

ASX Announcement

26 April 2023

MGH announces Acquisition of Controlling Share in Austek Asphalt

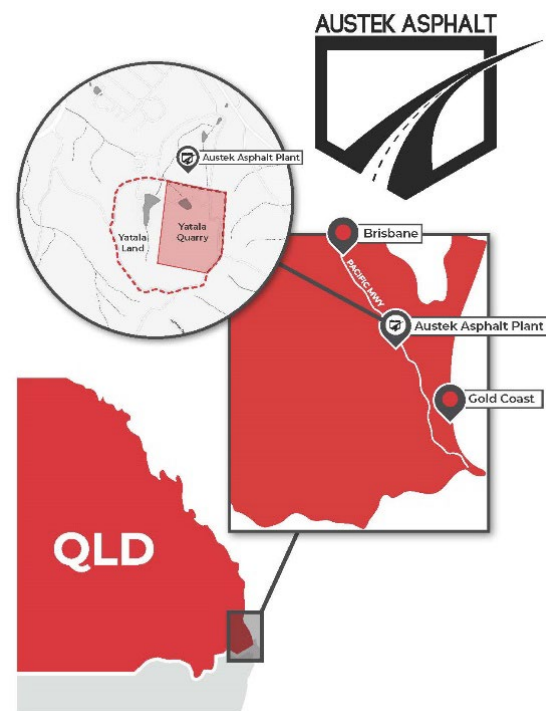
Maas Group Holdings Limited (ASX:MGH) is pleased to announce that it has entered into a binding agreement to acquire 75% of the issued share capital of the Austek group of companies (Austek). Austek specialise in asphalt repairs, road maintenance and rehabilitation, including spray seal services.

Austek was founded in 2010 as a small asphalt bobcat business in North Brisbane. Austek has successfully expanded to become a large asphalt services business with approximately 100 employees, servicing the Brisbane and Gold Coast markets, as well as regional areas of Queensland.

Austek's asphalt plant is strategically located off the M1 motorway at Yatala, halfway between Brisbane and the Gold Coast. The plant is situated adjacent to MGH's land at Yatala and purchases aggregates from the third party operated Yatala Quarry. Besides offering standard asphalt products, Austek has also developed its own innovative sustainable asphalts, Carbonphalt and Carbonmastic, made with recycled waste tyre products.

The agreement to acquire shares, is subject to various third-party consents and customary completion conditions with the transaction expected to complete in May 2023. The remaining 25% of Austek will be held by Peter Ozoux, one of the original founders, and the current Managing Director. Peter will continue in his role post acquisition.

The consideration for the acquisition is \$39.0m in cash (Acquisition Consideration). Further consideration of up to \$11.25m may be payable, contingent on Austek achieving certain EBIT targets for the financial years ended 30 June 2023 and 30 June 2024 (Contingent Consideration). 50% of the Contingent Consideration will be payable as shares in MGH, determined at the 5-day VWAP at completion. These shares will be issued in three equal tranches annually for the three years post the release of MGH's 30 June 2024 financial results.



MGH Managing Director and CEO Mr Wes Maas said, “as a downstream user of quarry products, this acquisition represents an important expansion of our construction materials capability. The Austek acquisition gives us a strategic entry into the asphalt market, with an experienced partner leveraged to attractive growth opportunities. I’m very excited by the potential of this business”.

This ASX announcement was authorised by Wes Maas, Managing Director and CEO of MGH.

For further information, please contact Candice O’Neill, Company Secretary of MGH on (02) 5852 1800 or companysecretary@maasgroup.com.au.



About Maas Group Holdings Limited

MGH is a leading independent Australian construction material, equipment and service provider with diversified exposures across the civil, infrastructure, mining and real estate end market.