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27 March 2023

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

FOR LODGEMENT ONLINE

Dear Sir/Madam

On-market takeover bid for intelliHR Limited (ACN 600 548 516) (ASX: IHR) – Supplementary Bidder’s Statement

We act for Humanforce Holdings Pty Ltd (ACN 618 020 401) (**Bidder**).

We refer to the Bidder’s unconditional on-market takeover bid to acquire ordinary shares in intelliHR Limited (ACN 600 548 516) (ASX: IHR) (**intelliHR**), on the terms set out in the offer contained in the Bidder’s Statement dated 17 March 2023 (**Offer**).

We enclose, in accordance with section 647(3)(b) of the *Corporations Act 2001* (Cth) (**Corporations Act**) a copy of the Supplementary Bidder’s Statement dated 27 March 2023 in relation to the Offer.

The Supplementary Bidder’s Statement has been lodged today with the Australian Securities and Investments Commission and sent to intelliHR.

Yours faithfully,



Johnson Winter Slattery

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This document is a supplementary bidder's statement (**Supplementary Bidder's Statement**) prepared in accordance with section 643 of the Corporations Act and given by Humanforce Holdings Pty Ltd (ACN 618 020 401) (**Bidder**) in connection with its unconditional on-market bid to acquire all of the ordinary shares in IntelliHR Limited (ACN 600 548 516) (**IntelliHR**). Neither ASIC nor its officers take any responsibility for the content of this Supplementary Bidder's Statement.

This Supplementary Bidder's Statement supplements, and should be read together with, the bidder's statement dated 17 March 2023 (**Bidder's Statement**).

humanforce

Humanforce
Level 14, 90 Arthur St
North Sydney
NSW, 2060

On-market acquisition of IntelliHR shares at \$0.195 per IntelliHR shares

Key highlights

- Moelis will stand in the market on behalf of Humanforce to acquire IntelliHR shares offered to it on ASX at \$0.195 per IntelliHR share from today until the closing date of the Offer.
- Humanforce believes its revised on-market price is superior to the TAG proposal because:
 - it is unconditional, whereas the TAG proposal is subject to conditions, including FIRB approval, entry by IntelliHR and TAG into a scheme implementation deed and approval by IntelliHR's shareholders;
 - the competing TAG proposal is unlikely to succeed, because Humanforce holds 19.9% of IntelliHR shares and has confirmed that it will vote against a TAG scheme of arrangement at a consideration of \$0.20 per IntelliHR share; and
 - it gives IntelliHR shareholders cash certainty, as IntelliHR shareholders can receive \$0.195 per IntelliHR share in two trading days.
- Humanforce's revised proposal is a premium of 225% to the closing price of IntelliHR shares on 18 November 2022, being the last trading day before Humanforce submitted its initial indicative offer.
- Humanforce expects that the IntelliHR board will now recommend its revised proposal to IntelliHR shareholders, on the basis of its superiority.

Dear IntelliHR Shareholder,

Increased in price offered by the Bidder

Humanforce Holdings Pty Ltd (**Humanforce** or the **Bidder**) announces today that MA Moelis Australia Securities Pty Ltd (ACN 122 781 560; AFSL 308241) (**Moelis**) will on behalf of the Bidder offer to acquire on market all of the shares in IntelliHR Limited (**IntelliHR**) that the Bidder does not already own at \$0.195 cash per IntelliHR share.

Further, the Bidder will vary its takeover bid for IntelliHR (**Offer**), with effect from the commencement of the offer period, by increasing the offer price to \$0.195 cash per IntelliHR share (**Increased Offer Price**).

Superior proposal to TAG Proposal

The Bidder confirms its previous statement that it will vote its 19.9% of IntelliHR shares against any proposal by The Access Group (**TAG**) to acquire all of the IntelliHR shares by way of scheme of arrangement at a cash price of \$0.20 for each IntelliHR share (**TAG Proposal**).

Given that the Bidder currently holds 19.9% of IntelliHR shares, and that a TAG Proposal would require 75% of the votes cast by eligible IntelliHR shareholders to be in support of the TAG Proposal, at least 93.63% of all IntelliHR shares not controlled by the Bidder must be voted in favour of a TAG scheme of arrangement for it to succeed (assuming 100% voter turnout and that the Bidder holds 19.9% of the IntelliHR shares). Consequently, it is highly likely that the TAG Proposal will fail.

In contrast, the Offer provides absolute certainty for IntelliHR shareholders. If IntelliHR shareholders sell their IntelliHR shares to the Bidder, they will be paid within two trading days. In these circumstances, the \$0.195 per IntelliHR share, which is an unconditional cash offer, is superior to the TAG Proposal, which is highly likely to fail.

Why you should sell your IntelliHR shares to the Bidder now

(a) **The \$0.195 now offered is a significant premium to IntelliHR's undisturbed historic share price:**

The all cash consideration of \$0.195 per IntelliHR share provides a compelling opportunity for IntelliHR shareholders to realise the full value of their IntelliHR shares and represents a significant premium of:

- (i) 225% to the closing price of IntelliHR shares of \$0.060 on 18 November 2022, being the last trading day before the Bidder submitted its initial indicative offer;
- (ii) 209.5% to the closing price of IntelliHR shares of \$0.063 on 30 January 2023, being the last trading day before the announcement of the scheme of arrangement with the Bidder (**Undisturbed Share Price Date**);
- (iii) 20.8% to the three-month VWAP of IntelliHR shares to the Undisturbed Share Price Date of \$0.161.

(b) **There are no conditions to receiving the \$0.195 per IntelliHR share**

There are no conditions to receiving \$0.195 per IntelliHR share from the Bidder.

In contrast, the TAG Proposal announced on 20 March 2023 is conditional on:

- (i) approval of Australia's Foreign Investment Review Board;
- (ii) entry by IntelliHR and TAG into a scheme implementation Deed;
- (iii) approval by IntelliHR's shareholders; and
- (iv) Court approval of the scheme of arrangement.

There is no assurance that all of the conditions to the TAG Proposal will be satisfied.

(c) **You have cash certainty today**

Moelis will stand in the market on behalf of the Bidder to acquire IntelliHR shares offered to it on ASX at \$0.195 from today until the closing date of the Offer.

The consideration offered to IntelliHR Shareholders is 100% cash which provides an opportunity for IntelliHR Shareholders to realise their investment for certain cash value and mitigate external and company-specific risks that IntelliHR may be subject to, which may adversely affect the future trading price of IntelliHR shares, such as those described in paragraph (e) below.

If you sell your IntelliHR shares on market to the Bidder, you will be paid \$0.195 cash for each of Your IntelliHR Shares two trading days after you sell.

If you do not sell before the end of the Offer there is no certainty that you will be able to liquidate your entire IntelliHR shareholding following the close of the Offer.

(d) **TAG Proposal likely to fail**

The Bidder confirms its previous statement that it will vote its 19.9% of IntelliHR shares against the TAG Proposal to acquire IntelliHR by way of a scheme of arrangement at a cash price of \$0.20 for each IntelliHR share.

Given that the Bidder currently controls 19.9% of IntelliHR shares, and that the TAG Proposal requires 75% of the votes cast by eligible IntelliHR shareholders to be in support of the TAG Proposal, at least 93.63% of all IntelliHR shares not controlled by the Bidder must be voted in favour of the TAG scheme of arrangement for it to succeed (assuming 100% voter turnout and that the Bidder holds 19.9% of the IntelliHR shares). Consequently, it is highly likely that the TAG Proposal will fail and that IntelliHR shareholders will not receive cash consideration of \$0.20 per IntelliHR share under the TAG Proposal.

In contrast, if you sell your IntelliHR shares to the Bidder now you will be paid \$0.195 cash for each of your IntelliHR shares within two trading days after you sell.

(e) **Risks of remaining as a minority shareholder in IntelliHR**

If you do not sell your IntelliHR shares to the Bidder and the Bidder acquires more than 50% of the IntelliHR shares but less than 90% of IntelliHR shares, you will be a minority shareholder in IntelliHR.

Being a minority shareholder in IntelliHR may have the following potential implications:

- (i) the price at which IntelliHR shares are traded on ASX may fall and trade at a material discount to the Increased Offer Price, which could cause IntelliHR's ASX index weighting to decrease;
- (ii) the market for IntelliHR shares may become less liquid;
- (iii) IntelliHR's distribution policy, capital structure and board configuration may change;
- (iv) IntelliHR may be delisted from the official list of ASX; and
- (v) you will remain exposed to external and company-specific risks that IntelliHR may be subject to, including:
 - (A) a continuing challenging trading environment for technology stocks;
 - (B) regulatory risks;
 - (C) competitive threats; and
 - (D) global macroeconomic conditions.

If the Bidder becomes entitled to compulsorily acquire your IntelliHR shares, it intends to exercise those rights.

If your IntelliHR shares are compulsorily acquired, you will still receive the Increased Offer Price per IntelliHR share, but at a later time than you would have received it if you had sold your IntelliHR shares to the Bidder before or during the Offer.

Next steps

We encourage you to read this supplementary bidder's statement with the original bidder's statement in full for further details about the on-market acquisitions by the Bidder and the Offer.

If you have any questions in relation to this document, the Offer or how to sell your IntelliHR shares to the Bidder, please call +61 2 9434 0500.

If you are in doubt as to how to deal with this document, please consult your financial, legal or other professional adviser.

Yours sincerely,

David Pullini

David Pullini

Chairman

Humanforce Holdings Pty Ltd

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1 Introduction

This Supplementary Bidder's Statement is dated 27 March 2023. A copy of this Supplementary Bidder's Statement was lodged with ASIC on 27 March 2023. Neither ASIC nor its officers take any responsibility for the content of this Supplementary Bidder's Statement.

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

2 On-market acquisitions

As announced by Moelis on 27 March 2023, the Bidder has appointed Moelis as its broker to acquire IntelliHR Shares on market during normal trading hours on the ASX during the Bid Period (as defined in the ASIC Market Integrity Rules) at \$0.195 per IntelliHR Share, being a price higher than the Offer Price (**Broker Announcement**).

A copy of the Broker Announcement is set out at **Annexure 1** to this Supplementary Bidder's Statement.

For the avoidance of doubt, the Bidder confirms that it has not increased the Offer Price in accordance with rule 5.12.2 of the ASIC Market Integrity Rules.

However, the Bidder will, in accordance with s649B of the Corporations Act and with effect from the commencement of the Offer Period, vary the Offer by increasing the Offer Price to \$0.195 cash per IntelliHR (**Increased Offer Price**). As at the date of this Supplementary Bidder's Statement, the Bidder confirms that it does not intend to change any other terms of the Offer, and accordingly the Offer will remain open for acceptance until the close of trading on 1 May 2023, unless extended or withdrawn in accordance with the Corporations Act.

3 Funding the Increased Aggregate Consideration

As at the date of this Supplementary Bidder's Statement, according to documents provided by IntelliHR to ASX, there are 339,991,116 IntelliHR Shares on issue, 21,518,911 IntelliHR Performance Rights and 2,250,000 IntelliHR Options.¹

In the event that all IntelliHR Shares on issue as at the date of this Supplementary Bidder's Statement other than those owned by the Bidder are sold to the Bidder now or accepted into the Offer, the aggregate amount of cash consideration that the Bidder would be required to pay would be \$53,104,912.38.²

If all IntelliHR Performance Rights and IntelliHR Options vest and the resulting IntelliHR Shares are sold to the Bidder now or accepted into the Offer, \$4,634,937.65³ additional cash consideration will be payable.

Accordingly, the maximum amount that the Bidder could be required to pay is \$57,739,850.03 (plus costs associated with the Offer) (**Increased Aggregate Consideration**).

The funds required by the Bidder to pay the Increased Aggregate Consideration will be made available to the Bidder by Accel-KKR Growth Capital Partners IV LP (**AKKR Fund IV**), an entity managed and advised by AKKR. AKKR Fund IV has executed a legally binding equity commitment letter in favour of the Bidder pursuant to which it undertakes to make available to the Bidder, in the form of immediately available funds, such equity funding as is required to enable the Bidder to fulfil its obligations to pay the Increased Aggregate Consideration up to a

¹ Based on Notification of Cessation of Securities announcement dated 23 March 2023.

² Based on 272,332,884 ordinary shares outstanding not currently owned or controlled.

³ Based on 21,518,911 IntelliHR Performance Rights and 2,250,000 IntelliHR Options outstanding.

maximum amount of \$58.0 million, being an amount in excess of the Increased Aggregate Consideration (**Equity Commitment**).

The Bidder may ultimately use debt financing of up to \$20 million to fund part of the Increased Aggregate Consideration. However, as stated above, the Bidder will be able to satisfy its obligations to fund the Increased Aggregate Consideration as and when it is due and payable solely from the funds available to it under the Equity Commitment.

4 Other material information

4.1 *Relevant Interests in intelliHR Shares and Voting Power*

As at the date of this Supplementary Bidder's Statement, the Bidder has Relevant Interests in 67,658,232 intelliHR Shares representing a Voting Power in intelliHR of 19.90% as a result of its acquisition of intelliHR Shares for \$0.165 per share, which completed on 22 March 2023.

4.2 *TAG Proposal*

On 20 March 2023, intelliHR announced it had received a binding proposal from TAG to acquire all the intelliHR Shares at a cash price of \$0.20 for each intelliHR Share by way of a scheme of arrangement. The TAG Proposal is conditional on, amongst other things, the approval of FIRB and the entry by intelliHR and TAG into a scheme implementation deed.

The Bidder confirms its previous statement that it will vote its 19.9% of intelliHR Shares against any TAG scheme of arrangement at a cash price of \$0.20. Consequently, it is highly likely that the TAG Proposal will fail.

4.3 *Substantial holders*

Based on publicly available information, the following persons have disclosed themselves as 'substantial shareholders' of intelliHR (as at the close of trade on 24 March 2023):

| Substantial holder | Number of intelliHR Shares held ⁴ | % of intelliHR Shares held |
|--|--|----------------------------|
| Humanforce Holdings Pty Ltd ⁵ | 67,658,232 | 19.90% |
| Access Workspace Pty Ltd and its associates ⁶ | 61,301,081 | 18.03% |
| Harvest Lane Asset Management and its associated entities ⁷ | 26,371,953 | 7.76% |
| Robert Jon Bromage ⁸ | 21,416,666 | 6.3% |

Note: Access Workspace Pty Ltd's Relevant Interest in 61,301,081 intelliHR Shares includes:

- the 26,371,953 intelliHR Shares held by Harvest Lane Asset Management and its associates; and
- the 21,416,666 intelliHR Shares held by Robert Jon Bromage,

by virtue of the letters set out at Annexure B of the Form 603 lodged by Access Workspace Pty Ltd with ASX on 20 March 2023.

⁴ The actual number of intelliHR Shares held or Voting Power may differ from that shown as there is no obligation to publicly disclose changes if the change in Voting Power is less than 1%.

⁵ On 22 March 2023, the Bidder bought 28,888,609 intelliHR Shares from Slattery Family Asset Management Pty Ltd, 630,166 intelliHR Shares from Colinton Capital Pty Ltd and 37,139,457 intelliHR Shares from Colinton Capital Partners Pty Ltd as trustee for Colinton Capital Partners Fund 1(A) Trust).

⁶ Based on Form 603 lodged with ASX on 20 March 2023.

⁷ Based on Form 603 lodged with ASX on 22 March 2023.

⁸ Based on Form 603 lodged with ASX by Access Workspace Pty Ltd on 20 March 2023.

4.4 Capital Structure of intelliHR

According to documents lodged by intelliHR with ASX (as at the close of trade on the last Trading Day prior to this Supplementary Bidder's Statement), intelliHR had the following securities on issue:

- 339,991,116 fully paid ordinary shares;
- 21,518,911 intelliHR Performance Rights; and
- 2,250,000 Options.⁹

4.5 Director retirements

Following the retirement of David Slocomb and Ilona Charles as directors of the Company on 23 March 2023, the directors of the Company as at close of trade on 24 March 2023 are:

| Director | Position |
|-----------------|-----------------------------------|
| Matthew Donovan | Chair and Chief Executive Officer |
| Belinda Lajoie | Non-Executive Director |
| Anthony Bellas | Non-Executive Director |

4.6 Consents

The following persons have given and have not, before the time of lodgement of this Supplementary Bidder's Statement with ASIC, withdrawn their written consent to being named in this Supplementary Bidder's Statement in the form and context in which they are named:

| Name of person | Named as |
|--|--|
| Johnson Winter Slattery | Legal adviser in respect of the Offer |
| MA Moelis Australia Securities Pty Ltd | Broker in respect of the Offer |
| AKKR Fund IV | Counterparty to the Equity Commitment Letter |

None of these persons have caused or authorised the issue of this Supplementary Bidder's Statement.

Except for **Annexure 1** (which is an announcement made by MA Moelis Australia Securities Pty Ltd on 27 March 2023 as broker to the Offer, each of the above persons:

- does not make, or purport to make, any statement in this Supplementary Bidder's Statement, or any statement on which a statement in this Supplementary Bidder's Statement is based, other than a reference to its name or a statement included in this Supplementary Bidder's Statement with the consent of that person; and
- to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this document, other than a reference to its name or a statement included in this Supplementary Bidder's Statement with the consent of that person.

As permitted by ASIC Corporations (Consents to Statements) Instrument 2016/72 this Supplementary Bidder's Statement contains trading data sourced from Bloomberg without its consent.

⁹ Based on Notification of Cessation of Securities announcement dated 23 March 2023, which noted that 790,000 Options had lapsed because the relevant vesting conditions have not been, or have become incapable of being, satisfied.

5 Conclusion

The Bidder encourages you to consider all information that has been sent to you in connection with the Offer and to **SELL** your IntelliHR shares to the Bidder on market now.

If you have any questions in relation to this document, the Bidder's Statement, the Offer or how to sell your IntelliHR shares to the Bidder, please call +61 2 9434 0500.

If you are in doubt as to how to deal with this document or the Offer, please consult your financial, legal or other professional adviser.

6 Approval of Supplementary Bidder's Statement

This Supplementary Bidder's Statement has been approved by a resolution of the directors of the Bidder.

Dated 27 March 2023

Signed for and on behalf of the Bidder by:

David Pullini

David Pullini
Chairman
Humanforce Holdings Pty Ltd

Annexure 1 – Broker Announcement

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27 March 2023

The Company Announcements Platform
ASX Limited
20 Bridge Street
Sydney NSW 2000

ASX Announcement

For immediate release

**On-market acquisition of IntelliHR Limited (ACN 600 548 516) (ASX: IHR) shares
at \$0.195 per IntelliHR share**

On 17 March 2023 Humanforce Holdings Pty Ltd (ACN 618 020 401) (**Humanforce**) made an on-market takeover bid for all of the fully paid ordinary shares in IntelliHR Limited (ACN 600 548 516) (ASX:IHR) at an offer price (**Offer Price**) of \$0.165 per IntelliHR share (**Offer**).

In accordance with rule 5.13.1 of the ASIC Market Integrity Rules (Securities Markets) 2017 (**ASIC Market Integrity Rules**), MA Moelis Australia Securities Pty Ltd (ACN 122 781 560; AFSL 308241), as broker to the Offer, announces that it will acquire IntelliHR shares on market during normal trading hours on the ASX during the Bid Period (as defined in the ASIC Market Integrity Rules) at \$0.195 cash per IntelliHR share, being a price higher than the Offer Price.

As at 27 March 2023, Humanforce had relevant interests in 19.9% of IntelliHR shares, representing voting power of 19.9%.

Signed on behalf of MA Moelis Australia Securities Pty Ltd



Simon Scott
Director
MA Moelis Australia Securities Pty Ltd

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