



31 March 2017

The Manager – Listings
Australian Securities Exchange Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

BUSINESS UPDATE

MAJORITY ACQUISITION UPDATE FLEET NETWORK PTY LTD & EXECUTIVE CHANGES AT AIK

As previously announced, a Terms Sheet was executed on 17 February 2017 which related to Platform Finance & Leasing Pty Limited (Platform) a 60.21% owned subsidiary of Armidale Investment Corporation Limited (AIK) acquiring an 80% interest in Fleet Network Pty Ltd (Fleet Network).

Fleet Network was established in Perth in 1997 and is a specialist novated leasing provider focusing largely on the government sector. Fleet Network is headquartered in Osborne Park WA with satellite offices in Darwin and Brisbane. Fleet Network provides an end to end process for clients from vehicle purchase, finance, salary calculations and administration of their motor vehicle salary packages. The transaction is a perfect fit for AIK's ongoing acquisition strategy and complements the existing businesses, in particular, Platform's novated lease business, BeCarWise.

The material components of the transaction are:

- Fleet Network reported \$1.92 million normalised EBITDA for the calendar year ended 31 December 2016;
- The purchase price is based on an agreed multiple of 4.1537 times normalised 31 December 2016 EBITDA;
- Platform will take a 80% equity stake in Fleet Network for \$6.38 million;
- Fleet Network have a strong and long standing senior management team who will remain in the business post settlement as both executives and shareholders;
- There are put and call options on the remaining 20% shareholding 30 months after completion;
- Existing Platform shareholders are contributing approximately 40% of the overall purchase price in cash, as such AIK's interest in Platform moves slightly from 60% to 60.21%; and
- The effective date for the investment is 31 March 2017

The total consideration of \$6,381,693 to be paid is as follows:

- AIK to issue \$1,766,134 of AIK shares at a price of 18.1 cents per share to the vendors (9,757,645 shares);
- AIK will invest \$2,162,719 cash into Platform as equity which will then be used to pay the vendors;
- Platform shareholders will put \$2,452,841 cash into Platform as equity which will then be used to pay the vendors;
- The Share Purchase Agreement includes warranties and indemnities suitable for a transaction of this value and nature; and
- There is a dividend policy in place which requires Fleet Network to distribute 85% of NPAT every 2 months.



APPOINTMENT OF AIK GROUP CFO

The AIK Board is pleased to announce the appointment of Nathan Thomas as Group CFO. With the recent departure of Jesse Hamilton as AIK CFO, this provided an opportunity to streamline the finance function across TL Rentals (A fully owned subsidiary) and AIK.

Nathan is a Fellow of Chartered Accountants Australia and New Zealand. He started his career at Ernst & Young and has over 20 years' experience in several senior finance roles including time at the ASX, David Jones and Michelle Bridges 12WBT.

Nathan commenced working with the AIK group two and a half months ago and took on the acting CFO role at Platform Finance and Leasing Group and for the last few weeks has been the CFO of TL Rentals. As such, he has gained a good understanding of the operating units of the AIK Group.

Jesse Hamilton will work out a two month notice period and the AIK board thank Jesse for his dedicated work and wish him all the best in his future business endeavours.

For further information please contact:

Cameron McCullagh

Joint Managing Director

0439 998 818

David Franks

Company Secretary

02 9299 9690