

# Accelerated Non-renounceable Entitlement Offer

Retail offer booklet

MaxiPARTS Limited ACN 006 797 173

1 for 9.7 accelerated non-renounceable entitlement offer of new fully paid ordinary shares in the Company at a price of \$2.50 per New Share.

Underwritten by Canaccord Genuity (Australia) Limited

Not for distribution or release in the United States

This is an important document which is accompanied by a personalised entitlement and acceptance form and both should be read in their entirety. Please call your stockbroker, accountant, financial adviser, taxation adviser or other independent professional adviser or the share registry if you have any questions.

Retail Entitlement Offer closes at 5.00pm (AEDT) on 3 March 2022 (unless extended). Valid Applications must be received before that time.



## Important notices

This Retail Offer Booklet is dated 7 February 2022 and relates to the Retail Entitlement Offer which is part of the Entitlement Offer by the Company to raise approximately \$9.6 million.

The Retail Entitlement Offer is made pursuant to section 708AA of the Corporations Act (Corporations Act) (as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84). This Retail Offer Booklet is not a prospectus or product disclosure statement under the Corporations Act and has not been lodged with ASIC. This Retail Offer Booklet does not contain all of the information which would be required to be disclosed in a prospectus or product disclosure statement. As a result, it is important for you to read and understand the publicly available information on the Company and the Entitlement Offer prior to deciding whether to accept your Entitlement and/or apply for Additional New Shares, including the Company's announcements on ASX.

## Not financial product advice

The information contained in this Retail Offer Booklet is not financial product advice and does not take into account the investment objectives, financial situation or particular needs of any prospective investor. It is important that you read this Retail Offer Booklet carefully and in full before deciding whether to accept your entitlement and/or apply for Additional New Shares. In considering an investment in the Company, you should consider the risks that could affect the financial performance or position of the Company. You should carefully consider these risks in the light of your investment objectives, financial situation and particular needs (including financial and taxation issues) and seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest. Some of the risks that should be considered by prospective investors are set out in Section 3. There may be risk factors in addition to these that should be considered in the light of your personal circumstances.

No person named in this Retail Offer Booklet, nor any other person, guarantees the performance of the Company, the repayment of capital by the Company or the payment of a return on the New Shares.

No person is authorised to give any information or make any representation in connection with the Entitlement Offer which is not contained in this Retail Offer Booklet. Any information or representation not so contained may not be relied on as having been authorised by the Company or the directors of the Company (**Directors**).

Eligible Retail Shareholders should carefully read and follow the instructions in Section 1 and on the personalised Entitlement and Acceptance Form when making the decision whether to accept your Entitlement (or to apply for Additional New Shares).

## Obtaining a copy of this Retail Offer Booklet

Eligible Retail Shareholders will receive a copy of this Retail Offer Booklet together with an accompanying personalised Entitlement and Acceptance Form electronically. A physical copy of the Retail Offer Booklet and Entitlement and Acceptance form can be sent to you on request via the Offer Website. Eligible Retail Shareholders in Australia and New Zealand can also obtain a copy of this Retail Offer Booklet (free of charge) and Entitlement and Acceptance Form during the Retail Entitlement Offer period from the Offer Website at maxipartsoffer.thereachagency.com or by calling the Offer Information Line on 1300 556 161 (from within Australia) or +61 3 9415 4000 (from outside of Australia) from 8.30am to 5.00pm (AEDT), Monday to Friday during the Retail Entitlement Offer period. Shareholders in other jurisdictions (including the United States), or who are, or who are acting for the account or benefit of, a person in the United States are not entitled to access the electronic version of this Retail Offer Booklet. Eligible Retail Shareholders who access the electronic version of this Retail Offer Booklet and Entitlement and Acceptance Form on the Offer Website should ensure they download and read the entire Retail Offer Booklet. The electronic version of the Retail Offer Booklet on the Offer Website will not include a personalised Entitlement and Acceptance Form.

## Statements of past performance

Past performance and pro forma financial information included in this Retail Offer Booklet is given for illustrative purposes only and should not be relied upon as (and is not) an indication of the Company's views on its future financial performance or condition. Investors should note that past performance, including past Share price performance, of the Company cannot be relied upon as an indicator of (and provides no guidance as to) the Company's future performance including future Share price performance. The historical information about the Company included in this Retail Offer Booklet is, or is based on, information that has previously been released to the market.

Investors should also be aware that certain financial data included in this Retail Offer Booklet may be 'non-IFRS financial information' under Regulatory Guide 230 Disclosing non-IFRS financial information published by The Company believes this non-IFRS financial ASIC information provides useful information to users in measuring the financial performance and condition of the Company. The non-IFRS financial information does not have a standardised meaning prescribed by Australian Accounting Standards and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial information and ratios (if any) included in this Retail Offer Booklet.

## Forward looking statements

This Retail Offer Booklet 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 are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. Accordingly, such forward looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management. The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Retail Offer Booklet will actually occur and prospective investors are cautioned against placing undue

reliance on these forward-looking statements. Forward looking statements should be read in conjunction with, and are qualified by reference to, the risk factors as set out in Section 3, as well as the other information in this Retail Offer Booklet.

The Company has no intention to update or revise forward looking statements, regardless of whether new information, future events or any other factors affect the information contained in this Retail Offer Booklet, except where required by law.

## Underwriter

The Underwriter has acted as lead manager, broker, bookrunner and Underwriter to the Offer (including the Retail Entitlement Offer). None of the Underwriter, its affiliates or related bodies corporate (as defined in the Corporations Act) nor any director, officer, partner nor agent of the Underwriter, affiliate or related body corporate (Underwriting Parties), nor any other advisor of the Company or any person named in this Retail Offer Booklet (other than the Company), have authorised, permitted or caused the issue or lodgement, submission dispatch or provision of this Retail Offer Booklet or any other related material and the Underwriting Parties do not make or purport to make, and have not authorised, approved or verified, any statement (including any forward looking statement) in this Retail Offer Booklet and there is no statement in this Retail Offer Booklet which is based on any statement by any of them.

The Underwriter will receive fees and expenses for acting as lead manager broker, bookrunner and Underwriter to the Offer. The Underwriting Parties may from time to time, hold interests in the securities of, or earn brokerage, fees or other benefits from, the Company.

## No cooling-off period

No cooling off rights apply to Applications submitted under the Retail Entitlement Offer.

## No entitlements trading

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

## Photographs and diagrams

Any photographs and diagrams used in this Retail Offer Booklet that do not have descriptions are for illustration purposes only and should not be interpreted to mean that any person shown in them endorses this Retail Offer Booklet or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Retail Offer Booklet 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 date of this Retail Offer Booklet.

## Company website

Any references to documents included on the Company's website at www.maxiparts.com.au are for convenience only, and none of the documents or other information available on the Company's website are incorporated herein by reference.

## Defined terms

Capitalised terms and abbreviations used in this Retail Offer Booklet have the meanings given to them in the Glossary.

## Disclaimer

Except as required by law, and only to the extent so required, neither the Company nor any other person warrants or guarantees the future performance of the Company, or any return on any investment made pursuant to this Retail Offer Booklet.

As set out in Section 1, it is expected that the New Shares will be quoted on ASX. The Company, the Underwriter and the Share Registry (in each case, as defined below) disclaim all liability, whether in negligence or otherwise, to persons who trade New Shares before receiving their holding statements.

## Selling restrictions

This Retail Offer Booklet does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the New Shares, or the Entitlement Offer, or to otherwise permit an offering of New Shares, in any jurisdiction outside Australia and New Zealand. The distribution of this Retail Offer Booklet outside Australia and New Zealand may be restricted by law and persons who come into possession of this Retail Offer Booklet outside Australia or New Zealand should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

In particular, the New Shares or Additional New Shares, if any, have not been, and will not be, registered under the 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 unless the New Shares and Additional New Shares, if any, are registered under the US Securities Act, or offered or sold in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

For further detail please see Section 4.4.

## Privacy

By completing the personalised Entitlement and Acceptance Form to apply for New Shares (and Additional New Shares, if applicable), you are providing personal information to the Company through the Company's securities registry, Computershare Investor Services Pty Ltd which is contracted by 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, service your needs as an investor, provide facilities and services that you request and carry out appropriate administration. If you do not provide the information requested in the personalised Entitlement and Acceptance Form, the Company and the Share Registry may not be able to process or accept your application.

Your personal information may also be provided to the Company's members, agents and service providers on the basis that they deal with such information in accordance with the Company's privacy policy. 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 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 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 Company's issued securities and for associated actions.

The information contained in the Company's register of members must remain there even if that person ceases to be a Shareholder. Information contained in the Company's register of members is also used to facilitate dividend payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its members) and compliance by the Company with legal and regulatory requirements. An Applicant has a right to gain access to the information that the Company and the Share Registry hold about that person, subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing or by telephone call to the Company's registered office or the Share Registry's office, details of which are disclosed in the corporate directory set out on the last page of this Retail Offer Booklet.



## **Key Entitlement Offer Dates**

Event	Date
Announcement of Placement and Entitlement Offer	Tuesday 1 February 2022
Placement and Institutional Entitlement Offer opens	Tuesday 1 February 2022
Placement and Institutional Entitlement Offer closes	Wednesday 2 February 2022
Shares recommence trading ex-entitlement on ASX	Thursday 3 February 2022
Record Date for the Retail Entitlement Offer	Thursday 3 February 2022
Retail Entitlement Offer opens	Monday 7 February 2022
Despatch of Offer Documents to Eligible Retail Shareholders	Monday 7 February 2022
Placement and Institutional Offer settlement date	Tuesday 8 February 2022
Issue and quotation of New Shares under Placement and Institutional Entitlement Offer	Wednesday 9 February 2022
Retail Entitlement Offer closes	Thursday 3 March 2022
Announcement of results of Retail Entitlement Offer	Monday 7 March 2022
Settlement of New Shares issued under Retail Entitlement Offer	Wednesday 9 March 2022
Issue of New Shares under the Retail Entitlement Offer	Thursday 10 March 2022
Quotation of New Shares under the Retail Entitlement Offer	Friday 11 March 2022

Dates and times in this Retail Offer Booklet are indicative only and subject to change. All times and dates refer to Melbourne time. The Company reserves the right, subject to the Corporations Act, ASX Listing Rules and other applicable laws, to vary the dates of the Entitlement Offer without prior notice, including extending the Entitlement Offer or accepting late Applications, either generally or in particular cases, or to withdraw the Entitlement Offer without prior notice. Applicants are encouraged to submit their personalised Entitlement and Acceptance Forms and Application Monies as soon as possible. The commencement of quotation of New Shares is subject to confirmation from ASX.

## Enquiries

Before making a decision about investing in the Retail Entitlement Offer, you should seek advice from your stockbroker, accountant, financial adviser, taxation adviser or other independent professional adviser to determine whether it meets your objectives, financial situation and needs. If you have any questions on how to:

- 1. complete your personalised Entitlement and Acceptance Form; or
- 2. take up the New Shares offered to you under the Entitlement Offer, either in full or in part; or
- 3. take up your full Entitlement and apply for Additional New Shares,

please call the Offer Information Line between 8.30am and 5.00pm (AEDT), Monday to Friday during the period from and including the date on which the Retail Entitlement Offer opens until and including the date on which it closes:

Within Australia: 1300 850 505

Outside Australia: +61 3 9415 4000

If you have the Securityholder Reference Number or Holder Identification Number for your holding(s), you can apply via the Offer Website at **maxipartsoffer.thereachagency.com** or download a form from the Share Registry's secure website at <u>www.investorcentre.com/au</u>.

## Contents

1.	Details of the Retail Entitlement Offer and how to apply		9
	1.1	The Retail Entitlement Offer	9
	1.2	Your Entitlement	9
	1.3	Scale Back	9
	1.4	Nominees	10
	1.5	No Rights Trading	10
	1.6	Risks	10
	1.7	Options available to you	10
	1.8	Eligible Retail Shareholders	11
	1.9	Ineligible Foreign Shareholders	12
	1.10	How to apply	12
	1.11	ASX quotation and trading	
	1.12	CHESS	
	1.13	No withdrawal or cooling-off rights	
	1.14	Warranties made on acceptance of the Entitlement Offer	14
2.	Purpose	and Effect of the Entitlement Offer	17
	2.1	Use of proceeds	17
	2.2	Capital structure	17
	2.3	Effect on control	17
	2.4	Risks	18
	2.5	Reporting and disclosure obligations	18
	2.6	Rights and liabilities attaching to Shares	18
3.	Investor	Presentation	19
4.	Addition	al Information	20
	4.1	Not investment advice or financial product advice	20
	4.2	Past performance	
	4.3	Notice to nominees and custodians	20
	4.4	Foreign jurisdictions	20
	4.5	Governing law	
	4.6	Taxation	21
	4.7	Underwriter	
5.	Glossar	y	22



7 February 2022

Dear Shareholder,

On behalf of the Company, I invite you to participate in a 1 for 9.7 accelerated non-renounceable entitlement offer of New Shares in the Company at an Offer Price of \$2.50 per New Share.

## Offer

The Entitlement Offer forms part of the equity raising announced by the Company on 1 February 2022. The Entitlement Offer is being conducted in conjunction with a placement of ordinary shares to institutional investors (**Placement**) to raise in aggregate approximately \$25 million.

The Entitlement Offer comprises:

- an institutional component (Institutional Entitlement Offer); and
- a retail component (Retail Entitlement Offer).

The Institutional Entitlement Offer is expected to be settled on 8 February 2022 and is expected to raise gross proceeds of approximately \$5 million.

The Retail Entitlement Offer is expected to raise gross proceeds of \$4.6 million.

This Retail Offer Booklet relates to the Retail Entitlement Offer and the New Shares to be issued under it. The Offer Price of \$2.50 per New Share under the Retail Entitlement Offer is the same issue price paid by institutional investors under the Placement and the Institutional Entitlement Offer.

New Shares issued under either the Institutional Entitlement Offer or the Retail Entitlement Offer will rank equally with existing Shares.

The Entitlement Offer is underwritten by the Underwriter.

## Use of Funds

As announced on 1 February 2022, the Company has entered into a binding agreement to acquire the assets of the parts distribution business carried on by Truckzone Pty Ltd and associated entities (**Truckzone**).

The net funds raised from the Placement and the Entitlement Offer will be used to fund the acquisition of Truckzone, additional working capital, organic growth initiatives and associated transaction costs.

## **Details of Acquisition**

Details of the Truckzone acquisition are set out in the Investor Presentation in Section 3.

## **Details of your Entitlement**

Eligible Shareholders are entitled to subscribe for 1 New Shares for every 9.7 existing Shares held at 7.00pm (AEDT) on 3 February 2022.

MaxiPARTS Limited | 22 Efficient Drive, Truganina, VIC 3029 | ABN 58 006 797 173 T 1300 265 724 | E shop@maxiparts.com.au | W www.maxiparts.com.au

Eligible Retail Shareholders may also apply for Additional New Shares at the Offer Price in excess of their Entitlement. Additional New Shares will only be allocated to Eligible Retail Shareholders if available and if and to the extent that the Company so determines, in its absolute discretion. The Company may elect to scale-back Applications for Additional New Shares in its absolute discretion.

Details of how to apply for your Entitlement (and Additional New Shares if applicable) are set out in section 1.10.

## **Further information**

Further information on the Retail Entitlement Offer is detailed in this Retail Offer Booklet. You should read the entirety of this Retail Offer Booklet carefully before deciding whether to participate in the Entitlement Offer. An investment in the Company and the New Shares, is speculative and subject to a range of risks, which are more fully detailed in Section 3. If any of these risks or other material risks eventuate, it will likely have a material adverse impact on the Company's future financial performance and position.

On behalf of the Directors and management team of the Company, I invite you to consider this investment opportunity and thank you for your ongoing support.

Yours sincerely

RH Wylie

Robert Wylie Chair

## 1. Details of the Retail Entitlement Offer and how to apply

## 1.1 The Retail Entitlement Offer

Eligible Retail Shareholders (as defined in Section 1.8) are being offered the opportunity to subscribe for 1 New Share for every 9.7 existing Shares held at 7.00pm (AEDT) on 3 February 2022, at the Offer Price of \$2.50 per New Share.

Eligible Retail Shareholders may also apply for New Shares in excess of their Entitlement under the Shortfall Facility up to a maximum of 100% of their Entitlement (**Additional New Shares**). The allocation of any Additional New Shares will be limited to the extent that there are sufficient New Shares available from Eligible Retail Shareholders who do not take up their full Entitlement. Additional New Shares will be allocated by the Company, in its absolute discretion.

New Shares issued pursuant to the Retail Entitlement Offer will be fully paid and will rank equally with existing Shares on issue.

Please consider the Retail Entitlement Offer in the light of your particular investment objectives and circumstances.

Please consult with your stockbroker, accountant, financial adviser, taxation adviser or other independent professional adviser if you have any queries or are uncertain about any aspects of the Retail Entitlement Offer.

An investment in New Shares is subject to investment and other known and unknown risks, some of which are beyond the control of the Company, including possible loss of income and principal invested. Refer to the risks set out in Section 3 for further details on the risks associated with an investment in the Company. The Company does not guarantee any particular rate of return or the performance of the Company, nor does it guarantee the repayment of capital from the Company or any particular tax treatment.

## 1.2 Your Entitlement

Your Entitlement is set out in the accompanying personalised Entitlement and Acceptance Form and has been calculated as 1 New Share for every 9.7 existing Shares you held as at the Record Date. If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding.

If you decide to take up all or part of your Entitlement, or apply for Additional New Shares, please refer to the personalised Entitlement and Acceptance Form and apply for New Shares (and Additional New Shares, if applicable) pursuant to the instructions set out on the personalised Entitlement and Acceptance Form.

Any fractional entitlements will be rounded up to the next whole number.

The Company reserves the right (in its absolute discretion) to reduce the number of New Shares allocated to Eligible Retail Shareholders or persons claiming to be Eligible Retail Shareholders if their claims prove to be incorrect or overstated or if they fail to provide information to substantiate their claims.

## 1.3 Scale Back

The Company reserves the right (in its absolute and sole discretion) to allocate no Additional New Shares, or to allocate fewer Additional New Shares than an Eligible Shareholder applies for under the Retail Entitlement Offer, including, without limitation, in the event that the Retail Entitlement Offer is oversubscribed (**Scale Back**).

If there is a Scale Back, you may receive less than the parcel of Additional New Shares for which you applied. If a Scale Back produces a fractional number of shares when applied to your parcel, the number of Additional New Shares you will be issued will be rounded down to the nearest whole number of Additional New Shares. In the event of a Scale Back, the difference between the Application Monies received by the Company, and the amount equal to the number of Additional New Shares that will be issued to you multiplied by the \$2.50, will be refunded to you without interest. Amounts less than \$2.50 will not be refunded.

## 1.4 Nominees

The Retail Entitlement Offer is only being made to Eligible Retail Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares (e.g. for the purposes of determining whether any such persons may participate in the Retail Entitlement Offer).

Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Retail Entitlement Offer is compliant with applicable foreign laws. Any person that is in the United States with a holding through a nominee may not participate in the Retail Entitlement Offer and the nominee must not take up any Entitlement or send any materials into the United States or to any person it knows to be in the United States.

The Company assumes no obligation to advise you on any foreign laws.

## 1.5 No Rights Trading

There will be no trading of rights on ASX and you may not dispose of your rights to subscribe for New Shares under the Entitlement Offer to any other party.

## 1.6 Risks

As with any securities investment, there are risks associated with investing in the Company. Having regard to the risks applicable to the Company and its business, Eligible Retail Shareholders should be aware that an investment in the New Shares offered under this Retail Offer Booklet should be considered speculative and there exists a risk that you may, in the future, lose some or all of the value of your investment.

Before deciding to invest in the Company, investors should read this Retail Offer Booklet in its entirety, in particular the specific risks associated with an investment in the Company set out in the 'Key Risks' section of the Investor Presentation contained in Section 3 and should consider all factors in light of their personal circumstances and seek appropriate professional advice.

## 1.7 Options available to you

If you are an Eligible Retail Shareholder, you may take any one of the following options:

Option	Action	
Take up all of your Entitlement	If you take up and pay for all of your Entitlement in accordance with the instructions below, before the close of the Retail Entitlement Offer, you will be issued your New Shares on 10 March 2022.	
Do nothing	If you take no action or your Application is not supported by cleared funds, your Entitlement will lapse. You should note that if you allow all of your Entitlement to lapse, then your percentage holding in the Company will be diluted by your non-participation in the Retail Entitlement Offer. Entitlements will not be able to be traded on ASX or another financial market, or otherwise privately transferred.	

Option	Action
Take up part of your Entitlement and allow the balance to lapse	If you elect to take up and pay for part of your Entitlement in accordance with the instructions below, before the close of the Retail Entitlement Offer, you will be issued New Shares with respect to that part of your Entitlement on 10 March 2022. The balance of your Entitlement will lapse. You should note that if you
	allow part of your Entitlement to lapse, then your percentage holding in the Company will be diluted to the extent of your non-participation in the Retail Entitlement Offer.
	If you take up and pay for all your Entitlement, before the close of the Retail Entitlement Offer, you will be issued your New Shares on 10 March 2022.
Take up all of your	If you apply for Additional New Shares in excess of your Entitlement, subject to Additional New Shares being available and the Company's discretion to scale-back your allocation of Additional New Shares, you will also be issued with these Additional New Shares on 10 March 2022. The Company's decision on the number of Additional New Shares to be allocated to you will be final.
Entitlement and also apply for Additional New Shares in excess of your Entitlement	Other than to the extent that Additional New Shares are issued to you, any surplus Application Monies received for more than your Entitlement will be refunded after the close of the Retail Entitlement Offer following the allotment of the New Shares. Refunds will be made by sending a cheque in the post to the address the Company records on its share register unless your nominated bank account has been provided to the Share Registry, in which case the refund will be paid by direct credit.
	No interest will be paid to Eligible Retail Shareholders on any Application Monies received or refunded (wholly or partially).
	Amounts of less than \$2.50 will not be refunded.

## 1.8 Eligible Retail Shareholders

The Retail Entitlement Offer is only available to Eligible Retail Shareholders, who are those holders of Shares who:

- 1.8.1 are registered as a holder of Shares as at the Record Date;
- 1.8.2 have an address on the Company share register in Australia or New Zealand as at the Record Date;
- 1.8.3 are not in the United States and are not a person in the United States or acting for the account or benefit of US Persons, to that extent;
- 1.8.4 did not receive an offer (other than as nominee) under the Institutional Entitlement Offer and were not treated as an ineligible institutional Shareholder under the Institutional Entitlement Offer; and
- 1.8.5 are eligible under all applicable laws to receive an offer under the Retail Entitlement Offer without a prospectus, disclosure document, product disclosure statement or any lodgement, filing, registration or qualification.

Retail Shareholders who do not satisfy each of these criteria (other than those who received an offer under the Institutional Entitlement Offer) are Ineligible Retail Shareholders. See Section 1.9 for further details on Ineligible Foreign Shareholders.

The Company may (in its absolute discretion) extend the Retail Entitlement Offer to any Shareholder in other foreign jurisdictions (subject to compliance with applicable laws).

The Company, in its absolute discretion, reserves the right to determine whether a Shareholder is an Eligible Retail Shareholder and is therefore able to participate in the Retail Entitlement Offer, or an Ineligible Retail Shareholder and is therefore unable to participate in the Retail Entitlement Offer. The Company disclaims all liability to the maximum extent permitted by law in respect of any determination as to whether a Shareholder is an Eligible Retail Shareholder.

Subject to the above, the Retail Entitlement Offer is not being extended to any Shareholders outside Australia and New Zealand. By making a payment by BPAY, you will be taken to have represented and warranted that you satisfy each of the criteria listed above. Eligible Retail Shareholders who are nominees, trustees or custodians are therefore advised to seek independent professional advice as to how to proceed.

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

## 1.9 Ineligible Foreign Shareholders

The Company has decided that it is unreasonable to make offers under the Retail Entitlement Offer to investors who are holders of Shares and who have registered addresses outside Australia and New Zealand (**Ineligible Foreign Shareholders**), having regard to the number of such holders in those places and the number and value of New Shares that they would be offered and the cost of complying with the relevant legal and regulatory requirements in those places. As a result, these Shareholders will not be able to participate in the Offer.

## 1.10 How to apply

If you decide to take up all or part of your Entitlement, or take up all of your Entitlement and also apply for Additional New Shares in excess of your Entitlement, please pay your Application Monies via BPAY.

The Company will treat you as applying for as many New Shares as your payment will pay for in full up to your full Entitlement. Amounts received by the Company in excess of your full Entitlement (**Excess Amount**), will be treated as an application for as many Additional New Shares as your Excess Amount will pay for in full (up to a maximum of 100% of your Entitlement), subject to any Scale-Back that the Company may determine to implement in its absolute discretion in respect of Additional New Shares.

To participate in the Retail Entitlement Offer, your payment must be received no later than the close of the Entitlement Offer, being 5.00pm (AEDT) on 3 March 2022.

## 1.10.1 **Payment by BPAY**

For payment by BPAY, please follow the instructions on the personalised Entitlement and Acceptance Form (which includes the biller code and your unique Customer Reference Number (**CRN**)). You can only make a payment via BPAY if you are the holder of an account with an Australian financial institution that supports BPAY transactions. Please note that should you choose to pay by BPAY:

- (a) you do not need to submit the personalised Entitlement and Acceptance Form but are taken to have made the declarations on that personalised Entitlement and Acceptance Form; and
- (b) if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares as is covered in full by your Application Monies.

When completing your BPAY payment, please make sure to use the specific biller code and unique CRN provided on your personalised Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form (i.e. where you have multiple holdings), please only use the CRN specific to the Entitlement on that form. If you inadvertently use the same CRN for more than one of your Entitlements when paying by BPAY, you will be deemed to have taken up your Entitlement and applied for Additional New Shares over and above your Entitlement on that holding to which that CRN applies and your Applications in respect of your other CRNs will be deemed to have been rejected and will lapse.

Should you choose to pay by BPAY it is your responsibility to ensure that your BPAY payment is received by the Share Registry by no later than 5.00pm (AEDT) on 3 March 2022. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment and you should therefore take this into consideration when making payment. The Company takes no responsibility for any failure to receive Application Monies or payment by BPAY before the Retail Entitlement Offer closes arising as a result of, among other things, delays in processing of payments by financial institutions.

If you are a New Zealand shareholder and you are unable to pay by BPAY please refer to the Electronic Funds Transfer payment details on the Offer Website or phone the Offer Information Line on +61 3 9415 4000 for alternate payment arrangements.

## 1.10.2 Confirmation of your Application and managing your holding

You may access information on your holding, including your Record Date balance and the issue of New Shares or Additional New Shares from this Entitlement Offer, and manage the standing instructions the Share Registry records on your holding on the Share Registry website www.investorcentre.com/au.

Entitlement and Acceptance Forms and Application Monies will not be accepted at the Company's corporate offices, or other offices of the Share Registry.

## 1.11 ASX quotation and trading

The Company will apply for quotation of the New Shares on ASX. While the Company is not aware of any reason why quotation would be denied, there is no assurance that the application will be granted. If quotation is not granted, New Shares under the Retail Entitlement Offer will not be issued and Application Monies will be refunded to Applicants without interest. Amounts of less than \$2.50 will not be refunded.

The fact that ASX may grant quotation of the New Shares is not to be taken in any way as an indication of the merits of the Company or of the New Shares issued under the Entitlement Offer.

It is expected that the quotation and trading of New Shares issued under the Retail Entitlement Offer will commence on or about 11 March 2022 (on a normal settlement basis).

Confirmation of issue of New Shares is expected to be sent in accordance with ASX Listing Rules. It is the responsibility of each Applicant to confirm their holding before trading in New Shares. Any Applicant who sells New Shares before receiving their confirmation of issue will do so at their own risk. The Company, the Share Registry and the Underwriter disclaim all liability in tort (including negligence), statute or otherwise, to any person who trades in New Shares before receiving their confirmation of issue, whether on the basis of a confirmation of issue provided by the Company, the Share Registry or the Underwriter, or otherwise.

## 1.12 CHESS

The New Shares will participate from the date of commencement of quotation in the Clearing House Electronic Sub-register System (**CHESS**), operated by ASX Settlement Pty Limited. These securities must be held in uncertificated form (i.e. no certificate will be issued) on the CHESS sub-register under sponsorship of a sponsoring participant (usually a broker) or on the issuer-sponsored sub-register. Arrangements can be made at any subsequent time following quotation to convert your holdings from the issuer-sponsored sub-register to the CHESS sub-register under sponsorship of a sponsoring participant or vice versa, by contacting your sponsoring participant.

## 1.13 Withdrawal and cooling-off rights

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

The Company reserves the right to withdraw the Retail Entitlement Offer at any time before the issue of New Shares to Eligible Retail Shareholders, in which case the Company will refund any Application Monies already received in accordance with the Corporations Act and will do so without interest being payable to applicants. Amounts of less than \$2.50 will not be refunded.

## 1.14 Warranties made on acceptance of the Entitlement Offer

By completing your personalised Entitlement and Acceptance Form or making a payment by BPAY you will be deemed to have acknowledged, represented and warranted that you, and each person on whose account you are acting:

- 1.14.1 acknowledge that you have fully read and understood both this Retail Offer Booklet and your Entitlement and Acceptance Form in their entirety and you acknowledge the matters and make the warranties and representations and agreements contained in this Retail Offer Booklet and the Entitlement and Acceptance Form;
- 1.14.2 agree to be bound by the terms of the Entitlement Offer, the provisions of this Retail Offer Booklet and the Constitution;
- 1.14.3 authorise the Company to register you as the holder(s) of New Shares issued to you;
- 1.14.4 declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- 1.14.5 declare you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;
- 1.14.6 acknowledge that once the Company receives your Entitlement and Acceptance Form or any payment of Application Monies via BPAY, you may not withdraw your Application or funds provided except as allowed by law;

- 1.14.7 agree to apply for and be issued with up to the number of New Shares specified in the Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via BPAY, including, in each case, any Additional New Shares, at the Offer Price per share;
- 1.14.8 authorise the Company, the Underwriter, the Share Registry and any of their respective officers or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in your Entitlement and Acceptance Form;
- 1.14.9 declare that you were the registered holder(s) at the Record Date of the Shares indicated on the Entitlement and Acceptance Form as being held by you on the Record Date;
- 1.14.10 acknowledge that the information contained in this Retail Offer Booklet and your Entitlement and Acceptance Form is not investment advice or financial product advice nor have they been prepared taking into account your investment objectives, financial circumstances or particular needs or circumstances.
- 1.14.11 acknowledge that this Retail Offer Booklet and your Entitlement and Acceptance Form is not a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- 1.14.12 acknowledge that you have read and understood risks set out in the Investor Presentation in Section 3 and that investments in the Company are subject to a high degree of risk;
- 1.14.13 acknowledge that none of the Company, the Underwriter, or their respective related bodies corporate, affiliates or respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantee the performance of the Company, nor do they guarantee the repayment of capital;
- 1.14.14 agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Entitlement Offer and of your holding of Shares on the Record Date;
- 1.14.15 authorise the Company to correct any errors in your Entitlement and Acceptance Form or other form provided by you;
- 1.14.16 represent and warrant (for the benefit of the Company, the Underwriter and their respective related bodies corporate and affiliates) that you did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, and that you are not an Eligible Institutional Shareholder under the Institutional Entitlement Offer;
- 1.14.17 represent and warrant that the law of any place does not prohibit you from being given this Retail Offer Booklet and the Entitlement and Acceptance Form, nor does it prohibit you from making an Application for New Shares (or Additional New Shares); and
- 1.14.18 represent and warrant that your acceptance of the Entitlement Offer does not breach any laws in a jurisdiction outside Australia or New Zealand.

By completing your personalised Entitlement and Acceptance Form and making a payment by BPAY, you will also be deemed to have acknowledged, represented and warranted on your own behalf and on behalf of each person on whose account you are acting that you are an

Eligible Retail Shareholder (as defined in the 'Additional information' section) or otherwise eligible to participate in the Entitlement Offer and:

- 1.14.19 you and each person on whose account you are acting are not in the United States and are not otherwise a person to whom it would be illegal to make an offer of or issue of Entitlements or New Shares under the Entitlement Offer and under any applicable laws and regulations;
- 1.14.20 the Entitlements and New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States, or in any other jurisdiction outside Australia, and New Zealand, and, accordingly, the Entitlements may not be taken up, and the New Shares may not be offered, sold or otherwise transferred, except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws;
- 1.14.21 you and each person on whose account you are acting have not and will not send any materials relating to the Entitlement Offer to any person in the United States;
- 1.14.22 if in the future you decide to sell or otherwise transfer the New Shares, you will only do so in the regular way transactions are conducted on ASX where neither you nor any person acting on your behalf know, or have reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States; and
- 1.14.23 if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is not in the United States, and you have not sent this Retail Offer Booklet, the Entitlement and Acceptance Form or any information relating to the Entitlement Offer to any such person.

## 2. Purpose and Effect of the Entitlement Offer

## 2.1 Use of proceeds

The Entitlement Offer forms part of the equity raising announced by the Company of 1 February 2022. The Entitlement Offer is being conducted in conjunction with a placement of ordinary shares to institutional investors (**Placement**) to raise in aggregate approximately \$25 million.

The Entitlement Offer comprises:

- an institutional component (Institutional Entitlement Offer); and
- a retail component (Retail Entitlement Offer).

The Institutional Entitlement Offer is expected to be settled on 8 February 2022 and is expected to raise gross proceeds of approximately \$5 million.

The Retail Entitlement Offer is expected to raise gross proceeds of approximately \$4.6 million.

The proceeds from the Placement and Entitlement Offer will be used to fund the acquisition of Truckzone, additional working capital, organic growth initiatives and associated transaction costs.

## 2.2 Capital structure

A table setting out the effect of the Placement and the Entitlement Offer on the capital structure of the Company is set out below:

	As at the Record Date	New Shares to be issued as a result of the Offer*	On completion of the Offer (fully diluted)*
Ordinary shares	37,395,526	10,000,000	47,395,526
<b>Options/Rights</b>	389,755	-	389,755

\* Note: - Subject to rounding

## 2.3 Effect on control

Eligible Retail Shareholders should note that if they do not participate in the Entitlement Offer, their holdings will be diluted.

If all Entitlements are accepted by Eligible Institutional Shareholders and Eligible Retail Shareholders to the full extent, then the Entitlement Offer will not result in any material change to the control of the Company.

Further, the Offer (consisting of both the Placement and the Entitlement Offer) is not expected to have a material impact on the control of the Company. Specifically, the Company does not expect any Shareholder to hold more than 20% after completion of the Offer.

## 2.4 Risks

There are a number of risks associated with an investment in the Company which may affect its financial performance, financial position, cash flows, growth prospects and share price. The key risk factors are set out in the 'Key Risks' section of the Investor Presentation contained in Section 3.

## 2.5 Reporting and disclosure obligations

The Company is a disclosing entity for the purposes of the Corporations Act and is therefore subject to regular reporting and disclosure obligations under the Corporations Act and ASX Listing Rules. These obligations require ASX to be notified periodically and on a continuous basis of information about specific events and matters as they arise for the purpose of ASX making the information available to the financial market operated by it.

In particular, the Company has an obligation under ASX Listing Rules (subject to certain limited exceptions) to notify ASX immediately of any information concerning the Company, of which it becomes aware, which a reasonable person would expect to have a material effect on the price or value of the Company's securities. The Company is also required to prepare and lodge with ASIC and ASX both yearly and half-yearly financial statements accompanied by a Directors' declaration and report, and an audit or review report.

## 2.6 Rights and liabilities attaching to Shares

Immediately after issue and allotment, the New Shares will be fully paid Shares and will rank *pari passu* with the Shares currently on issue.

Detailed provisions relating to the rights attaching to the New Shares are set out in the Company's Constitution and the Corporations Act. A copy of the Company's Constitution can be inspected during office hours at the registered office of the Company and Shareholders have the right to obtain a copy of the Company's Constitution, free of charge.

The rights attaching to Shares may be varied with the approval of Shareholders, by special resolution at a general meeting.

3. Investor Presentation



## Acquisition and Capital Raising Presentation February 2022



Axles | Suspensions | Brakes | Tools | Oil & Filters | Electrical | Tyres

## **Disclaimer and Important Notice**



### Overview

This investor presentation ("Presentation") has been prepared by MaxiPARTS Limited (ACN 006 797 173) ("MaxiPARTS" or the "Company") and is dated 1 February 2022. This Presentation has been prepared in relation to a proposed capital raising ("Capital Raising") comprising an institutional placement of new MaxiPARTS ordinary shares ("New Shares") to certain 'sophisticated' and 'professional' investors (as defined in the Corporations Act (Cth)) ("Placement") and an underwritten accelerated non-renounceable entitlement offer ("Entitlement Offer") of New Shares (together, the "Offer").

The Entitlement Offer will comprise of an offer:

- to eligible institutional shareholders of MaxiPARTS in certain permitted jurisdictions; and
- to eligible retail shareholders of MaxiPARTS in Australia and New Zealand ("Retail Entitlement Offer").

The distribution of this Presentation in jurisdictions outside Australia and New Zealand may be restricted by law and you should observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. In particular, this Presentation may not be distributed or released on the United States.

#### **Summary Information**

This Presentation contains summary information about the current activities of MaxiPARTS and its subsidiaries and the acquisition described in the Presentation as at the date of this Presentation. The information in this Presentation is of a general nature and does not purport to be complete. This Presentation does not purport to contain all the information that an investor should consider when making an investment decision nor does it contain all the information which would be required in a disclosure document or prospectus prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with MaxiPARTS' other periodic and continuous disclosure announcements lodged with the ASX, which are available at www.asx.com.au. Neither MaxiPARTS nor its directors, employees or advisers give any warranties in relation to the statements and information in this Presentation. **Not an Offer** 

This Presentation is for information purposes only and is not a prospectus, disclosure document, product disclosure statement or other offering document under Australian law or any other law (and will not be lodged with ASIC or any other regulator and is not approved by or registered with any regulator). The Presentation is not and should not be considered an offer or an invitation to acquire New Shares or any other financial products. This Presentation may not be released or distributed in the United States. This Presentation does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or in any other jurisdiction in which such an offer would be illegal. The New Shares have not been, and will not be, registered under the U.S. Securities laws of any state or other applicable U.S. state securities laws. The distribution of this Presentation in other jurisdictions outside Australia may also be restricted by law and any such restrictions should be observed. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

#### Not financial product advice

This Presentation does not constitute financial product or investment advice (nor tax, accounting or legal advice) nor is it a recommendation to acquire New Shares and does not and will not form any part of any contract for the acquisition of New Shares. This Presentation has been prepared without taking into account the objectives, financial situation or needs of any particular investor. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek appropriate advice, including financial, legal and taxation advice appropriate to their jurisdiction. MaxiPARTS is not licensed to provide financial product advice in respect of MaxiPARTS shares or any other investment. Cooling off rights do not apply to the acquisition of New Shares.

## **Financial Data**

Except where otherwise mentioned, all dollar values are in Australian dollars ("A\$"). Any pro-forma financial information provided in this Presentation is for illustrative purposes only and is not represented as being indicative of MaxiPARTS' views on its future financial condition and/or performance. The pro-forma financial information has been prepared by MaxiPARTS and may not have been prepared in accordance with the measurement and recognition requirements or the disclosure requirements, of applicable accounting standards and other mandatory requirements in Australia. The pro-forma financial information does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the US Securities and Exchange Commission.

The financial information also includes non-GAAP measures within the meaning of Regulation G under the U.S. Securities Exchange Act of 1934 and non-IFRS measures, which have been included because the Company believes it provides users with additional relevant information. The non-IFRS/non-GAAP financial information does not have a standardised meaning prescribed by IFRS and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with IFRS. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS/non-GAAP financial information and ratios included in this document. Such financial information does not purport to be in compliance with Article 3-05 of Regulation S-X under the US Securities Act.

## **Truckzone financial information**

MaxiPARTS undertook a due diligence process in respect of the Truckzone Business, which relied in part on the review of financial and other information (including unaudited financial information) concerning the business and corporate structure of Truckzone, which was provided to MaxiPARTS by the vendors of Truckzone.

MaxiPARTS has prepared (and made assumptions in the preparation of) the financial information relating to Truckzone (on a stand-alone basis and also with MaxiPARTS post-acquisition of Truckzone) included in this Presentation from financial and other information (including unaudited financial information) provided by the vendors of Truckzone. MaxiPARTS is unable to verify the accuracy, reliability or completeness of all of this information. If any of the data or information provided to and relied upon by MaxiPARTS in its due diligence process and its preparation of this presentation proves to be incomplete, incorrect, inaccurate or misleading, there is a risk that the actual financial position and performance of Truckzone and the combined group may be materially different to the financial position and performance expected by MaxiPARTS and reflected in this Presentation.

# **Disclaimer and Important Notice (cont.)**



## Past Performance

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

## **Future Performance**

This Presentation contains certain "forward-looking statements". Forward-looking statements can generally be identified by the use of forward-looking words such as, "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target" "outlook", "quidance" and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, indications of, or guidance or outlook on, future earnings or financial position or performance of MaxiPARTS, the outcome and effects of the Capital Raising and the use of proceeds, including the impact of the Acquisition. The forwardlooking statements contained in this Presentation are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of MaxiPARTS, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Refer to the risks section of this Presentation for a summary of certain general and MaxiPARTS specific risk factors that may affect MaxiPARTS.

You are strongly cautioned not to place undue reliance on forward-looking statements in this Presentation, particularly in light of the current economic conditions and the significant volatility, uncertainty and disruption caused by the COVID-19 pandemic. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forwardlooking statements, including the risk factors set out in this Presentation including the risks and uncertainties associated with the COVID-19 pandemic. Investors should consider the forward-looking statements contained in this Presentation in light of those disclosures. The forward-looking statements are based on information available to MaxiPARTS as at the date of this Presentation. Except as required by law or regulation (including the ASX Listing Rules), MaxiPARTS undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements.

## Information and liability

To the maximum extent permitted by law, each of MaxiPARTS and the Underwriter and their respective affiliates and related bodies corporate and each of their respective directors, officers, partners, employees, agents and advisers (together, the "Beneficiaries") exclude and expressly disclaim:

- all duty and liability (including, without limitation, any liability arising from fault, negligence or negligent misstatement) for any expenses, losses, damage or costs incurred by you as a result of your participation in, or failure to participate in, the Offer or the information in this Presentation being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise;
- any obligations or undertaking to release any updates or revisions to the information in this Presentation to reflect any change in expectations or assumptions; and
- all liabilities in respect of, and make no representation or warranty, express or implied, as to the fairness, currency, accuracy, reliability or completeness of information in this Presentation or any constituent or associated presentation, information or material, or the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects or returns (or any event or results expressed or implied in any forward looking statement) contained in, implied by, the information in this Presentation or any part of it, or that this Presentation contains all material information about MaxiPARTS or which a prospective investor or purchaser may require in evaluating a possible investment in MaxiPARTS or acquisition of securities in MaxiPARTS.

## The Underwriter and its respective Beneficiaries:

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

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

## You acknowledge and agree that:

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

## **Table of Contents**



4

Executive Summary	
About MaxiPARTS	7
Acquisition Overview	13
Strategic Rationale	16
Financial Overview	22
Equity Raising Overview	24
Offer Jurisdictions	28
Key Risks	30



# EXECUTIVE SUMMARY

# **Executive Summary**



Acquisition of Truckzone Group	<ul> <li>MaxiPARTS has entered into a binding agreement to acquire the inventory and assets of Truckzone Group ("Truckzone") for an estimated \$18 million in cash subject to normal working capital adjustments</li> </ul>
Overview of Truckzone	<ul> <li>Truckzone is one of Australia's largest independent commercial truck and trailer parts businesses</li> <li>Distributor of aftermarket and original equipment truck and trailer parts and accessories</li> <li>Specialist in North American and Japanese trucking parts</li> <li>Operating a network of 10 company-owned stores across Australia</li> <li>FY21 Revenue of \$48.4m<sup>1</sup> and underlying EBITDA<sup>1</sup> of \$1.7m</li> </ul>
Acquisition Terms	<ul> <li>Acquisition price of \$18m comprising:         <ul> <li>\$15.6m of inventory</li> <li>Inventory consists only of quality inventory that has seen movement in the previous two years (to be confirmed via formal stocktake)</li> <li>This includes excess inventory of \$3.0m which is expected to be realised over the next 18 months through enhanced inventory management processes and general supply consolidation             <ul> <li>\$3.0m of fixed assets, staff, IP and goodwill on acquisition of Truckzone</li> <li>Adjustments related to any supplier deposits and a reduction in purchase price related to outstanding employee entitlements for transferring employees</li> <li>The acquisition values Truckzone at 10.6x<sup>2,3</sup> FY21 EBITDA (pre synergies) and 3.6x<sup>2,3</sup> FY21 EBITDA (post cost synergies and purchase price reduced for excess inventory reduction)</li> <li>The acquisition is expected to deliver mid-to-high single digit EPS accretion in FY24 inclusive of cost synergies</li> </ul> </li> </ul> </li> </ul>
Strategic Rationale	<ul> <li>Positions MaxiPARTS as one of the largest independent multi-site truck and trailer parts only businesses in Australia</li> <li>Cost-effective geographic expansion</li> <li>Significant product range enhancement including a mature Japanese parts program with an established overseas supplier base and appropriate product cataloguing support</li> <li>Cost synergies related to site consolidation and supply chain savings of \$2.5m (fully realized in FY24 – excluding implementation costs) and additional revenue synergies driven by the enhanced product range</li> <li>Aligns with the Company's core M&amp;A strategy</li> </ul>
Equity Raising	<ul> <li>\$25m capital raise consisting of:         <ul> <li>Institutional Placement to raise \$15.4m at \$2.50 per new share ("New Share")</li> <li>Fully Underwritten 1 for 9.7 accelerated pro-rata, non-renounceable entitlement offer to raise \$9.6m at \$2.50 per New Share</li> </ul> </li> <li>Proceeds of the raise will fund 100% of the acquisition of Truckzone, additional working capital, organic growth initiatives and the associated transaction costs</li> </ul>

1. Pro-forma pre-AASB16 and pre synergies figures that are normalised to adjust for employees and other costs not being acquired as well as abnormal impact on June 2021 trading due to ERP changeover (sales and margins have since materially returned to pre-changeover levels).

2. Before implementation costs

# ABOUT MAXIPARTS

# **Company Snapshot**



- One of Australia's largest independent commercial trucking and trailer parts companies with stores nationwide
- Approximately 6,500 truck and trailer parts for sale online, and over 30,000 different parts stocked across 19 stores nationwide
- Core product range that covers lights, tools, oil & filters through to axles, suspensions and brakes
- Strategic partnerships in place with leading automotive suppliers including Alemlube, Hendrickson, Castrol, Donaldson, NARVA, HELLA and Powerdown
- Also supplies own brand MAXUS covering a wide range of products in OEM and aftermarket



## Geographic Distribution (Pre-Acquisition)



State	Locations
Queensland	7
Victoria	5
New South Wales	4
South Australia	1
Western Australia	1
Northern Territory	1
Total	19

## 8

# **Operating Performance**

\$123m

FY18

\$9.7m

7.9%

\$100m

FY17

\$6.8m

6.8%

FY17

\$97m

FY16

Pro Forma Revenue<sup>1</sup>

\$129m

FY19

Pro Forma EBITDA<sup>1,3</sup> & EBITDA Margin %

\$11.2m

8.7%

28.8% CAGR<sup>1</sup>

\$127m

FY20

\$11.1m

8.7%

\$134m

FY21

► \$13.1m

9.8%

\$72m

1H FY22<sup>4</sup>

10.4% \$7.5m

1H FY22<sup>4</sup>

6.6% CAGR<sup>2</sup>



## Key Highlights

- Completed sale of Trailer Business in September 2021
- Special Dividend of 62.5 cents per share paid in December 2021
- 18% EBITDA growth from FY20 FY21 and 29% EBITDA CAGR from FY16 – FY21
- Demonstrated ability to deliver growth and profit improvement despite the market cycle and the historical limitations on capital







**Diversification into higher** margin product groups

Geographic footprint expansion



Strengthen relationships with fleet operators

Strategic M&A



FY18 FY20 FY21 FY19 EBITDA •EBITDA Margin %

Pro forma historical financials for the MaxiPARTS business alone

CAGR: Compound Annual Growth Rate - FY16 - FY21

EBITDA pre-AASB16

\$3.7m

3.8%

FY16

1H FY22 unaudited accounts



# **Board of Directors**





Robert Wylie

Chairman, Non-Executive Director

- Extensive experience in the professional services industry
- Held multiple senior management roles at Deloitte globally
- Current Director of The Walter
   + Eliza Hall Institute of Medical Research
- Formerly Director of Elders Limited, Centro Properties and CPT Manager Limited



Managing Director and CEO

Joined MaxiPARTS in 2005 as

Group General Manager of the

International business prior to

being appointed MD & CEO

corporate development roles

with global construction and

material companies Hanson

Prior to MaxiPARTS, held

**Financial Controller of the** 

Parts business

and Holcim

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Mary Verschuer

Non-Executive Director & Chair of Audit & Risk Committee

- Over 25 years of global senior management experience
- Held roles within

manufacturing, supply chain and sales operations globally including leading the Minerals and Metals business for Schenck Process

- Current Non-Executive Director of Forestry Corp of NSW and Chair of the Infants Home
- Previously Non-Executive Director of Nuplex Industries



Greg Sedgwick

Non-Executive Director & Chair of Remuneration and Human Resources Committee

- Over 30 years of global senior management experience across a broad range of industries
- Held senior executive roles with BOC and as CEO of ASX listed Crane Group Limited
- Current Chair of Next Gen Clubs



Gino Butera

Non-Executive Director

- Experienced executive globally
- Previously with Cummins Inc leading the Global Power Generation business
- Worked globally including leading regions with some of Cummins' largest spare parts distribution businesses

# **Key Management**



Name	Title	Background
Peter Loimaranta	Chief Executive Officer and Managing Director	<ul> <li>16+ years at MXI, including 10 years running MaxiPARTS</li> </ul>
Liz Blockley	Chief Financial Officer	<ul> <li>2.5 years at MXI as Group Financial Controller</li> <li>Previously, 20 years of experience in variety of finance and commercial roles, including most recently CFO of Mastermyne (ASX:MYE)</li> </ul>
Amanda Jones	GM Corporate Services	<ul> <li>3.5 years at MXI, including 2 years as General Counsel and Company Secretary</li> <li>Previously, 16 years in national legal firms</li> </ul>
Graham Stewart	GM Wholesale Operations and Strategy	<ul> <li>Joined MXI in 2020</li> <li>Previously, 12 years in strategy, corporate development and product management roles (WEIR.LON)</li> </ul>
Heath Mooney	GM Sales and Distribution	<ul> <li>5+ years at MXI, including 3 years as National Operations Manager</li> <li>Previously, 20 years experience in various branch, regional management and commercial roles in parts businesses</li> </ul>



# **1H FY22 Update and Outlook**



12

## 1H FY22 Highlights (unaudited)

- The underlying MaxiPARTS business (excluding sold Trailer business and corporate / admin support) has reported improved 1H FY22 sales and EBIT over prior corresponding period
  - Sales revenue **up 6.7%** from \$67.8m in 1H FY21 to \$72.3m in 1H FY22
  - Adjusted EBIT up 11.0% from \$6.6m in 1H FY21 to \$7.3m in 1H FY22<sup>1</sup>
- Sales growth reflects a strong value proposition, adaptability and knowledge of staff to manage short term supply disruption and the strength in underlying markets
- Improvement despite impact of COVID-19, disruptions to global supply chains and sale of Trailer business
- Sales to the ATSG owned Trailer manufacturing business were materially in line with prior period. Sales to the Trailer service business declined post transaction as originally flagged, however this is offset by the cost re-allocations included as part of the sale
- Corporate / Admin support costs<sup>2</sup> are still rightsizing after the divestment of the Trailer business, with annualised pro forma run-rate currently tracking to \$5.7m (\$0.7m ahead of the previous pro forma estimate of \$5.0m), and are expected to decline further in FY23

## **COVID-19 update**

- All sites operating with COVID safe plans
- Staffing shortages linked to isolation increased in December 21 and January 22 but no sites have closed and staffing levels are expected to return to normal as infection rates peak in coming months

## **Global supply chain**

• While global supply chain disruptions are expected to remain for many months, stock availability of aftermarket ranges improved towards the end of the half with MaxiPARTS investing in additional inventory holdings

## Outlook

- Subject to no worsening of economic conditions, guidance for the full year FY22 (excluding the impact of the acquisition) remains in line with broker forecasts: Revenue \$141m-\$145m and Adjusted EBIT including corporate costs (full year pro forma) and inclusive of all lease depreciation and interest \$8.1m-\$8.7m<sup>1</sup>
- FY22 will see minor profit improvement from the acquisition given integration and transaction costs with focus on implementation of cost synergies and deployment of additional capital to drive both cost and revenue synergy benefit in FY23 and beyond
- 1. Adjusted EBIT includes both Lease depreciation and lease interest relating to AASB16 leases. Lease interest included in the numbers is: H1 \$0.45m; FY22 \$0.85m.
- 2. Corporate / support costs are still presented as pro forma due to the divestment of the Trailer business occurring during H1 FY22 (31 Aug 2021). H1 FY22 Financial Statements will be presented on the basis of continued vs. discontinued operations including the historic allocation method for corporate overheads for the period pre-sale of the Trailer business

# ACQUISITION OVERVIEW

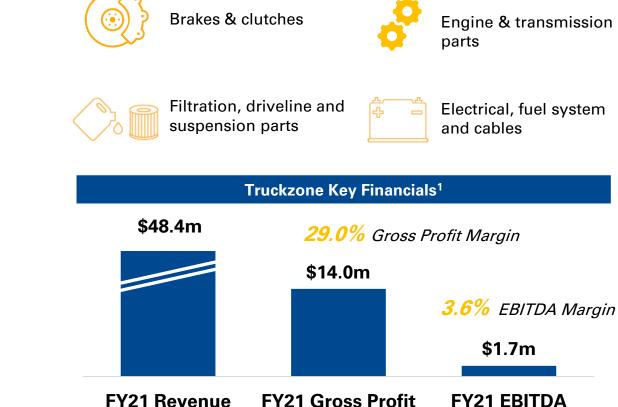
# **Truckzone Overview**



Steering



- Truckzone is a leading retailer and distributor of aftermarket and original equipment parts and accessories for trucks and trailers
- 10 company owned stores across Australia stocking over 25,000 product lines
- Access to high quality products from globally recognised brands
- Product range supports all makes and models of North American ٠ and Japanese trucks



Airconditioning, heating

& engine cooling



levels)





## Key **Product** Categories



# **Acquisition Terms**



## Acquisition

- MaxiPARTS has agreed to acquire the inventory and fixed assets of the Truckzone Group for an estimated \$18m in cash
- \$0.6m in employee liabilities will be funded by vendors through a reduction in purchase price resulting in minimal goodwill being included in the Acquisition
- Cost synergies related to site consolidation and supply chain savings of \$2.5m (fully realized in FY24 – excluding implementation costs) and additional revenue synergies driven by the enhanced product range

## Excess Inventory Acquired

• Ability to recover portion of cash investment through enhanced inventory management over the first 18 months

MaxiPARTS current Inventory to Sales ratio	20%	
Truckzone current Inventory to Sales ratio	32%	
Truckzone Inventory to Sales ratio reduction via50% of thMaxiPARTS inventory management efficienciesdifference		
Truckzone pro forma Inventory to Sales ratio	26%	
Projected inventory reduction by FY24	\$3.0m	
% of total reduction achieved by FY23 <sup>2</sup>	75%	

## Key Acquisition Terms

Purchase price	<ul> <li>Estimated to be \$18 million cash subject to normal working capital adjustments</li> </ul>
Timing	<ul> <li>Completion expected by late February 2022</li> </ul>
Payment milestones	<ul> <li>\$10 million on completion</li> <li>Balance payable 5 days after inventory valuation finalised (post-stocktakes)</li> </ul>
Conditions precedent	<ul> <li>Implementation of additional licences for MaxiPARTS' current ERP</li> <li>Assignment of site and equipment leases</li> <li>Completion of placement and institutional entitlement offer</li> </ul>
Acquisition multiples	<ul> <li>10.6x<sup>1,3</sup> FY21 EBITDA (pre-synergies)</li> <li>3.6x<sup>1,3</sup> FY21 EBITDA (including \$2.5m cost synergies and \$3.0 million excess inventory realisation)</li> </ul>

3. EBITDA pre-AASB16

# STRATEGIC RATIONALE

# **Strategic Rationale**



Immediate geographic expansion	<ul> <li>Positions MaxiPARTS as one of the largest independent multi-site parts only businesses in Australia with a strong geographic footprint</li> <li>Significantly expands existing geographic footprint and provides further scale in existing markets         <ul> <li>Additional 8 sites added to the MaxiPARTS portfolio (post store rationalisation)</li> </ul> </li> <li>Ability to consolidate two Truckzone metro stores into existing MaxiPARTS branches to increase scalability</li> </ul>
Expansion of core product range	<ul> <li>Rapid expansion to the core product range underpinning future growth</li> <li>Provides access to new range of quality high margin products including an established Japanese parts program (Parts Peek)</li> <li>Combining the core product range strengths of MaxiPARTS and Truckzone offers an expanded product range throughout the enlarged business</li> <li>Immediately increases the MaxiPARTS customer base and reduces key customer reliance risk</li> </ul>
Aligns with Company core M&A strategy	<ul> <li>Commercial truck and trailer parts provider with a national store network</li> <li>Ideal in terms of size and allows consolidation of one of the largest non-listed groups in the market</li> <li>Attractive acquisition multiple and identified synergies to be realised within 2 years</li> <li>Compatible culture to facilitate corporate fit and integration</li> </ul>
Accretive opportunity with identified financial synergies	<ul> <li>Highly complementary acquisition with mid-to-high single digit EPS accretion expected in FY24 inclusive of cost synergies</li> <li>Cost synergies related to site consolidation and supply chain savings of \$2.5m (fully realized in FY24 – excluding implementation costs)</li> <li>In addition, revenue synergies are expected to be realised through the expanded core product range and network expansion</li> <li>Strategic fixed asset acquisition with minimal goodwill included as part of the transaction</li> </ul>

# **Geographic Expansion**

- Acquisition immediately expands MaxiPARTS geographical footprint
- Increases network by 8 sites

Darra

QLD

- Ability to consolidate sites in Pakenham (Vic) and Darra (QLD) to immediately increase scale and capabilities in the area
- Enhanced core product offering to further enhance MaxiPARTS recent investment in the E-commerce platform

		New Geographical Locations
City	State	Note
Wetherill Park	NSW	New retail site
Campbellfield	VIC	New retail site
Rockhampton	QLD	New retail site
Townsville	QLD	New retail site
Perth	WA	New retail site
Sunshine	VIC	New retail site
Eagle Farm	QLD	New retail site
Port Hedland	WA	Regional stock holding site
Scale in Existing Markets		
Pakenham	VIC	Will consolidate into existing Lynbrook site

Will consolidate with existing Rocklea site



Total of 27 MaxiPARTS owned sites
post acquisition



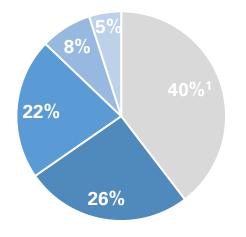
# **Expansion of Core Product Range**



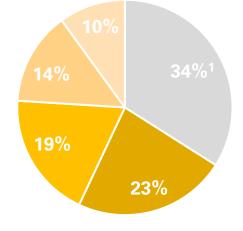
### Product Mix Diversification

- Combination provides product diversification with Truckzone focus skewed more towards trucks than trailers
- Mature Japanese Parts program with overseas supply chain and product catalogue support

## MaxiPARTS product mix



- Other
- Trailer OE
- Axles, suspensions and brakes
- Filters and lubricants
- Truck parts



*Truckzone product mix* 

- Other
- Axles, suspensions and brakes
- Truck parts
- Filters and lubricants
- Japanese parts



integrated into Truckzone stores

- Enhanced benefits to both MaxiPARTS and Truckzone product range
- MaxiPARTS stores to benefit from integration of Truckzone
   product range
- Truckzone stores to benefit from integration of MaxiPARTS
   product range

# **Aligns with Core M&A Strategy**



20

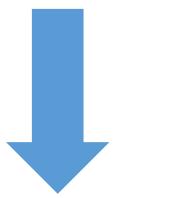
	Criteria		TRUCKZONE Acquisition
	Operating in the commercial vehicle parts market	$\checkmark$	Commercial trailer and trucking parts supplier
	Enhances product range and geographies	$\checkmark$	Adds significant geographical scale and enhances the core product range
MaxiPARTS	Clear post-acquisition integration and growth strategy	$\checkmark$	Detailed integration planning is in process and strong growth synergies identified
M&A Criteria	Cultural and corporate fit	$\checkmark$	Compatible culture to facilitate corporate fit and integration
	Experienced leadership team	$\checkmark$	Strong leadership team with a track record of building commercial truck and trailer parts and accessories businesses
	Attractive valuation and earnings accretive	$\checkmark$	Strong synergies identified, minimal goodwill and ability to recover inventory over time creating an accretive opportunity

The Truckzone acquisition sits in the 'sweet spot' of MaxiPARTS' M&A criteria

## **Accretive Opportunity with Identified Synergies**



## Cost synergies of \$2.5m<sup>1</sup>



## Supply chain/cost consolidation

- Consolidation of stores to increase scale
- Back end/support savings due to increased scale
- Leveraging best commercial arrangements on common suppliers/product ranges

## Enhanced product range growth

**Further upside through** 

revenue synergies

- Integration of high quality trucking parts
- Access to specialist North American and Japanese parts
- MaxiPARTS existing core range distributed through Truckzone sites

### Expected benefits

- ✓ Increased scale benefits
- Decreased costs
- Streamlined operations
- Strong revenue growth
- Access to higher margin products

The acquisition is expected to deliver mid-to-high single digit EPS accretion in FY24 inclusive of cost synergies

# FINANCIAL OVERVIEW



## **Pro Forma Balance Sheet**

## MaxiPARTS®

#### Commentary

- Cash increase represents cash remaining following capital raise less acquisition and transaction costs of \$2m
- Receivables include \$2.5m related to final payments for the sale of the Trailer business, which is anticipated to be collected in H2 FY22 subject to finalisation of completion accounts by an independent expert

3

Under the acquisition terms, MaxiPARTS will not take on Truckzone's current receivables and payables. Accordingly, the pro forma MaxiPARTS balance sheet does not reflect additional receivables and creditors linked to Truckzone that will accrue under MaxiPARTS ownership. Receivables and payables associated with Truckzone are anticipated to be similar as a proportion of sales as for the standalone MaxiPARTS business

\$mil	Notes	MaxiPARTS <sup>/</sup> Dec-21	Adj for Truckzone acquisition and capital raising	Pro forma MaxiPARTS Dec- 21
Assets	_			
Cash	1	6.6	5.0	11.6
Receivables	2 3	20.8		20.8
Inventory		30.7	15.6	46.3
Other Assets		4.5		4.5
Prepayments		0.7		0.7
PPE		1.7	1.5	3.2
Intangibles		7.6	1.5	9.1
Right to Use Asset		15.6	7.1	22.7
DTA/ DTL		21.0		21.0
Total Assets		109.2	30.7	139.9
Liabilities				
Payables	3	22.7		22.7
Provisions & Entitlements		4.3	0.6	4.9
Lease Liability		16.6	7.1	23.7
Borrowings		10.0		10.0
Total Liabilities		53.6	7.7	61.3
Net Assets		55.6	23.0	78.6
Net Debt / (Net Cash)		3.4	5.0	(1.6)

# EQUITY RAISING OVERVIEW

# **Equity Raising Overview**



25

Offer Size & structure	<ul> <li>A\$25m capital raise comprising: <ul> <li>A\$15.4m institutional placement ("Placement")</li> <li>A\$9.6m 1 for 9.7 pro-rata accelerated non-renounceable entitlement offer ("Entitlement Offer") (together with the Placement, the "Offer")</li> </ul> </li> <li>Approximately 10.0 million new fully paid ordinary shares in MaxiPARTS ("New Shares") to be issued under the Offer, representing approximately 26.7% of MaxiPARTS current shares on issue</li> </ul>
Offer Price	<ul> <li>All shares under the Placement and Entitlement Offer will be issued at a fixed price of A\$2.50 per new share, representing a:</li> <li>6.2% discount to the Theoretical Ex-Rights Price (TERP<sup>1</sup> including Placement) of \$2.67;</li> <li>7.7% discount to the last close price on 31 January 2022 of \$2.71; and</li> <li>10.9% discount to 5-day VWAP of \$2.80</li> </ul>
Institutional & Retail Entitlement Offer Components	<ul> <li>The Institutional Placement and Institutional Entitlement Offer will be conducted on 1 February – 2 February 2022. Entitlements not taken up under the Institutional Entitlement Offer will be offered to new and existing eligible institutions at the Offer Price via a shortfall bookbuild on 1 February – 2 February 2022.</li> <li>The Retail Entitlement Offer opens 7 February 2022 and closes 3 March 2022. Eligible retail shareholders in Australia, New Zealand &amp; UK will be able to apply for additional shares up to 100% over their entitlement under a "Top-Up Facility" as part of the Retail Entitlement Offer, subject to the Company's scale back policy</li> </ul>
Ranking	• All new shares issued under the Offer will rank equally with existing MaxiPARTS shares from the date of issue
Use of Funds	<ul> <li>Acquisition consideration, acquisition implementation costs, working capital requirements, organic growth initiatives and costs associated to the transaction</li> </ul>
Lead Manager	• Canaccord Genuity (Australia) Limited is acting as Lead Manager to the Offer and Underwriter to the Entitlement Offer

1. Theoretical ex rights price ("TERP") includes the shares issued under the Placement and the Entitlement Offer. TERP is the theoretical price at which MaxiPARTS shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Shares trade on ASX immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to the TERP. TERP is calculated by reference to the closing price of MaxiPARTS shares as traded on ASX on 31 January 2022, being the last trading day prior to the announcement of the Entitlement Offer.

## **Source & Uses**



Source of Funds	\$m
Capital Raise	\$25m
Total source of funds	\$25m
Use of Funds	\$m
Use of Funds Truckzone acquisition consideration	<b>\$m</b> \$18m
Truckzone acquisition consideration Funding to support working capital and capex	\$18m





## **Timetable**



27

Key Events	Key Dates 2022
Trading Halt	1 February 2022
Announcement of Acquisition and Equity Raising	1 February 2022
Bookbuild for Placement and Institutional Entitlement Offer conducted	1 - 2 February 2022
Announcement of the completion of the Placement and Institutional Entitlement Offer and trading resumes on an ex-entitlement basis	3 February 2022
Record Date for Retail Entitlement Offer (7pm AEDT)	3 February 2022
Opening date of the Retail Entitlement Offer	7 February 2022
Settlement of Placement and Institutional Entitlement Offer	8 February 2022
Allotment and Quotation of New Shares under the Placement and Institutional Entitlement Offer	9 February 2022
Closing date for acceptances under Retail Entitlement Offer (5pm AEDT)	3 March 2022
Announcement of results of Retail Entitlement Offer and notification of any shortfall	7 March 2022
Settlement of Retail Entitlement Offer	9 March 2022
Allotment and issue of New Shares under the Retail Entitlement Offer	10 March 2022
Quotation of New Shares issued under the Retail Entitlement Offer and trading commences on a normal bases	11 March 2022

Note: The above timetable is indicative only and subject to change. Subject to the requirements of the Corporations Act, the ASX Listing Rules and any other applicable laws, MaxiPARTS in consultation with the Lead Manager, reserves the right to amend this timetable and withdraw the offer at any time.

# OFFERJURISDICTIONS

- CLASSIN BILL

## **Offer Jurisdictions**



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

## Introduction



MaxiPARTS is subject to a variety of risk factors. Some of these are specific to its business activities, while others are of a more general nature. Individually, or in combination, these risk factors may affect the future operating and financial performance of MaxiPARTS, its investment returns and the value of an investment in shares in MaxiPARTS.

The risks listed below are not an exhaustive list of risks associated with an investment in MaxiPARTS, either now or in the future, and this information should be considered in conjunction with all other information in this Presentation. Many of the risks described below are outside the control of MaxiPARTS, its Directors and management. There is no guarantee that MaxiPARTS will achieve its stated objectives or that any forward looking statements or forecasts will eventuate.

This section discusses the key risks attaching to an investment in shares in MaxiPARTS, which may affect the future operating and financial performance of MaxiPARTS and the value of MaxiPARTS shares (before and after the proposed acquisition of TruckZone). Before investing in MaxiPARTS shares, you should consider whether this investment is suitable for you having regard to publicly available information (including this Presentation), your personal circumstances and following consultation with financial or other professional advisers. Additional risks and uncertainties that MaxiPARTS is unaware of, or that it currently considers to be immaterial, may also become important factors that adversely affect MaxiPARTS' operating and financial performance. Many of the risks highlighted elsewhere are likely to be heightened due to the ongoing and potential future impacts of COVID-19 which are difficult to predict with any certainty.

The operational risks set out below in relation to the MaxiPARTS business will also apply to the MaxiPARTS group post the Acquisition of TruckZone ("Combined Group").



COVID-19	The COVID-19 pandemic has impacted MaxiPARTS' business and its financial performance. To date, the main impacts have been in relation to constrained or volatile customer demand, retail closures, increased supply chain risks (including increased costs, delivery times and supply certainty) and cyber security risks. MaxiPARTS' workplaces have experienced instances of positive COVID-19 cases which have disrupted operations (including redeployment of staff and arranging for the deep cleaning of any exposure sites) and impacted productivity. Employees infected with COVID-19 or exposed to COVID-19 may be required to self-isolate in accordance with government guidelines. Similar incidents may occur in the future. The COVID-19 pandemic and related actions taken in response to it by the Australian and international governments, including lockdowns, border controls and travel restrictions, and the effect of the pandemic on the economy more broadly may have an adverse impact on MaxiPARTS' financial performance. The longer-term impacts of COVID-19 on economic or industry conditions and customer preferences are uncertain and may adversely impact MaxiPARTS' future operating and financial performance.
Work health and safety	There may be a workplace incident or accident resulting in serious injury that may result in a fine imposed by a regulatory authority, an interruption to business operations, or a worker's compensation claim, a work health and safety claim or a damages claim against MaxiPARTS. Such claims or events may not be covered by MaxiPARTS' insurance or may exceed MaxiPARTS' insured limits. Additionally, MaxiPARTS' operations may be impacted by issues relating to failure to comply with regulatory requirements and obligations such as WorkSafe audits. These issues may also adversely impact MaxiPARTS' reputation. Any such occurrences could, therefore, adversely impact MaxiPARTS' operations and profitability.
Brand names may diminish in reputation and value	Brand names are crucial assets to MaxiPARTS and the success of MaxiPARTS is heavily reliant on its reputation and branding. Unforeseen issues or events which place MaxiPARTS' reputation at risk may impact on its future growth and profitability. The reputation and value associated with these brand names could be adversely impacted by a number of factors, including failure to provide customers with the quality of product and service standards they expect, disputes or litigation with third parties such as employees, suppliers or customers, or adverse media coverage. In addition, there is a risk MaxiPARTS may be unable to use, or be limited in its use of, its brand names in some markets, which may have the effect of limiting growth plans.
Movements in foreign exchange rates	MaxiPARTS purchases a significant proportion of product from international suppliers. These purchases, as well as associated freight charges, are typically denominated in US Dollars or Renminbi. Movements in the A\$/US\$ or A\$/RMB exchange rates may impact the cost of product sourcing for MaxiPARTS, potentially impacting sales volumes and margins. While MaxiPARTS engages in hedging activities to mitigate some of this exposure to foreign exchange rate movements from time to time, movements in exchange rates may still impact MaxiPARTS' financial performance.
Reduction in consumer spending	General levels of consumer sentiment and consumer spending in MaxiPARTS' regions of operation may impact operational and financial performance. Consumer spending and sentiment can, in turn, be influenced by several factors, including the level of general economic growth, employment, population and income growth, interest and inflation rates. A significant or sustained decline in consumer spending may materially impact the performance of MaxiPARTS.
Supply chain risks	As a distributor of products, MaxiPARTS is particularly dependent on the continuing operation of its supply chain to ensure the delivery of products to its customers in full and on time. MaxiPARTS has sought to increase inventory holdings, however there is a risk of supply chain disruption resulting in the delayed or non-delivery of products which is heighted by COVID-19 and geopolitical tension and may have a significant impact on the performance of MaxiPARTS.



Relationship with suppliers	MaxiPARTS relies on numerous key suppliers in Australia, Japan, China and other Asian countries. Any loss of these key suppliers, including as a result of geopolitical tensions, may have an adverse effect on MaxiPARTS' sales and/or terms of trade. In addition, any change in MaxiPARTS' relationship with its suppliers, or in terms of trade, could have an adverse impact on MaxiPARTS' prospects. Material increases in suppliers' production costs (including due to inflationary pressures and COVID-19 related impacts) could lead to higher costs and therefore impact MaxiPARTS' margins or require MaxiPARTS to source products from other locations. In this event, existing margins may not be able to be maintained. In addition, any delays in lead times on orders from suppliers could impact MaxiPARTS' sales. Finally, there is a risk that, despite efforts to rigorously pre-qualify ethical suppliers, MaxiPARTS may inadvertently source products from manufacturers who fail to meet standards of MaxiPARTS' community when it comes to treatment of its workers or the environment. This may reflect adversely upon MaxiPARTS' reputation.
Faulty or defective products	MaxiPARTS may face risks associated with faulty or defective products which may reduce customers' confidence in MaxiPARTS' products, result in product recalls or expose MaxiPARTS to product liability claims any of which may have a significant adverse impact on MaxiPARTS' financial performance and reputation.
Major customer or direct sourcing and 'home brand' risk	As a distributor of products, MaxiPARTS may also be exposed to the risk of its customers sourcing product directly from manufacturers, particularly in relation to product ranges where there is a low degree of product differentiation or where a small range of products commands a substantial percentage of the market. This may lead to decline in the sales volume of MaxiPARTS and may represent a threat to MaxiPARTS' operational and financial performance. Additionally, MaxiPARTS maintains strong relationships with a number of major customers. There is a risk that major customers may shift products or products segments to other suppliers which could have an adverse impact on MaxiPARTS' financial performance.
Competition from other distributors	The markets in which MaxiPARTS operates are increasingly competitive, and MaxiPARTS is likely to face intense competition from a number of other distributors, which may represent a threat to MaxiPARTS' operating and financial performance.
Climate change and environment	Some of MaxiPARTS' product and market segments may be adversely impacted by climate change. Changes to government regulations, levies, tariffs and introduction of government subsidies to increase the uptake of disruptive technologies could shift consumer trends and increase operational costs (e.g. costs to procure raw materials) which could adversely impact MaxiPARTS' financial performance and profitability. MaxiPARTS' operations (including its supply chain and warehouses) and its customers stores could be impacted by natural disasters (such as floods, drought, bushfires) and other catastrophic events outside of MaxiPARTS' controls. MaxiPARTS, its suppliers and service providers are required to comply with environmental laws and regulations. The production and transportation of MaxiPARTS' products and inputs in the production process involve the risk of accidents, spills or contamination. Any of these occurrences could cause harm to the environment, which may lead to disruption in MaxiPARTS' operations and supply chain, regulatory sanctions and remedial costs, any of which could negatively impact MaxiPARTS' operating and financial performance.



Changes in technology	MaxiPARTS is exposed to the risk of disruptive technologies such as electric vehicles (EV), autonomous vehicles and digital disruption, leading to obsolescence of technologies and products (e.g. internal combustion engine (ICE)) which may impact portions of MaxiPARTS' market and product segments. The accelerated uptake of these technologies and the emergence of new technologies and product substitutes could adversely affect its future financial performance and profitability. In particular, as uptake of EVs increases there is a risk that some of MaxiPARTS' products designed for ICE vehicles will become obsolete or less in demand affecting MaxiPARTS' sales, reputation and performance.
Reliance on key personnel	MaxiPARTS' growth and profitability may be limited by the loss of key senior management personnel, the inability to attract new suitably qualified personnel or by increased compensation costs associated with attracting and retaining key personnel.
Current and future funding requirements	MaxiPARTS' ability to service its debt, and refinance expiring debt on acceptable terms, will depend on its future performance and cash flows, which in turn will be affected by various factors, some of which are outside of MaxiPARTS' control (such as changes in interest and foreign exchange rates, and general economic conditions). Any inability to secure sufficient debt funding (including to refinance on acceptable terms) from time to time or to service its debt may have a material adverse effect on MaxiPARTS' financial performance and prospects. In particular, to the extent that additional equity or debt funding is not available from time to time on acceptable terms, or at all, MaxiPARTS may not be able to take advantage of acquisition and other growth opportunities, develop new ideas or respond to competitive pressures.
Information technology and cyber security	MaxiPARTS is exposed to the risk of information technology failures and cyber-security breaches, which may adversely impact its business continuity or result in the loss of sensitive data (including customer and employee data). Such failures and breaches may give rise to third party claims and may materially adversely impact MaxiPARTS' financial performance and reputation.
Expansion	A key part of MaxiPARTS' growth strategy is to increase the size of its store networks, which it intends to achieve through store acquisitions, greenfield developments and other business acquisitions. As a result of COVID-19, this growth strategy may be delayed. In the future, if suitable acquisition targets are not able to be identified, acquisitions are not able to be made on acceptable terms, or suitable greenfield sites are not available, or if the circumstances surrounding COVID-19 are prolonged, this will limit MaxiPARTS' ability to execute its growth strategy within its expected timeframe. Further, new stores may not prove to be as successful as MaxiPARTS anticipates including due to issues arising from integrating new businesses. Any or all of these factors could materially adversely impact MaxiPARTS' financial performance and profitability and its capacity to pursue further expansion.
Property Leases	MaxiPARTS has a large number of leased premises. The growth prospects of MaxiPARTS are likely to result from increased contribution from existing stores and MaxiPARTS' ability to continue to open and operate new stores on a profitable basis (notwithstanding the circumstances surrounding COVID-19). Accordingly, there may be a material adverse impact on MaxiPARTS' financial performance and profitability if MaxiPARTS is unable to renegotiate acceptable lease terms of existing stores when leases are due to expire and to identify suitable sites and negotiate suitable leasing terms for new stores. Additionally, if in response to COVID-19 MaxiPARTS' stores are closed or suffer a significant decline in revenue (in one or more of its key markets) as a result of governments imposing restrictions on the movement of its citizens and limiting non-essential services and activities, and MaxiPARTS is not able to negotiate appropriate rent relief terms with its landlords, there may be a material adverse impact on MaxiPARTS' financial performance and profitability.
Insurance Risk	Although MaxiPARTS maintains insurance coverage that it believes is appropriate to protect against major operating and other risks, not all risks are insured or insurable. MaxiPARTS cannot be sure that adequate insurance coverage for potential losses and liabilities will be available in the future on commercially reasonable terms, and may also carry large deductibles and premiums. If MaxiPARTS experiences a loss in the future, the proceeds of the applicable insurance policies, if any, may not be adequate to cover replacement costs, lost revenues, increased expenses or liabilities to third parties. This could materially adversely impact MaxiPARTS' financial performance and profitability



Completion risk	Completion of the Acquisition is conditional on MaxiPARTS receiving certain key landlord consents, no material adverse change having occurred in respect of the TruckZone group and the Equity Raising being successfully completed. There is risk that the Acquisition does not complete, including if the acquisition agreement is terminated prior to completion for non-satisfaction of a condition precedent. If the Acquisition does not complete, MaxiPARTS may decide to invest the Equity Raising proceeds, use the Equity Raising proceeds for another acquisition (or acquisitions), or return the Equity Raising proceeds to its shareholders via a share buy-back or similar mechanism. If the Equity Raising proceeds are not used to fund the Acquisition, there is no assurance that MaxiPARTS will be able to use the Equity Raising proceeds to generate an equivalent return to that anticipated from the Acquisition, or at all.
Reliance on information provided	MaxiPARTS undertook a due diligence process in respect of TruckZone, which relied in part on the review of financial and other information provided by the vendors of TruckZone. Despite taking reasonable efforts, MaxiPARTS has not been able to verify the accuracy, reliability or completeness of all the information which was provided to it against independent data. Similarly, MaxiPARTS has prepared (and made assumptions in the preparation of) the financial information relating to TruckZone on a stand- alone basis and also to the Combined Group included in this Presentation in reliance on limited financial information and other information provided by the vendors of TruckZone. MaxiPARTS is unable to verify the accuracy or completeness of all of that information. If any of the data or information provided to and relied upon by MaxiPARTS in its due diligence process and its preparation of this Presentation proves to be incomplete, incorrect, inaccurate or misleading, there is a risk that the actual financial position and performance of TruckZone and the Combined Group may be materially different to the financial position and performance expected by MaxiPARTS and reflected in this Presentation. Investors should also note that there is no assurance that the due diligence conducted was conclusive and that all material issues and risks in respect of the Acquisition have been identified. Therefore, there is a risk that unforeseen issues and risks may arise, which may also have a material impact on MaxiPARTS.
Analysis of acquisition opportunity	MaxiPARTS has undertaken financial, business and other analyses of TruckZone, including its internal management forecasts and projections in order to determine its attractiveness to MaxiPARTS and whether to pursue the Acquisition. It is possible that such analyses, and the best estimate assumptions made by MaxiPARTS, draws conclusions and forecasts that are inaccurate or which are not realised in due course. To the extent that the actual results achieved by TruckZone are different than those indicated by MaxiPARTS' analysis, there is a risk that the profitability and future earnings of the operations of the Combined Group may be materially different from the profitability and earnings expected as reflected in this Presentation.
Integration risk	The Acquisition involves the integration of the TruckZone business, which has previously operated independently to MaxiPARTS. A failure to fully integrate the operations of TruckZone or a delay to the integration process, including as a result of a cultural misalignment between MaxiPARTS and TruckZone staff or the loss of certain key members of the TruckZone staff, could impose extra costs on MaxiPARTS and this may affect MaxiPARTS' operating and financial performance.

## **Key Risks - General**



Investment risk	Factors affecting the price at which MaxiPARTS shares are traded on the ASX could include domestic and international economic conditions. General movements in local and international stock markets, exchange rates, prevailing economic conditions, investor sentiment and interest rates could all affect the market price of MaxiPARTS' shares. These risks apply generally to any investment on the stock market. In addition, the prices of a listed entity's securities are affected by factors that might be unrelated to its operating performance, such as general market sentiment.
Litigation risk	MaxiPARTS may in the ordinary course of business become involved in litigation, claims and disputes (for example, with suppliers or customers). Any litigation, claim or dispute could be costly and damaging to MaxiPARTS' reputation and business relationships, which could have an adverse effect on its financial performance and industry standing.
Share Market & Trading Illiquidity	On completion of the Offer, the New Shares may trade on the ASX at higher or lower prices than the issue price. Investors who decide to sell their New Shares after the Offer may not receive the amount of their original investment. The price at which the New Shares trade on the ASX may be affected by the financial performance of MaxiPARTS and by external factors over which the Directors and MaxiPARTS have no control. These factors include movements on international share and commodity markets, local interest rates and exchange rates, domestic and international economic conditions, government taxation, market supply and demand and other legal, regulatory or policy changes. Investors should consider the historical volatility of Australian and overseas share markets. The Directors make no forecast regarding the strength of the equity and share markets in Australia and throughout the world. MaxiPARTS makes no guarantee that there will be an active market in the Shares listed on the ASX. There may be relatively few potential buyers or sellers of shares on the ASX at any time. This may increase the volatility of the market price of MaxiPARTS shares. It may also affect the prevailing market price at which investors are able to sell shares. This may result in investors receiving a market price that is less or more than the price that investors paid.
Global economic conditions	MaxiPARTS is dependent on global economic conditions and the global economic outlook, and on the economic conditions and outlook in its key markets. Economic conditions may be affected by levels of business spending, inflation, interest rates, consumer confidence, access to debt and capital markets and government fiscal, monetary and regulatory policies. A prolonged downturn in general economic conditions may have a material adverse impact on MaxiPARTS' trading and financial performance.
Changes in laws, regulations and accounting standards	MaxiPARTS is subject to local laws and regulations in each of the jurisdictions in which it operates (including taxation, copyright and privacy legislation). From time to time, changes of the laws and regulations may require MaxiPARTS to obtain additional approvals and/or licences that may significantly increase compliance costs and restrict MaxiPARTS' activities. Any changes to taxation laws, regulations or policies in jurisdictions in which MaxiPARTS operates may also adversely affect returns. Any changes to accounting standards may affect the future measurement and recognition of key income statement and balance sheet items. Such changes could materially and adversely affect the financial performance and position reported in MaxiPARTS' financial statements.
Speculative investment	The above list of risk factors ought not to be taken as exhaustive of the risks faced by MaxiPARTS or by investors in MaxiPARTS. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of MaxiPARTS and the value of the securities offered under the Offer. Therefore, the shares to be issued pursuant to the Offer carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities. Potential investors should consult their professional advisers before deciding whether to apply for securities pursuant to the Offer.
Dividends	The payment of dividends on MaxiPARTS shares is dependent on a range of factors including its profitability, the availability of cash and capital requirements of the business. Any future dividend levels will be determined by the MaxiPARTS Board having regard to its operating results and financial position at the relevant time. There is no guarantee that any dividend will be paid by MaxiPARTS or, if paid, that the dividend will be paid on previous levels. The level to which MaxiPARTS is able to frank dividends declared is subject to a large number of factors in addition to those outlined above for dividends. While under its dividend policy MaxiPARTS aims to frank dividends to the maximum extent possible there is no guarantee that any dividend will be franked, or franked at previous levels.

## **Key Risks - General**



Interest rates	While MaxiPARTS takes reasonable steps to protect itself through the use of hedges, rising interest rates may nonetheless adversely impact MaxiPARTS' interest payments on its floating rate borrowings, which may adversely impact the performance of MaxiPARTS' business.
Risk of shareholder dilution	If shareholders do not participate in the Equity Raising then their percentage shareholding in MaxiPARTS will be diluted as a result of the issue of New Shares under the Equity Raising. Even if a shareholder does take up all of their entitlement under the Entitlement Offer, their percentage shareholding in MaxiPARTS may be diluted by the Placement. In the future, MaxiPARTS may also elect to issue new shares to fund or raise proceeds for acquisitions MaxiPARTS may decide to make. While MaxiPARTS will be subject to the constraints of the ASX Listing Rules regarding the percentage of its capacity it is able to issue within a 12-month period (other than where exceptions apply), shareholders may be diluted as a result of such issues of shares and fundraisings.
Taxation changes	There is the potential for changes to taxation laws and changes in the way taxation laws are interpreted. Any change to the current tax rates imposed on MaxiPARTS is likely to affect returns to MaxiPARTS' shareholders. An interpretation of taxation laws by the relevant tax authority that is contrary to MaxiPARTS' view of those laws may increase the amount of tax to be paid or cause changes in the carrying value of tax assets in MaxiPARTS' financial statements. In addition, any change in tax rules and tax arrangements could have an adverse effect on the level of dividend franking and shareholder returns. An investment in shares involves tax considerations that differ for each investor. Investors are encouraged to seek professional tax advice in connection with any investment in MaxiPARTS.
Changes to accounting policies and valuations	Changes in accounting policies, arising from recently issued or amended accounting standards by the Australian Accounting Standards Board may affect the reported earnings of MaxiPARTS and its financial position from time to time. Additionally, MaxiPARTS maintains internal views on the valuation of its business and these estimates are considered when assessing the accounting carrying value of assets on its balance sheet. Periodic revaluations (which consider both internal and external factors) may result in a reduction of valuations which could lead to some of its assets being impaired.

# **Equity Raising & Underwriting Risk**



MaxiPARTS entered into an offer management and underwriting agreement with the Underwriter in respect of the Equity Raising on 1 February 2022 ("Underwriting Agreement").

The Underwriter's obligations under the Underwriting Agreement, including to manage the Equity Raising and underwrite the Entitlement Offer, are conditional on certain matters, including the asset sale agreement for the Acquisition not being materially breached or terminated. If certain conditions are not satisfied, or certain events occur, the Underwriter may terminate the Underwriting Agreement. Termination of the Underwriting Agreement by the Underwriter would have an adverse impact on the total amount of proceeds that could be raised under the Equity Raising and therefore on the ability of MaxiPARTS to undertake the Acquisition.

The events which may trigger termination of the Underwriting Agreement include (but are not limited to) the following:

- MaxiPARTS ceases to be admitted to the official list of ASX or its shares are suspended from trading on ASX (other than as contemplated by the Underwriting Agreement), or cease to be quoted on ASX;

- any member of the Group becomes insolvent, or there is an act or omission which is likely to result in a member of the Group becoming insolvent;

- a change in the chief executive officer, chief financial officer or chairman occurs;

- a director or the chief executive officer or chief financial officer of MaxiPARTS is charged with an indictable offence or fraudulent conduct, or any director of MaxiPARTS is disqualified from managing a corporation;

- MaxiPARTS is prevented from issuing any shares under the Equity Raising in accordance with the ASX Listing Rules, applicable laws, a government agency or an order of a court of competent jurisdiction;

- if the S&P/ASX Small Ordinaries Index closes for two consecutive business days during the Entitlement Offer, or, closes on the business day prior to the Institutional Settlement Date or the Retail Settlement Date, at a level that is 10.0% or more below its level as at the close of trading on the business day before the date of the Underwriting Agreement;

- the asset sale agreement for the Acquisition is terminated, rescinded, avoided or repudiated, varied in a way that is adverse to MaxiPARTS, or breached in a material respect by a party to it;

- unconditional approval is refused or not granted for official quotation of the new shares by ASX;

- certain delays in the timetable for the Equity Raising;

- there are certain defects in a cleansing notice for the Equity Raising where the defect is materially adverse from the point of view of an investor;

- any statement in any of the Equity Raising documents is or becomes false, misleading or deceptive or likely to mislead or deceive; - there occurs an adverse new circumstance that arises after certain Equity Raising materials were given to ASX that would have been required to be included in certain Equity Raising materials (or otherwise to have been included in material previously disclosed to ASX) if it had arisen before certain Equity Raising materials were given to ASX;

- the occurrence of any market disruption events, including (1) a general moratorium on commercial banking activities in certain countries or a disruption in commercial banking or security settlement or clearance services in any of those countries; (2) a suspension or material limitation in trading in securities generally on certain securities exchanges; (3) the occurrence of any other adverse change or disruption to financial, political or economic conditions, currency exchange rates or controls or financial markets in certain countries or any change or development involving a prospective adverse change in any of those conditions or markets;

- hostilities not presently existing at the date of the Underwriting Agreement 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 certain countries or a major terrorist act is perpetrated anywhere in the world.

The ability of the Underwriter to terminate the Underwriting Agreement in respect of some of the termination events will depend on whether in the reasonable opinion of the Underwriter, the event:

- has or is likely to have a material adverse effect on the success of the Equity Raising, or on the ability of the Underwriter to market or settle the Equity Raising; or

- has given or is likely to give rise to a contravention by, or liability of, the Underwriter under, any applicable law.

If the Underwriter terminates, MaxiPARTS will not be obliged to pay the Underwriter any fees which are not payable or accrued prior to the date of termination.

For details of the fees payable to the Underwriter, see the Appendix 3B released to ASX on 1 February 2022.

MaxiPARTS also gives certain representations, warranties and undertakings to the Underwriter. MaxiPARTS also gives an indemnity to the Underwriter and their respective indemnified parties subject to certain carve-outs.



#### 4. Additional Information

#### 4.1 Not investment advice or financial product advice

The information in this Retail Offer Booklet is not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs or circumstances. The Company is not licensed to (and does not) provide financial product advice in respect of the New Shares or Additional New Shares.

The information in this Retail Offer Booklet does not take into account the investment objectives, financial situation or needs of you or any particular investor. Before deciding whether to apply for New Shares or Additional New Shares, you should consider whether they are a suitable investment for you in the light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. You should conduct your own independent review, investigation and analysis of Shares the subject of the Retail Entitlement Offer. If, after reading this Retail Offer Booklet, you have any questions about the Retail Entitlement Offer, you should contact your stockbroker, accountant, financial adviser, taxation adviser or other independent professional adviser.

#### 4.2 Past performance

Past performance and pro-forma historical financial information given in this Retail Offer Booklet is provided for illustrative purposes only and is not, and should not be relied upon as, an indication of future performance. The historical information in this Retail Offer Booklet is, or is based upon, information that has been released to the market. For further information, please see past announcements released to ASX.

#### 4.3 Notice to nominees and custodians

Nominees and custodians who hold Shares as nominees or custodians will have received, or will shortly receive, a letter in respect of the Retail Entitlement Offer. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Retail Entitlement Offer is not available to Eligible Institutional Shareholders who were invited to participate in the Institutional Entitlement Offer (whether they accepted their entitlement or not), institutional Shareholders who were treated as ineligible institutional investors under the Institutional Entitlement Offer and Ineligible Retail Shareholders.

#### 4.4 Foreign jurisdictions

The Retail Entitlement Offer is only being extended to Shareholders with a registered address in Australia and New Zealand. This Retail Offer Booklet (and the accompanying Entitlement and Acceptance Form) does not constitute an offer of securities in the Company in any jurisdiction in which such an offer would be illegal.

The distribution of this Retail Offer Booklet (and the accompanying Entitlement and Acceptance Form) (including electronic copy) outside Australia and New Zealand may be restricted by law. If you come into possession of this information, you should observe such restrictions and should seek you own advice on such restrictions.

Any non-compliance with these restrictions may contravene applicable securities laws.

To the extent that a Shareholder holds Shares on behalf of another person outside Australia or New Zealand, it is that Shareholder's responsibility to ensure that any acceptance complies with all applicable foreign laws.

#### New Zealand

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

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

#### **United States**

Neither this Retail Offer Booklet nor the Entitlement and Acceptance Form constitutes an offer of securities in the United States or to, or for the account or benefit of any US person.

The New Shares (and Additional New Shares, as applicable) to be issued under the Retail Entitlement Offer have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state or other jurisdiction of the United States.

In order to comply with the relevant securities laws, the New Shares (and Additional New Shares, as applicable) to be issued under the Retail Entitlement Offer may not be offered to Shareholders located in the United States or to Shareholders who are, or who are acting for the account or benefit or, US persons.

#### 4.5 Governing law

The information in this Retail Offer Booklet, the Retail Entitlement Offer and the contracts formed on acceptance of the Retail Entitlement Offer pursuant to the personalised Entitlement and Acceptance Forms are governed by the law applicable in Victoria, Australia. Each Shareholder who applies for New Shares and Additional New Shares submits to the non-exclusive jurisdiction of the courts of Victoria, Australia.

#### 4.6 Taxation

You should be aware that there may be taxation implications associated with participating in the Retail Entitlement Offer and receiving New Shares (and Additional New Shares).

The Company does not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Shares (and Additional New Shares) under the Retail Entitlement Offer. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shares.

Shareholders should consult their professional tax adviser in connection with subscribing for New Shares (and Additional New Shares) under this Retail Offer Booklet.

#### 4.7 Underwriter

The Company has entered into an offer management and underwriting agreement dated 1 February 2022 with the Underwriter (**Underwriting Agreement**) under which the Underwriter has been appointed as the lead manager, broker and bookrunner of the Offer. The Underwriter has also been appointed as Underwriter of the Entitlement Offer.

The Underwriter will receive fees under the Underwriting Agreement as described in the Appendix 3B released to ASX on 1 February 2022.

Further details of the Underwriting Agreement are contained in the Investor Presentation contained in Section 3.

### 5. Glossary

Term	Meaning					
Additional New Shares	Has the meaning given in Section 1.1.					
AEDT	Australian Eastern Daylight Time					
Applicant	An Eligible Retail Shareholder who validly applies for New Shares (and, if applicable, Additional New Shares) under the Retail Entitlement Offer in accordance with the Retail Offer Booklet.					
Application	An application made on a personalised Entitlement and Acceptance Form to apply for New Shares (and, if applicable, Additional New Shares) under the Retail Entitlement Offer in accordance with this Retail Offer Booklet.					
Application Monies	Money submitted by Applicants under the Entitlement Offer.					
ASIC	Australian Securities and Investments Commission					
ASX	ASX Limited (ABN 98 008 624 691), or the financial market operated by it, as the context requires					
ASX Listing Rules	The official listing rules of ASX, as amended or waived from time to time					
ASX Settlement	ASX Settlement Pty Limited (ABN 49 008 504 532)					
AUD, A\$, \$ or Australian dollar or cent	The lawful currency of the Commonwealth of Australia					
Australian Accounting Standards	Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board and Urgent Issues Group Interpretations					
Board	The board of directors of the Company from time to time					
CHESS	Clearing House Electronic Subregister System operated in accordance with the Corporations Act					
Company	MaxiPARTS Limited ACN 006 797 173					
Constitution	The constitution of the Company					
Corporations Act	Corporations Act 2001 (Cth)					
CRN	Customer Reference Number					
Director or Directors	A member of the Board from time to time					
Eligible Retail Shareholders	Retail Shareholders with a registered address in Australia or New Zealand as at the Record Date and who otherwise satisfy the eligibili criteria under Section 1.8					
Eligible Institutional Shareholders	Institutional Shareholders who (i) if they are in Australia are either a sophisticated investor or a professional investor within the meaning of section 708(8) or 708(11) of the Corporations Act, respectively or (ii) if they are outside of Australia they otherwise satisfy the applicable criteria in certain jurisdictions					
Entitlement	The number of New Shares that an Eligible Retail Shareholder is entitled to apply for under the Retail Entitlement Offer, as determined by the number of Shares held by that Eligible Retail Shareholder on the Record Date					
Entitlement and Acceptance Form	The relevant personalised form accompanying this Retail Offer Booklet which Eligible Retail Shareholders may use to apply for New Shares (and, if applicable, Additional New Shares)					

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Entitlement Offer	The accelerated non-renounceable entitlement offer of New Shares in the Company in the ratio of 1 New Share for every 9.7 Shares held on the Record Date.					
HIN	Holder Identification Number					
IFRS	International Financial Reporting Standards					
Ineligible Foreign Shareholders	Retail Shareholders who are in the United States or have registered addresses outside Australia and New Zealand.					
Ineligible Retail Shareholders	Retail Shareholders who do not satisfy each of the criteria under section 1.8, including Ineligible Foreign Shareholders.					
Institutional Entitlement Offer	The institutional component of the Entitlement Offer					
Investor Presentation	The investor presentation lodged with the ASX on 1 February 2022					
New Share	A Share offered under either component of the Entitlement Offer which will rank equally with existing Shares from the date of issue (and includes any Additional New Share issued)					
Offer	the Placement and the Entitlement Offer					
Offer Price	The price payable for a New Share (or Additional New Share, if applicable) under the Retail Entitlement Offer, being A\$2.50 per New Share					
Offer Website	maxipartsoffer.thereachagency.com					
Placement	the placement of Shares to institutional investors in conjunction with the Institutional Entitlement Offer to raise approximately \$15.4 million.					
Record Date	The record date for the Retail Entitlement Offer, being 7.00pm (AEDT) on 3 February 2022					
Retail Entitlement Offer	The retail component of the Entitlement Offer					
Retail Shareholder	A Shareholder who is not an institutional Shareholder					
Share	A fully paid ordinary share in the Company					
Shareholder	The registered holder of a Share					
Share Registry	Computershare Investor Services Pty Ltd ACN 078 279 277					
SRN	Security Reference Number					
Underwriter	Canaccord Genuity (Australia) Limited ACN 075 071 466					
U.S. Securities Act	United States Securities Act of 1933, as amended					

## **Corporate directory**

#### **Registered office**

22 Efficient Drive Truganina, VIC 3029

#### Directors

Robert Wylie – Chairman, Non-Executive Director Gino Butera – Non-Executive Director Peter Loimaranta –Managing Director and CEO Mary Verschuer – Non-Executive Director Greg Sedgwick – Non-Executive Director

#### Company corporate office phone

+61 3 9368 7000

#### Website

www.maxiparts.com.au

#### Stock exchange listing

Company's Shares are listed on ASX (code 'MXI')

#### Underwriter

Canaccord Genuity (Australia) Limited Level 15 333 Collins Street Melbourne Vic 3000

#### Australian legal adviser

Maddocks Level 25, 727 Collins Street Melbourne VIC 3008

#### Share Registry

Computershare Investor Services Pty Ltd Yarra Falls 452 Johnson Street Abbotsford Vic 3067

#### Offer information line

1300 850 505 (within Australia)+61 3 9415 4000 outside Australia)Open 8.30am to 5.00pm (AEDT) Monday to Friday (during the Entitlement Offer period)



MaxiPARTS Limited ACN 006 797 173

For all enquiries:

Phone: (within Australia) 1300 850 505 (outside Australia) 61 3 9415 4000 Web: http://maxipartsoffer.thereachagency.com

MXI MR SAM SAMPLE **123 SAMPLE STREET** SAMPLETOWN VIC 3000

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For your security keep your SRN/HIN confidential.

Entitlement No: 12345678

## **Retail Entitlement Offer — Entitlement and Acceptance Form**

#### 🆄 Your payment must be received by 5:00pm (Melbourne time) Thursday, 3 March 2022

This is an important document that requires your immediate attention. It can only be used in relation to the securityholding represented by the details printed on this Form. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

Details of the securityholding and entitlements for this Offer are shown on this Form. Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect.

If you have a CHESS sponsored holding, please contact your Controlling Participant to notify a change of address.

#### **Details of your Entitlement**

Existing shares entitled to participate as at 7:00pm (Melbourne time) Thursday, 3 February 2022:

Entitlement to New Shares on a 1 for 9.7 basis:

Amount payable on full acceptance at \$2.50 per New Share:

Maximum Additional New Shares for which you may apply under the Shortfall Facility (100% of your Entitlement):

Amount payable on full acceptance of Entitlement and application for the maximum Additional New Shares:

#### Make Your BPAY® Payment by 5:00pm (Melbourne time) Thursday, 3 March 2022

You can apply to accept either all or part of your Entitlement. If you apply for your full Entitlement, you may also apply for Additional New Shares in excess of your Entitlement under the Shortfall Facility. Enter the details below and retain for your records. You do not need to return this Form when making payment by BPAY®. By making your payment you confirm that you agree to all of the terms and conditions as detailed in the Retail Entitlement Offer Booklet dated 7 February 2022.

Neither Computershare Investor Services Pty Limited (CIS) nor MaxiPARTS Limited accepts any responsibility for loss incurred through incorrectly completed BPAY payments. It is the responsibility of the applicant to ensure that funds submitted through BPAY or EFT (for New Zealand securityholders) are received by this time. Eligible Securityholders should use the customer reference number shown on this Form when making a BPAY payment.

Biller Code: 372359
Biller Code: 372359 Ref No: 1234 5678 9123 4567 89

Contact your financial institution to make your payment from your cheque or savings account.

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Entitlement taken up:						
Number of Additional New Shares applied for (up to 100% of your Entitlement):						
Amount Paid at \$2.50 per New A\$						
Date Payment was made:		/	/			

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