

28 April 2017

Automotive Solutions Group Limited (ASX: 4WD)

Appendix 4C

Automotive Solutions Group Limited (ASX:4WD, the “Company”) is submitting its Quarterly 4C Appendix for the Quarter ending 31 March 2017 (Q3 FY17).

Overview

ASGL finished the quarter with a cash balance of \$1.3M. The Q3 FY17 operating cash flow of ASGL incorporates the planned build of the Debtors and Creditors position of the business since the acquisitions were completed in December 2016. This working capital build includes a (\$1.4M) one-off impact to the cashflow within operations (refer section 1.9), and is broadly in line with the Prospectus working capital impact of the business ramp-up.

As communicated to the Market on 26 April 2017, The Company is currently undergoing a strategic review of the business and will communicate findings of the business review to the market by 10 May 2017.

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About Automotive Solutions Group

ASGL offers a comprehensive range of aftermarket products and services to the large and growing four-wheel drive market through its national network of dealers and company-run facilities. The group is made up of a range of businesses that are leaders in their respective categories and have a strong track record of profitability. ASGL is well placed to consolidate the fragmented market and generate significant profit margins from economies of scale and synergies from its integrated business model.

+Rule 4.7B

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Automotive Solutions Group Ltd

ABN

28 613 474 089

Quarter ended ("current quarter")

31 March 2017

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|---|------------------------------------|--|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | 4,807 | 5,220 |
| 1.2 Payments for | | |
| (a) research and development | | |
| (b) product manufacturing and operating costs | (2,791) | (2,851) |
| (c) advertising and marketing | (219) | (226) |
| (d) leased assets | (665) | (704) |
| (e) staff costs | (2,255) | (2,398) |
| (f) administration and corporate costs | (254) | (366) |
| 1.3 Dividends received (see note 3) | | |
| 1.4 Interest received | | |
| 1.5 Interest and other costs of finance paid | | |
| 1.6 Income taxes paid | | |
| 1.7 Government grants and tax incentives | | |
| 1.8 Other (provide details if material) | | (3,181) |
| 1.9 Net cash from / (used in) operating activities | (1,377) | (4,506) |

Notes: The Q3 FY17 operating cash flow of ASGL incorporates the planned build of the Debtors and Creditors position of the business since the acquisitions were completed in December 2016. This working capital build includes a (\$1.4M) one-off impact to the cashflow within operations (refer section 1.9), and is broadly in line with the Prospectus working capital impact of the business ramp-up.

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|---|------------------------------------|--|
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire: | | |
| (a) property, plant and equipment | (116) | (297) |
| (b) businesses (see item 10) | (1,295) | (23,384) |
| (c) investments | | |
| (d) intellectual property | | |
| (e) other non-current assets | 550 | - |
| 2.2 Proceeds from disposal of: | | |
| (a) property, plant and equipment | | |
| (b) businesses (see item 10) | | |
| (c) investments | | |
| (d) intellectual property | | |
| (e) other non-current assets | | |
| 2.3 Cash flows from loans to other entities | | |
| 2.4 Dividends received (see note 3) | | |
| 2.5 Other (provide details if material) | | |
| 2.6 Net cash from / (used in) investing activities | (861) | (23,682) |

| | | |
|---|--------------|---------------|
| 3. Cash flows from financing activities | | |
| 3.1 Proceeds from issues of shares | | 29,026 |
| 3.2 Proceeds from issue of convertible notes | | 2,186 |
| 3.3 Proceeds from exercise of share options | | |
| 3.4 Transaction costs related to issues of shares, convertible notes or options | (480) | (1,773) |
| 3.5 Proceeds from borrowings | | |
| 3.6 Repayment of borrowings | | |
| 3.7 Transaction costs related to loans and borrowings | | |
| 3.8 Dividends paid | | |
| 3.9 Other (provide details if material) | | |
| 3.10 Net cash from / (used in) financing activities | (480) | 29,439 |

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|---|------------------------------------|--|
| 4. Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 Cash and cash equivalents at beginning of quarter/year to date | 3,971 | - |
| 4.2 Net cash from / (used in) operating activities (item 1.9 above) | (1,377) | (4,506) |
| 4.3 Net cash from / (used in) investing activities (item 2.6 above) | (861) | (23,682) |
| 4.4 Net cash from / (used in) financing activities (item 3.10 above) | (480) | 29,439 |
| 4.5 Effect of movement in exchange rates on cash held | - | - |
| 4.6 Cash and cash equivalents at end of quarter | 1,252 | 1,252 |

| 5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter \$A'000 | Previous quarter \$A'000 |
|--|------------------------------------|-------------------------------------|
| 5.1 Bank balances | 1,252 | 3,971 |
| 5.2 Call deposits | - | - |
| 5.3 Bank overdrafts | - | - |
| 5.4 Other (provide details) | - | - |
| 5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 1,252 | 3,971 |

| 6. Payments to directors of the entity and their associates | Current quarter \$A'000 |
|--|------------------------------------|
| 6.1 Aggregate amount of payments to these parties included in item 1.2 | 130 |
| 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3 | |
| 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2 | |

Notes: Represents payroll expenses for Board members paid in the period 1 January 2017 to 31 March 2017.

| 7. Payments to related entities of the entity and their associates | Current quarter \$A'000 |
|--|------------------------------------|
| 7.1 Aggregate amount of payments to these parties included in item 1.2 | |
| 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3 | |
| 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2 | |

Notes:

| 8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i> | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|--|---|--|
| 8.1 Loan facilities | - | - |
| 8.2 Credit standby arrangements | - | - |
| 8.3 Other (please specify) | - | - |
| 8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well. | | |

Nil

| 9. Estimated cash outflows for next quarter | \$A'000 |
|--|----------------|
| 9.1 Research and development | - |
| 9.2 Product manufacturing and operating costs | 8,162 |
| 9.3 Advertising and marketing | 339 |
| 9.4 Leased assets | 1,058 |
| 9.5 Staff costs | 5,114 |
| 9.6 Administration and corporate costs | 283 |
| 9.7 Other (provide details if material) | 105 |
| 9.8 Total estimated cash outflows | 15,060 |

| 10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above) | Acquisitions | Disposals |
|---|--|------------------|
| 10.1 Name of entity | a) AMA b) Barden Fabrications c) ROO Systems d) JDR Motorsport e) Deering f) Dolium g) Transpec h) Umhauers | |
| 10.2 Place of incorporation or registration | n/a | |
| 10.3 Consideration for acquisition or disposal | \$A'000 a) 136 b) - c) 243 d) 186 e) - f) - g) - h) 730 Total 1,295 | |
| 10.4 Total net assets | As per Q2 report | |
| 10.5 Nature of business | As per Q2 report | |
| <p>Note 10.1 All acquisitions were completed on 16 December 2016, and were reported in the 4C appendix for Q2 FY17. The payments in the current quarter represent final consideration for these acquisitions. No business entities were purchased as part of the acquisition.</p> <p>Note 10.2 is not applicable as no business entities were purchased as part of the acquisition.</p> <p>Note 10.3 represents cash consideration paid in the quarter.</p> | | |

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



Date: 28/04/2017

Print name: Evan Camilleri

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.