

intelliHR

ASX: IHR Release

20th March 2023

Receipt of Binding Proposal

Highlights

- Binding offer at 20 cents per share received from The Access Group
- The IHR Board has unanimously determined that the TAG Binding Offer is a Superior Proposal to the Humanforce scheme of arrangement (**HF Scheme**) and on-market takeover bid announced on 17 March 2023 (**HF Takeover**)
- Humanforce has 5 business days to provide a further proposal pursuant to its matching right
- Shareholders should take no action in relation to the HF Takeover or HF Scheme at this time

intelliHR Limited ('intelliHR' or '**Company**') (ASX: IHR/Company) advises that, as foreshadowed in its ASX announcement on 17 March 2023, the Company has received a binding offer (**TAG Binding Offer**) from The Access Group (of Access UK Ltd) (**TAG**).

The TAG Binding Offer proposes an all-cash acquisition of all the Company's shares by way of a scheme of arrangement at a price of \$0.20 per share (**Offer Price**), which implies an equity value of the Company of approximately \$70.11 million.

Summary comparison of the TAG Binding Offer and the HF Scheme HF Takeover:

	HF Transactions	TAG Binding Offer	TAG benefit
Cash Offer Price per IHR share	\$0.165	\$0.20	+21.2%
Implied equity value	\$57.84M	\$70.11M	+\$12.27M additional shareholder consideration
Premium to closing price of IHR shares on 30 January 2023	162%	217%	+33%
Premium to the 1-month volume weighted average price (VWAP) of IHR shares	166%	223%	+34%
Premium to the 4 month VWAP of IHR shares	170%	228%	+34%

The TAG Binding Offer is NOT conditional on due diligence or any internal approvals by TAG.

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TAG Binding Offer Conditions

The TAG Binding Offer is conditional on:

1. approval of Australia's Foreign Investment Review Board (**FIRB**), application for which was made by TAG on 2 March 2023;
2. entry by the Company and TAG into a Scheme Implementation Deed, in a form similar to the document executed between the Company and Humanforce;
3. approval by the Company's shareholders (as required by the HF Scheme); and
4. relevant Court approval of the scheme of arrangement (as required by the HF Scheme).

Under the TAG Binding Offer, the Company's performance rights are proposed to be dealt with in the same way as under the HF Scheme.

The TAG Binding Offer is NOT conditional on finance, being funded through TAG's existing debt facility on a certain funds basis.

Financial assistance for IHR

The TAG Binding Offer contains provision for an interest-free working capital finance facility to be made available to the Company, which the Company is considering.

Timetable

TAG anticipates that the scheme of arrangement comprised in the TAG Binding Offer will proceed on a timetable roughly equivalent to the HF Scheme, with implementation occurring in late May or June 2023.

IHR Response

The IHR board has unanimously determined that:

- (a) the TAG Binding Offer is a **SUPERIOR PROPOSAL** (as defined in the Scheme Implementation Deed announced by the Company on 31 January 2023) compared to the HF Scheme and the HF Takeover;
- (b) the HF Takeover at \$0.165 is **INFERIOR** to the TAG Binding Offer;
- (c) IHR Shareholders should **TAKE NO ACTION** in relation to the HF Takeover at this time; and
- (d) IHR Shareholders should **TAKE NO ACTION** in relation to the HF Scheme at this time.

Humanforce matching right

The Company has commenced the formal matching rights procedure with Humanforce, which allows Humanforce 5 business days to provide a further proposal for the IHR Board to consider. There can be no assurance that Humanforce will improve the terms of its current Scheme and the HF Takeover terms.

Independent Board Committee

The IHR Board has established a committee of the IHR Board to undertake further carriage of the Humanforce and TAG transactions. This independent board committee is comprised of directors Tony Bellas, Matt Donovan and Belle Lajoie.

Further Information

intelliHR Investor Relations

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About ASX:IHR

intelliHR is the intelligent people platform that empowers global leaders to make more intelligent people decisions. Helping them 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 330+ progressive organisations and over 84,000 users across 20 countries. For more information, visit www.intellihr.com

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