

9 November 2018

Capital Raising, New Major Investors, Chair Transition, Board Appointment

Australia's leading automobile panel repair service provider **AMA Group Ltd** (ASX: AMA), is pleased to announce a set of material developments which, together with the Executive Team changes and Board member addition announced on Monday October 29, 2018 put in place the foundations for the next phase of the Company's growth plans.

- A placement of 10 million shares at 95.32c per share (the 20 trading day VWAP as at the close of market on Friday, November 2, 2018) – the proceeds of which will be used to meet the working capital needs of our growing operations especially the new procurement business. This facility has been sourced in circumstances where the Company believes there is potential growth in the procurement business which will benefit from additional working capital, and the current headroom in banking facilities is designated for use in acquisitions.
- A number of leading Australian long-term investors - AustralianSuper, Myer Family Investments and Colinton Capital Partners – have each separately agreed with the relevant counterparties to acquire the entire share placement as well as a total of approximately 62 million shares from Ray Malone, Andrew Hopkins and a number of members of the AMA Group panel repair business management team. The share sales have been agreed at the same price as the share placement. Upon completion of the placement and the share sales, it is likely that AustralianSuper will become the largest shareholder of AMA Group and that AustralianSuper will acquire up to 9.67% of the issued capital of AMA Group, Colinton Capital Partners will acquire up to 2.23% and Myer Family Investments will acquire up to 1.49%. The final shareholdings will be subject to the outcome of voting on Resolutions 8B, 8C, 8E, 8F, 8G, 8H and 8I as discussed further in this release.
- As part of the Company's long-term succession planning process, Ray Malone has announced his intention to transition from Executive Chairman to a Non-Executive Director role over the next nine months. Both during and after this transition period, Ray will remain actively involved in a number of key areas of the Company's operations, especially the development of the new procurement business where he is leading a range of initiatives which the Company is confident will create significant value for shareholders.
- Simon Moore, Senior Partner of Colinton Capital Partners, has been invited to join the AMA Board of Directors and will act as Deputy Chairman. Mr Moore's appointment is separately supported by each of the new investors.

- In conjunction with the sale of their securities, Ray Malone, Andrew Hopkins and the participating members of the AMA Group panel repair business management team have entered into escrow arrangements in relation to their retained shares. Andrew Hopkins and the participating members of the AMA Group panel repair business management team are required to retain these shares for a year after which 50% become available for sale with the remaining shares available for sale after two years. Ray Malone's retained share escrow arrangements are the same as those for management team until he moves to his Non-Executive Director role whereupon he will be required to retain 10 million shares until the second anniversary of the transaction.

Each of the material developments announced today is dependent on Resolution 8A being passed at the Annual General Meeting, and the share transfers, other than those of Cedarfield Holdings Pty Ltd and MRGL Pty Ltd, are separately dependent on Resolutions 8B, 8C, 8E, 8F, 8G, 8H, 8I being passed at the Annual General Meeting.

AMA Group Chairman, Ray Malone, commented that "The transactions neatly solve the challenge posed by the significant shareholding of mine, Andrew Hopkins and the panel repair business management team while also providing the Company with the working capital needed to expand its new procurement business. The Board and management team are extremely excited to welcome the new investors on to the Company's share register. We are proud to have our plans and vision for the business receive the endorsement of investors of the calibre of AustralianSuper, Myer Family Investments and Colinton Capital Partners. At the same time, the Board understands that to successfully realise our goal of becoming an ASX200 index component, the Company must attract the very best management and Board talent and that adoption of best practice corporate governance will help us to do so. The addition of Simon Moore to the Board of Directors will add both corporate finance skills and the strategic execution discipline to the Board, complementing the insurance industry knowledge and management experience of our other recent addition, Anthony Day."

In relation to the announcement of his intention to transition from Executive Chairman to Non-Executive Director over the next nine months, Ray Malone commented "In recent times, I have increasingly ceded day to day control of the operations to Andrew and we have focused my efforts on the areas of the business where I can add the greatest value. In particular, I have been helping build the procurement business which has the potential to create significant value for shareholders. I will be doing my utmost to help Andrew succeed in his new role of Group Chief Executive Officer".

AMA Group Chief Executive Officer, Andrew Hopkins, said "AMA Group's announcements over the past two weeks mark the start of an exciting new period of growth for the Company's operations. Ray, the panel repair business management team and I have shown our strong belief in the future prospects of the business by voluntarily entering into the escrow arrangements and we are buoyed by the decision of AustralianSuper, Myer Family Investments and Colinton Capital Partners to support our strategy and the recent management and board changes with their substantial investment. Ray and I have been partners in growing the AMA Group panel repair business over the last three years and I am looking forward to continuing to work closely with him in the future."

The share placement and the secondary sales are expected to settle on Monday, 26 November 2018.

Ends.