

AMA GROUP

SGX Announcement

29 October 2021

1Q22 Quarterly Cash Flow and Activities Report

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:

Alexandra Holston, Director Investor Relations and Corporate Affairs

E: alexandra.holston@amagroupltd.com M: +61 418 312 837

AMA Group Limited

130 Bundall Road, Bundall QLD 4217 ABN 50 113 883 560
(07) 5628 3272 info@amagroupltd.com amagroupltd.com

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1Q22 Quarterly Cash Flow and Activities Report

AMA Group Limited (ASX: AMA) (AMA Group) today provides its Appendix 4C Quarterly Cash Flow and Activities Report for the quarter ended 30 September 2021 (1Q22) (unaudited).

Highlights

- Capital raising completed
- Enhanced banking structure including repayment of \$72.5 million of bank debt
- Ongoing impacts of COVID-19 related restrictions leading to reduced repair volumes in New South Wales and Victoria
- Total available funding of \$71 million

Capital raising and enhanced banking structure update

During 1Q22, AMA Group successfully completed an accelerated 1 for 2.80 pro rata non-renounceable entitlement offer (Entitlement Offer) and a \$50 million senior unsecured convertible notes offer (Convertible Notes Offer).

The Institutional Entitlement Offer raised gross proceeds of approximately \$53 million at the offer price of \$0.375 per new Ordinary Share. The Institutional Entitlement Offer attracted significant demand and was well supported by institutional shareholders with a take-up of approximately 99.6% of eligible shareholders.

The Retail Entitlement Offer raised approximately \$46 million at the offer price of \$0.375 per new Ordinary Share. The Retail Entitlement Offer was well supported with an overall take up rate of approximately 62% including applications by eligible retail shareholders for additional shares in excess of their entitlements.

AMA Group also successfully priced \$50 million of Subordinated Notes which are convertible into Ordinary Shares and will mature in March 2027 unless otherwise redeemed, repurchased or converted earlier in accordance with their terms and conditions.

AMA Group was pleased with the support for both the Entitlement and Convertible Notes Offers and positive feedback to management with respect to its strategy for the business. \$72.5 million of the proceeds were used to permanently repay a portion of AMA Group's debt during the period. Approximately \$46 million relating to the Retail Entitlement Offer was received after quarter end and is not reflected in the attached Appendix 4C.

Business update

The business was significantly COVID-19 affected during 1Q22, with lockdowns in New South Wales and Victoria continuing to be reflected in depressed repair volumes. As at mid-October 2021, weekly national averages for Drive and Non-Drive show ~41% and ~20% unutilised booking capacity, respectively. In New South Wales, Drive and Non-Drive show ~47% and ~60% in unutilised capacity, respectively. In Victoria, Drive and Non-Drive show ~53% and ~35% in unutilised capacity, respectively.

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Payments to related parties

Reflective of the significant opportunities available to the business, AMA Group has engaged with Leath Nicholson's firm, Nicholson Ryan Lawyers, to retain his services as the outsourced General Counsel for AMA Group. Given this appointment, Leath Nicholson, currently a Non-Executive Director will step off the AMA Group Board at the 2021 AGM.

During 1Q22, approximately \$333,000 of legal and advisory fees were paid to Nicholson Ryan Lawyers, a significant portion of which related to the capital raising activities. The full amount is reflected in the attached Appendix 4C.

Summary of cash position

AMA Group ended 1Q22 with a cash balance of approximately \$63 million, and unused finance facilities of approximately \$8 million. Based on approximately \$13 million net cash used in operating activities in 1Q22, the total available funding of \$71 million provides an estimated six quarters of funding available at September period end as disclosed in the attached Appendix 4C. We note that the estimate of available funding is based on continued financial performance at the reduced repair volumes under New South Wales and Victorian lockdowns experienced during 1Q22. We also note that the total available funding of \$71 million does not include the receipt of \$46 million related to the Retail Entitlement Offer after quarter end.

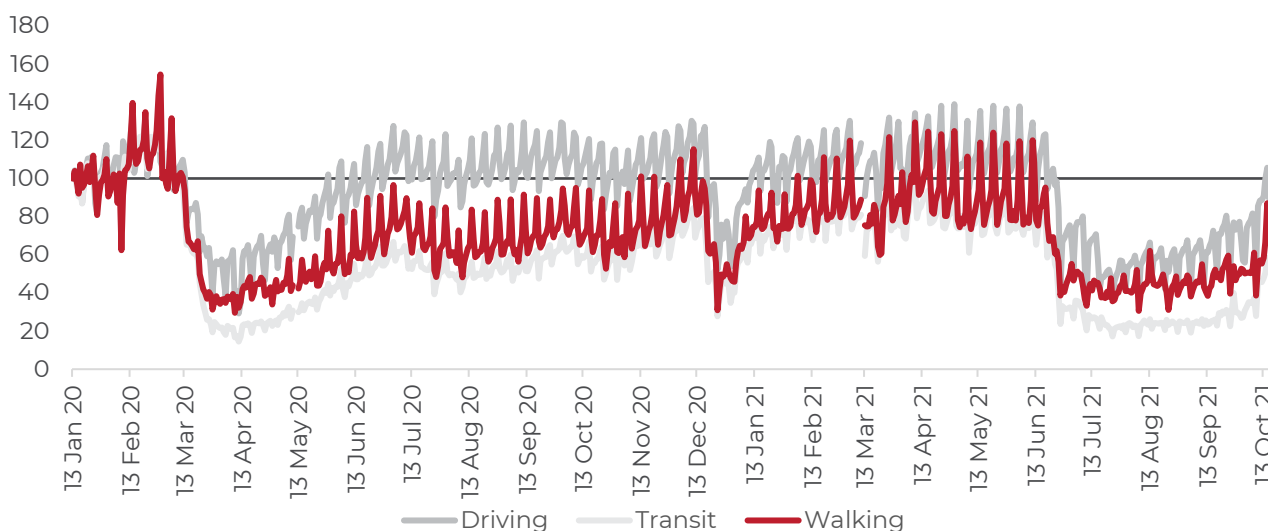
Activities after the end of the quarter

AMA Group's 2021 Annual General Meeting (AGM) is scheduled for 18 November 2021 at 2:30pm (AEDT) and will be held virtually. Further details of the AGM can be found in the ASX announcement dated 15 October 2021.

COVID-19

AMA Group believes it is well placed for the future, with COVID-19 restrictions easing programs commencing in New South Wales and Victoria in the current quarter. Apple mobility trends data for Sydney shows increased private vehicular mobility as their recent lockdown restrictions began to ease, and, consistent with our experience in 2020 post the easing of lockdowns, this increased mobility is expected to drive increased repair volumes in the near future.

Apple mobility trends, Sydney (13 January 2020 = 100)



Source: Apple

AMA Group CEO, Carl Bizon said:

"We look forward to the future with confidence. As the impacts of COVID-19 restrictions continue to lift, we can turn our focus to the execution of our strategy which will unlock the value inherent in AMA Group."

Other than these matters there were no other material developments or material changes in business activities during the 1Q22 quarter.

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

ENDS.

Investors and Media:

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Appendix 4C
Quarterly cash flow report for entities
subject to Listing Rule 4.7B

Name of entity
AMA GROUP LIMITED

ABN	Quarter ended ("current quarter")
50 113 883 560	30-Sep-21

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1 Cash flows from operating activities		
1.1 Receipts from customers (inclusive of GST)	252,377	252,377
1.2 Payments for to suppliers and employees (inclusive of GST)	(256,039)	(256,039)
(a) research and development	0	0
(b) product manufacturing and operating costs	(189,042)	(189,042)
(c) advertising and marketing	(55)	(55)
(d) leased assets	(21,787)	(21,787)
(e) staff costs	(35,343)	(35,343)
(f) administration and corporate costs	(9,812)	(9,812)
1.3 Dividends received (see note 3)	0	0
1.4 Interest received	28	28
1.5 Interest and other costs of finance paid	(8,783)	(8,783)
1.6 Income taxes paid	(735)	(735)
1.7 Government grants and tax incentives	353	353
1.8 Other (provide details if material)	0	0
1.9 Net cash from / (used in) operating activities	(12,798)	(12,798)
2 Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses	(2,476)	(2,476)
(c) property, plant and equipment	(1,727)	(1,727)
(d) investments	0	0
(e) intellectual property	0	0
(f) other non-current assets	0	0
2.2 Proceeds from disposal of:		
(a) entities	0	0
(b) businesses	0	0
(c) property, plant and equipment	97	97
(d) investments	0	0
(e) intellectual property	0	0
(f) other non-current assets	0	0
2.3 Cash flows from loans to other entities	0	0
2.4 Dividends received (see note 3)	0	0
2.5 Other (provide details if material)	0	0
2.6 Net cash from / (used in) investing activities	(4,107)	(4,107)
3 Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	51,118	51,118
3.2 Proceeds from issue of convertible debt securities	50,000	50,000
3.3 Proceeds from exercise of options	0	0
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(4,646)	(4,646)
3.5 Proceeds from borrowings	0	0
3.6 Repayment of borrowings	(72,500)	(72,500)
3.7 Transaction costs related to loans and borrowings	0	0
3.8 Dividends paid	0	0
3.9 Other (provide details if material): Principal elements of lease payments	(8,365)	(8,365)
3.1 Net cash from / (used in) financing activities	15,607	15,607
4 Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	64,203	64,203
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(12,798)	(12,798)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(4,107)	(4,107)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	15,607	15,607
4.5 Effect of movement in exchange rates on cash held	65	65
4.6 Cash and cash equivalents at end of period	62,970	62,970

5 Reconciliation of cash and cash equivalents		Current quarter	Previous quarter
		\$A'000	\$A'000
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		62,970	62,970
5.1 Bank balances		0	0
5.2 Call deposits		0	0
5.3 Bank overdrafts		0	0
5.4 Other (provide details)		0	0
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)		62,970	62,970

6 Payments to related parties of the entity and their associates		Current quarter
		\$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1 (Ongoing legal and advisory services with Nicholson Ryan Lawyers, a Director related entity)		333
6.2 Aggregate amount of payments to related parties and their associates included in item 2		
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7 Financing facilities		Total facility amount at quarter end	Amount drawn at quarter end
		\$A'000	\$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		182,500	174,423
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		50,000	50,000
7.1 Loan facilities		232,500	224,423
7.2 Credit standby arrangements			
7.3 Other (please specify) : CONVERTIBLE NOTES			
7.4 Total financing facilities			
7.5 Unused financing facilities available at quarter end			8,077

- 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Facility	Lender	Interest rate	Maturity Date	Secured
182,500	Australia and New Zealand Banking Group Limited National Australia Bank Limited ABN 12 004 044 937 Bank of China Limited Bendigo and Adelaide Bank Limited First Commercial Bank Perpetual Corporate Trust Limited ACF The Metrics Credit Partners Diversified Australian Senior Loan Fund Westpac Banking Corporation	BBSY+365bps*	5 years (Oct 2024)	Secured
50,000	Various - Notes listed on SGX-ST	4%pa Coupon	5.5 years (Mar 2027)	Unsecured

*Margin to be determined pursuant to a sliding scale with reference to Net Senior Leverage Ratio first tested in Jun-22. (Max Margin: 365bps; Min Margin 225bps)

8 Estimated cash available for future operating activities		\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)		(12,798)
8.2 Cash and cash equivalents at quarter end (item 4.6)		62,970
8.3 Unused finance facilities available at quarter end (item 7.5)		8,077
8.4 Total available funding (item 8.2 + item 8.3)		71,047
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)		6

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

- 8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?
Answer:

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
Answer:

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
2 This statement gives a true and fair view of the matters disclosed.

Date: 29 October 2021

Authorised by: The Board of AMA Group Limited
(Name of body or officer authorising release – see note 4)

Notes

- 1 This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
- 2 If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
- 3 Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
- 4 If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
- 5 If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.