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28 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) – Second 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 as supplemented by the Supplementary Bidder's Statement dated 27 March 2023 (**Offer**).

We enclose, in accordance with section 647(3)(b) of the *Corporations Act 2001* (Cth) a copy of the Second Supplementary Bidder's Statement dated 28 March 2023 in relation to the Offer.

The Second 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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Liability limited by a scheme approved under Professional Standards Legislation

This document is a supplementary bidder's statement (**Second Supplementary Bidder's Statement**) prepared in accordance with section 643 of the *Corporations Act 2001* (Cth) 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 Second Supplementary Bidder's Statement.

This Second Supplementary Bidder's Statement supplements, and should be read together with, the bidder's statement lodged with the Australian Securities Exchange (**ASX**), IntelliHR and the Australian Securities and Investments Commission (**ASIC**) on 17 March 2023 as supplemented by the first supplementary bidder's statement dated 27 March 2023 (together, the **Prior Bidder's Statements**).

humanforce

Level 14, 90 Arthur St
North Sydney NSW, 2060

Dear IntelliHR Shareholder,

Intention to vote **AGAINST** the TAG Scheme and **NOT ACCEPT** the TAG Bid

The Bidder refers to the proposal from The Access Group (**TAG**) which was announced by IntelliHR yesterday to acquire all of the shares in IntelliHR:

- by way of scheme of arrangement, for an offer price of \$0.22 (**TAG Scheme**); and
- by way of off-market takeover bid, for an offer price of \$0.21 or \$0.215 depending on the relevant interests TAG may acquire in IntelliHR shares (**TAG Bid**).

TAG Scheme at \$0.22 likely to fail

The Bidder will vote its 19.9% of IntelliHR shares **AGAINST** the TAG Scheme at an offer price of \$0.22 per IntelliHR share. Given that the TAG Scheme would require 75% of the votes cast by eligible IntelliHR shareholders to vote in favour of the TAG Scheme, at least **93.63%** of all IntelliHR shares not controlled by the Bidder must be voted in favour of it to succeed.¹

Consequently, it is highly likely that the TAG Scheme will FAIL.

TAG Bid unlikely to achieve 75% acceptances

The Bidder will also **NOT ACCEPT** its 19.9% of IntelliHR shares into the TAG Bid at \$0.21 or \$0.215. Given that the TAG Bid requires holders of 75% of IntelliHR shares to accept the TAG Bid to achieve the offer price of \$0.215, at least **93.63%** of all IntelliHR shares not held by the Bidder must accept the TAG Bid in order for IntelliHR shareholders to receive \$0.215.

Consequently, it is highly unlikely that the consideration paid in the TAG Bid will be increased to \$0.215 per IntelliHR share.

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; and

¹ Assuming 100% voter turnout and that the Bidder holds 19.9% of the IntelliHR shares.

- (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.

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

In contrast, the TAG Scheme and the TAG Bid are conditional on:

- (i) approval of Australia's Foreign Investment Review Board;
- (ii) in respect of the TAG Scheme:
 - (A) entry by IntelliHR and TAG into a transaction implementation deed;
 - (B) approval by IntelliHR's shareholders and Court approval of the scheme of arrangement; and
- (iii) in respect to the TAG Bid:
 - (A) entry by IntelliHR and TAG into a transaction implementation deed; and
 - (B) TAG receiving acceptances for at least 50.1% of IntelliHR shares.

There is no assurance that all of the conditions to the TAG Scheme or the TAG Bid will be satisfied.

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

The Bidder's broker is standing in the market on behalf of the Bidder to acquire IntelliHR shares offered to it on ASX at \$0.195 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.

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.

Next steps

We encourage you to read this second supplementary bidder's statement with the original bidder's statement dated 17 March 2023 and the first supplement bidder's statement dated 27 March 2023 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

1 Important information

This Second Supplementary Bidder's Statement is dated 28 March 2023. A copy of this Second Supplementary Bidder's Statement was lodged with ASIC on 28 March 2023. Neither ASIC nor its officers take any responsibility for the content of this Second Supplementary Bidder's Statement.

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

2 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.

3 Approval of the Second Supplementary Bidder's Statement

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

Dated 28 March 2023

Signed for and on behalf of the Bidder by:



David Pullini

Chairman

Humanforce Holdings Pty Ltd