

JOHNSON | WINTER | SLATTERY

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29 August 2024

The Manager  
ASX Market Announcements Office  
ASX Limited  
Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000

**FOR LODGEMENT ONLINE**

Dear Sir/Madam

**Second supplementary target's statement – LiveHire Ltd**

We act for LiveHire Ltd (ACN 153 266 605) (ASX: LVH) (**LiveHire**).

We refer to the target's statement released by LiveHire on 14 August 2024 and first supplementary target's statement released by LiveHire on 16 August 2024 in response to the unconditional on-market takeover bid by Humanforce Holdings Pty Ltd (ACN 618 020 401) to acquire all of the ordinary shares in the capital of LiveHire.

In accordance with section 647(3)(b) of the *Corporations Act 2001* (Cth), we attach a copy of the second supplementary target's statement in response to the takeover bid.

The attached second supplementary target's statement will be lodged with the Australian Securities and Investments Commission and sent to Humanforce today.

Yours faithfully,



Johnson Winter Slattery

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This document is a supplementary target's statement (**Second Supplementary Target's Statement**) prepared in accordance with section 644 of the *Corporations Act 2001* (Cth) and given by LiveHire Ltd (ACN 153 266 605) (**LiveHire**) in connection to the on-market takeover bid announced on 14 August 2024 by Humanforce Holdings Pty Ltd (ACN 618 020 401) (**Humanforce**). Neither ASIC, ASX nor its officers take any responsibility for the content of this Second Supplementary Target's Statement.

This Second Supplementary Target's Statement supplements, and should be read together with, the target's statement lodged with the Australian Securities Exchange (**ASX**), Humanforce and the Australian Securities and Investments Commission (**ASIC**) on 14 August 2024 (**Target's Statement**) as supplemented by the first supplementary target's statement dated 16 August 2024 (**First Supplementary Target's Statement** and together with the Target's Statement, the **Prior Target's Statements**).



29 August 2024

Dear LiveHire Shareholder,

### **Announcement of FY24 annual results and Appendix 4E**

LiveHire has today released its Appendix 4E and full year earnings for the financial year ended 30 June 2024 (**FY24**). A copy of the Appendix 4E can be found on LiveHire's website at <https://investorhub.livehire.com/announcements>.

The financial information disclosed in LiveHire's FY24 results is materially consistent with disclosures made in the Target's Statement dated 14 August 2024 and LiveHire's Appendix 4C released to ASX on 31 July 2024.

LiveHire's Annual Report to shareholders for FY24 will be released separately by the end of September 2024.

### **LiveHire Directors continue to unanimously recommend that you ACCEPT the Offer**

Your LiveHire Directors continue to unanimously recommend that LiveHire Shareholders **ACCEPT** the Offer that has been made by Humanforce in the absence of a superior proposal and sell their LiveHire Shares to Humanforce on-market before the Offer closes. The Offer will close on 30 September 2024 unless extended.

The LiveHire Directors' reasons for unanimously recommending that LiveHire Shareholders **ACCEPT** the Offer in the absence of a superior proposal are:

- (a) the Offer Price of \$0.045 cash per LiveHire Share represents a compelling premium to the trading prices of LiveHire Shares prior to the announcement of the Offer, representing a:
  - 87.5% premium to the undisturbed closing share price of \$0.024 on 13 August 2024 (being the last Trading Day prior to the announcement of the Offer);
  - 75.8% premium to the undisturbed 30-day volume weighted average price (**VWAP**) of \$0.026<sup>1</sup>;
  - 137.7% premium to the undisturbed 60-day VWAP of \$0.019<sup>1</sup>;
  - 156.0% premium to the undisturbed 90-day VWAP of \$0.018<sup>1</sup>; and
  - 158.1% premium to the undisturbed 120-day VWAP of \$0.017<sup>1</sup>;
- (b) the Offer is unconditional, and provides certain cash consideration on a T+2 Basis;
- (c) the Offer provides an important liquidity opportunity for LiveHire Shareholders;

<sup>1</sup> The undisturbed VWAP of LiveHire Shares is calculated for the period up to and including 13 August 2024.

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- (d) there are ongoing risks associated with the business, in particular, its near-term capital requirements;
  - (e) no superior proposal has emerged and it is unlikely that one will emerge; and
  - (f) by not accepting the Offer, LiveHire Shareholders risk becoming minority shareholders in an entity controlled by Humanforce.

Additional detail concerning some of these reasons is set out below and in Section 1.4 of the Target's Statement.

Under Share Purchase Agreements entered into between each LiveHire Director and Humanforce on 14 August 2024, each LiveHire Director has sold all of the LiveHire Shares which they held or controlled to Humanforce for the Offer Price (equal to 43,403,072 LiveHire Shares representing approximately 11.74% of LiveHire Shares on issue).

In addition, each LiveHire Director has informed LiveHire that they intend to **ACCEPT** the Offer in the absence of a superior proposal, in respect to any LiveHire Shares which they will own, or control following the exercise during the Bid Period of any Vested Performance Rights or Vested Service Rights held by them. The Humanforce Offer is the only offer that has been made to acquire all of LiveHire's Shares and (subject to the comments in the following paragraph) the Offer may be accepted by LiveHire Shareholders at any time from now until the end of the Offer Period, which will close on 30 September 2024 unless extended.

It should be noted however that LiveHire Shareholders may not be able to accept the Humanforce Offer if the prevailing market price is above the Offer Price. If that arises, then LiveHire Shareholders may choose to sell some or all of their LiveHire Shares on market at the prevailing market price if there are sufficient bids available.

If you are in any doubt about what to do, you should contact your broker or your legal, financial or other professional adviser as soon as possible.

### **No superior proposal has emerged, and it is unlikely one will emerge**

As at the date of this Second Supplementary Target's Statement, no superior proposal to the Offer has emerged and for the reasons set out below the LiveHire Directors consider it to be unlikely that a superior proposal will emerge.

From the announcement of the Offer by Humanforce on 14 August 2024, LiveHire Shares have been trading at a price range between \$0.045 and \$0.047 (i.e. at or slightly above the Offer Price of \$0.045 per LiveHire Share). This trading pattern is primarily attributed to entities associated with Harvest Lane Asset Management Pty Limited (**Harvest Lane**) acquiring LVH Shares on market at prices between \$0.045 and \$0.047.

As at the date of this Second Supplementary Target's Statement, Harvest Lane holds 67,669,129 LiveHire Shares (representing 18.31% of LiveHire Shares currently on issue).<sup>2</sup> Unless Harvest Lane makes a takeover offer for LiveHire, Harvest Lane will not be permitted to acquire more than 20% of LiveHire Shares (i.e. it may only acquire a further 1.69% of LiveHire Shares on issue).

LiveHire considers Harvest Lane to be a fund that is focused on arbitrage opportunities arising from takeover and corporate activity. Therefore, LiveHire is of the opinion that it is unlikely that Harvest Lane will make a takeover offer for LiveHire or maintain its holding in LiveHire in the longer term. It is possible that LiveHire's Share price will fall when Harvest Lane reaches the 20% acquisition limit under section 606 of the Corporations Act, or if Harvest Lane decides to sell its holding of LiveHire Shares.

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<sup>2</sup> Based on the substantial holder notice lodged by Harvest Lane on the ASX on 23 August 2024.

If a superior proposal does emerge it would be unlikely to be successful unless it was supported by Humanforce, because as at the date of this Second Supplementary Target's Statement, Humanforce holds 92,798,328 LiveHire Shares (representing 25.1% of LiveHire Shares currently on issue). It follows that Humanforce would be in a position to veto any competing scheme of arrangement that is proposed and if Humanforce does not accept any competing takeover bid that is made, LiveHire Shareholders holding at least approximately 67% of LiveHire Shares would have to accept the competing bid in order for the competing bidder to acquire a controlling interest of more than 50% of LiveHire Shares.

In addition, if a competing bid or scheme proposal emerges, LiveHire is obliged under the terms of the Bid Implementation Agreement it has entered into with Humanforce:

- to carefully examine whether the proposal is capable of becoming superior to the Humanforce Offer by considering (among other things) the value of the proposal, its certainty of completion, its funding sources and the identity and reputation of the proponent; and
- before supporting any competing proposal, give Humanforce an opportunity to match it.

### **Near term capital requirements**

Given LiveHire's historical operating losses (being \$12,079,703 in the financial year ended 30 June 2022, \$14,111,312 in the financial year ended 30 June 2023 and \$8,766,416 in the financial year ended 30 June 2024), the ability of LiveHire to continue as a going concern is very dependent on its ability to raise additional debt or equity finance. As mentioned in Section 8.3 of the Target's Statement, LiveHire requires a significant amount of new equity or debt funding (or both) to continue the development and commercialisation of its software platform.

There can be no assurance that appropriate or sufficient debt or equity funding, if and when needed, will be available on terms favourable and acceptable to LiveHire, or at all. Any additional equity funding may have a dilutionary effect on current LiveHire Shareholders and any additional debt funding may involve restrictive covenants or unfavourable terms for LiveHire, including high interest rates, both of which may restrict LiveHire's financing and operating activities.

If LiveHire is not able to obtain additional funding when required, its operations and its financial performance may be adversely and materially affected, and its ability to continue as a going concern compromised.

For other risks associated with rejecting the Offer and continuing as a LiveHire Shareholder, refer to Section 8.3 of the Target's Statement and the section below.

### **Consequences of being a minority shareholder of LiveHire**

If Humanforce acquires more than 50% but less than 90% of the LiveHire Shares, LiveHire Shareholders who do not accept the Offer will become minority shareholders in LiveHire. This has a number of potential implications for LiveHire Shareholders, including:

- (a) the price at which LiveHire Shares are traded may fall and trade at a material discount to the Offer Price;
- (b) the market for LiveHire Shares may become less liquid;
- (c) LiveHire's distribution policy, capital structure and board configuration may change as a result of Humanforce being in a position to cast the majority of votes at a general meeting of LiveHire; and
- (d) LiveHire may be delisted from the official list of ASX.

If Humanforce acquires 75% or more of the LiveHire Shares it will be able to pass a special resolution of LiveHire. This will enable Humanforce to, among other things, change LiveHire's constitution.

If Humanforce acquires 90% or more of the LiveHire Shares, Humanforce becomes entitled to compulsorily acquire your Shares and has advised in the Bidder's Statement that it intends to exercise those rights.

Refer to Section 8 of the Bidder's Statement and Section 5.9 of the Target's Statement for more information on the possible implications and risks of being a minority shareholder of LiveHire.

### **Next steps**

We encourage you to read this Second Supplementary Target's Statement with the Prior Target's Statements in full for further details about the LiveHire Board's formal response to the Offer which set out the reasons for the LiveHire Board's unanimous recommendation to **ACCEPT** the Offer in the absence of a superior proposal.

You can access the Prior Target's Statements on LiveHire's website at <https://investorhub.livehire.com/announcements>.

When considering whether to **ACCEPT** the Offer, the LiveHire Directors encourage you to read the Prior Target's Statements and this Second Supplementary Target's Statement in their entirety.

If you have any questions in relation to this document or the Offer, please contact LiveHire via email to [investors@livehire.com](mailto:investors@livehire.com). If you are in any doubt about what to do, you should contact your broker or your legal, financial or other professional adviser as soon as possible.

Yours sincerely,



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**Andrew Rutherford**  
Chairman  
LiveHire Ltd

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## 1 Important information

This Second Supplementary Target's Statement is dated 29 August 2024. A copy of this Second Supplementary Target's Statement was lodged with ASIC on 29 August 2024. Neither ASIC, ASX nor its officers take any responsibility for the content of this Second Supplementary Target's Statement.

Unless the context requires otherwise, capitalised terms used in this Second Supplementary Target's Statement have the same meaning given to them as in the Prior Target's Statements. This Second Supplementary Target's Statement prevails to the extent of any inconsistency with the Prior Target's Statements.

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## 2 Approval of the Second Supplementary Target's Statement

This Second Supplementary Target's Statement has been approved by a resolution of the LiveHire Board.

Dated 29 August 2024

Signed for and on behalf of LiveHire by:



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**Andrew Rutherford**  
Chairman  
LiveHire Ltd