

28 February 2024

UPDATED NON-BINDING ACQUISITION PROPOSAL RECEIVED FROM CVC

APM Human Services International Limited (ASX: APM; **APM**) confirms that it has received a revised conditional, indicative, non-binding offer of \$2.00 cash per share from CVC Asia Pacific Limited (**CVC**) for and on behalf of a new entity wholly-owned by the CVC Funds¹ (**CVC BidCo**) to acquire all of the shares in APM by way of a scheme of arrangement under part 5.1 of the *Corporations Act 2001* (Cth) (the **Revised Proposal**).

APM formed an Independent Board Committee (**IBC**) to consider the Revised Proposal and to engage with CVC in respect of the Revised Proposal. The IBC is comprised of four independent directors, and is led by Neville Power, who is the lead Independent Director, and also includes Simone Blank, Robert Melia and Ben Wyatt.

The IBC and the full Board, after carefully considering the Revised Proposal and obtaining feedback from key shareholders, has determined that it is in the best interests of APM's shareholders to re-engage with CVC and to grant CVC a four-week period of exclusivity to 27 March 2024 (**Exclusivity Period**) (the first two weeks of which will not be subject to a fiduciary carve out). The terms of the exclusivity deed are set out as Appendix A to this announcement.

The Revised Proposal represents a premium of 141% to the closing share price of \$0.83 on 16 February 2024 when CVC made their initial offer of \$1.60 cash per share and a 42% premium to the closing share price on 27 February 2024.

The Revised Proposal includes an option for all APM shareholders to elect to receive all or part of their consideration in the form of shares in an unlisted Australian public company (**HoldCo**) which will own 100% of the shares in CVC BidCo (**Scrip Alternative**). In addition, the Revised Proposal is conditional on certain shareholders, including Executive Chair, Megan Wynne and founding related parties (**Founders**) and Michael Anghie and key management (**Management**), electing to receive all or substantially all of their consideration in HoldCo shares. The Revised Proposal includes an assumption that Madison Dearborn Partners (**MDP**) will elect to participate in the Scrip Alternative in respect of approximately 75% of its APM shares.

The Revised Proposal is subject to a number of other conditions, including (but not limited to):

- completion of confirmatory due diligence;
- finalisation of CVC's debt financing;
- execution of a scheme implementation deed reflecting the terms of the Revised Proposal and other customary terms (**SID**);
- agreement of other key transaction documents, including a shareholders' agreement in respect of HoldCo; and
- CVC obtaining all required regulatory approvals (including Foreign Investment Review Board approval).

¹ Being funds or investment vehicles advised by CVC Asia Pacific Limited, CVC Advisers Company (Luxembourg) S.à r.l. and/or their respective affiliates.

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The Revised Proposal contemplates that the SID will itself be subject to customary conditions precedent for a transaction of this nature, including APM shareholder approval.

Under the Revised Proposal, should it be implemented, it is expected that a new entity wholly-owned by the CVC Funds will hold approximately 33% of HoldCo shares and existing shareholders who elect to participate in the Scrip Alternative, including the Founders, MDP and Management will hold the balance of shares in HoldCo.

During the Exclusivity Period, the IBC will engage with CVC to facilitate CVC's final confirmatory due diligence and to negotiate and agree the SID and other definitive transaction documents in relation to the Revised Proposal. The IBC has appointed Gilbert + Tobin as its legal adviser and UBS Securities Australia Limited as its financial adviser.

The Revised Proposal is non-binding and conditional. There is no certainty that a binding transaction will proceed or eventuate as a result of the Revised Proposal.

Subject to entry into the SID, it is the intention of the IBC and Board to recommend that APM shareholders vote in favour of the transaction that is the subject of the Revised Proposal, in the absence of any superior proposal and provided an Independent Expert to be appointed concludes any finally agreed proposal is in the best interests of shareholders.

Ms Megan Wynne, Executive Chair of APM, said: "The management team and I remain committed to APM and its purpose of Enabling Better Lives. Through this period, we will remain focused on supporting our people, continuing to deliver the highest-quality services globally for our clients and stakeholders, and executing on our strategy."

The IBC and the Board reiterates that APM shareholders do not need to take any action in relation to the Revised Proposal at this time.

APM will continue to keep the market informed in accordance with its continuous disclosure obligations.

ENDS

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

For further information please contact:

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About APM

Founded in 1994 in Perth, Western Australia, APM is an international human services provider with the purpose of “Enabling Better Lives”.

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

With over 1,600 sites spanning 11 countries (Australia, United Kingdom, Canada, United States of America, New Zealand, Germany, Switzerland, Sweden, Spain, Singapore, and South Korea), APM’s more than 15,000 team members work to enhance community health and wellbeing, delivering services to clients across the early childhood, youth, employment, insurance, justice, veterans, disability, and aged care sectors.

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

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APPENDIX A - EXCLUSIVITY DEED

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Exclusivity Deed

APM Human Services International Limited

CVC Asia Pacific Limited

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Date: 28 February 2024

Parties

- 1 **APM Human Services International Limited** of 58 Ord Street, West Perth WA 6872 (**APM**)
 - 2 **CVC Asia Pacific Limited** of 2009-11, ICBC Tower, 3 Garden Road, Central, Hong Kong (**CVC**)
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Background

- A. CVC has submitted a confidential, non-binding, incomplete and indicative proposal dated 27 February 2024 (**NBIO**) for the acquisition by BidCo of 100% of the issued shares in APM by way of a scheme of arrangement (**Proposed Transaction**).
- B. To assist CVC to complete its due diligence investigations to finalise the terms for the Proposed Transaction, the parties propose to enter into the exclusivity and other arrangements set out in this deed.

The parties agree:

1 Defined terms and interpretation

1.1 Definitions in the Dictionary

A term or expression starting with a capital letter:

- (a) which is defined in the Dictionary in clause 1.2, has the meaning given to it in the Dictionary; and
- (b) which is defined in the *Corporations Act 2001* (Cth) (**Corporations Act**), but is not defined in the Dictionary, has the meaning given to it in the Corporations Act.

1.2 Dictionary

In this deed:

APM Board means the board of directors of APM.

APM Group means APM and its Related Bodies Corporate.

APM Shareholders means the shareholders of APM.

Associate has the meaning given in section 12 of the Corporations Act as if section 12(1) of that Act included a reference to this deed and APM was the designated body.

ASX means the Australian Securities Exchange.

BidCo means a new entity wholly owned by the CVC Funds.

Board means the board of directors of APM.

Business Day means a day on which banks are open for business excluding Saturdays, Sundays and public holidays in Sydney, Australia.

Competing Proposal means any inquiry, offer, proposal or expression of interest, transaction or arrangement under which, if entered into or completed substantially in accordance with its terms, would result in:

- (a) a person either alone or together with any Associate (other than CVC and its Associates or related entities) directly or indirectly:
 - (i) acquiring, or having the right to acquire a Relevant Interest in more than 15% of the issued share capital of APM;
 - (ii) acquiring, obtaining a right to acquire, receiving or becoming the holder of, or otherwise obtain, a legal, beneficial or economic interest in:
 - (A) 15% or more of the issued share capital of APM or any material subsidiary of APM; or
 - (B) all or a substantial part or material part of the business or property of the APM Group (taken as a whole); or
 - (iii) acquiring control of APM or any material Related Body Corporate within the meaning of section 50AA of the Corporations Act, disregarding section 50AA(4) of that Act; or
 - (iv) otherwise acquiring or merging with APM or any of its controlled entities; or
- (b) the Proposed Transaction not being implemented in accordance with its terms or requiring CVC to abandon the Proposed Transaction,

whether by takeover bid, scheme of arrangement, shareholder approved acquisition, capital reduction, share buy-back or repurchase or exchange, sale or purchase of assets or businesses, joint venture, reverse takeover, dual-listed company structure, recapitalisation, establishment of a new holding entity for APM, sale or issue of shares or other synthetic merger or any other transaction or arrangement.

Corporations Act means the *Corporations Act 2001* (Cth).

CVC Funds means any funds or investment vehicles advised by CVC, CVC Advisers Company (Luxembourg) S.à r.l. and/or their respective affiliates.

End Date means the date that is six months after the date of this deed.

Exclusivity Deadline means 5.00pm (Sydney time) on 27 March 2024, unless extended before that date by the parties.

Exclusivity Period means the period commencing from the date of this deed and ending on the date this deed is terminated in accordance with clause 4.

Government Agency means any foreign or Australian government or governmental, semigovernmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity (including any stock or other securities exchange), or any minister of the Crown in right of the Commonwealth of Australia or any State, and any other federal, state, provincial, or local government, whether foreign or Australian.

NBIO has the meaning given in the Background to this deed.

Non-public Information means non-public information about the business or affairs of the APM Group.

Proposed Transaction has the meaning given in the Background to this deed.

Reimbursable Costs means the amount of actual third party costs incurred by CVC or any of its affiliates, BidCo and/or any other entity wholly-owned by the CVC Funds (including costs of external advisers but excluding internal management time) in connection with the Proposed Transaction, including costs incurred in its (or their) preparation, planning, investigation and negotiation of the Proposed Transaction and the consideration, planning and preparation of applications to Government Agencies in connection with the Proposed Transaction, up to an aggregate maximum of A\$5.0 million.

Related Body Corporate has the meaning given to that term in the Corporations Act.

Relevant Interest has the meaning given to that term in the Corporations Act, but modified as if:

- (a) section 609(6) of the Corporations Act did not apply; and
- (b) the term specifically includes an economic interest equivalent or similar to ownership in securities including under a swap or a derivative instrument.

Representative of a party means:

- (a) a Related Body Corporate of the party; and
- (b) a director, officer, employee, agent, auditor, adviser, partner, consultant or agent of the party or of a Related Body Corporate of that party.

Scheme Implementation Deed means a scheme implementation deed between APM and CVC (or its nominee) to be executed by the parties to implement the Proposed Transaction.

Superior Proposal means a bona fide Competing Proposal which in the determination of the Board acting in good faith in order to satisfy what the Board considers to be its fiduciary or statutory duties (after having taken advice from their legal and financial advisers):

- (a) is reasonably capable of being valued and completed in accordance with its terms in a timely manner, taking into account all aspects of the Competing Proposal, including its conditions, the identity, reputation and financial condition of the person making such proposal, and all relevant legal and regulatory matters; and
- (b) would, if completed substantially in accordance with its terms, be reasonably likely to result in a transaction more favourable to APM Shareholders as a whole than the Proposed Transaction, taking into account all aspects of the Competing Proposal including the identity, reputation and financial condition of the person making such proposal, legal, regulatory and other financial matters, certainty and any other matters affecting the probability of the relevant proposal being completed in accordance with its terms.

1.3 Interpretation

In this deed the following rules of interpretation apply unless the contrary intention appears.

- (c) headings are for convenience only and do not affect the interpretation of this deed;
- (d) the singular includes the plural and vice versa;

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- (e) where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings;
 - (f) the words 'such as', 'including', 'particularly' and similar expressions are not used as nor are intended to be interpreted as words of limitation;
 - (g) a reference to:
 - (i) a person includes a natural person, partnership, joint venture, government agency, association, corporation or other body corporate;
 - (ii) a thing (including but not limited to a chose in action or other right) includes a part of that thing;
 - (iii) a party includes its successors and permitted assigns;
 - (iv) a document includes all amendments or supplements to that document;
 - (v) a clause, term, party, schedule or attachment is a reference to a clause or term of, or party, schedule or attachment to this deed;
 - (vi) this deed includes all schedules and attachments to it;
 - (vii) a law includes a constitutional provision, treaty, decree, convention, statute, regulation, ordinance, by-law, judgment, rule of common law or equity or a rule of an applicable stock market and is a reference to that law as amended, consolidated or replaced;
 - (viii) an agreement other than this deed includes an undertaking, or legally enforceable arrangement or understanding whether or not in writing; and
 - (ix) a monetary amount is to Australian dollars;
 - (h) an agreement on the part of two or more persons binds them jointly and severally;
 - (i) when the day on which something must be done is not a Business Day, that thing must be done on the following Business Day;
 - (j) in determining the time of day where relevant to this deed, the relevant time of day is:
 - (i) for the purposes of giving or receiving notices, the time of day where a party receiving a notice is located; or
 - (ii) for any other purpose under this deed, the time of day in the place where the party required to perform an obligation is located; and
 - (k) no rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of this deed or any part of it.

2 Exclusivity

2.1 No-shop restriction

During the Exclusivity Period, APM must ensure that neither it nor any of its Representatives directly or indirectly:

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- (a) solicit, invite, initiate or encourage (including by the provision of non-public information) any actual, proposed or potential Competing Proposal;
 - (b) solicit, invite, initiate or encourage any enquiries, expressions of interests, offers, proposals, discussions or negotiations in relation to, or which may reasonably be expected to lead to, an actual, proposed or potential Competing Proposal (or which may otherwise lead to the Proposed Transaction not being completed); or
 - (c) communicate to any person any intention to do any of the things referred to in clauses 2.1(a) or 2.1(b).

2.2 No-talk restriction

Subject to clause 2.4, during the Exclusivity Period, APM must ensure that neither it nor any of its Representatives, directly or indirectly:

- (a) participate in or continue any negotiations or discussions with respect to any inquiry, expression of interest, offer, proposal or discussion by any person to make, or which would reasonably be expected to lead to the making of, an actual, proposed or potential Competing Proposal;
- (b) negotiate, accept or enter into any agreement, arrangement or understanding regarding, or which would reasonably be expected to lead to the making of, an actual, proposed or potential Competing Proposal; or
- (c) communicate to any person an intention to do anything referred to in clauses 2.2(a) or 2.2(b),

even if the relevant Competing Proposal was not directly or indirectly solicited, invited, encouraged, facilitated or initiated by APM or any of its Representatives.

2.3 No due diligence restriction

Subject to clause 2.4, during the Exclusivity Period, APM must ensure that neither it, nor its Representatives, directly or indirectly make available to any person (other than CVC and its related entities and its (or their) Representatives), or permit any person to receive, any non-public information relating to APM, any member of the APM Group or its business or its operations with a view to obtaining a Competing Proposal or which could reasonably be expected to lead such person to formulating, developing or finalising a Competing Proposal.

2.4 Fiduciary out

- (a) With effect from the 11th Business Day after the date of this deed, each of clauses 2.2 (*No-talk restriction*) and 2.3 (*No due diligence restriction*) do not apply to the extent that the relevant clause restricts APM or its Representatives from taking or refusing to take any action with respect to an actual, proposed or potential bona fide Competing Proposal (in relation to which there has been no breach of clause 2) if the Board has determined, acting in good faith and after:
 - (i) consultation with its financial and legal advisers, the Competing Proposal is or would reasonably be expected to lead to, a Superior Proposal; or
 - (ii) having received advice from its legal advisers that complying with clauses 2.2 or and 2.3 (as applicable) would, or would be reasonably likely to constitute, a breach of any fiduciary or statutory duties of any director of APM.

- (b) For the avoidance of doubt, the evaluation of a Competing Proposal for the purposes of this clause 2.4 is not a breach of this clause 2.

2.5 Notification requirement

During the Exclusivity Period, APM must promptly (and in any event within one Business Day) notify CVC in writing of any:

- (a) expression of interest, discussion or proposal made by any person to it or any of its Representatives in relation to an actual, proposed or potential Competing Proposal; or
- (b) request for information relating to APM, its businesses or operations which APM has reasonable grounds to suspect may relate to an actual, proposed or potential Competing Proposal,

where in each case such notification from APM shall not include: (i) the identity of the person making the expression or request; nor (ii) the terms of any such expression, request or Competing Proposal.

2.6 Usual provision of information

Nothing in this deed prevents APM from:

- (a) providing any information to any Government Agency;
- (b) providing any information required to be provided by any applicable law, including to satisfy its obligations under the ASX Listing Rules or to any Government Agency;
- (c) providing any information to its auditors, customers, financiers, joint venturers and suppliers acting in that capacity in the ordinary course of business; and
- (d) making presentations to, or responding to enquiries from, brokers, portfolio investors, analysts and other third parties, and engaging with financiers and potential financiers, in the ordinary course of business (provided that such action does not result in a breach of clause 2.1).

3 Cost reimbursement

- (a) APM must, within 10 Business Days of receiving a written demand from CVC, pay to CVC an amount equal to the Reimbursable Costs in cleared funds (without withholding or set off) into a bank account notified in writing to APM by CVC, if before the end of the Exclusivity Period:
 - (i) a member of the APM Group has received a Competing Proposal and, on or before the End Date, a member of the APM Group has entered into any legally binding scheme implementation agreement, bid implementation agreement or similar document to give effect to a Superior Proposal in respect of that Competing Proposal; or
 - (ii) a person (either alone or with other persons) has made or has publicly announced their proposal or intention to make, a takeover bid under Chapter 6 of the Corporations Act for ordinary shares in APM and, on or before the End Date, such takeover bid has been recommended by a majority of the APM Board.

- (b) This clause 3(b) imposes obligations on APM only to the extent that the performance of all or part of those obligations:
- (i) does not constitute “unacceptable circumstances” as declared by the Takeovers Panel (unless and until a “review Panel” reverses that declaration); and
 - (ii) is not determined to be unenforceable or unlawful (including by virtue of it being a breach of the fiduciary or statutory duties of any member of the APM Board) by a court of competent jurisdiction (unless and until a court of appeal (of competent jurisdiction) overturns that decision).

APM must not make, or cause or permit to be made, any application to a court or the Takeovers Panel (to the extent applicable) for or in relation to a declaration or determination of a kind referred to in clause 3(b)(i) or 3(b)(ii).

- (c) Despite anything to the contrary in this clause 3, the Reimbursable Costs will not be payable to CVC if the Scheme Implementation Deed is executed by the parties to it or if this deed is terminated in accordance with clause 4(a) below.

4 Termination

This deed will automatically terminate upon the earliest of the following to occur:

- (a) with immediate effect following notice from CVC to APM stating that it has determined not to pursue the Proposed Transaction;
- (b) with immediate effect following APM giving CVC written notice of termination at any time from the Exclusivity Deadline; and
- (c) the entry by the parties into the Scheme Implementation Deed.

5 General

5.1 Assignment, novation and other dealings

A party must not assign or novate this deed or otherwise deal with the benefit of it or a right under it, or purport to do so, without the prior written consent of each other party which consent may be withheld at the absolute discretion of that party.

5.2 Consents and approvals

Except as expressly provided in this deed, a party may conditionally or unconditionally in its absolute discretion give or withhold any consent or approval under this deed.

5.3 Counterparts

- (a) This deed may be executed in any number of counterparts, each of which:
 - (i) may be executed electronically or in handwriting; and
 - (ii) will be deemed an original whether kept in electronic or paper form, and all of which taken together will constitute one and the same document.

- (b) Without limiting the foregoing, if the signatures on behalf of one party are on more than one copy of this deed, this shall be taken to be the same as, and have the same effect as, if all of those signatures were on the same counterpart of this deed.

5.4 Cumulative rights

Except as expressly provided in this deed, the rights of a party under this deed are in addition to and do not exclude or limit any other rights or remedies provided by law.

5.5 Entire agreement

- (a) This deed is the entire agreement between the parties about its subject matter and replaces all previous agreements, understandings, representations and warranties about that subject matter.
- (b) Each party represents and warrants that it has not relied on any representations or warranties about the subject matter of this deed except as expressly provided in this deed.

5.6 Governing law and jurisdiction

This deed is governed by the laws of New South Wales and each party irrevocably and unconditionally submits to the exclusive jurisdiction of the courts of New South Wales.

5.7 Relief

APM and CVC each acknowledge that any breach of this deed will cause material damage to the other and that damages may not be a sufficient remedy for such breach. Accordingly, a party has the right to seek injunctive relief or specific performance as a remedy for any actual or threatened breach, in addition to any other remedies available at law or in equity under or independently to this deed.

5.8 Notices

- (a) A notice, consent or other communication under this deed is only effective if it is:
- (i) in writing and in legible English, signed by or on behalf of the party giving it;
 - (ii) addressed to the party to whom it is to be given; and
 - (iii) sent by email to that party's email address as recorded in clause 5.8(d).
- (b) Subject to clause 5.8(c) a notice, consent or other communication under this deed is, in the absence of earlier receipt, regarded as given and received:
- (i) when the sender receives an automated message confirming delivery; or
 - (ii) four hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered).
- (c) If a notice, consent or other communication under this deed is given and received on a day that is not a Business Day or after 5.00 pm (local time in the place of receipt) on a Business Day, it is regarded as being given and received at 9.00 am on the next Business Day.

- (d) For the purposes of this clause 5.8, a party's email is that set out below, unless the party has notified a changed email, then the notice, consent, approval or other communication must be to that email:

CVC

Email [REDACTED] and [REDACTED]
Attention Richard Blackburn and Hugh French

With a copy to:

Email [REDACTED] and [REDACTED]
Attention Andrew Crook and David Clee

APM

Email michael.anghie@apm.net.au
Attention Michael Anghie

With a copy to:

Email pcook@gtlaw.com.au and djosselsohn@gtlaw.com.au
Attention Peter Cook and David Josselsohn

5.9 Relationship of the parties

Except as expressly provided in this deed:

- (a) nothing in this deed is intended to constitute a fiduciary relationship or an agency, partnership or trust; and
- (b) no party has authority to bind any other party.

5.10 Survival and merger

- (a) No term of this deed merges on completion of any transaction contemplated by this deed.
- (b) Clauses 3 and 5 survive termination or expiry of this deed together with any other term which by its nature is intended to do so.

5.11 Severability

Any term of this deed which is wholly or partially void or unenforceable is severed to the extent that it is void or unenforceable. The validity or enforceability of the remainder of this deed is not affected.

5.12 No third party rights

Except as expressly provided in this deed:

- (a) each person who executes this deed does so solely in its own legal capacity and not as agent or trustee for or a partner of any other person; and
- (b) only those persons who execute this deed have a right or benefit under it.

5.13 Variation

No variation of this deed is effective unless made in writing in the form of a deed and signed by each party.

5.14 Waiver

- (a) No waiver of a right or remedy under this deed is effective unless it is in writing and signed by the party granting it. It is only effective in the specific instance and for the specific purpose for which it is granted.
- (b) A single or partial exercise of a right or remedy under this deed does not prevent a further exercise of that or of any other right or remedy.
- (c) Failure to exercise or delay in exercising a right or remedy under this deed does not operate as a waiver or prevent further exercise of that or of any other right or remedy.

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Execution page

Executed as a deed.

Signed, sealed and delivered by **APM Human Services International Limited** in accordance with section 127 of the *Corporations Act 2001* (Cth) by:



Signature of director

NEVILLE POWER

Name of director (print)



Signature of director/secretary

Peter Torre

Name of director/secretary (print)

Signed, sealed and delivered by **CVC Asia Pacific Limited** in its capacity as advisor to the CVC Funds:



Signature of Authorised Signatory

Hans Wang

Name of Authorised Signatory