

A close-up, black and white photograph of a car's front end, focusing on the headlight and side mirror. The car is dark, and the lighting highlights the metallic and glass surfaces.

# Capital Raising and Enhanced Banking Structure Investor Presentation

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10 SEPTEMBER 2021

**AMA GROUP**

Not for release to US wire services or distribution in the United States

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This Presentation has been prepared by AMA Group Limited (ACN 113 883 560) (**AMA Group or Company**) and is dated 10 September 2021. This Presentation has been prepared in connection with the Company's proposed fully underwritten pro rata accelerated non-renounceable entitlement offer of new fully paid ordinary shares in AMA Group (**New Shares**) to certain eligible shareholders of the Company (**Entitlement Offer**).

The Entitlement Offer is being made to eligible institutional shareholders (**Institutional Entitlement Offer**) and eligible retail shareholders of AMA Group (**Retail Entitlement Offer**) under section 708AA of the Corporations Act 2001 (Cth) (Corporations Act) (as modified by the Australian Securities and Investments Commission Corporations (**ASIC**) (Non-Traditional Rights Issues) Instrument 2016/84).

This Presentation also contains information on a convertible notes offering being made to eligible investors (**Convertible Notes Offering**, and such convertible notes being the **Notes**) concurrently with the Institutional Entitlement Offer. Such information is included to assist in the assessment of the Entitlement Offer and for no other purpose. This Presentation does not constitute or form part of any offer to sell, purchase or subscribe for, recommendation of, or a solicitation or invitation of any offer to sell purchase or subscribe for, any securities, including the Notes, nor shall this Presentation or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever. No offers, sales, resales or delivery of any securities referred to herein or distribution of any material relating to such securities may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and which will not impose any obligation on the Company.

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The Retail Entitlement Offer will be made on the basis of the information contained in the retail offer booklet to be prepared for eligible retail shareholders in Australia and New Zealand (**Retail Offer Booklet**) and made available following its lodgement with ASX. Any eligible retail shareholder in Australia or New Zealand who wishes to participate in the Retail Entitlement Offer should consider the Retail Offer Booklet before deciding whether to apply for New Shares under the Retail Entitlement Offer. Anyone who wishes to apply for New Shares under the Retail Entitlement Offer will need to apply in accordance with the instructions contained in the Retail Offer Booklet and the entitlement and acceptance form.

This Presentation is not and should not be considered an offer or an invitation to acquire the New Shares or Notes or any other financial products and does not and will not form any part of any contract for the acquisition of the New Shares or Notes.

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## Investment risk

An investment in the New Shares or the Notes is subject to known and unknown risks, some of which are beyond the control of the Group, including possible delays in repayment and loss of principal and income invested. The Company does not guarantee any particular rate of return or the performance of the Group, nor does it guarantee the repayment of capital from the Company or any particular tax treatment. Persons should have regard to the section "Risk Factors" in this Presentation.

## Financial data

All dollar values are in Australian dollars (A\$ or AUD) unless otherwise stated.

This Presentation includes certain historical financial information as at 30 June 2021, being:

- the historical summarised consolidated balance sheet as at 30 June 2021 (the **Historical Financial Information**); and
- the pro forma summarised consolidated balance sheet as at 30 June 2021 assuming completion of the Entitlement Offer and the Convertible Notes Offering (the Convertible Notes Offering and the Entitlement Offer, together the **Offers**) (net of transaction costs) (the **Pro Forma Historical Financial Information**),

The Historical Financial Information and the Pro Forma Historical Financial Information are collectively referred to as Financial Information. The Financial Information has been included in this Presentation in relation to the Offers and should not be used for any other purpose. This Presentation includes certain other financial information (the **Other Financial Information**).

The Financial Information and the Other Financial Information is intended to present readers with information to assist them in understanding the underlying historical financial position of AMA Group.

The Directors of AMA Group (the **Directors**) are responsible for the preparation and presentation of the Financial Information and the Other Financial Information.

The Historical Financial Information was derived from the consolidated financial statements of AMA Group for the financial year ended 30 June 2021, and KPMG have reviewed that Historical Financial Information in accordance with Australian Auditing Standards, and on which an unqualified limited assurance conclusion was issued. The Historical Financial Information has been prepared using the recognition and measurement requirements of Australian Accounting Standards (AAS). The Historical Financial Information provided in this Presentation is for illustrative purposes only and is not represented as being indicative of the Company's views on its future financial condition and/or performance.

The Pro Forma Historical Financial Information has been derived from the historical consolidated balance sheet as at 30 June 2021, and adjusted for pro forma adjustments relating to the Offers less transaction costs as if they had occurred as at 30 June 2021. The Pro Forma Historical Financial Information has been prepared by the Company in accordance with the measurement and recognition requirements of AAS other than it includes adjustments which have been prepared in a manner consistent with AAS that reflect the impact of certain transactions as if they had occurred as at 30 June 2021.

The Financial Information is presented in an abbreviated form insofar as it does not include all the presentation and disclosures, statements or comparative information as required by AAS and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

Investors should also note that the pro forma historical balance sheet is for illustrative purposes only.

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- EBITDAI, which is earnings before interest, tax, depreciation, amortisation, impairment and fair value adjustments.

The Company believes this non-IFRS financial information provides useful information to users in measuring the financial performance and conditions of the Group.

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## Going concern basis of preparation

The Group has experienced severe disruptions to its business as a result of the impacts of the COVID-19 pandemic.

The Financial Information has been prepared on a going concern basis, which contemplates continuity of the Company's normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. The Group's assessment on preparing the Financial Information on a going concern basis was dependent on a successful debt facility restructure. The funds raised through the Entitlement Offer contemplated in this Presentation and the Convertible Notes Offering, together with the appropriate operating measures, satisfy the lenders' requirements to effect a debt facility restructure, and the Directors of the Company believe the funds and measures will provide the Group with the necessary liquidity beyond the next 12 months.

Should the Entitlement Offer and/or the Convertible Notes Offering not proceed, the Company may need to request waivers or deferrals in relation to restructuring of its debt facilities and/or undertake alternative actions such as further cost reduction initiatives, securing additional financing, restructuring operations or the sale of assets to enable the Company to continue its operations as a going concern.

The historical consolidated balance sheet does not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the Company not continue as going concerns.

## Effect of rounding

A number of figures, amounts, percentages, estimates and calculations of value in this Presentation are subject to the effect of rounding.

## Forward-looking statements and forecasts

This Presentation contains certain "forward-looking statements" that are based on management's beliefs, assumptions and expectations and on information currently available to management. Forward-looking statements can generally be identified by the use of forward-looking words such as, "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target", "outlook", "guidance" and other similar expressions within the meaning of securities laws of applicable jurisdictions. Such forward-looking statements include statements regarding the timetable, conduct and outcome of the Offers and the use of proceeds thereof, statements about the plans, objectives and strategies of the management of AMA Group, statements about the industry and the markets in which AMA Group operates, statements about the future performance of the AMA Group's businesses and statements about AMA Group's dividend policy, including its ability to pay dividends. Indications of, and guidance or outlook on, future earnings or financial position or performance, future earnings and distributions are also forward-looking statements.

**You are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the outbreak of COVID-19.** Any such statements, opinions and estimates in this Presentation speak only as of the date hereof and are based on assumptions and contingencies subject to change without notice, as are statements about market and industry trends, projections, guidance and estimates. Forward-looking statements are provided as a general guide only. The forward-looking statements contained in this Presentation are not indications, guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of the Group, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Forward-looking statements may also assume the success of the Company's business strategies and targets, some of which are described in this Presentation. The implementation and success of any of these strategies and targets are subject to risks, uncertainties and contingencies beyond the Company's control including: that normal operating conditions (including traffic volumes, supply chain inputs and labour availability) do not resume and that COVID-19 or its variants continue to impact AMA Group's target for margin expansion and revenue growth; that detailed business plans have not been developed for the entirety of the strategy; that the full scope and cost of implementation may vary as plans are developed and as AMA Group engages with third parties; that AMA Group may not successfully execute and manage implementation of these strategies and plans in a sequenced, controlled and effective manner and in accordance with the relevant project and business plans (once developed), including due to a lack of sufficient qualified personnel or loss of key personnel; and AMA Group's ability to execute productivity initiatives and realise operational synergies, cost savings and revenue benefits in accordance with its plans. No assurance can be given that any of the strategies will be effective or that the anticipated benefits from the strategies will be realised in the period for which the forward looking statements may have been prepared or otherwise. Refer to the section "Risk Factors" in this Presentation for a non-exhaustive summary of certain key business, offer and general risk factors that may affect the Group.

There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements, including (without limitation) the risks and uncertainties associated with the ongoing impacts of COVID-19, the Australian and global economic environment and capital market conditions and other risk factors set out in this Presentation. Investors should consider the forward-looking statements contained in this Presentation in light of those risks and disclosures. The forward-looking statements are based on information available to the Company as at the date of this Presentation.

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## Past performance

This Presentation contains a pro forma historical balance sheet. Past performance and pro forma historical financial information given in this Presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of the Group's views on its future financial performance or condition. Investors should note that past performance, including past share price performance, of AMA Group cannot be relied upon as an indicator of (and provides no guidance as to) future performance of the Group including future share price performance. The historical financial information contained in this Presentation is, or is based on, information that has previously been released to the market.

The information in this Presentation has been obtained from or based on sources believed by AMA Group to be reliable.

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You acknowledge and agree that determination and eligibility of investors for the purposes of the Offers is determined by reference to a number of matters, including legal and regulatory requirements and the discretion of AMA Group and the Underwriter. You further acknowledge and agree that AMA Group and the Underwriter and their respective Beneficiaries exclude and expressly disclaim any duty or liability (including for negligence) in respect of the exercise of that discretion, to the maximum extent permitted by law.

The Underwriter may have interests in the securities of AMA Group, including by providing investment banking services to AMA Group. Further, the Underwriter may act as market maker or buy or sell those securities or associated derivatives as principal or agent. The Underwriter may receive fees for acting in their capacity as a lead manager and underwriter to the Offers.

Statements made in this Presentation are made only as at the date of this Presentation. None of the Underwriter, or any of their or AMA Group's respective advisers nor any of their respective Beneficiaries have any obligation to update statements in this Presentation. The information in this Presentation remains subject to change without notice. AMA Group reserves the right to withdraw the Offers or vary the timetable for the Offers without notice.

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Singapore Securities and Futures Act Product Classification – In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the SFA) and the Securities and Futures (Capital Markets Products) Regulations 2018 (the CMP Regulations 2018), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), the classification of the Notes as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

MiFID II and UK MiFIR professionals/ECPS-only – Manufacturer target market (MiFID II and UK MiFIR product governance) for the Notes is eligible counterparties and professional clients only (all distribution channels).

No PRIIPs KID – No PRIIPs key information document (KID) has been prepared as Notes will not be available to retail in EEA or in the UK.

# Capital Raising and successful bank debt restructure

Capital Raisings	<ul style="list-style-type: none"><li>• AMA Group Ltd (“AMA Group”) today announces it is raising \$150m (the “Capital Raising”)</li><li>• The Capital Raising is comprised of two concurrent offerings:<ul style="list-style-type: none"><li>– \$100m fully underwritten accelerated 1 for 2.8 pro rata non-renounceable entitlement offer (“Entitlement Offer”); and</li><li>– \$50m fully underwritten convertible notes to be issued to eligible investors (“Convertible Notes Offer”)</li></ul></li><li>• This Capital Raising is the outcome of AMA Group’s Capital Structure Review and will deliver the following objectives:<ul style="list-style-type: none"><li>– Enhanced balance sheet flexibility, funding diversification and extended duration</li><li>– Enhanced liquidity to navigate short term disruptions associated with COVID-19</li><li>– A platform for AMA Group to execute on its growth strategy</li></ul></li></ul>
Successful Bank Debt Facility Restructure	<ul style="list-style-type: none"><li>• AMA Group has successfully restructured its existing bank debt facilities:<ul style="list-style-type: none"><li>– No facility maturing before Oct-2024</li><li>– First covenant test in Jun-2022 on an annualised earnings basis from Jan-2022 to Dec-2022 and then on standard LTM basis</li></ul></li></ul>
Use of Net Proceeds	<ul style="list-style-type: none"><li>• Net proceeds<sup>(1)</sup> from the Capital Raising will be used to permanently repay \$72.5m in debt facilities and \$69.3m will be used for the purposes of working capital, liquidity (including for COVID-19 related disruption) and in supporting growth initiatives</li></ul>
Operational Priorities and Growth strategy	<ul style="list-style-type: none"><li>• Operational Priorities:<ul style="list-style-type: none"><li>– Ongoing development of mutually beneficial customer contracting arrangements</li><li>– Realisation of the benefits of the new business structure</li><li>– Continued growth of the Supply business unit</li><li>– Pursuit of organic and acquisition growth opportunities</li><li>– Capitalising on technology advancements</li><li>– Ongoing effort to position AMA Group as ‘A Great Place to Work’</li></ul></li><li>• AMA Group’s growth strategy is focused on unlocking three dimensions of value:<ul style="list-style-type: none"><li>– Procurement, Production and Partnerships</li><li>– Opportunities exist within these dimensions of value for organic and inorganic<sup>(2)</sup> growth, margin expansion and cash generation</li></ul></li></ul>

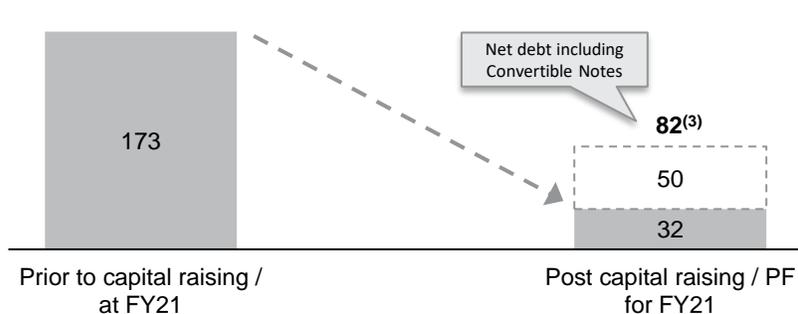
7 1. Net proceeds exclude senior bank debt restructure and Capital Raising transaction fees of \$8.2m.

2. Acquisitions cannot be made prior to 31-Dec-2022 without the prior written consent of Majority Financiers of the AMA Group (excluding acquisitions entirely funded by scrip).

# Strengthened balance sheet positioned for growth

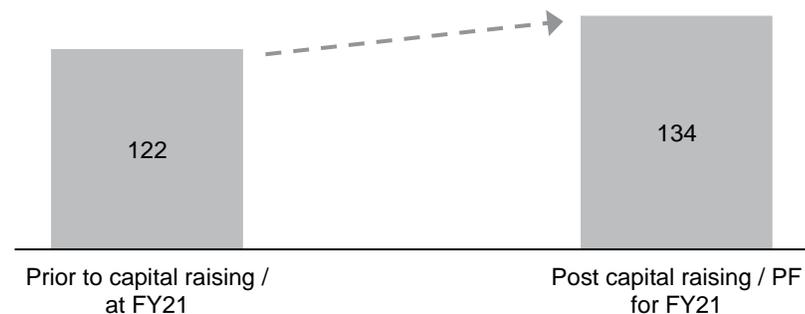
## Decrease in total net debt

### Net senior secured debt (\$m)<sup>(1)</sup>



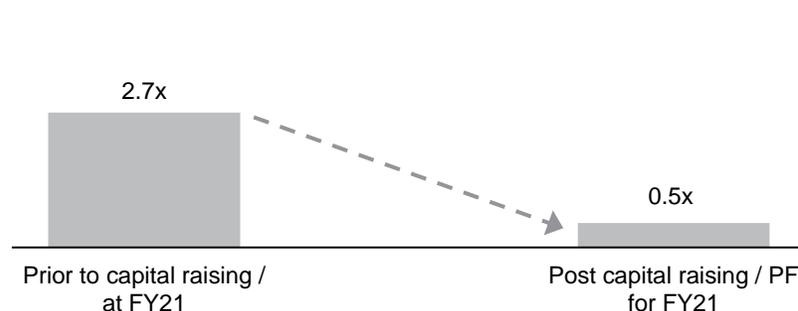
## Improved liquidity position

### Undrawn facilities and cash on balance sheet (\$m)<sup>(4)</sup>



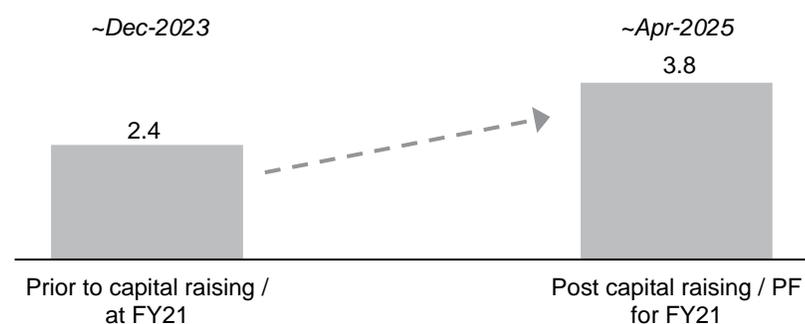
## Reduction in net senior secured leverage ratio (NSLR)

### Net senior secured debt / FY21 EBITDAI (x)<sup>(2)</sup>



## Longer duration of debt

### Weighted average maturity, in years remaining<sup>(5)</sup>



Source: ASX company filings.

1. Net senior secured debt as at FY21 (30 Jun-2021), based on \$237.5m of gross debt and \$64.2m of cash on balance sheet. Pro-forma net senior secured debt based on FY21 net senior secured debt less \$72.5m of debt repayment plus \$69.3m of additional cash on balance sheet from Capital Raising.
2. Net Senior Secured Leverage Ratio (NSLR) based on FY21 EBITDAI (pre-AASB 16) \$71.5m (incl. normalisations) less \$7.0m for ACAD divestment that equals \$64.5m.
3. Total Net Leverage Ratio is 1.3x based on \$82m of total net debt on FY21 EBITDAI (pre-AASB 16) \$71.5m (incl. normalisations) less \$7.0m for ACAD divestment that equals \$64.5m.
4. Post Capital Raising liquidity based on \$64.2m cash on balance sheet at Jun-2021 and \$69.3m of additional cash on balance sheet from Capital Raising.
5. Based on existing debt facilities that have maturities ranging from Oct-2022 to Oct-2024 and the new facilities having Oct-2024 maturities for bank debt and Mar-2027 for the Convertible Note. Years remaining based on from 1<sup>st</sup> July 2021. Convertible notes have an investor put option in Mar-2025.

# AMA Group is the leading collision repairer in Australia<sup>(1)</sup> and New Zealand

**AMA Group is the leading collision repair business in Australia<sup>(1)</sup>, repairing vehicles for major insurers across 178 sites in Australia and New Zealand**

The Group has the following business units:



Rapid repairs on vehicles which have sustained low to medium severity damage and are still driveable



More complex repairs on vehicles which have sustained higher severity damage, and prestige car repairs



Truck and bus repairs

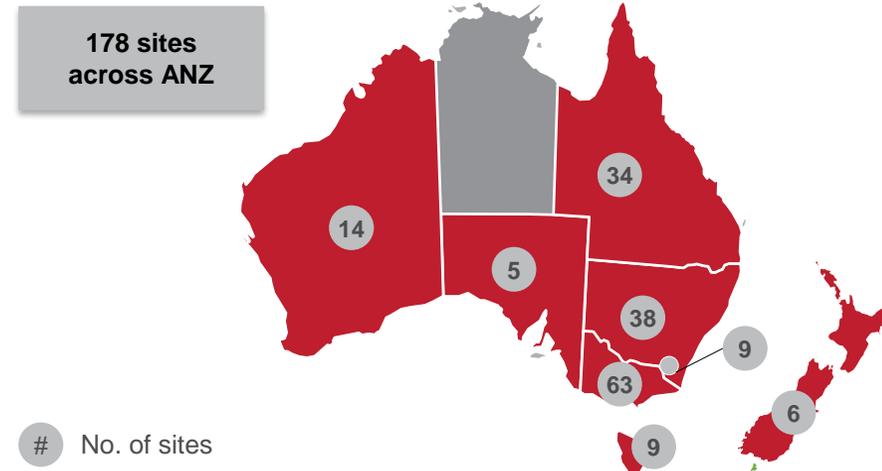


Provides new and recycled automotive parts, and consumables to the automotive collision and mechanical repair industries

## Sites by business unit

Business unit	Sites (as at Jun-2021)
Drive	72
Non-Drive	96
Heavy	10

## National footprint



# AMA Group's business fundamentals remain strong



## Market leader

### Leading position and ~14%<sup>(1)</sup> market share

- Longstanding relationships with insurers that includes preferred repairer status
- Purchasing power for parts, paint and consumables
- Economies of scale and lower average cost per repair
- Operational performance that provides high customer satisfaction and repair quality<sup>(2)</sup>



## Attractive tailwinds

### Vehicle repair market is a ~\$7bn<sup>(1)</sup> market opportunity

- Number of vehicles on the road continue to increase
- Kilometres driven on the road has continued to increase over the last ~10 years<sup>(3)</sup>
- Domestic driving holidays expected to increase kilometres travelled as consumers seek domestic travel options while international borders remain closed



## Defined strategic values to unlock growth

### Clearly defined, three dimensions of value to expand margins and scale

- Procurement – securing the quality products needed to execute operations on industry leading terms
- Production – leveraging the technical skills and industry expertise in the business
- Partnerships – building outstanding commercial relationships with customers for the long-term

Source: ASX company filings and IBIS World.

1. Market size per IBIS World Report S9412, Motor Vehicle Body, Paint and Interior Repair in Australia, October 2020. Includes motor vehicle body repair services, motor vehicle painting services, glass repair and replacement services.

2. Excludes car wash, cleaning and detailing services, upholstery and interior repair services, and other services. Market share calculated using FY21 revenue from external customers of \$917m per the FY21 Annual Report (pg.51).

3. Refer FY21 Results Presentation (Pg. 8).

3. ABS Survey of Motor Vehicle Use, Australia – 2010 to 2020.

# AMA Group's focus and opportunity to unlock growth

## Procurement

- **Securing the quality products needed to execute operations on industry leading terms**
  - Margin expansion through optimised sourcing of collision parts (~\$350m annual cost at full run rate), which currently remains largely intermediated
  - Opportunity for growth with AMA Group's ~180 site, ~\$1bn turnover business as the "anchor customer"

## Production

- **Leveraging the technical skills and industry expertise in the business**
  - Selling AMA Group's unique value proposition as a one stop shop for vehicle repairs
  - Focusing on operational excellence - reducing costs and expanding margins through capacity utilisation, paint and consumables yield improvement, ADAS recalibration capability development, and improving branch level performance and reducing overheads
  - Acquisition opportunities across all business units<sup>(1)</sup>

## Partnerships

- **Building commercial relationships with customers for the long-term, on a foundation of trust and delivering industry leading value to both parties**
  - Delivering the breadth of the AMA Group proposition to insurers in one economic consideration
  - Providing a best in class, high volume capability and high levels of customer satisfaction
  - Negotiating win-win commercial arrangements with success aligned to work performed and quality outcomes
  - Working with insurance partners to mitigate the impact of disruptions to labour or parts availability

# AMA Group's medium-term target

Metric	FY19A <sup>(1)</sup>	FY19 CS <sup>(2)</sup>	FY19PF <sup>(3)</sup>	FY20A <sup>(4)</sup>	FY21A <sup>(4)</sup>	Medium-Term Target (FY23+) *	
<b>Number of sites</b> <i>(at end of 30 June)</i>	130 sites	50 sites	180 sites	181 sites	178 sites	<p>~180 sites</p> <p><b>\$1bn+ turnover</b> <i>(~14% of market<sup>(5)</sup>)</i></p> <p><b>8%+ pre-AASB 16</b> <b>12%+ post-AASB 16</b></p> <p><b>Gearing ~ 20%<sup>(7)</sup></b> <b>Net Leverage ≤ 2.25x<sup>(8)</sup></b></p>	<p>Medium-term focus remains on margin expansion and revenue growth through:</p> <ul style="list-style-type: none"> <li><u>Procurement</u> – Securing the quality products needed to execute operations on industry leading terms</li> <li><u>Production</u> – Leveraging the scale, technical skills and industry expertise in the business</li> <li><u>Partnerships</u> – Building commercial relationships with customers for the long-term, on a foundation of trust and delivering industry leading value to both parties</li> <li>Realisation of previously forecast synergies from Capital S.M.A.R.T transaction as volumes recover (~\$17m in benefits on a normal volume basis)</li> <li>New site decisions prioritised on customer need and strategic objectives</li> </ul>
<b>Revenue from external customers (\$m)</b>	\$602m	\$341m	\$943m	\$824m	\$917m		
<b>Normalised EBITDAI (\$m, pre-AASB 16)<sup>(6)</sup></b> <i>(EBITDAI margins %)</i>	\$58m (9.6%)	\$21m (6.2%)	\$79m (8.4%)	\$46m (5.6%)	\$65m (7.1%)		
<b>Gearing<sup>(7)</sup> (%)</b>							
<b>Total Net Leverage<sup>(8)</sup> (x)</b>							



\* Medium term target assumes normal operating conditions (including traffic volumes, supply chain inputs and labour availability), and no ongoing impacts from COVID-19 or its variants.

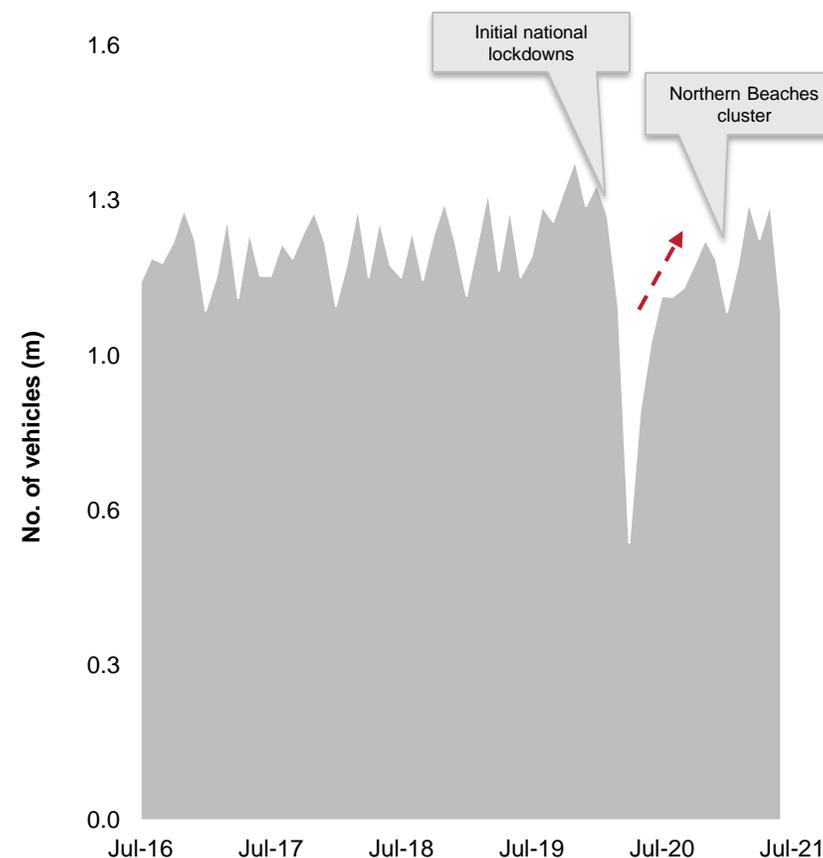
Source: AMA management, ASX company filings.

- FY19 revenue per the FY19 Annual Report (pg.54) and includes ACAD (which was divested in Dec-2020). Normalised EBITDAI per the FY19 Annual Report (pg.3).
- Capital S.M.A.R.T FY19 financials as disclosed in the Investor Presentation released on 1-Oct-2019 (pg.8).
- FY19 financials are pro-forma for the combined AMA Group and Capital S.M.A.R.T entity.
- FY20 and FY21 revenue per the FY21 Annual Report (pg.51) but excludes ACAD (which was divested in Dec-2020). Normalised EBITDAI per the FY21 Results presentation (pg.11) but excludes ACAD.
- Market size per IBIS World Report S9412, Motor Vehicle Body, Paint and Interior Repair in Australia, October 2020. Includes motor vehicle body repair services, motor vehicle painting services, glass repair and replacement services. Excludes car wash, cleaning and detailing services, upholstery and interior repair services, and other services. Market share calculated using FY21 revenue from external customers of \$917m per the FY21 Annual Report (pg.51).
- EBITDAI is Earnings before interest, tax, depreciation, amortisation, impairment and fair value adjustments. Pre- and post- AASB 16 refers to EBITDAI calculated prior or subsequent to the adoptions of the AASB 16 Leases accounting standard, respectively.
- AMA measures Gearing as (a) Senior bank facilities at amortised cost (drawn cash) plus the Face value of the Convertible Note plus 50% of the cash portion of contingent vendor consideration; less (b) Cash and cash equivalents; with (a) less (b) divided by the aggregate of (a), (b) and; (c) Fully paid ordinary shares where quoted shares are calculated based on market price and unquoted shares are calculated using issue price.
- Net leverage target is inclusive of the Convertible Note and based on pre-AASB 16 EBITDAI.

# Disruption from COVID-19 and our response

- COVID-19 restrictions have impacted kilometres travelled and had a subsequent direct impact on repair volumes. This is expected to continue throughout 1H22
- Lower repair volumes affect site productivity and fixed overhead absorption
  - As at early September 2021, weekly national averages for Drive and Non-Drive show ~35% and ~25% unutilised booking capacity, respectively
  - In NSW, Drive and Non-Drive show ~70% and ~60% in unutilised capacity, respectively
- Repair volumes returned quickly as restrictions eased in 2020, contributing to improved site productivity and normalisation of fixed overhead absorption
- Priority is supporting staff to maximise retention, so the business can withstand the impacts of COVID-19 and return to normal operational volumes quickly
- The Group continues to focus on operational efficiencies and cost management during this period
- Insurer partners are supportive of the business and adjusting revenue structures to reflect a COVID-19 affected environment
- As at early September 2021, 13 Drive and 18 Non-Drive sites are either hibernated or under partial stand down, with ~344 staff temporarily hibernated across Australia and New Zealand

**Sydney road traffic volumes<sup>(1)</sup>**



# Strengthening AMA Group's balance sheet

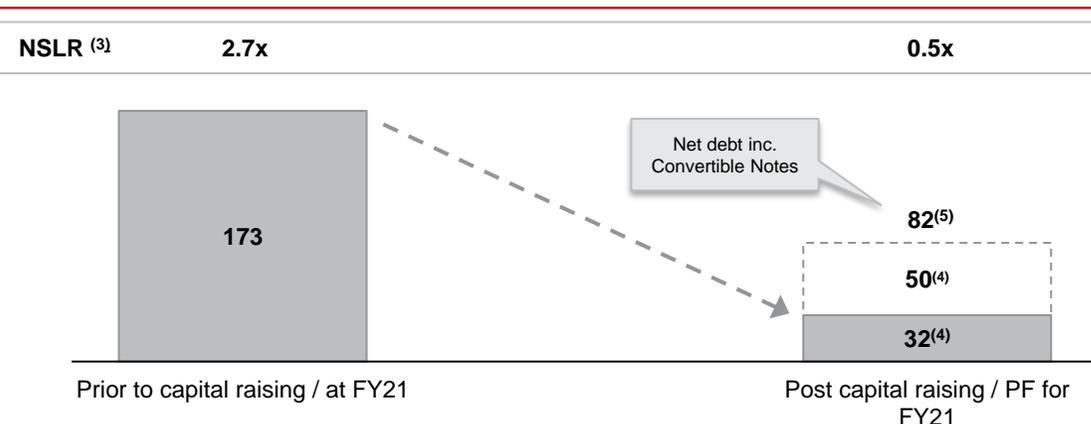
## Sources and uses (\$m)

Sources	\$m
Convertible Note	50.0
Entitlement Offer	100.0
<b>Total sources</b>	<b>150.0</b>

Uses	\$m
Permanent repayment of bank debt	72.5
Cash to balance sheet - working capital, liquidity and growth	69.3
Transaction fees	8.2
<b>Total uses</b>	<b>150.0</b>

## Net debt and leverage prior to and post Capital Raising<sup>(1)</sup>



- Net proceeds<sup>(2)</sup> from the Capital Raising will be used to permanently repay \$72.5m in debt facilities and \$69.3m will be used for the purposes of working capital, liquidity (including for COVID-19 related disruption) and in supporting growth initiatives
- Following the transaction, pro-forma net senior secured debt as at Jun-2021 will be \$31.5m with a pro-forma Net Senior Secured Leverage Ratio (NSLR) of ~0.5x<sup>(3)</sup> vs. \$173m of net senior secured debt and 2.7x<sup>(3)</sup> NSLR prior to the Capital Raising
- AMA Group has successfully agreed to restructure its debt facilities to provide further balance sheet flexibility.<sup>(6)</sup> This includes no debt facility maturing prior to Oct-2024 (two facilities were due to mature in Oct-2022) and covenant testing restarting in the quarter ending Jun-2022. After the permanent repayment of bank debt of \$72.5m, the total bank facility limit will be \$182.5m<sup>(7)</sup>, reduced from \$305m. \$165m cash will be drawn on completion of the Capital Raising
- Debt funding mix diversified from 100% bank debt to ~78% bank debt and ~22% capital markets<sup>(8)</sup>
- The Capital Raising improves the AMA Group's available liquidity position from \$122m to \$134m on a pro-forma basis<sup>(9)</sup> (as at Jun-2021)

Source: ASX company filings.

- Net senior secured debt as at Jun-2021, based on \$237.5m of gross debt and \$64.2m of cash on balance sheet equals \$173.3m net senior secured debt. Based on cash drawn only.
- Net proceeds exclude senior bank debt restructure and Capital Raising transaction fees of \$8.2m.
- Net Senior Secured Leverage Ratio (NSLR) based on FY21 EBITDAI (pre-AASB 16) \$71.5m (incl. normalisations) less \$7.0m for ACAD divestment that equals \$64.5m.
- Based on \$173.3m of starting net senior secured debt less \$72.5m of debt repayment plus \$69.3m of additional cash on balance sheet from Capital Raising equals \$31.5m net senior secured debt. Total net debt of \$81.5m post Capital Raising includes \$50m Convertible Notes.
- Total Net Leverage Ratio is 1.3x based on \$82m of total net debt on FY21 EBITDAI (pre-AASB 16) \$71.5m (incl. normalisations) less \$7.0m for ACAD divestment that equals \$64.5m.
- Dividends cannot be made before 31-Dec-2022 without the prior written consent of the Majority Financiers of AMA Group.
- \$147.5m term debt, \$17.5m working capital facility and \$17.5m bank guarantee facility.
- Based on committed bank debt facilities of \$305m prior to Capital Raising and committed bank debt facilities of \$182.5m and \$50m of Convertible Notes post Capital Raising.
- Based on \$64.2m of cash on balance sheet as at Jun-2021 and \$69.3m of additional cash on balance sheet from Capital Raising.

# Pro-forma capitalisation

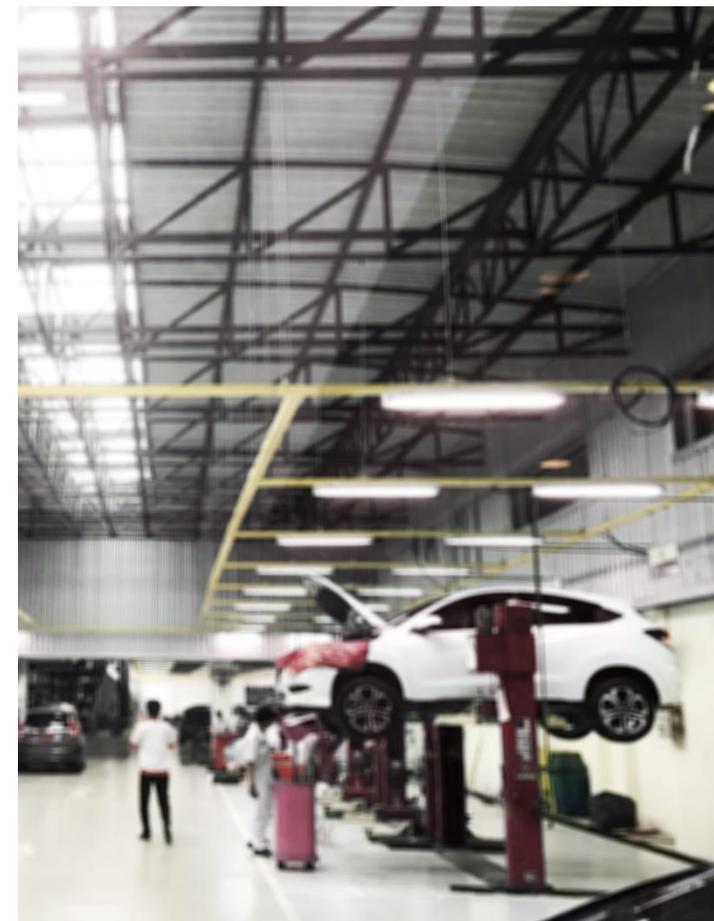
PROFORMA BALANCE SHEET A\$ millions	JUN-21 <sup>(1)</sup>	BANK DEBT RESTRUCTURE <sup>(2)</sup>	IMPACT OF CAPITAL RAISING <sup>(3)</sup>	JUN-21 PRO-FORMA
Cash and cash equivalents	64.2	(75.2)	144.5	133.5
Receivables and other assets	112.8	-	-	112.8
Non-current assets	950.1	-	-	950.1
<b>Total assets</b>	<b>1,127.1</b>	<b>(75.2)</b>	<b>144.5</b>	<b>1,196.4</b>
Trade and other payables	167.4	-	-	167.4
Current financial liabilities	32.5	-	-	32.5
Non-current financial liabilities	237.7	(71.4)	40.4	206.7
Lease liabilities	326.9	-	-	326.9
Other non-current liabilities	111.7	-	-	111.7
<b>Total liabilities</b>	<b>876.2</b>	<b>(71.4)</b>	<b>40.4</b>	<b>845.2</b>
Contributed Equity	424.4	-	97.0	521.4
Other Equity	-	-	7.1	7.1
Other reserves	0.6	-	-	0.6
Retained deficit	(188.3)	(3.8)	-	(192.1)
Non-controlling interests	14.2	-	-	14.2
<b>Total equity</b>	<b>250.9</b>	<b>(3.8)</b>	<b>104.1</b>	<b>351.2</b>
Senior Secured Bank Debt - drawn cash	237.5	(72.5)	-	165.0
Convertible Note - face value	-	-	50.0	50.0
<b>Total net debt</b>	<b>173.3</b>			<b>81.5</b>

Source: ASX company filings.

1. FY21 Annual Report (pg.42)

2. \$72.5m permanent repayment of debt facilities and costs incurred in the senior debt restructure, including amortisation of existing capitalised borrowing costs.

3. \$100m fully underwritten accelerated non-renounceable entitlement offer and \$50m Convertible Notes issued to sophisticated and institutional investors, and costs incurred in the Capital Raising.



# Recap – FY21 summary financial performance<sup>(1)</sup>

SUMMARY FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE	FY 2021	FY 2020	CHANGE	
	PRE-AASB 16	PRE-AASB 16	AUD \$'000	%
	AUD \$'000	AUD \$'000	AUD \$'000	%
<b>Revenue and other income from continuing operations</b>	<b>918,293</b>	<b>825,356</b>	<b>92,937</b>	<b>11.3%</b>
Raw materials and consumables used	(436,609)	(388,390)	(48,219)	12.4%
Employment benefits expense	(314,189)	(298,166)	(16,023)	5.4%
Occupancy expense	(72,448)	(69,062)	(3,386)	4.9%
Supplier termination fee	(9,437)	-	(9,437)	100.0%
Professional services expense	(8,198)	(15,242)	7,044	(46.2%)
Other expense	(23,008)	(22,071)	(937)	4.2%
<b>Earnings before interest, tax, depreciation, amortisation, impairment and fair value adjustments ("EBITDAI")</b>	<b>54,404</b>	<b>32,425</b>	<b>21,979</b>	<b>67.8%</b>
Fair value adjustments on contingent vendor consideration	(5,977)	(4,487)	(1,490)	33.2%
Depreciation and amortisation expense	(40,495)	(32,490)	(8,005)	24.6%
Impairment expense	(101,037)	(49,046)	(51,991)	106.0%
<b>Operating loss before interest and tax</b>	<b>(93,105)</b>	<b>(53,598)</b>	<b>(39,507)</b>	<b>73.7%</b>
Finance costs	(10,533)	(10,336)	(197)	1.9%
<b>Loss before income tax from continuing operations</b>	<b>(103,638)</b>	<b>(63,934)</b>	<b>(39,704)</b>	<b>62.1%</b>
Income tax (expense) / benefit	(680)	2,041	(2,721)	(133.3%)
<b>Loss after income tax from continuing operations</b>	<b>(104,318)</b>	<b>(61,893)</b>	<b>(42,425)</b>	<b>68.5%</b>
Profit / (loss) after income tax from discontinued operations	12,339	(229)	12,568	(5,488.2%)
<b>Loss for the period</b>	<b>(91,979)</b>	<b>(62,122)</b>	<b>(29,857)</b>	<b>48.1%</b>
Normalisations	10,174	13,487	(3,313)	(24.6%)
ACAD and Fully Equipped businesses sold on 31 December 2020	6,971	7,257	(286)	(3.9%)
<b>Normalised EBITDAI (Pre-AASB 16)</b>	<b>71,549</b>	<b>53,169</b>	<b>18,380</b>	<b>34.6%</b>
<b>Normalised EBITDAI Margin on continuing operations %</b>	<b>7.0%</b>	<b>5.6%</b>	<b>1.4%</b>	<b>25.0%</b>

- Increase in revenue and EBITDAI is largely due to the benefit of a full twelve months trading for acquisitions such as Capital S.M.A.R.T and ACM Parts
- Normalisations for the period were \$10.2m. This largely relates to the paint supplier termination fee. The supplier termination fee was incurred as a result of Capital S.M.A.R.T's paint transition to BASF, which is complete
- Normalised EBITDAI includes the contribution from the disposed businesses (ACAD and Fully Equipped for H1) but does not include the accounting gain on disposal
- Historical normalisations significantly reduced
- No normalisations for the COVID-19 pandemic
- From 1H22, reporting will be on a post-AASB 16 basis

# Capital Raising

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AMA GROUP

# Offer details – Entitlement Offer

Offer structure and size	<ul style="list-style-type: none"> <li>Fully underwritten<sup>(1)</sup> 1 for 2.80 accelerated, non-renounceable Entitlement Offer to raise gross proceeds of \$100m</li> <li>Approximately 267m New Shares to be issued</li> </ul>
Offer price	<ul style="list-style-type: none"> <li>Entitlement Offer will be offered at a fixed price of \$0.375 per new share (<b>Offer Price</b>)             <ul style="list-style-type: none"> <li>10.7% discount to the last traded price of \$0.420 on 3 September 2021</li> <li>8.1% discount to TERP<sup>(2)</sup> of \$0.408</li> </ul> </li> </ul>
Institutional Entitlement Offer	<ul style="list-style-type: none"> <li>Institutional Entitlement Offer to existing institutional shareholders             <ul style="list-style-type: none"> <li>the Institutional Entitlement Offer will be conducted by a bookbuild process on Friday, 10 September 2021</li> <li>New Shares equivalent to the number of New Shares not taken up and those that would have been offered to ineligible institutional shareholders will be placed into an institutional shortfall bookbuild to be conducted on Friday, 10 September 2021</li> </ul> </li> </ul>
Retail Entitlement Offer	<ul style="list-style-type: none"> <li>Retail Entitlement Offer to existing eligible<sup>(3)</sup> retail shareholders             <ul style="list-style-type: none"> <li>the Retail Entitlement Offer will open on Friday, 17 September 2021 and close at 5:00pm (Sydney time) on Thursday, 30 September 2021</li> </ul> </li> </ul>
Director Participation	<ul style="list-style-type: none"> <li>All Directors have expressed their intention to take-up their entitlements</li> </ul>
Ranking	<ul style="list-style-type: none"> <li>All New Shares issued under the Entitlement Offer will rank pari passu with existing shares on issue</li> </ul>
Record date	<ul style="list-style-type: none"> <li>7:00pm Sydney time on Tuesday, 14 September 2021</li> </ul>
Risks	<ul style="list-style-type: none"> <li>Refer to the section “Risk Factors” in this Presentation for a summary of key risks associated with an investment in AMA Group and the Entitlement Offer</li> </ul>
Underwriting	<ul style="list-style-type: none"> <li>Underwritten by UBS AG, Australia Branch</li> </ul>

1. Refer to the section “Risk Factors” in this Presentation for a description of the terms and conditions of the underwriting arrangements.

2. Theoretical ex-rights price (TERP) includes the shares issued under the Institutional Entitlement Offer and the Retail Entitlement Offer. TERP is the theoretical price at which Shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Shares trade on ASX immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to the closing price of AMA Group’s shares as traded on ASX on 3 September 2021, being the last trading day prior to the announcement of the Entitlement Offer.

18 3. The Retail Entitlement Offer is only available to eligible retail shareholders with a registered address in Australia or New Zealand on the Record Date – see the Retail Offer Booklet for further details on eligibility and the terms of the Retail Entitlement Offer once available.

# Offer details – Convertible Notes Offer

Issuer	AMA Group Limited
Offering	Senior convertible notes (the “Notes”) convertible into AMA ordinary shares (“Ordinary Shares”) in accordance with the final terms and conditions of the notes
Use of Net Proceeds	The Net Proceeds from the offering of the Notes will be approximately A\$48 million, after deduction of commissions, professional fees and other administrative expenses. The Issuer intends to use the net proceeds from the Notes offering for permanent repayment of debt facilities, the purposes of working capital, liquidity (including for COVID-19 related disruption) and in supporting growth initiatives
Status	Direct, unconditional, unsubordinated and (subject to Condition 2 of the final terms and conditions of the Notes) unsecured obligations of the Issuer
Issue Size	A\$50.0 million
Maturity Date	22 March 2027 (5.5 years)
Put Date	21 March 2025 (3.5 years)
Coupon	4.000% per annum (payable semi-annually in arrear)
Redemption / Put Price	100.000% of the principal amount
Yield to Maturity	4.000% per annum, calculated on a semi-annual basis
Conversion Premium	25%-30% over the Reference Ordinary Share Price
Reference Share Price	A\$0.375, being the Concurrent Equity Entitlement Offer Price
Initial Conversion Price	A\$0.4688 — A\$0.4875 per Ordinary Share
Settlement on Conversion	Convertible into Ordinary Shares on exercise of a conversion right by a holder
Issuer Redemption	Issuer may redeem at par following the occurrence of a Clean-up Call (85% threshold) or Tax Call
Dividend Protection	Conversion Price adjustment for all dividends paid on Ordinary Shares
Noteholder Redemption	Change of Control Put (no earlier than 90 days following Change of Control) or Delisting Put
Change of Control	Conversion Price ratchet, holder Put
Anti-dilution	Customary anti-dilution provisions
Concurrent Delta Placement	Concurrent with the offering of Notes, the Manager intends to run a delta placement to help facilitate some or any of the hedging activity that may be executed by investors in the Notes
Stock Lending Facility	The Issuer understands that a shareholder of AMA intends to make at least 19.1 million Ordinary Shares available at the time of the Delta Placement to investors of the Notes for stock borrowing purposes via the Sole Lead Manager
Moratorium	90 days following closing date subject to customary carve-outs
Governing Law / Listing / Offer	English / SGX-ST <sup>(1)</sup> / Reg S

# Offer timetable

Event	Date <sup>(1)</sup>
Trading halt and voluntary suspension	Monday, 6 September 2021
Capital Raising announced and investor presentation lodged to the ASX	Friday, 10 September 2021
Convertible Notes Offer and Institutional Entitlement Offer open	Friday, 10 September 2021
Trading halt and voluntary suspension lifted and Ordinary Shares recommence trading on ASX	Monday, 13 September 2021
Results of the Convertible Notes Offer and Institutional Entitlement Offer announced	Monday, 13 September 2021
Record Date for determining entitlement to subscribe for New Shares under Entitlement Offer	7.00pm (Sydney time), Tuesday, 14 September 2021
Retail Entitlement Offer opens and Retail Offer Booklet despatched	Friday, 17 September 2021
Settlement of Institutional Entitlement Offer	Monday, 20 September 2021
Settlement of the Convertible Notes Offer	Tuesday, 21 September 2021
Allotment and normal trading of New Shares under the Institutional Entitlement Offer	Tuesday, 21 September 2021
Trading of Notes on the SGX-ST	Expected to be Wednesday, 22 September 2021
Despatch of holding statements for New Shares under the Institutional Entitlement Offer	Wednesday, 22 September 2021
Retail Entitlement Offer closes	Thursday, 30 September 2021
Results of the Retail Entitlement Offer announced	Tuesday, 5 October 2021
Settlement of Retail Entitlement Offer	Wednesday, 6 October 2021
Allotment of New Shares issued under the Retail Entitlement Offer	Thursday, 7 October 2021
Normal trading of New Shares under the Retail Entitlement Offer	Friday, 8 October 2021
Despatch of holding statements for New Shares under the Retail Entitlement Offer	Friday, 8 October 2021

# Risk Factors

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AMA GROUP

# Key risks – Business risks

Risk	Summary
<b>Impact of COVID-19</b>	<ul style="list-style-type: none"> <li>• AMA Group observes continuing uncertainty as to the duration and further impact of the COVID-19 pandemic, including the timing and extent of government approaches to lockdowns and containment measures (including travel restrictions affecting “kilometres driven”, one of the key external drivers of AMA Group’s business) and the depth and length of the negative impacts on domestic and global economic activity.</li> <li>• Given the high degree of uncertainty surrounding the extent and duration of COVID-19, it is not currently possible to assess the full impact of COVID-19 on AMA Group’s business. However, a prolonged reduction in demand for AMA Group’s services would materially adversely impact AMA Group’s financial performance and profitability.</li> <li>• A number of aspects of AMA Group’s business may also be directly or indirectly affected by government, regulatory or health authority actions, work stoppages, lockdowns, quarantines, social distancing, travel restrictions and other measures associated with COVID 19 in Australia and internationally. There is a risk that if the duration of events surrounding COVID 19 is prolonged, AMA Group may need to take additional measures in order to respond appropriately.</li> <li>• Some of these impacts to AMA Group, outside of the direct impact on vehicle repair volumes from less “kilometres driven” as a result of movement restrictions, include supply chain and procurement impacts (including both the unavailability and increased delivery time of parts) and labour shortfalls from talent shortages (including the upwards pressure on wages to attract talent). All of these factors combined together also negatively affect site productivity and fixed overhead absorption.</li> <li>• The indirect impact of the COVID 19 pandemic on the broader economy has affected and may further affect economic activity generally and may have an adverse effect on AMA Group’s long term business performance and profitability. If the spread of COVID-19, and/or the actions taken to combat it persist, AMA Group’s operational and financial performance could deteriorate further. There is no certainty that demand for AMA Group’s services will normalise to a level existing prior to the impact of COVID-19 (or how long such normalisation could take), even once restrictions are lifted. The COVID-19 pandemic has altered and may further alter consumer behaviour and such changes may adversely affect AMA Group’s financial performance.</li> <li>• There are also other changes in the domestic and global macroeconomic environment associated with the events relating to COVID-19 that are beyond the control of AMA Group and may be exacerbated in an economic recession or downturn. These include, but are not limited to:               <ul style="list-style-type: none"> <li>• changes in inflation, interest rates and foreign currency exchange rates;</li> <li>• changes in employment levels and labour costs;</li> <li>• changes in aggregate investment and economic output; and</li> <li>• other changes in economic conditions which may affect the revenue or costs of AMA Group or its businesses.</li> </ul> </li> <li>• Many of the risks highlighted in this Investor Presentation are likely to be heightened due to the impacts of the COVID-19 pandemic.</li> </ul>
<b>Managing growth and integration risk</b>	<ul style="list-style-type: none"> <li>• The integration of acquired businesses and the strategy of growing the store network will require AMA Group to integrate these businesses and, where appropriate, upscale its operational and financial systems, procedures and controls and expand and retain, manage and train its team members. If AMA Group is not able to manage its expansion and growth efficiently and effectively, or if the performance of new stores or acquisitions does not meet expectations, in each case including as a result of the circumstances surrounding COVID-19, this may materially adversely impact AMA Group’s financial performance and profitability.</li> </ul>
<b>Competition</b>	<ul style="list-style-type: none"> <li>• AMA Group operates in a competitive market environment. AMA Group’s financial performance could be affected if the actions of competitors become more effective or if new competitors enter the market or current economic conditions (including as a result of COVID-19) lead to significant promotional activity by competitors in financial distress, particularly if AMA Group is unable to respond effectively to such activity or its response is delayed.</li> </ul>

# Key risks – Business risks (cont'd)

Risk	Summary
<b>People risk</b>	<ul style="list-style-type: none"> <li>AMA Group is a highly focused customer service business and its team members and senior management are key to maintaining the level of operational service to its customers, as well as executing AMA Group's strategy and growing its business. Any significant turnover of team members or unplanned loss of key senior management, or the inability on the part of AMA Group to attract experienced personnel (in each case, including as a result of COVID-19), has the potential to disrupt AMA Group's ability to develop and implement its business strategies, and may adversely impact AMA Group's financial performance and profitability.</li> </ul>
<b>Brand and reputation damage</b>	<ul style="list-style-type: none"> <li>The success of AMA Group is partly dependent on reputation and branding. Maintaining the strength of the reputation, quality of service and branding of AMA Group is integral to its ability to maintain relationships with existing insurance customers, appeal to new customers, maintain sales growth and attract key talent. Factors which adversely affect AMA Group's reputation may have a negative impact on its competitiveness, growth and profitability. The businesses that AMA Group operates rely on the strength of existing customer and supplier relationships to sustain future sales. Any loss of major customer and supplier relationships may have an adverse effect on company earnings.</li> </ul>
<b>Customer / insurer relationship risks</b>	<ul style="list-style-type: none"> <li>AMA Group's business model relies on the relationships it has with key insurance customers for vehicle repair volumes and the terms of agreement between AMA Group and the insurers, including pricing per repair and preferred repairer status. Accordingly, there may be material adverse impacts to AMA Group's financial performance and profitability if any insurance customer terminates or does not renew any existing agreement with AMA Group when these are up for renewal. Furthermore, there may be material adverse impacts to AMA Group's financial performance and profitability if AMA Group is unable to renegotiate acceptable financial and operating terms (including on pricing, volume, preferred repairer status) with these insurance customers.</li> </ul>
<b>Business relationships with suppliers</b>	<ul style="list-style-type: none"> <li>AMA Group's business model depends on having access to a wide range of automotive parts. An increase in pricing pressure from suppliers, a damaged relationship with a supplier or the adverse impacts of COVID-19 on AMA Group's supply chain may increase the prices and/or delay the timing of delivery at which AMA Group procures parts or limit AMA Group's ability to procure parts from that supplier. If prices of parts increase, AMA Group may not be able to fully pass on the price increases, which may result in a decrease in profitability.</li> </ul>
<b>Customer volume risks</b>	<ul style="list-style-type: none"> <li>The COVID-19 restrictions have had a negative impact on one of the key external drivers of AMA Group's business – kilometres driven. This has resulted in challenging operating conditions, including lower repair volumes, with fewer kilometres driven. Due to ongoing uncertainty as a result of the COVID-19 pandemic it is difficult to predict if or when trading volumes will normalise.</li> </ul>
<b>Business disruptions</b>	<ul style="list-style-type: none"> <li>A disruption in the systems and processes utilised in AMA Group's business can affect part availability and result in delays in the delivery of parts to AMA Group's stores and customers. Parts availability and delays in delivery (including as a result of COVID-19) can have the short-term effect of delays in performance of services, which could materially adversely impact AMA Group's financial performance and profitability.</li> </ul>
<b>Future acquisitions</b>	<ul style="list-style-type: none"> <li>AMA Group intends to selectively pursue acquisitions to complement its organic growth. However, AMA Group may not be able to identify suitable acquisition candidates at acceptable prices or complete and integrate acquisitions successfully. If the circumstances surrounding COVID-19 are prolonged, this may also limit AMA Group's ability to execute its growth strategy within its expected timeframe. Even if successfully executed and integrated, there can be no guarantee of continued successful performance of those acquisitions. To the extent that AMA Group's acquisition strategy is unsuccessful, its financial performance could be adversely impacted.</li> </ul>

# Key risks – Business risks (cont'd)

Risk	Summary
<b>Property Leases</b>	<ul style="list-style-type: none"> <li>AMA Group has a large number of leased premises. Accordingly, there may be adverse impacts to AMA Group's financial performance and ability to provide services for customers if AMA Group is unable to renegotiate acceptable lease terms for existing sites when leases are due to expire and to identify suitable sites and negotiate suitable leasing terms for new sites.</li> </ul>
<b>Workplace health and safety</b>	<ul style="list-style-type: none"> <li>While a strong emphasis is placed on the implementation of workplace health and safety standards, the risk of a serious injury or fatality remains possible. The occurrence of such events may have an adverse effect on the productivity, operations and reputation of AMA Group. AMA Group is focused on the safety of its staff, customers and contractors.</li> <li>AMA Group's safety processes have been reviewed in light of COVID-19 and, where appropriate, additional processes and procedures have been implemented. However, there is still a risk of a COVID-19 related infection occurring at AMA Group's sites, which could have a negative impact on AMA Group's reputation, ability to supply products to customers and financial performance.</li> </ul>
<b>Industrial action</b>	<ul style="list-style-type: none"> <li>Certain employees of AMA Group may be, or may in the future be, represented by unions. There is no guarantee that AMA Group will not experience industrial action in the future and its financial performance may suffer as a result.</li> </ul>
<b>Maintenance of standards and quality accreditations</b>	<ul style="list-style-type: none"> <li>Some of the operating companies of AMA Group are required to renew quality assurance accreditations important or essential for the maintenance of certain customer supply arrangements. Failure to maintain or to gain re-accreditation may have a material adverse impact on the financial performance of AMA Group.</li> </ul>
<b>Information technology</b>	<ul style="list-style-type: none"> <li>All of AMA Group's business operations rely on information technology platforms. Although AMA Group's business units operate with a number of different operating systems, making it less likely that any unplanned downtime will occur across the entire business, any sustained unplanned downtime due to system failures, cyber-attack or any other reason has the potential to have a material impact on the ability of AMA Group to service its customers which, in turn, may adversely impact AMA Group's financial performance and profitability.</li> </ul>
<b>Liability risk</b>	<ul style="list-style-type: none"> <li>AMA Group has taken up insurance policies for certain risks. However, if AMA Group's insurance arrangements are not adequate to protect it against liability for all losses (including but not limited to environmental losses, public liability, product liability or losses arising from business interruption) or should AMA Group experience losses in excess of the scope of its insurance cover, AMA Group's financial performance may be adversely affected.</li> </ul>

# Key risks – Business risks (cont'd)

Risk	Summary
<b>Credit risk</b>	<ul style="list-style-type: none"> <li>• AMA Group is required to comply with financial covenants under the terms of its borrowing facilities, including a senior secured net leverage ratio and a fixed charge cover ratio, both of which are tested on a quarterly basis. AMA Group's financiers have agreed to waive covenant testing until 30 June 2022 and provided a more favourable covenant testing regime until 31 December 2022. To the extent that AMA Group's operational or financial position does not improve or deteriorates further, there is no assurance that it will be able to obtain further financial accommodation or relief from covenant testing from its financiers in the future. If AMA Group were to breach any of these financial covenants in future testing periods, the lenders could cancel the facilities and declare all outstanding amounts immediately due and payable. If that action were to be taken, it may have a material adverse effect on AMA Group's future financial position and there is no certainty that AMA Group would have access to sufficient cash to meet its repayment obligations or be able to refinance the existing debt on commercially acceptable terms. In those circumstances, AMA Group would need to seek waivers or other forms of accommodation. Alternatively, AMA Group would need to produce alternative financing arrangements to refinance the existing facilities. Further, any additional deterioration in the economic or business environment may impact AMA Group and this may also result in financiers requiring their loans to be repaid if such deterioration leads to an event of default under AMA Group's banking arrangements.</li> <li>• As part of the debt facility amendment undertaken by AMA Group, it has obtained consent from its existing financiers for cancellation of facilities and aligning the maturity to October 2024. Although it is envisaged that this will assist AMA Group in remaining resilient to the current economic challenges, there can be no assurance that AMA Group will be able to extend, repay or refinance the facilities in whole or in part at maturity. AMA Group will be subject to additional requirements including maximum net senior secured debt until 31 December 2022. If this is breached, financiers may require their loans to be repaid immediately, which may have a material adverse effect on AMA Group's future financial performance and position. There is a risk that AMA Group may not be able to access equity or debt capital markets in that event. Future disruptions in the global financial market, including the bankruptcy or restructuring of financial institutions, could make debt markets less accessible, and materially adversely affect the availability and cost of credit in the future</li> <li>• There is a risk that AMA Group's existing lenders would withhold their consent to amendment or waiver of any non-compliance or, if such consent was to be given, that consent may be conditional on increased fees or interest and/or tight terms and conditions. If AMA Group were to breach the financial covenants and was otherwise unable to reach agreement with lenders or implement a capital restructure, AMA Group may not be able to continue its operations as a going concern and therefore may not be able to realise its assets and extinguish its liabilities in the ordinary course of operations and at the amounts stated in the financial statements.</li> </ul>
<b>Litigation</b>	<ul style="list-style-type: none"> <li>• AMA Group is subject to the usual business risk that disputes or litigation may arise from time to time in the course of its business activities. There is a risk that any material or costly dispute or litigation could have a material adverse impact on AMA Group's reputation, financial performance and profitability.</li> <li>• Specifically, during FY21 the vendor of a business acquired by AMA Group issued a notice of dispute against AMA Group in relation to its earn-out calculation. The parties agreed to engage in mediation which remains ongoing as at the date of this Investor Presentation. Any finding or determination against AMA Group may have an impact on AMA Group's reputation, financial performance and profitability.</li> </ul>
<b>Asset impairment</b>	<ul style="list-style-type: none"> <li>• Consistent with accounting standards, AMA Group is periodically required to assess the carrying value of its assets. Where the value of asset is assessed to be less than its carrying value, AMA Group is obliged to recognise an impairment charge in its profit and loss account and balance sheet. Impairment charges can be significant and operate to reduce the level of a company's profits and, potentially, its capacity to pay dividends. AMA Group undertakes business combinations on an annual basis and thus there are risks that these acquisitions may be impaired in the period thereafter if they materially underperform relative to their carrying value.</li> </ul>
<b>Technology risks</b>	<ul style="list-style-type: none"> <li>• AMA Group operates in the automobile space providing collision repair for vehicles involved in accidents. With continued technological advancements in the automobile industry including the evolution and successful adoption of Advanced Driver Assistance Systems (ADAS) in increasingly more vehicles, this can reduce the overall level of on road collisions due to its accident reducing technology, and therefore, reduce the volume of vehicle repairs in the medium to long term. This reduction in volume may negatively affect AMA Group's financial performance. This evolution has also resulted in a change to the profile of repairs, rendering them more technically challenging. As this evolution continues, there will be a continued shift in the types of parts required due to the nature of accidents that present themselves to repairer networks.</li> </ul>

# Key risks – General risks

Risk	Summary
<b>Investment in equity capital and COVID-19</b>	<ul style="list-style-type: none"> <li>• There are general risks associated with investments in equity capital. The trading price of AMA Group’s ordinary shares on ASX may fluctuate with movements and limited liquidity in equity capital markets in Australia and internationally. This may result in the market price for the newly issued ordinary shares being less or more than the Offer Price.</li> <li>• Generally applicable factors which may affect the market price of AMA Group’s ordinary shares include:               <ul style="list-style-type: none"> <li>• the impact of COVID-19, including on the health and availability of the workforce, the industry, customers, supply chains and travel restrictions;</li> <li>• general movements in Australian and international stock markets, including market volatility;</li> <li>• investor sentiment and the risk of contagion;</li> <li>• Australian and international economic conditions and outlook, including changes in interest rates, the rate of inflation, exchange rates, commodity prices, employment levels and consumer demand;</li> <li>• changes in Australian and foreign government regulation and fiscal, monetary and regulatory policies;</li> <li>• loss of key personnel and delays in replacement;</li> <li>• announcement of new technologies;</li> <li>• geo-political instability, including international hostilities and acts of terrorism;</li> <li>• natural disasters, extreme weather events and catastrophes, whether in global, regional or local scale;</li> <li>• epidemics and pandemics such as COVID-19;</li> <li>• that the operating results of AMA Group may vary from expectations of securities analysts and investors;</li> <li>• changes in the competitive landscape; and</li> <li>• future issues of AMA Group’s equity securities.</li> </ul> </li> <li>• There is continued uncertainty as to the further impact of COVID-19 on the Australian economy and share markets including in relation to governmental action, work stoppages, university and school stoppages, lockdowns, quarantines, travel restrictions and the impact on the Australian economy and equity and debt capital markets. Any of these events and resulting fluctuations may materially adversely impact the market price of AMA Group’s ordinary shares. It is also possible that new risks may emerge as a result of domestic or foreign markets experiencing extreme stress, or existing risks (including the impacts of COVID-19) may evolve in ways that are not currently foreseeable. The equity capital markets have in the past and may in the future be subject to significant volatility. No assurances can be given that the newly issued ordinary shares will trade at or above the Offer Price. None of AMA Group, its Board, the Underwriter or any other person guarantees the market performance of the newly issued ordinary shares.</li> </ul>
<b>Exchange rate risk</b>	<ul style="list-style-type: none"> <li>• AMA Group is subject to the risk that a change in foreign exchange rates may negatively impact AMA Group’s cash flow or profitability given its exposure to foreign currency and foreign currency denominated obligations. AMA Group’s exposure to foreign exchange risk arises from its future commercial transactions, and recognised assets and liabilities denominated in a currency that is not its functional currency. AMA Group is primarily exposed to changes in the US Dollar and NZ Dollar exchange rate. AMA Group does not employ foreign currency hedges and has no formal foreign currency policy.</li> </ul>

# Key risks – General risks (cont'd)

Risk	Summary
<b>Interest rate risk</b>	<ul style="list-style-type: none"> <li>AMA Group is subject to the risk of rising interest rates associated with bearing liabilities with variable interest rates where interest rate movements can impact AMA Group's cash flow exposures. AMA Group seeks to manage part of its exposure to adverse fluctuations in floating interest rates through fixing the interest rate on a portion of its borrowings through derivative financial instruments such as interest rate swaps. Such arrangements involve risk, such as the risk that counterparties may fail to honour their obligations under these arrangements, and that such arrangements may not be effective in reducing exposure to movements in interest rates. To the extent that AMA Group does not hedge effectively (or at all) against movements in interest rates, such interest rate movements may materially adversely impact AMA Group's financial performance and profitability</li> </ul>
<b>Major shareholder risk</b>	<ul style="list-style-type: none"> <li>AMA Group currently has a number of substantial shareholders on its share register. There is a risk that these shareholders, future substantial shareholders, or other large shareholders may sell their shares at a future date. This could cause the price of AMA Group shares to decline.</li> </ul>
<b>Regulatory risk and changes in law</b>	<ul style="list-style-type: none"> <li>Changes in the structure and regulation of the industry in which AMA Group operates in Australia and New Zealand materially affect AMA Group and its business. Changes to government policy, law or regulations, or the introduction of new regulatory regimes (for example, in relation to COVID-19 or climate change), may lead to an increase in operational costs and could materially adversely impact AMA Group's financial performance and profitability. Failure to comply with applicable laws and regulations may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include civil or criminal fines or penalties.</li> </ul>
<b>Taxation</b>	<ul style="list-style-type: none"> <li>Future changes in taxation law, including changes in interpretation or application of the law by the courts or taxation authorities, may affect taxation treatment of an investment in AMA Group shares or the holding and disposal of those shares. Further, changes in tax law, or changes in the way tax law is expected to be interpreted, in the various jurisdictions in which AMA Group operates, may impact the future tax liabilities and performance of AMA Group. Any changes to the current rates of income tax applying to individuals and trusts will similarly impact on shareholder returns.</li> </ul>
<b>Changes to accounting standards</b>	<ul style="list-style-type: none"> <li>The Australian Accounting Standards are set by the Australian Accounting Standards Board (AASB). Changes to accounting standards issued by AASB could materially adversely affect the financial position and performance reported in AMA Group's financial statements.</li> </ul>
<b>Dividends</b>	<ul style="list-style-type: none"> <li>AMA Group's payment of dividends in respect of AMA Group's shares is impacted by a number of factors, including AMA Group's profitability, retained earnings, availability of frank credits, capital requirements and available cashflow. Any future dividends will be determined by AMA Group's board having regard to these (and other) factors. There is no guarantee that any dividend will be paid by AMA Group or, if paid, paid at historical levels. From time to time, AMA Group's board may also cancel or defer previously announced dividends.</li> </ul>
<b>General economic conditions</b>	<ul style="list-style-type: none"> <li>Adverse changes in economic conditions such as interest rates, exchange rates, inflation, government policy, national and international economic conditions and employment rates amongst others are outside AMA Group's control and have the potential to have an adverse impact on AMA Group and its operations.</li> <li>There is considerable and continued uncertainty as to the ongoing impact of COVID-19 on the Australian economy, global economy and share markets. It is also possible that new risks may emerge as a result of domestic or foreign markets experiencing extreme stress, or existing risks (including the impact of COVID-19) may evolve in ways that are not currently foreseeable.</li> <li>No assurance can be given that AMA Group's shares will trade at or above the offer price. None of AMA Group, its Board, the Underwriter, or any other person guarantees the market performance of AMA Group's shares.</li> </ul>

# Key risks – Transaction and offer risks

Risk	Summary
<b>Equity raising risk</b>	<ul style="list-style-type: none"> <li>UBS AG, Australia Branch (ABN 47 088 129 613) (the “Underwriter”) will be acting as underwriter, lead manager and bookrunner to the Entitlement Offer and the Convertible Notes Offer. AMA Group entered into an underwriting agreement with the Underwriter in respect of the Entitlement Offer (“Underwriting Agreement”) and a subscription agreement with the Underwriter in respect of the Convertible Notes Offer respectively on 10 September 2021 (“Subscription Agreement”, which is interdependent with the Underwriting Agreement).</li> <li>If certain conditions are not satisfied or certain events occur under the Underwriting Agreement or the Subscription Agreement, the Underwriter may terminate the Underwriting Agreement and the Subscription Agreement which may require AMA Group to search for alternative financing. Prior to settlement of the Institutional Entitlement Offer and the Convertible Notes Offer, termination of the underwriting of either the Institutional Entitlement Offer or the Convertible Notes Offer may affect the Underwriter’s obligation to underwrite the other. After that settlement, if certain conditions are not satisfied or certain events occur, the Underwriter may terminate its obligation to underwrite the Retail Entitlement Offer. The ability of the Underwriter to terminate the Underwriting Agreement in respect of some events (including breach of the Underwriting Agreement or the Subscription Agreement by AMA Group, market disruption or change in law) will depend (amongst other things) on whether the event has or is likely to have a material adverse effect on the success, settlement or marketing of the Offers, or could reasonably be expected to give rise to a contravention by, or liability for, the Underwriter under applicable law. If the Underwriting Agreement and/or the Subscription Agreement is terminated for any reason, then AMA Group may not receive the full amount of the proceeds expected under the Offers, its financial position might change, and it might need to take other steps to raise capital. For a detailed summary of the termination events in the Underwriting Agreement refer to the section ‘Underwriting Agreement’ in this Presentation.</li> </ul>
<b>Risk of dilution</b>	<ul style="list-style-type: none"> <li>Entitlements cannot be traded on ASX or privately transferred. Eligible shareholders who do not take up all of their entitlements under the Entitlement Offer will have their percentage shareholdings in AMA Group diluted (in addition to the dilution resulting from the Convertible Notes Offer). Shareholders may also have their investment diluted by future capital raisings by AMA Group. AMA Group may issue new securities in the future under the Convertible Notes, to finance acquisitions or pay down debt, any of which may, under certain circumstances, dilute the value of an investor’s interest.</li> </ul>
<b>Convertible Notes</b>	<ul style="list-style-type: none"> <li>The Convertible Notes may be converted into ordinary shares under certain circumstances. The ordinary shares held by a Noteholder as a result of any conversion will, following conversion, rank equally with existing ordinary shares held by existing shareholders. Upon conversion into ordinary shares, the newly issued ordinary shares could dilute the interest of the existing shareholders and could substantially decrease the trading price of the ordinary shares. The issuance of a substantial number of ordinary shares on conversion of the Convertible Notes could depress the market price of the ordinary shares and impair AMA Group’s ability to raise capital through the issuance of additional equity securities. AMA Group cannot predict the effect that future issuance of the ordinary shares would have on the market price of the ordinary shares held by existing shareholders. In addition, the price of ordinary shares could be affected by sales by investors who view the Convertible Notes as a more attractive means of obtaining equity participation in AMA Group and by hedging or engaging in arbitrage trading activity involving the Convertible Notes.</li> <li>The Convertible Notes may be converted into or redeemed for cash under certain. The amount due to a Noteholder as a result of any redemption into cash will be a debt that AMA Group must discharge. Upon redemption, AMA Group will need to source payment from its cash reserves or available debt facilities to pay the Noteholder. The redemption of a substantial number of Convertible Notes could deplete AMA Group’s cash reserves and impair AMA Group’s cash flow which would materially adversely impact AMA Group’s financial performance and profitability. AMA Group cannot assure shareholders that, if required, it would have sufficient cash or other financial resources or would be able to arrange financing to redeem the Convertible Notes in cash. AMA Group cannot predict the effect that future redemption of the Convertible Notes would have on the financial position of AMA Group.</li> <li>Prior to conversion or redemption, the Convertible Notes are a debt instrument which will rank in priority to holders of ordinary shares and entitle holders to receive repayment of their principal and/or payment of applicable interest before any returns are made to holders of equity securities.</li> </ul>

# Foreign Selling Restrictions

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AMA GROUP

# Foreign selling restrictions

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## **Canada (British Columbia, Ontario and Quebec provinces)**

This document constitutes an offering of New Shares only in the Provinces of British Columbia, Ontario and Quebec (the "Provinces"), only to persons to whom New Shares may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This document is not a prospectus, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons who are "accredited investors" within the meaning of National Instrument 45-106 – Prospectus Exemptions, of the Canadian Securities Administrators.

No securities commission or authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Shares or the offering of the New Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws. While such resale restrictions generally do not apply to a first trade in a security of a foreign, non-Canadian reporting issuer that is made through an exchange or market outside Canada, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

Statutory rights of action for damages and rescission. Securities legislation in certain Provinces may provide a purchaser with remedies for rescission or damages if an offering memorandum contains a misrepresentation, provided the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's Province. A purchaser may refer to any applicable provision of the securities legislation of the purchaser's Province for particulars of these rights or consult with a legal adviser.

Certain Canadian income tax considerations. Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the New Shares as there are Canadian tax implications for investors in the Provinces.

Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.

# Foreign selling restrictions (cont'd)

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## **Hong Kong**

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors.

No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

## **Malaysia**

This document may not be distributed or made available in Malaysia. No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to any offer of New Shares. The New Shares may not be offered, sold or issued in Malaysia except pursuant to, and to persons prescribed under, Schedules 5 and 6 of the Malaysian Capital Markets and Services Act.

## **New Zealand**

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

# Foreign selling restrictions (cont'd)

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## **Norway**

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007 no. 75. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act. The New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in the Norwegian Securities Trading Act).

## **Singapore**

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an "institutional investor" (as defined in the SFA) or (ii) an "accredited investor" (as defined in the SFA). If you are not an investor falling within one of these categories, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

## **Spain**

This document has not been, and will not be, registered with or approved by any securities regulator in Spain or elsewhere in the European Union. Accordingly, this document may not be made available, nor may the New Shares be offered for sale, in Spain except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of New Shares in Spain is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

# Foreign selling restrictions (cont'd)

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## **United Kingdom**

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

## **United States**

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

# Underwriting Agreement

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AMA GROUP

# Underwriting Agreement

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AMA Group has entered into an underwriting agreement with UBS AG, Australia Branch (“Underwriter”) in respect of the Entitlement Offer, pursuant to which the Underwriter has agreed to fully underwrite the Entitlement Offer on the terms and conditions of the Underwriting Agreement.

The obligations of the Underwriter under the Underwriting Agreement, including to manage and underwrite the Entitlement Offer, are conditional on certain matters, including AMA Group delivering certain certificates and opinions. Further, if certain events occur, some of which are beyond the control of AMA Group, the Underwriter may terminate the Underwriting Agreement. Termination of the Underwriting Agreement would have a material adverse impact on the total amount of proceeds that could be raised under the Entitlement Offer.

The underwriter may terminate its obligations under the Underwriting Agreement on the occurrence of the following events:

- the conditions precedent in the Underwriting Agreement (including delivery by AMA Group to the Underwriter of a due diligence questionnaire) are not satisfied or waived by their respective deadlines;
- the Entitlement Offer materials contain (whether by omission or otherwise) any statement which is false, misleading or deceptive in a material respect or they otherwise do not comply with the Corporations Act or any other applicable law in a material respect;
- the Convertible Notes Offer is withdrawn or terminated by AMA Group, or the subscription agreement entered into between AMA Group and the Underwriter in respect of the Convertible Notes Offer is validly terminated by the Underwriter, or is void or voidable;
- the Entitlement Offer cleansing statement is defective within the meaning of section 708AA(11) of the Corporations Act, or any amendment or update to the cleansing notice is issued or is required to be issued under the Corporations Act and, in each case, that defective cleansing notice or amendment or update to the cleansing notice is adverse from the point of view of an investor;
- ASIC:
  - applies for an order under Part 9.5 in relation to the Entitlement Offer or the Entitlement Offer materials;
  - holds or commences, or gives notice of intention to hold or commence, a hearing or investigation in relation to the Entitlement Offer or the Entitlement Offer materials under the Corporations Act or the Australian Securities and Investment Commission Act 2001 (Cth); or
  - prosecutes or gives notice of an intention to prosecute, or commences proceedings against, or gives notice of an intention to commence proceedings against, AMA Group or any of its directors or officers in relation to the Entitlement Offer or the Entitlement Offer materials

# Underwriting Agreement (cont'd)

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- AMA Group is prevented from allotting and issuing the New Shares under the Entitlement Offer in accordance with the Underwriting Agreement;
- ASX makes an official statement to any person or indicates to AMA Group or the Underwriter that official quotation of the New Shares under the Entitlement Offer will not be granted, or if permission for the official quotation of the New Shares under the Entitlement Offer is granted before the date of allotment, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld;
- AMA Group ceases to be admitted to the official list of ASX or the ordinary shares in AMA Group are suspended from trading on, or cease to be quoted on, ASX (excluding, for the avoidance of doubt, a trading halt or suspension contemplated in the Underwriting Agreement to conduct the Entitlement Offer);
- any event specified in the timetable for the Entitlement Offer is delayed for longer than an agreed period without the prior written approval of the Underwriter;
- any AMA Group member is insolvent or there is an act or omission which is likely to result in an AMA Group member becoming insolvent;
- AMA Group withdraws the Entitlement Offer;
- AMA Group fails to deliver any certificate required under the Underwriting Agreement when required to do so;
- civil or criminal proceedings are brought against AMA Group or any director or other officer of AMA Group in relation to any fraudulent, misleading or deceptive conduct by or on behalf of AMA Group (whether or not in connection with the Entitlement Offer);
- a statement in any certificate required under the Underwriting Agreement is false, misleading, inaccurate or untrue or incorrect in any material respect;
- there is an event or occurrence which makes it illegal or commercial impossible for the Underwriter to satisfy a material obligation of the Underwriting Agreement, or to market, promote or settle the Entitlement Offer (including, without limitation, any acts, statute, order, rule, regulation, directive or request of any government or government agency, orders of any courts, lockdowns, lock-outs, forced closures, restrictions on mobility, or interruptions or restrictions in transportation which has this impact).

# Underwriting Agreement (cont'd)

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In addition, the Underwriter may terminate the underwriting Agreement on the occurrence of the following events if, in the reasonable opinion of the Underwriter, the event (a) has had, or is likely to have, a material adverse effect on (i) the success of the offer, (ii) the ability of the Underwriter to market or promote the Offer, (iii) the willingness of persons to apply for, or settle obligations to subscribe for, New Shares under the Entitlement Offer, or (iv) the price or likely price at which ordinary shares of AMA Group are likely to trade on ASX, or (b) has given, or is likely to give, rise to (i) a contravention by the Underwriter (or its affiliates) of, or the Underwriter (or its Affiliate) being involved in a contravention of, the Corporations Act or any other applicable law, or (ii) a liability of the Underwriter or its affiliate:

- a representation or warranty made or given, or deemed to have been made or given, by AMA Group under the Underwriting Agreement proves to be, has been or becomes, untrue or incorrect;
- AMA Group fails to perform or observe any of its obligations under the Underwriting Agreement;
- there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any State or Territory of Australia or the United States, a law or any new regulation, or a government agency adopts, or there is a public announcement of a proposal to adopt, a policy, other than any law, regulation or policy which has been publicly announced prior to the date of the Underwriting Agreement;
- the Underwriter forms the view (acting reasonably) that the results of the due diligence are misleading or deceptive or likely to mislead or deceive whether by omission or otherwise;
- in the reasonable opinion of the Underwriter, any material statement or estimate in any Entitlement Offer materials which relates to a future matter is or becomes incapable of being met;
- a director of AMA Group:
  - is charged with an indictable offence or any regulatory body commences any public action against the director or announces that it intends to take any such action; or
  - is disqualified from managing a corporation under sections 206B, 206C, 206D, 206E, 206F or 206G of the Corporations Act;
- A change in the directors of, or in the role of Darren Basford (as interim CFO) or Carl Bizon (as CEO) at, AMA Group is announced or occurs other than a change previously announced on the ASX by the Issuer;

# Underwriting Agreement (cont'd)

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- in respect of its debt facilities:
  - AMA Group breaches, or defaults under, any provision, undertaking covenant or ratio of any material financing arrangement which has a material adverse effect on AMA Group;
  - an event of default, potential event of default, review event which gives a lender or financier the right to accelerate or require repayment of the debt or financing or other similar event occurs under or in respect of any material financing arrangement; or
  - AMA Group's senior lenders terminate, cancel or materially vary the terms of their consent and amendment, or it has become void or voidable;
- hostilities not existing at the date of the Underwriting Agreement commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, the United Kingdom, the United States of America, Hong Kong, Singapore, any member state of the European Union or the People's Republic of China, or a state of emergency is declared by any of those countries (other than as already declared prior to entry into this Agreement), or a significant terrorist act is perpetrated in any of those countries; or
- any of the following disruption in financial markets occurs:
  - a general moratorium on commercial banking activities in Australia, Hong Kong, Singapore, the United States of America or the United Kingdom is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries;
  - trading in all securities quoted or listed on ASX, the Hong Kong Stock Exchange, the London Stock Exchange, the Singapore Stock Exchange or the New York Stock Exchange is suspended or limited in a material respect for one day (or a substantial part of one day) on which that exchange is open for trading or a Level 3 "market-wide circuit breaker" is implemented by the New York Stock Exchange upon a 20% decrease against the prior day's closing price of the S&P 500 Index only; or
  - there is (a) any other adverse change or disruption to existing financial markets, political or economic conditions, in Australia, Hong Kong, the United States of America or the United Kingdom, or (b) any adverse change, or development involving a prospective adverse change, in any of those conditions or markets.

If the Underwriting Agreement is terminated by the Underwriter, the Underwriter is not obliged to perform its obligations that remain to be performed under the Underwriting Agreement.