



27 August 2021

MaxiTRANS Industries Limited
Extraordinary General Meeting
Chairman's Address

Attached is the Chairman's address and presentation to be delivered at today's Extraordinary General Meeting.

Authorised by:

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About MaxiTRANS Industries

MaxiTRANS Industries Limited (ASX:MXI) is one of the largest suppliers of truck and trailer parts to the road transport industry in Australia. MaxiTRANS is also the largest supplier of locally manufactured, high quality heavy road transport trailer solutions, including trailer repairs and service, in Australia and New Zealand.

MaxiSAFE
Send all our people home safely

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On 23 July 2021 the Company announced that it had entered into Transaction Agreements in relation to the sale of its Trailer Business (including the manufacturing site in Ballarat) to Australian Trailer Solutions Group.

In a separate transaction, the Company also announced the intent to sell its Derrimut and Hallam properties to an unrelated third party, the contracts for which are expected to be executed in the coming days.

If approved today the suite of transactions in totality will transform MaxiTRANS into a pure play Commercial Spare Parts Distribution business with a less complex business which will have more stable earnings and an enviable balance sheet with a clear path to recurring and consistent dividend payments. Completion is expected to occur next Tuesday, August 31st.

Furthermore, you, the shareholders will be the beneficiaries of the Transaction's value release through varying means over the short to long term.

- The proposed fully franked dividend of 12.5 cents per share (pre consolidation) represents 28% of the value of the Company at market close before the announcement of the transaction (when the share price was 45 cents).
- Your ongoing investment will be further supported by another approximately \$7m of franking credits remaining in the business after this payment, along with \$25m of revenue tax losses available in future years.
- While never guaranteed, we know that the market does tend to value less complex, consistent growth businesses more highly than cyclical manufacturing businesses.
- And finally, also while never guaranteed, we would hope to see a level of re-rate over time. The share price reaction since our announcement does indeed indicate this is a real possibility.

Since announcing the sale of the trailer business, we have received and answered several questions from our shareholders. Some I have answered already today when discussing the benefits of the transaction but I would like to address some other questions we have received.

Is there a conflict of Interest for the Board or the Executive of MXI?

No executive or director from the current or past MaxiTRANS business has any interest in ATSG which is acquiring the business.

Do the buyer's investors have shares in MXI allowing them to sway the vote to sell the Trailer Solutions business?

We are not aware that any of the investors in the buyers holds shares in MXI. If they did, they would be prevented from voting on Resolution 1.

The buyers have access to the FY21 financial results and the shareholders are not yet able to assess these results prior to the vote.

The FY21 Financial Results were released on 20 August 2021. This allowed 5 days for analysis of the FY21 results prior to lodging your proxy or 7 days prior to you casting your vote here at the EGM.

How can the future MaxiPARTS business provide appropriate returns to shareholders?

When compared to our competitors, MaxiPARTS is one of 3 largest commercial parts players in the market. The parts business has proven reliable in delivering organic growth year after year. With the plans detailed in our Investor Presentation, the ability to grow the business inorganically is dramatically improved once MaxiPARTS is separated from trailer solutions.

With the uncertainty of the vendor financing arrangement, how can the buyers afford to pay such high interest on the finance as laid out in the sale agreement?

The arrangement for vendor finance is designed to motivate ATSG to repay the vendor finance as early as possible as the interest rate escalates on a regular basis.

Is the sale of the Trailer Solutions business an admission that the work done over recent years to better the business has failed?

The Board communicated at the 2020 AGM that our Capital Management strategy would “continue this focus into FY21 with further focus on the assets in the portfolio and achieving best returns from them.”

New MXI will be better able to create sustainable value for shareholders across economic cycle. New MXI will have:

- More stable earnings, steady growth, lower capex and more predictable dividends; and
- A less complex business which will enable a \$9m reduction in centralised functional/support costs

Why agree to such a high break fee?

The buyers have incurred significant costs in completing their due diligence in good faith. The circumstances of payment of this break fee are limited. The main purpose behind this is to compensate the buyers if, for example, a takeover offer is made for MXI which the directors consider should be recommended.

Why consolidate the shares?

The Consolidation will result in a more appropriate and effective capital structure for the Company and a Share price that is more appealing to a wide range of investors. The Board is of the opinion that a consolidation of the number of shares to increase the share price would be consistent with the strategy of repositioning the Company with a new direction and a new name.

I trust those responses add value to the shareholders decision making today.

We are also very happy to be able to introduce to you today a diverse and energetic executive team which has a track record of profit growth within MaxiPARTS over a period of time, supplemented by some great skills that presently exist in the MaxiTRANS corporate structure. Some details of the team is on the slide presentation for those of you who have access to this today. For others listening only, this slide was in the investor presentation released to the ASX on the 26th of July.

Peter, to you, Liz and the remainder of the team, good luck! Although I'm sure you will not need it.



If I may also turn my attention to the Trailer Solutions business too. The history of MaxiTRANS as we know it is intertwined with manufacturing of heavy-duty trailers of all types and sizes. As a Board, the decision we have made to recommend this transaction was not taken lightly, but we all firmly believe that the benefits of private ownership will result in better outcomes for all the stakeholders of the Trailer Solutions business. We wish Greg and the team at ATSG and all of the staff transferring best of luck and can't wait to be partners in your success as a supplier going forward.

In reviewing the plans for the future and in particular this set of transactions your Board engaged ShineWing Securities as an Independent Expert to provide the Independent Expert's Report and determine whether the Transaction is fair and reasonable to, and in the best interests of, Shareholders. The Independent Expert has determined that the Transaction is fair and reasonable to, and in the best interests of, Shareholders.

Your Board of Directors unanimously recommends that all shareholders vote in favour of each of the following resolutions.

[End]

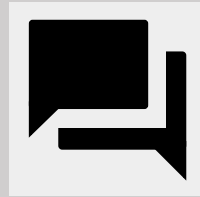
An aerial photograph of a long, straight road winding through a vast, arid desert landscape. The terrain is reddish-brown with sparse vegetation. In the distance, a range of mountains is visible under a clear sky. The sun is low on the horizon, creating a warm, golden glow across the scene.

MaxiTRANS Industries Limited

Extraordinary General Meeting

ONLINE ATTENDEES – QUESTION PROCESS

When the Question function is available, the Q&A icon will appear at the top of the app

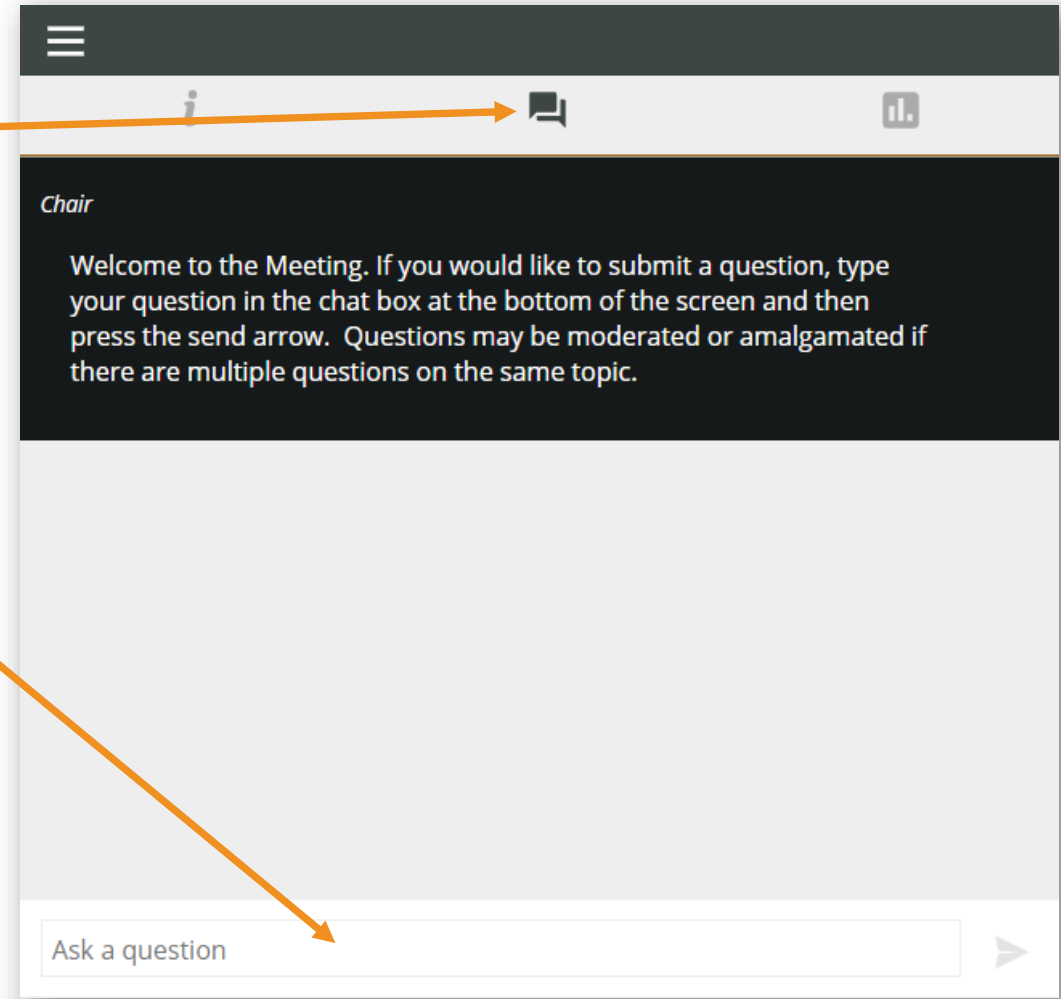


To send in a question, click in the 'Ask a question' box, type your question and press the send arrow



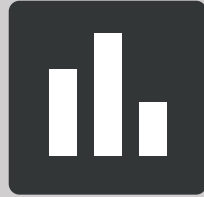
Your question will be sent immediately for review

✓ Received



ONLINE ATTENDEES – VOTING PROCESS

When the poll is open, the vote will be accessible by selecting the voting icon at the top of the screen



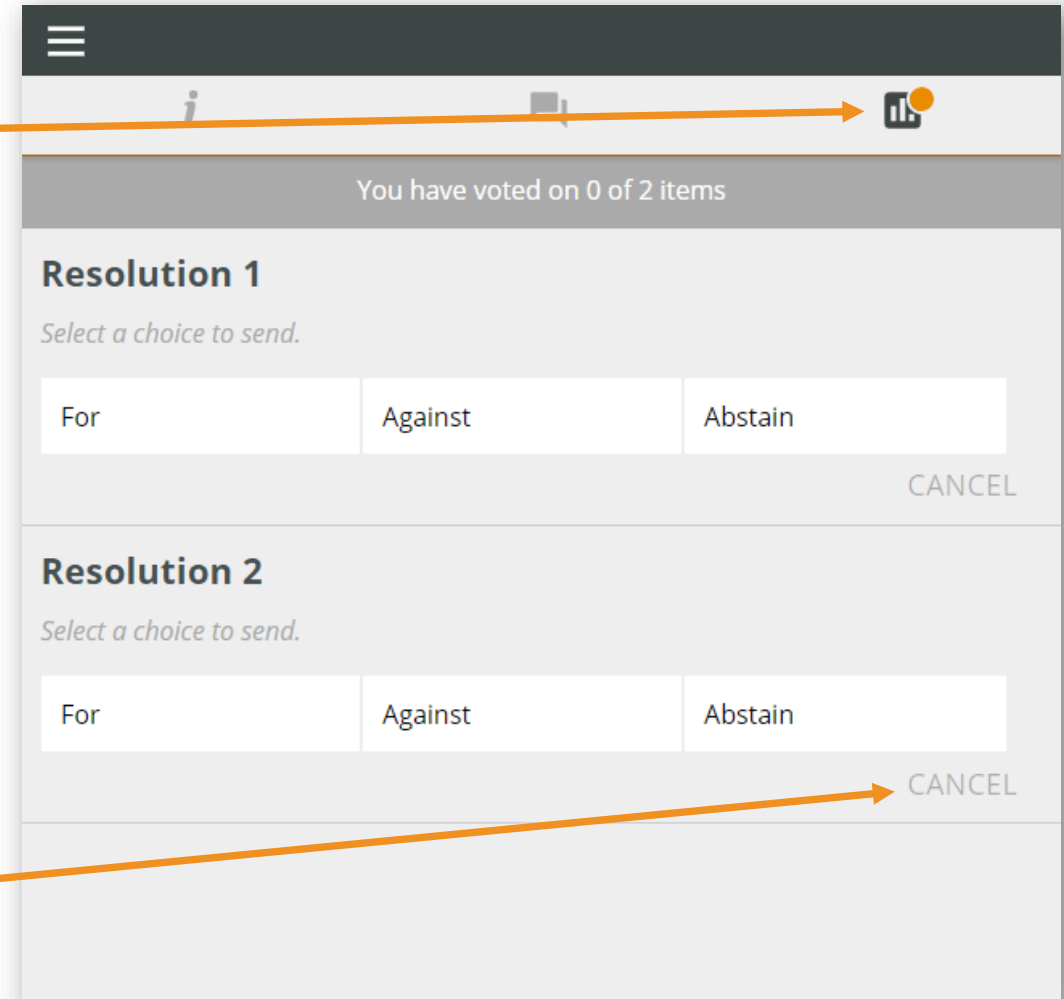
To vote simply select the direction in which you would like to cast your vote. The selected option will change colour

For

Against

Abstain

There is no submit or send button, your selection is automatically recorded. You can change your mind or cancel your vote any time before the poll is closed



The screenshot shows a mobile application interface for voting. At the top, there is a navigation bar with a hamburger menu icon, an information icon, a chat icon, and a voting icon (a bar chart with a red dot). Below the navigation bar, a status bar indicates "You have voted on 0 of 2 items". The main content area displays two resolutions, "Resolution 1" and "Resolution 2". Each resolution has a heading, a sub-heading "Select a choice to send.", and three buttons: "For", "Against", and "Abstain". In both resolutions, the "For" button is highlighted in orange. A "CANCEL" button is located at the bottom right of each resolution's selection area. An orange arrow points from the voting icon in the navigation bar to the "For" button in Resolution 1. Another orange arrow points from the "CANCEL" button in Resolution 2 to the text in the third callout box.

BOARD OF DIRECTORS - UPDATE



Rob Wylie
Chairman, Non-Executive Director



James Curtis
Deputy Chairman, Non-Executive Director



Greg Sedgwick
Non-Executive Director



Dean Jenkins
Managing Director & CEO



Mary Verschuer
Non-Executive Director

A large white semi-trailer is shown from a side-rear perspective, parked on a paved road. The background features a sunset with rays of light breaking through a cloudy sky. The entire image has a blue color overlay.

CHAIRMAN'S ADDRESS

Key management



	Name	Title	Background
	Peter Loimaranta	Chief Executive Officer and Managing Director	<ul style="list-style-type: none"> • 15+ years at MXI, including 10 years running MaxiPARTS
	Liz Blockley	Chief Financial Officer	<ul style="list-style-type: none"> • 2.5 years at MXI as Group Financial Controller • Previously, 20 years of experience in variety of finance and commercial roles, including most recently CFO of Mastermyne (ASX:MYE)
	Amanda Jones	GM Corporate Services	<ul style="list-style-type: none"> • 3 years at MXI, including 2 years as General Counsel and Company Secretary • Previously, 16 years in national legal firms
	Graham Stewart	GM Wholesale Operations and Strategy	<ul style="list-style-type: none"> • Joined MXI in 2020 • Previously, 12 years in strategy, corporate development and product management roles (WEIR.LON)
	Heath Mooney	GM Sales and Distribution	<ul style="list-style-type: none"> • 5+ years at MXI, including 3 years as National Operations Manager • Previously, 20 years experience in various branch, regional management and commercial roles in parts businesses

A large white semi-trailer is shown from a side-rear perspective, parked on a road. The background features a sunset with rays of light breaking through a cloudy sky. The entire image has a blue color overlay.

CHAIRMAN'S ADDRESS



DISPOSAL OF MAIN UNDERTAKING



That, for the purpose of ASX Listing Rule 11.2 and for all other purposes, approval is given for the disposal of the Trailer Business and the Ballarat Property, being the main undertaking of the Company, by way of the sale by the Seller Entities of the Assets and the Ballarat Property to Australian Trailer Solutions Group Pty Ltd and related companies on the terms and conditions described in the Explanatory Memorandum that accompanies the Notice of Meeting.

Valid proxies have been received in respect of this resolution as follows:

For	Against	Proxy's discretion	Abstain
106,419,773	1,317,006	1,394,278	127,198
97.51%	1.21%	1.28%	

CHANGE OF COMPANY NAME



That, with effect on and from but subject to Completion of the Asset Sale Agreements (as those terms are defined in the Explanatory Memorandum), the name of the Company be changed to 'MaxiPARTS Limited'.

Valid proxies have been received in respect of this resolution as follows:

For	Against	Proxy's discretion	Abstain
106,346,072	822,222	1,400,888	689,118
97.95%	0.76%	1.29%	

SHARE CONSOLIDATION



That, for the purposes of section 254H of the Corporations Act 2001 (Cth), the Company's Constitution and for all other purposes, approval is given to the Shares being consolidated on the basis that:

- (a) every 5 Shares held by a Shareholder be consolidated into 1 Share; and*
- (b) where this Consolidation results in a fraction of a Share being held, the Company be authorised to round that fraction up to the nearest whole Share.*

The Consolidation will take effect from, but will be subject to, the date on which Completion under the Asset Sale Agreements (as those terms are defined in the Explanatory Memorandum) occurs.

Valid proxies have been received in respect of this resolution as follows:

For	Against	Proxy's discretion	Abstain
105,850,660	1,240,792	1,484,038	682,765
97.49%	1.14%	1.37%	

