Prospectus

APM Human Services International Limited

ACN 639 621 766

Initial Public Offering of Shares

Goldman Sachs — Sole Global Coordinator, Joint Lead Manager and Joint Bookrunnner

UBS — Joint Lead Manager and Joint Bookrunner

BofA SECURITIES / CREDIT SUISSE — Joint Lead Managers

APM enabling better lives

Important Notices

Offer

The Offer contained in this Prospectus is an invitation for you to apply for fully paid ordinary shares (**Shares**) in APM Human Services International Limited (ACN 639 621 766) (**APM** or **Company**) to acquire Shares. This Prospectus is issued by the Company and APM SaleCo Limited (ACN 653 997 472) (**SaleCo**). See Section 7 for further information on the Offer, including as to details of the securities that will be issued and transferred under this Prospectus.

Lodgement and Listing

This Prospectus is dated 4 November 2021 and was lodged with ASIC on that date (**Prospectus Date**). It is a replacement prospectus which replaces the prospectus dated 28 October 2021 and lodged with ASIC on that date (**Original Prospectus Date**). The Company has made certain additional disclosures in this Prospectus on Megan Wynne's interests in Shares, the eligibility and the ability to accept additional applications under the Employee Offer and other disclosures clarifying that revenue from the NESM contract is not included in the FY22F forecast, certain line items in the historical financials and the basis of revenue concentration in FY22F forecast. The lodgement of a replacement prospectus required certain references to the date of the Prospectus to be amended to refer to the date of the Original Prospectus.

The Company has applied to the ASX for admission of the Company to the Official List and quotation of the Shares on the ASX (**Listing**).

Neither ASIC nor the ASX takes any responsibility for the content of this Prospectus or for the merits of the investment to which this Prospectus relates.

Expiry Date

No Shares will be issued or transferred on the basis of this Prospectus after the expiry date, being 13 months after the Original Prospectus Date.

Note to Applicants

The information contained in this Prospectus is not financial product advice and does not take into account the investment objectives, financial situation or particular needs (including financial and tax issues) of any prospective investor.

It is important that you read this Prospectus carefully and in its entirety before deciding whether to invest in the Company. In particular, in considering the prospects of the Company, you should consider the risk factors that could affect the performance of the Company. You should carefully consider these risks in light of your investment objectives, financial situation and particular needs (including financial and tax issues) and seek professional guidance from your stockbroker, solicitor, accountant, financial adviser or other independent professional adviser before deciding whether to invest in the Shares. Some of the key risk factors that should be considered by prospective investors are set out in Sections 1 and 5. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

You should also consider the assumptions underlying the Forecast Financial Information set out in Section 4 and the risk factors set out in Section 5 that could affect the Company's business, financial condition, and results of operations.

No person named in this Prospectus, nor any other person, guarantees the performance of the Company, the repayment of capital by the Company or the payment of a return on the Shares.

Exposure Period

The *Corporations Act 2001* (Cth) (**Corporations Act**) prohibits the Company from processing applications to subscribe for, or acquire, Shares offered under this Prospectus (**Applications**) in the seven day period after lodgement of the Original Prospectus with ASIC (**Exposure Period**). This Exposure Period may be extended by ASIC by up to a further seven days.

The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. The examination may result in the identification of deficiencies in this Prospectus, in which case any Application may need to be dealt with in accordance with Section 724 of the Corporations Act.

Applications received during the Exposure Period will not be processed until after the expiry of the Exposure Period. No preference will be conferred on any Applications received during the Exposure Period.

Photographs and Diagrams

Photographs and diagrams used in this Prospectus that do not have descriptions are for illustration only and should not be interpreted to mean that any person shown in them endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale or accurately represent the technical aspects of the products.

Disclaimer and Forward-Looking Statements

No person is authorised to give any information or make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company, SaleCo, the Directors, the SaleCo Directors, the Joint Lead Managers or any other person in connection with the Offer. You should rely only on information in this Prospectus when deciding whether to invest in Shares. Except as required by law, and only to the extent so required, neither the Company nor any other person warrants or guarantees the future performance of the Company, or any return on any investment made pursuant to this Prospectus.

This Prospectus includes Forecast Financial Information based on an assessment of present market, economic and operating conditions, and on a number of general and specific assumptions set out in Section 4, regarding future events and actions that, as at the Prospectus Date, the Company expects to take place. The basis of preparation and presentation of the Forecast Financial Information is consistent with the basis of preparation and presentation for the Pro Forma Historical Financial Information. This Prospectus also contains forward-looking statements that are subject to various risks and uncertainties. Forward-looking statements can be identified by the use of 'forward-looking' terminology, including, without limitation, the terms 'believes', 'estimates', 'anticipates', 'expects', 'predicts', 'intends', 'plans', 'propose', 'goals', 'targets', 'aims', 'outlook', 'guidance', 'forecasts', 'may', 'will', 'would', 'could' or 'should' or, in each case, their negative or other variations or comparable terminology. The Forecast Financial Information is an example of forward-looking statements. These forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, and speak only as of the Prospectus Date.

Any forward-looking statements are subject to various risks that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. Forward-looking statements should be read in conjunction with, and are qualified by reference to, risks as set out in Section 5, general assumptions, specific assumptions and the sensitivity analysis as set out in Section 4, and other information in this Prospectus. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the Company's control. None of the Company, SaleCo, any of their directors or the Joint Lead Managers or any other person guarantees that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. The Company does not have any obligation (or intention) to update or revise forward-looking statements contained in this Prospectus, or publish any prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information, contained in this Prospectus, except where required by law. **You are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the outbreak of COVID-19.**

As set out in Section 7, it is expected that the Shares will be quoted on the ASX initially on a conditional and deferred settlement basis. The Company, SaleCo, the Company's service provider, Computershare Investor Services Pty Limited (**Share Registry**) and the Joint Lead Managers disclaim all liability, whether in negligence or otherwise, to persons who trade Shares before receiving their holding statement.

Goldman Sachs Australia Pty Ltd (**Goldman Sachs**) has acted as Sole Global Coordinator, Joint Lead Manager and Joint Bookrunner, UBS AG, Australia Branch (**UBS**) has acted as Joint Lead Manager and Joint Bookrunner, and Merrill Lynch Equities (Australia) Limited (**BofA Securities**) and Credit Suisse (Australia) Limited (**Credit Suisse**), have acted as Joint Lead Managers to the Offer and have not authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this Prospectus and there is no statement in this Prospectus which is based on any statement made by any Joint Lead Manager or by any of their respective affiliates or related bodies corporate (as defined in the Corporations Act) (**Related Bodies Corporate**), or any of their respective officers, directors, employees, partners, advisers or agents. To the maximum extent permitted by law, the Joint Lead Managers, their respective affiliates and Related Bodies Corporate, and any of their respective officers, directors, employees, partners, advisers or agents expressly disclaim all liabilities in respect of, make no representations regarding, and take no responsibility for, any part of this Prospectus other than references to their name and make no representation or warranty as to the currency, accuracy, reliability or completeness of this Prospectus.

Statements of Past Performance

This Prospectus includes information regarding the past performance of the Company. Investors should be aware that past performance should not be relied upon as being indicative of future performance.

Financial Information Presentation

All references to FY19, FY20, FY21 and FY22 appearing in this Prospectus are to the financial years ended or ending 30 June 2019, 30 June 2020, 30 June 2021 and 30 June 2022 respectively, unless otherwise indicated. All references to 1HFY20, 1HFY21, 1HFY22 and 2HFY22 appearing in this Prospectus are to the half financial years ended or ending 31 December 2019, 31 December 2020, 31 December 2021 and 30 June 2022, respectively, unless otherwise indicated.

All financial amounts contained in this Prospectus are expressed in Australian dollars unless otherwise stated. Any discrepancies between totals and sums and components in tables, figures and diagrams contained in this Prospectus are due to rounding.

Section 4 sets out in detail the Financial Information referred to in this Prospectus. The basis of preparation of the Financial Information is set out in Section 4.

The Historical Financial Information has been prepared and presented in accordance with the recognition and measurement principles of Australian Accounting Standards (as adopted by the Australian Accounting Standards Board), which comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board.

This Prospectus includes Forecast Financial Information based on the best estimate assumptions of the Directors. The basis of preparation and presentation of the Forecast Financial Information, to the extent relevant, is consistent with the basis of preparation and presentation for the Historical Financial Information. The Forecast Financial Information presented in this Prospectus is unaudited.

The Financial Information in this Prospectus should be read in conjunction with, and is qualified by reference to, the information contained in Sections 4 and 5.

Investors should be aware that certain measures included in this Prospectus are "non GAAP financial measures" under Regulation G of the US Securities Exchange Act of 1934, as amended, and "non-IFRS financial information" under Regulatory Guide 230 Disclosing Non-IFRS Financial Information, published by ASIC, and are not recognised under AAS or any other recognised body of accounting standards. APM, however, believes this non GAAP and Non-IFRS Financial Information provides useful information to users in measuring the Company's financial performance and financial condition. The non GAAP and non IFRS measures do not have standardised meanings prescribed by AAS and therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with AAS. Investors are cautioned, therefore, not to place undue reliance on any non IFRS financial information and ratios included in this Prospectus.

Financial Information Presentation for Acquisitions

Investors should note that, in preparing the Pro Forma Historical Financial Information included in this Prospectus, no pro forma adjustments have been made to reflect the impact of the acquisitions completed by the APM Group in FY19, FY20 and FY21 as if they had occurred at 1 July 2018. In respect of the acquisitions that have completed in FY22 or that are pending, the impact of these acquisitions has been reflected in the Pro Forma Forecast Financial Information since the date of completion of acquisition (and, in the case of the pending acquisition of the Early Start Australia, MyIntegra and Mobility businesses, the expected date of completion of the acquisition, which is assumed to be 31 December 2021). However, investors should note that these FY22 acquisitions have been reflected in the Pro Forma Historical Statement of Financial Position as at 30 June 2021.

Market and Industry Data Based Primarily on Management Estimates

This Prospectus (and in particular Section 2) contains data relating to the industries, segments, sectors and markets in which the Company operates (**Industry Data**).

Such information includes, but is not limited to, statements and data relating to: product segment and category sizes (by number of units and net sales), estimated sector growth (by revenue), channel segmentation and the Company's estimated revenue share and its industry position in specified geographic areas. Unless otherwise stated, this information has been prepared by the Company using both publicly available data and internally generated data (including industry research and interviews with industry participants). The Company's internally generated data is based on estimates and assumptions that both the Directors and the Company's management believe to be reasonable, as at the Prospectus Date.

The Company's estimates involve risks and uncertainties and are subject to change based on various factors, including those described in the risk factors set out in Section 5.

Investors should note that industry and sector data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual industry or market conditions.

In addition to the Industry Data, this Prospectus uses third-party data, estimates and projections. There is no assurance that any of the third-party data, estimates

Important Notices

or projections contained in this Prospectus will be achieved. The Company has not independently verified such information. Estimates involve risks and uncertainties and are subject to change based on various factors, including those described in the risk factors set out in Section 5.

Rounding

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this Prospectus are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Prospectus.

Obtaining a Copy of this Prospectus

This Prospectus is available in electronic form to Australian and New Zealand residents on the Company's offer website, www.APMoffer.com.au. The Offer constituted by this Prospectus in electronic form is available only to Australian and New Zealand residents accessing the website within Australia or New Zealand and is not available to persons in any other jurisdictions, including the United States.

A hard copy of the Prospectus is available free of charge during the Offer Period to any person in Australia or New Zealand by calling the APM Offer Information Line on 1300 161 431 (within Australia) or +61 3 9415 4047 (outside Australia) between 8:30am and 5:00pm (Sydney time), Monday to Friday.

Applications for Shares may only be made on the Application Form attached to, or accompanying, this Prospectus in its hard copy form, or in its soft copy form available online at www.APMoffer.com.au, together with an electronic copy of this Prospectus. By making an Application, you declare that you were given access to the Prospectus, together with an Application Form.

The Corporations Act prohibits any person from passing the Application Form on to another person unless it is attached to, or accompanied by, this Prospectus in its paper copy form or the complete and unaltered electronic version of this Prospectus.

No Cooling Off Rights

Cooling off rights do not apply to an investment in Shares pursuant to the Offer. This means that, in most circumstances, you cannot withdraw your Application once it has been accepted.

No Offering Where Illegal

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Shares or the Offer, or to otherwise permit a public offering of the Shares in any jurisdiction outside Australia or New Zealand. The distribution of this Prospectus (including in electronic form) outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus outside Australia and New Zealand should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Prospectus does not constitute an offer to sell, or a solicitation of any offer to buy, securities in the United States or in any other jurisdiction in which such an offer would be unlawful. In particular, the Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States, and, accordingly, the Shares may not be offered or sold, directly or indirectly, in the United States except in transactions exempt from or not subject to the registration requirements of the US Securities Act and any other applicable USA securities laws. The Offer is not being extended to any investor outside Australia or New Zealand, other than to certain Institutional Investors as part of the Institutional Offer. In particular, this Prospectus may not be distributed to, or relied upon by, any person in the United States, unless accompanied by the US Institutional Offering Memorandum as part of the US Institutional Offer.

See Section 9 for more detail on selling restrictions that apply to the Offer and sale of Shares in jurisdictions outside Australia and New Zealand.

Important Notice to New Zealand Investors

This Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the *Corporations Act 2001* (Aust) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the *Financial Markets Conduct Act 2013* and Part 9 of the Financial Markets Conduct Regulations 2014.

This Offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the *Corporations Act 2001* (Aust) and the regulations made under that Act set out how the Offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this Offer. If you need to make a complaint about this Offer, please contact the Financial Markets Authority, New Zealand (http://www.fma.govt.nz). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of a financial advice provider.

The offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

A copy of this Prospectus, other documents relating to the Offer and a copy of the Constitution have been, or will be, lodged with the New Zealand Companies Office and are, or will be, available at www.business.govt.nz/disclose (offer number, OFR13195). While the Offer is being extended to New Zealand investors under the Mutual Recognition Regime, no application for listing and quotation is being made to NZX Limited.

Activities of the Joint Lead Managers

The Joint Lead Managers and their respective affiliates are full service financial institutions engaged in various activities, which may include trading, financial advisory, investment management, investment research, principal investment, hedging, market making, margin financing, brokerage and other financial and non-financial activities and services including for which they have received or may receive customary fees and expenses or other transaction consideration. The Joint Lead Managers or their affiliates may, from time to time in the future, perform other corporate advisory and financing services and activities for APM, its shareholders or their respective affiliates. Further, in the ordinary course of their trading, brokerage and financing activities, the Joint Lead Managers and their affiliates may act as a market maker in or buy or sell securities issued by APM or enter into derivatives, including derivatives that reference such securities, as principal or agent. Customary fees, commissions and expenses are expected to be received for any such services and activities in the future.

In connection with the Institutional Offer, one or more investors may elect to acquire an economic interest in the Shares (**Economic Interest**), instead of subscribing for or acquiring the legal or beneficial interest in those shares. Any Joint Lead Manager (or its affiliates) may, for its own account, write derivative transactions with those investors relating to the Shares to provide the Economic Interest, or otherwise acquire shares in the Company in connection with the writing of such derivative transactions in the Offer and/or the secondary market. As a result of such transactions, any Joint Lead Manager (or its affiliates) may be allocated, subscribe for or acquire Shares (or other shares of the Company) in the Offer and/or the secondary market, including to hedge those derivative transactions, as well as hold long or short positions in such shares. These transactions may, together with other shares in the Company acquired by a Joint Lead Manager or its affiliates in connection with its ordinary course sales and trading, principal investing and other activities, result in the Joint Lead Manager or its affiliates disclosing a substantial holding, earning fees and recovering expenses.

Privacy

By completing an Application Form, you are providing personal information to the Company and SaleCo through the Share Registry, which is contracted by the Company to manage Applications. The Company and SaleCo, and the Share Registry on their behalf, and their agents and service providers may collect, hold, disclose and use that personal information to process your Application, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration, and for other purposes related to your investment listed below.

If you do not provide the information requested in the Application Form, the Company, SaleCo and the Share Registry may not be able to process or accept your Application.

Once you become a Shareholder, the Corporations Act and Australian taxation legislation require information about you (including your name, address and details of the Shares you hold) to be included on the Share register. In accordance with the requirements of the Corporations Act, information on the Share register will be accessible by members of the public. The information must continue to be included on the Share register if you cease to be a Shareholder.

The Company and the Share Registry may disclose your personal information for purposes related to your investment to their agents and service providers including those listed below or as otherwise authorised under the *Privacy Act 1988* (Cth):

- the Share Registry for ongoing administration of the Share register;
- the Joint Lead Managers to assess your Application;
- printers and other companies for the purposes of preparation and distribution of documents and for handling mail;
- market research companies for analysing the Company's shareholder base; and
- legal and accounting firms, auditors, management consultants and other advisers for administering, and advising on, the Shares and for associated actions.

The Company's agents and service providers may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law.

You may request access to your personal information held by or on behalf of the Company and SaleCo. You may be required to pay a reasonable charge to the Share Registry in order to access your personal information.

You can request access to your personal information or obtain further information about the Company's privacy practices by contacting the Share Registry as follows:

Telephone: (outside Australia)
+61 3 9415 4047

(within Australia)
1300 161 431

Address: Privacy Officer
Computershare Investor Services
Yarra Falls, 452 Johnston Street
Abbotsford VIC 3067

The Company aims to ensure that the personal information it retains about you is accurate, complete and up-to-date. To assist with this, please contact the Company or the Share Registry if any of the details you have provided change.

Financial Services Guide

The provider of the Investigating Accountant's Report on the Financial Information is required to provide Australian retail clients with a Financial Services Guide in relation to that review under the Corporations Act. The Investigating Accountant's Report and accompanying Financial Services Guide is provided in Section 8.

Intellectual Property

This Prospectus may contain trademarks of third parties, which are the property of their respective owners. Third-party trademarks used in this Prospectus belong to the relevant owners and use is not intended to represent sponsorship, approval or association by or with us.

Company Website

Any references to documents included on the Company's website are provided for convenience only, and none of the documents or other information on the Company's website, or any other website referred in this Prospectus, is incorporated in this Prospectus by reference.

Defined Terms and Abbreviations

Defined terms and abbreviations used in this Prospectus, unless specified otherwise, have the meaning given in the glossary in Section 11. Unless otherwise stated or implied, references to times in this Prospectus are to Sydney time.

Unless otherwise stated or implied, references to dates or years are calendar year references.

Questions

If you have any questions in relation to the Offer, contact the APM Offer Information Line on 1300 161 431 (within Australia) or +61 3 9415 4047 (outside Australia) between 8:30am and 5:00pm (Sydney time), Monday to Friday.

This document is important and should be read in its entirety.


APM

Contents

Chair's Letter

"Every day APM empowers people to realise their ambitions and aspirations through achieving sustainable employment and economic independence, better health and wellbeing and increased social participation."

Dear Investor,

On behalf of the Board of Directors, it is with pleasure that I invite you to become an investor in APM.

Since founding APM in 1994, we have embarked on a journey to deliver on our purpose, "Enabling Better Lives". We do this through the provision of human services – services focussed on enhancing an individual's employability, health and wellbeing, and social and economic participation in their community.

Today, it is with great pride that APM has become a multi-national human services provider, enabling a better life for more than one million people in the last financial year across the ten countries in which we operate. For people with injury, illness or disability, as well as children and the elderly, the unemployed, and those facing hardship or harm, APM is making a positive and lasting social impact through the services it provides every day.

APM's clients, the people who use our services, are at the core of all we do. We believe that everyone, regardless of their means and circumstances, should have access to high quality human services. This approach fosters equity and social cohesion, which in turn contributes to the welfare of communities as a whole.

I started my career as an occupational therapist and it is our allied health and rehabilitation foundations that shape the way we approach working with our clients. Regardless of their circumstances, age, or stage of life, our evidence-based practice supports people to live a fulfilling life, recover from injury or illness, gain sustainable employment, or maintain their quality of life as they age.

We are proud that the social impact of the services we deliver make a sustainable difference across the communities we serve. Our focus on doing the right thing and delivering greater social and economic participation for our clients, together with the way we operate as a company are part of our DNA.

Over the years, our mission has driven us to invest and grow our geographic footprint to enable better access to these vital services. Globally, APM has over 7,000 team members across its 800 locations. Over the last financial year, that global reach enabled us to support:

- 660,000 unemployed people, including assisting over 290,000 into sustainable employment;
- 180,000 people with disability, including assisting 90,000 into sustainable employment;
- 100,000 people with mental health needs;
- 50,000 people emerging from the criminal justice system; and
- 30,000 veterans to return to civilian life.

Every day APM empowers people to realise their ambitions and aspirations through achieving sustainable employment and economic independence, better health and wellbeing and increased social participation.

Importantly, our mission to realise inclusion and diversity in the workforce also extends to our own teams. It is hugely satisfying to me that more than 55% of our senior leadership team self-identify as female. In addition, 18% of our Australian and New Zealand team surveyed report they have lived experience with disability.

For FY22, the Directors forecast that APM will generate pro forma revenue of $1.3 billion, pro forma EBITDA of $295 million and pro forma NPATA of $155 million, representing growth of 31%, 26% and 21% respectively over FY21-FY22. For comparison, over the past 3 years we have generated a pro forma revenue CAGR of 38%, pro forma EBITDA CAGR of 75% and pro forma NPATA CAGR of 192% over FY19-21.

Going forward, our team is focussed on building the leading global human services business through:

- success for our clients – measured in increased social and economic participation, health, wellbeing, and quality of life;
- greater access to services – in terms of the countries and large number of locations from which we operate; and
- stronger partnerships with governments and other stakeholders – underpinned by delivering on our promises, doing the right thing, and supporting our clients to deliver outcomes that provide meaningful social benefit.

The purpose of the Offer and listing on the ASX is to provide APM with the benefits of an increased profile as a listed entity with a transparent ownership structure, attract and retain key talent, reduce the Company's existing debt levels, provide APM with access to capital markets and added financial flexibility to pursue further growth, create a liquid market for APM's Shares, and allow Existing Shareholders to realise part of their investment in APM.

I will remain as a significant shareholder in APM and will hold, along with my associates, 34.2% of Shares on Completion of the Offer. In addition, the other Existing Shareholders, Madison Dearborn Capital Partners (**Madison Dearborn** or **MDP**) will hold approximately 29.7%, Group GEO Michael Anghie will hold approximately 2.3%, and APM Board and Management Shareholders will hold approximately 3.5% of Shares at Completion. All Existing Shareholders, including myself, have entered into voluntary escrow agreements in relation to their Shares held at Completion with details outlined in Section 9.7 of this Prospectus.

This Prospectus contains detailed information about APM, the industry in which APM operates and APM's historical and forecast position. Like any business, APM is subject to a range of risks, including risks associated with government contracting, reliance on material contracts, variability in cash flow and management of an international group, which are discussed in Section 5 of this Prospectus. I encourage you to read this Prospectus carefully and in its entirety before making your investment decision.

I would like to thank our dedicated APM team who work tirelessly each day to make a positive difference, our incredible clients whose stories inspire us, and our customers for trusting APM to deliver essential human services across our communities.

On behalf of our Directors, we welcome investors who care about our purpose as much as we do, and who seek to generate positive measurable outcomes and social impact alongside a financial return.

Yours sincerely

Megan Wynne
Founder and Executive Chair

Key Offer Information

Key Offer Dates

Important Dates	
Original Prospectus Date	28 October 2021
Date of this Prospectus	4 November 2021
Opening date of the Retail Offer	5 November 2021
Closing date of the Retail Offer	10 November 2021
ASX listing commences (conditional and deferred settlement trading)	12 November 2021
Settlement of the Offer	16 November 2021
Allotment and transfer of Shares	17 November 2021
ASX trading commences on a normal settlement basis	17 November 2021
Dispatch of holding statements (and any refund payments if applicable)	18 November 2021

Dates May Change

This timetable is indicative only and may change without notice. Unless otherwise indicated, all times are stated in Sydney, Australia time.

APM, SaleCo and the Joint Lead Managers reserve the right to vary any, and all of the above dates and times without notice including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, to extend a closing date, or to accept late applications or bids, either generally or in particular cases, or to cancel or withdraw the Offer before Settlement, in each case without notifying any recipient of this Prospectus or applicants. Offers may be made and may be open for acceptances, under this Prospectus either generally or in particular cases, including until Completion or, subject to the Corporations Act, thereafter, at the discretion of the Directors. Applications received under the Offer are irrevocable and may not be varied or withdrawn except as required by law.

If the Offer is cancelled or withdrawn before the allocation of Shares, then all application monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their applications as soon as possible after the Offer opens.

How to Invest

Applications for Shares can only be made by completing and lodging an Application Form. Instructions on how to apply for Shares are set out in Section 7 and on the back of the Application Form.

Questions

If you have any questions in relation to the Offer, please call the APM Offer Information Line on 1300 161 431 (within Australia) or +61 3 9415 4047 (outside Australia) from 8:30am to 5:00pm (Sydney time), Monday to Friday (excluding public holidays). If you are unclear in relation to any matter or are uncertain as to whether APM is a suitable investment for you, you should seek advice from your stockbroker, solicitor, accountant, financial adviser or other independent professional adviser before deciding whether to invest in APM.

References to "We", "Us", "Our", "Company" and "APM"

Where used in this Prospectus, the expressions "we", "us", "our", "Company" and "APM" refer to APM Human Services International Limited (ACN 639 621 766) (**APM** or **Company**) and/or its subsidiaries as the context requires.

Key Offer Statistics	
Offer Price	$3.55 per Share
Total proceeds of the Offer[1]	$982.1 million
Total number of Shares to be available under the Offer[2]	277.8 million
Number of Shares to be held by Existing Shareholders on Completion of the Offer[3]	639.5 million
Total number of Shares on issue on Completion of the Offer[4]	917.3 million
Indicative market capitalisation[5]	$3,256.6 million
Pro forma net debt including leases as at 30 June 2021[6]	$483.6 million
Enterprise value[7]	$3,740.2 million
Enterprise value/pro forma FY22F EBITDA	12.7 x
Enterprise value/pro forma FY22F EBITA	16.6 x
Price/pro forma FY22F NPATA per Share[8]	21.0 x
Annualised pro forma FY22F dividend yield[9]	2.4 %

1 Cash proceeds received by APM relate only to the issue of New Shares under the Broker Firm Offer, the Priority Offer, the Employee Offer and the Institutional Offer. APM did not receive funds for the issue of New Shares under the Employee Gift Offer.
2 This includes New Shares issued under the Employee Gift Offer.
3 Existing Shareholders include MDP, Megan Wynne, Michael Anghie, Director and Management Shareholders. The number of Shares held by the Existing Shareholders assumes that the Restructure as described in Section 9.4 is implemented and that the Shares to be issued as part of the acquisitions of Early Start Australia Pty Ltd, Integrated Care Pty Ltd, Mobility Holdings Pty Ltd and Mobility Australia Pty Ltd (**Acquisition**) have been issued. Refer to Section 9.6.2 for further information.
4 The number of Shares on Completion include the Shares to be issued as part of the Acquisition, completion of which is expected to occur in December 2021. Refer to Section 9.6.2 for further information.
5 Indicative market capitalisation is calculated as the Offer Price multiplied by the resulting total number of Shares on issue at Completion.
6 Pro forma current lease liabilities of $32.6 million and non-current lease liabilities of $50.3 million (totalling $82.9 million) recognised under AASB16 *Leases* as set out in Section 4. Refer to Section 4.4.2 for further detail.
7 Enterprise value is calculated as the sum of the indicative market capitalisation and pro forma net debt including leases as at 30 June 2021.
8 Price/pro forma FY22F NPATA per Share is calculated as the Offer Price per Share divided by pro forma FY22F NPATA per Share (which is calculated as FY22F NPATA divided by the total number of Shares on issue immediately at Completion as implied by the Offer Price).
9 Calculated as the implied dividends per Share based on a 50% target payout ratio (representing the midpoint of the proposed dividend payout ratio range of 40-60% of NPATA) divided by the Offer Price, and is based on the annualised pro forma 2HFY22F NPATA per share. The payment of a dividend by APM is at the discretion of the Directors and will be a function of a number of factors. No assurances are or can be given by any person, including the Directors, about the payment of any dividend and the level of franking of any such dividend. See Section 4.9 for APM's Dividend Policy.

1.
Investment Overview

1. Investment Overview

1.1. Introduction

Topic	Summary	For more information
What is APM's business?	Founded in 1994 in Perth, Western Australia, APM is an international human services provider with the purpose of "Enabling Better Lives". Each financial year, APM supports more than one million people of all ages and stages of life through its service offerings which include assessments; allied health and psychological intervention; medical, psycho-social and vocational rehabilitation; vocational training and employment assistance; and community-based support services. With 800 sites spanning 10 countries (Australia, United Kingdom (**UK**), Canada, United States of America (**USA**), New Zealand, Germany, Switzerland, Spain, Singapore, South Korea), APM's more than 7,000 team members[10] work to enhance community health and wellbeing, delivering services to clients across the early childhood, youth, employment, insurance, justice, veterans, disability, and aged care sectors.	Sections 3.1 and 3.4
What services does APM provide?	APM's main services are: **Employment Services:** supporting individuals to find sustainable employment. • APM delivers services to individuals who require support to find work, including those with injury, illness or disability, sole parents, youth, aged workers, ex-offenders, and people from culturally or linguistically diverse backgrounds. • APM supports participants to achieve sustainable employment by finding the right fit between the individual and the job. • APM's employment services programs aim to improve an individual's labour market prospects. APM explores a participant's aptitude, interests, skills, and capability, addressing barriers to employment and facilitating the development of additional skills. • APM's employment consultants provide job search assistance, interview preparation and post-placement support. • APM's Employment Services business operates in Australia, New Zealand, UK, Canada, USA, South Korea, Singapore, Germany, Switzerland, and Spain.	Sections 3.2 and 3.9

10 Number of team members based on headcount as at 31 July 2021.

1. Investment Overview

<table>
<tr><th>Topic</th><th>Summary</th><th>For more information</th></tr>
<tr><td>What services does APM provide? continued</td><td>Health and Wellbeing: supporting individuals of all ages with physical, developmental, social, or emotional impairment to participate to their optimum capacity in everyday activities of life.
• Delivery of government, insurance and corporate health programs focussed on prevention, rehabilitation (medical, psycho-social and vocational), allied health and psychological intervention services.
• APM’s multidisciplinary teams also offer health and wellbeing services, workplace support and education and training programs.
• APM’s agreed and pending acquisition of Early Start Australia provides early intervention and therapy services for children and young people to optimise their development and achieve their potential. Services are delivered to develop physical, language, cognitive, sensory, social, and emotional skills and are either privately and/or health insurance funded or through Australia’s National Disability Insurance Scheme (NDIS).
• APM’s Health and Wellbeing business operates in Australia, New Zealand, the UK, and Canada, with additional psychology services delivered by supply chain partners globally.
Communities and Assessment: delivering a comprehensive range of assessment services and community-based programs across the lifespan from early childhood and adolescence, through the working years to older age.
• Assessment services are delivered on behalf of individuals, governments, insurance companies, and corporates.
• These include the assessment of an individual’s: early childhood development; injury, illness, impairment or disability; functional and work capacity; workplace modifications, wage subsidy and ongoing support requirements.
• APM also provides assessment of eligibility and community support requirements for those living with disadvantage, disability and/or old age.
• APM delivers community-based programs tailored to an individual’s capabilities and needs, focusing on some of the most vulnerable members of the community, such as services for the justice and youth sectors.
• Community-based practice allows for APM consultants to work with clients and other stakeholders such as families, schools, employers, agencies, service providers and others who may influence the degree of success the client will have in achieving their participation goals.
• Programs are strengths-based with the goal of increasing an individual’s independence and resilience and optimising community participation and quality of life, relative to their age and stage of life.
• APM’s Communities and Assessment business operates in Australia, the UK, and New Zealand.</td><td>Sections 3.2 and 3.9</td></tr>
</table>

Topic	Summary	For more information
What services does APM provide? continued	**Disability and Aged Care Support Services:** APM's agreed and pending acquisitions of MyIntegra and Mobility will expand APM's offerings to include a range of disability and aged care support services. • MyIntegra provides plan management and support coordination for NDIS participants. • Mobility is a marketplace for on-demand home care services connecting service providers with participants of both the NDIS and Aged Care sectors. • APM's Disability and Aged Care Support Services business operates in Australia.	Sections 3.2 and 3.9
What markets does APM target?	APM operates in the global Human Services industry, which offers a broad range of services focussed on enhancing an individual's employability, health, wellbeing, and social and economic participation. In APM's main service areas, it is exposed to large scale government programs and funding pools that are reflective of large and growing global addressable markets. Examples include: • Within the Employment Services market, Australian programs include Disability Employment Services (**DES**) and jobactive which in FY21 received $1.3 billion and $1.9 billion in government funding respectively. In the UK, the Restart Scheme has total funding of £2.9 billion allocated to the program over the period 2021-2024. In Canada, the Workforce Development Agreements provide allocation for C$722 million in annual funding as well as C$900 million in additional funding per annum up to 2023.[11] • Within the Health and Wellbeing market, in Canada, allocated funding for the Rehabilitation Services and Vocational Assistance Program (**RSVAP**) is C$560 million committed over five and a half years from June 2021 to December 2026. • In the Disability and Aged Care Support Services sector in Australia, funding for the NDIS is expected to grow to $31.9 billion per annum by FY25[12] and Aged Care Home Support and Home Care funding is expected to grow to ~$11 billion per annum by FY23.[13] The above represents select markets and programs within which APM is involved, with APM's broader target market representing a larger opportunity and funding pool. APM has a long history of operating in the Employment Services market globally and while this makes up the majority of APM's current activities, APM also has a developing presence in Health, Disability, and Aged Care Support Services. APM's growth in these service lines will be accelerated through the agreed and pending acquisitions of Early Start Australia, MyIntegra, and Mobility. APM intends to use these acquisitions as platforms to grow its presence in this service line, with particular emphasis on the NDIS and Aged Care sectors which, while small contributors to APM's revenue today, represent significant opportunities for future growth.	Section 2.1

11 About the Workforce Development Agreements program (Government of Canada). In November 2020, the Government of Canada announced an additional investment of C$1.5 billion; Helping Canadians develop the skills they need to find good jobs (Prime Minister of Canada, November 2020).

12 Australian Government Federal Budget FY21-22 (May 2021).

13 Management forecasts based on available government data. Based on government forecast Home Care Package volume multiplied by current standard Home Care Package pricing; 2019-20 Report on the Operation of the Aged Care Act 1997 (Australian Government Department of Health, November 2020); Ninth Report on the Funding and Financing of the Aged Care Industry (Aged Care Financing Authority, July 2021); Home Care Packages Program Data Report 1 January – 31 March 2021 (Australian Government Institute of Health and Welfare, June 2021).

1. Investment Overview

Topic	Summary	For more information
What are APM's ESG policies?	By delivering against its purpose of enabling better lives, APM is making a positive and lasting social impact for the people, communities, and governments it supports through the services it provides every day. APM's business is strongly aligned with the United Nations' (**UN**) Sustainable Development Goals (**SDGs**) and in particular: • Goal #3: Good health and wellbeing through promotion of mental health and rehabilitation services; • Goal #5: Achieve gender equality and empower all women and girls; • Goal #8: Decent work and economic growth through promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all; • Goal #10: Reduce inequalities within and amongst countries through APM's extensive work with people living with disability, illness and injury, and improving access to labour markets for people from vulnerable and disadvantaged populations; and • Goal #17: Strengthen the means of implementation and revitalise the global partnership for sustainable development. In alignment with the UN SDGs, in FY21, APM supported over one million individuals which included more than: • 660,000 jobseekers; • 180,000 people with a disability; • 100,000 people with mental health needs; • 50,000 offenders and ex-offenders; and • 30,000 veterans. APM's ESG vision is to contribute to strong and sustainable communities and a society that champions social inclusion, equality, and diversity. This aspiration includes positively impacting APM's clients, customers, the health and safety of APM's team members, communities, and the planet. APM's ESG aspirations are realised in the diversity of its workforce. As of June 2021, more than 70% of APM's team self-identify as female with more than 55% of the senior leadership team self-identifying as female. In addition, of APM team members surveyed in Australia, Canada, New Zealand, the United Kingdom, and South Korea, more than 4% disclosed that they have a disability and more than 18% of team members surveyed in Australia and New Zealand disclosed they have lived experience with disability.[14] As part of APM's corporate social responsibility, APM shares research with its customers and communities to inform and develop programs and enhance service delivery. For example, APM published its inaugural Disability Diversity and Inclusivity Index in early 2020 which evaluated and sought to inform and grow the awareness of disability, diversity, and the benefits of inclusive workplaces in Australia.	Section 3.12

14 Survey conducted in June 2021.

<table>
<tr><th>Topic</th><th>Summary</th><th>For more information</th></tr>
<tr><td>Who are APM's clients and customers?</td><td> APM's clients are at the centre of all that APM does. They are the individuals who access APM's services and for whom APM is dedicated to supporting to make a positive and lasting difference in their lives. While APM delivers programs and services to individual clients, the services are funded via contracts, licences, grants, and individual fee for service arrangements. APM's customers include government departments and agencies (at a local, state, and federal level), employers and insurers. APM has a diversified customer base across its 10 countries delivering over 100 separate programs and serving over 150 contract regions, with a multitude of business-to-business corporate customers and individual private pay clients across APM's Health and Wellbeing businesses. </td><td>Sections 3.1 and 3.9</td></tr>
<tr><td>How does APM ensure consistent and high quality services are delivered for its clients and customers?</td><td> APM aims to deliver high quality and personalised support services, tailored to the specific needs of each client. APM works closely with each individual to understand their needs and desired outcomes and provides clients with the necessary support at every stage of their journey. APM's evidence-based practice together with its outcome-driven and client-centric culture is supported by investment in its people, systems, and processes to drive positive outcomes for clients and customers. APM's foundation in allied health and rehabilitation is also a key point of differentiation relative to other service providers. See Section 3.5 for additional detail. </td><td>Section 3.5</td></tr>
<tr><td>Who are APM's key customers?</td><td> APM's key customers include the following international government agencies and departments, and corporations:
<table>
<tr><th>Program</th><th>Funder</th></tr>
<tr><td colspan="2">Australia</td></tr>
<tr><td>Disability Employment Services (DES)</td><td>Australian Government Department of Social Services</td></tr>
<tr><td>jobactive, New Enterprise Incentive Scheme (NEIS)</td><td>Australian Government Department of Education, Skills and Employment</td></tr>
<tr><td>Local Area Coordination (LAC) services</td><td>National Disability Insurance Agency (NDIA)</td></tr>
<tr><td>Australian Defence Force Health Services</td><td>Bupa</td></tr>
</table></td><td>Section 3.9</td></tr>
</table>

<table>
<tr><th>Topic</th><th>Summary</th><th>For more information</th></tr>
<tr><td>Who are APM's key customers?
continued</td><td>
<table>
<tr><th>Program</th><th>Funder</th></tr>
<tr><td colspan="2">UK</td></tr>
<tr><td>Work and Health Programme (WHP)</td><td rowspan="2">UK Government Department for Work and Pensions, Greater Manchester Combined Authority and the Mayor and Central London Forward</td></tr>
<tr><td>Work and Health Programme – Job Entry Targeted Support (JETS)</td></tr>
<tr><td>Restart Scheme</td><td>UK Government Department for Work and Pensions</td></tr>
<tr><td>National Citizen Service (NCS)</td><td>NCS Trust</td></tr>
<tr><td>Commissioned Rehabilitative Services (CRS)</td><td>UK Government Ministry of Justice</td></tr>
<tr><td>CFO3</td><td>Her Majesty's Prison and Probation Service and European Social Fund for England</td></tr>
<tr><td>NHS Diabetes Prevention Programme (NDPP)</td><td>National Health Service (NHS)</td></tr>
<tr><td colspan="2">USA</td></tr>
<tr><td>Temporary Assistance for Needy Families (TANF) workforce development services</td><td>United States Department of Health & Human Services</td></tr>
<tr><td>Workforce Innovation and Opportunity Act (WIOA) workforce development services</td><td>United States Department Labor funding allocated to state and local governments</td></tr>
<tr><td colspan="2">Canada</td></tr>
<tr><td>WorkBC</td><td>British Columbia Ministry of Social Development and Poverty Reduction</td></tr>
<tr><td>Ontario Prototype</td><td>Ontario Ministry of Labour, Training and Skills Development</td></tr>
<tr><td>Canadian Veterans Vocational Rehabilitation Services (CVVRS) and Rehabilitation Services and Vocational Assistance Program (RSVAP) (currently in implementation mode)</td><td>Veterans Affairs Canada</td></tr>
<tr><td colspan="2">New Zealand</td></tr>
<tr><td>Vocational Rehabilitation, Pain Management, Community Rehabilitation and Concussion Services</td><td>Accident Compensation Corporation (ACC)</td></tr>
</table>
</td><td>Section 3.9</td></tr>
</table>

Topic	Summary	For more information
Who are APM's key customers? continued	(see table below)	Section 3.9

Program	Funder
Singapore	
Professionals, Managers, Executives and Technicians (**PMET**)	Workforce Singapore
Rank and File	
South Korea	
Employment Services Package	South Korean Ministry of Employment and Labour
Outplacement services	Public and private sector
Germany	
Portfolio of employment services contracts supporting the long-term unemployed, single parents, refugees and migrants, young people and over 50s	Bundesagentur für Arbeit (German Employment Agency)
	Arbeitsagenturen (Local Labour Agencies)
Switzerland	
Portfolio of contracts supporting people with long-term health conditions and disabilities, and newly unemployed individuals with mental health challenges	SECO (Secretary for Economy)
	RAVs (Regional Employment Services)
	AWA (Government Office for Labour)
Spain	
Social housing and employment services support	Financial institutions and regional governments

APM has long-standing relationships with its customers and a history of contract renewals (including retaining positions in replacement contract programs – see Figure 3.8) underpinned by strong client outcomes as demonstrated by APM's high Star Ratings in Australia[15] and other performance metrics outside Australia (see Figure 3.2 and Figure 3.3).

Topic	Summary	For more information
Why is the Offer being conducted?	The Offer is being conducted to: • ensure APM continues to provide high quality services to its clients and customers under a transparent ownership structure; • attract and retain key talent; • reduce the Company's existing debt levels; • provide APM with access to capital markets and added financial flexibility to pursue further growth opportunities including future potential acquisitions to strengthen the depth and breadth of APM's service reach to further APM's purpose of enabling better lives; • create a liquid market for APM's Shares; and • allow Existing Shareholders to realise part of their investment in APM.	Section 7.3

15 Star Ratings are issued by the Australian Government Department of Social Services in the case of DES, and the Australian Government Department of Education, Skills and Employment in the case of jobactive to all service providers. Star Ratings are a measure of relative performance. Star Ratings are typically reported on a quarterly basis but were suspended in September 2020 due to the economic volatility as a result of COVID-19. DES Star Ratings have been reinstated as of June 2021. There are no comparable metrics for APM's non-Australian businesses.

1.2. Key Features of APM's Business Model

Topic	Summary	For more information
Which geographical markets does APM operate in?	APM has an international footprint with operations in 10 countries and over 800 locations. APM's business operates across four key regions: • **Australia – (52.2% of FY21 revenue)** • **Europe – (26.8% of FY21 revenue)**: UK, Germany, Spain, Switzerland • **North America – (12.5% of FY21 revenue)**: USA, Canada • **Asia Pacific – (8.5% of FY21 revenue)**: New Zealand, South Korea, Singapore APM's largest presence is in Australia, where it has 553 locations and over 3,300 team members. The expansive nature of APM's geographical footprint across Australia aligns to APM's objective to provide a consistent high-quality service to its clients wherever they live, whether that be metropolitan, regional, rural, or remote Australia.	Section 3.6
How does APM generate its revenue?	APM earns revenue through the delivery of programs and services primarily funded by governments and the private sector. APM's revenue is earned in several ways. APM is contracted or licensed by funders to deliver services in particular geographic regions either exclusively or as part of a panel of providers. Market share can be allocated or uncapped as clients exercise choice over which provider they choose to receive their services from. Revenue models can be a mixture of: • service fees; • outcome fees – payments by result or milestone; • cost reimbursement/cost plus; • fixed fee; and • fee for service. **Employment Services** APM's Employment Services business predominantly generates revenue under a mixed payment by results model,[16] where APM receives revenue for upfront administration and service fees as well as outcome fees when jobseekers are placed into employment. Additional outcome payments are received if the jobseeker remains in sustained employment over specified periods or meets aggregate income thresholds over time. **Health and Wellbeing** APM's Health and Wellbeing business generally generates revenue via both fixed fee and fee for service (e.g. hourly rate and agreed fee) contracts.	Sections 3.8 and 3.9

16 This model is prevalent for APM's employment services contracts in Australia, New Zealand, the UK, Canada, South Korea and Singapore. APM's employment services contracts in the USA are typically structured as cost plus.

Topic	Summary	For more information
How does APM generate its revenue? continued	**Communities and Assessment** Under APM's Communities and Assessment contracts, APM typically generates revenue via both fees per assessment and fixed fee grant-based funding. **Disability and Aged Care Support Services** Revenue earned in APM's Disability and Aged Care Support Services comprises both fixed fee and fee for service revenue. See Sections 3.8 and 3.9 for further detail on APM's revenue model and contracts.	Section 3.8
What is APM's history?	APM was founded by Megan Wynne, Executive Chair, in 1994 as a vocational rehabilitation provider in Perth, Western Australia. Over the last 27 years, APM has expanded its service offering and operations across Australia and internationally to deliver a broad range of large scale essential human services. Select key milestones include: • **2002:** Awarded its first Australian Government contract to deliver Work Capacity Assessments nationally • **2007:** Awarded Australian Government funded Vocational Rehabilitation Services contract • **2011:** Commenced operations in the UK • **2012:** Commenced operations in New Zealand • **2015:** Awarded jobactive and Regional Assessment Services contracts • **2018:** Awarded national DES contract in Australia and awarded Local Area Coordination contract with the National Disability Insurance Agency • **2019:** Awarded WorkBC contracts in five regions in Canada • **2020:** Awarded Employment Services Ontario Prototype contract in Canada • **2021:** Awarded Rehabilitation Services and Vocational Assistance contract in Canada and two prime Restart Scheme contracts in the UK APM has also grown through the acquisition of 16 businesses with a total value of over $300 million since 2015.[17] These acquisitions included: • Ingeus (including WCG, Ross Innovative Employment Solutions, and Assure Programs) in 2018, which allowed APM to consolidate its footprint in the UK and further expand into Europe, North America, and South-East Asia; • Konekt in 2019 and Generation Health in 2021 which facilitated greater exposure to vocational rehabilitation services and employment services markets in Australia; and • The agreed and pending acquisition of Early Start Australia, MyIntegra, and Mobility which will support APM's expansion into providing services in relation to the NDIS and the aged care sector. These acquisitions have reached agreement and, subject to the satisfaction of certain conditions, are expected to occur after the Settlement Date, on 31 December 2021. A summary of material terms of the sale agreements relating to these acquisitions is set out in Sections 6.11.1 and 9.6.2.	Section 3.3

17 Including the agreed and pending acquisitions of Early Start Australia, MyIntegra and Mobility in 2021. These acquisitions are expected to complete post Listing, on 31 December 2021.

1. Investment Overview

Topic	Summary	For more information
What drives demand for APM's services?	Demand for APM's services are driven by societal dynamics including: • Underemployment and unemployment; • Structural changes in labour markets that require different employee skillsets such as changes in technology and globalisation; • Widening social and economic inequality; • Heightening focus on prevention of injury and illness and early intervention in multiple facets of health and wellbeing; • Increasing mental health and disability awareness; • Ageing populations and increased longevity; and • Increased government focus on quality, performance, and service consistency across geographic markets.	Section 2.2
How does APM expect to fund its operations?	APM's principal sources of funds are cash flows from operations, which is supplemented by debt and equity financing to fund acquisitions. APM generated positive operating cash flow with pro forma Free Cash Flow (prior to acquisitions) growing from \$(0.1) million in FY19 to \$129.1 million in FY21, with pro forma Free Cash Flow (prior to acquisitions) forecast in FY22 to be \$84.7 million. Upon Listing, as at 30 June 2021, APM will have pro forma cash of \$183.2 million and bank debt facilities of \$583.9 million. In addition, the company has a \$75 million Revolving Credit Facility of which \$63.9 million is undrawn. The Directors believe that, following Completion of the Offer, APM will have sufficient working capital to carry out its stated business objectives.	Sections 4.4 and 4.5
What is APM's dividend policy?	The payment of a dividend by APM is at the discretion of the Directors and will be a function of a number of factors, including: • general business and financial conditions; • APM's cash flow including cash from operations; • capital expenditure requirements; • working capital requirements; • potential acquisitions and other expansion opportunities; • unusual or non-recurring items; • taxation requirements; and • any other factors that the Directors consider relevant. Depending on the available profits and the financial position of APM, it is the current intention of the Directors to pay interim dividends in respect of the financial half years ending 31 December and final dividends in respect of financial full years ending 30 June each year. It is intended that the first dividend paid by APM will be a final dividend in respect of the period from 1 January 2022 to 30 June 2022. The Directors intend to target a payout ratio of 40% to 60% of NPATA. However, the level of payout ratio is expected to vary between periods depending on the factors described above. It is expected that all future dividends will be franked to the maximum extent possible. No assurances are or can be given by any person, including the Directors, about the payment of any dividend and the level of franking of any such dividend.	Section 4.9

Topic	Summary	For more information
What is the key financial information?	**Pro Forma Financial Information**	Section 4.3

$m, June-YE	FY19	FY20	FY21	FY22F
Revenue	535.7	796.7	1,016.4	1,333.2
EBITDA	76.5	148.4	233.8	294.9
EBITA	48.8	101.5	181.5	225.9
NPATA	15.1	52.6	128.6	155.1

Statutory Financial Information

$m, June-YE	FY19	FY20	FY21	FY22F
Revenue	535.7	796.7	1,029.2	1,333.2
EBITDA	76.8	132.3	244.7	248.4
EBITA	49.1	85.3	192.3	179.5
NPATA	(4.4)	10.5	48.9	68.2

1.3. Key Strengths

Topic	Summary	For more information
Leading provider of health and human services with #1 or #2 positions across multiple geographies	APM is an international provider of essential human services with leading market shares across multiple geographies and programs and a ~27-year history of delivering large scale government programs and services. APM has achieved #1 or #2 market positions across contract programs in multiple geographies underpinned by strong contract performance and outcomes for its clients, long-term investment in people, systems and processes, as well as strong relationships with stakeholders.[18] APM operates from over 800 physical locations internationally[19] and believes that to provide a high-quality consistent service to its clients it must be physically located and engaged in local communities.	Sections 3.5 and 3.6
APM makes a positive and lasting social impact for the people, communities, and governments it supports	By delivering against its purpose of enabling better lives, APM is making a positive and lasting social impact for the people, communities, and governments it supports through the services it provides every day. APM's business is strongly aligned with the UN SDGs and in FY21, APM supported over one million individuals (see Section 3.12). APM's ESG vision is to contribute to strong and sustainable communities and a society that champions social inclusion, equality, and diversity.	Sections 3.4 and 3.12

18 APM has: #1 market share for the DES program in Australia based on number of contracts and employment service areas, DES information and management data. As at 31 August 2021; #2 market share for the jobactive program in Australia based on caseload, industry jobactive caseload information from the Labour Market Information Portal. As at 31 July 2021; #2 market share for the NCS based on the number of contracted places. As at 17 August 2021; #1 market share for the WHP in the UK based on total contract referrals to date, industry information and management data. As at 31 May 2021; #1 market share for the WorkBC program in Canada based on contracted volumes at procurement, industry information and management data. As at 1 April 2019.

19 As at 31 July 2021.

1. Investment Overview

Topic	Summary	For more information
Founder led, experienced management team with strong performance culture	APM has a long-standing and experienced executive management team with an average tenure of 20 years in the sector. The management team is led by founder and Executive Chair, Megan Wynne and Group CEO, Michael Anghie. The management team is underpinned by a strong performance culture with an aligned vision, purpose, and values that permeate throughout APM. Megan Wynne founded APM which commenced operations in 1994, and has over 30 years of industry experience. Megan is an occupational therapist by training and as Executive Chair, she has a particular focus on APM's strategic direction and new business opportunities. Michael Anghie joined APM in 2018 as Group CEO and has been involved with APM since 2016. Michael previously spent 18 years as a Partner at EY and held senior leadership roles across Oceania and Asia Pacific.	Sections 3.11 and 6.2
Consistently delivering strong outcomes for clients and customers, underpinned by its origins in allied health	APM has a strong track record of securing positive client outcomes. This is embedded in APM's culture and is driven by the team's focus on APM's purpose to enable better lives. In Australia, for its DES and jobactive programs, APM consistently achieves the highest Star Rating amongst other DES and jobactive providers of scale, reflecting superior, sustainable employment outcomes for its clients.[20] Based on the last available Star Ratings in Australia, APM has a DES Star Rating of 3.9 which is materially higher than the industry average of 3.1. For jobactive, APM has an average Star Rating of 3.8, compared to the industry average of 3.2.[21] Recent industry reforms in Australia provide individual clients with greater choice and control over their support and service providers. As APM is recognised as a provider of quality, this policy direction represents an opportunity for it to grow as clients prefer high quality providers. Currently, DES program participants may choose their own provider. APM believes that its extensive geographic coverage and higher Star Ratings have positively impacted DES market share. The NDIS and aged care markets also operate with the guiding principle of client choice and control. As a result of its foundation in allied health and outcome-based culture, APM prioritises client and program outcomes, high quality service delivery and care, and an investment in training and development. This has supported APM's ability to deliver strong client outcomes.	Sections 2.3.1, 2.6, 2.7 and 3.5

20 Star Ratings are issued by the Australian Government Department of Social Services in the case of DES, and the Australian Government Department of Education, Skills and Employment in the case of jobactive. Star Ratings are a measure of relative performance.

21 APM average calculated as the arithmetic average of Star Ratings across all locations for each of DES and jobactive. Average Star Rating calculated in the same manner across all other DES and jobactive providers, and the industry average is calculated as an arithmetic average across all providers. jobactive average based on published Star Ratings as at September 2020 – Star Ratings are typically reported on a quarterly basis but were suspended in September 2020 due to the economic volatility as a result of COVID-19. DES Star Ratings have been reinstated and the DES average is as of June 2021. Star Ratings are only published in Australia. There are no comparable metrics for APM's non-Australian businesses.

Topic	Summary	For more information
Exposure to large addressable markets that are resilient through economic cycles with inelastic demand and favourable industry dynamics	APM is exposed to and operates in large markets that are generally more resilient through economic cycles. APM's addressable markets across Human Services (including Employment Services, Health and Wellbeing, Communities and Assessment, and Disability and Aged Care Support services) are underpinned by strong sector and structural market dynamics. These include increasing social expenditure, ongoing government focus to address underemployment and unemployment, increasing mental health and disability awareness and support, a focus on prevention and early intervention across multiple facets of health and wellbeing, increasing demand for at-home aged care and disability support services, and a heightened focus on employee health and wellbeing (see Section 2.2). APM believes the market opportunity is large in Australia with the Australian Government committing ~\$26 billion for the NDIS in FY22, budgeted to increase to ~\$32 billion in FY25.[22] The NDIS is considered to be a 'world-first' and 'world-leading' policy reform,[23] is said to represent one of the most important social reforms in Australian history,[24] and is the largest health related social reform in Australia since the introduction of Australia's Medicare system in 1984.[25] The Australian Government has also committed combined annual funding of ~\$3.5 billion for DES and jobactive in FY22,[26] and is expected to spend an estimated ~\$10 billion for Aged Care Home Support and Home Care funding in the aged care sector in FY21, growing to ~\$11 billion per annum by FY23.[27] APM has large market opportunities across the existing geographies in which it operates, and in new countries into which APM could expand in the future. For example, the Restart Scheme in the UK has committed funding of £2.9 billion of which APM has been awarded two prime contracts valued at ~£468 million.[28] In Canada, Veterans Affairs Canada has committed to make available C\$560 million over five and a half years for the Rehabilitation Services and Vocational Assistance Program.[29] In terms of new countries, APM is currently assessing market entry into Sweden.	Sections 2.1 and 2.2

22 Australian Government Federal Budget FY21-22 (May 2021).

23 CEO address to the Council for Economic Development of Australia (NDIS media release, February 2020); A quarter of a million Australians now benefiting from NDIS (NDIS media release, January 2019).

24 Growing the NDIS Market and Workforce (Australian Government Department of Social Services, 2019).

25 The National Disability Insurance Scheme – a review of the costs (Australian Government Productivity Commission, August 2017).

26 Australian Government Federal Budget FY21-22 (May 2021).

27 Management forecasts based on available government data. Based on government forecast Home Care Package volume multiplied by current standard Home Care Package pricing; 2019-20 Report on the Operation of the Aged Care Act 1997 (Australian Government Department of Health, November 2020); Ninth Report on the Funding and Financing of the Aged Care Industry (Aged Care Financing Authority, July 2021); Home Care Packages Program Data Report 1 January – 31 March 2021 (Australian Government Institute of Health and Welfare, June 2021).

28 Contract value of £468 million over 5 years (3 years of referrals with two year tail for ongoing support).

29 The contract will be fully operational from 1 January 2023 following an 18-month implementation period.

1. Investment Overview

Topic	Summary	For more information
Historically long-tenured contracts with cross-party government support for social welfare expenditure	There is historically strong cross-party support for social welfare expenditure with many publicly funded programs embedded in government policy. For example, successive Australian Governments and their agencies have been administering public employment services programs since 1946.[30] These were outsourced from the mid-1990s with contracted-out case management services, followed by three program iterations being the Job Network (1998-2009), the Job Services Australia model (2009-2015), and jobactive (2015-2020) which was extended by two years to July 2022 when it is planned to be replaced by the New Employment Services Model (**NESM**). Outside of Australia, in the UK, the first government public employment services agency was introduced in 1902,[31] in the USA, public employment services were introduced at the federal level in 1933,[32] and in Canada, federal public employment services were introduced in 1918.[33] Governments invest in the provision of public employment services to improve economic and social outcomes. Governments have historically extended contracts beyond their initial term, or replaced such contracts with new program iterations, and incumbent service providers who demonstrate high performance are well placed to be granted extensions or new program awards. APM's business is underpinned by long-tenured and long-term contracts as illustrated in Figure 3.8. APM has also historically been awarded contracts by the same principal funders (or their relevant successors). See Section 3.9 for further detail.	Sections 2.2, 2.3 and 3.9
Opportunities for future growth, building on track record of historical organic growth and strategic acquisitions	APM believes there are multiple opportunities for future growth, including: • **Underlying market growth:** The Human Services sector has historically grown on a per capita basis (see Figure 2.1) and APM believes it is well placed to benefit from the expected underlying growth in the Human Services sector with key contracts tied to fiscal spending on social services. • **Secured new contracts:** The roll-out and contract maturation of APM's recent wins provide a foundation for growth. For example, the Restart Scheme contract in the United Kingdom has an announced initial contract value of ~£468 million[34] over 5 years and the Rehabilitation Services and Vocational Assistance Program (**RSVAP**) contract in Canada has an announced contract value of ~C$560 million over 5.5 years.[35] Contracts secured by APM in FY21 have runways of growth for APM beyond FY22 as these contracts are currently in early commencement and roll-out phases.	Sections 2.2 and 3.10

30 Evaluation of jobactive Interim Report (Australian Government Department of Employment, Skills, Small and Family Business, January 2020).
31 Through the introduction of the *Labour Bureau (London) Act 1902.*
32 Through the introduction of the *Wagner-Peyser Act 1933.*
33 Through the introduction of the *Employment Agencies Co-ordination Act 1918.*
34 Based on bid value provided in APM's tenders.
35 Total contract value for APM and its JV partner.

Topic	Summary	For more information
Opportunities for future growth, building on track record of historical organic growth and strategic acquisitions continued	• **Upcoming market opportunities:** APM constantly assesses new market opportunities and there are several new tenders that APM expects to bid on in the next 18 months. The total contract value of these opportunities is more than ~$2.5 billion per annum.[36] APM Management believes it is well-placed to win a share of these upcoming contracts. • **Infill/cross-sell:** APM believes it can leverage its existing capabilities, brand, geographical footprint, and performance track record to replicate its service offerings across its international business. • **New and developing service offerings:** There are several near-term new service offerings which APM is targeting, including therapy and home care support services across both the NDIS and aged care sectors in Australia. Given its allied health and rehabilitation foundations, APM believes they represent an opportunity to leverage its existing capabilities and expertise. In addition, APM has entered into agreements to acquire businesses focussed on early childhood early intervention and youth therapy; plan management and support coordination; and the broader disability and aged care support services market. These acquisitions are expected to complete shortly after Listing (see Section 9.6.2). • **New international markets:** APM continually reviews and assesses new international market opportunities, with the aim of leveraging its existing capabilities and performance track record. • **Mergers and acquisitions:** Strategic M&A has an important role in expanding APM's service offering and geographical presence. APM has a pipeline of identified opportunities and is engaged in ongoing active dialogue with targets across geographies. APM has a track record of accretive acquisitions, successful integration, and accelerating growth. APM's M&A activity has historically been further supported by strong cashflows.	Sections 2.2 and 3.10
Attractive financial profile	APM has delivered strong revenue and earnings growth since FY19:[37] • Pro Forma Revenue: – FY19-FY21: From $535.7 million to $1,016.4 million, representing a CAGR of 38% – FY21-FY22F: From $1,016.4 million to $1,333.2 million, representing growth of 31% • Pro Forma EBITDA: – FY19-FY21: From $76.5 million to $233.8 million, representing a CAGR of 75% – FY21-FY22F: From $233.8 million to $294.9 million, representing growth of 26% – FY19-FY21 EBITDA margin: From 14% to 23% – FY21-FY22F EBITDA margin: From 23% to 22%	Section 4.3

36 Represents total market funding available, not APM's expected contract value.

37 The CAGR figures presented below include growth from acquisitions – see Section 4.6.1.2 and Figure 4.18 for details of acquisitions and key drivers of revenue growth.

1.4. Key Risks

Topic	Summary	For more information
Overview	Any investment in APM is subject to risk factors that are specific to an investment in the APM Group and also that are of a more general nature including general risks associated with investing in shares. These risks are further described in Section 5 and should be reviewed in their entirety. Selected specific risks are summarised below. For more information see Section 5.1.	Section 5.1
Government contracting	**Government policy and legislative spending may change** The majority of APM's business is funded through various government programs and is dependent on the structure of those programs (including the decision to use third party service providers). Any changes in state or federal government initiatives may have a significant impact on APM's operations and future financial performance. Changes may take the form of reductions to existing contract scopes, fees, or participant eligibility which may have a negative impact upon APM's profitability, cash flows, and financial condition. Changes in the level of government spending due to budgetary or deficit considerations may have a significant impact on APM's future financial performance, cash flows, and financial condition. For more information see Section 5.2.1.1. **Reduction in use of third party service providers** Governments in the jurisdictions in which APM operates may decide to deliver services themselves rather than using external providers to deliver programs or to limit our ability to undertake such programs. For example, in the UK, the Ministry of Justice decided to in-source public probation services rather than re-procure these services from the private or charitable sectors. Any such limitations or changes to program delivery from providers to government could eliminate or reduce the value of APM's existing contracts or deny APM the ability to renew expiring contracts or to apply for new contracts, which, in turn, could adversely impact APM's financial performance, cash flows, and financial condition. For more information see Section 5.2.1.2. **Failure to comply with laws or maintain relevant licences or accreditations** APM operates in a highly regulated industry and is subject to laws, government policies, and regulations in Australia and other jurisdictions in which it operates. Changes to these laws, federal and state government policies and regulations, including the introduction of new laws, government policies and regulations, may have a material adverse impact on the financial and operational performance of APM including by increasing costs, or reducing fees or demand for its services. The nature, timing, and impact of future changes to laws, government policies and regulations are not predictable and are generally dependent on factors beyond APM's control. Failure by APM to comply with applicable laws or regulations may lead to the loss of government contracts, damages, fines or penalties which may disrupt and adversely affect APM's operations and financial results. For more information see Section 5.2.1.3.	Section 5.2.1

Topic	Summary	For more information
Material contracts	**Reliance on key programs** APM relies on key government programs for a significant portion of its revenue, with a large number of the individual contracts operating under (and dependent upon) more than 100 government programs that APM operates. In FY21, revenue from APM's top two programs, DES and jobactive, represented 39% of total revenue, and in FY22 revenue from APM's top three programs, DES, jobactive and the Restart Scheme, are forecast to contribute 43% of total revenue. See Section 4.6.1.2 for additional information on the drivers of APM's revenue growth. A loss of, or substantial reduction in, those programs would have a material adverse effect on APM's operating results. Any significant disruption to, or a loss of or reduction in these programs in the value of the contracts relating to those programs or the nature of the services APM performs under such contracts would significantly reduce APM's revenue and cash flows and could substantially harm APM's business and financial condition. For further information see Section 5.2.2.1. **APM may be subject to contract risks associated with the IPO** A number of APM's contracts require APM to seek consent of the counterparty for a change of control in connection with the implementation of the IPO. There is a risk that such consents may not be obtained, or, if obtained, they may not be on reasonable terms and conditions and/or within a reasonable timeframe. In the event that any consent to a change of control is not obtained and the IPO is implemented, there is a risk that the contract could be terminated. A loss of a material contract may result in the loss of revenue and exposure to damages or compensation and may result in unexpected costs for APM. For further information see Section 5.2.2.2. **Tenure, renewal and a potential reduction in services** There is no assurance that APM's current contracts with key customers (which include government entities) under various programs will continue until the end of their stated terms, or that upon their expiration will be renewed or extended on satisfactory terms, if at all. This includes the current contracts which are due for renewal in the 12 month period from 30 September 2021, which are forecast to contribute 21% of APM's FY22F revenue. See Section 3.9 for details of the Company's current contracts, including the renewal dates of such contracts. Additionally, services provided under current contracts may be reduced at the discretion of the counterparty to align with changes in government policy, initiatives, budgets, industry regulation or otherwise. There is a risk that the financial impact of contracts that have been early-terminated, non-renewed or reduced in scope could have a material adverse effect on APM's business, as well as its financial performance, cash flows and financial condition. In particular, the jobactive program is due to expire in June 2022 and is expected to be replaced by the NESM framework from July 2022. There is no assurance that APM will be awarded contracts under NESM on the same or equivalent terms to its existing contracts under jobactive, or at all. For further information see Section 5.2.2.3.	Section 5.2.2

Topic	Summary	For more information
Material contracts continued	**Revenue models of contracts** The revenue models of APM's contracts vary depending on the type of service it is providing. APM's aggregate revenue is weighted towards outcome fee contracts whereby APM receives a fee upon meeting certain milestones. To earn profit from these contracts, APM must accurately estimate the volume of work available in the market, associated costs, and resource requirements against the prospect of a participant sustaining employment for the relevant period, or meeting an equivalent milestone in APM's other business lines. Such estimates of workload, or of anticipated success factors for outcomes, are often provided by customers based on previous programmes, or on market studies available to or commissioned by APM. Such sources of information may not be accurate given the effluxion of time, changes in market conditions, or changes to the recipients of services, or the mode or time permitted for service delivery. Failure to appropriately anticipate the level of referrals or expected outcomes can lead to increased staffing and office costs which may be contractually committed but are not sustainable given the lower number of referrals, and consequent reduction in outcomes. Where contractual commitments are in place, relief can be sought from the funder but this may not always be forthcoming. If APM's estimates are inaccurate or affected by changes in applicable employment or other societal conditions, it may not achieve the level of profit expected or may incur a net loss on a contract. For further information see Section 5.2.2.4 **Contract tendering** APM obtains a significant portion of its business from federal and state government entities, which generally entails responding to government "requests for proposal" (**RFPs**). APM must accurately estimate its cost structures for servicing a proposed contract, the time required to establish operations and submit the most attractive proposal with respect to both technical and price specifications. APM must also assemble and submit a large volume of information within rigid and often short timetables. APM's ability to respond timely and successfully to an RFP is critical to the procurement of, or retaining business. Therefore, there is a risk that APM may not continue to win contracts in response to RFPs. Further, if APM were to misinterpret bid requirements as to performance criteria or not accurately estimate performance costs in a binding bid for an RFP, there is a risk that APM will not be able to modify the proposed contract and may be required to perform under a contract that is not profitable. For further information see Section 5.2.2.5	Section 5.2.2

Topic	Summary	For more information
Variability in cash flows	A number of factors may cause APM's cash flows and results of operations to vary from financial period to financial period, including: • the terms and progress of contracts; • caseloads and other factors where revenue is derived from transactional volume on contracts; • the levels of revenue earned on, and profitability of fixed-price and performance-based contracts; • expenses related to certain contracts which may be incurred in periods prior to revenue being recognised; • the commencement, completion or termination of contracts during any particular reporting period; • the schedules of government agencies for awarding contracts; • government budgetary delays or shortfalls; • the timing of change orders being signed; • the terms of awarded contracts; • shutdown of service capabilities due to restrictions relating to COVID-19 or other pandemics and corresponding health orders; and • potential acquisitions. Changes in the volume of activity and the number of contracts commenced, completed or terminated during any reporting period may cause variations in APM's cash flows and results of operations because a large amount of APM's expenses are fixed. For further information see Section 5.2.3.	Section 5.2.3

1. Investment Overview

Topic	Summary	For more information
Management of an international group	APM operates businesses across a large number of geographic jurisdictions and intends to continue to expand in size and increase the number of services it provides. APM's success in managing its international operations will largely depend on the ability of the members of APM's senior management to operate effectively both independently and as a cohesive multinational group. APM may encounter risks and difficulties in this regard including APM's potential failure to: • implement a unified business model and strategy that can be adapted and modified to specific geographical regions; • manage and communicate effectively with teams outside Australia; • increase awareness of APM's brand names, protect its reputation and develop customer loyalty in those geographical regions; • anticipate with any degree of certainty the behavioural and operational changes of APM's customers that have a significant impact on APM's business from time to time as they respond to evolving social, economic, regulatory and political changes; • maintain adequate control and oversight of the group's domestic and international expenses; • adequately and efficiently operate, maintain, upgrade and develop its websites, mobile applications and the other platforms and equipment APM utilises in providing its services; • improve and develop financial and management information systems, controls, and procedures suitable to an international business of APM's size; and • anticipate and adapt to changing conditions in the human resource, online, and other markets in which APM operates as well as the impact of any changes in government regulation, mergers and acquisitions involving APM's competitors, technological developments, and other significant competitive and market dynamics. For further information see Section 5.2.10.	Section 5.2.10
Impact of COVID-19 on APM	The extent and duration of the current COVID-19 crisis remains uncertain, as does the potential impact of COVID-19 on APM's business. APM has implemented measures to maintain business continuity during COVID-19, including through the support of APM's local leadership and resourcing and proactive leadership (see Section 3.15). However, there is no guarantee that such measures will be effective. In addition, APM's DES revenues were adversely impacted by the COVID-19 lockdowns from March 2020 to September 2020, during which the number of job placements and corresponding outcome fees reduced. While outcomes recovered in the period from October 2020 to June 2021, subsequent lockdowns imposed in a number of Australian states beginning in July 2021 have reduced job placement rates, and the ongoing impact on APM's business remains uncertain. The adverse impacts of COVID-19 on our business have included select contracts being delayed as governments shift the short-term focus to addressing unemployment that has resulted from COVID-19. Additionally, some contracts have also been temporarily converted to cost-plus models as governments look to reduce expenditure due to elevated caseloads. For further information see Section 5.2.17.	Sections 3.15 and 5.2.17

Topic	Summary	For more information
Other key risks	The above risks are a summary of some of the key risks associated with an investment in APM, but they are not an exhaustive list of all key risks that may affect APM or be associated with an investment in Shares. A number of other risks relating specifically to an investment in APM and generally to an investment in the Shares are included in Section 5, and investors should review all of these risks carefully before making an investment. For further information see Section 5.	Section 5

1.5. APM Directors and Key Executives

Topic	Summary	For more information
Who are the APM Directors?	**Name** – **Position** Megan Wynne – Executive Chair and Founder Michael Anghie – Group Chief Executive Officer Timothy P. Sullivan – Non-Executive Director Elizabeth Q. Betten – Non-Executive Director William E. Ritchie – Non-Executive Director Simone Blank – Independent Non-Executive Director Robert Melia – Independent Non-Executive Director Neville Power[38] – Independent Non-Executive Director	Section 6.1
Who are APM's executives?	**Name** – **Position** Megan Wynne – Executive Chair and Founder Michael Anghie – Group Chief Executive Officer Steve Fewster – Group Chief Financial Officer Karen Rainbow – CEO – Employment Services Fiona Monahan – CEO – United Kingdom Jack Sawyer – CEO – International Uschi Schreiber – Chair – Health Care Elizabeth Forsyth – CEO – Disability and Aged Care Caitriona Hayes – Group People Operations Director Gregory Meyerowitz – Group Risk and Compliance Director Stephen Farrell – Group Finance Director and Joint Company Secretary James Wakefield – Group Chief Information Officer Matthew Flood – Group General Counsel	Section 6.2

38 Mr Neville Power has been summoned to appear in Court to answer three charges relating to alleged failure to comply with directions pursuant to Sections 67, 70 and 72A of the Emergency Management Act 2005 of Western Australia (being directions relating to Western Australia's quarantine laws). Mr Power will continue to perform his duties as a director of the Company.

1.6. Significant Interests of Key People and Related Party Transactions

<table>
<tr><th>Topic</th><th>Summary</th><th>For more information</th></tr>
<tr><td>Who are the Shareholders and what will be their interest in the Company at Completion of the Offer?</td><td>The shareholdings of Existing Shareholders on the Original Prospectus Date and immediately following Completion of the Offer are set out in the table below.[39]
<table>
<tr><th>Shareholder[40,41]</th><th>Original Prospectus Date (m)</th><th>%</th><th>Completion (m)[42]</th><th>%</th></tr>
<tr><td>MDP[43]</td><td>156.0 Series A
261.9 Series B</td><td>52.1%</td><td>272.8</td><td>29.7%</td></tr>
<tr><td>Megan Wynne and Bruce Bellinge</td><td>115.0 Series A
193.0 Series B</td><td>38.4%</td><td>313.5</td><td>34.2%</td></tr>
<tr><td>Michael Anghie</td><td>3.7 Series A
6.2 Series B
23.2 Series C</td><td>4.1%</td><td>21.4</td><td>2.3%</td></tr>
<tr><td>Management and Board Shareholders</td><td>5.6 Series A
9.4 Series B
28.3 Series C</td><td>5.4%</td><td>31.8</td><td>3.5%</td></tr>
</table>
New Shareholders will hold in aggregate 277.8 million Shares immediately following Completion.</td><td>Section 7.6</td></tr>
<tr><td>What significant benefits are payable to Directors and other persons connected with the Company or the Offer and what interests do they hold?</td><td>The Shares expected to be held by Directors on Completion are as follows:
<table>
<tr><th>Director[44]</th><th>Completion</th></tr>
<tr><td>Megan Wynne[45]</td><td>313,485,870</td></tr>
<tr><td>Michael Anghie</td><td>21,441,572</td></tr>
<tr><td>Timothy Sullivan</td><td>Nil</td></tr>
<tr><td>Elizabeth Betten</td><td>Nil</td></tr>
<tr><td>William Ritchie</td><td>Nil</td></tr>
<tr><td>Robert Melia</td><td>1,565,856</td></tr>
<tr><td>Simone Blank</td><td>468,241</td></tr>
<tr><td>Neville Power</td><td>1,071,510</td></tr>
</table>
The Directors (and their associated entities) are entitled to apply for Shares under the Priority Offer. The above table does not include any Shares which may be acquired as part of the Priority Offer. Directors and senior management are entitled to remuneration and fees as disclosed in Section 6.5, and are entitled to participate in the incentive arrangements described in Section 6.7.</td><td>Sections 6.4.1, 6.5 and 6.7</td></tr>
</table>

39 Shareholdings have been calculated following conversion of the existing classes on issue into fully paid ordinary shares. Refer to Section 9.4 for further information.

40 Shareholders may hold their interests in Shares directly, or through entities associated with them (e.g. through holdings by companies or trusts). Interests of Megan Wynne include Shares held by her related party Dr Bruce Bellinge, through Bellinge Holdings Pty Ltd amounting to 39.3 million Series A Shares and 66.0 million Series B Shares as at the Original Prospectus Date, and 102.7 million Shares on Completion, being 11.2% of the total Shares on issue at Completion.

41 Refer also to Section 6 for further information on interests and benefits (including Directors' interests in Shares).

42 The number and percentage of Shares on Completion have been calculated including the Shares to be issued as part of the acquisitions of Early Start Australia Pty Ltd, Integrated Care Pty Ltd, Mobility Holdings Pty Ltd and Mobility Australia Pty Ltd (being 18.6 million Shares in aggregate), completion of which is expected to occur in December 2021. Refer to Section 9.6.2 for further information. A total of 898.8 million Shares would be on issue excluding the Shares issued as part of these acquisitions.

43 References to MDP as a Shareholder or as holding Shares include the Shares held by funds managed and controlled by Madison Dearborn Capital Partners LLC along with certain investors in such funds and certain advisers to those investors. MDP controls the voting rights attaching to these Shares.

44 Directors may hold their interests in Shares directly, or through entities associated with them (e.g. through holdings by companies or trusts).

45 Includes the Shares to be issued as part of the Acquisition, completion of which is expected to occur in December 2021. Refer to Section 9.6.2 for further information.

Topic	Summary	For more information
What significant benefits are payable to Directors and other persons connected with the Company or the Offer and what interests do they hold? continued	Elizabeth Betten, Timothy Sullivan and William Ritchie are affiliated with MDP. Elizabeth Betten and Timothy Sullivan are Managing Directors of MDP, which is the ultimate general partner of the MDP funds that hold a substantial holding in the Company, and are direct or indirect partners in such funds. However, none of Elizabeth Betten, Timothy Sullivan or William Ritchie directly or indirectly hold Shares in their personal capacity. Advisers and other service providers are entitled to fees for services and have other interests as disclosed in Section 6.4.1.	Sections 6.5.4, 6.7 and 6.4.1
Will any Shares be subject to restrictions on disposal following Completion?	Shares held on Completion of the Offer by MDP, Megan Wynne, Michael Anghie, Management Shareholders and Directors (or entities that they control or that are associated with them) will be subject to voluntary escrow arrangements, which will prevent them from disposing of their Escrowed Shares for specific periods. The Escrowed Shares will be subject to voluntary escrow arrangements as follows: (see table below) The number of Escrowed Shares and percentage of the Escrowed Shares bears to all the Shares on issue on Completion of the Offer is set out in Section 9.7.	Section 9.7

Shareholder	Escrow Period (from the date of Completion)
MDP	Until (and including) the date on which the Company releases its financial results with respect to the financial year ending 30 June 2022 to ASX
Megan Wynne	Until (and including) the date on which the Company releases its financial results with respect to the financial year ending 30 June 2023 to ASX
Michael Anghie	**70% of Escrowed Shares:** Until (and including) the date on which the Company releases its financial results with respect to the financial year ending 30 June 2023 to ASX **30% of Escrowed Shares:** Until (and including) the date on which the Company releases its financial results with respect to the financial year ending 30 June 2024 to ASX
Management Shareholders	**70% of Escrowed Shares:** Until (and including) the date on which the Company releases its financial results with respect to the financial year ending 30 June 2023 to ASX **30% of Escrowed Shares:** Until (and including) the date on which the Company releases its financial results with respect to the financial year ending 30 June 2024 to ASX
Directors	Until (and including) the date on which the Company releases its financial results with respect to the financial year ending 30 June 2022 to ASX

1. Investment Overview

<table>
<tr><th>Topic</th><th>Summary</th><th>For more information</th></tr>
<tr><td>Are there any other related party transactions?</td><td>

Acquisition

APM has entered into binding documentation for the acquisition of an ancillary and complementary business from entities controlled by Megan Wynne (and one entity in which Megan Wynne and Michael Anghie have a beneficial interest), which is conditional upon and will complete after the Listing. The acquired business will support APM's expansion into providing services in relation to Australia's NDIS and Aged Care sector. The transaction involves the direct or indirect acquisition of Early Start Australia Pty Ltd, Integrated Care Pty Ltd, Mobility Holdings Pty Ltd, and Mobility Australia Pty Ltd (together, the Target Companies) (Acquisition).

The buyer of each Target Company is Advanced Personnel Management Global Pty Ltd (or one of its subsidiaries) which is indirectly wholly owned by APM (Buyer). The Acquisition was negotiated on arm's length terms and the vendors have provided customary warranties and tax indemnities in relation to the nature of the business of the Target Companies.

The aggregate consideration payable for the Acquisition is:
• $101,500,000 in upfront consideration, payable upon completion of the Acquisition through a combination of cash payments (which includes the repayment of shareholder loans advanced by the related party vendor to the various Target Companies) and an issue of Shares; and
• an earn-out payment, which is contingent upon the underlying business meeting EBITDA hurdles (described below) over the subsequent 3-year period. The earn-out payment will be payable by the issue of up to a maximum number of 20,000,000 Shares, to be issued over the subsequent 3-year period.

Refer to Sections 6.11.1 and 9.6.2 for further information in relation to the Acquisition.

Related Party Leases

The Company operates part of its business (specifically head office functions) from premises leased from entities controlled by Megan Wynne or her Closely Related Party (Related Party Leases). The aggregate annual rent payable under the Related Party Leases in FY21 was approximately $931,471 (excluding GST). Please see Sections 6.11.2 and 9.6.3 for a summary of the material terms of the Related Party Leases.

</td><td>Sections 6.11, 9.6.2 and 9.6.3</td></tr>
</table>

1.7. Details of the Offer

Topic	Summary	For more information
Who are the issuers of this Prospectus?	APM Human Services International Limited (ACN 639 621 766) and APM SaleCo Limited (ACN 653 997 472).	Section 9.1
What is the Offer?	The Offer is an initial public offering of New Shares in the Company and the sale of existing Shares by SaleCo at an Offer Price of $3.55 per Share (**Offer Price**). Under the Offer, 277.8 million Shares, will be issued by the Company and offered by SaleCo.[46] These Shares will be made available for investors under the Broker Firm Offer, the Institutional Offer, the Priority Offer and the Employee Offer. The total number of Shares that will be on issue at Completion is 917.3 million.[47] The Offer (excluding the Employee Gift Offer, under which no proceeds will be raised) is expected to raise approximately $339 million from the issue of New Shares by the Company and for the Company's benefit and approximately $643 million from the sale of the existing Shares by SaleCo, being a total raising of $982 million.[48]	Section 7.1
What is the consideration payable for the Shares?	The price payable under the Offer (except for the Employee Gift Offer) is $3.55 per Share. Eligible Employees will receive an invitation to receive Shares worth $1,000 for no consideration under the Employee Gift Offer.	Section 7.1
What is SaleCo?	SaleCo is a special purpose vehicle that has been established to facilitate the sale of certain Existing Shares held by the Selling Shareholders.	Section 9.5
What is the proposed use of funds raised under the Offer?	The Offer is being conducted to: • ensure APM continues to provide high quality services to its clients and customers under a transparent ownership structure; • attract and retain key talent; • reduce the Company's existing debt levels; • provide APM with access to capital markets and added financial flexibility to pursue further growth opportunities including future potential acquisitions to strengthen the depth and breadth of APM's service reach to further APM's purpose of enabling better lives; • create a liquid market for APM's Shares; and • allow Existing Shareholders to realise part of their investment in APM.	Sections 7.3 and 7.4

46 This includes New Shares issued under the Employee Gift Offer.

47 The number and percentage of Shares on Completion have been calculated including the Shares be issued under the Employee Gift Offer (being 1.2 million Shares), and as part of the acquisitions of Early Start Australia Pty Ltd, Integrated Care Pty Ltd, Mobility Holdings Pty Ltd and Mobility Australia Pty Ltd (being 18.6 million Shares in aggregate), completion of which is expected to occur in December 2021. Refer to Section 9.6.2 for further information. A total of 898.8 million Shares would be on issue excluding the Shares issued as part of these acquisitions.

48 Proceeds of the Offer do not include New Shares issued under the Employee Gift Offer.

Topic	Summary	For more information
What is the proposed use of funds raised under the Offer? continued	(see table below)	Sections 7.3 and 7.4

Sources of funds	$m	Uses of funds	$m
APM			
Cash proceeds received from the issue of Shares by the Company[1]	339.0	Repayment of existing debt facilities	160.0
		Cash on balance sheet	97.5
		Costs of the Offer[2]	44.0
		Cash consideration for acquisition of Early Start Australia, MyIntegra and Mobility[3]	35.8
		Cash component of the Employee IPO Gift[4]	1.7
SaleCo			
Cash proceeds received from the sale of Shares by SaleCo	643.1	Payments to Selling Shareholders	643.1
Total sources of funds	**982.1**	**Total uses of funds**	**982.1**

Notes:

1. Cash proceeds received by APM relate only to the issue of New Shares under the Broker Firm Offer, Priority Offer, Employee Offer and Institutional Offer. APM did not receive funds for the issue of New Shares under the Employee Gift Offer or the issue of New Shares in connection with the Acquisition.
2. Costs of the Offer include fees payable to advisers referred to in Section 6.4.1 as well as other costs such as registry fees, ASX listing fees and other advisers fees.
3. See Section 9.6.2 for more information.
4. See Section 4.2.4 for more information.

The Board retains the right to vary these uses of funds, acting in the best interests of Shareholders and as circumstances require.

Topic	Summary	For more information
How is the Offer structured?	The Offer comprises: • the Retail Offer, consisting of: – the Broker Firm Offer open to Australian and New Zealand resident retail clients of Brokers who have received a firm allocation of Shares from their Broker; – the Priority Offer open to Eligible Persons who have received an invitation from the Company to apply for Shares at the Offer Price; – the Employee Offer open to Eligible Priority Employees who have received an offer from the Company to apply for Shares at the Offer Price; and – the Employee Gift Offer open to Eligible Employees who have received an offer from the Company to acquire $1,000 worth of Shares in the Company at no cost; and • the Institutional Offer, offer to Institutional Investors in Australia, New Zealand and certain other jurisdictions around the world, made under this Prospectus.	Section 7.2
Is the Offer underwritten?	The Joint Lead Managers have fully underwritten the Offer (excluding the Employee Gift Offer) pursuant to the Underwriting Agreement.	Section 7.10
Will the Shares be quoted on the ASX?	APM has applied for admission to the Official List of the ASX and quotation of Shares on the ASX under the code "APM". Completion is conditional on the ASX approving this application. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act. APM will be required to comply with the ASX Listing Rules, subject to any waivers obtained by us from time to time. The ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that APM may be admitted to the Official List is not to be taken as an indication of the merits of APM or the Shares offered for sale.	Section 7.23
Will the Offer be extended into New Zealand?	Yes. All Shares offered to investors in New Zealand under the Offer are being offered under the Mutual Recognition Regime. No offer of Shares is being made to investors in New Zealand until such time as the relevant notice and accompanying documents required to be lodged under the Mutual Recognition Regime have been lodged. Investors in New Zealand should refer to the Section "Important Notice to New Zealand Investors" on page 4 of this Prospectus.	"Important Notice to New Zealand Investors" on page 4
Who are the Joint Lead Managers for the Offer?	Goldman Sachs, UBS, BofA Securities, and Credit Suisse.	Section 7.9

1. Investment Overview

Topic	Summary	For more information
What is the allocation policy?	The allocation of Shares between the Retail Offer (including the Broker Firm Offer, the Priority Offer, the Employee Offer and the Employee Gift Offer) and Institutional Offer was determined by agreement between the Company, SaleCo and the Joint Lead Managers, having regard to the allocation policies outlined in Sections 7.11.1, 7.12.1, 7.13.1, 7.14.1 and 7.17.2.	Sections 7.11.1, 7.12.1, 7.13.1, 7.14.1 and 7.17.2
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission, or stamp duty is payable by Applicants on the subscription and acquisition of Shares under the Offer.	Section 7.10
What are the tax implications of investing in Shares?	You may be subject to Australian income tax on any future dividends paid. The tax consequences of any investment in the Shares will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to invest.	Section 9.12
When will I receive confirmation that my Application has been successful?	It is expected that initial holding statements will be despatched by standard post around or on 18 November 2021.	Section 7.10
What is the minimum Application size under the Offer?	The minimum Application under the Broker Firm Offer is as directed by the Applicant's Broker.	Section 7.10
How can I apply for Shares under the Offer?	Applicants under the Broker Firm Offer should follow the instructions provided by their Broker in relation to any application for Shares. Applicants under the Priority Offer may apply for Shares by following the instructions in their personalised invitation to participate in the Priority Offer. Eligible Employees may apply for Shares under the Employee Gift Offer (at no cost) by following the instructions in their personalised invitation to participate in the Employee Gift Offer. Eligible Priority Employees may apply for Shares in the Employee Offer (at the Offer Price) by following the instructions in their personalised invitation to participate in the Employee Offer. To the extent permissible by law, an Application by an Applicant under the Offer is irrevocable.	Sections 7.11, 7.12, 7.13 and 7.14
When can I sell my Shares on ASX?	It is expected that the Shares will commence trading on ASX on a conditional and deferred settlement basis on or about 12 November 2021. It is expected that despatch of holding statements will occur on or about 18 November 2021 and that Shares will commence trading on the ASX on a normal settlement basis on 17 November 2021. It is the responsibility of each Applicant to confirm their holding before trading their Shares. Applicants who sell Shares before they receive an initial holding statement do so at their own risk.	Section 7.10

Topic	Summary	For more information
Can the Offer be withdrawn?	The Company and SaleCo reserve the right not to proceed with the Offer at any time before the issue or transfer of Shares to Successful Applicants. If the Offer, or any part of it, does not proceed, Application Monies will be refunded. No interest will be paid on any Application Monies refunded as a result of the withdrawal of the Offer.	Section 7.10
Where can I find out more information about this Prospectus or Offer?	Call the APM Offer Information Line on 1300 161 431 (within Australia) or +61 3 9415 4047 (outside Australia) between 8:30am and 5:00pm (Sydney time), Monday to Friday. All enquiries in relation to the Broker Firm Offer should be directed to your Broker. If you have any questions about whether to invest in the Company, you should seek professional advice from your accountant, financial advisor, stockbroker, lawyer, or other professional advisor before deciding whether to invest.	Section 7.10

2.
Industry Overview

2. Industry Overview

2.1. Overview of the Human Services Industry

The Human Services industry includes a broad range of services focussed on enhancing an individual's employability, health, wellbeing, and resilience. Human Services providers aim to ensure that individuals are supported, independent and have access to opportunities so that they can fulfil their potential. Services that are commonplace in the Human Services industry across the globe include employment services, vocational rehabilitation, counselling, social care and support services, child protection services, youth and family services, independent living services, parolee and refugee services, accommodation support, and services that help meet basic needs such as food and shelter. The services offered across the Human Services industry are relevant and important to addressing the United Nation's (**UN**) Sustainable Development Goals (**SDGs**).[49]

Over the course of an individual's life, multiple factors (that may vary in severity, duration, and impact) can impact an individual's ability to be independent and participate in society. These factors can create needs that benefit from support services that help to correct negative impacts or mitigate any further decline in an individual's circumstances. The Human Services industry provides a wide range of support services that can address the needs of people who are vulnerable, disadvantaged, or are at risk of becoming vulnerable.

APM operates in the Human Services industry and provides essential services on behalf of governments and the private sector across Employment; Health and Wellbeing; Communities and Assessment services, and has targeted further expansion in Disability and Aged Care Support services. Government policy increasingly recognises the growing need to support vulnerable and/or disadvantaged populations, including people with disability and the aged. For example, in the May 2021 Australian Federal Government Budget, the Government committed in excess of $230 billion towards disability and aged care services over FY22-25 (see Sections 2.6 and 2.7).[50] There are similar trends observed outside of Australia (see Section 2.2).

APM operates in 10 countries being Australia, the UK, the USA, Canada, New Zealand, South Korea, Germany, Singapore, Spain, and Switzerland.[51] Social expenditure in these countries has grown at a faster rate than gross domestic product (**GDP**) over 2007-2017 (see Figure 2.2)[52], driven by societal trends such as the need to address underemployment and unemployment, ageing populations, and a growing focus on health and wellbeing (see Section 2.2 for further detail).

2.1.1. Employment Services

Employment Services are services that support jobseekers to find sustainable employment and employers to fill vacant positions. Employment services are delivered through various employment programs or schemes, which are typically funded by government agencies and departments and delivered by third party service providers. APM's largest service category is Employment Services, contributing 73% of pro forma FY22F revenue.

Employment Services include activities such as job search assistance, interview preparation, resumé writing, training in specific job skills, and broader support for jobseekers to become 'job ready'. For individuals who secure a job placement, ongoing support is typically available with services including on-the-job training, communicating with employers and co-workers, and assisting with the organisation of workplace modifications.

Increasing the ability for jobseekers to participate in the labour market provides financial and non-financial benefits to governments, employers, and jobseekers, including:

- increased social participation and economic contribution;
- reduced spend on welfare programs and government budgets;
- increased GDP;
- greater supply of labour for employers; and
- improved standard of living, greater financial security, social inclusion, and mental health benefits for employees.

49 For example, the Australian Government has recognised multiple programs and policies across the Human Services industry that are relevant to addressing the UN SDGs; Report on the Implementation of the Sustainable Development Goals (Australian Government, 2018).

50 Australian Government Federal Budget FY21-22 (May 2021). Funding for the NDIS of $116 billion and Aged Care (including residential aged care) of $120 billion over FY22-25.

51 APM's CiC and Assure businesses also provide services outside these countries through their associate networks.

52 Social expenditure is defined by the Organisation for Economic Co-operation and Development (**OECD**) as the provision by public and private institutions of benefits to, and financial contributions targeted at, households and individuals in order to provide support during circumstances which adversely affect their welfare. The OECD data in Figure 2.2 excludes Singapore as it is not an OECD country.

The potential savings for governments from increased employment is illustrated by the total lifetime cost of future payments to working age welfare recipients in Australia, which as at 30 June 2018 was estimated at $471 billion or an average lifetime cost of approximately $0.38 million per recipient.[53] This equated to 33 times the average annual welfare payment to each working age recipient of $11,500.[54] In the UK, analysis suggested that for every £1.00 invested in the Work Programme,[55] the return from a broader societal cost benefit perspective was up to £4.51 when impacts are extrapolated over four years.[56]

In Australia, the Australian Government delivers two key employment services programs, Disability Employment Services (**DES**) and jobactive (see Section 2.3.1). In the United Kingdom (**UK**), there are three key employment services programs, the Work and Health Programme (**WHP**), WHP – Job Entry Targeted Support (**JETS**) and the Restart Scheme, each providing targeted support to various demographics of jobseekers (see Section 2.3.2). Similar government funded employment services programs also exist in other international markets where APM has existing operations or otherwise offers future expansion opportunities, such as Canada through the WorkBC and Ontario Employment Services Transformation programs (see Figure 2.10).

2.1.2. Health and Wellbeing Services

Health and Wellbeing Services comprise a broad range of services for clients ranging from infancy, early childhood, youth, and through to senior years. Services for children are focussed on maximising their development and achieving their physical, language, cognitive, sensory, social, and emotional potential. Services for working age individuals include return to work rehabilitation and injury and illness prevention services across various sectors such as workplace injury, veterans, and mental health. Health and wellbeing services also include psychological interventions, employee assistance programs (**EAPs**), consultancy services, and employee training programs.

Health and wellbeing services are typically funded by either employers or through workers' compensation schemes and are delivered by third party service providers. In Australia, federal and state workers' compensation schemes fund and outsource vocational rehabilitation services to assist injured employees return to work – these workers' compensation schemes are a compulsory form of insurance for all employers in certain jurisdictions, including Australia, New Zealand, Canada, and the United States. See Section 2.4 for more information.

2.1.3. Communities and Assessment

The Communities and Assessment services market involves providing assessments for individuals or families to facilitate access to government support schemes, and support for citizens to engage better with their communities by building capacity and societal engagement across various socio-economic classes. Assessment services are delivered as part of the relevant government support scheme and are delivered by third party service providers. Assessments may determine an individual's eligibility for particular funding, schemes, or the level of support, services, and funding available. Other services include workshops or individual consultations to help individuals better understand the level of support available, creating support plans and goals and implementing the plan with relevant service providers.

In Australia, there are several support schemes where the assessment of eligibility and the level of support and funding available is carried out by third party assessment services providers such as APM. For at-home and residential aged care support, there are three key assessment services: Regional Assessment Services, Aged Care Assessment Team, and Residential Aged Care Assessments. For disability support, there are four key assessment services: National Panel of Assessors, Local Area Coordination, Early Childhood Early Intervention, and Disability Medical Assessment. See Section 2.5 for further information.

In the UK, the National Citizen Service program is delivered for young people with a goal of fostering social inclusion, engagement, and cohesion. APM also delivers personal wellbeing, accommodation, training and education services to ex-offenders to assist with their transition to full community participation.

53 30 June 2018 actuarial valuation undertaken by the Department of Social Services.
54 Calculated as $380,000 divided by $11,500.
55 Predecessor program to the UK Department for Work and Pensions' current Work and Health Programme (see Section 2.3.2.2).
56 The Work Programme – A quantitative impact assessment (Department for Work and Pensions, November 2020).

2.1.4. National Disability Insurance Scheme (NDIS)

In Australia, the NDIS is a unified and national scheme for people with disability, delivering disability services and providing Australian Government funding directly to individuals. Services funded by the NDIS include support for daily activities (e.g. personal care, household tasks, transport, consumables), assistance with social and community participation (e.g. workplace help and supports for the workplace), and capacity building supports to assist independent living. The NDIS is supported by service providers across several distinct areas including plan management (which supports NDIS participants to manage their NDIS plan funding), Local Area Coordination (which supports communities and prospective participants to engage with the NDIS including developing and implementing their plan), and the provision and delivery of support and services to NDIS participants. Australian Government funding provided for the NDIS in FY21 was $23.2 billion.[57] See Section 2.6 for further information.

2.1.5. Aged Care and Home Care and Support

Aged Care and Home Care and Support services include services for the elderly that support and promote independent living. In Australia, the Australian Government funds two home care programs, the Commonwealth Home Support Program (**CHSP**) which provides entry-level support and the Home Care Packages Program (**HCP**) which caters to those who require more complex support. Support and services that are funded include personal care services, domestic assistance, food services, and home maintenance assistance. Both the CHSP and HCP are supported by service providers who provide services directly to program participants. Australian Government funding provided for Aged Care and Home Support in FY20 was ~$6 billion.[58] See Section 2.7 for further information.

2.2. Key Trends and Growth in the Human Services Industry

The Human Services market is underpinned by several key structural market drivers, as well as specific growth opportunities in the NDIS and aged care sectors (see Sections 2.6 and 2.7):

- **Increasing social expenditure:** Expenditure in the Human Services industry is often referred to as social expenditure. Social expenditure is defined by the Organisation for Economic Co-operation and Development (**OECD**) as the provision by public and private institutions of benefits to, and financial contributions targeted at, households and individuals in order to provide support during circumstances which adversely affect their welfare. In each of APM's major markets, social expenditure has grown at a rate in excess of GDP growth over the 10 years to 2017. Based on the OECD Social Expenditure Database, in 2017[59] Australia spent US$8,063 on social expenditure per capita and total public social expenditure made up 16.7% of GDP. Of this 16.7%, 6.0% was spent on health services, and 2.5% on social services excluding health (with the remainder spent on cash benefits such as pensions and income support). While there are typically differences in social expenditure preferences across the political spectrum, there is overall bipartisan political support for public social expenditure in Australia, as evidenced by the consistent trend in increased per capita spend (1.4% CAGR) over 2007-2017,[60] despite multiple changes of government. Similar trends are also evident in APM's other countries of operations with each region displaying an increasing trend as illustrated in the below figures.

57 Australian Government Federal Budget FY21-22 (May 2021).
58 Ninth Report on the Funding and Financing of the Aged Care Industry (Aged Care Financing Authority, July 2021).
59 Most recent data available for Australia.
60 OECD Social Expenditure Database (November 2020, at constant prices (2015) and constant PPPs (2015)).

2. Industry Overview

Figure 2.1: Social Spend Per Capita (US$)[61]

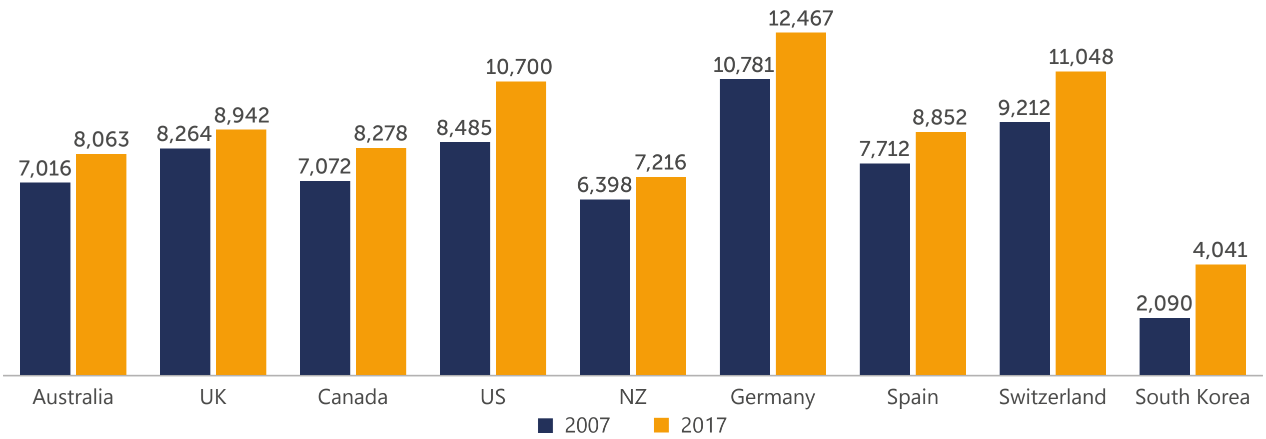
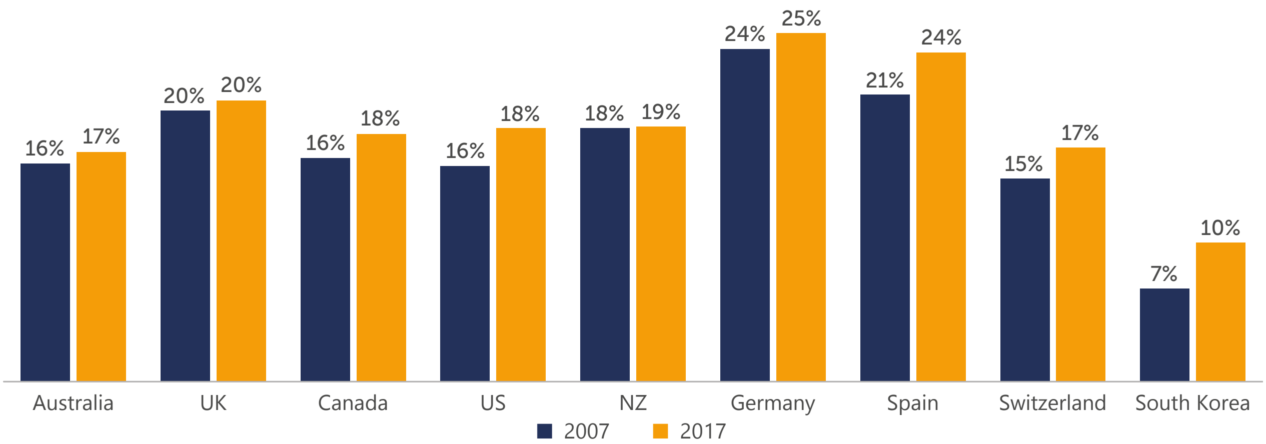


Figure 2.2: Social Spend as a % of GDP[62]



- **Greater focus on underemployment and unemployment:** Across the OECD, the average unemployment rate is 6.4% (as at June 2021),[63] and while unemployment rates differ across geographies (as illustrated below), a level of unemployment will always exist.[64] Addressing unemployment and underemployment is typically a key objective of governments to support economic growth as well as to reduce reliance on social welfare. For example, the Australian Government's 2021-22 Budget outlines several measures focussed on creating employment opportunities to rebuild the economy.[65] Similarly, the USA Government's American Jobs Plan,[66] the UK Government's Plan for Jobs,[67] and Canada's Jobs and Growth Fund[68] are all recent government initiatives and policies introduced to support job creation and overall longer-term economic growth.

61 OECD Social Expenditure Database (November 2020, at constant prices (2015) and constant PPPs (2015)); 2017 is the most recent data available across all relevant countries. Singapore data not available as it is not part of the OECD. Latest data as at 2018 available for Canada (US$8,302), South Korea (US$4,427), New Zealand (US$7,633), Switzerland ($11,021) and US (US$10,785) remains supportive of the positive trend in social spend per capita.

62 OECD Social Expenditure Database (November 2020); 2017 is the most recent data available across all relevant countries. Singapore data not available as it is not part of the OECD. Latest data as at 2019 available for Germany (26%), US (19%), UK (21%), Spain (25%) and South Korea (12%); and latest data as at 2018 available for Canada (18%), New Zealand (19%) and Switzerland (17%) remains supportive of the positive trend in social spend as a % of GDP.

63 OECD Unemployment Rate Statistics. OECD countries included in the average include Australia, Austria, Belgium, Canada, Colombia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Israel, Italy, Japan, South Korea, Latvia, Lithuania, Luxembourg, Mexico, the Netherlands, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden and the USA. Note unemployment data not available across all OECD countries.

64 Unemployment: The Curse of Joblessness (IMF – Ceyda Oner, February 2020). Underemployment refers to the situation where workers are employed below their education or skill level, or their availability.

65 Australian Government Federal Budget FY21-22 (May 2021).

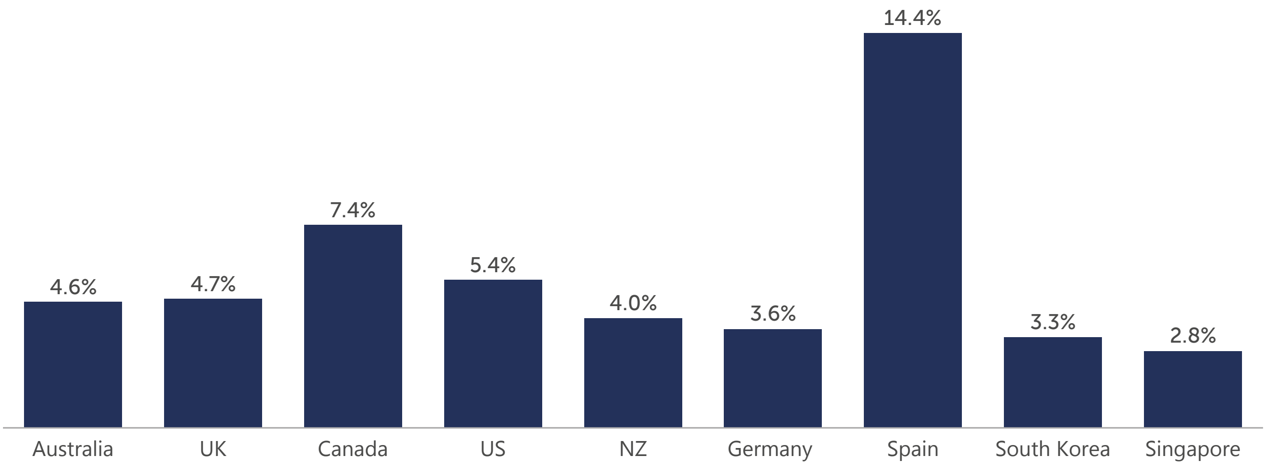
66 Fact Sheet: The American Jobs Plan (The White House, March 2021).

67 Plan for Jobs (UK Government, July 2020).

68 Jobs and Growth Fund (Government of Canada, July 2021).

The recent impact of COVID-19 on unemployment and the broader implications on social and economic inequality[69] has also heightened the need for and focus from governments on funding employment services, or otherwise improving and facilitating access to employment services. For example, Australia's unemployment rate rose to a 10-year high of 7.5% in July 2020.[70] Policy measures that facilitate extra support services for those with specific needs, such as those with disability, have also become increasingly important.[71]

Figure 2.3: Unemployment Rates (latest available)[72]



- **Heightened focus on prevention and early intervention:** Policies and programs that focus on prevention and early intervention in multiple facets of health and wellbeing have become increasingly prevalent, in an endeavour to curb the human and economic cost of disease and illness, creating additional opportunities for services providers. For example, in 2016, the UK's National Health Service (**NHS**) introduced the Diabetes Prevention Programme which seeks to reduce the incidence of Type 2 diabetes, its associated complications, and health inequalities associated with the incidence of diabetes.[73] The introduction of the NDIS in Australia also saw the introduction of the Early Childhood Early Intervention (**ECEI**) approach in 2016 for children under the age of seven who are experiencing developmental delay or disability.[74] The ECEI approach represents Australia's first national approach supporting children and their families to achieve the best outcomes. The importance of ECEI continues to draw significant focus from government and is set to undergo reforms to further facilitate and improve access.[75] Prevention and early intervention measures such as vocational health and safety and employee assistance programs in the workplace setting are other relevant examples.

69 The impact of the COVID-19 pandemic on jobs and incomes in the G20 economies (OECD & ILO, August 2020).
70 Australian Bureau of Statistics.
71 ILO COVID-19 and the world of work 7th edition (ILO Monitor, January 2021).
72 Australia: Australian Bureau of Statistics (July 2021); UK: Office for National Statistics (June 2021); Canada: Statistics Canada (July 2021); New Zealand: Stats NZ (June 2021); USA: USA Bureau of Labor Statistics (July 2021); Germany: German Federal Statistical Office (June 2021); Spain: Instituto Nacional de Estatdistica (June 2021); South Korea: Statistics Korea (July 2021); Singapore: Singapore Ministry of Manpower (June 2021). 2021 Data for Switzerland not available.
73 NHS Diabetes Prevention Programme overview and FAQ (UK NHS, August 2016).
74 Early support for young children and families (NDIS, August 2021).
75 The NDIA has begun implementing components of the new ECEI approach following a consultation process in early 2021. Implementation will continue through to 2022; Supporting young children and their families early, to reach their full potential (NDIS, August 2021).

- **Greater focus on the client:** Recent DES reforms (see Section 2.3.1.1.3) and the introduction of the NDIS (see Section 2.6) in Australia highlight a trend towards increasing and improving participant choice and control. This has created a more competitive market environment for service providers, where having high quality service delivery together with a strong brand and reputation, larger geographic footprint and delivery of better outcomes for program participants are increasingly important to attract prospective clients. Prior to recent reforms, the allocation and referral of individuals to service providers was largely determined by the relevant Australian Government agency; individuals are now able to select providers directly. The trend towards providing participants with greater choice and control over their provider and services has also been observed outside of Australia. For example, in Germany, municipal government employment services schemes provide individuals who have been unemployed for at least 6 weeks in the last three months and are eligible for unemployment benefits access to a voucher. The voucher entitles the recipient to enter into an individual (placement) contract with a private placement agency or provider. In the UK, the 2017 paper, Improving Lives – The Future of Work, Health and Disability, presented to the UK Parliament by the Secretary of State for Work and Pensions and the Secretary of State for Health considered ways to improve the choices individuals had over services and support they received.[76]
- **Increasing disability awareness:** The Australian Government has been increasingly focussed on disability support services, with the introduction of the NDIS in 2013 along with associated funding until at least FY25 (see Section 2.6) and the implementation of its National Disability Strategy 2010-2020. The Australian Government has also commenced the development of a new national disability strategy titled Australia's Disability Strategy 2021-2031 which will take effect later in 2021 (it is currently awaiting formal endorsement by all Australian governments and will be released once that process has completed).[77] The trend for disability awareness and increasing focus of government policies on disability has also been observed outside of Australia – for example, the UK Government published its policy paper on its National Disability Strategy in July 2021 which sets out the actions the UK Government will take to improve the everyday lives of all disabled people.[78] Currently, the National Disability Strategy is in the open consultation phase for its Health and Disability Green Paper, which explores how the welfare system can better meet the needs of disabled people.[79]
- **Increasing demand for at-home aged care services:** The structural ageing of the Australian population is estimated to see the size of the 85 years and over cohort double to more than 1.5 million by 2038 (approximately 3.7% of the population).[80] These demographics, together with changes in dependency and in expectations of older people and society, will impact the demand on aged care services in a number of ways. These include the demand for a variety of care choices and the desire for older people to remain in their own homes for as long as possible.[81] The recent Royal Commission into Aged Care Quality and Safety has also lifted the profile of aged care services more broadly and has raised the priority of aged care services for the Australian Government. Structural ageing of populations has also been observed outside of Australia – for example, in Canada, the Canadian Government's Action for Seniors Report in 2014 estimated that by 2030, almost one in four will be over 65 (in comparison to one in seven in 2012).[82] The report also outlined initiatives the Canadian Government has taken to address the challenges of an ageing population, including those that help seniors remain in their homes for as long as possible. See Section 2.7 for further information.
- **Growing focus on employee health and wellbeing:** Creating and maintaining healthy workplaces has been a growing focus for employers and governments.[83] In Australia, the Australian Government's Productivity Commission recently published an Inquiry Report focusing on mental health. The key recommendation in relation to mental health and employment was that increased emphasis should be placed on mental health in the workplace. Reforms suggested in the report were:
  - amending workplace health and safety arrangements to elevate psychological health and safety to be equivalent to that of physical health and safety;
  - amending compensation schemes to provide and fund clinical treatment and rehabilitation for all mental health related workers' compensation claims; and
  - developing minimum standards for employee assistance programs and their evaluation alongside employee assistance program providers and relevant industry bodies.[84]

76 Improving Lives – The Future of Work, Health and Disability (UK Department for Work & Pensions and UK Department of Health, November 2017).
77 A new National Disability Strategy (Australian Government Department of Social Services, August 2021).
78 National Disability Strategy (UK Government Department for Work & Pensions, July 2021).
79 Shaping Future Support: The Health and Disability Green Paper (UK Government Department for Work & Pensions, July 2021).
80 Final Report – Volume 1: Summary and Recommendations (Royal Commission into Aged Care Quality and Safety, March 2021).
81 Final Report – Volume 1: Summary and Recommendations (Royal Commission into Aged Care Quality and Safety, March 2021).
82 Action for Seniors Report (Government of Canada, September 2014).
83 Mental Health Inquiry Report (Australian Government Productivity Commission, November 2020).
84 Mental Health Inquiry Report (Australian Government Productivity Commission, November 2020).

The Australian Government has also increased budgeted funding for mental health in the FY21-22 budget, announcing a $2.3 billion increase in funding for mental health and wellbeing, and state governments are also making it easier for employees to claim mental health compensation payments.[85] Governments outside of Australia have also shown a focus on employee health and wellbeing in recent years. For example, in 2014, the USA's Affordable Care Act created new incentives to promote employer wellness programs and encourage opportunities to support healthier workplaces.[86] The Canadian Government introduced a Federal Public Service Workplace Mental Health Strategy in 2016 which highlighted that "a healthy workplace is essential to the physical and psychological health of all public service employees",[87] and provincial governments have also increased their focus on mental health.[88] In addition, the UK Government recently published its "Health is everyone's business" consultation paper in July 2021 which involves proposals to reduce ill-health related job loss.

2.3. Employment Services industry

The Employment Services industry provides services that support jobseekers to find sustainable employment and employers to fill vacant positions. Employment services are delivered through various employment programs or schemes, which are typically delivered by third party service providers on behalf of government agencies or departments. Service providers are typically contracted or licensed in particular geographic regions either exclusively or as part of a panel of providers.

2.3.1. Australian Employment Services

In Australia, the Australian Government funds two key employment services programs, DES and jobactive. Services provided by the DES and jobactive programs are delivered by third party providers. Both programs are deeply embedded within Australia's social services framework, with successive Australian government agencies administering employment services programs since 1946.[89]

2.3.1.1. Disability Employment Services

The DES program is Australia's main policy for supporting people with a disability into employment. DES is overseen by the Department of Social Services (**DSS**). The objective of the DES program is to help individuals with disability, injury or other health conditions find and maintain employment. DES comprises two service types, Disability Management Services (**DMS**) and Employment Support Services (**ESS**). DMS supports jobseekers with disability, injury or health conditions who need assistance to find a job and occasional support in the workplace to maintain employment. ESS provides assistance to jobseekers with a permanent disability to find a job and who need regular, ongoing support in the workplace to maintain employment. Australia's National Disability Strategy has been highlighted by the Australian Government as a key national policy that contributes to addressing the UN SDGs. DES is a key part of the National Disability Strategy.[90]

For eligible participants looking for work, DES providers assist participants with workforce preparation, training in specific job skills, writing resumés, developing interview skills and broader job search assistance. For eligible participants already with a job, DES providers assist with on-the-job training, communicating with employers and co-workers, providing ongoing support and workplace modifications.

DES providers are contracted on a licensing model to deliver services in Employment Service Areas (**ESAs**). Each ESA covers a defined geography, with variance in size and population between metropolitan and regional areas. Following the 2018 reforms (see Section 2.3.1.1.3), market share restrictions for DES providers were removed to promote participant choice and control. APM believes that this represents an opportunity for it to grow as clients prefer high quality providers.

85 For example, new legislation in Victoria enabled, from 1 July 2021, Victorian workers and volunteers who suffer from a work-related mental injury to access early treatment and support while they await the outcome of their claim (*Workplace Injury Rehabilitation and Compensation Amendment (Provisional Payments) Act 2021*).

86 Fact Sheet: The Affordable Care Act and Wellness Programs (US Department of Labor, October 2014).

87 Focus on Workplace Well-Being (Government of Canada, 2017).

88 Roadmap to Wellness: A Plan to Build Ontario's Mental Health and Addictions System (Government of Ontario, March 2020); Healthy Minds, Healthy People (Government of British Columbia, November 2010).

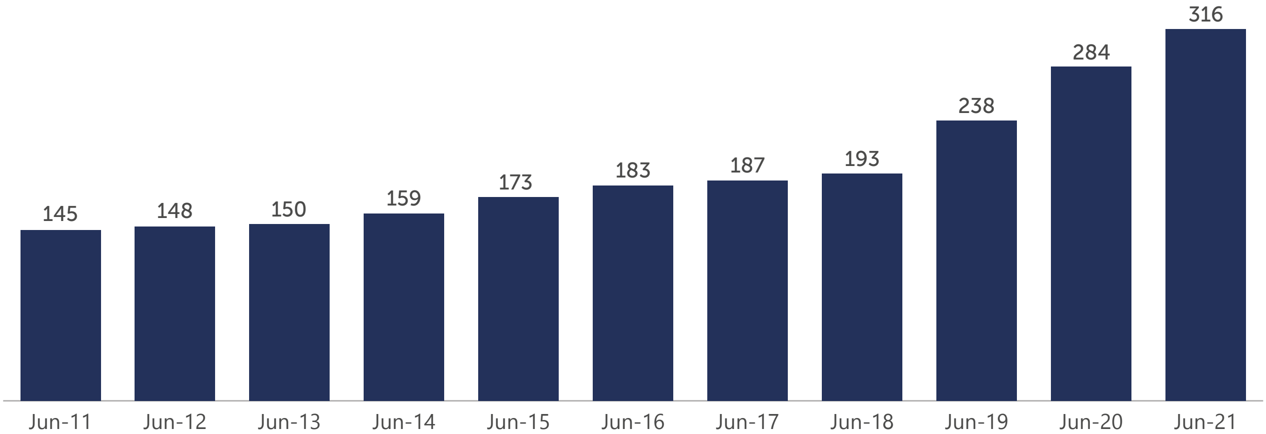
89 Evaluation of jobactive Interim Report (Australian Government Department of Employment, Skills, Small and Family Business, January 2020).

90 Report on the Implementation of the Sustainable Development Goals (Australian Government, 2018); National Disability Strategy (2010).

2.3.1.1.1. DES Market Size and Funding

As at 30 June 2021, the DES program supported 315,926 participants, with 139,804 participants in DMS and 176,122 participants in ESS.[91] The DES cohort primarily consists of people with a physical (43%) or psychiatric (40%) disability.[92] Underlying DES services demand and DES caseload has grown from June 2011 to June 2021 at a CAGR of 8.1%.

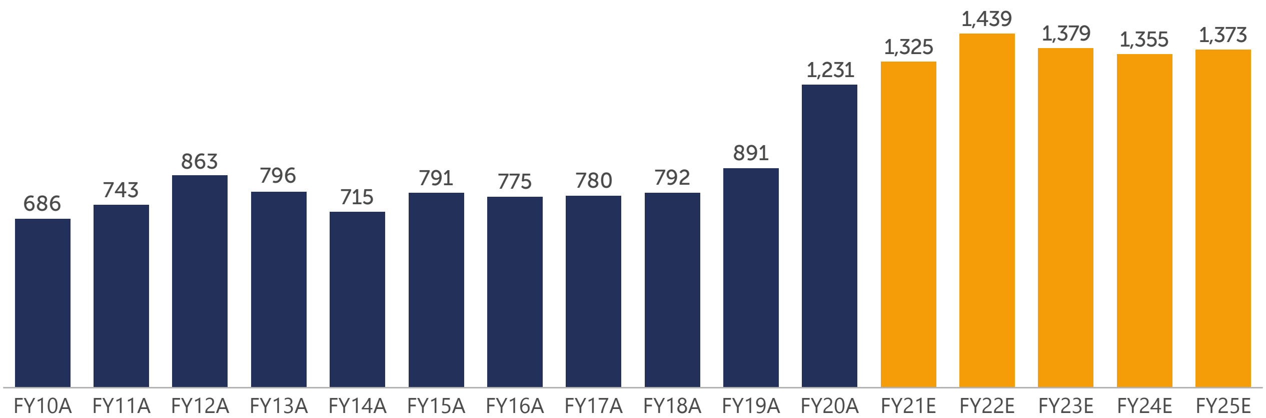
Figure 2.4: DES Caseload ('000s)[93]



DES program participants include recipients of the JobSeeker Payment and Youth Allowance (78.6% of DES participants as at 30 June 2021), recipients of the Disability Support Pension (9.3% of DES participants), recipients of other forms of income support (2.1% of DES participants), and individuals who do not receive any form of income support (10.0% of DES participants).[94] The increase in caseload between June 2018 and June 2019 was driven by an increase in referrals from the JobSeeker Payment and Youth Allowance cohort and an increase in direct registration.[95]

Funding follows jobseekers and is received by DES providers through a combination of service and outcome fees. In FY20, the Australian Government provided DES funding of $1.2 billion. As disclosed in the FY21-22 Federal Budget,[96] DES has committed funding until FY25, with funding growing at a CAGR of 2.2% between FY20-FY25. Budgeted funding increased between FY20-FY22 at a CAGR of 8.1%, driven by increases in caseloads which is expected to normalise from FY23 onwards. Access to DES is uncapped and funding is driven by participant demand.[97] The future and longevity of the program is underpinned by the Australian Government's Disability Strategy 2021-2031.

Figure 2.5: DES Australian Federal Government Funding ($m)



91 Australian Government Labour Market Information Portal.
92 Australian Government Labour Market Information Portal.
93 Australian Government Labour Market Information Portal. Cumulative DES caseload as at each stated date.
94 Australian Government Labour Market Information Portal.
95 Other drivers also include slower exits due to participants remaining in the program and an increase in the number of DES participants with no mutual obligations; Management of Agreements for Disability Employment Services (Australian National Audit Office, June 2020).
96 Australian Government Federal Budget FY21-22 (May 2021).
97 Caseload is defined as all participants currently active in the program, including participants that are referred but not commenced, those suspended and those in ongoing support.

2.3.1.1.2. DES Provider Landscape

DES services are provided through both for-profit and not-for-profit organisations. There are currently 109 DES service providers operating across 111 ESAs nationally. The top 10 DES providers by ESA are noted below in Figure 2.6.

Provider performance is assessed against contract key performance indicators (**KPIs**) and providers are awarded a 'Star Rating' as a comparative performance measure. The Star Rating system in Australia assesses providers on a bell curve based on relative performance across employment and education outcomes. APM's latest average contract Star Rating as of June 2021 of 3.9 is significantly higher than the total provider average of 3.1, and is the highest rated for DES providers with more than 150 locations (see Figure 3.2).

Figure 2.6: Top 10 DES Providers by Employment Service Area[98]

Provider	For-Profit/Not-For-Profit	Employment Service Areas (#)[99]	Locations (#)	Contracted Service Offerings (#)
APM enabling better lives	For-Profit	92	446	192
OCTEC	Not-For-Profit	54	225	110
MAX Employment	For-Profit	54	196	111
atWork	For-Profit	53	298	119
AimBig Employment	For-Profit	53	116	106
WISE Employment	Not-For-Profit	43	153	85
CoAct	Not-For-Profit	38	203	64
MatchWorks	Not-For-Profit	36	119	73
Asuria	Not-For-Profit	32	74	64
Joblife	Not-For-Profit	25	79	50
Top 10		**nm**	**1,909**	**974**
Total		**111**	**3,693**	**1,853**

Investment required to deliver on the objectives of a DES contract includes, but is not limited to, physical locations, training, systems, and financial capacity. Participant outcomes and performance are important differentiators in the market.

2.3.1.1.3. DES Reforms – July 2018

In 2018, following community and stakeholder consultation, DES underwent reforms which included enabling participants to choose their preferred service providers. DES participants now have greater choice over the services they receive and how they receive them, engendering competition and contestability in service delivery through the removal of market allocation arrangements.[100]

As a result of the reform, participants are now able to register with DES providers directly, in addition to being referred through Services Australia (an agency of the Australian Government). The ability to directly register with DES providers gave rise to higher incentives for DES providers to identify and engage participants in need of ongoing support.

98 As at June 2021. Australian Government Department of Social Services Published Star Ratings.
99 Based on number of ESAs out of a total 111. ESAs can be serviced by multiple providers.
100 DES providers previously were able to rely on a percentage of eligible jobseekers being referred to them by Services Australia (an agency of the Australian Government).

2.3.1.2. jobactive

jobactive is the Australian Government's mainstream employment program overseen by the Department of Education, Skills and Employment (**DESE**). The program helps participants find work through identifying their individual needs and goals, developing employability and industry-specific skills, participating in work experience, finding suitable roles, and engaging in ongoing support. jobactive has been highlighted by the Australian Government as a key program that contributes to addressing the UN SDGs.[101]

jobactive also provides services for employers by providing pre-employment screening, ongoing support while new employees settle in, and assisting access to wage subsidies when an eligible jobseeker is hired and retained.

All jobactive participants currently register through Services Australia. DESE's IT systems generally allocate the participant to a jobactive provider, although in some cases Services Australia may do this. Under the current jobactive program, participants are classified into three streams (Stream A-C), based on the assessed level of employment barriers, with Stream 'A' having the least barriers to employment and Stream 'C' having the most barriers to employment.

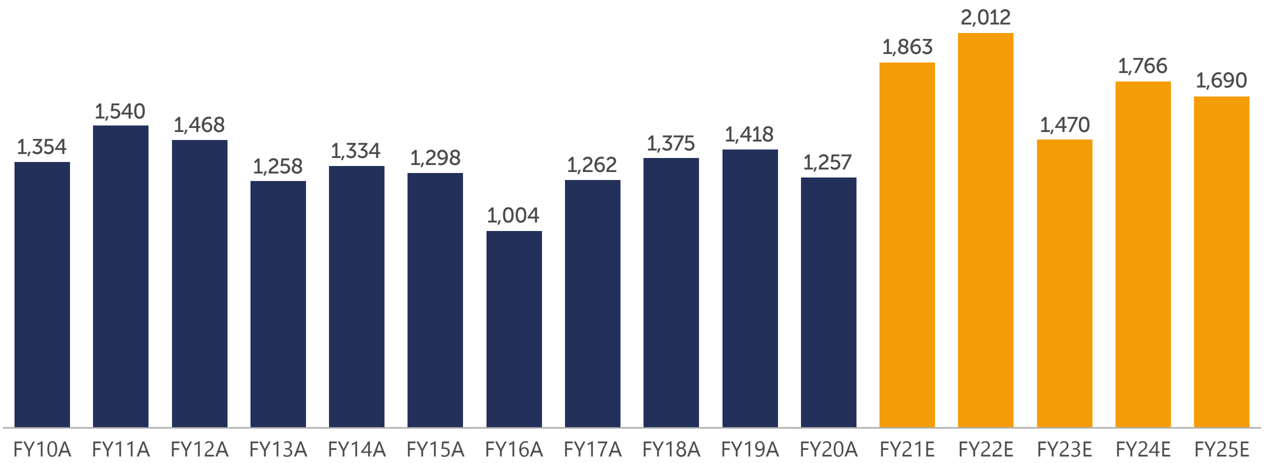
2.3.1.2.1. jobactive Market Size and Funding

As at 30 June 2021, jobactive supported 1,013,452 participants[102] and the underlying jobactive caseload has increased from December 2015 to June 2021 at a CAGR of 5.3%.[103]

jobactive is funded by the Australian Government, with funding allocated to jobactive providers through region-level contract areas that remunerate providers through a combination of service and outcome-based fees. The level of funding for a given participant is based on that participant's stream.

In FY20, the Australian Government provided funding of $1.3 billion in aggregate. Funding has remained stable in recent years, and is expected to increase at a CAGR of 6.1% from FY20-FY25 as disclosed in the latest FY21-22 Federal Budget.[104] Budgeted funding increased between FY20-FY22 at a CAGR of 26.5%, driven by the expected increase in demand of jobactive's services as a result of COVID-19 as well as the additional funding expected to be required to transition to the New Employment Services Model (**NESM**) (see Section 2.3.1.2.3). Budgeted funding normalises from FY23 onwards, with the decrease between FY22 and FY23 driven by expectations of a reduction in the caseload requiring active support from service providers as a result of the NESM.

Figure 2.7: jobactive Australian Federal Government Funding ($m)[105]



101 Report on the Implementation of the Sustainable Development Goals (Australian Government, 2018).
102 Including Online participants.
103 Australian Government Labour Market Information Portal.
104 Australian Government Federal Budget FY21-22 (May 2021).
105 Includes funding for both jobactive and NESM.

2.3.1.2.2. jobactive Provider Landscape

jobactive services are provided by for-profit and not-for-profit organisations of various sizes. There are currently 41 jobactive service providers operating across 52 employment regions nationally. Several employment service providers offer both DES and jobactive services due to the overlap in the skills and capabilities required; these services are often co-located but are typically delivered by different teams of employment consultants.

APM's last available average Star Rating as at September 2020 of 3.8 is significantly higher than the total provider average of 3.2 and is the highest jobactive provider with more than 100 sites (see Figure 3.3). The top six jobactive providers by number of employment regions serviced is shown below.

Figure 2.8: Top 6 jobactive Providers by Employment Regions[106]

Provider	For-Profit/Not-For-Profit	Locations (#)	Employment Regions (#)[107]
Max Employment	For-Profit	204	28
APM enabling better lives	For-Profit	160	18
MatchWorks	Not-For-Profit	105	13
Sarina Russo Job Access	For-Profit	87	11
Workskil Australia	Not-For-Profit	61	10
Salvation Army Employment Plus	Not-For-Profit	75	10
Top 6		**692**	**nm**
Total		**1,548**	**52**

2.3.1.2.3. Upcoming jobactive Reforms

It is currently proposed that from 1 July 2022, the New Employment Service Model (**NESM**) will come into effect. The NESM has been developed to enable jobseekers to exercise greater control and autonomy over their path to employment and direct additional funding towards those participants with the highest employment barriers in the program (i.e. Stream B and Stream C clients). The NESM request for proposal was released in September 2021.

Under the NESM, two service groupings are proposed:

- **Digital First Services** through a digital portal with no service provider support; and
- **Enhanced Services** through a service provider for jobseekers with multiple or significant barriers to work, classified into two tiers.

In this new model, Stream A candidates will transition to Digital First Services, and Streams B and C will transition to Enhanced Services. Accordingly, under the new model service providers will only provide services to jobseekers requiring greater levels of support to find employment. A new payment structure will also be introduced to support providers to deliver more intensive services for jobseekers who need the most assistance.

106 As at September 2020; Australian Government Department of Education, Skills and Employment Published Star Ratings.
107 Based on number of employment regions out of a total 52 employment regions. Employment regions can be serviced by multiple service providers.

2.3.2. United Kingdom Employment Services

In the United Kingdom (**UK**), the UK Government delivers three key Employment Services programs, the Restart Scheme, Work and Health Programme (**WHP**), and WHP – Job Entry Targeted Support (**JETS**).[108]

2.3.2.1. The Restart Scheme

The Restart Scheme is a new Employment Services program which commenced in July 2021. It was introduced by the UK Government to provide targeted support to assist those who have been unemployed for more than 12 months to find employment. The Restart Scheme is part of the UK Government's broader 'Plan for Jobs' which seeks to help more than 1 million people across the UK who have been directly impacted by COVID-19 and has been highlighted by the UK Government as a key program that contributes to addressing the UN SDGs.[109] At the UK's 2020 Spending Review, funding of £2.9 billion was allocated for the program over 2021-2024.

Over the 5 year period for which the Restart Scheme is currently budgeted, the Restart Scheme is predicted to involve providing support services to more than one million individuals.[110] The program will provide tailored support for up to 12 months for participants who have been out of work for between 12-18 months and is intended to break down employment barriers that could be holding participants back from finding work. As the program only commenced in July 2021, the Restart Scheme remains in its early stages, and it is expected that the Restart Scheme will continue to see growth and an increase in participants in FY22 and beyond.

The Department for Work and Pensions (**DWP**) has included client service standards in the Restart Scheme, with contractual requirements including regular contact with all participants and a personalised service offering for all participants. The Restart Scheme also uses a balanced payment by results model involving service and outcome fees to assist as many people as possible being placed into sustained employment.

The Restart Scheme is delivered by eight prime contractors (which include specialist charities and for-profit enterprises) across 12 key regions with each region serviced exclusively by one provider. Services are also subcontracted by prime contractors to material subcontractors. For example, APM, through its Ingeus business in the UK, subcontracts with Serco.

2.3.2.2. Other Employment Services Programs in the UK

The UK's other key programs are the Work and Health Programme (**WHP**) and WHP – Job Entry Targeted Support (**JETS**), both of which are key programs for APM (see Figure 3.8) and are outlined below.

108 WHP – JETS was introduced as an add-on to WHP.
109 Implementing the Sustainable Development Goals (UK Government, July 2021); Department for Work and Pensions Outcome Delivery Plan: 2021 to 2022 (Department for Work & Pensions, July 2021).
110 How The Restart Scheme Will Work (UK Government Department for Work & Pensions, June 2021).

Figure 2.9: United Kingdom Employment Services Programs

Program	Overview	Key characteristics
Work and Health Programme (WHP)	• Assists people with a disability or health issues, the long-term unemployed and those from disadvantaged groups to find and retain employment • Administered by the DWP and devolved administrations • Introduced in 2017	• The UK Government has committed to place one million more people with disability into employment by 2027[111] • Total announced program funding: over £500 million[112] – Includes total announced contract value of £400 million for England and Wales, and an additional amount of over £100 million devolved to Local Government Partners in London and Greater Manchester Combined Authority • Referrals have grown significantly from ~4,800 per month since the national roll-out of WHP in March 2018 to ~10,000 per month in February 2021, with a cumulative total of ~235,000 referrals since WHP's introduction[113] • Funding structure: service and outcome fees • Delivered by six service providers across 11 regions
WHP – Job Entry Targeted Support (JETS)	• Dedicated to supporting the unemployed who have received social benefits with tailored and flexible support • Introduced in 2020 as a key pillar of the UK Government's 'Plan for Jobs'	• Targeting the relaunch of 100,000 careers and helping 250,000 people by September 2021[114] • Total announced program funding: £238 million[115] • Funding structure: service and outcome fees • Delivered through WHP providers at DWP and devolved administration level

111 Briefing Paper: Work and Health Programme (House of Commons Library – Andrew Powell, June 2020); Improving Lives: The Future of Work, Health and Disability (UK Government Department for Work & Pensions and Department of Health, November 2017).
112 UK Government Department for Work & Pensions Annual Report and Accounts 2020-21 (July 2021).
113 Department for Work & Pensions Work and Health Programme Statistics (May 2021); Latest data available as at February 2021.
114 JETS job scheme relaunching 100,000 careers (UK Government Department for Work & Pensions, May 2021).
115 Nation's job hunt JETS off (UK Government Department for Work & Pensions, October 2020).

2.3.3. Other Relevant Employment Services Geographies

Other markets for employment services in which APM operates include New Zealand, Canada, the USA, Germany, Switzerland, Spain, South Korea, and Singapore (see Section 3.9.1.5).

Figure 2.10: Key International Market Characteristics

Country	Key characteristics and drivers
Canada	• Historically stable funding for employment services, with recent increase in funding for the Workforce Development Agreements (**WDAs**). The WDAs are agreements between the Government of Canada and the governments of the individual provinces and territories for the development and delivery of employment programs and services. The WDAs provide C$722 million in annual funding as well as an additional C$900 million over six years from 2017-18 to 2022-23[116] • Market served mostly by local not-for-profit organisations[117] • Key government funded programs include: – **WorkBC:** Employment services program run on behalf of the British Columbia Government » The British Columbia Province is divided into 45 catchment areas, with one provider awarded a contract for all service delivery in each catchment. Providers were limited to a maximum of five catchments » Providers are paid a mix of service and outcome fees » The latest contracts were awarded in 2019, with the Government committing to make available funding of C$249 million per annum over the five-year contract[118] – **Ontario Employment Services Transformation:** Commenced in January 2020, a prototype employment services program run on behalf of the Ontario Government pursuant to a Transfer Payment Agreement, currently being trialled in three catchment areas: » Providers are paid a mix of operational fees, performance fees and cost reimbursements » Ontario has indicated that it will follow the three prototype contracts with a program for most or all of the Province,[119] and is currently procuring phase one and two roll-outs of the program across a further nine regions within the Province. The estimated annual budget allocation for these phases has been announced at C$298 million per annum – **Calgary Career Hub:** Employment services program operated on behalf of the Province of Alberta

116 About the Workforce Development Agreements program (Government of Canada). In November 2020, the Government of Canada announced an additional investment of C$1.5 billion; Helping Canadians develop the skills they need to find good jobs (Prime Minister of Canada, November 2020).
117 For example, there are 27 WorkBC service providers, of which 16 are not-for-profit.
118 WorkBC improvements help people get training, find good jobs (Government of British Columbia Ministry of Social Development and Poverty Reduction, February 2019).
119 Ontario introduces streamlined employment supports (Government of Ontario Labour, Training and Skills Development and Children, Community and Social Services, June 2021); Employment Services Transformation: Provincial Rollout June 2021 – General Questions and Answers (Government of Ontario, June 2021).

Country	Key characteristics and drivers
USA	• The USA employment services market is large and highly fragmented due to the nature in which funding flows for federal, state, county, and locally administered programs.[120] However, most contracts are renewable, and often renewed in the medium to long-term. Many funders also administer multiple funding streams, allowing for the expansion of business (youth, adult disability for example) within existing regions • Employment is a priority for the current Biden administration, especially due to the significant loss of employment due to COVID-19. For example, the proposed, bipartisan supported, Infrastructure Investment and Jobs Act has earmarked investment of around US$550 billion to grow the economy which is estimated to result in the creation of approximately two million jobs each year for the next 10 years[121] • Opportunities exist around training and skills development including: bridge programs to provide certifiable industry-specific skills to individuals with no high school diploma; mobile learning that provides access to development opportunities in flexible/blended formats; skills training related to career pathways to address the shortage of qualified candidates; and the integration of behavioural economics/science principles into customer training and service delivery models • Key government funded programs include: – **Temporary Assistance for Needy Families (TANF):** Support services program for dislocated workers, youth, people with disabilities and families in need. Includes employment services » State-administered programs are funded by the federal government through the payment of a fixed block grant each year » A total of US$30.9 billion was spent in 2019 under the TANF program, of which 13% was spent on work activities and supports[122] – **Workforce Innovation and Opportunity Act:** Employment services program » State-administered programs are funded by the federal government and are part of the appropriations legislation passed by Congress » The current administration's proposed FY22 WIOA state grants: US$3.7 billion, a US$203 million increase above FY21 enacted levels.

120 For example, in the state of Wisconsin alone, there are seven providers of Wisconsin's primary TANF program, Wisconsin Works.
121 Fact Sheet: The American Jobs Plan (The White House, March 2021); Updated Fact Sheet: Bipartisan Infrastructure Investment and Jobs Act (The White House, August 2021).
122 TANF and MOE Spending and Transfers by Activity FY19 (US Department of Health & Human Services, October 2020); Data not yet available for 2020.

2. Industry Overview

Country	Key characteristics and drivers
New Zealand	• Employment services are funded by the New Zealand Government for mainstream jobseekers and those with disability or health conditions • Market served by both not-for-profit and for-profit providers • Key government funded programs include: – **Employment Service:** Employment services for people with a disability or health condition » Individual job search and employment preparation assistance including up to one year of ongoing support post-placement with an employer – **Employment Preparation and Placement Programs:** Employment services for people with or without health conditions, but generally with other barriers to employment such as illiteracy or long-term unemployment: » Individual job search and employment preparation assistance including up to one year of ongoing support post-placement with an employer
Germany	• Mature market with positive policy developments and increasing demand for employment services from refugee and South-East-Europe/European Union migration • Large increase in long-term unemployment due to COVID-19 restrictions offers market opportunities • As a result of the COVID-19 lockdown, there is an increasing need for services that develop digital skills for low-skilled unemployed jobseekers • New government funding terms now make it easier to access and use the job placement vouchers scheme[123] • Contracting and expenditure of public funding for employment and skills typically happens at the local level across Germany
Spain	• Domestic demand and Next Generation funds (€70 billion) are expected to support economic growth in 2021 and 2022 of around 6% each year, offsetting the 11% drop in 2020.[124] Job creation is expected to be strong but high unemployment rates will continue (15% overall and 37% for those under 25 as at June 2021)[125] • COVID-19 has resulted in the government improving the resources of public employment services,[126] with the budget for employment policies increasing this year by 30% to almost €6.0 billion • Affordable social housing is one of the most significant problems in Spain. This is evident both in the political debate and the fact that the public budget for this matter has doubled. This could be an important opportunity for APM as it already works with the main Spanish banks and financial entities in addition to some regional governments

123 Germany's job placement voucher scheme is a scheme that provides individuals that have been unemployed for at least three months and are eligible to unemployment benefits to a voucher. Recipients of vouchers are subsequently able enter into placement contracts with private placement agencies. Upon a successful job placement, the German Government's Federal Employment Agency pays a sum to the agency.
124 Spain: Effective Implementation of recovery plan will strengthen COVID-19 recovery (OECD, May 2021).
125 OECD Unemployment Rate Statistics.
126 Economic Policy Reforms 2021: Going for Growth – Spain (OECD, May 2021).

Country	Key characteristics and drivers
Switzerland	• Market supported by recent increase in utilisation of public employment services[127] • The COVID-19 pandemic has negatively impacted the labour market with an increase in unemployment. As a result, government funding has increased significantly to limit the impact. Switzerland's employment services market is highly responsive with funding automatically adapting to the level of unemployment – In Switzerland, cantons are responsible for active labour market policies, and federal budgets are directly linked to the number of registered jobseekers in cantons and can be adjusted during the year[128] • The government is also focusing on unemployed high-skilled people over 50, with a national pilot project using the 'supported employment' coaching approach
South Korea	• Increasing focus and spend on youth unemployment[129] • Government focus and the mandating of outplacement services for employees reaching the age of 50 and over[130] • Increase in staff in public employment services as a result of the President's election promise to improve the employment rate of youth in comparison to the beginning of 2020 • Expanded outsourcing of employment services expected in the near future[131] – Employment services outsourced through the framework of the National Employment Support System from the beginning of 2021 for 200,000 to 270,000 youth unemployed and people at poverty risks per year – Ministry of Employment and Labor's Career Counselling Services for Employees currently in Workplaces to prepare employees for horizontal/vertical career advancement, career rotation or career change through upskilling and reskilling in the fast-changing work environment, starting from the beginning of 2022
Singapore	• Expanding government funding for training schemes and employment services to support Singapore First Policy. For example, the Jobs Growth Incentive was introduced in September 2020 under which the Singaporean Government co-pays up to 25% of salaries of all new local hires between September 2020 and September 2021, and for those aged 40 and above, the co-payment to employers will be up to 50% for 18 months. Support previously limited to employers who hired those 40 and above from eligible training programs[132] • Focus on professionals, now expanding to mainstream unemployment/underemployment. For example, the Volunteer Career Advisors Initiative which was introduced in 2020 as part of the SkillsFuture Mid-Career Support package is aimed at individuals (especially mature workers) with peer-level support and career guidance as they navigate professional pathways to advance their careers or to transition to other jobs. Other programs and initiatives include Employment Support for Persons with Disabilities and Employment Support for Ex-Offenders[133]

127 OECD Employment Outlook 2021 – Navigating the COVID—19 Crisis and Recovery (July 2021).
128 OECD Policy Responses to Coronavirus (COVID-19): Scaling up policies that connect people with jobs in the recovery from COVID-19 (OECD, April 2021).
129 OECD Employment Outlook 2021 – Navigating the COVID—19 Crisis and Recovery (July 2021).
130 Ageing and Employment Policies, Working Better with Age: Korea (OECD, October 2018).
131 OECD Employment Outlook 2021 – Navigating the COVID—19 Crisis and Recovery (July 2021).
132 Workforce Singapore Enhanced Hiring Incentive.
133 Workforce Singapore Programmes and Initiatives.

2.4. Health and Wellbeing Services

The Health and Wellbeing services industry consists of a broad range of services and clients ranging from infancy and early childhood to senior years. For the infancy and early childhood cohort, services in the market include speech therapy, occupational therapy, behavioural interventions, physiotherapy, and parenting interventions. Services for the adolescent cohort include mental health and wellbeing and school-based interventions, and services for senior years include home care services, physiotherapy, occupational therapy, nutrition, and preventative and eHealth interventions. APM currently provides Health and Wellbeing services for working age individuals with services including vocational rehabilitation, injury and illness prevention and management services, and employee assistance programs (**EAPs**) and through the pending acquisition of Early Start Australia will provide services to the infant, early childhood, and youth sectors.

2.4.1. Australian Health and Wellbeing Services

2.4.1.1. Vocational Rehabilitation and Injury Prevention and Management

Vocational rehabilitation services assist injured employees to return to work. Service providers assess injuries and workplace environments, and develop plans to enable injured employees to return to the workplace. Vocational rehabilitation service providers also offer injury prevention and management, education, and training services. While vocational rehabilitation services are provided for the benefit of employees and employers, service providers typically contract with workers' compensation agencies or insurance providers (e.g. icare in New South Wales, WorkSafe Victoria, compulsory third party (**CTP**) automobile insurance providers, life insurers, and self-insured employers). Injury prevention and management services, on the other hand, are typically contracted with employers for the benefit of staff. Research has suggested that in Australia, the vocational rehabilitation industry has a return on investment of between $28-$32 for every $1 invested,[134] providing sound rationale for continued investment into the industry.

In Australia, workers' compensation is a State and Territory-based compulsory form of insurance for all employers and provides compensation for work-related injuries or diseases. Employers lodge workers' compensation claims with the relevant State and Territory-based authority (or federal government agency) when an employee reports an injury. Claims are subsequently triaged by the relevant authority and allocated to a vocational rehabilitation services provider. That service provider will seek sign-off from the relevant insurer for the employee's treatment plan and agree on ongoing funding. Certain entities may self-insure rather than participate in the State or Territory-based workers' compensation scheme, but will typically operate a similar model.

CTP schemes operate under a similar model to workers' compensation schemes. CTP is compulsory automobile insurance for all drivers which provides compensation for third parties who are injured in accidents involving a driver's vehicle. CTP is also State and Territory-based with different bodies and insurers in each State and Territory of Australia. Similar to workers' compensation, following an accident, a claim is lodged with the relevant State-based insurer or authority and is subsequently triaged. Where relevant, the injured person will be referred to a vocational rehabilitation services provider who will seek sign-off for the treatment plan and agree on ongoing funding.

Life insurers offering income protection and salary continuance products may also engage vocational rehabilitation to support their injured or ill claimants to return to health and work.

2.4.1.2. Mental Health and Wellness

Employee Assistance Programs (**EAPs**) provide preventative and acute mental health and wellbeing support to employees and their families in the form of personal and professional counselling and coaching, professional training and development, and wellbeing advice. EAP services also include manager advisory services, critical incident response, workplace mediation, training and education and organisational development services such as cultural change workshops that promote behavioural change. EAP service providers typically contract directly with employers who fund the services provided to their employees. In Australia, research suggests that $1.00 spent on effective workplace mental health actions may generate $2.30 in benefits to an organisation with these derived from a reduction in presenteesim, absenteeism, and compensation claims.[135]

134 Australian Rehabilitation Providers Association Submission to The Productivity Commission Draft Report on "A Better Way to Support Veterans" (February 2019).

135 Creating a mentally healthy workplace – Return on investment analysis (PWC, March 2014).

2.4.2. International Health and Wellbeing Services Markets

Other markets for Health and Wellbeing services in which APM operates are New Zealand, Canada, and the UK, through the provision of vocational rehabilitation services and EAPs.

Figure 2.11: Key International Market Characteristics and Programs

Country	Key characteristics and drivers
New Zealand	• Stable policy for vocational rehabilitation[136] • Similar system to Australia, with service providers contracting with insurance schemes such as the Accident Compensation Corporation (**ACC**) which is the national and sole provider of accident insurance in New Zealand for all work and non-work related accidents • Key government funded programs include: – **ACC Services:** Vocational rehabilitation, physiotherapy, pain management, concussion services, community rehabilitation, injury prevention and management, occupational health and wellbeing, psychological interventions and return to work services
Canada	• Provincially-administered workers' compensation schemes which provide vocational rehabilitation services in addition to federal vocational rehabilitation services for veterans • Key government funded programs include: – **Canadian Veterans Vocational Rehabilitation Services:** Dedicated to support veterans and their families with vocational rehabilitation services to help them transition into the civilian workforce » New successor program, Rehabilitation Services and Vocational Assistance Program (**RSVAP**) commenced in July 2021 to be run initially for five and a half years, including an 18-month transition and implementation period. RSVAP can be extended by the government for a further six years depending on its success » Administered by Veterans Affairs Canada
UK	• Stable policy for broader employee health and wellbeing – for example, the UK Government recently published its "Health is everyone's business" consultation paper in July 2021 which involves proposals to reduce ill-health related job loss • Key government funded programs include: – **National Health Service Diabetes Prevention Programme** (**NHS DPP**)**:** Delivers at scale, evidence-based behavioural interventions for individuals identified as being at high risk of developing Type 2 diabetes » Behavioural programs provided through third-party providers » At risk individuals are initially identified by general practitioners and are referred to service providers or alternatively, following recent variations, can be directly approached by service providers – **Access to Work Mental Health Support Service:** Part of the broader UK Government's Access to Work program delivered by the DWP which provides funding to employers to make necessary adjustments at the workplace for employees with disabilities or mental health conditions » The Mental Health Support Service provides confidential mental health support and advice from trained Ingeus healthcare professionals

136 The New Zealand Government's Accident Compensation Corporation (**ACC**) was established in 1974 to manage New Zealand's workers' compensation scheme. Since then New Zealand's workers' compensation scheme has been reviewed to create a fairer scheme. In 2001, The *Accident Compensation Act 2001* was introduced (taking effect in 2002) to place a greater focus on rehabilitation and injury prevention as a primary function of the ACC. Subsequent changes to legislation has since improved flexibility and access to the ACC.

2.5. Communities and Assessment

The Communities and Assessment services category provides information and eligibility assessment services for individuals or families to facilitate and determine access to government support schemes, and support for citizens to engage better with their communities by building capacity, participation, and societal engagement across socio-economic classes.

Assessment services are often delivered as part of the relevant government support scheme and are delivered by third party service providers. Assessments may determine an individual's eligibility for particular funding, schemes, or the level of support, services, and funding available. Other services in this area can include workshops or individual consultations to help individuals better understand the level of support available, creating support plans and goals and implementing the plan with relevant service providers.

Importantly, assessment services are provided independently of service provision to ensure that assessment service providers are focussed on the needs of those seeking services rather than the needs of providers. APM manages the need for independence of these offerings through management and operational separation from the other services provided by APM in the areas of support and assistance.

2.5.1. Australian Communities and Assessment

In Australia, there are several support schemes that outsource the assessment of eligibility and the level of support and funding available (see Figure 2.12 below) and are delivered by third party service providers on behalf of government agencies or departments. The service providers undertake assessments to inform or determine an individuals' eligibility or the level of support, services, and funding available. The Australian Communities and Assessment services category spans several programs and primarily involves assessments relating to aged care support or disability support services. Funding is provided directly by the Australian Government and its relevant agencies to third party providers.

Figure 2.12: Australian Government Funded Assessment Services[137]

Program domain	Clients	Program focus	Service delivery site	APM services
Regional Assessment Services (RAS)	Adults 65+	Living independently and safely at home – assessment and referral	Client home	✓
Aged Care Assessment Team (ACAT)	Adults 65+	As with RAS, albeit with more complex needs. Can include residential aged care, transition care or short-term restorative care	Client home or residential facility	–
Residential Aged Care Assessments (RACA)	Older adults living permanently in residential facilities	Functional assessment to inform funding which supports independence	Residential facility	✓
National Panel of Assessors	Adults with disability and/or chronic health conditions	Support to sustain participation in workforce – assessment and equipment/support	Client workplace	✓
Disability Medical Assessment	Adults with disability and/or chronic health conditions	Assessment to determine medical eligibility for the Disability Support Pension	Office based	–
Local Area Coordination (NDIS)	People with disability, 7 years and older	Support participants to build their funded plan	Office based	✓

137 Excludes assessment services that are delivered directly by the Australian Government and not provided by third-party providers (such as Job Capacity Assessment).

Program domain	Clients	Program focus	Service delivery site	APM services
Early Childhood Early Intervention (NDIS)	Children aged under 7 with a developmental delay or disability	Assessment to access NDIS funding and services	Office based	–

2.5.2. UK Communities and Assessment Market

In the UK, there are several communities-based programs including the National Citizen Services (**NCS**), Commissioned Rehabilitative Services (**CRS**) and CFO3. NCS is a national youth program designed for 16-17 year-olds to help young people achieve their potential and build bridges between communities with programs run every summer and autumn. It is delivered on behalf of the NCS Trust by providers such as APM's UK business, Ingeus. The CRS program is part of the UK's Ministry of Justice's probation system and service providers such as Ingeus provide tailored support for offenders to address areas of concern associated with reoffending. Services include accommodation services, education, training, and employment services, as well as personal wellbeing services including social inclusion and emotional wellbeing. CFO3 is another program focussed on assisting offenders, albeit co-funded by Her Majesty's Prison and Probation Service and the European Social Fund for England. The program facilitates access to services that are tailored to offenders' individual circumstances, with a strong emphasis on supporting participants into employment, resettlement, and social inclusion.

2.5.3. International Communities and Assessment Market

Outside Australia, assessment services are an emerging market. The UK, Canada, and New Zealand are some examples of where this model is under consideration by governments. It is likely that as governments move to increase the role of the non-government based providers in the delivery of human services, this market will expand as it has in Australia.

2.6. National Disability Insurance Scheme (NDIS)

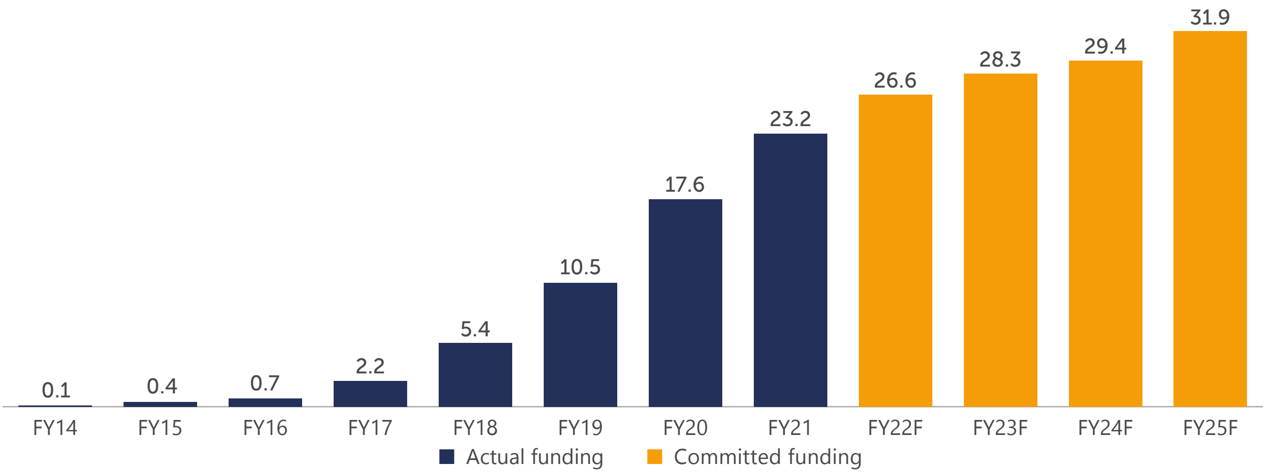
Established in 2013, the NDIS is a national scheme for people with disability and provides Australian Government funding directly to individuals. The NDIS' scope is broad and sits across three overarching categories: core supports to help with everyday activities such as consumables and transport; capacity building supports to help with building independence such as employment, health, and wellbeing services; and support for independent home living, and capital supports to provide funding for higher cost pieces of assistive technology, equipment and home or vehicle modifications. The NDIS has been highlighted by the Australian Government as a key program that contributes to addressing the UN SDGs.[138]

The NDIS is an evolving market with a growing number of participants and Australian Government funding and represents a large opportunity for APM due to APM's existing core strengths in allied health and leadership team with expertise in delivering services in adjacent areas (see Section 3.10.5).

Australian Government funding provided for the NDIS in FY21 was $23.2 billion. In the FY21-22 Federal Budget,[139] annual committed funding is forecast to increase to $31.9 billion by FY25, representing a 12.6% CAGR between FY20-25, although total costs in FY25 are forecast by the National Disability Insurance Agency (**NDIA**) to increase to $40.7 billion.[140] It is estimated that by FY25, there will be more than 680,000 NDIS participants, with this forecast to increase to more than 870,000 participants by FY30.[141] APM's current exposure to the NDIS is limited, representing ~$25 million in revenue in FY21. APM's agreed and pending acquisitions of Early Start Australia, MyIntegra and Mobility places APM in a strong position to capitalise on the expanding market opportunity through the NDIS. APM Management believe that these acquisitions combined with APM's track record of service delivery position APM with the ability to be a leading provider of services under the NDIS. Funding growth in the NDIS is illustrated below.

138 Report on the Implementation of the Sustainable Development Goals (Australian Government, 2018).
139 Australian Government Federal Budget FY21-22 (May 2021).
140 NDIS Quarterly report to Disability Ministers Q4 2020-21 (NDIA, June 2021). Percentages presented may not add up to 100% due to the impact of rounding.
141 NDIS: Annual Financial Sustainability Report Summary – Interim update (NDIA, July 2021).

Figure 2.13: NDIS Funding ($bn)[142]

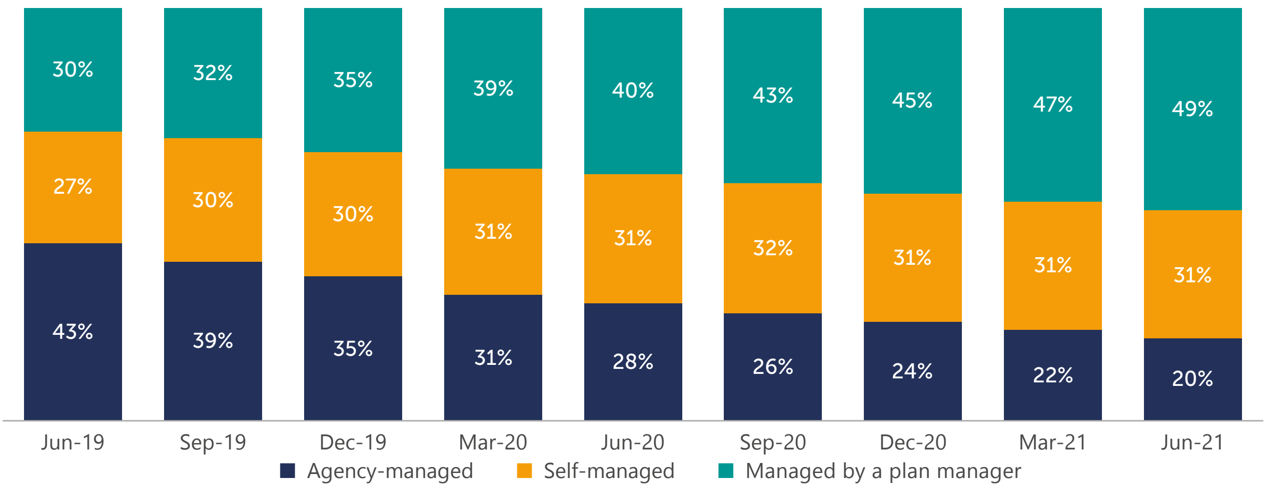


A core funded component of the NDIS is plan management which supports NDIS participants to manage their NDIS plan funding by, for example, managing and monitoring a participant's budget and NDIS claims and disbursing funds to service providers. Plan management is delivered through three models:

- **Agency-managed:** the National Disability Insurance Agency (**NDIA**) contracts with service providers and pays the provider directly. Participants may only use registered providers and are limited in their choice;
- **Self-managed:** participants have full control over their plan, including budget management and administration, and can purchase services from registered and non-registered service providers; and
- **Managed by a plan manager:** participants select a plan manager to assist with budget management and administration. Participants may purchase services from registered and non-registered providers. Plan managers are separately funded by the NDIS and this does not come from the participant's budgets.

Over the last two years, the proportion of participants choosing to work with plan managers has increased from 30% to 49% as illustrated below. Plan management represents a significant opportunity for service providers such as APM through its agreed and pending acquisition of MyIntegra.

Figure 2.14: Proportion of Plan Management[143]



142 Australian Government Federal Budget FY21-22 (May 2021).
143 NDIS Quarterly report to Disability Ministers Q4 2020-21 (NDIA, June 2021). Percentages presented may not add up to 100% due to the impact of rounding.

Other components of the NDIS are Local Area Coordination (**LAC**) and the provision of support services, both of which are provided by third party providers. LACs assist individuals in building a plan of funded and non-funded supports, which is then approved by the NDIA. Registered Providers of Supports (**RPoS**) deliver services and supports funded by the NDIS. Once NDIS participants have their plans approved, they can choose an RPoS and allocate their funds to the services.

The NDIS is currently a highly fragmented market with limited large providers providing consistent services across Australia. There are a large number of small-scale providers, including over 6,800 individual or sole traders, although APM Management believes that the market will likely undergo a period of consolidation and rationalisation as the Australian Government works to increase compliance and standards. As at June 2021, there were a total of 16,526 active service providers with the NDIS, of which 59% were companies or organisations and 41% were sole traders or individuals.[144] Of the largest ten service providers by payments received (excluding plan managers) in FY21, all are not-for-profit organisations.[145]

2.7. Aged Care and Home Care and Support

Home care and home support services within the broader aged care services category of the Human Services market is a fast-growing market and like the NDIS, presents an opportunity for APM (see Section 3.10.5). In Australia, the Australian Government supports older people with complex care needs to live independently in their own homes through:

- **Commonwealth Home Support Program (CHSP):** An Australian Government funded regime for entry-level support for people aged 65 years or older who need assistance to remain living independently. Funded services include home maintenance assistance, food services, personal care, domestic assistance, transport, social support, and assistive equipment and technology. The CHSP has been highlighted by the Australian Government as a key program that contributes to addressing the UN SDGs;[146] and
- **Home Care Packages Program (HCP):** Provides services for those who have greater care needs and wish to remain living at home. Care and support are provided through a package of home care services purchased using an individual budget that is funded by the Australian Government. Funded services are not dissimilar to those under the CHSP, albeit individuals receiving HCP typically require a greater level of service.

My Aged Care, administered by the Australian Department of Health, is responsible for arranging an assessment of a person's eligibility for government funded aged care services. APM currently provides Regional Assessment Services (**RAS**) for determining eligibility for CHSP and Residential Aged Care Assessments (**RACA**). Assessments for HCP are completed by the Aged Care Assessment Team (**ACAT**). The Department of Health has proposed simplifying the assessment process by combining the aforementioned assessments into a single assessment and referral process, representing an opportunity for APM.[147]

APM Management also believes there is a significant opportunity for its existing health and wellbeing business to expand into adjacent aged care services. The market is highly fragmented, with 1,452 home support services providers and 920 home care services providers.[148] There is also currently an undersupply of home care services, with 87,162 people in the national prioritisation system as at March 2021 waiting for a home care package or waiting for a package at their assessed package level. Service providers work with care recipients to plan, organise, and deliver services. CHSP and HCP are provided to individuals and individuals are able to choose a service provider in their area that best meets their needs. Individuals are also able to take their package with them if they want to change providers.

144 NDIS Quarterly report to Disability Ministers Q4 2020-21 (NDIA, June 2021).
145 NDIS Quarterly report to Disability Ministers Q4 2020-21 (NDIA, June 2021).
146 Report on the Implementation of the Sustainable Development Goals (Australian Government, 2018).
147 Aged Care Assessment Arrangements (Australian Government Department of Health, May 2021).
148 Ninth Report on the Funding and Financing of the Aged Care Industry (Aged Care Financing Authority, July 2021). The Aged Care Financing Authority is an independent Australian body providing independent advice to the Australian Government on aged care funding and financing issues.

2. Industry Overview

Funding provided for aged care home support and home care in FY20 in Australia was ~$6 billion. Based on Australian Government projections relating to demand for home care and support, funding will increase to ~$11 billion by FY23.[149] In the FY21-22 Federal Budget, the Australian Government committed to investing $6.5 billion to provide an additional 80,000 Home Care Packages.[150] In FY21, APM's exposure to Aged Care Home Support and Home Care funding represented ~$13 million in revenue, which is limited to APM's aged care assessment services, RACA and RAS (see Section 2.5.1). APM does not currently deliver aged care home support services, although APM's agreed and pending acquisition of the platform Mobility places APM in a strong position to capitalise on this expanding market opportunity. APM Management believe that this acquisition, combined with APM's track record of service delivery, position APM with the ability to be a leading provider of Aged Care Home Support and Home Care services. Aged Care Home Support and Home Care funding and demand from individuals is illustrated below.

Figure 2.15: Aged Care Home Support and Home Care Funding in Australia ($bn)[151]

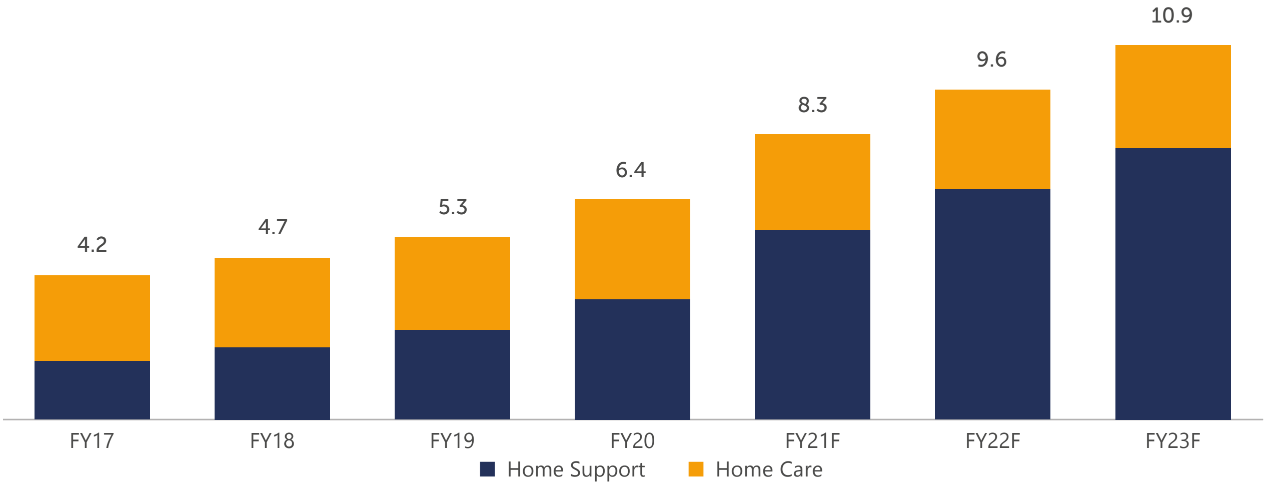
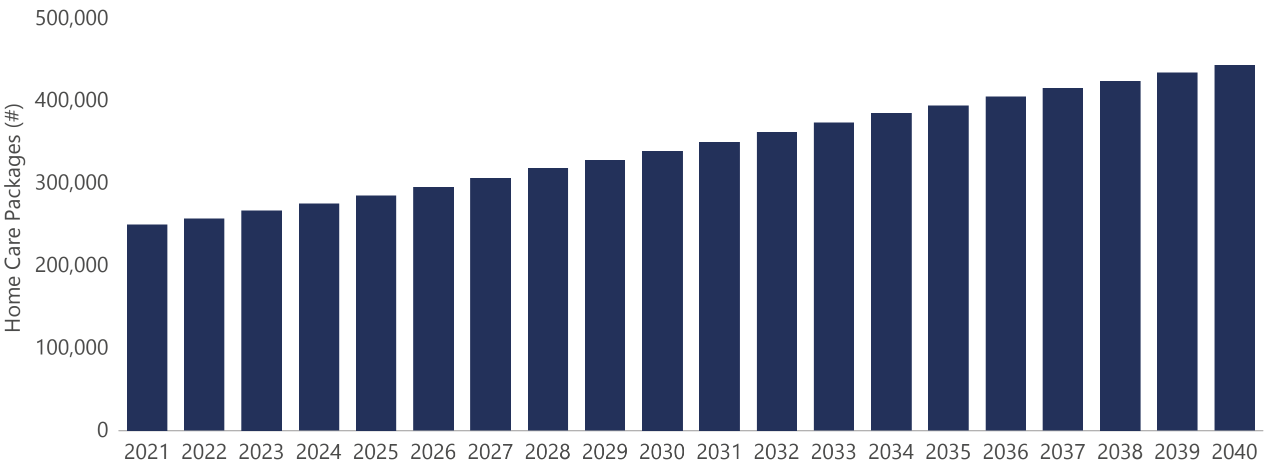


Figure 2.16: Home Care Demand from Individuals[152]



149 Management forecasts based on available government data. Based on government forecast Home Care Package volume multiplied by current standard Home Care Package pricing; 2019-20 Report on the Operation of the Aged Care Act 1997 (Australian Government Department of Health, November 2020); Ninth Report on the Funding and Financing of the Aged Care Industry (Aged Care Financing Authority, July 2021); Home Care Packages Program Data Report 1 January – 31 March 2021 (Australian Government Institute of Health and Welfare, June 2021).

150 Australian Government Federal Budget FY21-22 (May 2021).

151 Management forecasts based on available government data. Based on government forecast Home Care Package volume multiplied by current standard Home Care Package pricing; 2019-20 Report on the Operation of the Aged Care Act 1997 (Australian Government Department of Health, November 2020); Ninth Report on the Funding and Financing of the Aged Care Industry (Aged Care Financing Authority, July 2021); Home Care Packages Program Data Report 1 January – 31 March 2021 (Australian Government Institute of Health and Welfare, June 2021).

152 Ninth Report on the Funding and Financing of the Aged Care Industry (Aged Care Financing Authority, July 2021). The Aged Care Financing Authority is an independent Australian body providing independent advice to the Australian government on aged care funding and financing issues.

3.
Business Overview

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3.1. Introduction

APM is a multinational provider of essential health and human services with leading market shares across multiple geographies and programs.[153,154] APM operates in 10 countries, with more than 7,000 team members across over 800 locations. APM is headquartered in Perth, Australia.[155]

Each year, APM supports more than one million people of all ages and stages of life to improve their lives through its services – whether that be through finding sustainable employment, supporting someone recover from an injury or illness, or to live a better quality life with a disability or as they age. APM's business is strongly aligned with the UN SDGs (see Section 3.12).

APM is dedicated to supporting individuals in the community, with a view that:

- everyone deserves to have a consistent and high-quality service regardless of their means, circumstances or where they live; and
- if there is a stakeholder – federal, state, or local authority – that is committed to making a sustainable, positive difference to outcomes in the community, where APM can invest and bring the best of APM, then APM will consider the market and opportunity.

3.2. Key services

APM is organised around four key service lines: Employment Services, Health and Wellbeing, Communities and Assessment, and Disability and Aged Care Support Services:

Employment Services

AUS, NZ, UK, North America, Europe, Asia

73%*

Health and Wellbeing

AUS, NZ, UK, Canada

18%*

Communities and Assessment

AUS, NZ, UK

8%*

Disability and Aged Care Support Services

AUS

1%*

* % of FY22F Pro Forma Revenue.

153 See Section 1.3 Key Strengths – Leading provider of health and human services with #1 or #2 positions across multiple geographies for further detail.

154 APM has: #1 market share for the DES program in Australia based on number of contracts and employment service areas, DES information and management data. As at 31 August 2021; #2 market share for the jobactive program in Australia based on caseload, industry jobactive caseload information from the Labour Market Information Portal. As at 31 July 2021; #2 market share for the NCS based on the number of contracted places. As at 17 August 2021; #1 market share for the WHP in the UK based on total contract referrals to date, industry information and management data. As at 31 May 2021; #1 market share for the WorkBC program in Canada based on contracted volumes at procurement, industry information and management data. As at 1 April 2019.

155 As at 31 July 2021.

- **Employment Services:** APM supports jobseekers to find work and employers to fill vacant positions. For jobseekers, APM provides services that includes connecting participants with training and new qualifications, job search assistance, interview preparation, workplace modifications, specialised support for people with mental health conditions, counselling, and ongoing support. For employers, APM provides access to a large pool of job-ready candidates and assists employers to establish a diverse and inclusive workforce. APM equips employers with the means to improve employee retention rates (for example through providing post-placement and ongoing support once a client is placed with the employer), increase awareness of workplace health, safety, and inclusion, and provide access to a wide range of wage subsidies.
- **Health and Wellbeing:** APM delivers government, insurance and corporate health programs focussed on prevention, management, rehabilitation, allied health, and psychological intervention services. APM's services include vocational rehabilitation services to support return to work and broader health services including assistance with psychosocial and physical wellbeing, diabetes prevention, psychological health, and pain management services. Through the pending acquisition of Early Start Australia, APM will provide early intervention and therapy services for children and young people to optimise their development and achieve their potential. Services are delivered to develop physical, language, cognitive, sensory, social, and emotional skills and are either privately and/or health insurance funded or through Australia's National Disability Insurance Scheme (**NDIS**).
- **Communities and Assessment:** APM works with individuals to develop support plans for funded and non-funded support. This includes aged care home support assessments and disability support assessments for individuals and employers for ongoing support and return to work arrangements. APM also operates community-based programs including youth, justice, and veterans' services. APM will also in some instances build a support plan which includes both funded and non-funded supports.
- **Disability and Aged Care Support Services:** Through APM's agreed and pending acquisitions of MyIntegra and Mobility, APM will deliver support services catering to the disability and aged care sectors with services including plan management and support coordination primarily for NDIS participants and an on-demand home care services marketplace connecting service providers and participants of both the NDIS and aged care sectors.

3.3. History of APM

APM was founded by Megan Wynne, Executive Chair, and commenced operations in 1994 in Perth, Western Australia as a vocational rehabilitation services provider. Over the past 27 years, APM has expanded its services and operations across Australia and internationally with its foundations in rehabilitation and health playing a key role in the way APM approaches the services it provides across its business.

3. Business Overview

Figure 3.1: Key Historical Events

Year	Key Events
1994	• Commenced vocational rehabilitation and allied health service provision in Perth, Western Australia
2002	• Awarded first Australian Government contract to deliver Work Capacity Assessments nationally
2006	• Awarded Australian Government Job Capacity Assessment contract
2007	• Awarded first Australian Government vocational rehabilitation services contract which evolved into Disability Employment Services (**DES**)
2010	• Acquired Job Services Australia contract (a predecessor program to jobactive)
2011	• Commenced operations in the UK
2012	• Commenced operations in New Zealand through the award of a national contract for the Accident Compensation Corporation's (**ACC**) Vocational Rehabilitation Services (**VRS**)
2015	• Acquired Pertemps People Development Group in the United Kingdom and Pelim in New Zealand • Became the largest DES Disability Management Services (**DMS**) provider in Australia in terms of employment service areas with the closure of the Australian Government's Commonwealth Rehabilitation Service (CRS Australia) • Commenced delivery of jobactive program and Regional Assessment Services (**RAS**)
2017	• Acquired Northstar (Australia) and ARA (Australia)
2018	• Awarded largest national DES contract in Australia in terms of employment service areas • Awarded first Local Area Coordination contract with the National Disability Insurance Agency • Acquired Ingeus (including Ross Innovative Employment Solutions (USA), WCG (Canada) and Assure Programs (Australia))
2019	• Award and rollout of expanded WorkBC contract in Canada • Acquired Konekt (Australia) and MCI (Australia)
2020	• Awarded WHP – JETS contract in the UK • Awarded Employment Services Ontario Prototype contract in Peel region, Canada • Acquired CiC (UK), FBG Group (Australia) and Grant Associates (USA)
2021	• Awarded two Restart Scheme prime contracts in the UK • Awarded contract for Rehabilitation Services and Vocational Assistance contract in Canada with joint venture partner, Lifemark • Acquired Generation Health (Australia) and Dynamic Workforce Solutions (USA) • Agreed and pending acquisition of Early Start Australia, MyIntegra and Mobility (Australia)

3.4. APM's Purpose, Vision and Values

APM has a clear vision built on its purpose and core values. APM's purpose is very simply: Enabling Better Lives, whether that be supporting a client to gain sustainable employment, rehabilitation post injury or illness, or supporting a client in their ability to live independently. APM's values underpin everything it does:

- **Integrity:** APM aims to uphold the highest standard of integrity in everything APM does
- **Customer focus:** APM aims to deliver the highest quality of service for clients and customers and always look for ways to improve
- **Respect:** APM recognises people are its business and maintains a culture of trust and respect in every aspect of what APM does
- **Empathy:** APM approaches the challenges in people's lives with great empathy and strives to help them overcome them
- **Achievement:** APM moves forward by adopting new technologies, the best evidence-based practices, and rewarding innovation and achievement
- **Teamwork:** APM believes employment and being part of a team can greatly improve a person's health and wellbeing
- **Enthusiasm:** APM embraces positive outcomes of change with enthusiasm to support clients, customers, and teams in their day to day lives

APM is committed to delivering high quality services that will have lasting and measurable impact for its clients and customers across its international operations.

APM's vision is to be the most trusted, highest performing, and successful human services company in its chosen markets. APM's strong culture underpins its purpose and vision and APM has a common team purpose of "Enabling Better Lives". Success for APM is about delivering better outcomes for the clients it serves each day.

3.5. APM's Critical Success Factors

One of APM's competitive advantages is the quality of its people, their commitment to making a positive difference to people's lives, and their focus on delivering outcomes for APM's clients. APM has a long-standing and experienced leadership team with an average of over 20 years in the industry. APM's success is driven by taking ownership and accountability for delivering outcomes for clients in its programs and enabling better lives

APM believes its success has been driven by the following factors:

- **Dedicated people and aligned values:** APM focusses on attracting people with aligned values and has a team that is accountable, empathetic, responsive, and available with good decision-making capabilities. APM's team members are recruited using a values-based assessment to ensure candidates are motivated by a genuine passion, and strong commitment to support people in the community, and are aligned to APM's values and culture. APM's team members have demonstrated a strong capability for delivering successful outcomes for their clients.

  APM strives to achieve the right balance between locally empowered leadership and teams able to make decisions and deliver to clients and customers, with the support of national and international scaled support services and best practice. APM's model, policies, and procedures are implemented by local teams living in, and connected with, their communities, delivering locally tailored, nationally consistent quality services.

3. Business Overview

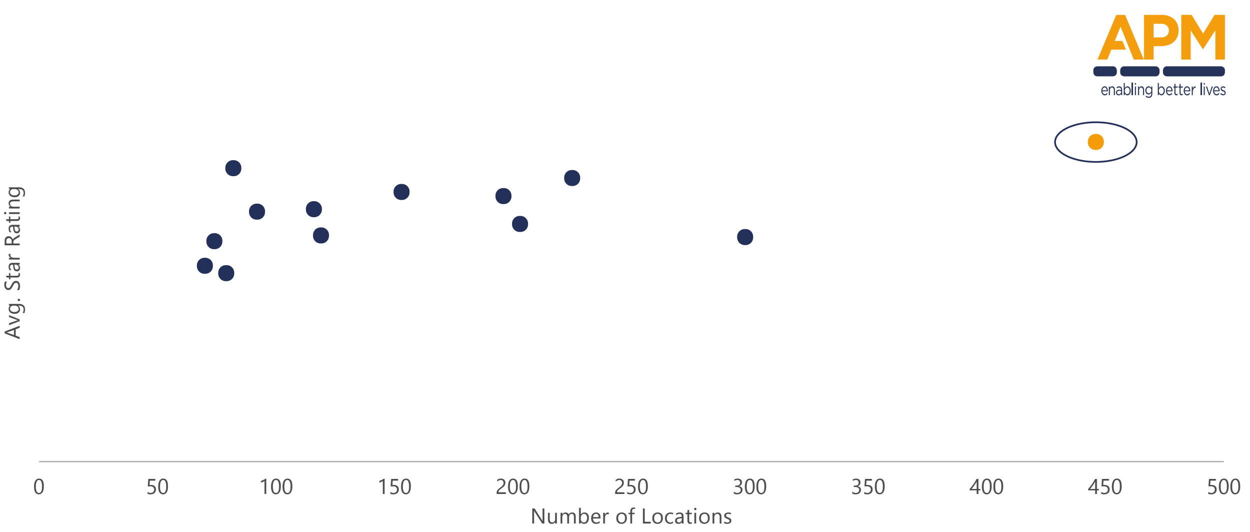
- **Delivering high quality outcomes for clients:** APM delivers superior performance and outcomes relative to other providers which has enabled it to successfully operate as a for-profit market player in a sector where there is a large and strong not-for-profit community. For example, in Australia, APM consistently receives Star Ratings[156] across DES and jobactive which are materially higher than the industry averages (see Sections 2.3.1.1.2 and 2.3.1.2.2).[157] Among both DES and jobactive, APM is a highly rated provider of scale.[158] The Star Rating is the system employed by the Australian Government[159] to objectively measure providers' relative performance on the criteria of efficiency, effectiveness, and quality.

  APM's systems, processes and technology underpin its ability to deliver positive outcomes for clients. APM adopts a data-driven approach to drive efficiency and effectiveness of service delivery, and to ensure contractual compliance and support for frontline staff. APM has implemented technology and digital platforms to provide better access for clients who may be mobility impaired, live in regional or remote areas, or prefer digital support (e.g. during COVID-19). For example, APM operates its Employable Me and Wellbeing Gateway platforms which provide digital support services.

  APM delivers personalised services utilising evidence-based practice informed by research, international experience, clinical expertise, and client feedback. APM understands the importance of delivering tailored services and its induction process for clients focusses on holistic, person-centred, strengths-based, and individualised assistance principles to engage with clients. An understanding of the impact of heritage, culture, language, family responsibilities, and age enables identification of effective supports and strategies that encourage jobseekers to drive their own program that is tailored to the specific needs of each client. APM works closely with each individual to understand their needs and desired outcomes and provides clients with the necessary support at every stage of their journey.

  More broadly, APM aims to ensure consistent service and performance across its business and APM has business partners and performance managers across key contracts who focus on performance and meeting contract KPIs. APM's quality management systems (ISO 9001 accredited since 2005) drive best practice, continuous improvement, and innovation, including secure management of personal information (Right Fit for Risk accreditation achieved September 2021) (see Section 3.14 for more detail).

Figure 3.2: APM's DES Star Rating[160]



156 Star Ratings are issued by the Australian Government Department of Social Services in the case of DES, and the Australian Government Department of Education, Skills and Employment in the case of jobactive to all service providers. Star Ratings are a measure of relative performance.

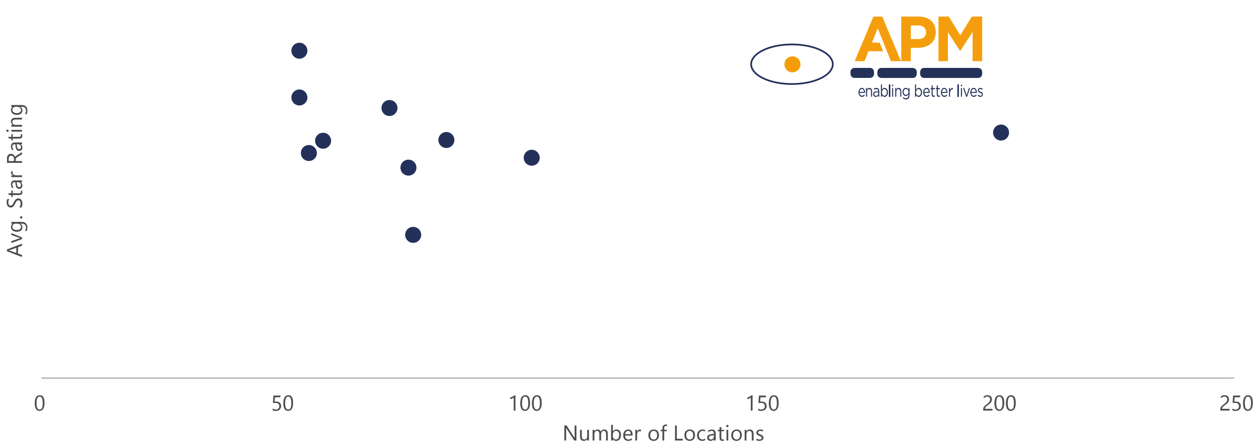
157 APM average calculated as the arithmetic average of Star Ratings across all locations for each of DES and jobactive. Average Star Rating calculated in the same manner across all other DES and jobactive providers, and the industry average is calculated as an arithmetic average across all providers. jobactive average based on published Star Ratings as at September 2020 – Star Ratings are typically reported on a quarterly basis but were suspended in September 2020 due to the economic volatility as a result of COVID-19. DES Star Ratings have been reinstated and the DES average is as of June 2021.

158 For further detail on DES Star Ratings see the Australian Government Department of Social Services Published DES Star Ratings (https://www.dss.gov.au/disability-and-carers-programs-services-disability-employment-services/published-des-star-ratings) and the Australian Government Department of Education, Skills and Employment jobactive Star Ratings and Performance (https://www.dese.gov.au/jobactive/jobactive-star-ratings-and-performance).

159 The Australian Government Department of Social Services in the case of DES, and the Australian Government Department of Education, Skills and Employment in the case of jobactive. Star Ratings apply only to Australia. Comparable data for APM's non-Australian businesses is not available.

160 As at June 2021; Australian Government Department of Social Services Published Star Ratings. Based on providers with > 70 locations.

Figure 3.3: APM's jobactive Star Rating[161]



- **Relationships with our customers:** APM has long-term relationships with its customers which are underpinned by its contract tenure and the foundation of aligned goals.
- **Large geographic footprint facing local markets:** APM's geographic footprint enables it to better interact with local communities and provides a better understanding of the local labour market and stakeholders, as well as stakeholders' needs and issues. APM's 'think globally, act locally' approach provides flexibility to tailor its service delivery to the needs of clients and stakeholders sitting directly in front of APM.

  APM's geographic footprint provides an established client network, accessibility across regions, and brand visibility which can be leveraged for growth. APM has also achieved significant breadth and depth of its local network with employers.

  In Australia, APM has an extensive national network and footprint of 553 locations (see Figure 3.5). In addition to APM's other critical success factors, APM Management believes its scale in Australia positions APM well for future opportunities and services that the Australian Government may introduce.
- **Delivering on our promises:** APM has an uncompromising focus to deliver on its promises and has delivered many positive outcomes for its clients. Examples of this are illustrated below.

161 As at September 2020; Australian Government Department of Education, Skills and Employment Published Star Ratings. Star Ratings are typically reported on a quarterly basis but were suspended in September 2020 due to the economic volatility as a result of COVID-19. Based on providers with > 50 locations.

Figure 3.4: Client Case Study[162]

Pat's job makes him feel like a superstar

As a lively, friendly face, Pat is a popular member of the cafe team.

At the country club where he now works, members stop to catch up with Pat and newcomers enjoy the warm welcome he brings while delivering food and drinks to their tables.

When Pat started with APM, it was clear he was eager to find work in which he could shine.

As part of his job plan with his APM employment consultant Shelley, which was tailored and personalised to Pat's intellectual disability, Pat was able to build his skills and confidence with approaching and talking to potential employers, as well as access support with job applications and interviews.

It was a meeting at the club where managers liked Pat so much, they created a new role for him that would benefit the business.

Pat says he enjoys going to work and being recognised by regulars as well as meeting new people.

"I look forward to going to work and just meeting different people, because a lot of new people come in."

"I'll start talking to them, and they'll start talking to me, it's like I'm a superstar here!" As he continues to work at the club, Pat says he enjoys having his own income to buy the things he wants. And he still isn't backing down from a challenge.

"I'm trying to put a bit of money aside to buy a house," he said. "So far it's working".

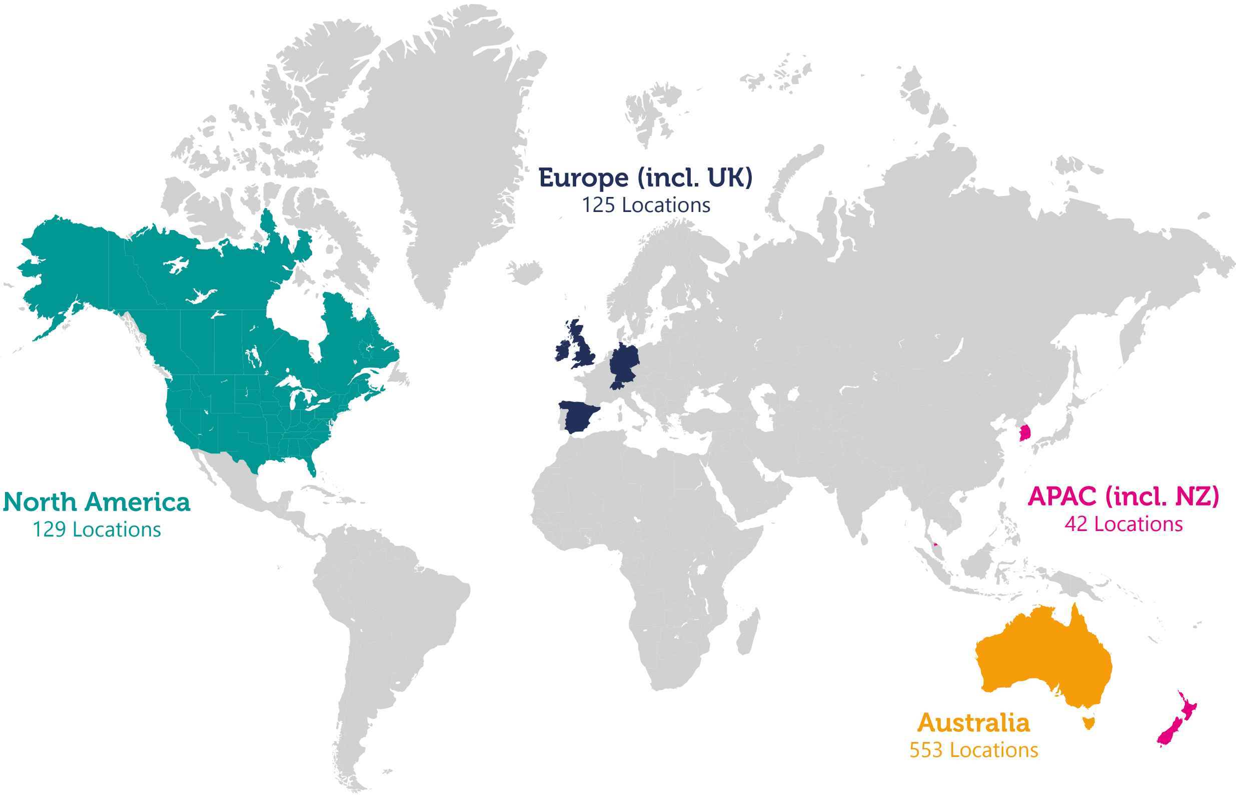
"I look forward to going to work and just meeting different people, because a lot of new people come in."

3.6. Geographic Footprint

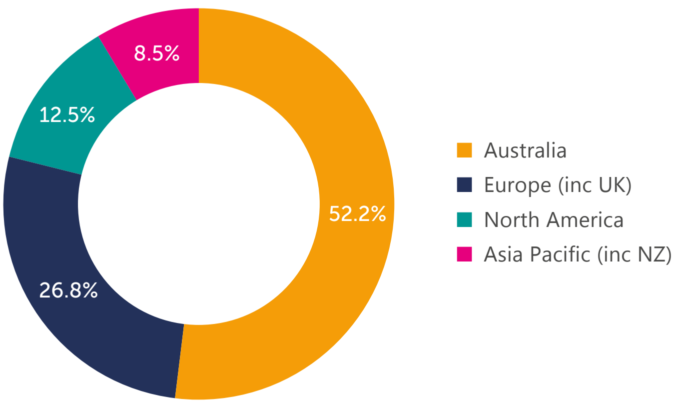
APM has operations in 10 countries and over 800 locations across four key regions (as illustrated below). APM's largest presence is in Australia, where it has 553 locations and over 3,000 team members. In each country, APM operates with local team members and aims to have deep relationships with customers, employers, and other community stakeholders in order to deliver a tailored service to its clients.

162 Refer to https://apm.net.au/video for additional client case studies.

Figure 3.5: APM's Global Geographical Footprint



Pro forma FY21 Revenue by Geography



3.7. APM Brands

APM's services are delivered through a range of proprietary brands that provide different services.

Figure 3.6: APM's Brand Portfolio

Brand	Country of Operations	Services Delivered	Description
APM; APM employment services; APM workcare; APM assessment services; APM communities; APM Employable Me			• **APM Employment Services:** Provides employment services for jobseekers experiencing underemployment or unemployment, injury, illness or disability, and employers. Key programs include DES and jobactive in Australia • **APM WorkCare:** Provides vocational rehabilitation and injury management services for individuals, as well as assessment, vocational health and safety management services and broader psychological and wellness services. Key programs include VRS in New Zealand • **APM Assessment Services:** Delivers assessment services to determine eligibility and support services available to individuals in relation to aged care and disability support • **APM Communities:** Delivers assessment services to determine eligibility and support services available to individuals in relation to disability support • **APM Employable Me:** APM's digital recruitment platform
ingeus			• **Ingeus UK:** Provides employment services on behalf of government agencies, broader community services such as youth and justice education and training programs, and health and wellbeing services • **Ingeus Germany:** Provides employment services to support long-term unemployed, youth, refugees, and single parents • **Ingeus Switzerland:** Provides employment and outplacement services for people experiencing long-term unemployment, sickness or injury on behalf of government, government agencies, and insurers as well as private clients • **Ingeus Spain:** Provides employment and training services for vulnerable populations in partnership with government, government agencies, organisations and not-for-profit organisations, and corporations • **Ingeus Singapore:** Provides employment services for Workforce Singapore. Also supports unemployed professionals with managerial and technical backgrounds to find and retain employment and unemployed individuals over 50 to move to sustainable work • **Ingeus South Korea:** Provides employment services for government and outplacement services for employers as well as broader vocational training services for individuals
konekt workcare			• Provides vocational rehabilitation services to help employees return to work and maintain their wellbeing in the workplace as well as a range of preventative and early intervention programs

Brand	Country of Operations	Services Delivered	Description
generation health; acumen health (our focus. your recovery.); THE INTERACT GROUP (WELLNESS STARTS HERE)	Australia	Health and Wellbeing	• Provides workplace injury prevention and injury management services
assure	Australia, New Zealand	Health and Wellbeing	• Provides employee assistance programs, including management advisory services, critical incident response, training and consulting services in relation to workplace mental health and wellbeing
CiC	United Kingdom	Employment Services, Health and Wellbeing	• Provides employee assistance programs including legal, financial and training mediation, family support programs, critical incident response
FBG	Australia	Health and Wellbeing	• Provides consulting and counselling services in relation to workplace mental health and wellbeing
communicorp	Australia	Health and Wellbeing	• Provides consulting and training services in relation to workplace mental health and wellbeing and organisational health
mci achieve; mci institute; mci solutions	Australia	Employment Services, Health and Wellbeing	• Designs, develops, and delivers learning solutions and qualifications for organisations, government departments, and individuals
early start AUSTRALIA	Australia	Health and Wellbeing	• Delivers evidence-based early intervention and therapy services to children, young adults, and their families
myintegra	Australia	Disability and Aged Care Support Services	• Provides NDIS plan management and support coordination services
mobility	Australia	Disability and Aged Care Support Services	• App-based platform and marketplace providing on-demand services targeting the NDIS and aged care markets
ROSS Innovative Employment Solutions	United States	Employment Services	• Delivers a variety of employment services to assist youth and adults to enter or re-enter the labour market, as well as providing support for both jobseekers and employers
grant Associates	United States	Employment Services	• Delivers employment services and business and consulting services relating to workforce development, education, and training
DYNAMIC Workforce Solutions	United States	Employment Services	• Delivers employment services and business and consulting services relating to workforce development, education, and training
wcg	Canada	Employment Services, Health and Wellbeing	• Delivers employment, vocational rehabilitation, and training and skills development services

Legend: ***Employment Services*** ***Health and Wellbeing*** ***Communities and Assessment*** ***Disability and Aged Care Support Services***

3.8. APM's Revenue Model

APM contracts with various government departments and agencies, and corporations globally to provide services. While individuals participate in and are the primary beneficiaries of APM's programs and services, APM earns the majority of its revenue from programs that are funded by governments and corporations.

APM's contracts include a number of different revenue models, with service fee and outcome fee/payment by results contracts representing APM's most important sources of revenue.

Figure 3.7: APM's Revenue Model

Revenue Model	Relevant Service Line	Description
Service fee	Employment Services; Communities and Assessment	• Initial fee for receiving and working with referrals, completing intake, assessing and providing advice. Service fees are generally a fixed amount • Can vary by individual due to the assessed level of difficulty to place each individual client into employment
Outcome fee/payment by results or milestone	Employment Services; Communities and Assessment	• Received after a client has been placed into a job, and then again at milestones after a client has sustained employment. The outcome fee may be based on the length of sustained employment (e.g. Australia), achieving an earnings threshold (e.g. UK) or achievement of a milestone (e.g. NDPP or NCS in UK) • Can vary by individual due to the assessed level of difficulty to place that individual into employment
Cost reimbursement and cost plus	Employment Services	• Typically reimbursed for costs incurred to deliver the services and can include an allowance for providers to make a profit on the costs of providing the services. The profit is typically calculated as a specified percentage of direct costs
Fixed fee	Health and Wellbeing; Communities and Assessment; Disability and Aged Care Support Services	• Typically refers to an agreed amount that is fixed at the start of the contract and does not adjust with changes in volumes
Fee for service	Health and Wellbeing; Communities and Assessment; Disability and Aged Care Support Services	• Based on delivery of a service. Fee typically based on hourly rates, per assessment, per counselling session, per training program

Legend: ***Employment Services*** ***Health and Wellbeing*** ***Communities and Assessment*** ***Disability and Aged Care Support Services***

For APM's largest service line, Employment Services, the revenue model varies depending on the contract and the customer. Payment by results is a key feature in APM's larger contracts. Strong contract performance and delivering employment outcomes generally result in revenue being weighted towards outcome fees over service fees. APM believes that the fee structure for APM's Employment Services business creates a resilient business model, with APM's mix of service fees and outcome fees typically varying based on macroeconomic conditions.[163]

The key Employment Services markets where the typical revenue model differs are the USA and Germany. In the USA, the majority of contracts are based on the cost reimbursement/cost-plus model.[164] In Germany, municipal government employment services schemes provide individuals who have been unemployed for at least 6 weeks in the last three months and are eligible for unemployment benefits access to a voucher. The voucher entitles the recipient to enter into a placement contract with a private placement agency. Upon a successful job placement, the German Government's Federal Employment Agency pays a fixed sum to the agency.

For APM's Health and Wellbeing business, revenue is typically earned through a fixed annual fee or fee for service (e.g. hourly rate or per counselling session) while APM's Communities and Assessment contracts vary from a fee for service (e.g. per assessment), payment by results, fixed fees, or payment by milestone. Revenue for APM's Disability and Aged Care Support Services business is typically earned through fee for service or fixed fees.

3.9. Key Customers, Stakeholders and Contracts

APM has multiple long-term customer relationships and delivers programs and services on behalf of a diverse customer base that includes government departments, agencies, and authorities (at the federal, state, and municipal level) and a number of corporations globally. In Australia, APM has long-term relationships of 19 years with the Department of Social Services and 12 years with the Department of Education, Skills and Employment, including 12 years through DES and jobactive.

The tenure of APM's contracts varies by geography. For example, in the USA, contract lengths are typically shorter, albeit rolling-over periodically, whilst in Australia, Canada and the UK, contracts are typically longer (e.g. three to five years) with options for the customer to extend.

For several major programs, including DES and jobactive in Australia, contracts are bid for and awarded separately for each region or geographic area. For example, within the DES program, APM services 92 ESAs under 192 individual contracts and within the jobactive program, APM services 18 employment regions through 18 individual contracts. The potential loss of a contract on the basis of suboptimal operational performance would in almost all cases be limited to a regional or employment service area level, rather than the loss of the entire program.

Whilst APM does not for the most part contract with the individuals who participate in and benefit from APM's programs and services or employers who are seeking to fill vacant positions, they are key stakeholders. As the Human Services sector trend continues towards providing individuals with increased consumer choice and control, particularly in Employment Services in Australia, APM's reputation and brand is expected to become increasingly important. NDIS and Aged Care Support Services are also underpinned by client choice and control (see Sections 2.6 and 2.7).

The strength of APM's contract performance to customers is demonstrated by its strong track record winning re-tenders, renewals, and options across changing governments. Occasionally, a customer may insource certain services previously provided by APM, but even in these cases APM maintains strong commercial relations with such customers and has been awarded additional work from some customers on new or amended programs. For example, in the UK, the Ministry of Justice insourced its probation services where Ingeus delivered the Reducing Reoffending Partnership. However, Ingeus was subsequently awarded thirteen Commissioned Rehabilitative Services contracts to deliver accommodation services, Education, Training & Employment (**ETE**), and personal wellbeing services.

APM's overall contract performance and strong client outcomes provides APM with resilient and visible revenue streams.

163 In strong macroeconomic conditions, APM's Employment Services revenue is typically more weighted towards outcome fees as more clients are placed into employment. In weaker macroeconomic conditions, revenue is typically more weighted towards service fees as there are more jobseekers and clients requiring employment services.

164 Note during COVID-19, some contracts were changed to a cost-plus model.

Figure 3.8: Key Contracts[165]

Program/ Contract	Regions	Country	Customer	Key services	Historical Tenure (Renewals/ Additional awards)[166]	Contract Length (Years)	Contract Expiry/ Renewal Date
Disability Employment Services **Program: Disability Employment Services (DES)**	92 Employment Service Areas 192 Contracted Service Offerings	Australia	Australian Government Department of Social Services	Employment services for individuals with disability, injury or ongoing health conditions	~12 years (2)	Contract Term: 5Y 2018 – 2023 Option: up to 10Y[167]	June 2023 (Options to 2033) ***budgeted for funding to 2025***[168]
jobactive **Program: jobactive**	18 Employment Regions	Australia	Australian Government Department of Education, Skills and Employment	Employment services for jobseekers	~12 years (1)[169]	Contract Term: 7Y 2015 – 2022	30 June 2022 ***budgeted for funding to 2025***[170]
Local Area Coordination (LAC)[171]	8 Regions	Australia	ndis	Supporting NDIS participants to create and implement their plan	~3 years	Contract Term: 4Y 2018 – 2022	30 June 2022
Bupa	National	Australia	Bupa	Vocational rehab-ilitation for Australian Defence Force	~2 years[172]	Contract Term: 3Y 2019 – 2022 Option: 1 x 3Y, 4 x 1Y[173]	1 July 2022 (Options to 2029)
Restart Scheme	3 Regions[174]	United Kingdom	Department for Work & Pensions	Employment services for jobseekers	***Comm-enced in July 2021***	Contract Term: 5Y[175] 2021 – 2026 Option: 1 x 2Y[176]	30 June 2026 (Option to 2028)

165 Based on contracts with more than $20 million in annual revenue.
166 Renewals refer to the renewal of a contract following its completion after the initial specified term. Additional awards refer to the expansion of existing contract programs through, for example, the award of additional contracts for additional regions or scope.
167 Extension is not automatic. DSS may extend the initial term for one or more periods of up to an additional maximum of 10 years.
168 The Australian Government has committed funding to 2025 as disclosed in the Federal Budget FY21-22 (May 2021). Similar concepts not common outside of Australia.
169 APM delivered the Job Services Australia contract prior to the introduction of jobactive.
170 The Australian Government has committed funding to 2025 as disclosed in the Federal Budget FY21-22 (May 2021). Similar concepts not common outside of Australia.
171 APM delivers LAC services across Western Australia, Maryborough (Queensland) and Darwin (Northern Territory).
172 The Bupa Subcontract was secured following the completion of the Generation Health transaction in 2021. Both APM and Konekt previously delivered the same services to Medibank Health Services, who was the head contractor to the Australian Defence Force for the period 2012 to 2019.
173 Extension is not automatic. Bupa may extend the term if APM meets its performance obligations.
174 Includes regions where APM delivers services under a subcontract.
175 Referrals end June 2024 however the contract allows for referrals to achieve outcomes for a 2 year period after the referral end date.
176 Extension is not automatic. The parties may agree to extend the contract.

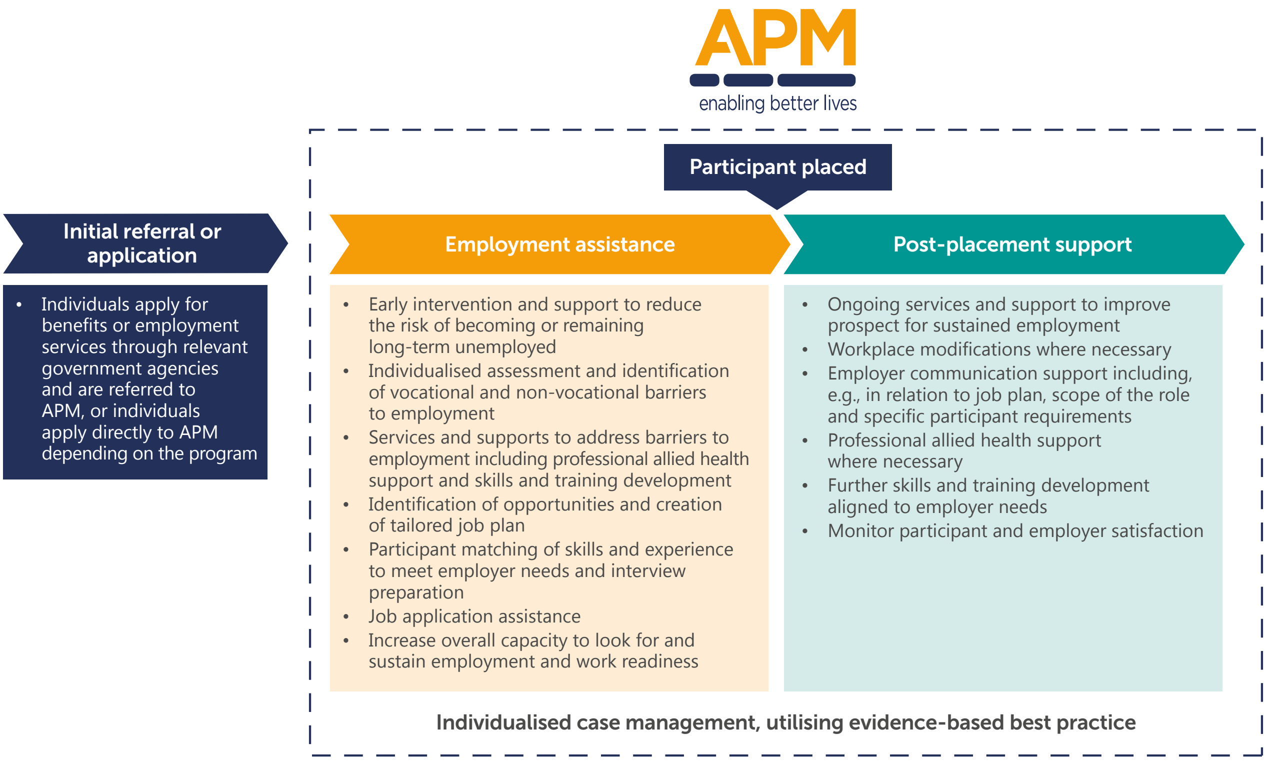
Program/ Contract	Regions	Country	Customer	Key services	Historical Tenure (Renewals/ Additional awards)[166]	Contract Length (Years)	Contract Expiry/ Renewal Date
Work and Health Programme (WHP)[177]	5 Regions[178]	UK	Department for Work & Pensions; GMCA Greater Manchester Combined Authority; Central London Forward	Employment services for jobseekers	~4 years	Contract Term: 5Y with referrals ending in September 2025[179] 2017 – 2022	31 October 2022
WHP – Job Entry Targeted Support (JETS)	5 Regions	UK	Department for Work & Pensions; GMCA Greater Manchester Combined Authority; Central London Forward	Employment services for jobseekers	***New expanded program in October 2020***	Contract Term: 2Y with referrals ending around October 2022[180] 2020 – 2022	30 September 2022
National Citizen Service (NCS)	3 Regions[181]	UK	**Trust**	National youth program to build life skills	~7 years (1)	Contract Term: 3Y 2019 – 2022	24 October 2022
Ontario Employment Services Transformation	1 Region	Canada	Ontario Ministry of Labour, Training and Skills Development	Employment services for jobseekers	~1 year	Contract Term: 3Y 2 months 2019 – 2022	30 June 2023
British Columbia WorkBC **WorkBC**	7 Regions[182]	Canada	British Columbia	Employment services for jobseekers	~9 years[183] (1)	Contract Term: 5Y 2019 – 2024 Options: 4 x 1Y[184]	31 March 2024 (Options to 2028)
Rehabilitation Services and Vocational Assistance Program (RSVAP)	National	Canada		Vocational rehab-ilitation and assistance services to veterans and their families	~7 years[185] (1)	Contract Term: 5Y 2021-2026 Option: 3 x 2Y[186]	31 December 2026 (Options to 2032)

177 Ingeus has been delivering Employment Services contracts in the UK since 2002. Prior to WHP, Ingeus operated the Work Program, Flexible New Deal, Pathways to Work, Employment Zones and New Deal.
178 Includes regions where APM delivers services under a subcontract.
179 Referrals end on different dates in 2022, however the contracts allow for referrals to achieve outcomes for a period after the referral end date.
180 Referrals end on different dates in 2022, however the contract allows for referrals to achieve outcomes for a period after the referral end date.
181 Includes regions where APM delivers services as a recruitment partner.
182 Includes regions where APM delivers services under a subcontract.
183 WCG Services delivered the Employment Program of British Columbia from 2012 prior to WorkBC. WCG has been delivering employment services in British Columbia since 1994.
184 Extension is not automatic. The parties may agree to extend the contract.
185 Since 2009, WCG Services has been delivering the Canadian Veterans Vocational Rehabilitation Services contract with Joint Venture Partner March of Dimes, Canada. WCG Services was recently awarded the expanded Rehabilitation Services and Vocational Assistance Program (**RSVAP**) with new joint venture partner, Lifemark. This contract will be fully operational from 2023.
186 Extension is not automatic. Veteran Affairs Canada may exercise the option to extend the term.

3.9.1. Employment Services

APM's Employment Services business provides an eco-system of connectivity, training, and support for employers to engage job-ready participants. APM's Employment Services business connects participants with training opportunities, job search assistance, interview preparation, and other ongoing support. For employers, APM's Employment Services business provides access to a large pool of job-ready candidates in addition to other potential benefits such as improved retention, promotion of a diverse workforce, and increased workplace health and safety awareness. APM's Employment Services business model is illustrated below.

Figure 3.9: Employment Services Business Model



3.9.1.1. Disability Employment Services Australia

Under its DES contracts, APM assists people with disability, injury and other health conditions find work and maintain employment through Disability Management Services (**DMS**) and Employment Support Services (**ESS**). Participants are initially assessed by the Australian Government's Services Australia agency to determine eligibility and are classified as either requiring DMS or ESS. The level of funding support is also determined by the agency, based on the likelihood of employment of participants. Participants are subsequently referred to a provider such as APM, although participants may also choose their own provider. APM services 92 Employment Service Areas (**ESAs**) through 446 sites and has 192 individual contracts.

The reforms in DES in 2018 (see Section 2.3.1.1.3) which promoted consumer choice, led to growth in the business. The number of ESAs APM serviced increased from 61 to 92 and APM's number of contracted service offerings increased from 93 to 192.

3.9.1.2. jobactive

Under its jobactive contract, APM provides employment services to connect unemployed and underemployed jobseekers with employers. Jobseekers are assessed by Services Australia and are classified into different service streams (Stream A, B or C) based on job-readiness before they are referred to providers such as APM. Stream 'A' clients have the least barriers to employment, and Stream 'C' have the most barriers to employment. APM helps provide individual jobseekers with the relevant skills and knowledge to, for example, write a resume, look for work, prepare for interviews, and find and maintain a job. APM services 18 employment regions through 18 individual contracts.

From July 2022, the New Employment Service Model (**NESM**) will come into effect (see Section 2.3.1.2.3) with the effect of enabling jobseekers to exercise greater control and autonomy over their path to employment. APM is a strong performer in the existing jobactive market and APM Management believe this sets a strong platform to be successful under the NESM framework. APM believes that it is well placed to transition to the NESM given its track record of performance, geographic reach and significant experience working with Stream B and C jobseekers in the jobactive program.

3.9.1.3. Employable Me

In Australia, APM also operates the online portal, Employable Me, which builds on APM's established relationships with employers. Employable Me provides a free recruitment marketplace for employers, as a point of difference in the labour market. Employers can submit vacancies at any time of the day, and APM's understanding of an employer's needs enables APM to follow up with job-ready and well-matched candidates quickly and efficiently. Employable Me also supports employers who are committed to diversity, inclusion and overcoming disadvantage, by providing suitable candidates to achieve diversity and inclusion goals.

3.9.1.4. UK Employment Services Business

APM commenced its UK Employment Services operations in 2012, and has successfully expanded through both organic contract wins and acquisitions, such as Pertemps People Development Group in 2015 and Ingeus in 2018. APM's key employment services programs in the UK include:

- **The Restart Scheme:** The Restart Scheme provides up to 12 months of tailored support for eligible participants to find employment. Ingeus is one of eight prime contractors delivering services in two of the 12 program regions. Ingeus also subcontracts with Serco to deliver services in an additional region. With the program introduced recently in 2021, APM Management believes that the Restart Scheme contract will provide near-term growth opportunities for Ingeus and APM as the program continues to develop and as more participants engage with the Restart Scheme in 2022 and beyond.
- **Work and Health Programme (WHP):** WHP is the UK Department for Work and Pensions' (**DWP**) (including devolved administrations funded by DWP) core program that assists those with disability or health issues, long-term unemployed and those from disadvantaged groups to find and retain employment. Ingeus is one of six service providers and delivers services across three of the 11 regions.
- **WHP – Job Entry Targeted Support (JETS):** WHP – JETS is dedicated to supporting unemployed people who receive social benefits. WHP – JETS provides fast-paced continuous support to participants for up to six months, with an aim to get people back to work quickly. Ingeus delivers WHP – JETS services across three of the 11 regions.

See Section 2.3.2 for further detail.

3.9.1.5. Other International Employment Services Businesses

APM also provides employment services in the USA, Canada, Germany, Spain, Switzerland, New Zealand, South Korea, and Singapore. APM gained exposure to these geographies, with the exception of New Zealand, through its acquisitions of Ingeus in 2018, and has further increased its USA exposure through the acquisitions of Grant Associates in 2020 and Dynamic Workforce Solutions in 2021.

In Canada, APM operates through the WCG brand. WCG is the largest provider of WorkBC Employment Services for British Columbia Ministry of Social Services and Poverty Reduction. It services five of the 45 catchment areas. WCG also services additional catchment areas through a sub-contractor partnership with two not-for-profit organisations. WCG is one of three service providers awarded the Ontario Employment Services Transformation Prototype contract in 2020. WCG's contract is in Peel, Toronto. Ontario is now procuring phase 1 and phase 2 roll outs of the Transformation Program across a further nine regions within the province. WCG also operates the Calgary Career Hub program, providing employment services in the Calgary northwest catchment area.

In the USA, APM's three brands, Ross Innovative Employment Solutions, Grant Associates, and Dynamic Workforce Solutions deliver employment services across 17 states. Each business currently delivers programs under the Workforce Innovation and Opportunity Act, the Temporary Assistance for Needy Families program, and various other state and local-based employment programs.

3. Business Overview

Through the Ingeus brand, APM delivers employment services in South Korea and Singapore. In South Korea, Ingeus is the largest provider of employment and outplacement services in the country, working with the Ministry of Employment and Labor to deliver the Employment Success Package and the Ministry of National Defence to provide employment services for retired military officers. Ingeus also delivers outplacement and vocational training services for various corporates. In Singapore, Ingeus works with Workforce Singapore to deliver employment services for unemployed professionals and for those aged over 50.

In New Zealand, APM delivers employment services on behalf of the Ministry of Social Development to facilitate youth, sole parent, and work-to-wellness programs, as well as mainstream employment services programs.

3.9.2. Health and Wellbeing Business

APM's Health and Wellbeing Services businesses deliver a range of government, insurance, and corporate health programs primarily in Australia, Canada and New Zealand, focussed on helping clients with injury and illness prevention, management and rehabilitation. APM Management believes as the population ages, particularly in Australia, and lifestyles change, more will people face life with complex and long-term conditions. APM seeks to equip people with the right knowledge, skills, and support to stay independent and healthy.

APM operates a number of brands organised across workcare services, which include vocational rehabilitation and injury prevention and management services that assist injured employees in returning to work, employee assistance programs (**EAPs**) which provide preventative mental health and wellbeing support to employees, and broader organisational and corporate training services through consulting services and vocational education programs. APM leverages its expertise and foundation in allied health services and its multi-national client base to bring together a range of health and wellbeing services into a combined product offering, providing clients in need with tailored and quality treatments.

Figure 3.10: APM's Health and Wellbeing Service Offering

Similar to its Employment Services business, APM contracts with various parties such as government agencies and corporations from whom APM earns fees for its services. For example, in New Zealand, APM, through its APM WorkCare brand, contracts with the New Zealand's Accident Compensation Corporation (**ACC**) to provide a range of vocational rehabilitation, pain management, community rehabilitation and concussion services. While the affected individuals are the main beneficiary and recipient of APM's services, APM earns fees from the ACC.

Other key contracts in APM's Health and Wellbeing business include the Canadian Rehabilitation Services and Vocational Assistance Program (**RSVAP**) which is delivered by APM's WCG business together with its joint venture partner, Lifemark. The RSVAP contract was awarded in July 2021 and is expected to become fully operational in January 2023. APM believes RSVAP will provide a foundation for growth for its Canadian business in the near-term. Additionally, Ingeus in the UK delivers the NHS Diabetes Prevention Programme (**DPP**) which has been designed to help participants make simple changes to their diet, physical activity levels and weight management, with the aim of significantly reducing or removing their risk of developing Type 2 diabetes. There is a new tender for the DPP expected in 2021 (with the current contracts expiring in 2023) which expands the scale of the program and further supports patient choice and access to the program.

APM's other services, injury prevention and management, EAPs, organisational development consulting, and vocational training programs are typically contracted to employers or corporations who seek out and fund services provided by companies like APM for the collective benefit of their employees as well as their organisation as whole. For example, in Australia and New Zealand, APM through its Assure brand has a network of hundreds of psychologists, and contracts with over 700 organisations to deliver EAP and counselling services. APM's CiC business also provides EAP services as well as critical incident and crisis management support in the UK and internationally. Due to the increasing skills gap and structural labour market changes, APM Management expects its training programs to experience increased demand. APM also leverages its training programs to enhance the professional development of APM's own staff to develop their leadership and customer service skills.

Through the agreed and pending acquisition of Early Start Australia, APM will provide early intervention and therapy services for children and young people to optimise their development and achieve their potential. Services are delivered to develop physical, language, cognitive, sensory, social, and emotional skills and are either privately and/or health insurance funded or through Australia's National Disability Insurance Scheme (**NDIS**).

3.9.3. Communities and Assessment Business

APM's Communities and Assessment business operates primarily in Australia and the UK and assesses people to determine government and community support eligibility.

In Australia, APM delivers Local Area Coordination (**LAC**) services as part of the NDIS on behalf of the National Disability Insurance Agency. APM helps people with disability, NDIS participants, families, and carers to identify and access the support they need to enable participants to realise their individual goals and aspirations. APM also provides aged care and workplace disability assessments under the Regional Assessments Services (**RAS**), Residential Aged Care Services (**RACA**) and National Panel of Assessors (**NPA**) programs.

In the UK, Ingeus delivers the National Citizen Service (**NCS**), a national youth program designed for 16-17 year-olds that runs every summer and autumn. The program was founded in 2009 to help young people achieve their potential and build bridges between communities.

Also in the UK, Ingeus provides rehabilitation support to offenders as they look to transform their lives. Commissioned Rehabilitative Services (**CRS**) forms part of the UK Government's Ministry of Justice's new probation system and is designed to provide tailored support to individuals and address areas of need associated with reoffending, or provide the stabilisation that many of those under supervision need. Ingeus delivers the following services:

- accommodation services;
- education, training and employment to support people into secure and sustain suitable employment, training and education to remove barriers and increase skills; and
- personal wellbeing services covering social inclusion, lifestyle and associates, family and significant others, and emotional wellbeing to help people make successful transitions.

APM also delivers several justice contracts designed to assist clients to secure employment.

3.9.4. Disability and Aged Care Support Services

APM is expanding its offerings across the NDIS and aged care sectors in Australia through its agreed and pending acquisition of MyIntegra and Mobility. The acquisition of these businesses will expand APM's service offerings which include plan management, and connecting service and support providers to participants of the NDIS.

APM's clients in its Disability and Aged Care Support Services business are typically participants of the NDIS or are recipients of the Australian Government's Home Care Package. These clients receive funding directly from the Australian Government, although there are also a number of clients who are privately self-funded.

Given the large market opportunity in Australia (see Sections 2.6 and 2.7), APM continues to explore opportunities to expand its service offerings to this sector. APM Management also believes an opportunity exists for APM to expand its Disability and Aged Care Support Services business outside of Australia, particularly in markets that operate similar schemes or models.

3.9.5. Contract Tendering Process

A core competency of APM is navigating and executing bid processes within the government sector. APM has a group wide business development and tender team, which comprises experienced and proficient bid and tender writers based across its international operations. Their capabilities include bid management, writing, service design, partnership and supply chain development, mobilisation planning and execution, and commercial modelling.

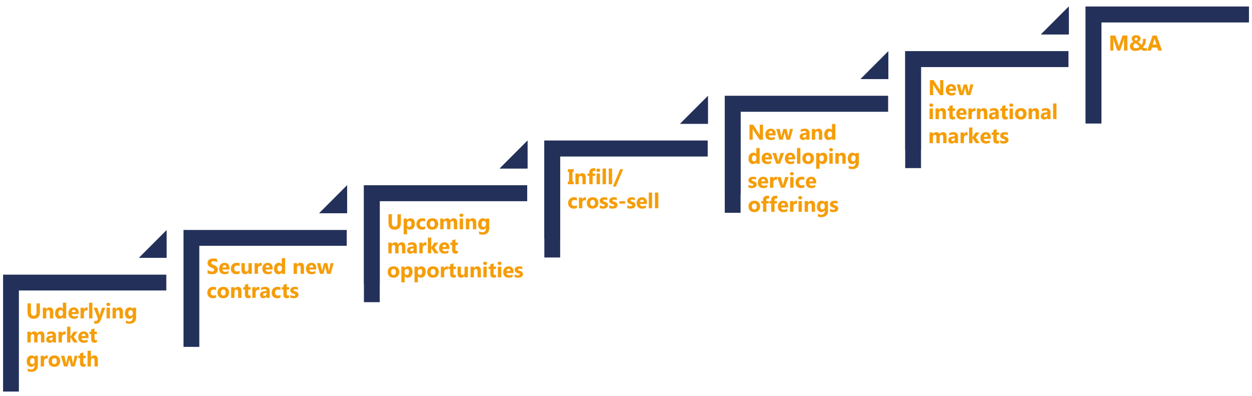
The business development team works closely with the local operational and corporate teams to formulate competitive bids. Recent examples include the Restart Scheme in the UK, Rehabilitation Services and Vocational Assistance Program (**RSVAP**) and the Ontario Employment Service contracts in Canada.

While the tendering process may differ across geographies and service lines, the common focus is on quality and track record of performance, capability, and the ability to deliver positive outcomes. Price is a consideration in some contracts however weighting is generally directed towards performance given the success of the contract is determined by delivering sustainable positive performance outcomes for clients.

3.10. APM's Growth Strategy

APM's near to medium growth strategy over the next three years is focussed on seven key steps as outlined below in Figure 3.11.

Figure 3.11: APM Steps for Growth



3.10.1. Underlying Market Growth

Globally, the Human Services sector is growing on a per capita basis and as a percentage of GDP (see Section 2.2). APM believes it is well placed to benefit from underlying growth in the Human Services market.

APM's key contracts are tied to fiscal spending on social services, which has historically grown as a proportion of GDP irrespective of changes in the political and macroeconomic environment. This growth reflects the increasing focus of governments in developed economies on reducing socioeconomic inequality and managing structural labour changes (see Section 2.2).

APM's programs are typically resilient throughout economic cycles, as demonstrated by the current COVID-19 crisis where the business has been able to continue operating without structural changes to its workforce and has continued to grow (see Section 3.15).

3.10.2. Secured New Contracts

In the last 12 months, APM has secured several long-tenured contracts (not including renewals of existing contracts), including the Restart Scheme in the UK, RSVAP in Canada, and RACA in Australia. These contracts will drive growth in the near term.

3.10.3. Upcoming Market Opportunities

Winning large scale, complex government tenders is a critical and fundamental part of APM's business.

Across geographies and service lines, the common focus of customers is on capability, price, performance, and ability to deliver positive outcomes. APM has a track record of delivering capability, performance, and outcomes for stakeholders which it believes provides it with a competitive advantage in winning new business.

APM leverages its global capability and experience to target key market opportunities and support stakeholders in developing future programs. APM benefits from its scale and is able to apply learnings from particular regions across its global operations. There is a strong pipeline of upcoming tenders for which APM has been preparing. The total contract value of the opportunities for which APM expects to bid on in the next 18 months is more than ~$2.5 billion per annum including in Australia, Canada, and the UK.[187] APM Management believes it is well placed to win a share of these upcoming contracts.

3.10.4. Infill/Cross-Sell

With its international footprint and diverse range of services, APM has opportunities to replicate existing service offerings in the international market, particularly around disability, allied health, and mental health. APM believes leveraging its personnel, locations, relationships, and brand awareness will assist in the expansion of its service offerings across geographies.

3.10.5. New and Developing Service Offerings

Australia's National Disability Insurance Scheme (**NDIS**) represents the largest health related social reform in Australia since the introduction of Australia's Medicare system in 1984[188] and APM is well positioned to leverage its allied health experience to expand into service provision as a registered provider of services (see Section 2.6). APM's agreed and pending acquisitions of Early Start Australia, MyIntegra and Mobility places APM in a strong position to capitalise on the expanding market opportunity through the NDIS.

The Aged Care Royal Commission in Australia has also increased the focus on the delivery of high quality aged care services in Australia and APM will continue to deliver assessment services whilst seeking to leverage its allied health experience to further expand into service provision (see Section 2.7). APM's agreed and pending acquisition of the platform Mobility also provides APM with the opportunity to benefit from the increased level of support and services that is expected to be delivered in the aged care sector as a result of the findings of the Aged Care Royal Commission.

APM Management believes that APM has the right strengths and background to be a leading provider at scale across these large markets.

187 Represents total market funding available, not APM's expected contract value.
188 The National Disability Insurance Scheme – a review of the costs (Australian Government Productivity Commission, August 2017).

3.10.6. New International Markets

New markets are of interest to APM where there is a stakeholder that is committed to positive change. Given the continued focus on human services globally, APM continues to assess new markets and strategic opportunities with Sweden being the most advanced. As the Swedish government is considering reforms in 2022 to move from a delivery provider to a market steward role, APM is currently assessing its strategic options to enter the Swedish Employment Services market.

APM applies the following criteria to assess and prioritise opportunities:

- is the program designed to improve client outcomes;
- funding model and unit price;
- market dynamics;
- competitive landscape;
- regulatory policy and economic trends;
- cultural differences;
- country risk assessment (compliance, fraud, corruption, bribery, tax, data privacy, cybercrime); and
- APM's ability to contribute a competitive evidence-based offering.

3.10.7. Mergers and Acquisitions

APM has a track record of expansion via acquisition and successfully integrating its acquired businesses, having acquired 16 businesses with a total value of over $300 million since 2015, which include:

- Ingeus (including WCG, Ross Innovative Employment Solutions and Assure Programs) in 2018, which allowed APM to consolidate its footprint in the UK and further expand into Europe, North America, and South-East Asia;
- Konekt in 2019 and Generation Health in 2021 which facilitated greater exposure to vocational rehabilitation services and employment services markets in Australia; and
- the pending acquisitions of Early Start Australia, MyIntegra and Mobility in 2021 which supports APM's expansion into providing services in relation to Australia's NDIS and the Aged Care sector. These acquisitions have reached agreement and, subject to the satisfaction of certain conditions, are expected to occur after the Settlement Date (see Sections 6.11.1 and 9.6.2).

APM continues to assess merger and acquisition opportunities both domestically in Australia, as well as internationally to continue its expansion as a leading multinational human services provider while building a sustainable, long-term business with quality team members. APM has a systematic approach to growth via mergers and acquisitions with the following key criteria:

- **Service Expansion:** APM seeks opportunities where it can strengthen its existing service offering, and add talent and scale to its existing core business offerings
- **Geographic or sector expansion:** As part of its next stage of growth, APM continuously looks for acquisitions that provide it with geographic or sector expansion – for example, the acquisition of Ingeus provided APM with a foothold in seven new countries, and CiC has enabled APM to provide EAP services in the UK
- **Capability expansion:** APM also targets opportunities that provide APM with diversification in its services offered
- **Valuation:** APM employs a disciplined approach to valuation, with attractive multiples (particularly on a post-synergies basis)
- **Performance improvement:** APM ensures that all acquisitions are supported by an integration plan which assesses areas of synergy and investment to deliver performance and results.

APM also employs a principles-based approach to integrating new acquisitions that guides decision-making to ensure success. APM approaches each acquisition with the following key principles:

- clients and service quality are not negatively impacted;
- senior-level talent is identified and provided with the support and resources required to take their business to the next level under APM's stewardship;
- trust and respect all people;
- take a 'best of both worlds' approach and adopt best practice;
- maintain client and stakeholder relationships; and
- employ a structured and collaborative approach.

APM considers acquisition opportunities consistent with its overall growth strategy on an ongoing basis. APM is currently engaged in considering a number of potential opportunities. The potential acquisitions include further international expansion and opportunities in the allied health and employment services sector. These potential acquisitions are at various stages from early assessment to being subject to a non-binding indicative offer from APM. As at the date of the Original Prospectus, APM has not made a definitive decision to pursue any potential acquisitions.

APM will only pursue potential acquisitions if the target business is aligned with APM's growth ambitions, provide further scale or a market entry point and if APM considers that the acquisition will deliver growth and profitability post-integration as a result of APM's investment in people, sites, performance, systems and synergies between the target business and the APM Group.

The acquisition opportunities currently being assessed align with these criteria, however, these current opportunities individually or in the aggregate are relatively small and will not materially impact the FY22 forecast or related financial information should any of the acquisitions occur. APM also expects that if any of the potential acquisitions occur that it would not require APM to raise any incremental equity or to utilise a significant amount of the available underdrawn capacity under its debt facilities.

There is no certainty that any or all of these acquisitions will proceed.

3.11. Our People and Culture

APM's success stems from its people-centred and outcome-focussed vision, purpose, and values. APM celebrates equality, diversity, and inclusion for APM's team members, clients, customers, and communities around the world. APM celebrates the fact that everyone is different and APM values unique opinions, ideas, beliefs, perspectives, and interests. APM recognises that its people are its biggest asset, and that when they feel they can share their ideas in a collaborative environment, APM gets the best results for its clients and customers.

APM's people and culture plan is centred around four key priorities: attracting and developing talent; effective organisation design; leadership development and effective people; and culture data and systems as illustrated below.

3. Business Overview

Figure 3.12: People and Culture Priorities

Attracting and Developing Talent

- Attract and retain diverse talent
- Career development pathways for APM's people
- A compelling value proposition for current and future APMers
- Deliver key moments that matter through a strong experience for team members

An Effective Organisation

- An operating model and structure to support growth
- Well-executed and holistic integration programs to support business continuity
- Workforce planning

Great APM Leadership

- Consistent standards of APM leadership
- Leadership development programs to drive high performance
- Outcomes for APM's clients and stakeholders

P&C Data and Systems

- Partner with the business to deliver effective HR services
- Streamline systems and processes to achieve efficiencies and enable growth
- Robust people data for the Group

As at 31 July 2021, APM had 7,458 team members globally. The number of team members by geography is outlined in Figure 3.13 below. Of this workforce, over 80% are client-facing support services.

Figure 3.13: Number of Team Members (by headcount, as at 31 July 2021)

Team Members by Geography	#	% Total
Australia	3,417	45.8%
Europe (incl. UK)	2,060	27.6%
North America	1,161	15.6%
APAC (incl. NZ, but not Australia)	820	11.0%
Total	**7,458**	**100.0%**

APM's Australian team members, which comprise 45.8% of the workforce, currently operate under seven modern awards covering approximately 85% of APM's Australian workforce. Modern awards set the minimum entitlements for employees and apply to employers who are not bound by an enterprise agreement. APM has not had any industrial action at its worksites in the past five years and there are no unions affecting APM's Australian businesses.

APM's team members outside of Australia comprise 54% of the workforce. There are no relevant unions or enterprise agreements affecting the majority of APM's businesses globally.

3.12. Environmental, Social and Governance (ESG)

APM aims to make a positive and lasting social impact for the people, communities, and governments it supports through the services it provides every day and is committed to delivering on its ESG vision.

APM's business is strongly aligned with the United Nations' (**UN**) Sustainable Development Goals (SDGs) and in particular:

- Goal #3: Good health and wellbeing through promotion of mental health and rehabilitation services;
- Goal #5: Achieve gender equality and empower all women and girls;
- Goal #8: Decent work and economic growth through promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all;
- Goal #10: Reduce inequalities within and amongst countries through APM's extensive work with people living with disability, illness and injury, and improving access to labour markets for people from vulnerable and disadvantaged populations; and
- Goal #17: Strengthen the means of implementation and revitalise the global partnership for sustainable development.

In alignment with the UN SDGs, in FY21, APM supported more than one million individuals which included more than:

- 660,000 jobseekers;
- 180,000 people with a disability and assisting more than 90,000 people with a disability into work;
- 100,000 people with mental health needs;
- 50,000 offenders and ex-offenders; and
- 30,000 veterans.

APM's collective mission is to create new opportunities in life for as many people as possible, to help them into meaningful work and to create safe and healthy workplaces where they can prosper and grow.

APM's ESG vision contributes to strong and sustainable communities and a society that champions social inclusion, equality, and diversity. This aspiration includes positively impacting APM's clients, customers, the health and safety of APM's team members and communities, and the planet.

Key among its ESG vision is creating impactful community partnerships and thought leadership, such as through the APM Disability Diversity and Inclusivity Index (**DDI Index**).[189] APM's DDI Index is a landmark research project evaluating and seeking to inform and grow disability diversity and inclusion in Australian workplaces. The inaugural DDI Index of Australian workplaces was published by APM in early 2020, which incorporated the responses of more than 1,200 people living with disability and more than 630 employers. The Australian DDI ranks Australian workplaces' collective performance, provides thorough research findings, and offers recommendations for improvement. Following the success of APM's Australian DDI Index, APM has initiated an Employment Index in Canada with fieldwork having been completed and reports to be finalised by end of 2021. It is intended that the Australian DDI will become the blueprint for a series of indices across APM's markets.

As part of APM's corporate social responsibility, APM shares research with its customers and communities to inform and develop programs and enhance service delivery.

As of June 2021, more than 70% of APM's team self-identified as female with more than 55% of the senior leadership team of 223 leaders self-identifying as female. In addition, of APM team members surveyed in Australia, Canada, South Korea, New Zealand, and the UK, more than 4% disclosed they have a disability and more than 18% of team members surveyed in Australia and New Zealand disclosed they have lived experience with disability.

Figure 3.14: Diversity and Inclusion at APM

As part of APM's ESG commitment, APM has an environmental policy requiring it to assess opportunities to minimise the impact of its operation on the environment through reduction in energy and waste management. Other examples of environmental commitments and initiatives APM has implemented include ensuring all WHP delivery sites in the UK have recycling facilities for paper, and requiring all Ingeus UK staff to use public transport for business-travel with few exceptions.

189 APM's Disability Diversity and Inclusivity Index can be accessed here: https://apm.net.au/ddi-index.

3.13. Insurance

APM has a range of insurance policies covering relevant aspects of its business operations, including cover for physical loss or damage to real and personal property, liability to third parties for personal injury and/or property damage, technology and cyber enterprise risks, professional indemnity and public liability, crime, and Directors & Officers liability. In certain territories where there is not a statutory scheme, APM also carries employment practices liability and workplace injury insurance.

APM's insurance policies carry deductibles and limits (and certain exclusions) which apply in the event of a claim.

APM currently maintains public liability and professional indemnity insurance that meets or exceeds the level required by all its customers. See Section 5.2.19 for a discussion of risks relating to the availability of insurance.

3.14. Certifications and Accreditations

In order to carry out its business, APM's customers may require it to have certain accreditations. In Australia, APM is required to be accredited in accordance with the National Standards for Disability Services (**NSDS**) for the DES contract, and under the Quality Assurance Framework (**QAF**) for jobactive (which is met by APM holding ISO 9001 Quality Management System accreditation,[190] which it also holds for most of its Australian business lines). To tender for the New Employment Services Model tender, the business is also required to have Right Fit for Risk, a comprehensive cybersecurity accreditation incorporating ISO 27001 Information Security Management and additional requirements. Providers of vocational rehabilitation services in Australia are required to be admitted under the Nationally Consistent Approval Framework for Workplace Rehabilitation Providers. APM's skills and training businesses are also required to be Australian Skills Quality Authority (**ASQA**) accredited. Various businesses are also required to have employment agency/labour hire registrations in certain Australian states.

In the UK, the business is required to hold Cyber Essentials Accreditation and ISO 27001 Information Security Management accreditation. APM is also required to be a Disability Confident Employer. As part of the Restart Scheme contract, APM is required to obtain SOC2 accreditation, and is also required to attain SOC2 accreditation in Canada to deliver the RSVAP contract. The RSVAP contract also requires APM's Canadian business to hold relevant security clearances.

Internationally, in addition to specified external accreditations, APM's material contracts require it to comply with additional government internal guidelines and requirements, on matters such as cybersecurity, data privacy, supplier payment practices, supply chain management, environment and energy management, health and safety, child protection and safeguarding, indigenous representation, life chances, disability access, gender pay equality, and other diversity and inclusion requirements and targets. In addition, certain staff delivering services may be required to have individual accreditations (e.g. Australian Health Practitioner Regulation Authority (**AHPRA**) registration for allied health professionals and psychologists in Australia).

APM is dedicated to upholding and maintaining the necessary certifications and accreditations to deliver its services. The Human Services market in which APM operates is highly regulated and APM believes that its existing accreditations, scale, experience, and ability to meet stringent regulations provide APM with the continued opportunity to grow and expand its service offerings in a manner that is difficult to replicate.

190 ISO accreditations are set by the International Organization for Standardization – an independent, non-governmental organisation.

3.15. Impact of COVID-19 on APM

COVID-19 has seen the need for APM to rapidly respond to the vulnerabilities the pandemic has exposed in communities. APM believes it is well-placed to deliver services at scale in a seamless fashion at a time when so many of its businesses are seeing significant demand.

APM has a diverse and dispersed workforce, the ability to deliver services remotely and status in many geographies as an essential services provider status. In most geographies, APM remained fully operational with necessitated technological changes during all government-imposed COVID-19 lockdowns and restrictions and remains well-placed to continue operating in the event of future government-imposed restrictions or lockdowns.

APM's business continuity during COVID-19 was further supported by:

- **APM's local leadership and resourcing:** While an international business, APM's businesses and services in each respective country are domestically focussed. APM is not reliant on international people flows or supply chains for its performance as clients and participants are domestically located; and
- **Proactive leadership:** APM took early action to protect the health of its people, clients, and local communities. APM's corporate teams worked closely with its operational teams around the globe to support remote working and digital servicing of its clients and customers. This transition to remote and/or work-from-home arrangements was achieved in a matter of days and weeks, demonstrating its agility and focus on continuity of service.

Digital training and the deployment of online classroom technology has also increased, as has its customers' appetite for new, COVID-19 relevant course content, such as employee wellbeing.

Figure 3.15: Case Study: National Citizen Service and APM during COVID-19

The UK's NCS Re-purposed with Purpose

COVID-19 threatened to disrupt the 2020 community-based national youth programs. Following discussion with NCS Trust, APM agreed on a re-purposed summer and autumn 2020 program, consisting of the Keep Doing Good and School Support programs, that were tailored to address current community challenges and provide young people with relevant opportunities to realise their potential.

A two-week program, Keep Doing Good provides young people in the UK with the chance to help get the country back to business by making a pledge to donate some of their time. Participants pick up new skills, help rebuild local communities, create positive change, and help communities' future leaders get off to a good start.

The Schools Support program will be offered to all schools in all regions of England. The re-purposed program will enable the Department for Education to provide focussed support to those students who have lost or who stand to lose the most from the disruption to their academic, personal, and social development due to COVID-19.

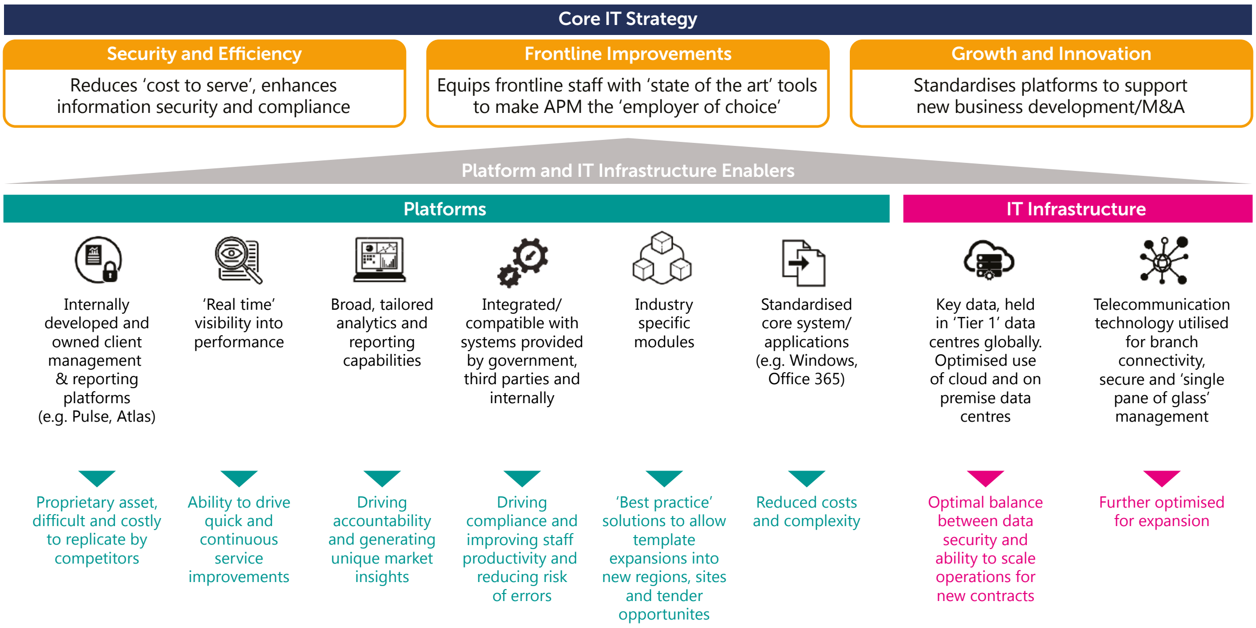
The leadership team of APM remains confident that APM will be a long-term partner to support communities in economic recovery and will maintain its business continuity despite the ongoing impact of COVID-19.

Notwithstanding the above, the COVID-19 pandemic and related government-imposed restrictions and border closures have had an impact, and may continue to have an impact on the jurisdictions in which APM operates and on APM's business. See Sections 4.6.1.5 and 5.2.17 for additional information on the impact of COVID-19 on APM's business and risks relating to COVID-19. See also Sections 4.6.5.3, 4.6.5.5 and 4.7 for additional information on the potential impact of COVID-19 on APM's FY22F forecast earnings and related sensitivities.

3.16. Information Technology (IT), Cybersecurity and Privacy

APM recognises the importance of digital platforms to drive efficiencies, support frontline staff, enable growth, drive innovation, and maintain security of core systems.

Figure 3.16: APM's Core IT Strategy



APM has a blend of off-the-shelf and proprietary, purpose-built systems that drive productivity and performance which are tailored to the requirements of the contract and country they service. APM has built enterprise-grade IT platforms that are designed to scale with growth, with a focus on operating efficiency, analytical reporting, and the ability to support integration of new acquisitions. APM's IT platforms include proprietary, purpose-built systems:

Figure 3.17: APM's Proprietary IT Systems and Platforms

Platform	Description
Pulse (Australia)	• Internally developed, web-based case management application used to ensure contractual compliance and support operational staff delivering a range of services across Australia • Core proprietary program that drives efficiencies in employment services • Currently offers case management system features, such as client searching, document storage and file notes • Includes industry-specific modules including Compliance Alerts, Placement Lodgement, Post Placement Support Tracking, Wage Subsidies, Jobseeker Expenditure, Interpreter Booking, Claims and a streamlined Staff Reviews module • Integration with APM's HR, payroll, finance, LMS and recruitment systems, allowing Pulse to manage the full lifecycle of requests from the initial request stage to reconciling the end financial transaction • Pulse can generate a range of reports for all levels of the business. Some of the key reports that exist for staff today are team and individual KPI reports (against set targets to be 4 star plus), headcount analysis and caseload management reports • The industry-specific nature of the application means that it cannot be purchased and is difficult to replicate without inputs from key personnel across the business, whilst also allowing APM to quickly develop systems to reflect updated market intelligence
Atlas & Encompass Care (Australia and New Zealand)	• Used to manage APM's WorkCare Australia and New Zealand customer lifecycle, supporting services across return to work, vocational training, physiotherapy, and psychology
CaseFlo (Canada)	• Comprehensive, multi-tier web-enabled custom application used to support a broad range of program management processes • Scalable and can be easily configured to suit new needs across referral management, records management, financial control, reporting and other operational functions

Laws and regulations involving data privacy and protection are evolving, extensive and complex and include uncertainties, resulting in increasing data governance and compliance requirements for APM. APM is required to comply with the *Privacy Act 1988* (Cth), which regulates how personal information is handled, as well as the privacy laws and regulations applicable in the other jurisdictions in which APM operates. Data held by APM includes personal data. APM implements a range of protective measures designed to minimise the risk of unauthorised access, disclosure or loss personal information held by APM.

APM is committed to protecting the privacy of the client, customer, and other key stakeholder data that it holds. APM's cybersecurity framework is aligned to ISO 27001 Information Security Management Standards, and in many cases, APM further implements controls that support this framework based on ongoing threat modelling exercises. In order to achieve this, APM has made significant investments in its people, processes and systems and APM has a team of internal cybersecurity specialists and external partner agreements located in key international locations. As a key control over APM's IT and cybersecurity, APM performs ongoing independent testing to seek out vulnerabilities and ensure APM meets its obligations to data security.

4.
Financial Information

4. Financial Information

4.1. Introduction

The financial information contained in Section 4 includes historical information for the financial years ended 30 June 2019 (**FY19**), 30 June 2020 (**FY20**) and 30 June 2021 (**FY21**), together with the forecast financial information for the financial year ending 30 June 2022 (**FY22F**).

Figure 4.1: Overview of Financial Information

	Statutory Financial Information	Pro Forma Financial Information
Historical Financial Information	Statutory Historical Financial Information of APM comprises the: • Statutory historical consolidated income statements for FY19, FY20 and FY21 (**Statutory Historical Income Statements**) • Statutory historical consolidated cash flows for FY19, FY20 and FY21 (**Statutory Historical Cash Flows**) • Statutory historical consolidated statement of financial position as at 30 June 2021 (**Statutory Historical Statement of Financial Position**) (together, **Statutory Historical Financial Information**)	Pro Forma Historical Financial Information of APM comprises the: • Pro Forma historical consolidated income statements for FY19, FY20 and FY21 (**Pro Forma Historical Income Statements**) • Pro Forma historical consolidated cash flows for FY19, FY20 and FY21 (**Pro Forma Historical Cash Flows**) • Pro Forma historical consolidated statement of financial position as at 30 June 2021 (**Pro Forma Historical Statement of Financial Position**) (together, **Pro Forma Historical Financial Information**)
Forecast Financial Information	Statutory Forecast Financial Information of APM comprises the: • Statutory forecast consolidated income statement for FY22F (**Statutory Forecast Income Statement**) • Statutory forecast consolidated cash flows for FY22F (**Statutory Forecast Cash Flows**) (together, **Statutory Forecast Financial Information**)	Pro Forma Forecast Financial Information of APM comprises the: • Pro Forma forecast consolidated income statement for FY22F (**Pro Forma Forecast Income Statement**) • Pro Forma forecast consolidated cash flows for FY22F (**Pro Forma Forecast Cash Flows**) (together, **Pro Forma Forecast Financial Information**)

The Statutory Historical Financial Information and the Pro Forma Historical Financial Information are together referred to as the **Historical Financial Information** and the Statutory Forecast Financial Information and the Pro Forma Forecast Financial Information are together referred to as the **Forecast Financial Information**. The Historical Financial Information and Forecast Financial Information are together referred to as the **Financial Information**.

The Statutory Historical Financial Information for FY19 and FY20 has been extracted from the consolidated financial statements of International APM Group Pty Ltd, which was the ultimate parent company of the APM Group prior to MDP's acquisition of a majority shareholding in International APM Group Pty Ltd on 30 June 2020. The Statutory Historical Financial Information for FY21 has been extracted from the consolidated financial statements of APM Human Services International Limited (**APM**) for the period from incorporation of APM Human Services, on 9 March 2020, until 30 June 2021. Although the FY21 financial statements of APM Human Services cover the period from its incorporation to 30 June 2020, APM remained dormant until the MDP acquisition on 30 June 2020, and therefore the FY21 financial statements only include the results of operations and cash flows of the APM Group from 30 June 2020 to 30 June 2021 (with the exception of certain immaterial operating expenses, such as ASIC fees, incurred prior to 30 June 2020). APM became the new parent entity of the APM Group as of 30 June 2020. See Section 9.3 for additional information regarding the organisational structure of the APM Group.

When referring to the consolidated financial statements of the APM Group for FY19, FY20 and FY21 in this Prospectus, "APM" means either International APM Group Pty Ltd or APM, as the case may be.

4. Financial Information

The historical acquisitions completed by the APM Group in FY19, FY20 and FY21 and MDP's acquisition of a majority shareholding in International APM Group Pty Ltd on 30 June 2020 have been included in the Statutory Historical Financial Information since the completion date of each acquisition. Investors should note, however, that in preparing the Pro Forma Historical Financial Information included in this Prospectus, no pro forma adjustments have been made to reflect these acquisitions as if they had occurred at 1 July 2018. That is, the Pro Forma Historical Financial Information reflects the impact of these acquisitions since the completion date of each transaction, and not since the beginning of the Historical Financial Information period. Had the historical acquisitions and MDP's acquisition of APM been reflected as if they occurred at 1 July 2018, the Pro Forma Historical Financial Information would be materially different from what is currently presented. Such differences would include, but not be limited to, additional operating results from the acquired businesses and higher depreciation and amortisation expense on the acquired long-lived assets. Details of the FY19, FY20 and FY21 acquisitions are set out below:

- **Ingeus** – On 20 December 2018, Advanced Personnel Management Group Pty Ltd and APM UK Holdings Limited, both wholly-owned subsidiaries of International APM Group Pty Ltd, acquired 100% of the issued share capital of Ingeus Europe Limited, Ross Innovative Employment Solutions Corp, Ingeus Australia Holdings Pty Ltd (trading as 'Assure') and 0798576 B.C. Ltd (trading as 'WCG') (collectively, the **Ingeus Group**), a provider of Human Services.
- **Konekt** – On 20 December 2019, APM acquired 100% of the share capital of Konekt Limited (ASX:KKT) through a Scheme of Arrangement between KKT and its shareholders. Konekt provides services including jobactive, DES, New Enterprise Incentive Scheme (**NEIS**), Career Transition Assistance (**CTA**) and Entrepreneurship Facilitator Services (**EFS**) in Australia, as well as revenue in Health and Wellbeing from its preventative and early intervention programs operating under the brands Konekt Workcare and Communicorp.
- **MCI** – on 31 January 2019, APM acquired an initial 70% interest in Management Consultancy International Pty Ltd (**MCI**), a registered training organisation in Australia, and on 30 June 2020, APM acquired the remaining 30% of MCI.
- **CIC** – On 31 July 2020, Ingeus UK Ltd, a wholly-owned subsidiary of International APM Group Pty Ltd, acquired 100% of the issued share capital of CNLR Horizons Limited, a provider of Employee Assistance Programs (**EAP**) and other mental health and wellbeing services in the United Kingdom.
- **FBG** – On 31 August 2020, Konekt Australia Pty Ltd, a wholly-owned subsidiary of International APM Group Pty Ltd, acquired 100% of the issued share capital of FBG Group Pty Ltd, a provider of consulting and counselling services in relation to workplace mental health and wellbeing in Australia.
- **DB Grant** – On 30 September 2020, Ross Innovative Employment Solutions Corp, a wholly-owned subsidiary of International APM Group Pty Ltd, acquired 100% of the issued share capital of DB Grant Associates, Inc, a provider of workforce development services in the USA.

The following acquisitions have been made subsequent to 30 June 2021. Investors should note that the impact of these acquisitions has been reflected in each of the Statutory Forecast Financial Information and the Pro Forma Forecast Financial Information from the date of completion of acquisition (and, in the case of the pending acquisition of the Early Start Australia, MyIntegra and Mobility businesses, the expected date of completion of the acquisition, which is assumed to be 31 December 2021). That is, the Pro Forma Forecast Financial Information does not reflect the impact of these acquisitions as if they occurred on 1 July 2021. However, investors should note that these acquisitions have been reflected in the Pro Forma Historical Statement of Financial Position as at 30 June 2021. Details of the completed and pending FY22F acquisitions are set out below:

- **Generation Health** – On 31 July 2021, Advanced Personnel Management Global Pty Ltd, acquired 100% of the issued share capital of Generation Health Pty Ltd and The Interact Group Pty Ltd (collectively, Generation Health), a provider of workplace injury prevention and injury management services across Australia.
- **Dynamic Workforce Solutions (DWFS)** – On 31 August 2021, Ross Innovative Employment Solutions Corp, a wholly-owned subsidiary of International APM Group Pty Ltd, acquired 100% of the Membership Interests of The Kaiser Group (DE), LLC, a provider of workforce development and training services in the USA.
- APM has entered into an agreement to acquire the businesses of **Early Start Australia, MyIntegra** and **Mobility** which expand APM's offerings to include a range of disability and aged care support services. These acquisitions are subject to conditions precedent. In the FY22F Statutory and Pro Forma Forecast Income Statements and Statutory and Pro Forma Forecast Cash Flows, APM has assumed completion on 31 December 2021. A summary of material terms of the sale agreements relating to these acquisitions is set out in Section 9.6.2.

See Section 9.6.2 for additional information relating to the APM Group's acquisitions.

The Historical Financial Information presented in this Prospectus has been reviewed by PricewaterhouseCoopers Securities Ltd (**PwCS**, or **Investigating Accountant**) in accordance with the Australian Standard on Assurance Engagements ASAE 3450 'Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information' (**ASAE 3450**), as stated in its Investigating Accountant's Report on the Historical Financial Information. Investors should note the scope and limitations of the Investigating Accountant's Report on the Historical Financial Information (refer to Section 8).

The Forecast Financial Information presented in this Prospectus is unaudited and has been reviewed by PwCS in accordance with ASAE 3450, as stated in its Investigating Accountant's Report on the Forecast Financial Information. Investors should note the scope and limitations of the Investigating Accountant's Report on the Forecast Financial Information (refer to Section 8).

Also summarised in Section 4 are:

- The basis of preparation and presentation of the Financial Information (refer to Section 4.2);
- Information regarding significant accounting policies and key judgements and estimates (refer to Section 4.2.3);
- Information regarding certain non-IFRS financial measures and other measures (refer to Section 4.2.6);
- Summary of pro forma adjustments to the Statutory Historical Income Statements and Statutory Forecast Income Statements and reconciliations of the Pro Forma Historical Income Statements and Pro Forma Forecast Income Statements to the Statutory Historical Income Statements and Statutory Forecast Income Statements, respectively (refer to Section 4.3.3);
- Summary of key pro forma operating and financial metrics (refer to Section 4.3.5);
- Details of the APM's statutory historical and pro forma historical financial position, cash and cash equivalents and pro forma cash position at the assumed Completion date (refer to Section 4.4);
- Information regarding indebtedness, banking facilities, liquidity and capital resources (refer to Sections 4.4.2, 4.4.3, and 4.4.4);
- Summary of financial liabilities and other contractual commitments (refer to Sections 4.4.5 and 4.4.6);
- Qualitative disclosures about market risk (refer to Section 4.10);
- A summary of the key drivers impacting our financial and operating results (refer to Section 4.6.1);
- Management's discussion and analysis of the Pro Forma Historical Financial Information (refer to Section 4.6);
- The Directors' best estimates of general and specific assumptions underlying the Forecast Financial Information (refer to Section 4.6.5);
- Management's discussion and analysis of the Pro Forma Forecast Financial Information (refer to Section 4.6);
- An analysis of the sensitivity of the Pro Forma Forecast Financial Information to changes in key assumptions (refer to Section 4.7); and
- A summary of APM proposed dividend policy (refer to Section 4.9).

Also included in Sections 4.2.3 and 10 of this Prospectus is a summary of APM's significant accounting policies, including APM's critical accounting policies.

The information in Section 4 should also be read in conjunction with the risk factors set out in Section 5 and the other information contained in this Prospectus.

All amounts disclosed in Sections 4 and 10 are presented in Australian dollars (**AUD** or **A$**) and, unless otherwise noted, are rounded to the nearest $0.1 million. Some numerical figures included in this Prospectus have been subject to rounding adjustments. Any differences between totals and sums of components in figures or tables contained in this Prospectus are due to rounding.

4.2. Basis of preparation and presentation of the Financial Information

4.2.1. Overview and Preparation and Presentation of the Financial Information

The Financial Information included in this Prospectus is intended to present potential investors with information to assist them in understanding the historical financial performance, cash flows and financial position of APM, together with an indication of future prospects of APM. The Directors of APM are responsible for the preparation and presentation of the Financial Information.

The Financial Information has been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

APM considers it has sufficient cash reserves to meet its current financial commitments for a period of greater than 12 months from the date of the Original Prospectus and as a result the Directors are satisfied that the going concern basis is appropriate.

The Statutory Historical Financial Information and the Statutory Forecast Financial Information have been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards (**AAS**) issued by the Australian Accounting Standards Board (**AASB**), which are consistent with International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board. The Financial Information has been prepared on the basis that each of AASB16 'Leases' and AASB15 'Revenue from Contracts with Customers' was adopted on 1 July 2018, unless otherwise indicated. The financial statements are prepared and presented in the functional currency of APM (Australia Dollars). See Sections 4.2.3 and 10 for additional information on APM's significant accounting policies.

The Financial Information is presented in an abbreviated form insofar as it does not include all the presentation and disclosures, statements or comparative information required by AAS and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

In addition to the Financial Information, Section 4.2.6 describes certain non-IFRS financial and other measures that are used to manage and report on business performance that are not defined under or recognised by AAS or IFRS.

4.2.2. Segment Information

APM has four key operating segments defined by region and AASB8 Operating Segments:

- Australia;
- Asia Pacific (including New Zealand, Singapore and South Korea);
- Europe (including United Kingdom, Germany, Spain and Switzerland); and
- North America (including Canada, and the United States).

Segment financial information is reported to NPATA as management believe that NPATA best reflects the operating performance, cash generation and dividend payment potential of APM's business prior to the non-cash impact of amortisation.

Section 4.6.2 of the Prospectus outlines the key drivers of segment performance including key contracts.

4.2.3. APM's Significant Accounting Policies and Application of New Accounting Standards to the Historical Financial Information

APM's key accounting policies with respect to revenue recognition, key estimates and judgements are briefly described below. APM's significant accounting policies are set out below and in further detail in Section 10.

APM has applied AASB16 Leases to transactions, and AASB15 Revenue from Contracts with Customers in all years.

The Forecast Financial Information has been prepared on a consistent basis to the Historical Financial Information.

4.2.3.1. Revenue Recognition

While the specific terms vary by contract, the Group often receives five types of fees under its various contracts with government and corporate entities: service fees, outcome fee/payment by results or milestone, cost plus, fixed fee and fee for service. Some of APM's contracts contain termination for convenience provisions, where the customer can terminate the contract for convenience without substantive compensation.

Revenue is recognised as the Group satisfies each performance obligation by transferring the promised services to a customer, based on the amount of consideration it expects to be entitled in exchange for transferring the services.

Most of the Group's contracts include performance obligations to help participants achieve sustained employment outcomes. Substantially all the Group's contracts include variable consideration, whereby it earns revenues if certain contractually-defined outcomes occur in the future. The Group recognises outcome-based revenue on the placement date, adjusted for any material future services it may be required to deliver post placement if the contract is not terminated. The amount of the variable consideration recognised as revenue is based upon the Group's estimate of the final amount of outcome fees to be earned. using the expected value method for a portfolio of individuals. These estimates consider i) contractual fees, ii) assumed success rates and iii) assumed participant life in the program. The Group bases its estimates on historical results as well as forward-looking information, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. For new contracts, other factors may also be considered. At each reporting period, the Group updates its estimate of variable consideration based on actual results or other relevant information and records an adjustment to revenue.

The Group constrains its estimates of variable consideration by reducing those estimates to amounts it considers highly probable will not later result in a significant reversal of revenue. When determining if variable consideration should be constrained, Management considers whether there are factors outside the Group's control that could result in a significant reversal of revenue. In making these assessments, the Group considers the likelihood and magnitude of a potential reversal of revenue.

For some non-cancellable contracts, the Group recognises revenue as progress is made towards satisfaction of the related performance obligations using an input method based on efforts made to date relative to the total expected efforts. For some of the Group's contracts, it recognises revenue as it invoices customers regularly, because the amount to which it is entitled to invoice approximates the fair value of the services transferred.

Contract modifications may occur, where a change in the scope or price (or both) of a contract is approved by the parties to the contract. Where a contract is modified and the additional services added are not distinct from those provided prior to the modification, the modification is treated as if it were a part of the existing contract forming part of the performance obligations that is partially satisfied at the date of the contract modification. The effect that the contract modification has on the transaction price, and on the entity's measure of progress towards complete satisfaction of the performance obligation, is recognised as an adjustment at the date of the contract modification. Where a contract is modified and the additional services are distinct from those provided prior to the modification but not at their stand-alone selling prices, the modification is accounted for as if it were a termination of the existing contract and the creation of a new contract.

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds 12 months. As a consequence, the Group elects not to adjust any of the transaction prices for the time value of money.

Costs incurred to fulfil a contract are capitalised where (a) the costs relate directly to a contract or anticipated contract, (b) the costs generate or enhance resources that will be used in satisfying the obligations under the contract, and (c) the costs are expected to be recovered. Such costs are amortised on a systematic basis that is consistent with the transfer to the customer of the services which may include anticipated renewals. An impairment loss is recognised in profit or loss to the extent that the carrying amount of an asset exceeds:

(a) the remaining amount of consideration; less

(b) the costs that relate directly to providing those services and that have not been recognised as expenses.

4.2.3.2. Key Estimates and Judgements

The preparation of our financial statements (including the Financial Information contained in the Prospectus) requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities and the reported amounts of revenue and expenses. At each reporting period end, we make estimates, including those related to revenue recognition and cost estimation on certain contracts, the realisability of goodwill and amounts related to income taxes, certain accrued liabilities, and contingencies and litigation.

We base our estimates on historical experience and expectations of the future that we believe to be reasonable. The economic and political effects of the COVID-19 global pandemic have increased, and are expected to continue to increase, uncertainty, which has reduced our ability to use past results to estimate future performance and our future financial condition. Accordingly, our estimates may be subject to greater volatility than has been the case in the past.

In preparing our financial statements and the Financial Information contained in this Prospectus, we have made judgments, assumptions and estimates in relation to the following items:

- APM's balance sheet includes goodwill (valued at $1,367.1 million in the 30 June 2021 Statutory Historical Statement of Financial Position) arising from MDP's purchase of APM for $1.7 billion and acquisitions which have occurred post 30 June 2020 in which goodwill has arisen on calculation of the purchase price allocation. This balance is allocated between business units. Goodwill is not amortised but is tested for impairment when necessary and no less than once per year. APM performed its last annual goodwill impairment test as of 30 June 2021. There has been no indication of impairment of any reporting unit at this time or since. The balance sheet includes a number of long-lived assets, including property and equipment, capitalised software, operating lease right-of-use assets, deferred contract costs and intangible assets. These assets are depreciated or amortised over their estimated useful economic lives but are subject to impairment if events indicate that the carrying amounts may not be recoverable. At this time, there are no balances which we believe are not recoverable.
- Included within our non-current assets ($299.2 million in the 30 June 2021 Statutory Historical Statement of Financial Position) of service agreement and customer relationship are intangible assets, which have been acquired through business combinations. APM uses judgement in identifying, valuing, and assigning a useful economic life to assets as they are acquired. The judgements required vary with the type of asset but may include projections of future results, estimated costs to recreate or replace assets, the cost of utilising other, similar assets provided by a third party and an appropriate cost of capital. Where appropriate, APM utilises the services of a third-party specialist to assist us in these valuations.
- The 30 June 2021 Statutory Historical Statement of Financial Position includes:
  - $ 87.5 million of trade and other receivables, net of allowance for credit losses;
  - $100.7 million of contract assets (accrued revenue), representing revenue recognised but not yet invoiced. All contract assets as of 30 June 2021 are expected to be invoiced during the year ending 30 June 2022. As disclosed in Section 3.9, revenue for some of APM's employment services contracts in Australia and the UK are based upon the achievement of future outcomes as defined in each contract. Specifically, we are paid as individuals attain employment goals, which may take many months to achieve. Revenue is recognised on these contracts over the period of performance; and
  - $78.2 million of deferred revenue representing APM's obligation to transfer goods or services to customers, for which the Group has already received consideration from the customer. All of the contract liability balance as of 30 June 2021 is expected to be recognised as revenue during the year ended 30 June 2022.
- As disclosed in notes 4, 5 and 6 in Section 4.4.1, APM acquired two businesses (Generation Health and DWFS) during Q1 FY22F and has executed agreements to acquire Early Start Australia, MyIntegra and Mobility. For assets acquired and liabilities assumed, APM is required to identify and recognise these balances at their fair value as of the date of acquisition. The purchase price allocations for businesses acquired are required to be finalised for accounting within 12 months of each acquisition. The Pro Forma Statement of Financial Position included in Section 4.1 includes an assumed purchase price allocation in relation to the Generation Health and DWFS acquisitions that is not finalised and the Early Start Australia, MyIntegra and Mobility acquisitions that is not finalised. Accordingly, there may be changes in the purchase price allocation and related underlying balances in APM's subsequent statements of financial position.

Further details on APM's key estimates and judgements can be found in Section 10.1.

4.2.4. Preparation of Historical Financial Information

The Statutory Historical Financial Information for FY19 and FY20 has been extracted from the consolidated financial statements of International APM Group Pty Ltd and from the consolidated financial statements of APM Human Services International Limited for FY21, as described in Section 4.1. These consolidated financial statements for FY19, FY20 and FY21 are general purpose accounts and have been audited by PricewaterhouseCoopers (**PwC**) in accordance with Australian Auditing Standards. PwC issued an unqualified audit opinion on these financial statements.

The Pro Forma Historical Financial Information has been prepared for the purpose of inclusion in this Prospectus and does not reflect the actual financial results and cash flows of APM for the periods indicated. APM believes that the Pro Forma Historical Financial Information provides useful information as it permits investors to examine what it considers to be the underlying financial performance and cash flows of the business presented on a consistent basis with the Pro Forma Forecast Financial Information. The Pro Forma Historical Financial Information has been derived from the Statutory Historical Financial Information adjusted for the effects of the pro forma adjustments described in Sections 4.3.3, 4.4.1 and 4.5.3 of this Prospectus. In preparing the Pro Forma Financial Information, pro forma adjustments have been made to reflect the:

- Inclusion of public company costs; including incremental board costs, audit, legal, tax fees, Directors and Officers liability insurance, listing fees, share registry and other compliance costs such as annual report documentation;
- Inclusion of listing costs and advisor fees including but not limited to legal, accounting and tax;
- Recognition of the acceleration and vesting of existing MEP employee incentive schemes;
- Introduction of the post Completion LTIP employee incentive schemes;
- Inclusion of an expense for the employee IPO gift of up to $1,000 worth of Shares under the Employee Gift Offer to Eligible Employees or cash to be gifted to employees of the Group who reside outside of Australia, New Zealand, Singapore and the United Kingdom who have a start date which is more than six months before the date of Admission (**Employee IPO Gift**);
- Lower interest charges associated with the reduction of existing debt facilities by $160 million immediately following Completion and reduction in interest rate achieved via the debt refinancing in July 2021;
- Removal of historical shareholder interest expense relating to the non-redeemable preference (Series A) shares that will be converted to Shares at the Offer Price and before Admission;
- Removal of transaction costs incurred by APM relating to MDP's acquisition of a majority shareholding in APM on 30 June 2020;
- Reversal of the impact of interest rate derivatives on historical debt structure;
- Reversal of the unrealised foreign exchange gain on the USD denominated debt at 30 June 2021; and
- Inclusion of relevant tax effect of each pro forma adjustment.

Section 4.3.3 sets out the pro forma adjustments made to the Statutory Income Statements and a reconciliation of the Statutory EBITDA and NPAT to the Pro Forma EBITDA and NPAT, respectively. Investors should note that, in preparing the Pro Forma Historical Financial Information, no pro forma adjustments have been made to reflect the acquisitions APM completed in FY19, FY20 or FY21 (see Section 4.1) as if such acquisitions had been made (and completed) at the start of the Historical Financial Information period.

In addition, pro forma adjustments were made to the Statutory Historical Cash Flows to reflect the cash impact of the pro forma adjustments to the Statutory Historical Income Statements. Section 4.5.3 sets out the pro forma adjustments made to the Statutory Historical Cash Flows and a reconciliation of the Statutory Historical Cash Flows to the Pro Forma Historical Cash Flows.

Pro forma adjustments were also made to the Statutory Historical Statement of Financial Position to reflect the:

- Raising of funds by the Offer via the primary share issue;
- Listing costs and advisor fees including but not limited to legal, accounting and tax;
- The conversion of shareholder loans and capitalised interest provided by way of non-redeemable preference (Series A) shares into ordinary Shares at the Offer Price and before Admission;

- Reduction of existing debt facilities by $160 million immediately following Completion;
- Inclusion of the accelerated vesting of existing MEP shares which will result in an increase to the share-based payment reserve of $9.1 million;
- Inclusion of an expense for the Employee IPO Gift of up to $1,000 of Shares under the Employee Gift Offer to Eligible Employees or cash to be gifted to employees who reside outside of Australia, New Zealand, Singapore and the United Kingdom which have been employed by the Group with a start date prior to 6 months before the date of the Prospectus;
- The impact of debt refinancing post 30 June 2021, with surplus cash of US$10 million to balance sheet;
- Accounting for acquisitions of Generation Health and DWFS including a preliminary estimate of the purchase price allocation; and
- Accounting for the pending acquisitions of the Early Start Australia, MyIntegra and Mobility businesses including a preliminary estimate of the purchase price allocation. A summary of material terms of the sale agreements relating to these acquisitions is set out in Section 9.6.2.

Section 4.4.1 sets out the pro forma adjustments made to the Statutory Historical Statement of Financial Position, and a reconciliation of the Statutory Historical Statement of Financial Position to the Pro Forma Historical Statement of Financial Position.

As noted above, investors should note that, other than to the pro forma adjustments made in the Pro Forma Statement of Financial Position to reflect the acquisitions of Generation Health and DWFS and the pending acquisitions of the Early Start Australia, MyIntegra and Mobility businesses, the Pro Forma Historical Income Statement and the Pro Forma Historical Cash Flows have not been adjusted to reflect the financial contribution from acquisitions prior to the date APM completed the transactions, or the impact of MDP's acquisition of a majority shareholding in International APM Group Pty Ltd prior to 30 June 2020. See Sections 4.1 and 9.6.2 for additional information on these acquisitions.

Investors should also note that past results are not a guarantee of future performance.

4.2.5. Preparation of the Forecast Financial Information

The Forecast Financial Information has been prepared solely for inclusion in this Prospectus and is presented on a statutory and pro forma basis for FY22F. The Forecast Financial Information has been prepared on a consistent basis to the Historical Financial Information. The Forecast Financial Information presented in this Prospectus is unaudited.

The Forecast Financial Information has been prepared by APM based on an assessment of current market, economic and operating conditions and on the Directors' best-estimate of general and specific assumptions regarding future events and actions set out in Section 4.6.5, regarding future events and actions that, as at the Prospectus Date, APM expects to take place.

The Statutory Forecast Financial Information represents the Directors' best estimates of the financial performance and cash flows that it expects to report in APM consolidated financial statements for FY22F. The Forecast Financial Information for FY22F has had regard to the actual results and cash flows for the period to 31 August 2021 and forecast results and cash flows for the remaining period to 30 June 2022 and also has regard to APM's current trading performance and cash flows up to the date of lodgement of this Prospectus.

The Pro Forma Forecast Financial Information represents the Directors' best estimates of the financial performance and cash flows presented on the same basis as the Pro Forma Historical Financial Information. The Pro Forma Forecast Financial Information has been derived from the Statutory Forecast Financial Information, with pro forma adjustments to reflect the:

- Inclusion of listing costs and advisor fees including but not limited to legal, accounting and tax;
- Exclusion of the acceleration and vesting of existing MEP employee incentive schemes;
- Inclusion of the introduction of post Completion LTIP employee incentive schemes;
- Inclusion of an expense for the Employee IPO Gift of up to $1,000 of Shares under the Employee Gift Offer to Eligible Employees or cash to be gifted to employees who reside outside of Australia, New Zealand, Singapore and the United Kingdom which have been employed by the Group with a start date prior to 6 months before the date of Admission;

- Reduction of existing debt facilities by $160 million immediately following Completion and a reduction in the overall interest rate on debt;
- Removal of interest costs associated with the non-redeemable preference shares (Series A) that will be converted to Shares at the Offer Price and before Admission;
- Inclusion of a loss on debt refinancing of $25.0 million due to the expensing of unamortised borrowing costs of $10.0 million and borrowing costs incurred on refinancing of $15.0 million; and
- Inclusion of relevant tax effect of each pro forma adjustment.

Investors should note that, in respect of acquisitions completed by APM after 30 June 2021 (Generation Health and DWFS), each of the Statutory Forecast Financial Information and the Pro Forma Forecast Financial Information reflects the impact of these acquisitions since from the completion date of each acquisition. In addition, in respect of the pending acquisition of the Early Start Australia, MyIntegra and Mobility businesses, each of the Statutory Forecast Financial Information and the Pro Forma Forecast Financial Information includes the impact of this acquisition from the expected date of completion, which is 31 December 2021. See Sections 4.1 and 9.6.2 for additional information on these acquisitions.

Section 4.3.3 sets out a reconciliation of statutory forecast revenue, EBITDA and NPAT to pro forma forecast revenue, EBITDA and NPAT for FY22F. Section 4.5.3 sets out a reconciliation of statutory forecast free cash flow to pro forma forecast free cash flow for FY22F.

The Directors believe the general and specific assumptions made in preparing the Forecast Financial Information, when taken as a whole, to be reasonable at the time of preparing this Prospectus. The disclosure of these assumptions is intended to assist investors in assessing the reasonableness and likelihood of the assumptions occurring and is not intended to be a representation that the assumptions will occur. However, the information is not fact, and investors are cautioned not to place undue reliance on the Forecast Financial Information. Investors should be aware that the timing of actual events and the magnitude of their impact might differ from that assumed in preparing the Forecast Financial Information and that this may have a material positive or negative effect on APM actual financial performance, cash flows or financial position. In addition, the assumptions upon which the Forecast Financial Information is based are by their very nature subject to significant uncertainties and contingencies, many of which will be outside the control of APM, the Directors and Management, and are not reliably predictable. In particular, the Forecast Financial Information is subject to the risk factors as set out in Section 5. Accordingly, none of APM, its Directors and Management or any other person can give investors any assurance that the outcomes indicated by the Forecast Financial Information will occur. Events and outcomes might differ in amount and timing from the assumptions, with a material consequential impact on the Forecast Financial Information.

The Forecast Financial Information should be read in conjunction with the general and specific assumptions set out in Section 4.6.5, the sensitivity analysis described in Section 4.7, the risk factors described in Section 5, the significant accounting policies set out in Section 4.2.3 above and Section 10 and the other information in this Prospectus. APM does not intend to update or revise the Forecast Financial Information or other forward-looking statements or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law or regulation or ASX continuous disclosure obligations.

Due to its nature, the Forecast Financial Information does not purport to represent APM actual financial performance or cash flows for the respective periods.

4.2.6. Explanation of Certain Non-Financial and Other Measures

In this Prospectus APM uses certain measures to manage and report on its business that are not recognised under AAS or IFRS. These measures are collectively referred in this Section 4 and under Regulatory Guide 230 Disclosing Non-IFRS Financial Information published by ASIC as "non-IFRS financial measures". Management use these measures to supplement those presented in accordance with AAS and IFRS to permit a more complete and comprehensive analysis of the underlying operating performance, and that these measures provide useful information to users in measuring APM's financial performance and condition.

- **Services margin** is revenue less staffing and service management and client support costs. Services margin can be useful to help understand the margin generated by the business after deducting staffing and service management expenses and Client support costs from revenue;
- **Services margin %** is services margin divided by total revenue and expressed as a percentage;
- **EBITDA** is earnings or losses before interest, tax, depreciation and amortisation. EBITDA can be useful to help understand the cash generation potential of the business allowing for investment in growth and expansion into new sectors and regions. EBITDA has limitations such as the exclusion of the cost of lease agreements, it is not used to assess the ability to pay dividends, it is modified for the purposes of assessing the leverage ratios in APM's debt facilities, and it does not include the cost of owning property plant and equipment;
- **EBITDA (AASB117)** EBITDA prepared by applying the predecessor leasing standard, AASB117 'Leases'; Management use EBITDA (AASB117) to show the difference in EBITDA on a pre and post AASB16 Leases basis;
- **EBITDA growth** is the change in EBITDA in the current period compared to the prior corresponding period and expressed as a percentage;
- **EBITDA margin** is EBITDA divided by total revenue and expressed as a percentage;
- **EBITA** is earnings or losses before interest, taxation and amortisation. APM's amortisation expense principally relates to the purchase price accounting for customer assets, brands and contracts and amortisation of intangible asset balances arising from the acquisition of businesses (listed in Section 4.1). APM believes that EBITA can be useful to help understand the cash generation potential of the business allowing for investment in growth and expansion into new sectors and regions;
- **EBIT** is earnings or losses before interest and taxation;
- **EBIT (AASB117)** is EBIT prepared by applying the predecessor leasing standard, AASB117 'Leases'. Management use EBIT (AASB117) to show the difference in EBIT on a pre and post AASB16 Leases basis;
- **Profit before tax (PBT) (AASB117)** is PBT prepared by applying the predecessor leasing standard, AASB117 'Leases'. Management use PBT (AASB117) to show the difference in PBT on a pre and post AASB16 Leases basis;
- **Effective tax rate** is the income tax benefit or expense divided by profit or loss before tax inclusive of amortisation expense relating to acquired service agreement contract intangibles which drive deferred tax movements and excluding shareholder interest expense, and expressed as a percentage;
- **Gross debt** is the interest bearing borrowings of the Group including bank debt, shareholder loans and lease liabilities;
- **Gross debt before lease liabilities** is the interest bearing borrowings of the Group, excluding lease liabilities;
- **NPAT margin** is NPAT divided by total revenue for APM and expressed as a percentage;
- **NPATA** is the net profit or loss after tax and after adding back amortisation expense relating to acquired service agreement contract intangibles. NPATA is considered by Management as the primary reporting measure in understanding the profitability of the business and the financial performance of each of its segments without the impact of non-cash amortisation charges. NPATA is used by the chief decision makers of the business when assessing strategic options such as the ability to pay dividends;
- **NPATA growth** is the change in NPATA in the current period compared to the prior corresponding period and expressed as a percentage;
- **NPATA margin** is NPATA divided by total revenue and expressed as a percentage;
- **Net debt** is cash and cash equivalents, liquid investments less borrowings and shareholder loans and lease liabilities;
- **Net debt after lease liabilities** is cash and cash equivalents, liquid investments less borrowings and shareholder loans and lease liabilities;

- **Net debt before lease liabilities** is cash and cash equivalents, liquid investments less borrowings and shareholder loans;
- **Pro Forma EBITDA (AASB117)** and **Pro Forma EBIT (AASB117)** are EBITDA (AASB117) and EBIT (AASB117) after pro forma adjustments;
- **Free cash flow (prior to acquisitions)** is operating cash flow less interest expense, capital expenditure excluding acquisitions. Management uses free cash flow as a measure of the net cash APM generates before acquisition;
- **Free cash flow** is operating cash flow less interest expense, capital expenditure and acquisitions. Management uses free cash flow as a measure of the net cash APM generates after costs of acquisitions;
- **Working capital** is trade and other receivables, accrued revenue and prepayments, less trade and other payables, accrued expenses, current tax liabilities, deferred revenue and current provisions; and
- **Capital expenditure** is primarily related to property, plant and equipment and IT services.

Although the Directors believe these non-IFRS financial measures provide useful information about our financial performance, each of these measures are presented for supplemental informational purposes only and have limitations as analytical tools, and should not be considered in isolation from, or as a substitute for, the Financial Information that have been presented in accordance with the AAS. In addition, because these non-IFRS financial measures are not based on AAS or IFRS, they do not have standard definitions, and the way we calculate these measures may differ from, and may therefore not be comparable to, similarly titled measures used by other companies. Additional limitations and considerations associated with particular metrics are described further below. Prospective investors should therefore not place undue reliance on these non-IFRS financial measures.

4.3. Historical and Forecast Income Statements

4.3.1. Pro Forma Historical Income Statements and Pro Forma Forecast Income Statement

Figure 4.2 sets out the Pro Forma Historical Income Statements for FY19, FY20 and FY21 and the Pro Forma Forecast Income Statement for FY22F.

Investors should note that, in preparing the Pro Forma Historical Income Statements, no pro forma adjustments have been made to reflect the impact of the acquisitions that the APM Group undertook in FY19, FY20 or FY21 (see Section 4.1) or the impact of MDP's acquisition of a majority shareholding in International APM Group Pty Ltd on 30 June 2020 as if such acquisitions had been made (and completed) at 1 July 2018, the start of the Historical Financial Information period. Similarly, for purposes of the Pro Forma Forecast Income Statement, in respect of acquisitions completed by APM after 30 June 2021 (Generation Health and DWFS), the Pro Forma Forecast Income Statement reflects the impact of these acquisitions since the completion date of each acquisition, and in respect of the pending acquisition of the Early Start Australia, MyIntegra and Mobility businesses, the Pro Forma Forecast Cash Flows reflects the impact of this acquisition from the expected date of completion, which is 31 December 2021. Refer to 4.6 for further details.

Figure 4.2: Pro Forma Historical and Pro Forma Forecast Income Statements (FY19, FY20, FY21 and FY22F)

		Pro Forma Historical			Pro Forma Forecast
$ millions	**Note**	**FY19**	**FY20**	**FY21**	**FY22F**
Revenue	1	535.7	796.7	1,016.4	1,333.2
Staffing and service management	2	(346.9)	(520.2)	(609.9)	(819.1)
Client support costs	2	(34.8)	(39.4)	(78.6)	(95.5)
Services margin		**154.1**	**237.0**	**328.0**	**418.7**
Services margin %		*28.8%*	*29.8%*	*32.3%*	*31.4%*
Occupancy expenses		(22.6)	(22.4)	(23.9)	(40.6)
Administration		(27.0)	(32.4)	(47.1)	(45.2)
Marketing		(5.5)	(4.5)	(7.3)	(11.2)
Travel expenses		(9.2)	(8.8)	(4.0)	(8.6)
Other operating costs		(13.2)	(20.6)	(16.9)	(18.1)
Other gains/(losses)		–	–	5.0	–
Operating expense	3	**(77.5)**	**(88.7)**	**(94.1)**	**(123.7)**
EBITDA		**76.5**	**148.4**	**233.8**	**294.9**
Depreciation on ROU assets	4	(17.9)	(30.0)	(34.6)	(39.9)
Depreciation	4	(9.7)	(16.9)	(17.8)	(29.1)
EBITA		**48.8**	**101.5**	**181.5**	**225.9**
Amortisation of customer contracts arising from acquisitions	5	(23.8)	(31.5)	(50.8)	(52.0)
EBIT		**25.0**	**69.9**	**130.7**	**174.0**
Shareholder interest	6	–	–	–	–
Bank interest	7	(29.3)	(29.3)	(29.3)	(29.3)
Other interest	8	(3.5)	(4.8)	(4.5)	(6.8)
Profit/(loss) before tax		**(7.8)**	**35.8**	**96.8**	**137.9**
Income tax benefit/(expense)	9	(0.9)	(14.7)	(19.0)	(34.7)
Net profit/(loss) after tax (NPAT)		**(8.7)**	**21.0**	**77.8**	**103.2**
NPAT %		*(1.6%)*	*2.6%*	*7.7%*	*7.7%*
Amortisation of customer contracts arising from acquisitions		23.8	31.5	50.8	52.0
NPAT before amortisation (NPATA)		**15.1**	**52.6**	**128.6**	**155.1**
NPATA %		*2.8%*	*6.6%*	*12.7%*	*11.6%*
Effective tax rate		*(12.0%)*	*41.2%*	*19.7%*	*25.2%*

Notes:

1. **Revenue** is derived through various revenue models depending on the contract or service being provided. These revenue models include service fees, outcome fees, cost reimbursement and cost plus, fixed fee and fee for service. The details of these fees are set out in Section 4.6.1.1 and the revenue accounting policy has been included as part of the accounting policies in Sections 4.2.3 and 10. Revenue includes revenue from contracts with customers and other income.
2. Represents the **cost of services rendered** incurred in delivering revenue generating services. The key cost of services rendered relates to service delivery staff costs as well as management and administration staff (including salaries, benefits, bonuses and on costs), wage subsidies, supply chain and client support costs incurred in supporting jobseekers into sustainable employment or access to training programs and facilities.
3. **Operating expense:**
   - **Occupancy** includes the outgoings, maintenance, utilities and other property costs associated with APM's locations. Property lease costs are excluded from occupancy costs. These costs are included in the depreciation and interest expenses based on the accounting for leases under AASB16.
   - **Administration** expenses comprise licence fees, professional and consulting fees, recruitment and training and development costs.
   - **Marketing** costs including advertising (all forms of media), business development expenditure, market campaigns and community development activity.
   - **Travel** relates to motor vehicle running costs, airfares, accommodation, and allowances where staff are required to travel.
   - **Other operating costs** predominantly comprise expensed plant and equipment, printing, postage, stationery, and insurance costs.
4. **Depreciation** on fixed assets (property, plant and equipment and leasehold improvements) and including depreciation on right-of-use assets (leases) relating to APM's locations.
5. **Amortisation of customer contracts** arising from the acquisition of APM by MDP and other subsequent acquisitions.
6. **Shareholder interest** is interest accrued on the non-redeemable preference (Series A) shares that have been issued by APM. The interest accrued on the non-redeemable preference (Series A) shares is 8% per annum compounding biannually. The shareholder interest expense has been reversed in the Pro Forma Historical Income Statements and Pro Forma Forecast Income Statement as the non-redeemable preference (Series A) shares will be converted to ordinary Shares at the Offer Price and before Admission, therefore this interest expense will not be incurred going forward post Completion. The Statutory Forecast Income Statement includes the shareholder interest expense to be incurred in FY22 up to the anticipated listing date of 1 December 2021.
7. **Bank interest** includes financing costs associated with APM's existing debt facilities which includes an AUD denominated first lien term loan (**AUD Term Loan**) and a USD denominated first lien term loan (**USD Term Loan**) following the refinancing of APM's banking facilities in July 2021. The terms of these loans are set out in Section 4.4.3. The interest has been calculated at an interest rate of 5% per annum and an assumed flat FX rate of AUD:USD 0.75 across all periods. In preparing the FY22 Statutory and Pro Forma Forecast Financial Information, no unrealised/realised FX gains or losses have been included, however may occur in FY22F due to FX movements across the year.
8. **Other interest** predominantly relates to the finance component of leases accounted for in accordance with AASB16 Leases.
9. **Income tax benefit/(expense)** represents the aggregate tax position of each jurisdiction in which APM operates including both current and deferred tax benefits/(expenses) after adjusting for the tax effect of relevant pro forma adjustments. APM has recognised deferred tax benefits/(expenses) in relation to the recognition of deferred tax assets and liabilities. Where appropriate, deferred tax assets and deferred tax liabilities are shown netted off in line with AAS. Items affecting the effective tax rate:
   - In FY21, the APM UK business had recognised $9.5 million of previously unrecognised tax losses and deferred tax assets. The tax losses realised in FY21 were acquired as part of the Ingeus acquisition in December 2018. These are expected to be utilised in FY22 and beyond subject to future performance of the UK business. At 30 June 2021, APM has additional unused tax losses for which no deferred tax asset has been recognised of $56 million.
   - Amortisation of acquired contracts and interest on shareholder loans are not deductible in Australia.
   - In FY21, APM is tax paying in all regions in which it operates except for the UK.

4.3.2. Statutory Historical Income Statements and Statutory Forecast Income Statement

Figure 4.3: Statutory Historical and Statutory Forecast Income Statements (FY19, FY20, FY21 and FY22F)

		Statutory Historical			Statutory Forecast
$ millions	**Note**	**FY19**	**FY20**	**FY21**	**FY22F**
Revenue from contracts with customers		534.3	795.2	999.1	1,333.2
Other income		1.4	2.1	17.3	–
Other gains/(losses)	1	–	(0.6)	12.8	–
Total income		**535.7**	**796.7**	**1,029.2**	**1,333.2**
People costs	2	(346.9)	(520.2)	(609.9)	(824.9)
Client support costs		(34.8)	(39.4)	(78.6)	(95.5)
Occupancy expenses		(22.6)	(22.4)	(23.9)	(40.6)
Administration	3	(23.3)	(47.6)	(44.0)	(85.9)
Marketing		(5.5)	(4.5)	(7.3)	(11.2)
Travel expenses		(9.2)	(8.8)	(4.0)	(8.6)
Other operating costs	4	(16.6)	(21.5)	(16.9)	(18.1)
EBITDA		**76.8**	**132.3**	**244.7**	**248.4**
Depreciation on ROU assets		(17.9)	(30.0)	(34.6)	(39.9)
Depreciation		(9.7)	(16.9)	(17.8)	(29.1)
EBITA		**49.1**	**85.3**	**192.3**	**179.5**
Amortisation of customer contracts arising from acquisitions		(23.8)	(31.5)	(50.8)	(52.0)
EBIT		**25.3**	**53.8**	**141.5**	**127.5**
Shareholder interest	5	(29.7)	(33.8)	(72.7)	(32.9)
Bank interest	6	(14.2)	(20.7)	(55.7)	(57.7)
Other interest		(3.5)	(4.8)	(4.5)	(6.8)
Profit/(loss) before tax		**(22.1)**	**(5.5)**	**8.6**	**30.2**
Income tax benefit/(expense)	7	(6.1)	(15.5)	(10.6)	(13.9)
Net profit/(loss) after tax (NPAT)		**(28.2)**	**(21.0)**	**(1.9)**	**16.2**
NPAT %		*(5.3%)*	*(2.6%)*	*(0.2%)*	*1.2%*
Amortisation of customer contracts arising from acquisitions		23.8	31.5	50.8	52.0
NPAT before amortisation (NPATA)		**(4.4)**	**10.5**	**48.9**	**68.2**
NPATA %		*(0.8%)*	*1.3%*	*4.8%*	*5.1%*
Effective tax rate		*79.8%*	*54.7%*	*13.0%*	*22.1%*

Notes:

The following notes explain the movements in the statutory numbers, year on year, for financial statement line items which are affected by pro forma adjustments.

1. **Other gains/(losses):** In FY21, other gains/(losses) include an unrealised foreign exchange gain of $7.8 million on US debt and $5.0 million of other unrealised foreign exchange gains.
2. **Staffing and service management:** Includes the expense of $5.8 million arising from the Employee IPO Gift (refer note 8 under Figure 4.4) in FY22F.
3. **Administration expense** increases across the historical periods due to ongoing growth of the Group. The FY20 expense is impacted by $18.5 million of advisor costs relating to MDP's purchase of a majority shareholding in APM on 30 June 2020. FY22F includes $32.6 million of transaction costs relating to the Offer (refer to note 2 under Figure 4.8) and $9.1 million relating to the acceleration of the existing management equity plan (refer to note 3 under Figure 4.4).
4. **Other operating costs:** Included in other operating costs is a loss on APM's interest rate hedge of $3.4 million in FY19 and $1.0 million in FY20.
5. **Shareholder interest:** Prior to MDP's ownership, the shareholder loan balances consisted of loan notes and redeemable preference shares. The total amount outstanding immediately prior to settlement on 30 June 2020 was $301.0 million. Each redeemable preference share had a redemption premium from issue date of 12.5% per annum compounded quarterly. The loan notes represented fully paid shares which accrued interest of 12.5% per annum compounded quarterly.

   Under MDP's ownership, non-redeemable preference shares in the form of Series A Shares were issued to fund the acquisition of the Group. The balance as at 30 June 2021 was $965.5 million. The non-redeemable preference shares accrue a discretionary 8% yield per annum compounded semi-annually. The shareholder loans balance is higher under MDP ownership and therefore the shareholder interest expense is greater in FY21 than the historical periods despite being at a lower yield. The FY22F shareholder interest expense reflects five months of estimated yield to be accrued on the non-redeemable preference shares prior to conversion to ordinary shares immediately prior to IPO.
6. **Bank interest:** Bank loans and hence bank interest has grown over the historical periods with bank loans as at 30 June 2019 of $221 million, $286.5 million at 30 June 2020 immediately prior to settlement due to the completion of the MDP acquisition and $707 million at 30 June 2021. Bank interest in FY22F includes a loss on debt refinancing of $25.0 million due to the expensing of unamortised borrowing costs of $10.0 million and borrowing costs incurred on refinancing of $15.0 million. As the debt refinancing was deemed an extinguishment of all tranches under AAS, the refinancing costs are expensed as incurred, rather than capitalised and amortised over the life of the loan. FY22F Bank interest expense incorporates a circa 2% reduction in interest rate arising from the debt refinancing and a reduction in the bank loan balance of $160 million upon IPO.
7. **Income tax benefit/(expense)** is impacted by the following:
   - Income tax benefit/(expense) is driven by both current period income tax expense and movements in deferred tax. Movements in deferred tax over the historical period is driven by uplifts in IFRS15 revenue, contract amortisation expense and movements in working capital.
   - Due to the capital structure in place, Australia benefited from carried forward tax losses until FY21.
   - Despite carried forward tax losses, MCI was outside the Australian tax consolidated Group therefore did not get the benefit of the tax shield.
   - Shareholder interest is tax deductible in FY19 and FY20, whereas it is not tax deductible in FY21 and FY22F.
   - FY21 $9.5 million of deferred tax benefits relating to losses and other items were recognised.

4.3.3. Summary of Pro Forma Adjustments in the Pro Forma Income Statement

Figure 4.4: Summary of Pro Forma Adjustments in the Pro Forma Income Statements (FY19, FY20, FY21 and FY22F)

		Historical			Forecast
$ millions	**Note**	**FY19**	**FY20**	**FY21**	**FY22F**
EBITDA		**76.8**	**132.3**	**244.7**	**248.4**
Public company costs	1	(2.0)	(2.0)	(2.0)	–
Listing costs	2	–	–	–	32.6
Extinguish existing MEP plan	3	0.1	0.4	0.7	9.1
Post Completion LTIP employee incentive scheme	4	(1.8)	(1.8)	(1.8)	(1.1)
Interest rate hedge	5	3.4	1.0	–	–
Foreign exchange impact on US debt	6	–	–	(7.8)	–
Transaction costs – MDP Acquisition	7	–	18.5	–	–
Employee IPO Gift	8	–	–	–	5.8
Total EBITDA Adjustments		**(0.3)**	**16.1**	**(10.9)**	**46.5**
Pro Forma EBITDA		**76.5**	**148.4**	**233.8**	**294.9**
NPAT		**(28.2)**	**(21.0)**	**(1.9)**	**16.2**
Public company costs	1	(2.0)	(2.0)	(2.0)	–
Listing costs	2	–	–	–	32.6
Extinguish existing MEP plan	3	0.1	0.4	0.7	9.1
Post Completion LTIP employee incentive scheme	4	(1.8)	(1.8)	(1.8)	(1.1)
Interest rate hedge	5	3.4	1.0	–	–
Foreign exchange impact on US debt	6	–	–	(7.8)	–
Transaction costs – MDP Acquisition	7	–	18.5	–	–
Employee IPO Gift	8	–	–	–	5.8
Debt refinance – July 2021	9	–	–	–	25.0
Reverse pre-IPO bank interest	10	14.2	20.7	55.7	32.7
Capital structure on IPO	11	(29.3)	(29.3)	(29.3)	(29.3)
Shareholder interest expense	12	29.7	33.8	72.7	32.9
Tax effect of adjustments	13	5.1	0.8	(8.4)	(20.8)
Total NPAT Adjustments		**19.4**	**42.0**	**79.7**	**86.9**
Pro Forma NPAT		**(8.7)**	**21.0**	**77.8**	**103.2**
Amortisation of customer contracts arising from acquisitions		23.8	31.5	50.8	52.0
Pro Forma NPATA		**15.1**	**52.6**	**128.6**	**155.1**

Notes:

1. This adjustment introduces **incremental public company costs** to the Pro Forma Historical period FY19, FY20 and FY21. The additional public company costs include additional audit, tax and legal costs, insurance costs, Board costs, investor relations, listing fees, share registry fees, annual general meeting and annual report costs. Incremental public company costs in FY22F are included in APM's underlying Forecast Statutory Income Statement.
2. **Listing costs** represents transaction costs relating to the Offer (refer to note 2 under Figure 4.8) which are expensed but reversed in the Pro Forma Forecast Income Statement as a one off non-recurring cost.
3. **Acceleration and vesting of the existing Management Equity Plan (MEP)** which was established in June 2020 with the first grant issued contemporaneously with MDP's acquisition of a majority shareholding in APM. As a result of the Offer, the MEP vesting will be accelerated, resulting in $9.1 million of incremental cost recorded in the Forecast Statutory Income Statement in FY22F. This pro forma adjustment reverses the expense recognised in the Historical and Forecast Statutory Income Statements as APM will not have this plan in place post IPO.
4. **Proposed Long Term Incentive Plan (LTIP) expense** – Upon Completion APM will implement a new LTIP to align the management team's incentives with the total shareholder returns generated by APM referrable to the returns generated by the ASX300 on the third anniversary of the commencement of the LTIP. Refer Section 6.7 for further details of the LTIP. The pro forma adjustment recognises the annual expense for the FY22 LTIP grant. If the Company makes further LTIP grants in future periods, the expense arising from LTIPs may increase.
5. **Interest rate hedge** – Previous debt facilities, prior to MDP ownership required the floating portion of the interest to be hedged for the tenure of the loan. The derivatives were out of the money requiring a mark to market adjustment in FY19 of $3.4 million and $1 million in FY20. The hedge was closed out on 30 June 2020 with cumulative market value being settled in cash ($4.4 million). APM is not required to hedge its interest rate under its current debt structure and does not intend to hedge its interest rate exposure going forward.
6. **Foreign exchange impact on USD debt** – On acquisition by MDP, the financing structure included a first lien facility comprising an AUD Term Loan of $379 million, and a USD $85 million Term Loan facility. The USD Term Loan was borrowed at 0.7032 USD to AUD before closing at 0.7518 USD to AUD which resulted in a gain of $7.8 million which has been reversed from pro forma FY21 earnings. In preparing the FY22 Statutory and Pro Forma Forecast Financial Information, no unrealised/realised FX gains or losses have been included, however may occur in FY22F due to FX movements across the year.
7. **Transaction costs** – **APM's transaction costs** relating to MDP's purchase of a majority shareholding in APM on 30 June 2020. APM incurred $18.5 million of advisor costs relating to financial, tax and legal due diligence, commercial reports and other consulting services. As these costs relate to a transfer of company ownership and don't pertain to operations of the business or a business acquisition, APM has reversed these costs from pro forma earnings.
8. **Employee IPO Gift** – Upon Completion, APM will offer a gift of Shares under the Employee Gift Offer to employees with a registered address in Australia, New Zealand, Singapore or the United Kingdom or cash (for employees outside of Australia, New Zealand, Singapore or the United Kingdom) at the value of $1,000 to eligible APM employees who have a service period exceeding six months as at the date of Admission. This gift is one off in nature. For further details about the Employee Gift Offer please refer to Section 7.14. Where employees cannot access the Employee Gift Offer, they will receive an $1,000 cash gift subject to the same terms. The total estimated expense of $5.8 million has been included in the FY22F Statutory Forecast Financial Information.
9. **Debt refinance July 2021** – APM refinanced its first and second lien term loan facility to an all first lien multi-currency facility comprising a $380.0 million AUD Term Loan and a $366.7 million (US$275 million) USD Term Loan. APM incurred a loss on debt refinancing of $25.0 million due to the expensing of unamortised borrowing costs of $10.0 million and borrowing costs incurred on refinancing of $15.0 million. As the debt refinancing was deemed an extinguishment of all tranches under AAS, the refinancing costs are expensed as incurred, rather than capitalised and amortised over the life of the loan.
10. **Reverse all interest relating to pre-IPO debt structure** – Reversal of the historical interest expense.
11. **Capital structure on IPO** – Following the receipt of proceeds from the Offer APM will repay $160 million of its $366.7 million (US$275 million) USD Term Loan using an average AUD:USD FX rate of 0.75. This, combined with the refinancing in July 2021 will result in a reduction in the interest expense for APM.
12. **Non-redeemable preference shares convert to Shares on IPO** – removing historical shareholder interest expense relating to the non-redeemable preferences (Series A) shares that will be converted to Shares at the Offer Price and before Admission.
13. **Tax effect of the pro forma adjustments above** – recognise the tax effect of the pro forma adjustments included above. Shareholder interest expense is non-deductible for Australian tax purposes.

4.3.4. Reconciliation between AASB16 and AASB117

As discussed in Section 4.2.3, in the preparation of its Historical Financial Information, APM has applied AASB16 Leases to all financial periods as if the standard had been adopted on 1 July 2018.

Figure 4.5 sets out the reconciliation between the previous Leases standard (AASB117), and AASB16 pro forma EBITDA, EBIT and PBT.

Figure 4.5: Reconciliation between AASB16 and AASB117 (FY19, FY20, FY21 and FY22F)

	Pro Forma Historical			Pro Forma Forecast
$ millions	**FY19**	**FY20**	**FY21**	**FY22F**
EBITDA	**76.5**	**148.4**	**233.8**	**294.9**
Increase in operating lease expense	(19.3)	(31.9)	(37.0)	(42.7)
EBITDA (AASB117)	**57.2**	**116.5**	**196.8**	**252.2**
EBIT	**25.0**	**69.9**	**130.7**	**174.0**
Increase in operating lease expense	(19.3)	(31.9)	(37.0)	(42.7)
Decrease in depreciation on right-of-use asset	17.9	30.0	34.6	39.9
EBIT (AASB117)	**23.6**	**68.0**	**128.3**	**171.2**
PBT	**(7.8)**	**35.8**	**96.8**	**137.9**
Increase in operating lease expense	(19.3)	(31.9)	(37.0)	(42.7)
Decrease in depreciation on right-of-use asset	17.9	30.0	34.6	39.9
Decrease in interest expense	1.6	3.1	3.2	6.8
PBT (AASB117)	**(7.6)**	**37.0**	**97.6**	**141.9**

4.3.5. Key Pro Forma Operating and Financial Metrics

Figure 4.6 below summarises the pro forma historical key operating and financial metrics for FY19, FY20, FY21 and FY22F. EBITDA, EBITDA growth, EBITDA margin, NPATA, NPATA growth and NPATA margin shown below are non-IFRS measures derived from the Pro Forma Historical Income Statements and Pro Forma Forecast Income Statement.

Although APM believes that these measures provide useful information about the financial performance of the business, they should be considered as supplemental to the income statement and cash flow measures that have been presented in accordance with the AAS and IFRS and not as a replacement for them. As these non-IFRS financial and other measures are not based on AAS or IFRS, they do not have standard definitions, and the way APM calculates these measures may differ from, and may therefore not be comparable to, similarly titled measures used by other companies. Investors and readers of this Prospectus should therefore not place undue reliance on these non-IFRS financial and other measures.

Figure 4.6: Pro Forma Operating and Pro Forma Financial Metrics (FY19, FY20, FY21 and FY22F)

			Historical		Forecast
Year ended 30 June	**Note**	**FY19**	**FY20**	**FY21**	**FY22F**
Key Group Operating Metrics					
APM Group headcount	1	5,255	6,188	6,603	9,106
Key Pro Forma Financial Metrics					
Revenue ($millions)		535.7	796.7	1,016.4	1,333.2
Revenue Growth (%)		NA	48.7%	27.6%	31.2%
NPATA ($millions)		15.1	52.6	128.6	155.1
NPATA Growth (%)		NA	248.5%	144.6%	20.6%
NPATA Margin (%)		2.8%	6.6%	12.7%	11.6%

Notes:

1. Refers to APM employees at period end. In preparing its forecasts, APM has only included revenue from contracts it has been awarded and businesses it has acquired. The nature of these contracts results in the revenue varying in accordance with activity levels within the contracts, as discussed in Sections 3.8 and 3.9. As a service business, there is a relationship between the number of APM's employees and APM's revenue. APM has the ability to flex its employee count by either recruitment or through the acquisition of new businesses.

4.3.6. Key Pro Forma Segment Financial Metrics

Figure 4.7 summarises the pro forma key financial metrics for FY19, FY20, FY21 and FY22F by segment.

Figure 4.7: Pro Forma Key Operating Segments (FY19, FY20, FY21 and FY22F)

$ millions	FY19	FY20	FY21	FY22F
Australia	296.5	397.3	530.7	630.2
Asia Pacific (inc NZ)	53.6	73.7	86.3	89.7
Europe (inc UK)	153.9	246.1	272.3	414.7
North America	31.7	79.6	127.0	198.6
Revenue	**535.7**	**796.7**	**1,016.4**	**1,333.2**
Australia	35.2	40.3	87.9	88.7
Asia Pacific (inc NZ)	2.7	6.7	12.4	11.7
Europe (inc UK)	(28.0)	0.7	22.2	44.9
North America	5.1	4.8	6.1	9.8
Pro forma NPATA	**15.1**	**52.6**	**128.6**	**155.1**
Australia	11.9%	10.2%	16.6%	14.1%
Asia Pacific (inc NZ)	5.1%	9.1%	14.3%	13.0%
Europe (inc UK)	(18.2%)	0.3%	8.2%	10.8%
North America	16.2%	6.0%	4.8%	4.9%
Pro forma NPATA %	**2.8%**	**6.6%**	**12.7%**	**11.6%**

4. Financial Information

4.4. Statutory and Pro Forma Historical Statement of Financial Position

4.4.1. Overview

Figure 4.8 sets out the Statutory Historical Statement of Financial Position and the pro forma adjustments that have been made to present the Pro Forma Historical Statement of Financial Position of APM as at 30 June 2021.

Investors should note that, in preparing the Pro Forma Historical Income Statements and Pro Forma Historical Cash Flows, no pro forma adjustments have been made to reflect the acquisitions that APM Group has completed since 30 June 2021 (Generation Health and DWFS) or the pending acquisition of the Early Start Australia, MyIntegra and Mobility businesses. However, these acquisitions have been reflected in the Pro Forma Historical Statement of Financial Position as 30 June 2021.

Figure 4.8: Statutory and Pro Forma Historical Statement of Financial Position as at 30 June 2021

$ millions	Statutory Historical[1] 30 June 2021	Impact of the Offer[2]	Debt Refi Jul'21[3]	Generation Health PPA[4]	DWFS PPA[5]	Pending PPA[6]	Pro Forma Historical 30 June 2021
Current assets							
Cash and cash equivalents	106.8	137.8	11.5	(17.8)	(22.7)	(32.4)	183.2
Trade and other receivables	87.5	3.0	–	3.7	9.9	4.2	108.3
Accrued revenue	100.7	–	–	–	–	–	100.7
Prepayments	19.8	–	–	–	–	0.9	20.7
Total current assets	**314.8**	**140.8**	**11.5**	**(14.1)**	**(12.8)**	**(27.3)**	**412.9**
Non-current assets							
Deferred tax assets	14.6	10.0	4.5	–	–	–	29.1
Property, plant & equipment	30.3	–	–	1.0	0.3	1.1	32.7
Right-of-use assets	75.7	–	–	1.0	0.1	–	76.7
Intangibles – Goodwill	1,367.1	–	–	7.5	14.1	126.5	1,515.2
Intangibles – Contracts	299.2	–	–	13.0	1.1	–	313.3
Intangibles – Other	63.3	–	–	–	–	–	63.3
Other non-current assets	7.6	–	–	–	1.0	9.9	18.6
Total non-current assets	**1,857.8**	**10.0**	**4.5**	**22.4**	**16.6**	**137.5**	**2,048.9**
Total assets	**2,172.6**	**150.8**	**16.0**	**8.4**	**3.8**	**110.2**	**2,461.8**
Current liabilities							
Trade and other payables	(52.5)	–	–	(2.7)	(3.1)	(3.9)	(62.3)
Accrued expenses	(62.0)	–	–	–	–	(2.3)	(64.3)
Interest bearing liabilities	–	–	(5.9)	–	–	–	(5.9)
Lease liabilities	(31.5)	–	–	(1.0)	(0.0)	–	(32.6)
Current tax liabilities	(29.5)	2.5	3.0	–	–	–	(24.0)
Deferred revenue	(78.2)	–	–	(0.3)	(0.2)	(0.4)	(79.2)
Provisions	(28.6)	–	–	(0.4)	–	(2.1)	(31.1)
Total current liabilities	**(282.3)**	**2.5**	**(2.9)**	**(4.4)**	**(3.4)**	**(8.7)**	**(299.2)**

$ millions	Statutory Historical[1] 30 June 2021	Impact of the Offer[2]	Debt Refi Jul'21[3]	Generation Health PPA[4]	DWFS PPA[5]	Pending PPA[6]	Pro Forma Historical 30 June 2021
Non-current liabilities							
Deferred tax liabilities	(99.0)	–	–	(3.9)	(0.3)	–	(103.2)
Deferred acquisition costs	–	–	–	–	–	(35.5)	(35.5)
Lease liabilities	(50.3)	–	–	–	–	–	(50.3)
Interest bearing liabilities	(707.4)	160.0	(30.5)	–	(0.1)	–	(578.1)
Shareholder loans	(965.5)	965.5	–	–	–	–	–
Provisions	(20.3)	–	–	–	–	(0.1)	(20.3)
Other non-current liabilities	(4.1)	–	–	–	–	0.0	(4.1)
Total non-current liabilities	**(1,846.7)**	**1,125.5**	**(30.5)**	**(3.9)**	**(0.4)**	**(35.5)**	**(791.5)**
Total liabilities	**(2,129.0)**	**1,128.0**	**(33.4)**	**(8.3)**	**(3.8)**	**(44.3)**	**(1,090.8)**
Net assets	**43.6**	**1,278.8**	**(17.4)**	**–**	**–**	**65.9**	**1,370.9**
Equity							
Contributed equity	(47.3)	(1,340.8)	–	–	–	(65.9)	(1,454.0)
Reserves	1.9	(9.1)	–	–	–	–	(7.2)
Retained earnings	1.9	71.1	17.4	–	–	–	90.4
Total equity	**(43.6)**	**(1,278.8)**	**17.4**	**–**	**–**	**(65.9)**	**(1,370.9)**

Notes:

1. June 2021 statutory balance sheet reflects the audited statutory balance sheet of the APM Group as at 30 June 2021.
2. **Impact of the Offer:**
   - Listing costs – $44.0 million cash, of which $32.6 million ($23.3 million net of tax effect) will be expensed in FY22 with the remaining $11.4 million ($8.2 million net of tax effect) is recorded in equity.
   - Listing costs comprise adviser fees, underwriting fees, ancillary listing costs split between profit and loss and equity based on a proportional split between New Shares and Existing Shares.
   - Primary equity raise of $339.0 million split the following way:
     - » Paydown of USD Term Loan Facilities – $160.0 million
     - » Cash consideration for the acquisition of the Early Start Australia, MyIntegra and Mobility businesses – $35.8 million (balance sheet above is net of estimated cash on completion)
     - » Listing costs – $44.0 million
     - » Cash component of the Employee IPO Gift – $1.7 million
     - » Cash of $97.5 million to balance sheet to fund growth
   - Non-redeemable preferences (Series A) shares including capitalised interest converted into Shares at the Offer Price and before Admission.
   - Upon listing the shares under the existing MEP will vest with a charge of $9.1 million in the FY22 Income Statement. APM will receive $4.5 million from the payment of non-recourse loans associated with the settlement of the Management Equity Plan. $3.0 million of the non-recourse loans will remain payable by management. APM will introduce a new LTIP following Completion which will have an annual charge of $1.8 million for three years.
3. **In July 2021**, APM refinanced its debt facilities resulting in a reduction to the interest rates charged. The net adjustment on refinance was a loss to the income statement of $25 million ($17.4 million tax effected) relating to a $10 million (gross) write-off of capitalised debt acquisition costs and $15 million (gross) finance costs incurred. As the debt refinancing was deemed an extinguishment of all tranches under AAS, the refinancing costs are expensed as incurred, rather than capitalised and amortised over the life of the loan. As part of this process, APM drew down $15 million to fund financing costs and US$10 million to partially fund the acquisition of DWFS.
4. **Generation Health provisional acquisition PPA:** On 31 July 2021, APM acquired 100% of Generation Health Pty Limited for approximately $20.4 million. The provisionally determined fair values are based on APM's initial analysis of the fair value of the assets and liabilities and identifiable intangible assets acquired, which result in a goodwill value of approximately $7.5 million. APM has 12 months post acquisition date to finalise the purchase price allocation calculations, therefore these numbers are subject to change.

5. **Dynamic Workforce Solutions provisional acquisition PPA:** In addition, on 31 August 2021, APM acquired 100% of Dynamic Workforce Solutions – LLC for $22.7 million (or approximately US$17.0 million). The provisionally determined fair values are based on APM's initial analysis of the fair value of the assets and liabilities and identifiable intangible assets acquired which result in a goodwill value of approximately $14.1 million. APM has 12 months post acquisition date to finalise the purchase price allocation calculations, therefore these numbers are subject to change.
6. **Pending acquisition provisional acquisition PPA:** This adjustment is for the pending acquisition of Early Start Australia, MyIntegra and Mobility in 2021. The consideration for this acquisition is the issue of $65.9 million of Shares and $35.8 million before adjusting for cash and debt like items, and 20 million deferred settlement Shares that are subject to earn-out conditions. These acquisitions have reached agreement and, subject to the satisfaction of certain conditions, are expected to occur on the day after the Settlement Date. The provisionally determined fair values result in a goodwill value of approximately $126.5 million and a financial liability recognised relating to the deferred acquisition costs of $35.5 million assuming a 50% probability of achieving the earn-out conditions. If a 100% probability of achieving the earn-out conditions was assumed, the impact on goodwill and the financial liability would be an increase of $71.0 million. The deferred acquisitions costs recognised are indicative and APM has 12 months to finalise the purchase price accounting for this transaction during which time the purchase price accounting will be revised and refined. Once the purchase price accounting is completed, any movements in the financial liability recognised relating to the deferred acquisition costs arising from changes in probability of achievement and/or APM share price will be recognised in the Income Statement.

APM has sufficient working capital to carry out its stated objectives.

4.4.2. Indebtedness

Figure 4.9 below sets out the indebtedness of APM as at 30 June 2021, before and having adjusted for the pro forma impact of the Offer and the conversion of non-redeemable (Series A) shares to ordinary Shares.

Figure 4.9: Statutory and Pro Forma Indebtedness as at 30 June 2021

$ millions	Notes	Statutory 30-Jun-21	Pro Forma 30-Jun-21
Loan and borrowings			
Revolving Credit Facility – drawn amount		–	–
AUD First Lien Term Loan		379.0	379.1
USD First Lien Term Loan		113.1	204.8
AUD Second Lien Term Loan		225.0	–
Shareholder loans		965.5	–
Other loans		–	0.1
Gross debt before lease liabilities		**1,682.6**	**583.9**
Cash and cash equivalents		106.8	183.2
Net debt before lease liabilities		**1,575.8**	**400.7**
Non-current lease liabilities		50.3	50.3
Current lease liabilities		31.5	32.6
Net debt after lease liabilities		**1,657.6**	**483.6**
Pro forma net debt before lease liabilities/pro forma FY21 EBITDA (AASB117)		7.9 x	2.0 x
Pro forma net debt before lease liabilities/pro forma FY22F EBITDA (AASB117)		6.3 x	1.6 x
Pro forma net debt after lease liabilities/pro forma FY21 EBITDA		7.1 x	2.1 x
Pro forma net debt after lease liabilities/pro forma FY22F EBITDA		5.6 x	1.6 x
Gross debt reconciliation			
Bank debt		717.1	583.9
Effective Interest Rate value	1	707.4	583.9
Variance		9.7	0.0

Notes:

1. APM adopts the effective interest rate (**EIR**) method as prescribed by the accounting standards to recognise the fair value of bank debt on the balance sheet. The EIR is the interest rate on a loan or financial product restated from the nominal interest rate. The variance between the bank debt and the Effective Interest Rate value is the present value difference on an EIR basis.

4.4.3. Summary Banking Facilities

In July 2021, APM refinanced its first and second lien term loan facility to an all first lien multi-currency facility comprising a $380 million AUD Term Loan and a $366.7 million (US$275 million) USD Term Loan.

On Completion, proceeds from the issue of New Shares by APM under the Offer of $160 million will be utilised to repay a portion of the US$ tranche of the USD First Lien Term Loan comprising an all first lien multi-currency facility. Figure 4.10 summarises the current banking facilities.

Figure 4.10: Current Banking Facilities

$ millions	Notes	Facility size	Estimated amount drawn as shown in the Pro Forma Balance Sheet	Estimated amount undrawn at completion of the offer
Revolving Credit Facility (**RCF**)	1	$75.0 million (for cash or guarantees)	–	$63.9 million (cash available to draw)
AUD First Lien Term Loan		$379.1 million	$379.1 million	–
USD First Lien Term Loan	2	$204.8 million	$204.8 million	–

Notes:

1. The RCF is also used as a non-cash bank guarantee facility. Property guarantees of $11.1 million have been secured against the RCF which reduces available cash that can be drawn, however, these guarantees do not incur interest. These guarantees result in cash available to draw under the facility of $63.9 million, however, the facility remains undrawn from a borrowing perspective.
2. Foreign exchange rate AUD to USD at draw date of 2 July 2021 was 0.7523.

Pro Forma Interest

The Facilities have variable interest rates based upon the applicable base rate plus a margin. A commitment fee is also payable on the RCF (determined by reference to a leverage based grid) regardless of usage. The AUD:USD FX rate on the draw date of 2 July 2021 was 0.7523.

The AUD Term Loan has a variable interest rates, based on the BBSY rate, (collectively, the **AUD Base Rate**) plus a margin. Where the AUD Base Rate is less than 0.5%, the AUD Base Rate shall be deemed to be 0.5%.

The USD Term Loan has a variable interest rates, based on the LIBOR rate, (collectively, the **USD Base Rate**) plus a margin. Where the USD Base Rate is less than 0.5%, the USD Base Rate shall be deemed to be 0.5%.

The pro forma forecast consolidated interest expense for the facility is $29.3 million in FY22, on the assumption that the US$275 million facility is reduced by $160 million for FY22F and using an average AUD:USD FX rate of 0.75.

The pro forma forecast consolidated net finance cost includes the full year effect of the amortisation of upfront fees for the facilities, that have been capitalised and amortised over the term of the loans.

Financial Maintenance Covenant

The AUD Term Loan and USD Term Loan are covenant lite facilities and do not contain a financial maintenance covenant. If 35% of the RCF is drawn there is a first lien net leverage ratio applied whereby net leverage must be equal to or lower than 5.95x on any compliance date (compliance date being the last day of each fiscal quarter). Upon Completion, the Company will have no borrowings under its RCF, however, property guarantees of $11.1 million have been secured against the RCF which reduces available cash that can be drawn. The ratio is calculated by dividing consolidated first lien debt over pro forma EBITDA (as defined by the Facility Agreement). Pro forma EBITDA includes, but is not limited to, adjusted to be on a pre IFRS15 and IFRS16 basis, inclusive of full year run rate of acquisitions and cost saving initiatives excluding one time costs, including advisor and due diligence fees. Calculations under the covenants in the Banking Facilities for net debt, EBITDA and rent expenses include a number of specific adjustments. These adjustments are not reflected in the net debt, EBITDA and rent expenses shown in this Prospectus and therefore these measures will be different to the values used for covenant calculations under the Banking Facilities.

APM expects to remain in compliance with these financial covenants and other undertakings during the forecast period based on the FY22F forecast.

Under the terms of the loans, APM is required to make mandatory quarterly payments of 0.25% of the outstanding principal each quarter.

4.4.4. Liquidity and Capital Resources

Prudent liquidity risk management implies APM manage liquidity by maintaining sufficient cash, marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations. APM monitors forecast cash flows to ensure adequate cash levels are maintained.

During the financial year ended 30 June 2021, APM generated statutory cash inflow from operating activities of $219.0 million and EBITDA of $244.7 million. Similar cash flows and profit levels are budgeted for the year ending on 30 June 2022 with statutory cash inflow from operating activities of $195.7 million and EBITDA of $248.4 million.

On Completion and completion of the acquisitions of Early Start Australia, MyIntegra and Mobility, APM is expected to have a pro forma cash position of $183.2 million. APM's intended use of funds has been discussed in Section 7.4. APM's principal sources of funds are expected to be cash flows generated from operations, cash on hand and borrowings under the existing debt facilities. APM's main uses of cash are to fund operations, working capital, and capital expenditure, pay dividends and to support APM's growth initiatives. Historical and forecast capital expenditure and working capital trends are described in Sections 4.6.3.2, 4.6.4.2 and 4.6.6.2. Following Completion, APM expects that it will have sufficient cash to meet its operational and working capital requirements during the forecast periods and to meet its stated business objectives.

APM's ability to generate sufficient cash depends on its future performance which, to a certain extent, is subject to a number of factors beyond APM's control including general economic, financial and competitive conditions. Over time, APM may seek additional funding from a range of sources to diversify its funding base. Quantitative and qualitative disclosures about market risk sensitive instruments are addressed in Section 5.

4.4.5. Maturities of Financial Liabilities

Figure 4.11 and Figure 4.12 analyses the Group's financial liabilities, including lease liabilities, into relevant maturity periods based on the remaining period at the reporting date to 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.

Figure 4.11: Pro Forma Contractual Maturities of Financial Liabilities

Contractual maturities of financial liabilities (Pro Forma) $ thousands	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount liabilities
Period ended 30 June 2021						
Trade and other payables	62,300	–	–	–	62,300	62,300
Borrowings	35,134	35,034	105,102	554,705	729,975	583,900
Lease liabilities	32,536	28,917	13,968	8,506	83,927	82,885
Total	**129,970**	**63,951**	**119,070**	**563,211**	**876,202**	**729,185**

Figure 4.12: Statutory Contractual Maturities of Financial Liabilities

Contractual maturities of financial liabilities (Statutory) $ thousands	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount liabilities
Period ended 30 June 2021						
Trade and other payables	52,548	–	–	–	52,548	52,548
Borrowings	44,714	44,714	131,880	749,398	970,706	707,446
Shareholder loans	–	–	–	965,538	965,538	965,538
Lease liabilities	31,536	28,917	13,968	8,506	82,927	81,885
Total	**128,798**	**73,631**	**145,848**	**1,723,442**	**2,071,719**	**1,807,417**

4.4.6. Other Contractual Commitments

There is no significant capital expenditure contracted for at the end of the reporting period that has not been recognised as a liability.

Various entities in the Group have in the normal course of business issued guarantees to certain customers, suppliers and landlords to guarantee the performance obligations of a controlled entity. There are $11.1 million of non-cash property guarantees in place at 30 June 2021 secured by the RCF, in addition to certain cash backed bonds on the balance sheet where non-cash guarantees are not accepted. APM has entered into agreements for the pending acquisitions of Early Start Australia, MyIntegra and Mobility which will support APM's expansion into disability and aged care support services. These acquisitions are subject to conditions precedent and are forecast to complete prior to 31 December 2021 for the purposes of the FY22F forecast. A summary of material terms of the sale agreements relating to these acquisitions is set out in Section 9.6.2. These agreements include earn out targets, with payments to be made in APM shares as set out in Section 9.6.2. APM has recognised $35.5 million for these transactions as deferred consideration in the 30 June 2021 Pro Forma Historical Statement of Financial Position. This deferred consideration amount is subject to final IPO pricing.

APM's agreements relating to the acquisitions of FBG, CIC and DB Grant include earn out targets and payments. The estimated amount payable of $6.1 million has been accrued in the Pro Forma Statement of Historical Financial Position as at 30 June 2021. Deferred consideration estimate is split $2.0 million to FBG, $1.4 million to CIC and $2.7 million for DB Grant.

There are no other contractual commitments or off-balance sheet arrangements.

4.5. Historical and Forecast Cash Flows

4.5.1. Pro Forma Historical Cash Flows and Pro Forma Forecast Cash Flows

Figure 4.13 sets out the Pro Forma Historical Cash Flows for FY19, FY20 and FY21 and the Pro Forma Forecast Cash Flows for FY22F.

Investors should note that, in preparing the Pro Forma Historical Cash Flows, no pro forma adjustments have been made to reflect the impact of the acquisitions that the APM Group undertook in FY19, FY20 or FY21 (see Section 4.1) as if such acquisitions had been made (and completed) at 1 July 2018, the start of the Historical Financial Information period. Similarly, for purposes of the Pro Forma Forecast Cash Flows, in respect of acquisitions completed by APM after 30 June 2021 (Generation Health and DWFS), the Pro Forma Forecast Flows reflect the impact of these acquisitions from the completion date of each acquisition, and in respect of the pending acquisition of the Early Start Australia, MyIntegra and Mobility businesses, the Pro Forma Forecast Cash Flows reflect the impact of this acquisition from the expected date of completion, which is 31 December 2021.

Figure 4.13: Pro Forma Historical and Pro Forma Forecast Cash Flows (FY19, FY20, FY21 and FY22F)

		Pro Forma Historical			Pro Forma Forecast
$ millions	**Note**	**FY19**	**FY20**	**FY21**	**FY22F**
Pro Forma EBITDA		**76.5**	**148.4**	**233.8**	**294.9**
Non-cash items in EBITDA	1	2.2	3.9	(0.4)	3.0
Changes in working capital	2	(17.2)	(1.0)	(8.6)	(42.9)
Interest received	3	0.1	0.1	0.2	–
Tax paid	4	1.6	(5.7)	(8.5)	(37.3)
Operating cash flow	**5**	**63.1**	**145.6**	**216.5**	**217.7**
Operating cash flow % of EBITDA		*82.5%*	*98.1%*	*92.6%*	*73.8%*
Principal elements of lease payments	6	(17.9)	(30.2)	(41.9)	(44.7)
Interest expense	7	(29.3)	(29.3)	(29.3)	(29.3)
Capital expenditure – PPE	8	(16.0)	(14.1)	(16.2)	(58.9)
Free cash flow (prior to acquisitions)		**(0.1)**	**72.0**	**129.1**	**84.7**
Free cash flow (prior to acquisitions) % EBITDA		*(0.1%)*	*48.6%*	*55.2%*	*28.7%*
Acquisitions	9	(61.4)	(80.5)	(12.6)	(78.9)
Free cash flow		**(61.5)**	**(8.5)**	**116.5**	**5.8**
Free cash flow % of EBITDA		*(80.4%)*	*(5.7%)*	*49.8%*	*2.0%*

Notes:

1. **Non-cash items in EBITDA** mainly reflect non-cash expenses in relation to:
   a. Losses on the sale of assets
   b. Share based payments
   c. Impairment of right-of-use assets
   d. An increase in the doubtful debts provision
   e. Share of associates profit
   f. Amortisation of costs to fulfil contracts recognised in other operating costs
   g. Unrealised foreign exchange losses/gains
2. The key drivers of **changes in working capital** are primarily related to movements in trade receivables, accrued and/or deferred revenue and trade payables. The forecast negative cash flow from changes in working capital in FY22F is predominantly driven by an increase in accrued revenue for the recently commenced Restart Scheme contract in the UK, consistent with the ramp-up of this program in FY22.
3. Represents **interest income received** from cash and cash equivalents held by APM.
4. Represents income **tax paid** or refunds received during the year.
5. APM's **operating cash flow** is consistent with the definition outlined in AASB107 Statement of Cash Flows.
6. Represents historical and forecast cash payments in relation to APM's **lease payments**.
7. Includes financing costs associated with APM's existing debt facilities which includes an AUD Term Loan and a USD Term Loan following the refinancing of APM's banking facilities in July 2021. The terms of these loans are set out in Section 4.4.3.
8. Reflects the acquisition of fixed assets including property, plant and equipment and leasehold improvements.
9. This outflow relates to the **acquisition** of business undertaken by APM in each year and excludes the impact of the MDP acquisition of the APM Group on a pro forma basis in FY21.

4.5.2. Statutory Historical Cash Flows and Statutory Forecast Cash Flows

Figure 4.14 sets out the Statutory Historical Cash Flows for FY19, FY20 and FY21 and the Statutory Forecast Cash Flows for FY22F.

Figure 4.14: Statutory Historical and Statutory Forecast Cash Flows (FY19, FY20, FY21 and FY22)

		Statutory Historical			Statutory Forecast
$ millions	**Note**	**FY19**	**FY20**	**FY21**	**FY22F**
EBITDA		**76.8**	**132.3**	**244.7**	**248.4**
Non-cash items in EBITDA	1	3.9	3.4	(9.3)	16.8
Changes in working capital	2	(17.2)	(5.4)	(8.6)	(44.6)
Interest received	3	0.1	0.1	0.2	–
Tax paid	4	1.0	(3.9)	(8.0)	(25.0)
Operating cash flow		**64.5**	**126.5**	**219.0**	**195.7**
Operating cash flow % of EBITDA		*84.0%*	*95.6%*	*89.5%*	*78.8%*
Capital expenditure – PPE	8	(16.0)	(14.1)	(16.2)	(58.9)
Acquisitions	9	(61.4)	(80.5)	(1,234.9)	(78.9)
Investing cash flow		**(77.4)**	**(94.6)**	**(1,251.1)**	**(137.8)**
Investing cash flow % of EBITDA		*(100.8%)*	*(71.5%)*	*(511.2%)*	*(55.5%)*
Proceeds from issue of shares, net	10	–	590.0	523.4	330.7
Debt – Interest paid	11	(8.5)	(16.6)	(56.5)	(49.2)
Debt – Proceeds from borrowings	12	73.3	59.5	712.8	28.4
Debt – Repayment	13	(10.0)	(607.2)	–	(167.2)
Principal elements of lease payments	14	(17.9)	(30.2)	(41.9)	(44.7)
Payments to shareholders	15	–	(41.8)	–	–
Financing cash flow		**36.9**	**(46.3)**	**1,137.8**	**97.9**
Financing cash flow % of EBITDA		*48.1%*	*(35.0%)*	*464.9%*	*39.4%*
Net increase (decrease) in cash and cash equivalents held		**24.1**	**(14.4)**	**105.8**	**155.8**
Statutory cash flow % of EBITDA		*31.4%*	*(10.9%)*	*43.2%*	*62.7%*

Notes:

Notes 1 – 4 and 8 refer to the corresponding notes in Figure 4.13.

9. This outflow relates to the acquisition of business undertaken by APM in each year and includes the impact of the MDP acquisition of the Group in the FY21 Statutory Historical Financial Information.
10. Proceeds from the issue of shares and repayment of non-recourse loans arising from the settlement of the Management Equity Plan.
11. Interest cash flows on bank debt during the respective periods.
12. Proceeds from borrowings are predominantly associated with drawdowns for acquisition financing.
13. Repayment of borrowings on Completion, $160 million will be paid against the USD first lien facility. The cash flow for FY22 also includes the mandatory 1% principal repayment per annum under the new debt agreements.
14. Represents historical and forecast cash payments in relation to APM's lease payments.
15. Shareholder receipts from MEP/dividends paid as part of MDP transaction.

4.5.3. Pro Forma Adjustments to the Statutory Historical Cash Flows and the Statutory Forecast Cash Flows

Figure 4.15 sets out the pro forma adjustments that have been made to the statutory historical free cash flows for FY19, FY20 and FY21 and statutory forecast free cash flows for FY22F. These adjustments are summarised and explained below.

Figure 4.15: Pro Forma Adjustments to the Statutory Historical and Statutory Forecast Free Cash Flows (FY19, FY20, FY21 and FY22F)

			Historical		Forecast
$ millions	**Note**	**FY19**	**FY20**	**FY21**	**FY22F**
Statutory operating cash flow		**64.5**	**126.5**	**219.0**	**195.7**
Statutory operating cash flow % EBITDA		*84.0%*	*95.6%*	*89.5%*	*78.8%*
Public company costs	1	(2.0)	(2.0)	(2.0)	–
Listing costs	2	–	–	–	32.6
Interest rate hedge	3	–	4.4	–	–
Transaction costs – MDP Acquisition	4	–	18.5	–	–
Employee IPO Gift	5	–	–	–	1.7
Tax effect of adjustments	6	0.6	(1.8)	(0.5)	(12.4)
Pro forma operating cash flow		**63.1**	**145.6**	**216.5**	**217.7**
Pro Forma Operating Cash Flow % Pro Forma EBITDA		*82.5%*	*98.1%*	*92.6%*	*73.8%*
Statutory investing cash flow		**(77.4)**	**(94.6)**	**(1,251.1)**	**(137.8)**
Statutory Investing cash flow % EBITDA		*(100.8%)*	*(71.5%)*	*(511.2%)*	*(55.5%)*
MDP acquisition funding	7	–	–	1,222.3	–
Pro forma investing cash flow		**(77.4)**	**(94.6)**	**(28.8)**	**(137.8)**
Pro forma investing cash flow % Pro Forma EBITDA		*(101.1%)*	*(63.7%)*	*(12.3%)*	*(46.7%)*

Notes:

1. Adjustment for **incremental public company costs** to the Pro Forma Historical period FY19, FY20 and FY21. The additional public company costs include additional audit, tax and legal costs, insurance costs, Board costs, investor relations, listing fees, share registry fees, annual general meeting and annual report costs.
2. **Listing costs** represents transaction costs relating to the Offer (refer to note 2 under Figure 4.8).
3. **Interest rate hedge** – The hedge was closed out on 30 June 2020 with cumulative market value being settled in cash ($4.4 million).
4. **Transaction costs – MDP Acquisition costs** relating to MDP's purchase of a majority shareholding in APM on 30 June 2020. APM incurred $18.5 million of advisor costs relating to financial, tax and legal due diligence, commercial reports and other consulting services.
5. **Employee IPO Gift** – represents the cash portion of the Employee IPO Gift.
6. **Tax effect of adjustments** – cash tax effect of the pro forma adjustments.
7. **MDP acquisition funding** – This is as a result of APM Human Services International Limited's acquisition of the Group when the ownership changed hands between Quadrant Private Equity and MDP on 30 June 2020. A new parent was established, and 100% of the Group was acquired by the new parent. Shareholders such as Megan Wynne and employees who elected to remain as shareholders in the new entity were rolled up to the new parent, hence the outflow of $1,222.3 million is lower than the full purchase price of c. $1.7 billion.

4.6. Management Discussion and Analysis of the Pro Forma Historical and Forecast Financial Information

Investors should note that, in preparing the Pro Forma Historical Financial Information, no pro forma adjustments have been made to reflect the impact of the acquisitions that the APM Group undertook in FY19, FY20 or FY21 or the impact of MDP's acquisition of a majority shareholding in International APM Group Pty Ltd on 30 June 2020 (see Section 4.1) as if such acquisitions had been made (and completed) at 1 July 2018, the start of the Historical Financial Information period. Similarly, for purposes of the Pro Forma Forecast Financial Information, in respect of acquisitions completed by APM after 30 June 2021 (Generation Health and DWFS), the Pro Forma Forecast Financial Information reflects the impact of these acquisitions from the completion date of each acquisition, and in respect of the pending acquisition of the Early Start Australia, MyIntegra and Mobility businesses, the Pro Forma Forecast Financial Information reflects the impact of this acquisition from the expected date of completion, which is assumed to be 31 December 2021 for the FY22F forecast.

4.6.1. General Factors affecting Operating and Financial Performance

This section provides an overview of the key factors which affected our operating and financial performance during FY19, FY20, FY21 and which the Directors expect may continue to affect our operating and financial performance in the future.

The discussion in this section focusses on Pro Forma Financial Information. Investors should note that, in preparing the Pro Forma Historical Income Statement and the Pro Forma Historical Cash Flows, no pro forma adjustments have been made to reflect the acquisitions undertaken by the APM Group in FY19, FY20 or FY21 (see Section 4.1) as if such acquisitions had been made (and completed) at the start of the Historical Financial Information period.

The discussion of these general factors is intended to provide a summary only and does not detail all factors that affected APM's historical operating and financial performance and cash flows, nor everything that may affect APM's operations and financial performance and cash flows in the future. The information in this Section 4.6 should be read in conjunction with the risk factors set out in Section 5 and other information contained in this Prospectus.

4.6.1.1. Revenue Model

APM's revenue is generated from contracts or licences with government departments, agencies and corporations across its key service lines. These contracts involve various revenue models (often in combination), which are summarised below in Figure 4.16.

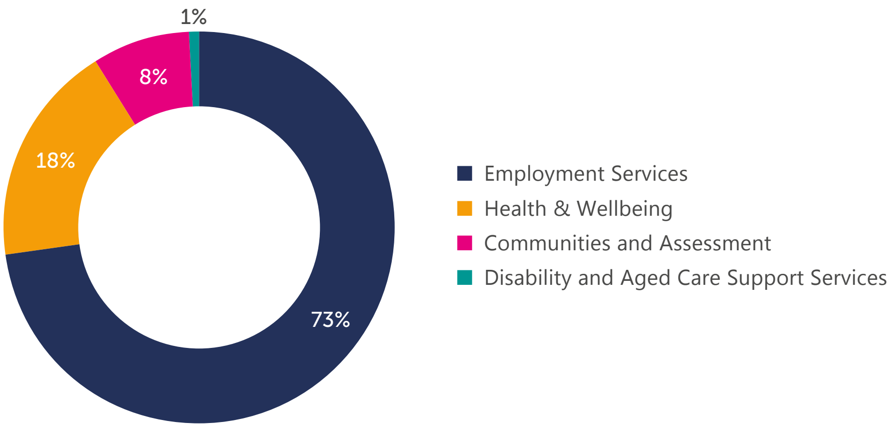
4. Financial Information

Figure 4.16: APM Revenue Models

Revenue Model	Relevant Services Lines	Description
Service fees	• Employment Services • Communities and Assessment	• An initial fee for receiving and working with referrals, completing intake, assessing and providing advice. A service fee is typically a fixed amount and the quantum typically varies by individual due to assessed level of difficulty to place a client into employment.
Outcome fees	• Employment Services • Communities and Assessment	• Received after a client is placed into a job and then again upon reaching certain milestones. The subsequent milestones may be based on the length of sustained employment (as is the case in Australia), achieving an earnings threshold (as is the case in the UK) or achievement of other targets. The quantum of the outcome fee can vary by individual client according to the assessed level of difficulty to place a client into employment.
Cost reimbursement and cost plus	• Employment Services	• Typically reimbursed for costs incurred to deliver the services with an allowance for providers to make a profit on the costs of providing the services. The profit is typically calculated as a specified percentage of the reimbursed costs.
Fixed fee	• Health and Wellbeing • Communities and Assessment • Disability and Aged Care Support Services	• Typically a fixed amount that is agreed at the start of the contract and does not adjust with changes in client volumes.
Fee for service	• Health and Wellbeing • Communities and Assessment • Disability and Aged Care Support Services	• Typically based on a fixed amount for delivery of a service (e.g. an assessment, counselling session or training program) or an hourly rate.

Figure 4.17 below shows the proportion of FY22F revenue by service line.

Figure 4.17: FY22F Revenue by Service Lines



In APM's largest service line, Employment Services, contracts in most regions are structured as a combination of service fee and outcome fees.

Cost reimbursement and cost plus contract models are a feature in Employment Services contracts in the USA. In Germany, Employment Services contracts are structured as a fixed fee payment when an eligible client is placed into a job.

In the Health and Wellbeing service line, revenue is typically earned through a fixed annual fee or a fee for service model. In the Communities and Assessment service line, APM's contracts vary, with a mixture of fees for service (e.g. per assessment), outcome fees and fixed fees. In the Disability and Aged Care Support Services business, revenue is typically earned through fee for service and fixed fee models.

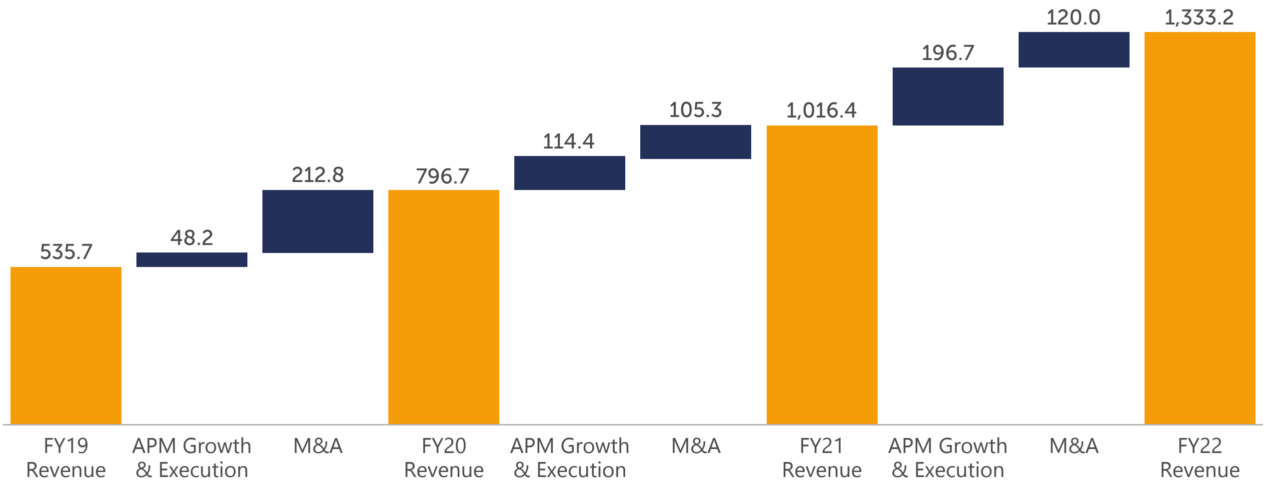
4.6.1.2. Drivers of APM's Revenue Growth

In Section 3.10, APM's steps for growth in the historical and forecast period are outlined. These include:

- Underlying market growth;
- Secured new contracts;
- Upcoming market opportunities;
- Infill/cross-sell;
- New and developing service offerings;
- New international markets; and
- Mergers and acquisitions.

Figure 4.18 below summarises these steps for growth into APM Growth & Execution and M&A to illustrate the key drivers of revenue growth across the historical period and the assumed drivers of growth in the FY22 revenue forecast.

Figure 4.18: Key Drivers of Revenue Growth ($m)



Mergers & Acquisitions (M&A)

APM has made a number of acquisitions to enter into new geographic markets, increase its scale in existing geographic markets and service lines and to gain exposure to and experience in new service lines. APM Management regard acquisitions as a core component of its business model. The revenue from these acquisitions is included in the Pro Forma Financial Information from the date of acquisition. That is, in preparing the Pro Forma Historical Financial Information, no pro forma adjustments have been made to the Statutory Historical Financial Information to reflect the acquisitions as if they had occurred at the start of the Historical Financial Information period.

Revenue contribution from mergers and acquisitions (**M&A**) in Figure 4.18 above are calculated by reference to each business' revenue generated in the 12 month period prior to APM's acquisition with any subsequent revenue growth achieved post acquisition included in 'APM Growth & Execution'. M&A revenue growth relates to the following acquisitions:

- **Ingeus:** was acquired in December 2018, and contributed significant employment services revenue in the UK and Europe and, to a lesser extent, in North America. Ingeus also contributed Communities revenue (National Citizenship Service, RRP) and Health & Wellbeing (Diabetes Prevention Programme, Assure). The Ingeus businesses contributed approximately $164 million revenue in the first six months post acquisition in FY19 (i.e. from 1 January 2019 to 30 June 2019) and therefore revenue growth from M&A in FY20 largely relates to a full year revenue contribution from Ingeus.
- **Konekt:** was acquired in December 2019, and contributed employment services (jobactive, DES, NEIS, CTA and EFS) revenues in Australia, as well as revenue in Health and Wellbeing from its preventative and early intervention programs. Konekt contributed approximately $49 million revenue in the first six months post acquisition in FY20 (i.e. from 1 January 2020 to 30 June 2020). Revenue contribution from M&A in FY21 includes a full year revenue contribution from Konekt, which includes the following service lines in Australia – jobactive, Workcare, NEIS and Communicorp.
- **DB Grant:** was acquired on 30 September 2020, and is an Employment Services business in the United States. DB Grant contributed approximately $48 million revenue in the first nine months post acquisition in FY21 (i.e. 1 October 2020 to 30 June 2021) and therefore revenue growth from M&A in FY22F includes a full year revenue contribution from DB Grant.
- **FBG:** was acquired in September 2020, and is an EAP and mental health services business based in Australia. FBG contributed approximately $3 million revenue in the first ten months post acquisition in FY21 (i.e. 1 September 2020 to 30 June 2021) and therefore revenue growth from M&A in FY22F includes a full year revenue contribution from FBG.
- **CIC:** was acquired in August 2020, and is an EAP and mental health services business based in the United Kingdom. CIC contributed approximately $6 million revenue in the 11 months to 30 June 2021 (i.e. FY21) and therefore revenue growth in M&A in FY22F includes a full year revenue contribution from CIC.
- **Generation Health:** was acquired on 31 July 2021, and contributes to health and wellbeing services revenue in Australia. Revenue growth from M&A in FY22F includes approximately $29 million revenue contributed from the acquisition of the Generation Health business.
- **DWFS:** was acquired on 31 August 2021, and is an Employment Services business in the United States. Revenue growth from M&A in FY22F includes approximately $39 million revenue contributed from the acquisition of DWFS.
- **Early Start Australia, MyIntegra and Mobility:** the forecast for FY22 includes six months of revenue from Early Start Australia, MyIntegra and Mobility, on the assumption that the acquisition completes on 31 December 2021. The revenue contribution for this period is approximately $33 million, and is reflected in the M&A revenue growth in FY22F.

Following acquisition, contracts of the acquired business may be integrated with APM's existing businesses and growth in revenue in these acquired contracts are included in existing contracts thereafter. There is no difference between revenue in the Statutory Financial Information and the Pro Forma Financial Information.

APM Growth & Execution (performance across existing contracts including major contract wins)

Growth in revenue from existing contracts is typically achieved through:

- **Employment Services:** additional client volumes, or increased market share (for example, via additional jobseeker volumes or being awarded additional regions).
- **Health and Wellbeing:** growth in allied health, EAPs and mental health and training businesses are linked to the number of referrals, appointments or assessments and productivity per consultant.
- **Communities and Assessment and Disability and Aged Care Support Services**: such businesses include Residential Aged Care Assessments, Regional Assessment Services, Early Start Australia, MyIntegra and Mobility are also driven by referral volume and productivity per consultant.

Over the period of the Financial Information, the revenue growth from existing contracts has been driven by a combination of both incremental caseload volumes and delivery of improved outcomes. The key drivers of revenue growth for APM's major contracts across the period of the Financial Information are:

- **DES:** in July 2018, the DES program moved to client choice and control and after a successful tender, APM was awarded additional contracts increasing from 84 to 184 contracts and opened 130 new sites at the commencement of the contract. APM has achieved growth in revenue since the new contract was awarded.
- **jobactive:** APM generated steady service fee revenue and growing outcome fee revenue over FY19 and the first half of FY20. In December 2019 APM completed the acquisition of Konekt, with approximately half of the Konekt business comprising jobactive contracts and subsequent to the acquisition, APM now serves 18 employment regions resulting in increased market share and client volumes.
- **Restart Scheme:** commencing in July 2021, the Restart Scheme provides up to 12 months of tailored support for eligible participants to find employment. The UK has committed funding of £2.9 billion of which APM has been awarded two prime contracts, and one subcontract, valued at ~£468 million over 5 years.

The DES and jobactive contracts and associated programs of work collectively represented 39% of APM's revenue in FY21, and DES, jobactive and Restart Scheme contracts and associated programs of work are forecast to collectively represent 43% of APM's revenue in FY22F.

Major Contract Wins

APM has a successful track record of tendering for, retaining and winning new contracts. The key new contracts that APM has won since the beginning of FY19 are as follows:

- **WorkBC:** in FY19, APM was awarded contracts to assist the unemployed to find and retain employment in British Columbia, Canada across 5 regions. These contracts started generating revenue FY19, and in FY22F is forecast to represent the second largest program in Canada behind the Ontario Prototype (by revenue contribution). Key drivers of performance in Canada are typically client volumes and outcome performance.
- **Ontario Employment Services Transformation Prototype (Ontario Prototype):** in 2020, APM was awarded contracts to deliver an employment services program run on behalf of the Ontario Government.
- **Work and Health Programme – Job Entry Targeted Support (WHP – JETS):** awarded in October 2020, Work and Health Programme – Job Entry Targeted Support (**WHP – JETS**) is a program dedicated to provide unemployed people who have received social benefits for at least 13 weeks with fast-paced continuous support to participants for up to six months, with an aim to get people back to work quickly. These contracts started generating revenue in October 2020 and APM now supports unemployed people across 3 regions in the UK.
- **Restart Scheme contracts:** as noted above, this program commenced in July 2021 and is forecast to be the most significant driver of APM's European FY22F revenue.
- **Canadian Rehabilitation Services and Vocational Assistance Programme (RSVAP):** in July 2021, Veterans Affairs Canada (**VAC**) awarded APM the new federal Rehabilitation Services and Vocational Assistance Program (RSVAP) in Canada. RSVAP is a nationwide program, which delivers evidenced-based medical, psycho-social, and vocational rehabilitation services to support ill and injured veterans, and their family members, to achieve a successful transition to post-service life. Service delivery will commence in January 2023 after an 18 month implementation and transition period.

4.6.1.3. Expenses

Cost of Services Rendered

The costs associated with the services delivered includes costs of employees, (including salaries, benefits, bonuses and on-costs), subcontractor costs as well as client support costs required to deliver APM's services to its clients.

APM local consultants typically deliver personalised services to clients under a single contract in an individual region. The number of consultants is predominantly related to client volumes under the relevant contract. Our management teams, supported by the administration teams, oversee the consultants and manage the contracts. Employee remuneration consists of a base salary and incentives aligned to KPIs to support a performance-based culture that ultimately enables consultants to help more people.

As the organisation has grown to help more people in the community through supporting additional clients, the cost of services has increased.

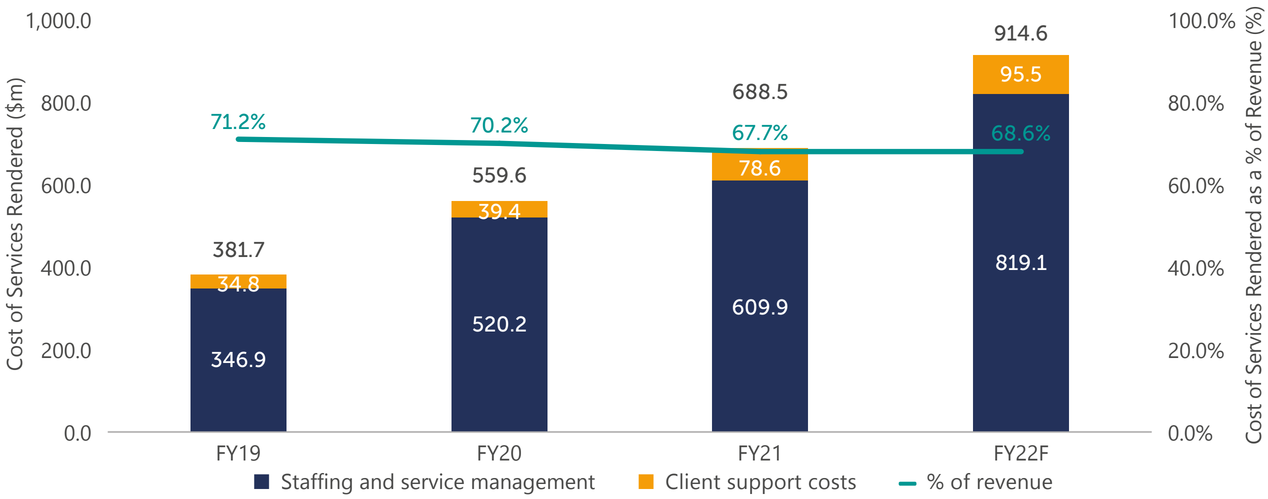
The increase in cost of services has primarily been a result of an increase in the number of APM consultants, which represent approximately 80% of APM's total employees. The increases in people are a combination of APM team members acquired through acquisitions and underlying growth in APM's consultants to service customers.

Figure 4.19 below sets out the number of APM team members across each region from FY19 to FY22F and Figure 4.20 sets out the total cost of services rendered as a percentage of revenue from FY19 to FY22F.

Figure 4.19: Total Headcount by Region

Team members by region	FY19	FY20	FY21	FY22F
Australia	2,036	2,569	3,027	3,953
Asia Pacific	647	753	796	834
Europe	2,198	2,047	2,000	3,092
North America	374	819	780	1,227
Total headcount	**5,255**	**6,188**	**6,603**	**9,106**

Figure 4.20: Cost of Services



Occupancy Expenses

Occupancy costs predominantly comprises the variable costs incurred including room hire costs, utilities and office cleaning. Leased office costs are included within depreciation on ROU assets as required under IFRS16. Occupancy costs increase as revenue grows. The growth in FY22 predominantly relates to the Restart Scheme contract in the UK as well as the acquisitions of Generation Health, DWFS, Early Start Australia, MyIntegra and Mobility.

There is no difference in the occupancy expenses between the Statutory Financial Information and the Pro Forma Financial Information.

Administration Expenses

Administration expenses predominantly comprise licence fees, professional and consulting fees, recruitment and training and development costs. These expenses are largely fixed in nature and have grown over the historical period to support the increased size and scale of the business. The CAGR of 19% is lower than the revenue CAGR of 36% reflecting the scale benefits as the business grows.

The differences in administration expenses between the Statutory Financial Information and Pro Forma Financial Information include listing costs, transaction costs relating to the acquisition by MDP (**Project Mission**), the existing MEP and interest rate hedge costs.

Marketing Expenses

Marketing costs relate to advertising activities to promote the APM brand and services to acquire new clients in markets where choice and control exists. Marketing expenses have traditionally approximated 1% of revenue and are forecast at a similar percentage of revenue in the forecast.

There is no difference in the marketing expenses between the Statutory Financial Information and the Pro Forma Financial Information.

Travel Expenses

Travel costs are incurred when our team travel to our clients' homes or sites to deliver APM's services as well as Management visiting APM sites. Travel expenses declined in FY21 in line with restrictions on travel owing to COVID-19. The forecast assumes travel expenses will resume to more consistent levels of activity prior to COVID-19 by the end of FY22.

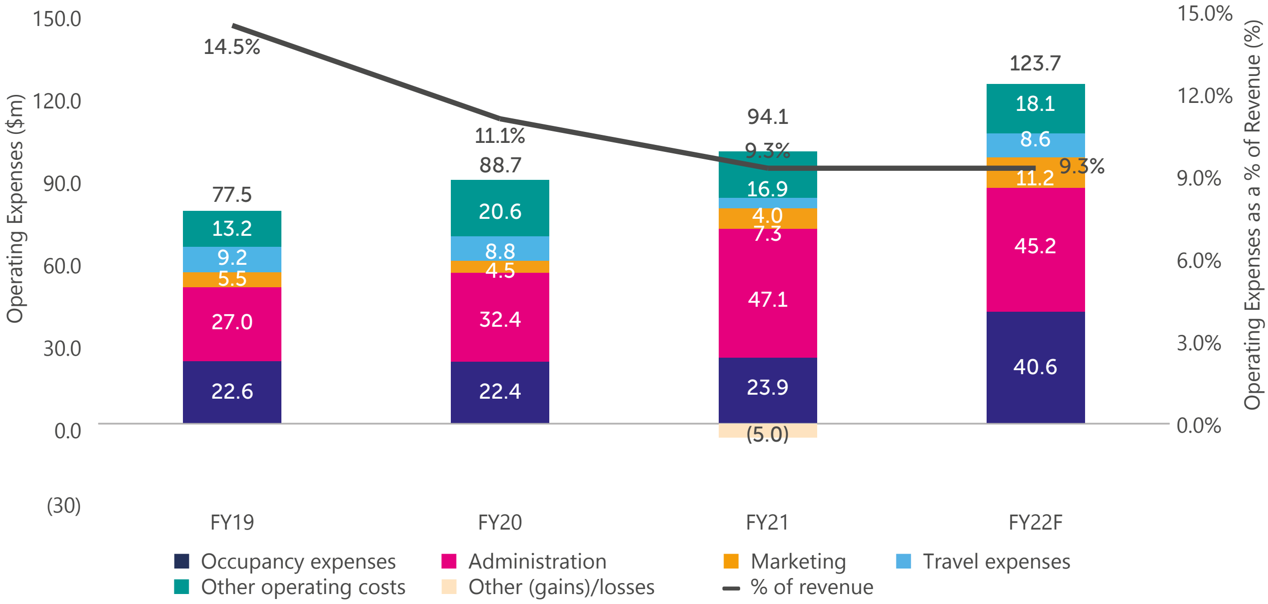
There is no difference in travel expenses between the Statutory Financial Information and the Pro Forma Financial Information.

Other Operating Costs

Other operating costs comprise expensed plant and equipment, printing, postage, stationery and insurance costs.

The difference in other operating costs between Statutory Financial Information and the Pro Forma Financial Information relates to the foreign exchange impact on debt.

Figure 4.21 Operating Expenses



Depreciation

Depreciation is a non-cash expense that relates to the ongoing use of APM's fixed asset base, including items such as IT equipment, furniture and leasehold improvements that have been capitalised. Depreciation expense is based on an existing useful life profile, with any new capital expenditure being depreciated over its useful life in accordance with APM's accounting policies.

A component of depreciation also relates to APM's property leases. Under AASB16, APM recognises a right-of-use asset on entry into a lease equivalent to the present value of the minimum future lease payments and this asset is subsequently depreciated over the shorter of the useful life of the asset and the lease term.

Depreciation has grown in line with acquisitions in the business and the increasing size of APM's customer base and headcount.

There is no difference in the depreciation expenses between the Statutory Financial Information and the Pro Forma Financial Information.

Figure 4.22: Breakdown of Depreciation Expense

	Pro Forma Historical			Pro Forma Forecast
$ millions	**FY19**	**FY20**	**FY21**	**FY22F**
Depreciation of property, plant & equipment	(9.7)	(16.9)	(17.8)	(29.1)
Depreciation on right-of-use assets	(17.9)	(30.0)	(34.6)	(39.9)
Total depreciation expense	**(27.7)**	**(46.9)**	**(52.4)**	**(69.0)**
% of revenue	*5.2%*	*5.9%*	*5.2%*	*5.2%*

Amortisation

The majority of APM's amortisation expense is attributable to charges over the useful life of customer contracts acquired as part of the business acquisitions. At the date of acquisition, customer contracts are recognised as an intangible asset at their fair value and are subsequently amortised using the straight-line method based on the timing of projected cash flows of the contracts over their useful lives. There is no current or future cash flow associated with the amortisation of acquired intangible assets.

The increase in amortisation of acquired intangibles is related to the acquisitions made over the historical period as set out in Section 4.1.

There is no difference in the amortisation expenses between the Statutory Financial Information and the Pro Forma Financial Information.

Figure 4.23: Breakdown of Amortisation Expense

	Pro Forma Historical			Pro Forma Forecast
$ millions	**FY19**	**FY20**	**FY21**	**FY22F**
Amortisation of customer contracts arising from acquisitions	23.8	31.5	50.8	52.0
Total amortisation expense	**23.8**	**31.5**	**50.8**	**52.0**

Finance costs

The differences in finance costs between the Statutory Financial Information and Pro Forma Financial Information relates to the reversal of the interest paid on non-redeemable preference shares (Series A), the pre-IPO bank interest, the debt refinancing costs and the addition of the capital structure on IPO.

Figure 4.24: Breakdown of Finance Expense

	Pro Forma Historical			Pro Forma Forecast
$ millions	**FY19**	**FY20**	**FY21**	**FY22F**
Net interest on external debt	29.3	29.3	29.3	29.3
Imputed interest on right-of-use asset	2.4	3.1	3.2	6.8
Other finance charges	1.2	1.7	1.3	–
Total net finance costs	**32.8**	**34.1**	**33.8**	**36.1**

Tax

APM will incur tax in each of the countries in which it operates, with the effective tax rate in each year being impacted by changes in mix of earnings and the benefit of tax losses derived from acquired businesses. The corporate tax rates in APM's major countries of operation are:

- Australia: 30%
- New Zealand: 28%
- UK: 19%
- Germany: 30%
- Switzerland: 21%
- South Korea: 25%
- Singapore: 17%
- Canada: 28%
- USA: 26% (which represents a notional blended federal and state tax rate)

APM's pro forma effective tax rate in each of FY19, FY20 and FY21 has been (12.0)%, 41.2% and 19.7% respectively and in FY22F is expected to be 25.2%. When APM acquired the Ingeus business in December 2018, the UK business had unrecognised carried forward tax losses that APM has been able to benefit from as the UK business has returned to profitability.

Beyond FY22F, UK will continue to benefit from carried forward tax losses, the extent to which APM will benefit will depend on a number of factors including the level of profit earned in the UK, UK corporate tax rates which are legislated to increase to 25% from 1 April 2023 and other factors. Other factors include the UK's ability to utilise additional carried forward tax losses which have not yet been brought to account.

4.6.1.4. Seasonality of Revenue and Costs

During each financial year there are various factors that typically impact the financial results across half year periods. Some of these factors include:

- Youth programs in the UK which run from June to September;
- UK referral rates are lower during August due to number of people taking vacations;
- December and January in Australia and New Zealand have lower client interactions due to the number of people taking vacations and seasonally lower recruitment periods; and
- Historical seasonality has also been impacted by the timing of the completion of business acquisitions.

The factors likely to have an effect on the relative contribution of the six month period to 31 December 2021 compared to the six month period to 30 June 2021 include:

- Youth programs in the UK which run from July to September;
- The commencement in July 2021 of the Restart Scheme;
- The COVID-19 lockdowns that have taken place, primarily in New South Wales and Victoria in the first half of FY22; and
- The acquisition of Generation Health on 31 July 2021 and the acquisition of DWFS on 31 August 2021 (noting that other acquisitions included in the FY22F (Early Start Australia, MyIntegra and Mobility) are assumed to have a completion date of 31 December 2021 and therefore no revenue or earnings contribution has been forecast in respect of these acquisitions in 1HFY22F).

4.6.1.5. Impact of COVID-19

The COVID-19 pandemic and related government-imposed restrictions and border closures have had an impact, and may continue to have an impact on APM's business. For example, APM's DES revenue was adversely impacted by the COVID-19 lockdowns from March 2020 to September 2020, during which the number of job placements and corresponding outcome fees reduced. While outcomes recovered in the period from October 2020 to June 2021, subsequent lockdowns imposed in certain eastern Australian states and territories (New South Wales, Victoria and the Australian Capital Territory (**ACT**)) beginning in July 2021 to reduce the spread of the Delta variant of COVID-19 have reduced job placement rates. The adverse impacts of COVID-19 on APM's business have included select contracts being delayed as governments shift the short-term focus to addressing unemployment that has resulted from COVID-19. Additionally, some contracts have also been temporarily converted to cost-plus models as governments look to maintain funding and services to the sector and support those displaced by COVID-19.

The impact of COVID-19 on APM's business has also included increased employment services caseloads during FY20 and FY21 as a result of increases in unemployment due to COVID-19 and new government spending programs to benefit employment and economic recovery. As a result of the impact of COVID-19 on employment, there have been some changes to how government has supported employment services providers. In response to the COVID-19 changes governments introduced various initiatives including but not limited to:

- Financial support – examples include JobKeeper, Jobseeker and Furlough (UK);
- Suspension of mutual obligations required of a participant to evidence active pursuit of employment; and
- Permitted breaks which allowed employment service providers to receive outcome payments when a participant had their continuous service disrupted by COVID-19 lockdowns.

In addition, many governments have launched programs to address the impact of COVID-19 on unemployment. Some examples of where we have been awarded contracts aimed at reducing COVID-19 related unemployment include:

- The UK Government's WHP – JETS program in October 2020; and
- 2 contracts with the UK Government's Restart Scheme with an initial contract value of ~GBP468 million which commenced in July 2021.

In preparing the Forecast Financial Information, APM has had regard to the ongoing and potential future impact of COVID-19, and has assumed that the current lockdowns in New South Wales and Victoria will end by November 2021. The Forecast Financial Information also assumes that there will be no further COVID-19 lockdowns or other restrictions occurring in New South Wales and Victoria during the remainder of FY22.

A sensitivity has also been included in Section 4.7 to illustrate the estimated impact of an additional one month of lockdowns in New South Wales and Victoria in Australia.

4.6.1.6. Cash Flow Items

Working Capital Movements

APM's working capital includes trade and other receivables, contract assets, prepayments, trade and other payables, deferred revenue and provisions. APM receives payments either in advance of services being rendered, as services are being rendered or upon achieving a contractual milestone. These payments do not align with the timing of the recognition of revenue which is the major driver of working capital movement.

Trade and other payables and employee provisions movements are driven by underlying business activity.

Capital Expenditure

Capital expenditure in the APM business can be categorised into maintenance capital expenditure and growth capital expenditure.

Maintenance capex for APM relates to costs associated with running established programs including the maintenance of existing sites, routine purchases of phones and laptops for staff members and maintenance associated with IT infrastructure.

Growth capex relates to costs involved with the establishment of new contracts and the expansion of existing contracts including the rollout of new sites to deliver services and the establishment of IT infrastructure and applications.

4.6.2. Segment Information

Figures 4.25, 4.26 and 4.27 summarise the pro forma historical key financial metrics for FY19, FY20 and FY21 and the pro forma forecast key financial metrics expected for FY22F by segment.

Figure 4.25: Pro Forma Revenue by Key Operating Segments ($m)

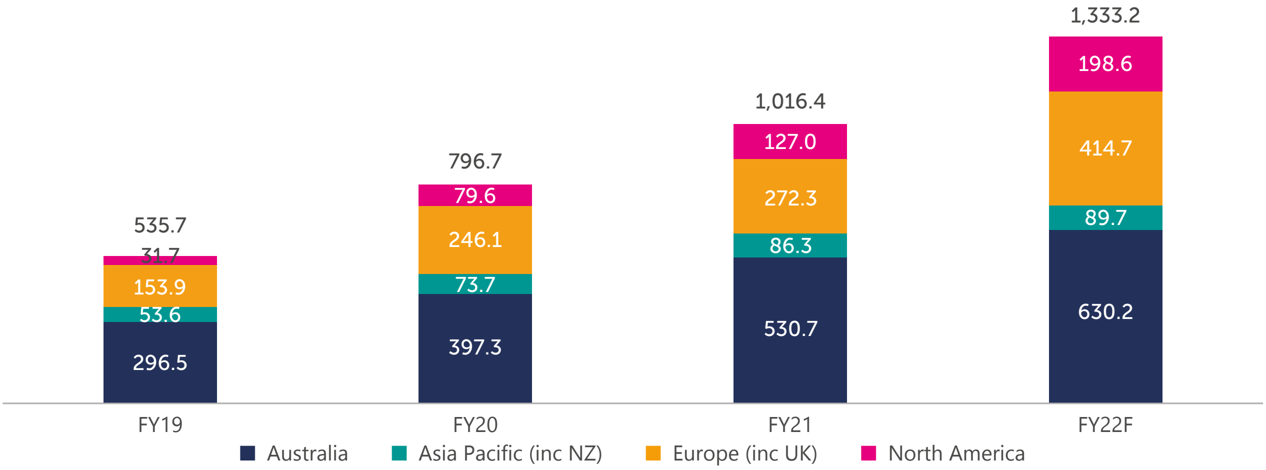


Figure 4.26: Pro Forma NPATA by Key Operating Segments ($m)

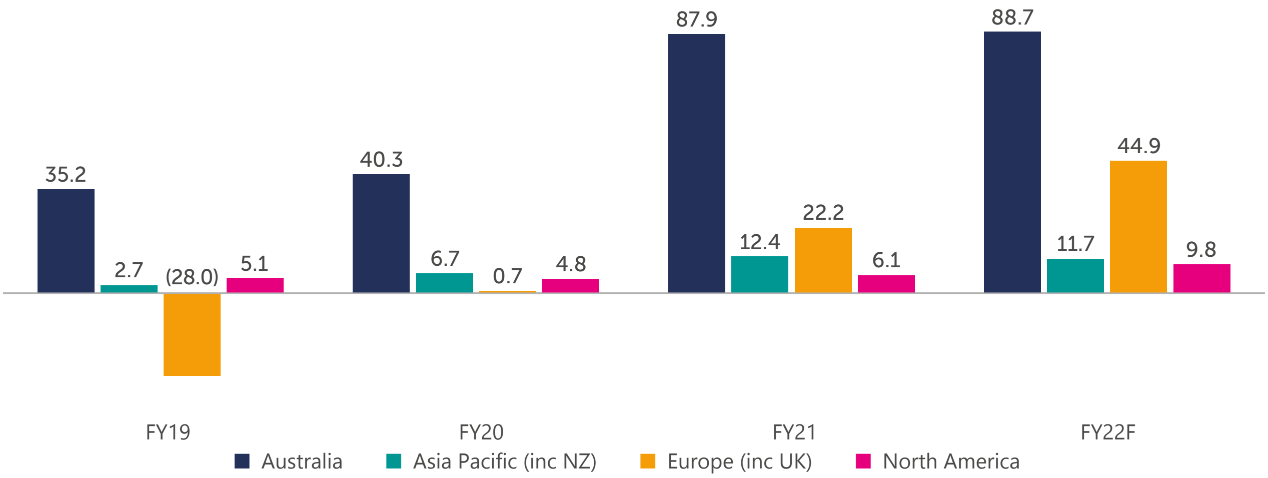
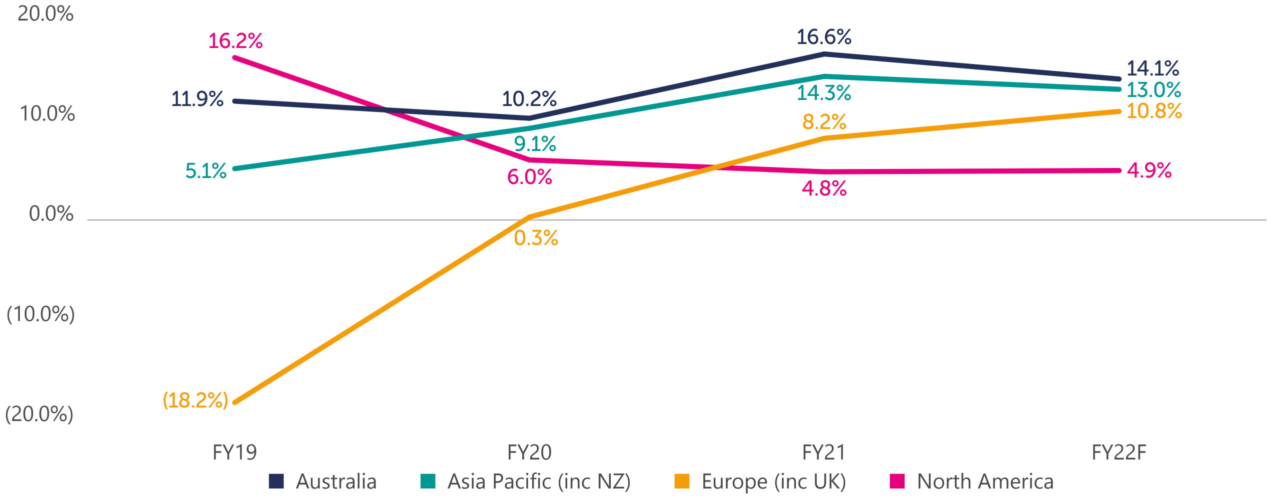


Figure 4.27: Pro Forma NPATA Margin for Key Operating Segments



Australia

As outlined in Section 3.2, the Australian business revenue is earned through the delivery of four key service lines:

- Employment Services;
- Health and Wellbeing;
- Communities and Assessment; and
- Disability and Aged Care Support Services.

Australian revenue has grown from $296.5 million in FY19 to $630.2 million in FY22, a CAGR of 28.6%. The revenue uplift is distributed across all service lines with Employment Service and Health and Wellbeing accounting for the majority of the increase.

The Australian Employment Services business grew between FY19 and FY22 due to a combination of organic growth in existing contracts as client volumes increase and the maturation of the new DES contract which commenced in FY19, plus growth from the acquisition of Konekt in December 2019. This acquisition increased the number of jobactive employment regions served by APM from 13 to 18 regions and introduced the NEIS contract to the APM Employment Services service offering. Growth in the Australian Health business between FY19 and FY21 predominantly relates to the acquisitions of Ingeus, MCI, Konekt and FBG between FY19 and FY21 and Generation Health in FY22.

Australian NPATA has increased from $35.2 million in FY19 to $88.7 million in FY22, a CAGR of 36.1%. Australian margins are typically higher than margins in other regions due to a combination of the scale of the business and the high proportion of outcome fee and fee for service type contracts. NPATA margin improvement in Australia during the historical period has been driven by increased operating leverage, higher client volumes and successful integration of acquired businesses.

Asia Pacific (inc NZ)

As outlined in Section 3.2, the Asia Pacific business revenue is earned through the delivery of three key service lines:

- Employment Services;
- Health and Wellbeing; and
- Communities and Assessment.

The key contracts in Asia Pacific include ACC VRS contract in New Zealand, Employment Services with the Ministry of Labour (**MOEL**) in South Korea and the Workforce Singapore (**WSG**) Professionals, Managers, Executives and Technicians (**PMET**) contract.

In New Zealand, APM's business is focussed on helping clients with injury and illness prevention, management and rehabilitation. In South Korea, as part of APM's outplacement contract, it helps companies to build capabilities or provide outplacement services for their employees. As part of APM's PMET contract in Singapore, it provides employment services to all eligible jobseekers.

The growth in APM's Asia Pacific revenue over the period is largely due to the contribution from the acquired businesses of Ingeus in December 2018 and subsequent growth from key South Korean and Singaporean contracts.

NPATA improvement in Asia Pacific during the historical period is the result of the contribution from the acquired Ingeus businesses in South Korea and Singapore.

Europe (inc UK)

As outlined in Section 3.2, the European business revenue is earned through the delivery of three key service lines:

- Employment Services;
- Health and Wellbeing; and
- Communities and Assessment.

In Europe, APM derives the majority of its revenue from the UK with relatively smaller contributions from operating in Germany, Switzerland and Spain. The majority of contracts in the UK relate to the provision of Employment Services.

The growth in APM's Europe revenue over the period is largely due to the contribution from the acquired businesses of Ingeus in December 2018 and their subsequent organic growth.

Between FY19 and FY21, APM's European margins increased following the successful integration of the Ingeus UK businesses. The increase in NPATA margins between FY21 and FY22 is predominantly attributable to the commencement of the Restart Scheme in July 2021 and the full year effect of the WHP – JETS contract. These contracts offset the reduction in revenue from the RRP probation services contract which ended in FY21 as it was insourced by the Ministry of Justice from June 2021. APM negotiated a completion settlement with the Ministry of Justice which resulted in a gain on disposal of $3.8 million recognised in FY21. Additionally, deferred tax benefits of $9.5 million relating to losses and other items were recognised in FY21.

North America

As outlined in Section 3.2, the North American business revenue is earned through the delivery of two key service lines:

- Employment Services; and
- Health and Wellbeing.

In North America, APM has historically derived the majority of its revenue from the provision of Employment Services in Canada and the USA.

The key contracts in North America include WorkBC and Ontario Prototype contracts in Canada which assist unemployed people in British Columbia and Ontario to find and retain employment and legacy contracts acquired with Ross and DB Grant which provide workforce development services across the USA.

In Canada, revenue growth is largely due to new contract wins and their associated ramp-up over the historical period, including WorkBC in Apr 2019 and Ontario Prototype which was secured in 2020.

Revenue growth in the USA has largely been driven by the acquisition of DB Grant in September 2020 and DWFS in August 2021.

NPATA in FY20 and FY21 has primarily been driven by increased profitability associated with the ramp-up of the WorkBC contract in Canada and the acquisitions of DB Grant and DWFS. NPATA margin growth in FY20 and FY21 reflects increased client volumes in the WorkBC and Ontario Prototype contracts. The margin profile for North America reflects a mix of cost-plus, fixed funding and payment by result contracts.

4.6.3. FY20 Pro Forma Income Statement and Cash Flows Compared to FY19 Pro Forma Income Statement and Cash Flows

4.6.3.1. FY20 Pro Forma Income Statement Compared to FY19 Pro Forma Income Statement

Figure 4.28: FY20 Pro Forma Income Statement Compared to FY19 Pro Forma Income Statement

$ millions	Note	FY19	FY20	Mov't ($)	Mov't (%)
Revenue	1	535.7	796.7	261.0	48.7%
Staffing and service management	2	(346.9)	(520.2)	(173.4)	50.0%
Client support costs	2	(34.8)	(39.4)	(4.6)	13.4%
Services margin		**154.1**	**237.0**	**83.0**	**53.8%**
Occupancy expenses	3	(22.6)	(22.4)	0.2	(0.8%)
Administration	3	(27.0)	(32.4)	(5.4)	20.0%
Marketing	3	(5.5)	(4.5)	1.1	(19.6%)
Travel expenses	3	(9.2)	(8.8)	0.4	(4.4%)
Other operating costs	3	(13.2)	(20.6)	(7.4)	56.3%
Other gains/(losses)		–	–	–	–
Operating expense	3	**(77.5)**	**(88.7)**	**(11.1)**	**14.4%**
EBITDA		**76.5**	**148.4**	**71.8**	**93.9%**
Depreciation on ROU assets	4	(17.9)	(30.0)	(12.1)	67.4%
Depreciation	4	(9.7)	(16.9)	(7.2)	73.4%
EBITA		**48.8**	**101.5**	**52.7**	**108.1%**
Amortisation of customer contracts arising from acquisitions	5	(23.8)	(31.5)	(7.7)	32.4%
EBIT		**25.0**	**69.9**	**44.9**	**179.1%**
Shareholder interest	6	–	–	–	–
Bank interest	7	(29.3)	(29.3)	–	–
Other interest	8	(3.5)	(4.8)	(1.3)	38.0%
Profit/(loss) before tax		**(7.8)**	**35.8**	**43.5**	**nm**
Income tax benefit/(expense)	9	(0.9)	(14.7)	(13.8)	nm
Net profit/(loss) after tax (NPAT)		**(8.7)**	**21.0**	**29.8**	**nm**
NPAT %		*(1.6%)*	*2.6%*		
Amortisation of customer contracts arising from acquisitions		23.8	31.5	7.7	32.4%
NPAT before amortisation (NPATA)		**15.1**	**52.6**	**37.5**	**248.5%**
NPATA %		*2.8%*	*6.6%*		

Notes: 1-9 above relate to the notes below Figure 4.2

Pro forma **revenue** increased by $261.0 million, or 48.7%, from $535.7 million in FY19 to $796.7 million in FY20. The increase in pro forma historical revenue was primarily driven by the following factors:

- **Australia:** Revenue increased $100.8 million from $296.5 million to $397.3 million (34% year on year)
  - A full year contribution from the Assure, EAP and mental health business which was acquired as part of the Ingeus acquisition in December 2018.
  - APM was awarded additional regions in Western Australia for the Local Area Coordinator contract (**LAC**) in FY20.
  - A six month contribution from Konekt which was acquired in December 2019. The Konekt business includes a number of jobactive contracts that were novated to APM, Workcare (allied health business), NEIS (which is an employment service business) and Communicorp. As part of the Konekt acquisition, APM acquired five new employment service regions for its jobactive business.
  - Continued ramp up of the DES business following the award of additional contracts and new sites in FY19, which provided full year impact of growth in client volumes and performance.
- **Asia Pacific (inc NZ):** Revenue increased $20.0 million from $53.6 million to $73.7 million (37% year on year)
  - The South Korean business joined the APM Group as part of the Ingeus acquisition in December 2018 with a full year revenue contribution in FY20. Outplacement services were a driver of revenue growth in part due to regulatory changes mandating outplacement services for certain size businesses from May 2020 along with the full year run rate of MOEL services.
  - Singapore was also part of the Ingeus business which provides employments services. Growth was in part due to a full year revenue contribution in FY20, in addition to an increase in client volumes and improved outcome performance.
- **Europe (inc UK):** Revenue increased $92.2 million from $153.9 million to $246.1 million (60% year on year)
  - A key driver of revenue growth in FY20 was the full year revenue contribution following the Ingeus acquisition in December 2018. The UK had key contributions from the RRP contract, Employability contracts, and Youth.
  - Both businesses from Germany and Switzerland were part of the Ingeus acquisition. Growth in FY20 was a result of a full year contribution of both businesses which operate Employment Services contracts.
- **North America:** Revenue increased $48.0 million from $31.7 million to $79.6 million (152% year on year)
  - Canadian revenue growth in FY20 which was largely related to the ramp-up and full year revenue contribution of the WorkBC contract which commenced in April 2019. Other Canadian contracts such as CVVRS represent a full year revenue run rate following the Ingeus acquisition December 2018.
  - The USA business increase was driven by the full year revenue contribution from the Ross business which was acquired as part of the Ingeus acquisition in December 2018.

Pro forma **services margin** increased by $83.0 million, or 53.8%, from $154.1 million in FY19 to $237.0 million in FY20. The increase in pro forma historical services margin was primarily driven by the following factors:

- Pro forma cost of services rendered increased by $178.0 million, or 46.7%, from $381.6 million in FY19 to $559.7 million in FY20. The increase was driven by a full 12-month contribution of Ingeus, acquired in December 2018, six month contribution from Konekt following the acquisition in December 2019 and growth in volume of activity for APM's employment services business.
- Full year contribution from new contract wins including WorkBC in Canada which commenced in April 2019.

Pro forma **EBITDA** increased by $71.8 million, or 93.9%, from $76.5 million in FY19 to $148.4 million in FY20. The increase in pro forma historical EBITDA was primarily driven by the following factors:

- Pro Forma operating expenses increased by $11.1 million, or 14.4%, from $77.5 million in FY19 to $88.7 million in FY20. This reflects the additional costs associated with the acquired Ingeus and Konekt businesses.
- The integration of the APM and Ingeus businesses in the UK and the investment in people and systems to improve the contract performance resulted in improved financial performance returning the UK to profitability.
- Increased client numbers in Australia due to the expansion of the DES contract through re-tender win in July 2018 and due to choice and control and maturation of the contract.
- Increased profitability from the outplacement contract in South Korea due to lump sum public contracts and reduced spend on payroll and client costs relative to revenue growth.

Pro forma **EBIT** increased by $44.9 million, or 179.1%, to $69.9 million in FY20 compared to $25.0 million in FY19. The flow through of increased EBITDA to EBIT in FY20 was impacted:

- Depreciation on ROU assets increased by $12.1 million, or 67.4%, from $17.9 million to $30.0 million due to the Group's growth and acquisitions increasing the number of leased properties.
- Depreciation increased by $7.2 million, or 73.4%, from $9.7 million in FY19 to $16.9 million in FY20. This reflects the depreciation incurred in relation to the capex spend on additional sites established for the DES in FY19, WorkBC mobilisation costs during FY19 and IT investment in the UK relating the "Make it Good" project in FY19.
- Acquired amortisation increased by $7.7 million, or 32.4%, from $23.8 million in FY19 to $31.5 million in FY20. This increase was due to the additional acquired customer contracts that were recognised upon completion of the Konekt transaction on 20 December 2019 and the full year amortisation charge relating to the Ingeus acquisition.

Pro forma **NPAT** and **NPATA** increased by $29.8 million and $37.5 million respectively; NPAT movement was not meaningful, while NPATA increased 248.5%, with $21.0 million of NPAT and $52.6 million of NPATA in FY20 compared to a net loss after tax of ($8.7) million and NPATA of $15.1 million in FY19. The flow through of increased EBIT to NPAT and NPATA in FY20 was impacted by:

- Bank interest remained flat at $29.3 million between FY20 and FY19.
- Other interest reflects the financing charge on the amortisation of the lease liabilities capitalised on balance sheet in accordance with AASB16. Other interest increased by $1.3 million, or 38.0%, from $3.5 million in FY19 to $4.8 million in FY20 due to the Group's growth and acquisitions increasing total lease liabilities.
- Income tax expense increased by $13.8 million, from $0.9 million in FY19 to $14.7 million in FY20. This is due to the underlying growth of the APM Group increasing taxable profits of the Group.

4.6.3.2. FY20 Pro Forma Cash Flows Compared to FY19 Pro Forma Cash Flows

Figure 4.29: FY20 Pro Forma Cash Flows Compared to FY19 Pro Forma Cash Flows

$ millions	Note	FY19	FY20	Mov't ($)	Mov't (%)
Pro Forma EBITDA		**76.5**	**148.4**	**71.8**	**93.9%**
Non-cash items in EBITDA	1	2.2	3.9	1.7	79.9%
Changes in working capital	2	(17.2)	(1.0)	16.2	nm
Interest received	3	0.1	0.1	0.0	8.5%
Tax paid	4	1.6	(5.7)	(7.4)	nm
Operating cash flow	5	**63.1**	**145.6**	**82.4**	**130.6%**
Operating cash flow % of EBITDA		*82.5%*	*98.1%*		
Principal elements of lease payments	6	(17.9)	(30.2)	(12.2)	68.2%
Interest expense	7	(29.3)	(29.3)	–	–
Capital expenditure – PPE	8	(16.0)	(14.1)	1.9	(12.0%)
Free cash flow (prior to acquisitions)		**(0.1)**	**72.0**	**72.1**	**nm**
Free cash flow (prior to acquisitions) % EBITDA		*(0.1%)*	*48.6%*		
Acquisitions	9	(61.4)	(80.5)	(19.1)	31.1%
Free cash flow		**(61.5)**	**(8.5)**	**53.0**	**(86.2%)**
Free cash flow % of EBITDA		*(80.4%)*	*(5.7%)*		

Notes 1-9 above relate to the notes below Figure 4.13.

Pro forma **net working capital** increased in FY19 driven by growth in Employment Services in Australia through the maturation of the DES contract and growth in other Employment Services contracts.

Pro forma **capital expenditure** decreased by $1.9 million, or 12.0%, from $16.0 million in FY19 to $14.1 million in FY20. The decrease in pro forma capital expenditure was primarily driven by the following factors:

- Expansion of the DES contract which has seen a number of sites established, with most material spending from June 2018 onwards.
- WorkBC mobilisation costs during FY19 related to the ramp-up of the contract, with the majority of capex spent on IT, data centres and new sites.
- IT investment in the UK.
- Capital investment in South Korea and Singapore in FY19 to support growth in these regions.

The major **acquisition** in FY19 was Ingeus and in FY20 was Konekt.

4.6.4. FY21 Pro Forma Income Statement and Cash Flows Compared to FY20 Pro Forma Income Statement and Cash Flows

4.6.4.1. FY21 Pro Forma Income Statement Compared to FY20 Pro Forma Income Statement

Figure 4.30: FY21 Pro Forma Income Statement Compared to FY20 Pro Forma Income Statement

$ millions	Note	FY20	FY21	Mov't ($)	Mov't (%)
Revenue	1	796.7	1,016.4	219.7	27.6%
Staffing and service management	2	(520.2)	(609.9)	(89.6)	17.2%
Client support costs	2	(39.4)	(78.6)	(39.2)	99.4%
Services margin		**237.0**	**328.0**	**90.9**	**38.3%**
Occupancy expenses	3	(22.4)	(23.9)	(1.5)	6.7%
Administration	3	(32.4)	(47.1)	(14.7)	45.4%
Marketing	3	(4.5)	(7.3)	(2.8)	62.7%
Travel expenses	3	(8.8)	(4.0)	4.9	(55.1%)
Other operating costs	3	(20.6)	(16.9)	3.7	(18.1%)
Other gains/(losses)		–	5.0	5.0	nm
Operating expense	3	**(88.7)**	**(94.1)**	**(5.4)**	**6.1%**
EBITDA		**148.4**	**233.8**	**85.5**	**57.6%**
Depreciation on ROU assets	4	(30.0)	(34.6)	(4.6)	15.2%
Depreciation	4	(16.9)	(17.8)	(0.9)	5.5%
EBITA		**101.5**	**181.5**	**80.0**	**78.8%**
Amortisation of customer contracts arising from acquisitions	5	(31.5)	(50.8)	(19.3)	61.1%
EBIT		**69.9**	**130.7**	**60.7**	**86.8%**
Shareholder interest	6	–	–	–	–
Bank interest	7	(29.3)	(29.3)	–	–
Other interest	8	(4.8)	(4.5)	0.3	(7.1%)
Profit/(loss) before tax		**35.8**	**96.8**	**61.1**	**170.7%**
Income tax benefit/(expense)	9	(14.7)	(19.0)	(4.3)	29.2%
Net profit/(loss) after tax (NPAT)		**21.0**	**77.8**	**56.8**	**269.8%**
NPAT %		*2.6%*	*7.7%*		
Amortisation of customer contracts arising from acquisitions		31.5	50.8	19.3	61.1%
NPAT before amortisation (NPATA)		**52.6**	**128.6**	**76.0**	**144.6%**
NPATA %		*6.6%*	*12.7%*		

Notes 1-9 above relate to the notes below Figure 4.2.

Pro forma **revenue** increased by $219.7 million, or 27.6%, from $796.7 million in FY20 to $1,016.4 million in FY21. The increase in pro forma historical revenue was primarily driven by Australia ($133 million), Europe (inc UK) ($26 million) and North America ($47 million) primarily by the following factors:

- **Australia** ($133 million):
  - Full year contribution of revenue following the Konekt acquisition acquired in December 2019. The Konekt business comprises 4 key service lines, jobactive, Workcare, Communicorp and NEIS.
  - Increase in client volumes in the Australian employment services contracts as unemployment rates increased, primarily in jobactive, which drove an increase in service fees and outcome fees.
- **Europe (inc UK)** ($26 million):
  - Full year revenue contribution from an EAP and mental health business acquired in the UK, CIC (acquired in July 2020).
  - The rollout of the new WHP – JETS program in the UK, which is linked to the Work and Health Programme (**WHP**) contracts as a COVID-19 support program. Whilst revenue is driven by volume, the contract is cost plus and contributes to employment services revenue in the UK.
- **North America** ($47 million):
  - The Ontario Prototype program commenced in January 2021 with a part year contribution in FY21. APM is the SSM (Service System Manager), with APM utilising supply chain for broader service delivery.
  - Part year revenue contribution from the acquisition of DB Grant in September 2020 in North America.

Pro forma **services margin** increased $90.9 million, or 38.3%, from $237.0 million in FY20 to $328.0 million in FY21. The increase in pro forma historical services margin was primarily driven by the following factor:

- Pro forma cost of services rendered increased by $128.8 million, or 23.0%, from $559.7 million in FY20 to $688.4 million in FY21. The increase is driven by the combined impact of year on year revenue growth in employment services via organic and acquisition contract growth.

Pro forma **EBITDA** increased by $85.5 million, or 57.6%, from $148.4 million in FY20 to $233.8 million in FY21. The increase in pro forma historical EBITDA was primarily driven by the following factor:

- Pro Forma operating expenses increased by $5.4 million, or 6.1%, from $88.7 million in FY20 to $94.1 million in FY21.
- Increase in client volumes in the Australian employment services contracts as unemployment rates increased.
- Growth in Canada EBITDA due to higher profitability on the WorkBC contract in FY21 which was initially ramping up in FY20.
- Growth in UK EBITDA due to strong performance across the Employability and Health contracts and the roll out of the new WHP – JETS contracts.

Pro forma **EBIT** in FY21 increased by $60.7 million, or 86.8%, to $130.7 million compared to $69.9 million in FY20. The flow through of increased EBITDA to EBIT in FY21 was impacted primarily by the following factors:

- Depreciation on ROU Assets increased by $4.6 million, or 15.2%, from $30.0 million to $34.6 million.
- Depreciation increased by $0.9 million, or 5.5%, from $16.9 million in FY21 to $17.8 million in FY22F This reflects continued depreciation associated with the FY19 capex program.
- Amortisation increased by $19.3 million, or 61.1%, from $31.5 million in FY20 to $50.8 million in FY21. Under the purchase price accounting for the MDP transaction, APM recognised service and contract intangible assets of $350 million. This intangible asset is amortised over the term of the underlying customer contracts that existed on the date of acquisition.

Pro forma **NPAT** and **NPATA** increased by $56.8 million and $76.0 million respectively, or 269.8% and 144.6%, to $77.8 million of NPAT and $128.6 million of NPATA in FY21 compared to $21.0 million of NPAT and $52.6 million NPATA in FY20. The flow through of increased EBIT to NPATA in FY21 was impacted by:

- Bank interest remained flat at $29.3 million between FY21 and FY20.
- Other interest decreased by $0.3 million, or 7.1%, from $4.8 million in FY20 to $4.5 million in FY21. This is due to the timing of the amortisation of lease liabilities, a higher charge is recognised initially due to the higher lease liability recognised on the balance sheet.
- Income tax expense increased by $4.3 million, or 29.2%, from $14.7 million in FY20 to $19.0 million in FY21. This is due to the underlying growth of the APM Group increasing taxable profits of the Group in FY21 driven primarily by improved performance in Australia through employment services.

4.6.4.2. FY21 Pro Forma Cash Flows Compared to FY20 Pro Forma Cash Flows

Figure 4.31: FY21 Pro Forma Cash Flows Compared to FY20 Pro Forma Cash Flows

$ millions	Note	FY20	FY21	Mov't ($)	Mov't (%)
Pro Forma EBITDA		**148.4**	**233.8**	**85.5**	**57.6%**
Non-cash items in EBITDA	1	3.9	(0.4)	(4.3)	nm
Changes in working capital	2	(1.0)	(8.6)	(7.6)	nm
Interest received	3	0.1	0.2	0.1	159.7%
Tax paid	4	(5.7)	(8.5)	(2.8)	48.4%
Operating cash flow	5	**145.6**	**216.5**	**70.9**	**48.7%**
Operating cash flow % of EBITDA		*98.1%*	*92.6%*		
Principal elements of lease payments	6	(30.2)	(41.9)	(11.7)	38.9%
Interest expense	7	(29.3)	(29.3)	–	–
Capital expenditure – PPE	8	(14.1)	(16.2)	(2.1)	15.1%
Free cash flow (prior to acquisitions)		**72.0**	**129.1**	**57.1**	**79.2%**
Free cash flow (prior to acquisitions) % EBITDA		*48.6%*	*55.2%*		
Acquisitions	9	(80.5)	(12.6)	67.9	(84.4%)
Free cash flow		**(8.5)**	**116.5**	**125.0**	**nm**
Free cash flow % of EBITDA		*(5.7%)*	*49.8%*		

Notes 1-9 above relate to the notes below Figure 4.13.

Pro forma **net working capital** increased by $8.6 million in FY21 compared to FY20 resulting in a cash outflow of that amount. The increase in pro forma working capital was primarily driven by the growth of the business year on year.

Pro forma **capital expenditure** increased by $2.1 million, or 15.1%, from $14.1 million in FY20 to $16.2 million in FY21. The increase in pro forma capital expenditure was primarily driven by the following factor:

- Growth capital expenditure associated with the establishment of the Restart Scheme contract in FY21.

The **acquisitions** in FY20 and FY21 included:

- In FY20, the acquisitions cash flows predominantly relate to Konekt for $75.1 million, with the remainder relating to the acquisition of MCI.
- In FY21, the acquisitions cash flows predominantly relate to DB Grant for $9.8 million, with the remainder relating to the acquisitions of FBG and CIC.

4.6.5. Overview of Forecast Financial Information

The Forecast Financial Information is based on various specific and general assumptions. In preparing the Forecast Financial Information, APM has undertaken an analysis of historical performance and cash flows and applied assumptions where appropriate in order to forecast future performance and cash flows for FY22F. The Forecast Financial Information takes into account the forecast results and cash flows for the year ending 30 June 2022 and has regard to APM's current trading performance and cash flows up to the date of lodgement of the Original Prospectus.

In addition, investors should note that, in respect of acquisitions completed by APM after 30 June 2021 (Generation Health and DWFS), each of the Statutory Forecast Financial Information and the Pro Forma Forecast Financial Information reflects the impact of these acquisitions from the completion date of each acquisition. In addition, in respect of the pending acquisition of the Early Start Australia, MyIntegra and Mobility businesses, each of the Statutory Forecast Financial Information and the Pro Forma Forecast Financial Information includes the impact of this acquisition from the expected date of completion, which is 31 December 2021. See Sections 4.1 and 9.6.2 for additional information on these acquisitions.

The Directors believe that APM has prepared the Forecast Financial Information with due care and attention and considers all assumptions when taken as a whole to be reasonable at the time of preparing the Original Prospectus. However, actual results are likely to vary from those forecasts and any variation may be materially positive or negative.

The assumptions upon which the Forecast Financial Information is based on are by their nature subject to significant uncertainties and contingencies, many of which are outside the control of APM and its Directors, and are not reliably predictable. Accordingly, none of APM, its Directors or any other person can give any assurance that the Forecast Financial Information or any prospective statement contained in this Prospectus will be achieved. Events and outcomes might differ in amount and timing from the assumptions, with a material consequential impact on the Forecast Financial Information. The assumptions set out below should be read in conjunction with the sensitivity analysis set out in Section 4.7 and the risk factors set out in Section 5 of this Prospectus.

4.6.5.1. General Assumptions

In preparing the Forecast Financial Information, the Directors have adopted the following general assumptions:

- There are no material changes in the competitive and operating environment in which APM operates that would have a material financial impact, other than as described in this Prospectus;
- There are no significant deviations from current market expectations of economic conditions relevant to the industry in which APM operates, including government policies, business confidence, consumer sentiment, economic growth, inflation, fiscal and taxation policies;
- There are no significant interruptions, industry disturbances or disruptions in relation to APM technology, platform, software solutions or operations other than as specifically set out in this Prospectus;
- There are no material amendments to any material agreement or arrangement relating to APM business, nor any material change in licences and licence providers relating to APM business other than as specifically set out in this Prospectus;
- There are no material cash flow or financial performance impacts in relation to litigation (existing or otherwise);
- There are no material changes in key personnel, including key management personnel, and APM is able to continue to recruit and retain personnel which will be required to support future growth of APM;
- There are no material changes in APM's corporate or funding structure other than as contemplated by this Prospectus;
- The Offer proceeds are received in accordance with the timetable set out in the Key Offer Information section of this Prospectus;
- There are no material changes in applicable AAS, the Corporations Act or other mandatory professional reporting requirements which has a material effect on APM financial performance or cash flows, financial position, accounting policies, or financial reporting or disclosures; and
- None of the key risks listed in Section 5 occurs, or if they do, none of them has a material adverse impact on APM operations.

4.6.5.2. Specific Assumptions

The Forecast Financial Information is based on various best estimate specific assumptions, including those set out below. In preparing the Forecast Financial Information, APM has analysed historical performance and cash flows including the current trajectory of key value drivers of revenue and expenses and applied assumptions, where appropriate, across the business. Value drivers of key contracts by region have been further defined below.

4.6.5.3. Revenue Assumptions

The Forecast Financial Information is based on the following key revenue principles:

- In preparing the forecast, less than 1% of forecast revenue is derived from contracts not yet won, with the vast majority of forecast revenue relating to revenue from contracts APM has been awarded and businesses it has acquired, noting the intention to acquire Early Start Australia, MyIntegra and Mobility as set out in more detail below. The nature of these contracts results in the revenue varying in accordance with activity levels within the contracts.
- The earnings of Generation Health and DWFS have been included in the Pro Forma Forecast Income Statement from their respective acquisition dates, being 31 July 2021 and 31 August 2021 respectively.
- The forecast assumes revenue and earnings from Early Start Australia, MyIntegra and Mobility commencing 31 December 2021 (see Section 9.6.2). There are no other acquisitions included in the FY22F.
- APM derives revenue from 8 countries outside Australia which trade in currencies other than AUD, noting that the most significant currency exposure is the GBP. In preparing the Forecast Financial Information, assumptions have been made on the relevant exchange rates. Management utilised the following foreign exchange rate assumptions:

Currency	Rate
SGD	1.0274
KWN	860.58
EUR	0.6393
CHF	0.6989
GBP	0.5487
USD	0.7743
CAD	0.9361
NZD	1.0747

- Restart Scheme (Europe): forecast volumes based on expected program starts provided by the DWP and estimated job starts and performance outcomes based on historical track record for comparable employment services contracts in similar regions within the UK. Delivery service fees and outcome fees are forecast based on contracted rates.
- DES (Australia): client numbers are forecast based on current levels, with a marginal reduction expected in FY22F as a result of the introduction of the online servicing option commencing from 1 January 2022. Forecast outcome conversion rates are consistent with recent trends.
- jobactive (Australia): client numbers are forecast to decline across FY22 following increased client numbers experienced during COVID-19 related lockdowns which occurred towards the end of FY20 and continued into FY21. Also assumes clients taper during the transitional period at the contract expiry in June 2022. Forecast outcome conversion rates are consistent with recent trends.
- APM has assumed that the current COVID-19 lockdowns in New South Wales and Victoria will end by November 2021.
- The forecast assumes that there will be no further COVID-19 lockdowns occurring during the remainder of FY22 after the current lockdowns in Australia end.

4.6.5.4. Expense Assumptions

The Forecast Financial Information is based on the following key expense assumptions and allocated to functional expense categories on a consistent basis with the historical financial results and cash flows:

- Cost of services rendered are forecast to increase due to an increase in the expected size of APM's service delivery team. This increase is a result of contract awards and increased activity in the business as well as acquisitions of businesses that are to be completed in the first quarter of the Forecast Period. In addition, there are general increases in salaries aligned with regional inflation and statutory increases in superannuation.
- Occupancy expenses excludes rental as per AASB16 Leases but includes the costs of occupying the premises. These costs include utilities, repairs and maintenance, cleaning and communications. The increase in these costs is attributable to an increase in the number of sites as a result of organic growth and the acquisition of businesses that are to be completed in the first quarter of the Forecast Period.
- Administration costs are the support costs for APM and include the provision of licence fees, information technology, auditing fees, recruitment, and consultant fees.
- Marketing costs relates to advertising activities to promote the APM brand and services to acquire new clients in markets where choice and control exists and forecast at similar levels to historical spend as a percentage of revenue.
- Travel costs are incurred when our team travel to our clients' homes or sites to deliver APM's services as well as visiting APM sites. Travel costs in FY22F are forecast to return to more consistent levels of expenditure to pre COVID-19 levels.
- Other operating costs include expense items such as insurance, minor equipment purchases, printing, postage, storage and stationery. These costs increase as the business grows organically and through acquisitions.
- Depreciation is based on the actual asset base as at 30 June 2021 and new capital investment less assets which have reached the end of their useful lives.
- Amortisation includes charges for contractual rights and contract set up costs and right-of-use assets. Both items are calculated over the term of their contracts. This ranges between 4 and 20 years. The forecast amortisation expense includes amortisation arising from the indicative purchase price accounting arising from the Generation Health, DWFS, Early Start Australia, MyIntegra and Mobility acquisitions. The final amortisation expense may vary due to finalisation and refinement of the purchase price accounting for these acquisitions.
- Net finance cost reflects the assumed interest income on expected cash balances less the assumed finance costs associated with finance costs of debt.
- Income tax expense reflects the known unwind of existing deferred tax asset/deferred tax liability balances. Tax calculations are based on the corporate tax rate within the countries APM operates.
- Exchange differences on translation of foreign operations arise due to movements in exchange rates of the countries within which APM operates. APM has assumed FX rates are consistent during the year.
- APM has assumed a consistent share price and probability of achievement of the earn-out considerations associated with the Early Start Australia, MyIntegra and Mobility acquisitions.

4.6.5.5. Other Assumptions

- Changes in working capital – reflects the forecast movements in trade and other receivables and other current assets less trade and other payables and accruals. The Forecast Financial Information assumes APM continues to receive cash payments in line with the terms in its supply contracts and creditors continue to be paid in arrears in line with historical experience.
- Capital expenditure – is forecast to increase in FY22F in line with the mobilisation investment in new contract awards received by APM and reflects assumed capitalised software development costs and investment in property, plant and equipment expected to be required to support the contracts.
- As summarised in Section 4.6.1.5, the COVID-19 pandemic has had an impact in the jurisdictions in which APM operate and on APM's business in a number of ways. The economic and political effects of the COVID-19 global pandemic have increased, and are expected to continue to increase, uncertainty, which has reduced our ability to use past results to estimate future performance. In preparing the Forecast Financial Information, we have had regard to the ongoing and potential future impact of COVID-19. We have also provided a sensitivity to illustrate the estimated impact on DES and jobactive of an extension of the current lockdowns in New South Wales and Victoria by one month. Refer to Section 4.7 for the sensitivity analysis and Section 5.2.17 for additional information on the risks associated with COVID-19.

4.6.6. FY22F Forecast Income Statement and Cash Flows Compared to FY21 Pro Forma Income Statement and Cash Flows

4.6.6.1. FY22F Forecast Income Statement Compared to FY21 Pro Forma Income Statement

Figure 4.32: FY22F Forecast Income Statement Compared to FY21 Pro Forma Income Statement

$ millions	Note	FY21	FY22F	Mov't ($)	Mov't (%)
Revenue	1	1,016.4	1,333.2	316.8	31.2%
Staffing and service management	2	(609.9)	(819.1)	(209.2)	34.3%
Client support costs	2	(78.6)	(95.5)	(16.9)	21.5%
Services margin		**328.0**	**418.7**	**90.7**	**27.7%**
Occupancy expenses	3	(23.9)	(40.6)	(16.7)	69.8%
Administration	3	(47.1)	(45.2)	1.9	(4.0%)
Marketing	3	(7.3)	(11.2)	(3.9)	54.0%
Travel expenses	3	(4.0)	(8.6)	(4.7)	117.9%
Other operating costs	3	(16.9)	(18.1)	(1.2)	7.3%
Other gains/(losses)		5.0	–	(5.0)	(100.0%)
Operating expense	3	**(94.1)**	**(123.7)**	**(29.6)**	**31.5%**
EBITDA		**233.8**	**294.9**	**61.1**	**26.1%**
Depreciation on ROU assets	4	(34.6)	(39.9)	(5.3)	15.5%
Depreciation	4	(17.8)	(29.1)	(11.2)	63.0%
EBITA		**181.5**	**225.9**	**44.4**	**24.5%**
Amortisation of customer contracts arising from acquisitions	5	(50.8)	(52.0)	(1.2)	2.3%
EBIT		**130.7**	**174.0**	**43.3**	**33.2%**
Shareholder interest	6	–	–	–	–
Bank interest	7	(29.3)	(29.3)	–	–
Other interest	8	(4.5)	(6.8)	(2.3)	50.8%
Profit/(loss) before tax		**96.8**	**137.9**	**41.0**	**42.4%**
Income tax benefit/(expense)	9	(19.0)	(34.7)	(15.7)	82.5%
Net profit/(loss) after tax (NPAT)		**77.8**	**103.2**	**25.4**	**32.6%**
NPAT %		*7.7%*	*7.7%*		
Amortisation of customer contracts arising from acquisitions		50.8	52.0	1.2	2.3%
NPAT before amortisation (NPATA)		**128.6**	**155.1**	**26.5**	**20.6%**
NPATA %		*12.7%*	*11.6%*		

Notes 1-9 above relate to the notes below Figure 4.2.

Pro forma **revenue** is forecast to increase by $316.8 million, or 31.2%, from $1,016.4 million in FY21 to $1,333.2 million in FY22F. The increase in pro forma forecast revenue is primarily forecast to be driven by the following factors:

- In Australia, APM will also commence the new RACA (Aged Care Assessments) contract and receive the benefit of the acquisition of Generation Health which completed on 31 July 2021.
- In the UK, revenue uplift is forecast to be driven by the two new Restart Scheme contracts in the UK which commenced in July 2021; the commencement of the Justice Activity Hubs and Dynamic Framework contracts and the full year effect of the WHP – JETS contracts. This will offset the decline in revenue from the completion of the RRP contract.
- North American revenue growth is forecast to be driven by the continued ramp-up of the Ontario Prototype program in Canada and DB Grant business in FY22F and the acquisition of Dynamic Workforce Solutions (**DWFS**) which completed on 31 August 2021.

Pro forma **services margin** is forecast to increase by $90.7 million, or 27.7%, from $328.0 million in FY21 to $418.7 million in FY22F. The increase in pro forma forecast services margin is primarily driven by the following factors:

- Pro forma cost of services rendered is forecast to increase by $226.1 million, or 32.8%, from $688.4 million in FY21 to $914.5 million in FY22F. The increase is driven by an increase in the expected size of APM's service delivery team members. This increase is a result of contract awards and increased activity in the business as well as acquisitions of businesses that are to be completed in the first quarter of FY22F.

Pro forma **EBITDA** is forecast to increase by $61.1 million, or 26.1%, from $233.8 million in FY21 to $294.9 million in FY22F. The increase in pro forma forecast EBITDA is primarily driven by the following factors:

- Pro Forma operating expenses are forecast to increase by $29.6 million, or 31.5%, from $94.1 million in FY21 to $123.7 million in FY22F.
- European EBITDA margins are expected to increase as the UK business benefits from commencement of the Restart Scheme contract and the full year effect of the WHP – JETS contract in FY22F.
- North American EBITDA growth is driven by the full year effect of the Ontario Prototype program as well as the acquisition of Dynamic Workforce Solutions (**DWFS**) which completed on 31 August 2021.

Pro forma **EBIT** is forecast to increase by $43.3 million, or 33.2%, from $130.7 million in FY21 to $174.0 million in FY22F. The increase in pro forma forecast EBIT is primarily driven by the following factors:

- Depreciation on ROU Assets is forecast to increase by $5.3 million, or 15.5%, from $34.6 million to $39.9 million.
- Depreciation is forecast to increase by $11.2 million, or 63.0%, from $17.8 million in FY21 to $29.1 million in FY22F. This reflects the depreciation of growth assets required for the commencement of the Restart Scheme contract combined with the capital expenditure associated with the acquisition of Generation Health and DWFS.
- Amortisation of customer contracts arising from acquisitions is forecast to increase by $1.2 million, or 2.3%, from $50.8 million in FY21 to $52.0 million in FY22F.

Pro forma **NPAT** and **NPATA** is forecast to increase by $25.4 million and $26.5 million respectively, or 32.6% and 20.6%, to $103.2 million of NPAT and $155.1 million of NPATA in FY22F compared to $77.8 million of NPAT and $128.6 million of NPATA in FY21. The flow through of the forecast increase in EBIT to NPATA in FY21 was impacted by:

- Bank interest is forecast to remain flat at $29.3 million between FY22 and FY21.
- Other interest is forecast to increase by $2.3 million, or 50.8%, from $4.5 million in FY21 to $6.8 million in FY22F.
- Income tax expense is forecast to increase by $15.7 million, or 82.5%, from $19.0 million in FY21 to $34.7 million in FY22F. This is due to the forecast underlying growth of the APM Group increasing taxable profits in FY22F.

4.6.6.2. FY22F Forecast Cash Flows Compared to FY21 Pro Forma Cash Flows

Figure 4.33: FY22 Forecast Cash Flows Compared to FY21 Pro Forma Cash Flows

$ millions	Note	FY21	FY22F	Mov't ($)	Mov't (%)
Pro Forma EBITDA		**233.8**	**294.9**	**61.1**	**26.1%**
Non-cash items in EBITDA	1	(0.4)	3.0	3.4	nm
Changes in working capital	2	(8.6)	(42.9)	(34.3)	nm
Interest received	3	0.2	–	(0.2)	(100.0%)
Tax paid	4	(8.5)	(37.3)	(28.8)	nm
Operating cash flow	5	**216.5**	**217.7**	**1.2**	**0.5%**
Operating cash flow % of EBITDA		*92.6%*	*73.8%*		
Principal elements of lease payments	6	(41.9)	(44.7)	(2.8)	6.7%
Interest expense	7	(29.3)	(29.3)	–	–
Capital expenditure – PPE	8	(16.2)	(58.9)	(42.7)	264.3%
Free cash flow (prior to acquisitions)		**129.1**	**84.7**	**(44.4)**	**(34.4%)**
Free cash flow (prior to acquisitions) % EBITDA		*55.2%*	*28.7%*		
Acquisitions	9	(12.6)	(78.9)	(66.3)	526.2%
Free cash flow		**116.5**	**5.8**	**(110.7)**	**(95.0%)**
Free cash flow % of EBITDA		*49.8%*	*2.0%*		

Notes 1-9 above relate to the notes below Figure 4.13.

Pro forma **working capital** is forecast to increase by $42.9 million in FY22F resulting in a cash outflow of that amount. The increase in pro forma working capital was primarily driven by the following factors:

- An increase in accrued revenue relating to outcome fees not yet invoiced on the Restart Scheme contract at 30 June.
- An increase in accrued revenue relating to the capitalisation of mobilisation costs associated with the RSVAP contract in Canada.

Pro forma **capital expenditure** is forecast to increase by $42.7 million, or 264.3%, from $16.2 million in FY21 to $58.9 million in FY22F. The increase in pro forma capital expenditure was primarily driven by growth capital expenditure related to setup costs associated with commencement of the Restart Scheme contract in the UK and the RSVAP contract in Canada in FY22F. Capital expenditure and working capital outflow are expected to revert to normalised levels in FY23F.

Acquisitions include the payment for the acquisitions of Generation Health ($20.4 million), DWFS ($22.7 million) and the businesses of Early Start Australia, MyIntegra and Mobility which had a cash component of $35.8 million in FY22F.

4.7. Sensitivity Analysis

The Forecast Financial Information is based on a number of estimates and assumptions that are subject to business, economic and competitive uncertainties and contingencies, many of which are beyond the control of APM, its Directors and Management, and depends upon assumptions with respect to future business developments, which are subject to change.

Investors should be aware that future events cannot be predicted with certainty and as a result, deviations from the amounts forecast in this Prospectus are to be expected. To assist investors in assessing the impact of these assumptions on the pro forma forecasts, set out below is a summary of the sensitivity of the pro forma forecast services margin and NPAT to changes in a number of key variables.

The changes in the key variables as set out in the sensitivity analysis are not intended to be indicative of the complete range of variations that may be experienced.

The sensitivity analysis is intended as a guide only and variations in actual performance could exceed the ranges shown.

Figure 4.34: Sensitivity Analysis on FY22F Pro Forma Forecast NPAT

Assumptions	Notes	Change	FY22 NPAT Impact
Australian lockdowns			
Indicative one month extended lockdown in New South Wales and Victoria impact on DES & jobactive	1	+/- 1 month	-/+ $2.6m
Restart Scheme			
1% variation in program starts (number of clients)	2	+/- 1 %	+/- $1.4m
Foreign exchange – GBP			
A +/- 5% movement in the budgeted AUD:GBP rate of 0.5487, which corresponds to 0.5761 and 0.5212	3	+/- 5%	0.5212: +$2.3m 0.5761: -$2.1m
Interest rate movements			
Assumes a 25 bps movement on APM's current interest rate of 5.00% to 5.25%/4.75%, respectively	4	+/-25 bps	-/+ $1.0m
Foreign exchange – movement in AUD:USD exchange rate on USD debt			
A +/- 1% movement in the budgeted AUD:USD rate of 0.7500, which corresponds to 0.7575 and 0.7425	5	+/- 1 %	0.7575: +$2.0m 0.7425: -$2.1m
Share price movement post Listing – impact on financial liability			
A +/- 5% movement in APM's Share price relative to the Offer Price post Listing which corresponds to $3.73 per Share and $3.37 per Share	6	+/-5%	$3.73: -$1.8m $3.37: +$1.8m

Notes:

1. Reflects the estimated NPAT impact of a one month extension of current lockdowns in NSW and Victoria on the Australian segment.
2. Reflects the estimated NPAT impact of a 1% increase/decrease in the number of clients commencing on the Restart Scheme in FY22F (i.e. +/- 1% in total estimated FY22F client volumes).
3. Reflects the estimated NPAT impact of a +/- 5% movement in AUD:GBP exchange rate on the translation of APM's FY22F net profit after tax derived in the UK.
4. Reflects the estimated after tax cash impact of a +/- 25 basis points movement in APM's interest rate on its debt facilities.
5. Reflects the estimated NPAT impact of a +/- 1% unrealised movement in AUD:USD exchange rate on the translation of USD denominated debt.
6. Reflects the estimated NPAT impact of a +/- 5% movement in APM's Share price post Listing relative to the Offer Price and its impact on the financial liability recognised for the deferred acquisition costs on the acquisition of Early Start Australia, MyIntegra and Mobility as described in Section 9.6.2.

4.8. Subsequent Events

On 2 July 2021, APM repriced its external debt facilities, resulting in a reduced interest rate on the debt and an increase to the amount of debt denominated in USD. There was an unconditional right to defer settlement of the external debt facilities at the balance sheet date.

APM also made two acquisitions post year-end, Generation Health on 31 July 2021 and DWFS on 31 August 2021. The purchase price was $20.4 million for Generation Health and $22.7 million for DWFS. These items have been included as pro forma adjustments in the Pro Forma Historical Statement of Financial Position in Section 4.4, although the Statutory Forecast Financial Information and the Pro Forma Forecast Financial Information reflect the impact of these acquisitions since the completion date of each acquisition.

APM has entered into an agreement to acquire the businesses of Early Start Australia, MyIntegra and Mobility which expand APM's offerings to include a range of disability and aged care support services. The consideration for this acquisition is the issue of $65.8 million of APM Shares, $32.4 million in cash ($35.8 million less $3.4 million of cash on settlement) and 20 million deferred settlement shares that are subject to earn-out conditions. These acquisitions have reached agreement and, subject to the satisfaction of certain conditions, are expected to complete on 31 December 2021. These acquisitions have been included as pro forma adjustments in the Pro Forma Historical Statement of Financial Position in Section 4.4 and the Statutory Forecast Financial Information and the Pro Forma Forecast Financial Information reflect the impact of these acquisitions assuming a settlement date of 31 December 2021.

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 in subsequent financial periods.

4.9. Dividend Policy

The payment of a dividend by APM is at the discretion of the Directors and will be a function of a number of factors, including:

- general business and financial conditions;
- APM's cash flow including cash from operations;
- capital expenditure requirements;
- working capital requirements;
- potential acquisitions and other expansion opportunities;
- unusual or non-recurring items;
- taxation requirements; and
- any other factors that the Directors consider relevant.

Depending on the available profits and the financial position of APM, it is the current intention of the Directors to pay interim dividends in respect of the financial half years ending 31 December and final dividends in respect of financial full years ending 30 June each year. It is intended that the first dividend paid by APM will be a final dividend in respect of the period from 1 January 2022 to 30 June 2022.

The Directors intend to target a payout ratio of 40% to 60% of NPATA. However, the level of payout ratio is expected to vary between periods depending on the factors described above. It is expected that all future dividends will be franked to the maximum extent possible. No assurances can be given by any person, including the Directors, about the payment of any dividend and the level of franking of any such dividend.

4.10. Qualitative Disclosures about Market Risk

In the course of its operations, APM is exposed to certain financial risks that could affect its financial position and performance. APM manages these risks using a risk management framework and related policies to guide management. The overall process for the management of risk is documented in the risk management framework. The Chief Risk Officer oversees the operational management of risk in line with the risk management framework and related policies/guidelines and reports regularly to the Risk Management and Audit Committee.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. During the periods covered by the Historical Financial Information, APM's financial instruments exposed to interest rate risk consisted of:

1. Cash and cash equivalents, which earned interest at floating rates (cash at bank).
2. Shareholder loans were charged/earned interest based on fixed rates and as a result APM was not significantly exposed to interest rate risk during the periods covered by the Historical Financial Information.
3. As described in Section 4.4.2, APM has a USD $275 million first lien debt facility (refer to Sections 4.4.1 and 4.4.2), which will be partially paid down on Completion of the Offer. Interest on borrowings under the facility are calculated based on a margin over BBSY (on the AUD Term Loan) and LIBOR (on the USD First Lien Term Loan. As a result, APM is exposed to movements in market interest rates on the outstanding borrowings under the facility and any other floating rate debt it incurs in future.

Liquidity Risk

Liquidity risk is the risk that APM will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. APM's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation.

Upon listing, APM will have a pro forma cash balance of $183.2 million and access to a $75 million multi-currency working capital facility, with an undrawn balance of $63.9 million. Refer to Section 4.4.2 for details on amount drawn.

Credit Risk

Credit risk is the risk that a counterparty to a financial asset held by APM fails to meet their financial obligations.

APM's receives payments for its services from government bodies and corporate entities. APM has no history of credit losses and do not expect this to change in the future.

Currency Risk

APM operates in 10 countries and reports in AUD as its functional currency. Additionally, APM has a First Lien Term Loan of US$275.0 million. Movements in the exchange rate of the operating country and the AUD could result in the FY22F segment earnings varying from APM's Forecast Financial Information.

5.
Key Risks

5. Key Risks

5.1. Introduction

This Section 5 describes some of the potential risks associated with an investment in APM.

An investment in APM is subject to risks both specific to its business activities, as well as risks of a general nature. Each of these risks could, either individually or in combination, if they eventuate, have a material adverse effect on APM, its financial position, operating and financial performance and the value of an investment in APM. Some of the circumstances giving rise to these risks are partially or completely beyond APM's control and that of our Directors and senior management. There can be no guarantee that APM will achieve its stated objectives or that any forward-looking statements or forecasts will eventuate. You should note that past performance may not be a reliable indicator of future performance.

You should note that the risks described in this Section 5 are not the only risks faced by APM. Additional risks (including risks of which APM and its Directors are currently unaware) also have the potential to have a material adverse effect on APM's business, its financial position, operating and financial performance and the value of the Shares. The selection of risks has been based on an assessment of the combination of the probability of the risk occurring, the ability to mitigate the risk and the impact of the risk if it did occur. The assessment is based on the knowledge of APM's Directors and senior management as at the date of the Prospectus, but there is no guarantee or assurance that the importance of risks will not change or that other risks will not emerge.

Before deciding whether to invest in APM, you should read this Prospectus carefully and in its entirety, and satisfy yourself that you have a sufficient understanding of the actual and potential risks associated with such an investment. You should consider whether an investment in APM is suitable for you, having regard to your personal circumstances, investment objectives, financial circumstances, taxation position and particular needs. If you do not understand any part of this Prospectus or are in any doubt as to whether to invest in APM, you should seek professional advice from your stockbroker, accountant, lawyer, financial adviser, or other independent professional adviser.

5.2. Specific Risks to an Investment in APM

5.2.1. Government Contracting

5.2.1.1. Government Policy, Regulation and Spending May Change

The majority of APM's business is funded through various government funding programs and is dependent on the structure of those programs (including the decision to use third party service providers). Any changes in state or federal government initiatives may have a significant impact on APM's operations and future financial performance. Changes may take the form of reductions to overall funding in the sectors APM operates and to existing contract scopes, fees or participant eligibility which may have a negative impact upon APM's profitability, cash flows and financial condition.

The market for APM's services depends largely on the legislative programs and the budgetary capability to support programs, including the continuance of existing programs, in the countries in which APM operates. Many of APM's contracts are not fully-funded at inception and rely upon future appropriations of funds by governments. Accordingly, a failure to receive anticipated funding may result in an early termination of a contract. In addition, many of APM's contracts include clauses that allow customers and in particular clients that are governmental entities, to modify or terminate contracts (with or without any cost recovery reimbursement).

Changes in the level of government spending due to budgetary or deficit considerations may have a significant impact on APM's future financial performance, cash flows and financial condition.

5.2.1.2. Reduction in Use of Third Party Service Providers

Governments in the jurisdictions in which APM operates may decide to deliver services themselves rather than using external providers to deliver programs or to limit our ability to undertake such programs. For example, in the UK, the Ministry of Justice decided to in-source public probation services rather than re-procure these services from the private or charitable sectors. Any such limitations or changes to program delivery from providers to government could eliminate or reduce the value of APM's existing contracts or deny APM the ability to renew expiring contracts or to apply for new contracts, which, in turn, could adversely impact APM's financial performance, cash flows and financial condition.

5.2.1.3. Failure to Comply with the Laws and Obtain or Maintain Relevant Licences and or Accreditations

APM operates in a highly regulated industry and is subject to law, government policies and regulations in Australia and other jurisdictions in which it operates. Changes to these laws, federal and state government policies, and regulations, including the introduction of new laws, government policies and regulations, may have a material adverse impact on the financial and operational performance of APM including by increasing costs, reducing fees or demand for its services. The nature, timing, and impact of future changes to laws, government policies and regulations are not predictable and are generally dependent on factors beyond APM's control. Failure by APM to comply with applicable laws or regulations may lead to the loss of government contracts, damages, fines, or penalties which may disrupt and adversely affect APM's operations and financial results.

APM may be subject to fines, penalties, and other sanctions if it fails to comply with laws governing its business. Our operations are subject to complex regulatory frameworks and schemes, including in Australia, the United States and United Kingdom. If a government audit or regulatory investigation finds that APM has engaged in improper or illegal activities or APM otherwise determines that these activities have occurred, APM may be subject to civil and criminal penalties and administrative sanctions, including termination of contracts, forfeiture of profits, suspension of payments, fines and suspension or disqualification from doing business with the government. Any adverse determination could adversely impact APM's ability to conduct its operations in the relevant jurisdiction in which APM operates.

In many of the markets in which APM operates, APM is required by local laws to obtain and maintain licences and/or accreditations. The applicable licensing and accreditation requirements govern the services APM provides, the credentials of staff, record keeping, treatment planning, client monitoring and supervision of staff. The failure to maintain these licences and/or accreditations or the loss of a licence or accreditation could have a material adverse impact on APM's business and could prevent it from providing services to participants in a given jurisdiction or could make provision of such services more expensive.

In certain jurisdictions such as the United States, laws which incentivise whistleblowers to report any elements of overcharging or civil fraud in return for a percentage of the money clawed back from contractors can lead to litigation and potential disbarment from future procurement exercises.

5.2.1.4. Restriction on Bidding and Performing Certain Work

APM may be precluded from bidding and performing certain work due to other work APM currently performs or market share limits. With a view to ensuring a competitive marketplace for providers and avoiding sole supplier failure risk, government funders can restrict the number of contract areas won by a single bidder, or can restrict the overall volume of referrals or share of overall budget. Various laws and regulations can also prohibit companies from performing work for government agencies that might be viewed as an actual or apparent conflict of interest. These laws and regulation may limit APM's ability to pursue and perform certain types of work, and if breached may disqualify tenderers from participating in procurement processes.

5.2.2. Material Contracts

5.2.2.1. Reliance on Key Programs

APM relies on key government programs for a significant portion of its revenue, with a large number of the individual contracts operating under (and dependent upon) more than 100 government programs that APM operates. In FY21, revenue from APM's top two programs, DES and jobactive, represented 39% of total revenue, and in FY22 revenue from APM's top three programs, which include DES, jobactive and the Restart Scheme, are forecast to contribute 43% of total revenue. See Section 4.6.1.2 for additional information on the drivers of APM's revenue growth and Section 3.9 and Figure 3.8 for more detail about these contracts. A loss of, or substantial reduction in, those programs would have a material adverse effect on APM's operating results. Any significant disruption to, or a loss of or reduction in these programs or in the value of the contracts relating to those programs or the nature of the services APM performs under such contracts would significantly reduce APM's revenue and cash flows and could substantially harm APM's business and financial condition.

5.2.2.2. APM may be Subject to Contract Risks Associated with the IPO

A number of APM's contracts require APM to seek consent of the counterparty for a change of control in connection with the implementation of the IPO. There is a risk that such consents may not be obtained, or, if obtained, they may not be on reasonable terms and conditions and/or within a reasonable timeframe. In the event that any consent to a change of control is not obtained and the IPO is implemented, there is a risk that the contract could be terminated. A loss of a material contract may result in the loss of revenue and exposure to damages or compensation and may result in unexpected costs for APM. The Forecast Financial Information has been prepared based on the revenue assumptions in Section 4.6.5.3. No assurance is or can be made that these assumptions remain correct.

5.2.2.3. Tenure, Renewal, and a Potential Reduction in Services

There is no assurance that APM's current contracts with key customers (which include government entities) under various programs will continue until the end of their stated terms, or that upon their expiration will be renewed or extended on satisfactory terms, if at all. This includes the current contracts which are due for renewal in the 12 month period from 30 September 2021 which are forecast to contribute 21% of APM's FY22F revenue.[191] See Section 3.9 for details of the Company's current contracts, including the renewal dates of such contracts. Additionally, services provided under current contracts may be reduced at the discretion of the counterparty to align with changes in government policy, initiatives, budgets, industry regulation or otherwise. There is a risk that the financial impact of contracts that have been early-terminated, non-renewed or reduced in scope could have a material adverse effect on APM's business, as well as its financial performance, cash flows and financial condition. In particular, the jobactive program is due to expire in June 2022 and is expected to be replaced by the NESM framework from July 2022. There is no assurance that APM will be awarded contracts under NESM on the same or equivalent terms to its existing contracts under jobactive, or at all.

Government entities have in the past terminated, and may in the future terminate, their contracts with APM earlier than expected, which may result in revenue shortfalls and unrecovered costs. Many of APM's government contracts contain base periods of one or more years, as well as option periods covering more than half of the contract's potential duration. Government agencies do not have to exercise these option periods, and they may elect not to exercise them for budgetary, performance or any other reason. Contracts that are terminated for performance reasons may impose financial penalties related to such failures, or may require APM to put in place performance improvement programs that can be costly and time consuming to implement. Consequently, APM may incur significant costs or liabilities including actual or liquidated damages relating to termination, or payment may be withheld until performance improvement is achieved. The failure to satisfy contractual obligations or meet performance standards by APM may also impact its ability to obtain the award of future contracts with its customers.

Some of APM's contracts also typically contain provisions permitting a government customer to terminate the contract on short notice, with or without cause. Termination without cause provisions generally allow the government counterparty to terminate a contract at any time and may only enable APM to recover costs incurred or committed, and settlement expenses and profit, if any, on the work completed prior to termination. APM may or may not be able to recover all the costs incurred during the start-up phase of a terminated contract, particularly if terminated early in the life of the contract. The unexpected termination of significant contracts could result in significant revenue shortfalls. If revenue shortfalls occur and are not offset by corresponding reductions in expenses, APM's business could be adversely affected.

5.2.2.4. Revenue Models of Contracts

The revenue models of APM's contracts vary depending on the type of service it is providing. APM's aggregate revenue is weighted towards outcome fee contracts whereby APM receives a fee upon meeting certain milestones. To earn profit from these contracts, APM must accurately estimate the volume of work available in the market, associated costs and resource requirements against the prospect of a participant sustaining employment for the relevant period, or meeting an equivalent milestone in APM's other business lines. Such estimates of workload, or of anticipated success factors for outcomes, are often provided by customers based on previous programs, or on market studies available to or commissioned by APM. Such sources of information may not be accurate given the effluxion of time, changes in market conditions, changes to the recipients of services or the mode or time permitted for service delivery. Failure to appropriately anticipate the level of referrals or expected outcomes can lead to increased staffing and office costs which may be contractually committed but are not sustainable given the lower number of referrals, and consequent reduction in outcomes. Where contractual commitments are in place, relief can be sought from the funder, but this may not always be forthcoming. If APM's estimates are inaccurate or affected by changes in applicable employment or other societal conditions, it may not achieve the level of profit expected or may incur a net loss on a contract.

191 Please refer to figure 3.8 for the details of the existing contracts.

5.2.2.5. Contract Tendering

APM obtains a significant portion of its business from federal and state government entities, which generally entails responding to government "requests for proposal" (**RFPs**). APM must accurately estimate its cost structures for servicing a proposed contract, the time required to establish operations and submit the most attractive proposal with respect to both technical and price specifications. APM must also assemble and submit a large volume of information within rigid and often short timetables. APM's ability to respond timely and successfully to an RFP is critical to the procurement of or retaining business. Therefore, there is a risk that APM may not continue to win contracts in response to RFPs. Further, if APM were to misinterpret bid requirements as to performance criteria or not accurately estimate performance costs in a binding bid for an RFP, there is a risk that APM will not be able to modify the proposed contract and may be required to perform under a contract that is not profitable.

Even where APM is the incumbent, its ability to secure continued business or contracts at similar margins may be affected by competitive rebids, contract changes or cancellations. There is a risk that APM will not be able to renew contracts with the same pricing terms and margins, or to replace lost contracts, which could have a material adverse effect on APM's business, as well as its financial performance, cash flows and financial condition.

5.2.2.6. Audit and Modification by Customers

APM's businesses depend on APM's ability to successfully perform under various government funded contracts. APM's contracts are generally subject to reviews or audit by the payors or customer in respect of APM's compliance or performance, as well as its records and general business practices. Those customers can generally take some of the following actions at their discretion:

- suspend or prevent APM from receiving new contracts or extending existing contracts because of violations or suspected violations of procurement laws or regulations;
- terminate or modify APM's existing contracts;
- reduce the amount APM is paid under its existing contracts, or withhold payment until performance is rectified; or
- in some cases, audit and object to APM's contract related fees.

Any increase in the number or scope of audits could increase APM's expenses, and the audit process may disrupt the day-to-day operations of APM's business and distract management. Under certain APM contracts, customers can also extrapolate any billing errors across whole periods based on an incorrect sample, which could be costly if appropriate checks were not carried out on payment claims prior to submission. If customers detect significant audit violations or other issues, or if they terminate or modify or make material modifications to APM's contracts (including changes that reduce the amount the APM is paid or that increase APM's obligations), APM's business and reputation, as well as its financial performance, cash flows, and financial condition, could be adversely impacted.

5.2.3. Variability in Cash Flows

A number of factors may cause APM's cash flows and results of operations to vary from financial period to financial period, including:

- the terms and progress of contracts;
- caseloads and other factors where revenue is derived on transactional volume on contracts;
- the levels of revenue earned on, and profitability of fixed-price and performance-based contracts;
- expenses related to certain contracts which may be incurred in periods prior to revenue being recognised;
- the commencement, completion or termination of contracts during any particular reporting period;
- the schedules of government agencies for awarding contracts;
- government budgetary delays or shortfalls;
- changes in government policy and funding programs;
- the timing of change orders being signed;
- the terms of awarded contracts;

- a deterioration of the macroeconomic conditions in the regions APM operates;
- shutdown of service capabilities due to restrictions relating to COVID-19 or other pandemics and corresponding health orders; and
- potential acquisitions.

Changes in the volume of activity and the number of contracts commenced, completed, or terminated during any reporting period may cause variations in APM's cash flows and results of operations because a large amount of APM's expenses are fixed.

5.2.4. Reliance on Third Party Partners

From time to time, APM engages subcontractors, teaming partners or other third parties to provide customers with services either as consortium partners, specialist service providers (such as IT contractors) or to deliver end-to-end services on behalf of APM to clients. In certain cases, APM may have limited control over how these third parties render their services and APM cannot guarantee that those parties will comply with the terms set forth in their agreements or remain financially sound. APM may have disputes with those subcontractors, teaming partners or other third parties arising from the quality and timeliness of their work, customer concerns about them, or other matters, which may result in disruptions to APM's business and the performance of the relevant contracts. Subcontractor or teaming partner performance deficiencies could result in a customer terminating its contract with APM for default, which may expose APM to liability.

5.2.5. Information Technology

5.2.5.1. Systems Failures

APM's information technology systems are critically important to its operations and it must implement and maintain appropriate and sufficient infrastructure and systems to support growth, business processes and service to its clients. These systems are used to process, transmit and store electronic information, to manage and support APM's business operations and to maintain internal control over its financial reporting. APM could encounter difficulties in developing new systems, maintaining, and upgrading current systems and preventing security breaches. Among other things, APM's systems are susceptible to outages, disruptions, or shutdowns due to a variety of factors including cyber-attacks and similar events.

Failures in APM's systems or services or unauthorised access to or tampering with its systems and databases could have a material adverse effect on APM's business, reputation, results of operations, cash flows and financial condition. Any significant failures in its computer systems or telecommunications services could affect APM's ability to deliver its services or otherwise conduct business.

5.2.5.2. Information Security, Data Protection and Privacy Laws

APM provides its services to individuals, government agencies and corporations. These services require APM to collect, process and maintain sensitive and personal client data. This data generally relates to health information, identification numbers and other personal data. As a result, APM is subject to the various privacy laws and regulations, including the use and handling of personal data of the jurisdictions in which it operates. Many of these laws and regulations are subject to interpretation and enforcement standards that could result in changes to APM's business practices, data processing and security systems, penalties and increased operating costs.

Additionally, APM's services and systems are subject to attacks by hackers, error or malicious action by employees or breach due to error, malfeasance, or other disruptions, including theft, cyber attacks, viruses and malicious or faulty third-party software. Any security breach or incident that APM experiences could result in unauthorised access to, misuse of, or unauthorised acquisition of its or third party data as well as proprietary or confidential information. The loss, theft or improper disclosure of this information could subject APM to sanctions or fines under the relevant laws of the jurisdictions in which it operates, breach of contract claims, contract termination, class action or individual lawsuits from affected parties, reputational damage, and a loss of confidence from government or other customers, all of which could adversely affect APM's existing business, future opportunities, and financial performance.

5.2.6. Dependence on Key Personnel

APM has a high quality management team with significant experience and knowledge of the human services industry. The majority of the team have been with APM for an extensive time, and accordingly the loss of key executives and key employees is a risk to APM's business. If key executives or key employees were to leave, APM could face difficulty replacing them. The loss of key personnel may lead to a loss of operational knowledge and capabilities, key business relationships and industry expertise, as well as delays in the development and launch of new offerings. The departure of key personnel and APM's inability to replace such key personnel could have a negative impact on the business and could impact APM's ability to retain or renew its contracts or win new business. It could also impact APM's ability to meet its earnings and profitability targets and result in a material increase in the costs of obtaining experienced key management personnel.

5.2.7. Requirement to Attract and Retain Qualified Employees

APM's success depends, to a significant degree, on its ability to identify, attract, develop, motivate and retain highly qualified and experienced professionals who possess the skills and experience necessary to deliver high-quality services to clients. A portion of APM's staff is made up of professionals with requisite educational backgrounds and professional certifications. These employees are in great demand and are likely to remain a limited resource for the foreseeable future.

APM's ability to attract and retain employees with the requisite experience and skills depends on several factors including, but not limited to, APM's ability to offer competitive wages, benefits, and professional growth opportunities. Some of the companies with which APM competes for experienced personnel may have greater financial, technical, political, and marketing resources, name recognition and a larger number of clients than APM, which may prove more attractive to employment candidates. The inability to attract and retain experienced personnel could have an adverse effect on APM's business.

5.2.8. APM may be Subject to Increased Competition

APM competes for customers, contracts and in some markets, participants with a variety of organisations that offer similar services. Many organisations of varying sizes compete with APM, including local not-for-profit organisations and community-based organisations, larger companies, organisations that currently provide or may begin to provide similar human services. Some of these companies may have greater financial, technical, political, marketing, name recognition and other resources and a larger number of clients than APM does. In addition, some of these companies offer more services than APM does. To remain competitive, APM must provide superior services and performance on a cost-effective basis to its customers and/or participants.

Increased competition may arise from new entrants in the market in which APM operates, existing competitors attempting to increase their market share or from disruptive technologies that may change the way services are delivered. Some of these competitors may have greater financial, technical, political or brand recognition and other resources than APM. Further, these competitors may better utilise technology to change the way services in the market are designed and delivered, resulting in APM's competitors providing alternative or greater capabilities than APM.

Increased competition may result in the loss of or failure to gain market share or failure to win contracts or attract clients, any of which could have a material effect on APM's financial results. APM's business may also be adversely affected by the consolidation and rationalisation of its competitors, which may impact APM's market share or result in a diminution of negotiating leverage with customers.

5.2.9. Execution of Growth Strategy and Ability to Successfully Manage Growth

There is no guarantee that APM's growth strategies or initiatives as described in Section 3.10 will be successfully implemented, perform in line with expected growth and margins, deliver expected returns and market share gains or ultimately be profitable or not impact negatively on the existing business or operations. There is also a risk that such growth strategies may be subject to unexpected delays and additional implementation costs and that APM may not be able to successfully manage growth stemming from the implementation of such growth strategies. These risks may have a material adverse effect on APM's financial performance, and therefore no assurance that any future growth strategies will enhance investment returns of investors.

APM operates in an evolving market, and APM's business and results of operations may suffer if APM does not successfully manage its growth. Although APM has achieved profitability for a period of time, APM expects that our ongoing expansion will increase its operating expenses in line with top line revenue growth. In addition, new business initiatives may expose APM to new challenges and uncertainties. APM's historical results of operations should not be taken as indicative of the rate of growth, if any, or the level of profitability, if any, that can be expected in the future. If APM does not successfully manage its growth, APM's business and results of operations may be materially and adversely affected.

5.2.10. Management of an International Group

APM operates businesses across a large number of geographic jurisdictions and intends to continue to expand in size and increase the number of services it provides. APM's success in managing its international operations will largely depend on the ability of the members of APM's senior management to operate effectively, both independently and as a cohesive multinational group. APM may encounter risks and difficulties in this regard including APM's potential failure to:

- implement a unified business model and strategy that can be adapted and modified to specific geographical regions;
- manage and communicate effectively with teams outside Australia;
- increase awareness of APM's brand names, protect its reputation and develop customer loyalty in those geographical regions;
- anticipate with any degree of certainty the behavioural and operational changes of APM's customers that have a significant impact on APM's business from time to time as they respond to evolving social, economic, regulatory and political changes;
- maintain adequate control and oversight of the Group's domestic and international expenses;
- adequately and efficiently operate, maintain, upgrade and develop its websites, mobile applications and the other platforms and equipment APM utilises in providing its services;
- improve and develop financial and management information systems, controls, and procedures suitable to an international business of APM's size; and
- anticipate and adapt to changing conditions in the human resource, online and other markets in which APM operates as well as the impact of any changes in government regulation, mergers and acquisitions involving APM's competitors, technological developments, and other significant competitive and market dynamics.

5.2.11. APM may be Impacted by Risks Associated with Mergers and Acquisitions

As described in Section 3.10, APM intends to continue expanding its business through acquisitions of, or investments in joint ventures with, complementary businesses, technologies, services or products, subject to APM's business plans and Management's ability to identify, acquire and develop suitable acquisition or investment targets in both new and existing service categories. In certain circumstances, acceptable acquisition or investment targets might not be available. The successful implementation of acquisitions will depend on a range of factors including funding arrangements, cultural compatibility, and operational integration.

Acquisitions involve a number of risks, including: (1) difficulty in integrating the operations, technologies, products and personnel of an acquired business, including consolidating redundant facilities and infrastructure; (2) potential disruption of APM's ongoing business and the distraction of Management from APM's day-to-day operations; (3) difficulty entering markets in which APM has limited or no prior experience and in which competitors have a stronger market position; (4) difficulty maintaining the quality of services that such acquired companies have historically provided; (5) potential legal and financial responsibility for liabilities of acquired businesses; (6) overpayment for the acquired company or assets or failure to achieve anticipated benefits, such as cost savings and revenue enhancements; (7) increased expenses associated with completing an acquisition and amortising any acquired intangible assets; (8) challenges in implementing uniform standards, accounting policies, customs, controls, procedures and policies throughout an acquired business; (9) failure to retain, motivate and integrate key management and other employees of the acquired business; and (10) loss of customers and a failure to integrate customer bases.

In addition, if APM incurs indebtedness to finance an acquisition, it may reduce APM's capacity to borrow additional amounts and require APM to dedicate a greater percentage of its cash flow from operations to payments on its debt, thereby reducing the cash resources available to APM to fund capital expenditures, pursue other acquisitions or investments in new business initiatives and meet general corporate and working capital needs. This increased indebtedness may also limit APM's flexibility in planning for, and reacting to, changes in or challenges relating to APM's business and industry.

APM may elect to issue Shares or engage in fundraisings to fund, or raise proceeds, for potential acquisitions in the future. While APM will be subject to the constraints of the ASX Listing Rules regarding the percentage of its capital that is permitted to issue within a 12 month period (other than where exceptions apply), Shareholder interests may be diluted and Shareholders may experience a loss in value of their equity.

There is no guarantee that any prior or future acquisition will perform as expected or that the returns from such acquisition will support the financing used to acquire or maintain them. As such, the potential risks associated with recent and future acquisitions could disrupt APM's ongoing business, result in the loss of key customers or personnel, increase expenses, and otherwise have a material adverse effect on APM's business, results of operations and financial performance.

5.2.12. APM may be Unable to Access Capital Markets or Refinance Debt on Attractive Terms

APM has entered into a first lien syndicated facility agreement for the provision of certain term and Revolving Credit Facility (see Section 9.8). Funding provided under these arrangements is used to fund APM's activities. These facilities are subject to certain representations, warranties, undertakings, and events of default which if breached may result in (among other things) the facilities being cancelled, amounts owing under the facilities becoming immediately due and payable and/or the security granted in connection with the facilities being enforced, which may have a material adverse effect on APM.

APM's ability to obtain additional capital, if and when required, will depend on, among other factors, its business plans, investor demand and the capital markets. APM can provide no assurance that the funds it raises will be sufficient to finance any future capital requirements or business strategies. If APM is unable to obtain additional capital when required on satisfactory terms, its ability to continue to grow its business could be adversely affected.

5.2.13. Litigation Risk

Adverse judgments or settlements in legal disputes could harm APM's operating results, cash flows and financial condition. From time to time, APM is subject to a variety of lawsuits and other claims. These may include lawsuits and claims related to contracts, subcontracts, employment claims and compliance with law and regulations. Adverse judgments or settlements in some or all of these legal disputes may result in significant monetary damages or injunctive relief against APM. In addition, litigation and other legal claims are subject to inherent uncertainties and Management's view of these matters may change in the future. Those uncertainties include, but are not limited to, costs of litigation, unpredictable court or jury decisions, and the differing laws and attitudes regarding damage awards among the states and countries in which APM operate.

5.2.14. Liability Arising From Employment Relationships

As an employer of staff in multiple jurisdictions, APM is subject to regularly changing legislative and industrial relation employment obligations (including awards and enterprise or collective bargaining arrangements), requiring that staff and contractors are paid in accordance with agreed rates, receive certain entitlements and that accurate and adequate records of hours worked and other employment information are maintained. If staff have been improperly classified, entitlements not calculated correctly, wages underpaid, overtime or hours worked not properly recorded, staff considered contractors are in fact deemed to be employees, or discrimination in favour of a certain class of employees is found, APM could be subject to investigations, litigation, fines, penalties, compensation or remediation (including the obligation to make back payments), taxation and potential ensuing damage to its reputation.

5.2.15. International Operations

For FY21, ~48% of APM's revenue was driven from jurisdictions outside of Australia. As a result, APM is subject to foreign financial, tax and business risks which could arise in the event of:

- foreign currency exchange fluctuations (including in particular the GBP/AUD rate);
- unexpected increases in tax rates or changes in foreign tax laws;
- non-compliance with international laws and regulations, such as data privacy, employment regulations and trade barriers;
- new regulatory requirements or changes in local laws that materially affect the demand for APM's services or directly affect our foreign operations;
- local economic and political conditions and inflation risk;
- the length of payment cycles and potential difficulties in collecting accounts receivable; and
- civil disturbance, terrorism or other catastrophic events that reduce business activity in other parts of the world.

These factors may lead to decreased revenues and profits, which could adversely affect APM's business, financial condition, and results of operations.

5.2.16. Brand and Reputation

APM's ability to maintain its reputation is critical to its ongoing financial performance. APM's reputation could be jeopardised if it fails to maintain high standards for service quality or if it does not comply with regulations or accepted practices. In addition, a failure by APM to provide services or an unsuccessful outcome for a participant can also result in damage to APM's reputation through association with subsequent conduct of or outcomes for participants or former participants. APM's reputation could also be damaged by the conduct of third parties, including its joint venture partners or subcontractors.

Any consequential negative publicity may reduce demand for APM's services. Failure to comply with laws and regulations, to maintain an effective system of internal controls or to provide accurate and timely financial information could also damage APM's reputation and expose it to prosecution, which could further impact APM's reputation.

Damage to APM's reputation or the reputation of its clients could have an adverse effect on APM's operations and financial performance.

5.2.17. COVID-19 and Other Epidemics and Pandemics

In addition to force majeure events mentioned in Section 5.3.8 below, a rapid spread of infectious disease to a large number of people within a short period of time may occur within or outside the countries in which APM operates. In particular, a pandemic similar in nature to the 2002-03 outbreak of Severe Acute Respiratory Syndrome (**SARS**), the 2009 swine flu outbreak or the 2019 COVID-19 (novel coronavirus pneumonia) outbreak may adversely affect general economic sentiment, the global economy, stock markets and other financial markets.

COVID-19 is currently of significant concern to the worldwide community and has clouded the near- and medium-term outlook of the global economy. Financial markets have also been volatile as market participants and governments worldwide assess the risks associated with COVID-19 and global supply chains are being severely impacted across major industries. Measures introduced to limit transmission of the virus may have a negative impact on the global economy and economic growth.

As a result of the global outbreak of COVID-19, monetary policy has been eased to provide additional support to employment and economic activity. Given the evolving situation, it is difficult to predict the nature and extent of the risk and the impact on APM. The potential negative impact of an epidemic or pandemic on consumer sentiment and confidence generally are all factors, either alone or in combination, that could materially adversely affect APM's operations and financial performance.

The COVID-19 pandemic and related government-imposed restrictions and border closures have had an impact, and may continue to have an impact, on APM's business. The extent and duration of the current COVID-19 crisis remains uncertain, as does the potential impact of COVID-19 on APM's business. APM has implemented measures to maintain business continuity during COVID-19, including through the support of APM's local leadership and resourcing and proactive leadership (see Section 3.15). However, there is no guarantee that such measures will be effective. In addition, APM's DES revenues were adversely impacted by the COVID-19 lockdowns from March 2020 to September 2020, during which the number of job placements and corresponding outcome fees reduced. While outcomes recovered in the period from October 2020 to June 2021, subsequent lockdowns imposed in a number of Australian states beginning in July 2021 imposed to reduce the spread of the Delta variant of COVID-19 have reduced job placement rates, and the ongoing impact on APM's business remains uncertain. The adverse impacts of COVID-19 on our business have included select contracts being delayed as governments shift the short-term focus to addressing unemployment that has resulted from COVID-19. Additionally, some contracts have also been temporarily converted to cost-plus models as governments look to reduce expenditure due to elevated caseloads.

The COVID-19 pandemic and related government-imposed restrictions and border closures may continue to have an adverse impact on APM's business in the jurisdictions in which APM operates, and therefore negatively impact on APM's results of operations and financial condition.

5.2.18. Fraud and Other Misconduct

In the event that an employee, subcontractor or agent commits fraud, breaches APM's security systems procedures or clearances or should any other misconduct occur, such an occurrence could have an adverse impact on APM's business, government clearances and reputation. Misconduct by employees, subcontractors or agents could involve authorised or unauthorised collaboration with third parties, security breaches or intentional failures to comply with applicable laws, including laws and regulations relating to environmental, health or safety matters and regulatory or internal policy requirements for the handling of sensitive or otherwise protected information. Misconduct could involve the improper release or use of APM's clients' sensitive information, which could result in regulatory sanctions against APM and serious harm to APM's reputation (particularly where such misconduct or fraud is systemic). These actions could also lead to civil, criminal and/or administrative penalties (including fines or imprisonment), cancellation of contracts, suspension or restrictions from government work, and harm to APM's reputation, which could have an adverse impact on APM's financial performance and financial position.

5.2.19. Inability to Secure Adequate Insurance

Whilst APM seeks to maintain insurance coverage that is consistent with industry practice, there is a risk that coverage may not be available when required, at commercially acceptable premiums, or at all. Insurance coverage may increase in cost or may not cover the full scope and extent of claims against APM or losses it may incur. In addition, APM may elect not to insure against certain risks where it considers the applicable premiums to be excessive in relation to the perceived risks and benefits. As a result, APM may incur losses that are not insured or that are beyond its insurance coverage limits, which could materially and adversely impact its financial performance and financial condition. In addition, there can be no assurance that adequate insurance will continue to be available, will be available at economically acceptable premiums or will be adequate to cover any claims made. If the hardening of the insurance market continues, APM's insurance premiums may rise to a level where it becomes uneconomical to insure certain risks, which may adversely impact APM's financial performance and financial condition.

In addition, any claim under its insurance policies may be subject to certain exceptions or may not be honoured (in full or in part). The deductibles under the insurance policies may change on renewal, increasing the liability risk retention to APM. If liabilities are incurred without adequate insurance or are subject to heightened deductibles and a claim arises, this may have an adverse impact on APM's financial performance and financial position.

5.3. General Risks

5.3.1. Price of Shares and General Investment Risks

The price at which Shares are quoted on the ASX may increase or decrease due to a number of factors. These factors may cause the Shares to trade at prices above or below the price at which the Shares are being offered under this Prospectus. In particular, the events relating to COVID-19 have recently resulted in a decline in general economic conditions together with significant volatility in the market including the prices of shares trading on the ASX.

There is no assurance that the price of the Shares will increase following the quotation of APM on the ASX, even if APM's operations and financial performance improves. Some of the factors which may affect the price of the Shares include:

- fluctuations in the domestic and international market for listed stocks;
- general economic conditions, including interest rates, inflation rates, unemployment, changes to government fiscal, monetary or regulatory policies, legislation or regulation;
- changes in ASX regulation or policies;
- inclusion in or removal from market indices;
- acquisition and dilution;
- pandemic risk;
- the nature of the markets in which APM operates; and
- general operational and business risks.

Other factors which may negatively affect investor sentiment and influence APM specifically, or the stock market more generally, include acts of terrorism, an outbreak of international hostilities or tensions, fires, floods, storms, hail, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other man-made or natural events. APM has a limited ability to insure against some of the risks mentioned above.

5.3.2. Trading in Shares May Not Be Liquid

Once the Shares are quoted on the ASX, there can be no guarantee that an active trading market for the Shares will develop or that the price of the Shares will increase. There may be relatively few potential buyers or sellers of the Shares on the ASX at any one time which may make it difficult for investors to sell their Shares. If illiquidity arises, there is a risk that Shareholders may be unable to realise their investment in APM.

Certain Existing Shareholders will enter voluntary escrow arrangements in relation to their retained Shares as described in Section 9.7. On completion of the Offer, Existing Shareholders will hold 70% of the total issued Shares, all of which will be subject to escrow from the period from the Company's admission to the ASX until at least the date on which the Company releases its financial results with respect of the financial year ending 30 June 2022 to the ASX. Both the size of the shareholdings retained by Existing Shareholders and the applicable escrow periods are likely to cause or contribute to limited liquidity in the market for Shares, which could affect the market price at which other Shareholders are able to sell their Shares.

Lower volumes of trading in Shares may increase the volatility of the market price of the Shares as, in such situations, significant price movement can be caused by trading a relatively small number of Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares and result in Shareholders receiving a market price for their Shares that is less than the price that Shareholder paid.

A significant sale of Shares by any significant or substantial Existing Shareholders, or by a combination of Existing Shareholders at, or approximately at, the same time following the end of the escrow period, or importantly the perception of an overhang that such sale may occur, could adversely affect the price of Shares.

5.3.3. Taxation Changes

APM is subject to tax in Australia and other jurisdictions in which it operates, including the USA and the UK. Tax laws in Australia and other jurisdictions in which APM operates are complex and are subject to change periodically, as is their interpretation by the courts and the tax authorities. Any changes to the tax laws and tax rates imposed on APM in relevant jurisdictions may give rise to additional tax liabilities, uncertain tax positions and may ultimately affect returns to Shareholders. From time to time, tax authorities in the relevant jurisdictions may review the tax treatment of transactions entered into by APM. Any actual or alleged failure to comply with, or any change in the application or interpretation of the tax rules applied by APM in respect of such transactions, could increase its tax liabilities or expose it to legal, regulatory, or other actions including the incurrence of associated internal and external costs. An interpretation of the taxation laws by APM which is contrary to that of a revenue authority in Australia may become subject to challenge by the revenue authority. APM may potentially defend its interpretation through appeal or litigation under the tax laws. Where APM is unsuccessful in its defence, this may ultimately give rise to additional tax payable (together with penalties and interest). This could have a material adverse effect on APM's financial performance in the relevant year. The tax information provided in this Prospectus is based on current taxation law as at the Original Prospectus Date.

Further, the acquisition and disposal of Shares will have tax consequences that will differ depending on the individual tax profiles, financial affairs, and the circumstances of each investor. Tax rules or their interpretation may also change for Shareholders. Each prospective investor is encouraged to seek professional tax advice in connection with any investment in APM. To the maximum extent permitted by law, APM, its Directors and each of their respective advisors accept no liability or responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus. Refer to Section 9.12 for additional taxation considerations.

5.3.4. Currency Movements May Be Unfavourable

Adverse movements in the exchange rates between the Australian dollar and the currencies of the international regions in which APM operates (in particular the GBP/AUD rate) may cause it to incur foreign currency losses. Such losses may impact and reduce APM's profitability, ability to pay dividends and service debt obligations. APM does not currently employ any foreign exchange hedging, although it may do so in the future.

5.3.5. Australian Accounting Standards

Australian Accounting Standards are set by the AASB and are outside the control of APM, its Directors, or its senior management team. The AASB may, from time to time, introduce new or refined Australian Accounting Standards in future periods, which may affect future measurement and recognition of key statement of income and balance sheet items, including revenue and receivables.

There is also the risk that interpretations of existing Australian Accounting Standards, including those relating to the measurement and recognition of key statement of income and balance sheet items, including revenue and receivables, may differ. Changes to the Australian Accounting Standards issued by the AASB or changes to the commonly held views on the application of those standards could have a negative impact on APM's financial performance and position reported in its consolidated financial statements.

5.3.6. Future Debt or Equity Offers May Adversely Affect Shareholders, Including Through Dilution

In the future, APM may attempt to increase its capital resources by making offerings of debt securities or additional offerings of equity securities. Upon any bankruptcy or liquidation, holders of APM debt securities, preferential securities, and lenders with respect to other borrowings will receive a distribution of available assets prior to Shareholders. APM preferential securities, if issued, could have a preference on distributions or a preference on dividend payments or both that could limit APM's ability to pay a dividend or other distribution to Shareholders. As APM's decision to issue securities in any future offering will depend on market conditions and other factors beyond its control, APM cannot predict or estimate the amount, timing, or nature of future offerings. Thus, Shareholders bear the risk of future offerings reducing the market price of the Shares and diluting their shareholdings in APM.

5.3.7. No Guarantee of Future Dividend Payments

There is no guarantee that APM will generate sufficient cash flow from its operations in the future to pay dividends. APM's dividend policy is set out in Sections 4.9 and 7.25.4. Further, APM expects future dividends to be alternatively imputed or franked to the greatest extent possible. However, there is no guarantee that APM will have sufficient Australian franking credits in the future to fully impute and frank successive dividends or that the imputation system in Australia will not be amended or abolished.

Further, APM expects future dividends to be franked to the greatest extent possible, which are subject to restrictions under the applicable corporations and tax laws. However, there is no guarantee that APM will have sufficient Australian franking credits in the future to fully frank successive dividends or that the imputation system in Australian will not be amended or abolished. Where a future dividend is franked, the availability and extent to which the associate franking credits will benefit a Shareholder's particular tax circumstances cannot be guaranteed. Refer to Section 9.12 for further details.

5.3.8. Force Majeure Events

Events may occur within or outside the countries in which APM operates, which may impact upon those economies, the operations of APM and the market price for Shares. These events include, but are not limited to, acts of terrorism, an outbreak of international hostilities, currency restrictions, embargos, lockdowns, lockouts, force closures, restriction on mobility, fires, floods, earthquakes, labour strikes, civil wars, natural disasters and outbreaks of disease such as pandemics, or other natural or man-made events or occurrences. Such occurrences can have an adverse effect on the demand for APM's services and its ability to conduct business. APM has limited ability to insure against some of these risks.

5.4. Conclusion

The above list of risk factors should not be taken as an exhaustive list of the risks faced by APM or by investors in APM. The above factors, and others not specifically referred to above, may materially affect the financial performance of APM and the value of the Shares under the Offer. The Shares issued under the Offer carry no guarantee in respect of profitability, dividends, return of capital or the price at which they may trade on the ASX. Furthermore, there is no guarantee that the Shares will remain continuously quoted on the ASX, which could impact the ability of prospective Shareholders to sell their Shares.

Investors should consult their professional adviser before deciding whether to apply for Shares under the Offer.

6.
Key Individuals, Interests and Benefits

6. Key Individuals, Interests and Benefits

6.1. Board of Directors

The Directors bring to the Board relevant experience and skills, including sector and business knowledge, financial management and corporate governance experience. Profiles of each member of the Board are set out in the table below.

Director	Experience and Background
 **Megan Wynne** *Executive Chair and Founder* **Resides** Perth, Western Australia, Australia	Megan established APM in January 1994 and was Managing Director until 2020 when she became Executive Chair. Megan has been responsible for driving APM's strategy and growth over the past 27 years. Megan is an Occupational Therapist and has a background in vocational rehabilitation. While working in the Department of Rehabilitation Medicine at Royal Perth Rehabilitation Hospital, she established a private Occupational Therapy practice at St John of God Hospital in 1990, and subsequently went on to manage the Vocational Rehabilitation and Occupational Therapy Services of Perth Pain Management Centre. Megan holds a Master of Science (Rehabilitation), a Post Graduate Diploma (Health Sciences), and a Bachelor of Applied Science (Occupational Therapy), Curtin University of Technology.
 **Michael Anghie** *Group Chief Executive Officer* **Resides** Perth, Western Australia, Australia	Michael joined APM in March 2018 as Group Chief Executive Officer and was appointed to the Board. Prior to joining APM, Michael held a number of senior leadership roles across Oceania and Asia at global professional services firm, Ernst & Young. His most recent positions were Managing Partner, Western Region; Managing Partner, Oceania Strategic Growth; and Managing Partner, Growth Markets, Asia Pacific. Michael has strong relationships across government, corporate and community groups. He has a mergers and acquisitions background. Michael is also involved in a number of not-for-profits including as Chairman of Celebrate WA and is a former Director of the Art Gallery of Western Australia. Michael holds a Bachelor of Business from Curtin University.

6. Key Individuals, Interests and Benefits

Director	Experience and Background
 **Timothy P. Sullivan** *Non-Executive Director* **Resides** Chicago, Illinois, United States	Tim was appointed to the Board of APM in 2020 as a Non-Executive Director. Tim is a Managing Director and a co-founder at MDP, a leading private equity firm based in Chicago Illinois. Since MDP's formation in 1992, the firm has raised eight funds with aggregate capital of over $22 billion and has completed investments in 140 companies across a broad spectrum of industries. Tim has over 30 years of private equity experience and manages the Healthcare Practice at MDP. Prior to co-founding MDP in 1992, Tim was with First Chicago Venture Capital after serving as an Officer in the US Navy for over 7 years of active duty. He currently serves on the Board of Directors of Alcami Holdings, Performance Health, Kaufman Hall LLC, Solis Mammography, Syntellis Performance Solutions and NASDAQ listed Option Care Health. He also serves on the Board of Trustees of Northwestern University, Northwestern Memorial Healthcare, The United States Naval Academy Foundation, Stanford Graduate School of Business Advisory Council, and The Big Shoulders Fund. Additionally, he is serves on the Archdiocese of Chicago Investment Committee and is a member of the Archdiocese of Chicago Finance Committee. Tim holds a Bachelor of Science from the United States Naval Academy, a Master of Science from the University of Southern California, and a Master of Business Administration from Stanford University Graduate School of Business.
 **Elizabeth Q. Betten** *Non-Executive Director* **Resides** Chicago, Illinois, United States	Elizabeth was appointed to the Board of APM in 2020 as a Non-Executive Director. Elizabeth currently serves on the Board of Directors of Benefytt Technologies, Option Care Health, Inc. (Nasdaq: OPCH) and Solis Mammography, formerly served on the Board of Directors of Ikaria and was actively involved with Sirona Dental Systems. Elizabeth joined MDP in 2004 as an associate and re-joined after business school in 2008. Prior to MDP, she worked in investment banking in the health care group at J.P. Morgan. Elizabeth also serves on the Board of the Stanley Manne Children's Research Institute of the Ann & Robert Lurie Children's Hospital of Chicago and the Stanford Graduate School of Business Trust. She is a Trustee of The Civic Federation and is also a member of The Chicago Network. Elizabeth holds a Bachelor of Arts from Brown University and Master of Business Administration from Stanford University Graduate School of Business.
 **William E. Ritchie** *Non-Executive Director* **Resides** Chicago, Illinois, United States	Will was appointed to the Board of APM in 2020 as a Non-Executive Director. Will is a Director at MDP with the Health Care team. Prior to MDP, he was an Investment Banking Analyst in the Consumer, Retail and Healthcare Group at J.P. Morgan. Will serves on the Boards of Directors of InMoment, Kaufman Hall, Liquid Web and Syntellis Performance Solutions, and he is actively involved in MDP's investments in Centennial Towers and The Ardonagh Group. Will holds a Bachelor of Arts from Yale University and a Master of Business Administration from Stanford University Graduate School of Business.

Director	Experience and Background
 **Simone Blank** *Independent Non-Executive Director* **Resides** Salzburg, Austria	Simone was appointed to the Board of APM in 2020 as an Independent Non-Executive Director. Since 2018, Simone serves on the Board of Evolus Inc. a performance beauty company listed on NASDAQ and has served on the Boards of several private healthcare companies since 2013. From May 2006 to October 2013, Simone served as a member of the Board of Sirona Dental Systems Inc., or Sirona, a dental technology manufacturer previously listed on NASDAQ. From July 1999 to October 2013, she served as Executive Vice President and Chief Financial Officer of Sirona. Prior to July 1999, Simone was an engagement manager in the merger and acquisition transaction group of PricewaterhouseCoopers after having gained global financial experience as a certified public accountant and tax advisor. Simone is also the co-owner a private investment company. Simone holds a Master of Economics from the University of Duisburg.
 **Robert Melia** *Independent Non-Executive Director* **Resides** Brewster Massachusetts; Beaufort South Carolina, United States	Robert (Bob) was appointed to the Board of APM in 2020 as an Independent Non-Executive Director. Bob has more than 30 years' experience in managing and growing human services businesses. He is experienced in helping governments design and deliver programs for the long-term unemployed, adults with intellectual disabilities and at-risk youth. Bob began his career in Massachusetts State Government where he worked in budget planning, tax policy analysis and child support enforcement. His private sector experience spans over 20 years, primarily with MAXIMUS where he served as President of the Workforce Services Division and The Mentor Network, where he served as an operating group president and as Chief Development Officer. Bob's experience includes work in the US, UK and Australia and covers acquisitions and divestments, business development, operations management, and contract negotiation. Bob holds a Master of Human Services Management from Brandeis University and a Bachelor of Arts from Massachusetts Amherst.
 **Neville Power**[192] *Independent Non-Executive Director* **Resides** Perth, Western Australia, Australia	Nev has more than 30 years' experience in the mining, steel and construction industries and has a proven track record in the delivery of major infrastructure projects, mining, minerals processing and steel manufacturing and distribution. Nev served as the Chief Executive Officer and Managing Director of Fortescue Metals Group Limited from 2011 until 2018. At Fortescue, Nev was a prominent advocate for development in regional Australia and increased indigenous employment and business development opportunities. Prior to Fortescue, Nev held Chief Executive positions at Thiess and the Smorgon Steel Group adding to his extensive background in the mining, steel, and construction industries. In March 2020, Nev was appointed by the Prime Minister, Hon Scott Morrison, to lead an expert advisory board, the National COVID-19 Coordination Commission (NCCC). The Commission assisted the Government in its strategic advisory role in providing a business perspective to Government on Australia's economic recovery. The NCCC concluded in May 2021. Nev has an extensive background in agribusiness and aviation, holding both fixed wing and helicopter commercial pilot licenses. He is a Fellow of both Engineers Australia and the AusIMM and is a member of the Australian Institute of Company Directors. Neville holds a Bachelor of Engineering and a Master of Business Administration.

192 Mr Neville Power has been summoned to appear in Court to answer three charges relating to alleged failure to comply with directions pursuant to Sections 67, 70 and 72A of the Emergency Management Act 2005 of Western Australia (being directions relating to Western Australia's quarantine laws). Mr Power will continue to perform his duties as a director of the Company.

6. Key Individuals, Interests and Benefits

The composition of the Board committees and a summary of its key corporate governance policies are set out in Sections 6.9 and 6.10.

Each Director above has confirmed to the Company that they anticipate being able to perform their duties as a non-executive director or executive director, as the case may be, without constraint having regard to their other commitments.

6.2. Executive Management

APM has a deep, long-standing and experienced leadership team with the depth of experience and capability ensuring that APM aligns portfolios to enable single business area accountability and an ability to deliver and drive further growth. Profiles of the key members of the Company's executive management team are set out in the table below.

Management	Experience and Background
 **Megan Wynne** *Executive Chair and Founder* **Resides** Perth, Western Australia, Australia	See above.
 **Michael Anghie** *Group Chief Executive Officer* **Resides** Perth, Western Australia, Australia	See above.

Management	Experience and Background
 **Steve Fewster** *Group Chief Financial Officer* **Resides** Perth, Western Australia, Australia	Steve joined APM in 2021 having previously held a number of senior leadership roles including CFO of WesTrac and CFO and Company Secretary of iiNet and Southern Cross Electrical Engineering. Steve has also spent almost six years with Fortescue Metals Group where he managed a diverse range of portfolios including IT, procurement, group business planning and non-process infrastructure. Steve was previously a member of the EY corporate finance team where he was involved in a number of mergers and acquisitions. Steve holds a Bachelor of Business from Edith Cowan University, a Post Graduate Diploma in Applied Finance and is a Chartered Accountant.
 **Karen Rainbow** *CEO – Employment Services* **Resides** Geelong, Victoria, Australia	Karen brings over 25 years of experience to her role and has been with APM since 2010 when she joined as National Operations Manager for Disability Employment Services. Today, her team of more than 1,700 help around 120,000 Australians each year to live independent and fulfilling lives through support services including DES, jobactive, ParentsNext, NEIS and the Career Transition Program.
 **Fiona Monahan** *CEO – United Kingdom* **Resides** West Midlands, United Kingdom	Fiona is an Occupational Therapist with over 26 years' experience in the delivery of client services, clinical governance and service delivery oversight. Fiona joined APM 20 years ago and has played a pivotal role in its growth, diversification, and continual evolution. Fiona is currently the CEO of Ingeus UK, part of the APM Group, following relocation to the UK with her family in October 2019. Fiona was previously CEO of APM's Health and Communities division in Australia, delivering a range of allied health, aged care and disability assessment, vocational rehabilitation and mental health services. Fiona is passionate about high quality service delivery, inclusion and enabling better lives. Fiona holds a Bachelor of Applied Science, Occupational Therapy from the University of Sydney.

6. Key Individuals, Interests and Benefits

Management	Experience and Background
 **Jack Sawyer** *CEO – International* **Resides** Brisbane, Queensland, Australia	Jack joined APM as CEO of Ingeus Group when it was acquired in 2019. With extensive experience in the delivery of large-scale programs, Jack has held a number of senior operational posts across the private and not-for-profit sectors. Prior to joining Ingeus, Jack worked for National Express Transport Group and for the Notting Hill Housing Group. Jack joined Ingeus in 2004 and was UK Chief Operating Officer and then UK Chief Executive Officer between 2012 and 2015. At APM, he is responsible for APM's operations, contracts and employment-related programs in Canada, the USA, Germany, Switzerland, Spain, South Korea, and Singapore. In Australia, he oversees APM's delivery of Assessment Services and Community programs across Aged Care and Disability Services. Jack holds a Bachelor of Philosophy, Politics and Economics from Oxford University.
 **Uschi Schreiber AM** *Chair – Health Care* **Resides** Sydney, New South Wales, Australia	Uschi has an international profile and is recognised as a transformational leader with extensive experience in driving change in large and complex organisations. Originally from Germany, Uschi has lived and worked in the USA, Europe, Asia, and Australia with experience spanning mature and emerging markets. Until 2018, Uschi Schreiber was a member of the Global Executive Board of EY, the global professional services firm. Based in New York, she was responsible for EY's account and industry focussed go-to-market approach, and its globally integrated planning across service lines, sectors, and geographies. This included responsibility for seamless, international service delivery to EY's biggest global clients. Uschi also led the EY Health and Government industries when based in Hong Kong and Sydney, Australia. Prior to joining EY, Uschi was a successful CEO of a multi-billion dollar health organisation in Australia. She has significant experience as a senior public servant in Government, leading social, economic, and legislative reform processes. Uschi is also a Non-Executive Director on the board of Domino's (DPE), an ASX 100 listed company which works across 10 countries. At Domino's, she is the Chair of the Nomination, Culture and Remuneration Committee, a member of the Audit Committee and a member of the business Advisory Boards for Germany and Australia/New Zealand. She continues to work as a consultant on business and market strategy as well as an executive coach. Uschi holds Bachelor of Social Work and Special Education, University of Braunschweig/Wolfenbuettel, Germany, Graduate Certificate in Management, UWS, Australia and Masters of Arts (Leadership), Griffith University, Australia.
 **Elizabeth Forsyth** *CEO – Disability and Aged Care* **Resides** Sydney, New South Wales, Australia	Liz joined APM in 2021. Liz previously worked at KPMG and held positions including Global Industry Lead for Infrastructure, Government and Healthcare as well as Global Sector Head for Government. Liz also served as KPMG's Global Lead for Human and Social Services, having established the Health, Ageing and Human Services practice in Australia in 2003. Prior to KPMG, Liz held senior and executive positions in the Australian Federal and New South Wales Governments. Liz holds a Bachelor of Social Work from the University of New South Wales.

Management	Experience and Background
 **Caitriona Hayes** *Group People Operations Director* **Resides** Sydney, New South Wales, Australia	Cait joined APM in 2019 with over 15 years' experience leading human resources strategy across a range of industries including mining, telecommunications, and media, holding senior leadership roles with companies including WesTrac, iiNet and Foxtel. Cait leads several multi-disciplinary corporate support functions including People & Culture, Marketing, and the Contact Support Centre. As a culture influencer, Cait helps create and deliver value through people and culture across APM's team, customers, suppliers, investors, and the community. Cait holds a Bachelor of Business from Edith Cowan University.
 **Gregory Meyerowitz** *Group Risk and Compliance Director* **Resides** Perth, Western Australia, Australia	Prior to joining APM in 2018, Greg was an Audit Partner at EY for over 30 years. At EY, Greg led the Audit Division of the Perth office and was the lead audit signing partner on a variety of listed and unlisted companies, including Wesfarmers and Woodside. Greg previously served as a Director of West Australian Ballet and the Police and Citizens Youth Clubs. Greg holds a Bachelor of Commerce from the University of the Witwatersrand and a Graduate Diploma in Applied Finance and Investment. Greg is a fellow of Chartered Accountants Australia & New Zealand.
 **Stephen Farrell** *Group Finance Director and Joint Company Secretary* **Resides** Perth, Western Australia, Australia	Stephen has over 13 years of experience leading finance teams, starting his career with accounting practices in Dublin and Perth. In 2008, he joined APM, where he has held finance leadership roles, most recently Group Finance Director and Joint Company Secretary. Stephen is a Chartered Accountant and holds a Bachelor of Commerce from the University College of Dublin.

6. Key Individuals, Interests and Benefits

Management	Experience and Background
 **James Wakefield** *Group Chief Information Officer* **Resides** Perth, Western Australia, Australia	James joined APM in 2015 having previously lived and worked in London. He takes care of all things technology, ensuring staff have the right systems and best tools to support clients and participants in the community and deliver an outstanding experience. James' 20+ years in IT has seen him work through the Y2K bug, autonomous technologies in mining, global systems integrations and now assessing how digital and advanced analytics solutions can provide improved participation outcomes. James holds a Master of Business Administration from Curtin University.
 **Matthew Flood** *Group General Counsel* **Resides** Perth, Western Australia, Australia	Joining APM Group in the UK with Ingeus in 2015, Matthew relocated to APM's Australian headquarters in 2019. He brings experience as a senior lawyer, having worked for some of the UK's largest companies including BP, SABMiller and Balfour Beatty. At APM, Matthew ensures that the global business manages legal risk effectively, while acting as a trusted adviser to the senior leadership team and the wider business. Matthew holds a Master of Laws degree from the London School of Economics and Political Science and Bachelor of Arts and Bachelor of Laws (Honours) degrees from the University of Melbourne.

6.3. Advisory Board

The Advisory Board supports the Board and Executive of APM on strategic matters across the business and market globally. Members of the Advisory Board are available to the Board and Management of APM for consultation as required and offer a range of industry expertise and extensive corporate experience. Each member has deep industry expertise, including in many cases extensive historical experience and background in the underlying APM businesses.

Member	Experience and Background
 **Thérèse Rein** **Resides** Sunshine Coast, Queensland, Australia	Thérèse is an Australian entrepreneur who is the founder of Ingeus, an international employment and business psychology services company that expanded from being a one-person enterprise to employing more than 6,000 people in around 150 offices across 12 countries. Ingeus was acquired by Providence Services Corporation in 2014, and again in 2019 by APM Group. In 2010, Thérèse was awarded the prestigious Australian Human Rights Medal for her ongoing work and commitment to celebrating and improving the lives of people with a disability and their carers. In 2012, Thérèse was also awarded Telstra Business Woman of the Year (Northern Region) and Ernst & Young 2012 Australian Champion Entrepreneur of the Year. Thérèse also currently serves on the Board of the National Apology Foundation and is Managing Director of Osprey Productions. Thérèse holds a Bachelor of Arts (Honours) (Psychology) from the Australian National University and Honorary Doctorates from Griffith University, University of Western Sydney and Australian National University.
 **Ben Wyatt** **Resides** Perth, Western Australia, Australia	Ben's career commenced in law, initially as a barrister and solicitor with a major national Australian law firm before joining the WA Director of Public Prosecutions. During his 15-year political career in the Western Australian Parliament, he held the ministerial portfolios of Treasury, Finance, Energy and Aboriginal Affairs. Ben also currently serves on the Board of Woodside Petroleum, Rio Tinto and is a Director of Wyatt Martin & Associates. Ben is a graduate of the Royal Military College Duntroon and holds a Bachelor of Laws from the University of Western Australia and a Master of Science from the London School of Economics and Political Science.

6. Key Individuals, Interests and Benefits

Member	Experience and Background
 **Lisa Paul AO PSM** **Resides** Canberra, Australian Capital Territory, Australia	Lisa was a Company Director of listed and private companies, an Enterprise Professor at the University of Melbourne, a Councillor of Bond University, a Director of several non-profit companies, a member of the Government's Naval Shipbuilding Advisory Committee and consults as a Co-Founder of Paul and Webb P/L. She was a Chief Executive (Secretary) in the Australian federal government from 2004 until 2016, serving five Prime Ministers and nine Cabinet Ministers. She held national responsibility for early childhood education and childcare, vocational training and apprenticeships, youth transitions, post graduate and international education, research, science, employment and job creation, workforce and workplace relations and social security payments. Lisa is currently Independent Reviewer for the Global Supply Chain Program in the Department of Defence and serves as Chair of Headspace: National Youth Mental Health Foundation, Chair of the Review of Initial Teacher Education in the Department of Education, Skills and Employment and Chair of the Audit Committee of the Australian Academy of Science. Lisa also serves on the Board of the Australian American Educational Leadership Foundation and the Future Battery Industry Cooperative Research Centre, is Commissioner of the National Youth Commission and is a member of the Regional Advisory Board for Charles Sturt University. Lisa holds a Bachelor of Arts (Honours) from the Australian National University.
 **Damian E. Banks** **Resides** Sydney New South Wales, Australia	Damian has had a career covering leadership in financial services, health and employment industries after completing a Bachelor of Economics. His most recent executive role was as CEO and a Director of Konekt Ltd, a health and employment business. Damian led this business with considerable success from 2012 through to its successful sale to APM in December 2019. Prior to Konekt, Damian had a 15 year career with Westpac including as General Manager and Managing Director of Equities, General Manager of FIG and Head of Global Transactional Banking. Damian has proven experience in the development and profitable expansion of businesses with a focus on financial management, technology, and people. He has a strong track record in customer focussed culture development, and considerable practical legal and finance experience including significant merger and acquisition experience. Damian also currently serves on the Board of ImExHS and RPM Automotive Group. Damian holds a Bachelor of Economics from the University of Tasmania.

6.4. Interests and Benefits

This Section 6.4 sets out the nature and extent of the interests and fees of certain persons involved in the Offer. Other than as set out below or elsewhere in this Prospectus, no:

- Director or proposed Director of the Company or SaleCo;
- person named in this Prospectus and who has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- promoter of the Company; or
- underwriter to the Offer or financial services licensee named in this Prospectus as a financial services licensee involved in the Offer,

holds as at the time of lodgement of this Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the Offer; or
- the Offer,

and no amount (whether in cash, Shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given, to any such person for services in connection with the formation or promotion of the Company or the Offer or to any Director or proposed Director to induce them to become, or qualify as, a Director of the Company or SaleCo.

6.4.1. Interests of Advisers

The Company has engaged the following professional advisers in relation to the Offer:

- Goldman Sachs has acted as Sole Global Coordinator, Joint Lead Manager and Joint Bookrunner, UBS has acted as Joint Lead Manager and Joint Bookrunner, and BofA Securities and Credit Suisse have acted as Joint Lead Managers to the Offer and the fees payable to the Joint Lead Managers pursuant to the Underwriting Agreement are described in Section 9.6.4;
- Bell Potter and Morgans have acted as Co-Lead Managers to the Offer and the fees payable to the Co-Lead Managers are described in Section 9.6.4.2;
- Argonaut, CommSec, Crestone, Euroz Hartleys and JBWere have acted as Co-Managers to the Offer and the fees payable to the Co-Managers are described in Section 9.6.4.2;
- Gilbert + Tobin has acted as Australian legal adviser to the Company in relation to the Offer. The Company has paid, or agreed to pay, approximately $3,000,000 (excluding disbursements and GST) for these services up until the Original Prospectus Date. Further amounts may be paid to Gilbert + Tobin in accordance with its normal time-based charges;
- PricewaterhouseCoopers Securities Ltd has acted as the Investigating Accountant in connection with the Offer and has performed work in relation to the Investigating Accountant's Reports. The Company has paid, or agreed to pay, approximately $1,800,000 (excluding disbursements and GST) for these services up until the Original Prospectus Date. Further amounts may be paid to PricewaterhouseCoopers Securities Ltd in accordance with its normal time-based charges; and
- Ernst & Young has acted as the Australian taxation adviser in relation to the Offer. The Company has paid, or agreed to pay, approximately $1,600,000 (excluding disbursements and GST) for these services up and until the Original Prospectus Date. Further amounts may be paid to Ernst & Young in accordance with its normal time-based charges.

The Joint Lead Managers, their respective Related Bodies Corporate and/or other affiliated entities may also be party to the financing arrangements as described in Section 9.8 and may receive payments of principal, interest, fees or other amounts in their capacity as such from the proceeds of the Offer. As at the day before the date of the Original Prospectus, the lenders under the financing arrangements include a number of Related Bodies Corporate and/or affiliated entities of Goldman Sachs and an affiliate of BofA Securities, and the administrative agent and security trustee for the financing arrangements is also an affiliate of BofA Securities.

One or more affiliates of Goldman Sachs (**Goldman Sachs Hedge Party**) may also enter into one or more derivative transactions with MDP and/or one or more of its affiliates to hedge all or a portion of the currency risk associated with the proceeds received by MDP associated with the sale of a portion of its shareholding in APM. The Goldman Sachs Hedge Party may receive fees, make profits or incur losses, and/or be reimbursed for expenses, in each case, associated with these transactions.

These amounts, and other expenses of the Offer, will be paid by the Company out of funds raised under the Offer or available cash. Further information on the use of proceeds and payment of expenses of the Offer is set out in Section 7.

6.5. Directors' Interests and Remuneration

6.5.1. Non-Executive Directors Remuneration

Under the Constitution, the Company in general meeting may determine the maximum aggregate remuneration to be provided to or for the benefit of the Non-Executive Directors as remuneration for their services as a Director. Further, under the ASX Listing Rules, the total amount of Directors' fees paid to the Directors (subject to certain exceptions) must not exceed in aggregate in any financial year the amount fixed by the Company's members in general meeting.

Initially, and until a different amount is determined, the maximum aggregate Directors' remuneration for the purposes of the ASX Listing Rules and the Constitution is $1,500,000 per annum of which $1,030,000 is currently utilised. This amount excludes, among other things, amounts payable to any Executive Director under any executive services agreement with the Group or any special remuneration which the Board may grant to the Directors for special exertions or additional services performed by a Director for or at the request of the Company.

The following annual base fees are payable to Directors (with effect from Completion):

Director fees	$	As at Completion
Chair	Nil	Megan Wynne
Non-Executive Director	$150,000	Elizabeth Betten
		William Ritchie
		Timothy Sullivan
		Robert Melia
		Simone Blank
		Neville Power

The following annual committee fees are payable to the Chair and Members of the Audit and Risk Committee, Remuneration and Nomination Committee and Finance and Investment Committee (with effect from Completion).

Committee fees	Fee for Chair	Fee for Members (excl. Chair)	Members as at Completion
Audit and Risk Committee	$20,000	$10,000	Simone Blank (Chair)
			Robert Melia
			Elizabeth Betten
Remuneration and Nomination Committee	$20,000	$10,000	Timothy Sullivan (Chair)
			Neville Power
			Elizabeth Betten
Finance and Investment Committee	$20,000	$10,000	William Ritchie (Chair)
			Timothy Sullivan
			Elizabeth Betten
			Robert Melia

All Directors' fees include superannuation payments to the extent required by law. APM intends to put in a place following Admission a plan to enable the fees payable to the Non-Executive Director to be satisfied by the issue or transfer of Shares.

Megan Wynne and Michael Anghie do not receive any fees in their capacity as Directors.

6.5.2. Deeds of Access, Insurance and Indemnity

The Company has entered into a deed of access, indemnity and insurance with each Director. Each deed contains the Director's right of access to certain books and records of the Company or Group Company for the period from the date of the deed until seven years after the Director ceases to hold office of the Company or Group Company. This seven-year period can be extended where certain proceedings or investigations commence before the seven-year period expires.

Pursuant to the Constitution, the Company must indemnify all Directors, executive officers, and other officers, past and present, against all liabilities incurred as an officer of the Company or Group Company to the extent permitted by law. Under the deed of access, insurance and indemnity, the Company must take out insurance against possible liabilities incurred by each Director in their capacity as an officer of the Company. The deed provides that the Company must meet the full amount of any such liabilities, including legal costs that are reasonably incurred, charges and expenses.

Pursuant to the Constitution, the Company may arrange and maintain directors' and officers' insurance for its Directors to the extent permitted by law. Under the deed of access, insurance and indemnity, the Company must maintain such insurance for the period from the date of the deed until seven years after the Director ceases to hold office of the Company or Group Company. This seven-year period can be extended where certain proceedings or investigations commence before the seven-year period expires.

In this summary, "Group Company" means the Company, a subsidiary of the Company, any companies which are 50% or more owned directly or indirectly by any other Group Company, or any partnership or unincorporated joint venture in which any Group Company or a related body corporate of the Company has an interest of 50% or more.

6.5.3. Directors' Appointment Letters

Prior to the Original Prospectus Date, each of the Non-Executive Directors has entered into appointment letters with the Company, confirming the terms of the appointments, their roles and responsibilities and the Company expectations of them as Directors.

6.5.4. Directors' Interests in Shares and Other Securities

The Directors' interests in Shares and other securities in the Company as at Completion are set out in the table below:

Director*	Shares	Performance Rights
Megan Wynne**	313,485,870	225,568
Michael Anghie	21,441,572	631,591
Simone Blank	468,241	Nil
Robert Melia	1,565,856	Nil
Timothy Sullivan	Nil	Nil
Elizabeth Betten	Nil	Nil
William Ritchie	Nil	Nil
Neville Power	1,071,510	Nil

* And/or their associated entities.

** Includes the Shares to be issued as part of the Acquisition, completion of which is expected to occur in December 2021. Refer to Section 9.6.2 for further information.

The Directors (and their associated entities) are entitled to apply for Shares under the Offer. The above table does not take into account any Shares the Directors (and their associated entities) may acquire under the Offer.

Final shareholdings held directly or indirectly by the Directors (and their associated entities) will be notified to ASX following Listing. The Shares recorded in the above table as held by Megan Wynne and Michael Anghie will be subject to voluntary escrow arrangements as outlined in Section 9.7.

Elizabeth Betten, Timothy Sullivan and William Ritchie are affiliated with MDP. Elizabeth Betten and Timothy Sullivan are Managing Directors of MDP, which is the ultimate general partner of the MDP funds that hold a substantial holding in the Company and are direct or indirect partners in such funds. However, none of Elizabeth Betten, Timothy Sullivan or William Ritchie directly or indirectly hold Shares in their personal capacity.

6.5.5. Other Information about Directors' Interests and Benefits

Directors may also be reimbursed for travel and other expenses incurred in attending to company affairs, including attending, and returning from general meetings or meetings of the Board or committees of the Board. A Director who performs additional or special duties for the Company at the request of the Board may be paid such additional or special remuneration (as determined by the Board).

There are no retirement benefit schemes for Directors, other than statutory superannuation contributions.

6.6. Executive Remuneration

The key management personnel of the Company are Megan Wynne (Executive Chair), Michael Anghie (Group Chief Executive Officer) and Steve Fewster (Group Chief Financial Officer). Their employment arrangements are set out below.

6.6.1. Executive Chair

Term	Description
Name	Megan Wynne
Employing entity	Serendipity (WA) Pty Ltd
Fixed annual remuneration **Base Salary plus superannuation**	$773,568
Base Salary	$750,000
Short term incentive (STI)	Megan Wynne will be eligible to receive an annual cash-based short term incentive with an STI target opportunity of 50% of Base Salary up to a maximum 75% of Base Salary (150% of STI target opportunity for outperformance). Payment will depend on the Company's performance and Megan Wynne's achievement of certain key performance indicators as determined by the Board.
Long term incentive (LTI)	Megan Wynne will be eligible to participate in the long term incentive plan (**LTIP**), and is entitled to a grant of Rights with a value of $750,000 at or shortly after Listing. The key terms and conditions (including the performance period and vesting conditions) applicable to the Rights to be granted to Megan Wynne are set out in Section 6.7.2. For further details about the LTIP, refer to Section 6.7.1. Megan Wynne's participation in the LTI scheme is subject to terms of the scheme and any related plan rules.
Notice period, termination and termination payments	Megan Wynne or Serendipity may terminate the agreement on 12 months' notice or, in Serendipity's case, payment in lieu of notice. Serendipity may also terminate the agreement with notice or payment in lieu of notice if Ms Wynne engages in serious misconduct.
Non-solicitation/ restraint of trade	Ms Wynne's employment contract also includes a restraint of trade period of 36 months following termination. Enforceability of such restraint of trade is subject to all usual legal requirements.

6.6.2. Group Chief Executive Officer

Term	Description
Name	Michael Anghie
Employing entity	Serendipity (WA) Pty Ltd
Fixed annual remuneration **Base Salary plus superannuation**	$2,123,568
Base Salary	$2,100,000
Short term incentive (STI)	Michael Anghie will be eligible to receive an annual cash-based short term incentive with an STI target opportunity of 50% of Base Salary up to a maximum 75% of Base Salary (150% of STI target opportunity for outperformance). Payment will depend on the Company's performance and Michael Anghie's achievement of certain key performance indicators as determined by the Board.
Long term incentive (LTI)	Michael Anghie will be eligible to participate in the LTIP, and is entitled to a grant of Rights with a value of $2,100,000 at or shortly after Listing. The key terms and conditions (including the performance period and vesting conditions) applicable to the Rights to be granted to Michael Anghie are set out in Section 6.7.2. For further details about the LTIP, refer to Section 6.7.1. Michael Anghie's participation in the LTI scheme is subject to terms of the scheme and any related plan rules.
Notice period, termination and termination payments	Michael Anghie or Serendipity may terminate the agreement on 12 months' notice or, in Serendipity's case, payment in lieu of notice. Serendipity may also terminate the agreement with notice or payment in lieu of notice if Michael Anghie engages in serious misconduct.
Non-solicitation/ restraint of trade	Michael Anghie's employment contract also includes a restraint of trade period of 36 months following termination. Enforceability of such restraint of trade is subject to all usual legal requirements.

6.6.3. Group Chief Financial Officer

Term	Description
Name	Steve Fewster
Employing entity	Serendipity (WA) Pty Ltd
Fixed annual remuneration **Base Salary plus superannuation**	$623,568
Base Salary	$600,000
Short term incentive (STI)	Steve Fewster will be eligible to receive an annual cash-based short-term incentive with an STI target opportunity of 50% of Base Salary up to a maximum 75% of Base Salary (150% of STI target opportunity for outperformance). Payment will depend on the Company's performance and Steve Fewster's achievement of certain key performance indicators as determined by the Board.
Long term incentive (LTI)	Steve Fewster will be eligible to participate in the LTIP, and is entitled to a grant of Rights with a value of $600,000 at or shortly after Listing. The key terms and conditions (including the performance period and vesting conditions) applicable to the Rights to be granted to Steve Fewster are set out in Section 6.7.2. For further details about the LTIP, refer to Section 6.7.1. Steve Fewster's participation in the LTI scheme is subject to terms of the scheme and any related plan rules.
Notice period, termination and termination payments	Steve Fewster or Serendipity may terminate the agreement on 6 months' notice or, in Serendipity's case, payment in lieu of notice. Serendipity may also terminate the agreement with notice or payment in lieu of notice if Mr Fewster engages in serious misconduct.
Non-solicitation/ restraint of trade	Steve Fewster's employment contract also includes a restraint of trade period of 36 months following termination. Enforceability of such restraint of trade is subject to all usual legal requirements.

6.7. Equity-Based Remuneration Arrangements

6.7.1. APM Long Term Incentive Plan (LTIP)

Prior to the Original Prospectus Date, the Company has established the LTIP to assist in the motivation, retention and reward of certain employees and Executive Directors engaged by the Company or any of its subsidiaries (**Participants**). The LTIP is designed to align the interests of Participants more closely with the interests of Shareholders.

The Company will make offers under the LTIP of Performance Rights to certain employees and Executive Directors on or around Completion, described in detail below.

The rules of the LTIP (**LTIP Plan Rules**) have the following key features:

Term	Description
Eligibility	The Board has the discretion to determine which employees are eligible to participate in the LTI Plan, and the number of Rights they will be offered. Non-Executive Directors are excluded from eligibility.
Vesting	Rights will vest and become exercisable in accordance with the vesting and exercise conditions in the individual terms of grant unless these conditions are waived by the Board. Following the valid exercise of a Right, the Company will issue or arrange the transfer of a Share to the Participant for each Right exercised. Alternatively, the Board may determine to make a cash payment in lieu of the issue or transfer of Shares.
Types of securities	Rights that may be offered under the LTIP are Performance Rights for all participants. The Board may, at its discretion, vary, reduce or waive any vesting conditions and/or exercise conditions attached to Rights at any time, subject to applicable law. Rights may be constructed as Share Appreciation Rights (cashless exercise options) and may be settled in cash rather than equity, at the Board's discretion.
Issue Price and Exercise Price	The grant of Rights under the LTIP are not subject to the payment of an acquisition price by the Participant. The exercise price will be nil unless otherwise set out in the individual invitations and may be settled by a deduction from the Share Price at the time of the issue of the Shares.
Shares as a right or on vesting of a right	Shares granted under the LTIP or issued or transferred on the exercise of Rights will rank equally in all respects, and carry the same rights and entitlements, as other issued Shares, including dividend and voting rights. Depending on the terms of a Right, Shares may be subject to disposal restrictions.
Cessation of employment	In the event of a cessation of employment due to resignation or termination for cause during a measurement period, any unvested Rights will be forfeited in full unless otherwise determined by the Board. In other cases, such as death or disablement, pro-rata forfeiture for the period not served will be made. Vested Rights held following termination of employment must be exercised within a period to be determined by the Board.

6. Key Individuals, Interests and Benefits

Term	Description
Clawback and avoiding inappropriate benefits	The LTIP contains provisions which give the Board the ability to impose malus/clawback to ensure that no unfair benefit is obtained by a Participant as a result of an act which, in the Board's opinion: (a) if a Participant engages in any activities or communications that, in the opinion of the Board, may cause harm to the operations or reputation of the Company or the Board; (b) if the Board determines that a Participant or Participants took actions that caused harm or are expected to cause harm to the Company's stakeholders; (c) if the Board forms the view that a Participant or Participants have taken excessive risks or have contributed to or may benefit from unacceptable cultures within the Company; (d) if the Board forms the view that Participants have exposed employees, the broader community or environment to excessive risks, including risks to health and safety; (e) if a Participant becomes an employee of a competitor or provides services to a competitor, either directly or indirectly (as determined by the Board and unless otherwise determined by the Board); (f) if there has been a material misstatement in the Company's financial reports, which once resolved, indicates that a larger number of Rights previously vested than should have, in light of the corrected information; (g) if there has been a breach of the Code of Conduct or other company policies; and (h) if the Board's standards or expectations regarding environmental, social and governance (**ESG**) conduct have been breached, as determined by the Board from time to time.
Change of control	In the event of a change of control the Board, in its discretion, can alter the terms of the unvested Rights for the purposes of ensuring vesting opportunities are not adversely impacted by the change in control, subject to the ASX Listing Rules.
Reconstructions, corporate actions, rights issues, bonus issues etc.	In the case of a demerger or major return of capital, the Board may bring forward vesting or make adjustments to the terms of Rights to ensure that Participants are not unfairly disadvantaged by the corporate action, in accordance with the ASX Listing Rules. In the case of other corporate actions, such as capital reconstructions, the number of Rights held may be adjusted in accordance with the ASX Listing Rules.
Restrictions on dealings	All Rights are restricted from disposal or dealing by the Participant at all times except by force of law.
Dividend and voting entitlements	Rights do not carry dividend or voting entitlements. Shares and restricted shares received following exercise of a Right will be Shares that carry dividend and voting entitlements.
Expiry	Rights which have not been exercised by the date fifteen years from the date of grant of the Rights, or such other date determined by the Board and specified in the invitation, will lapse unless the Board determines otherwise.
Quotation	Rights will not be quoted on the ASX. The Company will apply for official quotation of any Shares issued under the LTIP, in accordance with the ASX Listing Rules.
Plan limit	No Rights may be issued to, or exercised by a Participant if to do so would contravene the Corporations Act, the ASX Listing Rules or any relief or waiver granted by ASIC and ASX that binds the Company in making an offer under the LTIP Plan Rules or otherwise in connection with the operation of the LTIP Plan Rules. The number of Rights which may be granted under the LTIP is 3,231,830 million.

6.7.2. Initial Grant of Incentives Under the LTIP

The Company intends to make a grant to certain employees under the LTIP (the **LTIP Grant**) on or shortly after listing. The LTIP Grant is designed to align the interests of employees, officers, and Management more closely with the interests of Shareholders by providing them an opportunity to receive the benefit of the value of Shares in the Company through the granting of Performance Rights. The Performance Rights are subject to satisfaction of certain vesting conditions. The Company is intending to allocate a pool of $10,745,638 worth of Performance Rights during FY22. The key features of the LTIP Grant are outlined below:

<table>
<tr><th>Term</th><th>Description</th></tr>
<tr><td>Eligibility</td><td>Includes key executive members as invited by Board.</td></tr>
<tr><td>Measurement period</td><td>From the date of listing on the ASX to the end of FY24.</td></tr>
<tr><td>Vesting</td><td>Performance Rights will be assessed for vesting at the end of the Measurement Period.</td></tr>
<tr><td>Vesting Period and Conditions</td><td>The Performance Rights are subject to the following relative Total Shareholder Return (TSR) performance vesting scale (which requires outperformance of the ASX 300 Industrial Total Return Index for target and stretch vesting) and an ongoing service requirement for the duration of the Measurement Period:
<table>
<tr><th>Performance Level</th><th>APM TSR per annum compared to TSR of the ASX 300 Industrial TR Index</th><th>% of Stretch Grant Vesting</th></tr>
<tr><td>Stretch</td><td>≥Index TSR + 8% TSR</td><td>100%</td></tr>
<tr><td>Target</td><td>Index TSR +4% TSR</td><td>50%</td></tr>
<tr><td>Threshold</td><td>= Index TSR</td><td>25%</td></tr>
<tr><td>Below Threshold</td><td>< Index TSR</td><td>0%</td></tr>
</table>
Between Threshold and Target and Target and Stretch there will be straight line pro rata vesting applied.</td></tr>
<tr><td>Cessation of employment</td><td>Refer to the LTIP Plan Rules above.</td></tr>
</table>

The Company intends to grant the following Rights to the Executive Chair, CEO and CFO of the Company under the LTIP Grant. No previous grants have been made under the LTIP. The number of Rights to be granted are calculated by the application of the following formula:

$$\text{Maximum LTIP } \$ \div \text{Value of the Right}$$

where the Right value is equal to the Black-Scholes value of a Right (undiscounted for vesting conditions) based on the Offer Price. The Right value is approximately $3.325 at the Offer Price.

Participant	Approximate number of Rights to be granted immediately following Completion	Exercise Price	Final date of vesting periods
Megan Wynne (Executive Chair)	225,568	Nil	30 June 2024
Michael Anghie (CEO)	631,591	Nil	30 June 2024
Steve Fewster (CFO)	180,454	Nil	30 June 2024

The issue of Performance Rights to Megan Wynne and Michael Anghie requires approval pursuant to Listing Rule 10.14.1 as both are directors of the Company. The Company has sought a waiver from the ASX to permit the issue described above, the details of which are set out in Section 9.11. The Company also intends to issue Performance Rights worth an amount equal to the remainder of the $10,745,638 pool for FY22 to other members of senior management in the period following Completion.

Details of any securities issued under the LTIP will be published in the annual report of APM relating to the period in which they were issued, along with a statement that approval for the issue was obtained under the Listing Rule 10.14 (if applicable).

6.8. Corporate Governance

This Section 6.8 explains how the Board oversees the management of the Company's business. The Board is responsible for the overall corporate governance of the Company, including establishing and monitoring key performance goals. The Board monitors the operational and financial position and performance of the Company and oversees its business strategy, including approving the strategic goals of the Company and considering and approving an annual business plan (including a budget).

The Board is committed to maximising performance, generating appropriate levels of Shareholder value and financial return, and sustaining the growth and success of the Company. In conducting the Company's business with these objectives, the Board seeks to ensure that the Company is properly managed to protect and enhance Shareholder interests, and that the Company and its Directors, officers and personnel operate in an appropriate environment of corporate governance. Accordingly, the Board has created a framework for managing the Company, including adopting relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for the Company's business and which are designed to promote the responsible management and conduct of the Company.

The ASX Corporate Governance Council has developed and released its fourth edition of the Corporate Governance Principles and Recommendations for Australian listed entities in order to promote investor confidence and to assist companies in meeting stakeholder expectations. The ASX Recommendations are not prescriptions, but guidelines. However, under the ASX Listing Rules, the Company will be required to provide a statement in its annual report disclosing the extent to which it has followed the ASX Recommendations in the reporting period. Where the Company does not follow a recommendation, it must identify the recommendation that has not been followed and give reasons for not following it and must also disclose what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Prior to Completion, copies of the Company's key policies and practices and the charters for the Board and each of its committees will be available at apm.net.au/about-apm/investors.

6.9. The Board of Directors

The name and biographical details of the current members of the Board of Directors are contained in Section 6.1.

The Board intends to appoint a further independent non-executive director in the period following the Listing, and the Board may appoint further directors to the Board in the future. Any director appointed by the Board will be subject to re-election by Shareholders at the next general meeting.

Each Director has confirmed to the Company that he or she anticipates being available to perform his or her duties as a Non-Executive Director or Executive Director without constraint having regard to their other commitments.

As discussed below, at the time of listing, a majority of APM's board members are not considered to be independent. The Board considers an independent Director to be a Non-Executive Director who is free of any interest, position, association, or relationship that might influence, or reasonably be perceived to influence, his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its security holders generally. The Board will consider the materiality of any given relationship on a case-by-case basis and has adopted guidelines to assist in this regard. The Board reviews the independence of each Director in light of interests disclosed to the Board from time to time. In assessing independence, the Board will have regard to the ASX Recommendations.

The Board Charter sets out guidelines of materiality for the purpose of determining independence of Directors in accordance with the ASX Recommendations and has adopted a definition of independence that is based on that set out in the ASX Recommendations.

The Board considers that each of Robert Melia, Simone Blank and Neville Power are free from any interest, position, association, or relationship that might influence, or reasonably be perceived to influence, the independent exercise of the Director's judgement and that each of them is able to fulfil the role of independent Director for the purpose of the ASX Recommendations.

Michael Anghie and Megan Wynne are currently considered by the Board not to be independent because they hold executive positions with the Company. Timothy Sullivan, Elizabeth Betten and William Ritchie are also currently considered by the Board not to be independent because of their relationship with MDP.

As at the date of this Prospectus, APM will be compliant with the ASX Recommendations except as set out in the table below:

ASX Recommendations	Summary of position of APM
Recommendation 1.5 Through its board or a committee of the board set measurable objectives for achieving gender diversity composition of its board, senior executives and workforce generally.	As at the date of the Prospectus, the Company is finalising its measurable objectives for achieving gender diversity composition of the Board, senior executives and workforce generally. APM also recognises that the measurable objective for achieving gender diversity in the composition of the Board should not be less than 30% of its directors of each gender within a specified period consistent with Recommendation 1.5. The Board is currently in compliance with this Recommendation.
Recommendation 2.1 The nomination committee is chaired by an independent director.	The Nomination and Remuneration Committee is comprised of a majority of non-independent directors and chaired by a Non-Executive Director. The Board considers, in considering the skills of the Directors that having the Nomination and Remuneration Committee comprised of a majority of non-independent Directors will not impact on the committee's ability to effectively make transparent decisions and evaluate the performance of the Board.
Recommendation 2.4 A majority of the board of a listed entity should be independent directors.	On admission onto the Official List, the Board will be comprised of eight Directors, three of which are independent Non-Executive Directors and five of whom are not considered independent. The Board considers that due to the mix of skills on the Board and the nature of the operations of APM that having less than a majority of the Directors which are considered independent does not impede the ability of the Board to ensure that the decisions are made in the best interests of the Company.
Recommendation 2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	The current structure and composition of the Board has been determined having regard to the nature and size of APM's operations, the skill set of APM's Directors both individually and collectively, and the best interests of Shareholders. However, Megan Wynne is currently considered by the Board not to be independent having regard to her executive position and her substantial shareholding in the Company. APM is satisfied that non-compliance with Recommendation 2.5 will not be detrimental to APM.

6.9.1. Board Charter

The Board Charter adopted by the Board sets out the responsibilities of the Board in greater detail. It provides that the Board should comprise Directors with the appropriate mix of skills, experience, expertise, and diversity which are relevant to the Company's businesses and the Board's responsibilities. The Board Charter allows the Board to delegate powers and responsibilities to committees established by the Board. The Board retains ultimate accountability to Shareholders in discharging its duties.

6.9.2. Board Committees

The Board may from time to time establish appropriate committees to assist in the discharge of its responsibilities. The Board has established an Audit and Risk Management Committee and a Nomination and Remuneration Committee.

Other committees may be established by the Board as and when required. Membership of Board committees will be based on the needs of the Company, relevant legislative and other requirements, and the skills and experience of individual Directors.

6.9.2.1. Audit and Risk Committee

The role of the Audit and Risk Management Committee is to assist the Board in fulfilling its responsibilities for corporate governance and overseeing the Company's financial reporting, internal control structure, risk management systems and internal and external audit functions. This includes confirming the quality and reliability of the financial information prepared by the Company, working with the external auditor on behalf of the Board and reviewing non-audit services provided by the external auditor to confirm they are consistent with maintaining external audit independence.

The Audit and Risk Management Committee provides advice to the Board and reports on the status and management of the risks to the Company. The purpose of the Committee's risk management process is to assist the Board in relation to risk management policies, procedures and systems and ensure that risks are identified, assessed, and appropriately managed.

The Company will comply with the recommendations set by the ASX Corporate Governance Council in relation to the composition and operation of the Committee. The Committee will comprise of Simone Blank (Chair), Robert Melia and Elizabeth Betten.

6.9.2.2. Nomination and Remuneration Committee

The role of the Nomination and Remuneration Committee is to assist the Board in fulfilling its responsibilities for corporate governance and overseeing the Company's nomination and remuneration policies and practices.

This includes reviewing and making recommendations to the Board on remuneration packages and policies related to the Directors and senior executives. The Nomination and Remuneration Committee is also responsible for administering short term and long term incentive plans (including any equity plans). In addition, the Committee is responsible for reviewing and making recommendations in relation to the composition and performance of the Board and its committees and ensuring that adequate succession plans are in place (including for the recruitment and appointment of Directors and senior management). Independent advice will be sought where appropriate.

The Company will comply with the recommendations set by the Listing Rules and the ASX Corporate Governance Council in relation to the composition and operation of the Committee, except that the Nomination and Remuneration Committee will not have a majority of independent members and will be chaired by a non-independent Director. The Committee will comprise of Timothy Sullivan (Chair), Elizabeth Betten and Neville Power.

6.9.2.3. Finance and Investment Committee

The role of the Finance and Investment Committee is to provide oversight of the investment and financing functions of the Company. This includes assisting the Board to identify and evaluate capital expenditure, investment, acquisition, joint venture, strategic alliances, key new business tenders and divesture transactions. The Finance and Investment Committee will also review and track all deferred purchase price liabilities, earn-outs, seller notes and similar obligations and advise the Board in relation to third-party debt financings.

The Finance and Investment Committee will be comprised of William Ritchie (Chair), Timothy Sullivan, Elizabeth Betten and Robert Melia.

6.10. Corporate Governance Policies

The Board has adopted the following corporate governance policies, each of which has been prepared having regard to the ASX Principles.

6.10.1. Disclosure Policy

Once listed, the Company will be required to comply with the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act. Subject to the exceptions contained in the ASX Listing Rules, the Company will be required to immediately advise ASX of any information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Shares.

The Company has adopted a Disclosure Policy to take effect from Listing, which reinforces the Company's commitment to its continuous disclosure obligations and describes the processes in place that enable the Company to provide Shareholders with timely disclosure in accordance with those obligations. Information will be communicated to Shareholders through the lodgement of all relevant financial and other information with ASX, and copies of the Company's announcements to ASX will be available on the Company's website.

6.10.2. Shareholder Communication Policy

The Company aims to keep Shareholders informed of major developments affecting the Company. The Company recognises that potential investors and other interested stakeholders may wish to obtain information about the Company from time to time. To achieve this, the Company will communicate information regularly to Shareholders and other stakeholders through a range of forums and publications, including the Company's website, at the Company's Annual General Meeting and through the Company's Annual Report and ASX announcements.

6.10.3. Securities Trading Policy

The Company has adopted a Securities Trading Policy that is intended to explain the types of conduct in relation to dealing in securities that are prohibited by law and establish procedures for the buying and selling of securities to ensure that public confidence is maintained in the reputation of the Company and the Company's Directors and employees, and in the trading of the Company's securities.

The Securities Trading Policy provides that Directors, employees, and contractors must not deal in the Company's securities when they are aware of 'inside' information. Directors and certain restricted employees must not deal in the Company's securities during any of the following blackout periods:

- from the close of the ASX trading day on 31 December each year, until 10:00am Australian Eastern Standard Time (AEST) on the ASX trading day following the day on which the Company's half yearly results are released to the ASX;
- from the close of the ASX trading day on 30 June each year, until 10:00am AEST on the ASX trading day following the day on which the Company's full year results are released to the ASX;
- from the close of the ASX trading day two weeks prior to the date of the Company's AGM until 10:00am AEST on the ASX trading day following the date of the Company's AGM; and
- any other period that the Board specifies from time to time.

Directors and restricted employees must receive prior approval for any proposed dealing in the Company's securities outside of the above blackout periods (including any proposed dealing by one of their connected persons).

6.10.4. Code of Conduct

The Company is committed to a high level of integrity and ethical standards in all business practices. Accordingly, the Board has adopted a formal Code of Conduct that outlines how it expects its representatives to behave and conduct business in the workplace and includes legal compliance and guidelines on appropriate ethical standards.

The Code of Conduct is designed to provide a benchmark for professional behaviour throughout the Company's business, support its business reputation and corporate image within the community and make the Company's Directors and employees aware of the consequences if they breach this policy.

6.10.5. Diversity Policy

The Board has approved a Diversity Policy, which sets out the Company's commitment to an inclusive and diverse workforce. The Company will include in its corporate governance statement each year details of the measurable objectives set under the Diversity Policy of the year to which the corporate governance statement relates, and a summary of the Company's progress towards achieving those measurable objectives. The Company is currently working on setting measurable objectives under the Diversity Policy.

6.10.6. Whistleblower Protection Policy

The Company is committed to the highest standards of conduct and ethical behaviour in all of its business activities and to promoting and supporting a culture of honest and ethical behaviour, corporate compliance and good corporate governance. This policy has been adopted to provide a safe and confidential environment where concerns can be raised by whistleblowers without fear of reprisal or detrimental treatment.

6.10.7. Anti-Bribery and Corruption Policy

The Company is committed to complying with all laws of the jurisdictions in which it operates, including those relating to bribery and corruption. Accordingly, the Board has adopted an anti-bribery and corruption policy which sets out the responsibility of APM and its employees or other personnel or representatives in observing and upholding the prohibition on bribery and related improper conduct and provides information and guidance on how to recognise and deal with instances of bribery and corruption. The Board will be informed of any material breaches of the anti-bribery and corruption policy.

6.11. Related Party Agreements

Other than as disclosed below or elsewhere in this Prospectus, the Company is not party to any material related party arrangements.

6.11.1. Acquisition

APM has entered into binding documentation for the acquisition of an ancillary and complementary business from entities controlled by Megan Wynne (and one entity in which Megan Wynne and Michael Anghie have a beneficial interest), which is conditional upon and will complete after the Listing. The acquired business will support APM's expansion into providing services in relation to Australia's NDIS and aged care sector. The transaction involves the direct or indirect acquisition of Early Start Australia Pty Ltd, Integrated Care Pty Ltd, Mobility Holdings Pty Ltd and Mobility Australia Pty Ltd (together, the **Target Companies**) (**Acquisition**).

The aggregate consideration payable for the Acquisition is:

- $101,500,000 in upfront consideration, payable upon completion of the Acquisition through a combination of cash payments (which includes the repayment of shareholder loans advanced by the related party vendor to the various Target Companies) and an issue of Shares; and
- an earn-out payment, which is contingent upon the underlying business meeting EBITDA hurdles (described below) over the subsequent 3-year period. The earn-out payment will be payable by the issue of up to a maximum number of 20,000,000 Shares, to be issued over the subsequent 3-year period.

For more information please see Section 9.6.2.

6.11.2. Related Party Leases

The Company operates part of its business (specifically head office functions) from premises leased from companies controlled by Megan Wynne or her Closely Related Party (**Related Party Leases**). The aggregate annual rent payable under the Related Party Leases in FY21 was approximately $931,471 (excluding GST). Please see Section 9.6.3 for a summary of the material terms of the Related Party Leases.

7.
Details of the Offer

7. Details of the Offer

7.1. The Offer

This Prospectus relates to an initial public offering of new Shares by the Company and the sale of the existing Shares by SaleCo at an Offer Price of $3.55 per Share. A total of 277.8 million Shares will be available under the Offer. The Shares will be available for the investors under the Broker Firm Offer, the Institutional Offer and the Employee Offer. Eligible Employees will also apply to be issued with $1,000 worth of Shares at the Offer Price at no cost.

The Offer is expected to raise approximately $982 million (comprising $339 million from the issue of New Shares by APM for APM's benefit and $643 million from the sale of Sale Shares by SaleCo). The Shares offered under this Prospectus will represent approximately 30.3% of the Shares on issue at Completion.

The total number of Shares on issue at Completion will be 917.3 million and all Shares will, once issued, rank equally with each other.[193]

MDP will hold approximately 29.7% of the Shares on issue at Completion, Megan Wynne[194] will hold approximately 34.2% of the Shares on issue at Completion, Michael Anghie[195] will hold approximately 2.3% of the Shares on issue at Completion and the Directors and Management Shareholders will hold approximately 3.5% of the Shares on issue at Completion. Shares held by MDP, Megan Wynne,[196] Michael Anghie,[197] Management Shareholders and Directors will be subject to the voluntary escrow agreements described in Section 9.7.

The Offer (excluding the Employee Gift Offer) has been fully underwritten by the Joint Lead Managers. A summary of the Underwriting Agreement, including the events which would entitle the Joint Lead Managers to terminate the Underwriting Agreement, is set out in Section 9.6.4. The Offer is made on the terms, and is subject to the conditions, set out in this Prospectus.

7.2. Structure of the Offer

The Offer comprises:

- the Retail Offer, consisting of:
  - the **Broker Firm Offer**, which is an offer to Australian and New Zealand resident investors who are not Institutional Investors and who have received an invitation from their Broker to participate (see Section 7.11);
  - the **Priority Offer**, which is an offer to Eligible Persons who have received a Priority Offer Invitation (See Section 7.12);
  - the **Employee Offer**, which is an offer to Eligible Priority Employees who have received an offer from the Company to acquire Shares (see Section 7.13); and
  - the **Employee Gift Offer**, which is an offer to Eligible Employees who have received an offer from the Company to apply for $1,000 worth of Shares at no cost (see Section 7.14); and
- the **Institutional Offer**, which consists of an invitation to bid for Shares made to Institutional Investors in Australia, New Zealand and a number of other eligible jurisdictions (other than the United States) made under this Prospectus and to Institutional Investors in the United States under the relevant US Institutional Offering Memorandum (see Section 7.17).

The Broker Firm Offer, the Priority Offer, the Employee Gift Offer and the Employee Offer are collectively referred to as the **Retail Offer**.

193 The number and percentage of Shares on Completion have been calculated including the Shares be issued under the Employee Gift Offer (being 1.2 million Shares), and as part of the acquisitions of Early Start Australia Pty Ltd, Integrated Care Pty Ltd, Mobility Holdings Pty Ltd and Mobility Australia Pty Ltd (being 18.6 million Shares in aggregate), completion of which is expected to occur in December 2021. Refer to Section 9.6.2 for further information. A total of 898.8 million Shares would be on issue excluding the Shares issued as part of these acquisitions.

194 This includes entities controlled by Megan Wynne and her closely related parties.

195 This includes entities controlled by Michael Anghie and his closely related parties.

196 This includes entities controlled by Megan Wynne and her closely related parties.

197 This includes entities controlled by Michael Anghie and his closely related parties.

Details of the Broker Firm Offer and the allocation policy under it are described in Section 7.11.

Details of the Priority Offer and the allocation policy under it are described in Section 7.12.

Details of the Employee Offer and the allocation policy under it are described in Section 7.13.

Details of the Employee Gift Offer and the allocation policy under it are described in Section 7.14.

Details of the Institutional Offer and the allocation policy under it are described in Section 7.17.

No general public offer of Shares will be made under the Offer. Members of the public wishing to apply for Shares under the Offer must do so through a Broker with a firm allocation of Shares under the Broker Firm Offer. The allocation of Shares between the Retail Offer and the Institutional Offer was determined by agreement between the Company and the Joint Lead Managers having regard to the allocation policies outlined in Sections 7.11.1, 7.12.1, 7.13.1, 7.14.1 and 7.17.2.

All Shares being offered to investors in New Zealand under the Offer are being offered under the Mutual Recognition Regime.

A summary of the Underwriting Agreement, including the events which would entitle the Joint Lead Managers to terminate the Underwriting Agreement, is set out in Section 9.6.4.

7.3. Purpose of the Offer

At the Offer Price, the Offer will raise approximately $982 million.

The Offer is being conducted to:

- ensure APM continues to provide high quality services to its clients and customers under a transparent ownership structure;
- attract and retain key talent;
- reduce the Company's existing debt levels;
- provide APM with access to capital markets and added financial flexibility to pursue further growth opportunities including future potential acquisitions to strengthen the depth and breadth of APM's service reach to further APM's purpose of enabling better lives;
- create a liquid market for APM's Shares; and
- allow Existing Shareholders to realise part of their investment in APM.

7.4. Sources and Uses of Funds

The proceeds of the Offer received by the Company will be applied as described in Figure 7.1 below. The Offer is expected to raise gross proceeds of approximately $339 million. The proceeds of the Offer received by SaleCo in respect of the sale of the Shares by it will be paid by SaleCo to the Selling Shareholders.

Figure 7.1: Sources and Uses of Funds

Sources of funds	$m	Uses of funds	$m
APM			
Cash proceeds received from the issue of Shares by the Company[1]	339.0	Repayment of existing debt facilities	160.0
		Cash on balance sheet	97.5
		Costs of the Offer[2]	44.0
		Cash consideration for acquisition of Early Start Australia, MyIntegra and Mobility[3]	35.8
		Cash component of the Employee IPO Gift[4]	1.7
SaleCo			
Cash proceeds received from the sale of Shares by SaleCo	643.1	Payments to Selling Shareholders	643.1
Total sources of funds	**982.1**	**Total uses of funds**	**982.1**

Notes:

1. Cash proceeds received by APM relate only to the issue of New Shares under the Broker Firm Offer, Priority Offer, Employee Offer and the Institutional Offer. APM did not receive funds for the issue of New Shares under the Employee Gift Offer or the issue of New Shares in connection with the Acquisition.
2. Costs of the Offer include fees payable to advisers referred to in Section 6.4.1 as well as other costs such as registry fees, ASX listing fees and other advisers fees.
3. See Section 9.6.2 for more information.
4. See Section 4.2.4 for more information.

The Board retains the right to vary these uses of funds, acting in the best interests of Shareholders and as circumstances require.

7.5. Pro Forma Historical Statement of Financial Position

The Company's Pro Forma Historical Statement of Financial Position following Completion, including details of the pro forma adjustments, is set out in Section 4.

7.6. Shareholding Structure

The details of the ownership of Shares immediately prior to the Offer, and ownership of Shares as expected on Completion of the Offer, are set out in the table below.

Figure 7.2: Ownership Structure of APM

Shareholder[1,2]	Original Prospectus Date[3]		Completion[4,5]	
	Shares (million)	%	Shares (million)	%
MDP	156.0 Series A 261.9 Series B	52.1%	272.8	29.7%
Megan Wynne and Bruce Bellinge	115.0 Series A 193.0 Series B	38.4%	313.5	34.2%
Michael Anghie	3.7 Series A 6.2 Series B 23.2 Series C	4.1%	21.4	2.3%
Management and Board Shareholders	5.6 Series A 9.4 Series B 28.3 Series C	5.4%	31.8	3.5%
New Shares to be issued under the Offer or at Completion of the Offer	–	–	96.7	10.5%
Existing Shares to be sold under the Offer	–	–	181.2	19.7%
Total	**280.3 Series A** **470.4 Series B** **51.5 Series C**	**100.0%**	**917.3**	**100.0%**

Notes:

1. Shareholders may hold their interests in Shares directly, or through entities associated with them (e.g. through holdings by companies or trusts). Interests of Megan Wynne include Shares held by her related party Dr Bruce Bellinge, through Bellinge Holdings Pty Ltd amounting to 39.3 million Series A Shares and 66.0 million Series B Shares as at the Original Prospectus Date, and 102.7 million Shares on Completion, being 11.2% of the total Shares on issue at Completion.
2. Refer also to Section 6 for further information on interests and benefits (including Directors' interests in Shares).
3. Shareholdings have been calculated following conversion of the existing classes on issue into fully paid ordinary shares at the Offer Price. Refer to Section 9.4 for further information.
4. The number and percentage of Shares on Completion have been calculated including the Shares be issued under the Employee Gift Offer (being 1.2 million Shares), and as part of the acquisitions of Early Start Australia, MyIntegra and Mobility (being 18.6 million Shares in aggregate), completion of which is expected to occur in December 2021. Refer to Section 9.6.2 for further information. A total of 898.8 million Shares would be on issue excluding the Shares issued as part of these acquisitions.
5. Megan Wynne intends to gift certain funds to relatives or entities associated with relatives so that those individuals or entities are able to subscribe for Shares in the Priority Offer. The Shares acquired will be legally and beneficially held by those individuals or entities, and Megan Wynne will have no ability to control the voting or disposal of those Shares. To facilitate those gifts, application monies payable by certain of those relatives or their associated entities for Shares in the Priority Offer will be paid by way of set-off against the sale proceeds payable to Megan Wynne on the Settlement Date. Under the applicable sale documentation, Megan Wynne has irrevocably agreed to this set-off mechanism and those relatives or their associated entities will not be required to pay their respective subscription monies in cash by the close of the Offer Period under the terms of their personalised invitations. There will be no impact on the Offer proceeds received by the Company as a result of these arrangements.

The Share numbers presented in Figure 7.2 have been rounded up. This also excludes any Shares that may be acquired by Directors (or their associated entities), key Management or other employees under the Offer. At Completion, 639.5 million of the Shares will be subject to voluntary escrow arrangements. In the opinion of the Company, the free float of Shares at the time of Listing on the Official List will be no less than 30% of Shares on issue at that time. See Section 9.7 for further information.

7.7. Control Implications of the Offer

The Directors do not expect any Shareholder to control (as defined in Section 50AA of the Corporations Act) the Company on Completion.

7.8. Potential Effect of the Offer on the Future of APM

The Directors believe that, following Completion of the Offer, APM will have sufficient working capital to carry out its stated business objectives.

7.9. Description of the Syndicate

Goldman Sachs is the Sole Global Coordinator, and Goldman Sachs and UBS are the Joint Bookrunners. Goldman Sachs, UBS, BofA Securities and Credit Suisse are the Joint Lead Managers to the Offer.

7.10. Terms and Conditions of the Offer

Topic	Summary
What is the type of security being offered?	Shares (being fully paid ordinary shares in the issued capital of APM).
What are the rights and liabilities attached to the security being offered?	The holders of Shares receive all of the economic benefit of actual ownership of the underlying Shares. A description of the Shares, including the rights and liabilities attaching to them, is set out in Section 7.25.
What is the consideration payable for each security being offered?	Successful applicants under the Offer (other than the Employee Gift Offer) will pay the Offer Price, being $3.55 per Share. Eligible Employees will receive an invitation to receive Shares worth $1,000 for no consideration under the Employee Gift Offer.
What is the Offer period?	The Retail Offer will open at 9:00am (Sydney time) on 5 November 2021 and will close at 5:00pm (Sydney time) on 10 November 2021. The key dates, including details of the Offer Period, are set out on page 18 of this Prospectus. The timetable is indicative only and may change. Unless otherwise indicated, all times are stated in Sydney, Australia time. The Company and SaleCo, in consultation with the Joint Lead Managers, reserve the right to vary both of the above times and dates without notice (including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the Offer Period relating to any component of the Offer, or to accept late Applications or bids, either generally or in particular cases, or to cancel or withdraw the Offer before Settlement, in each case without notifying any recipient of this Prospectus or any Applicants). If the Offer is cancelled or withdrawn before the allocation of Shares, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. No Shares will be issued on the basis of this Prospectus later than the expiry date of 13 months after the Original Prospectus Date.
What are the cash proceeds to be raised?	$982 million will be raised under the Offer (comprising $339 million from the issue of New Shares by APM for APM's benefit and $643 million from the sale of Sale Shares by SaleCo).

Topic	Summary
Is the Offer underwritten?	The Joint Lead Managers have fully underwritten the Offer (other than the Employee Gift Offer) pursuant to the Underwriting Agreement. Details are provided in Section 9.6.4.
What is the minimum and maximum Application size under the Retail Offer?	**Broker Firm Offer** Applications must be for a minimum of $2,000 worth of Shares. There is no maximum number or value of Shares that may be applied for under the Broker Firm Offer. The Joint Lead Managers, in consultation with the Company and SaleCo, reserve the right to reject any Application or to allocate a lesser number of Shares than applied. In addition, the Joint Lead Managers, the Company and SaleCo reserve the right to aggregate any Application that they believe may be multiple Applications from the same person. **Employee Offer** The minimum application size for Eligible Priority Employees in the Employee Offer is $1,000 worth of Shares at the Offer Price. Eligible Priority Employees will have a guaranteed allocation of $2,000 worth of Shares. The maximum application size is $50,000 worth of Shares, rounded down to the nearest whole share based on the Offer Price. Allocations of more than $2,000 worth of Shares are not guaranteed. **Employee Gift Offer** Under the Employee Gift Offer, Eligible Employees who submit a valid Application will receive, at no cost, $1,000 worth of Shares (rounded down to the nearest whole Share based on the Offer Price). The Employee Gift Offer may only be accepted in full.
What is the allocation policy?	The allocation of Shares between the Retail Offer (including the Broker Firm Offer, Priority Offer, Employee Offer and the Employee Gift Offer) and the Institutional Offer was determined by the Joint Lead Managers, the Company and SaleCo having regard to the allocation policies outlined in Sections 7.11.1, 7.12.1, 7.13.1, 7.14.1 and 7.17.2. **Broker Firm Offer** With respect to the Broker Firm Offer, it is a matter for the Broker how they allocate firm Shares among their eligible retail clients. **Priority Offer** The allocation of Shares under the Priority Offer is at the absolute discretion of the Company. **Employee Gift Offer** All Eligible Employees who submit a valid Application for Shares under the Employee Gift Offer are guaranteed an allocation of $1,000 worth of Shares (rounded down to the nearest whole Share) for nil consideration. **Employee Offer** All Eligible Priority Employees submit a valid Application for Shares under the Employee Offer are guaranteed an allocation of $2,000 worth of Shares (rounded down to the nearest whole Share at the Offer Price). Total proceeds raised under the Employee Offer will be capped at $5 million.[198] For further information on the Retail Offer, being the Broker Firm Offer, Priority Offer, Employee Offer and Employee Gift Offer see Sections 7.11, 7.12, 7.13 and 7.14.

198 The Company reserves the right to accept further applications under the Employee Offer up to $10 million in aggregate.

7. Details of the Offer

Topic	Summary
What is the allocation policy? continued	Except for Shares to be issued under the Employee Gift Offer and the Employee Offer in respect of valid Applications from Eligible Employees and Eligible Priority Employees, APM, along with the Joint Lead Managers, has absolute discretion regarding the allocation of Shares to Applicants under the Offer and may reject an Application, or allocate fewer Shares than the number or equivalent dollar amount applied for, in its absolute discretion. APM and SaleCo, in conjunction with the Joint Lead Managers, also reserve the right to aggregate or refuse any Applications that they believe may be multiple Applications from the same person. The Company and the Joint Lead Managers have absolute discretion regarding the allocation of Shares to Applicants under the Offer and may reject an Application, or allocate fewer Shares than applied for, in their absolute discretion.
Will the securities be quoted on the ASX?	APM has applied to the ASX for admission to the Official List and quotation of Shares on ASX (which is expected to be under the code "APM"). Completion is conditional on the ASX approving this application. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn, and all Application Monies received will be refunded (without interest) as soon as practicable in accordance with the requirements of the Corporations Act. APM will be required to comply with the ASX Listing Rules, subject to any waivers obtained by us from time to time. The ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that APM may be admitted to the Official List is not to be taken an indication of the merits of APM or the Shares offered for sale.
When are the securities expected to commence trading?	It is expected that trading of the Shares on a conditional and deferred basis will commence on or about 12 November 2021. Trades occurring on the ASX before the date on which the Shares are issued will be conditional on the completion of the Capital Restructure, settlement occurring under the Underwriting Agreement and the issue of Shares occurring (**Conditions**). Conditional and deferred settlement trading will continue until the Company has advised the ASX that the Conditions have been satisfied, which is expected to be on or about 16 November 2021. If the Conditions have not been satisfied by the end of the conditional and deferred settlement trading period or the Offer is withdrawn, the Offer will not complete, and all trades conducted during the conditional and deferred settlement trading period will be invalid and will not settle. All Application Monies received will be refunded to Applicants. No interest will be paid on any Application Monies refunded as a result of the Offer not completing. Following satisfaction of the Conditions, trading on the ASX will be on an unconditional but deferred settlement basis until the Company has advised the ASX that initial holding statements have been despatched to Shareholders. Trading on the ASX is expected to commence on a normal settlement basis on or about 17 November 2021. Following the issue of Shares, Successful Applicants will receive a holding statement setting out the number of Shares issued to them under the Offer. It is expected that holding statements will be despatched on or about 18 November 2021.

Topic	Summary
When are the securities expected to commence trading? continued	It is the responsibility of each person who trades in Shares to confirm their own holding before trading in Shares. Investors will be able to confirm their holdings by telephoning the APM Offer Information Line on 1300 161 431 (within Australia) or +61 3 9415 4047 (outside Australia) between 8:30am and 5:00pm (Sydney time), Monday to Friday. If you sell Shares before receiving a holding statement, you do so at your own risk. The Company, SaleCo, the Share Registry and the Joint Lead Managers disclaim all liability, whether in negligence or otherwise, if you sell Shares before receiving your holding statement, even if you obtained details of your holding from the APM Offer Information Line or confirmed your firm allocation through a Broker.
When will I receive confirmation of whether my Application has been successful?	It is expected that initial holding statements will be mailed to successful Applicants on or about 18 November 2021. Refunds (without interest) to Applicants who make an Application and receive an allocation of Shares, the value of which is smaller than the amount of the Application Monies, will be made as soon as practicable after Completion.
Are there any escrow arrangements?	Yes. Details are provided in Sections 7.20 and 9.7.
Has any ASIC relief or ASIC waiver or modification been obtained or been relied on?	Yes. Details are provided in Section 9.11.
Are there any taxation considerations?	Yes. Details are provided in Section 9.12.
Are there any brokerage, commission or stamp duty considerations?	No brokerage, commission or stamp duty is payable by Applicants on the acquisition of Shares under the Offer. See Section 9.6.4.1 for details of various fees payable by the Company to the Joint Lead Managers and by the Joint Lead Managers to certain Brokers.
What should you do with any enquiries?	All enquiries in relation to this Prospectus should be directed to the APM Offer Information Line on 1300 161 431 (within Australia) or +61 3 9415 4047 (outside Australia) between 8:30am and 5:00pm (Sydney time), Monday to Friday. If you are unclear in relation to any matter or are uncertain as to whether Shares are a suitable investment for you, you should seek professional guidance from your solicitor, stockbroker, accountant, or other independent and qualified professional advisor before deciding whether to invest.

7.11. Broker Firm Offer

Topic	Summary
Who can apply in the Broker Firm Offer?	Australian and New Zealand resident investors who are not Institutional Investors and who have received an invitation from their Broker to participate in the Offer under this Prospectus and are not in the United States. Investors should contact the Broker that offered them their firm allocation to determine whether they have been allocated Shares under the Broker Firm Offer.
How to apply for Shares in the Broker Firm Offer?	If you have received an allocation of Shares from your Broker and wish to apply for those Shares under the Broker Firm Offer, you should contact your Broker for information about how to submit your Broker Firm Offer Application Form and for payment instructions. Applicants under the Broker Firm Offer must not send their Application Forms or Application Monies to the Share Registry. Applicants under the Broker Firm Offer should contact their Broker to request a Prospectus and Broker Firm Offer Application Form or download a copy at www.APMoffer.com.au. Your Broker will act as your agent and it is your Broker's responsibility to ensure that your Application Form and Application Monies are received before 5:00pm (Sydney time) on the Closing Date for the Retail Offer (5:00pm (Sydney time) on 10 November 2021) or any earlier closing date as determined by your Broker. By making an Application, you declare that you were given access to this Prospectus (or any supplementary or replacement prospectus), together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is included in, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus. If you are an investor applying under the Broker Firm Offer, you should complete and lodge your Broker Firm Offer Application Form with the Broker from whom you received your firm allocation of Shares. Broker Firm Offer Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the reverse of the Application Form. APM, SaleCo, the Joint Lead Managers and the Share Registry take no responsibility for any acts or omissions committed by your Broker in connection with your Application.
What is the minimum and maximum Application Amount?	The minimum Application under the Broker Firm Offer is $2,000 worth of Shares. There is no maximum value of Shares that may be applied for under the Broker Firm Offer. APM, SaleCo and the Joint Lead Managers reserve the right to aggregate any Applications that they believe may be multiple Applications from the same person or reject or scale back any Applications in the Broker Firm Offer. Any amount applied for in excess of the amount allocated to you will be refunded by your Broker in full (without interest). APM and SaleCo may determine a person to be eligible to participate in the Broker Firm Offer, and may amend or waive the Broker Firm Offer Application procedures or requirements, in their discretion in compliance with applicable laws.
What is the Offer Period?	The Broker Firm Offer is expected to open at 9:00am (Sydney time) on 5 November 2021 and close at 5:00pm (Sydney time) on 10 November 2021. Your Broker may impose an earlier closing date. Please contact your Broker for instructions.

Topic	Summary
Can I apply for Shares prior to the opening of the Broker Firm Offer?	Your Broker may elect to receive your Applications prior to the opening of the Broker Firm Offer during the Exposure Period. However, Applications received during the Exposure Period will not be processed until the expiry of the Exposure Period. No preference will be conferred on any Applications received during the Exposure Period.
What is the Exposure Period?	The seven-day period after the date of lodgement of the Original Prospectus allowing for the Prospectus to be examined by market participants prior to the raising of funds. The examination may result in the identification of deficiencies in this Prospectus, in which case any Application may need to be dealt with in accordance with Section 724 of the Corporations Act. This period may be extended by ASIC by up to a further seven days.
Are there any brokerage, commission or stamp duty considerations?	No brokerage, commission or stamp duty is payable by Applicants on the acquisition of Shares under the Broker Firm Offer.
How can I obtain a copy of this Prospectus and Application Form?	By downloading a Prospectus and Application Form from www.APMoffer.com.au (or by requesting a Prospectus by contacting the APM Offer Information Line on 1300 161 431 (within Australia) or +61 3 9415 4047 (outside Australia) between 8:30am and 5:00pm (Sydney time), Monday to Friday.

7.11.1. Allocation Policy Under the Broker Firm Offer

The allocation of Shares to the Broker Firm Offer, and the identity and level of participation of Brokers participating in the Broker Firm Offer, will be determined by agreement between the Joint Lead Managers, APM and SaleCo. Shares that have been allocated to Brokers for allocation to their Australian and New Zealand resident retail clients will be issued or transferred to the Applicants nominated by those Brokers (subject to the right of APM, SaleCo and the Joint Lead Managers to reject, aggregate or scale back Applications).

It will be a matter for each Broker as to how they allocate Shares among their retail clients, and they (and not APM, SaleCo or the Joint Lead Managers) will be responsible for ensuring that retail clients who have received a firm allocation from them receive the relevant Shares. Applicants under the Broker Firm Offer should confirm their allocation through the Broker from whom they received their allocation. However, if you sell Shares before receiving a holding statement, you do so at your own risk, even if you obtained details of your holding from the APM Offer Information Line or confirmed your allocation through a Broker.

APM, SaleCo, their respective directors and officers, the Joint Lead Managers and the Share Registry disclaim all liability, whether in negligence or otherwise, if you sell Shares before receiving your holding statement, even if you obtained details of your holding from the APM Offer Information Line or confirmed your firm allocation of Shares through a Broker.

7.12. Priority Offer

Topic	Summary
Who can apply in the Priority Offer?	The Priority Offer is open to selected investors in Australia, Singapore and certain other jurisdictions outside the United States who have received a Priority Offer Invitation. The Priority Offer is not open to persons in the United States. If you have been invited by APM to participate in the Priority Offer, you will be treated as an Applicant under the Priority Offer in respect of those Shares that are allocated to you and you will receive a personalised invitation to apply for Shares in the Priority Offer.
How to apply for Shares in the Priority Offer?	If you received a Priority Offer Invitation to apply for Shares under the Priority Offer and you wish to apply for some or all of those Shares, you should follow the instructions on your Priority Offer Invitation. By making an Application, you declare that you were given access to this Prospectus (or any supplementary or replacement prospectus), together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is included in, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.
What is the minimum and maximum Application Amount?	The minimum Application Amount is $2,000. There is no maximum Application Amount.
What is the Offer Period?	The Priority Offer is expected to open at 9:00am (Sydney time) on 5 November 2021 and close at 5.00pm (Sydney time) on 10 November 2021.
How do I pay?	Payment must be made in accordance with the instructions provided on your personalised invitation. If your invitation requires you to pay via BPAY®, the payment of the applications monies must be made in Australian dollars and be received by the Share Registry by 5:00pm (Sydney time) on 10 November 2021. It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 5:00pm (Sydney time) on 10 November 2021. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment.
What is the Exposure Period?	The seven-day period after the date of lodgement of the Original Prospectus allowing for the Prospectus to be examined by market participants prior to the raising of funds. The examination may result in the identification of deficiencies in this Prospectus, in which case any Application may need to be dealt with in accordance with Section 724 of the Corporations Act. This period may be extended by ASIC by up to a further seven days.
Are there any brokerage, commission or stamp duty considerations?	No brokerage, commission or stamp duty is payable by Applicants on the acquisition of Shares under the Priority Offer.
How can I obtain a copy of this Prospectus and Application Form?	By downloading a Prospectus and completing the relevant Application Form from www.APMoffer.com.au.

7.12.1. Allocation Policy Under the Priority Offer

Allocations under the Priority Offer will be made at the absolute discretion of the Company and SaleCo. The Company and SaleCo may reject an Application or allocate a lesser dollar amount of Shares than the amount applied for, in its absolute discretion.

7.13. Employee Offer

Topic	Summary
Who can apply in the Employee Offer?	The Employee Offer is open to Eligible Priority Employees. Eligible Priority Employees are persons who have a registered address in Australia, New Zealand, Singapore or the United Kingdom and are not located in the United States. Eligible Priority Employees will receive a personalised invitation to apply for Shares under the Employee Offer on the opening date of the Retail Offer. Eligible Priority Employees should read the invitation and this Prospectus carefully and in their entirety before deciding whether to apply for Shares under the Employee Offer. If you are unclear in relation to any matter or are uncertain as to whether Shares are a suitable investment for you, you should seek professional guidance from your accountant, financial adviser, stockbroker, lawyer, or other professional adviser before deciding whether to invest.
How to apply for Shares in the Employee Offer?	Eligible Priority Employees who wish to apply for Shares under the Employee Offer must apply for Shares by submitting the Employee Offer Application Form in accordance with the instructions on your personalised invitation. Eligible Priority Employees must comply with the instructions on their personalised invitation and the Application Form. By making an Application, you declare that you were given access to this Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus. Applications must be received by the Share Registry on or before the closing date for the Retail Offer (5:00pm (Sydney time) on 10 November 2021).
How to pay for Shares in the Employee Offer?	Payment must be made in Australian dollars and via BPAY® or as specified in your personalised invitation. All payments must otherwise be made in accordance with the instructions provided on your personalised invitation. Application Monies must be received by the Share Registry by 5:00pm (Sydney time) on 10 November 2021. It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 5:00pm (Sydney time) on 10 November 2021. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. To enable participation from Eligible Priority Employees outside Australia and New Zealand, subject to applicable law the Company intends to facilitate payment by those employees in their home jurisdiction. The Company will offer to receive payments during the Retail Offer period in those jurisdictions and will ensure that a corresponding payment is made to the Share Registry in accordance with the terms of the Employee Offer. Eligible Priority Employees outside of Australia and New Zealand must following the payment instructions in their personalised invitation.

7. Details of the Offer

Topic	Summary
What is the minimum and maximum Application Amount?	The minimum Application under the Employee Offer is $1,000 worth of Shares. Eligible Priority Employees will have a guaranteed allocation of $2,000 worth of Shares. Each Eligible Priority Employee may apply for a maximum of $50,000 worth of Shares at the Offer Price. Allocations of more than $2,000 worth of Shares are not guaranteed and will be subject to the allocation policy in Section 7.13.1.
What is the Offer Period?	The Employee Offer is expected to open at 9:00am (Sydney time) on 5 November 2021 and close at 5:00pm (Sydney time) on 10 November 2021.
What is the Exposure Period?	The seven-day period after the date of lodgement of the Original Prospectus allowing for the Prospectus to be examined by market participants prior to the raising of funds. The examination may result in the identification of deficiencies in this Prospectus, in which case any Application may need to be dealt with in accordance with Section 724 of the Corporations Act. This period may be extended by ASIC by up to a further seven days.
Are there any brokerage, commission or stamp duty considerations?	No brokerage, commission or stamp duty is payable by Applicants on the acquisition of Shares under the Priority Offer.
How can I obtain a copy of this Prospectus and Application Form?	By downloading a Prospectus and completing the relevant Application Form from www.APMoffer.com.au.

7.13.1. Allocation Policy Under the Employee Offer

Eligible Priority Employees will have a guaranteed allocation of $2,000 worth of Shares at the Offer Price. Allocations over $2,000 under the Employee Offer will be made at the absolute discretion of the Company and SaleCo. The Company and SaleCo may reject an Application to the extent it exceeds $2,000, or allocate a lesser dollar amount of Shares than the amount applied for, in its absolute discretion.

Up to $5.0 million of Shares are available in aggregate under the Employee Offer.[199] Each Eligible Priority Employee may apply for and receive a guaranteed allocation of $2,000 worth of Shares at the Offer Price. Allocations over $2,000 and up to the $50,000 maximum application size are discretionary and the Company and SaleCo may scale back applications in excess of the $2,000 guaranteed minimum if the total applications received under the Employee Offer exceeds $5.0 million.

7.13.2. No Restrictions on Disposing of Shares

Eligible Priority Employees will be free to deal with the Employee Offer Shares, subject to the Company's Securities Trading Policy. The Employee Offer Shares are also not subject to forfeiture.

199 The Company reserves the right to accept further applications under the Employee Offer up to $10 million in aggregate.

7.14. Employee Gift Offer

Topic	Summary
Who can apply in the Employee Gift Offer?	The Employee Gift Offer is open to Eligible Employees, who are persons who are full or part time employees of the Group, with a start date prior to 6 months before the date of Admission who have a registered address in Australia, New Zealand, Singapore or the United Kingdom and are not located in the United States, and who have received an offer from the Company to acquire $1,000 worth of Shares in the Company at no cost. Directors of the Company are not eligible to participate in the Employee Gift Offer. Eligible Employees should read the invitation and this Prospectus carefully and in their entirety before deciding whether to apply for Shares under the Employee Gift Offer. If you are unclear in relation to any matter or are uncertain as to whether Shares are a suitable investment for you, you should seek professional guidance from your accountant, financial adviser, stockbroker, lawyer, or other professional adviser before deciding whether to invest.
How to apply for Shares in the Employee Gift Offer?	Eligible Employees who wish to apply for Shares under the Employee Gift Offer must apply for Shares by submitting the Employee Gift Offer Application Form in accordance with the instructions on your personalised invitation. Eligible Employees must comply with the instructions on their personalised invitation and the Application Form. By making an Application, you declare that you were given access to this Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus. Applications under the Employee Gift Offer must be received on or before the closing date of the Retail Offer (5:00pm (Sydney time) on 10 November 2021). The Employee Gift Offer may only be accepted in full.
How to pay for Shares in the Employee Gift Offer?	No payment for Shares is required under the Employee Gift Offer.
What is the Offer Period?	The Employee Offer is expected to open at 9:00am (Sydney time) on 5 November 2021 and close at 5:00pm (Sydney time) on 10 November 2021.
What is the Exposure Period?	The seven-day period after the date of lodgement of the Original Prospectus allowing for the Prospectus to be examined by market participants prior to the raising of funds. The examination may result in the identification of deficiencies in this Prospectus, in which case any Application may need to be dealt with in accordance with Section 724 of the Corporations Act. This period may be extended by ASIC by up to a further seven days.
Are there any brokerage, commission or stamp duty considerations?	No brokerage, commission or stamp duty is payable by Applicants on the acquisition of Shares under the Priority Offer.

7. Details of the Offer

Topic	Summary
How will I hold my Shares?	The Shares issued under the Employee Gift Offer will be held by CPU Share Plans Pty Limited as trustee (**CPU Trustee**) on behalf of the Eligible Employees who are successful applicants under the Employee Gift Offer.
How can I obtain a copy of this Prospectus and Application Form?	By downloading a Prospectus and completing the relevant Application Form from www.APMoffer.com.au.

7.14.1. Allocation Policy Under the Employee Gift Offer

Eligible Employees who submit a valid Application will receive a guaranteed allocation of $1,000 worth of Shares (rounded down to the nearest whole Share based on the Offer Price).

7.14.2. Restrictions on Disposing of Shares

Eligible Employees may not sell, transfer, or otherwise dispose of any Shares acquired under the Employee Gift Offer for a minimum period of six months from the date of Admission, unless the Eligible Employee ceases to be employed by APM or the dealing is required by law (in which case the Shares will be released). Subject to the ASX granting the Company a waiver from Listing Rule 6.12, if an Eligible Employee ceases to be employed by the APM Group within six months of the date of Admission, the Company may force the Eligible Employee to divest the Shares issued under the Employee Gift Offer.

APM will implement necessary arrangements to give effect to this restriction. By applying for Shares under the Employee Gift Offer, Eligible Employees will be agreeing to the imposition of any restriction, including a holding lock, on a sale, transfer, or disposal of those Shares.

Once the restriction period ends or Shares are released, Eligible Employees will, subject to the requirements of the Company's Securities Trading Policy, be free to deal with the Shares acquired under the Employee Gift Offer. Employee Gift Offer Shares are not subject to forfeiture.

7.15. Acceptance of Applications Under the Retail Offer

An Application in the Retail Offer is an offer by you to the Company and SaleCo to apply for the amount of Shares specified in the Application Form at the Offer Price on the terms and conditions set out in this Prospectus (including any supplementary or replacement document) and the Application Form. To the extent permitted by law, an Application by an Applicant is irrevocable.

An Application may be accepted in respect of the full amount, or any amount lower than that specified in the Application Form, without further notice to the Applicant. Acceptance of an Application will give rise to a binding contract on allocation of Shares to Successful Applicants.

APM, SaleCo and Joint Lead Managers, in agreement with the Company, reserve the right to reject any Application which is not correctly completed, or which is submitted by a person who they believe is ineligible to participate in the Broker Firm Offer, or to waive or correct any errors made by an Applicant in completing their Application. In addition, APM, SaleCo and the Joint Lead Managers reserve the right to aggregate any Applications which they believe may be multiple Applications from the same person or reject or scale back any Applications (or aggregation of Applications).

Successful Applicants in the Broker Firm Offer, Priority Offer, Employee Offer and Employee Gift Offer will be allotted Shares at the Offer Price. Successful Applicants in the Broker Firm Offer will receive the number of Shares equal to the value of their Application accepted by the Company and SaleCo divided by the Offer Price (rounded down to the nearest whole Share). No refunds pursuant solely to rounding will be provided.

7.16. Application Monies Under the Retail Offer

Application Monies received under the Retail Offer will be held in a special purpose account until Shares are issued to Successful Applicants. Applicants under the Retail Offer whose Applications are not accepted, or who are allocated a lesser dollar amount of Shares than the amount applied for, will receive a refund (without interest) of all or part of their Application Monies, as applicable. No refunds pursuant solely to rounding will be provided. Interest will not be paid on any monies refunded and any interest earned on Application Monies pending the allocation or refund will be retained by APM. You should ensure that sufficient funds are held in the relevant account(s) to cover the amount of your BPAY® payment or electronic funds transfer (if your personalised invitation requires you to do so). If the amount of your BPAY® payment or electronic funds transfer is less than the amount specified on the Application Form, you may be taken to have applied for such lower dollar amount of Shares.

7.17. Institutional Offer

7.17.1. Invitations to Bid

The Institutional Offer consisted of an invitation from the Company and the Joint Lead Managers to certain Institutional Investors in Australia, New Zealand, and other eligible foreign jurisdictions to bid for Shares in the Institutional Offer. The Joint Lead Managers separately advised Institutional Investors of the application procedures for the Institutional Offer.

The Institutional Offer is made up of two parts:

- an invitation to Institutional Investors in Australia, New Zealand and selected other jurisdictions (other than the United States) to bid for Shares – made under this Prospectus; and
- an invitation to Institutional Investors in the United States – made under the US Institutional Offering Memorandum.

7.17.2. Allocation Policy Under the Institutional Offer

The allocation of Shares among bidders in the Institutional Offer was determined by the Joint Lead Managers, in agreement with the Company and SaleCo. The Joint Lead Managers, the Company and SaleCo have absolute discretion regarding the basis of allocation of Shares among Institutional Investors.

Participants in the Institutional Offer have been advised of their allocation of Shares, if any, by the Joint Lead Managers. The allocation policy has been influenced by the following factors:

- the number of Shares bid for by particular bidders;
- the timeliness of the bid by particular bidders;
- the Company's desire for an informed and active trading market following listing on the ASX;
- the Company's desire to establish a wide spread of institutional Shareholders;
- the overall level of demand under the Broker Firm Offer, the Priority Offer and the Institutional Offer;
- the likelihood that particular bidders will be long-term Shareholders; and
- any other factors that the Company, SaleCo and the Joint Lead Managers consider appropriate, in their sole discretion.

7.18. Acknowledgements

Each Applicant under the Offer will be deemed to have:

- agreed to become a member of the Company and to be bound by the terms of the Constitution and the terms and conditions of the Offer;
- acknowledged having personally received a printed or electronic copy of the Prospectus (and any supplementary or replacement prospectus) including or accompanied by the Application Form and having read them all in full;
- declared that all details and statements in their Application Form are complete and accurate;
- declared that the Applicant(s), if a natural person, is/are over 18 years of age;
- acknowledged that, once the Company or a Broker receives an Application Form, it may not be withdrawn;
- applied for the number of Shares at the Australian dollar amount shown on the front of the Application Form;
- agreed to being allocated and issued the number of Shares applied for (or a lower number allocated in a way described in this Prospectus), or no Shares at all;
- authorised the Company and the Joint Lead Managers and their respective officers or agents, to do anything on behalf of the Applicant(s) necessary for Shares to be allocated to the Applicant(s), including to act on instructions received by the Share Registry upon using the contact details in the Application Form;
- acknowledged that, in some circumstances, the Company may not pay dividends, or that any dividends paid may not be franked;
- acknowledged that the information contained in this Prospectus (or any supplementary or replacement prospectus) is not financial product advice or a recommendation that Shares are suitable for the Applicant(s), given the investment objectives, financial situation or particular needs (including financial and tax issues) of the Applicant(s);
- declared that the Applicant(s) is/are a resident of Australia or New Zealand (except as applicable to the Institutional Offer, Employee Offer, Employee Gift Offer or the Priority Offer);
- acknowledged and agreed that the Offer may be withdrawn by the Company and SaleCo or may otherwise not proceed in the circumstances described in this Prospectus; and
- acknowledged and agreed that if Listing does not occur for any reason, the Offer will not proceed.

Each Applicant under the Broker Firm Offer, Employee Offer, Employee Gift Offer and Priority Offer, and each person to whom the Institutional Offer has been made under this Prospectus, will be taken to have represented, warranted and agreed as follows:

- it understands that the Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold, or otherwise transferred in the United States, except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and any other applicable state securities laws;
- it is not in the United States or acting for the account or benefit of a person in the United States;
- it has not sent and will not send this Prospectus or any other material relating to the Offer to any person in the United States;
- it is purchasing the Shares in an offshore transaction in accordance with the requirements of Regulation S; and
- it will not offer, sell, transfer or resell the Shares in the United States or in any other jurisdiction outside Australia or New Zealand except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and in compliance with all applicable laws in the jurisdiction in which Shares are offered and sold.

7.19. Underwriting Agreement

The Company, SaleCo and the Joint Lead Managers have entered into an Underwriting Agreement, under which the Joint Lead Managers have agreed to underwrite the Offer (other than the Employee Gift Offer), subject to certain conditions and termination events. The Underwriting Agreement sets out a number of circumstances under which the Joint Lead Managers may terminate the agreement.

A summary of certain terms of the Underwriting Agreement, including termination provisions, is provided in Section 9.6.4.

7.20. Voluntary Escrow Arrangements

Upon Completion of the Offer, MDP, Megan Wynne, Michael Anghie, Management Shareholders and Directors (or entities that they control or that are associated with them) will be subject to voluntary escrow arrangements (other than any Shares acquired by them, or entities related to them, under the Offer at the Offer Price).

The Escrowed Shareholders have entered into voluntary escrow arrangements which prevent them from disposing of their Escrowed Shares during the relevant Escrow Period (subject to relevant exceptions). See Section 9.7 for a summary of the terms of the escrow arrangements and the limited exceptions that permit dealing in the Escrowed Shares during the relevant Escrow Period.

7.21. Restrictions on Distributions

No action has been taken to register or qualify this Prospectus, the Shares or the Offer or otherwise to permit a public offering of the Shares in any jurisdiction outside Australia and New Zealand.

This Prospectus does not constitute an offer or invitation to apply for Shares in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation or issue under this Prospectus.

This Prospectus may not be released or distributed in the United States, and may only be distributed to persons to whom the Offer may lawfully be made in accordance with the laws of any applicable jurisdiction. Offers to any person in the United States are only being made pursuant to, and in accordance with the terms described in, the US Institutional Offering Memorandum.

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and any other applicable securities laws.

7.22. Discretion Regarding Offer

The Company and SaleCo may withdraw the Offer at any time before the issue of Shares to successful Applicants under the Offer. If the Offer, or any part of it, does not proceed, all relevant Application Monies will be refunded (without interest).

The Company, SaleCo and the Joint Lead Managers also reserve the right to, subject to the Corporations Act, extend the Offer or any part of it, accept late Applications or bids either generally or in particular cases, reject any Application or bid, or allocate to any Applicant or bidder fewer Shares than the amount applied or bid for.

7.23. ASX Listing, Registers and Holding Statements and Deferred Settlement

7.23.1. Application for ASX Listing of the Company and Quotation of Shares

The Company has applied to the ASX for admission to the Official List and quotation of its Shares on the ASX under the code 'APM'. The Company is not currently seeking a listing of its Shares or Shares on any stock exchange other than the ASX.

The ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that the ASX may admit the Company to the Official List is not to be taken as an indication of the merits of the Company or the Shares offered for subscription.

If permission is not granted for the official quotation of the Shares on the ASX within three months after the Original Prospectus Date (or any later date permitted by law), all Application Monies received by the Company will be refunded (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.

The Company will be required to comply with the ASX Listing Rules, subject to any waivers obtained by the Company from time to time.

7.24. CHESS and Issuer Sponsored Holdings

The Company will apply to participate in the ASX's Clearing House Electronic Subregister System (**CHESS**) and will comply with the Listing Rules and ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in securities quoted on the ASX under which transfers are effected in an electronic form.

When the Shares become approved financial products (as defined in the ASX Settlement Operating Rules), holdings will be registered in one of two subregisters, being an electronic CHESS subregister or an issuer sponsored subregister. For all successful Applicants, the Shares of a Shareholder who is a participant in CHESS or a Shareholder sponsored by a participant in CHESS will be registered on the CHESS subregister. All other Shares will be registered on the issuer sponsored subregister.

Following Completion, Shareholders will be sent a holding statement that sets out the number of Shares that have been allocated to them. This statement will also provide details of a Shareholder's Holder Identification Number (**HIN**) for CHESS holders or, where applicable, the Securityholder Reference Number (**SRN**) of issuer sponsored holders. Shareholders will subsequently receive statements showing any changes to their Shareholding. Certificates will not be issued.

Shareholders will receive subsequent statements during the first week of the following month if there has been a change to their holding on the register and as otherwise required under the Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the Shareholder's sponsoring broker in the case of a holding on the CHESS subregister or through the Share Registry in the case of a holding on the issuer sponsored subregister. The Company and the Share Registry may charge a fee for these additional issuer sponsored statements.

7.24.1. Conditional and Deferred Settlement Trading and Selling Shares on Market

It is expected that trading of the Shares on the ASX on a conditional and deferred settlement will commence on or about 12 November 2021.

Trades occurring on the ASX before the date on which the Shares are issued will be conditional on the completion of the Capital Restructure, settlement occurring under the Underwriting Agreement and the issue of New Shares occurring (**Conditions**).

Conditional and deferred settlement trading will continue until the Company has advised the ASX that the Conditions have been satisfied, which is expected to be on or about 16 November 2021. If the Conditions have not been satisfied by the end of the conditional and deferred settlement trading period or the Offer is withdrawn, the Offer will not complete and all trades conducted during the conditional and deferred settlement trading period will be invalid and will not settle. All Application Monies received will be refunded to Applicants. No interest will be paid on any Application Monies refunded as a result of the Offer not completing.

Following satisfaction of the Conditions, trading on the ASX will be on an unconditional but deferred settlement basis until the Company has advised the ASX that initial holding statements have been despatched to Shareholders. Trading on the ASX is expected to commence on a normal settlement basis on or about 17 November 2021. Following the issue of Shares, Successful Applicants will receive a holding statement setting out the number of Shares issued to them under the Offer. It is expected that holding statements will be despatched by standard post on or about 18 November 2021.

It is the responsibility of each person who trades in Shares to confirm their own holding before trading in Shares. Investors will be able to confirm their holdings after the Allotment date by telephoning the APM Offer Information Line on 1300 161 431 (within Australia) or +61 3 9415 4047 (outside Australia) between 8:30am and 5:00pm (Sydney time), Monday to Friday.

If you sell Shares before receiving a holding statement, you do so at your own risk. The Company, SaleCo, the Share Registry and the Joint Lead Managers disclaim all liability, whether in negligence or otherwise, if you sell Shares before receiving your holding statement, even if you obtained details of your holding from the APM Offer Information Line or confirmed your firm allocation through a Broker.

Shares are expected to commence trading on the ASX on a normal settlement basis on 17 November 2021.

7.25. Summary of Rights and Liabilities Attaching to Shares and Other Material Provisions of the Constitution

7.25.1. Introduction

The rights and liabilities attaching to ownership of Shares are:

- detailed in the Constitution which may be inspected during normal business hours at the registered office of the Company; and
- in certain circumstances, the ASX Listing Rules, the ASX Settlement Operating Rules and all applicable laws and regulations.

A summary of the significant rights, liabilities and obligations attaching to the Shares and a description of other material provisions of the Constitution are set out below. This summary is not intended to be exhaustive and is qualified by the fuller terms of the Constitution. This summary does not constitute a definitive statement of the rights and liabilities of Shareholders.

The summary assumes that the Company is admitted to the Official List.

7.25.2. Voting at a General Meeting

At a general meeting of APM, every Shareholder present in person or by proxy, attorney or representative has one vote on a show of hands and, on a poll, one vote for each Share held. On a poll, every member (or his or her proxy, attorney or representative) is entitled to vote for each fully paid Share held and in respect of each partly paid Share, is entitled to a fraction of a vote equivalent to the proportion which the amount paid up (not credited) on that partly paid Share bears to the total amounts paid and payable (excluding amounts credited) on that Share. Amounts paid in advance of a call are ignored when calculating the proportion. The Chairperson does not have a casting vote.

7.25.3. Meetings of Members

Every Shareholder is entitled to receive notice of and, except in certain circumstances, attend and vote at general meetings of APM and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, Corporations Act and ASX Listing Rules. At least 28 days' notice of a meeting must be given to Shareholders.

7.25.4. Dividends

Subject to the Corporations Act, the Constitution and any special terms and conditions of issue, the Directors may, from time to time, pay, resolve to pay, rescind, or amend a decision to pay a dividend or declare any interim, special or final dividend as, in their judgement, the financial position of the Company justifies.

The Directors may fix the amount, time and method of payment of the dividends. The payment, resolution to pay, or declaration of a dividend does not require any confirmation by a general meeting.

7.25.5. Transfer of Shares

Subject to the Constitution and to any restrictions attached to any Shares or classes of shares, Shares may be transferred by proper ASTC transfer (effected in accordance with the ASX Settlement Operating Rules, Corporations Regulations and ASX Listing Rules) or by a written transfer in any usual form or in any other form approved by the Board and permitted by the Corporations Act and ASX Listing Rules. The Directors may, in circumstances permitted under the ASX Listing Rules or ASX Settlement Rules, decline to register a transfer of Shares or apply a holding lock to prevent a transfer of Shares. If the Directors decline to register a transfer, the Company must give the party lodging the transfer written notice of the refusal and the reason for refusal.

7.25.6. Issue of Further Shares in the Company

Subject to the Constitution, the ASX Listing Rules, the ASX Settlement Operating Rules and any special rights conferred on the holders of any Shares or class of shares, the Directors may issue Shares or grant options over unissued shares to any person and they may do so at such times and on the conditions they think fit. The shares may be issued with preferred, deferred or special rights, or special restrictions about dividends, voting, return of capital, participation in the property of the Company on a winding up or otherwise as the Directors see fit.

7.25.7. Preference Shares

APM may issue preference shares, including preference shares which are, or at the option of APM or a holder are, liable to be redeemed or converted into Shares. The rights attaching to preference shares are those set out in the Constitution.

7.25.8. Winding Up

If the Company is wound up, then subject to the Constitution and to the rights or restrictions attached to a class of shares, any surplus assets must be divided among the Company's members in proportion to the Shares held by them (irrespective of the amounts paid or credited as paid on the Shares), less any amounts which remain unpaid on these Shares at the time of distribution.

7.25.9. Sale of Non-Marketable Parcels

In accordance with the Corporations Act, the ASX Listing Rules and the ASX Settlement Operating Rules, and provided that the procedures set out in the Constitution are followed, the Company may sell the Shares of a Shareholder who holds less than a marketable parcel of those Shares. A marketable parcel of Shares is defined in the ASX Listing Rules and is generally a holding of Shares with a market value of at least $500.

7.25.10. Proportional Takeover Provisions

The Constitution contains provisions requiring Shareholder approval in relation to any proportional takeover bid. These provisions will cease to apply unless renewed by Shareholders passing a special resolution by the third anniversary of either the date those provisions were adopted or the date those rules were last renewed.

7.25.11. Variation of Class Rights

Subject to the Corporations Act and the terms of issue of a class of shares, wherever the capital of the Company is divided into different classes of shares, the rights attached to any class of shares may be varied with:

- the written consent of the holders of at least three-quarters of the issued shares in the particular class; or
- the sanction of a special resolution passed at a separate meeting of the holders of shares in that class.

7.25.12. Dividend Reinvestment Plan

The Constitution contains a provision allowing Directors, on the terms and conditions they think fit, to implement, amend, suspend, or terminate a dividend reinvestment plan (under which any Shareholder or any class of shareholders may elect that the dividends payable by the Company be reinvested by a subscription for Shares in the Company).

7.25.13. Directors – Appointment and Retirement

Under the Constitution, the number of Directors shall be a minimum of three Directors and a maximum of 12 Directors or such lower number as the Directors determine, provided APM resolves to authorise such determination at a general meeting. Directors are elected or re-elected by resolution by shareholders at general meetings of APM.

The Directors may also appoint a Director to fill a casual vacancy on the Board or in addition to the existing Directors, who (other than the managing director) will then hold office until the next annual general meeting of the Company and is then eligible for election at that meeting.

No Director (other than the managing director) may hold office without re-election after three years or beyond the third annual general meeting following the meeting at which the Director was last elected or re-elected (whichever is later).

7.25.14. Directors – Voting

Questions arising at a meeting of Directors will be decided by a majority of votes of the Directors present at the meeting and entitled to vote on the matter.

In the case of an equality of votes on a resolution, the chair of the meeting does have a casting vote on the proposed resolution. Where only two directors are present or qualified to vote, the chair of the meeting will not have a second or casting vote and the resolution will be taken as having been lost.

A written resolution of the Board may be passed without holding a meeting of the Board, if all of the Directors sign or assent to the resolution (other than Directors permitted not to vote on the resolution in accordance with the terms of the Constitution).

7.25.15. Powers and Duties of Directors

The Directors are responsible for managing the business of APM and may exercise to the exclusion of APM in general meeting all the powers of APM which are not required by law or by the Constitution to be exercised by APM in general meeting.

7.25.16. Directors' and Officers' Indemnity

The Company, to the extent permitted by law, indemnifies each person who is a current or former Director, executive officer, officer or auditor of the Company, and such other officers or former officers of the Company or its related bodies corporate as the Directors in each case determine, against any losses or liability incurred by that person as an officer or auditor of the Company or of a related body corporate of the Company including, but not limited to, a liability for negligence or for legal costs.

The Company, to the extent permitted by law, may enter into and pay premiums on a contract insuring any person who is a current or former Director, executive officer, officer or auditor of the Company, and such other officers or former officers of the Company or its related bodies corporate as the Directors in each case determine, against any liability incurred by the person as an officer or auditor of the Company or of a related body corporate of the Company including, but not limited to, a liability for negligence or for legal costs.

The Company has entered into deeds of access, insurance and indemnity with each Director. These are summarised in Section 6.5.2.

7.25.17. Amendment

The Constitution may only be amended in accordance with the Corporations Act, which requires a special resolution passed by at least 75% of Shareholders present (in person or by proxy, attorney or representative) and entitled to vote on the resolution at a general meeting of APM. The Company must give at least 28 days' written notice of its intention to propose a resolution as a special resolution.

8.
Investigating Accountant's Report

8. Investigating Accountant's Report

The Directors
APM Human Services International Limited
58 Ord Street
West Perth WA 6005

The Directors
APM SaleCo Limited
58 Ord Street
West Perth WA 6005

28 October 2021

Dear Directors

Investigating Accountant's Report

Independent Limited Assurance Report on APM Human Services International Limited historical and pro forma historical financial information and Financial Services Guide

We have been engaged by APM Human Services International Limited (the **Company**) and APM SaleCo Limited (**SaleCo**) to report on the historical financial information and pro forma historical financial information of the Company for the years ended 30 June 2019, (**FY19**), 30 June 2020 (**FY20**) and 30 June 2021 (**FY21**) defined below for inclusion in the prospectus dated on or about 28 October 2021 (the **Prospectus**) and relating to the issue of ordinary shares in the Company.

Expressions and terms defined in the Prospectus have the same meaning in this report.

The nature of this report is such that it can only be issued by an entity which holds an Australian financial services licence under the Corporations Act 2001. PricewaterhouseCoopers Securities Ltd, which is wholly owned by PricewaterhouseCoopers holds the appropriate Australian financial services licence under the Corporations Act 2001. This report is both an Investigating Accountant's Report, the scope of which is set out below, and a Financial Services Guide, as attached at Appendix A.

Scope

Historical Financial Information

You have requested PricewaterhouseCoopers Securities Ltd to review the following consolidated historical financial information of the Company (the responsible party) included in the Prospectus:

- the statutory historical Income Statements for the years ended 30 June 2019, 30 June 2020 and 30 June 2021;
- the statutory historical Statement of Financial Position as at 30 June 2021; and

PricewaterhouseCoopers Securities Ltd, ACN 003 311 617, ABN 54 003 311 617, Holder of Australian Financial Services Licence No 244572
Brookfield Place, 125 St Georges Terrace, PERTH WA 6000, GPO Box D198, PERTH WA 6840
T: +61 8 9238 3000, F: +61 8 9238 3999, www.pwc.com.au

- the statutory historical Statements of Cash Flows for the years ended 30 June 2019, 30 June 2020 and 30 June 2021;

(collectively the **Statutory Historical Financial Information**).

The Statutory Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies.

The Statutory Historical Financial Information has been extracted from the financial report of the Company for the year ended 30 June 2021 and of International APM Group Pty Ltd for the year ended 30 June 2020, both of which were audited by PricewaterhouseCoopers (**PwC**) in accordance with the Australian Auditing Standards. PwC issued an unmodified audit opinion on both of the financial reports.

The Statutory Historical Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *C*orporations Act 2001.

Pro Forma historical financial information

You have requested PricewaterhouseCoopers Securities Ltd to review the following consolidated pro forma historical financial information of the Company included in the Prospectus:

- the pro forma historical Income Statements of Financial Performance for the years ended 30 June 2019, 30 June 2020 and 30 June 2021;
- the pro forma historical Statement of Financial Position as at 30 June 2021; and
- the pro forma historical Statements of Cash Flows for the years ended 30 June 2019, 30 June 2020 and 30 June 2021;

(collectively the **Pro Forma Historical Financial Information**, and together with the Statutory Historical Financial Information, the **Historical Financial Information**).

The Pro Forma Historical Financial Information has been derived from the Statutory Historical Financial Information of the Company after adjusting for the effects of pro forma adjustments described in section 4.2.4 of the Prospectus. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies applied to the historical financial information and the event(s) or transaction(s) to which the pro forma adjustments relate, as described in section 4.2.4 of the Prospectus, as if those event(s) or transaction(s) had occurred as at the date of the Statutory Historical Financial Information. Due to its nature, the pro forma historical financial information does not represent the Company's actual or prospective financial position, financial performance, and/or cash flows.

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Directors' responsibility

The directors of the Company are responsible for the preparation of the Statutory Historical Financial Information and Pro Forma Historical Financial Information, including its basis of preparation and the selection and determination of pro forma adjustments made to the Statutory Historical Financial Information and included in the Pro Forma Historical Financial Information.

This includes responsibility for its compliance with applicable laws and regulations and for such internal controls as the directors determine are necessary to enable the preparation of historical financial information and pro forma historical financial information that are free from material misstatement.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

Conclusions

Statutory Historical financial information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Statutory Historical Financial Information of the Company, as described in sections 4.3.2, 4.4.1 and 4.5.2 of the Prospectus, and comprising:

- the statutory historical Income Statements for the years ended 30 June 2019, 30 June 2020 and 30 June 2021;
- the statutory historical Statement of Financial Position as at 30 June 2021; and
- the statutory historical Statements of Cash Flows for the years ended 30 June 2019, 30 June 2020 and 30 June 2021;

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in section 4.2 of the Prospectus being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies.

Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information of the Company as described in sections 4.3.1, 4.4.1 and 4.5.1 of the Prospectus, and comprising:

- the pro forma historical Income Statements for the years ended 30 June 2019, 30 June 2020 and 30 June 2021;
- the pro forma historical Statement of Financial Position as at 30 June 2021; and
- the pro forma historical Statements of Cash Flows for the years ended 30 June 2019, 30 June 2020 and 30 June 2021;

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in section 4.2 of the Prospectus being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies applied to the Statutory Historical Financial Information and the event(s) or transaction(s) to which the pro forma adjustments relate, as described in section 4.2.4 of the Prospectus, as if those event(s) or transaction(s) had occurred as at the date of the Statutory Historical Financial Information.

Notice to investors outside Australia and New Zealand

Under the terms of our engagement this report has been prepared solely to comply with Australian Auditing Standards applicable to review engagements.

This report does not constitute an offer to sell, or a solicitation of an offer to buy, any securities. We do not hold any financial services licence or other licence outside Australia. We are not recommending or making any representation as to suitability of any investment to any person.

Restriction on Use

Without modifying our conclusions, we draw attention to section 4.2.1 of the Prospectus, which describes the purpose of the Historical Financial Information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

Consent

PricewaterhouseCoopers Securities Ltd has consented to the inclusion of this assurance report in the public document in the form and context in which it is included.

Liability

The liability of PricewaterhouseCoopers Securities Ltd is limited to the inclusion of this report in the Prospectus. PricewaterhouseCoopers Securities Ltd makes no representation regarding, and has no liability for, any other statements or other material in, or omissions from the Prospectus.

4

Independence or Disclosure of Interest

PricewaterhouseCoopers Securities Ltd does not have any interest in the outcome of the Offer other than the preparation of this report and participation in due diligence procedures for which normal professional fees will be received.

Financial Services Guide

We have included our Financial Services Guide as Appendix A to our report. The Financial Services Guide is designed to assist retail clients in their use of any general financial product advice in our report.

Yours faithfully

Robert Silverwood
Authorised Representative of
PricewaterhouseCoopers Securities Ltd

Appendix A – Financial Services Guide

PRICEWATERHOUSECOOPERS SECURITIES LTD

FINANCIAL SERVICES GUIDE

This Financial Services Guide is dated 28 October 2021

1. About us

PricewaterhouseCoopers Securities Ltd (ABN 54 003 311 617, Australian Financial Services Licence no 244572) (**PwC Securities**) has been engaged by APM Human Services International Limited (the **Company**) to provide a report in the form of an Independent Accountant's Report (the **Report**) in relation to the historical financial information and pro forma historical financial information of the Company for the years ended 30 June 2019, 30 June 2020 and 30 June 2021 for inclusion in the Prospectus dated 28 October 2021 related to the proposed initial public offering of ordinary shares in the Company and the listing of the Company on the Australian Securities Exchange.

You have not engaged us directly but have been provided with a copy of the Report as a retail client because of your connection to the matters set out in the Report.

2. This Financial Services Guide

This Financial Services Guide (**FSG**) is designed to assist retail clients in their use of any general financial product advice contained in the Report. This FSG contains information about PwC Securities generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the Report, and how complaints against us will be dealt with.

3. Financial services we are licensed to provide

Our Australian financial services licence allows us to provide a broad range of services, including providing financial product advice in relation to various financial products such as securities, interests in managed investment schemes, derivatives, superannuation products, foreign exchange contracts, insurance products, life products, managed investment schemes, government debentures, stocks or bonds, and deposit products.

4. General financial product advice

The Report contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs.

You should consider your own objectives, financial situation and needs when assessing the suitability of the Report to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

5. Fees, commissions and other benefits we may receive

PwC Securities charges fees to produce reports, including this Report. These fees are negotiated and agreed with the entity who engages PwC Securities to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the person who engages us. In the preparation of this Report our fees charged are $800,000 (excluding disbursements and GST).

Directors or employees of PwC Securities, PricewaterhouseCoopers, or other associated entities, may receive partnership distributions, salary or wages from PricewaterhouseCoopers.

6. Associations with issuers of financial products

PwC Securities and its authorised representatives, employees and associates may from time to time have relationships with the issuers of financial products. For example, PricewaterhouseCoopers may be the auditor of, or provide financial services to, the issuer of a financial product and PwC Securities may provide financial services to the issuer of a financial product in the ordinary course of its business.

7. Complaints

If, for any reason, you are not satisfied with the advice or service you receive from PwC Securities or from our authorised representatives, you are entitled to make a complaint.

If you wish to make a complaint please initially lodge your complaint with your adviser. We have established procedures to ensure all complaints are resolved quickly and fairly. A copy of our internal complaints handling procedure can be provided to you upon request.

If you do not receive a satisfactory outcome to your complaint, you have the right to contact the Australian Financial Complaints Authority (**AFCA**). AFCA provides independent financial services complaint resolution that is free to consumers.

Australian Financial Complaints Authority
GPO Box 3, Melbourne VIC 3001
Tel: 1800 931 678 (Free Call)

E-mail: info@afca.org.au
Website: www.afca.org.au

8. Investigating Accountant's Report

PwC Securities is a member of AFCA. You will not be charged for using the AFCA service.

8. Contact Details

PwC Securities can be contacted by sending a letter to the following address:

Robert Silverwood
PricewaterhouseCoopers Securities Ltd
125 St Georges Terrace, PERTH WA 6000

The Directors
APM Human Services International Limited
58 Ord Street
West Perth WA 6005

The Directors
APM SaleCo Limited
58 Ord Street
West Perth WA 6005

28 October 2021

Dear Directors

Investigating Accountant's Report

Independent Limited Assurance Report on APM Human Services International Limited forecast and pro forma forecast and Financial Services Guide

We have been engaged by APM Human Services International Limited (the **Company**) and APM SaleCo Limited (**SaleCo**) to report on the forecast financial information of the Company for the year ending 30 June 2022 (FY22) defined below for inclusion in the prospectus dated on or about 28 October 2021 (the **Prospectus**) and relating to the issue of ordinary shares in the Company.

Expressions and terms defined in the Prospectus have the same meaning in this report.

The nature of this report is such that it can only be issued by an entity which holds an Australian financial services licence under the Corporations Act 2001. PricewaterhouseCoopers Securities Ltd, which is wholly owned by PricewaterhouseCoopers holds the appropriate Australian financial services licence under the Corporations Act 2001.This report is both an Investigating Accountant's Report, the scope of which is set out below, and a Financial Services Guide, as attached at Appendix A.

Scope

You have requested PricewaterhouseCoopers Securities Ltd to review the following consolidated financial information of the Company (the responsible party) included in the Prospectus:

Statutory Forecast Financial Information

- the statutory forecast Income Statement and Statement of Cash Flow of the Company for the year ending 30 June 2022, as described in sections 4.3.2 and 4.5.2 of the Prospectus.

The directors' best-estimate assumptions underlying the Forecast are described in section 4.6.5 of the Prospectus. The stated basis of preparation used in the preparation of the Forecast being the

PricewaterhouseCoopers Securities Ltd, ACN 003 311 617, ABN 54 003 311 617, Holder of Australian Financial Services Licence No 244572
Brookfield Place, 125 St Georges Terrace, PERTH WA 6000, GPO Box D198, PERTH WA 6840
T: +61 8 9238 3000, F: +61 8 9238 3999, www.pwc.com.au

recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies;

Pro Forma Forecast Financial Information

- the pro forma forecast Income Statement and Statement of Cash Flow of the Company for the year ending 30 June 2022, described in sections 4.3.1 and 4.5.1 of the Prospectus.

The Pro Forma Forecast has been derived from the Company's Statutory Forecast Financial Information, after adjusting for the effects of the pro forma adjustments described in section 4.2.5 of the Prospectus. The stated basis of preparation used in the preparation of the Pro Forma Forecast being the recognition and measurement principles contained in Australian Accounting Standards applied to the forecast and the event(s) or transaction(s) to which the pro forma adjustments relate, as described in section 4.2.5 of the Prospectus, as if those event(s) or transaction(s) had occurred during the year ended 30 June 2022. Due to its nature, the Pro Forma Forecast Financial Information does not represent the company's actual prospective financial performance, and/or cash flow for the year ending 30 June 2022.

Directors' Responsibility

The directors of the Company are responsible for the preparation of the Statutory Forecast Financial Information for the year ending 30 June 2022, including its basis of preparation and the best-estimate assumptions underlying the Statutory Forecast Financial Information. They are also responsible for the preparation of the Pro Forma Forecast Financial Information for the year ending 30 June 2022, including its basis of preparation and the selection and determination of the pro forma adjustments made to the Statutory Forecast Financial Information and included in the Pro Forma Forecast Financial Information.

This includes responsibility for its compliance with applicable laws and regulations and for such internal control as the directors determine are necessary to enable the preparation of a forecast and a pro forma forecast that are free from material misstatement.

Our Responsibility

Our responsibility is to express limited assurance conclusions on the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information, the best-estimate assumptions underlying the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information, and the reasonableness of the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information themselves, based on our review. We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

Conclusions

Statutory Forecast Financial Information

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that:

- the directors' best-estimate assumptions used in the preparation of the forecast Income Statement and Statement of Cash Flow of the Company for the year ending 30 June 2022 do not provide reasonable grounds for the Statutory Forecast Financial Information; and
- in all material respects, the Statutory Forecast Financial Information:
  - is not properly prepared on the basis of the directors' best-estimate assumptions as described in section 4.6.5 of the Prospectus; and
  - is not presented fairly in accordance with the stated basis of preparation, as described in section 4.2 of the Prospectus being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies; and
- the Statutory Forecast Financial Information itself is unreasonable.

Pro Forma Forecast Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that:

- the directors' best-estimate assumptions used in the preparation of the pro forma forecast Income Statement and Statement of Cash Flow of the Company for the year ending 30 June 2022 do not provide reasonable grounds for the Pro Forma Forecast Financial Information; and
- in all material respects, the Pro Forma Forecast Financial Information:
  - is not properly prepared on the basis of the directors' best-estimate assumptions, as described in section 4.6.5 of the Prospectus; and
  - is not presented fairly in accordance with the stated basis of preparation, as described in section 4.2 of the Prospectus being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies, applied to the Statutory Forecast Financial Information and the pro forma adjustments as if those adjustments had occurred as at the date of the forecast; and
- the Pro Forma Forecast Financial Information itself is unreasonable.

Statutory Forecast Financial Information and Pro Forma Forecast Financial Information

The Statutory Forecast Financial Information and Pro Forma Forecast Financial Information have been prepared by management and adopted by the directors in order to provide prospective investors with a guide to the potential financial performance of the Company for the period ending 30 June 2022. There is a considerable degree of subjective judgement involved in preparing forecasts since they relate to event(s) and transaction(s) that have not yet occurred and may not occur. Actual results are likely to be different from the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information since anticipated event(s) or transaction(s) frequently do not occur as expected and the variation may be material.

The directors' best-estimate assumptions on which the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information are based relate to future event(s) and/or transaction(s) that management expect to occur and actions that management expect to take and are also subject to uncertainties and contingencies, which are often outside the control of the Company. Evidence may be available to support the directors' best-estimate assumptions on which the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information are based however such evidence is generally future-oriented and therefore speculative in nature. We are therefore not in a position to express a reasonable assurance conclusion on those best-estimate assumptions, and accordingly, provide a lesser level of assurance on the reasonableness of the directors' best-estimate assumptions. The limited assurance conclusion expressed in this report has been formed on the above basis.

Prospective investors should be aware of the material risks and uncertainties in relation to an investment in the Company, which are detailed in the Prospectus, and the inherent uncertainty relating to the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information. Accordingly, prospective investors should have regard to the investment risks and sensitivities as described in section 5 of the Prospectus. The sensitivity analysis described in section 4.7 of the Prospectus demonstrates the impact on the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information of changes in key best-estimate assumptions. We express no opinion as to whether the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information will be achieved.

The Statutory Forecast Financial Information and Pro Forma Forecast Financial Information have been prepared by the directors for the purpose of inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this report, or on the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information to which it relates, for any purpose other than that for which it was prepared. We have assumed, and relied on representations from certain members of management of the Company, that all material information concerning the prospects and proposed operations of the Company has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

Notice to investors outside Australia and New Zealand

Under the terms of our engagement this report has been prepared solely to comply with Australian Auditing Standards applicable to review engagements.

This report does not constitute an offer to sell, or a solicitation of an offer to buy, any securities. We do not hold any financial services licence or other licence outside Australia. We are not recommending or making any representation as to suitability of any investment to any person.

Restriction on Use

Without modifying our conclusions, we draw attention to section 4.2.1 of the Prospectus, which describes the purpose of the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information, being for inclusion in the Prospectus. As a result, the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information may not be suitable for use for another purpose.

Consent

PricewaterhouseCoopers Securities Ltd has consented to the inclusion of this assurance report in the public document in the form and context in which it is included.

Liability

The liability of PricewaterhouseCoopers Securities Ltd is limited to the inclusion of this report in the Prospectus. PricewaterhouseCoopers Securities Ltd makes no representation regarding, and has no liability for, any other statements or other material in, or any omissions from, the Prospectus.

Independence or Disclosure of Interest

PricewaterhouseCoopers Securities Ltd does not have any interest in the outcome of this Offer other than the preparation of this report and participation in due diligence procedures for which normal professional fees will be received.

Financial Services Guide

We have included our Financial Services Guide as Appendix A to our report. The Financial Services Guide is designed to assist retail clients in their use of any general financial product advice in our report.

Yours faithfully

Robert Silverwood
Authorised Representative of
PricewaterhouseCoopers Securities Ltd

Appendix A – Financial Services Guide

PRICEWATERHOUSECOOPERS SECURITIES LTD

FINANCIAL SERVICES GUIDE

This Financial Services Guide is dated 28 October 2021

1. About us

PricewaterhouseCoopers Securities Ltd (ABN 54 003 311 617, Australian Financial Services Licence no 244572) (**PwC Securities**) has been engaged by APM Human Services International Limited (the **Company**) to provide a report in the form of an Independent Accountant's Report (the **Report**) in relation to the forecast financial information and pro forma forecast financial information of the Company for the year ending 30 June 2022 for inclusion in the Prospectus dated **28 October 2021** related to the proposed initial public offering of ordinary shares in the Company and the listing of the Company on the Australian Securities Exchange.

You have not engaged us directly but have been provided with a copy of the Report as a retail client because of your connection to the matters set out in the Report.

2. This Financial Services Guide

This Financial Services Guide (**FSG**) is designed to assist retail clients in their use of any general financial product advice contained in the Report. This FSG contains information about PwC Securities generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the Report, and how complaints against us will be dealt with.

3. Financial services we are licensed to provide

Our Australian financial services licence allows us to provide a broad range of services, including providing financial product advice in relation to various financial products such as securities, interests in managed investment schemes, derivatives, superannuation products, foreign exchange contracts, insurance products, life products, managed investment schemes, government debentures, stocks or bonds, and deposit products.

4. General financial product advice

The Report contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs.

You should consider your own objectives, financial situation and needs when assessing the suitability of the Report to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

5. Fees, commissions and other benefits we may receive

PwC Securities charges fees to produce reports, including this Report. These fees are negotiated and agreed with the entity who engages PwC Securities to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the person who engages us. In the preparation of this Report our fees charged are $1,000,000 (excluding disbursements and GST).

Directors or employees of PwC Securities, PricewaterhouseCoopers, or other associated entities, may receive partnership distributions, salary or wages from PricewaterhouseCoopers.

6. Associations with issuers of financial products

PwC Securities and its authorised representatives, employees and associates may from time to time have relationships with the issuers of financial products. For example, PricewaterhouseCoopers may be the auditor of, or provide financial services to, the issuer of a financial product and PwC Securities may provide financial services to the issuer of a financial product in the ordinary course of its business.

7. Complaints

If, for any reason, you are not satisfied with the advice or service you receive from PwC Securities or from our authorised representatives, you are entitled to make a complaint.

If you wish to make a complaint please initially lodge your complaint with your adviser. We have established procedures to ensure all complaints are resolved quickly and fairly. A copy of our internal complaints handling procedure can be provided to you upon request.

If you do not receive a satisfactory outcome to your complaint, you have the right to contact the Australian Financial Complaints Authority (**AFCA**). AFCA provides independent financial services complaint resolution that is free to consumers.

Australian Financial Complaints Authority
GPO Box 3, Melbourne VIC 3001
Tel: 1800 931 678 (Free Call)

E-mail: info@afca.org.au
Website: www.afca.org.au

PwC Securities is a member of AFCA. You will not be charged for using the AFCA service.

8. Contact Details

PwC Securities can be contacted by sending a letter to the following address:

Robert Silverwood
PricewaterhouseCoopers Securities Ltd
125 St Georges Terrace, PERTH WA 6000

9.
Additional Information

9. Additional Information

9.1. Registration

APM Human Services International Limited was registered in New South Wales on 9 March 2020 as a proprietary limited company. It was converted to a public company on 14 October 2021.

APM SaleCo Limited was registered in New South Wales on 27 September 2021

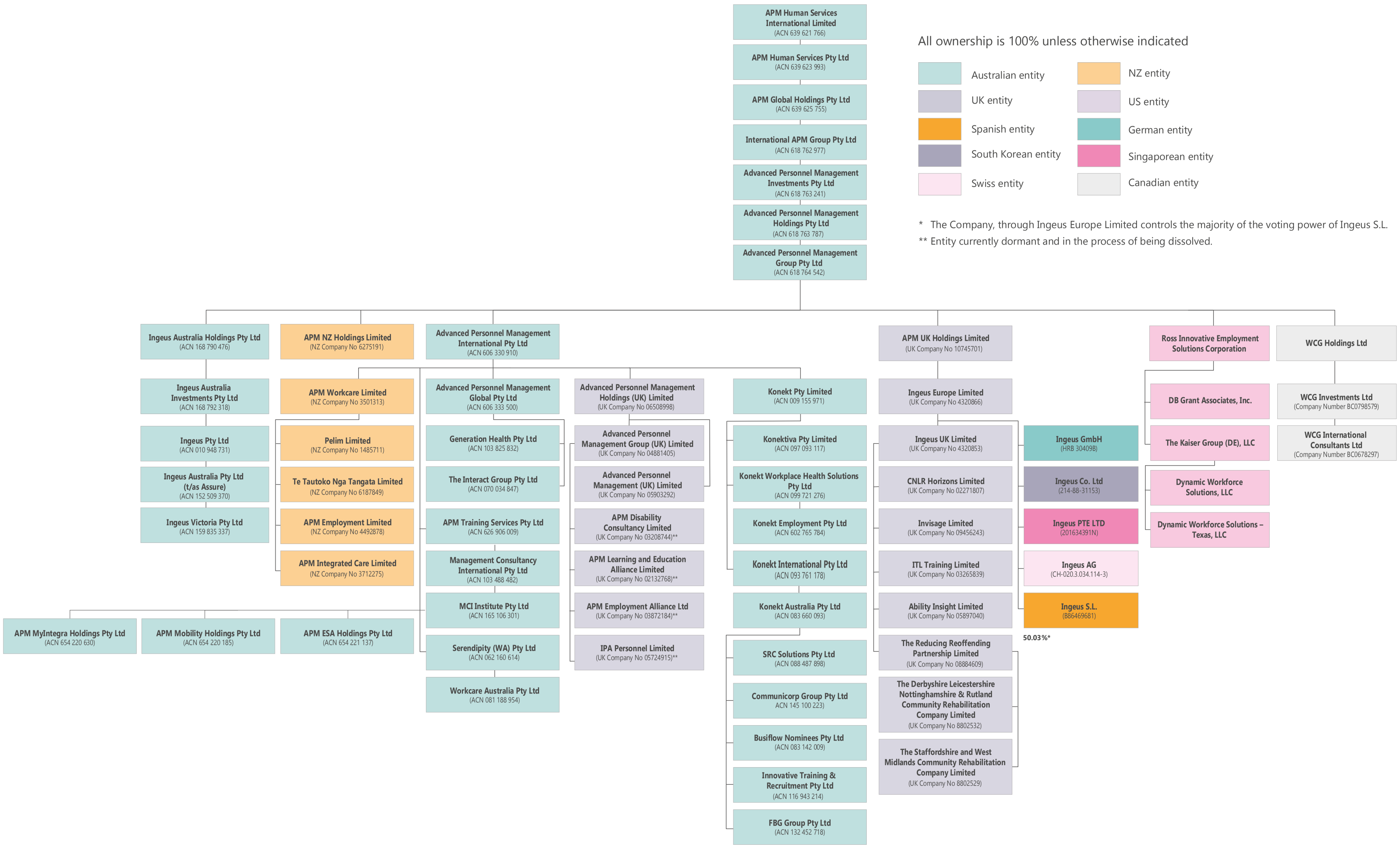
9.2. Company Tax Status and Financial Year

The Company will be subject to tax at the Australian corporate tax rate (currently 30%), with its foreign subsidiaries subject to tax rates applicable in the respective jurisdiction in which they are a tax resident.

The Company's financial year for taxation purposes ends on 30 June.

9.3. Corporate structure

The following diagram shows the entities in the corporate structure of the Group after Completion of the Offer.



* The Company, through Ingeus Europe Limited controls the majority of the voting power of Ingeus S.L.
** Entity currently dormant and in the process of being dissolved.

9.4. Capital Structure

As at the date of the Original Prospectus the Company has three types of shares on issue: Series A shares, Series B shares and Series C shares. At the Offer Price and before Admission:

1. The Series A shares (which carry an accrued dividend and face value) will be subdivided or consolidated (as applicable) and converted into Shares on a 1:1 basis. The subdivision or consolidation shall be calculated such that the value of the resulting Shares at the Offer Price is equal to the accrued dividend and face value of the Series A Shares immediately prior to Admission (being $995 million in aggregate).[200]
2. The Series B shares and Series C shares will be subdivided on a 10:1 basis and converted into Shares on a 1:1 basis.

The capital structure of the Company currently and on Completion is described below:

Capital structure at the Original Prospectus Date	Capital structure on Completion*
280.3 million Series A	
470.4 million Series B	917.3 million Shares
51.5 million Series C	

* The number of Shares on Completion include the Shares to be issued as part of the Acquisition (being 18.6 million Shares), completion of which is expected to occur in December 2021. Refer to Section 9.6.2 for further information. A total of 898.8 million Shares would be on issue excluding the Shares issued as part of these acquisitions.

9.5. Sales of Shares by SaleCo

SaleCo, a special purpose vehicle, has been established to facilitate the sale of Existing Shares by the Selling Shareholders.

Each of the Selling Shareholders has agreed to sell to SaleCo some or all of their Existing Shares, which will be sold by SaleCo into the Offer, free from encumbrances and third party rights.

The Existing Shares which SaleCo acquires from the Selling Shareholders will be transferred to Successful Applicants at the Offer Price. The price payable by SaleCo for these Existing Shares is the Offer Price. The Company will also issue New Shares to Successful Applicants under the Offer.

SaleCo has no material assets, liabilities or operations other than its interests in and obligations under the Underwriting Agreement and the agreements described above. The sole shareholder of SaleCo is Peter Cook. William Ritchie, Megan Wynne and Michael Anghie are the directors of SaleCo.

The Company has agreed to provide such resources and support as are necessary to enable SaleCo to discharge its functions in relation to the Offer and has indemnified SaleCo in respect of costs of the Offer. The Company has indemnified SaleCo and the shareholders and officers of SaleCo for any loss which they may incur as a consequence of the Offer.

200 Calculated as at 11 November 2021.

9.6. Material Contracts

9.6.1. Relationship Deed

MDP and APM have entered into a Relationship Deed. The key terms are set out below:

Key Term	Summary
Purpose	The Relationship Deed sets out certain governance, information and sell-down assistance rights between MDP and APM while MDP has a Relevant Interest in Shares.
Nominee Director Appointment Rights	MDP has the right to nominate two Directors to the Board for so long as MDP has a Relevant Interest in more than at least 5% of the Shares on issue. If MDP has a Relevant Interest in more than 25% of the Shares on issue, MDP has the right to nominate: • three Directors, if there are 10 or fewer Directors; or • four Directors, if there are 11 or more Directors. In each case, APM must procure that the nominated individuals are appointed to the Board. For so long as MDP has at least one nominee Director on the Board, each committee of the Board must include at least one MDP nominee.
Alternate Director	A MDP nominee may appoint an alternate director on an ad hoc basis, subject to compliance with the Board Charter and the Constitution.
Observer	In addition to its right to nominate Directors, MDP has a right to appoint an additional person as observer to the Board and all Board committees.
Director Fees	The fees payable to Directors by the Company will be the same as between Directors (including as between alternate directors, MDP nominees and other Directors) and will be subject to the Constitution.
Sell-Down **Assistance**	Where MDP has a Relevant Interest in any Shares, the Company must provide reasonable assistance to MDP to dispose of their respective Shares.
Information Sharing	Subject to certain restrictions (including breach of law, privilege and confidentiality), for so long as MDP has a Relevant Interest in any Shares, APM must provide MDP with access to certain financial and accounting information (including all periodic financial reports provided to the Board and other information requested by MDP from time to time). MDP is permitted to share that information with its affiliates, it and its affiliates' respective directors, employees or advisers and with actual or potential investors or limited partners of MDP's funds. If MDP ceases to have a Relevant Interest in at least 5% of Shares, APM must also provide a quarterly briefing from its Group CEO to discuss material developments until MDP ceases to have a Relevant Interest in any Shares.
Term	The Relationship Deed terminates once MDP ceases to have a Relevant Interest in any Shares.

9.6.2. Acquisition

APM has entered into binding documentation for the acquisition of an ancillary and complementary business from entities controlled by Megan Wynne (and one entity in which Megan Wynne and Michael Anghie have a beneficial interest), which is conditional upon and will complete after the Listing. The acquired business will support APM's expansion into providing services in relation to Australia's NDIS and aged care sector. The transaction involves the direct or indirect acquisition of Early Start Australia Pty Ltd, Integrated Care Pty Ltd, Mobility Holdings Pty Ltd and Mobility Australia Pty Ltd (together, the **Target Companies**) (**Acquisition**). The completion of the acquisition of each of the Target Companies is expected to occur in December 2021.

The Acquisition is also conditional on approval under the *Foreign Acquisitions and Takeovers Act 1975* (Cth).

The Forecast Financial Information for FY22F presented in Section 4 includes the results of operations of the Target Companies, assuming the Acquisition occurs on 31 December 2021, subject to the assumptions included in Sections 4.6.5.1 to 4.6.5.5.

The buyer of each Target Company is Advanced Personnel Management Global Pty Ltd (or one of its subsidiaries) which is indirectly wholly owned by APM (**Buyer**). The Acquisition was negotiated on arm's length terms and the vendors have provided customary warranties, tax indemnities and conduct of business undertakings in respect of the Acquisitions. The material terms of the acquisition agreements are summarised in this Section 1.

The aggregate consideration payable for the Acquisition is:

- $101,500,000 in upfront consideration, payable upon completion of the Acquisition through a combination of cash payments (which includes the repayment of shareholder loans advanced by the related party vendor to the various Target Companies) and an issue of Shares; and
- an earn-out payment, which is contingent upon the underlying business meeting EBITDA hurdles (described below) over the subsequent 3-year period. The earn-out payment will be payable by the issue of up to a maximum number of 20,000,000 Shares, to be issued over the subsequent 3-year period as set out in the table below.

The cash component of the aggregate consideration will be paid out of a mix of APM's existing cash reserves and drawn down debt.

The Company has agreed to pay each earn-out payment (if any) by way of an issue of Shares in order to align the consideration payable to the vendors of Early Start and MyIntegra with the anticipated benefit to the Company and its shareholders in future financial years from those businesses. The number of Shares to be issued in relation to each consolidated EBITDA hurdle was determined based on the value differential between the current valuation of Early Start and MyIntegra, the upfront cash consideration paid and the value uplift to APM as Early Start and MyIntegra achieve their targeted growth. The Company considers the number of Shares to be appropriate and equitable having regard to the fact that the number is fixed and that the value is reasonably proportionate to the additional value accruing to the Company if the consolidated EBITDA hurdles are met or exceeded.

The Company intends to rely on the exceptions in Listing Rules 7.2(16)(a), 10.3(a) and 10.12(10)(a) to the Acquisition. For the purposes of Chapter 2E of the Corporations Act, the Directors, other than Megan Wynne and (in respect of Mobility only) Michael Anghie, consider the Acquisition be on arm's length terms.

Further detail of that consideration is set out below.

Company	Vendors	Percentage being acquired	Consideration
Early Start Australia Pty Ltd (**Early Start**)	90% – MKW Nominees Pty Ltd ATF the Wynne Family Trust No 2 (controlled by Megan Wynne and a related party of APM under Listing Rule 10.1.1) 10% – Talda Pty Ltd ACN 009 014 920 as trustee for The Bellinge Trust ABN 91 602 323 211 (an associate of Bellinge Holdings Pty Ltd ACN 060 541 068 and a related party of APM under Listing Rules 10.1.1, 10.1.3 and 10.1.4)	100% of ordinary shares*	$63,500,000 (to be paid as approximately $19,000,000 in cash in satisfaction of shareholder loans and the remainder in Shares at the Offer Price) and a 3 year 'earn-out' of up to a maximum number of 20,000,000 Shares which is tested based on Early Start and MyIntegra meeting the following consolidated EBITDA (as defined in the Facility Agreement) hurdles: • FY23 EBITDA of $15,200,000 – 5,000,000 Shares; • FY24 EBITDA of $29,100,000 – 7,500,000 Shares; • FY25 EBITDA of $50,100,000 – 7,500,000 Shares; and • an overall arrangement such that if the aggregate EBITDA over FY23 – FY25 is (i) $85,000,000, then all 20,000,000 Shares will be issued; (ii) $70,800,000 then 50% of the 20,000,000 Shares will be issued; and (iii) if EBITDA is between $70,800,000 and $85,000,000, the number of Shares will be issued on a proportionate basis. The consolidated EBITDA will be calculated using the audited accounts as the basis for the relevant financial year adjusting for one-off non-recurring items. The calculation will be reviewed by an independent financial adviser.
Integrated Care Pty Ltd (**MyIntegra**)	90% – MKW Nominees Pty Ltd ATF the Wynne Family Trust No 2 (controlled by Megan Wynne and a related party of APM pursuant to Listing Rule 10.1.1) 10% – Talda Pty Ltd ACN 009 014 920 as trustee for The Bellinge Trust ABN 91 602 323 211 (an associate of Bellinge Holdings Pty Ltd ACN 060 541 068 and a related party of APM under Listing Rules 10.1.1, 10.1.3 and 10.1.4)	100%	$29,000,000 (to be paid as approximately $7,750,000 in cash in satisfaction of shareholder loans and the remainder in Shares at the Offer Price) and a 3 year 'earn-out' of up to a maximum number of 20,000,000 Shares which is tested based on Early Start and MyIntegra meeting consolidated EBITDA hurdles as set out above.

Company	Vendors	Percentage being acquired	Consideration
Mobility Holdings Pty Ltd and Mobility Australia Pty Ltd (**Mobility**)	Cara Nominees Pty Ltd ATF Cara Investment Trust (controlled by Megan Wynne and a related party of APM under Listing Rule 10.1.1) Encore Nominees Pty Ltd ATF Encore Unit Trust (controlled by Megan Wynne and Michael Anghie and a related party of APM under Listing Rule 10.1.1)	60%**	$9,000,000 in cash.

* Following completion of the Acquisition, all ordinary shares in Early Start will be held by APM with a class of existing non-voting tracking shares being held by certain minorities as part of legacy incentive arrangements with those parties, and whose economic rights are linked to specific underlying business units or clinics within Early Start. The tracking shares will not be acquired by APM as part of the Acquisition.

The tracking shares are held by 5 minority shareholders. Immediately prior to an exit event occurring, being the sale of all of the ordinary shares in Early Start or all, or substantially all, of the assets or the business of Early Start to a third party buyer (APM is not a third party buyer for purposes of the Acquisition) or the listing of Early Start on the ASX, the tracking shares will subdivide or consolidate such that each tracking shareholder will hold the number of tracking shares as determined by a formula which is a function of the EBIT of the underlying clinic or business unit as against the total EBIT of the Early Start group as a whole, such that tracking shareholders may participate in the exit event. APM will have the right to drag the tracking shareholders to a sale to a third party buyer.

Tracking shareholders are prohibited from disposing of their tracking shares without APM's consent and APM will have a right of first and last refusal to acquire the tracking shares in respect of any transfer to a third party.

As part of the Acquisition relating to Early Start, APM will acquire 100 C class redeemable preference shares held by Go Children's Therapy Pty Ltd, being all of the C class redeemable preference shares on issue, for a consideration of $140,000, to be paid by the issue of Shares at the Offer Price.

** APM's ultimate 60% interest in Mobility will comprise of an acquisition of 50% of the shares held in Mobility from the related party vendors and a subscription for a further 10% of the shares, such that APM will hold 60% and an entity controlled by Damian Cook, who is a co-founder of Mobility, will hold the remaining 40% interest in Mobility. A shareholders' agreement will be entered into to govern the relationship between the parties, which includes APM controlling the boards of each Mobility company, APM having a pre-emptive right to acquire the shares held by the minority shareholder and APM having a drag along right to require the minority to sell its shares in Mobility to a third party buyer in the event of a proposed sale of 100% of Mobility.

Following completion of the Acquisition, APM will implement incentive arrangements for key management of the Target Companies, which will be at the respective Target Company levels, and which will likely be implemented by way of a share option plan over up to 8% of the share capital of each relevant Target Company, which options when exercised, may (at APM's election) be acquired by APM in exchange for Shares, a proportion of which will be subject to escrow arrangements.

9.6.3. Related Party Leases

The Company operates part of its business from premises leased from entities controlled by Director Megan Wynne or her Closely Related Party (**Related Party Leases**).

The aggregate annual rent payable under these Related Party Leases in FY21 was approximately $931,471 (excluding GST). The rent will be paid monthly by the Company out of cash for its continuing operations.

Each Related Party Lease is on customary terms. The material terms of the Related Party Leases are summarised in this Section 9.6.3. The tenant under each of the Related Party Leases is Serendipity (WA) Pty Ltd ACN 062 160 614.

Premises location	Landlord	Term and option	Commencing date	Expiry date	Commencing annual rent (exclusive of GST) in AUD	Rent review
West Perth, Western Australia	Bellinge Holdings Pty Ltd (**Bellinge**) Bellinge is controlled by Megan Wynne's spouse and a related party of APM under Listing Rule 10.1.4.	5 years 2 options to renew for 5 years each	1 July 2019	30 June 2024	$809,129.64	CPI increase annually on 1 July.
Nedlands, Western Australia	Persephone Properties Pty Ltd ACN 626 190 850 as trustee for the Persephone Property Trust (Persephone). Persephone is controlled by Megan Wynne and a related party of APM under Listing Rule 10.1.1.	3 years 2 options to renew for 1 year each	15 March 2020	14 March 2023	$60,000.00	CPI increase annually commencing on 15 March 2021 and during each of the options to renew
Nedlands, Western Australia	Diesel Property Investments Pty Ltd ACN 641 246 433 as trustee for the Diesel Property Trust Diesel Property is a related party of APM under Listing Rule 10.1.4.	3 years 2 options to renew for 1 year each	1 August 2020	31 July 2023	$67,600.00	CPI increase annually commencing on 15 March 2021 and during each of the options to renew.

The Company is relying on the exception from obtaining shareholder approval under Listing Rule 10.1 for the Related Party Leases. For the purposes of Chapter 2E of the Corporations Act, the Directors, other than Megan Wynne, consider each Related Party Lease to be on arm's length terms.

9.6.4. Underwriting Agreement

APM, SaleCo and the Joint Lead Managers signed the Underwriting Agreement on or about the Original Prospectus Date. Under the Underwriting Agreement, APM and SaleCo appointed Goldman Sachs, UBS, BofA Securities and Credit Suisse as Joint Lead Managers to the Offer. The following is a summary of the principal provisions of the Underwriting Agreement. Under the Underwriting Agreement, the Joint Lead Managers have agreed to underwrite the Offer (excluding the Employee Gift Offer), as well as to provide settlement support for the settlement obligations of Successful Applicants under the Institutional Offer and Broker Firm Offer.

9.6.4.1. Fees and Expenses

The Company must pay the Joint Lead Managers an underwriting fee of 1.40% of the Offer (excluding the Employee Gift Offer) proceeds and a management fee of 0.35% of the Offer (excluding the Employee Gift Offer) proceeds on the date of Settlement of the Offer (excluding the Employee Gift Offer). These fees will be shared by the Joint Lead

Managers in their respective proportions as set out under the Underwriting Agreement. An incentive fee of 0.75% of the Offer (excluding the Employee Gift Offer) proceeds is payable at the Company's absolute discretion, acting reasonably and in good faith having regard to the Company's assessment of the outcome of the Offer (excluding the Employee Gift Offer) and the effectiveness and efficiency of the transaction process. Any incentive fee is to be split between the Joint Lead Managers at the Company's discretion. The Company must also pay Goldman Sachs a global coordinator fee of 0.35% of the Offer proceeds on the date of Settlement.

The Company has also agreed to pay or reimburse the Joint Lead Managers for the reasonable costs, charges or expenses of and incidental to the Offer.

The Joint Lead Managers must pay, at no additional cost to the Company, any broker firm fees due to any co-managers, co-lead managers and brokers appointed under the Underwriting Agreement. The Joint Lead Managers, in their absolute discretion, are to pay any such fees to any Co-Managers, Co-Lead Managers and/or Brokers out of the fees payable by the Company to the Joint Lead Managers in their respective proportions.

9.6.4.2. Co-Lead Managers and Co-Managers Fees

- The Joint Lead Managers are responsible for the payment of any commission and fees due to any Co-Lead Managers, Co-Managers and Brokers to the Offer out of the fees payable to the Joint Lead Managers by the Company under the Underwriting Agreement. The Co-Lead Managers and Co-Managers will receive fees on the following basis:
  - a base fee of $200,000;
  - a fee based on the value of each of the final broker allocations under the Offer calculated as (1.5% x Broker Firm Allocation); and
  - incentive fee of $50,000 or $100,000 conditional on the size of the broker firm bid.
- Co-Managers:
  - a fee based on the value of each of the final broker allocations under the Offer calculated as (1.5% x Broker Firm Allocation); and
  - an incentive fee of $50,000 conditional on the size of the broker firm bid.

9.6.4.3. Termination Events Not Subject to Materiality

A Joint Lead Manager may, at any time after the date of the Underwriting Agreement until (or if another date is specified in respect of the event that date) on or before 2:00pm on the date of Settlement, terminate the Underwriting Agreement without cost or liability by notice to the Company and SaleCo and the other Joint Lead Manager if any of the following events occur:

- (**disclosure**) A statement contained in the Offer Documents is or becomes false, misleading or deceptive or is likely to mislead, deceive or confuse, or a matter required to be included is omitted from an Offer Document (including, without limitation, having regard to the provisions of Part 6D.2 of the Corporations Act).
- (**Institutional Offering Memorandum or Pricing Disclosure Package**) The Institutional Offering Memorandum or the Pricing Disclosure Package includes an untrue statement of a material fact or omits to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.
- (**Supplementary Prospectus or other documents**) A Supplementary Prospectus is or in the reasonable opinion of a Joint Lead Manager, is to be lodged with ASIC under Section 719 of the Corporations Act or the Company lodges a Supplementary Prospectus (other than in accordance with the agreement) or there is a requirement to amend or supplement, in any material respect, the Institutional Offering Memorandum or the Pricing Disclosure Package.
- (**market fall**) at any time before the Settlement Date, the S&P/ASX 200 Index falls to a level that is 87.5% or less of the level as at close of trading on the day immediately prior to the date of the agreement and is at or below that level on the close of trading:
  - for two consecutive Business Days at any time after the date of the agreement; or
  - on the Business Day immediately prior to the date of Settlement.

- (**fraud**) The Company or SaleCo or any of their respective Directors or officers engage or have engaged since the date of the Underwriting Agreement in any fraudulent conduct or activity whether or not in connection with the Offer.
- (**listing and quotation**) Approval (or approval subject to customary conditions) is refused or not granted to the Company's admission to the Official List or to quotation of the Offer Shares on the ASX or for the Offer Shares to be traded through CHESS within a specified timeframe, or ASX withdraws, qualifies (other than by customer conditions) or withholds such approval.
- (**regulatory approvals**) if a regulatory body withdraws or revokes any regulatory approvals required for the Company or SaleCo to perform their obligations under this agreement or to carry out the transactions contemplated by the Offer Documents.
- (**notifications**) ASIC holds a hearing under Section 739(2), ASIC issues an order (including an interim order) under Section 739 of the Corporations Act, or an application is made by ASIC for an order under Part 9.5 of the Corporations Act in relation to the Offer or an Offer Document or ASIC commences any investigation or hearing under Part 3 of the ASIC Act in relation to the Offer or an Offer document, except where such application, investigation or hearing does not become publicly known and is withdrawn within 3 Business Days of being made (or if it is made within 3 Business Days prior to the Settlement Date it has been withdrawn prior to the Settlement Date), any person (other than the terminating Joint Lead Manager) who has previously consented to the inclusion of its name withdraws that consent and any person (other than the terminating Joint Lead Manager) gives a notice under Section 730 of the Corporations Act in relation to an Offer Document.
- (**withdrawal**) The Company and/or SaleCo withdraws an Offer Document or the Offer or indicates that it does not intend to proceed with the Offer or any part of the Offer.
- (**insolvency**) A material member of the Group becomes Insolvent or there is an act or omission which is likely to result in a material member of the Group becoming Insolvent.
- (**Timetable**) An event specified in the Timetable up to and including the Settlement Date is delayed by more than two Business Days (other than any delay agreed between the Company and the Joint Lead Managers or by an extension of the exposure period by ASIC under Section 727(3) of the Corporations Act).
- (**unable to issue or transfer**) The Company is or becomes unable, for any reason, to issue or allot the New Shares or SaleCo is or becomes unable to transfer the Sale Shares within the time required by the Timetable, the Offer Documents, the Listing Rules, the ASX Settlement Operating Rules or by any other applicable laws, a court order of a competent jurisdiction or a government authority.
- (**prosecution**) Any of the following occur:
  - a Director or proposed Director named in the Prospectus of the Company is charged with an indictable offence;
  - any governmental agency commences any public action against the Company or SaleCo or any of its Directors in their capacity as a Director of the Company or SaleCo, or announces that it intends to take action; or
  - any Director or proposed Director named in the Prospectus of the Company is disqualified from managing a corporation under Part 2D.6 of the Corporations Act.
- (**change in management**) A change in senior management of the Board of Directors of the Company, except to the extent any proposed change was disclosed to the Joint Lead Managers before the date of this agreement or otherwise disclosed in the Offer Documents.
- (**vacancy in office**) The Chair, Chief Executive Officer or Chief Financial Officer of the Company vacates his or her office.
- (**force majeure**) There is an event or occurrence, including any statute, order, rule, regulation, directive or request (including one compliance with which is in accordance with the general practice of persons to whom the directive or request is addressed) of any governmental agency which makes it illegal for the Joint Lead Managers to satisfy an obligation under the Underwriting Agreement, or to market, promote or settle the Offer.

9.6.4.4. Termination Events that are Subject to Materiality

A Joint Lead Manager may, at any time after the date of the Underwriting Agreement until on or before 4:00pm on the date of Settlement, terminate the Underwriting Agreement without cost or liability by notice to the Company and SaleCo and the other Joint Lead Managers if any of the following events occur and the Joint Lead Manager has reasonable grounds to believe the event:

- has or is likely to have a materially adverse effect on the success, settlement or marketing of the Offer, or on the ability of the Joint Lead Manager to market, promote or settle the Offer, or on the likely price at which the Offer Shares will trade at on the ASX, or the willingness of investors to subscribe for the Offer Shares; or
- will, or is likely to, give rise to a liability of the Joint Lead Manager or one of its affiliates under, or give rise to, or result in, a contravention by the Joint Lead Manager or its affiliates or the Joint Lead Manager or its affiliates being involved in a contravention of, any applicable law:
  - (**forecasts**) There are not, or there ceases to be, reasonable grounds in the opinion of the Joint Lead Manager for any statement or estimate in the Offer Documents which relate to a future matter, incapable of being met in the projected timeframe (including in each case financial forecasts).
  - (**regulatory approvals**) If a regulatory body amends any regulatory approvals required for the Company or SaleCo to perform their obligations under this agreement or to carry out the transactions contemplated by the Offer Documents.
  - (**material contracts**) If any of the obligations of the relevant parties under any of the contracts that are material to the business of the Group or the material contracts are materially breached, amended, are terminated or cease to have effect by a Group Member.
  - (**change to Company**) Without the prior written consent of the Joint Lead Managers, the Company alters the issued capital of the Company or a Group Member or disposes or attempts to dispose of a substantial part of the business or property of the Company or a Group Member.
  - (**disclosures in the due diligence report**) The due diligence report and any other information provided to the Joint Lead Managers on behalf of the Company or SaleCo in relation to the Group or the Offer is or is likely to become misleading or deceptive, including by way of omission.
  - (**adverse change**) Any adverse change occurs in the assets, liabilities, financial position or performance, profits, losses or prospects of the Company and the Group (insofar as the position in relation to an entity in the Group affects the overall position of the Company).
  - (**change of law**) There is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or the Reserve Bank of Australia, or any Commonwealth or State authority, including ASIC, a proposal to adopt a new policy (other than a law or policy which has been announced before the date of the Underwriting Agreement).
  - (**breach of laws**) There is a contravention by the Company or any other Group Member of the Corporations Act, the *Competition and Consumer Act 2010* (Cth), ASIC Act, its Constitution or any of the Listing Rules.
  - (**compliance with law**) Any of the Offer Documents or any aspect of the Offer does not comply with the Corporations Act, the Listing Rules or any other applicable law or regulation.
  - (**representations and warranties**) A representation or warranty contained in the Underwriting Agreement on the part of the Company or SaleCo (whether severally or jointly) is or becomes not true or correct.
  - (**breach**) The Company or SaleCo defaults on one or more of its material obligations under the Underwriting Agreement.
  - (**constitution**) The Company varies any term of its Constitution without the prior written consent of the Joint Lead Managers.
  - (**legal proceedings**) Legal proceedings are commenced against the Company, any Group Member or any Director of the Company or a Group Member in that capacity or a regulatory body commences an enquiry or public action against a Group Member.
  - (**information supplied**) Any information supplied (including any information supplied prior to the date of this agreement) by or on behalf of a Group Member to the Joint Lead Managers in respect of the Offer or the Group is, or is found to be, misleading or deceptive, or likely to mislead or deceive (including, by omission).

- (**hostilities**) Any of the following occurs: hostilities not presently existing commence (whether war has been declared or not) or an escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, the United States, the United Kingdom, the People's Republic of China, South Korea or any member state of the European Union, or a major terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries.
- (**certificate**) A statement in any closing certificate is false, misleading, inaccurate or untrue or incorrect (including by way of omission).
- (**disruption in financial markets**) Any of the following occurs:
  - a general moratorium on commercial banking activities in Australia, the United Kingdom, the United States, the People's Republic of China, South Korea or any member state of the European Union is declared by the relevant central banking authority in those countries, or there is a disruption in commercial banking or security settlement or clearance services in any of those countries;
  - any adverse effect on the financial markets in Australia, the People's Republic of China, Singapore, Hong Kong, the United Kingdom, the United States or a member state of the European Union, or in foreign exchange rates or any development involving a prospective change in political, financial or economic conditions in any of those countries; or
  - trading in all securities quoted or listed on ASX, the New Zealand Exchange, New York Stock Exchange, London Stock Exchange, Hong Kong Stock Exchange, the Singapore Stock Exchange or the Tokyo Stock Exchange is suspended or limited in a material respect for 1 day (or a substantial part of 1 day) on which that exchange is open for trading.

9.6.4.5. Representations, Warranties, Undertakings and Other Terms

The Underwriting Agreement contains certain standard representations, warranties and undertakings by the Company and SaleCo to the Joint Lead Managers.

The representations and warranties given by the Company and SaleCo relate to matters such as conduct of the Company and SaleCo, power and authorisations, financial information, information in this Prospectus, the conduct of the Offer, compliance with laws, the ASX Listing Rules and other legally binding requirements. The Company and SaleCo also provide (as relevant to each) additional representations and warranties in connection with matters including, but not limited to, title to property, dividend and distributions, material contracts, assets, litigation, non-disposal of escrowed Shares, entitlement of third parties, tax, data privacy, occupational health and safety, environment laws, sanctions, anti-bribery and anti-money laundering, IT systems, licences and authorisations, insurance, and eligibility for listing.

The Company and SaleCo's undertakings include, among other things:

- not to contravene applicable law;
- not to withdraw the Offer after the completion of the Bookbuild;
- subject to certain exceptions, the Company will not at any time after the date of the Underwriting Agreement and up to 120 days after Completion allot (or agree to allot) or indicate in any way that it may or will allot, or agree to allot, any shares, Shares or other securities that are convertible or exchangeable into equity, or that represent the right to receive equity, of the Company or any Group Member, or enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of securities of that type however settled without the prior written consent of the Joint Lead Managers; and
- from the date of the Underwriting Agreement until 120 days after Completion, carry on its business, and procure that each Group Member carries on its business in the ordinary course and not dispose (or permit any other Group Member to dispose) of any material part of its (or their) business or property except in the ordinary course or as disclosed in this Prospectus or vary any material term or a material contract without the written consent of the Joint Lead Managers.

9.6.4.6. Indemnity

Subject to certain customary exclusions (including gross negligence, wilful misconduct or fraud of an indemnified party), the Company and SaleCo agree to keep the Joint Lead Managers and certain parties indemnified from losses suffered in connection with the Offer.

9.7. Voluntary Escrow Arrangements

9.7.1. Escrow Arrangements

The following Existing Shareholders are subject to voluntary escrow arrangements:

Shareholder[1]	Number of Escrowed Shares (million)[2]	Escrow Period (from the date of Completion)
MDP	272.8	Until (and including) the date on which the Company releases its financial results with respect to the financial year ending 30 June 2022 to ASX
Megan Wynne	313.5	Until (and including) the date on which the Company releases its financial results with respect to the financial year ending 30 June 2023 to ASX
Michael Anghie	21.4	70% of Escrowed Shares: Until (and including) the date on which the Company releases its financial results with respect to the financial year ending 30 June 2023 to ASX 30% of Escrowed Shares: Until (and including) the date on which the Company releases its financial results with respect to the financial year ending 30 June 2024 to ASX
Management Shareholders	28.7	70% of Escrowed Shares: Until (and including) the date on which the Company releases its financial results with respect to the financial year ending 30 June 2023 to ASX 30% of Escrowed Shares: Until (and including) the date on which the Company releases its financial results with respect to the financial year ending 30 June 2024 to ASX
Directors[3]	3.1	Until (and including) the date on which the Company releases its financial results with respect to the financial year ending 30 June 2022 to ASX

Notes:

1. Shareholders may hold their interests in Shares directly, or through entities associated with them (e.g. through holdings by companies or trusts).
2. Includes the Shares to be issued as part of the Acquisition, completion of which is expected to occur in December 2021. Refer to Section 9.6.2 for further information.
3. Excluding Megan Wynne and Michael Anghie.

Each Escrowed Shareholder has agreed to enter into an Escrow Deed in respect of their Shareholding on Completion of the Offer (other than Shares acquired under the Offer), which prevents them from disposing of their respective Escrowed Shares for the applicable Escrow Period as described above.

The restriction on disposing is broadly defined in the voluntary Escrow Deeds outlined in this Section 9.7. It restricts the Escrowed Shareholder from, among other things, selling, assigning, transferring or otherwise disposing of any legal, beneficial or economic interest in the Escrowed Shares, creating or agreeing to create a security interest over the Escrowed Shares, doing, or omitting to do, any act if the act or omission would have the effect of transferring effective ownership or control of any of the Escrowed Shares or agreeing to do any of those things.

The Escrowed Shares of each Escrowed Shareholder are eligible for early release:

- to enable the Escrowed Shareholder to accept an offer under a takeover bid in relation to its Escrowed Shares if holders of at least half of the Shares the subject of the bid that are not held by the Escrowed Shareholders have accepted the takeover bid. However, the escrow obligations will continue to apply to any Escrowed Shares which are not unconditionally bought by the bidder under the takeover bid;
- to enable the Escrowed Shares to be transferred or cancelled as part of a merger by scheme of arrangement under Part 5.1 of the Corporations Act. However, the escrow obligations will continue to apply to the Escrowed Shares if the merger does not take effect; or

- to enable the Escrowed Shareholders to participate in an equal access buy-back or equal return of capital or other similar pro rata reorganisation. However, the escrow obligations will continue to apply for any Escrowed Shares that are not bought back or cancelled as part of the reorganisation.

9.7.2. Restrictions on Transfers

During the Escrow Period, Escrowed Shareholders whose Shares remain subject to escrow may deal of any of their Escrowed Shares to the extent that the dealing is required by applicable law. The Escrowed Shareholder may also transfer the Escrowed Shares, if and only if, the following conditions are met:

- the transfer does not involve any change in the beneficial ownership of the Escrowed Shares;
- the transfer does not extend the period of the Escrow Period; and
- the related party of the Escrowed Shareholder (as transferee) agrees to inherit the same restrictions on disposal of the Escrowed Shares as required by this deed/the related party of the Escrowed Shareholder (as transferee) enters into an escrow arrangement with the Company on substantially the same terms as this deed.

9.8. Finance Arrangements

APM Global Holdings Pty Ltd (ACN 639 625 755) (**Parent Borrower**) and certain APM Group members have entered into a first lien syndicated facility agreement (**Facility Agreement**) dated 30 June 2020 (as amended on 2 July 2021) for the provision of certain term and revolving credit facilities (**Facilities**). The lenders under the Facilities may change from time to time in accordance with the transfer provisions contained in the Facility Agreement (and for the avoidance of doubt, may include any of the Joint Lead Managers and/or their respective Related Bodies Corporate).

The key terms of the Facilities are as follows:

Key term	Summary
Commitments	• $380 million six-year AUD term loan (**AUD Term Loan**) • USD $275 million six-year USD term loan (**USD Term Loan**) • $75 million five-year revolving credit facility (**RCF**)
Interest	The Facilities have variable interest rates based upon the applicable base rate plus a margin. A commitment fee is also payable on the RCF (determined by reference to a leverage based grid) regardless of usage.
Maturity	• AUD Term Loan: 30 June 2026 • USD Term Loan: 30 June 2026 • RCF: 30 June 2025
Financial Covenant	The AUD Term Loan and USD Term Loan are covenant lite facilities and do not contain a financial maintenance covenant. If 35% of the RCF is drawn, there is a first lien net leverage ratio applied whereby net leverage must be equal to or lower than 5.95x on any compliance date (compliance date being the last day of each fiscal quarter). APM expects to remain in compliance with these financial covenants and other undertakings during the forecast period based on the FY22F forecast.
Representations, Warranties, Undertakings & Events of Default	The Facilities contain representations, warranties, undertakings and events of default which are usual for institutional "term loan B" style financings. The undertakings include a prohibition on declaring and paying any dividend or other distribution subject to certain exceptions, including dividends and distributions that may be paid where: • the aggregate of such payments do not exceed 6.00% of market capitalisation per annum; or • the total net leverage ratio is less than or equal to 4.00x (immediately after giving effect to such payment).

9. Additional Information

Key term	Summary
Guarantee & Security	The Facilities are guaranteed and secured by the Parent Borrower and certain APM Group members.
Amortisation	APM is required to make mandatory annual payments of 1% of the outstanding principal under the Facilities.

9.9. Litigation and Claims

The Company may, from time to time, be party to litigation and other claims and disputes incidental to the conduct of its business, including employment disputes, contractual disputes, indemnity claims and occupational and personal claims. Such litigation, claims and disputes, including the costs of settling claims and operational impacts, could materially adversely affect the Company's business, operating and financial performance.

As far as the Directors are aware, however, there is no current or threatened civil litigation, arbitration proceeding or administrative appeal, or criminal or governmental prosecution of a material nature in which the Company is directly or indirectly concerned which is likely to have a material adverse impact on the business or financial position of the Company.

9.10. Ownership Restrictions

The sale and purchase of Shares in Australia are regulated by a number of laws that restrict the level of ownership or control by any one person (either alone or in combination with others). This Section 9.10 contains a general description of these laws.

9.10.1. Corporations Act

The takeover provisions in Chapter 6 of the Corporations Act restrict acquisitions of shares in listed companies, and unlisted companies with more than 50 members, if the acquirer's (or another party's) voting power would increase to above 20%, or would increase from a starting point that is above 20% and below 90%, unless certain exceptions apply. The Corporations Act also imposes notification requirements on persons having voting power of 5% or more in the Company either themselves or through an associate.

9.10.2. *Foreign Acquisitions and Takeovers Act 1975* (Cth) and Federal Government Foreign Investment Policy

Generally, the *Foreign Acquisitions and Takeovers Act 1975* (Cth) (**FATA**) applies to acquisitions of shares and voting power in a company of 20% or more by a single foreign person and its associates (**Substantial Interest**), or 40% or more by two or more unassociated foreign persons and their associates (**Aggregate Substantial Interest**), where the acquisition meets a threshold value (which varies by investor type and industry). Where a foreign person holds a Substantial Interest in the Company or foreign persons hold an Aggregate Substantial Interest in the Company, the Company will be a "foreign person" for the purposes of FATA.

In addition, FATA applies to acquisitions of a direct interest in an Australian company by foreign governments and their related entities irrespective of the acquisition value. A "direct interest" is an interest of 10% in the entity but may also include an interest of less than 10% where the investor has entered into business arrangements with the entity or the investor is in a position to influence or participate in the management and control or policy of the entity. There are exemptions which can apply to certain acquisitions.

Where FATA applies to the acquisition, the acquisition may not occur unless notice of it has been given to the Federal Treasurer and the Federal Treasurer has either notified that there is no objection to the proposed acquisition (with or without conditions) or a statutory period has expired without the Federal Treasurer objecting.

An acquisition to which the FATA applies may be the subject of a divestment order by the Federal Treasurer unless the process of notification, and either a non-objection notification or expiry of a statutory period without objection, has occurred. Criminal offences and civil penalties can apply to failing to give notification of certain acquisitions, undertaking certain acquisitions without no objection notification or contravening a condition in a no objection notification.

9.11. Regulatory Relief

9.11.1. ASIC Exemptions and Relief

APM has received in-principle confirmation from ASIC that it will grant relief to extend the benefit of ASIC Class Order 14/1000 to the grant of the performance rights under the LTIP.

9.11.2. ASX Waivers and Confirmation

APM has received in-principle advice from the ASX for waivers and confirmations in respect of the following ASX Listing Rules:

- confirmation that the Company may seek admission to the Official List of the ASX under the assets test in Listing Rule 1.3;
- confirmation that the Company may undertake deferred and conditional settlement trading of Shares, subject to certain conditions to be approved by the ASX;
- confirmation that the mandatory escrow provisions in the Listing Rules will not be imposed due to the Company having a track record of revenue; a waiver from Listing Rule 6.12 in relation to the Shares issued under the Employee Gift Offer; and
- waivers from Listing Rule 1.1, Condition 12, Listing Rule 10.11 and Listing Rule 10.14 in connection with the FY22 Rights granted under the LTIP.

9.12. Taxation Considerations

9.12.1. Introduction

This Section 9.12 provides a general summary of the Australian tax consequences for investors who acquire Shares under the Offer.

The categories of investors considered in this summary are limited to Australian resident individuals, complying superannuation entities and certain companies, trusts or partnerships, as well as certain non-resident investors, each of whom holds their Shares on capital account.

This Section 9.12 does not consider the consequences for investors who are insurance companies or banks, investors that hold their shares on revenue account, carry on a business of trading in shares or otherwise hold their Shares as trading stock, investors who acquired Shares in connection with an employee share scheme (including the Employee Gift Offer), or investors who are exempt from Australian tax. This Section 9.12 also does not cover the consequences for investors who are subject to the Taxation of Financial Arrangements regime in Division 230 of the *Income Tax Assessment Act 1997* (Cth).

The comments in this Section 9.12 are based on the Australian taxation laws, including the established interpretations of those laws, applicable case law and published Australian Taxation Office rulings, determinations and administrative practice in force as at the date of the Original Prospectus. It should be noted that Australian taxation laws and their interpretation are complex. This Section 9.12 is general in nature and is not intended to be an authoritative or complete statement of all potential tax implications for each Shareholder under the Australian taxation laws or relied upon as tax advice. During the period of ownership of the Shares by Shareholders, the taxation laws of Australia, or their interpretation, may change. The investor's own circumstances may affect the taxation outcomes of making an investment in the Company. In particular, the precise tax implications of ownership or disposal will depend upon each Shareholder's specific circumstances. It is therefore recommended that investors seek independent professional advice on the relevant tax implications having regard to their own specific circumstances in considering an investment in the Company.

Taxation issues, such as (but not limited to) those covered by this Section 9.12, are only one of the matters an investor needs to consider when making a decision about a financial product. Investors should consider taking advice from someone who holds an Australian Financial Services Licence before making such a decision.

9.12.2. Taxation of Dividends

Dividends may be paid to Shareholders by the Company where the relevant legal and accounting requirements are met. The Company may attach "franking credits" to such dividends where specific requirements are satisfied. Franking credits broadly represent the extent to which a dividend is paid by the Company out of profits that have been subject to Australian tax at the corporate level. It is possible for a dividend to be fully franked, partly franked or unfranked.

It should be noted that the concept of a dividend for Australian income tax purposes is very broad and can include payments that are made in respect of certain transactions including but not limited to off-market share buy-backs.

9.12.3. Australian Tax Resident Shareholders

Australian tax resident Shareholders will be required to include any dividends in their assessable income in the income year in which the dividends are paid. To the extent that the dividends are franked, subject to the comments below, the associated franking credits should also be included in the Australian tax resident Shareholder's assessable income (that is, the dividends are required to be "grossed-up"). In such circumstances, Shareholders are subject to tax at their applicable rate of tax on the grossed-up dividends received (but may be entitled to a tax offset for the associated franking credits, as discussed below).

To the extent that the dividends are unfranked, there is no gross-up (or tax offset) and Australian resident Shareholders should be subject to tax at their applicable rate of tax on the unfranked dividends received.

Generally, Shareholders should be entitled to a tax offset equal to the amount of any franking credits attached to the dividend, subject to certain requirements being satisfied.

To the extent that the franking credits are received by non-corporate Shareholders being individuals and complying superannuation entities, and those franking credits exceed the amount of tax payable, those Shareholders should be entitled to a refund from the Australian Taxation Office of any excess franking credits. Where the franking credits are less than the tax payable on the dividends, those Shareholders will need to pay an additional amount of tax.

In relation to non-corporate Shareholders that are trustees (other than trustees of complying superannuation entities) or partnerships, such Shareholders should include any franking credits in determining the net income of the trust or partnership. The relevant beneficiary or partner may then be entitled to a corresponding tax offset, subject to certain requirements being satisfied.

Corporate Shareholders are also entitled to a tax offset equal to the amount of franking credits received; however, unlike non-corporate Shareholders, they are unable to claim refunds for excess franking credits. Where excess franking credits exist, a corporate Shareholder may be entitled to have the surplus credits converted into carry forward tax losses. Corporate Shareholders should also be entitled to a franking credit in their franking accounts equal to the franking credits received in respect of the dividends. A corporate Shareholder may be able to then use the credits to make franked distributions to its shareholders.

To the extent that the dividend is unfranked, the Shareholder will generally be taxed at their prevailing marginal rate on the dividend received with no tax offset.

9.12.3.1. Shares Held at Risk or Qualified Person Rules

There are certain limitations imposed by the Australian taxation law which may prevent a Shareholder from obtaining the benefit of any franking credits. In this regard, Shareholders seeking to claim tax offsets for franking credits must be "qualified persons" in respect of the relevant dividends.

As the qualified person rules outlined below are complex, particularly in the context of dividends received indirectly via a trust or partnership, it is recommended that Shareholders seek their own professional advice on whether they satisfy the "qualified persons" rules based on their individual circumstances.

The benefit of franking credits can be denied where a Shareholder is not a "qualified person", in which case the Shareholder should not need to include the amount of the franking credits in their assessable income but also should not be entitled to a tax offset.

Broadly, to be a "qualified person", two tests must be satisfied, namely the holding period rule and the related payment rule.

Under the holding period rule, a Shareholder is required to hold Shares "at risk" for more than 45 days continuously (which is measured as the period commencing the day after the Shares were acquired and ending on the 45th day after the Shares become ex-dividend). Shares are held 'at risk' to the extent no material 'positions' are adopted in relation to the Shares which have the effect of diminishing the economic exposure associated with holding the Shares (for example, certain derivatives or agreements to sell the shares). This holding period rule is subject to certain exceptions, including where the total franking offsets of an individual in a year of income do not exceed $5,000. Special rules also apply to trusts and beneficiaries.

Under the related payment rule, a different testing period applies where the Shareholder has made, or is under an obligation to make, a related payment in relation to the dividend. Broadly, a Shareholder would be considered to have made a related payment if the taxpayer has done, or is under an obligation to do, anything which has the effect of passing the benefit of a dividend or distribution to other persons. The related payment rule requires the Shareholder to have held the Shares at risk for the continuous 45-day period as above but within the period commencing on the 45th day before, and ending on the 45th day after the day the Shares become ex-dividend. Shareholders should seek professional advice to determine if these requirements, as they apply to them, have been satisfied.

Shareholders should seek their own professional advice to determine if they are a qualified person in relation to dividends paid by the Company on a Share.

9.12.3.2. Dividend Washing Rules

Dividend washing rules may apply in certain circumstances, meaning that no tax offset is available for a dividend received on Shares. These rules broadly apply where Shareholders seek to obtain additional franking benefits by disposing of Shares ex-dividend and re-purchasing a substantially similar parcel of Shares cum-dividend on a special market.

9.12.4. Non-Resident Shareholders

Generally, unfranked dividends paid to Shareholders that are not Australian tax residents are usually subject to dividend withholding tax. Australian dividend withholding tax is levied at a flat rate of 30% on the gross amount of the dividends unless a Shareholder is a tax resident of a country that has an applicable double tax treaty with Australia. In these circumstances, the withholding tax is generally limited to 15%, although in certain cases, depending on the Shareholder's country of residence and the size of their shareholding, the rate may be reduced further. In some circumstances, unfranked dividends that are attributable to certain types of foreign income derived by the Company may be able to be distributed free of dividend withholding tax under Australia's conduit foreign income rules, and also exempt from any further Australian taxation.

Fully franked dividends are not subject to Australian dividend withholding tax, and also exempt from any further Australian taxation.

It is recommended that non-resident Shareholders also consider the tax implications of receiving dividends from the Company under their respective domestic tax regimes.

9.12.5. Taxation of Future Share Disposals

9.12.5.1. Australian Tax Resident Shareholders

Australian tax resident Shareholders who hold their Shares on capital account will be required to consider the impact of the Australian capital gains tax (**CGT**) provisions in respect of the disposal of their Shares. Some Shareholders may hold their Shares on revenue account, as trading stock or be subject to the Taxation of Financial Arrangements regime. These Shareholders should seek their own professional advice in respect of the tax consequences of a disposal of Shares.

Where the capital proceeds received on disposal of the Shares exceed the CGT cost base of those Shares, Australian tax resident Shareholders will derive a capital gain. The CGT cost base of the Shares should generally be equal to the issue price or acquisition price of the Shares plus, among other things, incidental costs associated with the acquisition and disposal of the Shares. In respect of the CGT cost base of the Shares, this amount may be reduced as a result of receiving non-assessable distributions from the Company, such as returns of capital. The cost base of a Share may also be different if a CGT roll-over is applied to the acquisition of the Share.

Conversely, Australian tax resident Shareholders may recognise a capital loss on the disposal of Shares where the capital proceeds received on disposal are less than the reduced CGT cost base of the Shares.

All capital gains and losses recognised by an Australian tax resident Shareholder for an income year are added together. To the extent that a net gain exists, such Shareholders should be able to reduce the gain by any amount of unapplied net capital losses carried forward from previous income years (provided certain loss recoupment tests are satisfied). Any remaining net gain (after the application of any carried forward tax losses) will then be required to be included in the Australian tax resident Shareholder's assessable income (subject to comments below in relation to the availability of the CGT discount concession) and will be taxable at the Shareholder's applicable rate of tax. Where a net capital loss is recognised, the loss will only be deductible against future capital gains. Capital losses are capable of being carried forward indefinitely, provided the relevant loss recoupment tests are satisfied.

A CGT discount may be available on the capital gain for individual Shareholders, trustee Shareholders and Shareholders that are complying superannuation entities provided the particular Shares are held for at least 12 months prior to disposal. Any current year or carry forward capital losses should offset the capital gain first before the CGT discount can be applied.

The CGT discount for individuals and trusts is 50% and for complying superannuation entities is 33⅓%.

The CGT discount is not available to corporate Shareholders.

In relation to trusts, the rules surrounding capital gains and the CGT discount are complex, but the benefit of the CGT discount may flow through to relevant beneficiaries, subject to certain requirements being satisfied.

9.12.5.2. Non-Resident Shareholders

The disposal of a Share by a Shareholder who is a non-resident of Australia who holds their Shares on capital account will usually be subject to CGT. However, any capital gain initially arising should be disregarded unless the Share constitutes taxable Australian property. A Share will usually constitute taxable Australian property if:

- the Shareholder holds an associate-inclusive interest of at least 10% in the Company at the time of the disposal, or has held such an interest throughout the 12-month period in the 24 months preceding the disposal; and
- the Company is land rich for Australian income tax purposes.

A Share will also generally constitute taxable Australian property if it is used by a Shareholder in carrying on a business in Australia through a permanent establishment.

In the event that a Shareholder who is a non-resident realises a capital gain from the disposal of a Share that constitutes taxable Australian property, the Shareholder will ordinarily be required to lodge an Australian income tax return including the capital gain. In these circumstances, the Shareholder should generally not be entitled to claim the benefit of the CGT discount to reduce the amount of the capital gain included, but may be able to offset the capital gain with any available capital losses, subject to certain loss recoupment tests being satisfied. The amount of the capital gain, after application of any available capital losses, should be subject to Australian income tax at the Shareholder's marginal tax rate.

A capital loss should initially be realised by a Shareholder who is a non-resident to the extent that the reduced cost base of a Share exceeds the capital proceeds from its disposal. However, as with capital gains, a capital loss should be disregarded by the Shareholder unless the Share being disposed of constitutes taxable Australian property.

Capital losses which are not disregarded may only be offset against capital gains from the disposal of taxable Australian property in the same income year or future income years, subject to certain loss recoupment tests being satisfied.

Some non-resident Shareholders may hold their Shares on revenue account, as trading stock or be subject to the Taxation of Financial Arrangements regime. These Shareholders should seek their own professional advice in respect of the tax consequences of a disposal of Shares.

9.12.6. Tax File Number and Australian Business Number

A Shareholder is not obliged to quote a tax file number (**TFN**), or where relevant, Australian Business Number (**ABN**), to the Company. However, if a TFN or ABN is not quoted and no exemption is applicable, income tax is required to be deducted by the Company at the highest marginal rate (currently 45%) plus Medicare Levy (currently 2%) from certain dividends paid.

A Shareholder that holds Shares as part of an enterprise may quote its Australian Business Number instead of its TFN.

Non-resident Shareholders should generally be exempt from the TFN withholding rules.

No withholding requirement applies in respect of fully franked dividends paid by the Company on the Shares.

9.12.7. Stamp Duty

No stamp duty should be payable by a Shareholder on the acquisition of Shares pursuant to the Offer.

Shareholders should seek their own advice as to the impact of stamp duty in their own particular circumstances.

9.12.8. Goods and Services Tax

Goods and services tax (**GST**) should not be payable in respect of the issue, acquisition or transfer of Shares by an Australian resident. However, GST may be payable on expenses incurred relating to the acquisition, redemption or disposal of the Shares (e.g. brokerage or professional advisory fees).

No GST should be payable in respect of dividends paid to Shareholders.

Shareholders should seek their own independent advice in respect of the impact of GST in respect of their Shares based on their own particular circumstances, including their entitlement to claim a refund of the GST cost of fees and any other associated expenses.

9.13. Selling Restrictions

This Prospectus does not constitute an offer of Shares in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the Shares may not be offered or sold, in any country outside Australia or New Zealand except to the extent permitted below.

9.13.1. Bermuda

No offer or invitation to subscribe for New Shares may be made to the public in Bermuda or in any manner that would constitute engaging in business in or from within Bermuda. In addition, no invitation is being made to persons residing in Bermuda for exchange control purposes to subscribe for New Shares.

9.13.2. Canada (British Columbia, Ontario and Quebec provinces)

This document constitutes an offering of New Shares only in the Provinces of British Columbia, Ontario and Quebec (the **Provinces**), only to persons to whom New Shares may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This document is not a prospectus, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons who are "accredited investors" within the meaning of National Instrument 45-106 – *Prospectus Exemptions*, of the Canadian Securities Administrators.

No securities commission or authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Shares or the offering of the New Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws. While such resale restrictions generally do not apply to a first trade in a security of a foreign, non-Canadian reporting issuer that is made through an exchange or market outside Canada, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

The Company, as well as its directors and officers, may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its Directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards, and also complies with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

Statutory rights of action for damages and rescission. Securities legislation in certain Provinces may provide a purchaser with remedies for rescission or damages if an offering memorandum contains a misrepresentation, provided the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's Province. A purchaser may refer to any applicable provision of the securities legislation of the purchaser's Province for particulars of these rights or consult with a legal adviser.

Certain Canadian income tax considerations. Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the New Shares as there are Canadian tax implications for investors in the Provinces.

Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

9.13.3. Cayman Islands

No offer or invitation to subscribe for New Shares may be made to the public in the Cayman Islands or from within the Cayman Islands.

9.13.4. China

This document has not been approved by, nor registered with, any competent regulatory authority of the People's Republic of China (excluding, for purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan). Accordingly, the New Shares may not be offered or sold, nor may any invitation, advertisement or solicitation for New Shares be made from, within the PRC. This document does not constitute an offer of New Shares within the PRC.

The New Shares may not be offered or sold to legal or natural persons in the PRC other than to: (i) "qualified domestic institutional investors" as approved by a relevant PRC regulatory authority to invest in overseas capital markets; (ii) sovereign wealth funds or quasi-government investment funds that have the authorisation to make overseas investments; or (iii) other types of qualified investors that have obtained all necessary PRC governmental approvals, registrations and/or filings (whether statutorily or otherwise).

9.13.5. European Union

This document has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this document may not be made available, nor may the New Shares be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of New Shares in the European Union is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

9.13.6. Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the **SFO**). Accordingly, this document may not be distributed, and the New Shares may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

9.13.7. Israel

The New Shares have not been registered, and no prospectus will be issued, under the Israeli Securities Law, 1968 (the "Securities Law"). Accordingly, the New Shares will only be offered and sold in Israel pursuant to private placement exemptions, namely (i) to no more than 35 offerees or (ii) to "Sophisticated Investors" as described in the First Addendum of the Securities Law, subject to certain conditions.

Neither this document nor any activities related to the Offer shall be deemed to be the provision of investment advice. If any recipient of this document is not the intended recipient, such recipient should promptly return this document to the Company. This document has not been reviewed or approved by the Israeli Securities Authority in any way.

9.13.8. Japan

The New Shares have not been and will not be registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (the **FIEL**) pursuant to an exemption from the registration requirements applicable to a private placement of securities to Qualified Institutional Investors (as defined in and in accordance with Article 2, paragraph 3 of the FIEL and the regulations promulgated thereunder). Accordingly, the New Shares may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan other than Qualified Institutional Investors. Any Qualified Institutional Investor who acquires New Shares may not resell them to any person in Japan that is not a Qualified Institutional Investor, and acquisition by any such person of New Shares is conditional upon the execution of an agreement to that effect.

9.13.9. Kuwait

This document does not constitute an offer or invitation to subscribe for or purchase any securities in Kuwait. The New Shares have not been licensed for offering in Kuwait by the Kuwait Capital Markets Authority. An offering of New Shares is, therefore, restricted in Kuwait. No private or public offering of New Shares is being made in Kuwait and no marketing or solicitation activities are being undertaken to market the New Shares in Kuwait. This document is not intended to lead to the conclusion of any contract of whatsoever nature within Kuwait and no agreement relating to the sale of New Shares will be concluded in Kuwait.

9.13.10. Norway

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007 no. 75. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act. The New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in the Norwegian Securities Trading Act).

9.13.11. Qatar

This document is provided on an exclusive basis to the specifically intended recipient thereof upon that person's request and initiative, and for the recipient's personal use only.

Nothing in this document constitutes an offer or sale of securities in the State of Qatar or in the Qatar Financial Centre or any attempt to do business as a bank, an investment company or otherwise in the State of Qatar or in the Qatar Financial Centre.

This document and any related document have not been reviewed, approved, registered or licensed by the Qatar Central Bank, the Qatar Financial Centre Regulatory Authority or any other regulator in the State of Qatar.

Recourse against the Company or others involved with the Offer may be limited or difficult and may have to be pursued in a jurisdiction outside the State of Qatar and the Qatar Financial Centre.

Any distribution of this document by the recipient to third parties in State of Qatar or the Qatar Financial Centre is not authorised and would be at the liability of such recipient.

9.13.12. Saudi Arabia

This document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority.

The Capital Market Authority does not make any representation as to the accuracy or completeness of this document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective purchasers of the New Shares should conduct their own due diligence on the accuracy of the information relating to the New Shares. If you do not understand the contents of this document, you should consult an authorised financial advisor.

9.13.13. Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the **SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an "institutional investor" (as defined in the SFA) or (ii) an "accredited investor" (as defined in the SFA). If you are not an investor falling within one of these categories, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

9.13.14. South Africa

This document does not, nor is it intended to, constitute a prospectus prepared and registered under the *South African Companies Act 2008* and may not be distributed to the public in South Africa. This document has not been registered with nor approved by the South African Companies and Intellectual Property Commission.

Any offer of New Shares in South Africa will be made by way of a private placement to, and capable of acceptance only by, investors who fall within one of the specified categories listed in Section 96(1)(a) of the South African Companies Act.

An entity or person resident in South Africa may not implement participation in the offer unless (i) permitted under the South African Exchange Control Regulations or (ii) a specific approval has been obtained from an authorised foreign exchange dealer in South Africa or the Financial Surveillance Department of the South African Reserve Bank.

9.13.15. Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares constitutes a prospectus or a similar notice, as such terms are understood under art. 35 of the Swiss Financial Services Act or the listing rules of any stock exchange or regulated trading facility in Switzerland.

No offering or marketing material relating to the New Shares has been, nor will be, filed with or approved by any Swiss regulatory authority or authorised review body. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority.

Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to investors who qualify as "professional clients" (as defined in the Swiss Financial Services Act). This document is personal to the recipient and not for general circulation in Switzerland.

9.13.16. United Arab Emirates

This document does not constitute a public offer of securities in the United Arab Emirates and the New Shares may not be offered or sold, directly or indirectly, to the public in the UAE. Neither this document nor the New Shares have been approved by the Securities and Commodities Authority (**SCA**) or any other authority in the UAE.

This document may be distributed in the UAE only to "qualified investors" (as defined in the SCA Board of Directors' Chairman Decision No. 37 RM of 2019, as amended) and may not be provided to any person other than the original recipient. No marketing of the New Shares has been, or will be, made from within the UAE other than in compliance with the laws of the UAE and no subscription for any securities may be consummated within the UAE.

No offer or invitation to subscribe for New Shares is valid, or permitted from any person, in the Abu Dhabi Global Market or the Dubai International Financial Centre.

9.13.17. United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of Section 85 of the *Financial Services and Markets Act 2000*, as amended (**FSMA**)) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under Section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which Section 21(1) of the FSMA does not apply to the Company.

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Article 1.4(i) of the UK Prospectus Regulation provides that employee offers in the United Kingdom are exempt from the requirement to publish a prospectus in relation to an offer to the public when securities are offered, allotted or to be allotted to existing or former directors or employees by their employer or by an affiliated undertaking provided that a document is made available containing information on the number and nature of the securities and the reasons for and details of the offer or allotment. Accordingly, given that Shares are being offered by APM to Eligible Priority Employees and Eligible Employees, this document sets out the relevant information in relation to the Employee Offer Employee Gift Offer and therefore there is no need to provide a separate prospectus in the United Kingdom in connection with the Employee Offer and Employee Gift Offer.

9.13.18. United States

This document may not be distributed to, or relied upon by, any person in the United States, unless it forms part of the US Institutional Offering Memorandum for the purposes of the Institutional Offer.

This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. The New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and any other applicable securities laws.

9.14. Consents to be Named and Disclaimers of Responsibility

Each of the parties listed below in this Section 9.14 each a consenting party, to the maximum extent permitted by law, expressly disclaims all liabilities in respect of, makes no representations regarding and takes no responsibility, for any statements in or omissions from this Prospectus, other than the reference to its name in the form and context in which it is named and a statement or report included in this Prospectus with its consent as specified below.

9. Additional Information

Each of the parties listed below has given and has not, at the time of lodgement of this Prospectus with ASIC, withdrawn its written consent to the inclusion of statements in this Prospectus that are specified below in the form and context in which the statements appear:

- Goldman Sachs has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Sole Global Coordinator, Joint Lead Manager and Joint Bookrunner;
- UBS has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Joint Lead Manager and Joint Bookrunner;
- each of BofA Securities and Credit Suisse have given, and have not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Joint Lead Manager to the Offer in the form and context in which it is named;
- each of Bell Potter and Morgans has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Co-Lead Manager to the Offer in the form and context in which it is named;
- each of Argonaut, CommSec, Crestone, Euroz Hartleys and JBWere has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Co-Manager to the Offer in the form and context in which it is named;
- Gilbert + Tobin has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Australian legal adviser (other than in relation to taxation matters) to the Company and SaleCo in relation to the Offer in the form and context in which it is named;
- PricewaterhouseCoopers Securities Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Investigating Accountant to the Company in relation to the Financial Information in the form and context in which it is named and to the inclusion of its Investigating Accountant's Report on the Financial Information set out in Section 8 in the form and context in which it appears in this Prospectus;
- PricewaterhouseCoopers has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as auditor of the Company in the form and context in which it is so named;
- Ernst & Young has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as tax adviser to the Company in the form and context in which it is so named;
- Computershare Investor Services Pty Limited has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Share Registry of the Company in the form and context in which it is named. Computershare Investor Services Pty Limited has had no involvement in the preparation of any part of this Prospectus other than being named as Share Registry to the Company. Computershare Investor Services Pty Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus; and
- Torre Corporate has given, and has not withdrawn prior to lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the provider for company secretarial services to the Company in the form and context in which it is so named.

9.15. Governing Law

This Prospectus and the contracts that arise from the acceptance of the Applications and bids under the Prospectus are governed by the laws applicable in New South Wales and each Applicant submits to the exclusive jurisdiction of the courts of New South Wales.

9.16. Statement of Directors

This Prospectus is authorised by each Director of the Company and SaleCo who consents to its lodgement with ASIC and its issue.

10. Summary of Significant Accounting Policies and Selected Reconciliations

10. Summary of Significant Accounting Policies and Selected Reconciliations

10.1. Summary of Significant Accounting Policies

1. Basis of Preparation

APM is a for-profit company limited by shares incorporated and domiciled in Australia.

The Financial Information:

- has been prepared on a historical cost basis unless noted otherwise;
- is presented in Australian dollars; and
- has not early adopted Accounting Standards and Interpretations that have been issued or amended but are not yet effective.

2. Principles of Consolidation

The consolidated financial statements comprise the financial statements of the Group.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist. In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profits and losses resulting from intragroup transactions have been eliminated. Subsidiaries are consolidated from the date on which control is obtained to the date on which control is disposed. The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The Group controls an entity where 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.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

3. Foreign Currency

As at the reporting date, the assets and liabilities of overseas subsidiaries are translated into Australian dollars at the rate of exchange ruling at the balance sheet date and the income statements are translated at the average exchange rates for the period. The exchange differences arising on the translation are taken directly to a separate component of equity.

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Exchange differences arising from the application of these procedures are taken to the income statement, with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity, which are taken directly to equity until the disposal of the net investment and are then recognised in the income statement. Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity.

4. 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 that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

5. Business Combinations

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

The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred;
- amount of any non-controlling interest in the acquired entity; and
- acquisition date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill.

If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

6. Revenue

Interest income is recognised using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

7. Income Tax Expense

Current Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

10. Summary of Significant Accounting Policies and Selected Reconciliations

Deferred Taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

APM and its wholly owned Australian controlled entities have implemented the tax consolidation legislation. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements.

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

8. Cash and Cash Equivalents

For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents comprise cash in hand and deposits held on call with banks.

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective deposit rates. Cash at bank and on deposit is held with banks and financial institutions with investment grade credit ratings.

9. Trade Receivables

Due to the short-term nature of the trade receivables, their carrying amount is considered to be the same as their fair value.

Trade receivables are recognised initially as the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less loss allowance.

10. Leases

Group as Lessee

The Group leases leasehold properties and plant and equipment. The lease terms vary and can include escalation clauses, renewal or purchase options and termination rights. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

Recognition and Measurement – Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset, this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the year of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
  - the Group has the right to use the asset; or
  - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date.

At inception of a contract, the lease liability is measured at the present (discounted) value of the future lease payments that are not paid as at the commencement date. The lease liability is remeasured when there is a change in the future lease payments arising from an index or rate change or if the Group changes an assessment of whether it will exercise an extension or termination option. When the liability is remeasured in this way, a corresponding adjustment is made to the right-of-use asset or is recorded in the profit or loss if the carrying amount of the asset has been reduced to zero.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a term of 12 months or less. It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expenses on a straight-line basis over the lease term.

11. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, is depreciated on a straight-line basis over the asset's useful life to the group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

- Plant and equipment – 10% to 67%
- Leasehold improvements – over the term of the lease being two to five years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

12. Intangible Assets

Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

Brand

Brand on acquisitions of subsidiaries is included in intangible assets. Brand is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of brand relating to the entity sold.

Service Agreements/Relationships

Service agreements and customer relationships acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less amortisation and any impairment losses. Intangible assets with finite lives are amortised on a straight-line basis over their useful lives and tested for impairment whenever there is an indication that they may be impaired. The amortisation period and method is reviewed at each financial period-end. Intangible assets with indefinite lives such as brand are tested for impairment in the same way as goodwill.

The useful lives of intangible assets is as follows:

- Service agreements/relationships – Up to 20 years
- Licence and software – Up to 3 years

13. Interest-Bearing Liabilities

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet 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 profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

14. Provisions

Provisions are recognised when:

- the Group has a present obligation (legal or constructive) as a result of a past event;
- it is probable that resources will be expended to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

(i) Employee Entitlements

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave 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 liabilities are presented as current employee benefit obligations in the balance sheet.

The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

(ii) Post-Employment Obligations

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

15. Share-Based Payments

The fair value of shares granted by the Group is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value ("FV") of the shares granted.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of shares that are expected to vest based on non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Key Judgements and Estimates

In the process of applying the Group's accounting policies, management has made a number of judgements and applied estimates of future events. The ongoing impact of COVID-19 has been considered in the preparation of the

Financial Information and in applying the Group's key judgements and estimates. The directors have reviewed liquidity and cash flow forecasts, as well as critical accounting estimates and judgements for the Group. As these are subject to increased uncertainty, actual outcomes may differ from the applied estimates.

Judgements and estimates which are material to the financial report are found below:

(a) Recognition of Revenue and Deferred Revenue

Outcome-based revenue

Outcomes-based revenue, primarily for the Employment Services revenue stream, is recognised as services are provided based on estimated future outcome payments. In regard to the customer's ability to terminate the contracts for convenience, APM has determined that they would be entitled to outcome payments linked to outcomes achieved post the termination date for the participants who are successfully placed prior to such termination. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. In situations where the historical results are not considered to be the most reliable indicator of future results, management's forecasts can be used for estimating revenue of this nature.

Refund liabilities (clawback)

Where revenue from specific contracts is subject to clawback amounts by respective contracting bodies, a separate provision is accrued for this refund liability.

(b) Tax

Deferred Tax Asset and Liability Recognition

Deferred income tax assets are recognised for all deductible temporary differences, carried forward unused tax assets and unused tax losses. Deferred tax assets are based on tax laws (and tax rates) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets have been recognised to the extent that their recovery is probable, having regard to the availability of sufficient taxable temporary differences relating to the same tax authority and the same taxable entity, the projected future taxable income of these taxable entities and after taking account of specific risk factors that are expected to affect the recovery of these assets.

Tax Balances

Tax balances are based on Management's best estimate and interpretation of the tax legislation in a number of jurisdictions. This treatment can be subject to changes due to modification to legislation or differences in interpretation by authorities. Where the amount of tax payable or recoverable includes some uncertainty, the Group recognises amounts based on Management's best estimate of the most likely outcome.

(c) Leases

Discount Rate

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the individual lessee, which does not have recent third-party financing; and
- makes adjustments specific to the lease, e.g., term, country, currency and security.

Lease Term

In determining the lease term, Management 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). The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

Dilapidation Provision

The Group is required to restore its leased premises 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 leasehold improvements and are amortised over the shorter of the term of the lease and the useful life of the assets.

(d) Intangible Assets

Assessment of Impairment of Goodwill and Brand

The Group assesses whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a cash generating unit (**CGU**) is determined based on the higher of fair value less cost to sell or value-in-use calculations which require the use of assumptions.

Valuation and Amortisation of Intangible Assets – Service Agreements/Relationships

The service agreements/relationships were all acquired as part of business combinations or contract novations. They are recognised at their fair value at the date of acquisition and are subsequently amortised on a straight-line over their estimated useful lives. Fair value was determined using the multi-period excess earnings method, using projected post-tax cashflows, discounted at an appropriate discount rate.

Assessment of Useful Life of Brand

The Group assesses whether the APM brand has a finite or indefinite useful life. The Group's well-established position in the industry, commitment to continued brand maintenance, and high probability of the Group providing services beyond current contract periods supports an indefinite life assessment.

(e) Provisions

Make Good Provision

The Group operates from leased premises and is required to return most of its premises to a pre-lease condition at the end of the lease or on vacating the premises, whichever is earlier. The Group fully provides for the cost of any dilapidations based on an estimate of the value of the work required as if the premises were vacated on the balance sheet date. This provision is re-estimated each period.

Clawback Provision

The Group has a number of contracts that involve upfront payment prior to service delivery. In some cases, an adjustment to this payment is required based on actual results after certain periods of time based on outcomes achieved. Where it is considered probable that funds will be required to be returned in future, a provision is recognised. This provision is re-estimated during the life of each relevant contract.

(f) Share-Based Payments

Fair Value of Shares Granted

The fair value at grant date is independently determined using a Black-Scholes model for shares granted with non-market vesting conditions. The Black-Scholes model considers the exercise price, the term of the option, the impact of dilution (where material), the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk-free interest rate for the term of the option and the correlations and volatilities of the peer group companies.

For shares which contain market vesting conditions, the Group measures the grant date fair value (or in the case of a change in the expected vesting of the shares which introduces a market vesting condition, the cumulative catch-up share-based payment expense) using a Monte-Carlo simulation model.

10. Summary of Significant Accounting Policies and Selected Reconciliations

10.2. Selected Reconciliations

10.2.1. Historical Financial Income Statement Reconciliations

Figure 10.1: Reconciliation from the Statutory Historical Financial Income Statement to the Pro Forma Historical Income Statement on a Line Item Basis for FY19

	Statutory Historical	Pro Forma Adjustments							Pro Forma Historical
		Public company costs	Offer costs	Interest rate hedge	Foreign exchange impact on US debt	Transaction costs – MDP Acquisition	Capital structure	Unrealised FX	
$m	FY19	1	2	3	4	5	6	7	FY19
Revenue from contracts with customers	534.3	–	–	–	–	–	–	–	534.3
Other income	1.4	–	–	–	–	–	–	–	1.4
Other gains/(losses)	–	–	–	–	–	–	–	–	–
Total income	**535.7**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**535.7**
People costs	(346.9)	–	–	–	–	–	–	–	(346.9)
Client support costs	(34.8)	–	–	–	–	–	–	–	(34.8)
Occupancy expenses	(22.6)	–	–	–	–	–	–	–	(22.6)
Administration	(23.3)	(2.0)	(1.7)	–	–	–	–	–	(27.0)
Marketing	(5.5)	–	–	–	–	–	–	–	(5.5)
Travel expenses	(9.2)	–	–	–	–	–	–	–	(9.2)
Other operating expenses	(16.6)	–	–	3.4	–	–	–	–	(13.2)
Other gains/(losses)	–	–	–	–	–	–	–	–	–
EBITDA	**76.8**	**(2.0)**	**(1.7)**	**3.4**	**–**	**–**	**–**	**–**	**76.5**
Depreciation on ROU assets	(17.9)	–	–	–	–	–	–	–	(17.9)
Depreciation	(9.7)	–	–	–	–	–	–	–	(9.7)
EBITA	**49.1**	**(2.0)**	**(1.7)**	**3.4**	**–**	**–**	**–**	**–**	**48.8**
Amortisation of customer contracts arising from acquisitions	(23.8)	–	–	–	–	–	–	–	(23.8)
EBIT	**25.3**	**(2.0)**	**(1.7)**	**3.4**	**–**	**–**	**–**	**–**	**25.0**

	Statutory Historical	Pro Forma Adjustments							Pro Forma Historical
		Public company costs	Offer costs	Interest rate hedge	Foreign exchange impact on US debt	Transaction costs – MDP Acquisition	Capital structure	Unrealised FX	
$m	FY19	1	2	3	4	5	6	7	FY19
Shareholder interest	(29.7)	–	–	–	–	–	29.7	–	–
Bank interest	(14.2)	–	–	–	–	–	(15.1)	–	(29.3)
Other interest	(3.5)	–	–	–	–	–		–	(3.5)
Profit/(loss) before tax	**(22.1)**	**(2.0)**	**(1.7)**	**3.4**	**–**	**–**	**14.6**	**–**	**(7.8)**
Income tax benefit/(expense)	(6.1)	0.6	–	–	–	–	4.5	–	(0.9)
Net profit/(loss) after tax (NPAT)	**(28.2)**	**(1.4)**	**(1.7)**	**3.4**	**–**	**–**	**19.1**	**–**	**(8.7)**
NPAT %	*(5.3%)*								*(1.6%)*
Amortisation of customer contracts arising from acquisitions	23.8	–	–	–	–	–	–	–	23.8
NPAT before amortisation (NPATA)	**(4.4)**	**(1.4)**	**(1.7)**	**3.4**	**–**	**–**	**19.1**	**–**	**15.1**
NPATA %	*(0.8%)*								*2.8%*

Notes:

1. Refer to note 1 of Figure 4.4.
2. Refer to notes 2, 3, 4 and 8 of Figure 4.4.
3. Refer to note 5 of Figure 4.4.
4. Refer to note 6 of Figure 4.4.
5. Refer to note 7 of Figure 4.4.
6. Refer to notes 9, 10, 11 and 12 of Figure 4.4.
7. No adjustment in FY19.

10. Summary of Significant Accounting Policies and Selected Reconciliations

Figure 10.2: Reconciliation from the Statutory Historical Financial Income Statement to the Pro Forma Historical Income Statement on a Line Item Basis for FY20

	Statutory Historical	Pro Forma Adjustments							Pro Forma Historical
		Public company costs	Offer costs	Interest rate hedge	Foreign exchange impact on US debt	Transaction costs – MDP Acquisition	Capital structure	Unrealised FX	
$m	FY20	1	2	3	4	5	6	7	FY20
Revenue from contracts with customers	795.2	–	–	–	–	–	–	–	795.2
Other income	2.1	–	–	–	–	–	–	–	2.1
Other gains/(losses)	(0.6)	–	–	–	–	–	–	–	(0.6)
Total income	**796.7**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**796.7**
People costs	(520.2)	–	–	–	–	–	–	–	(520.2)
Client support costs	(39.4)	–	–	–	–	–	–	–	(39.4)
Occupancy expenses	(22.4)	–	–	–	–	–	–	–	(22.4)
Administration	(47.6)	(2.0)	(1.4)	–	–	18.5	–	–	(32.4)
Marketing	(4.5)	–	–	–	–	–	–	–	(4.5)
Travel expenses	(8.8)	–	–	–	–	–	–	–	(8.8)
Other operating expenses	(21.5)	–	–	1.0	–	–	–	–	(20.6)
Other gains/(losses)		–	–	–	–	–	–	–	–
EBITDA	**132.3**	**(2.0)**	**(1.4)**	**1.0**	**–**	**18.5**	**–**	**–**	**148.4**
Depreciation on ROU assets	(30.0)	–	–	–	–	–	–	–	(30.0)
Depreciation	(16.9)	–	–	–	–	–	–	–	(16.9)
EBITA	**85.3**	**(2.0)**	**(1.4)**	**1.0**	**–**	**18.5**	**–**	**–**	**101.5**
Amortisation of customer contracts arising from acquisitions	(31.5)	–	–	–	–	–	–	–	(31.5)
EBIT	**53.8**	**(2.0)**	**(1.4)**	**1.0**	**–**	**18.5**	**–**	**–**	**69.9**

	Statutory Historical	Pro Forma Adjustments							Pro Forma Historical
		Public company costs	Offer costs	Interest rate hedge	Foreign exchange impact on US debt	Transaction costs – MDP Acquisition	Capital structure	Unrealised FX	
$m	FY20	1	2	3	4	5	6	7	FY20
Shareholder interest	(33.8)	–	–	–	–	–	33.8	–	–
Bank interest	(20.7)	–	–	–	–	–	(8.6)	–	(29.3)
Other interest	(4.8)	–	–	–	–	–	–	–	(4.8)
Profit/(loss) before tax	**(5.5)**	**(2.0)**	**(1.4)**	**1.0**	**–**	**18.5**	**25.2**	**–**	**35.8**
Income tax benefit/(expense)	(15.5)	0.6	–	(1.3)	–	(1.1)	2.6	–	(14.7)
Net profit/(loss) after tax (NPAT)	**(21.0)**	**(1.4)**	**(1.4)**	**(0.4)**	**–**	**17.4**	**27.8**	**–**	**21.0**
NPAT %	*(2.6%)*								*2.6%*
Amortisation of customer contracts arising from acquisitions	31.5	–	–	–	–	–	–	–	31.5
NPAT before amortisation (NPATA)	**10.5**	**(1.4)**	**(1.4)**	**(0.4)**	**–**	**17.4**	**27.8**	**–**	**52.6**
NPATA %	*1.3%*								*6.6%*

Notes:

1. Refer to note 1 of Figure 4.4.
2. Refer to notes 2, 3, 4 and 8 of Figure 4.4.
3. Refer to note 5 of Figure 4.4.
4. Refer to note 6 of Figure 4.4.
5. Refer to note 7 of Figure 4.4.
6. Refer to notes 9, 10, 11 and 12 of Figure 4.4.
7. No adjustment in FY20.

10. Summary of Significant Accounting Policies and Selected Reconciliations

Figure 10.3: Reconciliation from the Statutory Historical Financial Income Statement to the Pro Forma Historical Income Statement on a Line Item Basis for FY21

	Statutory Historical	Pro Forma Adjustments							Pro Forma Historical
		Public company costs	Offer costs	Interest rate hedge	Foreign exchange impact on US debt	Transaction costs – MDP Acquisition	Capital structure	Unrealised FX	
$m	FY21	1	2	3	4	5	6	7	FY21
Revenue from contracts with customers	999.1	–	–	–	–	–	–	–	999.1
Other income	17.3	–	–	–	–	–	–	–	17.3
Other gains/(losses)	12.8	–	–	–	(7.8)	–	–	(5.0)	0.0
Total income	**1,029.2**	**–**	**–**	**–**	**(7.8)**	**–**	**–**	**(5.0)**	**1,016.4**
People costs	(609.9)	–	–	–	–	–	–	–	(609.9)
Client support costs	(78.6)	–	–	–	–	–	–	–	(78.6)
Occupancy expenses	(23.9)	–	–	–	–	–	–	–	(23.9)
Administration	(44.0)	(2.0)	(1.1)	–	–	–	–	–	(47.1)
Marketing	(7.3)	–	–	–	–	–	–	–	(7.3)
Travel expenses	(4.0)	–	–	–	–	–	–	–	(4.0)
Other operating expenses	(16.9)	–	–	–	–	–	–	–	(16.9)
Other gains/(losses)	–	–	–	–	–	–	–	5.0	5.0
EBITDA	**244.7**	**(2.0)**	**(1.1)**	**–**	**(7.8)**	**–**	**–**	**–**	**233.8**
Depreciation on ROU assets	(34.6)	–	–	–	–	–	–	–	(34.6)
Depreciation	(17.8)	–	–	–	–	–	–	–	(17.8)
EBITA	**192.3**	**(2.0)**	**(1.1)**	**–**	**(7.8)**	**–**	**–**	**–**	**181.5**
Amortisation of customer contracts arising from acquisitions	(50.8)	–	–	–	–	–	–	–	(50.8)
EBIT	**141.5**	**(2.0)**	**(1.1)**	**–**	**(7.8)**	**–**	**–**	**–**	**130.7**

	Statutory Historical	Pro Forma Adjustments							Pro Forma Historical
		Public company costs	Offer costs	Interest rate hedge	Foreign exchange impact on US debt	Transaction costs – MDP Acquisition	Capital structure	Unrealised FX	
$m	FY21	1	2	3	4	5	6	7	FY21
Shareholder interest	(72.7)	–	–	–	–	–	72.7	–	–
Bank interest	(55.7)	–	–	–	–	–	26.4	–	(29.3)
Other interest	(4.5)	–	–	–	–	–	–	–	(4.5)
Profit/(loss) before tax	**8.6**	**(2.0)**	**(1.1)**	**–**	**(7.8)**	**–**	**99.1**	**–**	**96.8**
Income tax benefit/(expense)	(10.6)	0.6	–	–	–	(1.1)	(7.9)	–	(19.0)
Net profit/(loss) after tax (NPAT)	**(1.9)**	**(1.4)**	**(1.1)**	**–**	**(7.8)**	**(1.1)**	**91.2**	**–**	**77.8**
NPAT %	*(0.2%)*								*7.7%*
Amortisation of customer contracts arising from acquisitions	50.8	–	–	–	–	–	–	–	50.8
NPAT before amortisation (NPATA)	**48.9**	**(1.4)**	**(1.1)**	**–**	**(7.8)**	**(1.1)**	**91.2**	**–**	**128.6**
NPATA %	*4.8%*								*12.7%*

Notes:
1. Refer to note 1 of Figure 4.4.
2. Refer to notes 2, 3, 4 and 8 of Figure 4.4.
3. Refer to note 5 of Figure 4.4.
4. Refer to note 6 of Figure 4.4.
5. Refer to note 7 of Figure 4.4.
6. Refer to notes 9, 10, 11 and 12 of Figure 4.4.
7. Reclassification of unrealised gains/(losses) to below the services margin line in the FY21 Pro Forma Historical Income Statement.

10.2.2. Forecast Financial Income Statement Reconciliations

The Forecast Financial Information below is based on various best estimate assumptions, including those set out below. In preparing the Forecast Financial Information, APM has analysed historical performance, including the current rates of revenue and expenses, and applied assumptions, where appropriate, across the business. The assumptions in this Prospectus should be read in conjunction with APM's Significant Accounting Policies set out in Section 4.2.3 and in further detail in Section 10.1, critical accounting estimates and judgements set out in Section 4.2.3.2, the general and specific assumptions set out in Section 4.6.5, the sensitivity analysis described in Section 4.7, the risk factors described in Section 5, the Investigating Accountant's Report on Forecast Financial Information set out in Section 8 and the other information in this Prospectus.

Please refer to the general and specific forecast assumptions outlined in Section 4.6.5 before confirming the information below.

Figure 10.4: Reconciliation from the Statutory Forecast Financial Income Statement to the Pro Forma Historical Forecast Statement on a Line Item Basis for FY22F

	Statutory Historical	Pro Forma Adjustments							Pro Forma Historical
		Public company costs	Offer costs	Interest rate hedge	Foreign exchange impact on US debt	Transaction costs – MDP Acquisition	Capital structure	Unrealised FX	
$m	FY22	1	2	3	4	5	6	7	FY22
Revenue from contracts with customers	1,333.2	–	–	–	–	–	–	–	1,333.2
Other income	–	–	–	–	–	–	–	–	–
Other gains/(losses)	–	–	–	–	–	–	–	–	–
Total income	**1,333.2**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1,333.2**
People costs	(824.9)	–	5.8	–	–	–	–	–	(819.1)
Client support costs	(95.5)	–	–	–	–	–	–	–	(95.5)
Occupancy expenses	(40.6)	–	–	–	–	–	–	–	(40.6)
Administration	(85.9)	–	40.6	–	–	–	–	–	(45.2)
Marketing	(11.2)	–	–	–	–	–	–	–	(11.2)
Travel expenses	(8.6)	–	–	–	–	–	–	–	(8.6)
Other operating expenses	(18.1)	–	–	–	–	–	–	–	(18.1)
Other gains/(losses)	–	–	–	–	–	–	–	–	–
EBITDA	**248.4**	**–**	**46.5**	**–**	**–**	**–**	**–**	**–**	**294.9**
Depreciation on ROU assets	(39.9)	–	–	–	–	–	–	–	(39.9)
Depreciation	(29.1)	–	–	–	–	–	–	–	(29.1)
EBITA	**179.5**	**–**	**46.5**	**–**	**–**	**–**	**–**	**–**	**225.9**
Amortisation of customer contracts arising from acquisitions	(52.0)	–	–	–	–	–	–	–	(52.0)
EBIT	**127.5**	**–**	**46.5**	**–**	**–**	**–**	**–**	**–**	**174.0**

	Statutory Historical	Pro Forma Adjustments							Pro Forma Historical
		Public company costs	Offer costs	Interest rate hedge	Foreign exchange impact on US debt	Transaction costs – MDP Acquisition	Capital structure	Unrealised FX	
$m	FY22	1	2	3	4	5	6	7	FY22
Shareholder interest	(32.9)	–	–	–	–	–	32.9	–	–
Bank interest	(57.7)	–	25.0	–	–	–	3.4	–	(29.3)
Other interest	(6.8)	–	–	–	–	–	–	–	(6.8)
Profit/(loss) before tax	**30.2**	**–**	**71.5**	**–**	**–**	**–**	**36.2**	**–**	**137.9**
Income tax benefit/(expense)	(13.9)	–	(18.7)	–	–	(1.1)	(1.0)	–	(34.7)
Net profit/(loss) after tax (NPAT)	**16.2**	**–**	**52.8**	**–**	**–**	**(1.1)**	**35.2**	**–**	**103.2**
NPAT %	*1.2%*								*7.7%*
Amortisation of customer contracts arising from acquisitions	52.0	–	–	–	–	–	–	–	52.0
NPAT before amortisation (NPATA)	**68.2**	**–**	**52.8**	**–**	**–**	**(1.1)**	**35.2**	**–**	**155.1**
NPATA %	*5.1%*								*11.6%*

Notes:
1. Refer to note 1 of Figure 4.4.
2. Refer to notes 2, 3, 4 and 8 of Figure 4.4.
3. Refer to note 5 of Figure 4.4.
4. Refer to note 6 of Figure 4.4.
5. Refer to note 7 of Figure 4.4.
6. Refer to notes 9, 10, 11 and 12 of Figure 4.4.
7. No adjustment in FY22F.

11.
Glossary

11. Glossary

Term	Meaning
1/2H	First/Second Half.
A	Actual.
AAS	Australian Accounting Standards.
AASB	Australian Accounting Standards Board.
AASB117	Australian Accounting Standard AASB117 Leases.
AASB15	Australian Accounting Standard AASB15 Revenue from Contracts with Customers.
AASB16	Australian Accounting Standard AASB16 Leases.
AASB8	Australian Accounting Standard AASB8 Operating Segments.
ABN	Australian Business Number.
ACC	The New Zealand Accident Compensation Corporation.
Accounting Policies	Has the meaning given to it in Section 10.
ACN	Australian Company Number.
Acquisition	The transaction involving the direct or indirect acquisition of the Target Companies.
ACT	The Australian Capital Territory.
Admission	Admission of the Company to the ASX.
Advisory Board	The advisory board to the Company.
Aged Care Assessment Team or **ACAT**	A type of assessment service in the Communities and Assessment services sector of the Human Services industry.
Aged Care Home Support and Home Care	A Disability and Aged Care Support Service program in Australia.
Aged Home Care Packages	Aged home care support and assistance packages provided by the Australian Government.
Aggregate Substantial Interest	Acquisitions of shares and voting power in a company of 40% or more by two or more unassociated foreign persons and their associates, as defined under the FATA.
AHPRA	The Australian Health Practitioner Regulation Authority.
Allotment	The allotment of New Shares under the Offer.
Annual General Meeting	The annual general meeting of the Company.
Annual Report	The annual report of the Company.
APM	APM Human Services International Limited (ACN 639 621 766).
APM Growth & Execution	A category of revenue growth that is measured across existing contracts, as described in Section 4.6.1.2.
APM Offer Information Line	1300 161 431 (within Australia) or +61 3 9415 4047 (outside Australia) between 8:30am and 5:00pm (Sydney time), Monday to Friday (excluding public holidays).

11. Glossary

Term	Meaning
Applicant	A person who submits an Application.
Application	An application made to subscribe for Shares offered under this Prospectus.
Application Amount	The minimum and maximum Application Amounts for each of the Priority Offer, Broker Firm Offer and Employee Offer as described in Sections 7.11, 7.12 and 7.13.
Application Form	The application form attached to or accompanying this Prospectus and any supplementary or replacement prospectus (including the electronic form provided by an online application facility).
Application Monies	The amount of money accompanying an Application Form submitted by an Applicant.
Argonaut	Argonaut Securities Pty Limited.
ASAE	Australian Standard on Assurance Engagements.
ASAE 3450	ASAE 3450 'Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information'.
ASIC	The Australian Securities and Investments Commission.
ASIC Act	*Australian Securities and Investments Commission Act 2001* (Cth).
ASQA	The Australian Skills Quality Authority.
ASTC	ASX Settlement and Transfer Corporation.
ASX	Australian Securities Exchange.
ASX Corporate Governance Council	The corporate governance council of the ASX.
ASX Listing Rules or **Listing Rules**	The listing rules of the ASX.
ASX Principles	ASX Corporate Governance Principles and Recommendations 4th edition.
ASX Recommendations	Revised in 2019, the fourth edition ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.
ASX Settlement Operating Rules or **ASX Settlement Rules**	The settlement rules of ASX as amended, varied or waived from time to time.
ATO	Australian Tax Office.
AUD Base Rate	Has the meaning given to it in Section 4.4.3.
AUD Term Loan or **AUD First Lien Term Loan**	Has the meaning given to it in Section 9.8.
AUD, Dollar or **$**	Australian dollars unless otherwise stated.
Audit and Risk Management Committee or **Audit Committee**	The Audit and Risk Management Committee of the Company, as nominated by the Directors of the Company.

Term	Meaning
Banking Facilities	The Revolving Credit Facility, AUD First Lien Term Loan and USD First Lien Term Loan.
Bell Potter	Bell Potter Securities Limited.
Bellinge	Bellinge Holdings Pty Ltd.
Board Charter	The charter of the Board of Directors of the Company.
Board or **Board of Directors**	The Board of Directors of the Company.
BofA Securities	Merrill Lynch Equities (Australia) Limited (ABN 65 006 276 795).
Bookbuild	The process through which Institutional Investors have been invited to bid under the Institutional Offer as described in Section 7.17.
Broker	Any ASX participating organisation selected by the Joint Lead Managers and the Company to act as a Broker to the Offer.
Broker Firm Applicant	A person who submits an Application for the Broker Firm Offer.
Broker Firm Offer	The offer of Shares under this Prospectus to Australian and New Zealand resident retail clients of Brokers who have received a firm allocation from their Broker, as described in Section 7.11.
Business Day	A day on which trading takes place on the stock market of ASX.
Buyer	Advanced Personnel Management Global Pty Ltd (or one of its subsidiaries).
CAGR	Compound Annual Growth Rate.
Capital Expenditure or **Capex**	Has the meaning given in Section 4.2.6.
Capital Restructure	The restructure of the share capital of the Company as described in Section 9.4.
CEO or **Group CEO**	Chief Executive Officer of the Group.
CFO or **Group CFO**	Chief Financial Officer of the Group.
CGT	Capital Gains Tax.
CGU	Cash Generating Unit.
Chairperson or Chair	The chair of the Company's Board of Directors or a committee of the Company's Board of Directors, as relevant.
CHESS	The ASX's Clearing House Electronic Subregister System, operated in accordance with the ASX Listing Rules and the ASX Settlement Operating rules.
CHSP	Commonwealth Home Support Program, an Aged Care and Home Care and Support service in Australia.
Closely Related Party	Has the meaning given in the Corporations Act.
Closing Date	The date on which the Offer is expected to close, being 10 November 2021 in respect of the Retail Offer. This date may be varied without prior notice.

11. Glossary

Term	Meaning
Code of Conduct	The formal code of conduct of the Company, governing the employees and representatives of the Company.
Co-Lead Managers	Bell Potter and Morgans, and Co-Lead Manager means any one of them.
Co-Managers	Argonaut, CommSec, Crestone, Euroz Hartleys and JBWere and Co-Manager means any one of them.
CommSec	Commonwealth Securities Limited.
Communities and Assessment	The communities and assessment services sector of the Human Services industry.
Company, we, us, our	APM Human Services International Limited (ACN 639 621 766).
Completion	The date on which Shares are issued or transferred to Successful Applicants in accordance with the terms of the Offer.
Conditions	The conditions relating to trades occurring on the ASX before the date on which the Shares are issued, and will be conditional on the completion of the Capital Restructure, settlement occurring under the Underwriting Agreement and the issue of Shares occurring.
Constitution	The Company's Constitution as at the date of Listing.
Corporate Governance Principles and Recommendations	Revised in 2019, the fourth edition ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.
Corporations Act	*Corporations Act 2001* (Cth).
Corporations Regulations	*Corporations Regulations 2001* (Cth).
COVID-19	Coronavirus disease (COVID-19) is an infectious disease caused by a newly discovered coronavirus.
Credit Suisse	Credit Suisse (Australia) Limited.
Crestone	Crestone Wealth Management Limited.
CRS	The UK Commissioned Rehabilitative Service.
CTA	Career Transition Assistance.
CTP	Compulsory Third Party insurance.
CVVRS	Canadian Veterans Vocational Rehabilitation Services.
CY	Calendar Year.
Deferred Tax Assets	The amounts of income taxes recoverable in future periods in respect of: (a) deductible temporary differences; (b) the carry forward of unused tax losses; and (c) the carry forward of unused tax credits.
DES or **Disability Employment Services**	An Employment Services program focussed on providing employability services for disabled clients.

Term	Meaning
DESE	Australian Government Department of Education, Skills and Employment.
Directors	The directors of the Company.
Disability and Aged Care Support Services	The disability and aged care support services sector of the Human Services industry.
Disability Diversity and Inclusivity Index or **DDI Index**	APM's index relating to disability and diversity published in 2020.
Disability Medical Assessment	A type of assessment service in the Communities and Assessment services sector of the Human Services industry.
Disability Support Pension	A pension provided by the Australian Government to eligible individuals.
Disclosure Policy	The disclosure policy of the Company, outlining the Company's continuous disclosure requirements under the ASX Listing Rules and the Corporations Act.
Diversity Policy	The diversity policy of the Company.
DMS	Disability Management Services.
DSS	Australian Government Department of Social Services.
DWP	The UK Department for Work and Pensions.
EAP	Employee assistance programs.
Early Childhood Early Intervention or **ECEI**	A type of assessment service in the Communities and Assessment services sector of the Human Services industry.
Early Start Australia or **Early Start**	Early Start Australia Pty Ltd (ACN 616 435 575).
EBIT	Earnings Before Interest and Tax.
EBITA	Earnings before interest, tax and amortisation.
EBITDA	Represents net profit/(loss) before interest expense (including interest on the lease liability recognised under AASB16), income tax expense, depreciation (including depreciation on the right-of-use asset recognised under AASB16) and amortisation (including amortisation of acquired intangible assets).
Economic Interest	An interest in the Shares other than acquiring the legal or beneficial interest.
EFS	Entrepreneurship Facilitator Service.
EIR	Effective Interest Rate.
Eligible Employees	Persons who are full or part time employees of the Group, with a start date which is more than six months before the date of Admission, who have a registered address in Australia, New Zealand, Singapore or the United Kingdom and are not located in the United States, and who have received an offer from the Company to acquire $1,000 worth of Shares in the Company at no cost.

11. Glossary

Term	Meaning
Eligible Person	Selected investors in Australia and certain other jurisdictions outside of the USA who have received an invitation to participate in the Priority Offer.
Eligible Priority Employees	Persons who are: • full or part time employees of the Group or the Target Companies who have a registered address in Australia, New Zealand, Singapore or the United Kingdom; and • casual employees or fixed term contractors of the Group or the Target Companies who have a registered address in Australia, New Zealand or the United Kingdom, in each case who are not located in the United States, and who have received an offer from the Company to participate in the Employee Offer.
Employable Me	APM's online employment portal service in Australia.
Employee Gift Offer	The offer of Shares to Eligible Employee Offer at no cost as described in Section 7.14.
Employee IPO Gift	The offer of Shares under the Employee Gift Offer and cash to be gifted to employees of the Group who reside outside of Australia, New Zealand, Singapore and the United Kingdom who have a start date which is more than six months before the date of Admission as described in Section 4.2.4.
Employee Offer	The offer Shares to Eligible Priority Employee described in Section 7.13.
Employment Services	The employment services sector of the Human Services industry.
Encore	Encore Nominees Pty Ltd (ACN 631 465 444).
ESAs	Employment Service Areas.
Escrow Deed	The deed relating to the escrow arrangements described in Section 9.7.
Escrow Period	Has the meaning given in Section 9.7.
Escrowed Shareholders	The Shareholders in Section 9.7.
Escrowed Shares	The Shares held by the Escrowed Shareholders the subject of the escrow arrangements described in Section 9.7.
ESG	Environmental, Social and Governance.
ESS	Employment Support Services.
ETE	Education, Training and Employment.
Euroz Hartleys	Euroz Hartleys Limited.
Executive Chair	The Executive Chair of the Company.
Executive Director	A Director of the Company that is also a member of Management or an employee of the Company.
Existing Shareholders	The Shareholders who own Shares in the Company prior to Listing.
Existing Shares	The Shares on issue as at the Original Prospectus Date.
Exposure Period	The seven-day period after the Original Prospectus Date, which may be extended by ASIC for up to an additional seven days.

Term	Meaning
F	Forecast.
Facilities	The provision of certain term and revolving credit facilities pursuant to the Facility Agreement.
Facility Agreement	The first lien syndicated facility agreement dated 30 June 2020 between the Parent Borrower and certain APM Group Members.
FATA	*Foreign Acquisitions and Takeovers Act 1975* (Cth).
Federal Treasurer	The federal treasurer of Australia.
FIEL	Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948).
Finance and Investment Committee	The Finance and Investment Committee of the Company, as nominated by the Directors of the Company.
Financial Information	The Statutory Financial Information and the Pro Forma Financial Information.
Financial Services Guide	Attached as appendix to the Investigating Accountant's Report in Section 8.
FINMA	Swiss Financial Market Supervisory Authority.
FMC Act	*Financial Markets Conduct Act 2013* of New Zealand.
Forecast Financial Information	The Statutory Forecast Financial Information and the Pro Forma Forecast Financial Information.
Forecast Period	The year ending 30 June 2022.
FPO	Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 of the United Kingdom.
Free Cash Flow	Has the meaning given in Section 4.2.6.
FSMA	Financial Services and Markets Act of the United Kingdom.
FTE	Full Time Equivalent.
FX	Foreign exchange.
FY	Financial Year (ending 30 June).
GAAP	Australian generally accepted accounting standards.
GBP	British pound sterling.
GDP	Gross Domestic Product.
Generation Health	Generation Health Pty Ltd and The Interact Group Pty Ltd.
Goldman Sachs	Goldman Sachs Australia Pty Ltd.
Goldman Sachs Hedge Party	One or more affiliates of Goldman Sachs who may enter into one or more derivative transactions with MDP. See Section 6.4.1.
Group Company	Has the meaning given in Section 6.5.2.
Group or APM Group	The Company and each of its subsidiaries and Group Member means any one of them.

11. Glossary

Term	Meaning
GST	Goods and services tax.
HCP	Home Care Packages Program, an Aged Care and Home Care and Support service in Australia.
Health and Wellbeing	The health and wellbeing services sector of the Human Services industry.
HIN	Holder Identification Number for CHESS.
Historical Financial Information	Has the meaning given in Section 4.
Holdings Guarantor	APM Human Services Limited (ACN 639 623 993).
Human Services	The global industry relating to providing services focussed on enhancing an individual's employability, health, wellbeing and resilience.
IASB	International Accounting Standards Board.
IFRS	International Financial Reporting Standards.
IFRS15	IFRS15 Revenue from Contracts with Customers.
IFRS16	IFRS16 Leases.
Industry Data	Data relating to the industries, segments, sectors and markets in which the Company operates.
Ingeus	Has the meaning given in Section 4.
Inquiry Report	The inquiry report of the Australian Government's Productivity Commission.
Institutional Investors	Investors who are: • persons in Australia who are wholesale clients under Section 761G of the Corporations Act and either "professional investors" or "sophisticated investors" under Sections 708(11) and 708(8) of the Corporations Act; or • persons in New Zealand who are "wholesale investors" within the meaning of clause 3(2) of schedule 1 of the Financial Markets Conduct Act 2013 of New Zealand; or • institutional investors in certain other jurisdictions, as agreed by the Company and the Joint Lead Managers to whom offers of Shares may lawfully be made without the need for a lodged or registered prospectus or other form of disclosure document or filing with, or approval by, any governmental agency (except one with which the Company is willing in its discretion to comply); provided that if such person is in the United States, it is either a person that the Joint Lead Managers reasonably believe to be a "qualified institutional buyer" as defined in Rule 144A under the US Securities Act or a dealer or other professional fiduciary within the meaning of Rule 902(k)(2)(i) of Regulation S under the US Securities Act.
Institutional Offer	The invitation to Institutional Investors under this Prospectus to acquire Shares, as described in Section 7.17.
Investigating Accountant or **PwCS**	PricewaterhouseCoopers Securities Ltd (ABN 54 003 311 617).
Investigating Accountant's Report	The report in Section 8.

Term	Meaning
IPO or **Offer**	The offer under this Prospectus of ordinary shares in the Company and the sale of a proportion of the Existing Shares in the Company by SaleCo.
IT	Information Technology.
JBWere	JBWere Limited.
Job Network	Predecessor to jobactive.
Job Services Australia model	Predecessor to jobactive.
JobSeeker Payment	A wage subsidy provided by the Australian Government for individuals significantly impacted by COVID-19.
Joint Bookrunners	Goldman Sachs and UBS and Joint Bookrunner means any one of them.
Joint Lead Managers	Goldman Sachs, UBS, BofA Securities and Credit Suisse, and Joint Lead Manager means any one of them.
Konekt or KKT	Has the meaning given in Section 4.
KPI	Key performance indicators.
LIBOR	London Interbank Offered Rate.
Limited Party	The Company, the Group, the Joint Lead Managers or their respective related bodies corporate, shareholders or affiliates, nor any of their respective officers, directors, employees, affiliates, agents, contractors or advisers.
Listing	The commencement of trading in Shares on the Official List of the ASX.
Listing Rules	The listing rules of ASX.
Littlewin	Littlewin Pty Ltd (ACN 125 197 220).
LMS	Learning Management System.
Local Area Coordination	A type of assessment service in the Communities and Assessment services sector of the Human Services industry.
LTI	Long term incentive.
LTIP Grant	Has the meaning given in Section 6.7.1.
LTIP or **LTI Plan**	The Company's long term incentive plan.
LTIP Plan Rules	Has the meaning given in Section 6.7.1.
LTM	Last twelve months.
M&A	Mergers and acquisitions.
Management or **Executive or Executive Management**	The management of the Company.
Management Shareholders	A member of the management team of APM who owns Shares as at the Prospectus Date.

11. Glossary

Term	Meaning
MCI	Management Consultancy International Pty Ltd.
MD or **Managing Director**	The managing director of the Company, unless specified to be the Managing Director of a different entity.
MDP or **Madison Dearborn**	Madison Dearborn Capital Partners LLC. See also footnote 43 on page 34.
Medicare	Australia's universal health insurance scheme.
Members	The members of the committees under the Board of Directors.
MEP	Management Equity Plan.
MKW Nominees	MKW Nominees Pty Ltd (ACN 104 972 750).
Mobility	Mobility Holdings Pty Ltd (ACN 626 653 629).
MOEL	Employment Services with the Ministry of Labour, an employment services contract in South Korea.
Morgans	Morgans Financial Limited.
Mutual Recognition Regime	The mutual recognition regime established under subpart 6 of Part 9 of the *Financial Markets Conduct Act 2013* of New Zealand and Part 9 of the Financial Markets Conduct Regulations 2014 of New Zealand.
MyIntegra or **Integrated Care**	Integrated Care Pty Ltd (ACN 149 233 634).
National Citizen Service or **NCS**	A type of assessment service in the UK, in the Communities and Assessment services sector of the Human Services industry.
National Panel of Assessors	A type of assessment service in the Communities and Assessment services sector of the Human Services industry.
NCCC	National COVID-19 Coordination Commission.
NCS Trust	National Citizen Service Trust.
NDIA	National Disability Insurance Agency.
NDIS	National Disability Insurance Scheme.
NEIS	New Enterprise Incentive Scheme.
NESM	New Employment Services Model.
New Shareholders	Persons acquiring Shares under the Offer.
New Shares	The new Shares to be issued by the Company under the Offer.
NHS	The UK National Health Service.
NHS DPP	The UK National Health Service Diabetes Prevention Program.
Non-Executive Director	A Director of the Company that is not a member of Management or an employee of the Company.

Term	Meaning
Non-IFRS Financial Measures	Financial measures under Regulatory Guide 230 "Disclosing non-IFRS financial information", published by ASIC.
NPAT	Net Profit After Tax.
NPATA	NPAT after adding back amortisation expense relating to acquired service agreement contract intangibles.
NSDS	The Australian National Standards for Disability Services.
NZX Limited	New Zealand stock exchange.
OECD	Organisation for Economic Co-operation and Development.
OECD Social Expenditure Database	A database established and maintained by OECD relating to social expenditure.
Offer	The offer under this Prospectus of ordinary shares in the Company and the sale of a proportion of the Existing Shares in the Company by SaleCo.
Offer Documents	Has the meaning given in the Underwriting Agreement, including the pathfinder prospectus, this Prospectus, the US Institutional Offering Memorandum, offeror written communication and the marketing and roadshow presentation.
Offer Period	The period commencing from the opening date of the Offer and ending on the applicable Closing Date.
Offer Price or **Final Price**	$3.55 per Share.
Official List	The official list of ASX.
Ontario Employment Services Transformation or **Ontario Prototype** or **Transformation Program**	An Employment Services program in Canada.
Opening Date	The opening date for receipt of Application Forms under this Prospectus being 5 November 2021.
Original Prospectus	The original Prospectus lodged with ASIC by the Company and SaleCo on the Original Prospectus Date.
Original Prospectus Date	The date on which the Original Prospectus was lodged with ASIC, being 28 October 2021.
Option	An option to acquire a Share.
Parent Borrower	APM Global Holdings Pty Ltd (ACN 639 625 755).
Participants	A participant in the LTIP.
Performance Rights	Has the meaning given in Section 6.7.
Permitted Holder	Has the meaning given to it in Section 9.10.
Persephone	Persephone Properties Pty Ltd (ACN 626 190 850) as trustee for the Persephone Property Trust.
PMET	Professionals, Managers, Executives and Technicians.

11. Glossary

Term	Meaning
PPA	Purchase Price Allocation.
PRC	People's Republic of China.
Priority Offer	The component of the Offer under which investors who have received a personalised invitation are invited to apply for Shares, as described in Section 7.12.
Priority Offer Invitation	A personalised invitation to individuals who are invited to apply for Shares, as described in Section 7.12.
Pro Forma Financial Information	The Pro Forma Historical Financial Information and the Pro Forma Forecast Financial Information.
Pro Forma Forecast Cash Flows	Pro forma forecast cash flows for FY22F.
Pro Forma Forecast Financial Information	The Pro Forma Forecast Income Statement and the Pro Forma Forecast Cash Flows.
Pro Forma Forecast Income Statement	Pro forma forecast consolidated income statement for FY22F.
Pro Forma Historical Cash Flows	Pro forma historical consolidated cash flows for FY19, FY20 and FY21.
Pro Forma Historical Financial Information	The Pro Forma Historical Income Statements, Pro Forma Historical Cash Flows and Pro Forma Historical Statement of Financial Position.
Pro Forma Historical Income Statements	Pro forma historical consolidated income statements for FY19, FY20 and FY21.
Pro Forma Historical Statement of Financial Position	Pro forma historical consolidated statement of financial position as at 30 June 2021.
Project Mission	The acquisition of APM by MDP.
Prospectus	This document (including the electronic form of this Prospectus) being the replacement of the Original Prospectus and any supplementary or replacement prospectus in relation to this document.
Prospectus Date	The date on which this Prospectus was lodged with ASIC, being 4 November 2021.
Prospectus Regulation	Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union.
Province	The Canadian provinces of British Columbia, Ontario and Quebec.
QAF	The Australian Quality Assurance Framework.
RAV	Regional Employment Services.
RCF or **Revolving Credit Facility**	Has the meaning given to it in Section 9.8.
Regional Assessment Services or **RAS**	A type of assessment service in the Communities and Assessment services sector of the Human Services industry.

Term	Meaning
Related Bodies Corporate	Has the meaning given in the Corporations Act.
Related Party Leases	Premises leased by APM from companies controlled by Megan Wynne or her Closely Related Party as described in Section 9.6.3.
Relationship Deed	Has the meaning given to it in Section 9.6.1.
Relevant Interest	Has the meaning given in the Corporations Act.
Remuneration and Nomination Committee	The Remuneration and Nomination Committee of the Company, as nominated by the Directors of the Company.
Residential Aged Care Assessment or **RACA**	A type of assessment service in the Communities and Assessment services sector of the Human Services industry.
Restart Scheme	An Employment Services program in the UK.
Restraint Area	An area in which an employee is not allowed to be employed, engaged or concerned in any business, specific to each employment arrangement.
Restraint Period	A period ending after the termination of an employment arrangement, specific to each employment arrangement.
Retail Offer	The Broker Firm Offer, Priority Offer, Employee Offer and Employee Gift Offer as described in Sections 7.11, 7.12, 7.13 and 7.14.
Revenue	In the Pro Forma Historical Income Statements and the Pro Forma Forecast Income Statement includes Revenue from contracts with customers and Other income.
RFPs	Requests for proposal in relation to government contract tendering.
Rights	A performance right and/or a share appreciation right issued under the LTIP, as the context requires.
ROU	Right-of-use.
RPoS	Registered Provider of Supports.
RRP	Reducing Reoffending Partnership.
RSVAP	The Rehabilitation Services and Vocational Assistance Program, a Health and Wellbeing service in Canada.
Sale Shares	The Shares held by Existing Shareholders that will be transferred to Successful Applicants under the offer by SaleCo.
SaleCo	APM SaleCo Limited (ACN 653 997 472).
SARS	Severe Acute Respiratory Syndrome.
SCA	Securities and Commodities Authority of the United Arab Emirates.
SDG	The UN's Sustainable Development Goals.
Securities Trading Policy	The policy of the Company relating to securities trading.
Selling Shareholders	Holders of Existing Shares who will sell Existing Shares through SaleCo.

11. Glossary

Term	Meaning
Serendipity	Serendipity (WA) Pty Ltd.
Settlement	The settlement in respect of the Shares.
Settlement Date	The date on which Settlement occurs.
SFA	Securities and Futures Act, Chapter 289 of Singapore.
SFO	Securities and Futures Ordinances (Cap. 571).
Share	A fully paid ordinary share in the capital of the Company and, where the context permits, means the Shares the subject of the Offer.
Share Appreciation Rights	Cashless exercise options.
Share Price	The volume weighted average share price at which the Company's shares were traded on the ASX over the ten (10) trading days prior to the date for which the calculation is made.
Share Registry	Computershare Investor Services Pty Limited.
Shareholders	The holders of Shares.
Singapore Companies Act	The Companies Act of Singapore.
Sole Global Coordinator	Goldman Sachs.
SRN	Securityholder Reference Number.
SSM	Service System Manager.
Star Rating	Ratings issued by the Australian Government Department of Social Services.
State	A state of Australia, including New South Wales, Victoria, Queensland, Western Australia, South Australia and Tasmania.
Statutory Financial Information	The Statutory Historical Financial Information and the Statutory Forecast Financial Information.
Statutory Forecast Cash Flows	Statutory forecast consolidated cash flows for FY22F.
Statutory Forecast Financial Information	The Statutory Forecast Income Statement and Statutory Forecast Cash Flows.
Statutory Forecast Income Statement	Statutory forecast consolidated income statement for FY22F.
Statutory Historical Cash Flows	Statutory historical consolidated cash flows for FY19, FY20 and FY21.
Statutory Historical Financial Information	The Statutory Historical Income Statements, Statutory Historical Cash Flows and Statutory Historical Statement of Financial Position.
Statutory Historical Income Statements	Statutory historical consolidated income statements for FY19, FY20 and FY21.

Term	Meaning
Statutory Historical Statement of Financial Position	Statutory historical consolidated statement of financial position as at 30 June 2021.
STI	Short term incentive.
Stream A	Predecessor to Digital First Services under the jobactive scheme.
Stream B	Predecessor to Enhanced Services under the jobactive scheme.
Stream C	Predecessor to Enhanced Services under the jobactive scheme.
Substantial Interest	Acquisitions of shares and voting power in a company of 20% or more by a single foreign person and its associates, as defined under the FATA.
Successful Applicant	An Applicant who is issued or transferred Shares under the Offer.
TANF	Temporary Assistance for Needy Families, an Employment Services program in the USA.
Target Companies	Early Start Australia Pty Ltd, Integrated Care Pty Ltd, Mobility Holdings Pty Ltd, and Mobility Australia Pty Ltd.
Taxation of Financial Arrangements	Regime in Division 230 of the *Income Tax Assessment Act 1997* (Cth).
Territory	A territory of Australia, including the Northern Territory and the Australian Capital Territory.
TFN	Tax file number.
TSR	Total shareholder return.
UBS	UBS AG, Australia Branch.
UK	United Kingdom.
UN	United Nations.
Underwriting Agreement	The management agreement in relation to the Offer and the Joint Lead Managers as described in Section 9.6.4.
US Institutional Offer	The offer of Shares under the Institutional Offer to (i) persons in the United States that the Joint Lead Managers reasonably believe to be "qualified institutional buyers" as defined in Rule 144A under the US Securities Act and (ii) dealers or other professional fiduciaries organised or incorporated in the United States acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not US Persons for which it has and is exercising investment discretion, within the meaning of Rule 902(k)(2)(i) of the US Securities Act.
US Institutional Offering Memorandum	The offering memorandum under which the Institutional Offer will be made in the United States, which consists of this Prospectus and an offer document 'wrap'.
US Person	Has the meaning given to it in Regulation S under the US Securities Act.
US Securities Act	US Securities Act of 1933, as amended.
US$ or USD	US Dollars.
USA	United States of America.

11. Glossary

Term	Meaning
USD Base Rate	Has the meaning given to it in Section 4.4.3.
USD Term Loan or USD AUD First Lien Term Loan	Has the meaning given to it in Section 9.8.
VRS	The New Zealand Vocational Rehabilitation Service.
WHP	Work and Health Programme, an Employment Services program in the UK.
WHP – JETS	Work and Health Programme – Job Entry Targeted Support, an Employment Services programme in the UK.
WIOA	US Workforce Innovation and Opportunity Act.
WorkBC	An Employment Services program in Canada.
Workforce Development Agreements or WDA	An Employment Services program in Canada.
Working Capital	Has the meaning given in Section 4.2.6.
WSG	Workforce Singapore.
Youth Allowance	Financial assistance program for eligible individuals provided by the Australian Government.

APM Human Services International Limited

ACN 639 621 766

Broker Firm Offer Application Form

This is an Application Form for ordinary shares (**Shares**) in APM Human Services International Limited under the Broker Firm Offer on the terms set out in the replacement Prospectus dated 4 November 2021 (**Prospectus**), which replaces the Prospectus dated 28 October 2021 (**Original Prospectus**). This Application Form is important. If you are in doubt as to how to deal with it, please contact your stockbroker, accountant or other professional advisers without delay. You should read the Prospectus and any relevant Supplementary Prospectus (if applicable) carefully before completing this Application Form. This Application Form and your Application Monies must be received by your stockbroker by the deadline set out in their offer to you.

The Corporations Act 2001 (Cth) prohibits any person from passing on this Application Form (whether in paper or electronic form) unless it is attached to or accompanies a complete and unaltered copy of the Prospectus and any relevant Supplementary Prospectus (whether in paper or electronic form).

A **I/we apply for**

Shares at $3.55 per Share or such lesser number of Shares which may be allocated to me/us.

B **I/we lodge full Application Money**

A$.

C **Individual/Joint applications - refer to naming standards overleaf for correct forms of registrable title(s)**

Title or Company Name Given Name(s) Surname

Joint Applicant 2 or Account Designation

Joint Applicant 3 or Account Designation

D **Enter the postal address - include State and Postcode**

Unit Street Number Street Name or PO Box/Other information

City/Suburb/Town State Postcode

E **Enter your contact details**

Contact Name

Telephone Number - Business Hours

( )

F **CHESS Holder Identification Number (HIN) (if applicable)**

Holder Identification Number (HIN)

X

Please note that if you supply a CHESS HIN but the name and address details on your form do not correspond exactly with the registration details held at CHESS, your Application will be deemed to be made without the CHESS HIN, and any Shares issued as a result of the Offer will be held on the issuer sponsored subregister.

G **Payment details - Please follow the payment instructions provided to you by your stockbroker. If paying by cheque, provide your cheque details below.**

Drawer	Cheque Number	BSB Number	Account Number	Amount of cheque
				A$

Cheques should be drawn up according to the instructions provided by your stockbroker.

By submitting this Application Form:

- I/we declare that this Application is complete and lodged according to the Prospectus, and the declarations/statements on the reverse of this Application Form;
- I/we declare that all details and statements made by me/us (including the declaration on the reverse of this Application Form) are complete and accurate; and
- I/we agree to be bound by the Constitution of APM Human Services International Limited.

See overleaf for completion guidelines ➔

How to complete this Application Form

A **Number of Shares applied for**
Enter the number of Shares you wish to apply for. The Application must be for a minimum of 564 Shares ($2,002.20). There is no maximum number or value of Shares that may be applied for under the Broker Firm Offer.

B **Application Monies**
Enter the amount of Application Monies. To calculate the amount, multiply the number of Shares applied for in Step A by the Offer Price of $3.55.

C **Applicant Name(s)**
Enter the full name you wish to appear on the statement of shareholding. This must be either your own name or the name of a company. Up to 3 joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applications using the incorrect form of names may be rejected. Clearing House Electronic Subregister System (CHESS) participants should complete their name identically to that presently registered in the CHESS system.

D **Postal Address**
Enter your postal address for all correspondence. All communications to you from the Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

E **Contact Details**
Enter your contact details. These are not compulsory but will assist us if we need to contact you regarding this Application.

F **CHESS**
If you are a CHESS participant (or are sponsored by a CHESS participant) and you wish to hold Shares issued to you under this Application on the CHESS Subregister, enter your CHESS HIN. Otherwise, leave this section blank and on issue, you will be sponsored by APM Human Services International Limited and allocated a Securityholder Reference Number (**SRN**).

G **Payment**
You should ask your stockbroker for information about how and when to lodge this Application Form, and lodge this Application Form and your payment with your stockbroker in accordance with their instructions.

Before completing the Application Form the Applicant(s) should read the Prospectus to which this Application relates. By lodging the Application Form, the Applicant agrees that this Application for Shares in APM Human Services International Limited is upon and subject to the terms of the Prospectus and the Constitution of APM Human Services International Limited, agrees to take any number of Shares that may be issued to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. In particular, the Applicant is deemed to have made the acknowledgements, representations, warranties and agreements set out in section 7.18 of the Prospectus. It is not necessary to sign the Application Form.

Lodgement of Application

Your stockbroker must receive your completed Application Form and Application Monies in time to arrange settlement on your behalf by the closing date for the Offer. Applicants should allow sufficient time for this to occur and are therefore encouraged to submit their Applications as early as possible.

Privacy Notice
The personal information you provide on this form is collected by Computershare Investor Services Pty Limited (**CIS**), as registrar for the securities issuer (the **issuer**), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided overleaf or by emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at http://www.computershare.com/au.

Correct forms of registrable title(s)
Note that ONLY legal entities are allowed to hold Shares. Application Forms must be in the name(s) of a natural person(s), companies or other legal entities acceptable to the issuer. At least one full given name and the surname is required for each natural person. Application Forms cannot be completed by persons less than 18 years of age. Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual: use given names in full, not initials	Mr John Alfred Smith	JA Smith
Company: use the company's full title, not abbreviations	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings: use full and complete names	Mr Peter Robert Williams & Ms Louise Susan Williams	Peter Robert & Louise S Williams
Trusts: use the trustee(s) personal name(s)	Mrs Susan Jane Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates: use the executor(s) personal name(s)	Ms Jane Mary Smith & Mr Frank William Smith <Est John Smith A/C>	Estate of late John Smith or John Smith Deceased
Minor (a person under the age of 18): use the name of a responsible adult with an appropriate designation	Mr John Alfred Smith <Peter Smith A/C>	Master Peter Smith
Partnerships: use the partners personal names	Mr John Robert Smith & Mr Michael John Smith <John Smith and Son A/C>	John Smith and Son
Long Names	Mr John William Alexander Robertson-Smith	Mr John W A Robertson-Smith
Clubs/Unincorporated Bodies/Business Names: use office bearer(s) personal name(s)	Mr Michael Peter Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds: use the name of the trustee of the fund	Jane Smith Pty Ltd <Super Fund A/C>	Jane Smith Pty Ltd Superannuation Fund

This Application Form does not constitute an offer to sell, or solicitation of an offer to buy, Shares in the United States or in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or solicitation. The Shares referred to herein have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or under the securities laws of any state or other jurisdiction of the United States. Any Shares described in, or sold pursuant to, this Application Form may not be offered or sold, directly or indirectly, in the United States except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable U.S. securities laws.

APM Human Services International Limited

ACN 639 621 766

Broker Firm Offer Application Form

This is an Application Form for ordinary shares (**Shares**) in APM Human Services International Limited under the Broker Firm Offer on the terms set out in the replacement Prospectus dated 4 November 2021 (**Prospectus**), which replaces the Prospectus dated 28 October 2021 (**Original Prospectus**). This Application Form is important. If you are in doubt as to how to deal with it, please contact your stockbroker, accountant or other professional advisers without delay. You should read the Prospectus and any relevant Supplementary Prospectus (if applicable) carefully before completing this Application Form. This Application Form and your Application Monies must be received by your stockbroker by the deadline set out in their offer to you.

The Corporations Act 2001 (Cth) prohibits any person from passing on this Application Form (whether in paper or electronic form) unless it is attached to or accompanies a complete and unaltered copy of the Prospectus and any relevant Supplementary Prospectus (whether in paper or electronic form).

A **I/we apply for**

Shares at $3.55 per Share or such lesser number of Shares which may be allocated to me/us.

B **I/we lodge full Application Money**

A$.

C **Individual/Joint applications - refer to naming standards overleaf for correct forms of registrable title(s)**

Title or Company Name Given Name(s) Surname

Joint Applicant 2 or Account Designation

Joint Applicant 3 or Account Designation

D **Enter the postal address - include State and Postcode**

Unit Street Number Street Name or PO Box/Other information

City/Suburb/Town State Postcode

E **Enter your contact details**

Contact Name

Telephone Number - Business Hours

( )

F **CHESS Holder Identification Number (HIN) (if applicable)**

Holder Identification Number (HIN)

X

Please note that if you supply a CHESS HIN but the name and address details on your form do not correspond exactly with the registration details held at CHESS, your Application will be deemed to be made without the CHESS HIN, and any Shares issued as a result of the Offer will be held on the issuer sponsored subregister.

G **Payment details - Please follow the payment instructions provided to you by your stockbroker. If paying by cheque, provide your cheque details below.**

Drawer	Cheque Number	BSB Number	Account Number	Amount of cheque
				A$

Cheques should be drawn up according to the instructions provided by your stockbroker.

By submitting this Application Form:

- I/we declare that this Application is complete and lodged according to the Prospectus, and the declarations/statements on the reverse of this Application Form;
- I/we declare that all details and statements made by me/us (including the declaration on the reverse of this Application Form) are complete and accurate; and
- I/we agree to be bound by the Constitution of APM Human Services International Limited.

See overleaf for completion guidelines ➔

How to complete this Application Form

A Number of Shares applied for
Enter the number of Shares you wish to apply for. The Application must be for a minimum of 564 Shares ($2,002.20). There is no maximum number or value of Shares that may be applied for under the Broker Firm Offer.

B Application Monies
Enter the amount of Application Monies. To calculate the amount, multiply the number of Shares applied for in Step A by the Offer Price of $3.55.

C Applicant Name(s)
Enter the full name you wish to appear on the statement of shareholding. This must be either your own name or the name of a company. Up to 3 joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applications using the incorrect form of names may be rejected. Clearing House Electronic Subregister System (CHESS) participants should complete their name identically to that presently registered in the CHESS system.

D Postal Address
Enter your postal address for all correspondence. All communications to you from the Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

E Contact Details
Enter your contact details. These are not compulsory but will assist us if we need to contact you regarding this Application.

F CHESS
If you are a CHESS participant (or are sponsored by a CHESS participant) and you wish to hold Shares issued to you under this Application on the CHESS Subregister, enter your CHESS HIN. Otherwise, leave this section blank and on issue, you will be sponsored by APM Human Services International Limited and allocated a Securityholder Reference Number (**SRN**).

G Payment
You should ask your stockbroker for information about how and when to lodge this Application Form, and lodge this Application Form and your payment with your stockbroker in accordance with their instructions.

Before completing the Application Form the Applicant(s) should read the Prospectus to which this Application relates. By lodging the Application Form, the Applicant agrees that this Application for Shares in APM Human Services International Limited is upon and subject to the terms of the Prospectus and the Constitution of APM Human Services International Limited, agrees to take any number of Shares that may be issued to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. In particular, the Applicant is deemed to have made the acknowledgements, representations, warranties and agreements set out in section 7.18 of the Prospectus. It is not necessary to sign the Application Form.

Lodgement of Application

Your stockbroker must receive your completed Application Form and Application Monies in time to arrange settlement on your behalf by the closing date for the Offer. Applicants should allow sufficient time for this to occur and are therefore encouraged to submit their Applications as early as possible.

Correct forms of registrable title(s)
Note that ONLY legal entities are allowed to hold Shares. Application Forms must be in the name(s) of a natural person(s), companies or other legal entities acceptable to the issuer. At least one full given name and the surname is required for each natural person. Application Forms cannot be completed by persons less than 18 years of age. Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual: use given names in full, not initials	Mr John Alfred Smith	JA Smith
Company: use the company's full title, not abbreviations	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings: use full and complete names	Mr Peter Robert Williams & Ms Louise Susan Williams	Peter Robert & Louise S Williams
Trusts: use the trustee(s) personal name(s)	Mrs Susan Jane Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates: use the executor(s) personal name(s)	Ms Jane Mary Smith & Mr Frank William Smith <Est John Smith A/C>	Estate of late John Smith or John Smith Deceased
Minor (a person under the age of 18): use the name of a responsible adult with an appropriate designation	Mr John Alfred Smith <Peter Smith A/C>	Master Peter Smith
Partnerships: use the partners personal names	Mr John Robert Smith & Mr Michael John Smith <John Smith and Son A/C>	John Smith and Son
Long Names	Mr John William Alexander Robertson-Smith	Mr John W A Robertson-Smith
Clubs/Unincorporated Bodies/Business Names: use office bearer(s) personal name(s)	Mr Michael Peter Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds: use the name of the trustee of the fund	Jane Smith Pty Ltd <Super Fund A/C>	Jane Smith Pty Ltd Superannuation Fund

This Application Form does not constitute an offer to sell, or solicitation of an offer to buy, Shares in the United States or in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or solicitation. The Shares referred to herein have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or under the securities laws of any state or other jurisdiction of the United States. Any Shares described in, or sold pursuant to, this Application Form may not be offered or sold, directly or indirectly, in the United States except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable U.S. securities laws.

Corporate Directory

Company's Registered Office

APM Human Services International Limited

58 Ord Street
West Perth WA 6005

Sole Global Coordinator, Joint Lead Manager and Bookrunner

Goldman Sachs Australia Pty Ltd

Level 46, Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000

Joint Lead Manager and Bookrunner

UBS AG, Australia Branch

The Chifley Tower, Level 16,
Sydney NSW 2000

Joint Lead Managers

Merrill Lynch Equities (Australia) Limited

Level 34, Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000

Credit Suisse (Australia) Limited

Level 31, Gateway 1 Macquarie Place
Sydney NSW 2000

Legal Adviser

Australian Legal Counsel

Gilbert + Tobin

Level 35, Tower Two, 200 Barangaroo Avenue
Barangaroo NSW 2000

Auditor

PricewaterhouseCoopers

Brookfield Place
125 St Georges Terrace
Perth WA 6000

Share Registry

Computershare Investor Services Pty Limited

Yarra Falls, 452 Johnston Street
Abbotsford VIC 3067

Company Secretarial Services

Torre Corporate

Unit B9, 1st Floor, 431 Roberts Road
Subiaco WA 6008

Tax Adviser

Ernst & Young

200 George Street
Sydney NSW 2000

Investigating Accountant

PricewaterhouseCoopers Securities Ltd

Brookfield Place
125 St Georges Terrace
Perth WA 6000

Offer Information Line

Between 8:30am and 5:00pm (Sydney time),
Monday to Friday (excluding public holidays)

Within Australia

1300 161 431

Outside Australia

+61 3 9415 4047

Offer Website

www.APMoffer.com.au

apm.net.au

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