

26th February 2026

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

MCS Services Limited (“the Company” or “MCS”) wishes to advise it has executed a revised Asset Purchase Agreement (“Agreement”) with Altus Traffic Pty Ltd (“Altus”) for the sale of the assets of its subsidiary Highways Traffic Pty Ltd (“Highways Traffic”).

The Company advises that the previously announced agreement (ASX announcement 25 November 2025 “Agreement for sale of Highways Traffic business”) has been terminated and following further negotiations between Altus and MCS, a revised agreement has been reached. Under the terms of the agreement, Altus will acquire equipment (including the vehicle fleet), intellectual property and material contracts of Highways Traffic for consideration of \$1.16 million. Completion is expected to occur by early May 2026, subject to satisfaction of standard conditions precedent, including shareholder approval at an Extraordinary General Meeting of the Company.

All other terms and conditions remain unchanged and are set out below.

1. Transaction Summary

The Agreement provides for \$1.16m payable by Altus on Settlement, and includes:

- The sale of the Highways Traffic vehicle fleet and other core fixed assets and equipment (Net Book Value \$0.67m as at 31 December 2025) on an unencumbered basis (vehicle finance, current balance \$0.46m as at 31 December 2025, to be paid out by Highways Traffic at Settlement);
- the assignment of intellectual property used in the Highways Traffic business, including the Highways Traffic business name and branding;
- the novation or assignment of material contracts;

subject to Completion, offers of employment to all Highways Traffic employees by Altus. Subsequent to the completion of the transaction, the Board intends for Highways Traffic to realise its remaining assets (primarily trade debtors), pay



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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 for the financial year ended 30 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 revised 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

Key conditions precedent include:

- a final inspection of the vehicle fleet and fixed assets of Highways Traffic immediately prior to Settlement,
- the transfer by novation or assignment of material customer contracts to Altus,
- the Company facilitating meetings between Altus Traffic and a particular client; and
- MCS shareholder approval for the sale of the assets.

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 as soon as practicable in March, 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.

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. MCS’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



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(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 at the EGM.

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 its 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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