

**25th November 2025**

**Signing of Asset Purchase Agreement for sale of core Business Assets of  
Highways Traffic Pty Ltd subsidiary**

MCS Services Limited (“the Company”) has agreed to sell the business of its Highways Traffic Pty Ltd subsidiary (“Highways Traffic”) to Altus Traffic Pty Ltd (“Altus”), subject to shareholder approval.

**1. Transaction Summary**

The Agreement provides for \$1.4m payable by Altus on Settlement, and includes:

- the sale of the Highways Traffic vehicle fleet and other fixed assets (current Net Book Value \$0.77m) on an unencumbered basis (vehicle finance, current balance \$0.49m, to be paid out by Highways Traffic at Settlement);
- the assignment of Intellectual Property, including the Highways Traffic business name and branding;
- an assignment / novation of key client contracts;
- offers of employment to all Highways Traffic employees by Altus.

Subsequent to the transaction the Board intends for Highways Traffic to realise its remaining assets (primarily, Trade Debtors), pay remaining liabilities (including employee entitlements), and provide net surplus funds to the Company.

**2. The reason for the disposal.**

Following disposal of its larger MCS Security subsidiary in June 2024 the MCS Board had regard to the limited scale, profitability and opportunities of its remaining Highways Traffic business relative to:

- the costs of ASX and other regulatory requirements,
- competition in the Traffic sector,
- opportunities for growth in the local market, and
- the Company’s share price.



Consistent with matters discussed in recent Activities Reports and the Annual Report to June 2025 the Board considered a sale of Highways Traffic might be in the best interest of the Company and therefore made it available for sale.

Using an externally co-ordinated sale process the Board received interest from a number of parties interested in making an acquisition. Having regard to price and other factors, the Board considered the proposal from Altus to be acceptable.

### **3. Altus**

Founded in 2002, Altus Group has grown to become the largest and leading provider of traffic management, line marking and guardrail services across Australia and New Zealand. Through a resource base of more than 2,500 vehicles and more than 5,500 staff, Altus supports the delivery of infrastructure projects and services across more than 60 operating locations across Australia and New Zealand.

Altus is an experienced acquirer having completed numerous acquisitions and transactions in the last 3 years and has a proven track record of working with management teams to integrate and grow the acquired entities and create strong growth opportunities for their people.

Following a review by the Company, and based on the size of Altus, its strong balance sheet and a review of the financial statements, the Board has reasonably formed the view that Altus has the financial capacity to complete under the agreement.

### **4. Conditions or regulatory approvals**

The key conditions precedent include a further / final vehicle-condition inspection immediately prior to Settlement, the transfer by novation or assignment of two material customer contracts to Altus, and MCS shareholder approval.

There are no operational regulatory approvals to be met.



## 5. Timetable

Having regard to regulatory review requirements the Board anticipates issuing a Notice of Extraordinary General Meeting (“EGM”) to shareholders in approx.4 weeks, with a notice period of 28 days from the date of issue.

Should shareholders approve the transaction at the EGM, settlement of the transaction could occur potentially within one week.

Settlement is anticipated for late January 2026.

## 6. Intended use of funds

The net proceeds from sale of the core business assets to Altus, the subsequent realisation by the Company of remaining Highways Traffic assets (including collecting pre-Settlement trade debtors), and payment of remaining Highways Traffic liabilities (including Employee Entitlements) will provide funds available to be transferred from the Highways Traffic subsidiary to the Company.

After payment of liabilities at the Company level, the Board have no immediate plans for use of remaining net funds.

## 7. MSG’s future plans.

Subsequent to the non-binding interest by a third party in July 2024 (Announcement 14 August 2024) in a potential restructure and re-compliance with Chapters 1 and 2 of the ASX Listing Rules, which expired in December 2024 (Announcement 21 Dec 2024), the Company has subsequently been approached by a number of other parties expressing interest in a similar type of transaction with the Company.

To date, interest has not progressed further but the Board remains open to such approaches.

## 8. ASX Listing Rules

The sale amounts to a disposal of the Company’s main undertaking and accordingly Listing Rule 11.2 applies to the transaction and the Company will seek shareholder approval for the sale.

Should interest in a corporate restructure / asset acquisition be presented and be progressed, it is likely that the Company would need to re-comply with



Chapters 1 and 2 of the ASX Listing Rules in connection with any asset acquisition.

The Company understands ASX will generally continue quoting an entity's securities for a period of up to 6 months from the date of the agreement to dispose of its main undertaking. If the entity is not able to make an announcement of its intention to acquire a new business within that six month period ASX will generally suspend the quotation of it's securities at the end of that six month period. The suspension would continue until the entity makes an announcement to ASX about its future

This announcement is authorised for release to ASX by the Board of MCS Services Ltd.

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