



Armidade Investment CORPORATION

ASX Company Announcements

19 August 2016

The Manager
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

Armidade Investment Corporation Limited (AIK)

Update on Proposed Partial Acquisition of Asset Broking Businesses & Director and Executive Team Update

AIK has exchanged contracts for the following acquisitions:

- 80% of the issued capital of Consolidated Finance Group Pty Ltd (CFG);
- 50% of the issued capital of Linx Finance Australia Pty Ltd (Linx); and
- 50% of the issued capital of QLD Pacific Finance Pty Ltd (QPF).

There is no material change to the details set out in the ASX Announcement of 10 August 2016. However, in particular, we reconfirm the following:

- Total consideration payable by AIK across the three businesses will be equivalent to \$43.1m subject to any final working capital adjustments;
- 40% of the consideration is payable in AIK shares (at a share price of 11.11 cents);
- 60% of the consideration is payable in cash; and
- An effective date of 1 July 2016.

The proposed acquisitions are subject to:

- shareholder and regulatory approvals, including the approval by AIK shareholders for the issue of AIK shares to the vendors and any additional placement of shares; and

-sufficient funds from capital raised and a bank loan for the cash consideration for each of the proposed transactions to be completed; and

-the ACCC not objecting to the proposed acquisitions.



We are excited about the prospects of the larger group that will be created through this transaction.

Following completion of the transaction, we plan to enhance the Board and Senior Executive team through:

- The appointment of **two additional AIK directors**, being:
 - A director to be recommended by the vendors of CFG, Linx and QPF. We expect this will be an independent director; and
 - Mike Nicholls, the Managing Director of Platform Finance & Leasing Group Pty Limited (Platform Finance). Mike brings a wealth of business experience and in particular, in the asset finance broking industry.
- The appointment of **Cameron McCullagh as Joint Managing Director with Andrew Grant**.

Andrew and his team have been successful in growing the lease book within TL Rentals Pty Limited (TL Rentals), with \$33.4 million origination in the year ended June 2016 while maintaining the integrity of the business model. The establishing of a lease facility with a first tier lender is a major achievement that will assist in continued growth. Andrew will focus on the operating lease business and have joint management of AIK and external communications.

Cameron has assisted management since his appointment as an Executive Director in 2015. His experience growing entities such as Steadfast Insurance Brokers, White Outsourcing and Employers Mutual places him well to focus on the capital accumulation and ongoing management of the asset finance brokers.

Cameron will continue to receive his board remuneration only until a Managing Director package can be finalised. We will inform the market when this process is completed

- **Raylee Carruthers has been promoted to Chief Operating Officer (COO)**. Raylee successfully managed the Platform Finance acquisition, the transition into the AIK group and the acquisition of the entities noted above. Concurrently, she has been CFO of AIK and TL Rentals.

Raylee's experience places her well to continue to manage TL Rentals operations and oversee the management of the capital accumulation model, including the oversight of the purchased businesses.

- **Jesse Hamilton has agreed to join the AIK Senior Executive team as Chief Financial Officer (CFO)**. Jesse is currently a Manager at Pitcher Partners, having worked with the AIK team on the purchases of Platform Finance, CFG, Linx and QPF. Jesse is a Chartered Accountant with experience on a number of ASX listed clients. He has very strong technical accounting skills, commercial acumen, a great work ethic and exceptional interpersonal skills. We look forward to Jesse joining us in October.



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The Board is also excited to have the addition of the Linx, QPF and CFG management teams. During the due diligence we identified the strength of these teams and have been impressed by the results achieved and the systems and people they have in place to continue their success.

For further information please contact:

Andrew Grant

Executive Director

0415 166 090

David Franks

Company Secretary

02 9299 9690