

24 July 2024

APM Scheme Update and Preliminary Unaudited Financial Results

APM Human Services International Limited (ASX: APM) provides the following update in respect to the proposed Scheme of Arrangement.

Scheme update

APM refers to its recommended scheme of arrangement with Ancora BidCo Pty Ltd, an entity controlled by Madison Dearborn Partners, LLC (**MDP**) for the acquisition of all of the issued share capital of APM (other than shares held by MDP affiliates) for \$1.45 per share by way of a scheme of arrangement in accordance with *Corporations Act 2001* (Cth) (**Scheme**) as announced on 3 June 2024.

APM has today submitted its draft Scheme Booklet for review by ASX and ASIC.

APM shareholders will be given the opportunity to vote on the Scheme at the Scheme meeting which it expects will be held in September 2024.

The APM Independent Board Committee (IBC) unanimously recommends that APM shareholders vote in favour of the Scheme, in the absence of a superior proposal and subject to an Independent Expert concluding and continuing to conclude that the Scheme is in the best interests of APM shareholders. The IBC makes no recommendation in respect of the scrip alternative.

Subject to the same qualifications and having regard to the IBC recommendation, Executive Chair, Megan Wynne and Group CEO, Michael Anghie also recommend the Scheme.

The Scheme remains subject to certain conditions, which must be satisfied or waived before the Scheme can be implemented. Further information will be set out in a Scheme booklet expected to be dispatched to APM shareholders in August 2024.

Preliminary Unaudited Financial Results

The Scheme Booklet includes preliminary unaudited results which are in line with previous announcements. In summary, APM revenue, underlying EBITDA and underlying NPATA for the 12 months to 30 June 2024 is estimated to be \$2,332 million, \$281 million and \$95 million respectively (vs. \$1,896 million, \$365 million and \$178 million for the 12 months to 30 June 2023). Net Debt at 30 June 2024 is approximately \$800.0 million (vs. \$774 million at 30 June 2023).

The carrying value of intangibles, including goodwill and customer contracts relating to historical acquisitions and contracts is reviewed as part of the year end audit process and totalled \$2,169 million at 31 December 2023. Whilst the audit process has not been completed at this time, we note that based on the offer price under the Scheme, there is an indicator of impairment which is in the process of being assessed. This indicates a preliminary unaudited impairment range of \$250 million to \$350 million, noting that there are various factors which can influence the impairment assessment.

Any impairment expense arising as a result of the completion of this process is non-cash and is excluded from the underlying results and APM's covenant calculations. APM notes that it also will not have any impact on the proposed recommended Scheme.

ENDS

Authorised for release by the Board of APM Human Services International Limited

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About APM

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 2 million people of all ages and stages of life through its service offerings that include assessments; allied health and psychological intervention; medical, psycho-social and vocational rehabilitation; vocational training and employment assistance; and community-based support services.

With over 1,600 sites spanning 11 countries (Australia, United Kingdom, Canada, United States of America, New Zealand, Germany, Switzerland, Sweden, Spain, Singapore, and South Korea), APM's more than 15,000 team members 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.

For further information please visit: <https://apm.net.au>