AMA GROUP

ASX Announcement

23 August 2024

FY24 Appendix 4E and Annual Report

In accordance with ASX Listing Rules, please see attached AMA Group Limited's (ASX: AMA) (AMA Group) Appendix 4E and Annual Report for the 12 months ended 30 June 2024 (FY24). AMA Group's FY24 Investor Presentation will be provided separately.

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

ENDS.

Investors and Media:
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The following information is presented in accordance with Listing Rule 4.3A of the Australian Securities Exchange ("ASX").

Results for announcement to the market

Year ended	30 Jun 2024	30 Jun 2023	Increase / (Decrease)	
	$'000	$'000	$'000	%
Revenue and other income from continuing operations	894,761	830,293	64,468	7.8
Loss after income tax attributable to members	(7,630)	(144,448)	136,818	(94.7)
Normalised EBITDA from continuing operations (pre-AASB 16) [1]	48,970	21,757	27,213	125.1

[1] Normalised result are unaudited non-IFRS measures. Refer to the Directors' Report for details of these calculations.

Dividends

No dividend declared or proposed in the current or previous financial year.

Financial Statements and Commentary on "Results for Announcement to the Market"

Detailed financial statements and commentary, including any significant information needed by an investor to make an informed assessment of the entity's activities and results, is contained in the Annual Report for the year ended 30 June 2024.

Net Tangible Assets per Share

Year ended	30 Jun 2024	30 Jun 2023	Increase / (Decrease)	
	Cents	cents	cents	%
Net tangible assets per share	(10.6)	(23.2)	12.6	54.3

Details of entities over which control has been gained or lost during the period.

During the period, control was not gained or lost over any entity, with the exception of some dormant entities which were voluntarily deregistered. The Group has no associates or joint ventures. Refer to Note E2 for listing of controlled entities.

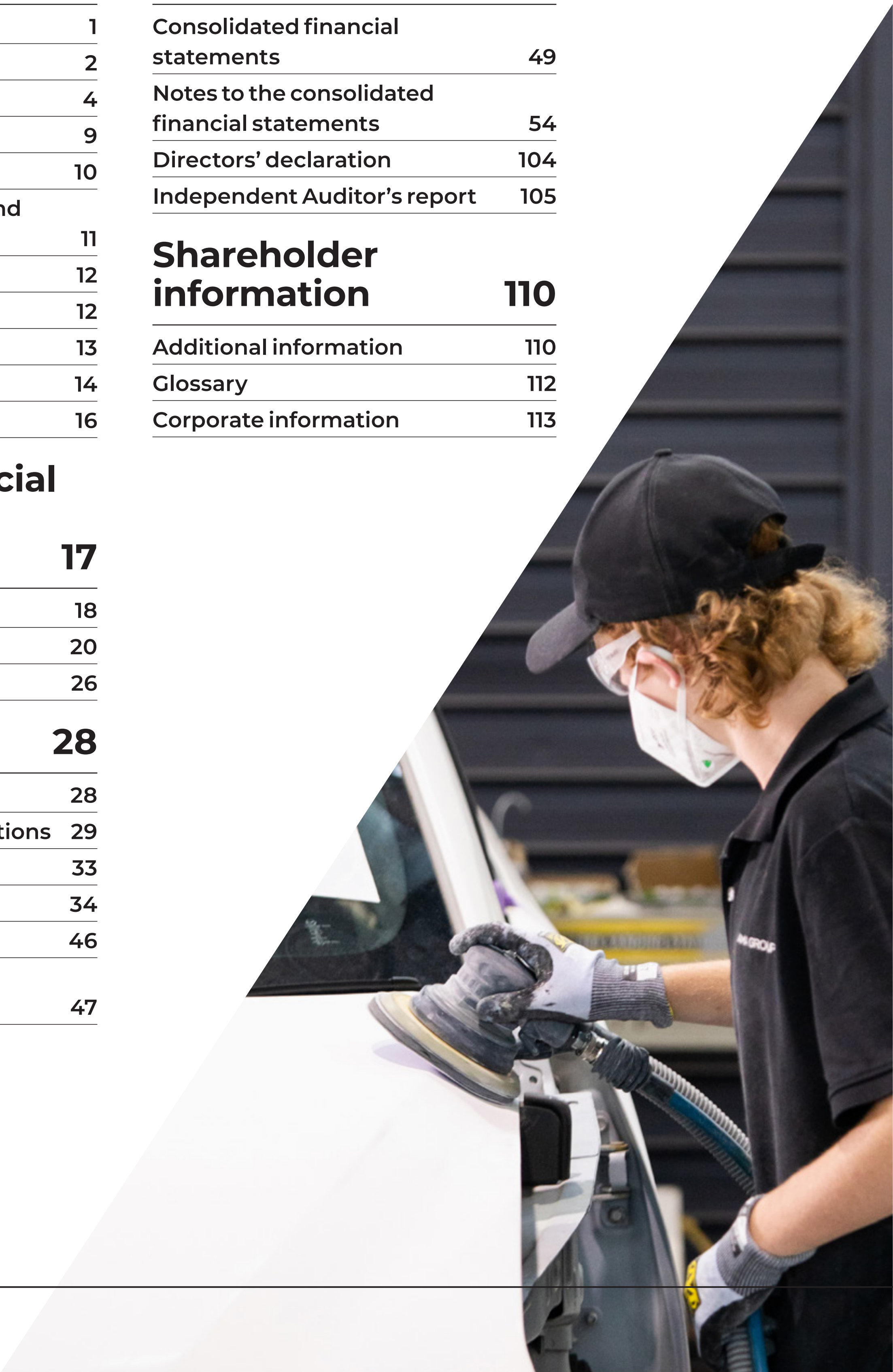
AMA GROUP

2024 Annual Report

For the year ended 30 June 2024

AMA Group Limited
ABN 50 113 883 560

Contents



About this report

The FY24 Annual Report is a consolidated summary of AMA Group's operations, performance, and financial position for the year ended 30 June 2024. In this report, unless otherwise stated, references to 'AMA Group', 'AMA', 'Group', 'company', 'parent entity', 'we', 'us' and 'our' refer to AMA Group Limited and its controlled entities (refer to Note E2 for a list of controlled entities).

References in this report to a 'year' relate to the financial year ended 30 June 2024. All dollar figures are expressed in Australian dollars (AUD) unless otherwise stated.

The consolidated financial statements included in this report were authorised for issue by the Directors on 23 August 2024. The Directors have the power to amend and reissue the Financial Statements.

All financial reports and other information are available at our Investor Centre on our website amagroupltd.com

Reporting suite

This annual report forms part of our annual reporting suite, which is available on our website amagroupltd.com. In addition to this annual report, the other documents that form part of the reporting suite are:

> Appendix 4E

> FY24 Results Presentation

> Corporate Governance Statement

> Modern Slavery Statement

AMA Group acknowledges Aboriginal and Torres Strait Islander peoples, the Traditional Owners of the lands and waters of Australia on which we live and work, and pay our respects to their Elders past and present.

Chair's letter

To my fellow shareholders,

I write to you as the relatively new Chair of AMA Group, appointed in June 2024, with great optimism for our future. This has been a year of change at a Board and Management level, and I express my thanks for the trust you have placed in myself and my fellow Directors, Jo Dawson who has recently joined the Board, Ray Smith-Roberts and David Goldstein. I also congratulate Mathew Cooper, who was appointed Group Chief Executive Officer in December 2023.

I would like to thank our shareholders for their continued support and the faith they have shown in AMA Group as we recently completed our $125 million equity raising. This recapitalisation resets our balance sheet and provides funding certainty, allowing the business to focus on profitable growth.

The 2024 financial year saw exceptional operational improvement as the Group continues its turnaround. The Group delivered a 125.1% increase in normalised pre-AASB 16 EBITDA in the 2024 financial year compared to the 2023 financial year and saw a net increase of 146 team members.

Capital SMART outperformed as did our Wales (Heavy Vehicle) business, Specialist Businesses have been recognised for their unique value and opportunity, and AMA Collision is now building on its foundations. The Board resolved during the year to divest the ACM Parts business. Following significant transformation activities, it is now the appropriate time to identify a new owner for the business as AMA Group focuses on the core business of collision repair.

This result really shows what an essential industry we operate in, and the resilience of our business. Our company operates in an environment predominantly supporting our Insurance Company customers for the benefit of providing a repair solution for their customers and hence our service is pivotal for Insurers. We respond to their obligations for their customers and enhance their brand recognition and protection through the valuable services we deliver, so the future is bright for AMA Group, with an exceptional team, strong industry fundamentals, and a wide geographical spread of business units. Vehicle numbers are expected to increase, kilometres travelled are returning to pre-COVID levels, claim frequency is stabilising and claim size is growing.

I look forward to the 2025 financial year with great optimism. We have a leaner board structure with lower fees while ensuring we have the appropriate skills on the board, a reset balance sheet and extended debt facilities. With the decision to sell ACM Parts, we move forward with a clear focus on collision repair.

Our CEO's report provides further detail on the financial and operating results for the 2024 financial year and the 2025 financial year outlook.

Thank you to my fellow Directors, and to the more than 3,400 exceptional team members across our 142 operating locations, who deliver for our customers every day. To our Insurer and vehicle owner customers, we thank you for your loyalty as we strive to provide exceptional service every day.

To my fellow shareholders, thank you for the continued support and confidence you have placed in your Board.

Brian Austin
AMA Group Non-Executive Chair

The 2024 financial year saw exceptional operational improvement.

CEO's report

Highlights

Revenue up 7.8% to
$894.8 million

Normalised FY24 pre-AASB 16 EBITDA up 125.1% to
$49.0 million

NPAT up $141.0 million to
$2.4 million loss

EPS up 12.95 cents per share to
0.19 cents per share loss

Team members up 146 to
3,440

$125m equity raise
repositions balance sheet for future growth

Bank debt extended to 31 December 2025

* All figures above excluding ACM Parts

Introduction

It was my great privilege to be appointed as CEO of AMA Group on 1 December 2024. Having been part of the business since September 2021 I have seen the true strength of our business which is underpinned by an exceptional team of over 3,400 great people.

The recent years have been difficult, and the organisation has taken some very tough decisions to provide a foundation from which the business can now prosper. With my appointment we have adjusted our approach to more humble engagement with our customers, putting their needs first and seeking to solve their problems through exceptional service. We have continued to focus on our people, growing our team and providing skills training – both technical through our apprentice and I-CAR gold programs, and leadership through our front line leaders training. We have also adjusted our structure to a portfolio basis ensuring that lean cost structures are in place and business units are accountable for their performance.

Importantly we execute this through the lens of our value "Together we do it right!" at all levels within the organisation.

FY24 Financial Performance

The Group delivered normalised post-AASB 16 EBITDA of $49.0 million, up 125.1% on FY23, and revenue and other income from continuing operations of $894.8 million ($830.3 million in FY23) excluding ACM Parts which is now held for sale. Including the loss from ACM Parts, FY24 normalised pre-AASB 16 EBITDA of $45.3 million dollars is within our guidance range of $44-$49 million dollars. The Group reported a statutory net loss after tax of $2.4 million, an improvement of $141.0 million on the 2023 financial year (FY23).

We ended the FY24 year with $39.9 million in cash and cash equivalents (ended FY23 with $28.9 million), we were operating cash positive $10.5 million once all lease payments are included, an improvement from a $14.3 million outflow in FY23. This cash flow performance includes the positive impact of a $6.4 million tax refund. Outflows of $3.1 million were associated with inventory build in ACM Parts, and the cash impact of onerous leases and exit costs on closed but not yet exited sites was $5.9 million for the full FY24 year, with most of this cash spend not expected to continue into the 2025 financial year (FY25).

Portfolio review and priorities

Vehicle Collision Repair

The vehicle collision repair network rationalisation and consolidation is now complete, and the vehicle repair business has a stable platform from which to grow. In FY24, repair volume reduced with the full year impact of network consolidation and continued increase in labour hours per repair partially offset by operational efficiencies and increased productive labour.

AMA Collision

AMA Collision was the business unit most impacted by cash constraints leading to a loss of volume and team members in early FY24. Further work is required to improve the performance of this business.

Through our structured Project Wallaby program, we are now building on the network's foundations and targeting to increase AMA Collision's pre-AASB 16 EBITDA in excess of $20 million dollars over the next three years. This will be achieved by increasing repair volumes and improving operational efficiency and margins. The key components of our strategy are:

- Further repairing the base business,
- Building stronger customer relationships,
- Providing exceptional and consistent experience for our customers, and
- Refreshing and growing the network.

Capital SMART

Capital SMART performed ahead of expectations in FY24, reflecting the reset pricing and scope criteria under the Suncorp contract which was effective 1 July 2023 and the delivery of the benefits of Project SHIFT earlier than anticipated.

Project SHIFT improved operational efficiency and evolved the Capital SMART customer service model, improving the vehicle owner customer experience by providing more convenient access to the national network and reduced vehicle movements. This well-executed change program achieved over $20 million of annualised pre-AASB 16 EBITDA benefits, more than offsetting transitional support provided by Suncorp.

In Capital SMART we will pursue further improvement and growth by:

- Optimising operations,
- Expanding the workforce,
- Investing in and growing the network, and
- Improving customer satisfaction by delivering market leading value and experience for its customers.

Specialist Businesses

Specialist Businesses is a core part of the Vehicle Collision Repair portfolio and includes unique business opportunities including:

- AMA Prestige – five sites servicing prestige vehicle marques,
- Techright – ADAS calibration services, and
- Trackright – Mechanical collision repair services.

AMA Prestige's performance in FY24 was impacted by operational disruptions associated with the Harris and Adams relocation and the prior year positive impact of the Shipstone insurance claim. We expect to improve the underlying network performance and will look to extend our prestige capability.

Following the initial investment of ~$0.5 million, TechRight saw the initial five installations operational by the end of the financial year. Additionally, we have agreed procurement arrangements for ADAS calibration services across the network for locations which are unable to be serviced directly by TechRight. Further expansion will be completed in FY25 as these trial sites are fully evaluated.

TrackRight delivered a solid FY24 performance, and capacity expansion is underway through a transition to an expanded site in Dandenong. This model can be expanded nationally, providing mechanical collision repair services to both the AMA Group network and external collision repairers.

Wales

Wales outperformed in FY24, and with a strong and growing customer base has further upside. The relocation of the South Australian site during the year, including a rebrand to Wales Kilburn has delivered solid results.

Removing further bottlenecks in the existing Wales footprint is targeted to deliver an annualised earnings uplift of $1.5 million pre-AASB 16 EBITDA over the next two years and we expect to further the network through acquisition into the future.

ACM Parts

The team has reset the ACM Parts business over the past two years, and we are seeing strong underlying sales growth in the new parts categories, where the growth focus has been. Headwinds from higher auction prices and lower scrap commodity prices have continued to challenge reclaimed margins, and thus the FY24 results.

The Board has resolved to sell ACM Parts and focus on a pure collision repair business moving forward, so the ACM Parts business is now classified as “held for sale”. Upon the sale of ACM Parts, the greater of $25 million or 75% of net proceeds will be repaid off our senior debt.

The business will continue to focus upon growing ACM Parts as the sale process continues through:

- Sales - both internal and external customers,
- Growing the range, and therefore making the offer even more compelling,
- Addressing recycling productivity to improve efficiency and margins, and
- Further optimising our consumables offer.

Equity Raising and Senior Debt Facilities

In early FY25, we agreed with our banking syndicate an extension of senior debt facilities for a new maturity date of 31 December 2025 (these facilities were previously due to mature in October 2024).

We have since completed a $125.0 million equity raising at a price of $0.042 per new share. The proceeds will be used to repay debt and position the organisation’s balance sheet for growth into the future.

Refinancing by December 2025 is expected to result in a facility of $80 – 100 million including $25 – 35 million of bank guarantees and working capital facilities.

Outlook

Resetting the balance sheet will support the confidence of our customers, our team and our suppliers and provides us adequate headroom and balance sheet flexibility to focus on achieving our core growth initiatives.

In FY25 we expect normalised pre-AASB 16 EBITDA to be above FY24 and our five-year pre-AASB 16 EBITDA margin target is ~9%.

Close

It is an honour to have been appointed Group CEO of this business, and I am proud to be working alongside our team of over 3,400 outstanding technicians, customer service, operational and administrative team members.

I thank the Board for their support, and our entire team for their commitment to delivering for our customers. I thank our valued suppliers and thank our customers for their ongoing loyalty.

Finally, I thank our shareholders for their support of our business. I look forward to delivering growth and shareholder value into the future.

Mathew Cooper
AMA Group Chief Executive Officer

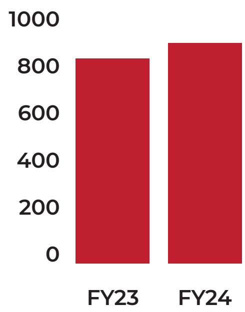
Notes:
Normalised EBITDA is Earnings before interest, tax, depreciation, amortisation, impairment and fair value adjustments on contingent vendor consideration, excluding the impact of normalisations. FY24 normalised EBITDA includes professional services costs on earn outs and investigations, closed and hibernated site costs, restructuring costs and insurance claim costs. FY24 and FY23 comparison EBITDA excludes ACM Parts, which is now classified as held for sale. Normalised FY24 pre-AASB 16 EBITDA including ACM Parts is $45.3 million vs. guidance range of $44 – 49 million including ACM Parts.

"I am proud to be working alongside our team of over 3,400 outstanding technicians, customer service, operational and administrative team members."

The future is bright for AMA Group.

Highlights

Revenue

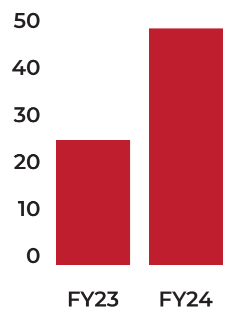


Improved

voluntary turnover

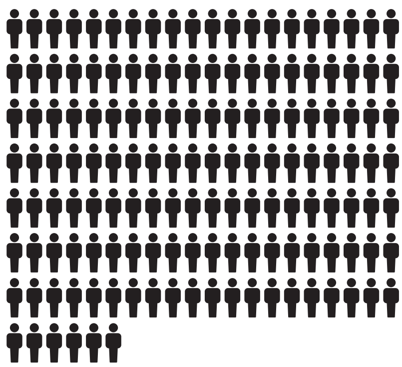
125.1%

increase in normalised pre-AASB 16 EBITDA



146

additional team members



* All figures above excluding ACM Parts

Who is AMA Group?

We are the leader in the Australian and New Zealand collision repair industry.

Founded in 2005 as Allomak Ltd, to acquire automotive aftercare businesses, the Group was listed on the Australian Securities Exchange in 2006. In 2007, we acquired our first collision repair business, Mr Gloss in Victoria, which the company still owns and operates today.

In 2009, we became AMA Group. Since then, through acquisition, AMA Group has become the largest collision repair network across Australia and New Zealand, supported by Australia's leading distributor of automotive parts and consumables. We are Australia's only publicly listed dedicated collision repair and automotive supply business.

Our people are the foundation of everything we do. Our success is underpinned by our Team of highly skilled and committed technicians, customer service and support staff who are driven to deliver for our customers. Working together, we get more than 300,000 people and businesses back on the road every year.

3,400+

Team members

250k+

Vehicles repaired per year

142

operating locations

Our Australian & New Zealand network

Drivable passenger vehicle collision repairs
$464.5 million FY24 revenue
1,540 team members
149k repairs

S.M.A.R.T

Drivable and non-drivable passenger vehicle collision repairs
$355.2 million FY24 revenue
1,292 team members
89k repairs

AMA COLLISION

Heavy vehicle collision repairs
$73.8 million FY24 revenue
261 team members
6.9k repairs

WALES

Prestige vehicle collision repairs
$38.0 million FY24 revenue
100 team members
5.4k repairs

AMA PRESTIGE

Mechanical collision repairs
$6.2 million FY24 revenue
17 team members
2.2k repairs

TrackRight

ADAS calibrations
Operations recently commenced
12 team members

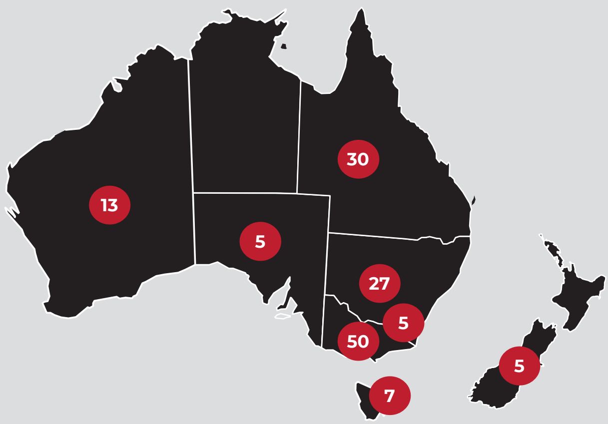
TechRight

Collision and mechanical parts and consumables
$84.8 million FY24 revenue
183 team members
220k parts sold
Divestment process commenced

ACM PARTS

Number of locations

Australia	
Australian Capital Territory	5
New South Wales	27
Queensland	30
South Australia	5
Tasmania	7
Western Australia	13
Victoria	50
New Zealand	**5**



Our Vision

Enduring mobility

Our Mission

AMA Group extends the life of vehicles though an integrated network of repairers, dismantlers, and distributors so our customers can keep moving.

Our Value

Together
- Respect
- Support
- Unite

We do it
- Solve
- Improve
- Deliver

Right
- Safe
- Responsible
- Quality

Timeline

2006
Acquired auto protection accessories company, ECB; Allomak listed on ASX.

2007
Acquired auto parts distributor Alanco Australia and our first collision repair business Mr Gloss

2009
Allomak Ltd changed name to AMA Group Ltd.

2013
Acquired commercial vehicle alloy bull-bar specialist Custom Alloy.

2014
Acquired Repair Management Australia (4 sites in Victoria).

2015
Acquired Woods Auto Group (including 14 GoRapid repair sites, Victoria) and Gemini Accident Repairs (42 repair sites across Australia and New Zealand).

2016
Acquired 6 more collision repair sites (3 in Victoria, 2 in Queensland, 1 in Western Australia).

2018
Acquired auto aftermarket group Automotive Solutions Group.

2019
Acquired 90% of Suncorp's Capital SMART, 100% of ACM Parts, and 21 other collision repair sites across Australia (including heavy motor).

2020
Acquired Fully Equipped Group (New Zealand), Western Trucks (Victoria) and 9 other repair sites; Disposed ACAD & Fully Equipped to GUD Holdings.

2021
Acquired Perth Parts Solutions (Western Australia) and National Trucks (New South Wales).

2022
Divested FluidDrive Holdings

Growth pillars

Exceptional customer experience

Clear and open communication

Customer-centric service

Timely repair service

Highest quality

We care about each other

Safe workplaces

Attracting people

Engaging and retaining people

Developing talent

Rewarding our team

Connected with local communities

Profitable growth

Grow our team

Optimise operations

Refresh/refurbish ageing equipment to drive efficiency

Grow our networks

Even better tomorrow

Ongoing technical training

Innovating with technologies

Focus on customers' needs

Environment, Social and Governance Report

AMA Group's vision is for Enduring Mobility. This is reflected in three pillars: Sustainability, Innovation, and Community.

At our core, AMA Group's operations seek to promote socially responsible outcomes in an environmentally sustainable manner.

Through our collision repair, end-of-life vehicle dismantling and parts distribution businesses, we repair to extend vehicle life, reuse and renew components, and reduce waste.

Through employment and training of our culturally diverse, geographically dispersed teams we promote economic advancement in the communities in which we operate.

While we are at the early stages of our environmental, social and governance (ESG) program and reporting journey, our operations already support positive environmental and social outcomes as detailed later.

This report is organised in three sections:

> Environment

> Social

> Governance

Environment

Extending the life of vehicles

Through vehicle repair, AMA Group contributes to waste reduction, as vehicles stay on the road longer instead of being replaced. We contribute by extending the vehicle's useful life, even after significant collision damage, through manufacturer approved repair techniques.

AMA Group is committed to careful consideration and increase in "repairing" instead of "replacing" a greater proportion of components as part of its longer-term production systems. A part repaired is a part that is not required to be produced.

Through our ACM Parts business, we are actively involved in the return of components from end-of-life (written off) vehicles to the collision and mechanical repair industries. Key components reclaimed by ACM Parts in FY24 were engines, transmissions, doors, panels, and headlamps.

The reclamation of components for sale back into collision and mechanical repair lifecycles, and the refurbishment of select parts, reduces waste directed to landfill and reduces the demand for new parts production, indirectly saving materials and energy used in the manufacturing process.

ACM Parts has reclaimed over 76,000 parts from end-of-life vehicles during FY24 and will continue to evolve this over time in line with demand planning.

Our ACM Parts dismantling operations also include separation of recyclable materials from true "scrap" in end-of-life vehicles, and focuses on safe, environmentally conscious reclamation and disposal of end-of-life vehicle products including fuel, oils, coolant, batteries, and air conditioner gas.

During FY24, ACM Parts continued to build our parts refurbishment program, where partially damaged parts are returned to replacement quality condition for resale. In FY24, this program focused on the return of headlamps returned to the repair process, which would otherwise have become waste product.

ACM also continued to ramp up the use of recycled returnable packaging within its recycling and warehousing operations, with increasing use of recycled returnable packaging during FY24, in place of disposable packaging.

250k+
Repairs completed

~6.5k
Vehicles dismantled
> At target based on current capacity and target stock

76k+
Components reclaimed and refurbished in FY24
> Evolution over time based on demand planning

Production environmental efficiency

Through production techniques and facilities-based initiatives, AMA Group seeks to minimise the impact of our operations on the environment. We have identified three key areas of focus which we can influence, and which will make a difference to our environmental impact.

- **Waste reduction and recycling:** all sites had some recycling in place as at 30 June 2024. The Group plans to continue to develop its recycling and measurement of waste program over time.
- **Energy reduction (LED lighting):** as at 30 June 2024, 65 sites used only LED lighting. We plan to continue to use LED lighting where possible over time.
- **Green energy (solar):** as at 30 June 2024, 15 sites had solar panels at their facility. Due consideration will be given to future leases and the availability of sites with solar options.

Water-based paint

AMA Group, partnering with our paint supplier, uses water-based paint technology throughout our vehicle repair network. The water-based product releases less organic solvents (<10%) into the atmosphere compared to solvent-based paint, which is a significant environmental benefit, as well as supporting the safety and wellbeing of our employees.

The product also provides optimal colour accuracy and ease of application, resulting in less overall product needed per job whilst delivering a high-end result.

Environmental compliance

AMA Group is dedicated to good corporate citizenship and is committed to ensuring compliance with all statutory and government requirements pertaining to environment and sustainability.

Environmental focus at site level continues to be on ensuring compliance with stormwater protection, reducing waste to landfill and improving lighting for better sustainability.

Upgrades of the AMA Collision Arundel and Wales Adelaide sites in FY23 and FY24 respectively included recycled water wash bays to reduce the use of fresh water and the installation of LED lighting. Across the Group there have been upgrades to LED lighting including an ongoing project in Capital SMART to replace paint booth lighting with LEDs.

Across the Group in FY24, there were no EPA inspections and no reported accidental discharges to the environment.

Supporting new technologies

AMA Group is committed to supporting new technologies for the betterment of our environment, by ensuring our network is equipped for the repair of these new technologies. Electric vehicles currently account for a small, but growing number of the total cars on Australian and New Zealand roads. AMA Group's Porsche, BMW, Mercedes-Benz and Tesla accredited facilities, as well as our Eagle Farm and new Arundel facility are equipped with electric vehicle charging stations. Our Porsche, BMW, Mercedes-Benz and Tesla accredited repair facilities are all equipped with dedicated electric vehicle isolation bays. Several I-CAR accredited disconnection and reconnection courses have been completed by team members throughout Australia.

We will continue to ensure our technicians and facilities are equipped to support the ongoing evolution of cars on Australian and New Zealand roads to increasingly sustainable solutions and will continue to scale capacity in our operations to meet demand.

Climate change and regulation

We recognise that climate change, and associated policy changes and regulation will impact the Group. While the underlying operations of the business will continue to evolve to support the change in vehicle technology, the Group also recognises that climate change, policy and regulation pose a business risk. This is reflected in the Climate Position Paper which is presented to the Group's Audit and Risk Committee. AMA Group has a commitment to further assess climate risk and develop relevant action plans in the future.

Environment & Sustainability Policy

We are committed to meeting our high standard of business excellence in an environmentally responsible and sustainable way through a formalised Environment & Sustainability Policy.

Social

AMA Group's Social strategy is founded on Community, and reflects our vision of Enduring Mobility. We are committed to helping communities be more mobile, more resilient, and more sustainable.

When referring to community, we mean the communities in which we operate, the communities we serve and the community of people who make up the AMA Group Team.

Our Social Sustainability Strategy, while in its infancy, is founded on four core pillars:

Reflecting the Community

Enhancing the Community

Protecting the Community

Supporting the Community

Reflecting the community

Diversity, equity, and inclusion

We are committed to building a diverse workforce that recognises and embraces differences, and provides a safe, respectful, and inclusive environment for all our people.

We recognise the benefits gained from having a team that reflects the communities that we work in, including attraction and retention of talent, improved engagement, increased productivity and access to broader perspectives and ideas.

AMA Group operates in a traditionally male-dominated industry. We currently have 13% female participation across the Group. AMA Group is focusing on building female participation in the industry by identifying and promoting female role models such as our 2024 Paint & Panel Women in Collision winner, Carlie Martin.

AMA Group employs team members who are skilled migrants from countries including the Philippines, United Kingdom, and South Africa, and has partnerships to better attract and include Indigenous Australian team members.

We are an equal opportunity employer and are committed to ensuring our processes and policies are inclusive for all, regardless of age, religion, national origin, disability, sexual orientation, or gender identity. This includes ensuring we follow best practice recruitment processes which base key selection criteria on experience, merit, and competency for each role with a focus on gender equality.

Recruitment practices

AMA Group is continually refining our recruitment practices to attract a broader talent pool.

We also advertise in industry publications (print and online), attended career expos, and continued our team member referral program in FY24.

We recognise that there are people from a wide variety of backgrounds with the desire and talents to contribute to our business. To that end, we have developed partnerships with groups and industry bodies to attract candidates from diverse backgrounds including those who are socially disadvantaged and Indigenous Australians.

During FY24, we worked with various organisations to facilitate opportunities for prospective team members including NRL Cowboys House, On Common Country, Indie School, MTC Australia, Head Start and VicLLENs.

Age diversity

Age diversity brings a wealth of experience and knowledge and enables skills to be taught organically. Our experienced tradespeople act as mentors to apprentices and new team members. Our team members represent a wide range of age groups with most aged 20-49 years old. 5.4% are aged 15-19 years old and 25.7% are over 50 years.

While apprentices are typically school leavers, 29.6% are mature age (i.e., over 25 years old).

Gender diversity

We are committed to improving the gender balance at all levels of the organisation and particularly in traditionally male-dominated roles. This includes a focus on attracting and supporting female apprentices. As at 30 June 2024, 11% of our apprentices were female.

There has been a continued focus on flexible rostering and working arrangements at sites as a key part of attracting greater diversity.

Of the AMA Group team members nominated for the 2024 Paint and Panel Women in Collision Awards, seven were named as finalists and one won their category. We also had two finalists in the National Collision Repairer Woman in Automotive Award. This recognition highlights the important roles that women play in our business and industry.

The following table represents the gender breakdown of our workforce at 30 June 2024

Level	Proportion of women %	Proportion of men %
Non-Executive Directors (Board)	25%	75%
Senior Executives[1]	20%	80%
Other Levels	13%	87%
Total	13%	87%

1 Senior Executives are defined as the Group CEO and direct reports to the Group CEO.

Social

Enhancing the community

Workforce of the future

AMA Group is focused on building our future team by growing our apprentice program, building leadership capability, and ensuring our people are at the forefront of their trade.

Apprentices

We are committed to developing the next generation of tradespeople for our business and our industry. With 450 apprentices at 30 June 2024, and a plan to continue to increase the number of apprentices throughout the network in FY25 and beyond, we are leading the Australian vehicle collision repair industry in our apprentice program.

Skilled migration

Skilled Migration continues to be a high priority to address local workforce shortages. Recruiting across eleven countries along with bulk recruitment initiatives in the Philippines resulted in 200 offers and 107 arrivals of skilled technicians in FY24. Delays in mandatory skills assessments impacted the arrival of some international recruits under TSS 482 visa rules with qualified technicians being sourced from a wider range of countries to address this.

A bulk recruitment initiative in Ghana in late FY24 led to offers to over 100 panel beaters in the first weeks of FY25, with less reliance on external skills testing.

Leadership training

We will continue to build leadership capability across all levels of the company. In FY24, the Group continued its focus on frontline leadership development.

Frontline Leadership Training

The Frontline Leaders 1 and 2 Programs have been designed to establish leadership foundations then build on these to ensure that leaders understand their responsibilities beyond the technical aspects of their roles.

In addition to building leadership capability, participants develop their internal networks and leverage broad experience and knowledge from across the organisation.

In FY24, 260 leaders participated in Frontline Leaders 1, and 177 participated in Frontline Leaders 2. In FY25, we will continue to evolve and extend our leadership development programs.

Technical training

We will continue to invest in technical skills training to ensure our people remain future ready.

As our industry advances, so must our technical skills and we continue to provide dedicated training to upskill our workforce. Our tradespeople participate in a variety of training delivered through I-CAR, OEM providers and industry training alliance partners such as industry bodies, 3M, BASF and Car-O-Liner. Training courses are conducted online, virtually and face to face. We will continue to expand the training offering across AMA Group.

As at 30 June 2024, twelve AMA Group sites held I-CAR Gold status, with more significantly progressed. This was an increase of three on the prior year.

Protecting the community

Employment standards

AMA Group is committed to meeting employment standards for our team members. We regularly review our employer obligations towards our team.

Remuneration practices

We meet our employer obligations by:

- providing fair remuneration for team members' skills and experience to ensure we attract and retain talented people. This is reviewed upon commencement of employment and through the annual remuneration review across the entire AMA Group,
- regularly reviewing remuneration practices to ensure we meet our obligations, including but not limited to minimum wage, pay equity and award compliance reviews, and
- upskilling and training our people on employment standards and obligations.

Remuneration equity

In FY24, AMA Group submitted and received compliance on our Workplace Gender Equality Agency (WGEA) Report. The FY24 WGEA report continues to provide the opportunity to review and analyse gender pay equity across the entire Group. No significant gender pay gaps were identified.

We have continued to educate our People and Talent teams and people leaders on gender pay equity.

This, along with the AMA Way Code of Conduct sets AMA Group up as an attractive employer for women and for all team members.

Training

AMA Group has continued our focus on training and developing our team with initiatives including the launch of our Frontline Leaders Program, Lunch 'n' Learn sessions for people leaders on a range of topics and Mental Health First Aid Training.

Workplace health and safety

We take the health, safety and environment of our teams, our sites, and the communities in which we live and work very seriously. As such, we remain committed to our a bespoke, risk-based safety management program. This includes incident reporting (AMAlert), injury management, and high-risk equipment maintenance, as well as people leader, first aid, Mental Health First Aid, and safety warden training. We are committed to proactive safety awareness and continuous improvement.

Take the LEAD is a behavioural change program, specifically designed by and for AMA Group. The key focus of the program is to empower all team members to take the lead on their health and safety.

The program aims to improve overall safety culture from being reactive and dependent, to independent where all team members lead by example, lead with care and lead by choice. This was evidenced in the 2024 'Our Voice' Team Member Engagement Survey with 89% of respondents favourable that safety is important at my site.

LEAD is an acronym for:

- LOOK out for hazards and unsafe practices to create a safe working environment,
- ENGAGE with Team members so everyone is aware of risks and can recognise safe behaviours,
- ACT quickly to manage incidents and injuries, and
- DEBRIEF and share learnings from incidents by consulting all Team members.

Monthly Take the LEAD campaigns target key injury themes in the form of educational toolbox talks. Information is provided to every team member on safe ways to complete tasks, as well as the most appropriate equipment and personal protective equipment to be used. 88% of participants responded favourably that they have access to the appropriate safety equipment, such a PPE, that they need to do their job in the 2024 Our Voice Team Member Engagement Survey.

Sites all display Take the LEAD safety boards that have important information including the latest monthly toolbox talks and safety alerts as well as key safety contacts; first aiders, and wardens.

Social

Responsible Repair Standards – repairing to manufacturer requirements

The design and construction of motor vehicles is continually evolving, and it is critical that all repairs are carried out in accordance with the latest applicable industry standards and codes of practice to ensure the safety of our Team and the vehicle owner.

Due to the complexity of different types of substrates used in the construction of vehicles, OEM repair methods must be followed as the vehicles are designed to react in a specific way in an accident. Once repaired, the vehicle must react the same way if involved in another accident. Even windscreens are part of the overall makeup of the vehicle strength. Further, the increasing use of Automated Driver Assistance Systems (ADAS) has added another dimension to repair requirements.

Following repair methods and standards takes the guesswork out of the repair process and ensures that we return vehicles in a safe, pre-accident condition.

Following repair methods also ensures the safety of our Team. For example, disengagement / reengagement of electric vehicles must be completed by trained technicians before and after repair, following specific steps.

Supporting the community

AMA Group Welfare Fund

Through the AMA Group Welfare Fund, we support the welfare of our team members and their families. The Welfare Fund delivers a tangible benefit to our team members who are facing financial hardship or unforeseen circumstances.

The Welfare Fund is accessible by all team members of the Group and their families in emergencies such as, but not limited to, natural disasters, medical emergencies, severe illnesses, or bereavement.

In FY24, the Fund continued to support our team members and their families through bereavement and illness.

Sponsorships and partnerships

A key pillar in AMA Group's vision is community. Our goal is to be a positive force in every community in which our Team lives and works, by helping those communities to be more mobile, more resilient, and more sustainable. We want to empower individuals and teams all over our network to give back to their local communities. Our Team members will identify local causes that are meaningful to them and will play an active role in forging partnerships between those causes and AMA Group.

While at an early stage in this journey, the Group has a well-established partnership with the Cowboys Foundation in Queensland, which embodies the spirit of grassroots community partnerships we aim to replicate throughout. This partnership includes a bursary, sponsorship of their learning to drive program, volunteering at the 50-50 raffle events, as well as providing employment opportunities for students.

AMA Group has been a proud supporter of Set to Succeed and the On Common Country First Nations Work Preparation Project in Far North Queensland in FY24.

The Australian Collision Industry Alliance

We recognise that the collision repair industry needs to stand together to ensure the longevity of the industry. We are an active member of the Australian Collision Industry Alliance (The ACIA), whose purpose is to:

- Provide rewarding futures for people andensure sustainability of the motor vehicle collision repair industry,
- Reposition motor vehicle collision repair as an attractive career choice and an industry of high social and commercial value,
- Coordinate motor vehicle collision repair industry stakeholders to fund, innovate, develop and drive programs to attract, train and retain people for the industry, and
- Increase the number, capability and longevity of people entering the motor vehicle collision repair industry.

Our goal is to be a positive force in every community in which our Team lives and works.

Governance

Governance

AMA Group's governance framework plays an important role in helping our business deliver on its strategy. AMA Group's governance framework, including our statement of compliance with the 4th edition of the ASX Corporate Governance Council's Principles and Recommendations, is detailed in our 2024 Corporate Governance Statement, which is available on our website together with key governance documents, including charters and policies.

Modern slavery

AMA Group's Modern Slavery Statement details the policies and practices in place to reduce the risk of modern slavery and other unethical behaviour in both our operations and supply chain. AMA Group respects ethical labour practices and has a zero-tolerance for any form of human rights abuses, including in our operations and supply chains.

Whistleblower

AMA Group recognises the importance of identifying wrongdoing or conduct that is not consistent with the Group's Value of 'Together We Do It Right'. Our Whistleblower Policy encourages Directors, team members, contractors and suppliers who have witnessed, or know about, any misconduct or suspected misconduct to raise such matters without fear of intimidation, disadvantage or reprisal.

The AMA Way

The AMA Way is AMA Group's Code of Conduct and articulates the behaviours expected of our Directors and Team Members. All Directors and team members are expected to align their actions with our Code of Conduct and AMA Group's Values of 'Together We Do It Right' whenever they are representing the Group.

All Directors and team members are expected to align their actions with our Code of Conduct and AMA Group's Values of 'Together We Do It Right' whenever they are representing the Group.


AMA GROUP

Directors' report

Introduction

The Directors present their report on the consolidated entity (referred to hereafter as the "Group") consisting of AMA Group Limited ("AMA Group" or the "Company") and its controlled entities for the Financial Year ("FY") ended 30 June 2024.

This Directors' Report has been prepared in accordance with the requirements of Division 1 of Part 2M.3 of the *Corporations Act 2001*.

Board of Directors

The Directors of AMA Group during the year and up to the date of this report were:

Name	Position
Brian Austin	Non-Executive Director and Chair of the Board (appointed 1 December 2023, Chair from 19 June 2024)
David Goldstein	Non-Executive Director (appointed 7 March 2024)
Ray Smith-Roberts	Non-Executive Director (appointed 7 March 2024)
Joanne Dawson	Non-Executive Director (appointed 19 June 2024)
Caroline Waldron	Non-Executive Director (Chair from 1 September 2023, resigned 14 June 2024)
Talbot Babineau	Non-Executive Director (resigned 14 June 2024)
Kyle Loades	Non-Executive Director (resigned 14 June 2024)
Kim Stewart-Smith	Non-Executive Director (appointed 1 December 2023, resigned 14 June 2024)
Simon Moore	Non-Executive Director (retired 23 February 2024)
Anthony Day	Non-Executive Director (Chair from 1 July 2023 to 31 August 2023, retired 1 September 2023)
Paul Ruiz	Non-Executive Director (retired 1 September 2023)
Carl Bizon	Managing Director & Group Chief Executive Officer (retired 23 November 2023)

Principal activities

AMA Group is a leader in the Australian and New Zealand collision repair industry. The principal activity of the Group is the operation and development of collision repair businesses in Australia and New Zealand.

AMA Group's business model relies on the relationships it has with key insurance customers for vehicle repair volumes and the commercial terms agreed with these insurers, including repair pricing and preferred repairer status. In particular, the success of the Capital SMART business is heavily influenced by the relationship with Suncorp given it is the largest customer of the business.

In June 2024, AMA Group's Board resolved to divest the ACM Parts business and endorsed a strategic plan that sees AMA Group operate as a pure collision repair portfolio business, including associated services. As part of the divestment process, the Group has classified ACM Parts as a discontinued operation and recorded its assets and liabilities as "held for sale" in the Group's year end financials.

There were no other significant changes in the nature of the activities of the Group during the year.

Review and results of operations

The full year results in FY24 reflect the continuation of the positive turnaround momentum from the second half of FY23. Improved commercial pricing (including the reset of Capital SMART pricing from 1 July 2023), easing labour conditions and moderating inflation helped drive a significant improvement in the financial results. As at 30 June 2024, the Group had 128 Vehicle Collision sites (including Capital SMART, AMA Collision and Specialist Businesses), 8 Wales (Heavy Vehicle) sites and 6 ACM Parts locations. There has been no material change in repair capacity during the period. Refer to the Glossary on page 112 for relevant definitions.

Other than the information included in the review and results of operations and throughout this report, information on other likely developments, business strategies and prospects for future financial years has not been included as it would be likely to result in unreasonable prejudice to the Group.

	Revenue and other income			Pre-AASB 16 EBITDA[1,2]		
Segment ($'000)	**FY24**	**FY23**	**Change**	**FY24**	**FY23**	**Change**
Continuing Operations						
Vehicle Collision Repairs	820,816	764,461	56,355	63,170	38,082	25,088
Wales (formerly Heavy Motor)	73,793	65,395	8,398	9,332	7,581	1,751
Corporate / Eliminations	152	437	(285)	(23,141)	(24,715)	1,574
Total continuing operations	**894,761**	**830,293**	**64,468**	**49,361**	**20,948**	**28,413**
Discontinued Operations						
ACM Parts (formerly Supply)	84,843	79,557	5,286	(3,365)	(2,213)	(1,152)
Corporate / Eliminations	(46,512)	(40,250)	(6,262)	-	-	-
Total Group	**933,092**	**869,600**	**63,492**	**45,996**	**18,735**	**27,261**
Normalisations (continuing operations):						
Closed and hibernated site costs				(2,119)	(993)	(1,126)
Restructuring costs				1,097	746	351
Legal costs on investigations and earn-outs				313	1,056	(743)
Insurance claim costs				318	-	318
Normalised EBITDA from continuing operations *(unaudited, non-IFRS term)*[1]				**48,970**	**21,757**	**27,213**
Normalised EBITDA – discontinued operations				**(3,703)**	**(2,139)**	**(1,564)**
Normalised EBITDA from continuing and discontinued operations *(unaudited, non-IFRS term)*[1]				**45,267**	**19,618**	**25,649**

1 Non-IFRS measures, including Normalised EBITDA, are financial measures used by management and the Directors as the primary measures of assessing the financial performance of the Group and individual segments. The Directors also believe that these non-IFRS measures assist in providing additional meaningful information for stakeholders and provide them with the ability to compare against prior periods in a consistent manner.

2 Refer to B1 Segment information for further information regarding pre-AASB 16 EBITDA. Normalisations are excluded from the Segment results.

Vehicle Collision Repairs – Revenue increase of $56.355 million despite a 6.2% volume reduction. This revenue increase was as a result of improved commercial pricing as well as the continuing trend towards higher severity repairs translating to a higher average price of repair. Several operational initiatives were delivered throughout FY24, including transitioning site capability to enable a full spectrum of drivable repairs at the majority of Capital SMART locations (Project SHIFT) and increasing the use of non-OEM parts to reduce costs. During the third quarter of FY24 AMA Collision launched Project Wallaby to embed sustainable improved performance through exceptional customer service and operational improvements. This project is targeted to deliver over $20 million in annualised pre-AASB 16 EBITDA benefits over the next three years.

Wales – 12.8% revenue increase and 23.1% EBITDA improvement as a result of pricing uplifts and strong work volumes. During the period, the Group completed expansions in Adelaide, Townsville and Newcastle, with plans approved for the upgrade and expansion of capacity in Perth. These expansions are targeted to deliver $1.5 million in annualised pre-AASB 16 EBITDA in the next two years.

ACM Parts – Revenue increase of $5.286 million as a result of strong underlying growth in both AMA Group and external parts sales, driven by investment in range and distribution networks during the period. Reclaimed margins were a headwind to profitability with higher auction purchase prices and lower scrap commodity prices versus the prior corresponding period. A reset of the Consumables business to higher margin core products is nearing completion. During the fourth quarter of FY24, AMA Group announced that following significant transformation activities in recent years, the Board resolved that it is now the appropriate time to identify a new owner for the business, to sell ACM Parts and operate as a pure collision repair portfolio business. As part of the divestment process, ACM Parts has been classified as a discontinued operation and the businesses assets disclosed as held for sale.

Corporate – Corporate costs have reduced year on year as a result of a number of cost reduction initiatives and the settlement of historical legal claims against the former Chief Executive Officer, Mr Andrew Hopkins and his company Cedarfield Holdings Pty Ltd during the period.

Financial results

The Group's results for the year are as follows.

	FY24 $'000	FY23 $'000	Change $'000
Continuing Operations			
Revenue	894,761	830,293	64,468
Operating expenses	(801,860)	(768,337)	(33,523)
Fair value adjustments on contingent vendor consideration	-	654	(654)
Depreciation & amortisation	(62,751)	(66,968)	4,217
Impairment reversal / (expense)	1,221	(116,830)	118,051
Operating profit / (loss) before interest and tax	**31,371**	**(121,188)**	**152,559**
Finance costs	(35,455)	(35,359)	(96)
Income tax benefit	1,730	13,162	(11,432)
Net loss after tax from continuing operations	**(2,354)**	**(143,385)**	**141,031**
Discontinued Operations			
Loss from discontinued operation, net of tax	(4,467)	(3,421)	(1,046)
Net loss after tax	**(6,821)**	**(146,806)**	**139,985**
Key drivers			
Repair volume ('000)	244.3	260.5	(16.2)
Average repair price ($)	3,662	3,187	475

Revenue – Revenue from continuing operations increased 7.8% for FY24, as the pricing uplift from improved commercial terms and the repair severity mix more than offset a 6.2% reduction in repair volumes. The decline in volumes was largely driven by the site rationalisation that occurred in September 2022, which removed around 2% of largely unprofitable volume, while the repair severity mix meant that the remaining volume reduction was recovered through increased repair pricing. Refer to note B2 for disaggregation of revenue and other income by reporting segment.

Operating expenses – Operating expenses increased by 4% for FY24, due to higher outgoings and employee expenses as headcount increased. The Group finished FY24 with 3,440 employees (FY23: 3,294) due to growth in the apprenticeship and international recruitment programs coupled with a reduction in voluntary turnover. The Group continues to manage its operating expenses by working continuously to identify costs savings.

Depreciation and amortisation – Depreciation and amortisation is lower as the prior comparative period included accelerated depreciation in relation to make goods of sites that were closed and leases early terminated.

Impairment reversal / (expense) – FY24 includes the reversal of historical impairment in relation to plant and equipment and right of use assets for sites that have been brought out of hibernation during the period. The FY23 impairment relates to Capital SMART and AMA Collision goodwill impairment as well as right of use asset and plant and equipment impairment associated with the network optimisation program. Further details of impairment reversal / (expense) is set out in note B3(C).

Finance costs – Net Finance costs in FY24 were broadly in line with the prior period as higher base rates on the Group's senior debt facility were offset by a reduction in the principal outstanding due to the repayment of $35.0 million of senior debt in December 2023. The Group was unhedged in the current period compared to 60% in the prior period following the closure of a fixed rate swap in June 2023.

Financial position and cash flow

As a result of the Board's decision to sell ACM Parts and operate as a pure collision repair portfolio business, ACM Parts has been classified as a discontinued operation and the businesses assets disclosed as held for sale.

The Group's consolidated balance sheet indicates a net current liability position as at 30 June 2024 of $131.851 million (2023: $191.037 million), of which $132.030 million relates to senior debt facilities. Subsequent to 30 June, the Group finalised an extension of senior debt facilities for a new maturity date of 31 December 2025 (were due to mature in October 2024) and completed a $125.0 million equity raising, the proceeds of which will be used to repay debt and position the Group's balance sheet for growth into the future. Refer to discussion of matters subsequent to the end of the financial year on page 46 for further information regarding the debt extension and equity raising.

During the year ended 30 June 2024, the Group continued to invest in replacement equipment and capital expenditure for site upgrades. In December 2023, the Group repaid $35.0 million of senior debt, utilising part of the proceeds from the $55.0 million equity raising ($51.940 million after costs) completed in September 2023.

The Group generated $42.542 million cash flow from operations during the period (FY23: $17.571 million). Cash flow from operations was positively impacted by improved commercial pricing, including transitional support payments received under the Motor Repair Services Agreement (MRSA) between Capital SMART and Suncorp which will not continue into FY25. A tax refund of $6.396 million under ATO carry-back rules was received in February 2024 (FY2023: $15.331 million tax refund). No further claims of carry-back losses are available to the Group moving forward. Interest paid was substantially higher than the prior period, which included a $6.136 million receipt following the early close out of the Group's interest rate swaps in June 2023.

The net debt calculation, which is presented consistently to the calculation requirements of the Group's Syndicated Facility Agreement is set out in the table below.

	Jun 2024 $'000	Jun 2023 $'000
Financial liabilities – drawn cash facilities (including capitalised interest)	133,771	(166,042)
Cash and cash equivalents[1]	(39,884)	(28,874)
Net Senior Debt used in covenant calculations	**93,887**	**137,168**

1 Cash and cash equivalents includes $2.981 million cash balance held by ACM Parts included in Assets held for sale (Refer to Note E2(C).

Key risks

The Board is responsible for setting the overall risk culture of the business. The Group has a risk management framework in place to identify, understand and manage key strategic, financial and operational risks.

The Board reviews and guides the Group's system of risk management, compliance, and internal controls, including the setting of risk appetite. The Audit and Risk Committee ("ARC") assists the Board in discharging these responsibilities.

The ARC oversees the adequacy and effectiveness of AMA Group's internal audit program, risk management processes and internal control systems. This includes the monitoring of material business risks and corporate compliance activities.

The Board is cognisant of the following principal risks that may materially impact the execution and achievement of our business strategy and financial performance and position:

- **Macroeconomic conditions** – Elevated levels of inflation impacting parts and labour costs and ability to pass on increases to customers. Higher interest rates could result in greater debt servicing costs and increase the costs of accessing debt finance.
- **Customer concentration** – the car insurance market in Australia is heavily concentrated, with a significant proportion of the Group's revenue derived from the top two insurers. This risk is mitigated through Capital SMART's long-term contract with Suncorp and seeking to ensure a mix of insurer contracts at non-SMART repair sites. In addition, the Group is focused on providing an exceptional customer experience to both retain existing customers and attract new customers..
- **Insurance pricing/relationships** – Exposure to contractual risks which are not appropriately identified and/or priced.
- **Financing and liquidity risk** – Short-term liquidity constraints limiting availability of, or ability to deploy growth funding and meet the requirements of the business could impact on banking covenants and the Group's ability to secure suppliers, employees and new customers due to creditworthiness concerns.
- **People risk and labour constraints** – Inability to hire and retain the necessary level of skills and experience within the Group.

These risks are managed and mitigated through various controls and programs including the bolstering of corporate commercial, financial and people teams, who are responsible for actively managing these risks. In addition, the Company continues to monitor government policies, regulatory changes and industry trends, and undertakes regular risk register reviews and updates.

Outlook

Repositioning of the balance sheet allows AMA Group to focus on achieving core growth initiatives. The Board is confident in the executive team, and strategy to drive operational excellence, increase repair volumes and drive operational improvement and margins.

The Company remains vigilant when considering the impact of its operations on team members, customers, suppliers and the communities we serve.

Accretive growth through organic growth from the Company's existing operations and from business acquisitions will remain the Company's long-term focus.

Dividends

A final dividend has not been declared.

Directors interests

Directors' interest in shares of AMA Group Limited as at the date of this report are set out in the table below.

Director	Ordinary Shares Number
Brian Austin	71,363,976
Ray Smith-Roberts	4,257,756
David Goldstein	-
Joanne Dawson	-

Meetings of Directors

The number of meetings of the Company's Board of Directors and of each Board Committee held during the year ended 30 June 2024, and the number of meetings attended by each Director are as follows:

	Board meetings		Audit & Risk Committee meetings		People Committee meetings	
	A	B	A	B	A	B
Brian Austin[1]	10	12	-	-	-	-
Ray Smith-Roberts[2]	9	10	-	-	-	-
David Goldstein[2]	7	10	-	-	-	-
Joanne Dawson[3]	1	1	-	-	-	-
Caroline Waldron[4]	27	27	4	4	1	1
Kyle Loades[4]	26	27	-	-	4	4
Talbot Babineau[4]	27	27	3	3	4	4
Kim Stewart-Smith[1,4]	10	11	2	2	-	-
Simon Moore[5]	17	18	4	4	1	1
Carl Bizon[6]	16	16	-	-	-	-
Anthony Day[7]	11	11	1	1	2	2
Paul Ruiz[7]	10	11	1	1	-	-

Key:

A Number of meetings attended.

B Number of meetings held during the time the Director held office or was a member of the committee during the period.

- Not a member of the relevant committee.

1 Brian and Kim commenced as Non-Executive Directors on 1 December 2023.

2 Ray and David commenced as Non-Executive Directors on 7 March 2024.

3 Joanne commenced as Non-Executive Director on 19 June 2024.

4 Caroline, Kyle, Talbot and Kim resigned as Non-Executive Directors on 14 June 2024.

5 Simon resigned as a Non-Executive Director on 23 February 2024.

6 Carl retired as Executive Director and Chief Executive Officer on 23 November 2023.

7 Anthony and Paul resigned as Non-Executive Directors on 1 September 2023.

Directors and Officers

Brian Austin

Non-Executive Chairman
since 19 June 2024

Non-Executive Director
since 1 December 2023

Brian is an experienced ASX Board Director and has over 40 years of insurance industry experience, having held senior executive positions in both publicly listed and private companies. Brian has deep experience in strategy setting and acquisitions, and through his executive positions has developed a global network of relationships across the insurance industry. Brian previously served the on the AMA Group Board of Directors from December 2015 to February 2020. His deep knowledge of the Group and the collision repair industry, as well as his connections to experienced members of the collision repair industry will support both decision-making and ensuring an appropriate level of industry knowledge is on, or provided to, the Board.

Other Current ASX Directorships:

- PSC Insurance Group Ltd (ASX:PSI)

Joanne (Jo) Dawson

Non-Executive Director
since 19 June 2024

Chair of Audit and Risk Committee
since 19 June 2024

Joanne (Jo) is a Chartered Accountant and Fellow of the Australian Institute of Company Directors. She brings deep experience as a Non-Executive Director in highly regulated, service businesses together with a long history in corporate transactions. Her previous roles include senior positions at Deloitte and National Australia Bank.

Other Current ASX Directorships:

- Centuria Capital Group (ASX: CNI)
- PSC Insurance Group Ltd (ASX: PSI)
- Pacific Capital Group Ltd (ASX: PAC)

Previous ASX Directorships held in last 3 years:

- Templeton Global Growth Fund Ltd (ASX: TGG)

Ray Smith-Roberts

Non-Executive Director
since 7 March 2024

Chair of People Committee
since 19 June 2024

Ray's experience in the Australian automotive industry spans 37 years and includes previous involvement with AMA Group in leadership roles running both the Accessories and Panel businesses as well as Executive Director. Ray also has significant advocacy and policy influence within the sector, and is currently the Managing Director of Creative Conversions, a second stage vehicle manufacturer.

David Goldstein

Non-Executive Director
since 7 March 2024

David brings a best-in-class experience gained from a 30 year career in front line to C-suite roles at Caliber, one of the world's most successful collision repair businesses. During this time, David has been instrumental in optimising business processes, driving growth and elevating the customer experience through strategic planning, innovative problem-solving, and cross-functional collaboration. David's executive roles have included leadership of people, operations and new business at Caliber.

Mark Licciardo

BBus (Accounting), FAICD, FGIA

Company Secretary
since 30 August 2021

Mark joined AMA Group Limited as Company Secretary in August 2021. Mark was the founder and Managing Director of Mertons Corporate Services, and is now Managing Director, Listed Company Services for Acclime. Acclime provides company secretarial and corporate governance consulting services to ASX listed and unlisted public and private companies.

He is also a former Company Secretary of ASX listed companies Transurban Group and Australian Foundation Investment Company Limited.

Introduction

This Remuneration Report provides shareholders with an understanding of our remuneration strategy and outcomes for our Key Management Personnel (KMP) for the year ended 30 June 2024.

This report is presented in accordance with the requirements of the *Corporations Act 2001* and its regulations. Information has been audited as required by Section 308 (3C) of the *Corporations Act 2001*.

Key Management Personnel

The KMP of the AMA Group comprise all Directors (Executive and Non-Executive) and other members of AMA Group's Executive Management who have authority and responsibility for planning, directing and controlling the activities of the Group.

The table below sets out the details of those persons who were KMP during FY24.

Name	Position	Dates	People Committee	ARC
Non-Executive Directors				
Brian Austin	Chair of the Board and Non-Executive Director	Appointed NED on 1 December 2023. Chair from 19 June 2024	✓	✓
Ray Smith-Roberts	Non-Executive Director	Appointed 7 March 2024	Chair	✓
David Goldstein	Non-Executive Director	Appointed 7 March 2024	✓	✓
Joanne Dawson	Non-Executive Director	Appointed 19 June 2024	✓	Chair
Former Non-Executive Directors				
Anthony Day	Chair of the Board and Non-Executive Director	Retired 1 September 2023	✓	✓
Simon Moore	Non-Executive Director	Retired 23 February 2024	-	✓
Paul Ruiz	Non-Executive Director	Retired 1 September 2023	-	Chair
Caroline Waldron	Chair of the Board and Non-Executive Director	NED until 30 August 2023. Appointed Chair on 1 September 2023. Retired 14 June 2024	✓	✓
Kyle Loades	Non-Executive Director	Retired 14 June 2024	Chair	-
Talbot Babineau	Non-Executive Director	Retired 14 June 2024	✓	✓
Kim Stewart-Smith	Non-Executive Director	Appointed 1 December 2023. Retired 14 June 2024	-	Chair
Former Executive Director				
Carl Bizon	Group CEO and Managing Director	Retired 23 November 2023	-	-
Executive Management				
Mathew Cooper	Group CEO	Appointed 1 December 2023	-	-
Mathew Cooper	Group COO	Until 30 November 2023	-	-
Geoff Trumbull[1]	Group CFO	Full Financial Year	-	-

Note: CEO is Chief Executive Officer. COO is Chief Operating Officer. CFO is Chief Financial Officer.

1 Geoff Trumbull resigned in May 2024 and is currently working his notice period.

Our remuneration approach

The Board is committed to clear and transparent communication of remuneration arrangements. Our remuneration approach is focused on appropriately motivating and retaining Executives while ensuring alignment with shareholder outcomes and delivery against Group strategy.

Remuneration is competitive with Executives in comparable companies and roles and is reviewed against a mix of financial and non-financial measures designed to reward the achievement of both short and long-term objectives. Our performance metrics are aligned with the growth and development of all areas of the business including operational performance, customer satisfaction and our longer-term people strategy.

External remuneration consultant engagement

The People Committee engaged Ernst & Young (EY) to provide information on general market approach to minimum shareholding requirement (MSR), performance right and options plans at a fee of $1,000 excluding GST. EY did not provide any remuneration recommendation on these matters and in relation to key management personnel.

The information provided by EY was considered by the Board and the People Committee in determining the appropriate MSR for NED and in the review of the STI plan for Executives.

Remuneration framework

Our remuneration framework is designed to support the Group's strategic priorities and to attract, retain and motivate appropriately skilled and talented Executives to drive the business forward. This also instills a strong performance and governance culture, and provides a link between executive remuneration, group performance and shareholder return. The Group has a clear set of principles which guide our remuneration decisions and design.

The Group reviews its remuneration framework regularly to ensure it continues to evolve and be fit-for-purpose, ensuring alignment to market expectations and the businesses' strategic priorities.

Our remuneration principles

- **Fair and Market Competitive**
- **Linked to our Strategic Priorities**
- **Linked to Performance and Culture**
- **Simple and Transparent**
- **Aligned to our Shareholders**

Our remuneration framework for FY24

	Total Fixed Remuneration (TFR)	Short-term Incentive (STI)	Long-term Incentive (LTI)
Purpose	Attract and retain Executives with the capability and experience to deliver our strategic objectives and contribute to the Group's financial and operational performance.	Reward Executives for performance against agreed annual objectives aimed at achieving the financial and non-financial objectives of the Group.	Align performance with the long-term business strategy to drive sustained earnings and long-term shareholder returns.
Link to performance	Appropriately compensate Executives for driving a performance and governance culture and delivering on the business strategy.	Strategic annual objectives are embedded in the Executive STI Plan.	Performance hurdles are set by the Board and tested at the end of the three-year period to deliver sustained shareholder value.
Performance measures	Considerations ▪ Skills and experience ▪ Accountability ▪ Role complexity ▪ Market competitive	**Financial Gateway** A budgeted Group normalised EBITDA of at least 80% of target must be achieved before any STIs are payable. **Performance measures and weightings** **Financial measures** Group normalised EBITDA 70% **Non-Financial measures** Safety 10% Team member turnover 10% ACM Parts penetration 10% **STI at risk at target** Group CEO: 75% of TFR Group CFO: 50% of TFR	Performance measures are independently tested. **Absolute TSR** 50% of LTI allocation **Relative TSR** 50% of LTI allocation **LTI at risk at target** Executive KMP: 100% of TFR
Alignment	Attract and retain the best people based upon the competitive landscape among relevant peers.	Reward year-on-year performance in a balanced and sustainable manner.	Performance conditions must be satisfied before the performance rights vest. Encourages sustainable, long-term value creation through equity ownership.
Delivery	Competitive, market-based fixed remuneration (Base salary, statutory superannuation and other minor fringe benefits).	Performance based incentives delivered 100% in cash.	Performance rights with allocation calculated at Face Value.

Executive remuneration in detail

The level and mix of remuneration are designed to reward the achievement of both short and long-term objectives of the business. This provides a strong link between Executives' achievement outcomes and performance.

Changes to Executive KMP

Carl Bizon retired from the Group CEO and MD position at the Group's 2023 Annual General Meeting on 23 November 2023.

Mathew Cooper was appointed to the Group CEO position from 1 December 2023.

Changes to Remuneration mix and composition

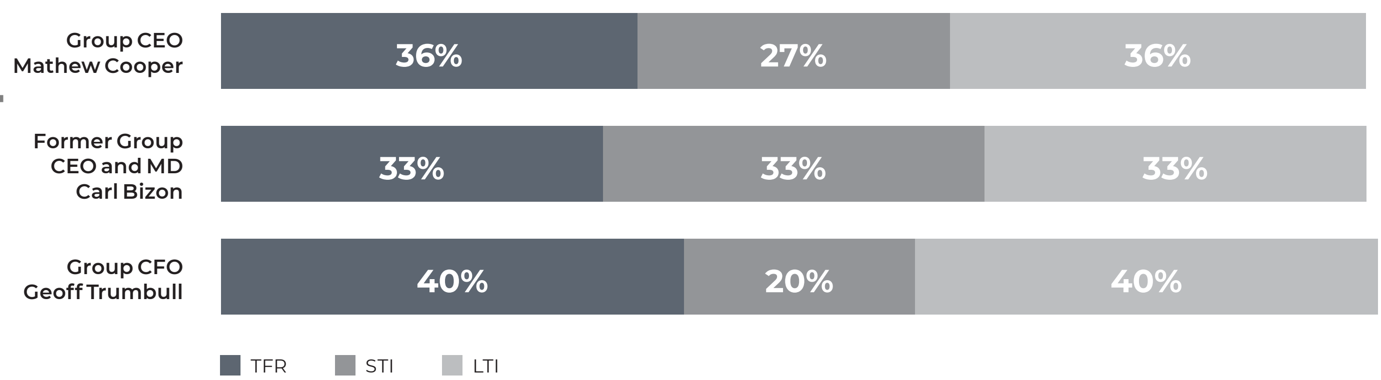
Following a comprehensive review by the Board, the following changes were made to remuneration for Executive KMP:

- Group CEO's TFR was reduced,
- Group CEO's STI opportunity at target was reduced from 100% to 75% of TFR. LTI remained the same at 100% of TFR,
- Group CFO's STI opportunity at target was reduced from 100% to 50% of TFR and LTI opportunity was increased from 50% to 100% of TFR,
- FY24 STI payments, if achieved, will be paid fully in cash, and
- Introduction of "Stretch" target to the STI plan for Executive KMP and other Executives for outperformance above target.

	Year 1	Year 2	Year 3	Year 4
Total Fixed Remuneration (cash)	Includes **Base Salary**, **Superannuation** and **minor fringe benefits**			
STI (cash)	**Cash** paid after end of performance year			
LTI (Performance Rights)	**Performance Rights** **50%** subject to relative TSR and **50%** subject to absolute TSR			

Key: Grant / Award date Vesting date Performance period

The graph below represents the target remuneration mix for Executive KMP for FY24. The FY24 STI and LTI represent target opportunities available for Executive KMP assuming the performance requirements are satisfied.



Executive employment agreements

Remuneration and other terms of employment for Executive KMP are formalised in employment agreements and are summarised in the table below.

	TFR	Term of agreement	Notice period and termination entitlement	Review period [1]
Executive KMP				
Mathew Cooper[2]	$695,000	Ongoing contract	6 months	Annual
Geoff Trumbull	$525,000	Ongoing contract	6 months	Annual
Former Group CEO and MD				
Carl Bizon[3]	$900,000	Ongoing contract	6 months	Annual

1 The annual review will have regard to such matters as the responsibilities, performance, and remuneration of the employee.
2 Mathew Cooper was appointed to the Group CEO position from 1 December 2023. Up until that date he was the Group COO. There is a significant reduction in the newly appointed Group CEO's fixed remuneration and STI opportunity at target.
3 Carl Bizon retired from the Group CEO and MD position on 23 November 2023.

Total fixed remuneration

TFR considers the complexity and expertise required of individual roles. To assess the competitiveness of fixed remuneration, the People Committee considers market data by reference to appropriate independent and externally sourced comparable benchmark information, as required.

TFR comprises cash salary and superannuation. Additional annual benefits may include minor fringe benefits.

Short-term incentives

STIs are based on the Group's business and growth strategies and are set annually by the Board at the beginning of the performance period. Executive KMP and other eligible senior management are entitled to participate in the STI Plan. STI entitlements are assessed after the end of each financial year and in conjunction with the completion of the external audit of the Group's Financial Statements.

Any payments will be made at a date determined by the Board following the release of the Group's financial results to the ASX.

The below table summarises the objectives of the Group's STI plan and identifies the performance measures and relevant weightings for FY24.

<table>
<tr><td>Purpose</td><td>Motivate and reward team members for contributing to the delivery of annual business performance.</td></tr>
<tr><td>Participation</td><td>Executive KMP and other eligible senior management.</td></tr>
<tr><td>Performance period</td><td>The performance period is for the 12 months ended 30 June.</td></tr>
<tr><td>Opportunity</td><td>The target STI opportunity for the Group CEO is 75% of TFR and for the Group CFO is 50% of TFR.
A sliding scale is incorporated into the relevant performance measures to motivate Executives to outperform base targets set by the Board. Where above target outperformance is achieved, amounts capped at 95% of TFR for the Group CEO and 70% of TFR for the Group CFO can be earned.</td></tr>
<tr><td>Financial gateway</td><td>A minimum of budgeted Group normalised EBITDA[1] of 80% must be achieved before any STIs are payable.</td></tr>
<tr><td>Performance targets</td><td>The achievement of individual performance targets (once the financial gateway has been achieved) shall determine the proportion of the potential STI that will be awarded. Set out below are the performance measures and weightings that were applied to the FY24 STI.
<table>
<tr><th>Measure</th><th>Category</th><th>Weighting</th><th>Goals</th></tr>
<tr><td>Financial</td><td>Group normalised EBITDA</td><td>70%</td><td>Achieve budgeted EBITDA[1]</td></tr>
<tr><td>Non-financial</td><td>Safety</td><td>10%</td><td>LTIFR ≤ 3</td></tr>
<tr><td></td><td>Team member turnover</td><td>10%</td><td>10% reduction on prior year team member voluntary turnover</td></tr>
<tr><td></td><td>ACM Parts penetration</td><td>10%</td><td>ACM Parts purchase target set by Board</td></tr>
</table></td></tr>
<tr><td>Delivery</td><td>100% of any STI entitlement will be paid in cash following the release of the full-year results.</td></tr>
</table>

1 Budgeted Group normalised EBITDA is measured considering the financial impact of any acquisition, and any other significant restructuring cost or normalisations within the Group, or changes in accounting standards, in order that the target is measured on a comparable basis.

Long term incentives

Long-term incentives are granted annually in the form of performance rights. The key aspects of the Performance Rights Plan are summarised in the table below.

Purpose	Assist in attracting, motivating, and retaining Executive talent; focus Executives' attention on driving sustainable long-term growth; and align the interests of Executives with those of shareholders.
Eligibility	LTI grants are generally restricted to Executive KMP and senior management who are most able to influence shareholder value. Non-Executive Directors are not eligible to participate in the LTI plan.
Instrument	Awards under this plan are made in the form of performance rights which are granted by the Company for nil consideration. A performance right is a right to acquire one fully paid AMA Group share provided specified performance hurdles are met. No dividends/distributions are paid on unvested LTI awards.
Allocation methodology	The number of performance rights allocated to each participant is set by the Board. Accounting standards require the estimated valuation of the grants be recognised over the performance period. The maximum value is based on the estimated fair value calculated at the time of the grant and amortised in accordance with the accounting standard requirements.
Opportunity	The LTI opportunity for FY24 is equivalent to 100% of TFR for the Executive KMP.
Performance period	Performance measures are tested at the end of the three-year period.
Performance hurdles	The People Committee review the performance conditions annually to determine appropriate hurdles based on the Group's strategy and prevailing market practice. The following performance measures apply to the FY24 LTI grants:

Relative TSR (50% of LTI allocation)	TSR is an objective measure of shareholder value creation and is widely understood and accepted by various key stakeholders. The Company's TSR over the performance period must be equal to or greater than the median TSR performance of the Comparator Group. The Comparator Group consists of ASX201-300 companies, excluding non-comparable companies from the Materials, Energy, Information Technology, Financial and Real Estate sectors.
Absolute TSR (50% of LTI allocation)	Absolute TSR measures the growth in the price of shares (modified to account for capital adjustments where appropriate) together with the value of the dividends over the Performance Period, assuming that all those dividends are re-invested into new shares. The absolute TSR growth calculation is a three-year compound annual growth rate (CAGR).

Vesting schedule

Relative TSR		Absolute TSR	
Relative TSR (percentile)	Percentage of TSR-tested rights to vest	**TSR CAGR**	Percentage of absolute TSR-tested rights to vest
<50th	Nil	**<27%** (PY 8%)	Nil (PY Nil)
50th	50%	**27%** (PY 8%)	50% (PY 50%)
75th and above	100%	**32%** (PY 12%)	75% (PY 75%)
		37% and above (PY 15% and above)	100% (PY 100%)
Straight line pro-rata vesting from 50%-100%		Straight line pro-rata vesting between each point	

Vesting/ delivery	Vesting of LTI grants is dependent on achieving relative and absolute TSR performance targets which are tested at the end of the three-year period. The performance rights will vest if the Board determines the performance conditions are achieved. Performance rights will be tested once only. Participants can exercise their vested rights before the expiry date and in accordance with the deferred taxation rules in Australia. If the performance rights vest, entitlements may be satisfied by either an allotment of new shares to participants or by the purchase of existing shares on-market. The Board retains a discretion to pay a cash amount, equivalent in value to the Shares that would have been issued, acquired or transferred. Any performance rights that do not vest at the end of the performance period will lapse.
Termination/ forfeiture	Executive KMP must be employed at the time of vesting to receive an entitlement to shares. The Board has discretion on vesting of unvested performance rights where a team member leaves due to retirement, retrenchment or redundancy, or termination by mutual consent. Where an employee leaves due to resignation or termination all unvested performance rights will lapse.

Note: PY refers to prior year.

Performance and remuneration outcomes for FY24

Company performance

The Group has operated under a challenging environment and continues to experience ongoing labour shortages however has seen an improvement in the Group performance.

During FY24, significant investment in major projects has been undertaken to drive current and future performance including Project SHIFT to create "one stop shops" in Capital SMART and focus to improve capabilities and site performance in AMA Collision.

The table below shows historical Company performance across a range of key measures. Performance across earnings and individual measures is reflected directly in STI awards. LTI outcomes are aligned with shareholder returns over the last three years.

	FY20	FY21	FY22	FY23	FY24
Company Performance					
Revenue and other income ($M)	825.4	919.9	844.9	869.6	**933.1**
Net Profit/(loss) ($M)	(71.5)	(99.1)	(148.0)	(146.8)	**(7.3)**
Normalised EBITDA pre AASB 16 ($M)	53.2	71.5	(29.2)	19.6	**45.3**
Total Shareholder Return					
Basic EPS (cents)	(9.7)	(14.8)	(15.1)	(13.5)	**(0.5)**
Annual TSR (%)	(58.0)	(4.2)	(70.4)	(41.2)	**(57.0)**
Dividends (cents)	-	-	-	-	**-**
Share price at 30 June ($)	0.60	0.58	0.17	0.10	**0.04**
Change in share price ($)	(0.83)	(0.02)	(0.41)	(0.07)	**(0.06)**

Total fixed remuneration outcomes

There was a review of AMA Group Executives' TFR in FY24, resulting in an increase to the TFR of the Group CFO and some other Executives. The People Committee took into consideration relevant market benchmarking data for equivalent roles, skills and individual Executives' performance.

STI outcomes

During the year the Board reviewed the appropriateness of the performance measures linked to the STIs for Executives.

The key focus of the review is to identify performance metrics that were measurable, understood and appropriate, aligned with the growth and development of the business, and to the interests of our shareholders.

In addition to financial performance targets, including a financial performance gateway of achieving 80% of budgeted Group normalised EBITDA, the Board introduced a number of non-financial performance metrics for Executives.

STI outcomes for Executive KMP are determined based on performance against the Group STI scorecard. The table below outlines the Group STI performance measures that applied to the FY24 STI, and the performance achieved.

Group scorecard category and performance measures	Weighting	Overall FY24 outcome	Performance assessment
80% of budgeted Group normalised EBITDA	**EBITDA gateway performance was met**		
Financial			
Group normalised EBITDA	70%		Group normalised EBITDA achieved above target
Non-Financial			
Safety	10%		Safety is not achieved
Team member turnover	10%		Team member turnover achieved above target
ACM Parts penetration	10%		ACM Parts penetration achieved between threshold and target

Key: FY24 outcome Above target At target Between threshold and target Not achieved

The following table outlines the FY24 STI outcomes for Executive KMP.

	Target STI as % of TFR	STI outcome as % of TFR	Total STI awarded ($)
Executive KMP			
Mathew Cooper	75%	72.03%	500,609
Geoff Trumbull[1]	50%	19.05%	100,000

1 Discretionary STI payment as Geoff is not entitled to FY24 STI due to notice of resignation.

Long-term incentive outcomes

Performance rights relating to FY24 LTI were granted on 15 December 2023 to the Executive KMP.

All grants were awarded at no cost to the participants and are subject to performance conditions which will be tested at the end of the three-year performance period.

Accounting standards require the grant date fair value be recognised over the performance period.

For further details on the number of performance rights awarded to Executive KMP during the year, refer to the Executive Remuneration Disclosures section of this report.

The FY22 LTI grant made to the Executive KMP was tested at the end of FY24. Following the performance test, no FY22 performance rights vested.

Executive remuneration disclosures

FY24 Executive remuneration

The table below sets out the Executive KMP remuneration for FY24. Amounts represent the payments relating to the period during which the individuals were KMP.

		Salary[1]	Bonus[2]	Termination (Payment in lieu of Notice)	Non-Monetary Benefits[3]	Long-Term Benefits[4]	Post-employment benefits[5]	Performance Rights[6]	Total	Performance Related
Executive KMP										
Mathew Cooper	**2024**	**709,410**	**500,609**	**-**	**3,518**	**4,720**	**27,399**	**232,776**	**1,478,432**	**49.6%**
	2023	624,577	-	-	3,050	-	25,292	178,899	831,818	21.5%
Geoff Trumbull[7]	**2024**	**484,880**	**200,000**	**-**	**3,518**	**2,997**	**27,399**	**(84,636)**	**634,158**	**18.2%**
	2023	452,741	-	-	3,050	-	25,292	73,003	554,086	13.2%
Former Group CEO and MD										
Carl Bizon[8]	**2024**	**327,409**	**270,000**	**450,000**	**1,394**	**(5,264)**	**27,399**	**(495,669)**	**575,269**	**(39.2%)**
	2023	866,616	-	-	3,050	5,264	25,292	367,759	1,267,981	29.0%
Consolidated Remuneration										
	2024	**1,521,699**	**970,609**	**450,000**	**8,430**	**2,453**	**82,196**	**(347,529)**	**2,687,859**	**-**
	2023	1,943,934	-	-	9,150	5,264	75,876	619,661	2,653,885	-

1 Salary includes short-term absences and changes in annual leave provision.
2 Bonus represents the FY24 STI awarded and Special Incentives (note 7 and 8).
3 Non-monetary benefits represent the effective net cost to the Group, consisting of the taxable value of fringe benefits aggregated with the associated fringe benefit tax payable of those benefits.
4 Long-term benefits represent the movement in the provision for long service leave for amounts accrued and paid.
5 Post-employment benefits represent amounts paid for pension and superannuation benefits.
6 Performance rights represent the accounting expense recognised in relation to performance rights granted in the year.
These values may not represent the future value that the Executive KMP will receive, as the vesting of the performance rights is subject to the achievement of performance conditions. The probability of the performance conditions being satisfied is assessed at the end of each reporting period to reflect the most current expectation of vesting.
The performance rights granted to Carl Bizon were forfeited on cessation of employment. Any share-based payment expense previously recognised under AASB 2 Share Based Payments in respect of the Performance Rights has been reversed.
7 Bonus amount paid to the Group CFO includes a discretionary STI of $100,000 cash and a Special Incentive of $100,000 which was paid for tranche 1 of the 2 tranches for the successful Equity Raise and Debt Refinancing. Net amount of the Special Incentive payment must be used to purchase a minimum of $50,000 of AMA Group Limited shares via the Capital Raise.
8 Refer to section "Former Group CEO and MD Retirement and Remuneration arrangements" below for detailed information.

Former Group CEO and MD Retirement and Remuneration arrangements

The former Group CEO and MD retired on 23 November 2023. It was agreed that Carl was paid 6 months' TFR in lieu of notice. In addition, he is eligible to receive a cash incentive amount of up to $450,000 based on the achievement of five milestones as below, each representing 20% of the total cash incentive amount:

(i) the successful completion of the equity raise commenced in late August 2023,

(ii) the successful completion of the debt refinancing commenced in late August 2023,

(iii) the successful delivery of the insurer pricing strategy for each site by 23 November 2023,

(iv) Safety targets (LTIFR) for the 2024 financial year being met or exceeded, and

(v) budgeted EBITDA for the 2024 financial year being met or exceeded.

Each milestone is assessed for achievement and payment separately as completed. For FY24, milestones (i), (iii) and (v) were achieved resulting in a total incentive payment of $270,000 inclusive of income tax and superannuation.

No additional incentive was paid in addition to this arrangement.

Executive KMP shareholdings

The table below summarises the movements in holdings of interests in shares of AMA Group Limited relating to the period during which individuals were KMP.

	Opening Balance	Balance on appointment	Other changes (net)[1]	Balance on retirement / resignation	Closing Balance
Executive KMP					
Mathew Cooper	350,000	-	500,000	-	850,000
Geoff Trumbull	-	-	666,667	-	666,667
Former Group CEO and MD					
Carl Bizon	842,858	-	1,500,000	(2,342,858)	-
Total	**1,192,858**	**-**	**2,666,667**	**(2,342,858)**	**1,516,667**

1 Other changes (net) represent shares that were purchased or sold during the year.

Executive KMP performance rights

The terms and conditions of each grant of performance rights affecting remuneration in the current or a future reporting period are set out in the table below:

			Performance period				Fair value per instrument[3]			
	Grant	Grant Date[1]	start date	end date	Vesting date[2]	Performance rights as at 30 June	RTSR	ATSR	FY24 expense / (write-back) ($)	Maximum value yet to vest
Executive KMP										
Mathew Cooper	FY24	15/12/2023	1/07/2023	30/06/2026	31/08/2026	4,343,750	0.04	0.03	53,877	161,631
	FY23	15/12/2022	1/07/2022	30/06/2025	31/08/2025	3,232,222	0.17	0.15	169,746	509,237
	FY22	14/06/2022	1/07/2021	30/06/2024	31/08/2024	1,206,653	0.03	0.01	9,154	-
Geoff Trumbull	FY24	15/12/2023	1/07/2023	30/06/2026	31/08/2026	3,281,250	0.04	0.03	-	-
	FY23	15/12/2022	1/07/2022	30/06/2025	31/08/2025	1,168,572	0.17	0.15	(61,370)	-
	FY22	18/02/2022	1/07/2021	30/06/2024	31/08/2024	218,125	0.14	0.18	(23,267)	-
Former Group CEO and MD										
Carl Bizon	FY23	15/12/2022	1/07/2022	30/06/2025	31/08/2025	4,475,385	0.17	0.15	(235,032)	-
	FY22	9/12/2021	1/07/2021	30/06/2024	31/08/2024	2,004,900	0.18	0.21	(260,637)	-

1 Grant date is the date on which there is a shared understanding of the terms and conditions of the share-based payment arrangement.

2 Vesting date refers to the date at which the performance conditions are met.

3 The fair value of the performance rights at grant date is determined using the Monte-Carlo simulation. The value of each performance right is recognised evenly over the service period ending at the vesting date. For details on the valuation of the performance rights including models and assumptions used, refer to Note F1(A)(iii) in the Consolidated Financial Statements.

The table below summarises the movements during the reporting period in the number of performance rights over ordinary shares in AMA Group Limited held by each Executive KMP.

	Opening Balance	Granted as compensation	Lapsed or forfeited[1]	Closing balance	Vested and exercisable
Executive KMP					
Mathew Cooper	4,438,875	4,343,750	-	8,782,625	-
Geoff Trumbull	1,386,697	3,281,250	-	4,667,947	-
Former Group CEO and MD					
Carl Bizon	6,480,285	-	(6,480,285)	-	-
Total	**12,305,857**	**7,625,000**	**(6,480,285)**	**13,450,572**	**-**

1 The performance rights held by Former Group CEO and MD lapsed upon cessation of employment.

Options over unissued shares

No options were granted as remuneration during FY24. As at 30 June 2024 there are no unvested or unexercised options held by Executive KMP.

Non-Executive Directors' arrangements

Policy and approach to setting fees

The remuneration policy for Non-Executive Directors aims to ensure the Group can attract and retain suitably skilled, experienced and committed individuals to serve on the Board and remunerate them appropriately for their time and expertise.

The remuneration policy is reviewed annually by the People Committee taking into consideration the size and scope of the Group's activities, the responsibilities and liabilities of Directors, and demands placed upon them.

In FY24, the Board developed a Minimum Shareholding Requirement Guideline applying to the Non-Executive Directors of AMA Group to enhance the alignment of their interests with those of shareholders.

Changes to Board composition

Anthony Day, Paul Ruiz and Simon Moore, Caroline Waldron, Talbot Babineau, Kyle Loades and Kim Stewart-Smith retired from the Board in FY24 (refer to "Key Personnel Management" table for details).

Brian Austin was appointed as a Non-Executive Director on 1 December 2023 and as Chair of the Board on 19 June 2024. Ray Smith-Roberts, David Goldstein, Joanne Dawson were appointed to Non-Executive Directors during FY24 (refer to "Key Personnel Management" table for details).

Current fee structure

Fees paid to Non-Executive Directors are inclusive of superannuation as applicable and reflect the commitment, demands and responsibilities of the position. Fees are benchmarked against an appropriate group of comparator companies and determined within the aggregate Directors' fee pool limit of $1,100,000, approved by shareholders at the 2019 Annual General Meeting.

Non-Executive Directors do not receive variable remuneration.

Non-Executive Directors are entitled to reimbursement for reasonable business-related expenses and are covered by the Group's Directors and Officers liability insurance policy.

Board fees were reviewed and reduced from 1 November 2023. To better align with the shareholders' interest, the Chair's fee was further reduced and the Committee Chair fees were removed from 1 July 2024, though the application was effective from 19 June 2024. The aggregate Board fees remain within the pool limit set at $1,100,000. The table set out below provides a summary of the Board and Committee annual fees (inclusive of superannuation) for FY23 and FY24. Fees for being a Committee member are included in the Non-Executive Director fee.

Position	Annual Fee $ (pre 1 November 2023)	Annual Fee $ (1 November 2023 – 30 June 2024)	Annual Fee $ (from 1 July 2024)
Chair of the Board	275,000	225,000	$100,000
Non-Executive Director	120,000	100,000	$100,000
Committee Chair	15,000	15,000	Nil

Non-Executive Directors' remuneration disclosures

FY24 Non-Executive Directors' remuneration

The table below sets out the remuneration of Non-Executive Directors of the Group. Amounts represent the payments relating to the period during which the individuals were KMP.

	Salary ($)		Post Employment Benefits[1] ($)		Total ($)	
	FY24	FY23	FY24	FY23	FY24	FY23
Non-Executive Directors						
Brian Austin	**58,333**	-	**-**	-	**58,333**	-
Ray Smith-Roberts	**28,413**	-	**3,125**	-	**31,538**	-
David Goldstein	**33,333**	-	**-**	-	**33,333**	-
Joanne Dawson	**3,833**	-	**-**	-	**3,833**	-
Former Non-Executive Directors						
Anthony Day	**45,833**	275,000	**-**	-	**45,833**	275,000
Paul Ruiz	**20,270**	122,172	**2,230**	12,828	**22,500**	135,000
Simon Moore	**68,750**	120,000	**-**	-	**68,750**	120,000
Caroline Waldron	**185,349**	108,597	**20,388**	11,403	**205,737**	120,000
Talbot Babineau[2]	**112,640**	50,000	**-**	-	**112,640**	50,000
Kyle Loades	**116,459**	128,750	**-**	-	**116,459**	128,750
Kim Stewart-Smith	**61,972**	-	**-**	-	**61,972**	-
Nicole Cook	**-**	50,905	**-**	5,345	**-**	56,250
Total	**735,185**	**855,424**	**25,743**	**29,576**	**760,928**	**885,000**

1 Post employment benefits only apply to Directors that are paid through AMA Group payroll. Post-employment benefits represent amounts paid for pension and superannuation benefits.

2 Talbot Babineau received the Non-Executive Director fee of $120,000 per annum from June 2023 to October 2023. The Non-Executive Director fee was reduced to $100,000 per annum from November 2023, and Talbot Babineau was appointed Deputy Chair at that time, with an additional fee of $25,000 per year. The Deputy Chair fee was abolished while the role of Deputy Chair was maintained, effective April 2024. Talbot Babineau resigned from the Board 14 June 2024. The role of Deputy Chair was subsequently abolished in June 2024.

Non-Executive Directors' shareholdings

The table below summarises the movements of interests in shares of AMA Group Limited relating to the period during which individuals were KMP.

	Opening Balance	Balance on appointment	Other changes (net)[1]	Balance on retirement / resignation	30 June 2024[2]
Non-Executive Directors					
Brian Austin	-	32,153,000	-	-	32,153,000
Ray Smith-Roberts	-	2,233,946	-	-	2,233,946
David Goldstein	-	-	-	-	-
Joanne Dawson	-	-	-	-	-
Former Non-Executive Directors					
Anthony Day	704,797	-	-	-	704,797
Paul Ruiz	660,810	-	-	-	660,810
Simon Moore	41,655,153	-	61,753,412	-	103,408,565
Caroline Waldron	100,000	-	2,849,913	-	2,949,913
Talbot Babineau	8,038,124	-	4,875,845	-	12,913,969
Kyle Loades	420,019	-	1,495,577	-	1,915,596
Kim Stewart-Smith	-	-	-	-	-
Total	**51,578,903**	**34,386,946**	**70,974,747**	**-**	**156,940,596**

1 Other changes (net) represent shares that were purchased or sold during the year.

2 Closing balances for Former NED reflect their balances as at their retirement/resignation.

Other transactions and balances with KMP

In addition to specific disclosure requirements, the Group continuously re-assesses judgmental matters surrounding relationships with KMP and completeness of its related party disclosures.

Loans provided to KMP

There were no loans provided or outstanding to KMP at the end of the financial year.

Amounts recognised as assets and liabilities

No balances are outstanding in relation to entities controlled by current KMP at 30 June 2024 (2023: nil).

Remuneration governance

The role of the People Committee

The role of the Committee is to assist the Board in fulfilling its governance and oversight responsibilities relating to:

- **People**: management programs to optimise the contributions of AMA Group team members and corporate objectives including succession and leadership development, talent management, diversity, organisational culture, team member engagement and wellbeing,
- **Remuneration**: AMA Group's remuneration framework, practices and disclosures for the Chair and other Non- Executive Directors, plus the remuneration, incentives and performance of the Group Chief Executive Officer, other members of Executive KMP and other senior executives (as required), and
- **Nomination**: Board and Board Committee composition and succession planning, diversity, performance.

Governance framework

The Group has a robust remuneration governance framework overseen by the Board. This ensures that remuneration arrangements are appropriately managed and that the agreed frameworks and policies are applied across the Group.

The Board is supported by the People Committee and Audit and Risk Committee. Each committee has its own Charter setting out its role and responsibilities, composition and how it operates. Further information on these committees is available on the Company's website: **amagroupltd.com/corporate-governance**

The diagram below provides an overview of the remuneration governance framework that has been established by the Group.

Group	Role
Board	The Board maintains overall accountability for oversight of remuneration policies. The Board reviews, challenges, applies judgement and, as appropriate, approves the recommendations made by the People Committee. It approves remuneration of Executive KMP and Non-Executive Directors and the policies and frameworks that govern both.
People Committee	The People Committee is the main governing body for key people and remuneration strategies across the Group. The role of the People Committee is to provide advice and assistance to the Board in relation to people management and remuneration policies, so that remuneration outcomes for Executives are appropriate and aligned to Company performance and shareholder expectations.
Management	Provides recommendations on remuneration design and outcomes to the People Committee. Implements remuneration policies.
Independent external remuneration advisors	The People Committee may seek advice from independent remuneration consultants in determining appropriate remuneration polices for the Group.

Other governance practices

Category	Detail
Use of external advisors	To assist in performing its duties and making recommendation to the Board, the People Committee has access to independent external consultants to seek advice on various remuneration related matters as required. Any recommendations made by consultants in relation to remuneration arrangements for KMP must be made directly to the Board without any influence from management to ensure any advice is independent of management.
Clawback policy and discretion	The Group's LTI plan includes claw-back provisions. This enables the Board to claw back remuneration outcomes in the event of material non-compliance with any financial reporting requirement, misconduct, or breach of obligations. The Board retains discretion to adjust remuneration outcomes upwards or downwards to ensure incentives are not provided where it would be inappropriate or would provide unintended outcomes. The Board balances judgement on remuneration outcomes with consideration to all stakeholders.
Securities trading policy	AMA Group has adopted a Securities Trading Policy that applies to all employees of the Group including Non-Executive Directors, Executive KMP and their associated persons. The policy ensures compliance with insider trading laws, to protect the reputation of the Group and maintain confidence in trading in AMA Group Limited securities. The policy also prohibits specific types of transactions being made which are not in accordance with market expectations or may otherwise give rise to reputational risk.
Remuneration Report approval	The People Committee will continue to encourage an open and constructive dialogue with shareholders and their representative bodies and will consult with major stakeholders on any material changes to the remuneration policy or how it is implemented. Of the eligible votes cast at the Company's 2023 AGM, 86.15% were in favour of the FY23 Remuneration Report. The Company did not receive specific feedback at the AGM on its remuneration practices.

Other items

Corporate governance statement

The Board believes that genuine commitment to good corporate governance is essential to the performance and sustainability of the Company's business.

The Board has given due consideration to the ASX 'Corporate Governance Principles and Recommendations', which offer a framework for good corporate governance.

The Board has approved the Corporate Governance Statement for the year ended 30 June 2024 which can be viewed on the Company's website at **amagroupltd.com/ corporate-governance/**

Environmental regulation

Management continues to work with local regulatory authorities to achieve, where practical, best practice environmental management so as to minimise risk to the environment, reduce waste and ensure compliance with regulatory requirements. The Group had no adverse environmental issues during the year.

Insurance of officers and indemnities

Insurance of officers

During the financial year, the Company paid a premium in respect of a contract insuring the directors, the company secretaries, and all executive officers of the Company and of any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the *Corporations Act 2001*.

The directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability, costs and charges, as such disclosure is prohibited under the terms of the contract.

Indemnity of auditors

The Company has not during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 47.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor (KPMG) for audit and non-audit services provided during the year are set out in note F3 to the Consolidated Financial Statements.

KPMG did not provide non-audit services during FY24.

Rounding of amounts

The Company is of a kind referred to in ASIC *Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Matters subsequent to the end of the Financial Year

Equity raising

On 18 July 2024, AMA Group launched a capital raising to raise $125.0 million of share capital. The capital raising was comprised of a fully underwritten institutional placement and a fully underwritten renounceable entitlement offer. The proceeds of the equity raising were received in full by 14 August 2024 and were used to facilitate the repayment of $53.771 million of existing senior bank debt (including accrued PIK interest) with an additional $50.0 million placed in a locked account held by senior lenders 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), transaction costs, future working capital, and growth requirements.

Extension of senior debt facilities to 31 December 2025

On 15 August 2024, AMA Group finalised an extension of senior debt facilities for a new maturity date of 31 December 2025 (were due to mature in October 2024). The extension includes the following terms:

- Upon sale of ACM Parts, the greater of $25.0 million or 75% of net proceeds are to be repaid off senior debt. If a sale is not completed by 12 months from the effective date (August 2025), this will trigger a review event.
- Covenants include net leverage ratio and fixed cover charge ratio.
- Capex permitted up to $25.0 million in FY25 and $15.0 million in 1H26 without lender consent.
- Acquisitions allowed without lender consent up to $2.0 million for any single acquisition, and $10.0 million in aggregate for the remainder of the facility if paid out of proceeds from an equity raise / ACM Parts sale.
- Distribution approval requirement.
- Interest to be paid in cash (no PIK interest) at BBSY +5.65% from the date of the extension, BBSY+6.15% from January 2025 and BBSY+6.9% from July 2025.

No other matters or circumstances have occurred subsequent to period end that have significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group or economic entity in subsequent financial years.

This Directors' Report is signed in accordance with a resolution of the Board of Directors.

Brian Austin
Non-Executive Chair

23 August 2024

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of AMA Group Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of AMA Group Limited for the financial year ended 30 June 2024 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Maritza Araneda

Partner

Melbourne

23 August 2024

Financial report

Contents

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2024

	Notes	2024 $'000	2023* $'000
Continuing operations			
Revenue and other income	B2	**894,761**	830,293
Raw materials and consumables used		**(400,471)**	(398,776)
Employee benefits expense		**(351,818)**	(327,218)
Occupancy expense		**(19,764)**	(13,867)
Professional services expense		**(7,276)**	(7,248)
Other expense		**(22,531)**	(21,056)
Loss on disposal of business		**-**	(172)
Fair value adjustment on contingent vendor consideration		**-**	654
Depreciation and amortisation expense	B3(A)	**(62,751)**	(66,968)
Impairment reversal / (expense)	B3(C)	**1,221**	(116,830)
Operating profit / (loss) before interest and tax		**31,371**	(121,188)
Net finance costs	B3(B)	**(35,455)**	(35,359)
Operating loss before income tax		**(4,084)**	(156,547)
Income tax benefit	B4(A)	**1,730**	13,162
Loss after income tax from continuing operations		**(2,354)**	(143,385)
Discontinued operations			
Loss for the year from discontinued operations, net of tax	E2(B)	**(4,467)**	(3,421)
Loss for the year from continuing and discontinued operations		**(6,821)**	(146,806)
(Loss) / profit is attributable to:			
Ordinary shareholders of AMA Group		**(7,630)**	(144,448)
Non-controlling interests		**809**	(2,358)
Loss for the year		**(6,821)**	(146,806)
Other comprehensive (expense) / income			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		**(73)**	4
Changes in fair value of cash flow hedges		**(2,317)**	(1,768)
Other comprehensive expense for the year, net of tax		**(2,390)**	(1,764)
Total comprehensive loss for the year		**(9,211)**	(148,570)
Total comprehensive (loss) / profit is attributable to:			
Ordinary shareholders of AMA Group		**(10,022)**	(146,214)
Non-controlling interests	E3(B)	**811**	(2,356)
Total comprehensive loss for the year		**(9,211)**	(148,570)

	Notes	2024 $'000	2023 $'000
Basic and diluted loss from continuing operations per share (cents)	D2	**(0.19)**	(13.14)
Basic and diluted loss per share (cents)	D2	**(0.47)**	(13.46)

* Comparative information has been re-presented due to a discontinued operation.

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 30 June 2024

	Notes	2024 $'000	2023 $'000
ASSETS			
Current assets			
Cash and cash equivalents	D6	**36,903**	28,874
Receivables and contract assets	C1	**59,961**	61,470
Inventories	C2	**11,563**	44,457
Other financial assets		**-**	1,592
Current tax receivable	B4(C)	**-**	4,178
Other current assets	C3	**10,286**	14,469
Assets held for sale	E2(D)	**111,289**	-
Total current assets		**230,002**	155,040
Non-current assets			
Property, plant and equipment	C4	**46,773**	46,479
Right-of-use assets	C6	**244,335**	296,184
Intangible assets	C5	**309,563**	325,788
Other non-current assets		**-**	685
Deferred tax assets	B4(E)	**13,707**	20,747
Total non-current assets		**614,378**	689,883
Total assets		**844,380**	844,923
LIABILITIES			
Current liabilities			
Trade and other payables	C7	**93,063**	111,441
Other financial liabilities	D7	**132,030**	163,846
Lease liabilities	C6	**28,151**	31,000
Provisions	C9	**35,924**	36,331
Current tax payable	B4(C)	**352**	-
Other liabilities	C8	**6,856**	3,459
Liabilities held for sale	E2(D)	**65,477**	-
Total current liabilities		**361,853**	346,077
Non-current liabilities			
Other financial liabilities	D7	**46,559**	45,104
Lease liabilities	C6	**230,572**	285,988
Provisions	C9	**32,716**	31,742
Other liabilities	C8	**39,634**	38,079
Deferred tax liabilities	B4(E)	**14,868**	23,761
Total non-current liabilities		**364,349**	424,674
Total liabilities		**726,202**	770,751
Net assets		**118,178**	74,172
EQUITY			
Contributed equity	D4(A)	**586,101**	533,190
Convertible notes	D7(B)	**5,197**	5,197
Other reserves	D5	**2,566**	4,652
Retained deficit		**(484,560)**	(476,930)
Equity attributable to ordinary shareholders of AMA Group		**109,304**	66,109
Non-controlling interests	E3(A)	**8,874**	8,063
Total equity		**118,178**	74,172

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2024

		Attributable to owners of AMA Group Limited						
	Notes	Share capital $'000	Convertible notes $'000	Other reserves $'000	Retained deficit $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 July 2022		531,504	5,197	5,145	(332,482)	209,364	10,419	219,783
Loss for the year		-	-	-	(144,448)	(144,448)	(2,358)	(146,806)
Other comprehensive (expense) income		-	-	(1,766)	-	(1,766)	2	(1,764)
Total comprehensive expense for the year		-	-	**(1,766)**	**(144,448)**	**(146,214)**	**(2,356)**	**(148,570)**
Transactions with owners in their capacity as owners:								
Shares issued, net of transaction costs		1,686	-	(255)	-	1,431	-	1,431
Employee equity plan		-	-	1,528	-	1,528	-	1,528
		1,686	-	1,273	-	2,959	-	2,959
Balance at 30 June 2023		**533,190**	**5,197**	**4,652**	**(476,930)**	**66,109**	**8,063**	**74,172**

		Attributable to owners of AMA Group Limited						
	Notes	Share capital $'000	Convertible notes $'000	Other reserves $'000	Retained deficit $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 July 2023		533,190	5,197	4,652	(476,930)	66,109	8,063	74,172
(Loss) / profit for the year		-	-	-	(7,630)	(7,630)	809	(6,821)
Other comprehensive expense		-	-	(2,392)	-	(2,392)	2	(2,390)
Total comprehensive (expense) / income for the year		**-**	**-**	**(2,392)**	**(7,630)**	**(10,022)**	**811**	**(9,211)**
Transactions with owners in their capacity as owners:								
Shares issued, net of transaction costs	D4	52,911	-	-	-	52,911	-	52,911
Employee equity plan		-	-	306	-	306	-	306
		52,911	-	306	-	53,217	-	53,217
Balance at 30 June 2024		**586,101**	**5,197**	**2,566**	**(484,560)**	**109,304**	**8,874**	**118,178**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 30 June 2024

	Notes	2024 $'000	2023 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		**1,013,123**	995,655
Payments to suppliers and employees (inclusive of GST)		**(935,009)**	(963,143)
Payments for make good of leased sites		**(2,646)**	(5,780)
Interest received		**766**	368
Interest and other costs of finance paid		**(39,744)**	(24,498)
Income taxes received	B4(C)	**6,052**	14,969
Net cash inflow from operating activities	D6(B)	**42,542**	17,571
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		**171**	972
Proceeds from disposal of business (net of costs and cash disposed)		**-**	2,428
Payments for property, plant and equipment		**(16,416)**	(10,383)
Payments for intangible assets		**(217)**	-
Contingent consideration relating to previously acquired businesses		**-**	(2,041)
Net cash outflow from investing activities		**(16,462)**	(9,024)
Cash flows from financing activities			
Proceeds from issue of equity securities		**55,000**	-
Transaction costs related to issues of equity securities		**(3,060)**	-
Repayment of borrowings	D7(B)	**(35,000)**	-
Principal elements of lease payments	D7(B)	**(32,000)**	(31,887)
Net cash outflow from financing activities		**(15,060)**	(31,887)
Net increase / (decrease) in cash and cash equivalents		**11,020**	(23,340)
Cash and cash equivalents, at the beginning of the financial year		**28,874**	52,189
Effect of exchange changes on the balances held in foreign currencies		**(10)**	25
Cash and cash equivalents, at end of the financial year	D6(A)	**39,884**	28,874

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes. Refer to Note E2(B) for cash flows from discontinued operations.

Notes to the Consolidated Financial Statements

A BASIS OF PREPARATION

This section of the notes includes other information that must be disclosed to comply with the accounting standards and other pronouncements but is not directly related to individual line items in the Consolidated Financial Statements.

A1 Basis of preparation

This section describes the financial reporting framework within which the Consolidated Financial Statements are prepared and a statement of compliance with the *Corporations Act 2001* and Australian Accounting Standards and Interpretations.

AMA Group Limited is a for-profit entity which is incorporated and domiciled in Australia. These Consolidated Financial Statements comprise AMA Group Limited ("AMA Group" or the "Company") and its controlled entities (together referred to as the "Group"). The Consolidated Financial Report of the Group for the year ended 30 June 2024 (FY24) was authorised for issue in accordance with a resolution of directors on 23 August 2024. The Directors have the power to amend and reissue the Consolidated Financial Statements.

These general purpose Consolidated Financial Statements of the Group:

(i) Have been prepared under the historical cost basis

(ii) Have been prepared in accordance with Australia Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*

(iii) Comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB)

(iv) Are presented in Australian dollars and amounts have been rounded to the nearest thousand dollars unless otherwise stated, in accordance with ASIC Corporations *(Rounding in Financial/Directors' Reports) Instrument 2016/191.*

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year presentation.

AMA Group Limited is a Company limited by shares. Its registered office and principal place of business is:
Level 13, 484 St Kilda Road
Melbourne Victoria 3004.

All press releases, financial reports and other information are available at our Investor Centre on our website:
https://amagroupltd.com/

(A) Going concern

This general purpose Consolidated Financial Report has been prepared on a going concern basis, which assumes the continuity of normal operations, in particular over the next 12 months from the financial statements release date of 23 August 2024. This is notwithstanding that the Group's consolidated balance sheet indicates a net current liability position as at 30 June 2024 of $131.851 million (2023: $191.037 million).

In determining the appropriateness of the going concern basis of preparation, the Directors have considered the deleveraging activities completed subsequent to 30 June 2024, namely the $125.0 million equity capital raising, repayment of $53.771 million (including capitalised PIK interest) of senior debt and extension of the maturity of the Group's remaining senior debt facilities to 31 December 2025 (described in further detail in note F6).

Of the net current liabilities at 30 June 2024, $132.030 million relates to senior debt facilities of which $53.771 million was repaid on 1 August 2024, with the maturity of the remaining facilities extended to 31 December 2025 (from October 2024). The deficit is also impacted by AASB 16 Leases (refer note C3) which requires of the right-of-use asset to be entirely classified in non-current, whilst future lease payments are split between current ($28.151 million) and non-current, resulting in a mismatch. Management expects any working capital deficiency will be met out of operating cash flows.

The Group has assessed cash flow forecasts and its ability to fund its net current liability position as at 30 June 2024. This assessment indicates that the Group is expected to be able to continue to operate within available liquidity levels and the terms of its debt facilities, and to fund its net current liability position as at 30 June 2024, for the 12 months from the date of this report.

The Group has also forecast that it does not expect to breach any financial covenants within the 12 months from the date of this report. Financial covenant forecasts utilised the same underlying cash flow forecasts as those utilised in the going concern assessment.

The Directors' are of the opinion that, as at the date of this report, the cash flow forecasts and deleveraging activities described in note F6 support the Group's ability to continue as a going concern including ongoing covenant compliance.

A2 Material accounting policies

This section sets out the material accounting policies upon which the Consolidated Financial Statements are prepared as a whole. Where a material accounting policy is specific to a note to the Consolidated Financial Statements, the policy is described within that note. This section also shows information on new accounting standards, amendments, and interpretations not yet adopted and the impact they will have on the Consolidated Financial Statements.

(A) Basis of consolidation

The Consolidated Financial Statements incorporate the assets and liabilities of all controlled entities in the Group as at

30 June 2024 and the results of all controlled entities for the year then ended. A list of the controlled entities is provided in note E2 to these Consolidated Financial Statements.

The Group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Non-controlling interests are shown separately in the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position and Consolidated Statement of Changes in Equity.

(B) Goods and Services Tax (GST)

Revenues, expenses, assets and liabilities are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included within other receivables or payables in the Consolidated Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(C) New and amended standards adopted by the Group

The Group has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and which became effective for the annual reporting period commencing on 1 July 2023.

The Group's assessment of the impact of the new and amended standards and interpretations that are relevant to the Group is set out below:

Pronouncement	Impact
AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*	Requests the disclosure of material accounting policy information and clarifies how entities should distinguish changes in accounting policies and changes in accounting estimates. The application of the amendments did not have a material impact on the Group's Consolidated Financial Statements or on the disclosure of accounting policy information.
AASB 2021-5 *Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	Clarifies that deferred taxes must be recognised where, on initial recognition of an asset or liability, the transaction gives rise to equal taxable and deductible temporary differences. The Group has recognised deferred tax assets and deferred tax liabilities in relation to lease liabilities and right-of-use assets, which the amendments clarify can no longer be offset on initial recognition. Hence there was no impact on the Group's Consolidated Financial Statements from application of amendments.
AASB 17 *Insurance Contracts*	Applies to insurance contracts regardless of the entity that issues them, and so has broader application than traditional insurance entities. AASB defines an insurance contract based on whether the contract transfers significant insurance risk. Application of this standard has not materially impacted the Group.

A2 Material accounting policies (Cont.)

(D) New and amended standards not yet adopted by the Group

Certain new accounting standards and amendments to standards have been published that are not mandatory for reporting periods commencing 1 July 2023 and have not been early adopted by the Group. The Group's assessment of the impact of the new and amended standards and interpretations not yet adapted that are relevant to the Group is set out below:

Pronouncement	Impact
AASB 18 *Presentation and Disclosure in Financial Statements*	AASB 18 replaces AASB 101 Presentation of Financial Statements and sets out requirements for the presentation and disclosure of information in general purpose financial statements. The key changes include: ▪ on the face of the statement of profit and loss - newly defined 'operating profit' and 'profit before financing and income taxes' subtotals and a requirement for all income and expenses to be allocated between operating, investing and financing activities; ▪ in the notes to the financial statements - disclosure of management defined performance measures (MPMs) which will form part of the audited financial statements; and ▪ aggregation and disaggregation – enhanced requirements for the aggregation and disaggregation of information (presented in the primary financial statements and in the notes) which focus on grouping items based on their shared characteristics. The amendments are applicable to the Group on a retrospective basis from 1 July 2027 and are expected to have an impact on how the Group presents and discloses information in its financial statements.

A3 Key accounting estimates and judgements

This section describes the key accounting estimates and judgements that have been applied and may have a material impact on the Consolidated Financial Statements.

In applying the Group's policies, the Directors are required to make estimates, judgements, and assumptions that affect amounts reported in this Consolidated Financial Report. The estimates, judgements, and assumptions are based on historical experience, adjusted for current market conditions, and other factors that are believed to be reasonable under the circumstances, and are reviewed on a half-yearly basis or as required. Actual results may differ from estimates. Revisions to estimates are recognised prospectively.

The estimates and judgements which involve a higher degree of complexity or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next period are included in the following notes:

- Note A1(A) – Going concern
- Note B4(F)(i) – Recoverability of deferred tax assets
- Note C5(B)(iv) – Estimation of recoverable amounts of assets and Cash Generating Units (CGUs)
- Note C9(B) – Estimation of make good provisions

Detailed information about each of these estimates and judgements is included in other notes together with information about the basis of calculation for each affected line item.

Key estimates and judgements – climate change

The Group is progressing its assessment of the potential financial impacts of climate change and the associated policy changes and regulations anticipated as part of the transition to a low carbon economy. While climate risk has been formally incorporated in the Group's risk register, there are no immediate impacts to the carrying amount of the Group's assets and liabilities at the date of this report. Further assessment of climate risk and the development of any relevant action plans may impact the Group's key accounting estimates and judgements and result in material changes to the financial results and the carrying amount of certain assets and liabilities in future reporting periods.

B PERFORMANCE FOR THE YEAR

This section provides information that is most relevant to explaining the Group's performance during the year and where relevant, the accounting policies that have been applied

B1 Segment information

The Group identifies different business divisions that are regularly reviewed by the Board and executive management in order to allocate resources and assess performance. These divisions offer different products and services and are managed separately. The segment disclosures present the financial performance of each division and other material items.

(A) Description of segments

The Board and Executive Management Team, the Chief Operating Decision Maker (CODM), monitor the operating results of the business units separately for the purpose of making decisions about resource allocation and performance assessment.

The Group's reporting segments are organised and managed separately according to the nature of the products and services provided being Vehicle Collision Repairs, Wales (formerly Heavy Motor) and ACM Parts (formerly Supply). The Group's corporate function is not an operating segment under the requirements of AASB 8 *Operating Segments* as its revenue generating activities are only incidental to the business. Geographically, the Group operates in Australia and New Zealand.

A description of the operations in each of the Group's reportable segments is outlined below.

Vehicle Collision Repairs

Includes Capital SMART, which specialises in performing rapid repairs on cars that have sustained low-to-medium collision damage and are still drivable and AMA Collision, which provides larger, more complex repairs of cars that have sustained high severity collision damage and may be undriveable as well as specialist businesses (including prestige repair, mechanical and ADAS calibration services).

Wales (formerly Heavy Motor)

Provides dedicated and highly specialised facilities for all commercial vehicle repairs, from light commercial to prime movers, B-doubles, buses, and earthmoving equipment.

ACM Parts (formerly Supply) - discontinued

This business provides a large range of genuine, reclaimed and aftermarket parts as well as collision repair consumables for the mechanical and collision repair industries.

Unless stated otherwise, all amounts reported are determined in accordance with the Group's accounting policies.

All inter-segment transactions are eliminated on consolidation for the Consolidated Financial Statements. The FY23 comparative information for EBITDA has been re-presented to achieve consistency in disclosure with the current financial period presentation through reallocation of $17,334 thousand in paint and parts rebates under the Vehicle Collision Repairs segment from the Corporate segment.

B1 Segment information (Cont.)

(B) Adjusted EBITDA from reportable segments

In addition to using profit as a measure of the Group, the Board and CODM use adjusted EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) as a measure to assess the performance of the segments.

Adjusted EBITDA excludes the effects of significant items which may have an impact on the quality of earnings such as fair value adjustments or items that are the result of an isolated, non-recurring event. It includes occupancy costs, reflecting the treatment of these costs prior to the implementation of AASB 16 *Leases*.

A reconciliation of adjusted EBITDA to loss before income tax is provided below:

	Vehicle Collision Repairs		Wales	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Revenue and other income				
Revenue from external customers	**816,758**	760,238	**73,741**	65,043
Inter-segment revenue	**-**	-	**-**	-
Other income	**4,058**	4,223	**52**	352
Total group revenue and other income	**820,816**	764,461	**73,793**	65,395
Segment result (EBITDA excluding impact of AASB 16 *Leases*)	**63,170**	38,082	**9,332**	7,581
AASB 16 *Leases* impact to occupancy costs and other income	**37,601**	35,918	**5,242**	5,075
EBITDA	**100,771**	74,000	**14,574**	12,656
Depreciation and amortisation				
Loss on disposal of business				
Impairment expense				
Net finance costs				
Fair value adjustments on contingent vendor consideration				
Related party management recharges				
Loss before income tax				

(C) Segment assets and liabilities

Segment assets and liabilities are not directly reported to the Board and CODM when assessing the performance of the operating segments and are therefore not disclosed.

(D) Geographical information

The Group operates in two geographical locations, being Australia and New Zealand. The table below provides information on the geographical location of non-current assets and revenue from external customers. Revenue is allocated to a geography based on the location of the operation it was derived from. All revenue in New Zealand relates to the vehicle collision repairs segment.

	Australia		New Zealand		Total	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Revenue from external customers	**863,143**	799,679	**27,356**	25,602	**890,499**	825,281
Other income	**4,262**	5,012	**-**	-	**4,262**	5,012
Total revenue and other income	**867,405**	804,691	**27,356**	25,602	**894,761**	830,293
Non-current assets (excluding financial instruments and deferred tax assets)	**546,343**	611,673	**8,809**	8,810	**555,152**	620,483

* Comparative information has been re-presented due to a discontinued operation.

Corporate / Eliminations		Total from continuing operations		ACM Parts (discontinued)		Corporate / Eliminations		Total	
2024 $'000	**2023 $'000**	**2024 $'000**	**2023 $'000**	**2024 $'000**	**2023 $'000**	**2024 $'000**	**2023 $'000**	**2024 $'000**	**2023 $'000**
-	-	**890,499**	825,281	**38,319**	39,252	**-**	-	**928,818**	864,533
-	-	**-**	-	**46,512**	40,250	**(46,512)**	(40,250)	**-**	-
152	437	**4,262**	5,012	**12**	55	**-**	-	**4,274**	5,067
152	437	**894,761**	830,293	**84,843**	79,557	**(46,512)**	(40,250)	**933,092**	869,600
(23,141)	(24,715)	**49,361**	20,948	**(3,365)**	(2,213)	**-**	-	**45,996**	18,735
193	187	**43,036**	41,180	**5,654**	3,842	**-**	-	**48,690**	45,022
(22,948)	(24,528)	**92,397**	62,128	**2,289**	1,629			**94,686**	63,757
		(62,751)	(66,968)	**(4,975)**	(4,392)			**(67,726)**	(71,360)
		-	(172)	**-**	109			**-**	(63)
		1,221	(116,830)	**-**	-			**1,221**	(116,830)
		(35,455)	(35,359)	**(3,182)**	(2,072)			**(38,637)**	(37,431)
		-	654	**-**	-			**-**	654
		504	-	**(504)**	-			**-**	-
		(4,084)	(156,547)	**(6,372)**	(4,726)			**(10,456)**	(161,273)

B2 Revenue and other income

The Group is Australia's largest vehicle accident repairer and generates revenue primarily from its panel repair services. Other revenue is derived from the sale of automotive parts.

Set out below is the disaggregation of the Group's revenue and other income. The Group derives revenue from the transfer of goods and services over time and at a point in time.

	Vehicle Collision Repairs		Wales		Corporate / Eliminations		Total	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Revenue								
Vehicle panel repair services	**816,093**	759,577	**-**	-	**-**	-	**816,093**	759,577
Truck and bus repairs	**-**	-	**73,035**	64,439	**-**	-	**73,035**	64,439
Sale of goods	**665**	661	**706**	604	**-**	-	**1,371**	1,265
Other services	**-**	-	**-**	-	**-**	-	**-**	-
Total revenue	**816,758**	760,238	**73,741**	65,043	**-**	-	**890,499**	825,281
Other income	**4,058**	4,223	**52**	352	**152**	437	**4,262**	5,012
Revenue and other income	**820,816**	764,461	**73,793**	65,395	**152**	437	**894,761**	830,293
Timing of revenue recognition								
Over time	**816,097**	759,553	**73,137**	64,428	**-**	-	**889,234**	823,981
At a point in time	**661**	685	**604**	615	**-**	-	**1,265**	1,300
Revenue	**816,758**	760,238	**73,741**	65,043	**-**	-	**890,499**	825,281

In respect of Vehicle Collision Repairs and Wales segments:

- approximately 94% of revenue is derived from insurers (2023: approximately 87%).
- approximately 74% of revenue is derived from the top two customers (2023: approximately 66%).

Material accounting policies

Revenue

Revenue from contracts with customers is recognised to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Revenue is recognised for the major business activities as follows:

Vehicle Collision Repair Services

Revenue arising from these services relate to performance obligations satisfied over time and in future periods. Revenue is recognised based on the inputs used in the vehicle repair process, primarily labour hours expended and parts purchases, relative to the total expected inputs to complete the repairs. All vehicle repairs are invoiced upon completion, with payment terms between 1 and 7 days for insurers, cash on delivery for private work and up to 30 days payment terms for fleet and other commercial customers.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

Jobs completed not invoiced are reflected as a contract asset and jobs still in progress within other receivables until billed.

Sale of goods

The Group sells automotive parts and consumables online, in the wholesale market and through retail premises. Sales are recognised when control of the goods has transferred, that is, when the goods are delivered to the wholesaler or sold to the end customer.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Other income

Other income is recognised when it is received or when the right to receive payment is established.

B3 Other expense items

The Group has identified a number of items which are material due to the significance of their nature and/or amount. They are listed separately below to provide a better understanding of the financial performance of the Group.

(A) Depreciation and amortisation expense

	Notes	2024 $'000	2023 $'000
Depreciation expense on property, plant and equipment	C4	**10,686**	12,237
Depreciation expense on right-of-use assets	C6(C)	**35,732**	38,401
Amortisation on intangibles	C5(A)	**16,333**	16,330
Total depreciation and amortisation expense		**62,751**	66,968

(B) Net finance costs

	2024 $'000	2023 $'000
Interest and finance charges	**15,634**	14,801
Interest expense on lease liabilities	**17,591**	16,939
Unwind of discount on make good provision	**966**	1,486
Amortisation of borrowing costs	**2,030**	2,496
Interest income	**(766)**	(363)
Net finance costs	**35,455**	35,359

Material accounting policy

Finance costs

Finance costs are recognised as expenses in the period in which they are incurred. Finance costs comprise interest on borrowings calculated using the effective interest method, interest expense on lease liabilities, and amortisation of capitalised borrowing costs over the term of the borrowings.

(C) Impairment expense

The Group recognised the following non-cash impairment expense:

	Notes	2024 $'000	2023 $'000
Impairment of goodwill – Capital SMART	C5(B)(ii)	**-**	57,740
Impairment of goodwill – AMA Collision	C5(B)(ii)	**-**	52,632
Impairment of non-current assets	C4	**(755)**	2,427
Impairment of right-of-use assets	C6(C)	**(466)**	4,031
Total impairment expense		**(1,221)**	116,830

B4 Income tax

This section presents the total income tax expense charged to the Group in respect of amounts currently owing/ receivable for taxable profits/losses and future income taxes recoverable or payable in respect of temporary differences. The Group presents a reconciliation of accounting profit or loss to income tax and a summary of changes in future income tax recoverable or payable by major category.

(A) Income tax benefit

	2024 $'000	2023 $'000
Current tax		
Current tax (expense) / benefit	**233**	(5,009)
Adjustments for current tax of prior periods	**(806)**	198
Total current tax benefit	**(573)**	(4,811)
Deferred tax		
Increase / (decrease) in deferred tax assets	**3,885**	(11,955)
(Decrease) / increase in deferred tax liabilities	**(6,935)**	2,120
Under / over provision in respect of prior years	**(12)**	179
Total deferred tax benefit	**(3,062)**	(9,656)
Income tax benefit from continuing operations	**(1,730)**	(13,162)
Income tax benefit from discontinued operations	**(1,905)**	(1,305)
Total income tax benefit	**(3,635)**	(14,467)

(B) Reconciliation of accounting profit / (loss) to income tax benefit

	2024 $'000	2023 $'000
Loss before tax	**(10,456)**	(161,273)
Tax at the Australian tax rate of 30% (30 June 2023: 30%)	**(3,137)**	(48,382)
Tax effect of amounts which are not deductible / (assessable) in calculating taxable income:		
Non-deductible impairment expense	**-**	33,112
Non-deductible expenses	**127**	78
Fair value adjustments on contingent vendor consideration	**-**	(196)
Employee equity plan expense	**236**	602
Non-assessable income	**(994)**	(86)
Adjustments for current tax of prior periods	**(818)**	198
Recognition of previously unrecognised tax losses	**(112)**	-
Derecognition of previously recognised deductible temporary differences	**879**	231
Effect of tax rates in foreign jurisdictions	**(8)**	30
Other	**192**	(54)
Income tax benefit	**(3,635)**	(14,467)

(C) Reconciliation of income tax payable / (receivable)

	2024 $'000	2023 $'000
Balance at 1 July	**(4,178)**	(14,405)
Movement:		
Income taxes payable / (receivable) for the period	**282**	(5,009)
Adjustments for current tax of prior periods	**(1,804)**	267
Income tax received	**6,052**	14,969
Balance at 30 June	**352**	(4,178)

B4 Income tax (Cont.)

(D) Amounts recognised directly through equity

	2024 $'000	2023 $'000
Hedging reserve	**-**	719
Share Capital (equity raising costs)	**899**	-
Total recognised directly through equity	**899**	719

(E) Deferred tax assets and deferred tax liabilities

	Deferred tax assets		Deferred tax liabilities	
	2024 $'000	**2023 $'000**	**2024 $'000**	**2023 $'000**
Receivables and contract assets	**58**	235	**-**	-
Inventories	**-**	295	**(281)**	(212)
Property, plant and equipment	**2,071**	2,568	**(1,581)**	(1,829)
Right-of-use assets	**-**	-	**(86,923)**	(88,916)
Intangible assets	**56**	56	**(45,267)**	(49,892)
Trade and other payables	**2,848**	1,961	**-**	-
Lease liabilities	**92,379**	94,911	**-**	-
Provisions – employee benefits	**11,166**	10,738	**-**	-
Provisions – other	**10,854**	10,067	**-**	-
Deferred payment liability	**885**	-	**-**	-
Capitalised expenditure	**1,297**	1,472	**-**	-
Tax losses	**13,358**	15,536	**-**	-
Other items	**140**	262	**(124)**	(266)
Deferred tax assets / (liabilities) – before set-off	**135,112**	138,101	**(134,176)**	(141,115)
Set-off of tax	**(107,174)**	(117,354)	**107,174**	117,354
Net deferred tax assets / (liabilities) – after set-off	**27,938**	20,747	**(27,002)**	(23,761)
Balance at 1 July	**138,101**	125,293	**(141,115)**	(138,981)
Movement:				
Adjustments for tax of prior periods	**(3)**	134	**4**	(14)
To profit or loss	**(3,885)**	11,955	**6,935**	(2,120)
Through equity	**899**	719	**-**	-
Balance at 30 June	**135,112**	138,101	**(134,176)**	(141,115)

(F) Tax losses

	2024 $'000	2023 $'000
Unused tax losses for which a deferred tax asset has been recognised		
Unused revenue losses	**44,526**	51,786
Tax benefit @ 30%	**13,358**	15,536
Unused tax losses for which no deferred tax asset has been recognised		
Unused revenue losses	**2,032**	2,032
Unused capital losses	**13,126**	13,407
Total unused tax losses	**15,158**	15,439
Potential tax benefit @ 30%	**4,547**	4,632

B4 Income tax (Cont.)

(F) Tax losses (Cont.)

(i) Key accounting estimates and judgements - Recoverability of deffered tax assets

Significant judgement is required in determining the provision for income taxes. The Group has recognised deferred tax assets relating to carried forward tax losses to the extent there are forecast future taxable profits relating to the same taxation authority against which the unused tax losses can be utilised.

All unused tax losses can be carried forward indefinitely subject to the loss utilisation tests and have no expiry date. The unused losses for which a deferred tax asset has been recognised represent revenue losses for the Company's partially-owned subsidiary, Capital SMART Group Holdings Pty Ltd (refer to (G)). Management considers it probable that future taxable profits would be available against which these tax losses can be recovered and, therefore, the related deferred tax asset can be recognised.

The unused revenue losses for which no deferred tax asset has been recognised represent transferred revenue losses of the Company and its wholly-owned Australian resident entities. Management has determined that a deferred tax asset should not be recognised for these losses as they have restricted rates of utilisation.

The unused capital losses for which no deferred tax asset has been recognised represent capital losses of the Company and its wholly-owned Australian resident entities. Management has determined a deferred tax asset on unused capital losses should not be recognised on the basis that it is not probable that future capital gains would be available against which the capital losses can be utilised.

(G) Tax consolidation

The Company and its wholly-owned Australian resident entities formed a tax consolidated group with effect from 1 September 2006. AMA Group Limited is the head entity of the tax consolidated group and has assumed the current tax liabilities of the members in its tax consolidated group.

The Australian resident entities of the Capital SMART Group of companies formed a separate tax consolidated group with effect from 31 October 2019. Capital SMART Group Holdings Pty Ltd is the head entity of the tax consolidated group and has assumed the current tax liabilities of the members in its tax consolidated group. The Consolidated Financial Statements incorporate the tax balances of both tax consolidated groups.

Income tax expense or benefit, deferred tax assets, and deferred tax liabilities arising from temporary differences of the members of the tax consolidated groups are recognised by each subsidiary where the subsidiary would have been able to recognise the deferred tax asset or deferred tax liability on a standalone basis.

The members of the tax consolidated groups have entered into tax funding agreements with each head entity which sets out the funding obligations in respect of income tax amounts. The agreements require payments by the subsidiaries to the head entity equal to the income tax liability assumed by the head entity. The head entity is required to make payments to the subsidiaries equal to the current tax asset assumed by the head entity.

In respect of carried forward tax losses brought into the tax consolidated groups on consolidation by subsidiary members, the head entity will pay the subsidiary member for such losses when these losses are transferred to the tax consolidated groups, where the subsidiary member would have been entitled to recognise the benefit of these losses on a standalone basis.

Material accounting policies

Income tax

Current and deferred tax expense is recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income, or directly in equity.

Current tax

Current tax payable represents the amount expected to be paid to taxation authorities on taxable income for the period, using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous periods.

Deferred tax

Deferred tax is calculated using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting and taxation purposes. Deferred tax is measured at the rates that are expected to apply in the period in which the liability is settled, or asset realised, based on tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit or in relation to the initial recognition of goodwill.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences or unused tax losses and tax offsets can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The benefit of intangible assets with an indefinite useful life will flow to the Group on an annual basis, therefore the carrying amount will be recovered through use.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same taxation authority and the same taxable entity.

C ASSETS AND LIABILITIES

This section provides information about the working capital of the Group and major balance sheet items including the accounting policies, judgements and estimates relevant in understanding these items.

C1 Receivables and contract assets

Receivables and contract assets predominantly consist of amounts owed to the Group by customers for sales of goods and services in the ordinary course of business.

	2024 $'000	2023 $'000
Trade receivables	**20,620**	24,884
Allowance for expected credit losses	**(120)**	(304)
	20,500	24,580
Other receivables	**9,505**	4,072
Contract assets	**29,956**	32,818
	39,461	36,890
Total receivables and contract assets	**59,961**	61,470

(A) Allowance for expected credit losses on trade receivables

Current trade receivables of the Group were assessed for impairment at each reporting date. Movements in the allowance for expected credit losses of receivables are set out below:

	2024 $'000	2023 $'000
Balance at 1 July	**304**	526
Movement:		
Additional expected credit losses recognised	**83**	55
Receivables written back during the year as uncollectible	**(267)**	(277)
Balance at 30 June	**120**	304

(B) Exposure to credit risk

The following table provides information about the exposure to credit risk and expected credit loses for trade receivables:

	30 June 2024			30 June 2023		
30 June 2024 $'000	Gross carrying amount $'000	Loss allowance $'000	Net receivable $'000	Gross carrying amount $'000	Loss allowance $'000	Net receivable $'000
1 - 30 days	**13,483**	(38)	13,445	20,031	(57)	19,974
31 - 60 days	**2,701**	(9)	2,692	3,632	(71)	3,561
61 - 90 days	**2,528**	(2)	2,526	539	(10)	529
More than 90 days	**1,908**	(71)	1,837	682	(166)	516
Total	**20,620**	(120)	20,500	24,884	(304)	24,580

(C) Fair value disclosure

Due to the short-term nature of these receivables, their carrying amount is considered to approximate their fair value.

For information about the methods and assumptions used in determining the fair value of the Groups receivables refer to note D8(A)(i).

C1 Receivables and contract assets (Cont.)

(D) Risk exposure

Information concerning the credit risk of receivables is set out in note D8(C)(ii).

Material accounting policies

Trade and other receivables

Trade and other receivables are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest method, less an allowance for expected credit loss. They generally have credit terms ranging up to 30 days.

Allowance for expected credit losses on trade and other receivables

The Group assesses the expected credit losses associated with its trade and other receivables on a forward-looking basis. The Group applies the simplified approach to measuring expected credit losses, which requires expected lifetime losses to be recognised from initial recognition of the receivables. To measure the expected credit losses, trade and other receivables that share similar credit risk characteristics and days past due are grouped and then assessed for collectability as a whole.

Contract assets

The Group presents any unconditional rights to consideration separately as a receivable while those rights arising from satisfaction of performance obligations in a contract are presented as contract assets. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due. Contract assets are measured at the actual amount of transaction price. No expected credit loss is recognised on contract assets as the Group have security over the contract assets while the work is in progress.

C2 Inventories

	2024 $'000	2023 $'000
Parts inventory	**11,563**	35,365
Provision for inventory obsolescence – parts	**-**	(1,059)
Consumables inventory	**-**	11,135
Provision for inventory obsolescence – consumables	**-**	(984)
Total inventories	**11,563**	44,457

The Group periodically assesses the value of items in inventory and records write-downs or write-offs based on its assessment of slow moving or obsolete inventory. Allowances are recorded against finished goods for any such declines.

Reduction in inventories is a result of reclassification of inventories held by ACM Parts to assets held for sale. Refer to Note E2 (C).

Material accounting policies

Inventories

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion necessary to make the sale.

Assessments are made periodically by management for excess inventories, obsolescence and decline in net realisable value below cost. Allowances are recorded against inventories for any such declines based on historical experience on obsolescence and slow-moving inventory.

Costs incurred in bringing each product to its present location and condition are determined after deducting rebates and discounts received or receivable and are accounted for, as follows:

- Consumables inventory – purchase cost on a first-in / first-out basis
- Parts inventory – cost comprises direct materials and direct labour (for reclaimed parts only)

C3 Other current assets

	2024 $'000	2023 $'000
Acquisition deposits	**300**	300
Accrued income	**4,268**	5,692
Prepayments and other current assets	**5,718**	8,477
Total other current assets	**10,286**	14,469

C4 Property, plant and equipment

Property, plant and equipment represents the investment by the Group in tangible assets.

	Leasehold improvements $'000	Plant and equipment $'000	Furniture and fittings $'000	Motor vehicles $'000	Capital work in progress $'000	Total $'000
1 July 2022						
Cost	29,256	127,589	4,369	6,574	-	167,789
Accumulated depreciation and impairment	(22,648)	(85,681)	(2,759)	(3,687)	-	(114,776)
Net book amount	**6,608**	**41,908**	**1,610**	**2,887**	**-**	**53,013**
Movement:						
Additions	314	8,491	501	915	-	10,221
Transfers	-	(3,534)	-	-	3,534	-
Disposals	(701)	(397)	(182)	(250)	-	(1,530)
Depreciation (Continuing operations)	(1,472)	(9,023)	(909)	(833)	-	(12,237)
Depreciation (Discontinued operations)	(5)	(591)	(3)	-	-	(599)
Impairment	(34)	(2,370)	(22)	(1)	-	(2,427)
Effect of foreign exchange	7	31	-	-	-	38
Closing net book amount	**4,717**	**34,515**	**995**	**2,718**	**3,534**	**46,479**
1 July 2023						
Cost	27,452	125,511	4,188	6,728	3,534	167,413
Accumulated depreciation and impairment	(22,735)	(90,996)	(3,193)	(4,010)	-	(120,934)
Net book amount	**4,717**	**34,515**	**995**	**2,718**	**3,534**	**46,479**
Movement:						
Additions	49	6,926	415	1,158	7,868	16,416
Transfers	4,119	5,102	(33)	-	(9,188)	-
Disposals	(103)	(155)	(25)	(123)	-	(406)
Depreciation (Continuing operations)	(1,397)	(8,286)	(520)	(483)	-	(10,686)
Depreciation (Discontinued operations)	(71)	(487)	(6)	(167)	-	(731)
(Impairment) / reversal of impairment	24	740	7	(16)	-	755
Effect of foreign exchange	4	(7)	(1)	-	-	(4)
Reclassification to assets held for sale	(279)	(3,273)	(23)	(1,452)	(23)	(5,050)
Closing net book amount	**7,063**	**35,075**	**809**	**1,635**	**2,191**	**46,773**
30 June 2024						
Cost	29,065	126,819	4,286	5,185	2,191	167,546
Accumulated depreciation and impairment	(22,002)	(91,744)	(3,477)	(3,550)	-	(120,773)
Net book amount	**7,063**	**35,075**	**809**	**1,635**	**2,191**	**46,773**

Property, plant and equipment are reviewed for impairment in accordance with AASB 136 *Impairment of Assets*. During the year, the Group recognised an impairment reversal of ($755,000) (2023: $2,427,000 impairment charge) relating to the carrying amount of property, plant and equipment. The impairment reversal relates to assets brought back into use due to the reopening of sites.

C4 Property, plant and equipment (Cont.)

Material accounting policies

Property, plant and equipment

Each class of property, plant and equipment is carried at cost less any accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the profit or loss during the reporting period in which they are incurred.

Depreciation

Assets are depreciated from the date the asset is brought to use, or in business combinations, the date of acquisition. Depreciation is calculated on a straight line basis as considered appropriate to write off the net cost of each item of plant and equipment over its expected useful life to the Group.

The expected useful lives are as follows:

- Plant and equipment: 2 to 15 years
- Motor vehicles: 4 to 8 years
- Furniture and fittings: 2 to 10 years
- Leasehold improvements: 5 to 15 years

The cost of improvements to or on leasehold properties is amortised over the unexpired life of the lease or the estimated useful life of the improvement to the Group, whichever is the shorter.

Where items of plant and equipment have separately identifiable components which are subject to regular replacement, those components are assigned useful lives distinct from the item of plant and equipment to which they now relate.

The depreciation rates are reviewed annually and adjusted if appropriate. An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Derecognition

An item of property, plant and equipment is derecognised when it is disposed of or no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are recognised in the profit or loss.

Impairment

The carrying amounts of the Group's property, plant and equipment are reviewed for impairment where there is an indication that the asset may be impaired (assessed at least each reporting date) or when there is an indication that a previously recognised impairment may need to be reversed.

C5 Intangible assets

Intangible assets represent goodwill, customer contracts, other intangibles and software. Goodwill arises when the Group acquires a business where consideration exceeds the fair value of net assets acquired and represents the future benefits expected to arise from the purchase.

(A) Net book amounts and movements in intangible assets

	Goodwill $'000	Customer contracts $'000	Other intangibles $'000	Software $'000	Total $'000
1 July 2022					
Cost	500,333	240,043	2,410	6,949	749,735
Accumulated amortisation and impairment	(231,960)	(58,150)	(649)	(4,814)	(295,573)
Net book amount	**268,373**	**181,893**	**1,761**	**2,135**	**454,162**
Movement:					
Additions and adjustments	(230)	-	-	74	(156)
Amortisation (Continuing operations)	-	(15,490)	(240)	(600)	(16,330)
Amortisation (Discontinued operations)	-	-	-	(56)	(56)
Disposal of business	(1,460)	-	-	-	(1,460)
Impairment	(110,372)	-	-	-	(110,372)
Closing net book amount	**156,311**	**166,403**	**1,521**	**1,553**	**325,788**
1 July 2023					
Cost	496,996	240,043	2,396	7,023	746,458
Accumulated amortisation and impairment	(340,685)	(73,640)	(875)	(5,470)	(420,670)
Net book amount	**156,311**	**166,403**	**1,521**	**1,553**	**325,788**
Movement:					
Additions and adjustments	-	-	10	207	217
Amortisation (Continuing operations)	-	(15,490)	(239)	(604)	(16,333)
Amortisation (Discontinued operations)	-	-	(3)	(47)	(50)
Reclassification to assets held for sale	-	-	(7)	(52)	(59)
Closing net book amount	**156,311**	**150,913**	**1,282**	**1,057**	**309,563**
30 June 2024					
Cost	496,996	240,043	2,396	5,637	745,072
Accumulated amortisation and impairment	(340,685)	(89,130)	(1,114)	(4,580)	(435,509)
Net book amount	**156,311**	**150,913**	**1,282**	**1,057**	**309,563**

(B) Goodwill

For the purpose of impairment testing, goodwill acquired through business combinations is allocated to each of the Group's cash generating units (CGU) or group of CGUs, and represents the lowest level within the Group at which management monitors goodwill. Following the FY2023 impairment, there is no goodwill in the Capital SMART business.

(i) Allocation of goodwill to group of cash-generating units

Goodwill has been allocated to the Group's CGUs as follows:

Reporting segment	CGU	2024 $'000	2023 $'000
Vehicle Collision Repairs	AMA Collision	**113,131**	113,131
Wales (formerly Heavy Motor)	Wales	**43,180**	43,180
Total goodwill		**156,311**	156,311

C5 Intangible assets (Cont.)

(B) Goodwill (Cont.)

(ii) Impairment testing of goodwill

Goodwill is assessed for impairment on an annual basis, or more frequently when there is an indication that the CGU to which it belongs may be impaired. Where indicators exist, impairment testing is undertaken by comparing the carrying and recoverable amounts of goodwill. Impairment losses are recognised in the profit or loss when carrying amounts are higher than recoverable amounts.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use.

The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing fair value less costs of disposal, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

(iii) Key assumptions used in the calculation of the recoverable amount

The Group's annual impairment testing is performed using the fair value less costs of disposal methodology. The recoverable amount was determined using a discounted cash flow (DCF) model. This was based on the present value of cash flow projections over a five-year period with the period extending beyond five years extrapolated using an estimated growth rate.

The value assigned to key assumptions represent management's assessment of future trends in the industry and are based on historical data from both external and internal sources. The approach and key assumptions used in the calculation of the recoverable amount are summarised in the following table:

Assumption	Approach used to determine values
Post-tax discount rate	The discount rate is a post-tax measure which incorporates risks associated with each CGU. In performing the fair value less costs of disposal calculations for each CGU, the Group has applied post-tax discount rates to discount the forecast post-tax cash flows.
FY25 (Year 1) EBITDA	FY25 EBITDA is derived from the Board approved budget.
FY26 to FY29 EBITDA	FY26 to FY29 EBITDA is calculated using an EBITDA growth rate based on past experience. The Group's forecasts are based on expectations of market demand and past experience. The average EBITDA growth rate for FY26 to FY29 approximates 2.5%.
Terminal growth rate	The terminal growth rate is used to extrapolate cash flows beyond the forecast period. The terminal value is calculated using a perpetual growth model. The terminal growth rate was determined based on management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.
AASB 16 *Leases* impact	EBITDA used in the discounted cashflow model includes rental payments. Right-of-use assets and lease liabilities have been included in the carrying value of the CGU.

The goodwill allocated to the CGU's, and the values assigned to a number of key assumptions are as follows:

	Terminal growth rate (%)		Pre-tax discount rate (%)	
CGU	2024	2023	2024	2023
AMA Collision	2.5	2.5	13.1	12.3
Wales (formerly Heavy Motor)	2.5	2.5	13.1	12.3

(iv) Key accounting estimates and judgements – Estimation of recoverable amounts of assets and CGUs

Determining whether goodwill is impaired requires an estimation of the value in use or fair value less cost of disposal of the cash-generating units to which goodwill has been allocated. The Group's impairment testing estimates the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value of those cash flows.

C5 Intangible assets (Cont.)

(B) Goodwill (Cont.)

(v) Significant estimate: impact of possible changes in key assumptions

Management assessed whether any CGU for which the carrying amount of goodwill is significant could be impaired as a result of a possible change in a key assumption and the following table provides quantitative information illustrating the impact of possible changes in key assumptions (with all other inputs remaining the same). The Wales CGU has sufficient headroom that there was no impairment from the assessment undertaken. The Capital SMART goodwill balance has been fully impaired and therefore the CGU has no goodwill or indefinite life intangible assets. However, given previous impairment of the AMA Collision CGU, any adverse change in assumptions would lead to further impairment. The following impairments would be recognised by a change in key assumption for this CGU:

- 1% increase in discount rate $10,275,814
- 1% decrease in terminal growth rate $7,994,318
- 10% decrease in EBITDA $25,645,429

Material accounting policies

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost and subsequently measured at cost less accumulated amortisation and impairment losses. Where acquired in a business combination, cost represents the fair value at the date of acquisition.

Intangible assets with finite lives are amortised on a straight-line basis over their estimated useful lives and tested for impairment whenever there is an indication that they may be impaired. The amortisation period and method are reviewed at each financial year-end. Intangible assets with indefinite lives are tested for impairment in the same way as goodwill.

Goodwill

Goodwill acquired in a business combination is initially measured at cost. Cost is measured as the cost of the business combination less the net fair value of the acquired and identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. If fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group recognises the gain in the profit or loss.

Customer contracts

Customer contracts are recognised at cost, being fair value at the date of acquisition. Customer contracts have a finite life and are carried at cost less accumulated amortisation and any impairment losses. Customer contracts are amortised over the lesser of the remainder of the contract or their estimated useful life relevant to each specific contract. The Group amortises customer contracts using the straight-line method over a period of 15 years.

Other intangibles

Other intangibles consist of customer relationships, brands, patents and trademarks and are recognised at cost, being fair value at the date of acquisition. These intangibles have a finite life and are carried at cost less accumulated amortisation and any impairment losses. The Group amortises other intangibles using the straight- line method over 10 years.

Software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets. Costs associated with the configuration of third party controlled software are recognised as an expense as incurred.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Non-financial assets other than goodwill previously impaired are reviewed for possible reversal of the impairment at the end of each reporting period.

C6 Right-of-use assets and lease liabilities

The Group leases various offices, warehouses, site premises, equipment and vehicles. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions including extension options.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

(A) The Group's leasing activities

Property leases are generally non-cancellable with rent payable monthly in advance. Contingent rental provisions within lease agreements generally require minimum lease payments be increased by CPI or a percentage factor. Certain agreements have option arrangements to renew the lease for additional terms.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

(B) Amounts recognised in the Consolidated Statement of Financial Position

The Consolidated Statement of Financial Position includes the following amounts relating to leases:

	2024 $'000	2023 $'000
Right-of-use assets		
Leased properties	**244,335**	296,156
Leased equipment and motor vehicles	**-**	28
Total right-of-use assets	**244,335**	296,184
Lease liabilities		
Current	**28,151**	31,000
Non-current	**230,572**	285,988
Total lease liabilities	**258,723**	316,988

The total additions to right-of-use assets for the year ended 30 June 2024 were $4,240,000 (30 June 2023: $73,917,000). Refer to Note C6(E) on the following page.

(C) Amounts recognised in the Consolidated Statement of Comprehensive Income

The Consolidated Statement of Comprehensive Income shows the following amounts relating to leases:

	2024 $'000	2023 $'000
Depreciation charge on right-of-use assets		
Leased properties	**32,259**	30,472
Make good	**3,473**	7,929
Total	**35,732**	38,401
Other amounts recognised		
Impairment (reversal) / expense	**(466)**	4,031
Interest expense (included in finance costs)	**17,591**	16,939
Expense relating to short-term leases (included in occupancy expenses)	**1,321**	1,413
Expense relating to leases of low-value assets (included in occupancy expenses)	**104**	94
Total	**18,550**	22,477

(D) Amounts recognised in the Consolidated Statement of Cash Flows

The total cash outflow for leases for the year ended 30 June 2024 was $52,779,000 (30 June 2023: $50,902,000) including $2,929,000 (30 June 2023: $5,880,000) on impaired leases.

C6 Right-of-use assets and lease liabilities (Cont.)

(E) Net book amounts and movements in right-of-use assets

	Leased properties $'000	Leased equipment and motor vehicles $'000	Total $'000
1 July 2022			
Cost	385,645	220	385,865
Accumulated depreciation and impairment	(118,835)	(141)	(118,976)
Net book amount	**266,810**	**79**	**266,889**
Movement:			
Additions	73,917	-	73,917
Disposals	(13,083)	-	(13,083)
Disposal of business	(376)	-	(376)
Depreciation (Continuing operations)	(38,401)	-	(38,401)
Depreciation (Discontinued operations)	(3,686)	(51)	(3,737)
Modification to lease terms	2,132	-	2,132
Variable lease payments reassessment	12,790	-	12,790
Impairment	(4,031)	-	(4,031)
Effect of foreign exchange	84	-	84
Net book amount	**296,156**	**28**	**296,184**
1 July 2023			
Cost	425,220	123	425,343
Accumulated depreciation and impairment	(129,064)	(95)	(129,159)
Net book amount	**296,156**	**28**	**296,184**
Movement:			
Additions	4,240	-	4,240
Disposals	(1,251)	-	(1,251)
Depreciation (Continuing operations)	(35,732)	-	(35,732)
Depreciation (Discontinued operations)	(4,169)	(25)	(4,194)
Modification to lease terms	17,974	-	17,974
Variable lease payments reassessment	7,142	-	7,142
Impairment reversal	466	-	466
Effect of foreign exchange	(84)	-	(84)
Reclassification to assets held for sale	(40,407)	(3)	(40,410)
Net book amount	**244,335**	**-**	**244,335**
30 June 2024			
Cost	402,622	-	402,622
Accumulated depreciation and impairment	(158,287)	-	(158,287)
Net book amount	**244,335**	**-**	**244,335**

(F) Short-term leases and leases of low-value assets

The Group applies the recognition exemptions to its short-term and low-value leases of property, equipment and motor vehicles. Short-term leases are leases with a lease term of 12 months or less. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

(G) Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

C6 Right-of-use assets and lease liabilities (Cont.)

Material accounting policies

Lease liabilities

At commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable and variable lease payments that depend on an index or rate. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised through the profit and loss in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date as the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Estimation of lease term

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

In determining the lease term, the Group applies judgement and considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

At the end of each lease term, the Group assumes the lease arrangements will be automatically renewed beyond the non-cancellable period. The lease will remain in effect until one of the parties gives notice to terminate with no more than an insignificant penalty.

The initial lease term assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities.

The cost of the right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The recognised right-of-use assets are depreciated on a straight-line basis over the shorter of useful life and the lease term.

Right-of-use assets are tested for impairment which replaces the previous requirement to recognise a provision of onerous lease contracts. Any identified impairment loss is accounted for in line with the Group's accounting policy for property, plant and equipment which is set out in note C4.

C7 Trade and other payables

Trade and other payables mainly consist of amounts owing to the Group's suppliers that have been invoiced or accrued.

	2024 $'000	2023 $'000
Trade payables	62,675	64,447
Accrued expenses	16,676	33,666
Payroll and statutory liabilities	13,010	13,202
Other payables	702	126
Total trade and other payables	**93,063**	111,141

Comparative information has been re-presented to achieve consistency in disclosure with the current financial period presentation.

C7 Trade and other payables (Cont.)

(A) Fair value disclosure

Due to the short-term nature, the carrying amount of trade and other payables is considered to approximate their fair value. For information about the methods and assumptions used in determining the fair value of the Group's payables refer to note D8(A)(i).

Material accounting policies

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within agreed credit terms. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. Other payables not due within a year are measured less cumulative amortisation calculated using the effective interest method. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

C8 Other liabilities

	2024 $'000	2023 $'000
Current		
Market incentive	**3,298**	2,375
Deferred payment liability	**3,045**	-
Other liabilities	**513**	1,084
Total current	**6,856**	3,459
Non-current		
Market incentive	**33,789**	38,079
Deferred payment liability	**5,845**	-
Total non-current	**39,634**	38,079
Total other liabilities	**46,490**	41,538

(A) Market incentive

The Group has an agreement with a key supplier to purchase the supplier's products on an exclusive basis over an agreed period of time. In exchange for this exclusive arrangement, and subject to certain conditions, the Group receives preferential benefits including the upfront payment of the market incentive and the ongoing competitive price of the products. During FY23, this arrangement was modified to remove future market incentive tranche funding and replaced it with a monthly cash rebate, while amortising the existing market incentive over a longer period at a reduced rate. This revised agreement was effective from 1 January 2023, meaning that the lower amortisation rate was already reflected in the comparative information for 30 June 2023.

The incentive is being amortised based on a percentage of the purchased product. Termination of the arrangement by the Company, or the occurrence of an event of default requires the Company to repay all unamortised balances.

As at 30 June 2024, an amount of $3,298,000 (30 June 2023: $2,375,000) has been classified as current representing the anticipated reduction in this incentive over the next twelve months.

A reconciliation of the movement of the market incentive liability is set out below:

	2024 $'000	2023 $'000
Balance at 1 July	**40,454**	47,960
Movement:		
Offset against inventory	**210**	(97)
Charged to profit or loss – raw materials and consumables used	**(3,577)**	(7,409)
Balance at 30 June	**37,087**	40,454

C9 Provisions

Provisions are a liability recorded when there is uncertainty over the timing or amount that will be paid but the expected settlement amount can be reliably estimated by the Group. The main provisions held are in relation to employee benefits and make good onsite premises.

	2024 $'000	2023 $'000
Current		
Annual leave	**20,297**	19,942
Long service leave	**13,700**	13,337
Make good	**1,927**	2,198
Other	**-**	854
Total current	**35,924**	36,331
Non-current		
Long service leave	**2,485**	2,544
Make good	**30,231**	29,198
Total non-current	**32,716**	31,742
Total provisions	**68,640**	68,073

(A) Carrying amounts and movements in provisions

Movements in make good and other provisions during the financial year are set out below:

	Other $'000	Make good $'000	Total $'000
Balance at 1 July 2022	**667**	**29,540**	**30,207**
Movement:			
Additional provisions recognised	854	9,293	10,147
Unused amounts reversed	(288)	(4,482)	(4,770)
Unwind of discount	-	1,486	1,486
Amounts used during the year	(379)	(4,519)	(4,898)
Effect of foreign exchange	-	78	78
Balance at 30 June 2023	**854**	**31,396**	**32,250**
Movement:			
Additional provisions recognised	-	2,841	2,841
Unwind of discount	-	966	966
Amounts used during the year	-	(2,646)	(2,646)
Effect of foreign exchange	-	8	8
Reclassification to assets held for sale	(854)	(407)	(1,261)
Balance at 30 June 2024	**-**	**32,158**	**32,158**

C9 Provisions (Cont.)

(A) Carrying amounts and movements in provisions (Cont.)

Material accounting policies

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable the Group will be required to settle the obligation and the amount has been reliably estimated.

Provisions are not recognised for future operating losses.

Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating annual leave and leave loading that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service, are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The short-term employee benefit obligations are recognised in the provision for employee benefits.

The current provision for employee benefits includes accrued annual leave and long service leave. Long service leave includes all unconditional entitlements where employees have completed the required period of service. Employee benefits are presented as current, since the Group does not have an unconditional right to defer settlement. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave within the next 12 months (approximately 70% of current annual leave and 25% of current long service leave would be expected to be used within the next 12 months).

Other long-term employee benefit obligations

The liability for long service leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service, are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date at present value.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

The non-current employee benefit represents a long-service leave provision which covers conditional entitlements where employees have not completed their required period of service, adjusted for the probability of likely realisation.

Make good

The Group is required to restore the leased premises of its sites to their original condition at the end of the respective lease terms. A provision has been recognised for the present value of the estimated expenditure required to remove any leasehold improvements. These costs have been capitalised as part of the cost of right-of-use asset and are depreciated over the shorter of the term of the lease and the useful life of the assets.

(B) Key accounting estimates and judgements – Estimation of make good provisions

Make good

As part of its obligations under the lease agreements for each of its sites, the Group is required to restore the leased premises to their original condition at the end of the respective lease terms. The estimated expenditure required to remove any leasehold improvements is based on amounts specified in the lease agreement or, in the absence of specific amounts, historical experience for sites with similar characteristics including size and the number of installations. The calculations to discount these amounts to their present value are based on the expected payments at the end of the lease term, the determination of which requires judgement.

D CAPITAL STRUCTURE, FINANCING AND FINANCIAL RISK MANAGEMENT

Capital and financial risk management provides information about the capital management practices of the Group, shareholder returns for the year and discusses the Group's exposure and management to various financial risks.

D1 Capital management

This section provides a summary of the capital management activities of the Group during the period. The Group manages its capital structure with the objective of enhancing long-term shareholder value through funding its business at an optimised weighted average cost of capital.

The Group's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so as to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. The gearing ratio has been calculated with reference to net senior debt which is presented in accordance with the requirements of the syndicated facility agreement.

The Group's capital includes ordinary share capital, financial liabilities at amortised cost (drawn facilities), cash and cash equivalents .

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, secure additional financing, restructure operations or sell assets to reduce debt. This is decided on the basis of maximising shareholder returns over the long term.

	Notes	2004 $'000	2003 $'000
Net debt			
Financial liabilities – drawn cash facilities	D7(A)	**130,000**	165,000
PIK interest capitalised	D7(A)	**3,771**	1,042
Cash and cash equivalents	D6	**(39,884)**	(28,874)
Net senior debt used in covenant calculations		**93,887**	137,168
Convertible notes (face value)	D7(B)	**50,000**	50,000
Net debt		**143,887**	187,168
Fully paid ordinary shares			
Quoted (at market price) [1]		**77,675**	107,307
Total fully paid ordinary shares		**77,675**	107,307
Total capital		**221,562**	294,475
Gearing Ratio		**64.9%**	63.6%
Gearing Ratio (net senior debt)		**42.4%**	46.6%

1 Fully Paid Ordinary Shares Quoted value has been calculated using the closing share prices as at 30 June each year.

D2 Loss per share

Loss per share presents the amount of loss generated for the reporting period attributable to shareholders divided by the weighted average number of shares on issue. The potential for any share rights issued by the Group to dilute existing shareholders' ownership when the share rights are exercised are also presented.

The convertible notes have no dilution effect on earnings per share.

	2024 $'000 / Number	2023 $'000 / Number
Loss from continuing operations attributable to the ordinary equity holders of the Company ($000s)	**(3,163)**	(141,027)
Weighted average number of ordinary shares used as denominator in calculating basic and diluted loss per share	**1,631,139,038**[1]	1,072,931,491
Basic and diluted loss from continuing operations per share (cents)	**(0.19)**	(13.14)

1 For information about the movements in ordinary shares refer to note D4(A).

	2024 $'000 / Number	2023 $'000 / Number
Loss attributable to the ordinary equity holders of the Company ($000s)	**(7,630)**	(144,448)
Weighted average number of ordinary shares used as denominator in calculating basic and diluted loss per share	**1,631,139,038**	1,072,931,491
Basic and diluted loss per share (cents)	**(0.47)**	(13.46)

D3 Dividends

Dividends are distributions of the Group's profit after tax to shareholders and represent one of the ways the Group distributes returns to its shareholders.

No dividends have been declared or paid in the current and previous year.

Franking credit balance	2024 $'000	2023 $'000
Franking credits available for subsequent reporting period based on tax rate of 30%	**12,843**	19,238

The above amounts represent the balances of the franking account as at the end of the financial year, adjusted for:

- franking credits that will arise from the payment of the amount of the provision for income tax;
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date; and
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

The balance of franking credits decreased during the period as a result of a $6,396 thousand tax receipt following submission of the FY24 tax return. Carry-back rules enabled the cash recovery of losses made in FY24, effectively representing the refund of previous income tax paid.

D4 Contributed equity

Contributed equity represents the number of ordinary shares on issue. A reconciliation is presented to show the movement in ordinary shares on issue.

(A) Movements in ordinary shares

	2024 Shares	2024 $'000	2023 Shares	2023 $'000
Quoted				
Opening balance	**1,073,070,217**	**533,190**	1,071,009,343	529,893
Institutional placement, net of tax	**522,160,826**	**39,162**	-	-
Retail entitlement offer, net of tax	**211,172,508**	**15,838**	-	-
Transaction costs, net of tax	**-**	**(2,089)**	-	-
Employee share issue[1]	**-**	**-**	418,545	1,727
Convert from unquoted shares[2]	**-**	**-**	1,642,329	1,611
Share buy-back for nil consideration	**-**	**-**	-	(41)
Total share capital	**1,806,403,551**	**586,101**	1,073,070,217	533,190

1 Represents shares issued to a senior executive upon satisfaction of vesting conditions for service rights issued under the Group's Employee Equity Plan and employee benefits grant. Service rights were granted in lieu of fixed remuneration. No performance condition other than ongoing employment is attached to the service rights. The Group uses the Black Scholes pricing methodology to measure the fair value of the service rights. The fair value per service right at grant date was $0.56. Employee benefits grant represents a vendor earn out for continuing employment for a three year period. This amount is recognised as prepaid employment services and unwound to employee benefits expense over the employment contract.

2 Unquoted shares were converted to quoted shares following completion of restriction period associated with previous acquisition.

Material accounting policies

Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

Quoted Fully Paid Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote and, upon a poll, each share is entitled to one vote.

D5 Other reserves

Other reserves represents the cumulative gains or losses that have been recognised in the Consolidated Statement of Comprehensive Income.

	2024 $'000	2023 $'000
Share-based payments	**1,870**	1,564
Foreign currency translation	**(83)**	(8)
Cash flow hedge	**779**	3,096
Total other reserves	**2,566**	4,652

The nature and purpose of each reserve is as follows:

(i) Share-based payments reserve

The share-based payments reserve is used to recognise the fair value of equity-settled share-based payments issued to employees, including key management personnel, as part of their remuneration. Equity instrument disclosures relating to key management personnel can be found in note F1 and within the Remuneration Report.

(ii) Foreign currency translation reserve

The foreign currency translation reserve is used to recognise foreign currency translation differences arising on the translation of financial statements of the Group's foreign entities into Australian Dollars.

(iii) Cash flow hedge reserve

Records fair value movements in cash flow hedging instruments to the extent the cash flow hedges are deemed effective. The balance is reclassified to net profit when the transaction to which the hedge is linked (such as the recognition of interest expense) affects the profit and loss. Ineffective portions of cash flow hedges are recognised in net profit immediately.

Material accounting policies

Cash flow hedge

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in the Consolidated Statement of Comprehensive Income and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is immediately charged to the profit or loss within finance costs.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, the hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the amount accumulated in equity is recognised in the profit or loss.

If the forecast transaction is yet to occur, the cash flow hedge reserve will be released to the profit or loss on a systematic basis over the original maturity of the hedge.

D6 Cash and cash equivalents

This section presents cash and cash equivalents in the Consolidated Statement of Financial Position and a reconciliation of the Group's profit for the period to net cash flows provided by operating activities.

(A) Cash and cash equivalents as presented in the Consolidated Statement of Financial Position

	2024 $'000	2023 $'000
Cash at bank and cash equivalents	**36,903**	28,874
Cash at bank and cash equivalents included within assets held for sale	**2,981**	-
Cash at bank and cash equivalents including assets held for sale	**39,884**	28,874

D6 Cash and cash equivalents (Cont.)

(B) Reconciliation of loss before income tax to net cash (outflows) / inflows from operating activities

	2024 $'000	2023 $'000
Loss for the period	**(6,821)**	(146,806)
Adjustment for:		
Non-cash market incentive	**(3,577)**	(7,409)
Non-cash employee remuneration	**786**	2,007
Fair value adjustments	**-**	(654)
Amortised borrowing costs	**2,030**	2,496
Depreciation and amortisation	**67,726**	71,360
Impairment (reversal) / expense	**(1,221)**	116,830
Loss on sale of business	**-**	63
Other	**(2,624)**	(6,047)
Income tax benefit	**(3,635)**	(14,467)
Income tax paid	**6,052**	14,969
Total adjustments	**65,537**	179,148
(Increase) / decrease in assets:		
Receivables and contract assets	**(5,833)**	5,958
Inventories	**(6,696)**	(4,892)
Other current assets	**3,075**	(5,782))
Total decrease in assets	**(9,454)**	(4,716)
Increase / (decrease) in liabilities:		
Trade and other payables	**(12,339)**	(5,029)
Provisions	**(383)**	(4,928)
Other liabilities	**6,002**	(98)
Total decrease in liabilities	**(6,720)**	(10,055)
Net cash inflows from operating activities	**42,542**	17,571

D6 Cash and cash equivalents (Cont.)

(C) Changes in liabilities arising from financing activities

The following table provides a reconciliation between opening and closing balances on the face of the Consolidated Statement of Financial Position arising from financing activities.

	Lease liabilities		Borrowings		Total liabilities from financing activities	
	2024 $'000	**2023 $'000**	**2024 $'000**	**2023 $'000**	**2024 $'000**	**2023 $'000**
Balance at 1 July	**316,988**	289,303	**208,950**	205,088	**525,938**	494,391
Movement:						
Cash inflows	**-**	-	**-**	-	**-**	-
Cash outflows – principal	**(32,000)**	(31,887)	**(35,000)**	-	**(67,000)**	(31,887)
Cash outflows – borrowing costs	**-**	-	**-**	-		-
PIK interest capitalised	**-**	-	**3,771**	1,042	**3,771**	1,042
Non-cash additions	**18,473**	59,572	**868**	2,820	**19,341**	62,392
Reclassification to assets held for sale	**(44,738)**	-	**-**	-	**(44,738)**	-
Balance at 30 June	**258,723**	316,988	**178,589**	208,950	**437,312**	525,938

Material accounting policies

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

D7 Other financial liabilities

This section provides a summary of the capital management activity of the Group during the period, including the Group's borrowings. The Group manages its liquidity requirements with a bank loan and interest rate swap.

(A) Borrowings

	2024 $'000	2023 $'000
Current		
Bank loan, net of capitalised borrowing costs	**132,030**	163,846
Total current	**132,030**	163,846
Non-current		
Convertible notes	**46,559**	45,104
Total non-current	**46,559**	45,104
Total	**178,589**	208,950

(i) Syndicated Facility Agreement

As at 30 June 2024, the Syndicated Facility was drawn exclusive of bank guarantees at $130,000,000 (2023: $165,000,000).

Facility	Limit $'000	Cash drawn $'000	Guarantees drawn $'000	Available to be drawn $'000	Maturity	Purpose
Facility B	112,500	112,500	-	-	Oct 2024	For general corporate purposes, including permitted acquisitions, growth capital expenditure and associated fees, costs and expenses and working capital advances up to a sublimit of $35,000,000. Interest rate is BBSY +5.65% margin.
Facility D	35,000	17,500	16,119	1,381	Oct 2024	For working capital, general corporate purposes, bank guarantees and letters of credit. At reporting date $16,100 thousand of bank guarantees had been issued under Facility D. This is not included in the Consolidated Statement of Financial Position (refer note F5). Interest rate is BBSY +5.65% margin.
Total	**147,500**	**130,000**	**16,119**	**1,381**		

The Group is required to make interest payments on the drawn debt. However, for the period from 19 August 2023 to 30 September 2024 a further margin was applied, which is capitalised into the loan balance. At 30 June an additional

$3,771,000 was capitalised into the loan balance (30 June 2023: $1,042,000). The repayment of principal and capitalised interest is required at maturity date. The effective interest rate on senior borrowings for the year ended 30 June 2024 was 8.10% (30 June 2023: 6.04%). Refer to note F6 for changes to syndicated facility agreement subsequent to year end.

The Group is required to comply with financial covenants under the terms of the borrowing facilities including a net senior leverage ratio (NSLR) and a fixed charge cover ratio (FCCR). In August 2023, AMA received consent from lenders to change the FY24 covenant requirements to remove the FCCR for FY24 and replace the NSLR covenant with a minimum EBITDA covenant for September and December 2023. The NSLR covenant was increased for March 2024 but left unchanged for June 2024. As part of this consent request, the Group agreed to a debt repayment obligation of $35,000 thousand by December 2023, which has resulted in a corresponding reduction in the Facility B limit during the period. The Group continues to closely monitor its forecast compliance with debt covenants and was compliant with covenants at 30 June 2024. Subsequent to year end, the Group finalised an extension on the senior debt facilities for a new maturity date of 31 December 2025. Refer to Note F6 for further details.

(ii) Security and fair value disclosures

The Syndicated Facility is secured by a fixed and floating charge over all of the assets of the Company and its wholly owned subsidiaries.

The carrying amount of the Group's borrowings approximates their fair values, as commercial rates of interest are paid, and the impact of discounting is not significant. For information about the methods and assumptions used in determining the fair value of the Groups borrowings refer to note D8(A)(i).

(iii) Risk exposures

Details of the Group's exposure to risks arising from borrowings are set out in note D8(B)(ii).

D7 Other financial liabilities (Cont.)

(A) Borrowings (Cont.)

Material accounting policies

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost, using the effective interest rate method. Interest is accrued over the period it becomes due and unpaid interest is recorded as part of current payables.

Borrowings are removed from the Consolidated Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the Consolidated Statement of Comprehensive Income as other income or finance costs.

(B) Convertible notes

On 21 September 2021, the Group completed the issuance of $50,000,000 Senior Unsecured Convertible Notes ("Notes"). The Notes are convertible at the option of the Noteholders into ordinary shares of AMA Group Limited. The initial conversion price was $0.4688 per share, however following the September 2023 equity raise has reduced to $0.3913 following a calculation performed under the terms of the Notes. Notes can be converted at any time up to 5 business days prior to the maturity date. The Noteholder has the option to require the Company to redeem all or some of the Noteholder's Notes on 22 March 2025 for an amount equal to 100% of the principal amount of the Notes plus any accrued but unpaid interest. Any Notes not converted will be redeemed on 21 March 2027, being the maturity date, at the principal amount of the Notes plus any accrued but unpaid interest. The Notes carry an interest rate of 4.0% per annum which is paid semi-annually in arrears on 22 March and 22 September.

The Convertible Notes are presented in the Consolidated Statement of Financial Position as follows:

	Debt $'000	Equity $'000	Total $'000
Balance at 1 July 2023	**45,104**	**5,197**	**50,301**
Accrued interest	2,773	-	2,773
Interest paid	(2,000)	-	(2,000)
Amortisation of transaction costs	682	-	682
Balance at 30 June 2024 (net of transaction costs)	**46,559**	**5,197**	**51,756**

Material accounting policies

Convertible notes are compound financial instruments, which require separation of debt and equity components at inception as follows:

Debt component

The fair value of the debt component of the Notes was estimated at the issuance date using an equivalent market interest rate of a similar instrument. The Notes are initially recognised at a discounted amount of $44,596,820.

The discount is amortised as interest expense using the effective interest method over the terms of the Notes at an effective interest rate of 6.10%.

Equity component – Conversion feature

The conversion feature of the Notes is required to be separated from the Notes and is recognised in shareholders equity, net of income tax, and not subsequently remeasured. The conversion feature represents the Group's obligation to issue AMA Group Limited shares at a fixed price should Noteholders exercise their conversion option.

Settlement of Convertible Notes

Where Notes are settled by issue of shares, the related financial liabilities are derecognised at their carrying value with the corresponding increase to share capital. Any costs incurred are recognised in profit or loss.

Capitalised transaction costs

AMA Group Limited incurred $2,081,000 of transaction costs upon issuance of the Notes. Transaction costs relating to the Notes have been allocated between the debt component and the equity component using the relative proportions of these on initial measurement of the instruments. Costs attributed to the debt component are amortised to finance expense over the term of the Notes using the effective interest method.

D8 Financial risk management

This section provides a summary of the Group's exposure to market, liquidity, and credit risks, along with the Group's policies and strategies in place to mitigate these risks.

Exposure to market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk arises in the normal course of the Group's business.

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

The risk management of the Group is carried out by executive management and conducted in a manner consistent with policies approved by the Board. Executive management identifies, evaluates and mitigates financial risks within the Group's operating units.

The Group holds the following financial instruments:

	Notes	2024 $'000	2023 $'000
Financial assets at amortised cost			
Cash and cash equivalents	D6	**36,903**	28,874
Receivables and contract assets	C1	**59,961**	61,470
Loans to a former related party and other employees		**-**	1,592
Acquisition deposits	C3	**300**	300
Total financial assets		**97,164**	92,236
Financial liabilities at amortised cost			
Trade and other payables	C7	**93,063**	111,441
Lease liabilities	C6	**258,723**	316,988
Borrowings (including convertible notes)	D7	**178,589**	208,950
Total financial liabilities		**530,375**	637,379

(A) Fair value measurement of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The Group measures certain financial instruments at fair value at each reporting date using a hierarchy based on the lowest level of input that is significant to the fair value measurement.

The fair value hierarchy consists of the following levels:

- quoted prices in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset / liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- inputs for the asset / liability that are not based on observable market data (unobservable inputs) (Level 3).

There were no transfers between levels during the financial year.

(i) Carrying amount approximate fair values

The carrying amount of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature. The fair value of non-current borrowings is estimated by discounting the future contractual cash flows at the current market interest rates that are available to the Group for similar financial instruments. The carrying amount of the Group's borrowings approximates their fair values, as commercial rates of interest are paid, and the impact of discounting is not significant. However, convertible notes are fixed price with conversion options at a fixed price per AMA Group share. These convertible notes are tradeable on the Singapore Stock Exchange. In the event of interest rates increasing or AMA share price falling, it would be expected the fair value of convertible notes would decline.

D8 Financial risk management (Cont.)

(B) Market risk

Market risk is the risk that the fair value or future cash flows of a financial asset or financial liability will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange risk, interest rate risk and price risk.

The Group's exposure to market risk arises from adverse movements in foreign exchange and interest rates which affect the Group's financial performance. The Group is not exposed to any significant price risk.

(i) Foreign exchange risk

Foreign exchange risk is the risk that a change in foreign exchange rates may negatively impact the Group's cash flow or profitability because the Group has an exposure to a foreign currency or has foreign currency denominated obligations.

The Group's exposure to foreign exchange risk arises from its future commercial transactions, and recognised assets and liabilities denominated in a currency that is not the entity's functional currency.

The impact of a 10% movement in USD or NZD exchange rates has a minimal impact on net profit after tax.

The Group does not employ foreign currency hedges. If the transactional value, net asset position and overall exposure were to increase it is likely that a policy will be adopted to mitigate risk.

The aggregate net foreign exchange gains / losses recognised in profit or loss were a net loss of $63,866 (2023: net loss of $55,000).

Material accounting policies

Functional and presentation currency

Items included in the Consolidated Financial Statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The Consolidated Financial Statements are presented in Australian dollars (AUD).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange gains and losses are presented in the Consolidated Statement of Comprehensive Income on a net basis within other expenses.

Group companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated in the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each consolidated statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions; and
- All relating exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and are translated at the closing rate.

(ii) Interest rate risk

The Group holds both interest-bearing assets and interest bearing-liabilities, and therefore the Group's income and cash flows are subject to changes in market interest rates.

The Group's main interest rate risk arises from long-term borrowings which expose the Group to interest rate risk. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value risk.

The Group uses derivative financial instruments to hedge its exposure to fluctuations in interest rates and manages its cash flow interest rate risk by using floating to fixed interest rate swaps. The Group agrees to exchange, at specified intervals, the difference between fixed and variable interest rate amounts calculated by reference to an agreed notional principal amount. These swaps are designated to hedge interest costs associated with underlying debt obligations. The interest swap contract is designated as a cash flow hedging instrument.

(Continues next page)

D8 Financial risk management (Cont.)

(B) Market risk (Cont.)

(ii) Interest rate risk (Cont.)

In June 2023, in preparation for the expected refinancing of debt, the Group closed out its interest rate swap positions, realising cash of $6,135,000 as a result of the close out. The Board approved this deviation from the Group Treasury Risk Policy as the Group transitions to new financing arrangements.

At reporting date, the Group has exposure to the following variable rate borrowings and interest rate swap contracts:

	Interest rate		Interest rate	
	2024 %	2024 '000	2023 %	2023 '000
Syndicated facility agreement[1]	**4.41%**	**133,771**	3.72	166,042
Net exposure to cash flow interest rate risk		**133,771**		166,042

1 Interest rate for Syndicated facility agreement is BBSY at latest rate setting notice (19 April 2024). The rate presented does not include any margin and line fees applicable under the loan agreement.

An analysis by maturities is provided in note D8(D)(i). This maturity analysis assumes Noteholders exercise their put option on 21 March 2025 and are repaid the principal amount in full. In the event that AMA's share price increases above the conversion price, the Group would expect that the conversion option would be taken up by some or all Noteholders and the cash outflow to repay Noteholders would not be required.

The following table summarises the impact of interest rate changes, relating to existing borrowings and financial instruments, on net profit before tax. For the purpose of this disclosure, sensitivity analysis is isolated to a 100 basis points increase / decrease in interest rates assuming all other variables remain constant.

	(Increase) on profit / decrease before tax	
Floating rate	2024 '000	2023 '000
Increase of 100 bps	**1,338**	1,660
Decrease of 100 bps	**(1,338)**	(1,660)

(C) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The maximum exposure to credit risk at the end of the reporting period is the carrying amount, net of any provisions for impairment for each class of the following financial assets:

(i) Cash and cash equivalents

Credit risk from cash arises from balances held with counterparty financial institutions. Credit risk is managed by the Group's finance department which restrict the Group's exposure to financial institutions by credit rating band. For banks and financial institutions, only independently rated parties with a minimum rating of "A" are accepted.

(ii) Trade and other receivables

Customer credit risk is managed by each division's established policies, procedures and controls relating to customer credit risk management. Credit risk arising on trade and other receivables is monitored on an ongoing basis, mitigating exposure to impairment of trade and other receivables.

The Group applies the AASB 9 *Financial Instruments* simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Historically, there has been no significant change in customers' credit risk and the lifetime expected loss assessment of the Group remains unchanged.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses based on historical credit loss experience, adjusted for forward looking factors specific to the debtor and the economic environment. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include failure to make contractual payments for a period of greater than 60 days past due. The Group does not hold any collateral in relation to these receivables.

The Group is exposed to material concentrations of credit risk with its top two customers representing approximately 45% of total trade receivables (30 June 2023: 38%). The Group's receivables are largely due from Australian regulated insurers who have strong long-term credit ratings. The Group focuses largely on experienced payment history and does not expect that these customers will fail to meet their obligations.

For the year ended 30 June 2024, the Group recognised an expected credit loss of $120,000 (30 June 2023: $304,000).

D8 Financial risk management (Cont.)

(D) Liquidity risk

Liquidity risk is the risk the Group will encounter difficulties in meeting the obligations associated with its financial liabilities. The Group's approach to managing liquidity is to ensure, as far as possible, sufficient liquidity is available to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Management monitors rolling forecasts of the Group's liquidity reserve (comprising the undrawn borrowing facilities and cash and cash equivalents) on the basis of expected cash flows. This is generally carried out at an operational level on a weekly basis in accordance with practice and limits set by the Group. This is to ensure ongoing liquidity, prompt decision making, and allow proactive communication with its financiers.

Details of financing arrangements are disclosed in note D7(A). At the reporting date, the Group has $1,381,000 of undrawn committed facilities available for bank guarantees subject to approval from financiers (30 June 2023: $1,474,000).

(i) Maturities of financial instruments

The tables below provide an analysis of the Group's financial assets and liabilities into relevant maturity groupings based on the remaining period between the reporting date and the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial instruments	Carrying Amount $'000	Within 1 year $'000	Between 1 and 5 years $'000	Over 5 years $'000	Total contractual cash flows $'000
2024					
Financial assets realisable cash flows					
Cash and cash equivalents	36,903	36,903	-	-	36,903
Receivables and contract assets	59,961	59,961	-	-	59,961
Acquisition deposits	300	300	-	-	300
Total inflow on financial assets	**97,164**	**97,164**	**-**	**-**	**97,164**
Financial liabilities due for payment					
Trade and other payables	(93,063)	(93,063)	-	-	(93,063)
Lease liabilities	(258,723)	(46,276)	(161,625)	(167,113)	(375,014)
Borrowings[1]	(178,589)	(178,589)	-	-	(178,589)
Total outflow on financial liabilities	**(530,375)**	**(317,928)**	**(161,625)**	**(167,113)**	**(646,666)**
Total outflow on financial instruments	**(433,211)**	**(220,764)**	**(161,625)**	**(167,113)**	**(549,502)**
2023					
Financial assets realisable cash flows					
Cash and cash equivalents	28,874	28,874	-	-	28,874
Receivables and contract assets	61,470	61,470	-	-	61,470
Financial assets	1,592	1,592	-	-	1,592
Acquisition deposits	300	300	-	-	300
Total inflow on financial assets	**92,236**	**92,236**	**-**	**-**	**92,236**
Financial liabilities due for payment					
Trade and other payables	(111,441)	(111,441)	-	-	(111,441)
Lease liabilities	(316,988)	(51,419)	(187,771)	(210,330)	(449,520)
Borrowings	(208,950)	(15,900)	(229,544)	-	(245,444)
Total outflow on financial liabilities	**(637,379)**	**(178,760)**	**(417,315)**	**(210,330)**	**(806,405)**
Total outflow on financial instruments	**(545,143)**	**(86,524)**	**(417,315)**	**(210,330)**	**(714,169)**

1 Refer to note F6 for details on changes to financing arrangements subsequent to year end.

E GROUP STRUCTURE

Group structure provides information about subsidiaries and how changes have affected the financial position and performance of the Company, AMA Group Limited.

E1 Parent entity information

This section presents the stand-alone financial information of AMA Group Limited.

(A) Summary financial information

	2024 $'000	2023 $'000
Assets		
Current assets	**16,098**	20,412
Total assets	**345,258**	336,995
Liabilities		
Current liabilities	**143,711**	178,748
Total liabilities	**227,080**	262,823
Net assets	**118,178**	74,172
Equity		
Contributed equity	**586,101**	533,190
Convertible notes	**5,197**	5,197
Other reserves	**62,196**	64,207
Retained deficit	**(535,316)**	(528,422)
Total equity	**118,178**	74,172
Loss for the year	**(6,894)**	(146,800)
Total comprehensive loss	**(11,442)**	(142,589)

(B) Guarantees entered into by the parent entity

The parent entity has entered into a Deed of Cross Guarantee with the effect that the Company guarantees debts in respect of certain subsidiaries. Refer to note E2 for further details of the subsidiaries covered under the Deed of Cross Guarantee.

The Parent entity has given unsecured guarantees in respect of financial trade arrangements entered into by its subsidiaries. It is not practical to ascertain or estimate the maximum amount for which the Company may become liable. As at 30 June 2024, no subsidiary was in default in respect of any arrangement guaranteed by the Company and all amounts owed have been brought to account as liabilities in the Consolidated Financial Statements.

Material accounting policies

Parent entity

Financial information for the parent entity has been prepared on the same basis as the Consolidated Financial Statements with the exception of investments in controlled entities which are accounted for at cost less any impairment.

E2 Investments in controlled entities

The following section sets out the list of the Group's significant investments in controlled entities.

The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of controlled entities are included in the Consolidated Financial Statements from the date on which control commences until the date on which control ceases.

(A) Significant investments in controlled entities

The Consolidated Financial Statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note A2(A):

			Equity holding	
Name of entity	Country of incorporation	Class of shares	2024 %	2023 %
A.C.N. 124 414 455 Pty Ltd[1,2]	Australia	Ordinary	**100**	100
Accident Repair Management Pty Ltd[3]	Australia	Ordinary	**-**	100
Accident Repair Management No. 2 Pty Ltd[3]	Australia	Ordinary	**-**	100
Accident Repair Management No. 3 Pty Ltd[3]	Australia	Ordinary	**-**	100
ACM Parts Pty Ltd[1,5]	Australia	Ordinary	**100**	100
AMA Group Solutions Pty Ltd[1]	Australia	Ordinary	**100**	100
AMA Procurement Pty Ltd[1,5]	Australia	Ordinary	**100**	100
BMB Collision Repairs Pty Ltd[1]	Australia	Ordinary	**100**	100
Capital SMART Group Holdings Pty Ltd	Australia	Ordinary	**90**	90
Capital SMART Repairs Australia Pty Ltd	Australia	Ordinary	**90**	90
Capital SMART Repairs New Zealand Pty Ltd	New Zealand	Ordinary	**90**	90
Carmax New Zealand Limited[3]	New Zealand	Ordinary	**-**	100
Direct One Accident Repair Centre Pty Ltd[1]	Australia	Ordinary	**100**	100
FluidDrive Holdings Pty Ltd[3]	Australia	Ordinary	**-**	100
Geelong Consolidated Repairs Pty Ltd[1]	Australia	Ordinary	**100**	100
Gemini Accident Repair Centres NZ Limited[3]	New Zealand	Ordinary	**-**	100
Micra Accident Repair Centre Pty Ltd[1]	Australia	Ordinary	**100**	100
Mr Gloss Holdings Pty Ltd[1]	Australia	Ordinary	**100**	100
Mt Druitt Autobody Repairs Pty Ltd[3]	Australia	Ordinary	**-**	100
Phil Munday's Panel Works Pty Ltd[1]	Australia	Ordinary	**100**	100
Qplus Production Pty Ltd[2]	Australia	Ordinary	**90**	90
Repair Management Australia Pty Ltd[1]	Australia	Ordinary	**100**	100
Repair Management Australia Bayswater Pty Ltd[1]	Australia	Ordinary	**100**	100
Repair Management Australia Dandenong Pty Ltd[1]	Australia	Ordinary	**100**	100
Repair Management New Zealand Limited	New Zealand	Ordinary	**100**	100
Ripoll Pty Ltd[1,2]	Australia	Ordinary	**100**	100
Shipstone Holdings Pty Ltd[1]	Australia	Ordinary	**100**	100
Smash Repair Canberra Pty Ltd[1]	Australia	Ordinary	**100**	100
Tech Right ADAS Solutions Pty Ltd[1,4]	Australia	Ordinary	**100**	-
Woods Auto Shops (Cheltenham) Pty Ltd[3]	Australia	Ordinary	**-**	100
Woods Auto Shops (Dandenong) Pty Ltd[1]	Australia	Ordinary	**100**	100
Woods Auto Shops (Holdings) Pty Ltd[1]	Australia	Ordinary	**100**	100

1 These companies are parties to the Deed of Cross Guarantee and members of the Closed Group as at 30 June 2024 (refer note E4).

2 These companies are dormant.

3 In FY24, these companies were voluntarily de-registered and are no longer part of the AMA Group of companies or party to the Deed of Cross Guarantee.

4 Company incorporated on 28 September 2023

5 These companies have been classified as held for sale and Discontinued Operations

(B) Discontinued operations

Material accounting policies

Unless otherwise stated, the Group's controlled entities have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

The Group has classified ACM Parts business (ACM) as held for sale as at 30 June 2024 on the basis of the Board resolution to divest ACM, as was announced to the market on 19 June 2024. The Board endorsed a strategic plan that sees AMA Group operate as a pure collision repair portfolio business, including associated services. As part of the divestment process, the Group has classified ACM as a discontinued operation and recorded its assets and liabilities as held for sale.

Material accounting policies

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has ceased or been disposed of or is held for sale. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is restated as if the operation had been discontinued from the start of the comparative period.

Income statement – Discontinued operations	2024 $'000	2023 $'000
Revenue and other income	**84,843**	79,557
Raw materials and consumables used	**(57,890)**	(54,380)
Employee benefits expense	**(18,582)**	(17,583)
Occupancy expense	**(2,149)**	(1,774)
Professional services expense	**(267)**	(296)
Other expense	**(3,666)**	(3,895)
Related party management recharges	**(504)**	-
Loss on disposal of business	**-**	109
Depreciation and amortisation expense	**(4,975)**	(4,392)
Operating loss before interest and tax	**(3,190)**	(2,654)
Net finance costs	**(3,182)**	(2,072)
Loss before income tax	**(6,372)**	(4,726)
Income tax benefit	**1,905**	1,305
Loss after income tax	**(4,467)**	(3,421)

Loss per share – Discontinued operations	2024 $'000 / Number	2023 $'000 / Number
Loss from discontinued operations attributable to the ordinary equity holders of the Company ($000s)	**(4,467)**	(3,421)
Weighted average number of ordinary shares used as denominator in calculating basic and diluted loss per share	**1,631,139,038**	1,072,931,491
Basic and diluted loss from discontinued operations per share (cents)	**(0.27)**	(0.32)

Cash flows from Discontinued operations	2024 $'000	2023 $'000
Net operating cash flows	**(3,458)**	(9,225)
Net investing cash flows	**(1,101)**	454
Net financing cash flows	**4,280**	8,298
Effect of exchange changes on cash and cash equivalents	**-**	(6)
Net decrease in cash and cash equivalents from discontinued operations	**(279)**	(479)

E2 Investments in controlled entities (Cont.)

(C) Assets and liabilities held for sale

The assets and liabilities classified as current assets and liabilities held for sale are presented in the table below.

	2024 $'000
Cash and cash equivalents	2,981
Receivables and contract assets	7,342
Inventories	39,590
Property, plant and equipment	5,050
Right-of-use assets	40,410
Intangible assets	59
Deferred tax assets	14,231
Other current assets	1,626
Assets held for sale	**111,289**
Trade and other payables	6,039
Lease liabilities	44,738
Provisions	2,566
Deferred tax liabilities	12,134
Liabilities held for sale	**65,477**

Material accounting policies

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Such assets, or disposal groups, are measured at the lower of their carrying amount or fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except no loss is allocated to financial assets and deferred tax assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in the statement of comprehensive income.

When tax obligations pass-through to the shareholders of the disposal group, taxable temporary differences are included in the disposal group when they are calculated with reference to the disposal group's underlying assets and liabilities.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

E3 Non-controlling interests

On 25 October 2019, the Group incorporated Capital SMART Group Holdings Pty Ltd with 90% of the issued capital held by the Company. Capital SMART Group Holdings Pty Ltd is the head company of the Capital SMART group of entities.

Set out below is summarised financial information for this entity. The amounts disclosed are before intercompany eliminations.

(A) Summarised Statement of Financial Position

	2024 $'000	2023 $'000
Current assets	**47,974**	38,124
Current liabilities	**(67,516)**	(73,626)
Current net liabilities	**(19,542)**	(35,502)
Non-current assets	**265,960**	288,375
Non-current liabilities	**(248,479)**	(257,024)
Non-current net assets	**17,481**	31,351
Net assets	**(2,061)**	(4,151)
Accumulated non-controlling interests	**8,874**	8,063

(B) Summarised Statement of Comprehensive Income / (Expense)

	2024 $'000	2023 $'000
Revenue	**464,550**	396,799
Income / (expense) for the year	**8,095**	(81,323)
Other comprehensive (expense) / income	**17**	16
Total comprehensive income / (expense)	**8,112**	(81,307)
Income / (expense) allocated to non-controlling interests (excludes goodwill impairment)	**811**	(2,356)

(C) Summarised Statement of Cash Flows

	2024 $'000	2023 $'000
Net cash inflows / (outflows) provided by operating activities	**39,637**	(8,418)
Net cash outflows used in investing activities	**(7,020)**	(2,411)
Net cash (outflows) / inflows from financing activities	**(29,216)**	3,942
Net increase / (decrease) in cash and cash equivalents	**3,401**	(6,887)

	2024 $'000	2023 $'000
Balance at 1 July	**8,063**	10,419
Movement:		
Share of result for the year	**811**	(2,356)
Balance at 30 June	**8,874**	8,063

The Group elected to recognise the non-controlling interests in respect of Capital SMART Group Holdings Pty Ltd as the proportionate share of the acquired entity's net identifiable assets.

E3 Non-controlling interests (Cont.)

(C) Summarised Statement of Cash Flows (Cont.)

Material accounting policies

Non-controlling interest

The Group recognises non-controlling interests in an acquired entity either at fair value or at the non-controlling interests' proportionate share of the acquired entity's net identifiable assets. The decision is made on an acquisition-by-acquisition basis. For the non-controlling interests in Capital SMART Group Holdings Pty Ltd, the Group elected to recognise the non-controlling interest as its proportionate share of the acquired net identifiable assets.

Where the non-controlling interests are acquired or sold without loss of control, any excess or deficit of consideration paid over the carrying amount is recognised in equity transactions. The Group has elected to recognise this effect in retained earnings.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

E4 Deed of cross guarantee

The following section presents the Consolidated Statement of Profit or Loss and the Consolidated Statement of Financial Position of the Company and certain wholly-owned companies that are parties to a deed of cross guarantee.

The Company and each of the Australian wholly-owned subsidiaries identified in note E2 (together referred to as the Closed Group) has entered into a Deed of Cross Guarantee (the Deed), as defined in *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785* (the Instrument). The effect of the Deed is that each entity in the Closed Group guarantees the payment in full of all debts of the other entities in the Closed Group in the event of their winding up. The Closed Group has also given a similar guarantee in the event that the Company is wound up or if it does not meet its obligations under the terms of overdrafts, loans, leases, or other liabilities subject to the guarantee.

Pursuant to the Instrument, the wholly-owned subsidiaries within the Closed Group are relieved from the requirement to prepare, audit, and lodge separate financial reports. The Trustee to this deed of cross guarantee is Ripoll Pty Ltd, a member of the consolidated group.

(A) Consolidated Statement of Profit or Loss and movement in retained deficit of the closed group

	2024 $'000	2023 $'000
Revenue and other income	**466,055**	469,618
Raw materials and consumables used	**(188,406)**	(187,766)
Employee benefits expense	**(212,730)**	(208,509)
Occupancy expense	**(13,130)**	(7,739)
Professional services expense	**(6,200)**	(6,715)
Other expense	**(12,566)**	(10,542)
Loss on disposal of business	**-**	(63)
Fair value adjustments on contingent vendor consideration	**-**	654
Depreciation and amortisation expense	**(32,853)**	(35,252)
Impairment expense	**489**	(116,326)
Operating profit / (loss) before interest and tax	**659**	(102,640)
Net finance costs	**(23,248)**	(23,124)
Operating loss before income tax	**(22,589)**	(125,764)
Income tax benefit	**7,520**	3,750
Loss after income tax	**(15,069)**	(122,014)

	2024 $'000	2023 $'000
Retained deficit at the beginning of the financial year	**(444,086)**	(322,072)
Loss for the year	**(15,069)**	(122,014)
Retained deficit at the end of the financial year	**(459,155)**	(444,086)

E4 Deed of cross guarantee (Cont.)

(B) Consolidated Statement of Financial Position of the closed group

	2024 $'000	2023 $'000
Current assets		
Cash and cash equivalents	**22,827**	15,588
Receivables and contract assets	**39,239**	41,724
Inventories	**47,423**	41,225
Other financial assets	**-**	1,592
Other current assets	**11,026**	12,040
Current tax receivable	**-**	4,169
Total current assets	**120,515**	116,338
Non-current assets		
Property, plant and equipment	**35,573**	32,347
Right-of-use assets	**186,051**	195,126
Intangible assets	**163,484**	157,627
Other non-current assets	**-**	685
Deferred tax assets	**28,057**	20,487
Receivables from related entities	**100,149**	121,827
Investments in controlled entities	**14,565**	14,565
Total non-current assets	**527,879**	542,664
Total assets	**648,394**	659,002
Current liabilities		
Trade and other payables	**54,996**	58,545
Other financial liabilities	**132,030**	163,846
Current tax payable	**385**	-
Lease liabilities	**21,473**	21,276
Provisions	**23,777**	22,926
Other liabilities	**3,811**	3,459
Total current liabilities	**236,472**	270,052
Non-current liabilities		
Other financial liabilities	**46,559**	45,104
Lease liabilities	**178,595**	186,754
Provisions	**18,198**	20,063
Other liabilities	**33,790**	38,079
Total non-current liabilities	**277,142**	290,000
Total liabilities	**513,614**	560,052
Net assets	**134,780**	98,950
Equity		
Contributed equity	**586,101**	533,190
Other reserves	**2,637**	4,649
Retained deficit	**(459,155)**	(444,086)
Convertible notes	**5,197**	5,197
Total equity	**134,780**	98,950

F OTHER INFORMATION

This section of the notes includes other information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the Consolidated Financial Statements.

F1 Share-based payments

This section presents the Group's benefits provided to employees through share-based incentives. Eligible employees are remunerated for their services or incentivised for their performance in part through shares or rights to shares.

The Employee Equity Plan (the "Plan") was approved by shareholders at the Annual General Meeting on 22 November 2018. The Plan is designed to align employee and shareholder interests through share ownership. The Plan is for the benefit of all employees (including Executive Directors) of the Company. Awards under the Plan are issued to eligible participants by way of:

- a Right;
- a Share;
- a Performance Share.

(A) Performance rights program

The Performance Rights Program (PRP) was implemented in FY20 (in accordance with the Plan) and acts as the Group's long-term incentive scheme to reward participants through variable remuneration. Under the PRP, Executives and other eligible senior employees are invited to receive performance rights in the Company. Detailed remuneration disclosures including the link between the PRP and shareholder wealth are provided in the Remuneration Report.

Under the PRP, each performance right enables the participant to acquire a share in the Company, at a future date, subject to agreed vesting conditions. The number of performance rights allocated to each participant is set by the Board and based on individual circumstances and performance.

(i) Movements during the year

Allocation of performance rights under the PRP were granted during FY24. The grants were awarded at no cost to the participants and are subject to performance conditions over a three-year period ending 30 June 2026.

Set out in the table below is a summary of movements in the number of performance rights under the PRP at the end of the financial year.

Grant date	Balance at the start of the year	Granted during the year	Forfeited during the year	Balance at the end of the year	Unvested at the end of the year
9 December 2021	2,004,900	-	(2,004,900)	-	-
20 December 2021	1,457,739	-	(445,533)	1,012,206	1,012,206
18 February 2022	396,802	-	-	396,802	396,802
14 June 2022	1,206,653	-	-	1,206,653	1,206,653
30 November 2022	15,551,960	-	(5,469,915)	10,082,045	10,082,045
6 January 2023	218,531	-	(218,531)	-	-
15 December 2023	-	23,649,896	-	23,649,896	23,649,896
Total	**20,836,585**	**23,649,896**	**(8,138,879)**	**36,347,602**	**36,347,602**

F1 Share-based payments (Cont.)

(A) Performance rights program (Cont.)

(ii) Vesting conditions of rights

Vesting of the performance rights is subject to continued employment with the Group and achievement of performance hurdles. These performance hurdles for grants are based on the Group's relative TSR (50%) and absolute TSR (50%). Further details regarding these performance measures and how they are calculated are shown in the below table.

	Relative TSR		Absolute TSR	
	Relative TSR (percentile)	Percentage of TSR-tested rights to vest	**TSR CAGR**	Percentage of absolute TSR-tested rights to vest
Vesting schedule	**<50th**	Nil	**<27%** (PY 8%)	Nil (PY Nil)
	50th	50%	**27%** (PY 8%)	50% (PY 50%)
	75th and above	100%	**32%** (PY 12%)	75% (PY 75%)
			37% and above (PY 15% and above)	100% (PY 100%)
	Straight line pro-rata vesting from 50%-100%		Straight line pro-rata vesting between each point	

(iii) Fair value of rights granted

To reflect the impact of the market-based performance conditions, the fair value of the rights subject to the TSR have been calculated using Monte-Carlo simulation techniques. The variables in the table below are used as inputs into the model to determine the fair value of performance rights.

Grant date[1]	Performance period	Share price on grant date	Share price volatility[2]	Risk free rate	Annual dividend yield	Fair value per relative TSR right	Fair value per absolute TSR right	Vesting date
20 December 2021	Jul 2021 - Jun 2024	$0.43	42.5%	0.78%	0.8%	$0.22	$0.20	31 August 2024
18 February 2022	Jul 2021 - Jun 2024	$0.36	42.5%	1.31%	0.8%	$0.14	$0.18	31 August 2024
14 June 2022	Jul 2021 - Jun 2024	$0.17	50%	3.87%	0.8%	$0.03	$0.01	31 August 2024
30 November 2022	Jul 2022 - Jun 2025	$0.21	59%	3.68%	0.0%	$0.17	$0.15	31 August 2025
15 December 2023	Jul 2023 - Jun 2026	$0.07	81%	3.94%	0.0%	$0.04	$0.03	31 August 2026

1 For the purposes of valuation, the grant date is determined in accordance with AASB 2 *Share Based Payments*.

2 The Company share price volatility is based on the Company's average historical share price volatility at the grant date.

(B) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the year as part of employee benefit expense were as follows:

	2024 $'000	2023 $'000
Share-based payments expense	**786**	2,007
Total share-based payments expense	**786**	2,007

F1 Share-based payments (Cont.)

(C) Expenses arising from share-based payment transactions (Cont.)

Material accounting policies

Share-based payments

The cost of share-based payments plans is determined on the basis of the fair value of the equity instrument at grant date. Determining the fair value assumes choosing the most suitable valuation model for these equity instruments, by which the characteristics of the grant have a decisive influence. The input into the valuation model includes relevant judgments such as the estimated probability of vesting and the volatility of the underlying share.

The grant date fair value of equity-settled share-based payments is recognised as an expense proportionally over the vesting period, with a corresponding increase in equity.

The fair value of instruments with market-based performance conditions (TSR) is calculated at the date of grant using a Monte Carlo simulation model. The probability of achieving market-based performance conditions is incorporated into the determination of the fair value per instrument.

The fair value of instruments with non-market-based performance conditions (EPS) and service conditions and retention rights are calculated using a Black-Scholes option pricing model.

At each statement of financial position date, the entity revises its estimate of the number of options and performance rights that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

F2 Related party transactions

This section highlights the Group's transactions with its related parties and the extent these transactions impacted the Group's financial performance and position.

(A) Parent entity

The ultimate holding entity is AMA Group Limited. Information about the Group's structure, including details of the controlled entities and holding company are set out in note E2.

(B) Key management personnel compensation

The total remuneration for KMP of the Group is set out below:

	2024 $'000	2023 $'000
Short-term employee benefits	**3,235,923**	2,808,508
Post-employment benefits	**107,940**	105,452
Other long-term benefits	**2,453**	5,264
Termination (Payment in lieu of notice)	**450,000**	-
Share-based payments	**(347,529)**	619,661
Total KMP compensation	**3,448,787**	3,538,885

Detailed remuneration disclosures and information regarding compensation of individual Key Management Personnel are provided in the Remuneration Report on pages 34 to 45.

(C) Balances outstanding to entities controlled by Key Management Personnel

No balances are outstanding in relation to entities controlled by current KMP at 30 June 2024 (2023: nil).

(D) Loans provided to a former related party

Loan outstanding at the end of the prior year included a loan to the former Group Chief Executive Officer and Executive Director, Andrew Hopkins. The loan was settled on agreed terms between AMA Group and Mr Hopkins in March 2024.

There are no other loans with related parties outstanding as at the date of this report.

F3 Auditor's remuneration

This section presents the total remuneration of the Group's external auditors for audit, assurance, and other services.

During the year the following fees were paid or payable for services provided by KPMG:

	2024 $'000	2023 $'000
Audit and review services		
Audit and review of financial statements – Group	**830,796**	781,466
Audit and review of financial statements – controlled entities	**248,800**	242,309
Total remuneration for audit and review services	**1,079,596**	1,023,775
Other non-assurance services		
Transactional services	**-**	-
Total remuneration for non-assurance services	**-**	-
Total auditor's remuneration	**1,079,596**	1,023,775

The provision of non-assurance services is governed by the Group's Auditor Independence Policy and the general standard of independence for auditors imposed by the *Corporations Act 2001 (Cth)*. The external auditor will not be engaged to perform any service that may impair or be perceived to impair the external auditor's judgement or independence. It is the Group's policy to seek competitive quotes for all major consulting projects.

F4 Commitments

This section presents the Group's contractual obligation to make a payment in the future in relation to purchases of property, plant and equipment, and lease commitments.

	2024 $'000	2023 $'000
Capital expenditure commitments		
Committed at the end of the reporting period but not recognised as liabilities, payable:		
Within one year	**-**	603
Later than one year but not later than five years	**-**	-
Later than five years	**-**	-
Total capital expenditure commitments	**-**	603
Operating lease commitments		
Commitments for minimum lease payments in relation to non-cancellable short-term leases are payable as follows:		
Within one year	**122**	239
Later than one year but not later than five years	**-**	297
Later than five years	**-**	-
Total operating lease commitments	**122**	536
Total commitments for expenditure	**122**	1,139

F5 Contingent liabilities

Contingent liabilities are potential future cash payments where the likelihood of payment is not considered probable or cannot be measured reliably.

(A) Legal claims

During FY21, a business vendor issued a Notice of Dispute against the Group in relation to their earn-out calculation.

The parties agreed to mediate which at the date of this report is still ongoing. Management considers the claims brought to be unjustified, and the probability that the settlement will exceed the amount already provisioned for, to be less than probable. The Directors are of the view that no material losses will arise in respect of the legal claim at the date of these Consolidated Financial Statements. Further information on this contingency is omitted so as not to prejudice the Group's position in the related dispute.

In May 2021, the Company filed proceedings in the Federal Court of Australia against the former Group CEO and Executive Director, Andrew Hopkins. The matter was settled on agreed terms between AMA Group and Mr Hopkins in March 2024.

F6 Events occurring after the reporting period

This section outlines events which have occurred between the reporting date and the date the Financial Report is authorised for issue.

Equity raising

On 18 July 2024, AMA Group launched a capital raising to raise $125.0 million of share capital. The capital raising was comprised of a fully underwritten institutional placement and a fully underwritten renounceable entitlement offer. The proceeds of the equity raising were received in full by 15 August 2024 and were used to facilitate the repayment of $53.771 million of existing senior bank debt (including capitalised PIK interest) with an additional $50.0 million placed in a locked account held by senior lenders 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), transaction costs, future working capital, and growth requirements.

Extension of senior debt facilities to 31 December 2025

On 15 August 2024, AMA Group finalised an extension on the senior debt facilities for a new maturity date of 31 December 2025 (were due to mature in October 2024). The extension includes the following terms:

- Upon sale of ACM Parts, the greater of $25.0 million or 75% of net proceeds are to be repaid off senior debt. If a sale is not completed by 12 months from the effective date (August 2025), this will trigger a review event.
- Covenants include net leverage ratio and fixed cover charge ratio.
- Capex permitted up to $25.0 million in FY25 and $15.0 million in 1H26 without lender consent.
- Acquisitions allowed without lender consent up to $2.0 million for any single acquisition, and $10.0 million in aggregate for the remainder of the facility if paid out of proceeds from an equity raise / ACM Parts sale.
- Distribution approval requirement.
- Interest to be paid in cash (no PIK interest) at BBSY +5.65% from the date of the extension, BBSY+6.15% from January 2025 and BBSY+6.9% from July 2025.

No other matters or circumstances have occurred subsequent to period end that have significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group or economic entity in subsequent financial years.

Consolidated entity disclosure statement

On 8 April 2024, the Treasury Laws Amendment (Making Multinationals Pay Their Fair Share – Integrity and Transparency) Act 2024 (Amendments) received Royal Assent. The Bill amends the Corporations Act 2001 requiring Australian public companies to disclose details for each subsidiary in the annual financial report, including tax residency of each of those entities, in a separate statement which does not form part of the notes to the consolidated financial statements.

The new requirements apply to financial reports prepared by public companies for each financial year commencing on or after 1 July 2023

Requirements of Consolidated Entity Disclosure Statement have been incorporated in this section.

CEDS 1 Basis of preparation

This Consolidated Entity Disclosure Statement ('CEDS') has been prepared in accordance with the *Corporations Act 2001*. It includes certain information for each entity that was part of the consolidated entity at the end of the financial year.

CEDS 2 Key assumptions and judgements

(A) Determination of tax residency

Section 295 (3A) of the *Corporation Acts 2001* defines tax residency as having the meaning in the Income Tax Assessment Act 1997 and must be disclosed for each entity included in the CEDS. The determination of tax residency involves judgment as the determination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

- **Australian tax residency**

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

- **Foreign tax residency**

The consolidated entity has applied current legislation and where available judicial precedent in the determination of foreign tax residency. Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in determining tax residency and ensure compliance with applicable foreign tax legislation.

(B) Partnership and trusts

Australian tax law does not contain specific residency tests for partnerships and trusts. Generally, these entities are taxed on a flow-through basis, so there is no need for a general residence test. Some provisions treat trusts as residents for certain purposes, but this does not mean the trust itself is an entity that is subject to tax.

Additional disclosures on the tax status of partnerships and trusts have been provided where relevant.

(C) Branches (permanent establishments)

Foreign branches of Australian subsidiaries are not separate level entities and therefore do not have a separate residency for Australian tax purposes. Generally, the Australian subsidiary that the branch is a part of will be the relevant tax resident, rather than the branch operations.

Additional disclosures on the tax status of Australian subsidiaries having a foreign branch with a taxable presence in that jurisdiction have been provided where relevant.

Consolidated entity disclosure statement

Set out below is relevant information relating to entities that are consolidated in the consolidated financial statements at the end of the financial year as required by the *Corporations Act 2001* (s. 295(3A)(a)).

Entities listed here are those that are part of the consolidated entity at the end of the financial year and does not include entities disposed off or de-registered during the year.

Name of entity	Type of entity	Country of incorporation	Australian or Foreign resident	Jurisdiction for Foreign resident	% of share capital held
A.C.N. 124 414 455 Pty Ltd	Body corporate	Australia	Australia	N/A	100
ACM Parts Pty Ltd	Body corporate	Australia	Australia	N/A	100
AMA Group Limited	Body Corporate	Australia	Australia	N/A	-
AMA Group Solutions Pty Ltd	Body corporate	Australia	Australia	N/A	100
AMA Procurement Pty Ltd	Body corporate	Australia	Australia	N/A	100
BMB Collision Repairs Pty Ltd	Body corporate	Australia	Australia	N/A	100
Capital SMART Group Holdings Pty Ltd	Body corporate	Australia	Australia	N/A	90
Capital SMART Repairs Australia Pty Ltd	Body corporate	Australia	Australia	N/A	90
Capital SMART Repairs New Zealand Pty Ltd[1]	Body corporate	New Zealand	Australia	N/A	90
Direct One Accident Repair Centre Pty Ltd	Body corporate	Australia	Australia	N/A	100
Geelong Consolidated Repairs Pty Ltd	Body corporate	Australia	Australia	N/A	100
Micra Accident Repair Centre Pty Ltd	Body corporate	Australia	Australia	N/A	100
Mr Gloss Holdings Pty Ltd	Body corporate	Australia	Australia	N/A	100
Phil Munday's Panel Works Pty Ltd	Body corporate	Australia	Australia	N/A	100
Qplus Production Pty Ltd	Body corporate	Australia	Australia	N/A	90
Repair Management Australia Pty Ltd	Body corporate	Australia	Australia	N/A	100
Repair Management Australia Bayswater Pty Ltd	Body corporate	Australia	Australia	N/A	100
Repair Management Australia Dandenong Pty Ltd	Body corporate	Australia	Australia	N/A	100
Repair Management New Zealand Limited[1]	Body corporate	New Zealand	Australia	N/A	100
Ripoll Pty Ltd	Body corporate	Australia	Australia	N/A	100
Shipstone Holdings Pty Ltd	Body corporate	Australia	Australia	N/A	100
Smash Repair Canberra Pty Ltd	Body corporate	Australia	Australia	N/A	100
Tech Right ADAS Solutions Pty Ltd	Body corporate	Australia	Australia	N/A	100
Woods Auto Shops (Dandenong) Pty Ltd	Body corporate	Australia	Australia	N/A	100
Woods Auto Shops (Holdings) Pty Ltd	Body corporate	Australia	Australia	N/A	100
AMA Group Employee Share Plan Trust	Trust	Australia	N/A	N/A	N/A

1 These companies are considered Australian tax residents for the purpose of CEDS, however, the income would not be assessable in Australia given the branch profits exemption.

Directors' Declaration

In the opinion of the Directors of AMA Group Limited (the Company):

(a) the Financial Statements and notes thereto are in accordance with the *Corporations Act 2001*, including:

(i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

(ii) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the financial year ended on that date, and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, and

(c) at the date of this declaration, there are reasonable grounds to believe that the members of the closed group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note E4.

(d) the information disclosed in the attached consolidated entity disclosure statement is true and correct.

Note A1 confirms that the Financial Statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of the Directors made pursuant to section 303(5) of the *Corporations Act 2001*.

Brian Austin
Non-Executive Chair

23 August 2024

Independent Auditor's Report

To the shareholders of AMA Group Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of AMA Group Limited (the Company).

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the ***Group's*** financial position as at 30 June 2024 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001,* in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 30 June 2024
- Consolidated statement of comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended
- Consolidated entity disclosure statement and accompanying basis of preparation as at 30 June 2024
- Notes, including material accounting policies
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

KPMG

Key Audit Matters

The ***Key Audit Matters*** we identified are:

- Goodwill; and
- Revenue

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Goodwill ($156.3m)

Refer to Note C5 Intangible assets to the financial report

The key audit matter	How the matter was addressed in our audit
A key audit matter for us was the Group's annual testing of goodwill for impairment, given the size of the balance (being 18.6% of total assets). Certain conditions impacting the Group increased the judgement applied by us when evaluating the evidence available. We focused on the significant forward-looking assumptions the Group applied in their fair value less costs of disposal models including: • Forecast cash flows, growth rates and terminal growth rates – the Group has experienced significant business disruption and has a history of operating losses as a result of the impacts of certain market forces. This impacted the Group through an increase in costs and a reduction in repair volumes. These conditions and the uncertainty of their continuation increase the possibility of goodwill being impaired, plus the risk of inaccurate forecasts or a significantly wider range of possible outcomes for us to consider. Assumptions included in the Group's forecast cash flows are also sensitive to market changes, reducing available headroom; and • Discount rates - these are complicated in nature and vary according to the conditions and environment the specific Cash Generating Unit (CGU) is subject to from time to time, and the models' approach to incorporating risks into the cash flows or discount rates. The Group's modelling is highly sensitive to small changes in the	Working with our valuation specialists, our procedures included: • Consideration of the appropriateness of the fair value less costs of disposal method applied by the Group to perform the annual testing of goodwill for impairment against the requirements of accounting standards; • Assessment of the integrity of the fair value less costs of disposal models used, including the accuracy of the underlying calculation formulas; • Comparison of the forecast cash flows contained in the fair value less costs of disposal models to forecasts approved by the Board; • Assessment of the accuracy of previous Group forecasts to inform our evaluation of forecasts incorporated in the models. We applied increased scepticism to current period forecasts in areas where previous forecasts were not achieved; • Assessment of the sensitivity of the models by varying key assumptions, such as forecast growth rates, terminal growth rates and discount rates, within a reasonably possible range; • Challenge of the Group's significant forecast cash flows and growth assumptions in light of expected market conditions and uncertain economic conditions. We compared forecast growth rates and terminal growth rates to

discount rate. The Group uses complex models to perform their annual testing of goodwill for impairment. The models are largely manually developed and use a range of internal and external sources as inputs to the assumptions. The Group has not met prior forecasts in certain areas, raising our concern for reasonableness of current forecasts. Complex modelling, using forward-looking assumptions, tend to be prone to greater risk for potential bias, error and inconsistent application. These conditions necessitate additional scrutiny by us, in particular to address the objectivity of sources used for assumptions, and their consistent application. We involved valuation specialists to supplement our senior audit team members in assessing this key audit matter.	published studies of industry trends and expectations, and considered differences for the Group's operations. We used our knowledge of the Group, business and customers, and our industry experience. • Checking consistency of growth rates to the Group's stated plans and strategy, past performance of CGUs and our experience regarding the feasibility of these in the industry in which they operate; • Independent development of a discount rate range considered comparable using publicly available market data for comparable entities, adjusted by risk factors specific to the Group and the industry it operates in; • Assessment of the disclosures in the financial report using our understanding of the issues obtained from our testing and against the requirements of accounting standards.

Revenue ($894.8m)

Refer to Note B2 to the financial report

The key audit matter	How the matter was addressed in our audit
The Group has several revenue streams across each of their different operating segments. The Group's significant revenue streams include: • Vehicle panel repair services; and • Sale of automotive parts and accessories. Revenue was a key audit matter due to the value of the balance, and significant audit effort we have applied in assessing the Group's recognition and measurement of revenue. This was driven from the high volume of revenue transactions.	Our procedures included: • Evaluation of the appropriateness of the Group's accounting policies for revenue recognition for each significant revenue stream against the requirements of AASB 15 Revenue from Contracts with Customers and our understanding of the business; • Reading a sample of customer contracts to understand the key terms of the arrangements and the performance obligations; • On a sample basis for each significant revenue stream, testing the existence, accuracy and timing of revenue recognised by the Group. This included obtaining customer confirmations, checking transactions to underlying documentation such as signed customer collection notes or equivalent documents, photographs of vehicles in repair, customer prepared remittance statements, and

	checking customer receipts to bank statements. We compared the results of our testing against amounts recorded as revenue in the general ledger. • Evaluation of the adequacy of the disclosures in the financial report against the requirements of the accounting standards.

Other Information

Other Information is financial and non-financial information in AMA Group Limited's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the *Remuneration Report* and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and that is free from material misstatement, whether due to fraud or error
- assessing the Group's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of AMA Group Limited for the year ended 30 June 2024, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages, 34 to 45 of the Directors' report for the year ended 30 June 2024.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

KPMG

Maritza Araneda

Partner

Melbourne

23 August 2024

Shareholder information

Additional Information

In accordance with ASX Listing Rules the shareholder information set out below is current as of 2 August 2024. Note that at 2 August 2024, AMA Group had completed the institutional placement and entitlement offer components of the equity raising launched 18 July 2024, but yet to complete the retail entitlement offer (new shares allotted under the retail entitlement offer Thursday 15 August 2024).

Distribution of shareholdings (as at 2 August 2024)

The total number of shareholders in AMA Group Limited (ASX: AMA) was 4,027. The voting rights are one vote per share. There were 3,804,299,699 shares on issue. The distribution of shareholders was as follows:

Share grouping	Total holders	Number of shares	Percentage of issued shares
1 - 1,000	413	163,929	0.00
1,001 - 5,000	861	2,336,601	0.06
5,001 - 10,000	491	3,846,229	0.10
10,001 - 100,000	1,484	55,127,317	1.45
100,001 Over	778	3,742,825,623	98.39
Total	**4,027**	**3,804,299,699**	**100.00**

There were 1,777 shareholders as of 2 August 2024 holding less than a marketable parcel of $500 worth of shares, based on the closing market price on 2 August 2024 of $0.049 per share.

Twenty largest shareholders (as at 2 August 2024)

Name	Number of shares	Percentage of issued shares
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	541,171,842	14.23
UBS NOMINEES PTY LTD	458,965,047	12.06
CITICORP NOMINEES PTY LIMITED	379,408,521	9.97
BNP PARIBAS NOMS PTY LTD	225,795,614	5.94
WASHINGTON H SOUL PATTINSON AND COMPANY LIMITED	210,864,750	5.54
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	194,569,702	5.11
COLBERN FIDUCIARY NOMINEES PTY LTD	186,490,676	4.90
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	169,850,863	4.46
STICHTING BEWAARDER LOGOS FUND	140,044,118	3.68
BLACK BASS PTY LTD	95,667,099	2.51
ROCSANGE PTY LTD <S SUPERANNUATION FUND A/C>	84,728,371	2.23
PSC INSURANCE GROUP LTD	79,906,668	2.10
AUSTIN SUPERANNUATION PTY LTD <THE BRIAN AUSTIN S/F A/C>	71,363,976	1.88
ACN 162 128 501 PTY LTD <WALES BUS & BODY REPAIRS AC>	67,287,785	1.77
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	53,412,540	1.40
MR RAYMOND MCGREGOR MALONE	40,476,191	1.06
PHIL MUNDAY INVESTMENTS PTY LTD <PHIL MUNDAY FAMILY A/C>	37,482,845	0.99
MR CLARK ELLIOTT PERKINS	34,285,712	0.90
COLINTON CAPITAL PTY LIMITED	33,333,334	0.88
WARBONT NOMINEES PTY LTD <UNPAID ENTREPOT A/C>	21,041,847	0.55
Total	**3,126,147,501**	**82.16**

Substantial shareholders (as at 2 August 2024)

Substantial holders prior to the post year-end equity raise in AMA Group Limited as detailed in the most recent public filings of Form 604 - Notice of change of interests of substantial holder are set out below.

Name	Number of shares	Percentage of issued shares
THORNEY OPPORTUNITIES LTD / TIGA TRADING PTY LTD	**480,176,889**	12.62
AZVALOR ASSET MANAGEMENT SGIIC SA*	**117,696,590**	6.64
LOGOS INVESTMENT MANAGEMENT B.V.	**227,294,118**	5.97
COLINTON CAPITAL PARTNERS I (A) PTY LTD*	**103,408,565**	5.72
WASHINGTON H. SOUL PATTINSON AND COMPANY LIMITED (Soul Patts)	**210,864,750**	5.54
FMR LLC*	**97,910,909**	5.42

* FMR LLC, COLINTON CAPITAL PARTNERS I (A) PTY LTD and AZVALOR ASSET MANAGEMENT SGIIC SA reflect most recent disclosures as at 2 August 2024, but are based on the pre-July 2024 equity raising shares owned and on issue.

Securities subject to escrow (as at 2 August 2024)

Name	Number of shares	Date escrow period ends
Fully Paid Ordinary Quoted	**530,634**	*

* Subject to non-date escrow terms.

Glossary

Abbreviation	Meaning
ADAS	Advanced Driver Automation System
AGM	Annual General Meeting
APAS	Automotive Parts and Services (previously a division of AMA Group)
ARC	Audit and Risk Committee
ASX	Australian Stock Exchange
ATSR	Absolute Total Shareholder Return
AUD	Australian dollar
BBSY	Bank Bill Swap Rate
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CGU	Cash Generating Unit
COO	Chief Operating Officer
CODM	Chief Operating Decision Maker
CPI	Consumer Price Index
DCF	Discounted cash flow
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
EBITDAI	Earnings before interest, tax, depreciation, amortisation and impairment
EPS	Earnings Per Share
ESG	Environmental, Social & Governance

Abbreviation	Meaning
FCCR	Fixed Charge Cover Ratio
GESP	General Employee Share Plan
GST	Goods and Services Tax
KMP	Key Management Personnel
LTI	Long-term incentive
LTIFR	Long Term Injury Frequency Rate
NPS	Net Promoter Score
NZ	New Zealand
OEM	Original equipment manufacturer
PC	People Committee
PCP	Prior comparative period
PIK	Payment in kind
PRP	Performance Rights Plan
RIFR	Relative Injury Frequency Rate
RTRS	Relative Total Shareholder Return
STI	Short-term Incentive
TFR	Total Fixed Remuneration
TSR	Total Shareholder Return
USD	US Dollar
VWAP	Volume Weighted Average Price
WGEA	Workplace Gender Equality Agency

Corporate Information

Directors

Brian Austin – Independent Non-Executive Chairman
Joanne Dawson – Independent Non-Executive Director
David Goldstein – Independent Non-Executive Director
Ray Smith-Roberts – Independent Non-Executive Director

Company Secretary

Mark Licciardo

Registered Office

Level 13, 484 St Kilda Road
Melbourne Victoria 3004

Auditors

KPMG
Tower Two, Level 36/727 Collins St
Docklands Victoria 3008

Share Registry

Computershare
452 Johnston Street
Abbotsford Victoria 3067

Stock Exchange Listing

AMA Group Limited shares are listed on the Australian Securities Exchange with ASX code: AMA

AMA GROUP

AMA Group Limited
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Level 13
484 St Kilda Road
Melbourne VIC 3004

amagroupltd.com