

Access Intelligence Plc proposes to acquire Isentia in recommended transaction

15 June 2021

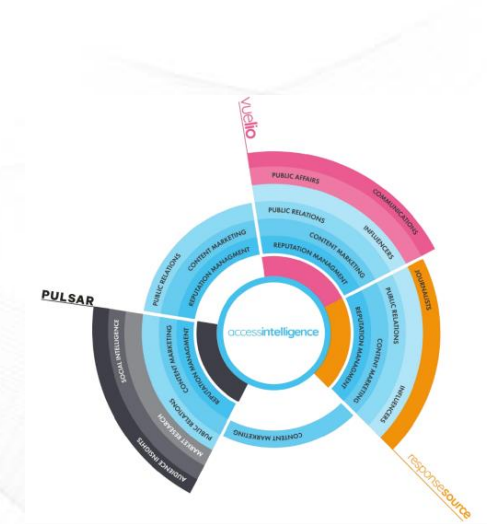
Transaction overview

Overview	<ul style="list-style-type: none">• Isentia Group Limited ("Isentia", ASX: ISD) and Access Intelligence Plc ("Access Intelligence", AIM: ACC) have entered into a Scheme Implementation Deed ("SID") under which Access Intelligence will acquire 100% of the fully diluted ordinary shares in Isentia that it does not already own by way of Scheme of Arrangement ("Scheme") for \$0.175 per share in cash ("Cash Scheme Consideration")• Access Intelligence has also this morning entered into an agreement to acquire a 19.85% shareholding in Isentia at the offer price of \$0.175 from Isentia's largest shareholder Spheria Asset Management
Isentia Directors recommendation	<ul style="list-style-type: none">• The Directors of Isentia unanimously recommend the Scheme as they believe it is in the Isentia shareholders' best interest and intend to vote shares in their control in favour of the proposed Scheme, in the absence of a superior proposal
Offer value	<ul style="list-style-type: none">• The Cash Scheme Consideration of \$0.175 per share implies a:<ul style="list-style-type: none">• 157% premium to the closing price of Isentia shares on the ASX of \$0.068 per share on 11 June 2021¹• 144% premium to the 1-month VWAP of Isentia shares of \$0.072 per share²• Enterprise value of \$67 million, based on a \$35 million equity value and \$32 million net debt balance as at 31 May 2021
The Scheme	<ul style="list-style-type: none">• Subject to limited conditionality including, Isentia shareholder, Access Intelligence shareholder and Court approval of the Scheme, Independent Expert issuing an Independent Expert's Report concluding the Scheme is in the best interests of shareholders, no Isentia Prescribed Occurrence or Isentia Regulated Event occurring, no Isentia Material Adverse Change, no Isentia Director changes, qualifies or withdraws their voting intentions• Not subject to a financing condition or due diligence• SID contains customary terms for a transaction of this nature including "no-shop", "no-talk" and "no due diligence" (subject to the Isentia Directors' fiduciary obligations), "notification" obligations and "matching" rights,• A break fee of \$500,000 will be payable to Access Intelligence by Isentia in certain circumstances, as well as a break fee of \$500,000 will be payable to Isentia by Access Intelligence in other certain circumstances
Timing	<ul style="list-style-type: none">• Isentia shareholders will be given the opportunity to vote on the Scheme at a meeting expected to be held in August 2021

Notes: 1) 11 June 2021, being the last trading day prior to this announcement; 2) Volume weighted average price based on cumulative trading volume and value up to and including 11 June 2021.

About Access Intelligence

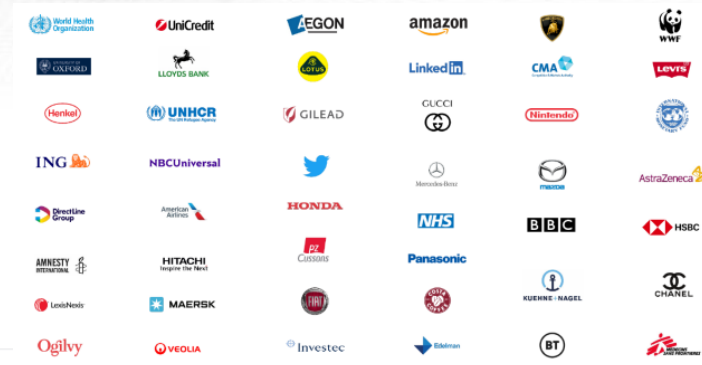
- Access Intelligence Plc (AIM: ACC) is a technology-led company delivering SaaS products that address the fundamental business needs of customers in the PR, marketing and communications industries
- Access Intelligence listed on the AIM in 2003
- Its technology is relied on by more than 3,500 organisation every day
- Access Intelligence combines AI technologies with human expertise to analyse data and provide strategic insights to companies



Products

Vuelio	<ul style="list-style-type: none"> • Technology platform that provides media, political and social media insight with monitoring and analysis tools for PR, public affairs, stakeholder engagement and influencer marketing
ResponseSource	<ul style="list-style-type: none"> • A network used by thousands of journalists and influencers to secure insights, information and connections
Pulsar	<ul style="list-style-type: none"> • Market leading audience insights and social listening platform • Combines conversational and behavioural data in over 170 languages from the worlds' leading digital sources with analysis powered by vertical AI

Clients



Transaction rationale and benefits

- **Isentia Directors have unanimously recommended the Scheme, in the absence of a superior proposal**
- Isentia Directors have considered the advantages and disadvantages of the proposed Scheme, along with the outlook for the Company and the risks associated with the changing competitive landscape and industry conditions. In light of these factors, the substantial 157% premium to recent trading and the certainty of cash consideration, the Board has unanimously recommended that shareholders accept the offer, absent of a superior proposal
 - The Board intends to vote shares in their control in favour of the proposed Scheme, in the absence of a superior proposal
- **The \$0.175 scheme consideration represents:**
 - **Attractive premium:** A significant premium to recent historical Isentia share prices (144% premium to the 1 month VWAP of \$0.072 per Isentia Share), prior to the announcement of the Scheme
 - **Certainty of value:** the Cash Consideration provides Isentia shareholders with certainty of value and the opportunity to realise their investment for cash
 - **Limited conditionality:** the Scheme is subject to limited conditions as is customary for transactions of this type, including, a material adverse change condition, court approval and approval by shareholders of Isentia and Access Intelligence and is not subject to financing or due diligence

Offer premiums

For comparison purposes, the \$0.175 Cash Scheme Consideration represents the following premium relative to:



Scheme Implementation Deed (“SID”) conditions

The SID entered into by Isentia and Access Intelligence contains customary terms and conditions:

- The Scheme is subject to Isentia shareholder approval
- The Scheme is subject to other certain conditions precedent including (but not limited to):
 - Access Intelligence shareholder approval;
 - Court approval;
 - There being no Isentia Material Adverse Change¹; and
 - No Isentia Prescribed Occurrence or Isentia Regulated Event¹
- The SID contains customary exclusivity arrangements including:
 - No-shop
 - No-talk, no-due diligence (subject to Isentia Directors’ fiduciary obligations)
 - Notification obligations
 - Matching right
 - Break fee obligations on Isentia and Access Intelligence in certain circumstances

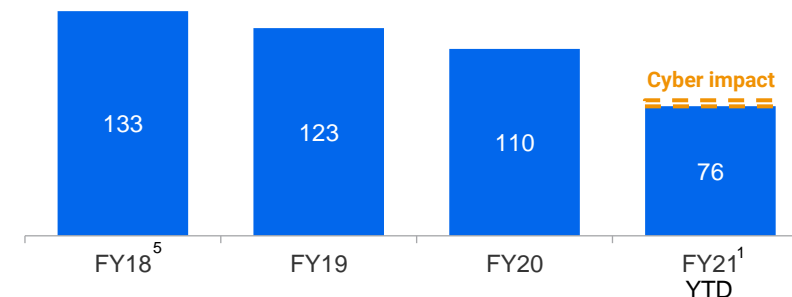
Notes: 1) As those terms are defined in the Scheme Implementation Deed

Isentia FY21 Trading update¹ (unaudited management accounts)

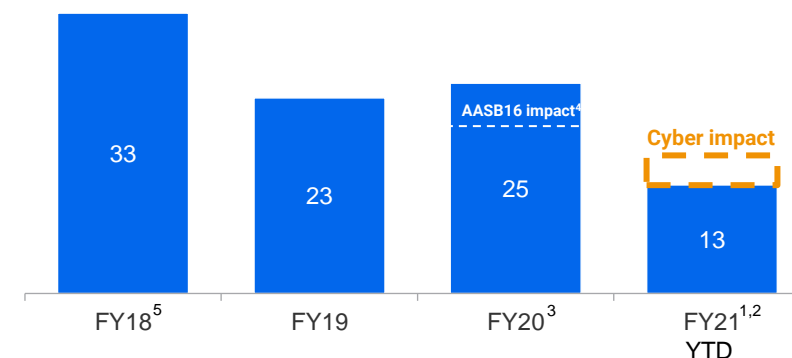
Revenue and Underlying EBITDA² of \$76.4m and \$12.8m respectively for 11 months to 31 May 2021

- This compares to revenue and underlying EBITDA of \$93.9m and \$22.5m³ for the 11 months to 31 May 2020
- Cyber incident:
 - In FY21, ~\$3.3m direct impact on revenue, ~\$4.4m direct impact on EBIT and cash from cyber incident
 - As previously reported, cyber incident also resulted in a delay to key strategic projects aimed at reducing churn in the business, and as outlined in the 1H21 results presentation, has impacted FY21's results compared to expectations
- Continued business challenges in FY21 including:
 - Continued competition in Australia and NZ which has affected customer retention and pricing
 - Competition and ongoing COVID-19 headwinds in South-East Asian markets
- If the Scheme does not proceed, Isentia will continue with the execution of its current business strategy in FY22
 - It is likely that Isentia will need to raise equity capital to repay debt and fund working capital and ongoing investment in the business. Such a capital raising would be dilutive to shareholders who are ineligible or choose not to participate in the equity raising
 - FY22 may also be impacted by the business challenges faced in FY21. Isentia is also awaiting the outcome of its application in the Copyright Tribunal

Revenue



Underlying EBITDA



Notes:

1) For the 11 months to 31 May 2021

2) Underlying EBITDA adjusts for approximately \$5.7m in costs associated with the transaction incurred to date, copyright tribunal related expenses, North Asia trading and closure costs, one-off costs associated with the cyber incident in October 2020 and other restructuring related expenses

Notes:

3) FY20 Underlying EBITDA adjusts for North Asia trading and other non-operating items;

4) FY20 includes a AASB16 impact of ~\$3.9m;

5) FY18 revenue and EBITDA excludes Content Marketing

Indicative scheme timetable

Based on the Indicative Timetable, Isentia shareholders are expected to have the opportunity to vote
— on the Scheme at the Scheme Meeting in August

Expected date	Event	Comment
9 July 2021	Access Intelligence shareholder vote	
16 July 2021	First Court Hearing Date	
19 July 2021	Dispatch of Scheme Booklet to Isentia shareholders	1
17 August 2021	Scheme Meeting	2
20 August 2021	Second Court Hearing	
20 August 2021	Effective Date	
25 August 2021	Record Date	
1 September 2021	Implementation Date	3

NOTE: THESE DATES ARE INDICATIVE AND SUBJECT TO CHANGE

- 1 Scheme booklet containing information relating to the proposed acquisition, reasons for the Directors' recommendation, an Independent Expert's Report and details of the Scheme meeting is expected to be sent to Isentia shareholders in July 2021 after review by ASIC
- 2 Isentia shareholders will be given the opportunity to vote on the Scheme at the meeting expected to be held in August 2021
- 3 **Subject to shareholder approval and other conditions of the Scheme satisfied, the Scheme is expected to be implemented in September 2021**

The Isentia Board unanimously recommends the proposed Scheme, in the absence of a superior proposal

Appendix: Scheme of Arrangement Overview

A court supervised legal process under the Australian Corporations Act that allows a company to transfer 100% ownership and control to a bidder

- Provides important benefits for target company shareholders:
 - Certainty of outcome – all or nothing result. If a Scheme is approved, shareholders who voted NO must sell
 - All shareholders get the same **consideration**
 - Detailed financial information from the target, including Independent Experts opinion as to whether the Scheme is in the best interests of shareholders
- Initiated by the target company, so proposed transaction must have its support
- Target shareholders decide – scheme requires shareholder approval at a Scheme meeting
 - Shareholder vote at a Scheme meeting with TWO voting thresholds
 - Headcount – more than 50% of shareholders who vote at the meeting must be in favour, AND
 - Voted Shares – at least 75% of the shares voted at the meeting must be in favour
- A legal process that typically takes around 3 months to complete and requires court approval:
 - Detailed Scheme documents must be prepared by the target, approved by the Court, and issued to target shareholders;
 - Shareholder meeting must be convened by the target to allow shareholders to vote on the scheme; and
 - Court must approve the result and the implementation of the Scheme.

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