

AMA GROUP

SGX Announcement

7 September 2023

AMA Group to Raise \$55.0 million to Strengthen the Balance Sheet

Attached is an announcement made by AMA Group Limited (ASX: AMA) (AMA Group) which is provided for the information of AMA Group Noteholders.

AMA Group has Notes listed on the Singapore Exchange.

ENDS.

Investors and Media:

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AMA GROUP

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ASX Announcement

7 September 2023

AMA Group to Raise \$55.0 million to Strengthen the Balance Sheet

AMA Group Limited (ASX:AMA) (**AMA Group**, the **Group**) today announces a fully underwritten \$55.0 million equity raising

Highlights

- AMA Group has launched a fully underwritten \$55.0 million equity raising via:
 - Fully underwritten Institutional Placement to institutional investors and certain AMA Group directors to raise \$17.6 million (**Placement**) (\$2.5 million of which will be subject to shareholder approval given AMA Group director participation); and
 - Fully underwritten 1 for 2.15 pro rata accelerated non-renounceable entitlement offer to raise approximately \$37.4 million (**Entitlement Offer**) (together with the **Placement**, the **Equity Raising**).
- Funds raised under the Equity Raising will be applied to the principal repayment of \$35.0 million of existing senior bank debt and provide liquidity and working capital which will be deployed in pursuit of the Group's strategy.
- Provides an improved liquidity position with pro forma FY24 net senior leverage decreasing to 1.7x to 2.2x and net total leverage reducing to 2.8x to 3.5x (based on FY24 pre-AASB 16 guidance range).
- Execution of refinancing of residual debt facilities targeted for FY24.
- FY24 normalised post-AASB 16 EBITDA¹ guidance of \$86 - 96 million after strong trading outcomes for July and August.

AMA Group CEO, Carl Bizon said, "The Equity Raising and proposed financing initiatives will provide AMA the ability to focus our attention on the growth strategy and drive value enhancement initiatives. We are pleased with the strong support provided by existing shareholders and new investors."

Funding, Liquidity and Growth Optionality

The Equity Raising will strengthen AMA Group's balance sheet and provide the Group adequate working capital to meet operational requirements as the business continues its recovery from the disruptions associated with the COVID pandemic and related cost and labour availability issues.

The Group has also received a waiver for the 30 June 2023 minimum EBITDA covenant and an agreement of revised covenant profile for FY24. The Group intends to execute a refinancing in FY24 to address the senior debt facilities maturity in October 2024, and the convertible notes which have an optional redemption in March 2025. Based on FY24 Guidance (\$86 - \$96 million normalised post-AASB 16 which translates to \$39 - \$49 million normalised pre-AASB 16) the Group's pro forma net senior leverage is projected to decrease to 1.7x to 2.2x and net total leverage is projected to decrease to 2.8x to 3.5x.

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

Completion of the Equity Raising and the anticipated residual debt facility refinancing will create capacity for value enhancement initiatives.

Further information, including pro forma financials are contained in the FY23 Results Presentation also released to the ASX today, 7 September 2023.

Equity Raising

The fully underwritten Equity Raising consists of the Placement to raise ~A\$17.6 million and the Entitlement Offer to raise ~A\$37.4 million.

Approximately 733.3 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 2.15 existing AMA Group shares (**Entitlement**) held as at 7:00pm (Sydney time) on Monday, 11 September 2023. Eligible retail shareholders who take up their full Entitlement may also participate in a top-up facility by applying for additional New Shares in excess of their Entitlement at the Offer Price (as defined below), up to a maximum of 200% in excess of their Entitlement. The following AMA Group directors, Mr Simon Moore, Mr Kyle Loades, Mr Talbot Babineau and Ms Caroline Waldron will also be taking up to their pro rata entitlements in the accelerated portion of the Institutional Entitlement offer.

All New Shares offered under the Equity Raising will be issued at a price of A\$0.075 per New Shares (**Offer Price**), which represents a:

- 37.5% discount to last traded price of A\$0.120 on Wednesday, 30 August 2023; and
- 26.3% discount to the theoretical ex-rights price (TERP) of A\$0.102 per AMA Group share.²

Canaccord Genuity (Australia) Limited is acting as Sole Lead Manager, Underwriter and Bookrunner to the Equity Raising. Grant Samuel is acting as Financial Adviser to the Company and Gilbert + Tobin is acting as Legal Counsel.

Placement

Up to approximately 234.2 million New Shares are expected to be issued to new institutional investors and existing institutional shareholders under the Placement at the Offer Price as follows:

- An unconditional component to raise approximately \$15.0 million through the issue of approximately 200.3 million New Shares (**Unconditional Placement**); and
- A conditional component which is conditional upon shareholder approval under ASX Listing Rule 10.11 to raise approximately \$2.5 million through the issue of approximately 33.9 million New Shares (**Conditional Placement**).

The directors participating in the Conditional Placement are Ms Caroline Waldron, Mr Simon Moore and Mr Kyle Loades.

The Placement will be conducted concurrently with the Institutional Entitlement Offer (as described below) in reliance on part of the Company's ASX Listing Rule 7.1 placement capacity. Shareholder approval of the Conditional Placement will be sought at the Company's FY23 AGM on 23 November 2023.

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

² 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 (assuming that shareholder approval is received for the Conditional Placement).

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 Thursday, 7 September 2023.

Eligible institutional shareholders can choose to take up all, part or none of their Entitlement. 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 offered to new institutional investors and existing institutional shareholders concurrently with the Institutional Entitlement Offer.

AMA Group's shares will remain in suspension pending completion of the Placement and the Institutional Entitlement Offer.

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, 14 September 2023 and close at 5:00pm (Sydney time) on Monday, 25 September 2023.

Further details about the Retail Entitlement Offer will be set out in the Retail Entitlement Offer information booklet (**Retail Offer Booklet**), which AMA expects to lodge with ASX and dispatch to eligible retail shareholders on Thursday, 14 September 2023. The Retail Offer Booklet will also enclose personalised entitlement and acceptance forms.

Entitlements cannot be traded on the ASX or transferred. Eligible retail shareholders who do not take up their Entitlement under the Retail Entitlement Offer, in full or in part, will not receive any value in respect to those Entitlements not taken up.

Indicative Timetable

Event	Date
Equity Raising announced and investor presentation lodged to the ASX	Thursday, 7 September 2023
Institutional Entitlement Offer and Placement opens	Thursday, 7 September 2023
Results of Institutional Entitlement Offer and Placement announced and trading resumes on an ex-entitlement basis	Friday, 8 September 2023
Record Date for Retail Entitlement Offer (7pm AEST)	Monday, 11 September 2023
Retail Entitlement Offer opens and Retail Offer Booklet despatched	Thursday, 14 September 2023
Settlement of Institutional Entitlement Offer and Unconditional Placement	Friday, 15 September 2023
Allotment and normal trading of New Shares under the Institutional Entitlement Offer and Placement	Monday, 18 September 2023
Despatch of holdings statements for New Shares under the Institutional Entitlement Offer and Placement	Tuesday, 19 September 2023
Retail Entitlement Offer closes	Monday, 25 September 2023
Results of Retail Entitlement Offer announced	Thursday, 26 September 2023
Settlement of Retail Entitlement Offer	Friday, 29 September 2023
Allotment of New Shares under the Retail Entitlement Offer	Monday, 2 October 2023
Normal trading of New Shares issued under the Retail Entitlement Offer	Tuesday, 3 October 2023
Despatch of holding statements for New Shares under the Retail Entitlement Offer	Wednesday, 4 October 2023
Annual General Meeting	Thursday, 23 November 2023
Settlement of Conditional Placement	Monday, 27 November 2023
Allotment of New Shares under the Conditional Placement	Tuesday, 28 November 2023
Normal trading of New Shares issued under the R Conditional Placement	Wednesday, 29 November 2023

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 FY23 Results Presentation which has also been provided to the ASX today. The FY23 Results Presentation contains important information including key risks and foreign selling restrictions with respect to the Equity Raising.

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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IMPORTANT NOTICE

Not an offer in the United States

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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, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the outbreak of COVID-19. 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.