



21 August 2020

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## Carrying Value of Assets - Impairment

MACA Limited (ASX:MLD) ("MACA") provides the following update with respect to the carrying value of receivables from the Bluff Coal Project in Queensland.

As stated in the 'Working Capital Update' released to the ASX on 2 July 2020 the receivable and loan balance owed by Carabella Resources Limited ("Carabella") were \$56M and \$26.8M respectively. With the onset of COVID19 there has been a further deterioration in the PCI coal market in the second half of FY20 impacting forecast cashflows from the project. MACA has reviewed the carrying amount of the receivables for impairment. Having conducted an Expected Credit Loss calculation in accordance with accounting standard AASB9 and giving consideration to an independent valuation of the underlying assets MACA holds as security, we believe it is appropriate to recognise an impairment in relation to the carrying amount of the receivable of \$48M.

In addition, with the stage 4 lockdowns introduced in Victoria to manage COVID 19, the Company has reassessed the carrying value of goodwill in relation to the Victorian Civil and Infrastructure business. The Company has determined an impairment in relation to the carrying value of goodwill in MACA Infrastructure of \$3M.

MACA remains in a strong liquidity position, with record cashflow collections resulting in \$114M of cash and net debt of \$74M, as at 30 June 2020. This follows a significant capital investment into plant and equipment in excess of \$120M for the year to support the growth strategy.

MACA CEO and Managing Director Mike Sutton said 'In light of the challenges posed by COVID 19, particularly regarding the current PCI coal price, we believe it is prudent to take a conservative view of the carrying value of receivables. We are working closely with Carabella to ensure the future of the Bluff project and recovery of amounts owed.'

This ASX announcement has been authorised for release by the Board of MACA Limited. For further information please contact

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FY20 financials are estimates only based on preliminary unaudited financial result for the year ended 30 June 2020.