

AMA GROUP

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ASX Announcement

18 July 2024

AMA Group to Raise \$125.0 million to Provide Funding Certainty to Focus on Profitable Growth

AMA Group Limited (ASX:AMA) (**AMA Group**, the **Group**) today announces a fully underwritten \$125.0 million equity raising.

Highlights

- AMA Group has launched a fully underwritten \$125.0 million equity raising via:
 - Fully underwritten institutional placement to institutional and sophisticated investors to raise \$32.5 million (**Placement**); and
 - Fully underwritten 1 for 0.82 pro rata accelerated renounceable entitlement offer to raise approximately \$92.5 million (**Entitlement Offer**), (together with the **Placement**, the **Equity Raising**).
- Existing syndicated debt facilities extended to 31 December 2025.
- Funds raised under the Equity Raising will be used to repay \$50.0 million of existing senior bank debt with an additional \$50.0 million to be held in a locked account to settle expected redemptions on the convertible note put option (expected in March 2025). The remaining net proceeds will be put towards future debt amortisation payments (\$5.0 million in each of June 2025 and September 2025), repayment of accrued PIK interest on senior debt (\$3.8 million), transaction costs, future working capital, and growth requirements.
- Unaudited normalised¹ FY24 pre-AASB 16 EBITDA of \$49.0^{2,3} million, up 125.1% on FY23 (including ACM Parts FY24 pre-AASB 16 EBITDA of \$45.3 million).
- Provides an improved liquidity position with pro forma FY24 net total leverage ratio of 0.59x⁴ down from 3.18x pre-raising⁵.
- Refinancing in advance of the extended December 2025 maturity expected to result in a facility of \$80 – 100 million including \$25 – 35 million of bank guarantees and working capital facilities.

AMA Group CEO, Mathew Cooper said, “The last nine months has seen strong operational performance across AMA Group. This Equity Raising repositions the balance sheet to allow the business to focus on profitable growth as a dedicated collision repairer.”

¹ Normalised EBITDA is Earnings before interest, tax, depreciation, amortisation, impairment, and fair value adjustments on contingent vendor consideration, excluding the impact of normalisations.

² FY24 normalised EBITDA is unaudited and includes professional services costs on earn outs and investigations, closed and hibernated site costs, restructuring costs and insurance claim costs.

³ Excludes ACM Parts, which is now classified as held for sale. Unaudited normalised FY24 pre-AASB 16 EBITDA including ACM Parts is \$45.3 million vs. guidance range of \$44 – 49 million including ACM Parts.

⁴ Post-raising or pro-forma net leverage ratio calculated as unaudited Net Debt (post-raise) including \$50 million convertible notes / unaudited FY24 pre-AASB 16 EBITDA (excluding lease liabilities and occupancy expenses).

⁵ Pre-raising net leverage ratio calculated as unaudited Net Debt (pre-raise) including \$50 million convertible notes / normalised unaudited FY24 pre-AASB 16 EBITDA (excluding lease liabilities and occupancy expenses).

AMA Group Limited

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Funding, Liquidity and Growth Optionality

The Group has received an extension on the senior debt facilities for a new maturity date of 31 December 2025, providing sufficient time for AMA Group to complete refinancing of the lower residual debt following the completion of the equity raising and proposed sale of ACM Parts. As a condition of the extension, AMA Group will make a repayment \$50.0 million of principal plus accrued PIK interest of ~\$3.8 million from net proceeds of the Equity Raising. Additionally, \$50.0 million of proceeds of the equity raising will be held in a locked account held by senior lenders to settle any redemption of the convertible notes (expected put date in March 2025). The balance of the funds will be applied to future debt amortisation payments (\$5.0 million in each of June 2025 and September 2025), transaction costs, future working capital and to allow the Group to return the focus on delivering on the growth strategy. Based on the unaudited normalised⁶ FY24 pre-AASB 16 EBITDA of \$49.0^{7,8} million, the Group's pro forma net total leverage ratio is projected to decrease to 0.59x⁹ down from 3.18x pre-raising¹⁰, with the residual senior debt facility reducing to \$80 million.

The refinancing of the residual debt in advance of the extended December 2025 maturity expected to result in a facility of \$80 – 100 million including \$25 – 35 million of bank guarantees and working capital facilities.

Equity Raising

The Equity Raising consists of a fully underwritten Placement to raise ~A\$32.5 million via the issue of 773.3 million shares and a fully underwritten Entitlement Offer to raise ~A\$92.5 million via the issue of 2,202.9 million shares.

A total of approximately 2,976.2 million new AMA Group shares will be issued under the Equity Raising (**New Shares**). New Shares will rank equally with existing AMA Group shares and AMA Group will, upon issue of those shares, seek quotation of the shares on ASX.

Under the Entitlement Offer, eligible shareholders are invited to subscribe for 1 New Share for every 0.82 existing AMA Group shares (**Entitlements**) held as at 7:00pm (Sydney time) on Monday, 22 July 2024.

All New Shares offered under the Equity Raising will be issued at a price of A\$0.042 per New Shares (**Offer Price**), which represents a:

- 19.2% discount to last traded price of A\$0.052 on Thursday, 17 July 2024;
- 17.7% discount to the 10-day VWAP of A\$0.051; and
- 8.3% discount to the theoretical ex-rights price (TERP) of A\$0.0458 per AMA Group share.¹¹

Canaccord Genuity, Bell Potter and Morgans Corporate Limited (together, the **Underwriters**) are acting as joint lead managers, joint underwriters and joint bookrunners to the Equity Raising. Gilbert + Tobin is acting as Legal Counsel to the Equity Raising.

Director Participation

Chairman, Brian Austin, has committed to sub-underwrite the Entitlement Offer up to \$7.8 million (in addition to taking up his full Entitlements of \$1.6 million).

Director, Raymond Smith-Roberts, has committed to sub-underwrite the Entitlement Offer up to \$0.1 million (in addition to taking up his full Entitlements of \$0.1 million).

Director, Joanne Dawson, has committed to sub-underwrite the Entitlement Offer up to \$0.2 million (noting Ms Dawson does not currently hold any Entitlements).

⁶ Normalised EBITDA is Earnings before interest, tax, depreciation, amortisation, impairment, and fair value adjustments on contingent vendor consideration, excluding the impact of normalisations.

⁷ FY24 normalised EBITDA is unaudited and includes professional services costs on earn outs and investigations, closed and hibernated site costs, restructuring costs and insurance claim costs.

⁸ Excludes ACM Parts, which is now classified as held for sale. Unaudited normalised FY24 pre-AASB 16 EBITDA including ACM Parts is \$45.3 million vs. guidance range of \$44 – 49 million including ACM Parts.

⁹ Post-raising or pro-forma net leverage ratio calculated as unaudited Net Debt (post-raise) including \$50 million convertible notes / unaudited FY24 pre-AASB 16 EBITDA (excluding lease liabilities and occupancy expenses).

¹⁰ Pre-raising net leverage ratio calculated as unaudited Net Debt (pre-raise) including \$50 million convertible notes / normalised unaudited FY24 pre-AASB 16 EBITDA (excluding lease liabilities and occupancy expenses).

¹¹ The TERP is the theoretical price at which AMA Group shares should trade immediately after the ex-date for the Entitlement Offer assuming 100% take-up of the Entitlement Offer. The TERP is a theoretical calculation only and the actual price at which New Shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to the TERP. The TERP includes the New Shares issued under the Placement.

Nil fees are payable to these directors as sub-underwriters and there are no significant events that could lead to the sub-underwriting arrangements with the directors being terminated, other than termination of the underwriting agreement between AMA Group and the Underwriters (Underwriting Agreement) (see a summary of these termination events set out on the “Underwriting Agreement” slides of the Investor Presentation for the Equity Raising released to ASX today).

Placement

Up to approximately 773.3 million New Shares are expected to be issued to new institutional investors and existing institutional shareholders under the Placement at the Offer Price to raise approximately \$32.5 million.

The Placement will be conducted concurrently with the Institutional Entitlement Offer (as described below) in reliance on part of the Group’s ASX Listing Rule 7.1 (upsized by an ASX “super size” waiver) and Listing Rule 7.1A placement capacity.

New Shares issued under the Placement will not be eligible to participate in the Entitlement Offer.

Institutional Entitlement Offer

Eligible institutional shareholders will be invited to participate in the institutional component of the Entitlement Offer (**Institutional Entitlement Offer**), which is being conducted on Thursday, 18 July and Friday, 19 July 2024.

Eligible institutional shareholders can choose to take up all, part or none of their Entitlements. Institutional Entitlements cannot be traded on ASX or transferred.

Institutional Entitlements that eligible institutional shareholders do not take up by the close of the Institutional Entitlement Offer, and institutional Entitlements that would otherwise have been offered to ineligible institutional shareholders, will be sold through a bookbuild process to certain institutional investors to be conducted at the close of the Institutional Entitlement Offer (**Institutional Shortfall Bookbuild**). It is expected that the Institutional Shortfall Bookbuild will be conducted on Friday, 19 July 2024. If the amount per New Share realised in the Institutional Shortfall Bookbuild exceeds the Offer Price, the excess will be paid (net of expenses and any applicable withholding tax) on a pro-rata basis to ineligible shareholders and eligible institutional shareholders with respect to any Entitlements they did not accept under the institutional Entitlement Offer.

AMA Group’s shares will remain in trading halt pending completion of the Placement, the Institutional Entitlement Offer and Institutional Shortfall Bookbuild.

Retail Entitlement Offer

Eligible retail shareholders in Australia and New Zealand will be invited to participate in the retail component of the Entitlement Offer (**Retail Entitlement Offer**) at the same Offer Price and offer ratio as the Institutional Entitlement Offer. The Retail Entitlement Offer will open on Thursday, 25 July 2024 and close at 5:00pm (Sydney time) on Tuesday, 6 August 2024.

Eligible retail shareholders can choose to take up all, part or none of their Entitlements. Retail Entitlements cannot be traded on ASX or transferred.

Further details about the Retail Entitlement Offer will be set out in the Retail Entitlement Offer information booklet (**Retail Offer Booklet**), which AMA Group expects to lodge with ASX and dispatch to eligible retail shareholders on Thursday, 25 July 2024. The Retail Offer Booklet will also enclose personalised entitlement and acceptance forms.

The Retail Entitlement Offer is renounceable, and New Shares not taken up by eligible retail shareholders and New Shares that would have been offered to ineligible retail shareholders had they been entitled to participate in the Entitlement Offer, will be sold through a bookbuild process to certain institutional investors to be conducted at the close of the Retail Entitlement Offer (**Retail Shortfall Bookbuild**). It is expected that the Retail Shortfall Bookbuild will be conducted on Friday, 9 August 2024. If the amount per New Share realised in the Shortfall Bookbuild exceeds the Offer Price, the excess will be paid (net of expenses and any applicable withholding tax) on a pro-rata basis to ineligible retail shareholders and eligible retail shareholders with respect to any Entitlements they did not accept under the Retail Entitlement Offer.

Indicative Timetable

Event	Date
Equity Raising announced and investor presentation lodged to the ASX and Institutional Entitlement Offer and Placement opens	Thursday, 18 July 2024
Institutional Shortfall Bookbuild	Friday, 19 July 2024
Trading halt lifted	Monday, 22 July 2024
Record Date for Retail Entitlement Offer (7pm AEST)	Monday, 22 July 2024
Retail Entitlement Offer opens and Retail Offer Booklet despatched	Thursday, 25 July 2024
Settlement of Institutional Entitlement Offer and Placement	Friday, 26 July 2024
Allotment and normal trading of New Shares under the Institutional Entitlement Offer and Placement	Monday, 29 July 2024
Despatch of holdings statements for New Shares under the Institutional Entitlement Offer and Placement	Tuesday, 30 July 2024
Retail Entitlement Offer closes	Tuesday, 6 August 2024
Results of Retail Entitlement Offer announced	Friday, 9 August 2024
Retail Bookbuild	Friday, 9 August 2024
Results of Retail Bookbuild announced	Monday, 12 August 2024
Settlement of Retail Entitlement Offer	Wednesday, 14 August 2024
Allotment of New Shares under the Retail Entitlement Offer	Thursday 15 August 2024
Normal trading of New Shares issued under the Retail Entitlement Offer	Friday 16 August 2024

The above timetable is indicative and subject to variation. AMA Group reserves the right to alter the timetable at its absolute discretion and without notice, subject to ASX Listing Rules and Corporations Act 2001 (Cth) and other applicable law. All dates and times refer to Sydney time.

Further Information

Further details of the market update and the Equity Raising are set out in the Investor Presentation which has also been provided to the ASX today. The Investor Presentation contains important information including key risks and foreign selling restrictions with respect to the Equity Raising as well as a summary of the key terms of the Underwriting Agreement.

Nothing in this announcement constitutes investment, legal, tax or other advice. You should seek appropriate professional advice before making any investment decision. All dollar amounts are in Australian dollars unless otherwise indicated.

This announcement has been authorised by the Board of AMA Group Limited.

ENDS.

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FORWARD-LOOKING STATEMENTS

This announcement contains certain “forward-looking statements”. The words “expect”, “anticipate”, “estimate”, “intend”, “believe”, “guidance”, “should”, “could”, “may”, “will”, “predict”, “plan” and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies that are subject to change without notice and involve known and unknown risks and uncertainties and other factors that are beyond the control of AMA Group, its directors and management. This includes statements about market and industry trends, which are based on interpretations of current market conditions.

Investors are strongly cautioned not to place undue reliance on forward-looking statements. Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Actual results, performance or achievements may differ materially from those expressed or implied in such statements and any projections and assumptions on which these statements are based. These statements may assume the success of AMA Group’s business strategies. The success of any of those strategies will be realised in the period for which the forward-looking statement may have been prepared or otherwise. Readers are cautioned not to place undue reliance on forward-looking statements and except as required by law or regulation, none of AMA Group, its representatives or advisers assumes any obligation to update these forward-looking statements. No representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in this announcement. The forward-looking statements are based on information available to AMA Group as at the date of this announcement. Except as required by law or regulation (including the ASX Listing Rules), none of AMA Group, its representatives or advisers undertakes any obligation to provide any additional or updated information whether as a result of a change in expectations or assumptions, new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements.