business unit continues to generate revenue post sale through servicing, parts and maintenance.

MAAS Group expects to grow its Underground Equipment Manufacturing and Sales business unit by investing in its distribution channels to increase equipment sales, expanding its range of underground products, and broadening its after-sales parts distribution to increase recurring revenues as its installed base of equipment grows. Over 2,000 Jacon units have been sold globally with an estimated 300 units still in active operation, providing continued opportunities for servicing and sales of parts and consumables.

3.3 Business model

3.3.1 Vertical integration

MAAS Group operates a vertically integrated business model, which enables it to capture additional margin opportunities and cost synergies, and mitigate risks across all points of the business cycle. A summary of MAAS Group's vertical integration is provided in Figure 37 below. The Company identifies opportunities to cross-leverage its business units through shared customer planning and regular communication between members of Senior Management. An average of 13.4% of gross revenue was generated by intercompany work between FY18 and FY20 (before eliminations).

Its diversified service offering plays a significant role in winning tenders for MAAS Group across all segments, with this aspect of vertical integration being a continuing focus for MAAS Group.

Figure 37: Vertically integrated business model

Segment	Vertical integration examples
Construction Materials	• Regional Group supplies quarry materials, premix and precast concrete products, and provides crushing and screening services to civil and infrastructure projects where MAAS Group is also providing construction services or equipment for hire. • MAAS Group can tender Regional Group's services together with the Civil Construction and Hire segment or separately, depending on the nature of the project and if early works are to be completed or not.
Civil Construction and Hire	• Provides civil construction, equipment hire, and electrical services to the Real Estate segment. • Civil Construction projects provide pull-through for Plant Hire and Sales.
Real Estate	• Regional Group supplies quarry materials to the Real Estate segment's property developments. • Plant Hire and Sales equipment is used by Civil Construction to complete civil works for residential subdivisions and commercial developments for the Real Estate segment. • The Electrical Services business unit provides electrical installation and upgrade services to residential and commercial property developments.
Underground Equipment and Services	• The Plant Hire and Electrical Services business units and the Underground Equipment and Services segment collaborate in evaluating and tendering for opportunities in the infrastructure sector, particularly in tunnelling projects. • MAAS Group has facilitated plant hire opportunities for EMS into mining and tunnelling projects historically.

3.4 Growth strategy

MAAS Group is well placed to continue to grow its business by leveraging:

- its strong market positions;
- the competitive advantages offered by its vertical integration;
- its disciplined return on investment policies;
- its strategically positioned operations; and
- its exposure to growing end markets.

The Offer is expected to increase MAAS Group's financial flexibility to pursue growth opportunities including organic growth initiatives, such as product development, and acquisition opportunities to further expand MAAS Group's Construction Materials segment and Real Estate development pipeline. MAAS Group intends to continue to apply its disciplined approach to evaluating all investment opportunities and its strict focus on profitability and returns.

Construction Materials

MAAS Group's Construction Materials segment owns high quality, strategically located quarry assets with long life reserves that have ample capacity to support current organic growth and further expansion potential. MAAS Group's Construction Materials segment is expected to benefit from new contract wins to supply quarry materials to major infrastructure projects representing longer term growth opportunities as outlined in Section 2.

The key strategic growth opportunities for MAAS Group's Construction Materials segment are illustrated in Figure 38 below.

Figure 38: Construction Materials strategic growth opportunities

Opportunity	Current status/capacity	Growth strategy
Commencement of production at new quarry sites and expansion of quarry capacity	• 20 strategically located quarries throughout NSW • Out of the 20 quarries, the 11 quarries acquired in FY20 are not producing any quarry products • Significant capacity to support growth: – Approximately 1m tonnes were sold in FY20 from the nine operating quarries – Current permits/licenses allow for total production up to 3.255m tonnes per annum from the 20 quarries – see Figure 11 for further information	• Production will commence at new quarry sites to meet anticipated demand emanating from nearby infrastructure projects • Applications underway have potential to increase permitted capacity to 7.77m tonnes per annum to align production capability with future market growth requirements – See Figure 11 for further information • Continue to upgrade fixed plant network to meet both current and future demand, using lean methodologies, such as standardisation in terms of configuration
Acquisition of additional quarry sites	• Multiple opportunities under regular review • MAAS Group has a track record of acquiring quarry sites in its course of business	• Acquire additional high quality hard rock and sand quarries at sites strategically located in proximity to key infrastructure projects throughout key growth corridors in NSW as opportunities arise • Acquisition of integrated construction materials businesses in complementary geographical regions may be considered
Premix and Precast concrete	• Expansion into premix and precast concrete is underway following the acquisition of a mobile concrete business and precast concrete business • In advanced stages of establishing a pre-cast facility in Dubbo with mould construction well underway	• Increase pull through of quarry materials • Expect to leverage Quarries capability together with mobile concrete capability to provide concrete products to the Inland rail project • Initial target of 3-5 premix concrete plants in NSW in proximity to existing quarry and civil operations, providing downstream support of existing quarries
Crushing and Screening expansion	• Monitoring opportunities	• Crushing and Screening operations expected to grow organically as the quarry network expands • Plant utilisation improvements are also expected as the quarry network expands
Acquisition of complementary businesses	• Monitoring additional opportunities	• Acquisition of Macquarie Geotechnical

Civil Construction and Hire

The Civil Construction business unit is expected to benefit from the expected continued growth in construction activity in infrastructure and mining in Australia. MAAS Group has a unique exposure to high growth regions including regional and NSW, which are experiencing significant project activity. These construction works are also expected to provide pull-through for the Plant Hire and Sales, and Electrical Services business units, which are also expected to benefit from the infrastructure and general construction activity pipeline in regional NSW and the east coast of Australia.

Civil Construction and Hire is expected to benefit from growth in all other MAAS Group segments, in particular Real Estate, as the Company continues its strategic focus on continued growth through vertical integration.

The key strategic growth opportunities for MAAS Group's Civil Construction and Hire segment are illustrated in Figure 39 below.

Figure 39: Civil Construction and Hire strategic growth opportunities

Opportunity	Current status/capacity	Growth strategy
Fleet expansion	• MAAS Group operates a high quality fleet of 243 pieces of equipment that operate at 75% utilisation	• Growth in the Plant Hire fleet is expected to be supported by contract wins and increased demand from the Real Estate segment
Regional expansion	• Current focus mainly on NSW	• Potential to increase presence in other geographical regions in the future, including via acquisition of complementary asset fleets or businesses • Electrical Services business unit expected to grow significantly due to geographic expansion and expansion of its customer base

Real Estate

MAAS Group's Real Estate segment has a long term focus on growth through asset/property acquisitions and disciplined value creation including subdivision and development. The current pipeline of over approximately 4,400 residential lots provides approximately 15 years of subdivision sales based on historical and current lot sales.

It is expected that MAAS Group's Real Estate segment will continue to grow its residential, industrial, and commercial property development activities through purchases of sites that satisfy its internal investment criteria. MAAS Group intends to continue to evaluate acquisition opportunities with a long-term counter-cyclical approach.

The key growth opportunities for MAAS Group's Real Estate segment are illustrated in Figure 40 below.

Figure 40: Real Estate growth opportunities

Opportunity	Current status/capacity	Growth strategy
Sale of residential lots	• Current pipeline of approximately 4,400 lots which includes various options to purchase future subdivision estates	• Current implied pipeline of approximately 15 years based on current sales profile • Expect to grow future lot sale volumes via the acquisition of properties that have the potential for residential subdivision and then leverage in-house expertise and services to deliver assets
Commercial and industrial portfolio	• MAAS Group expects to deliver a childcare centre, Ulan Property (Industrial Subdivision), and the Bizitay Tomago Development in FY21	• Significant planned commercial developments (see "Asset creation" below and Figure 41) • MAAS Group intends to continue to leverage its expertise, land bank, and other segments to deliver commercial and industrial real estate developments throughout the future

Asset creation

In addition to growing its residential development pipeline, MAAS Group's growth strategy for Real Estate is to create value through commercial and industrial property developments. This can lead to the creation of valuable real estate assets that MAAS Group can then lease out to provide recurring income as the property owner, or sell at a fully developed valuation.

MAAS Group's asset creation strategy is intended to provide a number of strategic benefits, including:

- providing opportunities to utilise internal resources to deliver projects at the lowest possible cost with reduced risk on delivery compared to outsourcing;
- capturing additional margin through vertical integration of MAAS Group's quarry products and plant hire equipment; and
- releasing capital on a periodic basis for reinvestment into quarries, subdivisions, plant hire equipment, and other growth opportunities in MAAS Group.

MAAS Group's current pipeline of industrial and commercial developments is summarised in Figure 41 below.

Figure 41: Planned Industrial and Commercial developments

Development	Location	Expected delivery year	Commentary
Southlakes Childcare Centre 1	Dubbo, NSW	CY21	• Company owned property • Under construction; expected completion by March 2021
Ulan Property (Industrial Subdivision)	Dubbo, NSW	CY21	• Company owned property • Development approval received
Bizitay Tomago Development	Newcastle, NSW	CY21	• Company owned property • Development approval pending
Westwinds Childcare Centre	Orange, NSW	CY22	• Company owned property • Development approval pending
Liberal Stage 1 (retail, bar, restaurant, laneway, café, office, and serviced apartments)	Dubbo, NSW	CY22	• Option to purchase property (expiring 8 October 2022 with a two year option to extend) • Development approval received • Expected net lettable area of ~2,500m^2 commercial space, 96 serviced apartments and a ~1,200m^2 pub/restaurant
Southlakes Shopping Centre	Dubbo, NSW	CY22/23	• Company owned property • Land zoned for a shopping centre • Masterplan complete with 5,000m^2 net lettable area
Southlakes Pub	Dubbo, NSW	CY23	• Company owned property • Land zoning pending, recommended by Council for approval

Development	Location	Expected delivery year	Commentary
Tomago Industrial Development	Tomago, NSW	CY23	• Company owned property • Development approval pending
Arcadia Estate Commercial Developments	Tamworth, NSW	CY23	• Company has option to purchase property (expiring 1 February 2021)
Southlakes Medical Centre	Dubbo, NSW	CY23	• Company owned property
Southlakes Childcare Centre 2	Dubbo, NSW	CY24	• Company owned property
Liberal Stage 2 (Office and Serviced Apartments)	Dubbo, NSW	CY25 – CY27	• Option to purchase property (expiring 8 October 2022 with a two year option to extent) • Development approval received

It is expected that industrial and commercial developments will be funded through a combination of internal capital resources and project finance debt. Any project finance debt facilities would be separate to MAAS Group's existing Banking Facilities limits as the development value of the future commercial developments is currently not reflected in the balance sheet of MAAS Group.

Underground Equipment and Services

The Underground Equipment and Services segment is well positioned to grow following the recent Jacon acquisition and the completion of the VMS manufacturing facility in Vietnam. Access to cost effective manufacturing is expected to provide MAAS Group with a competitive advantage in the specialised underground hard-rock mining and civil tunnelling industries. The ability to cross-sell EMS and Comet branded underground mobile equipment through Jacon's global distribution channels should drive sales into new global markets. The equipment hire and aftermarket products support business is expected to grow organically as the number of active machines grows. Further detail is provided within Section 2.

The key strategic growth opportunities for MAAS Group's Underground Equipment and Services segment are illustrated in Figure 42 below.

Figure 42: Underground Equipment and Services strategic growth opportunities

Opportunity	Current status/capacity	Growth strategy
Expansion of hire fleet (EMS)	• MAAS Group operates a high quality hire fleet of 72 pieces of mobile underground equipment in Australia	• Growth in the Underground Equipment and Services fleet is expected to be supported by contract wins and an increase in market share through MAAS Group's competitive advantage of delivering specialised equipment at cost effective pricing • MAAS Group aims to leverage its manufacturing capability in VMS to procure high quality equipment at cost effective prices
Growth in equipment sales (VMS/Jacon)	• MAAS Group expects to deliver 95 machines in FY21*	• Growth in equipment sales is expected as VMS establishes a global presence as a quality underground equipment manufacturer (notwithstanding further impacts arising from the COVID-19 pandemic) • The Vietnam facility has the capacity to manufacture substantially more than 95 machines without further capital investment
Expansion of product range (VMS)	• VMS currently manufactures a range of underground products	• MAAS Group expects to expand its product range to compete directly with its major competitors across more product categories
Long term service and aftermarket parts and consumables sales	• The current active fleet of Jacon branded underground machinery is estimated at around 300 units	• MAAS Group expects to generate additional earnings through providing parts and services to the growing active fleet throughout its lifetime

Note:

* *MAAS Group has delivered ten machines and has an additional nine committed, in transit, or finalised as at 30 September 2020.*

3.5 Employees and community

As at 30 June 2020, the group had approximately 631 total employees in its workforce spread geographically across Australia and South East Asia. The group is committed to employing local workers to promote community engagement and is also focused on achieving diversity targets within its workforce. MAAS Group actively participates in local communities and aims to support social issues identified by its employees. Community involvement occurs through corporate donations, sponsorships and employee participation.

Staff are employed under a variety of industrial instruments including common law contracts and Enterprise Agreements.

MAAS

Employees of MAAS are covered under the Vehicle Manufacturing, Repair, Services and Retail Award 2010.

The relevant EBA for MAAS is the "MAAS Administration Enterprise Bargaining Agreement".

JLE Electrical

Employees of JLE Electrical are covered under the Electrical, Electronic and Communications Contracting Award 2010. There is no EBA in place for JLE Electrical.

EMS

Employees of EMS are covered under either the Repair Services and Retail Award 2010, Clerks Private Sector Award 2020, Electrical, Electronic & Communication Contracting Award 2010, Mining Industry Award 2010, Professional Employee Award 2010, Storage Services and Wholesale Award 2010, Vehicle Manufacturing, or the Manufacturing and Associated Industries and Occupations Award 2020.

VMS

There is no EBA in place for employees of VMS. All VMS staff work under the regulations of Vietnam's Dong Nai, Labour Authority.

3.6 Environment and sustainability

MAAS Group is committed to managing its environmental footprint and minimising its impact on the environment. It recognises that proper care of its environment is a fundamental part of its corporate responsibility and integral to the Company's long-term performance and success. As the Company operates across a range of diverse and sensitive areas, it has implemented a framework reflecting best practice in environmental management. The processes developed to ensure environmental management include:

- ensuring environmental management is part of all decisions;
- assigning personal accountability for environmental performance to individuals within the Company;
- engaging with all stakeholders (clients, communities, competitors and regulators) to foster a culture of continual environmental improvement; and
- using appropriate controls to mitigate environmental impacts and promote sustainable use of resources.

MAAS Group periodically reviews and seeks to improve its Environmental Management System and practices to ensure they remain effective.

Key environmental regulation governing MAAS Group's operations, as well as operating licences held by MAAS Group, can be found in Section 2.4.

3.7 Work health and safety (WHS)

MAAS Group cares about its people and believes all workers should return home safely at the end of the day. This belief drives a strong commitment to the health, safety and wellbeing of its workers which is supported by robust WHS management systems.

MAAS Group's WHS management systems are underpinned by consultative risk management procedures that protect workers from harm, ensure legislative compliance and secure safety standards.

MAAS Group's risk management approach aims to address harms by delivering:

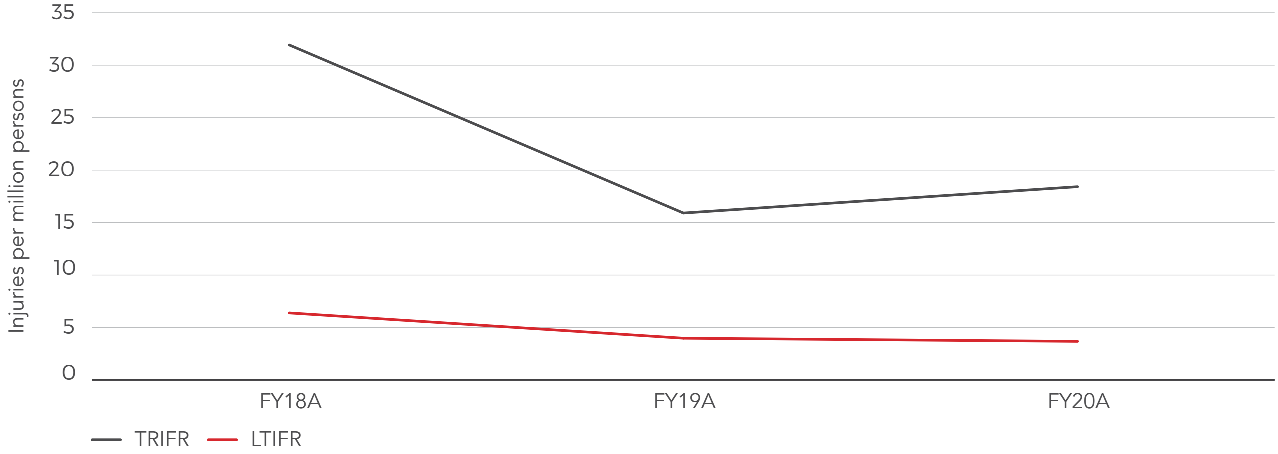
- engaged and accountable leadership that creates trust and a positive safety culture within the workforce;
- empowered employees who provide innovative ideas and solutions to uphold WHS standards; and
- a targeted, risk-based approach to prioritise areas where the most significant WHS risks exist.

The safety of its people is fundamental to MAAS Group's business and is ingrained in the way the Company operates. Clear expectations are established to ensure that safety is not compromised for all Employees.

The 12-month lost time injury frequency (LTIFR)[67] achieved as at 30 June 2020 was 3.68 injuries per million person hours worked.

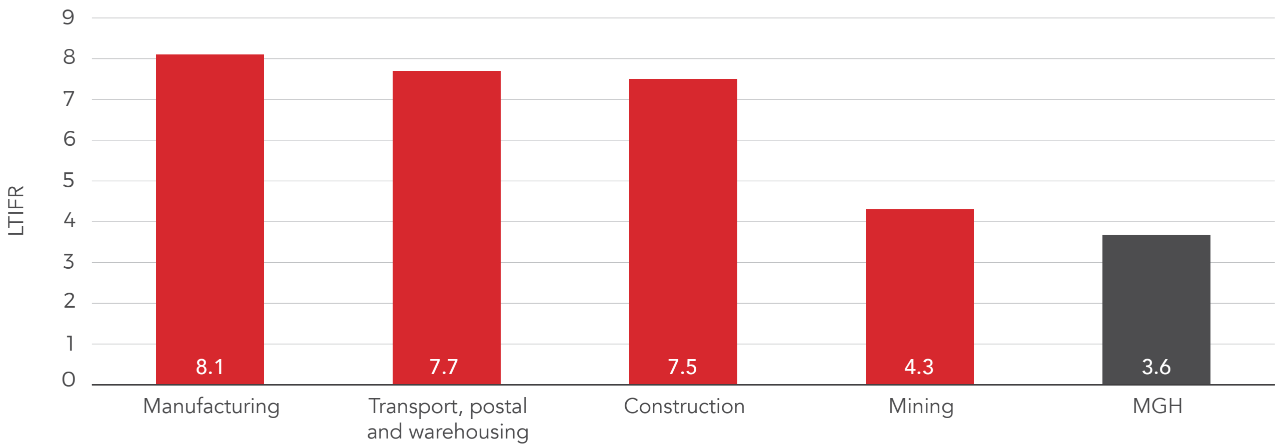
The 12-month total recordable injury frequency rate (TRIFR)[68] as at 30 June 2020 was 18.42 injuries per million person hours worked.

Figure 43: MAAS Group LTIFR and TRIFR



Note: Figures shown as a pro forma combination of MAAS Group companies in the historical years.

Figure 44: MAAS Group FY20 LTIFR relative to industry[69]



MAAS Group's operational environments are diverse and its business units WHS management systems are consequently tailored to their specific risk profile. MAAS Group is compliant to its legislative standards, workers are safe and supported, positive safety behaviours are fostered and strong safety performance is maintained.

Several business units maintain certified WHS management systems (AS/NZS 4801).

MAAS Group continuously reviews and improves WHS management systems and practices to address and minimise risks that may adversely impact MAAS Group's operations.

67 *LTIFR is calculated by the number of injuries that resulted in lost time from work for every million person-hours worked.*
68 *TRIFR is calculated by the total number of fatalities, lost time injuries and medical treatment injuries for every million person-hours worked.*
69 *Safe Work Australia: Australian Workers' Compensation Statistics 2017-18 (January 2020).*
Note: Safe Work Australia's LTIFR based on workers compensation claims for injuries that resulted in five days or more of lost time from work. MAAS Group's LTIFR based on injuries that resulted in one day or more of lost time from work.

Section 4
Ownership, Management & Corporate Governance

4 Ownership, Management & Corporate Governance

4.1 Board

The Directors bring to the Board relevant experience and skills, including industry and business knowledge, financial management and corporate governance experience.

Board of Directors	Experience and Background
	**Wesley Maas** *Chief Executive Officer and Managing Director* • Wes Maas is the Founder and has been actively involved in the business since its inception. He has been instrumental in developing MAAS Group into the leading independent construction materials, equipment, services and property provider it is today. • Wes brings over 18 years experience in the construction and services industries to MAAS Group. • Mr Maas has been responsible for ingraining the values and creating the culture of the MAAS Group that underpins its strong identity.
	**Stephen Bizzell** *Non-Executive Chairman* • Stephen was appointed to the Board as part of the IPO of MAAS Group. • He brings over 25 years experience in the mining, energy, and financial services sectors. • Stephen is chairman of BCP and is also a director of Armour Energy Ltd (ASX: AJQ); Laneway Resources Ltd (ASX: LNY); Renascor Resources Ltd (ASX: RNU) and Strike Energy Ltd (ASX: STX). • Stephen is a former director of Queensland Treasury Corporation, is currently a board trustee of Brisbane Grammar School and a member of the Queensland Advisory Board for Starlight Children's Foundation. • Stephen has extensive governance experience having served as a director or chairman of 14 ASX listed companies and was previously an executive director of Arrow Energy for 12 years until its takeover in 2010, a co-founder and director of Bow Energy until its takeover in 2012 and a co-founder and director of Stanmore Coal until its takeover in 2020. • He holds a Bachelor of Commerce from The University of Queensland.
	**Stewart Butel** *Independent Non-Executive Director* • Stewart was appointed to the Board as part of the IPO of MAAS Group. • Stewart has more than 40 years of experience in management and board roles in the resource industry in New South Wales, Queensland and Western Australia. • Stewart joined Wesfarmers Limited in 2000 and was managing director of Wesfarmers Resources between 2006 and 2016. • Stewart is a past director of a number of ASX listed and unlisted companies including Duet Group Ltd (ASX: DUE), Gladstone Ports Corporation, RPM Global Ltd (ASX: RUL), and was past Chairman of Stanmore Coal Ltd (ASX: SMR). • He is past President of the Queensland Resources Council, served on the board of the Minerals Council of Australia and other resource industry bodies. • Stewart holds a Bachelor of Science (Geology) and has professional qualifications in mining and business, and has completed the Advanced Management Program at Harvard Business School.

Board of Directors	Experience and Background
	**Neal O'Connor** *Independent Non-Executive Director* • Neal was appointed to the Board as part of the IPO of the MAAS Group. • Neal has over 30 years experience in law as well as extensive experience in the resource industry and will bring an added focus on corporate governance and risk management to the Board. • Neal is currently a non-executive director of Mitchell Services Ltd (ASX:MSV) and acts as a consultant to Carter Newell Lawyers. • Neal is a former director of Stanmore Coal Ltd (ASX:SMR) and was previously General Counsel, Company Secretary and an Executive Committee Member of Xstrata Holdings Pty Ltd and Xstrata Queensland Limited. • Neal is a Solicitor of the Supreme Court of Queensland, Solicitor of the High Court of Australia, Solicitor of the High Court of England and Wales, and a member of the Australian Institute of Company Directors.
	**Michael Medway** *Non-Executive Director* • Michael has worked in the professional accounting industry for almost 30 years in. He has been a Chartered Accountant for over 20 years and his background has seen him work across various firms in Sydney and Regional NSW. • As the principal of Lincoln Partners Dubbo and later a director of Lincoln Partners Pty Ltd, Michael has acted as the external accountant for Wes Maas and his companies since 2002 and MAAS Group upon its formation. Michael retired from Lincoln Partners Pty Ltd in June 2020 and was subsequently appointed to the Board. • Michael holds a Bachelor of Business (Accountancy) from The University of Technology, Sydney.

The composition of MAAS Group's Board committees and a summary of the Board's key corporate governance policies are set out in Section 4.17. Each Director has confirmed to MAAS Group that they anticipate being available to perform their duties as non-executive directors without constraints from other commitments.

It is the intention of the Directors to appoint a further suitably qualified independent Director to the Board within 12 months of completion of the Offer.

4.2 Senior Management

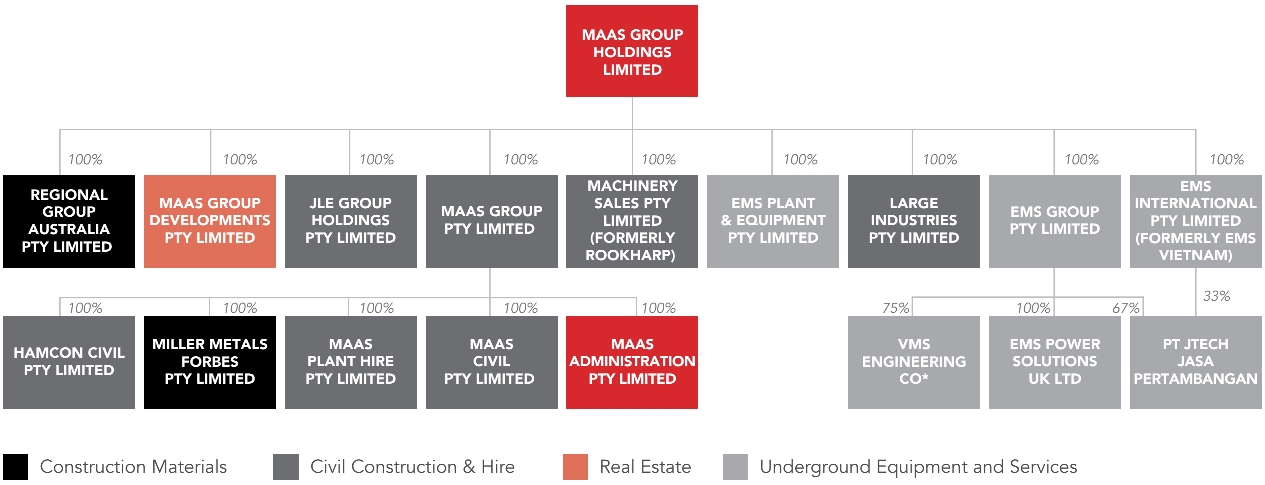
Management	Experience and Background
	Wesley Maas *Chief Executive Officer and Managing Director* • Described above.
	**Craig Bellamy** *Chief Financial Officer and Company Secretary* • Craig joined MAAS Group as CFO in May 2019 and brings over 25 years financial experience to the company. • Craig has previously held executive roles including Chief Executive Officer and Chief Financial Officer for Devine Limited (ASX: DVN) and Unity Pacific Group Limited (formerly Trinity Group Limited). • Craig holds a Bachelor of Business (Accountancy) and is a Chartered Accountant.
	**Damien Porter** *General Manager – MAAS Plant Hire* • Damien is the General Manager for the Plant Hire business unit and has been with MAAS Group since 2005. • Damien brings over 20 years experience in hire, operations and sales.
	**Dominic Wilson** *General Manager – MAAS Civil* • Dominic is the General Manager for the Civil Construction business unit and has been with MAAS Group since 2003 after gaining his qualifications as a plumber. • Dominic holds various industry certifications in civil construction and surface extraction operations.
	**Steve Guy** *General Manager – MAAS Group Properties* • Steve is the General Manager for the Properties business and has been with MAAS Group since 2016. • Steve brings over 20 years experience in development and construction industry working in both public and private sectors. • Steve holds a Bachelor of Urban Regional Planning and has a Diploma in Project Management.
	**Richard Tomkins** *General Manager – Regional Group* • Richard is the General Manager for Regional Group. • Richard joined MAAS Group in August 2019 and brings over 20 years experience. • Prior experience includes 15 years working for Boral's construction materials operations in Australia. Richard has also held many other senior management roles in both concrete and quarry businesses.

Management	Experience and Background
	**Josh Large** *General Manager – JLE Electrical* • Josh is the General Manager of JLE Electrical, having founded the JLE Electrical business and led its operations for more than 15 years. • Josh brings over 20 years experience in the electrical industry to MAAS Group. • Prior to founding JLE Electrical, Josh was an Electrical Technician with Essential Energy ASP Inspections. • Josh holds multiple electrical certifications and has an Advanced Diploma in Lead Auditing.
	**Jason Finlay** *General Manager – EMS* • Jason is the General Manager for EMS and brings over 30 years experience in heavy vehicle parts and service repair industry to the company. • Jason took on the role of General Manager at a regional truck parts and repair company in 2002. As General Manager, Jason was responsible for the daily operations of the branches in Dubbo and Sydney including the companies oversees purchasing. The Dubbo branch included the Mack and Volvo Dealership for the Western Area. • Jason has gained his Certificate IV in Frontline Management.

4.3 Organisational structure

A summary of MAAS Group's corporate structure is set out in Figure 45 below.

Figure 45: Organisational structure



Note: Agreement in place for EMS Group Pty Limited to acquire remaining 25% of VMS Engineering Co.

4.4 Executive remuneration

Wes Maas, Chief Executive Officer

Wes Maas is employed by MAAS Administration Pty Limited as the Chief Executive Officer, and is entitled to annual total fixed remuneration of $360,000, plus superannuation. Superannuation contributions will be paid at the statutory rate.

Further details of the employment contract are outlined in Section 8.12.

4.5 Payments to Directors

The constitution of MAAS Group provides that the Directors may be paid, as remuneration for their services, a sum set from time to time by MAAS Group's Shareholders in general meeting, with that sum to be divided among the Directors as they agree. The maximum aggregate amount which has been approved by MAAS Group's Shareholders for payment to the Directors is $750,000 per annum. The non-executive directors' fees (inclusive of committee fees) are $85,000 per annum and the Chairman's fee (inclusive of committee fees) is $100,000 per annum.

4.6 Directors' interests in Shares

The Directors (other than Wes Maas) intend to subscribe for Shares under the Offer. Michael Medway has subscribed for 100,000 shares.

The Directors shareholdings as at the Prospectus Date are set out below.

	Shares held as at Prospectus Date
Wes Maas (Maas Family)*	173,281,913
Stephen Bizzell	320,542
Stewart Butel	58,333

*Note: *Shareholding prior to transfer of Shares to SaleCo.*

4.7 Deeds of access and indemnity

The Company has entered into standard deeds of access, indemnity and insurance with each Director.

The Company has undertaken, consistent with the Corporations Act, to indemnify each Director in certain circumstances and to maintain directors' and officers' insurance cover in favour of the Director for seven years after the Director ceases to be a Director.

The Company has further undertaken with each Director to maintain a complete set of the Company's Board papers and to make them available to the Director for seven years after the Director ceases to be a Director.

4.8 Compliance with ASX Corporate Governance Principles and Recommendations

The primary responsibility of the Board is to represent and advance Shareholders' interests and to protect the interests of all stakeholders. To fulfil this role, the Board is responsible for the overall corporate governance of the Company including its strategic direction, establishing goals for Senior Management and monitoring the achievement of these goals. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

The ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* (4th edition) (**Recommendations**) contain corporate governance recommendations for Australian listed entities in order to promote investor confidence and to assist companies to meet stakeholder expectations. The Recommendations are not prescriptions, but guidelines. However, under the Listing Rules, the Company will be required to provide a statement in its annual report or on its website disclosing the extent to which it has followed the Recommendations in the subject reporting period. Where the Company does not follow a Recommendation, it must identify the Recommendation that has not been followed and give reasons for not following it.

Except as set out below, the Board does not anticipate that it will depart from the Recommendations. However, it may do so in the future if it considers that such a departure would be reasonable. Copies of the Company's corporate governance policies are available on the Company's website at www.maasgroup.com.au.

4.9 Responsibility of the Board

The Board is responsible for the Company's proper corporate governance. To carry out this obligation, the Board must act:

- honestly, fairly, diligently and in accordance with the Constitution and the law;
- in compliance with Board policies in relation to disclosing and managing conflicts of interest, dealing in the Company's securities and other rules applicable to Directors as adopted by the Board from time to time;
- in the interests of Shareholders (with a view to building sustainable value for them); and
- in the interests of personnel and other stakeholders.

The Board has reserved to itself the following specific responsibilities:

- providing leadership and setting the strategic direction of the Company;
- reviewing on an ongoing basis how the Company's strategic environment is changing, what key risks and opportunities are appearing, how they are being managed and what, if any, modifications in strategic direction should be adopted;
- approving the strategic plan, business plan, operating budgets and major capital expenditure;
- appointment and removal of the Chairman;
- appointment and removal of the CEO;
- appointment and removal of the Company Secretary, CFO and any other Senior Management, taking in to consideration the recommendation of the CEO;
- setting and overseeing Senior Management's implementation of the Company's strategic objectives and its performance generally;
- approving and monitoring the acquisition, establishment, disposal or cessation of any significant business or significant changes to organisational structures;
- determining the Company's dividend policy and overseeing the financing of dividend payments (if any);
- monitoring the integrity of the Company's accounting and corporate reporting systems, including the external audit;
- monitoring the Company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of its Shares;
- ensuring that the Company has in place an appropriate risk management framework;
- setting the risk appetite within which the Board expects Senior Management to operate;
- approving the Company's remuneration framework;
- monitoring the effectiveness of the Company's governance practices;
- monitoring and managing the performance of Senior Management;
- approving and managing succession plans for Senior Management and other key management positions that may be identified from time to time;
- reviewing and monitoring any related party transactions; and
- monitoring the Company's operations in relation to, and in compliance with, relevant regulatory and legal requirements.

4.10 Composition of the Board

The Constitution and Board Charter require that the Board comprise no less than three directors. At least half of the Board should be independent non-executive directors. The Chairman should be one of the independent non-executive Directors.

The Board is currently comprised of five Directors as set out in Section 4.1, with Stephen Bizzell as Chairman.

Recommendation 2.4 sets out that a majority of the board of a listed entity should be independent directors. Having regard to the size and nature of the Company, the Board has determined that it is sufficient to have five Directors at this time with two being independent non-executive Directors. The Board will monitor the needs of the Company and will in the future consider the appointment of additional independent non-executive directors to the Board.

4.11 Independence of Directors

The Board has adopted in its Board Charter guidelines and thresholds of materiality and adopted a definition of independence based on that set out in the Recommendations.

All Directors, whether independent or not, should bring an independent judgement to bear on all Board decisions. A Director is considered an independent Director if he or she is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its Shareholders.

The Board considers that Stewart Butel and Neal O'Connor are independent Directors. In the event that a conflict of duty arises, Directors must comply with the Corporations Act in relation to any meeting disclosure and voting requirements.

The Remuneration and Nomination Committee will assess the independence of each non-executive director in light of interests disclosed by them at least annually at or around the time that the Remuneration and Nomination Committee considers candidates for election to the Board.

4.12 Board Charter

The Board has adopted a Board Charter which formally recognises its responsibilities, functions, power and authority and composition. This charter sets out other things which are important for effective corporate governance including:

- the roles and responsibilities of the Board (see Section 4.9);
- the membership of the Board, including in relation to the Board's composition and size, and the process of appointment and re-election of directors, the desirable skills and diversity of Directors, independence of directors and conduct of individual directors;
- the role and responsibilities of the Chairman and Company Secretary;
- the delegation of authority of the Board to the committees of the Board, the CEO and other Senior Management;
- Board process, including how the Board meets;
- Board administrative matters, including the induction of directors, directors' access to Company information, directors' right to independent advice, trading of securities by directors and managing conflicts of interest; and
- the Board's performance evaluation processes, including in respect of its own performance, the performance of the Board committees, individual directors and members of Senior Management.

The purpose of the charter is to institutionalise good corporate governance and to build a culture of best practice both in the Company's internal practices and its dealings with others.

4.13 Audit and Risk Committee

The Board has established an Audit and Risk Committee. The purpose of this committee is to advise on the establishment and maintenance of a framework of internal control and appropriate ethical standards for the management of the Company. Its members are Neal O'Connor (Chairman), Michael Medway and Stephen Bizzell.

The committee performs functions relevant to risk management and internal and external reporting and reports to the Board following each meeting. The committee's role is to:

- oversee the adequacy of the Company's corporate reporting processes. The processes should be formal and rigorous to safeguard the integrity of the Company's corporate reporting and facilitate independent verification;
- oversee the external auditor's role in the corporate reporting process and making recommendations to the Board regarding the external audit;

- ensure that Senior Management carry out their risk management roles in light of guidance from the Board; and
- make recommendations to the Board regarding risks the Company faces, action it should take, the adequacy of the Company's risk management framework, and on disclosure of risk.

Meetings of the committee are held at least four times each year. A broad agenda is laid down for each regular meeting according to an annual cycle.

The Company Secretary will be the secretary for the committee. The CEO and the CFO are expected to attend meetings as observers. The committee will invite the external auditor to attend each of its meetings.

Recommendation 4.1 states that an audit committee should have at least three members, all of whom are independent directors. Recommendation 7.1 states that a risk committee should have at least three members, a majority of whom are independent directors.

The Board considers that an Audit and Risk Committee including Neal O'Connor, who is considered by the Board to be an independent Director, is sufficient having regard to the size and nature of the Company. The Board will monitor the needs of the Company and may in the future consider the appointment of additional members to the committee.

4.14 Remuneration and Nomination Committee

The Board has established a Remuneration and Nomination Committee. The purpose of this committee is to assist the Board and report to it on remuneration and related policies and practices (including remuneration of Senior Management and non-executive directors) and to make recommendations to the Board about the appointment of new directors (both executive and non-executive) and Senior Management.

Its members are Michael Medway (Chairman), Neal O'Connor and Stephen Bizzell.

The committee's objectives in relation to remuneration matters are to ensure that:

- the Company implements appropriate remuneration and retention strategies to enable it to execute the business strategy;
- the Company's remuneration policies and practices:
  (a) are fair and appropriate; and
  (b) are designed to attract, retain and motivate directors, Senior Management and personnel who will create value for Shareholders; and
- the remuneration structure is fair and equitable and aligned with the long-term interests of the Company and its Shareholders and having regard to relevant the Company's policies.

The committee is also responsible for advising the Board on:

- Board succession planning generally;
- induction and continuing professional development programs for directors;
- the development and implementation of a process for evaluating the performance of the Board, its committees and directors;
- the process for recruiting a new director, including evaluating the balance of skills, knowledge, experience, independence and diversity on the Board and, in the light of this evaluation, preparing a description of the role and capabilities required for a particular appointment;
- the appointment and re-election of directors; and
- succession planning for the CEO and other members of Senior Management,

with the objective of having a Board of a size and composition conducive to making appropriate decisions, with the benefit of a variety of perspectives and skills and in the best interests of the Company as a whole.

Meetings are held at least three times each year.

Recommendation 8.1 states that a remuneration committee should have at least three members, a majority of whom are independent directors and Recommendation 2.1 states that a nomination committee should have at least three members, a majority of whom are independent directors. The Board considers that the Remuneration and Nomination Committee including Neal O'Connor, who is considered by the Board to be an independent director, is sufficient having regard to the size and nature of the Company. The Board will monitor the needs of the Company and may in the future consider the appointment of additional members to the committee.

4.15 Related Party Committee Charter

The Board has adopted a Related Party Committee Charter. The Related Party Committee is responsible for reviewing transactions between MAAS Group, its related parties and substantial shareholders in order to:

- assess whether the transactions are in the best interests of MAAS Group and its shareholders;
- evaluate whether the transactions fall within the ambit of a normal business relationship;
- confirm whether the terms of the transactions are no more favourable than would reasonably be expected of transactions negotiated on an arm's length basis; and
- form a view as to whether shareholder approval of the transactions is necessary or appropriate.

The Related Party Committee comprises independent non-executive directors who have not been associated with a related party or a substantial shareholder of MAAS Group. Its members are Stewart Butel (Chairman) and Neal O'Connor. If a related party transaction arises which involves one of the members of the Related Party Committee then the conflicted director must inform the Related Party Committee immediately and exclude themselves from any discussion on the relevant transaction at the request of the Related Party Committee Chairman.

The Related Party Committee will meet when there is a proposed related party transaction to consider and on such other occasions as deemed necessary by the Related Party Committee Chairman. Non-committee members, including members of management, may attend all or part of a Related Party Committee meeting at the invitation of the Related Party Committee Chairman. The Related Party Committee will ultimately make recommendations to the Board for its consideration and approval.

4.16 Health, Safety and Environment Committee

The Board has established a Health, Safety and Environment Committee. The Health, Safety and Environment Committee assists the Board in enabling the Company to operate its businesses safely, responsibly and sustainably. The Health, Safety and Environment Committee is responsible for overseeing key health, safety and environment risks or impacts arising out of a Company's activities. Its members are Stewart Butel (Chairman), Michael Medway and Stephen Bizzell.

The Health, Safety and Environment Committee will have oversight and review of:

- the Company's actions to meet its duty to ensure the protection of people and the environment;
- the effectiveness of the Company's policies, systems and governance structure for identifying and managing health, safety and environment risks which are material to MAAS Group;
- initiatives to enhance the Company's sustainable business practices and reputation as a responsible corporate citizen;
- ensuring the Company's compliance with applicable legal and regulatory frameworks in respect of health, safety and environment matters; and
- the performance of the Company, in relation to health, safety and environment targets and measures adopted by the Company.

The Health, Safety and Environment Committee is also responsible for:

- providing advice and recommendations to the Board on health, safety and environment matters;
- acting as an interface between the board and management on health, safety and environment matters;
- monitoring health, safety and environment related performance with a view to providing outcomes acceptable to workers, the community, customers and investors; and
- considering reports submitted by management on health, safety and environment performance and issues.
- Meetings are held at least twice yearly.

4.17 Corporate governance policies

The Company is committed to achieving and maintaining the highest standards of conduct and has adopted the corporate governance policies set out in this section to achieve this objective. The Company's corporate governance policies are intended to institutionalise good corporate governance and build a culture of best practice both in the Company's own internal practices and in its dealings with others.

Code of Conduct

The Company is committed to achieving and maintaining the highest standards of conduct, both ethical and legal, and has adopted a Code of Conduct which sets out the standards of conduct expected of the Company's business and people (including the Board, Senior Management, Employees, contractors, consultants and other persons that act on behalf of the Company) taking into account the Company's legal, ethical and other obligations to its stakeholders.

Securities Trading Policy

Pursuant to the Corporations Act and Listing Rules, the Board has adopted a Securities Trading Policy to regulate when and how Directors, Senior Management and certain other persons nominated by the Board may trade in securities of the Company (as well as their family members, nominee companies and family trusts). The purpose of such a policy is not only to minimise risk of insider trading but also to avoid the appearance of insider trading and the potentially significant reputational damage that may cause. Such restricted persons are prohibited from trading in the Company's securities outside prescribed trading windows (unless an exceptional circumstance applies), or if they have inside information, or are trading for short term or speculative gain. Inside information is information that is generally not available publicly and if it were generally available would likely have a material effect on price or value of the securities, or otherwise be likely to influence the trading decisions of persons that commonly invest in securities.

The periods currently designated as trading windows include the one month period beginning at the close of trading on the day after the dates on which:

- the Company is admitted to the Official List;
- the Company announces its half-yearly results to ASX;
- the Company announces its full year results to ASX;
- the Company holds its annual general meeting (assuming an update of the full year's results is given at the meeting); and
- any additional periods determined by the Board from time to time.

Disclosure and Communication Policy

The Board has adopted a Disclosure and Communications Policy, which sets out procedures to be adopted by the Board to ensure the Company complies with its continuous disclosure obligations to keep the market fully informed of market sensitive information which may have a material effect on the price or value of the Company's Shares and to correct any material mistake or information in the market.

The Board is responsible for determining whether information is such that it would have a material effect on the price or value of the Company's Shares. The policy provides a framework for the Board and officers of the Company to internally identify and report market sensitive information which may need to be disclosed and sets out practical implementation processes in order to ensure any identified information is adequately communicated to ASX and Shareholders.

The policy also sets out the Board's commitment to communicate effectively with Shareholders and making it easy for Shareholders to participate in general meetings. Information will be communicated to Shareholders through the lodgement of reports required under the Corporations Act, on announcements via the ASX website and also on the Company's website at www.maasgroup.com.au.

Relevant market or media releases, the Company's financial data, shareholder communications, and its charters and policies will be available on the Company's website. The website also provides information to assist Shareholders in directing relevant inquiries to the Share Registry.

Diversity Policy

The Company is committed to complying with the diversity recommendations published by ASX and promoting diversity among employees, consultants and Senior Management, and has adopted a Diversity Policy. Diversity includes, but is not limited to, diversity of gender and gender identity, age, ethnicity, cultural background, marital or family status, religion and disability.

The Diversity Policy adopted by the Board outlines the Company's commitment to fostering a corporate culture that embraces diversity and provides a process for the Board to determine measurable objectives and procedures to implement and report against to achieve its diversity goals.

The Board, in consultation with the Nomination Committee, will be responsible for implementing the Diversity Policy, setting the Company's measurable objectives and benchmarks for achieving diversity and reporting to the Board on compliance with the Diversity Policy. The Board will assess and report annually to Shareholders on the Company's progress towards achieving its diversity goals.

Whistleblower Policy

The Board has adopted a Whistleblower Policy that provides information regarding the rights and obligations of employees, contractors and other personnel of the Company under the Corporations Act as amended by the *Treasury Laws Amendment (Enhancing Whistleblower Protections) Act 2019*. The policy adopted by the board is consistent with the Company's commitment to conducting business with honesty and integrity and in accordance with the Company's values and expected standards of behaviour. The policy encourages people to speak up if they become aware of potential misconduct at the Company. The policy explains the protections available to eligible whistleblowers, the process for making a protected disclosure and outlines the Company's processes for responding to whistleblower disclosures. Additionally, the policy specifies the Company employees that are entitled to receive protected disclosures.

Anti-Bribery and Corruption Policy

The Company takes a zero tolerance approach to bribery and corruption. The Board has adopted an Anti-Bribery and Corruption Policy to demonstrate its commitment to upholding high standards of personal, professional and business behaviour. The purpose of the policy is to outline the Company's controls regarding offering or accepting gifts, entertainment, hospitality and political donations.

This Policy seeks to protect the Company, its employees and personnel from any appearance or suggestion of unethical behaviour. The policy strictly prohibits employees and personnel from engaging in or tolerating bribery and corruption at any time or for any reason. The policy also addresses secret commissions, political contributions, facilitation payments, charitable donations and expected standards of conduct during tendering and procurement processes. The Board is responsible for reviewing the policy and ensuring that reports or breaches are adequately recorded, investigated and responded to in accordance with legislative changes.

4.18 Related party arrangements

Leases

Group entities have entered into lease agreements with Yarrandale Pty Ltd, a related party, and additionally with entities related to Founding Shareholders. A summary of each lease is set out in the table below. Each of the lease agreements is on arm's length commercial terms.

Premises	**5L Newell Highway Dubbo** **Part Lot 22 DP 1009689**	**Lot 3 & 4 DP1063583** **1/7 Energy Place Dubbo**	**Lot 34 in** **DP 1033478** **17R Yarrandale Road Dubbo**
Landlord	Rookharp Holdings Pty Ltd	Dubsvegas Pty Limited	Yarrandale Pty Ltd
Relationship to the Company	Rookharp Holdings Pty Ltd is a Founding Shareholder, and is owned and controlled by David Rooke, another Founding Shareholder.	Dubsvegas Pty Limited is a Founding Shareholder and is owned and controlled by Kimberley Large, another Founding Shareholder.	Yarrandale Pty Ltd is owned and operated by Wes Maas, director and Founding Shareholder.
Permitted use	Machinery sales and offices	Office, warehouse and open air storage	Offices and workshop for earthmoving and plant equipment hire
Commencement Date	1 July 2019	1 July 2019	27 February 2020
Term	5 years	5 years	5 years
Annual Rent	$95,000	$127,800	$305,299.20
Rental Increases	Annual fixed increase of 3% on the anniversary of the commencement date and any option period	Annual fixed increase of 3% on the anniversary of the commencement date and any option period	Annual fixed increase of the greater of 3.5% or CPI
Options	1 x 5 years	1 x 5 years	1 x 5 years
Terms	Incorporating the standard terms and conditions of the NSW Law Society approved lease.	Incorporating the standard terms and conditions of the NSW Law Society approved lease.	Incorporating the standard terms and conditions of the NSW Law Society approved lease.

Residential tenancy

MAAS Administration Pty Ltd, a wholly owned subsidiary of the Company, has entered into a periodic tenancy agreement for the rental of a residential home from Emma Maas, a Founding Shareholder and spouse of and the Founder. Rent of $550 is payable weekly. Ms Maas, as landlord, can terminate by giving 90 days notice written notice, or MAAS Administration Pty Ltd, as tenant, can terminate with 21 days notice written notice.

Commercial Tenancies

EMS Mine Site Electrical Pty Ltd has entered into a commercial tenancy agreement for office space and a carpark in Brisbane with Mallee Bull Investments Pty Ltd as trustee for the Mallee Bull Property Trust (Mallee Bull Property Trust) for a term of two years from July 2020 at a rental of $900 per month. The spouse of Mr Stephen Bizzell, the Company's Chairman, is a director of Mallee Bull Investments Pty Ltd and an ultimate beneficiary of the Mallee Bull Property Trust. The tenancy agreements is on commercial arm's length terms and was entered into prior to Mr Bizzell's appointment as Chairman.

Laneway Resources

MAAS Plant Hire Pty Ltd has entered into a services agreement to provide mining and ancillary services to Laneway Resources Limited, a listed company of which Mr Stephen Bizzell is a director and substantial shareholder. The agreement is on arms-length, commercial terms.

Share sale transactions

The following share sales in respect of Group entities were implemented with related parties:

- *Eykan Holdings Pty Ltd:* Shares in Eykan Holdings Pty Limited, were transferred from MAAS Group Properties Pty Limited to MAAS Group Developments Pty Limited (a Group entity) on 31 May 2019. MAAS Group Properties Pty Limited (as transferor) has provided an indemnity to MAAS Group Developments Pty Limited, in respect of any tax liability incurred by Eykan Holdings Pty Ltd prior to completion.
- *MAAS Group Properties Fairydale Pty Limited:* Shares in MAAS Group Properties Fairydale Pty Limited were transferred from W & E Maas Holdings Pty Limited to MAAS Group Developments Pty Limited (a Group entity) on 25 August 2020. W & E Maas Holdings Pty Limited (as transferor) has provided an indemnity to MAAS Group Developments Pty Limited, in respect of any tax liability incurred by MAAS Group Properties Fairydale Pty Limited prior to completion.

Land sale transactions

The following land sale transactions, with respect to residential development land, have been implemented between Group entities and related parties:

- *Magnolia:* MAAS Group Properties Magnolia Pty Limited (a Group entity) purchased land from MAAS Group Properties No 7 Pty Limited and MAAS Group Properties No. 4 Pty Limited, on 10 May 2019.
- *Highlands:* MAAS Group Properties Highlands Pty Limited (a Group entity) purchase land from MAAS Group Properties Bellevue Road Pty Limited on 10 May 2019.
- *Bombira:* MAAS Group Properties Bombira Pty Limited (a Group entity) purchased land from MAAS Group Properties No 5 Pty Limited on 17 May 2019.
- *Southlakes:* MAAS Group Properties Southlakes Pty Limited (a Group entity) purchased land from MAAS Group Properties No 2 Pty Limited on 17 May 2019.

The land the subject of each transaction was valued by a third party valuer prior to the transaction. The purchase price payable for each parcel of land was the amount determined in each registered valuation.

Bizzell Capital Partners – Corporate Advisory Services

On 8 October 2018, the Company engaged BCP as Corporate Adviser to advise on the Company's ASX listing, capital raising processes and acquisitions. The parties mutually agreed to terminate the engagement on 5 November 2020 pursuant to a mutual deed of termination (**Termination Deed**).

Stephen Bizzell, Chairman of the Company, is the chairman and owner of BCP. The engagement of BCP was negotiated on arms' length commercial terms prior to Mr Bizzell's appointment as a director and Chairman of the Company.

Under the Termination Deed, BCP is entitled to receive a payment of $473,000 in respect of advisory fees up to 5 November 2020.

Subject to the Company being satisfied, in its absolute discretion, with the role that BCP has performed in the IPO process up to 5 November 2020, the Company may issue to BCP or its nominees up to 1 million options following completion of the Offer. The issue of options to BCP or its nominees will be subject to shareholder approval. If approved and issued, the options will have an exercise price of a 25% premium to the IPO Offer Price and an expiry date of 3 years from the date of listing on ASX.

In accordance with the Underwriting Agreement (detailed in Section 8.2), the Joint Lead Managers and Underwriters will pay a selling fee of 2.75% to BCP in respect of BCP's allocation of 12.5% of the Offer.

BCP or its related entities may subscribe for Shares.

Following completion of the Offer, BCP will not act as a corporate adviser to the Company while Mr Bizzell is both a director of the Company and associated with BCP.

Liberal Development option

MAAS Group Developments Pty Ltd (**MGD**), a wholly owned subsidiary of the Company has entered into an option agreement with MGFP Holdings Pty Ltd as trustee for MGFP Unit Trust (**MGFP Holdings**). The superannuation funds of the parents of Mr Wes Maas, and Ms Emma Maas, are the beneficiaries under that unit trust. The option agreement is dated 8 October 2020 and grants MGD an option in respect of land located at 216 to 235 Macquarie Street, Dubbo. The Dubbo Regional Council has granted a development consent in respect of the land, for a mixed use development consisting of commercial premises and serviced apartments.

Under the agreement, MGD can exercise an option to purchase the land prior to the option expiry date of 8 October 2022. The purchase price of the land will be the market value, as determined by a third party valuer. An option fee of $50,000 has been paid by MGD, which will form the deposit payable under the land sale contract. MGD may extend the time for the exercise of the option for a further two year period prior to the expiry date.

The land sale contract provides that MGD will the accept property in its present condition and state of repair and release MGFP Holdings from any claim by MGD in respect of environmental liability or contamination.

MAAS Group Properties Sheraton View Pty Limited option

MAAS Group Developments Pty Ltd (**MGD**) has entered into an option agreement with Founding Shareholder W & E Maas Holdings Pty Limited as trustee for the Maas Family Trust (**Maas Trust**) on 3 November 2020. The option agreement grants MGD the right to purchase all of the shares in MAAS Group Properties Sheraton View Pty Limited (**MGP Sheraton**) which holds a parcel of land located at 1 Sheraton Road in Dubbo. It is proposed that this land be used for the Sheraton View residential development. The exercise price of the option is $100.

MGP Sheraton entered into a contract to purchase the land in January 2020, for the purchase price of $1,960,000. The initial amount of $700,000 was paid on or before settlement of that contract, with the balance $1,260,000 payable in increments on the first and second anniversaries of the settlement date. Choice Investments (Dubbo) Pty Ltd (**Choice Investments**) funded the deposit, the first instalment of the purchase price and all transaction costs (in total $803,740). Maas Trust is a majority shareholder in Choice Investments. Upon exercise of the option, Choice Investments will be entitled to repayment of those funds, and any additional purchase price instalments funded by Choice Investments.

MGD can exercise its option to purchase the shares on or before 31 October 2021. This date may be extended by a further 12 months at the election of the MGD.

Management Agreements

MGD entered into Management Deeds with the following entities which are not members of MAAS Group:

- MAAS Group Properties No 8 Pty Limited;
- MAAS Group Properties No 7 Pty Limited;
- MAAS Group Properties No 4 Pty Limited; and
- MAAS Group Properties No 2 Pty Limited,

(together, the **MGFP Parties**). The MGFP Parties are entities owned or controlled by related parties of the parents of Mr Wes Maas and Ms Emma Maas. Mr Maas does not have any economic interest in these entities.

Each of the MGFP Parties held land for residential development, but are seeking to exit the residential property developer market. Under the Management Deeds, MGD agreed to manage and sell all land held by the MGFP Parties on their behalf, in return for the payment of a management fee.

The management deeds expire on the sale of all lots. MGD has completed all sales for land held by MAAS Group Properties No. 4 Pty Ltd, and expects to complete the remaining 13 lots held by MAAS Group Properties No 8 Pty Ltd by 30 November 2020. Four lots remain outstanding in respect of the management arrangements entered into with MAAS Group Properties No 2 Pty Limited and MAAS Group Properties No 7 Pty Limited, which are all expected to be sold by 31 March 2021.

The management fee payable under each deed is $30,000 per lot, except for the deed entered into with MAAS Group Properties No 8 Pty Limited, for which the management fee is $90,000 per lot.

Section 5
Financial Information

5 Financial Information

5.1 Introduction

The statutory historical financial information and pro forma historical financial information (together the Historical Financial Information) contained in this section has been prepared by MAAS Group on the basis set out below in the remainder of this section.

The Historical Financial Information has been provided by MAAS Group to potential investors to assist with their understanding of the historical financial performance, cash flows and financial position of the Company had it operated as a combined group from 1 July 2017.

The statutory historical financial information for MAAS Group (**Statutory Historical Financial Information**) comprises:

- statutory historical consolidated statements of profit or loss for the financial years ended 30 June 2018 (**FY18**), 30 June 2019 (**FY19**), and 30 June 2020 (**FY20**) (**Statutory Historical Results**);
- statutory historical consolidated cash flow information for FY18, FY19 and FY20 (**Statutory Historical Cash Flow Information**); and
- statutory historical consolidated statement of financial position as at 30 June 2020 (**Statutory Historical Statement of Financial Position**).

The pro forma historical financial information for MAAS Group (**Pro Forma Historical Financial Information**) comprises:

- pro forma historical consolidated statements of profit or loss for FY18, FY19 and FY20 (**Pro Forma Historical Results**);
- pro forma historical consolidated cash flow information for FY18, FY19 and FY20 (**Pro Forma Historical Cash Flow Information**); and
- pro forma historical consolidated statement of financial position as at 30 June 2020 (**Pro Forma Historical Statement of Financial Position**).

Also summarised in this section is:

- the basis of preparation and presentation of the Historical Financial Information (see Section 5.2);
- explanation of certain non-IFRS financial measures (see Section 5.3);
- pro forma adjustments and reconciliations of the Statutory Historical Financial Information to the Pro Forma Historical Financial Information (see Sections 5.4.4, 5.5.3, and 5.6.1);
- details of MAAS Group's property, plant and equipment (see Section 5.6.2);
- details of MAAS Group's indebtedness (see Section 5.6.3) and a description of its Banking Facilities (see Section 5.6.4);
- information regarding MAAS Group's liquidity and capital resources (see Section 5.6.5), and MAAS Group's capital and contractual commitments (see Section 5.6.6);
- segment information (see Section 5.7);
- management's discussion and analysis of the Pro Forma Historical Financial Information (see Section 5.8);
- key factors impacting MAAS Group's future financial performance (see Section 5.9);
- an update on MAAS Group's trading performance since 30 June 2020 (see Section 5.10);
- MAAS Group's proposed dividend policy (see Section 5.11); and
- a summary of MAAS Group's Significant Accounting Policies and Financial Risk Management Framework (see Section 5.12 (Appendix 1) and Section 5.13 (Appendix 2)).

The Historical Financial Information presented in this Prospectus has been reviewed by BDO Audit Pty Ltd in accordance with the Australian Standard on Assurance Engagements *ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*, as stated in its Independent Limited Assurance Report on the Historical Financial Information. Investors should note the scope and limitations of the Independent Limited Assurance Report on the Historical Financial Information (refer to Section 6).

The information in this section should also be read in conjunction with the risk factors set out in Section 7 and other information contained in this Prospectus. In preparing the Historical Financial Information, the significant accounting policies of MAAS Group set out in Appendix 1 have been applied consistently throughout the periods presented.

MAAS Group operates on a financial year ending 30 June. All amounts disclosed in this section are presented in Australian dollars and, unless otherwise noted, are rounded to the nearest A$0.1m. Rounding of the Historical Financial Information may result in some discrepancies between the sum of the components and the totals outlined within the tables and percentage calculations.

Potential investors should note that past results are not indicative of future performance.

5.2 Basis of preparation and presentation of the Historical Financial Information

5.2.1 Overview

The Historical Financial Information has been prepared and presented in accordance with the recognition and measurement principles of the Australian Accounting Standards (including the Australian Accounting Interpretations) (**AAS**), issued by the Australian Accounting Standards Board (**AASB**), which are consistent with International Financial Reporting Standards (**IFRS**) and interpretations issued by the International Accounting Standards Board (**IASB**).

The Historical Financial Information is presented in an abbreviated form and does not include all the presentation and disclosures, statements or comparative information required by the AAS and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act. MAAS Group's significant accounting policies are set out in Appendix A.

A discussion of the segments that MAAS Group report under AASB 8 Operating Segments is set out in Section 5.7.

The Historical Financial Information in this section includes non-IFRS measures that MAAS Group uses to manage and report on its business that are not recognised under AAS or IFRS, as described in Section 5.3.

5.2.2 Accounting for the Merger Transaction

The group was formed by the merger of multiple entities that its founder Wes Maas either historically controlled or with which he had previous business relationships with. On 30 June 2019, a group restructure (the **Merger Transaction**) was completed, bringing the group under a newly incorporated holding company, MAAS Group. The Merger Transaction was effected by an equity issue in MAAS Group and included the aggregation of entities within the ownership control of the Maas Family and the acquisition of externally controlled entities.

The Directors at that time determined that the portion of the Merger Transaction that included the aggregation of entities within the ownership control of the Maas Family did not represent a business combination as defined by AASB 3 Business Combinations since the transaction was considered to be a combination of entities under common control, hence outside the scope of AASB 3. As there are no specific IFRS requirements on the treatment of such transactions, an accounting policy for the transaction was required to be determined.

The "top-hatting" of the existing group with a newly incorporated holding company, MAAS Group and the consolidation of the common controlled entities are a restructure of the existing business operations and therefore it was considered that the continuation method of accounting (book value) was most appropriate. Accordingly, where applicable, book value accounting was adopted whereby:

- assets and liabilities of the acquired entities are recognised at their previous carrying amounts;
- no adjustments are made to reflect fair values;
- no new assets (including goodwill) and liabilities of the acquired (merged) entities are recognised at the date of the restructure;
- any non-controlling interest is measured as a proportionate share of the book values of the related assets and liabilities; and
- comparative amounts are presented as if the combination had taken place at the beginning of the earliest comparative period presented.

Entities considered under common control and forming part of the continuation accounting include the following groups and entities:

- MAAS Group Pty Ltd and its controlled entities;
- MAAS Group Developments Pty Ltd and its controlled entities;
- Regional Hardrock (Dubbo) Pty Ltd; and
- Regional Hardrock Pty Ltd as trustee for the Regional Hardrock Unit Trust.

MAAS Group Pty Ltd (**MG**) was the holding company for the civil and hire activities prior to the Merger Transaction and has been identified as the 'acquirer' for accounting purposes. Accordingly, the statutory financial statements have been prepared as a continuation of the consolidated financials of MG and its controlled entities. The comparative financial information from 1 July 2017 to 30 June 2018 presented in the consolidated financial statements is that of MG (accounting acquirer) and its controlled entities. The statement of profit or loss and other comprehensive income and the statement of cash flows for the year ended 30 June 2019 represents the results of MG and its controlled entities for the period from 1 July 2018 to 30 June 2019.

The other entities party to the Merger Transaction (not under common control) are accounted for under AASB3 as a business combination where applicable. As the Merger Transaction occurred on 30 June 2019, their results are not included in the statement of profit or loss and other comprehensive income and statement of cash flows in the statutory financial statements of MG for the year ended 30 June 2019.

5.2.3 Summary of items included in the Historical Financial Information

Commonly controlled entities acquired via the issue of shares in MAAS Group on 30 June 2019 included:

- MAAS Group Pty Ltd and its controlled entities;
- MAAS Group Developments Pty Ltd and its controlled entities;
- Regional Hardrock (Dubbo) Pty Ltd; and
- Regional Hardrock Pty Ltd as trustee for the Regional Hardrock Unit Trust.

Externally controlled entities acquired via the issue of shares in MAAS Group on 30 June 2019 included:

- MAAS Homes Pty Ltd (formerly Nigel Bourke Construction Pty Ltd);
- Machinery Sales Pty Ltd (formerly Rookharp Pty Ltd);
- Large Industries Pty Ltd;
- EMS Plant & Equipment Pty Ltd;
- EMS Group Pty Ltd and its controlled entities; and
- EMS International Pty Ltd (formerly EMS Vietnam Pty Ltd) and its controlled entity VMS Engineering Limited.

MAAS Group has made (or is planning to make) several strategic share and asset acquisitions, including:

- Hamcon Civil Pty Ltd and Hamcon Hire Pty Ltd (January 2019);
- Miller Metals Forbes Pty Ltd (August 2019);
- Manso Holdings Pty Ltd (August 2019);
- Bizitay Pty Ltd (August 2019);
- Jacon group (September 2019);
- PT JTech Jasa Pertambangan (February 2020);
- Gramardi Pty Ltd (December 2019);
- Regional Group Resources Pty Ltd (June 2020) (formerly See Resources Pty Ltd); and
- Macquarie Geotechnical Pty Ltd (to complete at Completion of the Offer).

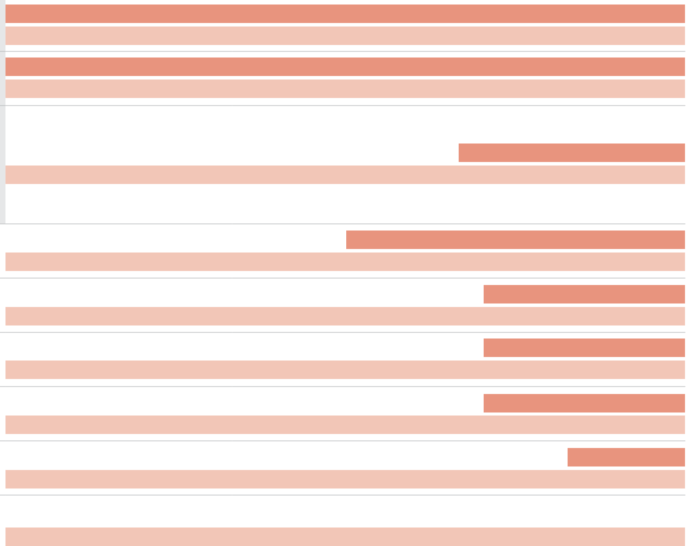
The commonly controlled entities, externally controlled entities, and strategic acquisitions together make up the aggregated group (**Aggregated Group**), which is organised into MAAS Group's operating segments as set out in the table below.

Business segment	Common Control Entities	Externally Controlled Entities	Share Acquisitions	Asset Acquisitions
Construction Materials	Regional Group, consisting of, Regional Hardrock (Dubbo) Pty Ltd, Regional Hardrock Pty Ltd ATF Regional Hardrock Unit Trust, Regional Group Quarries Pty Ltd (**RQA**), and Regional Crushing & Screening Pty Ltd (**RCS**)(**Regional**)		Miller Metals Forbes Pty Ltd (**Millers**) Macquarie Geotechnical Pty Ltd (**MacGeo**) Regional Group Resources Pty Ltd	Manso Holdings Pty Ltd (**Millers**) Gramardi Pty Ltd (**Dubbo Sands**)
Civil and Construction Hire	MAAS Group Pty Ltd (**MG**) and its controlled entities, excluding RQA and RCS (identified as the head company)	Large Industries Pty Ltd (**JLE**) Machinery Sales Pty Ltd (formerly Rookharp Pty Ltd) (**Nationwide**) EMS Minesite Electrical Pty Ltd (**MSE**)	Hamcon Civil Pty Ltd and Hamcon Hire Pty Ltd (**Hamcon**)	
Real Estate	MAAS Group Developments Pty Ltd and its controlled entities (**Developments**)	MAAS Homes Pty Ltd (formerly Nigel Bourke Construction Pty Ltd) (**Homes**)	Bizitay Pty Ltd (**Bizitay**)	
Underground Equipment & Services		EMS Group Pty Ltd and its controlled entities (*except for MSE*) (**EMS**) EMS International Pty Ltd (**International**) VMS Engineering Limited (**VMS**)[1] EMS Plant & Equipment Pty Ltd (**EMS P&E**)	PT JTech Jasa Pertambangan (**Jacon**, together with Jacon group)	Jacon group (**Jacon**, together with PT JTech Jasa Pertambangan)

1. *VMS Engineering Limited is 75% owned by EMS International Pty Ltd, the remaining 25% is held by a minority shareholder (refer to Section 5.6.1 for post 30 June 2020 acquisition of this minority interest).*

A timeline of the acquisitions and presentation in the Historical Financial Information is set out the table below:

	Acquisition date	FY18	FY19	FY20
MG	N/A			
Developments/Regional[1]	N/A			
EMS/EMS P&E/MSE/International/VMS/Homes/JLE Electrical/Nationwide[2]	N/A			
Hamcon	January 2019			
Millers	August 2019			
Bizitay	August 2019			
Jacon	September 2019			
Dubbo Sands	December 2019			
MacGeo	At Completion of the Offer			



Statutory Historical Financial Information *Pro forma Historical Financial Information*

1. *Acquired through the Merger Transaction in June 2019: continuation method of accounting adopted due to common ownership.*
2. *Acquired through the Merger Transaction in June 2019: business combination accounting adopted.*

5.2.4 Preparation of Statutory Historical Financial Information

The Statutory Historical Financial Information has been extracted from the general purpose financial reports of MAAS Group for FY19 (with FY18 comparatives) and FY20. The FY19 (with FY18 comparatives) and FY20 financial reports were audited by BDO Audit Pty Ltd in accordance with Australian Auditing Standards. BDO Audit Pty Ltd issued unmodified audit opinions on each of the financial reports.

5.2.5 Preparation of Aggregated Historical Financial Information

For FY18 and FY19, to assist in the preparation of the Pro Forma Historical Financial Information, special purpose aggregated financial statements of the Aggregated Group (**Aggregated Financial Information**) were prepared. The Aggregated Financial Information reflects the income and expenses and the assets and liabilities of all the entities in the Aggregated Group on a combined basis for FY18 and FY19 without business combination adjustments. The aggregated financial statements were audited by BDO Audit Pty Ltd in accordance with Australian Auditing Standards. BDO Audit Pty Ltd issued a qualified audit opinion in relation to non-attendance of the physical inventory counts as at 30 June 2018. The opinion also included a "Basis of Accounting" paragraph, which draws attention to the notes to the financial report that set out the basis of accounting used, including the principles of aggregation of the financial information.

5.2.6 Preparation of Pro Forma Historical Financial Information

The Pro Forma Historical Financial Information has been prepared for the purpose of inclusion in this Prospectus.

The Pro Forma Historical Financial Information has been derived from the Statutory Historical Financial Information and Aggregated Financial Information adjusted to reflect the:

- recognition of the acquisitions (and inclusion of earnings) as if they had been completed on 1 July 2017;
- removal of certain one off, non-recurring items;
- removal of acquisition costs;
- inclusion of incremental costs associated with MAAS Group being a listed company, including estimated Board and governance costs, and incremental audit, tax and compliance costs;

- inclusion of net finance costs relating to the capital structure proposed to be in place following the Completion of the Offer;
- inclusion of depreciation for plant and equipment of the acquisitions and the amortisation of customer lists of the acquisitions, as if the acquisitions had been owned from 1 July 2017;
- inclusion of other adjustments to reflect the operating and capital structures expected to be in place following the Completion of the Offer;
- tax effect of the above pro forma adjustments, determined using the relevant applicable effective corporate tax rate;
- proceeds of the Offer and costs associated with the Offer; and
- Convertible Note conversion to shares at the Prospectus Date.

Reconciliations have been provided to compare the Statutory Historical Financial Information with the Pro Forma Historical Financial Information at the following levels:

- Revenue;
- EBITDA;
- NPAT; and
- Free Cash Flow.

Due to its nature, the Pro Forma Historical Financial Information does not represent MAAS Group's actual or prospective financial position, financial performance, and cash flows.

5.2.7 Significant Accounting Policies and Application of New Accounting Standards to the Financial Information

The significant accounting policies applied consistently in the preparation of the Historical Financial Information are set out in Appendix 1.

New accounting standards which came into effect during the historical periods presented were as follows:

- AASB 9 *Financial Instruments*;
- AASB 15 *Revenue from Contracts with Customers*; and
- AASB 16 *Leases*.

The above accounting standards have been applied in the Statutory Historical Financial Information and the Aggregated Financial Information across all periods presented in the Prospectus.

5.3 Explanation of certain non-IFRS financial measures

MAAS Group uses certain measures to manage and report on its business that are not recognised under AAS or IFRS. These measures are referred to as non-IFRS financial measures. Non-IFRS financial measures are intended to supplement the measures calculated in accordance with AAS or IFRS and not be substituted for those measures. As non-IFRS financial measures have no defined meaning under recognised accounting standards the way that MAAS Group calculates them may be different to the way that other companies calculate similarly titled measures.

The principal non-IFRS financial measures used in this Prospectus are described below.

5.3.1 Income statement

Gross profit and gross profit margin

Gross profit reflects the margin on revenue after incorporating the cost of raw materials, royalties and transport costs. It does not include any indirect expenses.

Gross profit margin is calculated as gross profit divided by revenue and is expressed as a percentage.

EBITDA and EBITDA margin

EBITDA is earnings before interest, taxation, depreciation and amortisation.

Given that it eliminates the non-cash charges for depreciation and amortisation, management believes that EBITDA is useful to help understand the cash generation potential of the business. However, it should not be considered as an alternative to cash flow from operations because it does not reflect actual cash movements or movements in MAAS Group's working capital.

EBITDA margin is calculated as EBITDA divided by revenue and is expressed as a percentage.

Management uses EBITDA and EBITDA margin to evaluate the operating performance of the business without the non-cash impact of depreciation and amortisation and before interest and tax charges, which are affected by the capital structure and historical tax position of MAAS Group.

EBIT and EBIT margin

EBIT is earnings before interest and taxation. EBIT margin is calculated as EBIT divided by revenue and expressed is as a percentage.

Some of the limitations of EBITDA, EBITDA margin, EBIT and EBIT margin are that these measures do not reflect the following:

- MAAS Group's available cash or capital expenditure;
- changes in MAAS Group's working capital needs;
- the cash requirements necessary to service interest payments or principal repayments in respect of any borrowings;
- although depreciation and amortisation are non-cash charges, the assets being depreciated and amortised may have to be replaced in the future and there will likely be cash requirements for such replacements; and
- other companies in MAAS Group's industry may calculate these measures differently from MAAS Group, thereby limiting their usefulness as comparative measures.

EBITA and NPATA

EBITA is earnings before interest, taxation and amortisation expense.

NPATA is net profit after tax adding back amortisation expense, adjusted for removal of the tax impact of amortisation expense.

Some of the limitations of EBITA and NPATA are that these measures do not reflect the following:

- MAAS Group's available cash or capital expenditure;
- changes in MAAS Group's working capital needs;
- the cash requirements necessary to service interest payments or principal repayments in respect of any borrowings (for EBITA only);
- although amortisation is a non-cash charge, there may be cash requirements for replacing and maintaining the assets being amortised; and
- other companies in MAAS Group's industry may calculate these measures differently from how MAAS Group does, thereby limiting their usefulness as comparative measures.

5.3.2 Statement of financial position

Working capital

Working capital is the total of trade receivables, inventories, contract assets and prepayments less trade payables, other creditors, other provisions and accruals, Goods and Services Tax (GST) liabilities and employee liabilities. Management believes this allows MAAS Group to measure its short-term liquidity.

Some of the limitations of working capital are that:

- it does not reflect MAAS Group's future requirements for working capital, capital expenditure, or contractual commitments; and
- other companies in MAAS Group's industry may calculate this measure differently from MAAS Group, thereby limiting its usefulness as a comparative measure.

Net Debt

Net Debt represents total borrowings (including vendor finance arrangements and lease liabilities), less cash and cash equivalents and has been calculated excluding the lease liabilities for long term property leases recognised on the application of AASB16. Management believes this is a useful measure as it displays MAAS Group's credit position.

One of the limitations of this measure is that cash and cash equivalents will be required for purposes other than debt reduction.

Debt

Debt represents total borrowings (including vendor finance arrangements and lease liabilities) and has been calculated excluding the lease liabilities for long term property leases recognised on the application of AASB16. Management believes this is a useful measure as it displays MAAS Group's total credit commitments.

Convertible Notes

In July 2019 MAAS Group issued interest bearing convertible notes (**Convertible Notes**) in a capital raise to fund acquisitions. Including capitalised interest the Convertible Notes have a face value of $21m and have been converted to equity at the Prospectus Date (refer to Section 5.6 for additional details).

Shareholder Loans

Refers to loans from:

(i) Choice Investments (Dubbo) Pty Ltd;

(ii) Thomas Paul Cavanagh as trustee for the Cavanagh Family Trust;

(iii) Rooke Investments Pty Ltd;

(iv) Inside Out Investments Dubbo Pty Ltd;

(v) Rebecca May Miller as trustee for the Chechem Trust;

(vi) N & N Bourke Holdings Pty Ltd as trustee for the Bourke Family Trust No 2;

(vii) Apolony Holdings Pty Ltd as trustee for the Apolony Family Trust; and

(viii) Old Man Investments Pty Limited.

5.3.3 Cash flow information

Capital expenditure

Capital expenditure relates to the acquisition of new equipment to maintain the existing operations and earnings of MAAS Group and to meet customer project requirements. Capital expenditure is also spent to increase revenues and earnings through the expansion of operating activities and capacity, and to enhance production efficiencies. Management believes this measure allows MAAS Group to evaluate its ability to acquire long term assets using Free Cash Flow (refer below).

One of the limitations of this measure is that other companies in MAAS Group's industry may calculate this measure differently from MAAS Group, thereby limiting its usefulness as a comparative measure.

Operating Cash Flow

Operating Cash Flow represents net cash from operating activities before interest received, interest and finance charges paid and tax paid. As a result, it is a measure of the Operating Cash Flow generated by the business before capital expenditure. It is important to note that Operating Cash Flow does not take into account the requirements of the business for cash to fund financing costs (such as interest expenses and bank fees), debt repayments and tax payments.

The Operating Cash Flow conversion ratio represents Operating Cash Flow as a percentage of EBITDA.

Free Cash Flow

Free Cash Flow is defined as net cash from operating and investing activities before interest received, interest and finance charges paid and tax paid. As a result, it is a measure of the Operating Cash Flow generated by the business after capital expenditure and other investing activities but before net interest paid and tax paid. Pro forma free cash flow has been reduced to reflect the impact of the acquisition of property, plant and equipment acquired by way of finance lease. These payments are disclosed in the statutory financial statements in financing activities.

Management views Operating Cash Flow and Free Cash Flow as important measures as they allow for measurement of MAAS Group's ability to generate cash and reduce its debt.

Some of the limitations of these measures are:

- cash flow under these measures is not available exclusively for discretionary expenditures as cash is required for non-discretionary expenditures, such as tax payments, interest payments and principal repayments on outstanding debt, and dividend payments or operating expenses; and
- other companies in MAAS Group's industry may calculate these measures differently from MAAS Group, thereby limiting their usefulness as comparative measures.

5.4 Historical results

5.4.1 Pro Forma Historical Results

Table 1 sets out the Pro Forma Historical Results for FY18, FY19 and FY20.

Table 1: Pro Forma Historical Results

$ million	Notes	FY18	FY19	FY20
Revenue	1	**203.0**	**192.0**	**221.8**
Other revenue	2	2.6	4.3	3.4
Revenue		**205.6**	**196.3**	**225.2**
Other income	3	2.4	(0.6)	11.2
Expense				
Inventories, raw materials and other direct costs	4	(95.2)	(80.6)	(98.6)
Employee and other subcontractor expense	5	(38.2)	(42.6)	(47.3)
Repairs and maintenance	6	(6.8)	(4.4)	(6.0)
Vehicle expenses	7	(5.1)	(4.9)	(6.3)
Professional and consulting	8	(1.1)	(1.5)	(2.0)
Insurance and registration	9	(1.5)	(1.6)	(2.5)
Travel and accommodation	10	(2.2)	(2.4)	(1.9)
Other expenses	11	(7.3)	(7.7)	(7.1)
EBITDA		**50.5**	**50.0**	**64.7**
Depreciation	12	(11.0)	(12.4)	(12.8)
Amortisation	13	(1.9)	(1.9)	(1.9)
EBIT		**37.5**	**35.7**	**49.9**
Net interest	14	(2.9)	(2.9)	(3.6)
Profit before tax		**34.6**	**32.8**	**46.3**
Income tax expense		(11.5)	(11.3)	(13.9)
NPAT	15	**23.1**	**21.5**	**32.4**

Notes:

1. ***Revenue:*** *includes revenue from contracts with customers for services provided, products sold, equipment hire, direct equipment sales and settlements in respect of land development.*
2. ***Other revenue:*** *includes fuel rebates and other sundry revenue items.*
3. ***Other income:*** *includes profit on disposal of plant and equipment, valuation uplift relating to investments held, and other sundry income.*
4. ***Inventories, raw materials and other direct costs:*** *includes materials, subcontractors, lot allocation of development land sold, purchase cost of equipment inventory for the equipment sales business unit and costs such and freight and customs to bring the goods to the point of sale.*
5. ***Employees and other subcontractor expenses:*** *include direct and subcontracted salary and employee related expenses.*
6. ***Repairs and maintenance:*** *include the cost to maintain the hire fleet, operational plant and equipment and general maintenance relating to work locations.*
7. ***Vehicle expenses:*** *includes the running costs relating to the hire fleet, transport fleet and motor vehicles including fuel. Hire agreements for the civil fleet can include the provision of fuel and as a result this expense will vary depending on the nature of the contract (refer to Section 5.7.1).*
8. ***Professional and consulting:*** *includes the legal, accounting and other professional services including the cost of the Board.*
9. ***Insurance and registration:*** *includes general insurance and fleet specific insurance and registration.*
10. ***Travel and accommodation:*** *includes all travel and accommodation associated with the sales, operational and administration functions of MAAS Group.*
11. ***Other expenses:*** *includes other administrative and operational expenses including ASX fees, marketing, information technology and communications.*
12. ***Depreciation:*** *includes depreciation of the hire fleet, fixed infrastructure and other plant and equipment. Amortisation of property right of use assets has been included in depreciation.*
13. ***Amortisation:*** *includes the amortisation of customer intangibles recognised in business combinations (amortised over three years) and the amortisation of quarry land (based on depletion of reserves) over their useful life.*
14. ***Interest*** *has been adjusted to reflect the capital structure expected to be in place at Completion of the Offer as if it was in place from 1 July 2017, includes bank and line fees on the facilities in place.*
15. ***Tax expense*** *has been calculated using the Australian corporate tax rate of 30%, adjusted for permanent differences.*

Table 2 sets out the Pro Forma EBITA and NPATA for FY18, FY19 and FY20.

Table 2: EBITA and NPATA Reconciliation

$ million	Notes	FY18	FY19	FY20
EBIT		**37.5**	**35.7**	**49.9**
Add: Amortisation expense	1	1.9	1.9	1.9
EBITA		**39.5**	**37.6**	**51.8**

$ million	Notes	FY18	FY19	FY20
NPAT		**23.1**	**21.5**	**32.4**
Add: Amortisation expense	1	1.9	1.9	1.9
Less: Income tax effect of amortisation expense	2	(0.6)	(0.6)	(0.6)
NPATA		**24.5**	**22.8**	**33.7**

Notes:

1. *Includes amortisation of customer intangibles recognised through business combinations and amortisation of quarry land (based on depletion of reserves) over their useful life.*
2. *Calculated as 30% of the amortisation expense.*

Table 3 provides a summary of MAAS Group's pro forma historical key financial ratios for FY18, FY19 and FY20.

Table 3: Pro forma historical key financial ratios

Key financial metrics	Notes	FY18	FY19	FY20
Revenue growth (%)	1	n.a.	(5%)	15%
EBITDA growth (%)	1	n.a.	(1%)	29%
EBIT growth (%)	1	n.a.	(5%)	40%
EBITDA margin (%)	1	25%	26%	29%
EBIT margin (%)	1	19%	19%	22%

Notes:

1. *Refer to Section 5.3 for an explanation of non-IFRS and other financial measures.*

5.4.2 Pro Forma and Statutory Historical FY20

Table 4 sets out the Pro Forma and Statutory Historical Results for FY20.

Table 4: Pro Forma and Statutory Historical FY20 Results

$ million	Notes	Pro forma FY20	Statutory FY20
Revenue	1	**222.1**	**187.9**
Cost of sales	2	(134.6)	(122.5)
Gross profit		**87.5**	**65.3**
Other income	3	13.2	15.6
Expenses	4	(36.0)	(28.4)
EBITDA		**64.7**	**52.5**
Depreciation	5	(12.9)	(11.4)
Amortisation	6	(1.9)	(2.4)
EBIT		**49.9**	**38.7**
Net interest	7	(3.6)	(8.7)
Profit before tax		**46.3**	**29.9**
Income tax expense	8	(13.9)	(9.0)
NPAT		**32.4**	**20.9**
EBITDA		**64.7**	**52.5**
Rent expense	9	(1.2)	(0.9)
EBITDA pre AASB16 leasing standard	10	**63.4**	**51.6**

Notes:

1. *Revenue: includes revenue from contracts with customers for services provided, equipment hire, direct equipment sales and settlements in respect of land development.*
2. *Cost of sales: includes the direct costs relating to sales and includes materials, labour, subcontractors, repairs and maintenance for hire fleet, lot allocation of development land sold, purchase cost of equipment and costs such and freight and customs to bring the costs to the point of sale.*
3. *Other income: includes on disposal of plant and equipment, valuation uplift relating to investments, fuel rebates and other revenue and income items.*
4. *Expenses: include operational, sales and administrative salary and employee related expenses, insurance, IT, consulting, travel, directors' fees, ASX annual fees and other costs associated with being a public company.*
5. *Depreciation: includes depreciation of the hire fleet, fixed infrastructure and other plant and equipment. Amortisation of property right of use assets has been included in depreciation.*
6. *Amortisation: includes the amortisation of customer intangibles recognised in business combinations (amortised over three years) and the amortisation of quarry land (based on depletion of reserves) over their useful life.*
7. *Interest has been adjusted to reflect the capital structure expected to be in place following the Completion of the Offer as if it was in place from 1 July 2017; includes bank and line fees on the facilities in place.*
8. *Tax expense has been calculated using the Australian corporate tax rate of 30%, adjusted for permanent differences.*
9. *Rent expense relates to the operating lease rental which have been capitalised in accordance with AASB16.*
10. *EBITDA pre AASB16 leasing standard shows EBITDA adjusted for AASB16 interest and AASB16 amortisation.*

5.4.3 Statutory Historical Results

Table 5 sets out the Statutory Historical Results for FY18, FY19 and FY20.

Table 5: Statutory Historical Results

$ million	Notes	FY18	FY19	FY20
Revenue	1	**42.3**	**36.8**	**187.6**
Other revenue	2	1.0	2.3	5.8
Revenue		**43.3**	**39.1**	**193.4**
Other income	3	1.6	2.6	12.4
Expense				
Inventories, raw materials and other direct costs	4	(9.3)	(8.3)	(86.2)
Employee and other subcontractor expense	5	(8.3)	(8.9)	(40.4)
Repairs and maintenance	6	(4.5)	(3.1)	(5.9)
Vehicle expenses	7	(3.2)	(2.9)	(5.6)
Professional and consulting	8	(0.2)	(0.9)	(5.2)
Insurance and registration	9	(0.4)	(0.5)	(2.2)
Travel and accommodation	10	(0.4)	(0.4)	(1.5)
Other expenses	11	(0.5)	(0.8)	(6.5)
EBITDA		**18.3**	**16.0**	**52.5**
Depreciation	12	(3.7)	(3.5)	(11.4)
Amortisation	13	0.0	(0.0)	(2.5)
EBIT		**14.6**	**12.5**	**38.7**
Net interest	14	0.6	0.2	(8.7)
Profit before tax		**15.3**	**12.7**	**29.9**
Income tax expense	15	(4.0)	(3.5)	(9.0)
NPAT		**11.2**	**9.2**	**20.9**

Notes:

1. ***Revenue:*** *includes revenue from contracts with customers for services provided, equipment hire, direct equipment sales and settlements in respect of land development.*
2. ***Other revenue:*** *includes management fees related to MAAS Group Family Properties (**MGFP**) settlements (refer to section 8.11), fuel rebates and other sundry revenue items.*
3. ***Other income:*** *Includes profit on disposal of plant & equipment, valuation uplift relating to investments held, insurance recoveries, net reimbursement of expenses, gain on contingent and deferred consideration and gain on bargain purchase.*
4. ***Inventories, raw materials and other direct costs:*** *includes materials, subcontractors, lot allocation of development land sold, purchase cost of equipment and costs such and freight and customs to bring the costs to the point of sale.*
5. ***Employees and other subcontractor expenses:*** *include direct and subcontracted salary and employee related expenses.*
6. ***Repairs and maintenance:*** *include the cost to maintain the hire fleet, operational plant and equipment and general maintenance relating to work locations.*
7. ***Vehicle expenses:*** *includes the running costs relating to the hire fleet, transport fleet and motor vehicles including fuel. Hire agreements for the civil fleet can include the provision of fuel and as a result this expense will vary depending on the nature of the contract (refer to section 5.7.1).*
8. ***Professional and consulting:*** *includes the legal, accounting and other professional services including the transactions costs relating to acquisitions and preparation for listing.*
9. ***Insurance and registration:*** *includes general insurance and fleet specific insurance and registration.*
10. ***Travel and accommodation:*** *includes all travel and accommodation associated with the sales, operational and administration functions of MAAS Group.*
11. ***Other expenses:*** *includes other administrative and operational expenses, marketing, information technology and communications and costs associated with credit losses.*
12. ***Depreciation:*** *includes depreciation of the hire fleet, fixed infrastructure and other plant and equipment. Amortisation of property right of use assets has been included in depreciation.*
13. ***Amortisation:*** *includes the amortisation of customer intangibles recognised in business combinations (amortised over three years) and the amortisation of quarry land (based on depletion of reserves) over their useful life.*
14. ***Interest:*** *includes bank and line fees on the facilities in place and interest and other financing costs relating to the accounting for the Convertible Notes.*
15. ***Tax expense*** *has been calculated using the Australian corporate tax rate of 30%.*

5.4.4 Reconciliation of the Statutory Historical Results to the Pro Forma Historical Results

Table 6 sets out the reconciliation of revenue from the Statutory Historical Results to the Pro Forma Historical Results.

Table 6: Pro forma revenue adjustments to the Statutory Historical Results

$ million	Notes	FY18	FY19	FY20
Statutory Revenue		**43.3**	**39.1**	**193.4**
Pre-acquisition revenue	1	162.3	157.2	19.7
Aggregated Revenue	2	**205.6**	**196.3**	
Property income	3	0.0	0.0	14.5
Other	4	0.0	0.0	(2.4)
Pro Forma Revenue		**205.6**	**196.3**	**225.2**

Notes:

1. *Pre-acquisition revenue from entities acquired in FY19 and FY20 and MacGeo to be acquired at Completion of the Offer (refer to Section 5.6) to reflect the impact of the acquisitions as though they had been owned from 1 July 2017.*
2. *Aggregated Financial Information was not prepared for FY20 as the majority of acquisitions were incorporated into the results of MAAS Group in FY20 (following the Merger Transaction on 30 June 2019).*
3. *On completion of the Merger Transaction the residential subdivisions were transferred to MAAS Group with the exception of approximately 76 lots on completed stages. MAAS Group manages the marketing of these lots on behalf of MGFP and receives a fee per lot on settlement. The revenue adjustment reflects actual sales volume on the lots sold in FY20 and has been adjusted to show the revenue of the Real Estate segment on a consistent basis with FY18 and FY19.*
4. *Reversal of management fees received from MGFP on settlement of lots in the residential subdivision not transferred at the time of the Merger Transaction. Refer to Note 3 above.*

Table 7 sets out the reconciliation of EBITDA from the Statutory Historical Results to the Pro Forma Historical Results.

Table 7: Pro forma EBITDA adjustments to the Statutory Historical Results

$ million	Notes	FY18	FY19	FY20
Statutory EBITDA		**18.3**	**16.0**	**52.5**
Pre-acquisition EBITDA	1	32.0	36.4	6.9
Gain in relation to a business combination	2	0.0	(1.6)	(2.2)
Aggregated EBITDA	3	**50.3**	**50.8**	
Additional corporate costs	4	(3.0)	(3.0)	(1.1)
Other non-recurring income	5	(0.5)	(2.7)	0.0
Other non-recurring expenses	6	3.7	4.9	8.6
Pro Forma EBITDA		**50.5**	**50.0**	**64.7**

Notes:

1. *Pre-acquisition EBITDA from entities acquired in FY19 and FY20 and MacGeo to be acquired at Completion of the Offer (refer to Section 5.6) to reflect the impact of the acquisitions as though they had been owned from 1 July 2017.*
2. *Gain on acquisition and gain on contingent and deferred consideration from businesses acquired in FY19 and FY20.*
3. *Aggregated Financial Information was not prepared for FY20 as the majority of acquisitions were incorporated into the results of MAAS Group in FY20 (following the Merger Transaction on 30 June 2019).*
4. *The additional corporate costs required assuming MAAS Group operated as a listed company during the historical period. Costs include additional staff, directors' fees and the annual ASX listing costs.*
5. *The removal of income on a share investment portfolio no longer held.*
6. *The removal of transaction costs relating to acquisition, restructure and preparation work relating to the establishment of MAAS Group. Operating costs of acquired businesses have been restated to reflect the post integration operating structure.*

Table 8 sets out the reconciliation of NPAT from the Statutory Historical Results to the Pro Forma Historical Results.

Table 8: Pro forma NPAT adjustments to the Statutory Historical Results

$ million	Notes	FY18	FY19	FY20
Statutory NPAT		**11.2**	**9.2**	**20.9**
Pre-acquisition NPAT	1	11.3	14.8	4.8
Gain in relation to a business combination	2	0.0	(1.1)	(1.6)
Aggregated NPAT	3	**22.5**	**23.0**	
Additional corporate costs	4	(3.0)	(3.0)	(1.1)
Other non-recurring income	5	(0.5)	(2.7)	0.0
Other non-recurring expenses	6	3.7	4.9	8.6
Net interest	7	(0.3)	1.4	5.1
Depreciation & Amortisation	8	0.9	(2.7)	(0.9)
Tax effect of adjustments	9	(0.2)	0.6	(3.5)
Pro Forma NPAT		**23.1**	**21.5**	**32.4**

Notes:

1. *Pre-acquisition NPAT from entities acquired in FY19 and FY20 to reflect the impact of the acquisitions as though they had been owned from 1 July 2017.*
2. *Gain on acquisition and other income from release of deferred payment obligations from businesses acquired in FY19 and FY20.*
3. *Aggregated Financial Information was not prepared for FY20 as the majority of acquisitions were incorporated into the results of MAAS Group in FY20 (following the Merger Transaction on 30 June 2019).*
4. *The additional corporate costs required assuming MAAS Group operated as a listed company during the historical period. Costs include additional staff, directors' fees and the annual ASX listing costs.*
5. *The removal of income on share investment portfolio no longer held.*
6. *The removal of transaction costs relating to acquisition, restructure and preparation work relating to the establishment of MAAS Group. Operating costs of acquired businesses have been restated to reflect the post integration operating structure.*
7. *Adjustment to interest expense to reflect the capital structure expected to be in place at Completion of the Offer. Interest on Convertible Notes and Shareholder Loans that convert to equity or are paid out have been removed.*
8. *Inclusion of depreciation for plant and equipment of the acquisitions and the amortisation of customer lists of the acquisitions, as if the acquisitions been owned from 1 July 2017.*
9. *Tax effect of the above pro forma adjustments assuming a 30% tax rate.*

5.5 Historical cash flow information

5.5.1 Pro Forma Historical Cash Flow Information

Table 9 sets out the Pro Forma Historical Cash Flow Information.

Table 9: Pro Forma Historical Cash Flow Information

$ million	Notes	FY18	FY19	FY20
EBITDA		**50.5**	**50.0**	**64.7**
Non-cash items	1	(0.5)	0.2	(9.4)
Changes in working capital	2	(8.4)	(28.7)	2.5
Operating Cash Flow		**41.5**	**21.5**	**57.8**
Operating Cash Flow conversion ratio (% of EBITDA)		82%	43%	89%
Capital expenditure	3	(26.0)	(54.7)	(61.4)
Proceeds from sale of property, plant and equipment	4	10.0	8.2	16.8
Free Cash Flow (pre tax)		**25.5**	**(25.0)**	**13.2**

Notes:

1. *Non-cash items include profit on disposal of plant and equipment ($2.3m) and revaluation of investments ($7.1m).*
2. *Key drivers of working capital for MAAS Group are summarised in Section 5.8.3. In FY19 there were inventory investments across all segments. These included the expansion of the Real Estate segment into Orange, further stages on existing developments and the acquisition of a commercial property; the commencement of operations at the production facility in Vietnam; and the expansion into the underground electrical market. The detailed movements by year and by segment are summarised in Section 5.8.3.*
3. *Capital expenditure includes fleet replacement and expansion for the civil and underground hire fleets, quarry investments and the establishment of the production facility in Vietnam and head office in Dubbo. In FY19 and FY20 investments were made in the manufacture of new and second hand substations to support the expansion into the underground electrical market. The detailed movements by year and by segment are summarised in Section 5.8.3.*
4. *Proceeds from the disposal of property, plant and equipment in the ordinary course of operations.*

5.5.2 Statutory Historical Cash Flow Information

Table 10 sets out the Statutory Historical Cash Flow Information.

Table 10: Statutory Historical Cash Flow

$ million	Notes	FY18	FY19	FY20
EBITDA		**18.3**	**16.0**	**52.5**
Non-cash items	1	(1.3)	(2.4)	(11.0)
Changes in working capital	2	0.1	(19.0)	(0.3)
Operating Cash Flow		**17.1**	**(5.4)**	**41.3**
Operating Cash Flow conversion ratio (% of EBITDA)		93%	-33%	79%
Capital expenditure	3	(27.1)	(6.4)	(61.1)
Proceeds from sale of property, plant and equipment	4	6.9	26.8	16.8
Free Cash Flow (pre tax)		**(3.0)**	**15.1**	**(2.9)**

Notes:

1. *Non-cash items include profit on disposal of plant and equipment and revaluation of investments.*
2. *Movements in current and non current receivables, inventories, prepayments, other debtors, payables and provisions, excluding transfer of inventories from property, plant and equipment.*
3. *Purchase of property, plant and equipment and investment properties.*
4. *Proceeds from the disposal of property, plant and equipment in the ordinary course of operations.*

5.3.3 Reconciliation of the Pro Forma Historical Cash Flow Information to the Statutory Historical Cash Flow Information

Table 11 sets out the reconciliation from the Statutory Historical Cash Flow Information to the Pro Forma Historical Cash Flow Information.

Table 11: Pro Forma adjustments to the statutory Historical Cash Flow Information

$ million	Notes	FY18	FY19	FY20
Statutory Free Cash Flow		**(3.0)**	**15.1**	**(2.9)**
Pre-acquisition operating cash flow	1	24.0	26.4	6.5
Pre-acquisition net capital expenditure/investment	2	(7.1)	(21.7)	0.0
Pre-acquisition proceeds on disposal	3	3.0	4.4	0.0
Pre-acquisition investment	4	0.0	(1.0)	0.0
Aggregated Free Cash Flow	5	**17.0**	**23.2**	
Stand-alone corporate costs	6	(3.0)	(3.0)	(1.1)
Other-non recurring income	7	(0.5)	(2.7)	0.0
Other-non recurring expenses	8	3.7	4.9	8.6
Acquisition of PP&E via lease/other	9	(14.7)	(24.4)	(39.3)
Investment in shares	10	23.0	(23.0)	0.0
Purchase of subsidiary	11	0.0	0.0	29.8
Purchase of investment property	12	0.0	0.0	11.7
Pro Forma Free Cash Flow		**25.5**	**(25.0)**	**13.2**

Notes:

1. *Pre-acquisition operating cash flow of entities acquired in FY19 and FY20 and MacGeo to be acquired at Completion of the Offer (refer to section 5.6) to reflect the impact of the acquisitions as though they had been owned from 1 July 2017.*
2. *Pre-acquisition capital expenditure on property, plant and equipment by entities acquired in FY19 and FY20 to reflect the impact of the acquisitions as though they had been owned from 1 July 2017.*
3. *Pre-acquisition proceeds from disposal of property, plant and equipment by entities acquired in FY19 and FY20 to reflect the impact of the acquisitions as though they had been owned from 1 July 2017.*
4. *Adjustment for the treatment of investments in subsidiaries between the Statutory Financial Information and Aggregated Financial Information relating to the set off of cash in acquired entities.*
5. *Aggregated Financial Information was not prepared for FY20 as the majority of acquisitions were incorporated into the results of MAAS Group in FY20 (following the Merger Transaction on 30 June 2019).*
6. *Cash impact of additional corporate costs required assuming MAAS Group operated as a listed company from 1 July 2017. Costs include additional staff, directors' fees and the annual ASX listing costs.*
7. *The removal of income on share investment portfolio no longer held.*
8. *The removal of transaction costs relating to acquisition, restructure and preparation work relating to the establishment of MAAS Group. Operating costs of acquired businesses have been restated to reflect the post integration operating structure.*
9. *Capital expenditure acquired via finance lease which is shown net in statutory cash flow.*
10. *Investment in share portfolio in FY18 and divestment of share portfolio in FY19.*
11. *Cash outflow for entities acquired in FY20 that have been included in pro forma historical results and cash flow for FY18 to FY20.*
12. *Cash outflow for purchase of investment properties that have been included in Pro Forma Historical Results and Pro Forma Historical Cash Flow f or FY18 to FY20.*

5.6 Statement of financial position

5.6.1 Statutory Historical Statement of Financial Position and Pro Forma Historical Statement of Financial Position

Table 12 summarises the Pro Forma Historical Statement of Financial Position as at 30 June 2020. It shows the pro forma adjustments that have been made to the Statutory Historical Statement of Financial Position as at 30 June 2020 to calculate the Pro Forma Historical Statement of Financial Position as at 30 June 2020.

The pro forma adjustments include the proceeds of the Offer and the impact of the operating and capital structure that will be in place at Completion of the Offer as if they had occurred or were in place as at 30 June 2020. The adjustments also include assumptions relating to the Offer that include matters not known at the Prospectus Date, including for example, the Offer Price, the extent of sell down by the Vendor and the number of New Shares to be issued by MAAS Group. The Pro Forma Historical Statement of Financial Position is therefore provided for illustrative purposes only and is not necessarily indicative of MAAS Group's view of its future financial position.

In particular, cash and cash equivalents in the Pro Forma Historical Statement of Financial Position have been adjusted to reflect the impact of the Offer and the refinancing arrangements as if they took place as at 30 June 2020, and as such are not adjusted for the expected cash flows of the business between 30 June 2020 and Completion of the Offer. Refer to Table 13 for a more detailed breakdown of property, plant, and equipment, and Table 14 for estimated financial indebtedness as at 30 June 2020.

The pro forma balance sheet below reflects adjustments for the impact of the Offer and the following transactions:

- full repayment of amounts owed by MAAS Group under its Shareholder Loans (excluding those Shareholder Loans that will convert to shares at Completion of the Offer) in place prior to Completion of the Offer;
- partial repayment of amounts owed by MAAS Group under its Banking Facilities and/or increase MAAS Group's cash reserves;
- conversion of the Convertible Notes;
- payment for the acquisition of MacGeo and the acquisition of the minority interest in VMS; and
- payment or accrual of transaction advisory fees, costs and expenses arising in connection with the Offer.

Further information on the sources and uses of funds of the Offer is contained in Section 1.5 and further information on the Banking Facilities is contained in Section 5.6.4.

Table 12: Statutory Historical Statement of Financial Position and Pro Forma Historical Statement of Financial Position

$ million as at 30 June 2020	Notes	Statutory	Pro Forma Adjustments: Impact of the Offer (1)	Pro Forma Adjustments: Convertible Notes & Shareholder Loans (2)	Pro Forma Adjustments: Post Balance Date Acquisitions (3)	Pro Forma
Current assets						
Cash and cash equivalents		12.5	81.6	(60.1)	(8.8)	25.1
Trade and other receivables		27.4	0.0	0.0	2.4	29.7
Contract assets	1	11.4	0.0	0.0	0.0	11.4
Inventories	2	54.0	0.0	0.0	0.0	54.0
Non-current assets classified as held for sale	3	7.0	0.0	0.0	0.0	7.0
Other		2.6	0.0	0.0	0.0	2.6
Total current assets		**114.8**	**81.6**	**(60.1)**	**(6.5)**	**129.9**
Non-current assets						
Inventories	4	21.8	0.0	0.0	0.0	21.8
Investment properties	5	14.4	0.0	0.0	0.0	14.4
Property, plant and equipment	6	168.2	0.0	0.0	3.8	172.1
Intangibles	7	40.3	0.0	0.0	3.9	44.2
Deferred tax		2.5	0.9	0.0	0.5	3.8
Other		0.1	0.0	0.0	0.0	0.1
Total non-current assets		**247.3**	**0.9**	**0.0**	**8.3**	**256.5**
Total assets		**362.2**	**82.4**	**(60.1)**	**1.8**	**386.4**
Current liabilities						
Trade and other payables		27.2	3.2	0.0	1.1	31.5
Contract liabilities	8	7.1	0.0	0.0	0.0	7.1
Borrowings	9	30.3	0.0	(13.5)	0.0	16.8
Lease liabilities	10	41.6	0.0	0.0	0.3	41.9
Income tax		2.5	0.2	0.0	0.1	2.8
Employee benefits		2.4	0.0	0.0	0.0	2.4
Provisions		0.8	0.0	0.0	0.5	1.3
Other		0.3	0.0	0.0	0.0	0.3
Total current liabilities		**112.3**	**3.4**	**(13.5)**	**1.9**	**104.0**
Non-current liabilities						
Borrowings	9	111.6	0.0	(82.9)	0.0	28.7
Lease liabilities	10	23.0	0.0	0.0	1.0	24.0
Derivative financial instruments		1.8	0.0	(1.8)	0.0	0.0
Deferred tax		14.1	0.0	0.0	1.4	15.5
Other		0.7	0.0	0.0	0.1	0.7
Total non-current liabilities		**151.1**	**0.0**	**(84.7)**	**2.5**	**68.9**
Total liabilities		**263.4**	**3.4**	**(98.2)**	**4.4**	**172.9**
Net assets		**98.8**	**79.1**	**38.1**	**(2.6)**	**213.4**
Equity						
Issued capital		153.6	80.5	38.2	0.0	272.3
Reserves		(108.7)	0.0	0.0	0.0	(108.7)
Retained profits		51.3	(1.4)	(0.0)	(0.1)	49.8
Equity attributable to the owners of MAAS Group Holdings Limited		96.3	79.1	38.1	(0.1)	213.4
Non-controlling interest		2.5	0.0	0.0	(2.5)	0.0
Total equity		**98.8**	**79.1**	**38.1**	**(2.6)**	**213.4**

Notes:

1. *Contract assets includes work in progress under construction contracts and accrued income.*
2. *Inventories include the current portion of developments held for resale, machines for sale, and parts and finished goods relating to manufacturing operations.*
3. *Portion of property investments expected to be sold within 12 months.*
4. *Includes the non current portion of developments held for resale.*
5. *Properties or commercial developments held for investment recognised at fair value.*
6. *Property, plant and equipment includes land held for quarry operations, fleet assets for the civil and underground hire business, hire assets for the electrical services business, other land, buildings and motor vehicle assets (refer to Section 5.6.2 for further details).*
7. *Intangible assets includes goodwill on business combinations, brand names, customer contracts and extraction rights.*
8. *Contract liabilities includes deposits received from customers and the prepaid portion of hire agreements.*
9. *Borrowings include bank loans, vendor finance relating to acquisitions, Shareholder Loans and Convertible Notes.*
   The Shareholder Loans will convert or be repaid at Completion of the Offer.
   The Convertible Notes will convert prior to the date of this Prospectus.
10. *Lease liabilities includes hire purchase financing for plant and equipment and the lease liability recognised on property leases following the application of AASB16.*

Pro forma adjustments (1): Adjustments to reflect the estimated Impact of the Offer

At Completion of the Offer it is estimated that there will be a net increase in MAAS Group's share capital of $80.5m assuming a primary raising of $82.0 less transaction costs. The primary raising includes a Primary Offer of $55m and an Employee Offer of $27.0m.

Transaction costs of approximately $3.6m have been recognised in relation to advisors, listing and other costs associated with the Offer. A deferred tax asset of $0.9m has been recognised to reflect the tax effect of the transactions. Of the net $2.9m transaction costs, $1.5m has been allocated against share capital and $1.4m expensed through retained earnings. Transaction costs payable at completion of the Offer have been recognised as an adjustment against cash whereas transaction costs that have deferred payment terms have been recorded in trade and other payables.

Additional transaction costs of $1.7m are payable by SaleCo in relation to the sale of shares by the Founding Shareholders and Miller.

Pro forma adjustments (2): Adjustments to reflect the conversion of Convertible Notes and repayment of Shareholder Loans

Prior to the Prospectus Date, there will be a net increase in MAAS Group's share capital of $23.3 from the conversion of Convertible Notes at a book value of $23.3m. The Convertible Notes have a face value of $21.0m and will convert at a 10% discount to the Offer price. The conversion of the Convertible Notes will reduce debt by $21.5m and reduce the derivative liability of $1.8m. An additional $1.0m of interest will be paid to the CN Shareholders for interest accrued from the date of the last coupon payment, 31 May 2020, until Completion of the Offer. The cash and retained earnings impact of this interest payment has not been reflected in the pro forma statement of financial position at 30 June 2020.

Shareholder Loans of $26.6m will be repaid from the proceeds from the sale of New Shares. It is expected that the proceeds from the issuance of New Shares will also be used to pay down drawn short term borrowings of $13.5m and long-term borrowings of $20.0m. The repayments will be made against MAAS Group's Australian Facilities and will be available for redraw (refer to Sections 5.6.3 and 5.6.4 for further details).

On Completion of the Offer there will be a net increase in MAAS Group's share capital of $14.8m from the conversion of existing Shareholding Loans at face value reducing debt by $14.8m.

Pro forma adjustments (3): Adjustments to reflect the completion of Post Balance Date Acquisitions

MAAS Group has entered into a number of transactions which have completed, post 30 June 2020 or will complete shortly after the Completion of the Offer including:

- **MacGeo** – MAAS Group has entered into an agreement for the acquisition of a business in the Construction Materials segment. The transaction is due to settle at Completion of the Offer and the purchase price of $6.3m will be paid in cash. The purchase price allocation relating to this acquisition has not been completed. The $3.9m estimated increase in intangible assets has been allocated to customer relationships (estimated at $2.5m), with the residual accounted for as goodwill ($1.4m). A deferred tax liability of $0.8m has been recognised on the customer intangibles and is included in goodwill. This allocation is based on MAAS Group's best estimates at the Prospectus Date; and

- **Non-controlling interest in VMS** – during the year ended 30 June 2020, a share purchase agreement was signed to acquire the entire non-controlling interest in VMS Engineering Company Ltd for VND42.470b ($2.5m). The purchase is expected to settle in October 2020 and will be paid in cash.

For the purposes of the Pro Forma Historical Statement of Financial Position of MAAS Group, the assets and liabilities of the above acquisitions have been recorded at their provisional fair values.

5.6.2 Property, Plant and Equipment

Table 13 sets out MAAS Group's property, plant, and equipment at cost and with accumulated depreciation as at 30 June 2020.

Table 13: Property, plant, and equipment as at 30 June 2020

$ million as at 30 June 2020	Notes	Statutory	Pro Forma
Quarry Land – at cost		18.6	18.6
Less: Accumulated depreciation		(0.2)	(0.2)
Quarry Land	1	**18.4**	**18.4**
Land and buildings – at cost		26.7	28.0
Less: Accumulated depreciation		(3.0)	(3.0)
Land and buildings	2	**23.6**	**25.0**
Hire machinery and equipment – at cost		97.2	97.2
Less: Accumulated depreciation		(18.7)	(18.7)
Hire machinery and equipment	3	**78.5**	**78.5**
Plant and equipment – at cost		35.3	36.3
Less: Accumulated depreciation		(10.9)	(10.9)
Plant and equipment	4	**24.5**	**25.5**
Motor vehicles – at cost		14.6	16.1
Less: Accumulated depreciation		(4.0)	(4.0)
Motor vehicles	5	**10.6**	**12.1**
Assets under construction – at cost		12.7	12.7
Less: Accumulated depreciation		0.0	0.0
Assets under construction	6	**12.7**	**12.7**
Total		**168.2**	**172.1**

Notes:

1. *Includes land holdings relating to the quarry business in the Construction Materials segment.*
2. *Includes the production factory in Vietnam, land and building for the corporate office located in Dubbo and capitalised value of the right of use asset relating to long term property leases.*
3. *Includes the hire fleet asset for the Civil and Underground equipment hire businesses.*
4. *Includes electrical services assets (temporary high voltage electrical and associated services equipment for deployment in mining and tunnelling infrastructure projects under long term and short-term contracts) and other operational plant and equipment related to quarry and other operations facilities.*
5. *Includes operational fleet of service vehicles.*
6. *Includes electrical services assets (as per note 4 above) that are currently being manufactured.*

5.6.3 Indebtedness

The pro forma adjustments described in Section 5.6.1 result in a pro forma Net Debt (excluding property rental lease liability) as at 30 June 2020 for MAAS Group of $77.9m.

Table 14 sets out the indebtedness of MAAS Group as at 30 June 2020 on a statutory and pro forma basis, at Completion of the Offer.

Table 14: Indebtedness as at 30 June 2020

$ million as at 30 June 2020	Notes	Statutory	Pro Forma
Borrowings			
Current	1	71.9	58.7
Non-current	2	134.5	52.7
Total borrowings		**206.4**	**111.4**
Cash and cash equivalents		(12.5)	(25.1)
Net Debt		**194.0**	**86.3**
Net Debt ex. property rental lease liability	3	**187.0**	**77.9**
Pro forma Net Debt ex. property rental lease liability/FY20 pro forma FY20 EBITDA (x)			1.2x
Pro forma FY20 EBITDA/FY20 pro forma net finance costs			18.0x

Notes:

1. ***Statutory:*** *Current borrowings include Banking Facilities ($15.7m), vendor financing ($13.4m), insurance premium funding ($1.2m) and current lease liabilities ($41.6m).*

   Pro Forma: *Australian Facilities are assumed to be paid down at Completion of the Offer.*
2. ***Statutory:*** *Non current borrowings include Banking Facilities ($37.0m), vendor financing ($11.7m), Convertible Notes ($21.5m), Shareholder Loans ($41.4m) and non current lease liabilities ($23.0m).*

   Pro Forma: *The Convertible Notes will convert to equity prior to the date of this prospectus and related party loans will either convert to equity or be repaid at Completion of the Offer.*
3. *Long term property leases have been capitalised as a right of use asset with a corresponding lease liability recognised following the adoption of AASB16. The current and non current lease liability relating to these property leases are excluded from the calculation of Net Debt and Debt for the purposes of calculating the Net Debt to EBITDA ratio.*

5.6.4 Description of the Banking Facilities

Three secured debt facilities are currently in place for MAAS Group with Commonwealth Bank of Australia and Westpac Banking Corporation under a common terms structure totalling approximately $135.0m (**Australian Facilities**). There is also a facility in place with Vietcombank to fund the Vietnamese manufacturing operations (**Vietcombank Facilities**).

The four separate facilities (together the **Banking Facilities**) are as follows:

- revolving term Cash Advance Facility of $40m with a three-year maturity term;
- revolving Asset Finance Facility of $70m with no fixed term; and
- revolving Multi-option Facility of $25m with a three-year maturity term; and
- Vietcombank Facilities of $9.5m with maturity terms set out in the below.

A summary of the Banking Facilities as at 30 June 2020 on a Statutory and Pro Forma basis is set out in Table 15 below.

Table 15: Pro forma senior debt facility drawings at completion of the offer

$ million as at 30 June 2020	Notes	Limit	Statutory Drawn	Pro Forma Drawn
Cash Advance Facility		40.0	33.7	13.7
Asset Finance Facility		70.0	57.6	57.6
Multi-option Facility	1	25.0	21.6	8.1
Total Australian Facilities		**135.0**	**112.9**	**79.4**
Vietcombank Facilities	2	9.5	6.1	6.1
Total Banking Facilities		**144.5**	**119.0**	**85.5**

Notes:

1. ***Statutory:*** *Includes cash drawn ($13.5m) and performance bonds issued ($8.1m).*
   Pro forma: *The drawn cash is assumed to be repaid at Completion of the Offer.*
2. *Vietcombank Facilities limit shown is based on the facility extension received in September 2020. The facilities are a combination of USD/VND denominated debt. The facilities are consolidated into the MAAS Group financial statements by translating from VND to AUD at the 30 June 2020 closing rate (15,626 VND to 1 AUD).*

Each of the Australian Facilities may be used (a) for the general corporate purposes of MAAS Group; (b) to assist with the funding of future permitted acquisitions; and (c) to fund capital expenditure.

The Australian Facilities are made available to certain borrowers within MAAS Group and are in turn guaranteed by a group of material subsidiaries and such other members of MAAS Group (**Guarantor Group**) to ensure that the Guarantor Group comprises no less than 95% of EBITDA and no less than 95% of the total assets of MAAS Group.

The Australian Facilities include a number of financial covenants and terms and conditions. Following Completion of the Offer the following covenants will be tested for each 6 month period ending 30 June and 31 December:

- the Leverage Ratio (calculated as Net Debt/EBITDA) will be less than or equal to 2.50x;
- the Debt Service Cover Ratio (calculated as EBITDA (adjusted for working capital, tax payments and net capital expenditure)/(interest and amortising principal)) will be more than 1.25x;
- the Tangible Asset Coverage Ratio (calculated as tangible assets/Debt) excluding VMS Engineering Ltd and PT JTech Jasa Pertambangan:
  - for the period between 30 June 2020 – 30 June 2021, is 1.75x or greater; and
  - thereafter is 2.00x or greater; and
- the Shareholders' Funds (calculated as total equity) are not less than the greater of A$125,000,000 or 80% of the previous year.

Refer to Section 8.14 for more information on the Australian Facilities.

The Vietcombank Facilities are in place to support the funding requirements of VMS Engineering Limited and have been approved for extension through to September 2021. The facilities are secured by the land use rights, certain inventories under contract and manufacturing facility and plant and equipment of VMS Engineering Limited. The Vietcombank Facilities comprise (assuming an exchange rate of 15,626 VND to 1 AUD):

- short term loan for working capital VND 60.0b ($3.8m) with an annual renewal extended to September 2021;
- letter of credit facility for drawing on customer advances VND 30.0b ($1.9m) with an annual renewal extended to September 2021; and
- long term loan for capital improvements VND 58.4b ($3.7m) with fixed terms from one – five years.

The short-term loan for working capital is currently drawn to fund production commitments. The letter of credit facility is a new facility and has not yet been utilised. The long-term loan was established to fund the VMS factory construction and is fully drawn. The loans are subject to financial covenants including current ratio (short term loan) and debt service coverage ratio (long term loan).

5.6.5 Liquidity and capital resources

Following Completion of the Offer, MAAS Group's principal sources of funds will be cash flows from operations and borrowings under the Banking Facilities. At Completion of the Offer, MAAS Group will have pro forma available liquidity of approximately $84.1m comprising pro forma cash of $25.1m and access to pro forma undrawn funds of approximately $59.0m in the Banking Facilities to fund working capital, capital expenditure and for other general corporate purposes.

MAAS Group expects that it will have sufficient Operating Cash Flows to fund its operational requirements and existing business needs and that its Operating Cash Flows, together with borrowings under the Banking Facilities, will position MAAS Group to continue to grow its existing business operations.

It is intended that funding for commercial developments outlined in Section 3 will be through a combination of equity contributed to the development entity and non-recourse project finance debt. MAAS Group may contribute this equity through existing land banks and liquidity sources or may over time seek additional funding sources which may include the raising of additional capital.

MAAS Group's ability to generate sufficient cash depends on its future performance which, to a certain extent, is subject to a number of factors beyond its control including general economic, financial and competitive conditions and other risks described in Section 7. Over time, MAAS Group may seek additional funding from a range of sources to diversify its funding base to reduce its reliance on the bank finance market and to manage its exposure to interest rate risk on long term borrowings. For additional information on MAAS Group's financial risk management framework, see Section 5.13 (Appendix 2).

5.6.6 Capital and contractual commitments

Table 16 summarises MAAS Group's pro forma capital and contractual commitments as at 30 June 2020.

Table 16: Pro forma capital and contractual commitments

$ million as at 30 June 2020	Notes	<1 year	1-5 years	>5 years	Total
Bank loans	1	3.3	19.9	0.0	23.2
Multi-option Facility	2	0.0	0.0	0.0	0.0
Vendor financing	3	14.1	12.5	0.0	26.6
Other Loans	4	1.2	0.0	0.0	1.2
Lease liability	5	43.9	24.6	0.0	68.5
Total Commitments		**62.6**	**56.9**	**0.0**	**119.5**

Notes:

1. *Repayment commitments on drawn Bank Facilities.*
2. *Repaid at Completion of the Offer. Excludes bank guarantees issued.*
3. *Deferred completion arrangement relating to the acquisition of land and business. $3.9m of this amount is subject to cash interest payments at 10.0% per annum (the remainder is interest free).*
4. *Insurance premium funding.*
5. *Lease liabilities include the hire purchase agreements to fund the plant and equipment and property lease liabilities relating to AASB16.*

In addition to the commitments outlined in table 16, post 30 June 2020 MAAS Group has entered into land purchase agreements in the Construction Materials and Real Estate segment. The total cost of land purchased under these agreements is $6.6m, of which $2.8m was paid at completion in July and August 2020 respectively and $3.8m deferred over a period of 24 months. There is no interest payable on the deferred consideration amount. Refer to Section 8.7.3.

MAAS Group has also entered into a conditional contract to purchase land for its Real Estate segment. The contract is to be completed if the development application is approved. The settlement amount payable on satisfaction of the condition is $3.2m and is payable within 6 months of the development approval. Refer to Section 8.7.2.

5.7 Segment information

5.7.1 Overview

MAAS Group expects to manage its business through the following reporting segments:

Segment	Description
Construction Materials	The Construction Materials segment predominantly consists of a number of quarries in NSW. It also comprises a crushing and screening fleet of 158 pieces of equipment, offering mobile crushing and screening services for quarries, civil works and mining, and a professional services firm which provides various services including site drilling and the laboratory testing of soil and other materials. Revenue is generated from the sale and transport of quarry aggregates to major infrastructure projects and provision of crushing and screening, and professional services. Further detail on the segment can be found in Section 3.2.1.
Civil Construction and Hire	The Civil Construction and Hire segment operates 243 pieces of equipment and consists of the Civil Construction, Plant Hire, and Electrical Services business units. The Civil Construction business unit provides civil infrastructure construction along the east coast of Australia including roads, dams and mining infrastructure. The Plant Hire business unit offers above ground plant and equipment hire for major construction and infrastructure projects. Services are typically contracted on 6 – 18 month periods with hire being offered on a "wet" (with labour/fuel) or "dry" (without labour/fuel) basis. The Plant Hire business unit also undertakes equipment sales – recycling its own fleet and actively trading externally in the second hand equipment market. The Electrical Services business unit, under the JLE Electrical brand, provides electrical infrastructure works, communication networks and electrical services as well as new and used underground electrical equipment sales, hire and project site services. Cross selling within this segment occurs mainly through the Civil Construction business which utilises the Plant Hire fleet for earthwork infrastructure projects. This segment also completes subdivision and related infrastructure work for the development projects undertaken by the Real Estate segment. Further detail on the segment can be found in Section 3.2.2.
Real Estate	The Real Estate segment operates across regional NSW through both the Residential business unit and Industrial and Commercial business unit. The primary focus of the Residential business unit is the residential subdivision of Company owned land and a supporting dwelling construction business unit. Sales are either land only or house and land packages. The house and land packages are sold under either a single contract (customer buys a completed house and land package paying on completion) or split contract (customer purchases the land under a land contract and signs a separate building contract, paying progress claims during construction). The Industrial and Commercial business unit comprises both an investment and development arm which enables the business to maximise the returns for commercial real estate investments and developments. This division is focussed on a combination of green field commercial development and the acquisition of assets which have the potential for redevelopment and/or deliver a strong passive income stream. Further detail on the segment can be found in Section 3.2.3.

Segment	Description
Underground Equipment and Services	The Underground Equipment and Services segment provides mobile equipment for the civil tunnelling and underground hard-rock mining markets. Services are delivered through the manufacture, sale and aftermarket support of mobile underground equipment and the operation of a hire fleet for the Australian hard-rock mining and civil tunnelling sectors. The segment operates through Underground Mobile Equipment Hire and Underground Equipment Manufacturing and Sales business units. Further detail on the segment can be found in Section 3.2.4.
Corporate/other	This is not a reporting segment, but disclosed for the purposes of reconciliation to MAAS Group's financials. This segment includes investments in listed equity securities and head office activities.
Eliminations	This is not a reporting segment but disclosed for the purposes of reconciliation to MAAS Group's financials. This includes the elimination of intra segment revenue and unrealised profits. The eliminations relate principally to the subdivision work undertaken by Civil Construction and Hire for Real Estate and aggregates supplied from Construction Materials to Civil Construction and Hire.

Refer to Section 5.8.3 for management's discussion and analysis of MAAS Group's results on a segment basis.

The Pro Forma Historical Financial Information has been prepared by management in accordance with how the Chief Executive Officer intends to monitor the business and the anticipated segments in the future. As MAAS Group continues to integrate and grow its operations there may be revisions to the reporting segments in the future. For example, MAAS Group expects that it may be able to improve the efficiency by integrating the civil and underground hire businesses in the future.

The construction of the Pro Forma Historical Segment Information shown in this section is based on the same procedures used to prepare the historical segment financial information and has been adjusted for the effects of pro forma adjustments described in Section 5.2.6. While the segment information has been materially reconciled to audited accounts, the analysis was prepared by MAAS Group for the purposes of the Offer and has not been audited or reviewed in accordance with AASB 8 *Operating Segments*.

Table 17: Segment Pro Forma historical Segment Information

	Pro Forma FY			Growth (%)/ change (bps)	
$ million	FY18	FY19	FY20	FY18-FY19	FY19-FY20
Revenue					
Construction Materials	35.4	34.7	45.2	(2%)	30%
Civil Construction and Hire	78.1	86.0	113.7	10%	32%
Real Estate	37.8	31.9	39.2	(16%)	23%
Underground Equipment and Services	57.6	52.0	43.6	(10%)	(16%)
Corporate/other	1.4	1.4	(0.3)	2%	(119%)
Eliminations	(7.3)	(14.0)	(19.6)	92%	40%
Total revenue	**203.0**	**192.0**	**221.8**	**(5%)**	**16%**
EBITDA					
Construction Materials	11.7	11.4	17.8	(3%)	56%
Civil Construction and Hire	21.2	20.3	22.3	(4%)	10%
Real Estate	9.8	8.6	15.3	(12%)	78%
Underground Equipment and Services	11.3	13.8	15.2	22%	10%
Corporate/other	(3.0)	(3.0)	(3.8)	0%	26%
Eliminations	(0.6)	(1.1)	(2.1)	93%	88%
Total EBITDA	**50.5**	**50.0**	**64.7**	**(1%)**	**29%**
EBITDA margin (%)					
Construction Materials	33.1%	32.9%	39.4%	(22) bps	653 bps
Civil Construction and Hire	27.2%	23.6%	19.6%	(359) bps	(404) bps
Real Estate	25.9%	26.9%	39.0%	100 bps	1210 bps
Underground Equipment and Services	19.6%	26.5%	34.8%	687 bps	830 bps
Total EBITDA margin	**24.9%**	**26.0%**	**29.1%**	**115 bps**	**312 bps**
EBIT					
Construction Materials	7.6	7.2	13.9	(5%)	94%
Civil Construction and Hire	16.5	15.9	18.4	(4%)	16%
Real Estate	9.7	8.5	15.3	(12%)	80%
Underground Equipment and Services	7.3	8.1	8.3	11%	3%
Corporate/other	(3.0)	(3.0)	(3.8)	0%	26%
Eliminations	(0.7)	(1.0)	(2.3)	57%	120%
Total EBIT	**37.5**	**35.7**	**49.9**	**(5%)**	**40%**
EBIT margin (%)					
Construction Materials	21%	21%	31%	(77) bps	1010 bps
Civil Construction and Hire	21%	19%	16%	(268) bps	(234) bps
Real Estate	26%	27%	39%	95 bps	1235 bps
Underground Equipment and Services	13%	16%	19%	287 bps	358 bps
Total EBIT margin	**18%**	**19%**	**22%**	**10 bps**	**392 bps**

5.8 Management discussion and analysis of the Historical Financial Information

5.8.1 General factors affecting the operating and financial performance of MAAS Group, including key measures and their drivers

This section discusses the general factors that have affected MAAS Group's operations and relative financial performance in FY18, FY19, and FY20. MAAS Group's management expects that these general factors may be relevant to considering MAAS Group's future operating and financial performance.

The discussion of these general factors is intended to provide a brief summary and does not detail all the factors that affected MAAS Group's historical operating and financial performance, nor everything that may affect its operations and financial performance in the future.

Unless otherwise stated, all metrics and financial information presented in this section, and the related commentary is on a pro forma basis only.

5.8.1.1 Revenue

MAAS Group's revenues are driven by the following key factors:

- infrastructure construction activity in Australia;
- mining construction and production activity in Australia;
- residential construction activity in regional NSW;
- reputation and relationships with key contractors and government departments; and
- recent significant events impacting the economy.

These factors are described in further detail below:

Infrastructure construction activity in Australia

Demand for a number of products and services offered by MAAS Group stems from infrastructure construction activity in Australia, including:

- civil construction of infrastructure projects;
- above-ground plant hire services for infrastructure projects;
- underground mobile and electric equipment hire services for infrastructure projects (civil tunnelling);
- underground mobile and electric equipment sales for infrastructure projects (civil tunnelling); and
- quarry products servicing infrastructure projects.

MAAS Group has already positioned itself with contracts on key infrastructure projects including WestConnex, Inland Rail, and Snowy 2.0. MAAS Group also owns 20 quarries, with the majority strategically located along the route of both the Inland Rail and Newell Highway upgrade projects.

Refer to Section 2.3.2 for further information on the expected growth in Infrastructure construction activity in Australia.

Mining construction and production activity in Australia

MAAS Group provides mobile and electrical equipment to the underground hard-rock mining markets and as such its revenue for the Underground Equipment and Services and Civil Construction and Hire segments are correlated to mining construction and production activity in Australia.

Refer to Section 2.3.4 for further information on the expected growth in mining construction and production activity in Australia.

Residential construction activity in regional NSW

MAAS Group constructs residential dwellings across regional NSW, as such the Real Estate segment's earnings are correlated to the level of residential construction activity in regional NSW. Population growth and migratory patterns towards regional 'hubs' are expected to contribute to incremental demand for residential dwellings in regional NSW.

Refer to Section 2.3.3.3 for further information on building activity in NSW and population growth in the region.

Reputation and relationships with key contractors and government departments

MAAS Group has long-standing relationships with many of its key contractors, Councils, and government departments which call on MAAS Group for a wide variety of products and/or services. The group has developed these relationships over its 18 years of operation. MAAS Group's reputation and its relationships with these key stakeholders are critical in maintaining revenue streams and a sustainable pipeline of work.

Recent significant events impacting the economy

Significant unforeseen recent domestic and global events have impacted not only MAAS Group's operations but the global economy. The unprecedented Australian bushfires seen in January and February 2020, as well as the ongoing COVID-19 pandemic throughout 2020 have had the impact of inhibiting some of MAAS Group's physical operations and have impacted upon the local economies. To the extent that these recent significant events are ongoing in their impact on the economy and MAAS Group's physical operations, this may impact MAAS Group's ability to generate revenue.

Refer to Section 2.5 for further information.

5.8.1.2 Operating expenses

Expenses incurred by MAAS Group are generally comprised of the following categories:

- **Employee costs:** Relates to salaries, wages and other expenses of MAAS Group's employees. This includes operator labour, mechanical labour, sales and operational support staff, professional engineering staff and direct labour.
- **Materials and parts:** Relates to the operating costs incurred to produce MAAS Group's products and services, including purchases of materials (including raw materials), parts and consumables used. This includes second hand equipment, major components such as engines and axels, and raw materials such as steel and explosives.
- **Transport costs:** Relates to expenses incurred in transporting materials and staff to operating sites, including quarries and civil construction projects.
- **Sub-contract work:** Relates to the costs of staff temporarily employed from third party labour hire companies. This is primarily incurred when additional staff are bought in to assist with project materials and services work and is variable in nature. MAAS Group may also subcontract key components of its civil and electrical contracts to specialist subcontractors.
- **Plant and equipment costs:** This primarily relates to the operating costs of MAAS Group's plant, equipment and motor vehicles, including hiring costs for third party equipment (which includes operator costs), fuel, repairs and maintenance costs. These costs are expected to continue to grow as the business expands.
- **Manufacturing costs:** Relates to costs incurred in the process of manufacturing underground mining and electrical equipment.
- **Selling, general and administration expenses:** Primarily relates to administration expenses incurred at the corporate level including insurance and registration expenses, travel and accommodation, legal and professional fees and marketing costs. These costs are expected to increase as the business grows.

5.8.1.3 Depreciation and amortisation

Depreciation expenses relate to the depreciation of property, plant and equipment. Depreciation rates are applied based on the estimated useful lives of assets, or the project term if the assets are acquired for specific projects. The depreciation of the civil and hire fleet are calculated on a units of use basis to align to the utilisation of the equipment.

Amortisation expenses relate predominantly to MAAS Group's customer contracts/relationships, property right of use assets, and amortisation of quarry assets.

5.8.1.4 Working capital

MAAS Group's working capital is the total of trade receivables, inventories, contract assets and prepayments less trade payables, other creditors, other provisions and accruals, GST liabilities and employee liabilities.

5.8.1.5 Capital expenditure

Capital expenditure has historically comprised expenditure on maintenance, growth projects, investment in manufacturing facilities, and acquisitions of quarry assets.

Maintenance capital expenditure primarily includes the replacement of equipment and fleet, as well as the maintenance of plant.

Growth capital expenditure includes the acquisition of quarry assets, expansion of MAAS Group's manufacturing facilities and distribution network, particularly in Vietnam.

5.8.2 Management discussion and analysis of the Pro Forma Historical Segment Information

5.8.2.1 Construction Materials segment

Table 18: Pro forma historical segment Revenue, EBITDA, and EBIT for FY18, FY19, and FY20 for the Construction Materials segment

$ million	FY18	FY19	FY20	FY18-FY19	FY19-FY20
Revenue	**35.4**	**34.7**	**45.2**	(2%)	30%
EBITDA	**11.7**	**11.4**	**17.8**	(3%)	56%
EBITDA Margin	33%	33%	39%	(22) bps	653 bps
EBIT	**7.6**	**7.2**	**13.9**	(5%)	94%
EBIT Margin	21%	21%	31%	(77) bps	1010 bps

MAAS Group has completed a number of strategic acquisitions to grow the quarry business along a major infrastructure corridor. The FY18, FY19 and FY20 pro forma historical results include the following acquisitions:

- Forbes and West Wyalong Quarry;
- Dubbo Sands Quarry;
- Bald Hill Quarry; and
- MacGeo.

Another strategic acquisition completed in June 2020, comprising assets and property rights from See Group Holdings Pty Ltd, was consolidated in the statement of financial position as at 30 June 2020 but has not been included in the pro forma historical Revenue, EBITDA and EBIT for the Segment as it was an asset acquisition. This acquisition will enable MAAS Group to expand into eight additional leased quarries with production and contribution to earnings expected to commence late in FY21 and support expansion in FY22 and beyond. In addition, this acquisition provided the plant and equipment for a precast facility and mobile concrete batching plant. The precast facility is being established at the South Keswick Quarry in Dubbo and is expected to go into production in FY21.

Revenue

FY19 revenue decreased by $0.7m (2%) to $34.7m as a combined result of:

- **Crushing:** a reduction in mobile crushing services revenue of $1.3m (37%);
- **Quarry volume:** the total quantity of quarry materials sold increased 10% to approximately 0.8m tonnes;
- **Quarry capacity:** consent for the South Keswick Quarry was received in January 2018 and commissioned shortly thereafter. Production was transitioned from externally leased quarries; and
- **Services:** professional fees earned from geotechnical services increased by $0.3m.

FY20 revenue increased by $10.5m (30%) to $45.2m as a combined result of:

- **Quarry volume:** the total quantity of quarry materials sold increased strongly to approximately 1.0m tonnes due to demand from the Newell Highway, Regional Rail and Inland Rail projects;
- **Quarry capacity:** a full year of operation at the South Keswick Quarry;
- **Crushing:** mobile crushing services revenue increased by $0.3m (14%); and
- **Services:** professional fees earned from geotechnical services grew strongly due to an increase in provision of services to Government funded infrastructure projects.

EBITDA and EBIT

FY19 EBITDA decreased by $0.3m (3%) to $11.4m at a consistent EBITDA margin of 33% due to:

- **Crushing:** a reduction in revenue on mobile crushing as described above;
- **Quarry operations:** during FY19, the acquired quarries included in pro forma revenue, EBITDA and EBIT were operating independently under the original management and no operating synergies had been realised; and
- **Services:** EBITDA from geotechnical services increased by $0.5m due to increased revenue along with a reduction in operating costs.

FY20 EBITDA increased by $6.4m (56%) to $17.8m at an improved EBITDA margin of 39% due to:

- **Quarry revenue mix:** an improvement in the revenue mix of construction materials towards higher value aggregates resulting in an improved average sales prices (inclusive of transport);
- **Crushing:** increased revenue from mobile crushing services as described above;
- **Quarry operations:** consolidation and integration of the quarries, along with strong volume growth enabled MAAS Group to scale up on its fixed cost base and reduce the average unit cost of production compared to FY19; and
- **Services:** EBITDA from geotechnical services increased $2.9m or 153% due to the strong increase in revenue for that period.

Depreciation is charged on the quarry plant and equipment and transport fleet as well as the property lease assets of MacGeo. Depreciation reduced during the period due to a consolidation of excess plant and equipment following completion of the acquisitions.

Amortisation expenses were consistent across the historical period on a pro forma basis and include the amortisation of the quarry land (based on depletion reserves) over their useful life and a pro forma adjustment relating to amortising intangibles over three years on the MacGeo acquisition (the purchase price allocation relating to this acquisition has not been completed and the value of the intangibles and amortisation amount may be subject to change).

5.8.2.2 Civil Construction and Hire segment

Table 19: Pro forma historical segment Revenue, EBITDA, and EBIT for FY18, FY19, and FY20 for the Civil Construction and Hire segment

$ million	FY18	FY19	FY20	FY18-FY19	FY19-FY20
Revenue	**78.1**	**86.0**	**113.7**	10%	32%
EBITDA	**21.2**	**20.3**	**22.3**	(4%)	10%
EBITDA Margin	27%	24%	20%	(359) bps	(404) bps
EBIT	**16.5**	**15.9**	**18.4**	(4%)	16%
EBIT Margin	21%	19%	16%	(268) bps	(234) bps

In FY20 the operations of the recently formed underground electrical business were consolidated with the established JLE Electrical operations to create an Electrical Services business unit which offers both above ground and underground solutions to customers. The consolidation provides cost synergies and ensures all electrical work is executed under a consistent risk management framework. The Pro Forma Historical Segment Revenue, EBITDA and EBIT for the Civil Construction and Hire segment include the results of the consolidated Electrical Services business unit as if it was combined from the 1 July 2017.

Revenue

FY19 revenue increased by $7.9m (10%) to $86.0m. The FY19 revenue mix was approximately 65% for Civil Construction and Plant Hire and Sales and 35% for Electrical Services. Key drivers of the revenue growth during FY19 included:

- **Electrical Services:** increased by $9.1m (43%) due to continued growth in the above ground electrical market, and entry into the underground market with key mining and infrastructure projects (for equipment hire and sale of manufactured electrical equipment); and
- **Civil Construction and Plant Hire and Sales:** decreased by $1.2m (2%) due to the mix of projects and completion of some larger infrastructure projects in FY18 which was offset by strong demand in the second-hand equipment market.

FY20 revenue grew by $27.7m (32.2%) to $113.7m. The FY20 revenue mix was approximately 69% for Civil Construction and Plant Hire and Sales and 31% for Electrical Services. Key drivers of the growth in FY20 included:

- **Civil Construction and Plant Hire and Sales:** increased by $23.3m (42%) with major projects including WestConnex, the Snowy Mountains Hydro Scheme and other regional infrastructure projects commencing in FY20, a shift to wet hire contracts in the period and continued strong demand in the second hand equipment market including sales of excess equipment from recent acquisitions. The revenue was lower than expected due to delayed starts on some major projects and the impact of the January 2020 bushfires; and
- **Electrical Services:** increased by $4.4m (14%) with continued growth in both the above ground and underground markets. Growth was driven by continued infrastructure projects in central west NSW and large underground infrastructure projects in Brisbane and Sydney.

EBITDA and EBIT

FY19 EBITDA decreased by $0.9m (4%). Key drivers of the decrease in EBITDA during FY19 include:

- **Civil Construction and Plant Hire and Sales:** decreased by $1.3m (7%) due to the completion of infrastructure contracts with a large hire contribution; and
- **Electrical Services:** EBITDA increased by $0.4m (19%) which was lower than revenue growth due to start-up costs associated with market entry into underground electrical services and lower than expected margins on an early contract in this market.

FY20 EBITDA increased by $2.0m (10%) to $22.3m. The EBITDA margin of 20% decreased relative to FY19 (24%). Key drivers of the increase in EBITDA during FY20 include:

- **Civil Construction and Plant Hire and Sales:** increased $1.1m (6%) in FY20. EBITDA growth was lower than revenue growth as a number of the large projects underway in this period were wet hire contracts with labour and fuel recovered in the hire rate. In addition costs reflected additional investments in engineering and tendering capability as the business was positioned for expected growth; and
- **Electrical Services:** increased by $0.8m (33%) as the operations of the above and underground electrical services were consolidated under the JLE Electrical brand. Commencement of the Snowy River project was later than planned and resulted in a lower coverage of fixed costs than expected. The early contracts in the expansion in underground electrical services continued to suppress margins for this work however efficiencies in the cost base were realised through the combination of the above and underground divisions under the JLE Electrical brand.

Depreciation is charged on the Plant Hire and Sales fleet on a units of use basis and reduced over the period from FY18 to FY20 due to the utilisation across the different types of equipment and approximately $8.0m of equipment acquired in the Millers acquisition being excess to requirements but included in the depreciation charge in FY18 and FY19. Depreciation also includes the amortisation of the property lease assets.

Amortisation relates to customer intangibles from business combinations. These will amortise over three years from FY20 to FY22 and have been include in pro forma FY18 and FY19 EBITDA for comparative purposes.

5.8.2.3 Real Estate segment

Table 20: Pro forma historical segment Revenue, EBITDA, and EBIT for FY18, FY19, and FY20 for the Real Estate segment

$ million	FY18	FY19	FY20	FY18-FY19	FY19-FY20
Revenue	**37.8**	**31.9**	**39.2**	(16%)	23%
EBITDA	**9.8**	**8.6**	**15.3**	(12%)	78%
EBITDA Margin	26%	27%	39%	100 bps	1210 bps
EBIT	**9.7**	**8.5**	**15.3**	(12%)	80%
EBIT Margin	26%	27%	39%	95 bps	1235 bps

Revenue

FY19 revenue decreased 16% due to decreased sales volumes from 149 to 124 lots, partly offset by a slight increase in the average price per sale (FY19 $257k versus FY18 $254k). Revenue was predominantly from the Dubbo region in FY19 with 92% of land lot sales occurring in Dubbo and 8% in Mudgee. House and land packages increased as a percentage of total revenue from 23% in FY18 to 36% in FY19, leading to an increase in building activity with completed homes up 27% on FY18.

FY20 revenue increased by $7.3m (23%) due to an increase in the average sale price from $257k to $314k on consistent sales volumes (125 lots sold in FY20 versus 124 in FY19). Revenue for FY20 was more geographically diversified with 75% of lots being sold in the Dubbo Region and 25% in Mudgee. House and Land packages increased as a percentage of total revenue from 36% in FY19 to 43% in FY20 leading to a further increase in building activity with completed homes up 15% on FY19.

EBITDA and EBIT

Gross profit margin decreased from 30% in FY18 to 28% in FY20 due to increased sales of house and land packages as a percentage of total revenue from 23% in FY18 to 43% in FY20. The gross profit margin on housing is significantly less than on land only sales.

Other income was consistent for FY18 and FY19 with the large increase in FY20 ($7.3m) mainly attributable to the change in fair value of investment properties, leading to an improvement in EBITDA margin.

Expenses for the period FY18 to FY20 comprise wages, development holding costs, administrative and land and building owner expenses and were consistent across the period.

5.8.2.4 Underground Equipment and Services segment

Table 21: Pro forma historical segment Revenue, EBITDA, and EBIT for FY18, FY19, and FY20 for the Underground Equipment and Services segment

$ million	FY18	FY19	FY20	FY18-FY19	FY19-FY20
Revenue	**57.6**	**52.0**	**43.6**	(10%)	(16%)
EBITDA	**11.3**	**13.8**	**15.2**	22%	10%
EBITDA Margin	20%	26%	35%	687 bps	830 bps
EBIT	**7.3**	**8.1**	**8.3**	11%	3%
EBIT Margin	13%	16%	19%	287 bps	358 bps

In FY19, the Underground Equipment and Services segment acquired the operating business of the Jacon Group of companies. Jacon is an established brand and a cost-effective alternative to major competitors. As Jacon had recently invested in a global sales and support network and the establishment of warehouses in Brisbane, Perth and Indonesia, the acquisition provided Underground Equipment and Services access to engineering and design capability and international sales channels to leverage the recently established manufacturing facility in Vietnam.

During FY20 the integration of the manufacturing operations of the acquired Jacon business into the Underground Equipment and Services segment commenced.

Revenue

FY19 revenue reduced by $5.6m (10%) to $52.0m. Key drivers of the decrease in revenue in FY19 include:

- Revenue in the EMS Australia operations remained flat, however a reduction in lower margin labour hire was offset by an increase in higher margin equipment hire; and
- Revenue in Jacon and the Vietnam production facility reduced by $5.6m (18%). This was due a revenue decrease in the Jacon Group business ($6.7m). In FY19 Jacon established local entities in Indonesia and India and transferred key local clients to these local entities, which have not been included in the FY19 pro forma historical results. Underground Equipment and Services has subsequently acquired the Indonesian entity and retained the client relationships in both countries.

FY20 revenue decreased by $8.4m (16%) to $43.6m. Key drivers of revenue during FY20 include:

- Revenue in the EMS Australia operations decreased $4.9m (18%). Equipment hire reduced $0.6m (5%) following a large increase in the prior year. This was partly due to the divestment of the Civil and Rail fleet following the merger with MAAS Group. Labour hire continued to decrease as a non-core business activity $1.3m (36%). Approximately $5.0m of equipment sales transactions were classified as capital disposals; and
- Revenue in Jacon and the Vietnam production facility reduced by $3.5m (14%). The acquisition of the Jacon business was completed in September 2019 and only nine months of operating performance have been consolidated in the FY20 pro forma results. The reduction was partially offset by increased production in the VMS manufacturing facility. The international supply chain and customers were also disrupted in the second half of FY20 due to the COVID-19 pandemic.

EBITDA and EBIT

FY19 EBITDA increased $2.5m (22%) to $13.8m. Key drivers of the EBITDA increase during FY19 included:

- EBITDA in the EMS Australia operations increased by $0.3m (4%). The increase was predominantly due to a favourable shift in the revenue mix;
- EBITDA in Jacon and the Vietnam production facility increased by $2.0m (74%) due to a reset of the pricing structure in Jacon, improved quality control in production (resulting in reduced labour cost in Australia) and the establishment of the Brisbane warehouse with staff experienced in international supply chain and inventory management.

FY20 EBITDA increased $1.4m (10%) to $15.2m. Key drivers of the EBITDA decrease in FY20 included:

- EBITDA in the EMS Australia operations increased $2.5m (28%). This increase included a restructure of administration costs following the integration with Jacon and the sale of a number of larger surplus underground machines; and
- EBITDA in Jacon and the Vietnam production facility decreased by $1.0m (20%) due to only nine months of the Jacon operations being consolidated in the pro forma historical results and the commencement of integration work which includes the standardisation of the product offering to reduce design and build costs.

EBIT

Depreciation increased in the period from FY18 to FY20 due to the investment in the Underground Hire fleet during this period and additional depreciation relating to the operations in Vietnam. Depreciation also includes the amortisation of the property lease assets.

Amortisation relates to customer intangibles from business combinations. These will amortise over three years from FY20 to FY22 and have been included in pro forma FY18 and FY19 EBITDA for comparative purposes.

5.8.3 Management discussion and analysis of the Pro Forma Historical Cash Flow Information

Table 22: Pro Forma Historical Cash Flow Information for FY18, FY19 and FY20

$ million	Notes	FY18	FY19	FY20
EBITDA		**50.5**	**50.0**	**64.7**
Non-cash items	1	(0.5)	0.2	(9.4)
Changes in working capital	2	(8.4)	(28.7)	2.5
Operating Cash Flow		**41.5**	**21.5**	**57.8**
Operating Cash Flow conversion ratio (% of EBITDA)		*82%*	*43%*	*89%*
Capital expenditure	3	(26.0)	(54.7)	(61.4)
Proceeds from sale of property, plant and equipment	4	10.0	8.2	16.8
Free Cash Flow (pre tax)		**25.5**	**(25.0)**	**13.2**

Notes:

1. *Non-cash items include profit on disposal of plant and equipment and revaluation of investments.*
2. *Key drivers of working capital for MAAS Group are summarised further below. In FY19 there were increased inventory investments across all segments. These included the expansion of the Real Estate segment into Orange, further stages on existing developments and the acquisition of a commercial property; the commencement of operations at the production facility in Vietnam; and the expansion into the underground electrical market. The detailed movements by year and by segment are summarised below.*
3. *Capital expenditure includes fleet replacement and expansion for the civil and underground hire fleets, quarry investments and the establishment of the production facility in Vietnam and head office in Dubbo. In FY19 and FY20 investments were made in the manufacture of new and second hand substations to support the expansion into the underground electrical market. The detailed movements by year and by segment are summarised further below.*
4. *Proceeds from the disposal of property, plant and equipment in the ordinary course of operations.*

The Pro forma Historical Cash Flow Information reflects the operating and free cash flow of the acquired entities and has not been adjusted to reflect the capital allocation polices of MAAS Group post acquisition. The key factors driving the operating and free cash flow for MAAS Group are as follows:

- in addition to payment terms for accounts receivables and accounts payables the timing of inventory investments will impact working capital levels and operating cash flow conversion:
  - **Real Estate:** Inventory includes the acquisition of land acquired for resale and includes the subdivision and house build costs to develop the land for sale. Lot settlements will reduce the inventory as cost of sales are recognised and as stages are registered multiple lot settlements can occur together. The timing of acquisitions, subdivision development and settlements can result in working capital fluctuations across reporting periods;
  - **Underground Equipment and Services:** Inventories of spare parts, component parts, work in progress and finished goods are maintained for the manufacturing operations. Inventory levels will increase in line with production and revenue increases. Working capital requirements are managed through staged billings during production on machine orders;
  - **Civil Construction and Hire:** Inventories of equipment are maintained for the Equipment Sales business and may increase, or decrease based on the supply and demand opportunities in the market; and
- capital Expenditure requirements include fleet replacement and growth for the Civil and Underground hire fleets, expansion and maintenance of the quarry operations and expenditure on property developments that will be held for long term investment.

FY18

In FY18 MAAS Group generated pro forma operating cash flow of $41.5m (82% conversion ratio to EBITDA). Non-cash items of ($0.5m) related to profit on disposal of plant and equipment. Investments in capital expenditure of ($26.0m) were offset by proceeds on disposal of $10.0m resulting in a free cash flow (pre-tax) of $25.5m.

Working capital investment of ($8.4m) in FY18 was primarily due to the following movements by segment:

- **Construction Materials:** ($1.0m); net movements on accounts receivable/payable;
- **Civil Construction and Hire:** ($3.2m); increase in inventory for Electrical Services due to the establishment of underground electrical services and net movements on accounts receivable/payable;
- **Real Estate:** ($1.3m); inventory movements on developments;
- **Underground Equipment and Services:** ($4.8m); increase in inventory (predominately Jacon manufacturing) and net movement on accounts receivables/payables; and
- **Other:** $1.9m working capital allocations across segments.

Net capital expenditure of ($16.0m) in FY18 was primarily due to:

- **Civil Construction and Hire:** ($6.3m); net investment in civil hire fleet and substations investment with establishment of the underground electrical services;
- **Underground Equipment and Services:** ($8.3m); investment in the underground hire fleet and other plant & equipment; and
- **Other:** ($1.4m); other allocations across segments.

FY19

In FY19 MAAS Group generated pro forma operating cash flow of $21.5m (43% conversion ratio to EBITDA). Non-cash items of $0.2m relates to loss on disposal of plant and equipment. Investments in capital expenditure of ($54.7m) were offset by proceeds on disposal of $8.2m resulting in a free cash flow (pre-tax) of ($25.0m).

Working capital investment of ($28.7m) in FY19 was primarily due to the following movements by segment:

- **Construction Materials:** ($1.1m); inventory increases and net movements on accounts receivable/payable;
- **Civil Construction and Hire:** ($11.4m); increase in inventory for Equipment Sales and Electrical Services due to the expansion of the underground electrical services;
- **Real Estate:** ($11.5m); inventory increase resulting from the acquisition of the Westwinds residential subdivision site in Orange and ongoing subdivision across the portfolio of development properties and the acquisition of a commercial property development site in Ulan;
- **Underground Equipment and Services:** ($7.3m); increases in inventory in both EMS Australia and Vietnam following establishment of production facility; and
- **Other:** $2.6m; other working capital allocations across segments.

Net capital expenditure of ($46.5m) in FY19 was primarily due to:

- **Construction Materials**: ($10.0m); establishment of the South Keswick Quarry and corporate office, capital expenditure in acquired operations;
- **Civil Construction and Hire:** ($19.2m); substations investment with establishment of the underground electrical services, net investment in civil hire fleet;
- **Real Estate:** $1.4m, disposal of investments;
- **Underground Equipment and Services:** ($20.1m); establishment of VMS production facility in Vietnam, continued expansion of the underground hire fleet and capital investment in the Jacon Group; and
- **Other:** $1.3m; other disposals and allocations across segments.

FY20

In FY20 MAAS Group generated pro forma operating cash flow of $57.8m (89% conversion ratio to EBITDA). Non-cash items of ($9.4m) relate to fair value adjustments on property investments and profit on disposal of plant and equipment. Investments in capital expenditure of ($61.4m) were offset by proceeds on disposal of $16.8m resulting in a free cash flow (pre-tax) of ($13.2m).

The working capital change of $2.5m in FY20 was primarily due to the following movements by segment:

- **Construction Materials:** ($4.9m); predominately to higher production and inventory levels;
- **Civil Construction and Hire:** $17.4; reduction in inventory levels for Equipment Sales, advance payments received on long term electrical contracts and timing of net terms on accounts receivable/accounts payable;
- **Real estate:** ($7.8m); for continued subdivision development, net of proceeds from settlements;
- **Underground Equipment and Services:** ($2.4m); maintained working capital levels following investments in prior years; and
- **Other:** $0.2m; other working capital allocations across segments.

Net Capital expenditure of ($44.6m) in FY20 was primarily due to:

- **Construction Materials:** ($8.5m); acquisition leasehold sites and plant upgrades in the Construction Materials segment;
- **Civil Construction and Hire:** ($28.5m) investment in hire fleet and continued expansion of electrical switchboard assets;
- **Real Estate:** ($1.2m); development of childcare centre and other investments;
- **Underground Equipment and Services:** ($7.1m), completion of the Vietnam manufacturing facility, continued expansion of the Australian hire fleet; and
- **Other:** $0.7m; other disposals and allocations across segments.

5.9 Key factors impacting MAAS Group's future financial performance

MAAS Group is subject to business, economic and competitive uncertainties and contingencies, many of which are beyond the control of MAAS Group, its Directors and management, and its future business developments are subject to change.

Set out below is a summary of key factors that are expected to impact MAAS Group's future financial performance.

MAAS Group has a diverse range of revenue streams across its four operating segments. While the revenue and earnings are not impacted by any set seasonal cycles, revenue and earnings can vary across the year due to the following factors.

Construction Materials

Construction Materials revenue is dependent on both sales demand and quarry production. The demand for higher quality materials such as aggregates enjoy a price premium over lower quality product such as road base. During the winter months the demand for higher value aggregates and sealing aggregate materials is low and the sales volume will be lower in the June – August period. Demand is also impacted by project timing and is typically lower during the December/January Christmas period.

Quarry production can be impacted by extended periods of wet weather which could result in delays in production and revenue.

Civil Construction and Hire

Civil Construction and Hire revenue is dependent on the timing of the infrastructure projects and will be impacted by delays or acceleration to project start dates. Due to the vertical integration of the MAAS Group business this segment will also be impacted by the underlying demand in the Real Estate segment, in particular the residential subdivisions. The pipeline of internal subdivision work can be utilised, to some extent, to manage changes in demand from external clients.

The Plant Hire business unit will contract on either a "wet" (with labour/fuel) or "dry" (without labour/fuel) basis which is typically determined by the client. The ratio of wet to dry hire can and does cause variances in the sales volume and earnings margins across reporting periods.

Earthworks contracts can be impacted by extended periods of wet weather. Wet weather is typically covered by extension of time provisions in the contracts.

Real Estate

MAAS Group's residential projects target the affordable mid-market owner occupier market. Sales volume will be dependent on both the demand for the product and the level of supply in the market. The strength of the local economy and availability of bank lending are the key drivers of demand and can impact the timing of sales and settlements.

The timing of subdivision construction and approval can impact the timing of settlements. MAAS Group targets 50% presales prior to registration of the stage and the timing of registration approvals can result in variances in settlement volumes and earnings across reporting periods.

The vertical integration of MAAS Group enables the Real Estate segment to take opportunities with respect to demand by scaling both its land delivery and house building divisions to align with the underlying market.

The value of developments which are held for investment and passive earnings stream will be considered annually in accordance with accounting standards. Any valuation adjustment will be recognised in earnings and will be impacted by underlying economic conditions but also changes in the development, such as development approval or entering into of a leasing arrangement for the property. If there has been a significant change in economic conditions or the underlying investment an independent valuation will be obtained and may be completed for the half year results.

Underground Equipment and Services

Demand for the Underground Equipment and Services segment is driven by underground hard rock mining and tunnel infrastructure activity on both a domestic and international level. The size of individual transactions can result in variability of revenue across reporting months. Hire contracts are typically 6 – 18 months on a dry hire basis. As hire contracts end equipment may require maintenance work before being re-hired, this can impact the level of hire revenues across reporting periods.

The supply of machines for sale or hire will be dependent on the manufacture and rebuild time which can be three to four months from placement of the order. Supply chains for component parts and after-market spare parts sales can be impacted by events in domestic and international markets which may extend production lead times.

5.10 Trading performance since 30 June 2020

The trading performance since 30 June 2020 has not been subject to review.

MAAS Group's consolidated revenue and EBITDA for the financial year to date as at 31 August 2020 were $39.3m and $9.9m respectively. This compares with consolidated revenue of $31.9m and EBITDA of $10.0m for the financial year to date as at the 31 August 2019. The current year and prior year reported revenue and EBITDA are management's unaudited reported figures and include adjustments to reflect the results on a pro forma basis.

As at 31 August 2020, MAAS Group's cash position was $14.3m and drawn debt excluding subordinated convertible notes, Shareholder Loans and AASB16 property lease liabilities was $135.1m.

Available liquidity including cash and undrawn Banking Facilities was $14.3m.

The factors affecting the timing of the revenue and earnings for MAAS Group are set out in Section 5.9 above. The key year to date metrics by segment are summarised below.

Construction Materials

In July and August 2020, the Construction Materials segment sold 150,000 tonnes across its five operating quarry locations. Contracts on hand include the Newell Highway, Regional Rail and Inland Rail infrastructure projects. July and August are typically low volume months due to reduced demand for aggregate and sealing aggregate materials during the winter months and volume is expected to increase over the remainder of FY21 (refer to Section 5.9 for further details on the key factors impacting the future performance of the Construction Materials segment).

Civil Construction and Hire

Current secured contract revenue for FY21 in the Civil Construction and Hire segment is $81.5m.

Refer to Section 5.9 for further details on the key factors impacting the future performance of the Civil and Construction Hire segment.

Real Estate

In July and August 2020, the Real Estate segment settled 30 residential land lots, compared with 13 for the same period in FY20. As at 31 August 2020, there are 91 exchanged contracts pending settlements, with a further 42 sales advices pending exchange. Completion of 90% of the exchanged contracts is dependent on the registration with the Council of seven constructed residential release areas, which is expected to occur in the period October to December 2020. There is a pipeline of further stage releases under construction which is expected to deliver additional settlements in FY21.

A childcare centre with a capacity for 128 children is currently under construction in the Southlakes development. A valuation assessment will be completed for this investment property when a lessee for the operation is secured.

Refer to Section 5.9 for further details on the key factors impacting the future performance of the Real Estate Segment.

Underground Equipment and Services

Year to date revenue as at 31 August 2020 in the Underground Equipment and Services Segment was $6.0m, compared with $3.5m for the same period to 31 August 2019, noting that the pro forma comparative period for FY20 did not include the Jacon business.

EMS Australia's revenue is lower as at 31 August 2020 compared to the pro forma comparative period for FY20 due to reduced labour hire, the timing of equipment sales and the reduction in hire revenue following the divestment of the Civil and Rail fleet. MAAS Group will continue to progress opportunities to improve efficiency by further integrating the civil and underground hire businesses in the future.

While global supply chains continue to recover, the volume of orders for the sale of manufactured machines have been impacted year to date by the ongoing COVID-19 pandemic.

Refer to Section 5.9 for further details on the key factors impacting the future performance of the Underground and Equipment Services Segment.

5.11 Dividend policy

The payment of dividends by MAAS Group is at the complete discretion of the Directors. The decision as to whether or not a dividend will be paid will be subject to a number of considerations including the general business environment, the operating results, cash flows and financial position of MAAS Group, capital requirements, regulatory restrictions and any other factors the Directors may consider relevant including any acquisitions which the Directors determine to undertake in the future.

Subject to the considerations outlined above, the Directors' current intention is to pay out approximately 20% – 40% of MAAS Group's annual NPAT excluding the non cash earnings from investment revaluations ("Cash NPAT") attributable to shareholders in dividends. It is the Directors' current intention to pay interim dividends in respect of half years ending 31 December and final dividends in respect of full years ending 30 June each year. In future years, an interim dividend is expected to be payable in April, with a final dividend payable annually in October. It is intended that dividends will be franked to the greatest extent possible.

No assurances can be given by any person, including the Directors, about payment of any dividend and the level of franking on any such dividend.

The Directors may establish a dividend reinvestment plan (DRP) in the future under which Shareholders may elect that the dividends payable by MAAS Group be reinvested in whole or in part by a subscription of Shares at a price to be determined by the Board from time to time.

5.12 Summary of Significant Accounting Policies

Set out in Appendix 1 is a summary of the significant accounting policies which have been adopted in preparation of the Historical Financial Information.

5.13 Summary of Financial Risk Management Framework

Set out in Appendix 2 is a summary of MAAS Group's financial risk management framework.

Section 6
Independent Limited Assurance Report

6 Independent Limited Assurance Report

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The Directors
MAAS Group Holdings Ltd
20L Sheraton Road
Dubbo NSW 2830

6 November 2020

Dear Directors,

INDEPENDENT LIMITED ASSURANCE REPORT ON STATUTORY HISTORICAL AND PRO FORMA HISTORICAL FINANCIAL INFORMATION

Introduction

BDO Audit Pty Ltd ('BDO Audit') has been engaged by Maas Group Holdings Ltd ('MGH' or 'the Company') to report on the statutory historical financial information and pro forma historical financial information ('the Historical Financial Information') for inclusion in a prospectus proposed to be issued on or about 6 November 2020 and relating to the issue of shares in MGH ('Prospectus').

Expressions and terms defined in the Prospectus have the same meaning in this report ('this Report').

Scope

Statutory Historical Financial Information

You have requested BDO Audit to review the following Statutory Historical Financial Information of MGH (being the party responsible for the Historical Financial information) included in Section 5 of the Prospectus:

- The statutory historical consolidated statements of profit or loss for the financial years ended 30 June 2018 ('FY18'), 30 June 2019 ('FY19'), and 30 June 2020 ('FY20');
- The statutory historical consolidated statements of cash flows for FY18, FY19, and FY20; and
- The statutory historical consolidated statement of financial position as at 30 June 2020.

The Statutory Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and MGH's adopted accounting policies.

The Statutory Historical Financial Information has been extracted from the consolidated financial reports of MGH for FY18, FY19 and FY20 which were audited by BDO Audit in accordance with Australian Auditing Standards. BDO Audit issued unmodified audit opinions on each of the financial reports.

The Statutory Historical Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Pro Forma Historical Financial Information

You have requested BDO Audit to review the following Pro Forma Historical Financial Information of MGH (being the party responsible for the Historical Financial information) included in Section 5 of the Prospectus:

- The pro forma historical consolidated statements of profit or loss for FY18, FY19, and FY20;
- The pro forma historical consolidated statements of cash flows for FY18, FY19, and FY20; and
- The pro forma historical consolidated statement of financial position as at 30 June 2020.

The Pro Forma Historical Financial Information has been derived from the Statutory Historical Financial Information of MGH, after adjusting for the effects of pro forma adjustments described in Section 5.2.6 of the Prospectus. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards and MGH's adopted accounting policies, applied to the historical financial information and the event(s) or transaction(s) to which the pro forma adjustments relate, as described in Section 5.2.6 of the Prospectus, as if those event(s) or transaction(s) had occurred as at the date of the Statutory Historical Financial Information. Due to its nature, the Pro Forma Historical Financial Information does not represent the company's actual or prospective financial position, financial performance, and/or cash flows.

Directors' Responsibility

The directors of MGH are responsible for the preparation and presentation of the Statutory Historical Financial Information and the Pro forma Historical Financial Information, including the selection and determination of the pro forma adjustments made to the Statutory Historical Financial Information and included in the Pro forma Historical Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of the Statutory Historical Financial Information and Pro Forma Historical Financial Information to be free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Statutory Historical Financial Information and Pro Forma Historical Financial Information, based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit on any financial information used as a source of the Financial Information.

Conclusions

Statutory Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Statutory Historical Financial Information, as described in Section 5 of the Prospectus, and comprising:

- The statutory historical consolidated statements of profit or loss for FY18, FY19, and FY20;
- The statutory historical consolidated statements of cash flows for FY18, FY19, and FY20; and
- The statutory historical consolidated statement of financial position as at 30 June 2020,

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 5.2 of the Prospectus.

Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information, as described in Section 5 of the Prospectus, and comprising:

- The pro forma historical consolidated statements of profit or loss for FY18, FY19, and FY20;
- The pro forma historical consolidated statements of cash flow for FY18, FY19, and FY20; and
- The pro forma historical consolidated statement of financial position as at 30 June 2020,

are not presented fairly in all material respects, in accordance with the stated basis of preparation as described in Section 5.2 of the Prospectus.

Restriction on Use

Without modifying our conclusions, we draw attention to Section 5.1 of the Prospectus, which describes the purpose of the Historical Financial Information, being for inclusion in the Prospectus. As a result, the Historical Financial Information may not be suitable for use for another purpose. We disclaim any liability for use of this Report, or reliance on the Historical Financial Information by any other persons or for any other purpose than that set out in Section 5.1 of the Prospectus.

Consent

We have consented to the inclusion of this Report in the Prospectus in the form and context in which it is included. At the date of this Report, our consent has not been withdrawn. However, BDO Audit has not authorised the issue of the Prospectus. BDO Audit makes no representation regarding, or responsibility for, any other statements, material in (or omissions from) the Prospectus.

Liability

The liability of BDO Audit is limited to the inclusion of this Report in the Prospectus. BDO Audit makes no representation regarding, and takes no responsibility for, any other statements, or material in, or omissions from, the Prospectus.

General Advice Warning

This Report has been prepared, and included in the Prospectus to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to take the place of professional advice and investors should not make specific investment decisions in reliance on information contained in this Report. Before acting or relying on any information, an investor should consider whether it is appropriate for their circumstances having regard to their objectives, financial situation or needs.

Declaration of Interest

BDO Audit does not have any interest in the outcome of the proposed listing, or any other interest that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. BDO Audit will receive normal professional fees for the preparation of this Report.

BDO Audit are the auditors of MGH and from time to time BDO Audit also provides MGH with certain other professional services for which normal professional fees are received.

BDO Audit Pty Ltd

BDO

TMann

T R Mann
Director

Section 7
Risk Factors

7 Risk Factors

7.1 Introduction

MAAS Group is subject to various risks. Some risks are specific to its business activities. Other risks may impact the industries in which MAAS Group operates or are of a more general nature. Individually or in combination, these risks may affect the future operating and financial performance of MAAS Group, its investment returns and the value of an investment in Shares. There can be no guarantee that MAAS Group will achieve its stated objectives, or that any forward-looking statements will eventuate.

This Section describes potential risks associated with MAAS Group's business and risks associated with an investment in Shares. It does not purport to list every risk that may be associated with MAAS Group's business or an investment in Shares now or in the future. While some risks can be mitigated using safeguards and appropriate systems and controls, others are outside the control of the Company and its Directors and cannot be mitigated. Each risk set out below may, if it eventuates, have a material adverse impact on MAAS Group's operating performance, revenue and profits, and the market price of Shares.

The risks described in this Section have been grouped into risks that relate specifically to MAAS Group and the way it operates its business (Section 7.2), and general risks that relate to investing in Shares (Section 7.3). Any investment in MAAS Group should be considered in light of relevant risks, both general and specific.

Before deciding to invest in MAAS Group, potential investors should:

(a) read the entire Prospectus;

(b) consider all risk factors including those risk factors that could affect the future prospects and financial performance of MAAS Group;

(c) review these factors in light of their personal circumstances; and

(d) seek professional advice from their accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.

7.2 Specific investment risks

7.2.1 Workplace health and safety

MAAS Group's employees are at risk of workplace accidents and incidents given the nature of the industries in which MAAS Group operates. A serious accident may occur, causing damage, injury or death, which may have operational implications for MAAS Group and may have a material adverse impact on MAAS Group's financial position. In the event that an employee is injured in the course of their employment, the Company may be liable for penalties or damages under relevant workplace health and safety legislation. MAAS Group may incur costs and liabilities resulting from claims by employees for work-related injuries and must make adequate provision for its workers' compensation liabilities.

The activities undertaken by the group can generate environmental impacts such as dust and noise. There is a risk that actions could be brought against MAAS Group, alleging adverse effects of hazardous materials (such as dust) on personal health. If any injuries or accidents occur on a worksite, this could have adverse reputational and financial implications including legal claims for personal injury, wrongful death, amendments to approvals, potential production delays or stoppages, any of which may have a material adverse effect on MAAS Group's financial position.

7.2.2 Environmental claims

The projects and activities undertaken by the group are subject to certain regulations regarding environmental matters, as determined by governments, Councils and enforcement agencies. The group's activities, particularly with respect to its quarrying, real estate development and civil construction activities, are expected to have an impact on the environment. Environmental issues may potentially delay contract performance or result in a shutdown of operations, causing a deferral or preventing receipt of anticipated revenues. These environmental risks may give rise to remediation obligations, civil claims and criminal penalties.

Despite efforts to conduct activities in an environmentally responsible manner and in accordance with all applicable laws, there is a risk of an adverse environmental event occurring which could impact production or delay future development timetables and may subject the Company to substantial penalties including fines, damages, clean-up costs or other penalties. Additionally, an adverse environmental event may require an amendment to the group's existing environmental approvals.

Any potential liability or penalty arising in respect of an environmental issue may have a material adverse impact on MAAS Group's financial position.

7.2.3 Contractual risks

Contractual relationships with customers and suppliers form a fundamental part of MAAS Group's operations. All contracts, including those entered into by MAAS Group, carry a risk that the respective parties will not adequately or fully comply with their respective contractual rights and obligations, or that these contractual relationships may be terminated which may adversely impact the financial position of MAAS Group. In certain instances, it may be costly for MAAS Group to enforce its contractual rights. There is a risk that disputes in respect of major contracts may have a material adverse impact on MAAS Group's financial position.

As a contractor, MAAS Group derives revenue from substantial contracts which may be delayed or incur unforeseen costs in performance which may not be recoverable, due to issues including project estimating, performance on site, contractual risk allocation, contract administration and quantum and timing of revenues and cash flows relative to major project milestones, project completion and reporting periods.

MAAS Group occasionally relies on third parties for the success of its operations. MAAS Group may be impacted if services performed by third parties are not performed in accordance with contractual obligations. Subject to relevant agreements, MAAS Group cannot control the actions of third parties. Where possible, to mitigate these risks, MAAS Group seeks to include provisions limiting its liability under the relevant contract, to enter into contracts with reputable parties and take other measures such as requiring measures of liquidated damages from third parties. Wherever possible, MAAS Group seeks to complete works in house to maintain visibility over cost and project outcomes and to avoid reliance on third parties.

Rental contracts with customers can be cancelled by the customer with limited advance notice and without significant penalty. Furthermore customers may default due to bankruptcy or other reasons. A customer's termination of, or default under, a contract for rental of MAAS Group's equipment, may result in a loss of expected revenues, and additional expenses for demobilisation, maintenance and storage of equipment that was rented to that customer under the contract. Accordingly, the termination of, or default under, a rental contract by any of MAAS Group's customers may have a material adverse impact on MAAS Group's financial position.

7.2.4 Operating risks

Although MAAS Group has established risk management practices to identify, monitor, control and manage risk at the individual contract or project level, MAAS Group and its customers and suppliers are exposed to a range of operational risks relating to both current and future operations. These risks include, but are not limited to, failure to sell its products, failure to complete projects on time, failure to achieve production, mechanical failure or plant breakdown, unanticipated manufacturing problems, infrastructure availability and unexpected shortages, loss or damage to operating assets and equipment, human error, accidents, weather, natural disasters, terrorism, cost overruns, delays, industrial and environmental accidents, industrial disputes, contract losses, delays due to government actions, delays due to public health issues (including the outbreak of pandemic or contagious disease, such COVID-19), litigation or damage by third parties, or increases in the cost of consumables, spare parts, labour, plant and equipment.

Where projects are delayed, the recognition of revenue for those contracts may be deferred to later periods. This deferral may have a material adverse impact on MAAS Group's financial position.

Whilst MAAS Group endeavours to take appropriate action to mitigate these operational risks or to insure against them, MAAS Group cannot control the risks its customers and suppliers are exposed to, nor can it completely remove all disruption risk to its own business, and one or more of these risks may have a material adverse impact on MAAS Group's financial position.

7.2.5 Decreases in capital investment and infrastructure construction activity in Australia

A significant portion of MAAS Group's revenue is attributable to the Australian infrastructure sector. MAAS Group expects to benefit from the high levels of government investment into infrastructure in NSW and Australia wide expected over the next few years.

If the level of funding for infrastructure development decreases, or the forecast infrastructure spend in NSW does not eventuate, this may have a material adverse impact on MAAS Group's financial position.

The number of new infrastructure construction projects and the level of project expansion and maintenance activity in Australia is affected by a number of factors including the outlook for resources production, activity and investment, Government approvals, availability of funding (both Government and private sector), the need for resources-related export infrastructure such as railways and ports and the need for non-resources related infrastructure such as road and public transport systems. Infrastructure construction activity may also be affected by other factors including economic growth, demographic pressures and Government policies in Australia and globally. There can be no assurance that the current levels of capital investment and construction activity in the Australian infrastructure sector will grow, be maintained or not be reduced in the future. Any failure to maintain, or a reduction in, the current levels of capital investments and construction activity in infrastructure in Australia, or any changes or delays in the timeline for the construction or completion of infrastructure projects, may reduce the demand for MAAS Group's products and services, and may have a material adverse impact on its financial position.

7.2.6 Remote locations and underground works

MAAS Group undertakes projects in remote locations and its projects may involve underground work. This may involve operating difficulties for plant, equipment and materials, and some locations may involve inherent risks to personnel due to the nature of the operating conditions in these environments.

7.2.7 Manufacturing and product quality risk

MAAS Group's manufactured products must meet certain quality standards. Failure by MAAS Group, or its suppliers, to continuously comply with these standards, or failure to take satisfactory action in response to products that do not adhere to these standards may result in returned products, reputational damage and enforcement actions which may have a material adverse impact on its financial position.

7.2.8 Supplier risk and access to equipment and resources

MAAS Group relies on a number of suppliers for the supply of equipment and equipment parts, both locally and internationally. A disruption in supply (including any loss of parts during transit) may cause a delay in the availability of MAAS Group's products and services, which may have a material adverse impact on MAAS Group's financial position.

Reliance on suppliers in foreign markets creates risks inherent in doing business in foreign jurisdictions, including:

(a) the burdens of complying with a variety of foreign laws and regulations, including trade and labour restrictions and laws relating to the importation and taxation of goods; (b) economic and political instability and acts of terrorism in the countries where our suppliers are located; (c) public health crises, such as pandemics and epidemics, in the countries where our suppliers are located; (d) transportation interruptions or increases in transportation costs; and (e) the imposition of tariffs or non-tariff barriers on components and products imported into Australia. The ongoing COVID-19 outbreak has resulted in increased travel restrictions and extended shutdown of certain businesses in the region. This public health crisis or any further political developments or health concerns in markets in which MAAS Group's products are manufactured could result in social, economic and labour instability, which may have a material adverse impact on MAAS Group's financial position.

MAAS Group also requires access to new and used equipment in order to generate rental and sales revenue. If MAAS Group is unable in the future to secure adequate supplies of the required number of machines at appropriate prices or if the quality of the available machines is not acceptable, MAAS Group's business, financial condition and results of operations may be adversely affected. The inability to secure supply or maintain existing supplier relationships may have a material adverse impact on MAAS Group's financial position.

Access to resources is a potential risk to MAAS Group. Inability to source materials and other key inputs required by MAAS Group or suitable contractors may limit its ability to deliver against its objectives which may have a material adverse impact on its financial position. Wherever possible, the Company seeks to procure resources from its owned quarry sites to avoid reliance on third parties.

7.2.9 Increased maintenance expenditure

MAAS Group is required to incur a certain level of expenditure required to maintain its operations. If the level of maintenance expenditure required is higher than expected, if it must be undertaken earlier than anticipated, or if there is a significant operational failure requiring unplanned maintenance expenditure this may have a material adverse impact on MAAS Group's financial position.

7.2.10 Cyclical nature of end markets

The Australian residential property market can be cyclical and risk is always present when land is acquired for future development. This may impact the timeline for completion of sales or whether sales can be completed at all which may have a material adverse impact on MAAS Group's financial position.

The construction industry can be cyclical in the volume of business undertaken both in Australia and globally. A trough in the construction cycle of Australia and other global jurisdictions in which MAAS Group operates may have a material adverse impact on its financial position. The loss of major customers through industry downturns or for any other reason could have a material adverse impact on MAAS Group's financial position.

7.2.11 Changing customer preferences regarding the rental of equipment

MAAS Group's business prospects partly depend on a continuation of the trend towards outsourcing of non-core functions by potential clients, particularly those with large infrastructure assets or which are in the mining sector. If this trend does not continue or reverses, it may have a material adverse impact on MAAS Group's financial position.

A change in the preference of current or future customers resulting in reduced use of rental equipment to meet their requirements may occur where customers are able to meet fluctuating equipment demand with existing equipment where previously it was necessary to rent, or where previously capital constrained customers are able to access capital for equipment purchases. This may also occur in other situations which reduce the value proposition of the rental model. For example, where MAAS Group loses its delivery time advantage where lead times for new equipment shorten, or where prices for equipment decrease or the general supply of equipment increases. If this was to occur, it may have a material adverse impact on MAAS Group's financial position.

7.2.12 Competition and loss of reputation

The industries in which MAAS Group operates are highly competitive and are expected to remain so. Any increase in competition may result in loss of market share, reduced operating margins, and price reductions. Any of these occurrences may adversely affect the operating and financial performance of MAAS Group. Although MAAS Group has historically been successful in securing new contracts and competing effectively in its areas of operation, there can be no assurance that any or all of its businesses will continue to perform in the future.

MAAS Group's manufactured products may compete with existing products that are already available to customers. In addition, a number of companies, both in Australia and abroad, may be pursuing the development of products that target the same customers as MAAS Group. The Company may face competition from parties who have substantially greater resources than MAAS Group. MAAS Group's performance is also influenced by its ability to win new projects and complete these projects in a timely manner. The failure of the Company to win new projects over its competitors may have a material adverse impact on MAAS Group's financial position.

Downward pricing pressures from competition may be experienced from time to time (which may include potential new entrants in the market) and MAAS Group may not always be able to recover increases in its operating expenses through higher selling prices (if at all). If MAAS Group is consistently unable to recover increased operating expenses through higher selling prices, this may have a material adverse impact on MAAS Group's financial position.

The success of MAAS Group is partly reliant on its reputation and brand, particularly in regional NSW. Any event or occurrence that diminishes its reputation or brands may have a significant adverse financial effect on MAAS Group. In particular, the actions of the Company's employees, including breaches of relevant regulations or negligence in the provision of services, or major contractual disputes, may damage MAAS Group's brand and this may have a material adverse impact on MAAS Group's financial position.

7.2.13 Exposure to regional NSW residential property market and customer settlement risk

As at the date of this Prospectus, a significant portion of MAAS Group's residential development pipeline is located in regional NSW. This pipeline is comprised of residential dwellings, including existing and recently constructed unsold units. Accordingly, the Company's financial performance over the near-term is heavily reliant on continued sales and residential market conditions in the regional NSW property market. There is a risk these residential dwellings will not be sold to new residents at the rate assumed and earnings and cash flow may be reduced as a result. To the extent that any of the cyclical property market factors discussed in Section 7.2.10 are experienced in the regional NSW residential property market, this may have a material adverse impact on MAAS Group's financial position. MAAS Group's exposure to the regional NSW property market is consistent with its strategy and view of the prospects for that market.

Furthermore, MAAS Group relies on customers to meet obligations under long-dated sale contracts at the scheduled settlement date. While deposits are taken from customers initially, this forms a limited portion of the total amount owing in respect of a particular sale. To the extent customers are unable to meet such settlement obligations on time, for example, because they have failed to obtain any necessary finance, MAAS Group's revenue receipts and profits will be impacted and an equivalent resale price may not be able to be achieved which may have a material adverse impact on its financial position.

Timing of the receipt of settlement payments from customers also means that the Real Estate segment's cash flows are relatively irregular, with peak volumes of cash flow generated at the time that sales in respect of a particular project settle.

7.2.14 Liability for defects

As a home builder, MAAS Group is exposed to risks relating to structural and building defects for a period of six years post practical completion as a part of the statutory warranty. These may result in a negative customer experience, potential brand damage and financial costs to for repairs and rectification. In particular, for MAAS Group various State legislation gives statutory authorities powers to direct builders to rectify defects. In addition, MAAS Group provides certain warranties in respect of performance of its obligations under the various building contracts, which may also expose it to further costs associated with repairs (net of insurance and other recoverable costs). These factors, either individually or in combination, may have a material adverse impact on MAAS Group's financial position.

7.2.15 Growth

MAAS Group has experienced rapid growth in the scope of its operating activities, the geographical area of its operations, and employee numbers. This growth has resulted in an increased level of responsibility for new and existing management personnel. To manage this growth effectively, MAAS Group will need to continue to develop and refine its management systems to maintain efficient management of its operating and financial systems and to continue to train, expand and manage its employee base. There is a risk that MAAS Group may be unable to manage its future growth successfully. The Company may also not maintain or grow the volume of its projects and its project pipeline going forward. This may also be negatively impacted by factors beyond its control, including a decline in industry growth. If MAAS Group is not able to obtain requisite approvals (either at all or within desired timeframes) for any prospective future operations, this may have a material adverse impact on the Company's financial position.

7.2.16 Integration of acquisitions

MAAS Group has pursued and may in the future pursue strategic acquisitions in the course of its business. MAAS Group may not be able to raise the financing required to fund its preferred acquisitions, may not able to identify suitable candidates for successful acquisitions at acceptable prices, or successfully execute and integrate acquisitions once identified.

In addition, MAAS Group's past and future acquisitions may subject it to unanticipated risks or liabilities. These risks include, but are not limited to, poor integration of the acquired businesses, accuracy of historical financial and accounting records, entry into market segments with more volatile revenues than existing operations and loss of managerial focus on existing businesses.

A strategy of growth through acquisition entails numerous operational and financial risks and this may have a material adverse impact on the Company's financial position.

7.2.17 Dependence upon key personnel

The day-to-day management of MAAS Group relies on senior managers and Directors and in particular, Wes Maas, and the success of its business depends on retaining its key employees and maintaining the general motivation of its workforce. There may be a negative impact if any of its key personnel leave. It may be difficult to replace them, or to do so in a timely manner or at comparable expense. If any of MAAS Group's key personnel leave, this could have a material adverse impact on the Company's financial position.

7.2.18 Sensitivity of earnings to project revenue and timing of contracts

A substantial portion of MAAS Group's revenue is derived from contracted revenue, some of which relates to specific projects with shorter time frames. This revenue has a greater propensity to vary from year to year. Annual performance depends on utilisation for employees and equipment. MAAS Group's financial performance in any future period is sensitive to the timely and successful execution of projects and changes in utilisation rates driven by project activity levels.

MAAS Group cannot anticipate with certainty the exact timing and quantum of rental revenues associated with certain projects as customers may decide to cancel or delay equipment rental. If MAAS Group is not able to substitute a terminated or delayed contract with another contract, this may have a material adverse impact on MAAS Group's financial position.

7.2.19 Movements in foreign exchange rates

MAAS Group has significant manufacturing operations in Vietnam, and sources equipment and parts from overseas. Associated costs of these operations exposed MAAS Group to foreign currencies and as such unfavourable movements in the foreign exchange rates between the Australian dollar and the currencies of MAAS Group's manufacturing operations and import costs may have a material adverse impact on the Company's financial position. MAAS Group's currencies with annual exposure >A$1.0m currently include USD, VND, IDR and Euro.

7.2.20 Foreign operations

MAAS Group has significant manufacturing operations in Vietnam, and derives a proportion of its revenue from operations in foreign countries, primarily from leasing and selling underground equipment. Moreover, MAAS Group regularly acquires equipment from a number of other countries and is continuing to seek growth and expansion in overseas markets.

There are certain risks inherent in doing business on an international level, such as unexpected changes in regulatory requirements, tariffs, customs, duties and other trade barriers, difficulties in staffing and managing foreign operations, longer payment cycles, problems in collecting accounts receivable, political instability, expropriation, nationalisation and war, or public health issues (including the outbreak of pandemic or contagious disease, such as COVID-19). There may also be fluctuations in currency exchange rates, foreign exchange controls which restrict or prohibit repatriation of funds, technology export and import restrictions or prohibitions and delays from customers, brokers or government agencies. The Company may also be adversely affected by seasonal reductions in business activity and potentially adverse tax consequences, any of which may adversely impact the success of MAAS Group's international operations.

The Company may incur fines or penalties, damage to its reputation or suffer other adverse consequences if its Directors, officers, employees, consultants, agents, service providers or business partners violate, or are alleged to have violated, anti-bribery and corruption laws in any of the jurisdictions in which it operates. The Company's internal policies and controls may not be effective in each case to ensure that MAAS Group is protected from reckless or criminal acts which may be committed by its Directors, officers, employees, consultants, agents, service providers or business partners that would violate Australian laws or the laws of any other country in which MAAS Group operates. Any such improper actions may expose MAAS Group to civil or criminal investigations in Australia or overseas, which may lead to substantial civil or criminal monetary and non-monetary penalties against the Company, and may damage its reputation.

A restriction in MAAS Group's ability to expand into new geographies, and/or the materialisation of the risks mentioned above may have a material adverse impact on MAAS Group's financial position.

7.2.21 Regulation

MAAS Group is subject to a broad and increasingly stringent range of environmental laws, regulations and standards. MAAS Group abides by the respective laws and regulations in each of the jurisdictions in which it operates. Changes to these laws and regulations may have a material adverse impact on the Company's financial position. Regulatory developments that may impact include, but are not limited to, changes in environmental laws, workplace health and safety laws, modifications to labour laws and amendments to the standard of proof required in civil liability laws. This results in significant compliance costs and may expose MAAS Group to legal liability or place limitations on the development of its operations. Failure to comply with applicable laws and regulations may result in penalties against MAAS Group and loss of income or reputation. In addition, while MAAS Group expects its employees to comply with best practice in relation to these matters, its operations may not be successful at all times in complying with all demands of relevant laws and regulatory agencies in a manner which may materially adversely affect its business, financial condition or results of operations.

7.2.22 Industrial relations

MAAS Group may be adversely impacted by industrial relations issues in connection with its employees or the employees of its customers, contractors and suppliers due to strikes, work stoppages, work slowdowns, grievances, complaints, claims of unfair practices or other industrial activity under the enterprise bargaining arrangements governing their employment arrangements. Such enterprise bargaining arrangements are subject to renegotiation from time to time, which may result in product delays, increased labour costs or industrial action. Industrial relations in the Australian construction industry are influenced by changes in government legislation, negotiation of workplace and project agreements, and related matters. Industrial disputes can adversely impact project completion and this may have a material adverse impact on the Company's financial position.

7.2.23 Political factors

MAAS Group undertakes work for a range of public and private sector clients and its operating and financial performance may be influenced by a number of political considerations including, but not limited to, the priority accorded by governments to infrastructure projects, the attitude of governments to private sector participation in infrastructure projects and changes in the level of government spending on such projects. These factors, in any or all of the jurisdictions in which it operates, may have a material adverse impact on MAAS Group's financial position.

7.2.24 Inability to secure adequate insurance

Whilst MAAS Group seeks to maintain insurance coverage that is consistent with industry practice, there is a risk that coverage may not be available when required, at commercially acceptable premiums, or at all. In addition, any claim under its insurance policies may be subject to certain exceptions, or may not be honoured (in full or in part). If liabilities are incurred without adequate insurance, this may have a material adverse impact on MAAS Group's financial position.

7.2.25 Debt covenants may be breached if performance declines

As described in Section 8.14, MAAS Group is currently a party to the Banking Facilities pursuant to which it is subject to various debt covenants. Factors such as a decline in operational and financial performance may lead to a breach of its debt covenants. If a breach occurs, its financiers may seek to exercise enforcement rights under the Banking Facilities, including requiring immediate repayment, which may have a material adverse impact on MAAS Group's financial position.

7.2.26 Requirement to raise additional funds

MAAS Group's continued ability to effectively implement its business plan over time may depend in part on its ability to raise additional funds and/or refinance its existing debt. As MAAS Group's business grows, it may require additional working capital.

There can be no assurance that any such equity or debt funding will be available on favourable terms or at all. If adequate funds are not available on acceptable terms, MAAS Group may not be able to take advantage of opportunities, develop new ideas or otherwise respond to competitive pressures.

While MAAS Group will be subject to the constraints of the Listing Rules regarding the percentage of its capital it is able to issue within a 12 month period (other than where specific exceptions apply), Shareholders' interests may be diluted by any future equity raising, which may result in a potential loss in the value of their equity.

7.2.27 Capital structure

Following Completion of the Offer, the Maas Family will retain a significant holding and will therefore have significant influence over MAAS Group, including in relation to resolutions requiring the approval of Shareholders. For example, the Maas Family, through their aggregate shareholdings, may block ordinary resolutions of MAAS Group and takeover bids that may be made. They may also pass a resolution to appoint and remove directors from the board. This interest may also have an impact on liquidity (particularly having regard to the escrow arrangements referred to below), as well as acting as a potential deterrent to corporate transactions.

The sale of Shares in the future by the Escrowed Shareholders (following expiry of the Escrow Period) or CN Shareholders, or the perception that such sales might occur, may adversely affect the market price of the Shares.

7.2.28 Escrow arrangements

The Escrowed Shareholders will be subject to escrow requirements, designed to protect the integrity of the market and allow MAAS Group to develop a track record as a listed company. This means that certain Shareholders will not be able to deal with Escrowed Shares during the Escrow Period. At the end of the Escrow Period, these Shares will be released from escrow at the same time, which may impact MAAS Group's share price if relevant persons seek to trade their Shares at or around the same time.

In addition to the above escrow arrangements, the CN Shareholders will enter into voluntary escrow arrangements, and will not be able to deal with the Shares emanating out of the conversion of the Convertible Notes for one month following the Quotation Date.

7.2.29 Pandemic and other public health risks (COVID-19)

The ongoing outbreak of the coronavirus disease (COVID-19) and any other possible future outbreaks of contagious diseases may have a significant adverse impact on MAAS Group's activities. The spread of such diseases amongst its executives, employees, contractors, suppliers and logistic networks, as well as any lockdown, quarantine and isolation requirements, may reduce MAAS Group's ability to operate in an efficient manner (or at all) and may have a material adverse impact on MAAS Group's financial position.

There is continuing uncertainty as to the extent, duration, and final effects of the COVID-19 pandemic or other possible disease outbreaks, including in relation to the government response, work stoppages, lockdown, quarantines, travel restrictions and unemployment and on what effect such factors may have on MAAS Group, the Australian and global economy, and share markets. It is possible that it will have a substantial negative effect on the economies where MAAS Group operates and it may be affected by the macroeconomic effects and ensuing financial volatility resulting from the pandemic and any other possible outbreaks which could have an adverse effect on the Company's financial position.

To the extent that the COVID-19 pandemic outbreak adversely affects MAAS Group's business and financial performance, it may also have the effect of exacerbating many of the other risks identified in this Prospectus.

7.2.30 Employee misconduct and fraud related risks

Employee, agent or partner misconduct or MAAS Group's overall failure to comply with laws or regulations could weaken its ability to win contracts, which could result in reduced revenues and profits. Misconduct, fraud, non-compliance with applicable laws and regulations, or other improper activities by one of its employees, agents or partners could have a significant negative impact on MAAS Group's business and reputation. Such misconduct could include falsifying accounting records for personal gain, the failure to comply with government procurement regulations, regulations regarding the protection of classified information, regulations prohibiting bribery and other corrupt practices, regulations regarding the pricing of labour and other costs in government contracts, regulations on lobbying or similar activities, regulations pertaining to the internal controls over financial reporting, regulations pertaining to export control, environmental laws, employee wages, pay and benefits, and any other applicable laws or regulations. MAAS Group relies on its systems and processes, as well as its external auditors, to prevent and detect these activities, however this may not be effective and it could face unknown risks or losses.

MAAS Group's failure to comply with applicable laws or regulations, or acts of misconduct, could subject MAAS Group to fines and penalties, cancellation of contracts, loss of security clearance and suspension or debarment from contracting, which could weaken its ability to win contracts and result in reduced revenues and profits and could have a material adverse impact on MAAS Group's financial position.

7.3 General investment risks

7.3.1 Share market investments

Before the Offer there has been no public market for the Shares. It is important to recognise that, once the Shares are quoted on ASX, their price might rise or fall and they might trade at prices below or above the Offer Price. There can also be no assurance that an active trading market will develop for the Shares.

Factors affecting the price at which the Shares are traded on ASX may include domestic and international economic conditions. In addition, the prices of many listed entities' securities are affected by factors that might be unrelated to the operating performance of the relevant company. Those fluctuations might adversely affect the price of the Shares.

7.3.2 General economic conditions

MAAS Group's operating and financial performance is influenced by a variety of general economic and business conditions including the level of inflation, interest rates and government fiscal, monetary and regulatory policies. Prolonged deterioration in general economic conditions, including an increase in interest rates, may be expected to have a corresponding material adverse impact on MAAS Group's financial position.

7.3.3 Accounting standards

Australian accounting standards are set by the Australian Accounting Standards Board (AASB) and are outside the Directors' and MAAS Group's control. Changes to accounting standards issued by AASB may materially adversely affect the financial performance and position reported in MAAS Group's financial statements.

7.3.4 Taxation risks

Changes to the rate of taxes imposed on MAAS Group (including in overseas jurisdictions in which MAAS Group operates now or in the future) or tax legislation generally may affect MAAS Group and its Shareholders. In addition, an interpretation of Australian taxation laws by the Australian Taxation Office that differs to MAAS Group's interpretation may lead to an increase in MAAS Group's taxation liabilities and a reduction in Shareholder returns.

Personal tax liabilities are the responsibility of each individual investor. MAAS Group is not responsible either for taxation or penalties incurred by investors.

7.3.5 No guarantee of dividend

The ability of MAAS Group to pay dividends in the future is dependent on many factors, and in particular its financial performance and profits derived from operations. This, together with a number of other factors, will impact on MAAS Group's ability to pay a dividend. The Board cannot give any assurance regarding the payment of dividends in the future.

7.3.6 Contractual risks and litigation

MAAS Group operates in an industry in which contract and industrial disputes can arise, and there is a risk that MAAS Group may in future be the subject of or required to commence litigation, for example in relation to its key contracts, core commercial activities and employee personal injury claims. Frequent or high profile litigation may undermine customer confidence in MAAS Group's brand or adversely affect the investment market's perception which would negatively impact the financial performance of MAAS Group or its Share price.

7.3.7 Force majeure events may occur

Events may occur within or outside Australia and New Zealand that may impact upon global, Australian, New Zealand or other local economies relevant to MAAS Group's financial performance, the operations of MAAS Group and the price of the Shares. These events include but are not limited to acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other man-made or natural events or occurrences that can have an adverse effect on the demand for MAAS Group's products and services and its ability to conduct business. MAAS Group has only a limited ability to insure against some of these risks.

7.4 Cautionary statement

Statements contained in this Prospectus may be forward-looking statements. Forward-looking statements can be identified by the use of forward-looking terminology such as, but not limited to, 'may', 'will', 'expect', 'anticipate', 'estimate', 'would be', 'believe', 'intend' or 'continue' or the negative or other variations of comparable terminology. The Directors' expectations, beliefs and projections are expressed in good faith and are believed to have a reasonable basis, including without limitation, based on the examination of historical operating trends, data contained in the Company's records, and other data available from third parties. These statements, however, are subject to risks and uncertainties that may cause actual results to differ materially from those projected.

Given these uncertainties, prospective investors should not place undue reliance on such forward looking statements, which speak only as of the Prospectus Date. Under no circumstances should forward looking statements be regarded as a representation or warranty by MAAS Group or any other person referred to in this Prospectus, that a particular outcome or future event is guaranteed.

MAAS Group has no intention of updating or revising forward looking statements, or publishing prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information, contained in this Prospectus, except where required by law.

Section 8
Material Agreements

8 Material Agreements

The Board considers that there are a number of agreements which are significant or material to the Company or of such a nature that an investor may wish to have details of them when making an assessment of whether to apply for the Shares. Summaries of material contracts set out below or elsewhere in this Prospectus do not purport to be complete and are qualified by the text of the contracts themselves.

8.1 Constitution

The Constitution contains standard terms. Below is a summary of the key provisions of the Company's Constitution. This summary is not exhaustive, nor does it constitute a definitive statement of Shareholder's rights and obligations.

Shares

The directors are entitled to issue and cancel Shares in the capital of the Company, grant options over unissued Shares and settle the manner in which fractions of a Share are to be dealt with. Preference Shares may be issued on terms determined by the directors.

Variation of class rights

The rights attached to any class of Shares may only be varied with the written consent of Shareholders holding at least three-quarters of the Shares, or with the sanction of a special resolution passed at a separate meeting of the holders of Shares.

Restricted securities

In the event the ASX classifies any of the Company's share capital as restricted securities, then during the escrow period the restricted securities must not be disposed and the Company must not acknowledge a disposal of the restricted securities during the escrow period, except as permitted by the Listing Rules or ASX.

Forfeiture of shares

The directors may give notice to a Shareholder requiring payment of a call or other sum unpaid, if the Shareholder fails to pay a call or instalment of a call or other sum payable in respect of any shares. If this notice is not complied by the date specified in the notice, the directors may, by resolution, forfeit Shares to cover any call, or other amount payable in respect of Shares, which remains unpaid following any notice to that effect sent to a Shareholder.

Share transfers

Shares may be transferred by any method permitted by the ASX Settlement Operating Rules of an applicable CS Facility or by any other method of transfer required or permitted by the Corporations Act and ASX. If permitted by the Listing Rules, the directors may request any applicable CS Facility Operator to apply a holding lock to prevent a transfer of shares in the Company from being registered on the CS Facility's subregister.

General meetings

Two Shareholders (where there is more than one Shareholder) must be present to constitute a quorum for a general meeting. If there is not quorum within 15 minutes of the time specified in the notice of meeting, the meeting will be dissolved or adjourned according to how the meeting was convened.

Entitlement to vote

Each Shareholder present has one vote on a show of hands. In respect of a poll, each Shareholder is entitled to one vote for each Share held.

Remuneration of Directors

Each director is entitled to remuneration from the Company for their services. The remuneration received by directors for their services must not exceed in aggregate in any financial year the amount fixed by the Company in general meeting.

Unless the directors otherwise decide, remuneration will be provided wholly in cash. There is provision for the payment of extra remuneration (at the discretion of the directors) if a director performs additional or special duties for the Company.

Directors are also entitled to be paid reasonable travel, accommodation and other expenses incurred in the performance of their duties as a director.

Election and retirement of Directors

There must be a minimum of three directors, unless otherwise determined by the Company in general meeting.

The Company must hold an election of directors at each annual general meeting. No Director, other than one managing director, may hold office without re-election beyond the third annual general meeting following the director's appointment or last election or for more than three years, whichever is longer.

A director appointed to fill a casual vacancy, who is not a managing director, holds office until the conclusion of the next annual general meeting following his or her appointment. If there would otherwise not be a vacancy, and no director is required to retire, then the director who has been longest in office since last being elected must retire. If a number of directors were elected on the same day, the directors to retire are (in default of agreement between them) determined by ballot.

Dividends

Dividends are payable upon the determination of the Board, who may fix the amount, time for payment and method of payment of dividends.

Capitalisation of profits

The directors have the power to capitalise and distribute the whole or part of the amount for the time being standing to the credit of any reserve account or the profit or loss account or otherwise available for distribution to Shareholders. The capitalisation and distribution must be in the same proportions which the Shareholders would be entitled to receive if distributed by way of a dividend.

Proportional takeover bids

The registration of a transfer giving effect to a takeover contract resulting from acceptance of an offer made under the takeover bid is prohibited unless and until a resolution to approve the bid is passed under the provisions of the Constitution.

The rules in the Constitution relating to proportional takeover bids cease on the day three years after the later of their adoption or last renewal.

Indemnities and Insurance

The Company must indemnify current and past directors and secretaries of the Company or its subsidiaries against any liability incurred by the person in that capacity, except certain liabilities for legal costs.

8.2 Underwriting agreement

The Broker Firm Offer and Institutional Offer have been underwritten by the Joint Lead Managers and Underwriters pursuant to the Underwriting Agreement.

For the purposes of this Section 8.2, "Offer Documents" means the following documents issued or published by or on behalf of the Company and SaleCo and with the authorisation of the Company and SaleCo in respect of, the Offer:

(a) the draft prospectus prepared in connection with the Offer (**Pathfinder**);

(b) the Prospectus;

(c) the application forms lodged with the Company or SaleCo or the Share Registry by applicants for Offer;

(d) any cover email sent by or on behalf of the Company and/or SaleCo to eligible institutional investors in connection with the Institutional Offer; and

(e) any investor presentation, the roadshow presentation or marketing presentation and/or ASX announcement used in connection with the Institutional Offer or the Broker Firm Offer, including any supplementary prospectus or other amendments, supplements, replacements or updates to any of the above.

8.2.1 Fees

The Company and SaleCo have agreed to pay the Joint Lead Managers and Underwriters a management fee of 0.50%, and an underwriting fee of 2.25%, of the Institutional Offer and Broker Offer proceeds. The underwriting and management fees will be paid to the Joint Lead Managers and Underwriters in equal proportions.

Further, the Company and SaleCo may, in their absolute discretion acting in good faith, elect to pay the Joint Lead Managers and Underwriters an aggregate incentive fee of up to 0.25% of the Institutional Offer and Broker Offer proceeds. In determining whether to pay an incentive fee, the Company and SaleCo may have regard to, amongst other things, valuation, bookbuild outcome, preparation and execution.

In addition to the fees described above, the Company has agreed to reimburse the Joint Lead Managers and Underwriters for certain other agreed costs and expenses incurred by them in relation to the Institutional Offer and Broker Offer.

8.2.2 Representations, warranties and undertakings

The Underwriting Agreement contains certain standard representations, warranties and undertakings by the Company and SaleCo to the Joint Lead Managers and Underwriters (as well as common conditions precedent, including conducting due diligence, lodgement of this Prospectus, the entry into voluntary escrow deeds by the Escrowed Shareholders, and ASIC and ASX granting the waivers and modifications necessary to enable the Offer to proceed in accordance with the timetable).

The representations and warranties given by the Company and SaleCo include, but are not limited to, matters such as power and authorisation, validity of obligations, accuracy of information, financial information, disclosure in this Prospectus and other public information and compliance with laws, Listing Rules and other legally binding requirements. The Company and SaleCo also provide additional representations and warranties in connection with matters including, but not limited to, their assets, closing certificates, the Shares, encumbrances, future matters, material contracts, litigation, non-disposal of Escrowed Shares, tax, insurance, authorisations, eligibility for Listing and internal accounting controls.

The Company and SaleCo's undertakings include that each will:

(a) carry on its business in the ordinary course and not dispose of any material part of its business nor acquire any business or property except in the ordinary course or as disclosed in this Prospectus, during the period following the date of the Underwriting Agreement until that date after Completion on which the Company's half-yearly results are released to ASX or such earlier date with the prior written consent of the Joint Lead Managers and Underwriters; or

(b) vary in a material respect any term of a material contract without the prior written consent of the Joint Lead Managers and Underwriters, which consent shall not be unreasonably withheld or delayed, during the period following the date of the Underwriting Agreement until 90 days after Shares have been issued under the Offer; and

(c) during the period following the date of the Underwriting Agreement until 120 days after Shares have been issued under the Offer:

    (i) issue or agree to issue or issue any shares or other securities that are convertible or exchangeable into such equity, or that represent the right to receive equity, in any member of the MAAS Group, other than pursuant to the Offer, the Underwriting Agreement, an employee share or option plan, or a non-underwritten dividend reinvestment or bonus share plan, or a proposed transaction, disclosed in this Prospectus;

    (ii) alter the capital restructure of the Company or SaleCo; or

    (iii) amend the constitution of the Company or SaleCo, except as disclosed in the Offer Documents or with the prior written consent of the Joint Lead Managers and Underwriters, which consent shall not be unreasonably withheld or delayed.

8.2.3 Indemnity

Subject to certain exclusions relating to, among other things, negligence, fraud, or wilful default of an indemnified party, the Company and SaleCo agree to keep the Joint Lead Managers and Underwriters and certain affiliated parties indemnified from losses incurred in connection with the Offer.

8.2.4 Termination events

A Joint Lead Manager and Underwriter may terminate the Underwriting Agreement at any time prior to the end of the settlement of the Offer, by notice given to the Company, SaleCo and the other Joint Lead Manager, and without any cost or liability to that Joint Lead Manager, if any of the following events occur:

(a) a statement contained in the Offer Documents is or becomes misleading or deceptive or likely to mislead or deceive, or a matter required by the Corporations Act is omitted from the Offer Documents (having regard to Part 6D.2 of the Corporations Act);

(b) the Company and SaleCo lodge a supplementary prospectus without the consent of the Joint Lead Managers and Underwriters or fails to lodge a supplementary prospectus in a form acceptable to a Joint Lead Manager or issue, or in a Joint Lead Manager's reasonable opinion become required to lodge. a supplementary prospectus under Section 719 of the Corporations Act;

(c) a voluntary escrow deed with an Escrowed Shareholder is withdrawn, varied, terminated, rescinded, altered or amended or breached or failed to be complied with;

(d) there are not, or there ceases to be, reasonable grounds in the reasonable opinion of the Joint Lead Managers and Underwriters for any statement or estimate in the Offer Documents which relate to a future matter;

(e) any statement or estimate in the Offer Documents which relate to a future matter is unlikely to be met in the projected timeframe;

(f) the Company or SaleCo or any of their respective directors or officers engage in any fraudulent conduct or activity;

(g) approval is refused or not granted, or approval is granted subject to conditions other than customary conditions to the Company's admission to the official list of ASX or the quotation of Shares on ASX on the dates set out in the timetable;

(h) any of the following occurs in relation to the Offer:

  (i) ASIC makes an order or interim order under Section 739 of the Corporations Act and any such order becomes public or is not withdrawn within two business days of when it is made;

  (ii) ASIC holds a hearing under Section 739(2) of the Corporations Act;

  (iii) ASIC applies for an order under Part 9.5 of the Corporations Act in relation to the Offer or any Offer Document or gives written notice of an intention to make such an application or order;

  (iv) ASIC commences any investigation or hearing under Part 3 of the *Australian Securities and Investments Commission Act 2001* (Cth) (ASIC Act) and any such investigation or hearing becomes public or is not withdrawn within two business days of when it is made; or

  (v) any person (other than the Joint Lead Managers) whose consent to the issue of the Prospectus or any supplementary prospectus is required by Section 720 of the Corporations Act and who has previously consented to the issue of the Prospectus or any supplementary prospectus withdraws such consent;

(i) the Company or SaleCo does not provide a closing certificate in the manner required under the Underwriting Agreement;

(j) any of the material contracts are terminated, cease to have effect other than in accordance with their terms or become void, voidable, illegal, invalid or unenforceable, or, in the reasonable opinion of the Joint Lead Managers and Underwriters, if any of the material obligations of the relevant parties are not capable of being performance in accordance with their terms;

(k) the Company and SaleCo withdraw the Prospectus or the Offer, or indicates that they do not intend to proceed with the Offer or any part of the Offer;

(l) the Company, SaleCo or any of their subsidiaries is or becomes insolvent, or there is an act an omission which is likely to result in them becoming insolvent;

(m) an event specified in the timetable is delayed for more than two business day other than:

  (i) where an extension to the timetable is directly required as a result of an extension to the exposure period by ASIC;

  (ii) as a result of action in breach of the Underwriting Agreement by the Joint Lead Managers and Underwriters; or

  (iii) a delay agreed to between the parties;

(n) the Company and SaleCo are prevented from allotting and issuing or transferring the Shares within the time required by the timetable, the Offer Documents, the Listing Rules, by applicable laws, or a court order or order of a governmental authority;

(o) the Company or SaleCo (without the prior written consent of the Joint Lead Managers and Underwriters):

(i) alters its capital structure, other than as contemplated in the Prospectus; or

(ii) disposes, or attempts to dispose of, a substantial part of the business or property;

(p) a governmental agency withdraws, revokes or amends any authorisations required by the Company or SaleCo to perform their obligations under the Underwriting Agreement or carry out the transactions contemplated by the Offer Documents;

(q) there is an event or occurrence, including any statute, order, rule, regulation, directive or request (including one compliance with which is in accordance with the general practice of persons to whom the directive or request is addressed) of any governmental agency which makes it illegal for the Joint Lead Managers and Underwriters to satisfy an obligation under the Underwriting Agreement, or to market, promote or settle the Offer;

(r) other than with the prior consent of the Joint Lead Managers and Underwriters, any of the following occurs:

(i) a director of the Company or SaleCo ceases to hold that office; or

(ii) Wes Maas ceases to hold the office of director and CEO; or

(s) any of the following occurs:

(i) a director or proposed director named in the Pathfinder or the Prospectus is charged with an indictable offence or is disqualified from managing a corporation under Part 2D.6 of the Corporations Act;

(ii) any governmental agency commences any enquiry or public action against the Company or SaleCo, or any of their respective directors in that capacity, or announces that it intends to take action;

(t) the S&P/ASX 200 Index stands at a level that is 90% or less of the level of the index as at the close of trading on the day before the date of the Underwriting Agreement and is at or below that level at the close of trading for two consecutive business days or on the business day immediately prior to at any time on or before the settlement of the Offer.

8.2.5 Termination events subject to materiality

A Joint Lead Manager may terminate the Underwriting Agreement at any time prior to the end of the settlement of the Offer, by notice given to the Company, SaleCo and the other Joint Lead Manager, and without any cost or liability to that Joint Lead Manager, if any of the following termination events occur:

(a) there occurs a new circumstance that has arisen since the Prospectus was lodged that would have been required to be included in the Prospectus if it had arisen before the Prospectus was lodged;

(b) any material contract is amended or varied in a material respect without the prior written consent of the Joint Lead Managers and Underwriters or it is breached;

(c) any information supplied by or on behalf of the Company or SaleCo to a Joint Lead Manager in relation to MAAS Group or the Offer as part of the due diligence process becomes misleading or deceptive, including by way of omission;

(d) any adverse change occurs in the assets, liabilities, financial position or performance, profits, losses or prospects of the MAAS Group, including any adverse change in those matters from those disclosed in the Offer Documents;

(e) there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any State or Territory of Australia a new law, or the Reserve Bank of Australia, or any Commonwealth or State authority, including ASIC, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced before the date of the Underwriting Agreement);

(f) a contravention by the MAAS Group of the Corporations Act, the Competition and *Consumer Act 2010* (Cth), the ASIC Act or any other applicable law or regulation;

(g) any Offer Document or any aspect of the Offer does not comply with the Corporations Act or any other applicable law or regulation;

(h) any representation, warranty, undertaking or obligation contained in the Underwriting Agreement on the part of the Company or SaleCo is breached, becomes not true or correct or is not performed;

(i) the Company or SaleCo defaults on one or more of its obligations under the Underwriting Agreement;

(j) the Company varies any term of its constitution without the prior written consent of the Joint Lead Managers;

(k) hostilities not presently existing commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, the United States, the United Kingdom, the People's Republic of China, Singapore or any member state of the European Union or a major terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries or anywhere else in the world;

(l) legal proceedings are commenced against the Company, SaleCo, their respective subsidiaries, or any of their respective directors in that capacity;

(m) any of the following occurs:

  (i) a general moratorium on commercial banking activities in Australia, New Zealand, the United States, the United Kingdom or Singapore, is declared by the relevant central banking authority, or there is a disruption in commercial banking or security settlement or clearance services in that country;

  (ii) trading in all securities quoted or listed on ASX, New Zealand's Exchange, the New York Stock Exchange, NASDAQ, the London Stock Exchange or the Singapore Exchange is suspended or materially limited for at least one trading day;

  (iii) any adverse change or disruption to existing financial markets, political or economic conditions of Australia, New Zealand, the United States, the United Kingdom, Singapore or the international financial markets or any change in national or international political, financial or economic conditions; or

(n) a statement in a closing certificate given by the Company or SaleCo is false, misleading, inaccurate or untrue or incorrect.

The Joint Lead Manager may only terminate for the events listed in this Section 8.2.5 if the Joint Lead Manager has reasonable grounds to believe that the event:

(a) has or is likely to have a materially adverse effect on:

  (i) the settlement, outcome or marketing of the Offer or on the ability of the Joint Lead Manager to market or promote or settle the Offer or on the likely market price of the Shares; or

  (ii) the willingness of investors to subscribe for Shares; or

(b) will, or is likely to, give rise to a liability of the Joint Lead Manager under, or give rise to, or result in, a contravention by the Joint Lead Manager or its affiliates or the Joint Lead Manager or its affiliates being involved in a contravention of, any applicable law.

8.3 Sell-down Agreement

Each Founding Shareholder and Miller has entered into an acquisition agreement with SaleCo for the transfer of their Sale Shares to SaleCo. Under the acquisition agreement, the Founding Shareholders and Miller agreed to sell the Sale Shares for the Offer Price less the Founding Shareholder's and Miller's proportion of the underwriting and management fee referred to in Section 8.2.1.

The Company and SaleCo have also entered into a sell-down agreement to facilitate the sell-down of Sale Shares held by SaleCo, being 31.8 million in total, which will be offered under this Prospectus and form part of the Offer. The agreement is conditional upon executing of the Underwriting Agreement and the Prospectus being lodged with ASIC. The sell-down agreement provides that the Company and SaleCo will cooperate to facilitate and manage the sale of the Sale Shares under the Offer.

SaleCo has an obligation under the sell-down agreement to ensure the accuracy of statements in and compliance with the Corporations Act, including in relation to information that has arisen after lodgement of the Prospectus. The sell-down agreement contains an acknowledgment from SaleCo that it may be liable for losses suffered as a consequence of an omission from, or misleading statement in, the Prospectus.

SaleCo provides an indemnity in favour of the Company and the underwriters for any losses suffered as a result of a breach of the warranties made by SaleCo in the sell-down agreement. SaleCo also grants the Joint Lead Managers and Underwriters the right, at any time, to commence proceedings to enforce the rights of SaleCo under the acquisition agreement. SaleCo is liable to pay any income tax or capital gains tax arising from the sell-down.

8.4 Pre IPO Share Exchange Transactions

The Company entered into share sale agreements to acquire shares in the following entities, which completed on 30 June 2019. On completion of the share sale agreements, all of the below entities became wholly owned subsidiaries of MAAS Group.

Company	Seller
MAAS Group Developments Pty Ltd	W & E Maas Holdings Pty Limited (as trustee)
MAAS Group Pty Ltd	Wesley Jon Maas
	Emma Maas
MAAS Home Pty Limited (formerly Nigel Bourke Constructions Pty Limited)	N & N Bourke Holdings Pty Limited (as trustee)
	W & E Maas Holdings Pty Limited (as trustee)
Regional Crushing & Screening Pty Limited	Apolony Holdings Pty Limited (as trustee)
Regional Hard-rock (Dubbo) Pty Limited	W & E Maas Holdings Pty Limited (as trustee)
Regional Hard-rock Pty Limited	Wesley Jon Maas
Large Industries Pty Limited	Joshwa Jonathan Large
	Kimberley Gai Large
EMS Plant & Equipment Pty Ltd	Thomas Paul Cavanagh (as trustee)
	EMS Invest Pty Limited (as trustee)
	Rebecca May Miller (as trustee)
EMS International Pty Limited (formerly EMS Vietnam Pty Ltd)	Thomas Paul Cavanagh (as trustee)
	EMS Invest Pty Limited (as trustee)
	Rebecca May Miller (as trustee)
EMS Group Pty Ltd	Thomas Paul Cavanagh
	Thomas Paul Cavanagh (as trustee)
	EMS Invest Pty Limited (as trustee)
	Rebecca May Miller (as trustee)
Machinery Sales Pty Limited (formerly Rookharp Pty Limited)	David Michael Rooke
	Leesa Rooke

The share sale agreements for each of the above transactions were negotiated on materially the same terms, and contain terms and conditions that are customary for transactions of this nature. A brief summary of the key terms and conditions is set out below.

Consideration

The consideration payable under each transaction was satisfied by the issue of Shares in MAAS Group. The consideration Shares issued were calculated on the basis that each entity was valued as at 30 June 2019 (the completion date). There were no post-completion adjustments.

Representations and warranties

The transaction documents for these arrangements contain representations and warranties which are customary for transactions of this nature, including warranties as to title and capacity of the seller, accuracy of the accounts of each business, tax, litigation, authorisations and compliance with relevant statutes.

8.5 Voluntary escrow deeds

Escrowed Shares held by the Escrowed Shareholders at Completion of the Offer (or on closing of the Employee Offer with respect to Employee Escrowed Shareholders), will be subject to voluntary escrow arrangements and the exceptions and release dates outlined below. Each Escrowed Shareholder has entered into a voluntary escrow deed in respect of their Escrowed Shares, which prevents them from dealing in their Escrowed Shares for the applicable Escrow Period. The restriction on "dealing" is broadly defined and includes, among other things, to dispose of, or agree or offer to dispose of, the Escrowed Shares or any legal, beneficial or economic interest in the Escrowed Shares or to create or agree or offer to create any security interest in the Shares.

The Escrowed Shareholders are to be escrowed as follows:

Escrowed Shareholder	Escrowed Shares	Escrowed Period
Founding Shareholders	100% of the Escrowed Shares held by the Founding Shareholders	From the date of listing of the Company on the ASX to (and including) the First Release Date.
	2/3 of the Escrowed Shares held by the Founding Shareholders	From the day after the First Release Date to (and including) the Second Release Date.
	1/3 of the Escrowed Shares held by the Founding Shareholders	From the day after the Second Release Date to (and including) the Third Release Date.
Employee Escrowed Shareholders allocated greater than $10,000 worth of Shares under the Employee Offer	100% of the Shares held by Employee Shareholders who subscribe for more than $10,000	From the date of listing of the Company on the ASX to (and including) the First Release Date.
	75% of the Shares held by Employee Shareholders who subscribe for more than $10,000	From the day after the First Release Date to (and including) the Second Release Date.
	50% of the Shares held by Employee Shareholders who subscribe for more than $10,000	From the day after the Second Release Date to (and including) the Third Release Date.
	25% of the Shares held by Employee Shareholders who subscribe for more than $10,000	From the day after the Third Release Date to (and including) the Fourth Release Date.
Employee Escrowed Shareholders allocated greater than $1,000,000 worth of Shares under the Employee Offer	100% the Shares held by Employee Shareholders who subscribe for more than $1,000,000	From the date of listing of the Company on the ASX to (and including) the First Release Date.
	2/3 of the Shares held by Employee Shareholders who subscribe for more than $1,000,000	From the day after the First Release Date to (and including) the Second Release Date.
	1/3 of Shares held by Employee Shareholders who subscribe for more than $1,000,000	From the day after the Second Release Date to (and including) the Third Release Date.

For purposes of the above:

- **First Release Date** means the date the Company releases to the ASX its preliminary final report (Appendix 4E) for the financial year ending 30 June 2022.
- **Second Release Date** means the date the Company releases to the ASX its preliminary final report (Appendix 4E) for the financial year ending 30 June 2023.
- **Third Release Date** means the date the Company releases to the ASX its preliminary final report (Appendix 4E) for the financial year ending 30 June 2024.
- **Fourth Release Date** means the date the Company releases to the ASX its preliminary final report (Appendix 4E) for the financial year ending 30 June 2025.

An Escrowed Shareholder may be released early from these escrow obligations to enable:

(a) the Escrowed Shareholder to accept an offer under a takeover bid made under Chapter 6 of the Corporations Act in respect of the Escrowed Shares, provided that the holders of at least half of the Shares that are not subject to any voluntary escrow deed have accepted an offer under the takeover bid;

(b) the Escrowed Shares held by the Escrowed Shareholders to be transferred or cancelled as part of a scheme of arrangement relating to the Company under Part 5.1 of the Corporations Act;

(c) the Escrowed Shareholders to enter into, and perform their respective obligations under, an agreement with a potential bidder whereby the Escrowed Shareholder agrees to accept an offer made to it under a takeover bid within a period of time after the offer period begins, subject to certain conditions and termination events;

(d) the Escrowed Shareholder to participate in an equal access share buy-back, equal access capital return or equal access capital reduction (in each case made in accordance with the Corporations Act);

(e) the Escrowed Shareholder to dispose of, but not create a security interest in, some or all of the Escrowed Shares to any immediate family member, a company wholly-owned by the Escrowed Shareholder, or a trust in relation to which the Escrowed Shareholder or their immediate family member is the beneficiary, provided that all of the Escrowed Shares held by the Escrowed Shareholder will remain subject to, and will be released in accordance with, the original escrow conditions; or

(f) the Escrowed Shares to be dealt with in the event of death, serious disability or incapacity of the Escrowed Shareholder provided that the transfer is to the estate or guardian of the Escrowed Shareholder (as the case may be), and provided that all of the Escrowed Shares held by the Escrowed Shareholder will remain subject to, and will be released in accordance with, the original escrow conditions.

If for any reason any or all Escrowed Shares are not transferred or cancelled in accordance with the events described above, then the Escrowed Shareholder agrees that the restrictions applying to the Escrowed Shares will continue to apply and without limiting the foregoing, the holding lock will be reapplied to all Escrowed Shares not so transferred or cancelled.

During the escrow period, the Escrowed Shareholders may deal in any of their Escrowed Shares to the extent the dealing is required by applicable law (including an order of a court of competent jurisdiction).

In the case of Employee Escrowed Shareholders, their Shares may also be released by resolution of the Board, in its discretion, if a request is made by the employee to satisfy any obligation to a financier. This exception does not apply to Founding Shareholders.

In addition to the above escrow arrangements, the CN Shareholders will enter into voluntary escrow arrangements and will not be able to deal with the Shares emanating out of the conversion of the Convertible Notes for one month following the Quotation Date.

8.6 Shareholders Deed

On 30 June 2019, the Company, certain of the Founding Shareholders and Miller entered into a Shareholders Deed. In late October 2020, the remaining Founding Shareholders acceded to the Shareholders Deed. The Shareholders Deed sets out the rights and obligations of the shareholders in relation to the ownership and management of the Company, as well as the approvals and resolutions required to facilitate the Offer and certain associated matters. The Shareholders Deed will automatically terminate on the Company being granted conditional listing approval and the directors resolving to allot Share pursuant to this Prospectus.

The Shareholders Deed requires that each shareholder who is party to the deed execute and deliver to the Company an escrow agreement as required or recommended by the ASX or lead managers. If a shareholder fails to promptly execute such escrow agreement, such shareholder irrevocably appoints two directors of the Company as their attorney to execute and deliver the escrow agreement.

The Shareholders Deed restricts the Founding Shareholders and Miller from disposing of their shares without the written approval of the Company. As a result, the Company currently has a "relevant interest" in 100% of issued Shares. On listing, the Company will only have a relevant interest in the Escrowed Shares, so its relevant interest will decrease progressively.

8.7. Employee Subscription Deeds

Certain Employees have entered into subscription deeds with the Company, pursuant to which they have agreed, subject to certain conditions, to subscribe for up to 13.5 million shares under the Employee Offer. All of these employees have agreed to subscribe for more than $10,000 worth of Shares under the Employee Offer, and as such, will all be required to enter into voluntary escrow deeds. Refer to Section 8.5.

8.8 Recent Material Acquisitions

The following material transactions have settled, or are due to settle, in the period following 30 June 2020.

8.8.1 Macquarie Geotechnical Pty Ltd

This summary provides an overview of the key terms of the Share Purchase Agreement (**SPA**) pursuant to which MGH (**Buyer**) agrees to purchase all of the shares of Macquarie Geotechnical Pty Limited ACN 102 691 056 (**MacGeo**).

Purchase Price

(a) Total consideration payable under the SPA is $8,977,931.00, made up of cash consideration and shares in the Buyer.

(b) The cash consideration totals $6,284,557.70, of which $5,027,630.16 is payable to the sellers on completion, and $1,256,907.54 is to be paid into an escrow account on completion of the SPA.

(c) Consideration shares in the Buyer will also be issued to the sellers, with a total value of $2,693,373.30 calculated at the IPO price per Share. The share consideration is paid in three equal tranches on the third, fourth and fifth anniversaries of completion of the SPA.

The purchase price is subject to a working capital adjustment following completion of the SPA. Completion accounts are to be prepare as soon as possible after completion, by the accountant of the Buyer.

Conditions

Completion is subject to a number of conditions, including:

- completion of the Offer;
- financing approval being achieved by the Buyer;
- no material adverse effect occurring;
- any change of control consents being obtained; and
- key executives signing executive employment agreements.

If the conditions are not met by 31 December 2020 the SPA will terminate unless otherwise agreed.

Escrow Amount

The amount held in escrow is available for a period of 60 days after completion of the SPA for the payment of any amounts owing after reconciliation of the completion accounts, and for any resolved claim. If there is an unresolved claim at the end of the period the amount held in escrow is retained until the claim is resolved.

Notwithstanding the above, an amount of $150,000 of the escrow amount will be held longer than the 60 day period and is available until the later of the lodgement of MacGeo's 2021 fringe benefit tax return and 31 July 2021. It will then be released to Sellers or Buyer on the above basis.

Key Executives

Each of the Sellers is or is associated with an executive of MacGeo (**MG Key Executives**). The MG Key Executives must sign an executive employment agreement with the Buyer prior to completion of the SPA. The agreements contain non compete arrangements. The Sellers will be liable to pay an amount of up to $1 million in certain circumstances if any of the MG Key Executives leave their employment with the Buyer prior to the third anniversary of completion of the SPA (other than for standard good leaver events). Any amounts owing in respect of such a departure may be set off against the consideration shares.

Warranties

The Sellers and various covenantors provide warranties and indemnities that are customary for a transaction of this nature, and indemnities in respect of:

- tax liabilities of MacGeo not taken into account in the completion statement;
- employee entitlements of the employees being calculated incorrectly;
- fringe benefit tax relating to a transfer of vehicles to the MG Key Executives prior to completion of the SPA; and
- a current litigation of MacGeo.

Liability is limited to the purchase price, with amounts owing in respect of a warranty or indemnity claim able to be set off against the amount held in escrow or the consideration shares. Warranty breaches must be claimed within 36 months after completion of the SPA, other than tax claims which must be claimed within 48 months after completion of the SPA.

The warranties are given subject to disclosures made by the Company in a data room.

8.8.2 Lot 52, Bowdens Lane

MAAS Group Properties Browns Lane Pty Limited (**Purchaser**), a wholly owned subsidiary of the Company, has entered into an agreement on 10 September 2020 for the purchase of a parcel of land near Tamworth, NSW, for consideration of $3,200,000.

The transaction is conditional upon the Tamworth Regional Council giving consent to a current development application in respect of the property, within nine months of the contract date (**Development Condition**). The date for completion of the transaction will be the date which is six months after the Purchaser receives confirmation that the Development Condition has been satisfied.

The Purchaser is required to pay a deposit equal to 10% of the purchase price, as follows:

(a) 5% paid on entering into the sale contract; and

(b) 5% payable five days after the Purchaser receives written notice that the Development Condition has been satisfied.

The balance purchase price is payable on completion of the transaction. Wes Maas has personally guaranteed the obligations of the Purchaser under the transaction.

The vendor has not provided any warranties, other than statutory warranties, in respect of the transaction.

8.8.3 Berakee Quarry

Regional Hardrock (Gilgandra) Pty Limited as trustee for Regional Hardrock Gilgandra Unit Trust, a wholly owned subsidiary of the Company, purchased the Berakee Quarry in Collie, NSW, for $4,400,000. The transaction completed on 17 August 2020. The consideration consists of:

(a) a deposit of $165,000 paid to the vendor on exchange of the sale agreement;

(b) the amount of $1,485,000 payable on completion;

(c) an amount of $2,750,000 payable in two equal instalments on the first and second anniversaries of the completion date (**Deferred Consideration**).

The purchaser has granted a first ranking mortgage over the Berakee Quarry to the seller, to secure the purchaser's obligations to pay the Deferred Consideration.

8.9 Vendor finance and deferred consideration

In addition to those noted above, various contractual arrangements entered into by members of MAAS Group are vendor financed, or include ongoing obligations to pay deferred consideration. A summary of the outstanding obligations as at the date of this document is set out below:

Bizitay Pty Ltd share purchase agreement: MAAS Group Developments Pty Limited (as buyer) entered into a share sale agreement in August 2019 for the purchase of shares in Bizitay Pty Ltd, which settled 30 August 2019. In accordance with that agreement, the amount of $666,667 remains payable, in two equal instalments, on 30 August 2021 and 30 August 2022.

Millers Metals land purchase: in July 2019, Regional Hardrock (West Wyalong) Pty Ltd entered into land sale contracts for the purchase of land in West Wyalong, NSW, which settled on 20 August 2019. In accordance with those agreements, an aggregated amount of $7,404,500 remains payable, on 7 August 2021 by Regional Hardrock (West Wyalong) Pty Ltd.

Fairydale Lane land purchase: in January 2020, MAAS Group Properties Fairydale Pty Limited entered into a land sale contract of the purchase of land in Mudgee, NSW, which settled on 26 August 2020. An amount of $1,032,558.20 remains payable in two equal instalments on 26 August 2021 and 26 August 2022.

There are additionally vendor finance loan obligations with respect to MAAS Group Properties Westwinds Pty Limited and MAAS Group Properties Southlakes Pty Limited, as detailed in the accounts.

8.10 MAAS Group Properties Arcadia – option

MAAS Group Properties Arcadia Pty Ltd (**MAAS Arcadia**), a wholly owned subsidiary of the Company, has entered into an option agreement dated 27 February 2020, in respect of a parcel of land near Tamworth, NSW. Under the agreement MAAS Arcadia can exercise an option to purchase the land, for the purchase price of $7,700,000, prior to the option expiry date of 1 February 2021. An option fee of $150,000 has been paid by MAAS Arcadia, which will form part of the purchase price if the option is exercised.

There are no conditions to the option being exercised.

In the event MAAS Arcadia does not elect to exercise the option, the vendor can exercise a put option, requiring MAAS Arcadia to purchase the land on the same terms.

Sale and purchase terms

In the event the option is exercised, MAAS Arcadia must pay the purchase price in instalments over a ten year period, as follows:

(a) van amount of $670,000 on the settlement date, and on each anniversary for the following 4 years: and

(b) an amount of $840,000 on each anniversary from the 5th anniversary until the 9th anniversary of the settlement date.

The deferred consideration will be secured by way of a mortgage over the land. Following settlement, MAAS Arcadia can subdivide the land into ten lots, with the mortgage being incrementally released in respect of one subdivided lot, each year following payment of the relevant instalment.

Interest will be payable on any amount not paid by the due date, at the rate fixed for payment of judgement debts by the Uniform Civil Procedure Rules.

The obligations of MAAS Arcadia under the sale agreement will be guaranteed by MAAS Group Properties Pty Limited.

8.11 Customer contracts

For each project, the relevant MAAS Group entities enter into customer contracts to establish and regulate each party's rights and obligations in respect of work or supply undertaken by the relevant Group company. MAAS Group companies, particularly with respect to civil construction and hire, and electrical services, commonly enter into the following two types of customer contracts, summarised in Sections 8.11.1 and 8.11.2. These contracts are consistent with industry practice.

8.11.1 Schedule of rates – plant and equipment hire

MAAS Group entities enter into equipment hire contracts for the dry and wet hire of plant and equipment. These agreements include a schedule of rates for the relevant hireable items of plant and equipment, pre-agreed between the relevant MAAS Group entity (the owner) and the hirer. Typically, the agreed rates are all inclusive, incorporating all costs necessary for the MAAS Group company to provide the plant, and all allowances for extraneous circumstances or variations that may impact the price. Under these agreements, the hirer periodically submits hire orders to the relevant MAAS Group contractor, on an as-needs basis. There are typically no set minimum hire requirements.

Equipment hire contracts customarily require the relevant MAAS Group company to give warranties in relation to its performance of the contract, including that the hired equipment is fit for purpose, and that operators of equipment are suitably trained and qualified, and will comply with all relevant laws. The MAAS Group entity will be responsible for ensuring the plant and equipment is serviced and maintained, and free of any defects. MAAS Group entities are also required to effect and maintain public liability, plant and motor vehicle and workers compensation insurance.

Typically, these contracts entitle the hirer to terminate the agreement at their convenience. Termination on this basis, where a MAAS Group company is not in default, will generally entitle the relevant entity to be paid hire fees accrued as at the date of termination, reasonable costs for the demobilisation and removal of all equipment and in some circumstances, a lump sum cancellation amount. The hirer will also be entitled to terminate the contract immediately if the relevant MAAS Group entity materially breaches the agreement and does not rectify such breach. The MAAS Group entity will usually have the right to terminate as a result of the hirer's non-payment of amounts owing.

The equipment hire contracts are not entered into on an exclusive basis – both parties may hire to, or from, third parties (as applicable).

8.11.2 Lump sum

MAAS Group companies also enter into lump sum contracts relating to civil construction and electrical infrastructure projects. These contracts require the relevant MAAS Group company to achieve incremental project milestones, culminating in practical completion of the project by an agreed date. MAAS Group entities customarily provide indemnities and warranties, including indemnities in relation to consequential loss arising as a result of work being late, or non-compliant with the contract requirements. Warranties are also provides as to the standard of work, and compliance with regulatory requirements.

In the event the relevant MAAS Group entity does not achieve practical completion by the due date, liquidated damages will be payable on a daily rate until practical completion is achieved. Where possible, the Group seeks to cap the total amount of liquidated damages payable in respect of delays.

The contractor will be entitled to terminate if the MAAS Group company substantially breaches the agreement and does not rectify such breach. It is common for lump sum contracts to include a variations clause which entitles MAAS Group companies to vary the project works and timing with the consent of the contractor.

8.11.3 Snowy 2.0 Pumped Hydro

EMS Mine Site Electrical Pty Ltd (**EMS Mine Site**), a wholly owned subsidiary of the Company, has entered into a subcontract agreement with various joint venture parties trading under the business name Future Generation JV (Contractor). Under the contract, EMS Mine is contracted to supply electrical equipment and services for the Snowy 2.0 Pumped Hydro Electric Scheme Capacity Upgrade project.

The subcontract commenced in early 2020, and EMS Mine Site is contracted to achieve practical completion of the subcontract works by 3 March 2021. In the event EMS Mine Site fails to provide the subcontract works by the due date, it must pay liquidated damages on a daily basis until practical completion is achieved or the contract is terminated. The amount of such liquidated damages will be capped at 10% of the subcontract sum.

The subcontract sum payable by the Contractor to EMS Mine Site for the subcontract works is a material sum, which is payable in increments throughout the term of the subcontract. This subcontract sum includes allowances for any loss, expense or disruption to EMS Mine Site's execution of the subcontract works, unless expressly provided for otherwise.

The agreement contains termination and step-in rights for the Contractor where EMS Mine Site commits a material default, and following receipt of notice of such default, fails to establish why the Contractor should not exercise such rights. The Contractor also has the right to terminate the subcontract with immediate effect if the head contract is terminated, or on the giving of written notice. If the subcontract is terminated without cause, EMS Mine Site is entitled to payment for subcontract works executed as at the date of termination. EMS Mine Site may terminate the subcontract if the Contractor fails to make payment within set timeframes.

A defects liability period will run from two years from the date of practical completion. In the event the Contractor raises any defects, there will be a separate defects liability period of two years from the date of rectification of the notified defect.

8.12 Wes Maas, Chief Executive Officer

A summary of the terms of employment of the Chief Executive Officer, Wes Maas are set out below.

Employer: Mr Maas is employed on a fulltime basis by MAAS Administration Pty Limited.

Fixed remuneration: Mr Maas is entitled to annual total fixed remuneration of $360,000, plus superannuation. Superannuation contributions will be paid at the statutory rate.

Other interests and benefits: MAAS Group may, in its sole discretion, provide other benefits from time to time. MAAS Group is providing Mr Maas with a vehicle, mobile phone, laptop and credit card for MAAS Group expenses.

Termination: Mr Maas' employment contract does not have a fixed term. MAAS Group can terminate his employment by giving six months written notice or making payment in lieu, or he can resign by giving MAAS Group 12 months written notice. MAAS Group may also terminate his employment at any time without any period of notice or payment, if Mr Maas:

- engages in serious and gross misconduct;
- breaches a fundamental condition or commits a fundamental breach of the conditions of his employment;
- commits an act of fraud or dishonesty;
- injures the reputation or business of MAAS Group; or
- fails to follow any reasonable and lawful direction by the Company.

Restraint: Mr Maas' service contract contains restraint provisions in respect of the period of employment, and post-employment, including restrictions against:

- the solicitation of certain customers or clients of MAAS Group;
- persuading any client or supplier to cease dealing, or reduce its dealings, with MAAS Group; and
- the solicitation of any employee or contractor of MAAS Group to provide services to Wes or another person.

The restrictions above purport to operate for up to five years from the date Mr Maas' employment is terminated, during which he is restrained from undertaking the above activities in Australia. Enforceability of restraints is subject to usual legal requirements.

8.13 Enterprise agreement

Enterprise agreements set out the minimum terms and conditions of employment that apply to certain employees of a business expressly covered by them. Whilst an enterprise agreement is in force, the underlying Modern Award that applies to such employees is superseded and replaced by the enterprise agreement. Enterprise agreements have nominal expiry dates, but remain in operation until they are replaced or terminated.

MAAS Administration Pty Ltd renegotiated a new enterprise agreement on 26 February 2020, which began operating from 4 March 2020. The nominal expiry date of the agreement is 26 February 2024. This agreement was negotiated without union involvement and no union is party to the agreement. The agreement provides for yearly pay increases throughout the duration of the agreement, with additional entitlements and benefits that are favourable to the employees, and are over and above the applicable underlying Award, including as to daily overtime rates and wages. The agreement applies to all employees employed by MAAS Administration Pty Ltd, as labourers, operators and supervisors.

8.14 Australian Facilities

Australian Facilities

Two secured debt facilities are currently in place for MAAS Group with Commonwealth Bank of Australia (CBA) and Westpac Banking Corporation (Westpac, and together with CBA, the Financiers) under a common terms structure totalling approximately A$135,000,000.

The CBA facilities are comprised of three separate facilities (together the CBA Debt Facilities) as follows:

- a revolving term cash advance facility of A$20,000,000 with a three year maturity term;
- a revolving asset finance facility of A$35,000,000 with no fixed term; and
- a revolving multi-option facility of A$12,500,000 with a three year maturity term.

The Westpac facilities are comprised of three separate facilities (together the Westpac Debt Facilities) as follows:

- a revolving term cash advance facility of A$20,000,000 with a three year maturity term;
- a revolving asset finance facility of A$35,000,000 with no fixed term; and
- a revolving multi-option facility of A$12,500,000 with a three year maturity term.

Purpose

Each of the Australian Facilities may be used for (a) the general corporate purposes of MAAS Group; (b) assisting with the funding of future Permitted Acquisitions (defined below); and (c) to fund capital expenditure.

Group Guarantee

The Australian Facilities are made available to certain borrowers within MAAS Group (the **Borrowers**) and are in turn guaranteed by a cross guarantee provided by the material subsidiaries of MAAS Group and such other members of MAAS Group (the **Guarantors**, and together with the Borrowers, the **Obligors**) to ensure that the guarantor group comprises no less than 95% of EBITDA and no less than 95% of Total Assets of MAAS Group (as defined in the Australian Facilities).

Security

Under the Australian Facilities, Westpac acts as the security trustee (the **Security Trustee**) on behalf of itself and the other finance parties. The Australian Facilities are secured by way of a general security agreement, between each Obligor and the Security Trustee, and mortgages between:

- Regional Hardrock Pty Ltd as mortgagor in favour of the Security Trustee in respect of Lot 211 in DP 1220433;
- Regional Hardrock (Orange) Pty Ltd in favour of the Security Trustee in respect of Lot 775 in DP 813587;
- MAAS Group Properties Ulan Pty Ltd in favour of the Security Trustee in respect of Lot 276 in DP 755332 and Lot 271 in DP 755442;
- Regional Sands Dubbo Pty Ltd as trustee for Regional Sands Dubbo Unit Trust in favour of the Security Trustee in respect of Lot 4 in DP 585351, Lot 39 in DP 754303 and Lot 40 in DP 754303;
- Bizitay Pty Ltd in favour of the Security Trustee in respect of Lot 5 in DP 255650, Lot 102 in DP 805258, Lot 204 in DP 1008374, Lot 7 in DP 859274, Lot 1 in DP 316405 and Lot 1 in DP 503819 and Lot 75 in DP 261835;
- Bizitay Pty Ltd in favour of the Security Trustee in respect of folio identifier 21578220, 50589622, 30605204 and 50616025; and
- Southlakes Child Care Centre No 1 Pty Ltd in favour of the Security Trustee in respect of Lot 2516 in DP 1251541.

Financial Covenants

The Australian Facilities refer to a number of definitions, noted below, which are not included in the Glossary but take their customary meaning for finance documents of this type.

The documents include a number of financial covenants and terms and conditions including, on each reporting date (prior to an IPO event being 31 March, 30 June, 30 September and 31 December and following an IPO event being the balance date in any annual or half yearly accounts), that:

- the Leverage Ratio will be less than or equal to 2.50x;
- the Debt Service Cover Ratio will be more than 1.25x;
- the Tangible Asset Coverage Ratio (the tangible assets of the group is calculated excluding the assets and financial indebtedness of VMS Engineering Co and PT Jtech Jasa Pertambangan):

  (a) for the period between 30 June 2020 – 30 June 2021, is 1.75x; and

  (b) thereafter is 2.00x; and
- the Shareholder's Funds are not less than the greater of A$125,000,000 or 80% of the previous year.

Facility C Clean Down

Under the Australian Facilities, the Borrowers must repay in full all cash advances provided under each multi-option facility, to ensure that the aggregate of all outstanding cash advances provided under those multi-option facilities is nil for a period of at least 7 consecutive days in any financial year of MAAS Group (other than the year ending on 30 June 2020).

Key Undertakings

In addition to certain standard undertakings for secured debt facilities of this nature, the Australian Facilities contain the following undertakings:

Information undertakings: Financial statements of the Company are to be provided to the Financiers or the Financiers Agent; certificates of compliance setting out calculations of compliance or non-compliance with the financial undertakings and the guarantor group test; if requested by a Financier, a certificate that there has not been an Event of Default, Potential Event of Default or Review Event which is continuing; at the end of each financial year, a budget incorporating an updated financial model and Capital Expenditure; and a quarterly update to each Financier as to the Vendor Finance Debt, the Convertible Notes and any other Subordinated Debt.

Equalisation of Facility A and Facility C utilisations: Each Borrower will use reasonable endeavours to take any such action to ensure that the total amount of cash advances provided under each of the term cash advance facilities are equal and the total amount of cash advances provided under each of the multi-option facilities are equal.

Guarantor Group: The Company will ensure that the Guarantor Group will comprise of no less than 95% of EBITDA, no less than 95% of Total Assets and each Material Subsidiary for the purposes of the Guarantor Group Test.

Material Documents: The relevant Obligor will not assign, novate, amend, vary, agree, avoid, release, terminate or discharge without the Finance Parties' consent any Material Documents.

Insurances: Each Obligor must ensure that they take out and maintain reasonable insurances over all assets which are subject of a Transaction Security, any other property which is of an insurable nature, worker's compensation insurance covering liability and loss and other insurances appropriate to its business, assets and operations.

Negative pledge: Subject to certain customary exceptions, there are restrictions on each Obligor either creating a security interest over any of its assets or acquiring an asset which is subject to a security interest.

Disposal: Each Obligor undertakes that it will not dispose of any assets or attempt or agree to do so except for a Permitted Asset Disposal.

Leases: Each Obligor undertakes that it will not grant a lease over any of its assets other than on arm's length terms and for market consideration or better.

Financial Indebtedness: Only Permitted Financial Indebtedness is to be incurred by each Obligor.

Distributions: Only Permitted Distributions are to be made by an Obligor.

Priority Indebtedness: Each Obligor undertakes that it will not incur or permit the incurrence of Priority Indebtedness in aggregate exceeding 2.5% of Total Assets.

Acquisitions: The only acquisitions or investments in assets, any businesses, shares, securities or other equities by an Obligor will be through a Permitted Acquisition (as defined below) or a Permitted Joint Venture.

Partnerships and Joint Ventures: The only partnerships or joint ventures by an Obligor will be a Permitted Joint Venture.

Capital Expenditure: Each Obligor undertakes that it will not pay or incur Capital Expenditure that in any financial year exceeds 120% of budged Capital Expenditure for that financial year.

Derivatives: Any derivatives or hedge transactions by a Obligor must be permitted under the Australian Facilities.

Most favoured nation: Each Obligor will not give or permit to be given any Undertaking, Additional Event of Default or Revised Event of Default unless, promptly after they are given, identical benefit of the financial covenant, undertaking or event of default (as applicable) are given to the Financiers.

Negative undertakings of excluded subsidiaries: No Excluded Subsidiary will incur any Financial Indebtedness, which when taken together with all such Financial Indebtedness will not exceed, in aggregate, the sum of (a) VND131,028,000,000 plus A$13,000,000 provided that such Financial Indebtedness is undertaken without recourse to any Obligor or any assets and will not require an Obligor to provide a guarantee, indemnity or other taking, security interest or analogous and it does not exceed the Priority Indebtedness undertaking.

Permitted Acquisitions

Pursuant to the Debt Facility Agreements, a "Permitted Acquisition" is defined as:

(a) an acquisition resulting from the formation of a new limited liability company or the acquisition of shares in a shelf company;

(b) any other acquisition which satisfies the Acquisition Criteria below and where the aggregate amount of consideration does not exceed A$15,000,000 for that financial year; or

(c) an acquisition with the consent of the Financiers.

The Acquisition Criteria includes:

- the proposed acquisition is consistent with the core business of MAAS Group and the target entity or business is located in Australia, New Zealand, Vietnam, the United Kingdom or such other jurisdictions as approved by the Financiers;
- the acquisition is cashflow and EBITDA accretive;
- the target does not have any material contingent liabilities other than those which have been fully taken into account in determining the aggregate purchase price or are otherwise appropriate insured against;
- the acquisition is not hostile;
- if the proposed acquisition is of (a) englobo property acquired for future residential development, more than A$5,000,000, and in the case of any other proposed acquisition more than A$10,000,000, with the consent of the Financiers or (b) more than A$5,000,000 but less than or equal to A$10,000,000, the Company has obtained and provided copies of required documents to the Financiers and each of these documents is in form satisfactory to them; and

no Event of Default, Potential Event of Default or Review Event continues at the time of, or will arise as a result of, the acquisition.

REPRESENTATIONS AND WARRANTIES

The Debt Facility Agreements contain representations and warranties customary for secured debt facilities of this nature.

EVENTS OF DEFAULT

The Debt Facility Agreements contain events of default which are customary for secured debt facilities of this nature and include, but are not limited to, the following:

Non-payment: Failure to pay amounts due under the Debt Facility Agreements;

Financial Undertakings: Failure to comply with an undertaking (including financial covenants);

Cross Default: (Financial Indebtedness) any Financial Indebtedness of any Obligor exceeding A$2,500,000 or Financial Indebtedness of one or more Obligors exceeding A$5,000,000 which is not pair within any applicable grace period or is declared due and payable; (Finance Documents) any Obligor fails to comply with any applicable remedy period; and (Material Document) a Material Document is terminated or rescinded or an Event of Default under that document occurs and is not remedied;

Insolvency: where an Insolvency Event occurs;

Vitiation or repudiation: Repudiation, termination, or vitiation of any finance document or any material documents (including the Company Constitution, any Trust Constitution or an ancillary document);

Security Interest: any security interest over an asset is enforced or becomes enforceable where the amount secured exceeds A$2,500,000; and

Capital reduction and financial assistance: without the Financier's consent, an Obligor (i) takes action to reduce the capital of a Trust or to buy-back units; (ii) take action to reduce its share capital or to buy back its shares; and (iii) passes a resolution to the same effect.

Consequences of an Event of Default

An Event of Default that has occurred will continue until either CBA or Westpac, under their respective facilities, notifies the Company in writing that the Event of Default has been waived or that it is remedied. If an Event of Default occurs and is not waived or remedied, CBA and Westpac may, by notice, do all or any of the following:

- Cancel all or any part of their respective Facility, which will have the effect of immediately cancelling their Facility in full;
- Declare that all utilisations (including any accrued interest), and all other amounts owing under their Facility be immediately due and payable;
- Declare that all utilisations (including any accrued interest), and all other amounts owing under the respective Facility be payable on demand at any time the Event of Default is continuing; and
- Exercise any or all of its rights or remedies under their respective Facility Security.

The above consequences of an Event of Default may require the Company to dispose of some or all of its assets for less than their market value, raise additional equity, or reduce or suspend Distributions to repay the Australian Facilities.

Review Event

A Review Event under the Debt Facility Agreements will occur if any of the following events or circumstances are deemed to occur:

Key Management: There is a change to, removal of, or cessations of official duties in respect of the Founder, Wes Maas;

Change of control: A change of control occurs where the Sponsors cease to hold at least 50.1% of the issued share capital of the Company, they cease to control each Obligor or, following an IPO, where any persons acting together come to Control the Company; or

Suspension of Shares: Following an IPO Event, trading in the Company's shares is suspended from the official quotation on the ASX for greater than five consecutive business days.

Consequences of a Review Event

If a Review Event occurs and is continuing, the Company under the relevant Debt Facility Agreement must negotiate in good faith for a period of at least 30 days to determine the effect of the Review Event. Failure to determine the effect of the Review Event may constitute an Event of Default.

Section 9
Details of the Offer

9 Details of the Offer

9.1 The Offer

The Company is offering Shares for subscription under the Offer at $2.00 per Share to raise gross proceeds of approximately $145.6m.

The Shares available for subscription under the Offer comprise:

(a) 41.0m New Shares issued by the Company to raise gross proceeds of $82.0m (before costs and expenses); and

(b) 31.8m Shares to be transferred by SaleCo, being the Sale Shares being sold by the Founding Shareholders and Miller, to raise gross proceeds of $63.6m (before costs and expenses).

The total number of Shares being offered under this Prospectus is therefore 72.8m, for a total Offer size of $145.6m.

The New Shares will rank equally in all respects with all other Shares issued by the Company. The rights and liabilities attaching to Shares are detailed in the Constitution and a summary of the major provisions is set out in Section 8.1.

The Offer is made on the terms, and is subject to the conditions, set out in this Prospectus. The Broker Firm Offer and Institutional Offer are fully underwritten by the Joint Lead Managers and Underwriters. The Offer comprises:

- the Broker Firm Offer, which is open to Australian resident retail clients who have received firm allocation from their Broker;
- the Institutional Offer, which consists of an invitation to bid for Shares made to Institutional Investors; and
- the Employee Offer which is only open to Employees and Directors.

9.2 Offer opening and closing dates

The opening date for acceptance of the Offer is anticipated to be 16 November 2020, or such later date as may be prescribed by ASIC.

The Broker Firm Offer and Institutional Offer will remain open until 24 November 2020. The Employee Offer will remain open until 30 November 2020.

The Directors reserve the right to open and close the Offer at any other date and time, without prior notice.

No Shares will be issued or transferred on the basis of this Prospectus later than 13 months after the date of this Prospectus.

9.3 Purpose of the Offer

The offer is being conducted to:

- raise new funds to support MAAS Group's continued growth;
- provide working capital to strengthen the balance sheet of the Company; and
- undertake an ASX listing and provide the Company with the benefits of being a listed entity, which include:
  - further increased company profile;
  - ongoing access to capital markets; and
  - ability to provide scrip consideration as consideration for planned and future acquisitions.

The Offer also provides the Founding Shareholders and Miller with an opportunity to sell down a portion of their shareholding, or for Miller, all of their shareholding.

9.4 Source and Use of funds

The proceeds of the $145.6m raised under the Offer will be applied as follows:

Use of funds	Amount ($ millions)
Repayment of borrowings	$33.50m
Repayment of Shareholder Loans	$26.57m
Payment of cash consideration to Macquarie Geotechnical Pty Ltd shareholders	$6.28m
Payment of cash consideration to VMS shareholders	$2.56m
Cash to MGH balance sheet	$12.67m
Cash transaction costs	$0.42m
Proceeds to SaleCo for the transfer of Sale Shares under the Offer	$63.65m
Total	**$145.65m**

The Company will be applying for admission to the Official List on the basis of the 'assets test'. The Directors believe that on completion of the Offer the Company will have sufficient funds available from the cash proceeds of the Offer and the Company's operations to fulfil the purposes of the Offer and meet the Company's stated business objectives.

9.5 Working capital for the purposes of ASX Listing Rules

The Directors believe that, on Completion of the Offer, the Company will have sufficient working capital available to fulfil the purposes of the Offer and to carry out its stated business objectives.

9.6 Capital structure

The capital structure of the Company as at Prospectus date and on completion of the Offer and Listing are set out below.

Issued Capital	Shares held as at Prospectus date	Percentage of issued Shares	Shares held at completion of the Offer	Percentage of issued Shares
Maas Family	173.3	*77.4%*	147.3	*55.6%*
Other Founding Shareholders and Miller[70]	44.2	*19.7%*	38.4	*14.5%*
Employee Offer	0.0	*0.0%*	13.5	*5.1%*
Other CN shareholders	6.4	*2.8%*	6.4	*2.4%*
New Shareholders	0.0	*0.0%*	59.3	*22.4%*
Total	223.8	*100.0%*	264.9	*100.0%*

70 *For the purposes of this table, includes 0.1m Shares held by an associated entity of Damien Porter as a result of conversion of a Shareholder Loan to equity.*

9.7 Terms and conditions of the Offer

Topic	Summary
What is the type of security being offered?	Fully paid ordinary shares in the Company.
What are the rights attaching to the Shares?	The New Shares will rank equally in all respects with all other Shares issued by the Company. A summary of the rights and liabilities attaching to the Shares is set out in Section 10.2.
What is the Offer Price?	The Offer Price is $2.00 per Share.
What is the Offer period?	The opening and closing dates for acceptance of the Offer are set out in the section "Important dates". The Directors reserve the right to change the opening and closing dates without prior notice. No Shares will be issued or transferred on the basis of this Prospectus later than 13 months after the date of this Prospectus.
What are the cash proceeds to be raised under the Offer?	$145.6m is expected to be raised under the Offer for the issue of 72.8m New Shares.
Is the Offer underwritten?	The Broker Firm Offer and Institutional Offer are fully underwritten by Moelis Australia Advisory Pty Ltd and Morgans Corporate Limited. If MAAS Group does not receive valid applications for the full amount of 59.3m Shares under these offers, the Underwriters will subscribe for, or procure subscriptions for, any shortfall. Details of the Underwriting Agreement, including the circumstances in which the Underwriters may terminate its obligations are set out in Section 8.2.
What is the minimum Application size?	Applicants must apply for a minimum of 1,000 Shares, representing a minimum investment of $2,000.
What is the allocation policy?	The allocation of Shares between the Broker Firm Offer and the Institutional Offer has been determined by the Joint Lead Managers and Underwriters, in consultation with MAAS Group. Details of the allocation policies are set out in Sections 9.8 and 9.9.
When will I receive confirmation that my Application has been successful?	It is expected that initial holding statements will be dispatched by prepaid post on or about 1 December 2020. It is the responsibility of each Applicant to confirm their holding before trading in Shares. Applicants who sell Shares before they receive an initial holding statement do so at their own risk. The Company, the Share Registry and the Joint Lead Managers and Underwriters disclaim all liability, whether in negligence or otherwise, if you sell Shares before receiving your holding statement, even if you confirmed your firm allocation through a Broker or otherwise.
Will the Shares be quoted on the ASX?	The Company will apply to the ASX for admission to the Official List within seven days of the date of this Prospectus. If permission is not granted for official quotation of the Shares on ASX within three months of the date of this Prospectus, all Application Monies received will be refunded without interest as soon as practicable in accordance with requirements of the Corporations Act. It is expected that the trading of Shares on the ASX will commence 4 December 2020.

Topic	Summary
Are there any escrow arrangements?	Yes. 199.1m Shares held by the Escrowed Shareholders (representing 75.2% of the Shares proposed to be issued) will be subject to voluntary escrow arrangements for the Escrow Period. CN Shareholders will also be subject to a one month escrow period. Details of the voluntary escrow agreement are provided in Section 8.5.
Are there any brokerage, commission or stamp duty considerations?	No brokerage, commission or stamp duty is payable by Applicants on acquisition of Shares under the Offer.
Are there tax implications?	The taxation consequences of an investment in the Company will depend upon the investor's particular circumstances. Investors should make their own enquiries about the taxation consequences of an investment in the Company.
Further questions?	If you have questions in relation to the Offer, please contact +61 1800 425 578. All enquiries in relation to your Broker Firm Offer should be directed to your Broker. If you are unclear in relation to any matter or are uncertain as to whether MAAS Group is a suitable investment for you, you should seek professional advice from your stockbroker, solicitor, accountant or other independent professional adviser.

9.8 Broker Firm Offer

Who can apply

The Broker Firm Offer is open to retail investors who have received a firm allocation of Shares from their Broker and who have a registered address in Australia. You should contact your Broker to determine whether you can receive an allocation of Shares from them under the Broker Firm Offer.

How to apply

If you receive an invitation to apply for Shares from your Broker and wish to apply for those Shares under the Broker Firm Offer, you should contact your Broker to request a Prospectus and Application Form, or download a copy at https://events.miraqle.com/mgh-offer. Your Broker will act as your agent and it is your Broker's responsibility to ensure that your Application Form and Application Monies are received before 24 November 2020 on the closing date or any earlier closing date as determined by your Broker.

Broker clients should complete and lodge their Application Form and Application Monies with the Broker from whom you received your invitation to acquire Shares under this Prospectus. Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the back of the Application Form. Applicants under the Broker Firm Offer must not send their Application Forms or Application Monies to the Share Registry.

By making an Application, you declare that you were given access to the Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

The minimum Application size under the Broker Firm Offer is $2,000 worth of Shares in aggregate (1,000 Shares). There is no maximum Application under the Broker Firm Offer. MAAS Group and the Joint Lead Managers and Underwriters reserve the right to not accept Applications in the Broker Firm Offer that are from persons who they believe may be Institutional Investors, to reject any Application, or to scale back any Application.

MAAS Group, the Joint Lead Managers and Underwriters and the Share Registry take no responsibility for any acts or omissions committed by your Broker in connection with your Application.

How to pay

Applicants under the Broker Firm Offer must pay their Application Monies to their Broker in accordance with the instructions provided by that Broker.

Broker Firm Offer allocation policy

It is at the discretion of each Broker to determine how it allocates shares among its retail clients. Brokers (not the Company or the Joint Lead Managers) are responsible for ensuring that eligible retail clients who have received an allocation from them receive the relevant Shares.

9.9 Institutional Offer

Invitations to Institutional Investors

Certain Institutional Investors in Australia and other eligible jurisdictions have been invited prior to or after the Prospectus date to take part in the Institutional Offer. The Joint Lead Managers and Underwriters will advise the application procedures for Institutional Investors.

Institutional Offer allocation policy

The allocation of Shares among Applicants under the Institutional Offer, including Brokers, was determined by the Lead Manager and Underwriter, in consultation with MAAS Group.

Participants in the Institutional Offer have been advised of their allocation of Shares, if any, by the Lead Manager and Underwriter. The allocation policy under the Institutional Offer was influenced by a range of factors, including:

- the number of Shares bid for by particular bidders;
- the timeliness of the bid by particular bidders;
- MAAS Group's desire for an informed and active trading market following listing;
- MAAS Group's desire to establish a wide spread of institutional Shareholders;
- the anticipated level of demand under the Broker Firm Offer;
- the size and type of funds under management, and the investment style, of particular bidders;
- the likelihood that particular bidders will be long term Shareholders; and
- any other factors that MAAS Group and the Lead Managers and Underwriters considered appropriate.

9.10 Employee Offer

The Company will reserve 13.5m of the New Shares for allocation to Employees and Directors under the Employee Offer.

Applications under the Employee Offer will only be accepted on an Employee Application Form. The Employee Application Form must be completed in accordance with the instructions set out on the form.

The Company, in consultation with the Joint Lead Managers and Underwriters, reserves the right to allocate to any Employee Applicant a lesser number of Shares than applied for, or none at all. If the total number of Shares applied for in the Employee Offer is greater than the number of Shares available, scale-back arrangements will apply. The method of scale-back will be determined by the Company, in consultation with the Joint Lead Managers and Underwriters in their absolute discretion.

If an Application under the Employee Offer is not accepted, or is accepted in part only, the excess Application Monies will be refunded without interest.

Completed Employee Application Forms must be delivered to the Company by 5:00 pm (AEDT) on the Employee Offer Closing Date. Payment may be made by funds transfer and Application Monies must be received by the Company by 5:00 pm (AEDT) on the Employee Offer Closing Date. It is your responsibility to ensure that your payment is received by the Company by that time.

Applications under the Employee Offer must be for a minimum of $2,000 worth of Shares. There is no maximum number of Shares that may be applied for.

Under the terms of the Employee Offer an Employee who is allocated greater than:

- $10,000 worth of Shares under the Employee Offer agrees that they may not dispose of the Shares acquired under the Employee Offer until five years after the Quotation Date;
- $1,000,000 worth of shares under the Employee Offer agrees that they may not dispose of the Shares acquired under the Employee Offer until four years after the Quotation Date;

and will be required to enter into a voluntary escrow agreement with the Company on the terms set out in Section 8.5.

9.11 Allotment or transfer

The allotment or transfer of the Shares offered by this Prospectus will take place as soon as possible following the closing date, subject to MAAS Group's admission to the Official List.

If the Directors believe the Application does not comply with applicable laws or regulations, they reserve the right to allot the Shares in full for any Application or to allot any lesser number or to decline any Application

9.12 Underwriting of the Offer

The Broker Firm Offer and Institutional Offer are fully underwritten by Joint Lead Managers and Underwriters under the Underwriting Agreement.

Further details of the Underwriting Agreement, including the circumstances in which the Joint Lead Managers and Underwriters may terminate its obligations, are set out in Section 8.2.

9.13 Confirmation of allocations

Applications under the Broker Firm Offer will be able to confirm their allocations through the Broker from whom they received their allocation.

It is the responsibility of each Applicant to confirm their holding before trading in Shares. Applicants who sell Shares before they receive an initial holding statement do so at their own risk. The Company, the Share Registry and the Joint Lead Managers and Underwriters disclaim all liability, whether in negligence or otherwise, if you sell Shares before receiving your holding statement, even if you confirmed your firm allocation through a Broker or otherwise.

9.14 Validity of Application Forms

An Application Form may only be distributed with, attached to or accompany a complete and unaltered copy of this Prospectus. An Application Form is an irrevocable acceptance of the Offer.

By completing and lodging an Application Form received with this Prospectus, the Applicant represents and warrants that the Applicant has personally received a complete and unaltered copy of this Prospectus prior to completing the Application Form.

The Company will not accept a completed Application Form if it has reason to believe the Applicant has not received a complete copy of the Prospectus or it has reason to believe that the Application Form has been altered or tampered with in any way.

MAAS Group reserve the right to reject any Application which is not correctly completed or which is submitted by a person whom they believe is ineligible to participate in the Broker Firm Offer, or to waive or correct any errors made by the Applicant in completing their Application.

9.15 ASX listing

An application will be made to ASX not later than seven days after the date of this Prospectus for the Company to be admitted to ASX, and for official quotation of the Shares. Acceptance of the application by ASX is not a representation by ASX about the merits of the Company or the Shares. Official quotation of Shares, if granted, will commence as soon as practicable after the issue of initial shareholding statements to successful Applicants.

The reserved ASX code is MGH and if MAAS Group is admitted to the Official List, quotation of the Shares will commence as soon as practicable following the issue of CHESS statements. It is expected that trading of the Shares on ASX will commence on or about 4 December 2020.

If permission is not granted for official quotation of the Shares on ASX within three months of the date of this Prospectus, all Application Monies received will be refunded without interest as soon as practicable in accordance with requirements of the Corporations Act.

9.16 CHESS

The Company will apply for the Shares to participate in CHESS, in accordance with the ASX Settlement Rules. CHESS is an automated transfer and settlement system for transactions in securities quoted on ASX under which transfers are affected in an electronic form.

Applicants who are issued Shares under this Offer will receive shareholding statements in lieu of share certificates. The shareholding statements set out the number of Shares issued to each successful Applicant.

The shareholding statement will also provide details of the Shareholder's HIN (in the case of a holding on the CHESS sub-register) or SRN (in the case of a holding on the issuer sponsored sub-register).

Shareholders need to quote their HIN or SRN, as applicable, in all dealings with a stockbroker or the Share Registry. Further statements will be provided to Shareholders showing changes in their shareholding during a particular month. Additional statements may be requested at any time, although the Company reserves the right to charge a fee.

9.17 Withdrawal

The Company reserves the right to withdraw the Offer, at any time before the allotment of Shares. If the Offer does not proceed, Application Monies will be refunded. No interest will be paid on any Application Monies refunded as a result of the withdrawal of the Offer.

9.18 Taxation considerations

9.18.1 General

The following Sections 9.18.1 to 9.18.7 provide a general summary of Australian tax issues for Australian tax resident individual Shareholders who acquire Shares under this Prospectus and hold their Shares on capital account for Australian income tax purposes. This summary is based on the law in effect at the Prospectus Date, it may alter if there is a change to the tax law after the Prospectus Date. The following sections do not take into account the tax law of countries other than Australia.

This summary is general in nature and is not intended to be an authoritative or complete statement of the applicable law. The Company, and its advisers disclaim all liability to any Shareholder or other party for all costs, loss, damage and liability that the Shareholder or other party may suffer or incur arising from, relating to or in any way connected with the contents of this summary or the provisions of this summary to the Shareholder or other party or the reliance on this summary by the Shareholder or other party.

Shareholders should seek professional advice on the taxation implications of holding the Shares, taking into account their specific circumstances.

This Section does not consider the Australian tax consequences for particular types of investors, including those:

- whose Shares are held on revenue account or as trading stock; or
- who are non-Australian tax resident Shareholders (except where expressly stated); or
- that may be subject to special tax rules, such as banks, insurance companies, partnerships, tax exempt organisations, trusts (except where expressly stated), superannuation funds (except where expressly stated), or temporary residents; or
- who are subject to the Australian Taxation of Financial Arrangement rules under Division 230 of the *Income Tax Assessment Act 1997* (Cth).

These Shareholders should seek their own professional advice.

9.18.2 Australian Income Tax Implications of Payment of Dividends

Australian Resident Shareholders

Dividends distributed by the Company on a Share will constitute assessable income of an Australian tax resident Shareholder. Australian tax resident Shareholders should include in their assessable income the dividend actually received in the year it is received. To the extent that franking credits are attached to the dividend, Australian Resident Shareholders should also include the franking credits in their assessable income. Where the franking credit is included in the Shareholder's assessable income, the Shareholder will generally be entitled to a corresponding tax offset against tax payable by the Shareholder.

In order for an Australian resident Shareholder to qualify for franking credits and the corresponding tax offset, a Shareholder must satisfy the 'holding period' rule and 'related payments' rule. This requires that a Shareholder hold the Shares 'at risk' for a continuous period of not less than forty-five (45) days (excluding the days of acquisition and disposal) and that the benefit of the dividend is not passed on within forty-five (45) days. Shareholders should seek professional advice to determine if these requirements, as they apply to them, have been satisfied. The holding period rules will not apply to a Shareholder who is an individual whose tax offset entitlement (for all franked distributions received in the income year) does not exceed AU$5,000. Where the holding rule is satisfied:

- Shareholders that are individuals or a complying superannuation fund will generally be entitled to a tax offset equal to the amount of the franking credits attached to a dividend. These Shareholders should be entitled to a refund of tax to the extent that the franking credit tax offset exceeds the Shareholder's income tax liability for the income year.
- Where a Shareholder is a company, the Shareholder should be entitled to a tax offset equal to the amount of the franking credits attached to a dividend. Any excess tax offset may be able to be converted to a carry forward revenue loss.

Franked dividends received by a corporate Shareholder will generally give rise to a franking credit in the Shareholder's franking account (subject to the Shareholder satisfying the rules outlined above for claiming a tax offset).

Where Shares are held by Australian resident trusts or partnerships, and the dividend is passed through to Australian resident beneficiaries or partners, the benefit of the franking credit attached to the dividend may also pass through to those Australian resident beneficiaries or partners. The income tax treatment of the dividends including any franking credits in the hands of those beneficiaries or partners should depend upon the tax status of the beneficiaries or partners.

Non-Resident Shareholders

Subject to the operation of a double taxation agreement, unfranked dividends paid by the Company to non-resident Shareholders will generally be subject to withholding tax at the rate of 30%. A lower rate of withholding tax, within a range of 0% to 20% will generally apply where the Shareholder is a resident of a country with which Australia has a double taxation agreement. Fully franked dividends paid to non-resident Shareholders will generally not be subject to withholding tax.

9.18.3 Australian Income Tax Implications of future share disposals

Australian Resident Shareholders

The disposal of a Share by a Shareholder will be a capital gains tax (CGT) event where the Shareholder holds their Share on capital account. The Shareholder will make a capital gain where the capital proceeds received on the disposal of the Share exceeds the cost base of the Share, and will make a capital loss where the reduced cost base of the Share exceeds the capital proceeds from the disposal of that Share. Capital losses may only be offset against capital gains made by the Shareholder in the same income year or future income years. The cost base of Shares subscribed for under the Offer should generally be equal to the Issue Price plus any incidental costs (i.e. brokerage).

Any capital gain on disposal of the Shares in the Company may qualify as a discount capital gain for certain Australian resident Shareholders that are individuals, trusts or complying superannuation funds that have held their Shares for more than 12 months. Where the CGT discount applies, the amount of the capital gain may be discounted by 50% for individuals and trusts and 33 1/3% for complying superannuation funds and life insurance companies in respect of certain investments. Where the Shareholder is a trust to which the CGT discount applies, the CGT discount may flow through to the beneficiaries of the trust if those beneficiaries are not companies. Shareholders which are trusts should seek specific advice as to the circumstances in which a beneficiary may be entitled to discount capital gains treatment.

Prior to applying the CGT discount capital gains made by a Shareholder for an income year can be reduced by any available capital losses incurred in the relevant income year or any carried forward net capital losses. The net capital gain (after applying any losses and the CGT discount) should be included in the Shareholders assessable income for the relevant income year.

To the extent Shareholders incur a capital loss on disposal of their Shares, Shareholders may offset their capital loss against any capital gains derived in the relevant income year. Where the capital losses incurred in the relevant income year exceed the capital gains derived in the relevant income year, Shareholders may be entitled to carry forward the excess (referred to as a 'net capital loss') to future income years subject to the application of the loss recoupment rules in certain cases. Shareholders cannot offset their net capital losses against their ordinary income.

Non-Resident Shareholders

Non-Australian resident Shareholders who hold Shares on capital account will not be subject to Australian CGT on the disposal of Shares unless:

- the non-resident, together with associates, has a holding of at least 10% of all the issued Shares of the Company (non-portfolio interest); and
- at the time of disposal, more than 50% of the market value of the assets of the Company is represented (directly or indirectly) by real property interests in Australia (including leases of land) or certain mining, quarrying and prospecting rights in Australia.

Non-Australian resident and temporary resident Shareholders are not entitled to discount capital gains in respect of the disposal of Shares that were acquired by the Shareholder after 8 May 2012.

Relevant double taxation agreements may affect the Australian capital gains tax rules for non-resident Shareholders on the disposal of Shares.

Non-resident Shareholders who have a non-portfolio interest together with their associates in the circumstances described above should seek specific Australian tax advice. Non-resident Shareholders that have previously been Australian residents should also seek specific Australian tax advice. Specifically, with regard to the application of the Foreign Resident Capital Gains Withholding (FRCGW) which may impose a 12.5% withholding tax in certain instances, where a non-Australian resident has a non-portfolio interest in an entity with real property interests in Australia.

9.18.4 Australian Income Tax Implications of Returns of Capital

If a return of capital is made by the Company, to the extent it is not treated as a dividend for income tax purposes, the cost base and reduced cost base of a Shareholder's Shares for CGT purposes should be reduced by the amount of the return of capital, with any excess over the cost base resulting in a capital gain.

It is noted that non-Australian residents will only be subject to tax in Australia on this capital gain in the circumstances set out in 9.18.3 above.

9.18.5 Tax File Number

A Shareholder is not required to quote their TFN to the Company. However, if a TFN or exemption details are not provided, the Company may be required to deduct Australian tax from certain distributions (other than fully franked dividends) at the maximum marginal tax rate plus the Medicare Levy. A Shareholder that holds Shares as part of an enterprise may quote their Australian Business Number instead of their TFN.

9.18.6 Goods and Services Tax

There should be no GST liability to Shareholders for the acquisition of Shares, future disposal of Shares, receipt of dividends, or returns of capital.

Where a Shareholder is registered for GST, the Shareholder should obtain independent advice in relation to whether there is an ability to claim any input tax credits for costs associated with the acquisition, disposal, or holding of the Shares.

9.18.7 Stamp Duty

Landholder duty will be payable on the acquisition or disposal of the Shares if a Shareholder (including any associated Shareholders) directly or indirectly acquires an interest of 50% or more in the Company if the relevant shares are issued prior to quotation on the ASX, or 90% of the Company if the relevant shares are issued after quotation on the ASX. Provided that no Shareholder (together with their associated Shareholders) exceeds the relevant 50% or 90% threshold, there should be no duty payable on the acquisition or disposal of Shares. For the purposes of this threshold, a Shareholder's interest in the Company is the proportion of the Company's property that the Shareholder would be entitled to in the event of a distribution of all the property of the Company. However, Shareholders should obtain their own independent advice depending on their individual circumstances.

9.19 Foreign selling restrictions

No action has been taken to register or qualify the Shares or the Offer in any jurisdiction outside Australia, or otherwise to permit a public offering of the Shares outside Australia.

The Prospectus does not constitute an offer or invitation in any jurisdiction where, or to any person to whom, such an offer or invitation would be unlawful. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Each Applicant in the Broker Firm Offer or Employee Offer, and each person to whom the Institutional Offer has been made under this Prospectus, will be taken to have represented, warranted and agreed as follows:

- it is an Australian citizen or resident in Australia, is located in Australia at the time of the application and is not acting for the account or benefit of any person in the United States or any other foreign person;
- it understands that the Shares have not been, and will not be, registered under the US Securities Act of 1933 (**US Securities Act**) or the securities laws of any state of the United States and may not be offered, sold or resold in the United States, except in accordance with US Securities Act regulation requirements or in a transaction exempt from, or not subject to, registration under the US Securities Act and any other applicable state securities laws;
- it is not in the United States or a person resident in the United States;
- it has not sent and will not send the Prospectus or any other material relating to the Offer to any person in the United States; and
- it will not offer or sell the Shares in any other jurisdiction outside Australia except to the extent set out in Section 10.13.

9.20 Acknowledgements

Each Applicant under the Offer will be deemed to have:

- agreed to become a member of MAAS Group and to be bound by the terms of the Constitution and the terms and conditions of the Offer;
- acknowledged having personally received a printed or electronic copy of the Prospectus (and any supplementary or replacement prospectus) including or accompanied by the Application Form and having read them all in full;
- declared that all details and statements in their Application Form are complete and accurate;
- declared that the Applicant(s), if a natural person, is/are over 18 years of age;
- acknowledged that, once MAAS Group or a Broker receives an Application Form, it may not be withdrawn;
- applied for the number of Shares at the Australian dollar amount shown on the front of the Application Form;
- agreed to being allocated the number of Shares applied for (or a lower number allocated in a way described in this Prospectus), or no Shares at all;
- authorised MAAS Group, the Joint Lead Managers and Underwriters and their respective officers or agents, to do anything on behalf of the Applicant(s) necessary for Shares to be allocated to the Applicant(s), including to act on instructions received by the Share Registry upon using the contact details in the Application Form;
- acknowledged that MAAS Group may not pay dividends, or that any dividends paid may not be franked;

- acknowledged that the information contained in this Prospectus (or any supplementary or replacement prospectus) is not financial product advice or a recommendation that Shares are suitable for the Applicant(s), given the investment objectives, financial situation or particular needs (including financial and tax issues) of the Applicant(s);
- acknowledged and agreed that the Offer may be withdrawn by MAAS Group or may otherwise not proceed in the circumstances described in this Prospectus; and
- acknowledged and agreed that if Listing does not occur for any reason, the Offer will not proceed.

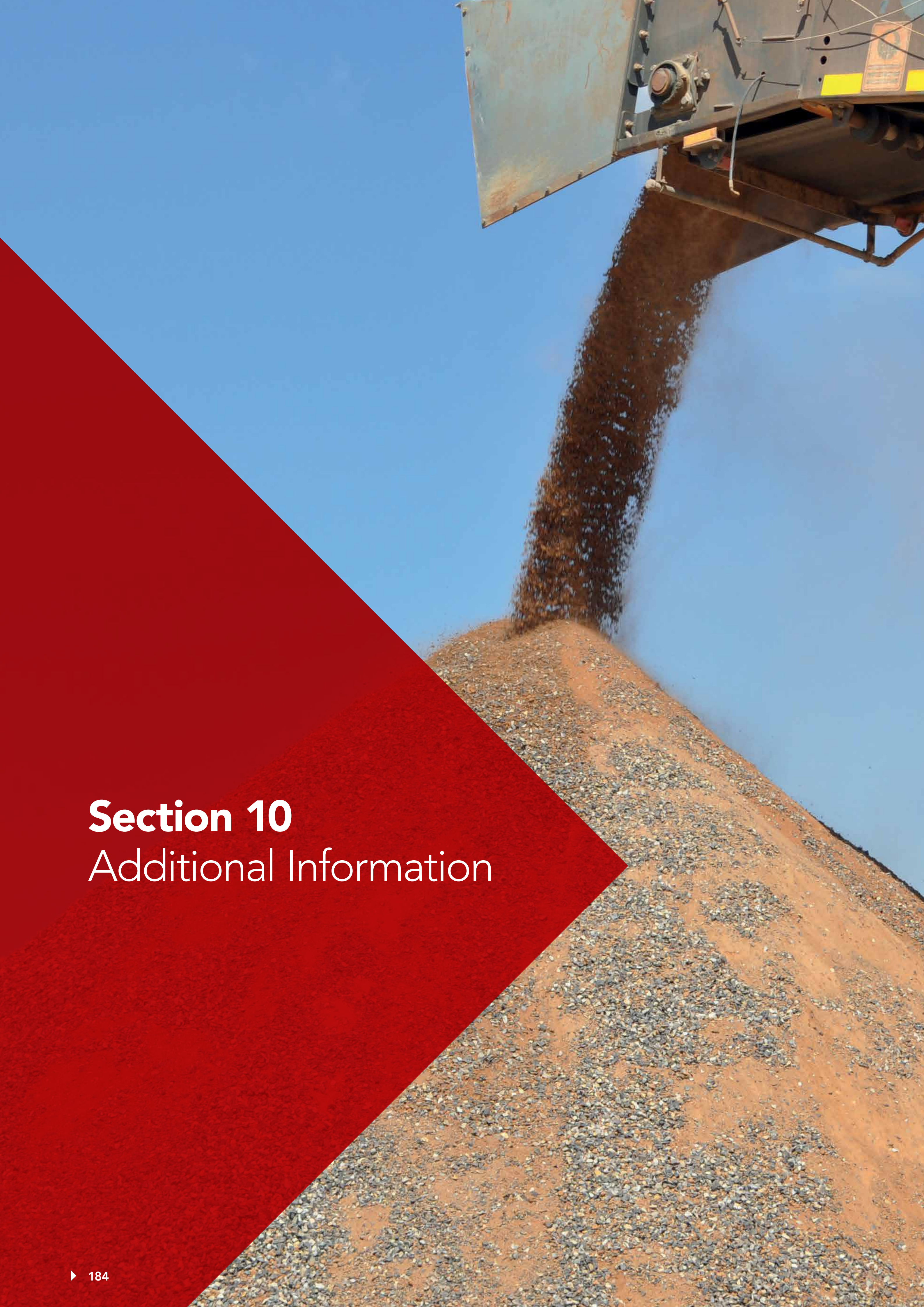
9.21 Further information

The Prospectus (including the Application Form) and information about the Offer can be accessed in electronic form at https://events.miraqle.com/mgh-offer.

If you have questions in relation to the Offer, please contact +61 1800 425 578.

All enquiries in relation to your Broker Firm Offer should be directed to your Broker.

If you are unclear in relation to any matter or are uncertain as to whether MAAS Group is a suitable investment for you, you should seek professional advice from your stockbroker, solicitor, accountant or other independent professional adviser.



Section 10
Additional Information

10 Additional Information

10.1 Corporate history

The Company was incorporated in NSW under the Corporations Act as a proprietary company limited by shares on 18 April 2019 and subsequently converted to a public company limited by shares on 23 August 2019. The Company will be taxed in Australia as a public company.

SaleCo was incorporated in Australia on 1 October 2020 with ACN 644 755 715, as a special purpose vehicle to facilitate the Offer. Its shareholder is Michael Medway and the Directors are Michael Medway, Damien Porter and David Rooke.

SaleCo has no other operations or activities. After Completion of the Offer, the Company anticipates that it will acquire SaleCo to hold within MAAS Group in due course.

10.2 Rights attaching to Shares

A shareholding in MAAS Group is subject to its Constitution. New Shares to be issued under this Prospectus will rank equally with existing Shares.

The following is a summary of the principal rights of Shareholders. This summary is not exhaustive, nor does it constitute a definitive statement of a Shareholder's rights and obligations.

Shares

The Board is entitled to issue and cancel Shares in the capital of MAAS Group, grant options over unissued Shares and settle the manner in which fractions of a Share are to be dealt with. The Board may also issue other securities in the capital of MAAS Group.

MAAS Group may also sell a Share that is part of an unmarketable parcel of shares (as defined in the ASX Listing Rules) under the procedure set out in the Constitution. The net proceeds will be paid to the Shareholder.

Variation of rights

The rights attaching to Shares may only be varied with the consent in writing of Shareholders holding at least three-quarters of the Shares, or with the sanction of a special resolution passed at a separate meeting of the holders of Shares.

Restricted securities

If the ASX classifies any of MAAS Group's share capital as restricted securities, then the restricted securities must not be disposed of during the escrow period and MAAS Group must refuse to acknowledge a disposal of the restricted securities during the escrow period, except as permitted under the Listing Rules or by the ASX.

Share capital reduction by distribution of specific assets

The Board may distribute specific assets as direct payment of a reduction of share capital and may fix the value of any asset distributed, make cash payments on the basis of the fixed asset value and vest an asset in trustees.

Share certificates

Subject to the requirements of the Corporations Act, the Listing Rules or the ASX Settlement Operating Rules, MAAS Group need not issue share certificates. Where the Board decides not to issue share certificates, a Shareholder will have the right to receive statements of the holdings of the Shareholder.

Share transfers

Shares may be transferred by any method permitted by the Corporations Act, the Listing Rules or the ASX Settlement Operating Rules or by a written transfer in any usual form or in any other form approved by the Board. The Board may refuse to register a transfer of Shares where it is not in registrable form. MAAS Group has a lien over any of the Shares to be transferred or where it is permitted to do so by the Listing Rules or the ASX Settlement Operating Rules.

General meetings and notice

Each Shareholder is entitled to receive notice of and attend any general meeting of MAAS Group. Two Shareholders must be present to constitute a quorum for a general meeting and no business may be transacted at any meeting except the election of a Chairman and the adjournment of the meeting, unless a quorum is present when the meeting proceeds to business. A Director may call a meeting of members and members may also requisition or convene general meetings in accordance with the procedures set out in the Corporations Act. Shareholders must be given at least 28 days written notice of any general meeting unless otherwise permitted by the Corporations Act.

Voting rights

On a show of hands each Shareholder present has one vote and, on a poll, one vote for each Share held. Voting may be in person or by proxy, attorney or representative. A poll may be demanded at a meeting in the manner permitted by the Corporations Act.

Dividends

Dividends are payable upon the determination of the Board, who may fix the amount, time for payment and method of payment of dividends.

Rights on winding up

All Shares rank equally in the event of a winding up, subject to any amount remaining unpaid on any Shares. Once all of MAAS Group's liabilities are met, the liquidator may, with the sanction of a special resolution of Shareholders, divide amongst the Shareholders all or any of MAAS Group's assets and for that purpose determine how the liquidator will carry out the division between the different classes of members.

ASX Listing Rules

Upon Listing, MAAS Group must comply with the ASX Listing Rules. To the extent of any inconsistency, the ASX Listing Rules prevail over the provisions of the Constitution.

10.3 Litigation

As at the date of this Prospectus, the Directors are not aware of any claims or legal proceedings to which MAAS Group is a party that would be likely to have a material adverse impact on the future financial position of MAAS Group, and the Directors are not aware of any such legal proceedings that are pending or threatened.

10.4 Intellectual property

MAAS Group owns or has rights to various trademarks or trade names that it uses in connection with the operation of its business, including corporate names, logos and website names. MAAS Group has registered the trademark "EMS Group" and has applied to register the trademark "MAAS Group" and the triangle indented MGH logo.

MAAS Group owns or has the right to copyrights, trade secrets and other proprietary rights that protect the content of its products and the formulation of such products.

Solely for convenience, some of the copyrights, trade names and trademarks referred to in this prospectus are listed without their ©, ® and ™ symbols, but MAAS Group will assert, to the fullest extent under applicable law, its rights to its copyright, trade names and trademarks.

10.5 Consents and disclaimers of responsibility

None of the parties referred to below has made any statement that is included in this Prospectus or any statement on which a statement made in this Prospectus is based, except as specified below. Each of the parties referred to below, to the maximum extent permitted by law, expressly disclaims, and takes no responsibility for, any part of this Prospectus, other than the reference to its name and a statement included in this Prospectus with the consent of that party, as specified below.

Each of Moelis Australia Advisory Pty Ltd and Morgans Corporate Limited has given, and has not withdrawn, its written consent to be named as Joint Lead Manager and Underwriter to the Offer in the form and context in which it is named.

Jones Day has given, and has not withdrawn, its written consent to be named as lawyers to the Company in the form and context in which it is named.

BDO Audit Pty Ltd has given, and not withdrawn, its consent to be named as the Company's auditor and the provider of due diligence services and taxation adviser to the Company in the form and context in which it is named.

Link Market Services has given, and not withdrawn, its written consent to be named as share registry in the form and context in which it is named.

10.6 Interests of advisers

Except as set out in this Prospectus, no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus:

- has any interest or has had any interest during the last two years, in the formation or promotion of the Company, or in property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offer of the Shares; and
- no amount has been paid or agreed to be paid, and no benefit has been given, or agreed to be given, to any such person in connection with the services provided by the person in connection with the formation or promotion of the Company or the Offer of the Shares.

Bizzell Capital Partners Pty Ltd was engaged as Corporate Adviser in relation to the Offer until 5 November 2020 and is entitled to be paid certain fees. Refer to Section 4.18.

Morgans Corporate Limited and Moelis Australia Advisory Pty Ltd have acted as Joint Lead Managers and Underwriters to the Offer. The Lead Manager and Underwriter will be paid management and underwriting fees, and at the discretion of the Company and SaleCo, incentive fees. Details of such fees are disclosed in Section 8.2.

Jones Day has acted as legal adviser to the Company in relation to the Offer and has been involved in undertaking due diligence enquiries and providing legal advice in relation to the Offer. Jones Day will be paid an amount of $555,000 (GST exclusive) in respect of these services. Further amounts may be paid to Jones Day in accordance with its normal time-based charges.

BDO Audit Pty Ltd has acted as Investigating Accountant to the Offer and has prepared the Independent Limited Assurance Report in Section 6 of this Prospectus. BDO Audit Pty Ltd will be paid an estimated fee of $160,000 (GST exclusive) in respect of these services.

BDO Audit Pty Ltd has also acted as independent auditor to the Company. BDO Audit Pty Ltd will be paid an estimated fee of $445,000 (GST exclusive) for the audit and review of the financial statements in relation to the financial year ended 30 June 2020.

BDO Services Pty Ltd has performed tax due diligence services with respect to the Offer and has reviewed the taxation considerations in Section 9.18 of this Prospectus. BDO Services Pty Ltd will be paid an estimated fee of $80,000 (GST exclusive) in respect of these services.

10.7 Documents available for inspection

Copies of the following documents are available for inspection by Shareholders during normal office hours by prior appointment at the registered office of the Company for 13 months after the date of this Prospectus:

- the Constitution; and
- the consents to the issue of this Prospectus.

10.8 Interests of Directors

Other than set out above or elsewhere in this Prospectus:

- no Director or proposed Director has, or has had in the two years before lodgement of this Prospectus, any interest in the formation or promotion of the Company, or the Offer of Shares, or in any property proposed to be acquired by the Company in connection with information or promotion of the Offer of the Shares; and
- no amounts have been paid or agreed to be paid and no benefit has been given or agreed to be given, to any Director or proposed Director either to induce him or her to become, or to qualify him or her as a Director, or otherwise for services rendered by him or her in connection with the promotion or formation of the Company or the Offer of Shares.

10.9 Expenses of the Offer

The total expenses of the Offer including ASX fees, underwriting fees, accounting fees, legal fees, share registry fees, printing costs, public relations costs and other miscellaneous expenses are estimated to be approximately $5.3m. Of the $5.3m in total transaction costs, $0.4m is payable in cash, $3.2m is recorded in trade and other payables and the remaining $1.7m is payable by SaleCo.

10.10 ASIC relief

The Company and SaleCo have been granted relief by ASIC from the operation of Section 606 of the Corporations Act in respect of the Sell-Down Shares as set out in Section 8.3.

10.11 Privacy

By filling out an Application Form to apply for Shares, you are providing personal information to the Company through its service provider, the Share Registry. The Company, and the Share Registry on its behalf, collect, hold and use that personal information in order to process your Application, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration.

If you do not provide the information requested in the Application Form, the Company and the Share Registry may not be able to process or accept your Application. Your personal information may also be used from time to time to inform you about other products and services offered by the Company which it considers may be of interest to you.

Your personal information may also be provided to the Company's agents and service providers on the basis that they deal with such information in accordance with the Company's privacy policy and as authorised under the *Privacy Act 1988* (Cth). The Company's agents and service providers may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law. The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared are:

- the Share Registry for ongoing administration of the Shareholder register;
- printers and other companies for the purpose of preparation and distribution of statements and for handling mail;
- market research companies for the purpose of analysing the Company's Shareholder base and for product development and planning; and
- legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering, and advising on, the Shares for associated actions.

You may request access to your personal information held by (or on behalf of) the Company. You may be required to pay a reasonable charge to the Share Registry in order to access your personal information. You can request access to your personal information by contacting the Share Registry or the Company.

If any of your information is not correct or has changed, please contact the Share Registry or the Company to update your information. In accordance with the requirements of the Corporations Act, information on the share register will be accessible to members of the public.

10.12 Continuous disclosure obligations

Following admission to the official list of the ASX, the Company will be a "disclosing entity" (as defined in Section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed entities, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price of the value of the Company's securities.

Price sensitive information will be publicly released through ASX before it is disclosed to Shareholders and other market participants. Distribution of other information to Shareholders and market participants will be managed through disclosure to the ASX. In addition, the Company will post this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

10.13 International offer restrictions

This document does not constitute an offer of Shares of the Company in any jurisdiction in which it would be unlawful. Shares may not be offered or sold in any country outside Australia except to the extent permitted below.

New Zealand

This prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013* (the **FMC Act**). The Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

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

United States

This document may not be released or distributed in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements under the US Securities Act and applicable US state securities laws.

Hong Kong

This document has not been, and will not be, registered as a prospectus under the Companies Ordinance (Cap. 32) of Hong Kong (**Companies Ordinance**), nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (**SFO**). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Singapore

This document and any other materials relating to the Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Shares, may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (**SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in Section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

10.14 Authorisation

This Prospectus is issued by the Company and SaleCo. Each Director of the Company and SaleCo has consented to the lodgement of this Prospectus with ASIC and they have not withdrawn that consent.

Dated 6 November 2020

Stephen Bizzell
Chairman
Maas Group Holdings Limited

Michael Medway
Director
MGH SaleCo Limited

Section 11
Glossary

11 Glossary

Term	Meaning
AAS	Australian Accounting Standards.
AASB	Australian Accounting Standards Board.
AEDT	Australian Eastern Daylight Time.
Applicant	A person or entity who submits an Application.
Application	An application made to subscribe for Shares offered under this Prospectus.
Application Form	An application form attached to this Prospectus (including the electronic form provided by an online application facility).
Application Monies	The money received by the Company pursuant to the Offer, being the Offer Price multiplied by the number of Shares applied for.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited (ACN 008 624 691) or the securities exchange operated by it (as the case requires).
ASX Listing Rules	The rules of the ASX that govern the admission, quotation and removal of securities from the ASX official list.
ASX Settlement	ASX Settlement Pty Ltd (ACN 008 504 532).
ASX Settlement Operating Rules	The ASX Settlement Operating Rules, being the operating rules of the Settlement Facility for the purposes of the Corporations Act.
Australian Facilities	Refers to the three secured debt facilities that are currently in place with Commonwealth Bank of Australia and Westpac Banking Corporation under a common terms structure totalling approximately A$135.0m. Refer to Section 8.14.
AUD, A$** or **$	The Australian dollar.
Banking Facilities	Refers to the four separate facilities MAAS Group has in place, namely: • a revolving term Cash Advance Facility of A$40m with a three-year maturity term; • a revolving Asset Finance Facility of A$70m with no fixed term; and • a revolving Multi-option Facility of A$25m with a three-year maturity term; and • Vietcombank Facilities of A$9.5m. Refer to Section 5.6.4.
BCP	Bizzell Capital Partners Pty Ltd (ACN 118 741 012).
Board	The board of directors of the Company.
Broker	Any ASX participating organisation selected by the Joint Lead Managers and Underwriters to participate in the Broker Firm Offer.
Broker Firm Offer	The offer of Shares under this Prospectus to Australian residents who are sophisticated or professional investors (within the meaning of Sections 708(8) and 708(11) of the Corporations Act, respectively), or, following lodgement of this Prospectus, to Australian resident investors who are not Institutional Investors and have received a firm allocation from their Broker.
CAGR	Compound Annual Growth Rate.
CEO	Chief Executive Officer.
CFO	Chief Financial Officer.

Term	Meaning
CHESS	Clearing House Electronic Subregister System, operated by ASX Settlement.
Civil Construction and Hire	The business segment of MAAS Group comprised of the Plant Hire and Sales, Civil Construction, and Electrical Services business units.
Closing Date	The closing date for the Broker Firm Offer and Institutional Offer, being 24 November 2020.
CN Shareholders	All shareholders who hold shares as a result of conversion of Convertible Notes.
Constitution	The constitution of the Company.
Construction Materials	The business segment of MAAS Group comprised of the Quarries, Crushing and Screening and Premix and Precast Concrete business units.
Convertible Notes	Refers to the interest bearing convertible notes issued by MAAS Group in July 2019 in a capital raise to fund acquisitions. Including capitalised interest the Convertible Notes have a face value of $21m and have been converted to equity at the Prospectus Date.
Conversion Shares	All Shares issued as a result of the conversion of the Convertible Notes or any Shareholder Loans (or part thereof).
Corporate Adviser	Bizzell Capital Partners Pty Ltd (ACN 118 741 012).
Corporations Act	*Corporations Act 2001* (Cth).
Council	Council refers to all local government areas including regional councils, city councils, shire councils, or local councils.
CY	Calendar year ended 31 December. For example, CY19 would be the calendar year ended 31 December 2019.
Directors	The directors of the Company, as appointed from time to time.
Dividend Yield	Dollar value of dividends paid per share divided by MAAS Group's Share price.
Dry Hire	Equipment leased to customers without labour or fuel.
EBIT	Earnings before interest expense and income tax.
EBITA	Earnings before interest expense, income tax and amortisation.
EBITDA	Earnings before interest expense, income tax, depreciation and amortisation.
Employee Application Form	The application form provided by the Company to the Employees and Directors to apply for Shares under the Employee Offer.
Employee Escrowed Shareholders	Employees who receive more than $10,000 worth of Shares under the Employee Offer.
Employee Offer	The offer of Shares to Employees and Directors being made in conjunction with the Broker Firm Offer and the Institutional Offer.
Employee Offer Closing Date	The closing date for the Employee Offer, being 5:00 pm (AEDT) on 30 November 2020.
Employees	Any permanent, fixed term and casual employees of the Group (provided that they remain so employed and have not given, or been given, notice to terminate their employment as at the Prospectus Date.
Enterprise Agreement (EBA)	Agreements made at an enterprise level between employers and employees and their union, about terms and conditions of employment.

Term	Meaning
Environmental Management System	Refers to the set of processes and practices that MAAS Group has in place to enable it to reduce its environmental impacts and increase its operating efficiency.
EPA	Environment Protection Authority.
Escrow Period	For: (a) the Founding Shareholders, a period commencing on the Quotation Date and lapsing after the Third Release Date (as defined in Section 8.5); (b) for the Employee Escrowed Shareholders who are allocated greater than $10,000 worth of shares, a period commencing on the Quotation Date and lapsing after the Fourth Release Date (as defined in Section 8.5); and (c) for the Employee Escrowed Shareholders who are allocated greater than $1,000,000 worth of shares, a period commencing on the Quotation Date and lapsing after the Third Release Date (as defined in Section 8.5).
Escrowed Shareholders	The Founding Shareholders and the Employee Escrow Shareholders.
Escrowed Shares	Shares held by the Escrowed Shareholders set out in Section 8.5 immediately after Completion of the Offer, but excluding Conversion Shares.
Founder	Wesley (Wes) Maas.
Founding Shareholders	Maas Family and those shareholders who were issued shares in MAAS Group (other than Rebecca Miller as a trustee for Chechem Trust) in consideration of the acquisition of their companies, being: (i) Apolony Holdings Pty Limited ACN 161 122 514 as trustee for Apolony Family Trust; (ii) David Rooke; (iii) Leesa Rooke; (iv) Thomas Cavanagh as trustee for Cavanah Family Trust; (v) EMS Invest Pty Limited ACN 603 364 129 as trustee for EMS Invest Trust; (vi) Thomas Cavanagh; (vii) Joshwa Large; (viii) Kimberley Large; (ix) N&N Bourke Holdings Pty Limited ACN 619 185 090 as trustee for Bourke Family Trust No 2; (x) Rookharp Holdings Pty Limited ACN 162 065 634 as trustee for Rooke Family Trust; and (xi) Dubsvegas Pty Limited ACN 118 132 979 as trustee for Large Family Trust; collectively holding 70.1% of MAAS Group on completion of the Offer.
FY	Financial year ended 30 June. For example, FY20 would be the financial year ended 30 June 2020.
GST	Good and services tax.
HV	High Voltage.
Independent Limited Assurance Report	The report prepared by the Investigating Accountant in Section 6.

Term	Meaning
Inland Rail	Inland Rail is the largest freight rail infrastructure project in Australia comprising 13 individual projects and spanning more than 1,700 km. Once complete, it will connect the ports of Melbourne and Brisbane along a new route west of the mountainous Great Dividing Range.
Institutional Investor	An investor: • in Australia who is a "wholesale client" for the purposes of Section 761G of the Corporations Act and who is either a "professional investor" or "sophisticated investor" under Sections 708(11) and 708(8) of the Corporations Act; or • in certain other jurisdictions, as agreed between MGH and the Joint Lead Managers and Underwriters, to whom offers or invitations in respect of securities can be made without the need for a lodged or registered prospectus or other form of disclosure document or filing with, or approval by, any governmental agency (except one with which MGH is willing, in its absolute discretion, to comply provided that such investors are not in the United States).
Institutional Offer	The invitation to bid for Shares made to Institutional Investors under this Prospectus to acquire Shares as described in Section 9.9.
Internal Rate of Return (IRR)	The Internal Rate of Return is a measure of an investment's expected future rate of return.
Investigating Accountant	BDO Audit Pty Ltd (ACN 134 022 870).
IPO	Initial public offering.
JLE Electrical	Refers to the MAAS Group owned company, founded by Josh Large, that provides electrical infrastructure works, communication networks and electrical services as well as new and used underground electrical equipment sales, hire, and project and site services.
Joint Lead Managers and Underwriters	Morgans Corporate Limited (ACN 010 539 607). Moelis Australia Advisory Pty Ltd (ACN 142 008 446).
JV	Joint Venture.
Level 1 Service Provider	Level 1 accredited service provider electricians have a license to extend the existing network – connecting property and increasing the capacity of the electrical network.
Level 2 Service Provider	Level 2 accredited service provider electricians are able to work with dangerous live electrical cables (such as overhead street cables and underground electrical wires).
LGA	Local Government Area.
Listing	Admission of MGH to the Official List and quotation of the Shares on the ASX.
Listing Rules	The rules of the ASX that govern the admission, quotation and removal of securities from the ASX official list.
LV	Low Voltage.
MAAS	MAAS Administration Pty Ltd.
Maas Family	Wesley Maas, Emma Maas, W&E Maas Holdings Pty Ltd ATF Maas Family Trust, and EMS Invest Pty Ltd ATF EMS Invest Trust.
MGH or **Company** or **MAAS Group**	MAAS Group Holdings Limited ACN 632 994 542, and where the context permits, includes its subsidiaries.
Miller	Rebecca Miller as trustee for Chechem Trust.

Term	Meaning
Moelis	Moelis Australia Advisory Pty Ltd.
Morgans	Morgans Corporate Limited.
MSB	Main Switchboard
Newell Highway	The Newell Highway is the longest highway in NSW, stretching over 1060 kilometres from the Victorian border at Tocumwal to the Queensland border at Goondiwindi, and is a National Highway.
NBN	National Broadband Network.
New Shares	Shares to be issued by the Company under the Offer.
NPAT	Net profit after tax.
NPATA	Net profit after tax adding back amortisation expense, adjusted for removal of the tax impact of amortisation expense.
NSW	New South Wales.
Offer	The offer of Shares under this Prospectus.
Offer Price	$2.00 per Share.
Official List	The official list of the ASX.
Prospectus	This prospectus.
Prospectus Date	6 November 2020.
Quotation Date	The first date Shares are granted quotation on ASX.
Real Estate	The business segment of MAAS Group comprised of the Residential and Industrial and Commercial business units.
Recommendations	The ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th edition).
Remuneration and Nomination Committee	Refers to the committee responsible for assisting the Board and reporting to it on remuneration and related policies and by making recommendations to the Board about the appointment of new Directors (both executive and non-executive) and Senior Management.
ROIC	Return On Invested Capital.
Sale Shares	31,824,571 Shares to be transferred by SaleCo under the Offer.
SaleCo	MGH SaleCo Limited ACN 644 755 715.
Senior Management	The senior management team of MGH, being: • Wes Maas; • Craig Bellamy; • Damien Porter; • Dominic Wilson; • Steve Guy; • Josh Large; • Richard Tomkins; and • Jason Finlay.

Term	Meaning
Settlement Facility	Has the meaning specified in the ASX Settlement Operating Rules.
Share	A fully paid ordinary share in the Company.
Share Registry	Link Market Services.
Shareholder	A holder of a Share.
Shareholder Loans	Refers to loans from: (a) Choice Investments (Dubbo) Pty Ltd; (b) Thomas Paul Cavanagh as trustee for the Cavanagh Family Trust; (c) Rooke Investments Pty Ltd; (d) Inside Out Investments Dubbo Pty Ltd; (e) Rebecca May Miller as trustee for the Chechem Trust; (f) N & N Bourke Holdings Pty Ltd as trustee for the Bourke Family Trust No 2; (g) Apolony Holdings Pty Ltd as trustee for the Apolony Family Trust; and (h) Old Man Investments Pty Limited.
Shotcrete	Concrete or mortar conveyed through a hose and pneumatically projected at high velocity onto a surface as a construction technique.
TEU	Twenty-foot Equivalent Unit.
UGOH	Underground to Overhead.
Underground Equipment and Services	The business segment of MAAS Group comprised of the Underground Mobile Equipment Hire and Underground Equipment Manufacturing and Sales business units.
Underwriting Agreement	The underwriting agreement between the Joint Lead Managers and Underwriters, SaleCo and MGH under which the Joint Lead Managers and Underwriters agreed to underwrite the Offer.
VMS	VMS Engineering Limited.
World Trade Organization	The World Trade Organization is an intergovernmental organization that is concerned with the regulation of international trade between nations.
Wet Hire	Equipment leased to customers with labour and fuel.
WHS	Workplace Health and Safety.
You	An investor under this Prospectus.

Appendix 1
Summary of Significant Accounting Policies

Appendix 1: Summary of Significant Accounting Policies

Significant accounting policies which have been adopted in the preparation of the Historical Financial Information in Section 5 are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

A1.1 Basis of preparation

Refer to Section 5.2 for details regarding the basis on which the Statutory Financial Information has been prepared. The Statutory Financial Information has been derived from the general purpose financial statements of MAAS Group for the period ended 30 June 2020. These consolidated financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non current assets, financial assets and financial liabilities.

The following is a summary of the material accounting policies adopted by the Company.

A1.2 Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of MAAS Group ('company' or 'parent entity') and the results of all subsidiaries. MAAS Group and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights 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 consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity 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 consolidated entity.

The acquisition of subsidiaries in a business combination is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

A1.3 Accounting policy for revenue recognition

Construction – civil infrastructure

The consolidated entity derives revenue from the construction of civil infrastructure projects, including roads, railways, tunnels, water, energy and resources facilities across Australia. Contracts entered into may be for the construction of one or several separate stages in a project (deliverables). The construction of each individual deliverable is generally taken to be one performance obligation. Where contracts are entered for the building of deliverables, the total transaction price is allocated across each deliverable based on stand-alone selling prices. The transaction price is normally fixed at the start of the project. It is normal practice for contracts to include bonus and penalty elements based on timely construction or other performance criteria known as variable consideration, which is discussed below.

The performance obligation is fulfilled over time and as such revenue is recognised over time. As work is performed on the assets being constructed they are controlled by the customer and have no alternative use to the consolidated entity, with the consolidated entity having a right to payment for performance to date.

Generally, contracts identify various inter-linked activities required in the construction process. Revenue is recognised on the measured output of each process based on appraisals that are agreed with the customer on a regular basis.

Revenue earned is typically invoiced monthly or in some cases on achievement of milestones or to match major capital outlay.

Invoices are paid on normal commercial terms, which may include the customer withholding a retention amount until finalisation of the construction. Certain construction projects entered into receive payment prior to work being performed in which case revenue is deferred on the statement of financial position.

Construction – residential

The consolidated entity derives revenue from the construction of residential houses in NSW. Contracts entered into is for the construction of a residential dwelling and is taken to be one performance obligation and the stand-alone selling price. The performance obligation is fulfilled over time and as such revenue is recognised over time. As work is performed on the assets being constructed they are controlled by the customer and have no alternative use to the consolidated entity, with the consolidated entity having a right to payment for performance to date.

Generally, contracts identify various inter-linked activities required in the construction process. Revenue is recognised on the measured input, being stage of completion of costs incurred against budgeted costs. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed.

Customers are invoiced based on the achievement of milestones (included in the contract). Payment is received following invoice on normal commercial terms. At reporting date, the amounts invoiced are likely to differ from the stage of completion. The difference is recognised as either a contract asset or contract liability.

Equipment and machinery hire

The consolidated entity generates revenue from the provision of dry hire and wet hire of plant and equipment to many infrastructure projects throughout Australia. Contracts include separate mobilisation and demobilisation fees and a schedule of rates for the dry hire or wet hire. Dry hire revenue is generated from hire of equipment only, no supply of driver, maintenance or fuel, whereas wet hire includes a driver and can include maintenance services and fuel.

These form of contracts may vary in scope however all wet hires have one common performance obligation, being the provision of equipment and driver to the customer which includes mobilisation and dismantling, and maintenance services and any ancillary materials that are required to fulfil the obligation.

The mobilisation fees, maintenance services and ancillary materials each are generally taken not to be a separate performance obligation as the customer does not benefit from these services on its own, are not considered distinct and therefore are grouped with other items in the contract, being the hire of equipment.

Equipment and machinery rental periods are typically short-term and is recognised at fixed rates over the period of hire. Customers are in general invoiced on a monthly basis and payment is received following invoice on normal commercial terms.

Electrical service revenue

The consolidated entity performs electrical services specialising in underground and overhead power line construction and High Voltage and Low Voltage cable jointing for supply authorities and mining professionals. Contracts may include multiple processes required to be performed for each milestone set in the project. Milestones may be performed by the Group or by other contractors employed by the customer and as such are accounted for as separate obligations. The transaction price is allocated to each performance obligation based on the stand-alone selling price. The total transaction price may include a variable pricing element which is accounted for in accordance with the policy on variable consideration.

Performance obligations are fulfilled over time with revenue recognised in the accounting period in which the electrical services are rendered based on the amount of the expected transaction price allocated to each performance obligation as the customer continues to control the asset as it is enhanced.

Customers are typically invoiced on a monthly basis for an amount that is calculated on a schedule of rates that is aligned with the stand alone selling prices for each performance obligation. Payment is received following invoice on normal commercial terms.

Service revenue: labour hire and repairs

The consolidated entity performs repairs to machinery and provides labour to customers in the underground mining, tunnelling, civil construction and rail industries. Contracts include a schedule of rates that is aligned with the stand alone selling prices of the service provided. The performance obligation is fulfilled over time and as such revenue is recognised over time because the customer simultaneously receives and consumes the benefits provided by the entity's performance. Revenue is recognised on the measured output with reference to the services performed to date.

Customers are typically invoiced on a monthly basis for an amount that is calculated on a schedule of rates that is aligned with the stand alone selling prices for each performance obligation. Payment is received following invoice on normal commercial terms.

Sales of goods – plant, equipment, parts, road-base and aggregates

The consolidated entity sells plant, equipment, parts, road-base and aggregates. Sale of these goods usually contains only one performance obligation, with revenue recognised at the point in time when the relevant item is transferred to the customer. The revenue is measured at the transaction price agreed under the contract. In most cases, the consideration is due when the goods have been transferred to the customer.

Land development and resale

The consolidated entity develops and sells residential properties in NSW. Property revenue is recognised when control over the property has been transferred to the customer. This is generally at the point when legal title has transferred to the customer as properties are not developed based on the specific needs of individual customers. The revenue is measured at the transaction price agreed under the contract.

Variable consideration

It is common for contracts to include performance bonuses or penalties assessed against the timeliness or cost effectiveness of work completed or other performance related KPIs. Where consideration in respect of a contract is variable, the expected value of revenue is only recognised when the uncertainty associated with the variable consideration is subsequently resolved, known as "constraint" requirements. The consolidated entity assesses the constraint requirements on a periodic basis when estimating the variable consideration to be included in the transaction price. The estimate is based on all available information including historical performance. Where modifications in design or contract requirements are entered into, the transaction price is updated to reflect these. Where the price of the modification has not been confirmed, an estimate is made of the amount of revenue to recognise whilst also considering the constraint requirement.

Contract assets and liabilities

AASB 15 uses the terms 'contract asset' and 'contract liability' to describe what is commonly known as 'accrued revenue' and 'deferred revenue'. Contract assets are the consolidated entity's right to consideration as work is performed and therefore a contract asset is recognised over the period in which the performance obligation is fulfilled. Amounts are generally reclassified to receivables when these have been certified or invoiced to a customer. Contract liabilities arise where payment is received prior to work being performed.

Financing components

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

Warranties and defect periods

Generally construction and services contracts 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 Provisions, Contingent Liabilities and Contingent Assets.

Loss making contracts

A provision is made for the difference between the expected cost of fulfilling a contract and the expected unearned portion of the transaction price where the forecast costs are greater than the forecast revenue.

Dividends and interest

Dividend revenue is recognised when the right to receive a dividend has been established, and interest revenue is recognised using the effective interest method.

Rent

Rent revenue from investment properties is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as part of the rental revenue. Contingent rentals are recognised as income in the period when earned.

A1.4 Accounting policy for cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

A1.5 Accounting policy for trade and other receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The consolidated entity 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.

A1.6 Accounting policy for inventories

Inventories are carried at the lower of cost and net realisable value and comprise of the following:

- **Land held for development and resale:** Cost includes the costs of acquisition, development and holding costs such as rates, taxes and finance costs. Holding costs on property developments not under active development are expensed as incurred. Land held for development and resale not expected to be realised within the next 12 months has been classified as non current.
- **Raw materials, finished goods and parts:** Raw materials, finished goods and parts are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

A1.7 Accounting policy for investment properties

Investment properties principally comprise of freehold land and buildings held for long-term rental and capital appreciation that are not occupied by the consolidated entity. Investment properties are initially recognised at cost, including transaction costs, and are subsequently remeasured annually at fair value. Movements in fair value are recognised directly to profit or loss.

Investment properties are derecognised when disposed of or when there is no future economic benefit expected.

Investment properties also include properties under construction for future use as investment properties. These are carried at fair value, or at cost where fair value cannot be reliably determined and the construction is incomplete.

A1.8 Accounting policy for property, plant and equipment

All property, plant and equipment is measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the consolidated entity and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

A1.9 Accounting policy for intangible assets

Intangible assets that are acquired are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The amortisation method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Brand names

Brand names acquired in a business combination that qualify for separate recognition are initially recognised as intangible assets at their fair values. Brand names are not amortised on the basis that they have an indefinite life and are reviewed annually for impairment.

Customer contracts/relationships

Customer contracts acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of three years.

Extraction rights

Extraction rights are amortised as materials are extracted (volumes extracted during the period are compared with the estimated total volume of deposits to be extracted from the quarry over its useful life) in order to reflect the decline in value due to depletion.

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed. Goodwill acquired is allocated to each of the Cash Generating Units (CGU) expected to benefit from the combination's synergies. Impairment is determined by assessing the recoverable amount of the CGU to which the goodwill relates. The recoverable amount of a CGU is determined based on value-in-use calculations which require the use of assumptions.

A1.10 Accounting policy for trade and other payables

Trade payables are amounts due to suppliers for goods purchased or services provided in the ordinary course of business. Trade payables are generally due for settlement within 30 days and therefore are all classified as current.

Other payables and accrued expenses generally arise from normal transactions within the usual operating activities of the consolidated entity and comprise items such as employee taxes, employee on costs, GST and other recurring items.

A liability is recorded for goods and services received prior to balance date, whether invoiced to the consolidated entity or not.

A1.11 Accounting policy for borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowing costs 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.

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 consolidated entity has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Convertible Notes

On the issue of convertible notes, where the conversion is a fixed number of shares for a fixed value there is an equity component, otherwise the whole instrument is a financial liability.

When it is determined that the whole instrument is a financial liability and no equity instrument is identified, the conversion option is separated from the host debt and classified as a derivative liability. The carrying value of the host contract, at initial recognition is determined as the difference between the consideration received and the fair value of the embedded derivative. The host contract is subsequently measured at amortised cost using the effective interest rate method. The embedded derivative is subsequently measured at fair value at the end of each reporting period through the consolidated statement of profit or loss and other comprehensive income.

When it is determined that the instrument contains an equity component based on the terms of the contract, on issue of the convertible notes, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity. The carrying amount of the conversion option is not re-measured in subsequent years.

A1.12 Accounting policy for lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

A1.13 Accounting policy for right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

A1.14 Accounting policy for business combinations

The acquisition method of accounting is used to account for business combinations, unless it is a combination involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Where the acquisition of entities that are deemed to be under common control occurs then consideration is required to determine the accounting acquirer. A new entity formed to effect a business combination through the issue of equity interests will not be regarded as the accounting acquirer, rather one of the combining entities that existed prior to the business combination shall be identified as the accounting acquirer. The predecessor value method is adopted for business combinations under common control. Under the predecessor method:

- assets and liabilities of the acquired entities are recognised at their previous carrying amounts;
- no adjustments are made to reflect fair values;
- no new assets (including goodwill) and liabilities of the acquired entities are recognised at the date of the business combination;
- any non-controlling interest is measured as a proportionate share of the book values of the related assets and liabilities (as adjusted to achieve uniform accounting policies); and
- comparative amounts are restated as if the combination had taken place at the beginning of the earliest comparative period presented.

A1.15 Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

MAAS Group Holdings Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

The group has entered into a tax funding and tax sharing agreement.

A1.16 Accounting policy for derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Derivatives are classified as current or non-current depending on the expected period of realisation.

A1.17 Accounting policy for financial instruments

Investments and other financial assets

Classification

The consolidated entity classifies its financial assets in the following measurement categories:

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

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments that are not held for trading, this will depend on whether the consolidated entity has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). The consolidated entity reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the consolidated entity measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the consolidated entity's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the consolidated entity classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss and other comprehensive income.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss and other comprehensive income.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Cash and cash equivalents and trade and other receivables are measured at amortised cost.

Equity instruments

The consolidated entity subsequently measures all equity investments at fair value. The consolidated entity measures its investments in equity instruments at FVPL. 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

The consolidated entity assesses on a forward looking basis the expected credit losses associated with its debt instruments 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 contract assets, the consolidated entity applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the trade receivables and contract assets.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

A1.18 Accounting policy for impairment of non-financial assets

At the end of each reporting period, the consolidated entity assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

A1.19 Accounting policy for finance costs

Finance costs are recognised as expenses in the period in which they are incurred, except where they are included in the costs of qualifying assets. The capitalisation rate used to determine the amount of finance costs to be capitalised to qualifying assets is the weighted average interest rate applicable to the entity's borrowings during the period.

Finance costs include interest on bank overdrafts and short-term and long-term borrowings, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, finance lease charges and certain exchange differences arising from foreign currency borrowings.

Appendix 2
Financial Risk Management Framework

Appendix 2: Financial Risk Management Framework

MAAS Group's activities expose it to a variety of financial risks: market risk (including interest rate risk and foreign exchange risk), liquidity risk, and credit risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of MAAS Group. MAAS Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks as well as ageing analysis for credit risk.

The Board has overall responsibility for the determination of MAAS Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for day to day management of these risks to the Chief Financial Officer. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below:

A2.1 Interest rate risk

MAAS Group's main interest rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose MAAS Group to interest rate risk. Borrowings obtained at fixed rates expose MAAS Group to fair value interest rate risk.

Interest rate exposures will be managed as a mixture of fixed and floating rates. To mitigate financial fluctuations from unfavourable changes in interest rates, MAAS Group will seek to maintain a minimum amount of Net Debt protected from interest rate rises (through interest rate hedging strategies) for a forward period of the expected maturity profile not exceeding MAAS Group's existing debt maturity profile in line with the following parameters.

Time Period	Net Debt hedge parameters
0-5 years	up to 50%

The above parameters do not prescribe mandatory hedging of MAAS Group debt with discretion retained by management. This discretion is preserved to ensure management are able to consider all relevant facts such as extreme market volatility, which increases the risks of implementing successful long-term hedge scenarios. No hedges maybe terminated without the express authorisation of both the Managing Director and Group CFO. All interest rate hedge instruments are required to be valued at fair value.

A2.2 Foreign exchange risk

MAAS Group operates across international jurisdictions and is exposed to foreign exchange risk through:

- **Economic exposures** arising from the structure of MAAS Group's business relative to its competitors and the manner in which costs and prices respond to exchange rate movements;
- **Transaction exposures** arising from transactions which are contracted at a specific price in a currency other than the local transaction currency – MAAS Group's foreign exchange transaction exposures are predominantly foreign currency denominated; and
- **Translation exposures** arising from converting subsidiary company financial statements from local currency to the presentation currency of MAAS Group's financial statements.

MAAS Group's currencies with annual exposure >A$1.0m currently include USD, VND, IDR and Euro. MAAS Group will implement processes with respect to its transaction risk to maximise the number of natural hedges to reduce various sources of foreign exchange risk as well as appropriate hedging instruments or techniques to mitigate risk where appropriate.

With respect to translation risk (for balance sheet), MAAS Group will aim to enter into foreign currency loans which create a natural hedge. Where natural hedges cannot be implemented, MAAS Group will use foreign currency hedging instruments where asset value exceeds 5% of group net assets.

Unless authorised by the Board, MAAS Group will only enter into foreign exchange hedge contracts with the 'Big 4' Australian Banks. All hedges are to be appropriately documented in accordance with Industry Standards.

A2.3 Liquidity risk

Liquidity risk is the risk that MAAS Group will not have sufficient funds to meet its financial commitments as and when they fall due.

MAAS Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

A2.4 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to MAAS Group. MAAS Group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. MAAS Group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. MAAS Group does not hold any collateral.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than one year.

MAAS GROUP HOLDINGS
ACN 632 994 542

Broker Code | Adviser Code

Broker Firm Offer Application Form

This is an Application Form for Shares in MAAS Group Holdings under the Broker Firm Offer on the terms set out in the Prospectus dated 6 November 2020. You may apply for a minimum of 1,000 Shares. This Application Form and your cheque or bank draft must be received by your Broker by the deadline set out in their offer to you.

If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. The Prospectus contains information relevant to a decision to invest in Shares and you should read the entire Prospectus carefully before applying for Shares.

A Shares applied for (minimum 1,000) at Price per Share **A$2.00**

B Application Monies **A$**

PLEASE COMPLETE YOUR DETAILS BELOW (refer overleaf for correct forms of registrable names)

C Applicant #1
Surname/Company Name

Title | First Name | Middle Name

Joint Applicant #2
Surname

Title | First Name | Middle Name

Designated account e.g. <Super Fund> (or Joint Applicant #3)

D TFN/ABN/Exemption Code
First Applicant | Joint Applicant #2 | Joint Applicant #3

TFN/ABN type – if NOT an individual, please mark the appropriate box: Company | Partnership | Trust | Super Fund

E **PLEASE COMPLETE ADDRESS DETAILS**
PO Box/RMB/Locked Bag/Care of (c/-)/Property name/Building name (if applicable)

Unit Number/Level | Street Number | Street Name

Suburb/City or Town | State | Postcode

Email address (only for purpose of electronic communication of shareholder information)

F CHESS HIN
X

If you have a Broker Sponsored account and would like your securities to be allocated to this account, it is important that you enter your HIN at this step. Failure to do so will result in your securities being allocated to a new Issuer Sponsored account. You will not be able to change this until after the stock exchange listing takes place and you will need to request your broker to do this for you.

G Telephone Number where you can be contacted during Business Hours ( ) | Contact Name (PRINT)

Cheques or bank drafts should be drawn up according to the instructions given by your Broker.

H Cheque or Bank Draft Number | BSB - | Account Number

Total Amount **A$**

LODGEMENT INSTRUCTIONS
You must return your application so it is received by your Broker by the deadline set out in their offer to you.

MGH BRO001

Your Guide to the Application Form

Please complete all relevant white sections of the Application Form in BLOCK LETTERS, using black or blue ink. These instructions are cross-referenced to each section of the form.

The Shares to which this Application Form relates are MAAS Group Holdings ("MAAS Group") Shares. Further details about the Shares are contained in the Prospectus dated 6 November 2020 issued by MAAS Group Holdings. The Prospectus will expire on 6 December 2021. While the Prospectus is current, MAAS Group Holdings will send paper copies of the Prospectus, any supplementary document and the Application Form, free of charge on request.

The Australian Securities and Investments Commission requires that a person who provides access to an electronic application form must provide access, by the same means and at the same time, to the relevant Prospectus. This Application Form is included in the Prospectus.

The Prospectus contains important information about investing in the Shares. You should read the Prospectus before applying for Shares.

A Insert the number of Shares you wish to apply for. The Application must be for a minimum of 1,000 Shares. You may be issued all of the Shares applied for or a lesser number.

B Insert the relevant amount of Application Monies. To calculate your Application Monies, multiply the number of Shares applied for by the issue price. Amounts should be in Australian dollars. Please make sure the amount of your cheque or bank draft equals this amount.

C Write the full name you wish to appear on the register of Shares. This must be either your own name or the name of a company. Up to three joint Applicants may register. You should refer to the table below for the correct registrable title.

D Enter your Tax File Number (TFN) or exemption category. Business enterprises may alternatively quote their Australian Business Number (ABN). Where applicable, please enter the TFN or ABN for each joint Applicant. Collection of TFN(s) and ABN(s) is authorised by taxation laws. Quotation of TFN(s) and ABN(s) is not compulsory and will not affect your Application. However, if these are not provided, MAAS Group Holdings will be required to deduct tax at the highest marginal rate of tax (including the Medicare Levy) from payments.

E Please enter your postal address for all correspondence. All communications to you from MAAS Group Holdings and the Share Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

F If you are already a CHESS participant or sponsored by a CHESS participant, write your Holder Identification Number (HIN) here. If the name or address recorded on CHESS for this HIN is different to the details given on this form, your Shares will be issued to MAAS Group Holdings's issuer sponsored subregister.

G Please enter your telephone number(s), area code and contact name in case we need to contact you in relation to your Application.

H Please complete the details of your cheque or bank draft in this section. The total amount of your cheque or bank draft should agree with the amount shown in section B.

If you receive a firm allocation of Shares from your Broker make your cheque payable to your Broker in accordance with their instructions.

CORRECT FORMS OF REGISTRABLE NAMES

Note that ONLY legal entities are allowed to hold Shares. Applications must be in the name(s) of natural persons or companies. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual Use given names in full, not initials	Mrs Katherine Clare Edwards	K C Edwards
Company Use Company's full title, not abbreviations	Liz Biz Pty Ltd	Liz Biz P/L or Liz Biz Co.
Joint Holdings Use full and complete names	Mr Peter Paul Tranche & Ms Mary Orlando Tranche	Peter Paul & Mary Tranche
Trusts Use the trustee(s) personal name(s)	Mrs Alessandra Herbert Smith <Alessandra Smith A/C>	Alessandra Smith Family Trust
Deceased Estates Use the executor(s) personal name(s)	Ms Sophia Garnet Post & Mr Alexander Traverse Post <Est Harold Post A/C>	Estate of late Harold Post or Harold Post Deceased
Minor (a person under the age of 18 years) Use the name of a responsible adult with an appropriate designation	Mrs Sally Hamilton <Henry Hamilton>	Master Henry Hamilton
Partnerships Use the partners' personal names	Mr Frederick Samuel Smith & Mr Samuel Lawrence Smith <Fred Smith & Son A/C>	Fred Smith & Son
Long Names	Mr Hugh Adrian John Smith-Jones	Mr Hugh A J Smith Jones
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s)	Mr Alistair Edward Lilley <Vintage Wine Club A/C>	Vintage Wine Club
Superannuation Funds Use the name of the trustee of the fund	XYZ Pty Ltd <Super Fund A/C>	XYZ Pty Ltd Superannuation Fund

Put the name(s) of any joint Applicant(s) and/or account description using < > as indicated above in designated spaces at section C on the Application Form.

MAAS GROUP HOLDINGS

ACN 632 994 542

Broker Code

Adviser Code

Employee Offer Application Form

This is an Application Form for Shares in MAAS Group Holdings under the Broker Firm Offer on the terms set out in the Prospectus dated 6 November 2020. You may apply for a minimum of 1,000 Shares. This Application Form and your payment must be received by the Company by 30 November 2020.

If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. The Prospectus contains information relevant to a decision to invest in Shares and you should read the entire Prospectus carefully before applying for Shares.

A Shares applied for (minimum 1,000) at Price per Share **A$2.00**

B Application Monies **A$**

PLEASE COMPLETE YOUR DETAILS BELOW (refer overleaf for correct forms of registrable names)

C Applicant #1

Surname/Company Name

Title First Name Middle Name

Joint Applicant #2

Surname

Title First Name Middle Name

Designated account e.g. <Super Fund> (or Joint Applicant #3)

D TFN/ABN/Exemption Code

First Applicant Joint Applicant #2 Joint Applicant #3

TFN/ABN type – if NOT an individual, please mark the appropriate box Company Partnership Trust Super Fund

E **PLEASE COMPLETE ADDRESS DETAILS**

PO Box/RMB/Locked Bag/Care of (c/-)/Property name/Building name (if applicable)

Unit Number/Level Street Number Street Name

Suburb/City or Town State Postcode

Email address (only for purpose of electronic communication of shareholder information)

F CHESS HIN

X

If you have a Broker Sponsored account and would like your securities to be allocated to this account, it is important that you enter your HIN at this step. Failure to do so will result in your securities being allocated to a new Issuer Sponsored account. You will not be able to change this until after the stock exchange listing takes place and you will need to request your broker to do this for you.

G Telephone Number where you can be contacted during Business Hours ( )

Contact Name (PRINT)

H Payment is to be made to the following bank account

Account Name: **Maas Group Holdings**

BSB: **062-534**

Account Number: **10673609**

Total Amount A$

LODGEMENT INSTRUCTIONS

You must return your application so it is received by MAAS Group by 30 November 2020.

Please include your name as a reference.

Your Guide to the Application Form

Please complete all relevant white sections of the Application Form in BLOCK LETTERS, using black or blue ink. These instructions are cross-referenced to each section of the form.

The Shares to which this Application Form relates are MAAS Group Holdings ("MAAS Group") Shares. Further details about the Shares are contained in the Prospectus dated 6 November 2020 issued by MAAS Group Holdings. The Prospectus will expire on 6 December 2021. While the Prospectus is current, MAAS Group Holdings will send paper copies of the Prospectus, any supplementary document and the Application Form, free of charge on request.

The Australian Securities and Investments Commission requires that a person who provides access to an electronic application form must provide access, by the same means and at the same time, to the relevant Prospectus. This Application Form is included in the Prospectus.

The Prospectus contains important information about investing in the Shares. You should read the Prospectus before applying for Shares.

A Insert the number of Shares you wish to apply for. The Application must be for a minimum of 1,000 Shares. You may be issued all of the Shares applied for or a lesser number.

B Insert the relevant amount of Application Monies. To calculate your Application Monies, multiply the number of Shares applied for by the issue price. Amounts should be in Australian dollars. Please make sure the amount of your cheque or bank draft equals this amount.

C Write the full name you wish to appear on the register of Shares. This must be either your own name or the name of a company. Up to three joint Applicants may register. You should refer to the table below for the correct registrable title.

D Enter your Tax File Number (TFN) or exemption category. Business enterprises may alternatively quote their Australian Business Number (ABN). Where applicable, please enter the TFN or ABN for each joint Applicant. Collection of TFN(s) and ABN(s) is authorised by taxation laws. Quotation of TFN(s) and ABN(s) is not compulsory and will not affect your Application. However, if these are not provided, MAAS Group Holdings will be required to deduct tax at the highest marginal rate of tax (including the Medicare Levy) from payments.

E Please enter your postal address for all correspondence. All communications to you from MAAS Group Holdings and the Share Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

F If you are already a CHESS participant or sponsored by a CHESS participant, write your Holder Identification Number (HIN) here. If the name or address recorded on CHESS for this HIN is different to the details given on this form, your Shares will be issued to MAAS Group Holdings's issuer sponsored subregister.

G Please enter your telephone number(s), area code and contact name in case we need to contact you in relation to your Application.

H Please transfer your Application Monies to the following bank account:

Account name: Maas Group Holdings
BSB: 062 534
Account Number: 10673609
Reference: [Your Name]

The total amount of your payment should agree with the amount shown in section B.

CORRECT FORMS OF REGISTRABLE NAMES

Note that ONLY legal entities are allowed to hold Shares. Applications must be in the name(s) of natural persons or companies. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms below.

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Trusts Use the trustee(s) personal name(s)	Mrs Alessandra Herbert Smith <Alessandra Smith A/C>	Alessandra Smith Family Trust
Deceased Estates Use the executor(s) personal name(s)	Ms Sophia Garnet Post & Mr Alexander Traverse Post <Est Harold Post A/C>	Estate of late Harold Post or Harold Post Deceased
Minor (a person under the age of 18 years) Use the name of a responsible adult with an appropriate designation	Mrs Sally Hamilton <Henry Hamilton>	Master Henry Hamilton
Partnerships Use the partners' personal names	Mr Frederick Samuel Smith & Mr Samuel Lawrence Smith <Fred Smith & Son A/C>	Fred Smith & Son
Long Names	Mr Hugh Adrian John Smith-Jones	Mr Hugh A J Smith Jones
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s)	Mr Alistair Edward Lilley <Vintage Wine Club A/C>	Vintage Wine Club
Superannuation Funds Use the name of the trustee of the fund	XYZ Pty Ltd <Super Fund A/C>	XYZ Pty Ltd Superannuation Fund

Put the name(s) of any joint Applicant(s) and/or account description using < > as indicated above in designated spaces at section C on the Application Form.

Corporate Directory

Company

MAAS Group Holdings Limited

ACN 632 994 542

Directors

Stephen Bizzell
Non-Executive Chairman

Wes Maas
Managing Director and CEO

Stewart Butel
Independent Non-Executive Director

Neal O'Connor
Independent Non-Executive Director

Michael Medway
Non-Executive Director

Company Secretary

Craig Bellamy

Joint Lead Managers and Underwriters

Moelis Australia Advisory Pty Ltd

Level 27, Governor Phillip Tower
One Farrer Place
Sydney, NSW 2000

Morgans Corporate Limited

Level 29, Riverside Centre, 123 Eagle Street
Brisbane, QLD 4000

Auditor and Investigating Accountant

BDO Audit Pty Ltd

Level 10, 12 Creek Street
Brisbane, QLD 4000

Lawyers to the Offer

Jones Day

Level 31, Riverside Centre
123 Eagle Street
Brisbane, QLD 4000

Share Registry

Link Market Services

Level 12, 680 George Street
Sydney, NSW 2000

MAAS
GROUP HOLDINGS