

Friday, 12 November 2021

APM HUMAN SERVICES INTERNATIONAL LIMITED

PRE-QUOTATION DISCLOSURE

The following information is required to be provided to ASX Limited (**ASX**) for release to the market in connection with the official quotation and conditional and deferred settlement trading of fully paid ordinary shares (**Shares**) in APM Human Services International Limited (ACN 639 621 766) (**APM** or the **Company**) (ASX:APM).

Capitalised terms used, but not been otherwise defined, have the meaning given to them in the replacement prospectus lodged by APM and APM SaleCo Limited (ACN 653 997 472) (**SaleCo**) with the Australian Securities and Investments Commission on 4 November 2021 (**Prospectus**).

1 Basis of allocation and procedures determining allocations

The basis for allocation of Shares under the Offer and the procedures by which Applicants can determine their precise allocations is set out below:

The allocation of Shares between the Institutional Offer and the Retail Offer (including the Broker Firm Offer, the Priority Offer, the Employee Offer and the Employee Gift Offer) was determined by agreement between the Company and the Joint Lead Managers, having regard to the allocation policy outlined in the Prospectus.

- (a) **Institutional Offer:** The allocation of Shares among bidders in the Institutional Offer was determined by agreement between the Joint Lead Managers, APM and SaleCo to certain Institutional Investors in Australia, New Zealand and other eligible foreign jurisdictions. APM, the Joint Lead Managers and SaleCo had absolute discretion regarding the basis of allocation of Shares among Institutional Investors. Participants in the Institutional Offer have been advised of their allocation of Shares, if any, by the Joint Lead Managers.
- (b) **Broker Firm Offer:** The allocation of Shares to the Brokers has been determined by agreement between the Joint Lead Managers, APM and SaleCo. Shares that have been allocated to the Brokers for allocation to their Australian and New Zealand resident retail clients will be issued or transferred to the Applicants nominated by those Brokers (subject to the right of APM, SaleCo and the Joint Lead Managers to reject, aggregate or scale back Applications). It was a matter for each Broker as to how they allocated Shares among their retail clients, and they (and not APM, SaleCo or the Joint Lead Managers) are responsible for ensuring that retail clients who have received a firm allocation from them receive the relevant Shares. Applicants under the Broker Firm Offer should confirm their allocation through the Broker from whom they received their allocation.
- (c) **Priority Offer:** The allocation of Shares under the Priority Offer was made at the absolute discretion of the Company and SaleCo. Applicants under the Priority Offer have been advised of their allocations.
- (d) **Employee Gift Offer:** Eligible Employees who submitted a valid Application under the Employee Gift Offer were guaranteed an allocation of \$1,000 worth of Shares (rounded down to the nearest whole Share based on the Offer Price), being 281 Shares.
- (e) **Employee Offer:** Eligible Priority Employees who submitted a valid Application for Shares under the Employee Offer were guaranteed a minimum allocation of \$2,000 worth of Shares (rounded down to the nearest whole Share based on the Offer Price). Total allocations under the Employee Offer were capped at a maximum of \$5 million worth of Shares (rounded down to the nearest whole Share based on the Offer Price), however the Company reserved the right to accept further applications up to a maximum of \$10 million worth of Shares in aggregate. Applicants under the Employee Offer will be advised of their precise allocation when they receive the holding statement from the Company or alternatively, they can contact the APM Offer Information Line (as set out below).

Applicants can also telephone the APM Offer Information Line on 1300 161 431 (within Australia) or +61 3 9415 4047 (outside Australia) between 8:30am and 5:00pm (Sydney time), Monday to Friday (excluding public holidays).

It is the responsibility of each person who trades in Shares to confirm their holding before trading in Shares. If Shares are sold before receiving a holding statement, Successful Applicants do so at their own risk.

2 Conditions for the conditional market

The conditions for the conditional market as outlined in the Prospectus and the date by which each of these conditions must be satisfied as required by ASX Operating Rules – Procedure 3330.2(a) are:

Condition	Time for satisfaction
Settlement under the Underwriting Agreement	Tuesday, 16 November 2021
The Company has issued New Shares and SaleCo has transferred existing Shares to successful Applicants under the Offer	Wednesday, 17 November 2021

3 The issue price and sale price and number of ordinary shares to be issued and transferred under the Offer

- (a) The Offer Price for each Share under the Offer is \$3.55.
- (b) The total number of Shares allocated under each part of the Retail Offer and the Institutional Offer is:

Institutional Offer	205,073,014
Broker Firm Offer	37,311,526
Priority Offer	32,939,988
Employee Gift Offer	1,000,922
Employee Offer	1,335,989

Total Shares issued or transferred under the Offer	277,661,439
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At Completion of the Offer, there will be a total of 898,621,383 Shares on issue.

The Company confirms that at the time of Completion of the Offer, it will have a free float of at least 20% as shown below:

Total Shares subject to a voluntary escrow	620,959,944
Total Shares under the Employee Gift Offer subject to a six-month holding lock	1,000,922
Total Shares held by Directors which are not subject to voluntary escrow	14,085
Free Float Shares	276,646,432
Free float	30.8%

4 Intended despatch date

- (a) The intended date for the despatch of:
- (i) in relation to all holdings on the CHESS sub-register, a notice from APM under ASX Settlement Operating Rule 8.9.1;
 - (ii) in relation to all other holdings, issuer sponsored holding statements; and
 - (iii) any refund money,
- is Thursday, 18 November 2021.

5 Target Companies Consideration Shares

APM has confirmed that it intends to proceed with the issue of 18,560,565 Shares as consideration for the acquisition of Early Start Australia Pty Ltd (ACN 616 435 575), Integrated Care Pty Ltd (ACN 149 233 634), Mobility Holdings Pty Ltd (ACN 009 463 870) and Mobility Australia Pty Ltd (ACN 637 098 518) which is expected to complete on 31 December 2021.

6 Voluntary escrow

The following is a breakdown of the number of Shares subject to voluntary escrow and the escrow period applied to those Shares. For details of the material terms of the voluntary escrow arrangements, including any exceptions to the restrictions on disposal, please refer to Sections 7.20 and 9.7 of the Prospectus.

Total securities subject to voluntary escrow	Shares with FY22 Release ¹	Shares with FY23 Release ²	Shares with FY24 Release ³
620,959,944	275,930,217	330,010,234	15,019,499

- 1 The period of escrow will end at 4.30pm on the date that the Company has released to the ASX its preliminary final report (being the Company's Appendix 4E) for the financial year ending 30 June 2022.
- 2 The period of escrow will end at 4.30pm on the date that the Company has released to the ASX its preliminary final report (being the Company's Appendix 4E) for the financial year ending 30 June 2023.
- 3 The period of escrow will end at 4.30pm on the date that the Company has released to the ASX its preliminary final report (being the Company's Appendix 4E) for the financial year ending 30 June 2024.

7 Capital structure

APM's capital structure as at Completion is set out as follows:

Class	Number
Shares	898,621,383

8 ASX waivers

ASX has granted APM waivers from the following ASX Listing Rules:

- (a) 1.1 condition 12;
- (b) 6.12;
- (c) 10.14; and
- (d) 6.1,

on the terms set out below.

Basis for Waiver Decision

Listing Rule 1.1 condition 12

If an entity seeking admission to the official list of ASX has options or performance rights on issue, the exercise price for each underlying security must be at least 20 cents in cash. This rule supports ASX Listing Rule 2.1 condition 2 which requires the issue price or sale price of all securities for which an entity is seeking quotation (except options) upon admission to the official list to be at least 20 cents in cash. These requirements together support the integrity of the ASX market, as they demonstrate that the entity's ordinary securities have a minimum value suitable for a listed entity.

Facts and Reasons for granting the waiver

- (a) *The Company proposes to issue up to \$5.82 million worth of Rights with a nil exercise price under the Company's long term incentive plan. The Rights will represent less than 1% of the Company's Shares. The Rights will convert into Shares on a one-for-one basis on exercise.*
- (b) *It is considered that the existence of the Rights will not undermine the 20 cent rule in these circumstances. The waiver is granted on condition that the material terms and conditions of the Rights are clearly disclosed in the Prospectus.*

Listing Rule 6.12

An entity may only divest of securities where the divestment is under a provision in the constitution that is permitted by the ASX Listing Rules, or that ASX has approved as appropriate and equitable. This protects security holder rights and enhances security holder democracy.

Facts and Reasons for granting the waiver

- (a) *The Company proposes to include in the rules under which the Employee Gift Offer Shares (the **Gift Shares**) will be offered (the **Gift Share Rules**), a right for the Company to require the eligible employees to forfeit their Gift Shares in the event that the employee ceases to be employed by the Company within 12 months from the date of the issue of the Gift Shares.*
- (b) *It is considered that the contractual right to require forfeiture or disposal relates only to Gift Shares held by the eligible employees and as set out in the Gift Share Rules. The divestment provision is not a requirement of an employee share plan, or a condition imposed on shareholders at large. It is relevant only to certain employees who participate in the gift offer, and the trigger events are not unreasonable or inequitable having regard to the offer of the Gift Shares as an incentive to employees. The waiver is granted on the basis that it is not inappropriate for a company and eligible employees to be able to agree on divestiture arrangements that contemplate disposal if the relevant circumstances occur.*

Listing Rule 10.14

Listed entities are required to obtain the prior approval of security holders for an issue of equity securities to related parties, even if pursuant to their participation in an employee incentive scheme. This rule is directed at preventing related parties from obtaining securities on advantageous terms and increasing their holding

proportionate to the holdings of other security holders' interests by supplementing the related party provisions of the Corporations Act (and any related party provisions applying to foreign entities under relevant legislation).

Facts and Reasons for granting the waiver

- (a) The Company intends on issuing Shares on exercise of Rights equivalent to a value of up to \$750,000 to Megan Wynne and up to \$2,100,000 to Michael Anghie, each an executive director, under the Company's long term incentive plan (**Plan**), without shareholder approval on the following conditions:
 - (i) the Prospectus contains the information required by ASX Listing Rule 10.15 in respect of the proposed issue of rights;
 - (ii) in each case, the date by which the Company will issue the Shares on exercise of the rights under the Plan must be no later than 3 years from the date of the Company's admission to the official list of ASX; and
 - (iii) details of any rights issued to the directors (and their associates) under the Plan must be published in the Company's annual report relating to the period in which they were issued.
- (b) The Company has applied for admission to the official list of ASX. It intends to issue securities to directors (and their associates) under the terms of the Plan. Under ASX Listing Rule 10.14, security holders may approve an issue of securities to a director pursuant to an employee incentive scheme for a period of up to 3 years. A waiver from ASX Listing Rule 10.14 is granted on the basis that where a future issue of equity securities to a director under a scheme is disclosed in an initial listing document, persons who subscribe under the IPO with notice of the future issue of securities to the related party, may be taken effectively to have consented to the issue, and it is unnecessary to submit the issue to a security holders' meeting for approval. The disclosure of the details of the future issue must be adequate and consistent with the information that would be required under ASX Listing Rules 10.15 in a notice of meeting. Accordingly, a waiver from ASX Listing Rule 10.14 is likely to be granted provided the initial public offering prospectus contains adequate disclosure about the proposed issue of shares to directors on exercise of the rights and the shares are issued within three years of the Company's admission to the official list, which is consistent with the requirements of ASX Listing Rule 10.15.

Listing Rule 6.1

The terms that apply to each class of equity securities must, in ASX's opinion, be appropriate and equitable.

Facts and Reasons for granting the waiver

- (a) The Company, in connection with the proposed acquisition of the Target Companies, intends on issuing 20,000,000 deferred consideration shares to entities controlled by APM director Megan Wynne (and one entity in which Megan Wynne and Michael Anghie have a beneficial interest (**Vendors**) (the **Performance Securities**).
- (b) The ASX considers the Performance Securities are appropriate and equitable pursuant to ASX Listing Rule 6.1 on the following conditions:
- (c) The Prospectus contains the following details in respect of the Performance Securities:
 - (i) the party or parties to whom the Performance Securities are to be issued and the number of Performance Securities to be issued to them or each of them;
 - (ii) any relationship the recipient of the Performance Securities or an associate of the recipient has with the entity;
 - (iii) in respect of the Performance Securities to be issued to the Vendors:
 - (A) a statement to the effect that the Performance Securities are being issued in connection with an acquisition of the Target Companies;

- (B) *an explanation why the Performance Securities are being issued in connection with the Acquisition, including the commercial goals the entity is trying to achieve, and the risks it is trying to manage, by imposing the relevant performance milestone;*
 - (C) *details of the Target Companies;*
 - (D) *details of the Vendors;*
 - (E) *details of how the Company determined the number of Performance Securities to be issued to the Vendors and why it considers that number to be appropriate and equitable; and*
 - (F) *if any of the Performance Securities are being issued to someone who does not have an ownership interest in the Vendors, or if the Performance Securities are being issued disproportionately to the ownership interests of the Vendors, an explanation why that is the case and how that is considered appropriate and equitable.*
- (iv) *The number of Performance Securities that will be issued if the applicable performance milestone is met and the impact that will have on the Company's capital structure.*
 - (v) *A summary of the material terms of the agreement between the Company and the Vendors to acquire the Target Entities.*
- (d) *The Company makes an announcement immediately upon the satisfaction of any milestones, the issue of any of the Performance Securities and the expiry of the right to be issued any of the Performance Securities.*
 - (e) *The terms and conditions of the Performance Securities, including without limitation the relevant milestones that have to be satisfied before each Performance Securities are issued, are not to be changed without the prior approval of ASX and the Company's shareholders.*
 - (f) *Upon issue of the Performance Securities, the Company will apply to the ASX for quotation of the shares within the requisite time period.*
 - (g) *The Company discloses the following in each annual report, annual audited financial accounts and half-yearly report issued by the Company in respect of any period during which any of the Performance Securities remain on issue or were converted or cancelled:*
 - (i) *the number of Performance Securities on issue during the relevant period;*
 - (ii) *a summary of the terms and conditions of the Performance Securities, including without limitation and the relevant milestones.*
 - (iii) *whether any of the Performance Securities were issued or the right to such Performance Securities was cancelled during that period; and*
 - (iv) *whether any milestones were met during the period.*

9 Institutional Bookbuild

APM confirms that in relation to the funds raised pursuant to the institutional bookbuild under the Institutional Offer (**Institutional Bookbuild**):

- (a) the number of Shares allocated under the Institutional Bookbuild is 205,073,014 at a price of \$3.55 per Share (**Bookbuild Price**);
- (b) no promoters or related parties of the Company will be taking up a material number of securities;

- (c) no concessionary fee or other arrangements have been entered into which have had the result that the effective transfer price paid by some allottees differs materially from the Bookbuild Price announced by APM;
- (d) no arrangements have been entered into which have had the result that some allottees receive a material benefit for agreeing to participate in the Institutional Bookbuild at the Bookbuild Price announced by APM and which is not received by other allottees; and
- (e) no arrangements have been entered into with associates of APM or the bookrunner to avoid a shortfall, or the appearance of a shortfall, in the Institutional Bookbuild.

10 Further information

In addition to the documents already described in this announcement, the following documents will be released on the ASX Market Announcements Platform at the same time as this pre-quotation disclosure:

- (a) **ASX listing application:** the Company's Appendix 1A (Application for Admission to the ASX Official List) and Information Form and Checklist;
- (b) **Prospectus:** the Prospectus lodged with ASIC by the Company and SaleCo on 4 November 2021;
- (c) **Constitution:** the Company's constitution;
- (d) **Audited accounts for APM:** the audited accounts for APM for the period from 9 March 2020 to 30 June 2021;
- (e) **Audited accounts for International APM Group Pty Ltd:** the audited accounts for International APM Group Pty Ltd (ACN 618 762 977) for the year ended 30 June 2020;
- (f) **Pro-forma statement:** an updated pro-forma statement of financial position based on the actual amount of funds raised under the Prospectus;
- (g) **Incentive plan:** the full terms and conditions of the Company's long-term incentive plan;
- (h) **Corporate governance statement:** the Company's corporate governance statement, disclosing the extent to which APM will follow, as at the date of its admission to the Official List, the recommendations set by the ASX Corporate Governance Council;
- (i) **Securities trading policy:** the Company's securities trading policy;
- (j) **Indicative distribution schedule of shareholders:** an indicative distribution schedule of the numbers of holders in each class of securities to be quoted, setting out the number and percentage of holders in the following categories:
 - 1 – 1,000
 - 1,001 – 5,000
 - 5,001 – 10,000
 - 10,001 – 100,000
 - 100,001 and over; and
- (k) **Indicative statement of the 20 largest shareholders:** an indicative statement setting out the names of the 20 largest holders of APM. The statement sets out an indicative list of the names of the 20 largest holders of APM Shares, being the only class of securities of APM to be quoted on the ASX, and the number and percentage of APM Shares held by those holders.