Appendix 4E

For the year ended 30 June 2024

Details of the current reporting period and the previous corresponding period

Current reporting period: 1 July 2023 to 30 June 2024
Previous corresponding period: 1 July 2022 to 30 June 2023

Results for announcement to the market

Key information	30 June 2024 $'000	30 June 2023 $'000	Change %
Revenue from contracts with customers	2,294,403	1,893,806	21.2%
Total (loss)/profit from ordinary activities for the period attributable to members	(219,566)	108,700	(302.0)%
Total comprehensive (loss)/income for the period attributable to members	(225,513)	103,691	(317.5)%
Net (loss)/profit after tax before amortisation expense relating to acquired service agreement contract intangibles (NPATA)	(166,559)	158,477	(205.1)%
Underlying net profit after tax before amortisation expense relating to acquired service agreement contract intangibles (Underlying NPATA)[(i)]	95,064	178,236	(46.7)%

(i) Underlying Net Profit After Tax before Amortisation of Service Contracts is comprised of reported statutory results less significant items. This is separately disclosed and a reconciliation of total comprehensive income/(loss) for the period to underlying NPATA is contained below. This non-IFRS measure is included to assist users in understanding the financial performance of the Group.

APM Human Services International Limited ("APM" or "the Group") utilises the non-IFRS measure of NPATA to assess the performance of its operations as it excludes the non-cash amortisation of service agreement contract intangibles over their useful lives. Service agreement contract intangibles arise when APM acquires businesses. NPATA is a non-IFRS measure that is unaudited but derived from the audited financial statements.

The following table adjusts the total comprehensive income for the year for the expenses associated with debt refinancing, corporate development and integration costs and other non-recurring items, to calculate the Underlying NPATA results for the year ended 30 June 2024.

	30 June 2024 $'000	30 June 2023 $'000	Change %
Total (loss)/profit for the period	(219,566)	108,700	(302.0)%
Amortisation expense (relating to acquired service agreement contracts)	53,007	49,777	6.5%
NPATA	(166,559)	158,477	(205.1)%
Underlying adjustments:			
Foreign exchange impact	(794)	(3,878)	79.5%
Corporate development and integrations	14,968	25,595	(41.5)%
Debt refinancing	3,271	2,576	27.0%
Deferred consideration adjustments	(36,028)	–	—%
One off adjustment to align with Group's recognition policy	14,269	–	—%
Impairment	269,102	–	—%
Tax expense adjustment	–	1,585	(100.0)%
Tax effect adjustments*	(3,165)	(6,119)	48.3%
Underlying NPATA	**95,064**	**178,236**	**(46.7)%**

* To recognise the tax effect of the underlying adjustments included above.

Appendix 4E continued

For further details on APM's performance for the year ended 30 June 2024, refer to the Annual Report which forms part of this release, and the June 2024 results presentation announced to the Australian Securities Exchange ("ASX") on 30 August 2024.

Dividends

There were no dividends declared for the period ended 30 June 2024. Dividends paid during the year amounted to $45.9 million, based on 5.0 cents per fully paid ordinary share out of retained earnings at 30 June 2023.

Net tangible assets

	30 June 2024 $'000	30 June 2023 $'000
Net assets	1,220,885	1,497,542
Less: intangible assets	(1,889,186)	(2,199,790)
Net tangible liabilities of the Company*	(668,301)	(702,248)
Fully paid ordinary shares on issue at balance date	917,181,946	917,181,946
Net tangible liabilities backing per issued ordinary share as at balance date	(0.73)	(0.77)

* The net tangible liabilities includes the right-of-use assets as per AASB 16.

Entities over which control has been gained during the year

During the year ended 30 June 2024, APM, through its wholly-owned subsidiary, APM Work Health Pty Ltd ("APMWH") acquired 100% of the shares in Ergoworks Physiotherapy and Consulting Pty Ltd and ErgoEquip Pty Ltd (together "Ergoworks") for total consideration of $2.1 million. Refer to Note 3(a).

The following entities were acquired by the Group during the financial year:

Name of entity	Date of control
Ergoworks Physiotherapy and Consulting Pty Ltd (Australia)*	4 July 2023
ErgoEquip Pty Ltd (Australia)*	4 July 2023

* Together known as "Ergoworks".

Additional information

This information should be read in conjunction with the 2024 Annual Report. Additional information supporting the Appendix 4E disclosure requirements can be found in the Directors' report and the consolidated financial statements for the year ended 30 June 2024. This report is based on the Annual Report for the year ended 30 June 2024 on which PricewaterhouseCoopers has provided an unqualified audit report.

Annual Report
2024

Creating lasting social impact

APM Human Services International Limited

APM
enabling better lives

Cover image – World Cup soccer player Eric now kicks goals at work

Eric has represented Australia in soccer for the Disability World Cup but found getting a job harder than securing his spot in the national team.

Eric recalls what it was like before he had a job, "I felt a bit bored, like I didn't have a purpose. It was a bit hard, and I applied all the time for jobs on SEEK. And sometimes you get a reply, sometimes you don't get replies at all."

Supporting job seekers like Eric and connecting them with the right employer is at the core of what APM does.

Ellen, Eric's Employment Consultant, explains the process she went through with Eric, "He struggles with his cognitive ability and being able to fill out paperwork and understand basic forms. He needed a lot of confidence in himself to be able to get out there and succeed in the workplace. We discussed the things that he really likes doing and the success he's had in the past. And we then created a resume."

Eric has a new job at Red Nose. "Eric exudes enjoyment for his role. The potential in him was visible instantly, but I've certainly seen his confidence grow. For me, I find it just absolutely delightful. And if we can offer that as employers, why wouldn't we?"

And for Ellen at APM, these kinds of results make it all worth it: "When Eric got a job, it felt like celebrating my own success. We honestly jumped for joy in the office. We were so excited for him, proud of him and knew just how excited he would be for this opportunity."

See Eric's story **here**.

APM's reporting suite

Our reporting suite includes the Group's financial and non-financial performance for this year. This includes our 2024 Annual Report, Results Presentations for FY24 and H1 FY24 and our Corporate Governance Statement.

The full suite can be accessed at **www.apminvestors.net.au**

Annual Report 2024

Corporate Governance Statement 2024

FY24 Results Presentation

H1 FY24 Results Presentation

APM Human Services International Limited
ABN 38 639 621 766

Our vision

APM's vision is to be the most trusted, highest performing and successful health and human services company in our chosen markets with performance centred on delivering exceptional outcomes for our clients and stakeholders.

Our values

- Integrity
- Customer focus
- Respect
- Empathy
- Achievement
- Teamwork
- Enthusiasm

'Boodja' by Kevin Bynder 2022

Acknowledgement of Country and Traditional Owners

APM acknowledges the Traditional Custodians of the lands on which we live. We pay our respects to Elders, past and present, of all Aboriginal and Torres Strait Islander nations.

Globally, APM recognises the significance of indigenous peoples' communities and the important role they play within our own workforce and the world, underpinning our efforts to build a culture that embraces diversity, equality and inclusion.

Our purpose is to enable better lives

Easybeatz Community Disco in Mandurah Western Australia, was developed by a local working group supported by APM Communities and is now extending to other locations.

See story **here**.

Contents

Ellie Cole OAM – Paralympic Swimming Champion and APM Ambassador

About APM

Founded in 1994 in Perth, Western Australia, APM is an international health and human services provider.

The Transition to Work program supported Nariah to steer her life in the right direction.
See Nariah's story **here**.

We assist people with injury, illness or disability, children through to older adults, unemployed people, and those facing hardship or harm to positively impact both their lives and the communities they live in.

Our services include assessments; allied health and psychological intervention; medical, psycho-social and vocational rehabilitation; vocational training and employment assistance; and community-based support services.

Our focus is on enhancing a person's health and wellbeing, independence, employability, and social and economic participation in their community.

Our purpose of enabling better lives is at the core of everything we do. APM supports the United Nations Sustainable Development Goals (SGDs) which aim to end poverty and inequality, and ensure that all people enjoy health, justice and prosperity, while protecting the planet for the future.

This financial year, APM supported more than 2 million people from our 1,701 sites spanning 11 countries (Australia, United Kingdom, Canada, United States of America, New Zealand, Germany, Switzerland, Sweden, Spain, Singapore, and South Korea).

Every day around the world, our team of more than 15,000 people develop and nurture trusted partnerships with individuals, families, communities, local and national governments, and businesses at every level, by delivering quality evidence-based services and supports across the early childhood, youth, employment, insurance, justice, veterans, disability, and aged care sectors.

For further information please visit www.apm.net.au

Global presence

APM is a global leader in health and human services

North America
USA, Canada
798 locations
5,627 team members

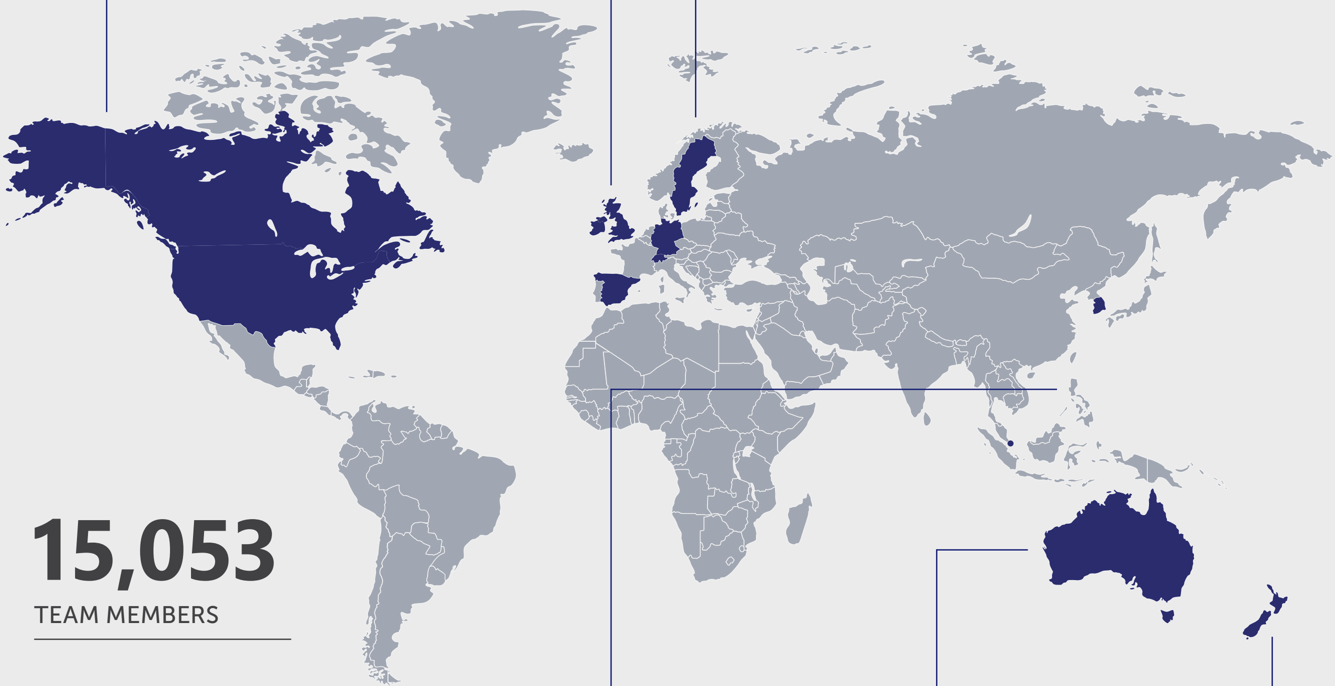
Sectors: Employment Services, Health and Wellbeing

United Kingdom (UK)
National presence
169 locations
2,008 team members

Sectors: Employment Services, Health and Wellbeing, Communities and Assessments

Europe
Germany, Spain, Switzerland, Sweden
72 locations
467 team members

Sectors: Employment Services, Health and Wellbeing, Communities and Assessments



15,053
TEAM MEMBERS

1,701
LOCATIONS

11
COUNTRIES

Asia
South Korea, Singapore
25 locations
481 team members

Sectors: Employment Services

Australia
National presence
618 locations
6,192 team members

Sectors: Employment Services, Health and Wellbeing, Communities and Assessments, Disability and Aged Care Support Services

New Zealand
National presence
19 locations
278 team members

Sectors: Employment Services, Health and Wellbeing, Communities and Assessments

Sectors:

- Employment Services
- Health and Wellbeing
- Communities and Assessments
- Disability and Aged Care Support Services

FY2024
Financial Highlights

$2,297.7m	REVENUE ▲ 21.2%
$287.2m	STATUTORY EBITDA[1] ▼ (16.3%)
$279.6m	UNDERLYING EBITDA[2] ▼ (23.4%)
($166.6)m	STATUTORY NPATA ▼ (205.1%)
$95.1m	UNDERLYING NPATA[2] ▼ (46.7%)
$198.7m	STATUTORY OPERATING CASH ▼ (2.8%)
$228.6m	UNDERLYING OPERATING CASH[3] ▼ (13.5%)
81.8%	CASH CONVERSION ▲ 12.9%

1. Excludes non-cash impairment loss.
2. Underlying excludes non-cash impairment, incremental costs and tax effect associated with corporate development, integrations, debt refinancing and other non-recurring items.
3. Underlying operating cash is the statutory operating cash after adding back cash income tax paid, interest received, and incremental costs associated with corporate development, integrations, debt refinancing and other non-recurring items.

FY2024 Highlights

Delivering on our Purpose: Enabling better lives

2,027,594 people supported

1,171,613 job seekers assisted

29,441 people with disability assisted into sustainable employment

274,313 people with disability supported

148,905 people with mental health needs supported

41,658 Defence personnel and veterans supported

Key contract highlights

APM's Canadian subsidiary WCG Services secured the Toronto region in Phase 3 of the Ontario Employment Services Transformation

Commenced mobilisation of Functional Assessment Services (FAS) contract in the UK

Through its US subsidiaries, APM was awarded 4 new Job Corps contracts, bringing the total number of centres it operates to 8

Successful in securing 53 Workforce contracts under the Workforce Innovation and Opportunity Act (WIOA) and Temporary Assistance for Needy Families (TANF)

APM secured the Australian Apprenticeship Support Service contract in Victoria for 2024-2026

Ingeus secured a two-year extension of referrals to the Restart Scheme in the UK to June 2026

Ingeus began delivering WHP Pioneer in the UK to help people with disabilities, people with health conditions and people with additional barriers to employment into sustainable work

Chair and Group CEO Letter

APM's commitment to social impact supported more than 2 million clients in a year that has presented our company with some of the most demanding market conditions in over 30 years of operations.

At its core, APM is a social impact company. We seek to make a positive, lasting social impact through the successful delivery of our government and corporate partners' most important employment, disability, and other health and human services programs globally.

In the past year, whilst APM has achieved 21% revenue growth the Company has faced a series of challenging headwinds – extended, historic low unemployment, cost of labour inflation, and higher interest rates. All of these factors have contributed to a decline in financial performance.

Against this backdrop, we have sought to focus on the things that are in our control.

- First, our clients who are at the core of everything we do – we often support the people in our communities at a time of need, from early childhood through the life course. Our focus is on enhancing a person's health and wellbeing, independence, employability, and social and economic participation in their community. Regardless of the operating environment, we will never lower the standard of support we provide.
- Second, we are committed to delivering the highest possible performance in the delivery of the programs we operate globally. It is this enduring commitment to our government and corporate partners, regardless of the economic cycle, that has established APM as a trusted partner in the delivery of their most important social assistance programs.

Our experience has shown that if we serve our clients and partners well, our own success will follow.

That said, we are also aware of the importance of optimising the operations of our global business to drive greater efficiency, operational excellence and shareholder value. For this reason, during FY24 we announced a review to identify efficiency initiatives aimed at reducing our cost base and we expect to realise approximately $25 million in EBITDA benefit during FY25.

FY24 results overview

APM revenue, underlying EBITDA and underlying NPATA for the 12 months to 30 June 2024 was $2,298 million, $280 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 was $915 million.

APM's commitment to delivering social impact

At APM, we can proudly say that the work we do every day, makes a valuable contribution to greater social inclusion and social impact.

At its simplest, APM provides a wide range of support services on behalf of governments and the private sector, and directly to the public that can address the needs of people who are vulnerable, disadvantaged, or are at risk of becoming vulnerable. Over the course of someone's life, multiple factors can affect their ability to maintain independence, live well and participate as fully as possible in society.

Someone may experience a health episode, loss of work which requires assistance finding sustainable employment to support themselves and/or their family or myriad other personal, health, economic and social circumstances for which they may choose APM to help them navigate life's inevitable challenges.

APM began 30 years ago as a vocational rehabilitation provider before growing into a market leading global health and human services provider.

In 2024, the depth and breadth of our services include assessments, allied health and psychological intervention, medical, psycho-social and vocational rehabilitation, vocational training and employment assistance, and community-based support services.

The role an organisation like APM plays in helping to address current social and economic challenges is highly valuable and just as relevant in times of economic strength as times of economic weakness. In the past year we have seen the increased levels of support our clients require daily.

This is particularly true in our employment services business where our long-term unemployed client base requires ever more intensive support to achieve employment outcomes.

In each of our businesses we support the UN Sustainable Development Goals.

- We promote and actively contribute to inclusive and sustainable economic growth, full employment and decent work through our Employment Services business.
- Our Health and Wellbeing, Communities and Assessments and Disability and Aged Care businesses help our clients with access to high-quality and essential health and community care services across the life course to support living well.
- We also seek to reduce inequality by providing equitable access to opportunities and support for socioeconomic participation to our clients including First Nations peoples; people from culturally and linguistically diverse backgrounds; refugees; sole parent families; people within the justice system; and those facing entrenched disadvantage.

At APM we are determined to empower the individuals we work with and the communities we operate within, to make sure people are not left behind.

MDP's proposed acquisition of APM

On 3 June, APM entered into a Scheme Implementation Deed with Madison Dearborn Partners (MDP) under which MDP would acquire 100% of the fully paid ordinary shares in APM for consideration of $1.45 per share.

APM shareholders will be given the opportunity to vote on the Scheme at the Scheme meeting which is expected to be held on 18 September 2024.

An Independent Board Committee (IBC) was established to consider approaches from third parties, the potential transaction, and has unanimously recommended APM shareholders vote in favour of the Scheme, in the absence of a superior proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of APM shareholders. Subject to the same qualifications and having regard to the IBC recommendation, both of us also recommend the Scheme.

At the time of our IPO in November 2021, we invited investors who connected with our purpose of enabling better lives to join us, as we continued our ambition to be a global health and human services leader, proudly listed and headquartered in Australia.

While our time listed on the ASX will come to a close if the Scheme is supported by shareholders, management and operational and corporate support teams across our global business never waver from their commitment to helping people overcome life's challenges and optimise their health, independence, and social and economic participation.

This commitment and APM's success in our key markets is testament to the calibre of our people. Their efforts ensured we secured important employment services contracts including Workforce Australia, the Restart Scheme (UK), three phases of the Ontario Employment Services Transformation Program (Canada) and 4 new Job Corps Centres (US).

Additional important contract wins include the new National Citizen Service (NCS) and Functional Assessment Services in the UK.

As a public company we realised the many benefits we believed listing on the ASX would bring. It has provided access to capital markets which has allowed us to expand. We have doubled our revenue and diversified our geographical exposure, which we expect to result in a more resilient business for the future. This growth has been achieved both organically, through large contract wins in Australia, Canada, the UK and US, as well as through key acquisitions including Equus, Everyday Independence, among others.

Most importantly, execution of our strategy has enabled us to double the number of clients we support to more than 2 million, a great number of whom require the services and supports we provide more than ever.

Our dedicated team too has doubled and is now 15,000 strong and operates from 1,701 locations across 11 countries. This global reach positions us to assist more people, in more programs, in more places around the world in future.

We thank you as valued shareholders for your willingness to invest in a company dedicated to creating sustainable social impact and believe this is something of which you can be proud.

Over the past three years, APM has not deviated from our mission to enable better lives and we are humbled by the impact we make as a company.

This would not be possible without the global APM team who do their utmost every day to enable better lives by delivering best-in-class services and to them, we offer sincere appreciation for their efforts to always put our clients first.

We also offer our thanks to the Board, in particular to Independent Chair Nev Power, and the Independent Directors Bobby Melia, Simone Blank and Ben Wyatt, for guiding and contributing to the stewardship of the company during a time of considerable corporate activity.

Thanks also to our Madison Dearborn Partners directors Elizabeth Betten, Tim Sullivan and Will Ritchie for their committed service to our company. Your business and industry experience has been invaluable, and your wise counsel gratefully acknowledged.

Outlook

APM's strategy remains to build the world's leading health and human services business.

The company has endured challenging periods previously, yet we remain positive about our future.

We have positioned APM at the intersection of demographic megatrends such as ageing populations, rising inequality, social inclusion for people with disability, and heightened awareness of mental health.

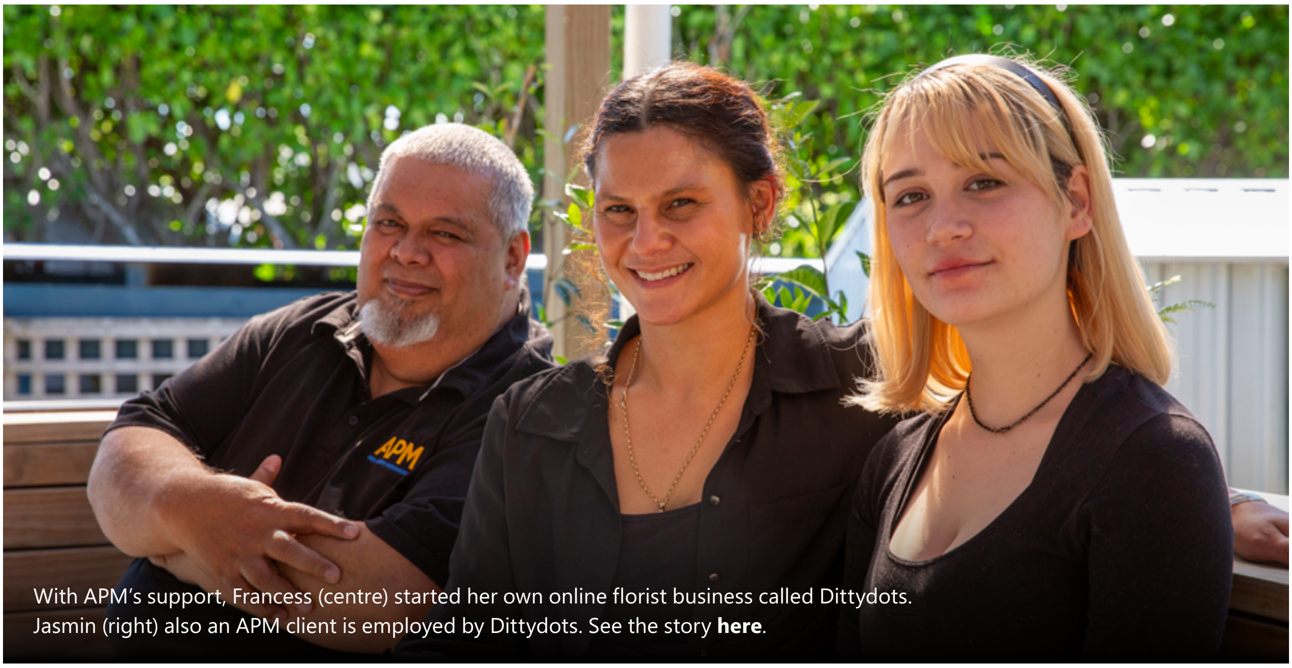
These forces will shape society in the decades ahead and require major policy responses and funding to increase labour market participation, support underserved populations to build a more inclusive society, and deliver community-based and in-home care across the disability and aged care sectors.

We see APM as a critical part of the social infrastructure that will deliver these essential services.

In closing, we thank you, our shareholders both past and present, for your support.

Megan Wynne
Founder and Executive Chair
APM Group

Michael Anghie
Group Chief Executive Officer
APM Group



With APM's support, Francess (centre) started her own online florist business called Dittydots. Jasmin (right) also an APM client is employed by Dittydots. See the story **here**.

Our Business

We deliver important social programs across our businesses.

Play in the Bay event at Busselton Foreshore Western Australia. Developed by APM Communities it promotes disability awareness and inclusion, encouraging everyone to participate and try a new activity.

Our Business

Our overall vision and core capabilities:

Focus on enablement

Engage and support individuals to optimise function and independence

Understand and help navigate life milestones

Work towards social and economic participation

In practice this means working across a life spectrum that starts in early childhood and continues through to older age; a comprehensive service offering. It means working in local community settings (e.g. clinics; schools; homes; workplaces).

FY24 Revenue by service

Employment Services

Working with governments to deliver services to individuals who require support to find work, including those with injury, illness or disability, sole parents, youth, aged workers, ex-offenders, first nations people and people from culturally or linguistically diverse backgrounds.

Health and Wellbeing

Delivery of private, government, insurance and corporate health programs focused on prevention, rehabilitation (medical, psycho-social and vocational), allied health and psychological intervention services.

Communities and Assessments

On behalf of Government, APM works with individuals to develop support plans for funded and non-funded support services. APM operates community-based programs in the youth, justice, homelessness and veterans' sectors.

Disability and Aged Care Support Services

Support services catering to the disability and aged care sectors including plan management, support coordination and an on-demand home care services marketplace. This represents a growth opportunity for APM.

Employment Services

At APM we believe everyone has the right to the dignity and opportunity that decent work provides.

In FY24, key government funded programs providing individualised support to job seekers were delivered in:

- Australia, by **APM Employment Services** through Workforce Australia, including Transition to Work (TtW), Employability Skills Training (EST), Career Transition Assistance (CTA), Self-Employment Assistance (SEA) and ParentsNext (PNX);
- **APM Employment Services** also delivers the Disability Employment Services (DES) and School Leaver Employment Supports (SLES) programs in Australia;
- The UK, through the Restart Scheme, Work and Health Programme (WHP) and WHP – Pioneer delivered by **Ingeus UK**;
- Canada, through WorkBC, Calgary Career Hub, and Ontario Employment Services Transformation delivered by **WCG**;
- The USA, under Temporary Assistance for Needy Families (TANF) and the Workforce Innovation and Opportunity Act (WIOA) funding streams and delivered by **Dynamic Workforce Solutions, Equus Workforce Solutions, Grant Associates and Ross Innovative Employment Solutions**;
- Germany, Spain, Switzerland, South Korea and Singapore, through employment services programs delivered by **Ingeus**;
- Sweden, through tailored job matching services delivered by **Clustera**; and
- New Zealand, through the delivery of disability and mental health employment by **APM Work Assist**.

With support through the Restart Scheme, Aziz has established a boutique clientele amongst London's dog owners with his floating dog deli business. See Aziz's story **here**.

Case study
David – RESTART Scheme, UK

David spent 12 years as a lawyer helping support refugees and migrants overcome the barriers they faced securing employment and settling in the UK before his own life took a tragic turn.

After his wife Joy lost her nine-month battle with an aggressive form of breast cancer, he became the sole carer of their four children aged between three and thirteen. Childcare duties meant work was impossible.

David was referred to Ingeus and the Restart Scheme, which offers government funded employment and wellbeing support for jobseekers across Greater Manchester.

"At my first interview my Career Coach, Michelle said, tell me who you are. Steering you to a conventional job would be wasting your experience and you have so much to offer the refugee community."

"She put me in touch with Sector 3, a charity infrastructure support network. I went to one of their meetings and felt at home."

David voluntarily started raising funding for the charities, raising more than £30,000 to bid for a refugee support project, which was successful. Sector 3 advertised a new role for a Refugee and Migrant Partner Lead which David applied for. He got the job.

"Ingeus gave me interview practice and training to write a high performance, results-based CV – that preparation made the difference." David

Sector 3 recognises the value in offering flexible employment, meaning David can work at home three days a week and on days in the office he can arrive at 10am and leave at 2pm to do school runs.

Vicky Bloomfield, Operations Manager at Sector 3 said, "We were impressed by David from the start. He is a natural leader, and we are excited about what he can bring to his role and the benefits for migrants in Stockport."

"I love my job," said David. "By seeing who I was, Ingeus and Michelle supported my chances of getting employment where I could transform lives and ignite a positive chain reaction of goodness in the society in which I am raising my children."

See David's story **here**.

Case study
SWAG program – APM Employment Services, Australia

Job seekers in Bendigo took to the basketball court for a transformative new program to build life skills, achieve their goals and find employment. The SWAG Program by Bruton Basketball Foundation and APM Employment Services aims to help participants overcome barriers to employment, gain confidence, resilience, and engage with employers in their local community.

The program also engages with groups and communities to support job seekers from First Nations communities.

Bendigo recently saw the first fifteen participants graduate from the four-day program, which incorporates classroom workshops and time on the basketball court.

SWAG – Skillset, Work ethic, Attitude is your altitude, and Goals – is spearheaded by NBL legends Cal and CJ Bruton through the Bruton Basketball Foundation.

“This program helps people transition from sports to recruitment. To help you into your job and out of your comfort zone, and create opportunities to show how teamwork and balancing life, work and the skill set all come together,” said CJ.

APM Employment Services supports job seekers in Bendigo as a provider of the Australian Government’s Workforce Australia program.

Jackie, a Workforce Australia participant with APM, said despite facing health challenges due to endometriosis, found solace and support in the program. “The challenges of finding a job would have to be my health and doctors and hospital appointments. Cheryl from APM called me and asked me if I wanted to do the program. I said yeah, why not.”

APM Assistant Manager, Cheryl, said the partnership was a valuable way to provide mentorship for participants in a fun and meaningful way.

“What we’ve seen is the interaction between Cal and CJ and our participants playing basketball and having fun but also having little sessions where they’re just really telling their story of their life.”

Rocky, an employment consultant with APM added, “We try to work out their barriers until they reach their final goal, which is employment.”

Following the success of the Bendigo program, Bruton Basketball Foundation and APM are looking to establish the SWAG program in other areas in Australia.

See The SWAG program story **here**.

Health and Wellbeing

APM Health and Wellbeing offers multi-disciplinary Allied Health and psychology services across the prevention, early intervention, rehabilitation, maintenance and treatment dimensions of health and wellbeing to government agencies, employers, insurers and directly to members of the public.

In FY24, the APM Group supported the varied health and wellbeing needs of our clients throughout the lifespan from infancy to the senior years in Australia, New Zealand, the UK and Canada through:

- **Early Start Australia** working with families to optimise the development of children, adolescents and adults and helping them to achieve their maximum potential by supporting the development of physical, language, cognitive, sensory, social, and emotional skills;
- **Everyday Independence** delivering evidence-based therapies to children, youth, and adults in Australia, so that they can achieve their functional goals to live a full and happy life.
- Our Employee Assistance Program (EAP) and mental health consulting businesses in Australia (**Assure, Human Psychology, Springday**, **Communicorp**, and **FBG**) helping build psychologically healthy workplaces and providing wellbeing support;
- Our vocational training and education business, **MCI**;
- **Konekt** and **APM WorkCare** providing injury prevention and injury management services across Australia with teams focused on partnering with customers and stakeholders to develop tailored and innovative service models;
- **Generation Health** delivering occupational rehabilitation services, including to the Australian Defence Force and veteran community;
- **Lifecare** providing Physiotherapy, Sports Medicine, Hydrotherapy and Podiatry in clinics across Australia and via mobile services in the home;
- **Biosymm** delivering onsite or clinic-based physiotherapy treatment and exercise and working with employers to understand their business injury and health risks and develop targeted prevention strategies;
- **APM** in NZ providing a wide range of vocational rehabilitation, pain management, community rehabilitation and concussion services. NZ also delivers physiotherapy services;
- **CIC** in the UK delivering mental health and wellbeing services; and
- **WCG** delivering vocational rehabilitation and assistance services to veterans and their families as they transition to rewarding careers in the civilian workforce in Canada.

Lifecare's over 60's pilates class has built a community that has delivered amazing benefits and made a real change in their lives.

See the story **here**.

Case study
Ivy – Early Start Australia

An early diagnosis has given Ivy the best chance of a great start.

Today, Ivy is a two-and-a-half-year-old toddler full of fun, curiosity, and mischief. But when her Mum, Ashleigh, was giving birth to Ivy, there were complications. Fortunately, her doctor recognised the signs of brain injury early, and a neurologist diagnosed mild cerebral palsy at only six weeks. From here, Ivy started her journey with the NDIS and arrived at Early Start Australia (ESA).

ESA is an Australia-wide Allied Health organisation that provides multidisciplinary supports to children like Ivy and her family, including occupational therapy, speech pathology, psychology, physiotherapy, social work, podiatry, and specialist behavioural supports.

"It was really, really good for us to get Ivy into a program we liked because we wanted some in-person support as well as some at childcare. That was important to us to make sure she had the right support everywhere that she could, to give her the best start at her life."

For Ashleigh, ESA was the perfect fit for her and Ivy. Rowena, Ivy's Occupational Therapist, took a collaborative, discussion-based approach. "We make sure that we're not taking an expert-based model, because actually, we're not the experts on Ivy, her family are, and Ivy is. We come in and say, how are you going? What do you want to talk about? And then, if they bring any challenges from the past couple of weeks, we work together. She does everything a typical toddler would do. Sometimes, she needs to do tasks in a slightly different way that suits her body."

Ashleigh believes the relationships built with therapists like Rowena are fundamental to the success of Ivy's therapy. "It's really important that I have so much trust in what the therapists are doing because this is Ivy's life. It's what's going to set her up for success. We had no idea what cerebral palsy was, and the therapists at ESA have helped to break that barrier. It gives me so much hope for her future."

See Ivy's story **here**.

Communities and Assessments

Making sure people receive access to the right funding, supports and services at the right time is a critical part of our mission to enable better lives.

APM delivers a comprehensive range of assessment services and community-based programs across the lifespan.

We develop support plans for funded and non-funded support – providing assessments for individuals or families to facilitate access to government support schemes and supporting citizens to engage more fully with their communities by building capacity and societal engagement.

We also operate community-based programs including youth, justice, and veterans' services in Australia, New Zealand and the UK.

National Citizen Service (NCS) participant Safi says the program helped her to listen and understand other people's point of view.

See Safi's story **here**.

In FY24, key programs included:

- In Australia, **APM** delivered Local Area Coordination (LAC) services as part of the NDIS, aged care assessments through the Regional Assessments Services (RAS) and Residential Aged Care Assessments (RACA) programs and disability assessments through the National Panel of Assessors (NPA) program;
- In the UK, **Ingeus** delivered the National Citizen Service (NCS), a national youth program designed for 16-17 year-olds to help young people achieve their potential and build bridges between communities;
- Also in the UK, **Ingeus** provided rehabilitation support to ex-offenders as they look to transform their lives through the Commissioned Rehabilitative Services (CRS) program; Ingeus also delivers several additional justice programs to help our clients secure employment, mitigate re-offending and increase social inclusion; and
- In our UK Justice services, **Ingeus** established The Ingeus Academy which defines a clear, gated progression pathway from client to peer mentor and full-time employment. In FY24, 52 Ingeus team members had lived experience of the criminal justice system, which is testament to the success of this approach.

Case study

Linzi – CRS – Ingeus Peer Mentor Academy, UK

To the outside world, Linzi had the perfect life – a relationship with her childhood sweetheart, two daughters and a good job at the Council. However, Linzi was living as a functioning alcoholic. Every weekend she drank, ignoring family members who suggested rehab, not acknowledging the problem.

Then she woke in a prison cell. Narrowly avoiding a lengthy prison sentence for Grievous Bodily Harm (GBH) with intent, her life unravelled further. "I lost my job, my children, all my friends, my dignity, my self-respect. I just didn't care. The only thing I cared about was drinking and it was a very dark, isolated place," said Linzi.

"I was getting arrested a lot, drunk and disorderly. One night, as I was being arrested, I lashed out at four police officers and that was my second offence."

In early 2021, Linzi finally found the strength to fight back, focussing 100% on her recovery and determined to get her children back. Successfully completing her suspended sentence and trusting in her probation officer, the relationship helped change her life.

The Ingeus Peer Mentoring Academy was suggested to Linzi. The Academy supports people on probation to constructively volunteer.

Part of Tengius's Commissioned Rehabilitative Services activities in the North East of the UK, many qualified peer mentors progress into paid employment in the criminal justice sector. As peer mentors, they share their experience, and stories of recovery.

Linzi says she feels privileged to be one of the first women to take part in the Gateshead/Durham area to take part in the academy.

"That course helped bring out the qualities I'd lost in addiction – I've got that girl back. That criminal conviction and addiction doesn't define who you are and I want to use my experience to help people relate and give them hope that they can turn their lives around." – Linzi

See Linzi's story **here**.

Disability and Aged Care Support Services

At APM, we actively promote the power of inclusivity and participation in our communities regardless of a person's age and stage in life.

In FY24, APM Disability and Aged Care provided a range of in home and community-based support services for people with disability and older people, empowering them to meaningfully participate in daily life and help build more inclusive communities.

APM has a strong history of high quality, evidence-based and successful service provision in the disability and aged care sectors by supporting NDIS participants and recipients of Australian Government's Home Care Package.

We provide a range of key services to people with disability through our Health and Wellbeing, Employment Services, and Communities and Assessments businesses.

We also provide aged care assessments and a range of Allied Health services to assist older Australians to live as independently as possible, either in their homes or in residential aged care.

MyIntegra provided plan management and support coordination for NDIS participants ensuring they are well supported in understanding and managing their NDIS funding and accessing the right services for their needs.

Mobility delivered a marketplace for on demand home care services connected service providers with participants in both the NDIS and Aged Care sectors.

Through Mobility, Vera is able to get the support she needs to live independently.

Case study
Conrad – MyIntegra, Australia

MyIntegra helps Wari be the Mum she needs to be for Conrad.

Conrad has social anxiety. Wari, like any mother, needs to be there for her son and give him help, love and support. Conrad's NDIS plan, managed through MyIntegra, is crucial to help make that happen. As a plan management provider, MyIntegra is here to take the stress off the participant and their families.

"Without the NDIS, we would have struggled, and Conrad would have declined," says Wari.

"Dealing with MyIntegra, we don't need to worry about other things. We just hand it to them, and they handle it very well. They pay the invoices fast. They respond to our calls and emails fast. And they help with information that we need."

As Amanda, a Customer Service Specialist for MyIntegra, explains, "We pay invoices for the NDIS participants. Providers will send us those invoices, we'll claim the money from the NDIS, and then we'll pay the provider. If there are any issues, we will contact those providers directly and sort them out."

MyIntegra is here to help our clients seamlessly navigate the NDIS and find the support they need. Our plan management and support coordination teams manage NDIS plans with our clients at the centre providing personalised guidance, local support, and greater control with us throughout their NDIS journey. We tackle the time-consuming administrative tasks and empower our clients with knowledge so they can focus on achieving their goals.

For Conrad, it means his Mum spends more time where it matters most, with Conrad, which is the most important thing for him. He says, "My Mum is great. She's fantastic because she helps me a lot."

See Conrad's story **here**.

Social Impact

APM's aspiration is to make a positive and lasting social impact for the people, communities, customers and governments we support around the world, and for our team.

We aim to be the most trusted and highest performing health and human services company in our chosen markets with performance centred on delivering exceptional outcomes for our clients.

We contribute to strong and sustainable communities and a society that advocates for inclusion, diversity and equality, and we seek this aspiration equally for our clients, customers, team members and the environment.

Case study

Luis – Equus Workforce Solutions, USA

Since 1990, Equus Workforce Solutions has been operating the Ramey Job Corps Center, a residential career training and education program for low-income young adults.

From the small island community of Salinas, Puerto Rico, Luis began his journey at the Ramey Job Corps Center in 2021 determined to support his family. He set his sights on the advanced solar training program, designed to prepare young people for careers in the clean energy sector.

"The field of renewable energy is one with many opportunities on the island," said Training Manager Edward, who worked with Luis during his education at Ramey Job Corps Center. "As a result of hurricanes, earthquakes and other atmospheric events, the industry has great demand at the commercial and residential level."

In Puerto Rico, energy rates are roughly double those on the US mainland, making solar energy a critical area of growth. This development not only creates well-paying jobs for young people but strengthens the island's power resilience.

After completing his technical training in 2023, Luis began an apprenticeship with the power company for the Commonwealth of Puerto Rico. He is now working full-time in this promising field.

"My life is before and after Ramey Job Corps. The impact on my life has been the most significant and important I've ever had," Luis shared. "Job Corps gave me a safe place to stay while I prepared for my future. I finished my technical career and already had a job offer that has allowed me to continue learning while gaining experience. The apprenticeship program has been a challenging experience that has allowed me to develop other capabilities I didn't know I had."

Disability Employment Services (DES) participant Geoff now has purpose and loves his job. See his story **here**.

Making a positive and lasting social impact in FY24

2,027,594 people supported

1,171,613 job seekers assisted

274,313 people with disability supported

148,905 people with mental health needs supported

29,441 people with disability supported into sustainable employment

8,713 refugees from Ukraine assisted by our German team with pro-bono resettlement assistance

41,658 defence personnel and veterans supported

75% of our team members are proud to work at APM

54.9% of the Group Executive is female

Sponsored research and shared findings on the Disability Confidence of Australian Workplaces as part of our annual Disability, Diversity and Inclusion Index series

Financial Report 2024

For year ended 30 June 2024

APM Human Services International Limited
ABN 38 639 621 766

APM
enabling better lives

Contents

These consolidated financial statements are the consolidated financial statements of the consolidated entity APM Human Services International Limited and its subsidiaries. The consolidated financial statements are presented in the Australian currency.

The consolidated financial statements were authorised for issue by the Directors on 29 August 2024.

Review of Operations and Activities

For the year ended 30 June 2024

Operating and financial review

This operating and financial review sets out the Group's objective, strategies and values. It also provides a review of the Group's operational performance for the 2024 financial year and a summary of the Group's risks and outlook. The 2024 financial performance is outlined for each segment, together with a summary of its competitive environment, strategies, risks and prospects.

Overview of APM

APM is a global provider of health and human services. including employment, disability, assessment, allied health and vocational rehabilitation services. APM works with governments, employers, insurers and individuals to improve workforce participation and social inclusion.

APM's strategy is to build a long term sustainable health and human services business. Since listing on the ASX, APM has continued to deliver on this strategy which has included the award of key contracts, retaining contracts through re-tenders, diversifying its employment services business and investing in the establishment of a leading Australian Allied Health business to support growing client and market demand. As a result of this strategy, today APM has expanded into 11 countries, with over 15,000 team members who Enable Better Lives by supporting 2.2 million people each year to optimise their potential and live their best possible life.

APM delivers these services through the following key service lines:

Employment Services: Working with governments to deliver services to individuals who require support to find work, including those with injury, illness or disability, sole parents, youth, aged workers, ex-offenders, first nations people and people from culturally or linguistically diverse backgrounds. Operating in Australia, New Zealand, UK, Canada, USA, South Korea, Singapore, Germany, Switzerland, Sweden and Spain.

Health and Wellbeing: Delivery of private, government, insurance and corporate health programs focused on prevention, rehabilitation (medical, psycho-social and vocational), allied health and psychological intervention services. Operating in Australia, New Zealand, the UK and Canada, with additional psychology services delivered by supply chain partners globally.

Communities and Assessment: On behalf of Government, APM works with individuals to develop support plans for funded and non-funded support services. APM operates community-based programs in the youth, justice, disability, aged care, health and veterans' sectors. APM's Communities and Assessment business operates in Australia and the UK.

Disability and Aged Care Support Services: Support services catering to the disability and aged care sectors including plan management, support coordination and an on-demand home care services marketplace. These services are delivered across Australia.

APM reports its results within three geographical segments Australia and New Zealand ("ANZ"), North America and Rest of World. The segments have different factors driving revenue and profitability. The sections that follow cover these segments in greater detail.

Review of Operations and Activities

continued

Financial highlights

Profit & loss summary

$Am	Year ended 30 June 2024	Year ended 30 June 2023
Total income for the year	2,297.7	1,896.4
Total (loss)/profit for the year	(219.6)	108.7
Add back: amortisation of service agreement contracts	53.0	49.8
NPATA*	(166.6)	158.5
Underlying NPATA**	95.1	178.2
Underlying NPATA margin***	4.1%	9.4%

* NPATA is the net profit or loss after tax and after adding back amortisation expense relating to acquired service agreement contract intangibles.

** Underlying NPATA is the net profit or loss after tax and after adding back amortisation expense relating to acquired service agreement contract intangibles, non-cash impairment, incremental costs and tax effect associated with corporate development, integrations, debt refinancing and other non-recurring items.

*** Underlying NPATA margin is underlying NPATA divided by the total income of the Group and expressed as a percentage.

NPATA is a non-IFRS measure that is unaudited but derived from the audited financial statements. 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 Executive Office when assessing strategic options and the ability to pay dividends.

Revenue growth of $401.3 million (21.2%) to $2,297.7 million in FY24 attributable to:

- Australia: revenue growth driven by a full year contribution from Everyday Independence acquired in February 2023 delivering an incremental $57.6 million in FY24, Organic revenue growth in existing Health businesses of $22.4 million was largely offset by a reduction in revenue from Employment Services of $65.0 million largely driven by lower client flow in DES and Workforce Australia;
- North America: revenue growth includes a full year contribution from Equus delivering an incremental $276.1 million in FY24 and a further $67.0 million from new contract wins in the US. Revenue growth in Canada is a result of the ramp up of new contract wins in the Ontario Employment Transformation Program in York and Ottawa.
- Rest of World: lower revenue is mainly due to lower client flow in the UK Restart Scheme and the end of the short term COVID-19 relief JETS program in the UK.

Underlying NPATA has declined $83.1 million (46.6%) to $95.1 million in FY24 attributable to:

- Reduced contribution from higher margin performance-based Employment Services contracts due to lower client flow across Australia in DES and Workforce Australia, and the Restart Scheme in the UK as a result of sustained, historic low levels of unemployment, combined with more support being required to assist clients into employment;
- The decline in NPATA margin % was mainly a result of the change in mix of earnings from higher margin Employment Services in Australia and the UK to lower margin business such as in the US (which is largely cost reimbursement, cost-plus contracts); and
- An increase in the cost of debt also impacted NPATA and margin % with an increase in interest expense of $17.5 million, up 41.2% on FY23. The additional interest expense was in part due to an increase in debt drawn (12% of the movement) and largely due to an increase in the interest rate from BBSY (88% of the movement). Excluding the impact of the additional interest expense, underlying NPATA margin percentage would have been 4.9%.

Review of Operations and Activities

continued

Cash flow summary

$Am	Year ended 30 June 2024	Year ended 30 June 2023
Operating cash flow	198.7	204.4
Investing cash flow	(36.9)	(329.4)
Financing cash flow	(152.8)	60.5
Net increase/(decrease) in cash	**9.0**	**(64.5)**

FY24 operating cash flow of $198.7 million was down 2.8% on FY23. The underlying EBITDA cash conversion for FY24 was 81.8%, representing 95.1% for H1 and 66.8% for H2. The reduction in H2 EBITDA cash conversion is a function of working capital timing with large receipts received in December 2023 rather than January 2024. The full year cash conversion of greater than 80% is inline with APM expectations of a normal working capital cycle.

During the year, APM's operating cash flow reduced ($5.7) due to the timing of working capital. Operating cash flow has remained relatively flat compared to the NPATA movement year on year due to the timing of receipt of outcome payments which are received at a later date to the IFRS15 recognition of revenue partially offset by investment in new contracts such as Functional Assessments in the UK and the Ontario Employment Transformation program in Canada.

During FY24, APM's investing activities included $9.5 million on Property, Plant and Equipment ("PPE") assets which is $9.0 million lower than FY23, which included investment in the mobilisation of the Workforce Australia contract. The remaining investing cash flows relate to the acquisition of Ergoworks (refer to Note 3(a)and completion payments for the Equus transaction, which together were $5.9m and $18 million on investment in software and IT infrastructure, primarily for the Health business.

Financing cashflows reduced $213.3 million as proceeds in borrowings were used to fund the acquisition of Equus in the prior year, offset by increasing interest payments.

Statement of financial position summary

$Am	30 June 2024	30 June 2023
Current assets	700.9	688.0
Non-current assets	2,090.0	2,462.7
Total Assets	**2,790.9**	**3,150.7**
Current liabilities	471.8	420.7
Non-current liabilities	1,098.2	1,232.5
Total Liabilities	**1,570.0**	**1,653.2**
Net Assets	**1,220.9**	**1,497.5**
Total Equity	**1,220.9**	**1,497.5**

In the FY24, the group recognised an impairment charge of $269.1 million, which is the key driver in the reduction of Total Assets and Total Equity in the year.

Deferred consideration arrangements were revalued during the year, resulting in a $42.7 million decrease in Total Liabilities.

Review of Operations and Activities

continued

Segment overview

Australia and New Zealand ("ANZ")

$Am	Year ended 30 June 2024	Year ended 30 June 2023	Movement $	Movement %
Revenue	842.1	816.7	25.4	3.1%
NPATA*	(206.6)	69.1	(275.7)	(399.0)%
Underlying NPATA	25.4	85.1	(59.7)	(70.2)%

* NPATA includes impairment charge of $207.9 million. Refer to Note 14.

The ANZ segment (Australia and New Zealand) delivers:

Employment Services key contracts are Disability Employment Services ("DES") and Workforce Australia. Revenue reflects a mix of service fees and outcome fees, the contribution of each changes through different employment cycles subject to client flow driving movements in dollar and percentage margin.

Health and Wellbeing includes APM's National Disability Insurance Scheme ("NDIS") businesses, Early Start Australia and Everyday Independence. Other key Health businesses relate to employee health and wellbeing, injury management, return to work and vocational rehabilitation. APM's Health businesses are largely client choice including our NDIS businesses. Revenue is primarily fee for service with some fixed fee elements. Margin dollar and percentage is impacted by operating scale and daily productivity.

Communities and Assessments, Disability and Aged Care relates to assessments which are delivered on behalf of individuals, governments, insurance companies, and corporates including Regional Assessment Services ("RAS") and Residential Aged Care Assessments ("RACA"). These service lines also include MyIntegra, providing plan management and support coordination for NDIS participants. Revenue is primarily fee for service with some fixed fee elements. Margin dollar and percentage is impacted by operating scale and daily productivity.

Revenue growth of $25.4 million (3.1%) to $842.1 million in FY24 attributable to:

- Australia: revenue growth was attributable to the full year revenue contribution from Everyday Independence acquired in February 2023 and continued organic growth in existing Health businesses offset by a reduction in revenue from Employment Services due to lower client flow in DES and Workforce Australia,

Underlying NPATA has declined $59.7 million (70.2%) to $25.4 million in FY24 attributable to:

- Reduced contribution from performance-based Employment Services contracts due to lower client flow across DES and Workforce Australia impacted by sustained, historic low levels of unemployment. Caseloads are more challenging to support in a low unemployment cycle with an increased investment in support activity to sustain strong contract key performance indicators;
- Subdued margin growth in Health due to investment in the attraction and retention of talent and systems to support the long term growth of the Allied Health business; and
- Additional interest expense associated with higher interest rates and debt levels across FY24, with APM Group debt and interest costs all recorded in Australia.

Review of Operations and Activities

continued

Segment overview (continued)

North America

$Am	Year ended 30 June 2024	Year ended 30 June 2023	Movement $	Movement %
Revenue	1,069.8	643.1	426.7	66.4%
NPATA	42.5	39.9	2.6	6.5%
Underlying NPATA	47.6	43.5	4.1	9.4%

The North America segment (Canada and the United States) delivers:

Employment Services key programs in the US include the Temporary Assistance for Needy Families ("TANF") and Workforce Innovation and Opportunity Act ("WIOA") workforce development programs; and Job Corps which is the largest residential career training program in the US and has been operating for more than 50 years. The program helps eligible young people aged 16 through 24 complete their high school education, provides training for meaningful careers, and assists them with obtaining employment. These programs are largely cost plus which are lower margin with stable earnings. Key programs in Canada include the Ontario Employment Transformation program and the WorkBC program. Revenue reflects a mix of fixed fee with some service and outcome fees.

Health and Wellbeing includes the Rehabilitation Services and Vocational Assistance Program ("RSVP") in Canada. RSVP is a nationwide program delivering evidenced-based medical, psycho-social, and vocational rehabilitation services to support ill and injured veterans, and their family members. Revenue is a combination of fee for service and fixed fee.

Revenue growth of $426.7 million (66.4%) to $1,069.8 million in FY24 attributable to:

- US: revenue growth of $358.9 million largely attributable to a full year contribution from the Equus acquisition which was acquired in November 2022, plus $67.0m in new contract wins; and
- Canada: revenue growth of $68.1 million driven by growth from full year contribution of the RSVP contract commencing in December 2022, increased contribution from the York region, and the commencement of the Ottawa contract as part of the Ontario Employment Transformation Program.

Underlying NPATA has increased $4.1 million (9.4%) to $47.6 million in FY24 attributable to:

- NPATA growth was marginal relative to the increase in revenue due to the increase in the cost of doing business driving lower margins, less performance revenue and an increase in cost reimbursement revenue.

Review of Operations and Activities

continued

Segment overview (continued)

Rest of World

$Am	Year ended 30 June 2024	Year ended 30 June 2023	Movement $	Movement %
Revenue	385.8	436.6	(50.8)	(11.6)%
NPATA*	(2.5)	49.5	(52.0)	(105.1)%
Underlying NPATA	22.1	49.6	(27.5)	(55.4)%

* NPATA includes impairment charge of $61.2 million. Refer to Note 14.

The Rest of World segment (UK, Sweden, Germany, Switzerland, Spain, South Korea and Singapore) delivers:

Employment Services key programs in the UK include the Restart Scheme, and the Work and Health Program ("WHP"), which includes the recently awarded WHP Pioneer as part of Universal Supports in the UK. Revenue reflects a mix of service fees and outcome fees. The contribution of each changes through different employment cycles and is subject to client flow, driving movements in dollar and percentage margin.

Health and Wellbeing and Communities and Assessments relates to programs such as the National Citizen Service ("NCS") national contract supporting young people to learn new skills. In health, the CIC business provides EAP, mental health and well-being solutions. Revenue is primarily fee for service. Margin dollar and percentage is impacted by operating scale and daily productivity.

Revenue reduced $50.8 million (11.6%) to $385.8 million in FY24 attributable to:

- Lower revenue primarily due to lower client flow in the UK Restart Scheme program and the end of the short term COVID-19 relief JETS program in the UK. This was partly offset by an increase in contribution from Work and Health Program and the National Citizen Service program; and

Underlying NPATA decreased $27.5 million (55.4%) to 22.1 million in FY24 attributable to:

- Reduced contribution from performance-based Employment Services contracts due to lower client flow across the Restart Scheme driven by historic low levels of unemployment. Caseloads are more challenging to support in a low unemployment cycle with an increased investment in support activity to sustain contract performance.

Corporate Governance Statement

For the year ended 30 June 2024

APM Human Services International Limited and the Board are committed to achieving and demonstrating the highest standards of corporate governance. APM Human Services International Limited has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council.

The 2024 Corporate Governance Statement is dated as at 29 August 2024 and reflects the corporate governance practices in place during the year ended 30 June 2024. The 2024 Corporate Governance Statement was approved by the Board on 29 August 2024. A description of the Group's current corporate governance practices is set out in the Group's Corporate Governance Statement which can also be viewed at www.apm.net.au.

Principle 1: Lay solid foundations for management and oversight

A listed entity should clearly delineate the respective roles and responsibilities of its board and management and regularly review their performance.

Recommendation 1.1

A listed entity should have and disclose a board charter setting out:

(a) the respective roles and responsibilities of its board and management; and

(b) those matters expressly reserved to the board and those delegated to management.

The Company complies with this recommendation.

The Board Charter sets out the principles for the operation of the Board and describes the functions of the Board and the functions delegated to management of the Company.

Clause 2 of the Board Charter sets out the role, responsibilities and functions of the Board. The Board may delegate consideration to a committee of the Board specifically constituted for the relevant purpose.

Clauses 3 and 9 of the Board Charter set out the responsibilities delegated to the Chief Executive Officer, management and the company secretary.

Recommendation 1.2

A listed entity should:

(a) undertake appropriate checks before appointing a Director or senior executive or putting someone forward for election, as a Director; and

(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director.

The Company complies with this recommendation.

Under the Board Charter, it is intended that the Board should comprise a mix of Directors with a broad range of skills, expertise and experience from a diverse range of backgrounds selected on the basis of relevant experience, skill, judgement and leadership abilities to contribute to the effective direction of the Company.

If the entity was in the S&P/ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of each gender within a specified period.

Clause 4(a) of the Remuneration and Nomination Committee ("RNC") Charter notes that in considering any appointment to the Board or any appointment of Directors or executives, the Board will undertake appropriate checks (including as to the person's character, experience, education, criminal record and bankruptcy history). Such checks were undertaken prior to the appointment of Mr Benjamin Wyatt at the Company's 2022 Annual General Meeting.

Corporate Governance Statement

continued

Principle 1: Lay solid foundations for management and oversight (continued)

Recommendation 1.2 (continued)

Clause 6(a)(v) of the Board Charter also notes that the Board will ensure that the Company provides shareholders all information to enable shareholders to make an informed decision on the election or re-election of a Director. Such information was included in the Company's 2022 Notice of Annual General Meeting.

Recommendation 1.3

A listed entity should have a written agreement with each Director and senior executive setting out the terms of their appointment.

The Company complies with this recommendation.

Clause 6(e) of the Board Charter notes that new Directors are to be provided with a formal letter of appointment to the Board setting out key terms and conditions of the appointment. The Company currently has a written agreement with each Director and senior executive setting out the terms of their appointment.

Recommendation 1.4

The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.

The Company complies with this recommendation.

Clause 9 of the Board Charter provides that the company secretary is accountable to the Board through the Chair on all matters to do with the proper functioning of the Board.

Recommendation 1.5

A listed entity should:

(a) have and disclose a diversity policy;

(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and

(c) disclose in relation to each reporting period:

- **(i) the measurable objectives set for that period to achieve gender diversity;**
- **(ii) the entity's progress towards achieving those objectives; and**
- **(iii) either:**
  - **(A) the respective proportions of men and women on the board in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or**
  - **(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.**

  If the entity was in the S&P/ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its Directors of each gender within a specified period.

The Company complies with this recommendation.

Corporate Governance Statement

continued

Principle 1: Lay solid foundations for management and oversight (continued)

Recommendation 1.5 (continued)

The Company has a Diversity Policy which applies to the employees and officers of the Company and subsidiaries. Clause 3 of the Diversity Policy provides that the Board is responsible for setting measurable objectives to promote gender diversity and the Company's progress in achieving them. The Diversity Policy's effectiveness is measured at least annually.

The Diversity Policy is disclosed on the Company's website: https://www.apminvestors.net.au.

Clause 3 of the Diversity Policy provides that the objectives set for a reporting period and the progress towards achievement of those objectives will be disclosed annually in the Company's Annual Report. This includes disclosure of the respective proportions of men and women on the board, in senior executive positions and across the whole workforce of the Company.

The Company has established a gender diversity target for the Board of no less than 30% of directors of each gender. Which was met in FY22 and has been maintained each year since, consistent with Recommendation 1.5.

The Company has set an equal target for the Executive Leadership Team (Group Executives) of no less than 30% of each gender, which has been achieved.

The following table reports the Group's gender diversity performance at various levels within the organisation as at 30 June 2024:

Diversity % of women	30 June 2024
On the Board	33.3%
Group executives	54.9%
Across the entire workforce	71.6%

Recommendation 1.6

A listed entity should:

(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual Directors; and

(b) disclose for each reporting period, whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.

The Company complies with this recommendation.

Clause 7(a) of the Board Charter provides that the Board will regularly carry out a formal review of its performance, its committees and each Director and that the Board will disclose in relation to each reporting period whether a performance evaluation was undertaken.

To ensure management, as well as Board, effectiveness, the Board, through the Remuneration and Nomination Committee has direct responsibility for evaluating the performance of the Executive Chair and CEO. Evaluations of the Executive Chair and CEO were undertaken in respect to the 2023 financial year to consider their performance and to award their Short-Term Incentives. An evaluation in respect to the 2024 financial year will occur subsequent to the Scheme of Arrangement meeting scheduled for September 2024. The review will be undertaken by the Remuneration and Nomination Committee and involves the review of the Executive's performance against set criteria. The results of the review will then be summarised and provided to the Board of the Company.

An evaluation procedure in relation to the Board, individual Directors, Board Committees and Company executives has been adopted by the Board. An evaluation procedure took place immediately following the year-end in 2023. The evaluation of the Board as a whole was facilitated through the use of a questionnaire required to be completed by each Board Member, the results of which are summarised and discussed with the Chair of the Board and tabled for discussion at a Board Meeting. Similarly, each individual Director is required to self-assess his/her performance and to discuss the results with the Chair. The same procedure is undertaken for each of the respective Board committees. A further review of the Board will be undertaken following the Scheme of Arrangement meeting scheduled for September 2024.

Corporate Governance Statement

continued

Principle 1: Lay solid foundations for management and oversight (continued)

Recommendation 1.7

A listed entity should:

(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and

(b) disclose for each reporting period, whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.

The Company complies with this recommendation.

Clause 7(b) of the Board Charter provides that the Board will regularly carry out a formal review of the performance of the Executive Chair, Chief Executive Officer and any Senior Management against guidelines approved by the Board.

Clause 7(b) of the Board Charter further notes that the Company will disclose its annual report whether such a performance evaluation has been undertaken during or in respect of that period. To ensure management, as well as Board, effectiveness, the Board, through the Remuneration and Nomination Committee has direct responsibility for evaluating the performance of the Executive Chair and CEO.

Evaluations of the Executive Chair and CEO were undertaken in respect to the 2023 financial year to consider their performance and to award their Short-Term Incentives. An evaluation in respect to the 2024 financial year will occur subsequent to the Scheme of Arrangement meeting scheduled for September 2024. The review will be undertaken by the Remuneration and Nomination Committee and involved the review of the Executive's performance against set criteria. The results of the review will then be summarised and provided to the Board of the Company.

Principle 2: Structure the board to add value

The board of a listed entity should be of an appropriate size and collectively have the skills, commitment and knowledge of the entity and the industry in which it operates, to enable it to discharge its duties effectively and to add value.

Recommendation 2.1

The board of a listed entity should:

(a) have a nomination committee which:

- **(i) has at least three members, a majority of whom are independent Directors; and**
- **(ii) is chaired by an independent Director, and disclose:**
- **(iii) the charter of the committee; and**
- **(iv) the members of the committee; or**

(e) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

The Company partially complies with this recommendation.

The Company has adopted a RNC Charter. Clause 2 of the RNC Charter notes that, to the extent practicable given the size and composition of the Board from time to time, the RNC will comprise at least three members, a majority of whom are independent Directors. In addition, the chair of the RNC is to be an independent Director.

Corporate Governance Statement

continued

Principle 2: Structure the board to add value (continued)

Recommendation 2.1 (continued)

As at the date of this Corporate Governance Statement, the RNC is comprised of two independent non-executive Directors, being Neville Power and Benjamin Wyatt, and two non-executive Directors, being Timothy P. Sullivan and Elizabeth Q. Betten. Mr Benjamin Wyatt was appointed to the RNC during FY23 subsequent to his appointment as a director at the 2022 Annual General Meeting. The chair of the RNC is Timothy P. Sullivan, a non-executive Director. The Board considers that having an equal majority of the members who are considered independent and not having an independent Director as the chair of the RNC will not impede the ability of the RNC to undertake its role effectively.

The RNC Charter and the members of the RNC are disclosed on the Company's website: https://www.apminvestors.net.au.

The Company will, at the end of each reporting period, disclose in its annual report the number of times the committee met throughout the period and the individual attendances of the members at those meetings is to be disclosed. This disclosure is contained within the Directors' Report.

Recommendation 2.2

A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership

The Company complies with this recommendation.

Clause 5 of the Board Charter sets out the aim of the Board to have an appropriate mix of skills, experience, expertise and diversity relevant to the Company's businesses and the Board's duties and responsibilities.

The Company's Board skills matrix is set out at the end of the Corporate Governance Statement.

Recommendation 2.3

A listed entity should disclose:

(a) the names of the Directors considered by the board to be independent Directors;

(b) if a Director has an interest, position or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the Director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and

(c) the length of service of each Director.

The Company complies with this recommendation.

Clauses 7(c) and 13(a)-(b) of the Board Charter notes that the Company will disclose in its annual report:

(a) the names of the Directors considered by the Board to be Independent Directors (as at the date of this Corporate Governance Statement, being Benjamin Wyatt, Robert Melia, Neville Power and Simone Blank);

(b) if a Director has an interest, position or relationship which may be perceived to compromise a Director's independence but the Board is of the opinion that the interest, position or relationship does not compromise that Director's independence, an explanation of why the Board is of that opinion. As disclosed in the Company's 2022 Annual Report, three of the Independent Directors held or acquired Series A and B shares prior to the Company's IPO. As a result of holding those, they were issued Series C shares in the same proportion as other Series A and B shareholders. The value of the Series C Shares issued is included in the Independent Directors Remuneration for the year ended 30 June 2022, with such values dependent on the timing between the date of issue of the Series C shares and the conversion to ordinary shares upon the Company's IPO. Neville Power and Benjamin Wyatt have an unpaid

Corporate Governance Statement

continued

Principle 2: Structure the board to add value (continued)

Recommendation 2.3 (continued)

exercise price attached to ordinary shares (historically known as Series C shares) held in escrow. This information is disclosed at 6.5 of the Remuneration Report and Note 21 Related party disclosures. The Board is of the view that such issues and valuations did not compromise the independence of the relevant Directors given the materiality of the value to both the relevant Directors and the Company at the date of grant; and

(c) the length of service of each Director which is set out in the Directors' report.

These details are set out in the Director's Report.

Recommendation 2.4

A majority of the board of a listed entity should be independent Directors.

The Company was not, and as at the date of this Corporate Governance Statement, continues not to be in compliance with this recommendation.

Clause 5 of the Board Charter provides that the majority of the Board should, to the extent practicable given the size and composition of the Board from time to time, be comprised of independent Directors.

As at the date of this Corporate Governance Statement the Board is comprised of nine Directors, four of which are independent non-executive Directors and five of whom are not considered independent. The Company moved towards compliance with this recommendation with the appointment of Benjamin Wyatt at its 2022 Annual General Meeting.

In addition, during FY23 the Board appointed Neville Power as Lead Independent Director.

The Board considers that the mix of skills on the Board and the nature of the operations of the Company that having less than a majority of the Directors who 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 Company was not and as at the date of this Corporate Governance Statement does not comply with recommendation.

The current structure and composition of the Board has been determined having regard to the nature and size of its operations, the skill set of the Company's Directors both individually and collectively, and the best interests of Shareholders.

The Board acknowledges the recommendation, however, does not comply with this recommendation, as the chair of the Board and founder of the Company, 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. Nevertheless, the Board is satisfied that deviation from Recommendation 2.5 will not be detrimental to the Company when considering Megan's considerable skills, experience and understanding of the Company's business. The Board considers that Megan adds significant value to its deliberations and expects that she will continue to bring sound judgement to the deliberations of the Board.

In addition, the Board appointed Mr Neville Power to the position of Lead Independent Director during FY23 to effectively lead the non-executive Directors through any matters in which the current Chair is conflicted, and to act as a point of contact for any stakeholder who wishes to engage with a Director other than the Chair on matters in which there may be a conflict.

Corporate Governance Statement

continued

Principle 2: Structure the board to add value (continued)

Recommendation 2.6

A listed entity should have a program for inducting new Directors and for periodically reviewing whether there is a need for existing Directors to undertake professional development to maintain the skills and knowledge needed to perform their role as Directors effectively.

The Company complies with this recommendation.

Clause 2(b)(vii) of the Board Charter provides that the Board is responsible for the Company's induction program for new Directors and periodic review and facilitation of ongoing professional development for Directors.

Clause 10 of the Board Charter provides that new Directors will be briefed on their roles and responsibilities and the minutes and papers of Board and committee meetings will be made available to them. It also provides that time will be allocated at Board and committee meetings for the continuing education of Directors on significant issues facing the Company and changes to the regulatory environment.

Principle 3: Promote ethical and responsible decision making

Recommendation 3.1

A listed entity should articulate and disclose its values.

A
listed entity should instill and continually reinforce a culture across the organisation of acting lawfully, ethically and responsibly.

The Company complies with this recommendation.

APM's core purpose is: Enabling Better Lives. 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.

Corporate Governance Statement

continued

Principle 3: Promote ethical and responsible decision making (continued)

Recommendation 3.2

A listed entity should:

(a) have and disclose a code of conduct for its Directors, senior executives and employees; and

(b) ensure that the board or a committee of the board is informed of any material breaches of that code.

The Company complies with this recommendation.

The Company has a Code of Conduct which applies to employees, contractors, consultants, manager and Directors of the Company.

The Company's Code of Conduct is disclosed on its website: https://www.apminvestors.net.au.

The Company has established an independent platform to allow employees to promptly report any real or suspected violations of the Code of Conduct or related Policies. Material breaches of the Code will be reported to the Group CEO/Managing Director and Board Audit & Risk management Committee.

Recommendation 3.3

A listed entity should:

(a) have and disclose a whistle-blower policy; and

(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.

The Company complies with this recommendation.

The Company has a Whistle-blower Protection Policy, a copy of which is available on the Company's website: https://www.apminvestors.net.au.

Although, the Whistle-blower Protection Policy does not provide that the Board or its delegated committee will also be informed of any material incidents reported under the Whistle-blower Protection Policy. Clause 5 of the Code of Conduct provides that employees are required to promptly report any real or suspected violations to the CEO of their business unit or if necessary, directly to the Group CEO/Managing Director.

Recommendation 3.4

A listed entity should:

(a) have and disclose an anti-bribery and corruption policy; and

(b) ensure that the board or committee of the board is informed of any material breaches of that policy.

The Company complies with this recommendation.

The Company has an Anti-bribery and Corruption Policy which is available on the Company's website: https://www.apminvestors.net.au.

Clause 4 of the Anti-bribery and Corruption Policy provides that in order to protect the Company's business from harm, individuals will need to report known or suspected wrongdoing to either their manager or by using its whistle-blower system but does not state that the Company must ensure that the Board or committee of the Board is informed of any material breaches of the policy. However, clause 5 of the Code of Conduct provides that employees are required to promptly report any real or suspected violations to the CEO of their business unit or if necessary, directly to the Group CEO/Managing Director.

Corporate Governance Statement

continued

Principle 4: Safeguard integrity in financial reporting

A listed entity should have appropriate processes to verify the integrity of its corporate reports.

Recommendation 4.1

The board of a listed entity should:

(a) have an audit committee which:

- **(i) has at least three members, all of whom are non-executive Directors and a majority of whom are independent Directors; and**
- **(ii) is chaired by an independent Director, who is not the chair of the board, and disclose:**
- **(iii) the charter of the committee;**
- **(iv) the relevant qualifications and experience of the members of the committee; and**
- **(v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or**

(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

Listing Rule 12.7 provides that a listed entity that is included in the S&P/ASX 300 index must comply with the Recommendation above in relation to the composition of the operation of the audit committee.

The Company complies with this recommendation.

The Company has established an Audit and Risk Management Committee (ARMC) which is governed by the ARMC Charter which sets out its roles and responsibilities.

Clause 2(a) of the ARMC Charter provides that the ARMC should to the extent practicable, given the size and composition of the Board from time to time, comprise:

- at least three members;
- non-executive Directors; and
- a majority of Directors who are independent.

Clause 2(c) of the ARMC Charter provides that the chair of the ARMC should be an independent non-executive Director who does not chair the Board. As at the date of this Corporate Governance Statement this continues to be Simone Blank, an independent non-executive Director.

At the time of this Corporate Governance Statement, the ARMC is comprised of Simone Blank, Elizabeth Q. Betten and Robert Melia.

The ARMC Charter is disclosed on the Company's website (https://www.apminvestors.net.au), and the Company's website includes an overview of the relevant qualifications and experience of the members of the committee.

Clause 3(a) of the ARMC Charter provides that the ARMC must meet at least two times annually or as frequently as is required to undertake its role effectively.

The Company will, at the end of each reporting period, disclose in its annual report the number of times the ARMC met throughout the period and the individual attendances of the members at those meetings. This information is disclosed in the Directors' Report.

Corporate Governance Statement

continued

Principle 4: Safeguard integrity in financial reporting (continued)

Recommendation 4.2

The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

The Company complies with this recommendation.

Clause 6 of the ARMC Charter provides that the ARMC will review the Company's financial statements with management and its external auditor before recommending that the Board approve the statements. The ARMC is also responsible for ensuring that appropriate processes are in place to form the basis upon which the Chief Executive Officer and Chief Financial Officer provide the recommended declarations in relation to the Company's financial statements.

Recommendation 4.3

A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.

The Company complies with this recommendation.

Clause 4(a)(viii) of the ARMC Charter provides that the ARMC must ensure that any periodic corporate report the Company released to the market that has not been subject to audit or review by an external auditor, discloses the process taken to verify the integrity of its content.

Principle 5: Make timely and balanced disclosure

A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

Recommendation 5.1

A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under Listing Rule 3.1

The Company complies with this recommendation.

The Company has in place a Disclosure Policy, a copy of which is disclosed on the Company's website: https://www.apminvestors.net.au.

Recommendation 5.2

A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.

The Company complies with this recommendation.

The Board will receive copies of all material market announcements for approval before being made, or if a disclosure committee is established, clause 4(b)(v) of the Disclosure Policy provides that the disclosure committee's responsibilities include providing the Board with copies of all material market announcements promptly after they have been made.

Corporate Governance Statement

continued

Principle 5: Make timely and balanced disclosure (continued)

Recommendation 5.3

A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.

The Company complies with this recommendation.

Clause 9(b) of the Disclosure Policy provides that ahead of any new and substantive investor or analyst presentation, a copy of the presentation materials must be released to ASX (even if the information in the presentation would not otherwise require market disclosure).

Principle 6: Respect the rights of security holders

A listed entity should provide its security holders with appropriate information and facilities to allow them to exercise their rights as security holders effectively.

Recommendation 6.1

A listed entity should provide information about itself and its governance to investors via its website.

The Company complies with this recommendation.

The Company provides information about itself and its governance on its website (https://www.apminvestors.net.au) pursuant to its Shareholder Communication Policy.

Recommendation 6.2

A listed entity should have an investor relations program that facilitates effective two-way communication with investors.

The Company complies with this recommendation.

Clause 2(a)(xvii) of the Board Charter states that a function of the Board is to develop an investor relations program to facilitate effective two-way communication with investors.

The Company's Shareholder Communication Policy provides for an investor relations program which actively encourages two-way communication:

- through the Company's AGM, where Shareholder participation is actively encouraged and facilitated; and
- by providing Shareholders with information via the corporate and investor sections of the Company's website and the option to receive email communications and send email communications directly to the Company and to the Company's share registry.

Recommendation 6.3

A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.

The Company complies with this recommendation.

Clause 1(b) of the Shareholder Communication Policy states that the purpose of the Shareholder Communication Policy is to encourage and facilitate participation at the Company's general meetings and dealing promptly with the enquiries of shareholders and other stakeholders.

The Company has disclosed a copy of its Shareholder Communication Policy on its website: https://www.apminvestors.net.au.

Corporate Governance Statement

continued

Principle 6: Respect the rights of security holders (continued)

Recommendation 6.4

A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.

The Company complies with this recommendation.

Clause 6(g) of the Shareholder Communication Policy states the Company will ensure that all substantive resolutions at a meeting of shareholders are decided by a poll rather than by a show of hands. All resolutions put to shareholders at the Company's 2022 and 2023 Annual General Meetings were decided by a Poll.

Recommendation 6.5

A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

The Company complies with this recommendation.

Clause 2 of the Shareholder Communication Policy provides Shareholders the option to receive email communications and send email communications directly to the Company and to the Company's share registry.

Principle 7: Recognise and manage risk

A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.

Recommendation 7.1

The board of a listed entity should:

(a) have a committee or committees to oversee risk, each of which:

- **(i) has at least three members, a majority of whom are independent Directors; and**
- **(ii) is chaired by an independent Director, and disclose:**
- **(iii) the charter of the committee;**
- **(iv) the members of the committee; and**
- **(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or**

(f) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.

The Company complies with this recommendation.

Clause 2(a) of the ARMC Charter provides that the ARMC should to the extent practicable, given the size and composition of the Board from time to time, comprise:

- at least three members;
- non-executive Directors; and
- a majority of Directors who are independent.

Corporate Governance Statement

continued

Principle 7: Recognise and manage risk (continued)

Recommendation 7.1 (continued)

At the date of this Corporate Governance Statement, the ARMC is comprised of Simone Blank, Elizabeth Q. Betten and Robert Melia.

Clause 2(c) of the ARMC Charter provides that the chair of the ARMC should be an independent Director. As at the date of this Corporate Governance Statement the Chair of the ARMC is Simone Blank (an independent non-executive Director).

The ARMC Charter is disclosed on the Company's website: https://www.apminvestors.net.au.

Clause 3(a) of the ARMC Charter provides that the ARMC must meet at least two times annually or as frequently as is required to undertake its role effectively.

The Company will, at the end of each reporting period, disclose in its annual report the number of times the ARMC met throughout the period and the individual attendances of the members at those meetings is to be disclosed. This information is disclosed in the Directors' Report.

Clause 15(e) of the Board Charter provides that the Company will disclose in its annual report the professional qualifications and experience of each ARMC member, the number of times the Board met to perform its role as ARMC throughout the period and the individual attendances of the members at those meetings.

Clause 7(d)(i) of the ARMC Charter provides that the Company will disclose any material exposure that the Company has to environmental or social risks and how the Company intends to manage those risks.

Recommendation 7.2

The board or a committee of the board should:

(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and

(b) disclose, in relation to each reporting period, whether such a review has taken place.

The Company complies with this recommendation.

Clause 7(d) of the ARMC Charter provides that the ARMC is responsible for reviewing at least annually and monitoring the effectiveness of the Company's risk management framework to satisfy itself that it continues to be sound and the Company is operating with due regard to the risk appetite set by the Board.

Clause 7(d) of the ARMC Charter further provides that the ARMC must ensure that the Board discloses whether such a review has taken place in the Company's annual report. The Company confirms that such a review occurred during the year ended 30 June 2024.

Recommendation 7.3

A listed entity should disclose:

(a) if it has an internal audit function, how the function is structured and what role it performs; or

(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.

The Company complies with this recommendation.

Corporate Governance Statement

continued

Principle 7: Recognise and manage risk (continued)

Recommendation 7.3 (continued)

During the year ended 30 June 2024, the Company continued to engage Protiviti, an outsourced Internal Audit service provider to provide internal audit services to APM. Protiviti report to the ARMC through the Chief Risk Officer. Protiviti and the Company worked together to develop a Strategic Internal Audit Plan for FY23-FY25, including setting out the internal audit planning process, the principles which underpin the internal audit planning process, and the proposed schedule of internal auditors for FY23-25. This Strategic Internal Audit Plan was approved by the ARMC and commenced during the year ended 30 June 2023 and continued throughout FY24.

In addition to the Internal Audit Services provided by Protiviti, APM utilises internal and external experts to perform internal audit reviews of various functions.

Clause 4(a)(vii) of the ARMC Charter provides that the ARMC is responsible for considering whether an internal audit function is required, and if not, ensuring that the Company discloses the processes it employs to evaluate and improve its risk management and internal control processes.

Clause 4(a)(viii) of the ARMC Charter provides that where any report is not subject to audit or review by an external auditor, the ARMC must ensure that the Company discloses the process taken to verify the integrity of its content.

Recommendation 7.4

A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.

The Company complies with this recommendation.

All material risks are contained within the Directors' Report and further details in the Scheme Booklet lodged with the ASX on 19 August 2024.

Principle 8: Remunerate fairly and responsibly

A listed entity should pay Director remuneration sufficient to attract and retain high quality Directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders and with the entity's values and risk appetite.

Recommendation 8.1

The board of a listed entity should:

(a) have a remuneration committee which:

- **(i) has at least three members, a majority of whom are independent Directors; and**
- **(ii) is chaired by an independent Director, and disclose:**
- **(iii) the charter of the committee;**
- **(iv) the members of the committee; and**
- **(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or**

Corporate Governance Statement

continued

Principle 8: Remunerate fairly and responsibly (continued)

Recommendation 8.1 (continued)

(f) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

Listing Rule 12.8 provides that a listed entity included in the S&P/ASX 300 index must have a remuneration committee comprised solely of non-executive Directors.

The Company partially complies with this recommendation.

The RNC is governed by the RNC Charter which sets out the RNC's roles and responsibilities.

Clause 2 of the RNC Charter provides that the RNC should, to the extent practicable given the size and composition of the Board from time to time, comprise:

- at least three members;
- non-executive Directors; and
- a majority of Directors who are independent.

As at the date of this Corporate Governance Statement, the RNC is comprised of two independent non-executive Directors, being Neville Power and Benjamin Wyatt, and two non-executive Directors, being Timothy P. Sullivan and Elizabeth Q. Betten.

As at the date of this Corporate Governance Statement, the Chair of the RNC is Timothy P. Sullivan, a non-executive Director. The Board considered that having less than a majority of the members who are considered independent and not having an independent Director as the chair of the RNC will not impede the ability of the RNC to undertake its role effectively. With the appointment of Benjamin Wyatt in May 2023, it provided for an equal majority of independent and non-independent Directors on the Committee.

The RNC Charter is disclosed on the Company's website: https://www.apminvestors.net.au.

Clause 3(a) of the RNC Charter provides that the RNC will meet at least twice annually or as frequently as is required to undertake its role effectively.

The Company will, at the end of each reporting period, disclose in its annual report the number of times the RNC met throughout the period and the individual attendances of the members at those meetings is to be disclosed. This information is disclosed in the Directors' Report.

Recommendation 8.2

A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive Directors and the remuneration of executive Directors and other senior executives.

The Company complies with this recommendation.

Details of the Company's remuneration policies and practices for non-executive Directors, executive Directors and senior management is disclosed in the Remuneration Report contained within the financial statements.

Corporate Governance Statement

continued

Principle 8: Remunerate fairly and responsibly (continued)

Recommendation 8.3

A listed entity which has an equity-based remuneration scheme should:

(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and

(b) disclose that policy or a summary of it.

The Company complies with this recommendation

Clause 5.2 of the Securities Trading Policy prohibits the entry into "protection arrangements" for any Company securities (of Company products in the derivatives markets), including those which operate to limit the economic risk of security holdings (e.g. hedging arrangements).

The policy is disclosed on the Company's website: https://www.apminvestors.net.au.

Additional recommendations that apply only in certain cases

Recommendation 9.1, 9.2 and 9.3 do not apply to the Company.

Board skills matrix

APM is committed to ensuring that Directors have a suitable blend and balance of skill, experience, diversity and independence.

The current Directors possess an appropriate mix of skills, commitment, experience, expertise and diversity to enable the Board to acquit its responsibilities effectively and deliver the strategic priorities as a diversified health and human services company with current businesses operating in employment services, disability support, allied health services and education.

The Directors contribute sector knowledge, perspectives from international experience and specific subject matter expertise in strategic, operational and financial areas that are important to the Company's strategy and long-term growth. In particular:

- The Board demonstrates an in-depth knowledge of business operations and processes, and brings, augmented by relevant global industry expertise;
- The Board has demonstrated leadership and management skill, with Directors having experience in human services management, growth and compliance;
- The Directors have skills and experience in developing corporate strategy and overseeing high performance delivery to meet goals; and,
- The Directors are proactive in their approach to corporate business development, service innovation and cultural alignment.

The following outlines the composition of skills and experience of the Board.

Leadership

- Demonstrated successful senior executive leadership in high performance businesses
- Publicly listed company experience
- Driving cultural alignment to vision, goals and performance
- Experience in managing Group CEO performance, succession planning and talent management, including incentive programs

Corporate Governance Statement

continued

Board skills matrix (continued)

Governance

- Governance experience in multi-jurisdictional compliance environments and markets
- Understanding of effective governance structures
- Experience in developing and maintaining effective risk management and controls

Strategy

- Commercial experience in developing and implementing successful strategy
- Financial management of short and long-term strategic initiatives
- Experience in management oversight for delivery of strategic objectives, including broad scan of opportunities and threats

Workforce health and safety

- Experience in complex workplace and workforce health and safety
- Ability to provide sound oversight on workforce safety within a health and human services context

Environmental and social

- Understanding of and experience in social issues and policy frameworks
- Experience in overseeing environmental frameworks in global organisations
- Commitment to organisational diversity and inclusion at all levels
- Experience in integrating ESG principles throughout operational businesses

Human services and allied health

- Strategic and operational experience in leading, developing and growing sophisticated human services in an international context
- Technical and advisory knowledge in developing and implementing service delivery programs
- Clinical governance experience in allied health services

International experience and corporate development

- Proven experience in developing sustainable human services operations in new geographies
- Considerable mergers and acquisitions experience delivering long-term business growth
- Exposure to and experience in diverse political, cultural, regulatory and business environments

Corporate Governance Statement

continued

Board skills matrix (continued)

Stakeholder management

- Experience in partnering with governments to develop and deliver programs that deliver positive social and health impacts
- Experience in regulatory policy and government affairs across jurisdictions

Information technology and innovation

- Knowledge of the use and governance of key information technologies
- Oversight of potential cyber security risk management
- Understanding of relevant privacy and data regulation and obligations
- Committed to leveraging digital technologies to enhance service delivery, drive competitive advantage and support cost-effective growth

Sales and marketing

- Executive-level experience in sales and marketing
- Ability to build long-term customer relations across a geographically diverse customer base
- Experience in negotiating complex human services contracts

Financial acumen

- Experience in financial accounting and reporting, and in corporate finance
- Experience in business modelling and financial forecasting

Capital management

- Debt and equity funding strategy knowledge and experience
- Understanding of key international capital and debt markets
- Experience in developing and having oversight of long-term investment cases

Tax risk management and compliance

- Experience with corporate tax policies and frameworks
- Understanding of corporate tax requirements
- Experience in tax risk management

Public policy and regulation

- Experience in leading change and adaptation in line with changing public policy settings
- Oversight of regulatory frameworks
- Experience in understanding and communicating key policy positions

Directors' Report

For the year ended 30 June 2024

Your Directors present their report on the consolidated entity consisting of APM Human Services International Limited ("APM" or "the Company") and the entities it controlled ("the Group") at the end of, or during, the year ended 30 June 2024.

Directors and Company Secretary

The following persons were Directors of APM Human Services International Limited during the financial year and up to the date of this report:

Megan Wynne
Michael Anghie
Timothy Sullivan
Elizabeth Betten
William Ritchie
Robert Melia
Simone Blank
Neville Power
Benjamin Wyatt

The Company Secretary position is jointly held by Peter Torre and Stephen Farrell.

Principal activities

The Group's principal activities by segment are:

- ANZ (including Australia and New Zealand) – Employment Services, Health and Wellbeing, Communities and Assessments, Disability and Aged Care Support Services
- North America (including Canada and the USA) – Employment Services and Health and Wellbeing
- Rest of World (including South Korea, Singapore, Germany, Switzerland, Sweden, Spain and the UK) – Employment Services, Health and Wellbeing, Communities and Assessments

Dividends

There were no dividends declared for the period ended 30 June 2024. Dividends paid during the year amounted to $45.9 million, based on 5.0 cents per fully paid ordinary share out of retained earnings as at 30 June 2023.

Review of operations

Information on the operations and financial position of the Group and its business strategies and prospects is set out in the review of operations and activities on pages 26-31 of this Annual Report.

Significant changes in the state of affairs

The Group recorded an impairment charge of $269.1 million during the year, refer to Note 14.

For a detailed discussion about the Group's performance and financial position please refer to our review of operations and activities on pages 26-31 of this Annual Report.

Directors' Report

continued

Events subsequent to financial year end

In July 2024, APM secured financing out to 2030, having signed a Committed Letter with Goldman Sachs for new facilities of up to $950.0 million for the purposes of retiring its existing syndicated corporate facility. Key terms of the new Goldman Sachs facilities include a covenant lite six year Term Loan of $950.0 million and delayed draw Term Loan of $210.0 million and a five year revolving facility of $150.0 million with a margin of 500 basis points which is approximately 180 basis points higher than APM's existing margin on top of BBSY (bank bill swap rate) of approximately 430 basis points.

In August 2024, APM lodged a scheme booklet with ASIC in relation to the Scheme Implementation deed entered into with Ancora BidCo Pty Ltd, an entity controlled by Madison Dearborn Partners, LLC (MDP) for the acquisition of 100% of the issued capital of APM (other than shares held by MDP affiliates) as was announced to the ASX on 3 June 2024. The scheme booklet was approved to be dispatched to Shareholders on 14 August 2024, with a Shareholder vote expected to take place on 18 September 2024.

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.

Likely developments and expected results of operations

The Group is focused on growing its core service areas in Australia and internationally.

Strategic, financial and operational risks

APM adopts a proactive approach to the identification, evaluation, and effective management of the risks and opportunities in its businesses. APM's Board and Management have a commitment to fostering a risk-aware culture to ensure that it creates the foundation for sustainable business performance and delivery of services to its clients.

APM has established a strong governance structure over its risk management activities. The Board has overall responsibility for the governance of risks. Oversight is maintained through the Board's Audit and Risk Management Committee. The Audit and Risk Management Committee undertakes the functions of a risk committee as set out in the ASX Corporate Governance Principles. It is responsible for reviewing APM's enterprise-wide risk management systems and processes. This process is designed to identify, assess, monitor, and manage all business risks.

Risk management framework

APM's approach to the management of risk at the Group level is documented in its Risk Management Framework (RMF). The RMF enables the appropriate development and implementation of strategies, policies, and procedures to manage risk. The RMF is supported by three key documentary components:

(a) **The Group Risk Appetite Statement (RAS)** articulates the type and degree of risk the APM Board is prepared to accept and the maximum level of risk that the Group must operate within.

(b) **The Group Risk Management Framework (RMF)** describes the Group's approach to ensuring comprehensive management of its material risks in support of achieving its strategic objectives.

(c) **The Group Business Plan** summarises the Group's approach to the implementation of its strategic objectives.

Directors' Report

continued

Strategic, financial and operational risks (continued)

Risk management framework (continued)

APM's risk culture is an important component of the Group's organisational culture and an intrinsic part of the Group's RMF. APM promotes a risk culture that supports the purpose, vision, and values of the Group and the ability to manage risk effectively.

Key material risks

The material risks facing the Group per the RMF, and how these risks are managed are summarised below. Further detailed risks are set out in the Scheme Booklet lodged with ASIC and the ASX on 19 August 2024.

Risk type	Description	Managing the risk
Compliance Risk	The risk of sanctions and financial loss the Group may suffer as a result of the Group's failure to comply with laws, regulations, rules, statements of regulatory policy, and codes of conduct applicable to its business activities.	The risk is managed through a robust policy and governance framework. Compliance and privacy indicators are included in the Group RAS while mandatory compliance and privacy training are mandated for all employees. Compliance risk profiling is conducted through the risk assessment process.
Operational Risk	The risk of loss arising from inadequate or failed internal processes, people, and/or systems, or external events. This definition includes legal risk, third party risk, data management, and the risk of reputation loss, or damage arising from inadequate or failed internal processes, people, and systems, but excludes strategic risk.	APM recognises that operational risk is a necessary component of doing business. APM endeavours to be resilient to operational risk by minimising the impact of inadequate processes, people, and systems through robust processes and controls. Controls include a governance and policy framework supported by operational risk indicators in the Group RAS. Regular risk and control self-assessment to assess key risks and controls for each business unit. Incident management processes to identify, assess, record, report, and manage actual operational events that have occurred. This data is used to guide management to strengthen processes and controls.
Strategic Risk	The risk associated with the pursuit of the Group's strategic objectives, including the risk that the Group fails to execute its chosen strategy effectively or in a timely manner. Strategic risk also includes the following sub-risks types that support or drive strategic decisions: Government Policy, Macroeconomic conditions, Capability and Culture, Delivery risk, Environmental and Social, Reputational, and Mergers & Acquisitions.	The Group assesses, monitors, and responds to strategic risk throughout its processes of strategy development, approval and review; identifying and monitoring changes to the operating environment; and monitoring the execution progress of strategies.
Technology Risk	The risk of loss and/or non-compliance with laws from inadequate or failed internal processes, people, or systems that deliver Technology assets and services to customers and staff.	The four key components of a sound management of technology risk include: governance; management measurement and systems; analytics, review and reporting; and people and culture.
Reputation Risk	The risk of key stakeholders forming negative perceptions, beliefs, or unrealistic expectations of the Group.	APM seeks to maintain the confidence of all stakeholders through APM's vision and exhibiting APM's values. All divisional business heads across the globe are required to instil these values, adopt appropriate governance frameworks and continually monitor the internal and external environment.

Directors' Report

continued

Strategic, financial and operational risks (continued)

Key material risks (continued)

Risk type	Description	Managing the risk
Financial Risk	The risk that APM is unable to meet its financial obligations.	APM closely manages financial risk including liquidity, currency, revenue and expense risk through forecasting, budgeting, and monitoring activities. Oversight is provided by Executive Management and the Board.
Cyber Security & Data Privacy	The risk specifically includes Information Security and Cyber Security and how information held by the Group needs to be protected from inappropriate modification, loss, disclosure, and unavailability.	The technology team has a strong focus on detection, monitoring, secure configuration & authentication methods, and vulnerability management. Staff training and education are provided to increase awareness of the dangers of cybercrime. Data management protocols are maintained to ensure appropriate access, retention and deletion of data.
Supply Risk (Our People)	APM's success, to a significant degree, is dependent on its ability to attract, motivate and retain skilled team members to deliver high quality services to clients.	Ensuring an attractive value proposition including remuneration and benefits, flexible working, career progression, succession planning, training and development; Continued investment in leaders through leadership initiatives and training programs aimed at improving their leadership capabilities; Focus on values and community investments including pro-bono support for refugees from Ukraine.
Regulatory Risk	The risk of a change in laws or regulations will impact APM's strategy or business model.	APM maintains a centralised compliance function to ensure compliance against current obligations and the tracking of potential changes to regulations. APM also maintains cooperative and transparent relationships with regulators and industry bodies.
Occupational, Health & Safety Risk	The risk of injury (and consequential loss) to the organisation's employees, third party employees (such as employees of suppliers and contractors), customers, and the general public due to interaction or involvement with the organisation's business activities. The injury or loss can be due to either accidental or unsafe interaction by the organisation, business partners, suppliers, contractors, or employees.	Health and safety is a key priority for APM as we continually seek to prevent injuries, illness, accidents and incidents through effective safety management systems, quality processes, and strong safety culture. This is achieved through continuous monitoring, measurement, reporting, and improvement of safety management outcomes. Maintaining a culture of safety leadership, collaborative effort, open communication, and the dissemination of safety information.
Competition Risk	The risk of the actions of competitors negatively impacting APM's business. We are witnessing strong aggregation across the sector and the emergence of digitally enabled competitors.	The Group is developing new and improved digital services and processes to meet customer needs. Rigorous monitoring and reporting of performance against contractual obligations are maintained. An engaged, capable workforce is empowered to ensure customer's expectations are met and exceeded.

Directors' Report

continued

Environmental regulation

The Group's operations are not subject to any significant environmental regulations or laws in Australia.

Insurance of officers and indemnities

A premium was paid by APM Human Services International Limited, to insure the Directors, Secretary and Senior Managers of APM Human Services International Limited and its subsidiaries. The premium paid covers legal costs that may be incurred defending civil or criminal proceedings that may be brought against these officers in their capacity as officers of Group companies. The premium paid does not cover wilful breaches of duty, improper use of information causing damage to the Group.

Indemnifying of auditor

To the extent permitted by law, the Company has agreed to indemnify its auditors, PricewaterhouseCoopers, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify PricewaterhouseCoopers during or since the financial year end.

Information on Directors

The following information is current as at the date of this report.

Megan Wynne

Appointment: APM Founder and Executive Chair since June 2020.

Skills and experience:

Megan established APM in January 1994 and has since been responsible for driving APM's strategy and growth over the past 30 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.

Other current directorships:

Nil

Former directorships in the last 3 years:

Nil

Directors' Report

continued

Information on Directors (continued)

Michael Anghie

Appointment: Group Chief Executive Officer since March 2018 & Executive Director since June 2020.

Skills and experience:

Michael joined APM in March 2018 as Group Chief Executive Officer and was subsequently 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 and has a mergers and acquisitions background. Michael holds a Bachelor of Business from Curtin University.

Other current directorships:

Nil

Former directorships in the last 3 years:

Nil

Timothy ("Tim") P. Sullivan

Appointment: Non-Executive Director since June 2020.

Skills and experience:

Tim is Co-CEO and co-founder at Madison Dearborn Partners ("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. 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. 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.

Other current directorships:

Option Care Health Inc (NASDAQ: OPCH)

Former directorships in the last 3 years:

Nil

Special responsibilities:

Chair Remuneration and Nomination Committee

Directors' Report

continued

Information on Directors (continued)

Elizabeth Q. Betten

Appointment: Non-Executive Director since March 2020.

Skills and experience:

Elizabeth is a Managing Director and Co-Head of the Healthcare Team at Madison Dearborn Partners ("MDP"), commencing in 2004 as an associate and continuing after business school in 2008. Prior to MDP, Elizabeth worked in investment banking in the Healthcare Group at J.P. Morgan. Elizabeth holds a Bachelor of Arts from Brown University and Master of Business Administration from Stanford University Graduate School of Business.

Other current directorships:

Option Care Health Inc (NASDAQ: OPCH)

Former directorships in the last 3 years:

Nil

Special responsibilities:

Member Audit and Risk Management Committee

Member Remuneration and Nomination Committee

Member Finance and Investment Committee

William ("Will") E Ritchie

Appointment: Non-Executive Director since March 2020

Skills and experience:

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 holds a Bachelor of Arts from Yale University and a Master of Business Administration from Stanford University Graduate School of Business.

Other current directorships:

Nil

Former directorships in the last 3 years:

Nil

Special responsibilities:

Chair Finance and Investment Committee

Directors' Report

continued

Information on Directors (continued)

Robert ("Bob") Melia

Appointment: Independent Non-Executive Director since June 2020.

Skills and experience:

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, the UK and Australia and covers acquisitions and divestment, 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.

Other current directorships:

Nil

Former directorships in the last 3 years:

Nil

Special responsibilities:

Member Audit and Risk Management Committee

Member Finance and Investment Committee

Member Independent Board Committee

Simone Blank

Appointment: Independent Non-Executive Director since July 2020

Skills and experience:

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 owner of a private investment company and has served on the boards of several private healthcare companies. Simone holds a Master of Economics from the University of Duisburg.

Other current directorships:

Evolus Inc (NASDAQ: EOLS)

Former directorships in the last 3 years:

Nil

Special responsibilities:

Chair Audit and Risk Management Committee

Member Independent Board Committee

Directors' Report
continued

Information on Directors (continued)

Neville ("Nev") Power

Appointment: Independent Non-Executive Director since October 2021

Skills and experience:

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. He is an Honorary Fellow of Engineers Australia and a Fellow of AusIMM and is a member of the Australian Institute of Company Directors. Neville holds a Bachelor of Engineering and a Master of Business Administration.

In March 2020, Nev was appointed by the Prime Minister to lead 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 also has an extensive background in agribusiness and aviation, holding both fixed wing and helicopter commercial pilot licenses.

Other current directorships:

Strike Energy Limited (ASX: STX)

Future Battery Minerals Limited (ASX: FBM)

Former directorships in the last 3 years:

Genesis Minerals Limited (ASX: GMD)

Metals Acquisition Corp (NYSE: MTAL.U)

Special responsibilities:

Lead Independent Director

Chair Independent Board Committee

Member Remuneration and Nomination Committee

Directors' Report
continued

Information on Directors (continued)

Benjamin ("Ben") Wyatt

Appointment: Independent Non-Executive Director since October 2022

Skills and experience:

Ben's career commenced in law, initially as a barrister and solicitor with a major national Australian law firm before joining the Western Australian Director of Public Prosecutions office. 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 Energy, 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 Social Sciences from the London School of Economics.

Other current directorships:

Woodside Energy Group Ltd (ASX: WDS)

Rio Tinto Ltd (ASX: RIO)

Former directorships in the last 3 years:

Nil

Special responsibilities:

Member Remuneration and Nomination Committee

Member Independent Board Committee

Directors' Report

continued

Meetings of Directors

The numbers of meetings of the Company's Board of Directors and each Board committee held during the year ended 30 June 2024, and the numbers of meetings attended by each Director were:

	Board of Directors		Audit and Risk Management Committee		Remuneration and Nomination Committee		Finance and Investment Committee		Independent Board Committee	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
Megan Wynne[1]	16	16	–	–	–	–	–	–	–	–
Michael Anghie[1]	16	16	–	–	–	–	–	–	–	–
Timothy P. Sullivan	16	14	–	–	1	1	4	1	–	–
Elizabeth Q. Betten	16	14	8	7	1	1	4	4	–	–
William E. Ritchie	16	16	–	–	–	–	4	4	–	–
Robert Melia	16	16	8	8	–	–	4	4	14	14
Simone Blank	16	14	8	8	–	–	–	–	14	14
Neville Power	16	16	–	–	1	1	–	–	14	14
Benjamin Wyatt	16	16	–	–	1	1	–	–	14	14

1. Executive Directors are not technically eligible to attend committee meetings but attend by invitation.

Remuneration Report

The Directors are pleased to present the Remuneration Report prepared in accordance with section 300A of the *Corporations Act 2001* ("the Act") for the consolidated entity for the year ended 30 June 2024.

This Remuneration Report outlines the remuneration framework, practices and strategy adopted by APM in accordance with the requirements of the Act and its regulations. The information provided in this Remuneration Report has been audited as required by Section 308 (3C) of the *Corporations Act 2001*. This report details remuneration information pertaining to Directors and Executives who are the "Key Management Personnel" ("KMP").

Dear Shareholder,

On behalf of the Board, I am pleased to present the Company's Remuneration Report for the financial year ended 30 June 2024. This report summarises the Company's Remuneration Framework, policy and practices, how it has been operated during the year under review and how it will be implemented in financial year 2025.

Directors' Report

continued

Remuneration Report (continued)

APM Group in FY24 – Executing on Growth Strategy

The quality of our leadership team and people, and the resilience of our business was evident in FY24 as we continued to execute on our strategy to deliver growth despite more challenging market conditions. Our commitment to providing our clients with high-quality, evidence-based services and the continued execution of our growth strategy can be seen through demonstrated organic growth in existing programs and contracts and in our ability to win and mobilise new contracts. We also continued to diversify geographically and in service delivery, building further resilience and establishing a platform that positions us well for long-term growth.

Remuneration Decisions FY24

A Long Term Incentive award was granted for FY24 which aims to align APM's key long term measures of success. Plan specifics are provided in section 3.3.

The FY22 LTIP with an expected vesting date of 31 August 2024 lapsed on 30 June 2024 because the conditions resulted in hurdles not being met.

In a challenging year, the delivery of growth through strategic objectives were met, however key financial measures were not achieved. For the FY24 Short Term Variable Incentive, in the context of financial year performance the Board has determined that the consideration for Short Term Incentives for executive KMP will be deferred. Further details are provided in section 5.2.

Directors Remuneration FY24

The Board decided that no changes should be made across general base and committee fees for Non-Executive Directors in FY24, other than for the introduction of an Independent Board Committee Fee as detailed in section 4.1.

Remuneration Framework for Directors and Executives in FY25

Independent review and advice undertaken by external consultants was completed for KMP and it is intended the Board will consider changes in the financial year to maintain competitive market positioning where relevant.

Based on prior year independent reviews and advice, the Board does intend to make changes to the FY25 remuneration arrangements for Non-Executive Directors.

APM's remuneration framework will continue to be reviewed annually and adjusted where necessary.

I invite you to review the Remuneration Report that we believe will continue to support APM's business objectives and trust you will find it informative. On behalf of the Board I would invite you to provide any feedback and thank you for your support.

Yours sincerely,

Timothy Sullivan

Chair of the Remuneration and Nomination Committee

Directors' Report

continued

Table of contents

The remuneration report comprises of the following sections:

Directors' Report

continued

1. Persons to whom this report applies

The remuneration disclosures in this report apply to Non-executive Directors ("NEDs") and Executive Officers ("Executives") of APM who have been classified as key management personnel ("KMP") during the financial year ended 30 June 2024 and are set out as follows:

Name	Role	Appointment
Non-Executive Directors		
Elizabeth Q. Betten	Non-executive Director	9 March 2020
William E. Ritchie	Non-executive Director	9 March 2020
Timothy P. Sullivan	Non-executive Director	30 June 2020
Robert Melia	Independent, Non-executive Director	30 June 2020
Simone Blank	Independent, Non-executive Director	23 July 2020
Neville Power	Independent, Non-executive Director	20 October 2021
Benjamin Wyatt	Independent, Non-executive Director	27 October 2022
Executive Officers		
Megan Wynne	Executive Chair	30 June 2020
Michael Anghie	Group Chief Executive Officer ("CEO") and Executive Director	30 June 2020
Steve Fewster	Group Chief Financial Officer ("CFO")	31 May 2021 (Ceased 3 October 2023)
Matthew Cooper	Group Chief Financial Officer ("CFO")	3 October 2023

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the consolidated entity, directly or indirectly, including all Directors (Non-Executive and Executive) of the consolidated entity.

Megan Wynne, Michael Anghie and Matthew Cooper as Executive Chair, Group CEO and Executive Director, and Group CFO respectively, under the supervision of the Board of Directors, have overall authority and responsibility for all operating activities as well as decisions related to the strategic direction of APM and future acquisitions. The KMP are supported by the Executive team who have responsibility for executing decisions taken by the KMP.

2. Remuneration framework

APM has a comprehensive business strategy, underpinned by its vision and values, and which informs its remuneration strategy and objectives.

APM's Vision and Values

APM's vision is to be the most trusted, highest performing, and successful health and human services company in its chosen markets.

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

Directors' Report

continued

2. Remuneration framework (continued)

Enabling Better Lives

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.

Best people and aligned values	Best in class outcomes for our clients and customers	Trusted relationships with key partners	Market Leadership and Sustainable growth

Continued investment in our people, our services and our products

2.1 Remuneration objectives

Based on our vision and values, APM's Board has established a remuneration strategy with key objectives to drive and support the achievement of business strategy. The objectives being:

- Continue to ensure alignment of interests of our people and shareholders to the delivery of sustained results for our customers, clients and community;
- Attract, motivate and retain exceptional people;
- Recognise and reward individual and organisational performance;
- Linking pay to performance, rewarding executive performance for generating high growth returns above threshold levels;
- Reward leadership behaviours that reflect APM's culture, values and code of conduct; and
- Apply robust policies to ensure compliance with our legal obligations.

Based on these objectives, APM has adopted an executive remuneration framework which is comprised of three components being Fixed Pay, Short Term Variable Remuneration ("STVR") and Long Term Incentive Plan ("LTIP"). The mix of STVR and LTIP reflects the necessity to focus on both short term delivery of business plans and longer term, sustainable growth in shareholder value.

2.2 Remuneration governance

The Remuneration and Nomination Committee ("RNC") is responsible for reviewing and making recommendations to the Board on the remuneration arrangements for non-executive Directors, the Executive Chair ("EC"), Group Chief Executive Officer ("CEO"), the Group Chief Financial Officer ("CFO") and other executives. Further information on the RNC Committee's role and responsibilities is contained in its Charter, which is available on the Group's website at www.apminvestors.net.au

To assist in performing its duties, and making recommendations to the Board, the RNC Committee may seek independent advice and data from external consultants on various remuneration related matters. The RNC Committee follows protocols around the engagement and use of external remuneration consultants to ensure compliance with the relevant executive remuneration legislation.

Directors’ Report

continued

2. Remuneration framework (continued)

2.2 Remuneration governance (continued)

During FY24, the RNC received advice from Aon on matters including remuneration benchmarking. The RNC did not seek, nor receive, a remuneration recommendation (as defined in the *Corporations Act 2001* (Cth)) from any external remuneration consultant during FY24.

Our Framework

	Fixed Pay	**Variable Remuneration**	
		Short Term Variable Remuneration	**Long Term Incentive Plan**
Purpose	To pay executives competitively and fairly, relative to the market and consider other factors, including individual experience, calibre and performance levels.	To reward participants for performance against annual objectives that focus on the delivery of business plans and contribute to APM’s long term strategy.	To align the interests of participants and shareholders and to reward participants for delivering on APM’s long term strategy and long term value creation for shareholders.
Delivery	Base Salary and Superannuation.	100% delivered in cash.	Performance Rights to receive APM shares subject to performance and service conditions over a 3-year measurement period.
APM Approach for FY24	The APM Board considers relevant remuneration market data for each role, and exercises discretion in positioning each role against the market based on local geographic practice, capability, individual performance and the duties and responsibilities of the role.	Variable remuneration is set as a % of base	
		% of Base Salary for KMP: Target: 50% Stretch: 75% Performance conditions: • Underlying NPATA >$178.2 million • Execution of Growth Strategy • Individual performance goals specific to each KMP’s role.	% of Base Salary for KMP: Target: 50% Stretch: 100%+ Vesting is subject to three independent performance measures: • Indexed TSR (“iTSR”) measure, which requires outperformance of the ASX 300 Industrial Total Return Index – applies to 35% of Performance Rights • Earnings per Share (“EPS”) measure which requires growth in underlying EPS to meet compound annual growth targets – applies to 35% of Performance Rights • Strategic Objective measure which requires achievement of specific strategic goals – applies to 30% of Performance Rights

Directors' Report

continued

2. Remuneration framework (continued)

2.3 Remuneration mix

Remuneration mix refers to the proportion of Total Remuneration that is made up of each remuneration component.

The Board actively reviews APM's remuneration framework and mix. The current mix is viewed as appropriate for the size and scale of APM.

The Board retains discretion to make necessary adjustments to ensure remuneration mix and incentive outcomes are appropriate and aligned to shareholder returns.

Target Remuneration Mix	Base Salary	Target STVR	Target LTIP
Megan Wynne	50%	25%	25%
Michael Anghie	50%	25%	25%
Steve Fewster[1]	50%	25%	25%
Matthew Cooper[2]	50%	25%	25%
Maximum Remuneration Mix	**Base Salary**	**Maximum STVR**	**Maximum LTIP**
Megan Wynne	37%	27%	36%
Michael Anghie	37%	27%	36%
Steve Fewster[1]	37%	27%	36%
Matthew Cooper[2]	37%	27%	36%

3. Executive remuneration

3.1 Fixed pay

APM's remuneration philosophy is to set market competitive fixed remuneration to attract, retain and motivate people of the highest quality and with the best skills from the industries in which the Company operates. When setting fixed remuneration the Board is mindful of relevant market data, but also considers other important factors which influence the setting of individual remuneration such as local geographic practice, capability, individual performance and the duties and responsibilities of the role.

Additionally, APM leverages its incentives framework to link pay to performance and drive sustainable outcomes.

1. Ceased as a KMP on 3 October 2023.
2. Commenced as a KMP on 3 October 2023.

Directors' Report

continued

3. Executive remuneration (continued)

3.2 Short term variable remuneration plan

The table below outlines key features of the FY24 STVR for Executives:

Term	Description
What is the purpose of the plan?	The STVR aims to reward eligible participants for their contribution towards the achievement of APM's strategy, whilst at the same time links rewards to the short term performance that creates the long-term, sustained growth and profitability for the Company's shareholders.
What is the measurement period of this plan?	Annual plan – financial year. Incentive payments are determined in line with approval of the financial statements following the end of the financial year.
How is the award delivered?	The STVR is paid 100% in cash.
What is the STVR potential opportunity?	Potential Target Earnings: Executives have a recommended variable percentage of their Base Pay as a potential payout based on their position level. The STVR target opportunity for KMP is 50% of Base Salary and the maximum opportunity is 75% of Base Salary 150% of STVR target opportunity for outperformance.
Who are the participants?	The Board has the discretion to determine which employees are eligible to participate in the STVR Plan. At the end of the year considering outcomes against performance measures, and also any other results through the year (that were not reflected in the objectives), and how the performance was delivered (through demonstrating strong leadership aligned with APM's values), the Board will determine the STVR awards. In FY24, all KMP participated in the STVR.
What are the performance metrics?	The STVR performance measures comprise Group financial metrics and individual key performance indicators. These measures are selected and reviewed annually by the Board as most relevant to APM to enable the Board to assess the short-term (annual) financial performance of the Group. APM strategic and operational objectives are assigned to each Executive to drive specific outcomes considered to be of strategic importance to APM within that individual's level of responsibility. For FY24, the STVR performance measures were weighted to the financial metric of underlying NPATA.
What discretion does the Board have?	The Board has final discretion over annual incentive payments and awards to ensure outcomes appropriately reflect performance and achieve objectives of the annual incentive scheme.

Directors' Report

continued

3. Executive remuneration (continued)

3.3 Long term incentive plan

The table below outlines key features of the FY24 LTIP for Executives:

Term	Description
What is the purpose of the plan?	The LTIP aims to reward eligible participants for their contribution towards the achievement of APM's strategy, whilst linking incentive outcomes to the creation of long-term, sustained growth and profitability for the Company's shareholders.
What is the measurement period of the plan?	Three-year measurement period from 1 July 2023 to 30 June 2026.
How is the award delivered?	The LTIP is delivered in the form of Performance Rights to receive APM shares, subject to the achievement of performance conditions and the participant's continued employment.
What is the opportunity for KMP?	The LTIP target opportunity for KMP is 50% of Base Salary and the maximum opportunity is 150% of Base Salary.
Who are the participants?	The Board has the discretion to determine which employees are eligible to participate in the LTIP, and the number of Rights they will be offered. In FY24, all KMP participated in the LTIP. Non-Executive Directors are excluded from eligibility.
What are the performance metrics and vesting schedules?	The performance measures, targets and vesting schedules for the LTIP are reviewed each year, to ensure they align with the APM strategy and the interests of shareholders. For the FY24 LTIP, Performance Rights are subject to three independent performance measures: • The iTSR measure applies to 35% of Performance Rights and requires outperformance of the ASX 300 Industrial Total Return Index. The iTSR measure has been chosen as it is a direct link between reward earned and APM's shareholder return relative to APM's ASX-listed peers. • The EPS measure applies to 35% of Performance Rights and requires growth in underlying EPS to meet compound annual growth rate (CAGR) targets. The EPS measure has been chosen to reward achievement of growth targets for the key financial metric of Group earnings over a multi-year period. • The Strategic Objective measure applies to 30% of Performance Rights and requires specific strategic goals to be met over the measurement period. The Strategic Objective measure has been chosen to align reward with the achievement of critical long-term goals relating to the growth in APM's existing business, the pursuit of new markets and execution of strategic mergers and acquisitions. Achievement of the Strategic Objective goals will be assessed by the Board over the three-year measurement period. The hurdles and vesting schedules for each of the performance measures are set out in the tables below.

iTSR measure – applies to 35% of Performance Rights

Performance achieved	APM TSR per annum compared to TSR of ASX 300 Industrial TR Index	% of grant vesting
Stretch	≥Index TSR + 8% TSR	100%
Target	**Index TSR + 4% TSR**	**50%**
Threshold	=Index TSR	25%
Below Threshold	< Index TSR	0%

Directors' Report

continued

3. Executive remuneration (continued)

3.3 Long term incentive plan (continued)

Term	Description
What are the performance metrics and vesting schedules? (continued)	**EPS measure – applies to 35% of Performance Rights** **Performance achieved** / **APM EPS CAGR** / **% of grant vesting** Stretch / 17% or more / 100% **Target** / **15%** / **50%** Threshold / 13% / 25% Below Threshold / Less than 13% / 0% **Strategic Objective measure – applies to 30% of Performance Rights** **Performance achieved** / **% of grant vesting** Stretch / 100% **Target** / **50%** Below Threshold / 0% For each of the performance measures, straight line vesting will apply for performance achieved between threshold and target, and for performance between target and stretch.
What happens if an Executive ceases 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, Board discretion will apply. Vested Rights held following termination of employment must be exercised within a period to be determined by the Board.
What occurs if there is a 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.
What are the 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.
What discretion does the Board have?	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.
How are the LTIP grants' calculated?	The number of Performance Rights granted to each Executive is determined by the formula: No. of Rights = Maximum LTIP opportunity ÷ value of a Right The value of a Right for this purpose is calculated ignoring the performance conditions that apply, and is based on the Volume Weighted Average Share Price less expected annual dividends over 3 years.

EPS measure – applies to 35% of Performance Rights

Performance achieved	APM EPS CAGR	% of grant vesting
Stretch	17% or more	100%
Target	**15%**	**50%**
Threshold	13%	25%
Below Threshold	Less than 13%	0%

Strategic Objective measure – applies to 30% of Performance Rights

Performance achieved	% of grant vesting
Stretch	100%
Target	**50%**
Below Threshold	0%

Directors' Report

continued

4. Non-executive Director remuneration

The Board sets NED remuneration at a level which enables the attraction and retention of Directors with diverse background and experience, at an acceptable cost to shareholders. NED remuneration which consists of base fees and Committee fees is intended to be positioned around P50 of market benchmarks with variations between each NED reflecting different Committee memberships.

NED fees include any statutory superannuation contributions.

4.1 Fee pool

The maximum aggregate amount of annual fees payable to NEDs is approved by shareholders in accordance with the requirements of the *Corporations Act 2001*. The current fee pool is $1,500,000 as approved in the Constitution at the time of APM's IPO.

The following annual base fees and annual committee fees are payable to the Chair and Members of the Audit and Risk Management Committee, Remuneration and Nomination Committee and Finance and Investment Committee.

Additionally, in FY24 APM formed an Independent Board Committee ("IBC") to lead and assess the approaches made to the Company from third parties during the year. The work undertaken by the IBC commenced in January 2024 and is expected to continue until the results of the proposed scheme of arrangement are known in the first half of FY25. The Company intends to pay the additional fees to the IBC Directors in recognition of the significant additional time, work and effort exerted serving on the IBC. The relevant fees will be payable regardless of the outcome of the Scheme Meeting and whether the Scheme is implemented or not.

Non Executive Director	Annual Fee Base ($)	Audit & Risk Management ($)	Remuneration & Nomination ($)	Finance & Investment ($)	Independent Board ($)	Board Package Total ($)
Elizabeth Q. Betten	150,000	10,000	10,000	10,000	–	180,000
William E. Ritchie	150,000	–	–	20,000[3]	–	170,000
Timothy P. Sullivan	150,000	–	20,000[3]	10,000	–	180,000
Robert Melia	150,000	10,000	–	10,000	50,000	220,000
Simone Blank	150,000	20,000[3]	–	–	50,000	220,000
Neville Power	225,000[4]	–	10,000	–	85,000	320,000
Benjamin Wyatt	150,000	–	10,000	–	50,000	210,000
Total	**1,125,000**	**40,000**	**50,000**	**50,000**	**235,000**	**1,500,000**

Megan Wynne is paid a salary as an Executive and does not receive fees for her role as Chair. Michael Anghie is paid a salary as an Executive and does not receive fees for his role as a Director.

3. Chair of Committee.
4. This fee has included $75,000 which relates to Mr Neville Power's appointment as the Lead Independent Non-Executive Director on 26 May 2023 which was effective to be paid from 1 July 2023.

Directors' Report

continued

5. Link between Group performance and executive remuneration outcomes

The table and chart below show APM's financial performance over the past four financial years. Understanding APM's performance over the financial year, and the longer-term, will provide shareholders with important context when reviewing APM's remuneration framework in the following pages.

APM's total income increased by $401.3 million (21.2%) to $2,297.7 million in FY24. This growth is attributable to a full year contribution from businesses acquired part way through FY23, new contract wins and contract ramp up in North America. The Underlying NPATA decreased by $83.1 million (46.6%) to $95.1 million in the same period which reflects the reduced contribution from Employment Services, increasing interest expense, only being partially offset by continued investment and scaling in the health and NDIS business.

5.1 APM financial performance

The following table summarises key indicators of APM's financial performance for FY24 and corresponding results for prior financial years:

Key financials ($) in millions	30 June 2024	30 June 2023	30 June 2022	30 June 2021
Total income	2,297.7	1,896.4	1,330.7	1,016.4
(Loss)/profit before tax	(212.7)	145.3	28.9	8.7
Net (loss)/profit after tax ("NPAT")	(219.6)	108.7	40.7	(1.9)
Dividends	45.9	91.7	–	–
NPAT before amortisation ("NPATA")[5]	(166.6)	158.5	92.4	48.9
Underlying NPATA[6]	95.1	178.2	166.3	128.6
Underlying NPATA margin	4.1%	9.4%	12.5%	12.7%

The closing price on 30 June 2024 was $1.39 (2023: $2.12).

ASX: APM share price

5.2 Executive performance and STVR outcomes

In a challenging year, the delivery of growth through strategic objectives were met, however key financial measures were not achieved. For the FY24 Short Term Variable Incentive, in the context of financial year performance the Board has determined that the consideration for Short Term Incentives for executive KMP will be deferred.

5. NPATA is a non-IFRS measure that is unaudited but derived from audited financial statements. This measure is presented to provide further insight into APM's performance and has been calculated as defined in the Review of Operations and Activities section of the Annual Report.
6. Underlying NPATA is a non-IFRS measure that is unaudited but derived from audited financial statements. This measure is presented to provide further insight into APM's performance and has been calculated as defined in the Review of Operations and Activities section of the Annual Report.

Directors' Report

continued

5. Link between Group performance and executive remuneration outcomes (continued)

5.3 Executive remuneration

The table below has been prepared in accordance with the requirements of the *Corporations Act 2001* and relevant Australian Accounting Standards. The figures provided under the equity component are based on accounting values and do not reflect actual cash amounts received by executives in FY24.

	Short-term benefits		Long-term benefits[7]		Post Employment Benefits	Long term incentive plan			
30 June 2024 Executive	Base Salary ($)	Short-term incentive entitlement[8] ($)	Annual Leave ($)	Long Service Leave ($)	Super-annuation benefits[9] ($)	Performance Rights[10] ($)	Total Remun-eration ($)	Perfor-mance-based Pay ratio %	Rights-based Pay ratio %
Megan Wynne	750,000	–	14,423	12,500	27,399	219,948	1,024,270	21%	21%
Michael Anghie	2,100,000	–	40,385	35,001	27,399	615,825	2,818,610	22%	22%
Steve Fewster[11]	164,769	–	(7,456)	2,746	8,627	(183,395)	(14,709)	N/A	N/A
Matthew Cooper[12]	361,538	–	5,917	6,026	20,126	108,647	502,254	22%	22%
Total	**3,376,307**	**–**	**53,269**	**56,273**	**83,551**	**761,025**	**4,330,425**		

	Short-term benefits		Long-term benefits		Post Employment Benefits	Long term incentive plan			
30 June 2023 Executive	Base Salary ($)	Short-term incentive entitlement ($)	Annual Leave ($)	Long Service Leave ($)	Super-annuation benefits ($)	Performance Rights ($)	Total Remun-eration ($)	Perfor-mance-based Pay ratio %	Rights-based Pay ratio %
Megan Wynne	750,000	375,000	–	12,500	25,292	179,263	1,342,055	41%	13%
Michael Anghie	2,100,000	1,050,000	–	35,001	25,292	501,938	3,712,231	42%	14%
Steve Fewster	630,000	315,000	–	10,495	25,292	147,046	1,127,833	41%	13%
Total	**3,480,000**	**1,740,000**	**–**	**57,996**	**75,876**	**828,247**	**6,182,119**		

7. In accordance with AASB 119 Employee benefits, long service leave and annual leave is classified as other long term employee benefit. The amounts disclosed in these columns represent the movement in the associated provisions. Negative values represent instances where annual leave utilised exceeds annual leave accrued.
8. In the context of financial year performance, the Board has determined that the consideration for Short Term Incentives for executive KMP will be deferred. For the purpose of remuneration reporting requirements, the maximum amount payable is between nil and 100%, representing $375,000 for Megan Wynne, $1,050,000 for Michael Anghie and $250,000 for Matthew Cooper. Refer to 3.2 for STVI plan details.
9. Superannuation benefits represents amounts paid or payable related to services received during the year.
10. Performance rights represents the accrued expenses amortised over the relevant vesting period and these related to the LTIPs granted across FY22, FY23 & FY24. Negative values represent reversals of non-cash accounting expense.
11. Ceased as a KMP on 3 October 2023, total remuneration relates to period employed as KMP is stated above. In November 2023, Steve Fewster ceased employment with APM and a further $315,000 was paid in lieu of notice.
12. Commenced as a KMP on 3 October 2023, total remuneration relates to period employed as KMP. In addition to the above, Matthew Cooper holds 568,181 ordinary shares for which the Group has recognised a share based payment expense of $213,579 in the Consolidated Statement of Profit or Loss and Other Comprehensive Income during FY24 as part of a limited recourse loan arrangement.

Directors' Report

continued

5. Link between Group performance and executive remuneration outcomes (continued)

5.4 FY24 LTIP outcomes

The FY22 LTIP with an expected vesting date of 31 August 2024 lapsed on 30 June 2024 because the conditions became unable to be satisfied.

6. Statutory disclosures

6.1 Statutory non-executive Directors' remuneration

The table below has been prepared in accordance with the requirements of the *Corporations Act 2001* and relevant Australian Accounting Standards.

30 June 2024 NEDs	Fees and superannuation[13] ($)	Other fees payable[14] ($)	Non-monetary benefits ($)	Total remuneration ($)
Elizabeth Q. Betten	180,000	–	–	180,000
William E. Ritchie	170,000	–	–	170,000
Timothy P. Sullivan	180,000	–	–	180,000
Robert Melia	170,000	50,000	–	220,000
Simone Blank	170,000	50,000	–	220,000
Neville Power	235,000	85,000	–	320,000
Benjamin Wyatt	160,000	50,000	–	210,000
Total	**1,265,000**	**235,000**	**–**	**1,500,000**

30 June 2023 NEDs	Fees and superannuation ($)	Other fees paid ($)	Non-monetary benefits ($)	Total remuneration ($)
Elizabeth Q. Betten	180,000	–	–	180,000
William E. Ritchie	170,000	–	–	170,000
Timothy P. Sullivan	180,000	–	–	180,000
Robert Melia	170,000	–	–	170,000
Simone Blank	170,000	–	–	170,000
Neville Power	160,000	–	–	160,000
Benjamin Wyatt[15]	111,711	–	–	111,711
Total	**1,141,711**	**–**	**–**	**1,141,711**

6.2 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.

13. Excludes GST.
14. Fees related to Independent Board Committee membership, refer to 4.1.
15. Benjamin Wyatt was appointed as NED on 27 October 2022.

Directors' Report

continued

6. Statutory disclosures (continued)

6.3 Rights held by KMP

The following table details the number, value and vesting periods of the LTIP performance rights held by KMPs:

					Lapsed		
Executives	**Grant date**	**Number of rights granted**	**Fair value at grant date**	**Final date of measurement period**	**Number of rights**	**% of total rights lapsed**	**Value of rights lapsed**
Megan Wynne	26-Nov-21	225,568	1.10	30-June-24	(225,568)	100%	247,674
	11-Aug-23	86,548	0.61	30-June-25	–	–	–
	11-Aug-23	160,732	1.81	30-June-25	–	–	–
	10-Nov-23	144,868	0.85	30-June-26	–	–	–
	10-Nov-23	269,040	1.63	30-June-26	–	–	–
Michael Anghie	26-Nov-21	631,591	1.10	30-June-24	(631,591)	100%	693,408
	11-Aug-23	242,334	0.61	30-June-25	–	–	–
	11-Aug-23	450,049	1.81	30-June-25	–	–	–
	10-Nov-23	405,629	0.85	30-June-26	–	–	–
	10-Nov-23	753,311	1.63	30-June-26	–	–	–
Matthew Cooper	20-June-22	37,595	0.98	30-June-24	(37,595)	100%	36,993
	11-Aug-23	72,700	0.61	30-June-25	–	–	–
	11-Aug-23	135,015	1.81	30-June-25	–	–	–
	03-Jan-24	135,210	1.15	30-June-26	–	–	–
	03-Jan-24	251,103	1.15	30-June-26	–	–	–

No LTIP performance rights vested during the year.

Directors' Report

continued

6. Statutory disclosures (continued)

6.3 Rights held by KMP (continued)

The following table details the movement throughout FY24 of the LTIP performance rights held by KMPs:

Executive & grant date	Opening balance 1 July 2023	Granted[16]	Vested Number	Vested %	Exercised	Lapsed / forfeited Number	Closing balance Vested	Closing balance Unvested	Closing balance Maximum value yet to vest
Megan Wynne									
Nov-21	225,568	–	–	–%	–	(225,568)	–	–	15,011
Aug-23	–	247,280	–	–%	–	–	–	247,280	76,656
Nov-23	–	413,907	–	–%	–	–	–	413,907	222,670
Michael Anghie									
Nov-21	631,591	–	–	–%	–	(631,591)	–	–	42,025
Aug-23	–	692,384	–	–%	–	–	–	692,384	214,636
Nov-23	–	1,158,940	–	–%	–	–	–	1,158,940	623,477
Steve Fewster									
Nov-21	180,454	–	–	–%	–	(180,454)	–	–	–
Aug-23	–	207,715	–	–%	–	(207,715)	–	–	–
Matthew Cooper									
Jun-22	37,595[17]	–	–	–%	–	(37,595)	–	–	2,856
Aug-23	–	207,715	–	–%	–	–	–	207,715	89,084
Jan-24	–	386,313	–	–%	–	–	–	386,313	131,071

6.4 KMP service agreements

The following table summarises contractual arrangements of the Executive:

Contract details[18]

	Megan Wynne	Michael Anghie	Matthew Cooper
Base pay per contract; excluding superannuation	$750,000	$2,100,000	$500,000
Notice and severance	Megan Wynne or Serendipity may terminate the agreement on 12 months' notice or, in Serendipity's case, payment in lieu of notice.	Michael Anghie or Serendipity may terminate the agreement on 12 months' notice or, in Serendipity's case, payment in lieu of notice.	Matthew Cooper 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 the Executive engages in serious misconduct.		
Restraints	Megan Wynne and Michael Anghie's employment contracts also include a restraint of trade period of 36 months following termination, and Matthew Cooper's employment contract include a restraint of trade period of 24 months following termination. Enforceability of such restraint of trade is subject to all usual legal requirements.		

16. Rights may be exercised at any time after the vesting date and before expiry (which is 15 years from the date of grant), following the release of the Company's results.
17. Opening balance of Matthew Cooper's LTIP performance rights are from 3 October 2023 when he commenced as a KMP.
18. Under the *Corporations Act 2001*, broadly the Termination Benefit Limit is 12 months average Salary (over prior 3 years) unless shareholder approval is obtained.

Directors' Report

continued

6. Statutory disclosures (continued)

6.5 Shares held by KMP

The following table sets out the movement in shares held by the NEDs and KMPs or their related parties directly or indirectly:

Ordinary shares – numbers	Balance at the start of the financial year	Purchased/ (disposed)	Transfers	Other Changes	Balance at the end of the financial year
NEDs					
Elizabeth Q. Betten	–	–	–	–	–
William E. Ritchie	–	–	–	–	–
Timothy P. Sullivan	–	–	–	–	–
Robert Melia[19]	1,565,856	100,000	–	–	1,665,856
Simone Blank	468,241	–	–	–	468,241
Neville Power[20]	1,071,510	–	–	–	1,071,510
Benjamin Wyatt[21]	333,617	–	–	–	333,617
Executives					
Megan Wynne[22]	314,330,868	4,250,000	–	–	318,580,868
Michael Anghie[23]	21,455,657	500,000	–	–	21,955,657
Steve Fewster[24]	3,336,507	–	–	(3,336,507)	–
Matthew Cooper[25]	910,949	–	–	–	910,949

19. Balance of shares at the end of financial year 30 June 2024, held indirectly by Robert Melia through Melia Holdings LLC was 592,820.
20. Balance of shares at the end of financial year 30 June 2024, held indirectly by Neville Power through Power Invest Pty Ltd was 549,600. Included in this balance are 521,910 ordinary shares, which on IPO, had an unpaid exercise price attached to them (historically known as Series C shares). See footnote 26 for the terms.
21. The opening balance disclosed reflects the shares held when Benjamin Wyatt commenced as a NED. Included in this balance are 250,780 ordinary shares, which on IPO, had an unpaid exercise price attached to them (historically known as Series C shares). See footnote 26 for the terms.
22. The interests of Megan Wynne include shares held by her related party Dr Bruce Bellinge, through Bellinge Holdings Pty Ltd and Talda Pty Ltd which totalled 102.7 million ordinary shares at 30 June 2024.
23. Balance of shares at the end of financial year 30 June 2024, held indirectly by Michael Anghie through Wattle (WA) Pty Ltd was 1,226,789, which included 14,085 of dependent shares.
24. Balance of shares held by Steve Fewster have been classified under other changes due to ceasing as a KMP on 3 October 2023. The unpaid exercise price attached was settled in FY24.
25. The opening balance disclosed reflects the shares held when Matthew Cooper commenced as a KMP on 3 October 2023. Included in this balance are 568,181 ordinary shares for which the Group has recognised a share based payment expense of $213,579 in the Consolidated Statement of Profit or Loss and Other Comprehensive Income during FY24 as part of a limited recourse loan arrangement. This is due to be settled on the earlier of ceasing employment with the Company, or one day prior to the 20th anniversary of the draw down date. The amount payable shall be the lower of the outstanding balance and the market value of the shares at repayment date. The amount payable if the loan were to be settled at 30 June 2024 is $789,772.
26. Following the vesting of Series C shares, any unpaid exercise price attached to these former Series C shares was repayable either within 6 months after the end of the first relevant escrow period, or upon ceasing employment with the Company, where the amount to be paid shall be the lower of the outstanding balance (FY24: Neville Power: $435,795, Benjamin Wyatt: $209,401, FY23: Neville Power: $435,795, Benjamin Wyatt: $209,401; Steve Fewster: $214,335) and the market value of shares at the end of the escrow period. The associated share based payment was expensed in full during FY22 due to the accelerated vesting of Series C Shares on IPO.

Directors' Report

continued

6. Statutory disclosures (continued)

6.6 Loans with KMP and their related parties

Please refer to 6.5 in relation to the unpaid exercise price for ordinary shares and limited recourse loan arrangements. There are no other loans made to/with KMPs or loan balances owing to/from KMPs or their related parties for FY24.

6.7 Other transactions with KMP

The Group operates part of its business from premises leased from entities controlled by Director Megan Wynne or her closely related party. The rental payments on the two property leases under normal commercial terms were $1,017,740 for the year ended 30 June 2024. There is no balance outstanding to be paid at 30 June 2024.

End of Remuneration Report.

Performance rights

The Company agreed to award incentive shares to key management personnel and selected employees subject to the satisfaction of specified vesting and other conditions. A full description of the terms of those incentive shares, including the number of Rights issued, is contained in Note 22. Unissued ordinary shares of the Company under Rights at the date of this report are shown below:

Date Rights Granted	Number of Rights Granted	Issue Price for the Rights
11-Aug-23	939,664	$1.94
11-Aug-23	3,369,880	$1.94
10-Nov-23	1,572,847	$1.76
03-Jan-24	386,313	$1.24
12-Jan-24	6,095,475	$1.34
Total Rights issued	**12,364,179**	

Directors' Report

continued

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 79.

Audit and non-audit services

Details of the amounts paid or payable to the auditor (PricewaterhouseCoopers Australia) for audit and non-audit services during the year are disclosed in Note 30 Auditor's remuneration.

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

The Board of Directors, in accordance with advice provided by the audit committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor, and
- none of the services undermine the general principles.

Proceedings on behalf of the Company

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001.*

Rounding of amounts

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

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

Michael Anghie
Group Chief Executive Officer & Executive Director

Perth
29 August 2024

Auditor's Independence Declaration

Auditor's Independence Declaration

As lead auditor for the audit of APM Human Services International Limited for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of APM Human Services International Limited and the entities it controlled during the period.

Craig Heatley
Partner
PricewaterhouseCoopers

Perth
29 August 2024

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T: +61 8 9238 3000, F: +61 8 9238 3999, www.pwc.com.au

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2024

	Note	30 June 2024 $'000	30 June 2023 $'000
Revenue from contracts with customers	4	2,294,403	1,893,806
Other income	5	3,251	2,638
Total income		**2,297,654**	**1,896,444**
People costs	5	(1,527,869)	(1,212,612)
Client support costs		(246,252)	(130,012)
Administration	5	(124,489)	(92,228)
Marketing		(12,072)	(14,559)
Travel expenses		(19,657)	(18,389)
Occupancy expenses	5	(81,218)	(73,109)
Other operating costs	5	(35,551)	(28,148)
Other gains	5	36,619	15,886
Impairment	14	(269,102)	–
Depreciation and amortisation	5	(152,718)	(139,987)
Net finance costs	7	(78,083)	(57,989)
(Loss)/profit before income tax		**(212,738)**	**145,297**
Income tax expense	6	(6,828)	(36,597)
(Loss)/profit for the year		**(219,566)**	**108,700**
(Loss)/profit is attributable to			
Owners of APM Human Services International Limited		(220,742)	107,375
Non-controlling interests		1,176	1,325
		(219,566)	**108,700**
Other comprehensive loss, net of tax			
Exchange differences on translation of foreign operations		(5,625)	(4,976)
Other comprehensive loss		(322)	(33)
Other comprehensive loss for the year		**(5,947)**	**(5,009)**
Total comprehensive (loss)/income for the year		**(225,513)**	**103,691**
Total comprehensive (loss)/income for the year attributable to:			
Owners of APM Human Services International Limited		(226,689)	102,366
Non-controlling interests		1,176	1,325
		(225,513)	**103,691**

	Note	30 June 2024 Cents	30 June 2023 Cents
Earnings per share attributable to the ordinary equity holders of the Company:			
Basic (loss)/earnings per share	8	(24.07)	11.71
Diluted (loss)/earnings per share	8	(24.07)	11.71

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 30 June 2024

	Note	30 June 2024 $'000	30 June 2023 $'000
Current assets			
Cash and cash equivalents	9	115,870	106,846
Trade and other receivables	10	207,456	195,856
Accrued revenue	4	308,423	337,795
Inventory		415	–
Current tax assets		5,697	3,901
Prepayments	11	62,991	43,639
Total current assets		**700,852**	**688,037**
Non-current assets			
Property, plant and equipment	13	40,683	49,019
Right-of-use assets	12	116,480	135,728
Intangible assets	14	1,889,186	2,199,790
Prepayments	11	11,715	27,209
Other non-current assets		12,431	12,548
Deferred tax assets	6	19,582	38,385
Total non-current assets		**2,090,077**	**2,462,679**
Total assets		**2,790,929**	**3,150,716**
Current liabilities			
Trade and other payables	15	74,161	67,312
Accrued expenses	15	137,979	141,090
Interest-bearing liabilities	16	61,603	64,739
Current tax liabilities		5,792	9,109
Deferred revenue	4	107,285	78,122
Provisions	17	57,624	57,543
Other current liabilities	25	27,330	2,734
Total current liabilities		**471,774**	**420,649**
Non-current liabilities			
Interest-bearing liabilities	16	996,409	962,974
Deferred tax liabilities	6	50,937	96,608
Provisions	17	23,619	34,139
Other non-current liabilities	25	10,160	78,268
Deferred revenue	4	17,145	60,536
Total non-current liabilities		**1,098,270**	**1,232,525**
Total liabilities		**1,570,044**	**1,653,174**
Net assets		**1,220,885**	**1,497,542**
EQUITY			
Contributed equity	18	1,449,630	1,449,630
Other reserves	18	(22,615)	(13,949)
Retained earnings		(212,206)	54,717
Equity attributable to the owners of APM		**1,214,809**	**1,490,398**
Non-controlling interests		6,076	7,144
Total Equity		**1,220,885**	**1,497,542**

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

Consolidated Statement of Changes in Equity

For the year ended 30 June 2024

	Note	Share capital $'000	Reserves $'000	Retained earnings $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 July 2022		**1,449,630**	**(12,489)**	**39,093**	**3,528**	**1,479,762**
Profit for the year		–	–	107,375	1,325	108,700
Other comprehensive loss		–	(4,976)	(33)	–	(5,009)
Total comprehensive income/ (loss) for the year		**–**	**(4,976)**	**107,342**	**1,325**	**103,691**
Adjustment in put options		–	4,695	–	–	4,695
Distribution to minority interests		–	–	–	(1,221)	(1,221)
Dividends paid	19	–	–	(91,718)	–	(91,718)
Adjustment to ownership interests		–	(306)	–	306	–
Employee share schemes	22(b)	–	1,816	–	–	1,816
Transactions with NCI		–	(2,689)	–	2,689	–
Adjustment for non-controlling interests on acquisition		–	–	–	517	517
Balance at 30 June 2023		**1,449,630**	**(13,949)**	**54,717**	**7,144**	**1,497,542**

	Note	Share capital $'000	Reserves $'000	Retained earnings $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 July 2023		**1,449,630**	**(13,949)**	**54,717**	**7,144**	**1,497,542**
(Loss)/profit for the year		–	–	(220,742)	1,176	(219,566)
Other comprehensive loss		–	(5,625)	(322)	–	(5,947)
Total comprehensive income/ (loss) for the year		**–**	**(5,625)**	**(221,064)**	**1,176**	**(225,513)**
Adjustment to put options		–	824	–	–	824
Distribution to minority interests		–	–	–	(1,283)	(1,283)
Dividends paid	19	–	–	(45,859)	–	(45,859)
Employee share schemes	22(b)	–	(201)	–	–	(201)
Non-controlling interests on acquisition of subsidiary		–	(3,664)	–	(961)	(4,625)
Balance at 30 June 2024		**1,449,630**	**(22,615)**	**(212,206)**	**6,076**	**1,220,885**

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

Consolidated Statement of Cash Flows

For the year ended 30 June 2024

	Note	30 June 2024 $'000	30 June 2023 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST and VAT)		2,475,159	2,013,509
Payments to suppliers and employees (inclusive of GST and VAT)		(2,238,974)	(1,770,972)
Interest received		1,338	1,118
Income tax paid		(38,810)	(39,298)
Net cash flows from operating activities	23	**198,713**	**204,357**
Cash flows used in investing activities			
Payment for property, plant and equipment		(9,491)	(18,479)
Payment for intangibles		(18,305)	(28,138)
Receipts for security deposits		804	1,044
Payment for acquisition of subsidiaries, net of cash acquired	3	(9,963)	(283,831)
Proceeds from sale of property, plant and equipment		32	33
Net cash used in investing activities		**(36,923)**	**(329,371)**
Cash flows from financing activities			
Proceeds from borrowings		70,680	363,724
Repayment of borrowings		(34,675)	(98,146)
Principal elements of lease payments		(71,661)	(61,206)
Interest paid		(69,968)	(50,966)
Distribution to minority holders		(1,283)	(1,220)
Dividends paid to company shareholders	19	(45,859)	(91,718)
Net cash (used in)/from financing activities		**(152,766)**	**60,468**
Net increase/(decrease) in cash and cash equivalents held		9,024	(64,546)
Cash and cash equivalents at beginning of year		106,846	171,392
Cash and cash equivalents at end of the year		**115,870**	**106,846**
Non-cash financing and investment activities	23(b)		

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

1. About this report

APM Human Services International Limited (referred to as "APM") is a for-profit company limited by shares incorporated and domiciled in Australia. The nature of the operations and principal activities of APM and its subsidiaries (referred to as "the Group") are described in the segment information.

The consolidated financial report of the Group for the year ended 30 June 2024 was authorised for issue in accordance with a resolution of the Directors on 29 August 2024.

The financial report is a general-purpose financial report which:

- Has been prepared in accordance with the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001*;
- Comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB");
- Has been prepared on a historical cost basis other than certain financial assets and liabilities (including derivative financial instruments) measured at fair value;
- Is presented in Australian dollars with all values rounded to the nearest thousand dollars ($'000) unless otherwise stated, in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191; and
- Except as outlined in Note 31(i), has not early adopted Accounting Standards and Interpretations that have been issued or amended but are not yet effective.

Certain comparative figures have been reclassified to conform to the current year presentation.

(a) Significant changes in the current year

The Group recorded an impairment charge of $269.1 million during the year, refer to Note 14(c).

For a detailed discussion about the Group's performance and financial position please refer to our review of operations in the Directors' report.

(b) Critical estimates, judgements and errors

In the process of applying the Group's accounting policies, management has made a number of judgements and applied estimates of future events. 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 in the following notes:

- Revenue from contracts with customers – Note 4
- Income tax expense – Note 6
- Leases – Note 12
- Intangible assets – Note 14
- Provisions – Note 17
- Financial instruments and risk management – Note 20
- Share-based payments – Note 22
- Other liabilities – Note 25

Notes to the Consolidated Financial Statements

continued

1. About this report (continued)

(c) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group. A list of controlled entities (subsidiaries) at year end is contained in Note 29.

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.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains or losses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

Notes to the Consolidated Financial Statements

continued

1. About this report (continued)

(e) Impairment of assets

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

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

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

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

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.

The Group recorded an impairment charge of $269.1 million during the year, refer to Note 14.

(f) Other accounting policies

Material accounting policies that summarise the measurement basis used and are relevant to an understanding of the consolidated financial statements are provided throughout the notes to the consolidated financial statements.

Notes to the Consolidated Financial Statements

continued

2. Segment information

(a) Description of segments

The Group operates in the health and human services industry across eleven countries, and it considers its operating segments to be the geographical regions it operates in.

The Group's Executive Office consisting of the Executive Chair, Group Chief Executive Officer and Group Chief Financial Officer (the chief operating decision makers or "CODM's") examine the Group's performance from a geographic perspective and have identified three reportable segments of its business.

The Group have identified and aggregated the operating segments as follows:

- ANZ (including Australia and New Zealand) – Employment Services, Health and Wellbeing, Communities and Assessment, Disability and Aged Care Support Services
- North America (including Canada and the USA) – Employment Services, Health and Wellbeing
- Rest of World (including South Korea, Singapore, Germany, Switzerland, Sweden, Spain, and the UK) – Employment Services, Health and Wellbeing, Communities and Assessment

The CODM's primarily uses net profit after tax before amortisation to assess the performance of the operating segments ("NPATA"). NPATA is also used by the CODM's to assess strategic decisions such as the ability to pay dividends.

(b) NPATA

NPATA is calculated as the net profit after tax and after adding back the amortisation expense relating to acquired service agreement contract intangibles. The CODM's use this measure as it best positions the decision makers to make strategic decisions, including but not limited to the Company's ability to pay dividends.

(c) Reconciliation of NPATA to profit before tax

A reconciliation of NPATA to profit before income tax is provided as follows:

	Year ended 30 June 2024 $'000	Year ended 30 June 2023 $'000
NPATA	(166,559)	158,477
Income tax expense	6,828	36,597
Amortisation expense (relating to acquired service agreements)	(53,007)	(49,777)
(Loss)/profit before income tax	**(212,738)**	**145,297**

Notes to the Consolidated Financial Statements

continued

2. Segment information (continued)

(d) Segment results

Year ended 30 June 2023	ANZ $'000	North America $'000	Rest of World $'000	Consolidated $'000
Segment revenue				
Revenue from contracts with customers	814,846	642,132	436,828	1,893,806
Total segment revenue	**814,846**	**642,132**	**436,828**	**1,893,806**
Segment net profit after tax before amortisation ("NPATA")	**69,070**	**39,948**	**49,459**	**158,477**
Net profit after tax before amortisation as a percentage of Revenue	**8.5%**	**6.2%**	**11.3%**	**8.4%**
Significant elements of NPATA:				
Other operating costs	(7,515)	(16,174)	(4,459)	(28,148)
Other gains	10,949[1]	4,575[2]	362	15,886
Net finance costs	(48,674)	(2,932)	(6,383)	(57,989)
Income tax expense	(12,275)	(8,938)	(15,384)	(36,597)

Year ended 30 June 2024	ANZ $'000	North America $'000	Rest of World $'000	Consolidated $'000
Segment revenue				
Revenue from contracts with customers	839,854	1,069,173	385,376	2,294,403
Total segment revenue	**839,854**	**1,069,173**	**385,376**	**2,294,403**
Segment net profit after tax before amortisation ("NPATA")	**(206,556)**	**42,454**	**(2,457)**	**(166,559)**
Net profit after tax before amortisation as a percentage of Revenue	**(24.5)%**	**4.0%**	**(0.6)%**	**(7.2)%**
Significant elements of NPATA:				
Other operating costs	(21,197)	(13,271)	(1,083)	(35,551)
Other gains/(losses)	37,850[3]	(1,033)	(672)	36,145
Impairment	(207,893)	–	(61,209)	(269,102)
Net finance costs	(68,529)	(4,098)	(5,456)	(78,083)
Income tax (expense)/benefit	2,602	(5,435)	(3,995)	(6,828)

1. Includes $7.1 million gain on fair value re-assessment of deferred consideration. Refer to Note 5.
2. Includes $3.5 million adjustment to expected credit loss allowance. Refer to Note 5.
3. Includes $35.6 million gain on fair value re-assessment of deferred consideration. Refer to Note 5.

Notes to the Consolidated Financial Statements

continued

2. Segment information (continued)

(e) Revenue by country

Revenue by country	Year ended 30 June 2024 $'000	Year ended 30 June 2023 $'000
ANZ		
Australia[(i)]	797,988	777,399
New Zealand	41,866	37,447
North America		
USA[(ii)]	890,868	531,959
Canada	178,305	110,173
Rest of World		
South Korea [(iv)]	18,328	35,439
Singapore	10,542	8,861
United Kingdom[(iii)]	316,738	356,970
Sweden	10,516	10,640
Germany	22,037	18,957
Switzerland	7,215	5,961
Total revenue from contracts with customers	**2,294,403**	**1,893,806**

(i) Revenues of approximately $608.5 million are derived from a single external government customer comprising a number of separate individual programs.

(ii) Revenues of approximately $888.8 million are derived from a single external government customer comprising a number of separate individual programs.

(iii) Revenues of approximately $175.2 million are derived from a single external government customer comprising a number of separate individual programs.

(iv) Decrease due to a one time adjustment to align with the Group's revenue recognition policy.

Notes to the Consolidated Financial Statements

continued

2. Segment information (continued)

(f) Segment assets

The below disclosure sets out the Group's segment assets other than deferred tax assets and other assets. These assets are measured in the same way as in the consolidated financial statements. Segment assets include inter-segment elimination entries.

Segment assets	30 June 2024 $'000	30 June 2023 $'000
ANZ		
Australia[4]	1,799,331	2,032,097
New Zealand	32,403	34,355
North America		
USA	493,137	480,447
Canada	121,709	111,890
Rest of World		
South Korea[5]	17,137	74,157
Singapore	34,475	31,085
United Kingdom	236,944	298,862
Sweden	8,391	9,365
Germany[6]	6,518	17,079
Switzerland[7]	3,174	6,545
Total segment assets	**2,753,219**	**3,095,882**
Deferred tax assets	19,582	38,385
Current tax assets	5,697	3,901
Other assets	12,431	12,548
Total assets per the Consolidated Statement of Financial Position	**2,790,929**	**3,150,716**

4. Reduction in segment assets in Australia due to impairment charge of $207.9 million recognised in FY24. Refer to Note 14.
5. Reduction in segment assets in South Korea due to impairment charge of $47.5 million recognised in FY24. Refer to Note 14.
6. Reduction in segment assets in Germany due to impairment charge of $10.3 million recognised in FY24. Refer to Note 14.
7 Reduction in segment assets in Switzerland due to impairment charge of $3.4 million recognised in FY24. Refer to Note 14.

Notes to the Consolidated Financial Statements

continued

2. Segment information (continued)

(g) Segment liabilities

Segment liabilities are measured in the same way as in the consolidated financial statements. Segment liabilities include inter-segment elimination entries. The Group's borrowings are not considered to be segment liabilities and is managed at corporate level.

Segment liabilities	30 June 2024 $'000	30 June 2023 $'000
ANZ		
Australia	192,965	259,842
New Zealand	7,259	6,663
North America		
USA	166,362	141,532
Canada	48,122	45,333
Rest of World		
South Korea	11,503	6,756
Singapore	2,220	1,926
United Kingdom	164,042	204,562
Sweden	1,743	1,988
Germany	7,027	8,637
Switzerland	1,944	2,446
Total segment liabilities	**603,187**	**679,685**
Deferred tax liabilities	50,937	96,608
Current tax liabilities	5,792	9,109
Current borrowings	971	1,636
Non-current borrowings	909,157	866,136
Total liabilities per the Consolidated Statement of Financial Position	**1,570,044**	**1,653,174**

3. Business combinations

The following acquisitions reported as provisional in the 30 June 2023 Financial Report have been finalised for 30 June 2024 with no significant changes:

- Everyday Independence Pty Ltd (100%)
- Clinpsych Psychology Services Pty Ltd (100%)

(a) Summary of acquisition – ErgoEquip and Ergoworks Physiotherapy (100%)

On 4 July 2023, the Group, through its subsidiary, APM Work Health ("APMWH") acquired 100% of the shares in Ergoworks Physiotherapy and Consulting Pty Ltd and ErgoEquip Pty Ltd (together known as "Ergoworks") for $2.1 million. Consideration paid was $1.7 million in cash and $0.4 million in shares of APMWH. The rationale for the acquisition was to support the Group's strategy to grow and support the existing Allied Health business.

(b) Summary of acquisition – Mobility Australia Pty Ltd and Mobility Holdings Pty Ltd (100%)

On 6 October 2023 the Group acquired the remaining 40% in Mobility Australia Pty Ltd and 40% in Mobility Holdings Pty Ltd (together "Mobility"). Consideration paid was $2.5 million in cash and $2.5 million deferred (disclosed in Note 25).

Notes to the Consolidated Financial Statements

continued

3. Business combinations (continued)

(c) Recognition and measurement – 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.

Notes to the Consolidated Financial Statements

continued

4. Revenue from contracts with customers

(a) Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of services both over time and at a point in time through its principal activities in the following major service lines:

	Year ended 30 June 2024 $'000	Year ended 30 June 2023 $'000
Employment Services	1,707,291	1,410,466
Health and Wellbeing	414,732	332,252
Communities and Assessments	147,993	131,339
Disability and Aged Care	24,387	19,749
	2,294,403	**1,893,806**

(b) Assets and liabilities related to contracts with customers

The following table shows how much of the revenue recognised in the current reporting period relates to carried – forward contract liabilities and how much relates to performance obligations that were satisfied in a prior year

	Note	Year ended 30 June 2024 $'000	Year ended 30 June 2023 $'000
Trade receivables from customers	10	199,158	187,909
Contract assets (accrued revenue)		308,423	337,795
Contract liabilities (deferred revenue) – current		(107,285)	(78,122)
Contract liabilities (deferred revenue) – non-current		(17,145)	(60,536)

Contract assets represent revenue recognised due to the contractual performance obligations having been met but not yet invoiced. All contract assets as of 30 June 2024 are expected to be invoiced during the year ended 30 June 2025.

Contract liabilities represent the Group's obligation to transfer goods or services to customers, for which the Group has already received consideration from the customer. The current contract liability balance as of 30 June 2024 is expected to be recognised as revenue during the year ended 30 June 2025.

(i) Assets recognised from costs to fulfill a contract

In addition to the contract balances disclosed above, the Group has also recognised an asset in relation to costs to fulfill Employment Services contracts. This is presented within prepayments in the Consolidated Statement of Financial Position.

	Year ended 30 June 2024 $'000	Year ended 30 June 2023 $'000
Asset recognised from costs incurred to fulfill a contract at 30 June	47,251	42,783
Amortisation recognised during the period	4,608	3,955

The asset is amortised on a systematic basis over the term of the specific contracts it relates to, consistent with the pattern of recognition of the associated revenue. This amortisation is presented within client support cost in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Notes to the Consolidated Financial Statements

continued

4. Revenue from contracts with customers (continued)

(c) Recognition and measurement – revenue from contracts with customers

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 reimbursement and cost plus, fixed fee and fee for service. Such contracts consist of termination for convenience provisions, where the customer can terminate the contract for convenience without substantive compensation.

The unsatisfied performance obligations where the transaction price has been allocated at the year end is $27.0 million (2023: $79.0 million) and is expected to be recognised over the next one to two years (2023: two years).

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.

Many of the Employment Services contracts held by the Group include performance obligations to help participants achieve sustained employment outcomes. A substantial portion of 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 that it 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.

Notes to the Consolidated Financial Statements

continued

4. Revenue from contracts with customers (continued)

(c) Recognition and measurement – revenue from contracts with customers (continued)

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 are 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.

Most of the Group's contracts do not have a significant financing component where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds 12 months. However, the Restart Scheme includes advances which were received well before expected delivery and therefore a financing component has been accounted for separately. The result is that interest expense is accrued during the advance period and the transaction price will be increased by a corresponding amount. The discount rate used was 5% (2023: 5%).

Costs incurred to fulfill 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.

(d) Key Estimate: Recognition of revenue and accrued revenue

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.

Management have made estimates regarding revenue and certain other provisions based on their knowledge and estimates of the change in contract base that has occurred within the business during the year.

Outcomes-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. As at 30 June 2024, the carrying amount of the accrued revenue relating to outcome-based revenue was $164.3 million (2023: $196.6 million).

Australia

The Group estimates the accrued revenue by applying expected conversion rates to participants currently placed in employment positions at balance date. The Group also further constrains the estimated outcome-based revenue to reduce the accrued revenue to an amount the Group considers is highly probable and will not later result in a significant reversal of revenue. This is performed by applying an estimated accrual rate. However, the actual conversion rates and highly probable constraints may be higher or lower.

Notes to the Consolidated Financial Statements

continued

4. Revenue from contracts with customers (continued)

(d) Key Estimate: Recognition of revenue and accrued revenue (continued)

United Kingdom

For Employment Services, which consists of the Restart Scheme and Work and Health Program, the revenue model is based on the ratio of successful outcomes expected to occur per cohort of participants. This is calculated using historical data and benchmark data from similar programs, representing what is considered to be a highly probable outcome rate across a cohort of participants. The Group then multiplies the calculated outcome rate by the actual volume of participants to determine an estimated outcome fee receivable. The Group also further constrains the expected outcome-based revenue recognised for the expected impact of economic factors and margin of error in dealing with a newly established contract. At each reporting period, the Group applies the refreshed rates prospectively and books an adjustment in the current period for performance obligations (i.e. distinct service periods) that have already been satisfied.

Canada

The revenue model for the Ontario Employment program is similarly based on the rate of successful outcomes expected. This is calculated using historical data from the Ontario Employment program as well as similar programs, representing what is considered to be a highly probable outcome rate across the participants. The Group then multiplies the calculated outcome rate by the actual volume of participants to determine an estimated outcome fee receivable, adding constrains for the expected impact of economic factors and margin of error in dealing with a newly established contract. At each reporting period, the Group applies the refreshed rates prospectively and adjusts performance obligations (i.e. distinct service periods) that have already been satisfied in the current period.

Reasonably possible changes in assumptions

If the expected conversion rate or outcome ratio used in the models were a reasonably possible 5% lower, the carrying amount of the outcomes-based contract asset would be $147.6 million as at 30 June 2024 (2023: $177.1 million). If the expected conversion rate or outcome ratio used in the models were a reasonably possible 5% higher, the carrying amount of the outcomes-based contract asset would be $181.2 million as at 30 June 2024 (2023: $216.7 million).

	Year ended 30 June 2024			Year ended 30 June 2023		
Sensitivity	**Conversion rates Australia $'000**	**Ratio of outcomes United Kingdom $'000**	**Ratio of outcomes Canada $'000**	**Conversion rates Australia $'000**	**Ratio of outcomes United Kingdom $'000**	**Ratio of outcomes Canada $'000**
-5% lower and impact	(5,550)	(10,285)	(857)	(7,922)	(11,181)	(455)
+5% higher and impact	5,756	10,285	857	8,408	11,181	455

Refund liabilities (clawback)

Contained within some of the cost-plus contracts that APM delivers are clawback provisions for corrections to amounts claimed. Where the Group has specific contracts that are subject to clawback amounts, a separate provision is accrued where it is considered highly probable that APM will not be entitled to the amounts received from customers.

(e) Revenue recognition – other income

Interest income

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.

Notes to the Consolidated Financial Statements

continued

5. Material profit or loss items

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

	Year ended 30 June 2024 $'000	Year ended 30 June 2023 $'000
Included in other income:		
Gain/(loss) on sale of fixed assets	357	(71)
Sale of health equipment	1,017	1,282
Other	1,877	1,427
	3,251	**2,638**
Included in people costs:		
Salaries and wages expense	(1,341,957)	(1,076,139)
Share-based payments expense	(3,303)	(1,816)
Subcontractor costs	(182,609)	(134,657)
	(1,527,869)	**(1,212,612)**
Included in administration:		
Consulting fees	(63,163)	(38,925)
Licence costs	(31,611)	(25,705)
Training, development and recruitment costs	(13,413)	(11,559)
Information technology costs	(8,865)	(9,261)
Other	(7,437)	(6,778)
	(124,489)	**(92,228)**
Included in occupancy expenses:		
Short-term and low-value lease payments	(9,964)	(15,404)
Other occupancy-related costs	(71,255)	(57,705)
	(81,219)	**(73,109)**
Included in other operating costs:		
Insurance	(11,336)	(9,332)
Printing, postage, storage and stationery	(8,852)	(7,845)
Subscriptions	(6,002)	(4,528)
Consumables	(4,532)	(3,426)
Fees and charges	(2,965)	(1,843)
Other operating costs	(1,864)	(1,174)
	(35,551)	**(28,148)**

Notes to the Consolidated Financial Statements

continued

5. Material profit or loss items (continued)

	Note	Year ended 30 June 2024 $'000	Year ended 30 June 2023 $'000
Included in other gains			
Unrealised foreign exchange gain		794	5,785
Realised foreign exchange loss		(548)	(137)
Loss on derivative		–	(1,907)
Gain on fair value re-assessment of deferred consideration	25	36,028	8,554
Gain/(loss) on lease modification		345	(304)
Credit loss recoveries		–	3,895
		36,619	**15,886**
Included in depreciation and amortisation:			
Depreciation of property, plant and equipment	13	(17,912)	(21,081)
Depreciation of right-of-use assets	12	(73,882)	(63,176)
Amortisation of brand	14	(97)	(64)
Amortisation of acquired service agreement contracts	14	(53,007)	(49,777)
Amortisation of licences and software	14	(7,820)	(5,889)
	23	**(152,718)**	**(139,987)**

6. Income tax expense

This note provides an analysis of the Group's income tax expense, shows what amounts are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items.

(a) Income tax expense

	Year ended 30 June 2024 $'000	Year ended 30 June 2023 $'000
Current tax		
Current tax on profit for the year	34,287	24,748
Adjustments for current tax of prior periods	(612)	500
Total current tax expense	**33,675**	**25,248**
Deferred tax		
(Decrease)/increase in deferred tax assets	(11,854)	15,545
Decrease in deferred tax liabilities	(14,993)	(4,196)
Total deferred tax (benefit)/expense	**(26,847)**	**11,349**
Income tax expense	**6,828**	**36,597**

Notes to the Consolidated Financial Statements

continued

6. Income tax expense (continued)

(b) Numerical reconciliation of income tax expense to prima facie tax payable

	Year ended 30 June 2024 $'000	Year ended 30 June 2023 $'000
(Loss)/profit from continuing operations before income tax expense	(212,738)	145,297
Tax at the Australian tax rate of 30% (2023: 30%)	(63,821)	43,589
Tax effect of amounts which are not deductible in calculating taxable income:		
Entertainment	1,551	216
Employee option plan	991	545
Non-deductible impairment	80,778	–
Non-taxable fair value revaluation on deferred consideration	(10,750)	–
Other differences	422	6
	9,171	**44,356**
Difference in overseas tax rates	(1,731)	(8,259)
Adjustments for current tax of prior periods	(612)	500
Income tax expense	**6,828**	**36,597**

(c) Tax losses

	Year ended 30 June 2024 $'000	Year ended 30 June 2023 $'000
Unused tax losses for which no deferred tax asset has been recognised	22,339	20,838
Potential tax benefit	**6,702**	**6,251**

The unused tax losses were incurred by a dormant UK subsidiary that is not likely to generate taxable income in the foreseeable future. They can be carried forward indefinitely but can only be offset against future profits of the same company and against the same trade. Refer to Note 6(f) for information about recognised tax losses and significant judgements made in relation to them.

(d) Deferred tax balances

(i) Deferred tax assets

	30 June 2024 $'000	30 June 2023 $'000
The balance comprises temporary differences attributable to:		
Provisions	15,957	13,918
Accruals	7,940	4,093
Tax losses	4,484	7,443
Lease liabilities	32,239	35,738
Capital raising	5,102	8,729
Property, plant and equipment	7,802	4,691
Carried forward interest limitation	9,498	–
Other	8,040	4,558
Total deferred tax assets	**91,062**	**79,170**
Set-off of deferred tax liabilities pursuant to set-off provisions	(71,480)	(40,785)
Net deferred tax assets	**19,582**	**38,385**

Notes to the Consolidated Financial Statements

continued

6. Income tax expense (continued)

(d) Deferred tax balances (continued)

(i) Deferred tax assets (continued)

This table comprises of the temporary differences attributable to:

Movements	Provisions $'000	Accruals $'000	Tax losses $'000	Lease liabilities $'000	Capital raising $'000	Property, plant and equipment $'000	Foreign exchange gains and losses $'000	Other $'000	Total $'000
At 30 June 2022	14,470	3,628	14,271	12,483	12,751	5,305	7,529	2,550	72,987
Acquisition of controlled entities	1,136	280	–	20,312	–	–	–	–	21,728
(Charged)/credited to profit or loss	(1,688)	185	(6,828)	2,943	(4,022)	(614)	(7,529)	2,008	(15,545)
At 30 June 2023	**13,918**	**4,093**	**7,443**	**35,738**	**8,729**	**4,691**	**–**	**4,558**	**79,170**

Movements	Provisions $'000	Accruals $'000	Tax losses $'000	Lease liabilities $'000	Capital raising $'000	Property, plant and equipment $'000	Carried forward interest limitation $'000	Other $'000	Total $'000
At 1 July 2023	**13,918**	**4,093**	**7,443**	**35,738**	**8,729**	**4,691**	**–**	**4,558**	**79,170**
Acquisition of controlled entities	24	–	–	17	–	(3)	–	–	38
(Charged)/credited to profit or loss	2,015	3,847	(2,959)	(3,516)	(3,627)	3,114	9,498	3,482	11,854
At 30 June 2024	**15,957**	**7,940**	**4,484**	**32,239**	**5,102**	**7,802**	**9,498**	**8,040**	**91,062**

(ii) Deferred tax liabilities

	30 June 2024 $'000	30 June 2023 $'000
The balance comprises temporary differences attributable to:		
Intangible assets	(64,607)	(75,568)
Property, plant and equipment	(5,763)	(771)
Right-of-use assets	(25,461)	(26,635)
Prepayments	(423)	(548)
Accrued income	(24,422)	(26,936)
Other	(1,741)	(6,935)
Total deferred tax liabilities	**(122,417)**	**(137,393)**
Set-off of deferred tax liabilities pursuant to set-off provisions	71,480	40,785
Net deferred tax liabilities	**(50,937)**	**(96,608)**

Notes to the Consolidated Financial Statements

continued

6. Income tax expense (continued)

(d) Deferred tax balances (continued)

(ii) Deferred tax liabilities (continued)

The table comprises of the temporary differences attributable to:

Movements	Intangible assets $'000	Property, plant and equipment $'000	Right-of-use assets $'000	Prepayments $'000	Accrued income $'000	Other $'000	Total $'000
At 30 June 2022	**(77,599)**	**(785)**	**(11,685)**	**(540)**	**(18,752)**	**(9,107)**	**(118,468)**
Acquisition of controlled entities	(6,536)	(191)	(16,394)	–	–	–	(23,121)
(Charged)/credited to profit or loss	8,567	205	1,444	(8)	(8,184)	2,172	4,196
At 30 June 2023	**(75,568)**	**(771)**	**(26,635)**	**(548)**	**(26,936)**	**(6,935)**	**(137,393)**

Movements	Intangible assets $'000	Property, plant and equipment $'000	Right-of-use assets $'000	Prepayments $'000	Accrued income $'000	Other $'000	Total $'000
At 1 July 2023	**(75,568)**	**(771)**	**(26,635)**	**(548)**	**(26,936)**	**(6,935)**	**(137,393)**
Acquisition of controlled entities	–	–	(17)	–	–	–	(17)
(Charged)/credited to profit or loss	10,961	(4,992)	1,191	125	2,514	5,194	14,993
At 30 June 2024	**(64,607)**	**(5,763)**	**(25,461)**	**(423)**	**(24,422)**	**(1,741)**	**(122,417)**

Significant Estimates

The deferred tax assets include an amount of $4.5 million (2023: $7.4 million) which relates to carried-forward tax losses of the UK group. The Group has concluded that the deferred assets will be recoverable using the estimated future taxable income based on the approved budget for the subsidiary. The subsidiary has generated taxable income during the 2024 year and expects to do so in the future. The losses can be carried forward indefinitely and have no expiry date.

Offsetting within tax

APM Human Services International Limited and its wholly owned Australian subsidiaries have applied the tax consolidation legislation which means that these entities are taxed as a single entity. As a consequence, the deferred tax assets and deferred tax liabilities of these entities have been offset in the consolidated financial statements.

Members of the Group have entered into a tax sharing agreement in order to allocate income tax expense to the wholly owned subsidiaries on a stand-alone basis. The tax sharing arrangement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. The possibility of such a default is considered remote at the date of this report. Members of the tax consolidated Group have entered into a tax funding agreement. The Group has applied the group allocation approach in determining the appropriate amount of current taxes to allocate to members of the tax consolidated group. The tax funding agreement provides for each member of the tax consolidated group to pay a tax equivalent amount to or from the parent in accordance with their notional current tax liability or current tax asset. Such amounts are reflected in amounts receivable from or payable to the parent company in their accounts and are settled as soon as practicable after lodgement of the consolidated return and payment of the tax liability.

Notes to the Consolidated Financial Statements

continued

6. Income tax expense (continued)

(d) Deferred tax balances (continued)

Current taxes

The income tax expense or credit for the year 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.

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.

(e) Recognition and measurement – deferred tax liabilities

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 Human Services International Limited 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.

Notes to the Consolidated Financial Statements

continued

6. Income tax expense (continued)

(f) Key judgements

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 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.

(g) OECD Pillar Two model rules

Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules (AASB 2023-2) are effective in the current year, as disclosed at Note 31(i). The Pillar Two Model Rules are part of the Organisation for Economic Co-operation and Development's inclusive framework designed to address the tax challenges arising from the digitalisation of the economy.

The Pillar Two Model Rules:

- aim to ensure that large multinational groups pay a minimum amount of tax on income arising in each jurisdiction in which they operate; and
- would achieve that aim by applying a system of top-up taxes that results in the total amount of taxes payable on Global Anti-Base Erosion Rules (GloBE) income in each jurisdiction representing at least the minimum rate of 15%.

The Pillar Two rules are enacted in countries in which the Group operates but not yet in effect and as a result has no related current tax exposure as at 30 June 2024. The Group has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

Since the Group does not have significant operations in low-tax jurisdictions, the rules are not expected to have a material impact. The Group is continuing to monitor Pillar Two legislative developments to evaluate the potential future impact on financial performance.

Notes to the Consolidated Financial Statements

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7. Net finance costs

	Note	Year ended 30 June 2024 $'000	Year ended 30 June 2023 $'000
Bank interest income		1,338	1,118
Interest expense on lease liability	23	(10,012)	(8,491)
Bank interest expense	23	(59,956)	(42,475)
Loss on debt extinguishment	23	–	(656)
Financing component – revenue		(3,101)	(3,657)
Other finance costs		(6,352)	(3,828)
		(78,083)	**(57,989)**

8. Earnings per share

(a) Reconciliations of earnings used in calculating earnings per share

	Year ended 30 June 2024 $'000	Year ended 30 June 2023 $'000
Net (loss)/profit after tax for the year	(219,566)	108,700
(Loss)/profit attributable to the ordinary equity holders of the Company used in calculating basic and diluted earnings per share	(220,742)	107,375

(b) Weighted average number of shares used as the denominator

	2024 Number	2023 Number
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted (loss)/earnings per share	917,181,946	917,181,946

Diluted earnings per share is computed by dividing net profit after tax attributable to the Company by the weighted – average number of ordinary shares outstanding adjusted to give effect to potentially dilutive securities. The LTIP performance rights issued to Executive Directors and certain key employees are contingently issuable ordinary shares. As the conditions attached to the LTIP performance rights have not been met at the reporting date, the number of contingently issuable ordinary shares (12,364,179 performance rights) is not included in the denominator of the diluted EPS calculation.

Notes to the Consolidated Financial Statements

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8. Earnings per share (continued)

(c) Recognition and measurement – Earnings per share ("EPS")

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

9. Cash and cash equivalents

For the purpose of the Consolidated Statement of Cash Flows, cash and cash equivalents comprise the following:

	30 June 2024 $'000	30 June 2023 $'000
Cash at bank and in hand	115,870	106,846
	115,870	**106,846**

Recognition and measurement – 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. Refer to Note 20(a) for credit risk disclosures.

Notes to the Consolidated Financial Statements

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10. Trade and other receivables

	30 June 2024 $'000	30 June 2023 $'000
Trade receivables from contracts with customers	202,377	190,775
Less: Allowance for expected credit losses (see Note 20(a))	(3,219)	(2,866)
	199,158	**187,909**
Other receivables	8,298	7,947
	207,456	**195,856**

Recognition and measurement – 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 at 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.

Information about the impairment of trade receivables and the Group's exposure to credit risk and foreign currency risk can be found in Note 20.

For measurement of the expected credit losses, trade receivables from contracts with customers are all based on the same credit risk characteristics as they are mostly based on contracts with government departments and corporate entities with very low credit risk. Therefore the historical loss rates of the Group are reflective of current and forward-looking estimates at the end of the reporting period, and given the majority of the contracts are with the government, the Group has determined that its exposure to bad debts and default rates are very low.

11. Prepayments

For the purpose of the Consolidated Statement of Financial Position, prepayments comprise the following:

	30 June 2024 $'000	30 June 2023 $'000
Current		
Cost incurred to fulfill a contract	35,536	18,585
Insurance	3,893	6,732
Rent and rates	6,903	8,442
Licence Fees and subscriptions	10,276	5,196
Participant costs	1,170	414
Subcontractors	1,129	1,165
Other	4,084	3,105
	62,991	**43,639**
Non-current		
Cost incurred to fulfill a contract	11,715	24,198
Insurance	–	3,011
	11,715	**27,209**

Notes to the Consolidated Financial Statements

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11. Prepayments (continued)

Costs incurred to fulfill a contract

This is relating to the asset that was recognised by the Group in relation to costs to fulfill short-term Communities & Assessments and Employment Services contracts (See Note 4(b)).

It is the incremental costs of obtaining a contract and is recognised as an asset. Incremental costs of obtaining a contract are those costs that the entity would not have incurred if the contract had not been obtained. Incurred costs recognised as an asset are amortised on a basis consistent with the transfer of goods or services to which the asset relates.

12. Leases

Group as lessee

The Group leases leasehold properties and motor vehicles. 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.

Right-of-use assets

Set out below are the carrying amounts of the right-of-use assets and the movements during the year.

Year ended 30 June 2023	**Leasehold properties $'000**	**Motor vehicles $'000**	**Total $'000**
At Cost	267,224	4,578	271,802
Accumulated depreciation and impairment	(134,928)	(1,146)	(136,074)
Net book amount	**132,296**	**3,432**	**135,728**
Movement			
As at 1 July 2022	80,494	–	80,494
Acquisition of controlled entities	58,547	3,225	61,772
Additions	57,767	1,333	59,100
Depreciation	(62,074)	(1,102)	(63,176)
Disposals	(3,586)	(23)	(3,609)
Other, including foreign exchange movements	1,148	(1)	1,147
Net book amount at the end of the year	**132,296**	**3,432**	**135,728**

Year ended 30 June 2024	**Leasehold properties $'000**	**Motor vehicles $'000**	**Total $'000**
At Cost	298,570	5,434	304,004
Accumulated depreciation and impairment	(184,474)	(3,050)	(187,524)
Net book amount	**114,096**	**2,384**	**116,480**
Movement			
As at 1 July 2023	132,296	3,432	135,728
Acquisition of controlled entities	45	–	45
Additions	67,680	1,165	68,845
Depreciation	(71,960)	(1,922)	(73,882)
Disposals	(2,736)	(330)	(3,066)
Impairment	(6,396)	–	(6,396)
Other, including foreign exchange movements	(4,833)	39	(4,794)
Net book amount at the end of the year	**114,096**	**2,384**	**116,480**

Notes to the Consolidated Financial Statements

continued

12. Leases (continued)

Lease liability

Set out below are the carrying amounts of the lease liabilities and the movements during the year.

	30 June 2024 $'000	30 June 2023 $'000
Movement		
At beginning of year	159,941	87,914
Acquisition of controlled entities	45	76,838
Additions	64,499	58,913
Disposal	(3,265)	(3,562)
Accretion of interest	10,012	8,491
Lease payments	(81,673)	(69,699)
Other including foreign exchange movements	(1,675)	1,046
At end of year	**147,884**	**159,941**

Lease-related expenses

The following are the lease-related amounts recognised in the Consolidated Statement of Profit and Loss for the period:

	Note	Year ended 30 June 2024 $'000	Year ended 30 June 2023 $'000
Depreciation of right-of-use assets	5	73,882	63,176
Interest on lease liabilities	7	10,012	8,491
Impairment of right-of-use assets		6,396	–
Short-term and low-value lease payments (including in occupancy-related expenses)		20,995	23,945
Total amount recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income		**111,285**	**95,612**

Total cash outflow for all leases (including short-term leases that fall outside the scope of AASB 16) was $101.7 million (2023: $95.8 million).

(a) 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

Notes to the Consolidated Financial Statements

continued

12. Leases (continued)

(a) Recognition and measurement – leases (continued)

- 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.

Right-of-use assets are generally depreciated over the lease term on a straight-line basis. 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.

During the year, the Group recognised an impairment charge against right-of-use assets. Refer to Note 14(c) for additional detail.

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 in the Consolidated Statement of Profit or Loss and Other Comprehensive Income on a straight-line basis over the lease term.

(b) Key judgements and estimates

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.

Notes to the Consolidated Financial Statements

continued

12. Leases (continued)

(b) Key judgements and estimates (continued)

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 (refer to Note 17). 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.

13. Property, plant and equipment

Year ended 30 June 2023	Plant and equipment $'000	Leasehold improvements $'000	Total $'000
At cost	59,712	48,961	108,673
Accumulated depreciation	(34,074)	(25,580)	(59,654)
Net book amount	**25,638**	**23,381**	**49,019**
Movement			
As at 1 July 2022	26,497	29,132	55,629
Acquisition of controlled entities	327	1,400	1,727
Additions	12,770	3,472	16,242
Disposals	(31)	(122)	(153)
Reclassification between categories	(3,697)	(1,235)	(4,932)
Depreciation	(10,457)	(10,624)	(21,081)
Translation differences	229	1,358	1,587
Net book amount at the end of the year	**25,638**	**23,381**	**49,019**

Year ended 30 June 2024	Plant and equipment $'000	Leasehold improvements $'000	Total $'000
At cost	64,484	49,023	113,507
Accumulated depreciation	(39,226)	(33,598)	(72,824)
Net book amount	**25,258**	**15,425**	**40,683**
Movement			
As at 1 July 2023	25,638	23,381	49,019
Acquisition of controlled entities	–	42	42
Additions	7,768	2,307	10,075
Disposals	(282)	(68)	(350)
Reclassification between categories	183	(135)	48
Depreciation	(8,008)	(9,904)	(17,912)
Translation differences	(41)	(198)	(239)
Net book amount at the end of the year	**25,258**	**15,425**	**40,683**

Notes to the Consolidated Financial Statements

continued

13. Property, plant and equipment (continued)

Recognition and measurement – 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 – 20% to 50%

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.

14. Intangible assets

Year ended 30 June 2023	**Goodwill $'000**	**Service agreements/ relationships $'000**	**Brand $'000**	**Licences and software $'000**	**Total $'000**
At cost	1,796,842	428,799	73,222	66,019	2,364,882
Accumulated amortisation	–	(152,486)	(266)	(12,340)	(165,092)
Net book amount	**1,796,842**	**276,313**	**72,956**	**53,679**	**2,199,790**
Movement					
At 1 July 2022	1,600,197	270,734	66,990	30,485	1,968,406
Acquisition of controlled entities	205,466	56,654	6,023	340	268,483
Transfers	–	–	–	(4,827)	(4,827)
Additions	200	–	7	27,535	27,742
Amortisation	–	(49,777)	(64)	(5,889)	(55,730)
Reclassification between categories	(7,405)	1,615	–	5,790	–
Translation differences	(1,616)	(2,913)	–	245	(4,284)
Net book amount at the end of the year	**1,796,842**	**276,313**	**72,956**	**53,679**	**2,199,790**

Notes to the Consolidated Financial Statements

continued

14. Intangible assets (continued)

Year ended 30 June 2024	Goodwill $'000	Service agreements/ relationships $'000	Brand $'000	Licences and software $'000	Total $'000
At cost	1,790,726	426,769	73,222	82,060	2,372,777
Accumulated amortisation and impairment	(261,419)	(205,013)	(363)	(16,796)	(483,591)
Net book amount	**1,529,307**	**221,756**	**72,859**	**65,264**	**1,889,186**
Movement					
At 1 July 2023	1,796,842	276,313	72,956	53,679	2,199,790
Acquisition of controlled entities	(4,649)	–	–	–	(4,649)
Additions	–	–	–	20,437	20,437
Disposals	–	–	–	(3)	(3)
Impairment	(261,420)	(1,286)	–	–	(262,706)
Reclassification between categories	–	(44)	–	44	–
Amortisation	–	(53,007)	(97)	(7,820)	(60,924)
Translation differences	(1,466)	(220)	–	(1,073)	(2,759)
Net book amount at the end of the year	**1,529,307**	**221,756**	**72,859**	**65,264**	**1,889,186**

(a) Recognition and measurement – 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.

Service agreements and customer 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 amortised on a straight-line basis over their estimated useful lives.

Brand

Brand on acquisitions of subsidiaries is included in intangible assets. Brand that has indefinite useful life 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.

Notes to the Consolidated Financial Statements

continued

14. Intangible assets (continued)

(a) Recognition and measurement – intangible assets (continued)

Other Intangible assets

Separately acquired intangible assets 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 are reviewed at each financial period-end.

(a) Recognition and measurement – intangible assets

Amortisation methods and useful lives

The Group amortises intangible assets with a limited useful life using the straight-line method over the following periods:

- Service agreements and customer relationships — Up to 20 years
- Licence and software — Up to 10 years
- Trademark — Up to 3 years

(b) Key judgements

Assessment of impairment of goodwill and brand

The Group assesses whether goodwill and brand have 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 and customer relationships

The service agreements and customer 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.

Notes to the Consolidated Financial Statements

continued

14. Intangible assets (continued)

(c) Impairment tests for goodwill and brand

Goodwill and brand are monitored by management at the country or CGU level.

A country-level summary of the goodwill and brand allocation is presented below and represents the CGU's of APM subject to the impairment testing.

Year ended 30 June 2023	Goodwill $'000	Brand $'000	Total $'000
Australia	1,424,677	72,956	1,497,633
New Zealand	26,057	–	26,057
South Korea	48,000	–	48,000
Singapore	23,000	–	23,000
UK	75,697	–	75,697
Germany	4,000	–	4,000
Sweden	5,102	–	5,102
Switzerland	2,000	–	2,000
Canada	48,603	–	48,603
USA	139,706	–	139,706
Total	**1,796,842**	**72,956**	**1,869,798**

Year ended 30 June 2024	Goodwill $'000	Brand $'000	Total $'000
Australia	1,212,138	72,859	1,284,997
New Zealand	26,056	–	26,056
South Korea	472	–	472
Singapore	23,000	–	23,000
UK	75,671	–	75,671
Germany	–	–	–
Sweden	5,177	–	5,177
Switzerland	–	–	–
Canada	48,535	–	48,535
USA	138,258	–	138,258
Total	**1,529,307**	**72,859**	**1,602,166**

The Group tests whether goodwill and brand have suffered any impairment on an annual basis. For the 2024 reporting period, the recoverable amount of the CGU was determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by the Directors covering the next 12-month period. Cash flows beyond the 12-month period are extrapolated using the estimated long term industry growth rates stated below. These long term industry growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

The following table sets out the key assumptions for those CGUs that have significant goodwill and brand allocated to them:

Year ended 30 June 2023	Australia %	NZ %	Singapore %	South Korea %	UK %	Germany %	Sweden %	Switzerland %	Canada %	USA %
Long-term industry growth rate (%)	3.36%	2.67%	2.71%	2.48%	2.54%	2.91%	2.79%	2.33%	2.73%	2.41%
Discount rate (%)*	8.60%	9.90%	8.65%	9.45%	9.25%	8.55%	8.20%	6.70%	7.90%	9.00%

Notes to the Consolidated Financial Statements

continued

14. Intangible assets (continued)

(c) Impairment tests for goodwill and brand (continued)

Year ended 30 June 2024	Australia %	NZ %	Singapore %	South Korea %	UK %	Germany %	Sweden %	Switzerland %	Canada %	USA %
Long-term industry growth rate (%)	2.50%	2.50%	2.50%	2.50%	2.00%	1.75%	2.00%	1.50%	2.00%	2.00%
Discount rate (%)*	9.20%	10.00%	9.75%	10.75%	9.00%	9.05%	8.50%	7.00%	8.75%	9.75%

* The above discount rates are post-tax discount rates applied to post-tax cash flows utilised in the value-in-use models.

Management has determined the values assigned to each of key assumptions as follows:

Assumption	Approach used to determine values
Long-term industry growth rate	This is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rates are consistent with forecasts included in industry reports.
Post-tax discount rate	Reflect specific risks relating to the relevant segments and the countries in which they operate.
Budgeted revenue	The basis used to determine the amount assigned to the budgeted revenue is the outcome achieved in the year immediately before the budgeted year, adjusted for growth and other known circumstances.
Budgeted operating expenses	The basis used to determine the amount assigned to the budgeted costs is the outcome achieved in the year immediately before the budgeted year, adjusted for growth and other known circumstances.

Summary of impairment assessment

The carrying value of intangibles, including goodwill and customer contracts relating to historical acquisitions were reviewed as part of the year end financial reporting process and totalled $2,169 million at 31 December 2023.

Based on the offer price of $1.45 under the Scheme of Arrangement as announced on the ASX on 3 June 2024, there is an indicator of impairment. A total impairment charge of $269.1 million (composed of $262.7 from intangible assets and $6.4 from right-of-use assets in Note 12) has been recognised at 30 June 2024, reflecting the difference between the carrying amount and the recoverable amount calculated on a Value in Use method.

Key factors leading to the value of the impairment were indicated in April 2024 when APM provided a market update. Based on the close of Q3 trading and outlook for Q4, noting an earnings decline attributable to reduced contribution from higher margin performance-based Employment Services contracts due to lower client flow as a result of sustained, historic low levels of unemployment, combined with more support being required to assist clients into employment.

In Q4 FY24, APM did not see the historical seasonal trends that had previously driven strong Q4 performance and it is anticipated that the activity levels experienced in 2H FY2024 are likely to continue into FY2025.

Year ended 30 June 2024	Australia $'000	South Korea $'000	Germany $'000	Switzerland $'000
Carrying value prior to impairment	1,838,470	47,528	13,531	3,718
Value-in-use recoverable amount	1,630,579	–	–	–
Impairment charge	207,893	47,528	10,321	3,360
Carrying value post impairment charge	1,630,577	–	3,210	358

Notes to the Consolidated Financial Statements

continued

14. Intangible assets (continued)

(c) Impairment tests for goodwill and brand (continued)

Significant estimate impact of possible changes in key assumptions

Management have considered and assessed the following reasonably possible changes:

- Long-term industry growth rate – 1% decrease
- Post-tax discount rate – 1% increase
- Revenue forecast – 10% decrease
- Operating expense forecast – 1% increase

Sensitivity scenario – Impact ($'000)

The CGU's are highly sensitive and changes in the assumptions outlined above will impact the recoverability of the CGU's that have been impaired. The additional impairment charge resulting from the reasonably possible change has been measured, and changes to these assumptions in the CGUs not in the table below (UK, Singapore and Canada) do not result in an impairment.

Year ended 30 June 2024	Australia $'000	NZ $'000	South Korea $'000	Germany $'000	Sweden $'000	Switzerland $'000	USA $'000
10% decrease in revenue	246,711	–	–	–	817	–	56,701
1% increase in discount rate	207,214	364	–	–	285	–	33,258
1% decrease in long term growth rate	205,631	–	–	–	182	–	23,469
1% increase in operating expenses	75,339	1,171	–	–	1,019	–	6,032

The different sensitivity scenarios do not cause additional impairment in South Korea, Germany and Switzerland as they have been fully impaired, with the exception of certain immaterial assets that are deemed recoverable.

15. Trade and other payables

	30 June 2024 $'000	30 June 2023 $'000
Trade and other payables	74,161	67,312
Accrued expenses	137,979	141,090
	212,140	**208,402**

Trade payables are unsecured and are usually paid within 30 days of recognition.

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Recognition and measurement – trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. Trade and other payables and accrued expenses are presented as current liabilities when the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. They are recognised at their fair value.

Notes to the Consolidated Financial Statements

continued

16. Interest-bearing liabilities

	Note	30 June 2024 $'000	30 June 2023 $'000
Current			
Bank loans		971	1,636
Lease liabilities	12	60,632	63,103
		61,603	**64,739**
Non-Current			
Bank loans		909,157	866,136
Lease liabilities	12	87,252	96,838
		996,409	**962,974**
Total interest-bearing liabilities		**1,058,012**	**1,027,713**

(a) Bank loans

The Group's total debt facility is $1,140.0 million, which is comprised of an $840.0 million syndicated multi-currency revolving corporate facility, with an average cost of 226 basis points above BBSY, plus a $200.0 million fully revolving facility (facility A) and an additional $100.0 million term loan (facility B) with an average cost of 290 basis points above BBSY.

As at 30 June 2024, the Group has utilised $914.9 million of the debt facility, presented above net of $5.8 million capitalised borrowing costs. Please refer to Note 20.

(b) 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 Consolidated Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in 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.

Notes to the Consolidated Financial Statements

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17. Provisions

	30 June 2024 $'000	30 June 2023 $'000
Current		
Employee entitlements	44,760	40,574
Clawback provision	8,852	11,289
Dilapidation provision	867	2,065
Other current provisions	3,145	3,615
	57,624	**57,543**
Non-Current		
Employee entitlements	7,417	6,776
Clawback provision	–	12,969
Dilapidation provision	15,481	14,380
Other provisions	721	14
	23,619	**34,139**
	81,243	**91,682**

(a) Recognition and measurement – 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 Consolidated Statement of Financial Position.

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 Consolidated Statement of Financial Position 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.

Notes to the Consolidated Financial Statements

continued

17. Provisions (continued)

(a) Recognition and measurement – provisions (continued)

(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 expense 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.

(b) Information about individual provisions and significant estimates

Dilapidation 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 dilapidation based on an estimate of the value of the work required as if the premises were vacated on the balance 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 highly probable that APM will not be entitled to the amounts received, a provision is recognised. This provision is re-estimated during the life of each relevant contract. The estimates are assessed according to the requirements that are specific to each contract.

Movements in provisions

Movements in each class of provision during the financial period are set out below:

Year ended 30 June 2023	Employee entitlements $'000	Clawback provision $'000	Dilapidation provision $'000	Other provisions $'000	Total $'000
Carrying amount at 1 July 2022	39,762	13,117	14,162	9,348	76,389
Acquired through business combination	4,443	–	1,389	–	5,832
Charged/(credited) to profit or loss	42,656	9,446	579	(4,401)	48,280
Utilised	(39,824)	–	(384)	(1,387)	(41,595)
Translation differences	313	1,695	699	69	2,776
Carrying amount at end of the year	**47,350**	**24,258**	**16,445**	**3,629**	**91,682**

Year ended 30 June 2024	Employee entitlements $'000	Clawback provision $'000	Dilapidation provision $'000	Other provisions $'000	Total $'000
Carrying amount at 1 July 2023	47,350	24,258	16,445	3,629	91,682
Acquired through business combination	60	–	–	–	60
Charged/(credited) to profit or loss	55,736	(15,424)	458	1,893	42,663
Capitalised to consolidated statement of financial position	–	–	408	–	408
Utilised	(50,409)	–	(844)	(1,617)	(52,870)
Translation differences	(560)	18	(119)	(39)	(700)
Carrying amount at end of the year	**52,177**	**8,852**	**16,348**	**3,866**	**81,243**

Notes to the Consolidated Financial Statements

continued

18. Contributed equity

Movements in ordinary shares

Ordinary shares	30 June 2024 Number of Shares (thousands)	30 June 2023 Number of Shares (thousands)	30 June 2024 $'000	30 June 2023 $'000
Ordinary shares				
Opening balance	917,182	917,182	1,449,630	1,449,630
Closing balance	**917,182**	**917,182**	**1,449,630**	**1,449,630**

Terms and conditions

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

Reserves

	Share-based payments $'000	Foreign currency translation $'000	Put Option Reserve $'000	Transactions with NCI $'000	Total other reserves $'000
At 1 July 2022	**274**	**(1,023)**	**(14,429)**	**2,689**	**(12,489)**
Employee share schemes	1,816	–	–	–	1,816
Adjustment in put options	–	–	4,695	–	4,695
Adjustment to ownership interests	–	–	–	(306)	(306)
Transfer of NCI reserve	–	–	–	(2,689)	(2,689)
Currency translation differences	–	(4,976)	–	–	(4,976)
At 30 June 2023	**2,090**	**(5,999)**	**(9,734)**	**(306)**	**(13,949)**

	Share-based payments $'000	Foreign currency translation $'000	Put Option Reserve $'000	Transactions with NCI $'000	Total other reserves $'000
At 1 July 2023	**2,090**	**(5,999)**	**(9,734)**	**(306)**	**(13,949)**
Employee share schemes	(201)	–	–	–	(201)
Adjustment in put options	–	–	824	–	824
Adjustment to ownership interests	–	–	–	(3,664)	(3,664)
Currency translation differences	–	(5,625)	–	–	(5,625)
At 30 June 2024	**1,889**	**(11,624)**	**(8,910)**	**(3,970)**	**(22,615)**

Notes to the Consolidated Financial Statements

continued

18. Contributed equity (continued)

Reserves (continued)

Nature and purpose of other reserves

Share-based payments

The Group operates an equity-settled, share-based compensation plan to grant shares to its employees. The fair value of the employee services received in exchange for the grant of shares is recognised as an expense in other comprehensive income with a corresponding increase in other reserves over the vesting period.

Foreign currency translation

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

Transaction with non-controlling interests

This reserve is used to record the differences which may arise as a result of transactions with non-controlling interests that do not result in a loss of control.

19. Dividends

	Year ended 30 June 2024 $'000	Year ended 30 June 2023 $'000
(a) Ordinary shares		
Dividends paid on 29 September 2022 during the year, based on 5.0 cents per fully paid ordinary share out of retained earnings	–	45,859
Interim dividends paid on 29 March 2023 during the year, based on 5.0 cents per fully paid ordinary share out of retained earnings	–	45,859
Dividends paid on 29 September 2023 during the year, based on 5.0 cents per fully paid ordinary share out of retained earnings	45,859	–
	45,859	91,718
(b) Dividends not recognised at the end of the year		
There have been no dividends declared that have not been recognised in current period.	–	–

Recognition and measurement – dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

Notes to the Consolidated Financial Statements

continued

20. Financial instruments and risk management

This note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance. Current period profit and loss information has been included where relevant to add further context.

(a) Credit risk

Potential concentrations of credit risk consist mainly of cash and cash equivalents, investments and trade debtors.

(i) Impairment of financial assets

The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

Trade receivables comprise of a number of customers, dispersed across different geographical areas. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 30 June 2024 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Given the majority of the Group's revenue-generating contracts are with government departments and corporate entities with very low credit risk, and the Group's history of write-offs of trade receivables and contract assets is also very low, the expected credit losses were considered to be insignificant.

Receivables for which an impairment provision was recognised are written off against the provision when there is no expectation of recovering additional cash. Impairment losses are recognised in profit or loss within other expenses. Subsequent recoveries of amounts previously written off are credited against other expenses.

Customer credit risk is managed by established policies, procedures and controls relating to customer credit risk management. The Group trades primarily with recognised, creditworthy third parties. Customers who wish to trade on credit terms are subject to credit verification procedures, including an assessment of their independent credit rating, financial position, past experience and industry reputation.

At 30 June 2024, the Group did not consider there to be any significant concentration of risk that had not been adequately insured or provided for.

(ii) Security

For some trade receivables the Group may obtain security in the form of guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

(iii) Significant estimates and judgements

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

The Group's exposure to bad debts is not significant and default rates have historically been very low. Trade receivables are written off when there is no reasonable expectation of recovery, which may be indicated by the debtor failing to engage in a payment plan or the debtor failing to make timely contractual payments.

Notes to the Consolidated Financial Statements

continued

20. Financial instruments and risk management (continued)

(b) Fair value of financial instruments

At 30 June 2024, the carrying amounts of cash and cash equivalents, trade receivables and trade payables approximated their fair values due to the short-term maturities of these assets and liabilities.

At 30 June 2024, the fair value for the bank loan is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest. The fair value of the bank loans is $910.1 million.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. The Group manages liquidity by monitoring forecast cash flows and ensuring adequate cash levels are maintained.

During the financial year ended 30 June 2024, the Group generated net cash from operating activities of $198.7 million and profit before tax, impairment, depreciation, amortisation and interest of $287.2 million.

The Directors have prepared the consolidated financial statements on a going concern basis in the belief that the Group will realise its assets and settle its liabilities and commitments in the normal course of the business and for at least the amounts stated in the consolidated financial statements.

(i) Maturities of financial liabilities

The following table 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.

Contractual maturities of financial liabilities 30 June 2023	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total contractual cash flows $'000	Carrying amount liabilities $'000
Trade and other payables	67,312	–	–	–	67,312	67,312
Borrowings	56,012	567,437	403,277	–	1,026,726	867,772
Earn out payable	2,734	36,644	20,494	–	59,872	53,769
Other deferred consideration	–	17,500	–	–	17,500	17,500
Put option	–	9,733	–	–	9,733	9,733
Lease liabilities	71,932	52,053	47,883	6,577	178,445	159,941
Total	**197,990**	**683,367**	**471,654**	**6,577**	**1,359,588**	**1,176,027**

Contractual maturities of financial liabilities 30 June 2024	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total contractual cash flows $'000	Carrying amount liabilities $'000
Trade and other payables	74,161	–	–	–	74,161	74,161
Borrowings	62,357	637,628	326,939	–	1,026,924	910,128
Earn out payable	8,580	–	–	–	8,580	8,580
Other deferred consideration	18,750	1,250	–	–	20,000	20,000
Put option	–	8,910	–	–	8,910	8,910
Lease liabilities	68,557	41,762	53,542	1,816	165,677	147,884
Total	**232,405**	**689,550**	**380,481**	**1,816**	**1,304,252**	**1,169,663**

Notes to the Consolidated Financial Statements

continued

20. Financial instruments and risk management (continued)

(c) Liquidity risk (continued)

(i) Maturities of financial liabilities (continued)

APM's syndicated revolving debt facilities ($1,140 million, of which $914.9 million is drawn) mature in three tranches as follows:

- July 2025 – $523.0 million;
- January 2026 – $300.0 million; and
- July 2027 – $317.0 million.

In July 2024, APM secured financing out to 2030, having signed a Committed Letter with Goldman Sachs for new facilities of up to $950.0 million for the purposes of retiring its existing syndicated corporate facility. Key terms of the new Goldman Sachs facilities include a covenant lite six year Term Loan of $950.0 million and delayed draw Term Loan of $210.0 million and a five year revolving facility of $150.0 million with a margin of 500 basis points which is approximately 180 basis points higher than APM's existing margin on top of BBSY (bank bill swap rate) of approximately 430 basis points.

(d) Market risk

(i) Cash flow and fair value interest rate risk

The Group's main interest rate risk is from long-term borrowings with variable rate components, which exposes the Group to cash flow interest rate risk. The Group policy is to review this exposure closely leveraging off natural hedges. The Group is currently not entered into any floating-to-fixed interest rate swaps to mitigate the interest rate risk on the variable rates. During the financial year 30 June 2024, the Group's borrowings at variable rate were denominated in Australian Dollars.

(e) Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency) and the Group's net investments in foreign subsidiaries.

Exposure

The Group's material exposure to foreign currency risk at the end of the reporting year/period was as follows:

30 June 2023	USD $'000	GBP $'000
Financial assets		
Cash and cash equivalents	32,504	23,813
Trade and other receivables	117,455	16,031
Financial liabilities		
Trade and other payables	(13,419)	(18,569)
Interest-bearing loans and borrowings	(69,090)	(23,440)

30 June 2024	USD $'000	GBP $'000
Financial assets		
Cash and cash equivalents	32,326	4,961
Trade and other receivables	133,247	5,415
Financial liabilities		
Trade and other payables	(25,037)	(7,284)
Interest-bearing loans and borrowings	(58,065)	(29,266)

Notes to the Consolidated Financial Statements

continued

20. Financial instruments and risk management (continued)

(e) Foreign exchange risk (continued)

Sensitivity

The sensitivity analysis below shows the impact that a reasonably possible change in foreign exchange rates over a financial year would have on profit after tax and equity, based solely on the Group's foreign exchange risk exposures existing at the balance date. The following exchange rates have been used in performing the sensitivity analysis:

30 June 2023	USD	GBP
Actual	0.6623	0.5242
+10% (Weaken)	0.7285	0.5766
-10% (Strengthen)	0.5961	0.4718

30 June 2024	USD	GBP
Actual	0.6693	0.5290
+10% (Weaken)	0.7362	0.5819
-10% (Strengthen)	0.6024	0.4761

The impact on profit and equity is estimated by applying the hypothetical changes in the foreign currency exchange rates to the balance of financial instruments at the reporting date.

At 30 June 2024, had the Australian dollar moved against the US dollar and British Pound, as illustrated in the table above, with all other variables held constant, the Group's profit after tax and equity would have been affected by the change in value of its financial assets and financial liabilities as shown in the table below:

30 June 2023	USD $'000	GBP $'000
Exchange rate increase		
+10%: weaken – profit/(loss)	(2,068)	(1,515)
+10%: weaken – increase/(decrease) equity	(580)	916
Exchange rate decrease		
-10%: strength – profit/(loss)	2,528	1,851
-10%: strength – increase/(decrease) equity	709	(1,120)

30 June 2024	USD $'000	GBP $'000
Exchange rate increase		
+10%: weaken – profit/(loss)	(2,569)	(2,075)
+10%: weaken – increase/(decrease) equity	(420)	694
Exchange rate decrease		
-10%: strength – profit/(loss)	3,140	2,536
-10%: strength – increase/(decrease) equity	514	(848)

Notes to the Consolidated Financial Statements

continued

20. Financial instruments and risk management (continued)

(f) Fair value measurement

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximate of fair value.

	Fair value hierarchy	30 June 2024 $'000	30 June 2023 $'000
Financial liabilities			
Fair value through profit and loss			
Earn out payable	Level 3	8,580	53,769
Other deferred consideration	Level 3	20,000	17,500
Fair value through OCI			
Put option	Level 3	8,910	9,733
		37,490	**81,002**

Valuation is based on inputs that cannot be observed using market data (unobservable inputs). The change in valuation of level 3 instruments for the year ended 30 June 2024 is as follows:

Earn out payable	Note	30 June 2024 $'000	30 June 2023 $'000
Opening balance		53,769	29,875
Total gain on fair value re-assessment of deferred consideration (unrealised)	5	(36,028)	(8,554)
Adjustments to financial liabilities on acquisition		(6,386)	30,541
Earn outs paid		(658)	–
Total realised gain on earn out arrangements		(2,117)	1,907
Closing balance		**8,580**	**53,769**

Other deferred consideration	Note	30 June 2024 $'000	30 June 2023 $'000
Opening balance		17,500	–
Adjustments to financial liabilities on acquisition		2,500	17,500
Closing balance		**20,000**	**17,500**

Put option	Note	30 June 2024 $'000	30 June 2023 $'000
Opening balance		9,734	14,429
Unrealised losses recognised in equity	18	(824)	(4,695)
Closing balance		**8,910**	**9,734**

The Lifecare put option has been measured at its fair value upon initial recognition, which is based on management's estimate of the present value of the expected outflows for the remaining units. This has been estimated referencing historical settlement calculations, whereby the individual practice units' EBITDA is utilised to determine the enterprise value of the individual practice. The enterprise value is calculated using historical multiples utilised when acquiring outstanding units.

The financial liability is subsequently measured at amortised cost using the effective interest rate method. The effective interest rate is the rate that is used to discount the estimated redemption amount at initial recognition. The Group recognises an interest expense using the effective interest rate from initial recognition to the exercise or lapse of the option.

For deferred consideration, the fair value is measured using option pricing models (i.e. Black-Scholes model) and management best estimates which are based on management forecasts.

Notes to the Consolidated Financial Statements

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21. Related party disclosures

(a) Parent entities

APM Human Services International Limited is the ultimate parent of the Group.

(b) Interests in other entities

Interests in other entities are set out in Note 29.

(c) The Directors of APM Human Services International Limited during the financial year were:

Megan Wynne
Michael Anghie
Timothy P. Sullivan
Elizabeth Q. Betten
William E. Ritchie
Robert Melia
Simone Blank
Neville Power
Benjamin Wyatt

(d) Key management personnel compensation

	Year ended 30 June 2024 $'000	Year ended 30 June 2023 $'000
Short-term employee benefits	3,376	5,220
Long-term employee benefits	110	58
Post-employment benefits	84	76
Share-based payments	761	828
	4,331	**6,182**

Detailed remuneration disclosures are provided in the Remuneration Report, on pages 60 to 77.

(e) Transactions with other related parties

Purchases from entities controlled by related parties

The Group operates part of its business from premises leased from entities controlled by Director Megan Wynne or her closely related party. The rental payments on the two property leases were $1,017,740 for the year ended 30 June 2024. There is no balance outstanding to be paid at 30 June 2024.

Notes to the Consolidated Financial Statements

continued

21. Related party disclosures (continued)

(f) Potential future share payments from other transactions with related parties

The deferred consideration is an earn-out payment payable by the issue of up to a maximum number of 20,000,000 ordinary shares in APM, contingent upon MyIntegra and ESA meeting underlying EBITDA hurdles over a subsequent 3-year period. Underlying EBITDA includes, but is not limited to, adjustments to be on a pre IFRS15 and IFRS16 basis, inclusive of full year run rate of contributions from acquisitions and cost saving initiatives, and excluding one time costs such as advisor and due diligence fees. These hurdles include underlying EBITDA of $15.2 million for the year ended 30 June 2023, $29.1 million for the year ended 30 June 2024, and $50.1 million for the year ended 30 June 2025. Each of these targets have a tolerance of 90%. To the extent that no earn-out shares have been issued, a portion of the maximum earn-out is payable (on a proportionate basis), subject to the cumulative EBITDA being greater than $70.8 million to $85.0 million (50% to 100%) for the three years ending 30 June 2025. The deferred consideration amounting to $20.5 million was written off in full, given the likelihood of the hurdles being met to achieve the earn out. Refer to Note 25(i).

(g) Loans and quasi equity arrangements with KMP and their related parties

Following the vesting of Series C shares granted during the FY22 year, a total of $645,196 is repayable within 6 months after the end of the first escrow period for amounts owing by Directors, where the amount to be paid shall be the lower of the outstanding balance and the market value of shares at the end of the escrow period. The associated share based payment was expensed in full during the prior year due to the accelerated vesting of these rights on IPO. Neville Power holds a balance payable of $435,795, and Benjamin Wyatt holds a balance payable of $209,401. In FY24 Matthew Cooper entered into a limited recourse arrangement to purchase 568,181 ordinary shares for which the Group has recognised a share based payment expense of $213,579 in the Consolidated Statement of Profit or Loss and Other Comprehensive Income during FY24. This is due to be settled on the earlier of ceasing employment with the Company, or one day prior to the 20th anniversary of the draw down date. The amount payable shall be the lower of the outstanding balance and the market value of the shares at repayment date. The amount payable if the loan were to be settled at 30 June 2024 is $789,772.

There are no other loans made to/with KMPs or loan balances owing to/from KMPs or their related parties for FY24.

(h) Terms and conditions

Transactions relating to rental of the two premises leased from entities controlled by Megan Wynne or her closely related party are under normal commercial terms. Outstanding balances are unsecured.

Notes to the Consolidated Financial Statements

continued

22. Share-based payments

(a) Long term incentive plan ("LTIP")

Based on APM's vision and values, a LTIP was adopted by the Directors as part of the three components under the executive remuneration framework. Please refer to the remuneration report included within this annual report for key terms and conditions related to the LTIPs.

	2024		2023	
LTIP	**Average exercise price per share rights ($)**	**Number of rights (#)**	**Average exercise price per share rights ($)**	**Number of rights (#)**
As at 1 July	–	4,373,413	–	3,226,034
Granted during the year	–	11,521,327	–	1,147,379
Lapsed/forfeited during the year	–	(3,530,561)	–	–
As at 30 June	**–**	**12,364,179**	**–**	**4,373,413**

Share rights outstanding at the end of the year have the following expiry dates and exercise prices:

Grant date	Expiry date	Exercise price	Share options 30 June 2024	Share options 30 June 2023
LTIP				
11 August 2023	7 August 2038	Nil	4,309,544	1,147,379
10 November 2023	10 November 2038	Nil	1,572,847	–
03 January 2024	3 January 2039	Nil	386,313	–
12 January 2024	12 January 2039	Nil	6,095,475	–
			12,364,179	**1,147,379**

The model inputs for rights granted in the prior year included:

(a) rights are granted for no consideration and vest based on performance period conditions detailed above.

(b) exercise price: Nil

(c) estimated valuation date: 30 June 2023

(d) expiry date: as above

(e) share price at valuation date: $2.12

(f) expected price volatility of the Company's share: 40%

(g) expected dividend yield: 3.75%

(h) risk-free interest rate: 4.18%

The model inputs for rights relating to FY24 LTIP which were granted during the year ended 30 June 2024 included:

(a) rights are granted for no consideration and vest based on performance period conditions detailed above.

(b) exercise price: Nil

(c) grant date: 10 November 2023, 03 January 2024 & 12 January 2024

(d) expiry date: as above

(e) share price at grant date: $1.34 (12 January 2024), $1.24 (03 January 2024) and $1.76 (10 November 2023)

(f) expected price volatility of the Company's share: 40%

(g) expected dividend yield: 3.00%

(h) risk-free interest rate: 3.775% (12 January 2024), 3.795% (03 January 2024) and 4.239% (10 November 2023)

Notes to the Consolidated Financial Statements

continued

22. Share-based payments (continued)

(b) Recognition and measurement – 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.

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. A monte-carlo simulation is used to value market vesting conditions which predicts the probability of the a variety of outcomes and performance.

(c) Expenses arising from share-based payment transactions

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

	Year ended 30 June 2024 $'000	Year ended 30 June 2023 $'000
Expenses arising from share-based payment transactions	3,303	1,816

Notes to the Consolidated Financial Statements

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23. Cash flow information

(a) Reconciliation of profit after income tax to net cash inflow from operating activities

	Note	Year ended 30 June 2024 $'000	Year ended 30 June 2023 $'000
(Loss)/profit for the year		(219,566)	108,700
Adjustments for:			
Depreciation and amortisation	5	152,718	139,987
Net (gain)/loss on sale of fixed assets	5	(357)	71
Employee benefits expense – share-based payments	5	3,303	1,816
Expected credit losses/(gain)		–	(3,895)
Other finance costs	7	6,352	–
Interest – lease liabilities	7	10,012	8,491
Net bank interest classified as financing cash flows	7	59,956	42,475
Loss on debt extinguishment	7	–	656
Net exchange differences	5	794	5,785
Actuarial (gain)/losses		(322)	33
Loss on foreign exchange forwards	5	–	1,907
Gain on fair value re-assessment of deferred consideration	5	(36,028)	(8,554)
Impairment on intangible assets	14	262,706	–
Impairment on right-of-use assets	12	6,396	–
Change in operating assets and liabilities, net of effects from acquisition of controlled entities:			
(Increase)/decrease in receivables		(15,004)	2,041
Decrease/(increase) in accrued revenue		29,372	(83,665)
Increase in inventory		(364)	–
Increase/(decrease) in payables		3,865	(4,490)
Decrease in deferred revenue		(14,206)	(1,186)
Decrease in current tax liabilities		(5,067)	(15,874)
(Decrease)/increase in provisions		(15,178)	9,780
Increase in prepayments		(3,858)	(12,836)
(Decrease)/increase in deferred tax liabilities		(26,811)	13,115
Net cash inflow from operating activities		**198,713**	**204,357**

(b) Non-cash investing and financing activities

Non-cash investing and financing activities disclosed in other notes are:

- Acquisition of right-of-use assets – Note 12;
- Partial settlement of a business combination through the issue of shares – Note 3; and
- Loss on extinguishment of debt – Note 23(c).

Notes to the Consolidated Financial Statements

continued

23. Cash flow information (continued)

(c) Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

Net debt	Note	30 June 2024 $'000	30 June 2023 $'000
Cash and cash equivalents	9	115,870	106,846
Borrowings	16	(910,128)	(867,772)
Lease liabilities	12 & 16	(147,884)	(159,941)
Net debt		**(942,142)**	**(920,867)**
Cash and liquid investments		115,870	106,846
Gross debt – variable interest rates		(1,058,012)	(1,027,713)
Net debt		**(942,142)**	**(920,867)**

	Liabilities from financing activities			Other assets	
	Borrowings $'000	Lease liabilities $'000	Sub-total $'000	Cash and cash equivalents $'000	Total $'000
Gross debt as at 30 June 2022	**(602,651)**	**(87,914)**	**(690,565)**	**171,392**	**(519,173)**
Cash flows	(223,104)	69,699	(153,405)	(64,546)	**(217,951)**
Other non-cash movements					
Interest charged	(42,475)	(8,491)	(50,966)	–	**(50,966)**
Acquisitions – finance leases and operating lease incentives	–	(76,838)	(76,838)	–	**(76,838)**
Loss on debt extinguishment	(656)	–	(656)	–	**(656)**
New leases	–	(55,351)	(55,351)	–	**(55,351)**
Foreign exchange adjustments	–	(1,046)	(1,046)	–	**(1,046)**
Other changes (i)	1,114	–	1,114	–	**1,114**
Gross debt as at 30 June 2023	**(867,772)**	**(159,941)**	**(1,027,713)**	**106,846**	**(920,867)**

	Liabilities from financing activities			Other assets	
	Borrowings $'000	Lease liabilities $'000	Sub-total $'000	Cash and cash equivalents $'000	Total $'000
Gross debt as at 30 June 2023	**(867,772)**	**(159,941)**	**(1,027,713)**	**106,846**	**(920,867)**
Cash flows	23,952	81,673	105,625	9,024	**114,649**
Other non-cash movements					
Interest charged	(59,956)	(10,012)	(69,968)	–	**(69,968)**
New leases	–	(61,234)	(61,234)	–	**(61,234)**
Acquisitions – finance leases and operating lease incentives	–	(45)	(45)	–	**(45)**
Foreign exchange adjustments	–	1,675	1,675	–	**1,675**
Other changes (i)	(6,352)	–	(6,352)	–	**(6,352)**
Gross debt as at 30 June 2024	**(910,128)**	**(147,884)**	**(1,058,012)**	**115,870**	**(942,142)**

(i) Other changes include non-cash accrued interest expense on the shareholder loans, and the non-cash accretion of interest on the leases.

Notes to the Consolidated Financial Statements

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24. Events occurring after the reporting period

In July 2024, APM secured financing out to 2030, having signed a Committed Letter with Goldman Sachs for new facilities of up to $950.0 million for the purposes of retiring its existing syndicated corporate facility. Key terms of the new Goldman Sachs facilities include a covenant lite six year Term Loan of $950.0 million and delayed draw Term Loan of $210.0 million and a five year revolving facility of $150.0 million with a margin of 500 basis points which is approximately 180 basis points higher than APM's existing margin on top of BBSY (bank bill swap rate) of approximately 430 basis points.

In August 2024, APM lodged a scheme booklet with ASIC in relation to the Scheme Implementation deed entered into with Ancora BidCo Pty Ltd, an entity controlled by Madison Dearborn Partners, LLC (MDP) for the acquisition of 100% of the issued capital of APM (other than shares held by MDP affiliates) as was announced to the ASX on 3 June 2024. The scheme booklet was approved to be dispatched to Shareholders on 14 August 2024, with a Shareholder vote expected to take place on 18 September 2024.

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.

25. Other liabilities

For the purpose of the Consolidated Statement of Financial Position, other liabilities comprise the following:

	30 June 2024 $'000	30 June 2023 $'000
Current		
Earn out payable*	8,580	2,734
Other deferred consideration*	18,750	–
	27,330	**2,734**
Non-current		
Earn out payable*	–	51,035
Other deferred consideration*	1,250	17,500
Put option	8,910	9,733
	10,160	**78,268**

* Includes deferred consideration for Everyday Independence Pty Ltd, Mobility Holdings Pty Ltd and Mobility Australia Pty Ltd in FY24 and Everyday Independence Pty Ltd, Integrated Care Pty Ltd, Early Start Australia Pty Ltd, Mobility Holdings Pty Ltd and Mobility Australia Pty Ltd in FY23. Please refer to (i), (ii) and (iii) below.

Notes to the Consolidated Financial Statements

continued

25. Other liabilities (continued)

Deferred consideration

The Group has a number of deferred consideration arrangements that are recognised as part of the business acquisitions that occurred during the previous financial year.

Significant Estimates

(i) Integrated Care Pty Ltd ("MyIntegra") and Early Start Australia Pty Ltd ("ESA")

The deferred consideration is an earn-out payment payable by the issue of up to a maximum number of 20,000,000 ordinary shares in APM, contingent upon MyIntegra and ESA meeting underlying EBITDA hurdles over a subsequent 3-year period. Underlying EBITDA includes, but is not limited to, adjustments to be on a pre IFRS15 and IFRS16 basis, inclusive of full year run rate of contributions from acquisitions and cost saving initiatives, and excluding one time costs such as advisor and due diligence fees. These hurdles include underlying EBITDA of $15.2 million for the year ended 30 June 2023, $29.1 million for the year ended 30 June 2024, and $50.1 million for the year ended 30 June 2025. Each of these targets have a tolerance of 90%. To the extent that no earn-out shares have been issued, a portion of the maximum earn-out is payable (on a proportionate basis), subject to the cumulative EBITDA being greater than $70.8 million to $85.0 million (50% to 100%) for the three years ending 30 June 2025.

The fair value of the deferred consideration arrangement was reassessed at balance date using the Black-Scholes model, based on a share price of $1.39 (2023: $2.12), nil exercise price, volatility of 40.0%, risk free interest rate of 9.0% (2023: 4.18%) and nil dividend yield (2023: 4.72%). The Group applied judgement in considering the expected probability that the hurdles are met in determining the value of the deferred consideration and based on the 2024 assessment, the deferred consideration was written off in full, given the unlikelihood of the hurdles being met to achieve the earn out. Management has considered an increase in 10% EBITDA above Management's FY25 budget and have assessed that the outcome would remain unchanged.

(ii) Everyday Independence Pty Ltd

The first deferred consideration is for cash payable to Everyday Independence on 1 July 2024. The fair value of the deferred consideration has been determined as equal to the cash payable of $17.5 million. The fair value of the deferred consideration arrangement is classified as other current liabilities on the Consolidated Statement of Financial Position.

The second deferred consideration is an earn-out payable in cash, contingent upon Everyday Independence meeting the EBITDA hurdle by the end of 30 June 2024 of $10.0 million. Based on the actual results for the year ended 30 June 2024, the fair value of the deferred consideration has been determined to be in the range of nil to $11.2 million.

(iii) Mobility Holdings Pty Ltd and Mobility Australia Pty Ltd

The first deferred consideration is for cash payable to Mobility Holdings Pty Ltd and Mobility Australia Pty Ltd on 5 October 2024. The fair value of the deferred consideration has been determined as equal to the cash payable of $1.25 million. This forms part of the balance in the current total for 'Other deferred consideration'.

The second deferred consideration is for cash payable to Mobility Holdings Pty Ltd and Mobility Australia Pty Ltd on 5 October 2025. The fair value of the deferred consideration has been determined as equal to the cash payable of $1.25 million.

Notes to the Consolidated Financial Statements

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25. Other liabilities (continued)

Put option liability

The Group acquired an 81% controlling interest in Lifecare Physiotherapy with the remaining 19% of units held by non-controlling unitholders.

Under the Allied Health Unit Trust Deeds, the Group is obliged to acquire any units that the non-controlling unitholders wish to sell and are not otherwise able to dispose of. These units are required to be acquired by the Group, via its wholly owned subsidiary, APM Lifecare Pty Ltd, within 12 months after a notice to sell the units has been received from the unitholders ("put option").

APM has determined that the risks and rewards relating to the units held by non-controlling unitholders in Lifecare Physiotherapy remain with the non-controlling unitholders. As a result, a non-controlling interest has been recognised on acquisition of Lifecare Physiotherapy. The put option with non-controlling unitholders results in a financial liability for the Group. The put option liability has been recognised at fair value at the date of acquisition of Lifecare Physiotherapy and has been recognised in the put option reserve. Interest expense and subsequent changes in the put option liability are recognised in the put option reserve. The fair value of the put option recognised at 4 January 2022 was $14.4 million.

Measurement

The Lifecare put option has been measured at its fair value upon initial recognition, which is based on management's estimate of the present value of the expected outflows for the remaining units. This has been estimated referencing historical settlement calculations, whereby the individual practice units' EBITDA is utilised to determine the enterprise value of the individual practice. The enterprise value is calculated using historical multiples utilised when acquiring outstanding units.

The financial liability is subsequently measured at amortised cost using the effective interest rate method.

The effective interest rate is the rate that is used to discount the estimated redemption amount at initial recognition. The Group recognises an interest expense using the effective interest rate from initial recognition to the exercise or lapse of the option.

At 30 June 2024, the fair value has been remeasured at $8.9 million, based on management's forecast of the expected outflows for the remaining units.

26. Commitments

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

Notes to the Consolidated Financial Statements

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27. Contingent liabilities

Various entities in the Group have in the normal course of business issued $5.8 million of guarantees to certain customers, suppliers and landlords to guarantee the performance obligations of a controlled entity.

28. Parent entity financial information

The individual consolidated financial statements for the parent entity, APM Human Services International Limited, show the following aggregate amounts:

	30 June 2024 $'000	30 June 2023 $'000
Assets		
Current assets	–	–
Non-current assets	1,225,011	1,484,846
Total assets	**1,225,011**	**1,484,846**
Liabilities		
Current liabilities	(4,126)	(2,996)
Non-current liabilities	–	–
Total liabilities	**(4,126)**	**(2,996)**
Equity		
Contributed equity	1,395,621	1,395,621
Reserves	1,893	2,090
Accumulated loss/retained earnings	(176,629)	84,139
Total equity	**1,220,885**	**1,481,850**
(Loss)/profit for the period	(214,909)	307,680
Total comprehensive (loss)/profit	**(214,909)**	**307,680**

(a) Determining the parent entity financial information

The financial information for the parent entity has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries, and amounts owed from related parties

Investments in subsidiaries and amounts owed from related parties are accounted for at cost in the consolidated financial statements of APM Human Services International Limited.

(ii) Tax consolidation legislation

The Company and its wholly owned Australian controlled entities have implemented the tax consolidation legislation. The head entity, APM Human Services International Limited, and the controlled entities in the tax consolidated Group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, the Company also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group. The entities have also entered into a tax funding agreement under which the wholly owned entities fully compensate the Company for any current tax payable assumed and are compensated by the Company for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to the Company under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly owned entities' financial statements.

Notes to the Consolidated Financial Statements

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29. Interests in other entities

The Group's principal subsidiaries at 30 June 2024 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business

Name of entity	Place of business/ country of incorporation	Effective Ownership % held by the Group 30 June 2024	Effective Ownership % held by the Group 30 June 2023
APM Human Services International Limited	Australia		
APM Human Services Pty Ltd	Australia	100%	100%
APM Global Holdings Pty Ltd	Australia	100%	100%
International APM Group Pty Ltd	Australia	100%	100%
Advanced Personnel Management Investments Pty Ltd	Australia	100%	100%
Advanced Personnel Management Holdings Pty Ltd	Australia	100%	100%
Advanced Personnel Management Group Pty Ltd	Australia	100%	100%
Advanced Personnel Management International Pty Ltd	Australia	100%	100%
Advanced Personnel Management Global Pty Ltd	Australia	100%	100%
APM Training Services Pty Ltd	Australia	100%	100%
Serendipity (WA) Pty Ltd	Australia	100%	100%
Workcare Australia Pty Ltd	Australia	100%	100%
APM NZ Holdings Limited	New Zealand	100%	100%
APM Workcare Limited	New Zealand	100%	100%
Pelim Ltd	New Zealand	100%	100%
Te Tautoko Nga Tangata Limited	New Zealand	100%	100%
APM Physiotherapy Ltd (f.k.a. APM Employment Limited)	New Zealand	100%	100%
APM Integrated Care Ltd	New Zealand	100%	100%
APM UK Holdings Limited	United Kingdom	100%	100%
Advanced Personnel Management Holdings (UK) Limited	United Kingdom	100%	100%
Advanced Personnel Management Group (UK) Limited	United Kingdom	100%	100%
Advanced Personnel Management (UK) Limited	United Kingdom	100%	100%
Ability Insight Limited (formerly Podclass Limited)	United Kingdom	100%	100%
Management Consultancy International Pty Ltd	Australia	100%	100%
Ingeus Australia Holdings Pty Ltd	Australia	100%	100%
Ingeus Australia Investments Pty Ltd	Australia	100%	100%
Ingeus Pty Ltd	Australia	100%	100%
Ingeus Australia Pty Ltd	Australia	100%	100%
Ingeus Victoria Pty Ltd	Australia	100%	100%
Ross Innovative Employment Solutions	United States	100%	100%
DB Grant Associates	United States	100%	100%
Dynamic Educational Systems, Inc	United States	100%	100%
Kaiser Group (DE), LLC	United States	100%	100%
Dynamic Workforce Solutions, LLC	United States	100%	100%
Dynamic Workforce Solutions – Texas, LLC	United States	100%	100%
WCG Holdings Ltd	Canada	100%	100%
WCG Investments Ltd	Canada	100%	100%

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continued

29. Interests in other entities (continued)

Name of entity	Place of business/ country of incorporation	Effective Ownership % held by the Group 30 June 2024	Effective Ownership % held by the Group 30 June 2023
WCG International Consultants Ltd	Canada	100%	100%
Ingeus Pte. Ltd	Singapore	100%	100%
Ingeus Co. Ltd	South Korea	100%	100%
Ingeus Europe Limited	United Kingdom	100%	100%
Ingeus UK Limited	United Kingdom	100%	100%
Invisage Limited	United Kingdom	100%	100%
ITL Training Limited	United Kingdom	100%	100%
The Reducing Reoffending Partnership Ltd	United Kingdom	100%	100%
Derbyshire Leicestershire Nottinghamshire & Rutland Community Rehabilitation Company Ltd	United Kingdom	100%	100%
The Staffordshire and West Midlands Community Rehabilitation Company Ltd	United Kingdom	100%	100%
CNLR Horizons Limited	United Kingdom	100%	100%
Ingeus GmbH	Germany	100%	100%
Ingeus AG	Switzerland	100%	100%
Ingeus S.L.[2]	Spain	51%	51%
Konekt Pty Limited	Australia	100%	100%
Konektiva Pty Limited	Australia	100%	100%
APM Allied Health Pty Ltd	Australia	100%	100%
Konekt Employment Pty Ltd	Australia	100%	100%
Konekt International Pty Ltd	Australia	100%	100%
Konekt Australia Pty Ltd	Australia	100%	100%
FBG Group Pty Ltd	Australia	100%	100%
SRC Solutions Pty Ltd	Australia	100%	100%
Communicorp Group Pty Ltd	Australia	100%	100%
Busiflow Nominees Pty Ltd	Australia	100%	100%
Innovative Training & Recruitment Pty Ltd	Australia	100%	100%
MCI Institute Pty Ltd	Australia	100%	100%
APM Mobility Holdings Pty Ltd	Australia	100%	100%
Mobility Australia Pty Ltd	Australia	100%	60%
Mobility Holdings Pty Ltd	Australia	100%	60%
APM MyIntegra Holdings Pty Ltd	Australia	100%	100%
Integrated Care Pty Ltd	Australia	100%	100%
Integra Plan Management Pty Ltd	Australia	100%	100%
Integra Choice and Control Pty Ltd	Australia	100%	100%
Integra Supported Accommodation Pty Ltd	Australia	100%	100%
Generation Health Pty Ltd	Australia	100%	100%
The Interact Group Pty Ltd	Australia	100%	100%
APM ESA Holdings Pty Ltd	Australia	100%	100%
Early Start Australia Pty Ltd	Australia	100%	100%
Beststart Clinic Pty Ltd	Australia	100%	100%
APM Lifecare Trusco Pty Ltd	Australia	100%	100%

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29. Interests in other entities (continued)

Name of entity	Place of business/ country of incorporation	Effective Ownership % held by the Group 30 June 2024	Effective Ownership % held by the Group 30 June 2023
APM Ontrac Pty Ltd	Australia	100%	100%
APM Lifecare Pty Ltd	Australia	100%	100%
Clustera Sverige AB	Sweden	100%	100%
APM Work Health Pty Ltd	Australia	80%	80%
Biosymm Pty Ltd	Australia	80%	80%
Finafrere Pty Ltd	Australia	64%	64%
APM Aged Care Holdings Pty Ltd[1]	Australia	100%	100%
Amicis Aged Care Pty Ltd	Australia	100%	100%
Advanced Personnel Management Limited[1]	Saudi Arabia	100%	100%
2483307 Ontario Ltd	Canada	100%	100%
674725 Ontario Ltd	Canada	100%	100%
APM Equus Holdings Corporation	United States	100%	100%
Arbor E&T, LLC	United States	100%	100%
Equitable Social Solutions, LLC	United States	100%	100%
Equus Agilec Holdings Ltd.	Canada	100%	100%
Clinpsych Psychology Services Pty Ltd	Australia	100%	100%
Springday Pty Ltd	Australia	100%	100%
Everyday Independence Pty Ltd	Australia	100%	100%
EQ Cares, Inc.[1]	United States	100%	–%
ErgoEquip Pty Ltd[1]	Australia	80%	–%
Ergoworks Physiotherapy and Consulting Pty Ltd[1]	Australia	80%	–%

1. These are entities newly incorporated or acquired during the financial year.
2. Percentage holding has been rounded up to the nearest percent.

Notes to the Consolidated Financial Statements

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30. Auditors' remuneration

Auditors of the Group

	Year ended 30 June 2024 $'000	Year ended 30 June 2023 $'000
Fees to PwC (Australia)		
Fees for the audit and review of the financial reports of the Group	1,305	1,405
Fees for other assurance and agreed-upon procedures services	31	31
	1,336	**1,436**
Fees to other overseas network firms of PwC (Australia)		
Fees for the audit and review of the financial reports of the Group	1,376	1,126
Fees for other services		
Tax compliance services	–	4
Other assurance services	82	66
	1,458	**1,196**
Total services provided by PwC	**2,793**	**2,632**

31. Summary of material accounting policies

(i) New and amended standards adopted by the Group

A number of amended standards became applicable for the current financial year:

- *AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting policies and definition of Accounting Estimates.*
- *AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a single transaction.*
- *AASB 2023-2 Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules*

The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

(ii) New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 30 June 2024 reporting periods and have not been early adopted by the Group. Those effective in FY25 are not expected to have a material impact. The Group will commence the process of assessing the impact in due course of those that are effective beyond FY25.

Notes to the Consolidated Financial Statements

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32. Deed of cross guarantee

The below mentioned entities are parties to a deed of cross guarantee under which each company guarantees the debts of the others. By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare a financial report and Directors' report under ASIC Corporations (Wholly-owned Companies) Instrument 2016/785.

Name of entity
Advanced Personnel Management Global Pty Ltd
Advanced Personnel Management Group Pty Ltd
Advanced Personnel Management Holdings Pty Ltd
Advanced Personnel Management International Pty Ltd
Advanced Personnel Management Investments Pty Ltd
Amicis Aged Care Pty Ltd
APM Aged Care Holdings Pty Ltd
APM Allied Health Pty Ltd
APM ESA Holdings Pty Ltd
APM Global Holdings Pty Ltd
APM Human Services International Limited
APM Human Services Pty Ltd
APM Lifecare Pty Ltd
APM Lifecare Trusco Pty Ltd
APM Mobility Holdings Pty Ltd
APM MyIntegra Holdings Pty Ltd
APM Ontrac Pty Ltd
APM Training Services Pty Ltd
Beststart Clinic Pty Ltd
Busiflow Nominees Pty Ltd
Clinpsych Psychology Services Pty Ltd
Communicorp Group Pty Limited
Early Start Australia Pty Ltd
Everyday Independence Pty Ltd
FBG Group Pty Ltd
Generation Health Pty Ltd
Ingeus Australia Holdings Pty Ltd
Ingeus Australia Investments Pty Ltd
Ingeus Australia Pty Ltd
Ingeus Pty Limited
Ingeus Victoria Pty Ltd
Innovative Training & Recruitment Pty Ltd
Integra Choice and Control Pty Ltd
Integra Plan Management Pty Ltd
Integra Supported Accommodation Pty Ltd
Integrated Care Pty Ltd
International APM Group Pty Ltd
Konekt Australia Pty Ltd
Konekt Employment Pty Ltd
Konekt International Pty Ltd
Konekt Pty Ltd
Konektiva Pty Limited
Management Consultancy International Pty Limited
MCI Institute Pty Ltd
Serendipity (WA) Pty Ltd
Springday Pty Ltd
SRC Solutions Pty Ltd
The Interact Group Pty Limited
Workcare Australia Pty Ltd

Notes to the Consolidated Financial Statements

continued

32. Deed of cross guarantee (continued)

(a) Consolidated statement of profit or loss, statement of comprehensive income and summary of movements in consolidated retained earnings

The above companies represent a 'closed group' for the purposes of the instrument, and as there are no other parties to the deed of cross guarantee that are controlled by APM Human Services International Limited, they also represent the 'extended closed group'.

Set out below is a consolidated statement of profit or loss, a consolidated statement of comprehensive income and a summary of movements in consolidated retained earnings for the year ended 30 June 2024 of the closed group consisting of the entities as listed above.

	30 June 2024 $'000
Revenue from contracts with customers	774,806
Other income	1,950
Total income	**773,756**
People costs	(539,258)
Client support costs	(31,231)
Administration	(41,423)
Marketing	(6,901)
Travel expenses	(10,274)
Occupancy expenses	(30,853)
Other operating costs	(254,550)
Other gains	37,858
Depreciation and amortisation	(81,536)
Net finance costs	(68,373)
Loss before income tax	**(248,876)**
Income tax benefit	2,563
Loss for the year	**(247,222)**
Other comprehensive income	
Other comprehensive income	–
Other comprehensive loss for the year, net of tax	**–**
Total comprehensive loss for the period	**(247,222)**
Summary of movements in consolidated retained earnings	
Retained earnings at the beginning of the financial year	20,304
Loss for the year	(247,222)
Dividends paid	(45,859)
Accumulated loss at the end of the financial year	**(272,777)**

Notes to the Consolidated Financial Statements

continued

32. Deed of cross guarantee (continued)

(b) Consolidated balance sheet

Set
out below is a consolidated balance sheet as at 30 June 2024 of the closed group consisting of the entities as listed above.

	30 June 2024 $'000
Current assets	
Cash and cash equivalents	56,913
Trade and other receivables	43,799
Inventory	376
Accrued revenue	86,691
Prepayments	12,218
Total current assets	**199,997**
Non-current assets	
Property, plant and equipment	25,859
Right-of-use assets	41,899
Intangible assets	1,654,798
Prepayments	7,331
Other non-current assets	334,066
Intercompany	35,044
Total non-current assets	**2,098,997**
Total assets	**2,298,994**
Current liabilities	
Trade and other payables	24,282
Accrued expenses	9,385
Current Interest-bearing liabilities	28,104
Deferred revenue	23,081
Current provisions	35,936
Current tax liabilities	4,126
Other current liabilities	26,359
Total current liabilities	**151,273**
Non-current liabilities	
Provisions	9,195
Interest-bearing liabilities	927,257
Deferred tax liabilities	49,588
Other non-current liabilities	10,160
Total non-current liabilities	**996,200**
Total liabilities	**1,147,473**
Net assets	**1,151,521**
EQUITY	
Contributed equity	1,449,630
Reserves	(25,332)
Accumulated loss	(272,777)
Total Equity	**1,151,521**

Notes to the Consolidated Financial Statements

continued

33. Capital management

The Group's objectives when managing capital are to:

- Maintain a strong capital base to hold investor, creditor and market confidence and to sustain future development of the business;
- Safeguard the ability to continue as a going concern; and
- To provide adequate return to shareholders.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

During the year, the Group has honoured its covenant obligations, including maintaining capital ratios. The gearing ratios at 30 June 2024 and 30 June 2023 were as follows:

	30 June 2024 $'000	30 June 2023 $'000
Net debt	942,142	920,867
Total equity	1,220,885	1,497,542
Net debt to equity ratio	**77%**	**61%**

Loan covenants

Under the terms of the syndicated facility agreement, the Group is required to comply with the following financial covenants:

- Net leverage ratio is lower than 3.50x
- Interest coverage ratio is higher than 3.00x

Interest coverage ratio is calculated under the terms of our Syndicated Facility Agreement.

Consolidated Entity Disclosure Statement (CEDS)

As at 30 June 2024

Basis of Preparation

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

Determination of Tax Residency

Section 295 (3A) of the *Corporation Acts 2001* defines tax residency as having the meaning in the *Income Tax Assessment Act 1997*. The determination of tax residency involves judgement as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

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

Australian tax residency

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

Foreign tax residency

Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in determining tax residency and ensure compliance with applicable foreign tax legislation.

Flow-through entities, Partnerships and Trusts

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

Additional disclosures on the tax status of certain entities have been provided where relevant.

Name of entity	Type of entity	Country of incorporation	% of share capital held as at 30 June 2024	Australian resident or foreign resident	Foreign jurisdiction(s) of foreign residents
APM Human Services International Limited	Body corporate	Australia	N/A	Australian	N/A
Advanced Personnel Management Global Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Advanced Personnel Management Group Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Advanced Personnel Management Holdings Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Advanced Personnel Management International Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Advanced Personnel Management Investments Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Amicis Aged Care Pty Ltd	Body corporate	Australia	100%	Australian	N/A
APM Aged Care Holdings Pty Ltd	Body corporate	Australia	100%	Australian	N/A
APM Allied Health Pty Ltd	Body corporate	Australia	100%	Australian	N/A
APM ESA Holdings Pty Ltd	Body corporate	Australia	100%	Australian	N/A
APM Global Holdings Pty Ltd	Body corporate	Australia	100%	Australian	N/A
APM Human Services Pty Ltd	Body corporate	Australia	100%	Australian	N/A
APM Lifecare Pty Ltd	Body corporate	Australia	100%	Australian	N/A

Consolidated Entity Disclosure Statement (CEDS)

continued

Determination of Tax Residency (continued)

Flow-through entities, Partnerships and Trusts (continued)

Name of entity	Type of entity	Country of incorp-oration	% of share capital held as at 30 June 2024	Australian resident or foreign resident	Foreign jurisdiction(s) of foreign residents
APM Lifecare Trusco Pty Ltd[1]	Body corporate – Trustee	Australia	100%	Australian	N/A
APM Mobility Holdings Pty Ltd	Body corporate	Australia	100%	Australian	N/A
APM MyIntegra Holdings Pty Ltd	Body corporate	Australia	100%	Australian	N/A
APM Ontrac Pty Ltd	Body corporate	Australia	100%	Australian	N/A
APM Training Services Pty Ltd	Body corporate	Australia	100%	Australian	N/A
APM Work Health Pty Ltd	Body corporate	Australia	80%	Australian	N/A
Beststart Clinic Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Biosymm Pty Ltd	Body corporate	Australia	80%	Australian	N/A
Busiflow Nominees Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Clinpsych Psychology Services Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Communicorp Group Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Early Start Australia Pty Ltd	Body corporate	Australia	100%	Australian	N/A
ErgoEquip Pty Ltd	Body corporate	Australia	80%	Australian	N/A
Ergoworks Physiotherapy and Consulting Pty Ltd	Body corporate	Australia	80%	Australian	N/A
Everyday Independence Pty Ltd	Body corporate	Australia	100%	Australian	N/A
FBG Group Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Finafrere Pty Ltd	Body corporate	Australia	64%	Australian	N/A
Generation Health Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Ingeus Australia Holdings Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Ingeus Australia Investments Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Ingeus Australia Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Ingeus Pty Limited	Body corporate	Australia	100%	Australian	N/A
Ingeus Victoria Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Innovative Training & Recruitment Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Integra Choice and Control Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Integra Plan Management Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Integra Supported Accommodation Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Integrated Care Pty Ltd	Body corporate	Australia	100%	Australian	N/A
International APM Group Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Konekt Australia Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Konekt Employment Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Konekt International Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Konekt Pty Limited	Body corporate	Australia	100%	Australian	N/A
Konektiva Pty Limited	Body corporate	Australia	100%	Australian	N/A
Management Consultancy International Pty Ltd	Body corporate	Australia	100%	Australian	N/A
MCI Institute Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Mobility Australia Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Mobility Holdings Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Serendipity (WA) Pty Ltd	Body corporate	Australia	100%	Australian	N/A

Consolidated Entity Disclosure Statement (CEDS)

continued

Determination of Tax Residency (continued)

Flow-through entities, Partnerships and Trusts (continued)

Name of entity	Type of entity	Country of incorp-oration	% of share capital held as at 30 June 2024	Australian resident or foreign resident	Foreign jurisdiction(s) of foreign residents
Springday Pty Ltd	Body corporate	Australia	100%	Australian	N/A
SRC Solutions Pty Ltd	Body corporate	Australia	100%	Australian	N/A
The Interact Group Pty Limited	Body corporate	Australia	100%	Australian	N/A
Workcare Australia Pty Ltd	Body corporate	Australia	100%	Australian	N/A
LifeCare Physio (VIC) Unit Trust[1]	Trust	Australia	90%	Australian	N/A
LifeCare Physio (WA) Unit Trust[1]	Trust	Australia	76%	Australian	N/A
HNA Physio (VIC) Unit Trust[1]	Trust	Australia	78%	Australian	N/A
HNA Physio (QLD) Unit Trust[1]	Trust	Australia	100%	Australian	N/A
HNA Physio (NSW) Unit Trust[1]	Trust	Australia	68%	Australian	N/A
2483307 Ontario Ltd	Body corporate	Canada	100%	Foreign	Canada
674725 Ontario Ltd	Body corporate	Canada	100%	Foreign	Canada
Equus Agilec Holdings Ltd.	Body corporate	Canada	100%	Foreign	Canada
WCG Holdings Ltd	Body corporate	Canada	100%	Foreign	Canada
WCG International Consultants Ltd.	Body corporate	Canada	100%	Foreign	Canada
WCG Investments Ltd	Body corporate	Canada	100%	Foreign	Canada
Ingeus GmbH	Body corporate	Germany	100%	Foreign	Germany
Ingeus Co. Ltd	Body corporate	South Korea	100%	Foreign	South Korea
APM Integrated Care Limited	Body corporate	New Zealand	100%	Australian	N/A
APM NZ Holdings Limited	Body corporate	New Zealand	100%	Australian	N/A
APM Physiotherapy Limited	Body corporate	New Zealand	100%	Australian	N/A
APM Workcare Limited	Body corporate	New Zealand	100%	Australian	N/A
Pelim Limited	Body corporate	New Zealand	100%	Australian	N/A
Te Tautoko Nga Tangata Limited	Body corporate	New Zealand	100%	Australian	N/A
Advanced Personnel Management Limited	Body corporate	Saudi Arabia	100%	Foreign	Saudi Arabia
Ingeus PTE. LTD	Body corporate	Singapore	100%	Foreign	Singapore
Clustera Sverige AB	Body corporate	Sweden	100%	Foreign	Sweden
Ingeus AG	Body corporate	Switzerland	100%	Foreign	Switzerland
Ability Insight Limited	Body corporate	UK	100%	Foreign	UK
Advanced Personnel Management (UK) Limited	Body corporate	UK	100%	Foreign	UK
Advanced Personnel Management Group (UK) Limited	Body corporate	UK	100%	Foreign	UK
Advanced Personnel Management Holdings (UK) Limited	Body corporate	UK	100%	Foreign	UK
APM UK Holdings Limited	Body corporate	UK	100%	Foreign	UK
CNLR Horizons Limited	Body corporate	UK	100%	Foreign	UK
Ingeus Europe Limited	Body corporate	UK	100%	Foreign	UK
Ingeus UK Limited	Body corporate	UK	100%	Foreign	UK
Invisage Limited	Body corporate	UK	100%	Foreign	UK
ITL Training Limited	Body corporate	UK	100%	Foreign	UK
The Derbyshire, Leicestershire, Nottinghamshire and Rutland Community Rehabilitation Company Limited	Body corporate	UK	100%	Foreign	UK

Consolidated Entity Disclosure Statement (CEDS)

continued

Determination of Tax Residency (continued)

Flow-through entities, Partnerships and Trusts (continued)

Name of entity	Type of entity	Country of incorp-oration	% of share capital held as at 30 June 2024	Australian resident or foreign resident	Foreign jurisdiction(s) of foreign residents
The Reducing Reoffending Partnership Limited	Body corporate	UK	100%	Foreign	UK
The Staffordshire and West Midlands Community Rehabilitation Company Limited	Body corporate	UK	100%	Foreign	UK
APM Equus Holdings Corporation	Body corporate	USA	100%	Foreign	USA
Arbor E&T, LLC[2]	Body corporate	USA	100%	Foreign	USA
DB Grant Associates Inc.	Body corporate	USA	100%	Foreign	USA
Dynamic Educational Systems, Inc.	Body corporate	USA	100%	Foreign	USA
Dynamic Workforce Solutions – Texas, LLC[2]	Body corporate	USA	100%	Foreign	USA
Dynamic Workforce Solutions, LLC[2]	Body corporate	USA	100%	Foreign	USA
Equitable Social Solutions, LLC[2]	Body corporate	USA	100%	Foreign	USA
Ross Innovative Employment Solutions Corp	Body corporate	USA	100%	Foreign	USA
The Kaiser Group (DE), LLC[2]	Body corporate	USA	100%	Foreign	USA

1. The Trustee of each unit trust is an Australian tax resident company.
2. These entities are disregarded for US tax purposes. As disregarded entities are also fiscally transparent, the residence of the disregarded entity has no bearing on whether its income is subject to US federal tax; rather, tax is imposed on the disregarded entity's sole owners, being US tax resident companies.

Directors' Declaration

For the year ended 30 June 2024

In the Directors' opinion:

(a) the consolidated financial statements and notes set out on pages 80 to 144 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

(ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the financial year ended on that date, and

(b) there are reasonable grounds to believe that the group will be able to pay its debts as and when they become due and payable and

(c) the consolidated entity disclosure statement on pages 145 to 148 is true & correct, and

(d) at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group identified in Note 32 will be able to meet any liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in Note 32.

Note 1 confirms that the consolidated financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001.*

This declaration is made in accordance with a resolution of the Directors.

Michael Anghie
Group Chief Executive Officer & Executive Director

Perth
29 August 2024

Independent Auditor's Report to the Members

30 June 2024

Independent auditor's report

To the members of APM Human Services International Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of APM Human Services International Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the consolidated statement of financial position as at 30 June 2024
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated statement of profit or loss and other comprehensive income for the year then ended
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information
- the consolidated entity disclosure statement as at 30 June 2024
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Independent Auditor's Report to the Members

continued

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

Audit Scope

- Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.
- The Group has major business units in Australia, New Zealand, the United Kingdom, the United States of America, Canada and South Korea. In establishing the overall approach to the Group audit, we determined the type of work that needed to be performed by us, as the Group engagement team, and by component auditors under our instruction.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit and Risk Committee.

Key audit matter	*How our audit addressed the key audit matter*

Revenue from contracts with customers and accrued revenue - (outcome-based revenue)
Refer to note 4
 	
The accrued revenue (contract asset) balance at 30 June 2024 amounts to $308.4 million ($337.8 million in FY 23) which includes $164.3 million ($196.6 million in FY 23) of accrued outcome-based revenue arrangements.
 	
Outcome-based revenue is part of the Employment Services activity type. From this service line, the Group has recognised revenue amounting to $1,707.3 million for the year ended 30 June 2024 ($1,410.5 million in FY 23).
 	
The Group recognises outcome-based revenue on the placement date. A substantial portion of the Group's
	We performed the following audit procedures, amongst others:
	
	• evaluated the revenue recognition policies applied by the Group against requirements of Australian Accounting Standards;
	• assessed the methodology used by the Group to determine the ratio of outcomes for a selection of models with the assistance of our PwC actuarial experts;
	• assessed a selection of models prepared by the Group to estimate future outcome payments, which supports the contract asset balance, by:
	  ○ evaluating the mathematical accuracy of the models;
	  ○ reconciling a selection of placements included within the models to third

Independent Auditor's Report to the Members

continued

Key audit matter	How our audit addressed the key audit matter
contracts include variable consideration. 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. We considered this a key audit matter due to the complexity and level of judgement in estimating the expected conversion rates (Australia and Canada) and ratio of outcomes (United Kingdom) for estimated future outcome payments accrued as revenue in the financial results for the year ended 30 June 2024.	party reports; ○ evaluating the Group's ability to accurately forecast by comparing forecasts with reported actual results for expected conversation rates; • for the outcome-based revenue recognised in the financial year, tested revenue transactions by assessing whether these samples aligned with the Group's revenue recognition policy and the terms of the relevant customer contracts; • evaluated the reasonableness of the Group's Revenue recognition disclosures in note 4 in light of the requirements of Australian Accounting Standards.
Valuation of Goodwill *Refer to note 14* As of 30 June 2024, the Group had $1,529.3 million ($1,796.8 million in FY 23) of Goodwill recognised on the consolidated statement of financial position. Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. The Group conducted an impairment assessment of Goodwill by determining the value in use for each cash generating unit (CGU) through cash flow models (the models). This resulted in a net impairment loss of $261.4 million for Goodwill in the current financial year. The impairment assessment was a significant audit matter due to the substantial Goodwill balance (distributed across various CGUs) and the judgement required to determine if an impairment was necessary.	We performed the following audit procedures, amongst others: • assessed whether the Group's identification of CGUs was consistent with our knowledge of the operations, internal reporting lines and the level of integration of the previously acquired businesses; • evaluated selected data and assumptions in the cash flow forecasts in the models; • compared the cash flow forecasts in the models to Board approved budgets; • evaluated the Group's ability to accurately forecast by comparing previous forecasts with reported actual results; • together with PwC valuation experts, assessed that the method used by the Group to determine the recoverable amount of the CGUs was in compliance with the requirements of Australian Accounting Standards; • with the support of PwC valuations experts, assessed the discount rate used in each model and whether it fell within a reasonable range taking into account external market data. • assessed the mathematical accuracy of the models; • assessed the composition of the assets and

Independent Auditor's Report to the Members

continued

Key audit matter	How our audit addressed the key audit matter
	liabilities included within the CGU's carrying value and agreed them back to underlying financial records; • evaluated the reasonableness of the Group's Goodwill disclosures in note 14 in light of the requirements of Australian Accounting Standards.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001,* including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material

Independent Auditor's Report to the Members

continued

if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2024.

In our opinion, the remuneration report of APM Human Services International Limited for the year ended 30 June 2024 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

PricewaterhouseCoopers

Craig Heatley
Partner

Perth
29 August 2024

Shareholder Information

30 June 2024

The shareholder information set out below was applicable as at 21 August 2024 (unless indicated otherwise) and applied to APM's securities (ASX: APM).

A. Distribution of Shareholders

Analysis of the number of equity security holders by size of holding and the total percentage of securities in that class held by the holders in each category:

Fully Paid Ordinary Shares	No of holders (#)	Ordinary Shares (#)	% Issued Share Capital
Above 0 up to and including 1,000	1,190	606,192	0.07%
Above 1,000 up to and including 5,000	1,297	3,619,957	0.39%
Above 5,000 up to and including 10,000	671	5,073,542	0.55%
Above 10,000 up to and including 100,000	923	25,941,128	2.83%
Above 100,000	149	881,941,127	96.16%
	4,230	**917,181,946**	**100.00%**

Unmarketable Parcels	Minimum Parcel Size (#)	Holders (#)	Units (#)
Minimum $500.00 parcel at $1.43 per unit	350	452	101,153

Performance rights	No of holders (#)	Performance rights (#)	% Issued Share Capital
Above 0 up to and including 1,000	–	–	–%
Above 1,000 up to and including 5,000	–	–	–%
Above 5,000 up to and including 10,000	4	39,564	0.32%
Above 10,000 up to and including 100,000	80	3,060,686	24.75%
Above 100,000	25	9,263,929	74.93%
	109	**12,364,179**	**100.00%**

B. Voting rights

Every ordinary shareholder present in person or by proxy at meetings of shareholders shall have one vote for every share held.

Performance Rights Holders have the right to attend meetings but have no voting rights until the Performance Rights are exercised.

Shareholder Information

continued

C. Top 20 Shareholders

The following is a listing of the top 20 holders of fully paid ordinary shares:

	Holding balance	% of issued shares
MEGAN WYNNE	194,095,970	21.16
MDCP VIII-A LP	158,747,406	17.31
BELLINGE HOLDINGS PTY LTD	100,868,772	11.00
MDCP VIII-C LP	82,410,574	8.99
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	74,919,840	8.17
CITICORP NOMINEES PTY LIMITED	72,485,550	7.90
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	30,581,122	3.33
MICHAEL ANGHIE	20,214,783	2.20
MKW NOMINEES PTY LTD <THE WYNNE FAMILY NO2 A/C>	16,669,013	1.82
MDCP VIII EXECUTIVE-A2 LP	12,882,062	1.40
MDCP VIII EXECUTIVE-A LP	12,679,659	1.38
MKW NOMINEES PTY LTD <WYNNE FAMILY NO 2 A/C>	5,095,000	0.56
WYLLIE GROUP PTY LTD	4,955,720	0.54
ANGWIN INVESTMENTS PTY LTD <ANGWIN FAMILY DISCRETIO A/C>	4,225,353	0.46
BNP PARIBAS NOMINEES PTY LTD BARCLAYS	3,814,262	0.42
XARANA PTY LTD <XARANA A/C>	3,536,126	0.39
GRUMETI PTY LTD <SB A/C>	3,521,126	0.38
KAREN RAINBOW	3,130,366	0.34
KABILA PTY LTD	2,957,747	0.32
WATOTO PTY LTD	2,957,747	0.32
	810,748,198	**88.39**

D. Substantial shareholders

Substantial shareholders in the Company as disclosed in substantial holding notices lodged with ASX are set out below:

	Holding balance	%
Megan Wynne & Bellinge Holdings Pty Ltd	318,580,868	34.73
Madison Dearborn Capital Partners (and others)	266,719,701	29.08
UBS AG and its related bodies corporate	46,214,397	5.04

E. Buyback

There is no current on-market buy-back.

F. Escrowed shares

The following existing shareholders are subject to voluntary escrow arrangements:

Shareholder*	Number of Escrowed Shares (million)	Escrow Period (From the date of IPO completion)
Michael Anghie	6.1	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	8.9	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

Notes:

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

Corporate Directory

Directors

Megan Wynne
Michael Anghie
Timothy P. Sullivan
Elizabeth Q. Betten
William E. Ritchie
Robert Melia
Simone Blank
Neville Power
Benjamin Wyatt

ABN

38 639 621 766

Business address

58 Ord Street
West Perth WA 6005

Postal address

PO Box 1752
West Perth WA 6872

Share and debenture register

Computershare Investor Services Pty Limited

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GPO Box 2975, Melbourne Victoria 3001

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(outside Australia) +61 3 9415 4000
Facsimile +61 3 9473 2500
Email: web.queries@computershare.com.au
www.computershare.com/au

Auditor

PricewaterhouseCoopers

Brookfield Place
125 St Georges Terrace
Perth 6000

Solicitors

Gilbert + Tobin

Level 35, Tower Two
200 Barangaroo Avenue
Barangaroo NSW 2000

Website address

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