

Counterproposal for the acquisition of IntelliHR

As announced 31 January 2023, IntelliHR Limited (ASX: IHR) entered into a Scheme Implementation Deed (SID) with Humanforce Holdings Pty Ltd ("Humanforce") under which Humanforce would acquire all the issued shares in IHR for \$0.11 cash per share.

The IHR Board has received an unsolicited, conditional, non-binding proposal from The Access Group ("TAG") to acquire all of the fully paid ordinary shares of IHR at a cash offer price of \$0.14 per share, via a scheme of arrangement (**Competing Proposal**).

The Competing Proposal implies:

- an equity value of approximately \$49.1 million for IHR;
- a 122% premium to the closing price of IHR shares on 30 January 2023;
- a 126% Premium to the 1-month volume weighted average price ("VWAP") of IHR shares; and
- a 130% Premium to the 4-month VWAP of IHR shares.
- a 27% Premium to the Humanforce offer of \$0.11 per share.

The Competing Proposal is subject to a number of conditions, including:

- an expedited and confirmatory due diligence period of 10 business days from the time the relevant information is made available to TAG and its advisers;
- the execution of definitive transaction documentation and final TAG Board Approval;
- the approval of Australia's Foreign Investment Review Board ('FIRB') (TAG advises that it submitted a FIRB application on 2 March 2023);
- approval of the Scheme by the Company's shareholders; and
- relevant Court approval of the Scheme.

The Competing Proposal states further, that:

- there will be no material adverse change condition with respect to IntelliHR's business;
- the TAG Offer is not proposed to be conditional on finance, nor will any binding offer be subject to financing;
- the TAG Offer will be fully funded through TAG's existing debt facility on a certain funds basis and support by committed facilities from TAG and TAG's surplus cash on balance sheet; and
- TAG will be capable of providing appropriate financial support to IHR during the transaction process of the TAG offer to assist in meeting specific financial obligations, should this be required.

IHR notes that there is no certainty at this stage that the Competing Proposal and engagement between IHR and TAG will progress to a binding scheme implementation agreement for consideration by shareholders.

IHR is subject to a number of obligations under the terms of the Scheme Implementation Deed with Humanforce (Humanforce SID) announced on 31 January 2023, where it receives a competing proposal. The IHR Board is considering the Competing Proposal from TAG, and in particular, whether it constitutes a "Superior Proposal" under the terms of the Humanforce SID. Under the Humanforce SID, Humanforce has a 5 business day matching right.

At this time, the IHR Directors maintain their existing recommendation in favour of the Humanforce proposal.

Shareholders do not need to take any action at this time.

The Company will continue to update shareholders as appropriate.

Advisers

The IHR Board has engaged Mills Oakley as its legal counsel.

Authorised for release by the Board of Directors

Further Information

intelliHR Investor Relations

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About TAG

The Access Group (TAG) is one of the leading providers of business management software to small and mid-sized organisations in the UK, Ireland, and Asia Pacific. TAG has over 75,000 customers across commercial and not-for-profit sectors.

TAG are backed by significant and prestigious investors, Hg Capital, TA Associates and GIV who have supported the business to undertake over 80 transactions across the UK and APAC. In October 2022, TAG completed its last funding round valuing the business at an enterprise value of £9.2 billion (AUD \$16.4 billion¹).

TAG are one of the largest software companies in the UK and have a growing presence in APAC which has been successfully built through acquisition over the last 3 years. APAC is a core growth market for TAG where they see significant opportunity to grow organically and make strategic acquisitions, such as IHR, to enhance their product offering to provide value added products to TAG customers. TAG have deployed over \$800m in APAC transactions over the last 4 years.

About ASX:IHR

intelliHR is the intelligent people platform that empowers global HR leaders to create an inclusive, engaging, performing, and aligned working culture. The intelliHR platform is the cloud-based way to drive employee engagement, performance and retention, in today's hybrid working world. Easily implemented, employing best-of-breed integrations, with powerful data at its core, intelliHR is the HR software choice for 300+ progressive organisations and over 70,000 users across 20 countries. For more information, visit www.intellihr.com

¹ Based on exchange rate of AUD 1 = STG 0.56 on 3 March 2023

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