

APRIL 2019

# Prospectus

For a non-renounceable pro rata offer to Eligible Shareholders of approximately 23 million New Shares at an issue price of \$0.12 per New Share on the basis of 1 New Share for every 5 Existing Shares held, together with 1 attaching Option for every 2 New Shares issued, to raise up to approximately \$2.76 million before issue costs.

Eligible Shareholders may apply for Shortfall Shares in addition to their Entitlement.

This Prospectus provides important information about the Company. You should read the entire document including the Entitlement and Acceptance Form. If you have any questions about the New Shares being offered under this Prospectus, or any other matter relating to an investment in the Company, you should consult your professional adviser. An investment in the New Shares offered under this Prospectus is highly speculative.

This Prospectus is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This Prospectus is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

### **Important Notice**

This Prospectus is dated 18 April 2019 and was lodged with ASIC on that date. Application will be made to ASX for quotation of the New Shares offered under this Prospectus within 7 days of this date.

Neither ASIC, ASX nor any of their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. No securities will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

### **Nature of this Prospectus**

The New Shares which will be issued pursuant to this Prospectus are in the same class of Shares that have been quoted on the official list of the ASX during the 12 months prior to the issue of this Prospectus.

This Prospectus is a 'transaction specific prospectus' to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities in a class which has been continuously quoted by ASX in the 3 months prior to the date of the prospectus. In general terms 'transaction specific prospectuses' are only required to contain information in relation to the effect of the issue of New Shares on the Company and the rights attaching to the New Shares. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus contains information only to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in it. It does not include all of the information that would be included in a prospectus for an initial public offer.

### **Prospectus availability**

Eligible Shareholders can obtain a copy of this Prospectus during the Offer period on the Company's website at [www.intellihr.com.au](http://www.intellihr.com.au) or by contacting the Company. If you access an electronic copy of this Prospectus, you should ensure that you download and read the entire Prospectus.

The electronic copy of this Prospectus available from the Company's website will not include a personalised Entitlement and Acceptance Form. Eligible Shareholders will only be able to accept the Offer by completing the personalised Entitlement and Acceptance Form which accompanies this Prospectus or by making payment using BPAY® (refer to section 7.5 of this Prospectus for further information).

### **Foreign jurisdictions**

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are residents in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed. This Prospectus does not constitute an offer in any place in which, or to any person to whom, it should not be lawful to make such an offer.

### **Disclaimer of representations**

No person is authorised to provide any information or make any representation in connection with the Offer which is not contained in this Prospectus.

### **Forward looking statements**

This Prospectus contains forward looking statements that, despite being based on the Company's current expectations about future events, are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and the Directors. These known and unknown risks, uncertainties and assumptions, could cause actual results, performance or achievements to materially differ from future results, performance or achievements expressed or implied by forward-looking statements in this Prospectus. These risks, uncertainties and assumptions include, but are not limited to, the risks outlined in section 9 of this Prospectus. Forward-looking statements include those containing such words as 'anticipate', 'estimate', 'believe', 'should', 'will', 'may' and similar expressions.

### **Privacy**

Please read the privacy information located in section 8.15 of this Prospectus. By submitting an Entitlement and Acceptance Form, you consent to the matters outlined in that section.

### **Definitions**

Certain terms and abbreviations used in this Prospectus have defined meanings which are explained in the Glossary.

### **Enquiries**

If you have any questions please call the Company Secretary on +61 439 310 818 at any time between 8.00am and 5.00pm (AEST) Monday to Friday until the Closing Date. Alternatively, consult your broker, accountant or other professional adviser.

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## Corporate Directory

### Directors

Mr Tony Bellas	Non-executive Chairman
Robert Bromage	Managing Director
Jamie Duffield	Non Exec. Director
Greg Baynton	Non Exec. Director

### Registered Office

Level 11  
66 Eagle Street  
Brisbane QLD 4000

Tel: 1300 993 803  
Email: investor.relations@intelliHR.co

### Auditor\*

BDO Audit Pty Limited

### Company Secretary

Suzanne Yeates

### Website

[www.intellihr.com.au](http://www.intellihr.com.au)

### Share Registry\*

Link Market Services Limited  
Level 21  
10 Eagle Street  
Brisbane QLD 4000

Tel: 1300 658 099  
[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

### Solicitor to the Offer

Atkinson Corporate Lawyers

\*This party is named for informational purposes only and was not involved in the preparation of this Prospectus.

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## 1 TIMETABLE TO THE OFFER

Ex date - Shares trade ex Entitlement ( <b>Ex Date</b> )	26 April 2019
Record date to determine Entitlement ( <b>Record Date</b> )	29 April 2019
Prospectus with Entitlement and Acceptance Form dispatched	2 May 2019
Offer opens for receipt of Applications	
Closing date for acceptances	16 May 2019
Deferred settlement trading commences	17 May 2019
Notify ASX of under-subscriptions	21 May 2019
Issue of New Shares	23 May 2019
Deferred settlement trading ends	
Dispatch of shareholding statements	
Normal trading of New Shares expected to commence	24 May 2019
Last date to issue Shortfall Shares (see section 8.6)	16 August 2019

**Note:** The Directors may extend the Closing Date in accordance with the Listing Rules and Corporations Act. As such the date the New Shares are expected to commence trading on ASX may vary.

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## 2 KEY OFFER TERMS AND CAPITAL STRUCTURE<sup>1</sup>

Shares currently on issue	106,553,674
Total Convertible Securities currently on issue	13,421,068
Shares to be issued under the Placement	8,333,333
New Options to be issued under the Placement (subject to Shareholder approval)	4,166,667
New Shares offered under this Prospectus, on a 1 for 5 basis <sup>1</sup>	22,977,401
New Options offered under this Prospectus, on a 1 for 2 basis	11,488,701
Issue price per New Share	\$0.12
Amount raised under this Prospectus (before costs) <sup>1</sup>	\$2,757,288
Total Shares on issue following the Offer and Placement	137,864,408

1 This assumes no further Shares are issued prior to the Record Date (other than under the Placement).

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### 3 CHAIRMAN'S LETTER

Dear Shareholder,

As a valued Shareholder of IntelliHR Holdings Limited (IntelliHR or the Company), I am pleased to offer you the opportunity to participate in IntelliHR's recently announced 1 for 5 non-renounceable pro rata entitlement offer of new IntelliHR ordinary shares (New Shares) at an offer price of \$0.12 (Offer Price) per New Share.

#### **New Funding**

On 17 April 2019 IntelliHR Holdings Limited announced a capital raising of up to approximately \$3.76 million (before costs), consisting of a \$1 million placement and a 1 for 5 non-renounceable pro-rata entitlement offer at an issue price of \$0.12 per New Share to raise approximately \$2.76 million. The issue price represents a 17.2% discount to the Company's last close of \$0.145 on the ASX, and a 7.4% discount to the Company's 15 day VWAP of \$0.130.

A 1 for 2 attaching Option (unlisted and non-transferable) will be issued in both the Non-Renounceable Entitlement Offer and (subject to Shareholder approval) Placement, with an exercise price of \$0.30 per Share and expiring 30 April 2021.

The Offer is subject to a minimum subscription of \$1,000,000.

Eligible Shareholders may apply for additional New Shares in excess of their Entitlement.

#### **Use of Proceeds**

Ongoing R&D and product enhancement

- Platform enhancements to improve ability to integrate additional modules to create a complete people solution for customers
- Continuing investment in analytics, natural language processing and reporting functionality to maintain and widen product advantage over competition

Investment in sales and marketing to expand growth pipeline

- Targeting run rate of 4 new customers per sales person per month
- Current sales team approaching capacity given growth in current lead generation pipeline
- New sales staff to be brought on-line as required to meet growth opportunities

General working capital to enable ongoing execution of business strategy

- Continue to grow customer base to increase headcount beyond existing 7,500 contracted users
- Global expansion strategy

#### **Investment Highlights**

IntelliHR is a rapidly growing Australian HR technology business developing an analytics-first global software platform that improves workplace culture and performance.

- IntelliHR has been rapidly expanding its customer base both domestically and internationally.
- The Company has now surpassed \$1,000,000 in Contracted Annual Recurring Revenue, a 155.7% increase since 30 June 2018 with a strong retention track record.
- IntelliHR has grown its customer base by 76.7% and its contracted head count by 126.9% since 30 June 2018 and is poised to continue its rapid growth with a strong pipeline within Australia and abroad.

## **The Entitlement Offer closes at 5.00pm (Brisbane time) on 16 May 2019**

If you decide to take this opportunity to increase your investment in intelliHR please ensure that you have paid your Application Monies preferably via Bpay® pursuant to the instructions that are set out in the enclosed Entitlement and Acceptance Form or your completed Entitlement and Acceptance Form and your Application Monies are received in cleared funds by the Share Registry by no later than 5pm EST on 16 May 2019.

If you do not wish to take up any of your Entitlement, you do not have to take any action.

This Prospectus and personalised Entitlement and Acceptance Form should be read carefully and in their entirety before deciding whether to participate in this Offer. In particular, Eligible Shareholders should consider the key risk factors outlined in section 6 of this Prospectus, including going concern and financing risks, dependency on key personnel, competition, protection of intelliHR's intellectual property, reliance on data centres and third party providers, limited operating history, hacking and security breaches and, more generally, the speculative nature of the investment.

On behalf of your Board, I invite you to consider this investment opportunity and thank you for your ongoing support for the Company.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Tony Bellas', with a stylized, cursive script.

Tony Bellas  
Chairman  
IntelliHR Holdings Limited  
18 April 2019

## 4 INVESTMENT OVERVIEW AND KEY RISKS

This information is a selective overview only. Prospective investors should read the Prospectus in full before deciding to invest in New Shares.

Question	Response	Where to find more information																		
<b>What is the Offer?</b>	<p>1 New Share for every 5 Existing Shares held on the Record Date at an issue price of \$0.12 per New Share, with 1 attaching New Option for every 2 New Shares issued.</p> <p>The Offer seeks to issue up to approximately 22,977,401 New Shares and 11,488,701 New Options to raise up to approximately \$2,757,288 (before costs) if fully subscribed. The Offer is subject to a minimum subscription of \$1 million.</p> <p>The Offer is in conjunction with a placement to raise \$1 million (before costs).</p>	Section 8																		
<b>Am I an Eligible Shareholder?</b>	<p>The Offer is made to Eligible Shareholders, being Shareholders who:</p> <p>(a) are the registered holder of Shares as at 5.00pm (AEST) on the Record Date; and</p> <p>(b) have a registered address in Australia or New Zealand.</p> <p>Shareholders who are not eligible to participate in the Offer may not participate in the Offer.</p>	Section 8.5																		
<b>How will the proceeds of the Placement and Offer be used?</b>	<table> <tr> <th>Use of funds (\$'000)</th><th>Minimum Subscription</th><th>Full Subscription</th></tr> <tr> <td>Ongoing R&amp;D and product enhancement</td><td>781</td><td>1,494</td></tr> <tr> <td>Investment in sales and marketing to expand growth pipeline</td><td>919</td><td>1,757</td></tr> <tr> <td>General working capital to enable ongoing execution of business strategy</td><td>210</td><td>419</td></tr> <tr> <td>Costs of the Offer</td><td>90</td><td>90</td></tr> <tr> <td><b>Total</b></td><td><b>2,000</b></td><td><b>3,760</b></td></tr> </table> <p>The above is a statement of the proposed application of the funds raised as at the date of this Prospectus. As with any budget, intervening events and new circumstances have the</p>	Use of funds (\$'000)	Minimum Subscription	Full Subscription	Ongoing R&D and product enhancement	781	1,494	Investment in sales and marketing to expand growth pipeline	919	1,757	General working capital to enable ongoing execution of business strategy	210	419	Costs of the Offer	90	90	<b>Total</b>	<b>2,000</b>	<b>3,760</b>	Section 5.2
Use of funds (\$'000)	Minimum Subscription	Full Subscription																		
Ongoing R&D and product enhancement	781	1,494																		
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General working capital to enable ongoing execution of business strategy	210	419																		
Costs of the Offer	90	90																		
<b>Total</b>	<b>2,000</b>	<b>3,760</b>																		

Question	Response	Where to find more information
	potential to affect the Company's decisions. The Company reserves the right to vary the way funds are applied.	
<b>What are the key risks of a subscription under the Offer?</b>	<p>An investment in the Company has risks that you should consider before making a decision to invest. These risks include:</p> <ul style="list-style-type: none"> <li>• Going concern - the Company is currently loss making and is reliant upon raising funds to continue as a going concern.</li> <li>• Financing risks - Risks in obtaining ongoing funding.</li> <li>• Dependent upon key personnel - The Company is reliant upon a few key people.</li> <li>• Competition - The technology industry is intensely competitive and subject to rapid change.</li> <li>• Protection of intelliHR's intellectual property.</li> <li>• intelliHR is cloud based, and reliant on data centres and other third party service providers.</li> <li>• Limited operating history.</li> <li>• Hacking and security breaches.</li> <li>• Continued customer acquisition and sales cycle timing.</li> <li>• Speculative nature of the investment.</li> </ul> <p>Please carefully consider these risks and the information contained in other sections of this Prospectus before deciding whether to apply for New Shares.</p>	Section 6
<b>Is the Offer underwritten?</b>	No	
<b>Is the Offer subject to any conditions?</b>	<p>The Offer is subject to a minimum subscription of \$1,000,000. In the event the minimum subscription is not raised, the Company will return all application moneys received (without interest).</p>	Section 8.2
<b>What will be the effect of the Offer on control of the Company?</b>	<p>The effect of the Offer on control of the Company will vary with the level of Entitlements taken up by Eligible Shareholders and the number of Shortfall Shares placed in the Shortfall Offer.</p> <p>No Shareholder may increase their voting power above 20% as a result of the Offer, other than in accordance with the Corporations Act.</p>	Section 5.5



Question	Response	Where to find more information
How do I apply for New Shares and Shortfall Shares under the Offer?	Applications for New Shares and Shortfall Shares can be made by Eligible Shareholders completing the relevant sections of the personalised Entitlement and Acceptance Form and sending it to the Share Registry together with payment by cheque or BPAY in the amount of Entitlement and Shortfall Shares applied for.	Section 7.2
Can I sell my Entitlements under the Offer?	No, the Offer is non-renounceable meaning Entitlement may not be transferred.	
How will the Shortfall Shares be allocated and can I apply for Shortfall Shares?	The Directors reserve the right to place any Shortfall Shares at their discretion within 3 months of the Closing Date.  Eligible Shareholders may, in addition to their Entitlement, apply for Shortfall Shares.	Section 8.6
How can I obtain further advice?	Contact the Company Secretary on +61 439 310 818 at any time between 8.00am and 5.00pm (AEST) Monday to Friday until the Closing Date.  Contract the Share Registry if you have any queries on the Entitlement and Acceptance Form on 1300 658 099.  Alternatively, consult your broker, accountant or other professional adviser.	

## 5 PURPOSE AND EFFECT OF THE OFFER

### 5.1 Introduction

The Company is seeking to raise up to approximately \$2.76 million before issue costs under the Offer at a price of \$0.12 per New Share on the basis of 1 New Share for every 5 Existing Shares held as at the Record Date, with attaching 1 New Option for every 2 New Shares issued.

Shareholders may, in addition to their Entitlement apply for additional New Shares under the Shortfall Offer.

In addition to the Offer, the Company has received firm commitments for \$1 million under an issue of 8,333,333 Shares at an issue price of \$0.12 per Share, with 1 New Option for every 2 Shares issued (subject to Shareholder approval) (**Placement**). The Placement is expected to complete on 23 April 2019, and Placement participants will be eligible to participate in the Offer.

### 5.2 Purpose of the Offer

The Directors intend to apply the proceeds from the Offer and Placement as follows:

Use of funds (\$'000) (approx.) <sup>1</sup>	Minimum Subscription	Full Subscription
Ongoing R&D and product enhancement	781	1,494
<ul style="list-style-type: none"><li>Platform enhancements to improve ability to integrate additional modules to create a complete people solution for customers</li><li>Continuing investment in analytics, natural language processing and reporting functionality to maintain and widen product advantage over competition</li></ul>		
Investment in sales and marketing to expand growth pipeline	919	1,757
<ul style="list-style-type: none"><li>Targeting run rate of 4 new customers per sales person per month</li><li>Current sales team approaching capacity given growth in current lead generation pipeline</li><li>New sales staff to be brought on-line as required to meet growth opportunities</li></ul>		
General working capital to enable ongoing execution of business strategy <sup>2, 3</sup>	210	419
<ul style="list-style-type: none"><li>Continue to grow customer base to increase headcount beyond 8,000 users, targeting cash-flow breakeven ARR</li></ul>		

- Global expansion strategy re-affirmed by recent wins resulting in product roll-out throughout US, New Zealand, UK, Canada, Thailand and India

Costs of the Offer and Placement <sup>4</sup>	90	90
<b>Total use of funds</b>	<b>2,000</b>	<b>3,760</b>

**Notes:**

- 1 This table is a statement of the proposed application of the funds raised as at the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the Company's decisions. The Company reserves the right to vary the way funds are applied.
- 2 Funds raised will, in the event less than Full Subscription is received, be allocated firstly towards the costs of the Offer and then on a pro rata basis across the above items.
- 3 General working capital includes but is not limited to corporate administration and operating costs and may be applied to directors' fees, ASX and share registry fees, legal, tax and audit fees, insurance and travel costs.
- 4 See section 10.5 for further details relating to the estimated expenses of the Offer.

### 5.3 Statement of financial position

Set out in section 13 is the unaudited Statement of Financial Position of the Company and the Pro-Forma Statement of Financial Position, as at 31 March 2019 and on the basis of the following assumptions:

- (a) \$1 million is received under the Placement;
- (b) the Offer was effective on 31 March 2019;
- (c) no further Shares are issued other than all Shares offered under the Placement and this Prospectus;
- (d) take up of the Offer assuming Minimum Subscription and Full Subscription are received; and
- (e) costs of the Offer and Placement are \$90,000.

The pro-forma Statement of Financial Position has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company set out in section 13. The pro-forma financial information is unaudited and presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

#### 5.4 Effect of the Offer on the Company's securities

Assuming that no further Shares are issued prior to the Record Date, at the close of the Offer, the capital structure of the Company will be:

Shares	Minimum Subscription		Full Subscription	
	Number	%	Number	%
Existing Shares	106,553,674	86.48	106,553,674	77.29
Shares issued under the Placement	8,333,333	6.76	8,333,333	6.04
New Shares offered under this Prospectus	8,333,333	6.76	22,977,401	16.67
<b>Total Shares</b>	<b>123,220,340</b>	<b>100</b>	<b>137,864,408</b>	<b>100</b>

The Company has agreed to issue under the Placement 8,333,333 Shares and, subject to Shareholder approval, 4,166,667 New Options. Completion is expected to occur on 23 April 2019.

Assuming that no further convertible securities are issued prior to the Record Date, at the close of the Offer, the capital structure of the Company will be:

Convertible Securities	Minimum Subscription		Full Subscription	
	Number	%	Number	%
Existing Options	12,186,374	56.02	12,186,374	41.91
Existing Performance Rights	1,234,694	5.68	1,234,694	4.25
Option to be issued under the Placement <sup>1</sup>	4,166,667	19.15	4,166,667	14.33
Options to be offered under the Offer	4,166,667	19.15	11,488,701	39.51
<b>Total convertible securities</b>	<b>21,754,402</b>	<b>100</b>	<b>29,076,436</b>	<b>100%</b>

<sup>1</sup>The issue of Options under the Placement is subject to Shareholder approval.

The terms of Options on issue provide for an adjustment in the exercise price in accordance with Listing Rule 6.22 in the event the Company undertakes an entitlement issue. The Company will announce the adjusted exercise prices in due course.

#### 5.5 Effect on control

There will be no effect on control of the Company if all Shareholders take up their Entitlement.

(a) Robert Bromage

Mr Bromage, the Company's founder and Managing Director/CEO currently has a relevant interest in 21,371,075 Shares (or 20.05%). Mr Bromage has advised the Company that he intends to participate in the Offer for an amount to be determined. Mr Bromage's maximum voting power in the Company following the Offer and Placement will be 20.81%, assuming Mr Bromage takes up his Entitlement in full and the Minimum Subscription is raised under the Offer.

Mr Bromage will, if required, seek relief from ASIC prior to taking up Entitlement that would breach section 606 of the Corporations Act (the "20% rule").

(b) Others

As the Offer is non-renounceable, Eligible Shareholders may not rely upon item 10 of section 611 of the Corporations Act (**rights issue exception**) to have a voting power of 20% or more by taking up their Entitlements under the Offer.

## 5.6 Dilution

Shareholders who do not participate in the Offer will have their holdings diluted. Following is a table which sets out the dilutionary effect, assuming the full amount is raised and no further Shares are issued or Options exercised:

Holder	Holding at Record Date		Entitlement	Holding following the Offer if no Entitlement taken up	
	Number	%		Number	%
1	53,277	0.05	10,655	53,277	0.039
2	532,768	0.50	106,554	532,768	0.386
3	1,065,537	1.00	213,107	1,065,537	0.773
4	2,131,073	2.00	426,215	2,131,073	1.546

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## 6 RISK FACTORS

This section identifies the major risks the Board has identified regarding an investment in intelliHR. The intelliHR business is subject to risk factors, both specific to its business activities, and risks of a general nature. Individually, or in combination, these might affect the future operating performance of intelliHR and the value of an investment in intelliHR. There can be no guarantee that intelliHR will achieve its stated objectives or that any forward looking statements will be achieved. An investment in intelliHR should be considered in light of relevant risks, both general and specific. Each of the risks set out below could, if it eventuates, have a material adverse impact on intelliHR's prospectus, and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

Before deciding to invest in intelliHR, potential investors should:

- (a) read the entire prospectus;
- (b) consider the assumptions underlying any forward looking statements;
- (c) review these factors in light of their personal circumstances; and
- (d) seek professional advice from their accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.

### 6.2 Risk specific to the Offer

- (a) Dilution

Shareholders who do not take up their Entitlement will have their holding in the Company diluted. Details of dilution are set out in section 5.6 above.

- (b) Control

The Directors have taken reasonable steps to help ensure a reasonable distribution of voting power under the Offer. However, assuming some shareholders take up their Entitlement and others do not, there is a risk that voting power may be consolidated among fewer Shareholders and the interests of these Shareholders may not align with other Shareholders' interests.

### 6.3 Specific Investment Risks

- (a) Going concern

The Company's financial statements for the half year ending 31 December 2018 (**Financial Statements**) have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business. As disclosed in the Financial Statements, the Group incurred a net loss of \$2,885,419 with net operating cash outflows of \$1,761,216 for the period ended 31 December 2018.

As at 31 March 2019 the Group had cash and cash equivalent, and funds on term deposit of approximately \$967,000.

The ability of the Group to continue as a going concern is principally dependent upon one or more of the following conditions:

- (i) The ability to complete successful development and commercialisation of the Group software platform.
- (ii) The ability of the Group to successfully raise capital, as and when necessary.

These conditions give rise to a material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern. The Directors believed that the going concern basis of preparation was appropriate due to the proven ability of the Group to raise necessary funds via the issuance of Shares as evidenced by its recent IPO and trading of Shares on ASX.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the Financial Report. The Financial Report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Group be unable to continue as a going concern.

(b) Financing risks

The funds raised under the Offer will be applied primarily to sales and marketing endeavours. There is no certainty that those expenditures will deliver sufficient sales growth to obviate the need for further equity capital. For example, even if intelliHR becomes cash flow positive, the Directors may consider it appropriate to increase expenditure on sales and marketing. As a result, it is likely that intelliHR will require further equity funding in the short to medium term. That funding may be highly dilutionary to Shareholders, depending on the price at which intelliHR seeks to issue new Shares. While debt funding may be available to intelliHR in the future, the availability of such funding, that will be dependent on intelliHR's financial performance. In addition to dilution, if intelliHR is unsuccessful in obtaining funds when required, it may need to delay planned business activities, and potentially forgo growth opportunities.

(c) Dependence upon Key Personnel

intelliHR depends on the talent and experience of its Personnel, and as such any departure of key Personnel may be materially adverse to intelliHR's prospects. It may be difficult to replace key Personnel or to do so in a timely manner or at a comparable expense. Additionally, if any key Personnel were to leave to work for or establish a competitor, this could further impact intelliHR's prospects. intelliHR has sought to mitigate this risk with equity incentives, but these incentives cannot remove the risk altogether.

(d) Competition

The technology industry is intensely competitive and subject to rapid change. intelliHR may face competitors that are better resourced or develop superior products, particularly those based on new or disruptive technology. intelliHR may also be slower to adopt new technology than potential competitors, each of which would likely be materially adverse to intelliHR's prospects.

In particular, the SaaS model is intensely competitive and, given the short timeframes with which products can be brought to market under a SaaS model, service providers' offerings are evolving quickly.

Internet and SaaS businesses have generally low barriers to entry. Current or new competitors may adopt certain aspects of intelliHR's business model without great financial expense, thereby reducing intelliHR's ability to differentiate its services.

Competition may arise from a number of sources, both in Australia and abroad. It may include companies that have greater capital resources and closer customer relationships than intelliHR. Competition may also arise from companies with developed processes, systems, and technology or customers may seek to develop their own equivalent analytical platforms.

Any significant competition or failure to keep pace with technological change may adversely affect intelliHR's ability to attract customers or meet its business objectives.

(e) Intellectual property

The intellectual property in the intelliHR platform is critical to its commercialisation. There may be circumstances where intelliHR's intellectual property cannot be protected or is subject to unauthorized infringement. Notwithstanding that intelliHR may have legal rights in respect of any infringement, those rights may be costly and time consuming to enforce.

intelliHR has trade secrets and other intellectual property which are important assets. It is therefore reliant on a combination of confidentiality agreements with its consultants and third parties with whom it operates, in addition to domain name intellectual property right protections in order to protect the intelliHR brand. Given the nature of the product, intelliHR does not have any patent protection of its intellectual property. If intelliHR fails to protect its intellectual property, competitors may gain access to its technology which may adversely impact the business. In addition, third parties may make claims against intelliHR for infringement of their intellectual property rights. Defending such actions may be costly to intelliHR and divert the time and resources of Board and key management personnel, resulting in detriment to intelliHR. The intellectual property rights of a third party may also prevent intelliHR from utilising its own intellectual property rights, requiring intelliHR to rebrand at significant cost to intelliHR.

(f) Reliance on third party providers

As the intelliHR platform is cloud-based, intelliHR relies upon data centres and other third-party service providers for the ongoing availability of its platform. intelliHR's influence over these third-parties is limited. Any system failure that causes an interruption to the platform could materially affect intelliHR's business. System failures, if prolonged, could reduce the attractiveness of the platform to existing and potential customers and could damage intelliHR's business reputation and brand name.

The intelliHR platform may contain defects and bugs when first introduced to a particular customer or as new versions are released. These defects or bugs could



interrupt or delay the provision of services to customers and could ultimately damage intelliHR's business reputation.

intelliHR's platform is also subject to risks associated with computer viruses, physical or electronic break-ins, loss of data from physical damage or from failures by third party service providers or operating systems and similar disruptions, as well as to damage from the inadvertent introduction onto its systems of incorrect programming language by its employees.

(g) Limited operating history

intelliHR is an early stage technology business having had just five years of relevant operating history in the development and commercialisation of the intelliHR platform. An investment in intelliHR should be evaluated in light of the risks and difficulties often encountered by emerging companies and particularly by such companies in rapidly evolving, technology based environments. As there is limited operating history, there is low visibility and predictability of demand for the intelliHR platform. As such, no assurances can be given that intelliHR will achieve a level of sales sufficient to avoid a further capital raising being necessary in the short term.

(h) Reliance on Continual Platform Development

intelliHR's ability to grow its customer base and generate revenue will be dependent in part upon its ability to continually develop and innovate the intelliHR platform to ensure it is a market leader in the industry.

This may involve introducing significant changes to the existing intelliHR platform, including technologies with which there is little or no prior development or operating experience. If the modified platform does not attract customers, intelliHR may fail to generate sufficient revenue or operating profit to justify the investment.

(i) Hacking and security breaches

intelliHR may be adversely affected by malicious third party actions that seek to breach security of the platform. Any such 'hacking' of the platform could, among other things, jeopardise the security of customer information stored on the intelliHR platform. If intelliHR's efforts to combat such malicious actions are unsuccessful, or if the platform has actual or perceived vulnerabilities, intelliHR's business reputation and brand name may be harmed, which may result in a loss of customers from the platform (and reduced prospects of securing new customers). intelliHR hosts infrastructure on Amazon Web Services (AWS) in Sydney, Australia. IT security and protection of customer data are critical to intelliHR's success. intelliHR employs a rigorous approach to security management and implements security controls which include: (a) industry-standard encrypted connection via HTTPS/SSL to protect data in transit; (b) defense-in-depth information assurance strategy using security groups to segment network; (c) staff access to production infrastructure protected by multi-factor authentication (MFA) and strict separation of responsibilities; and (d) staff access to customer data only granted on an as-needed basis in order to provide services to customers.

(j) Growth Management

There is a risk that intelliHR may not be able to continue to contract new customers and/ or manage rapid growth of its business. Commercial sales have a lead time to

convert to a contracted customer and then again have further lead time to become a paying customer following the completion of implementation. Commercial sales may not fund sufficient revenue for growth and, potentially, continued operations. intelliHR's capacity to properly implement and manage business growth may affect its financial performance.

(k) Speculative Nature of Investment

Any potential investor should be aware that subscribing for Shares involves various risks. The Shares to be issued pursuant to the Offer carry no guarantees with respect to the payment of dividends, return of capital or market value. The success of intelliHR is dependent on the commercialisation of its products and market adoption of those products. An investment in intelliHR should therefore be considered speculative in nature.

## 6.4 General Investment Risks

(a) Share Market Investments

The price of Shares rises and falls, and might trade at prices below or above the Offer Price. There can also be no assurance that an active trading market will develop for the Shares.

Factors affecting the price at which the Shares are traded on ASX could include domestic and international economic conditions. In addition, the prices of many listed entities' securities are affected by factors that might be unrelated to the operating performance of the relevant company. Those fluctuations might adversely affect the price of the Shares.

(b) General Economic Conditions

intelliHR's operating and financial performance is influenced by a variety of general economic and business conditions including the level of inflation, interest rates and government fiscal, monetary and regulatory policies. Prolonged deterioration in general economic conditions, including an increase in interest rates, could be expected to have a corresponding adverse impact on intelliHR's operating and financial performance.

(c) Accounting Standards

Australian accounting standards are set by the Australian Accounting Standards Board (AASB) and are outside the Directors' and intelliHR's control. Changes to accounting standards issued by AASB could materially adversely affect the financial performance and position reported in intelliHR's financial statements.

(d) Taxation Risks

Changes to the rate of taxes imposed on intelliHR (including in overseas jurisdictions in which intelliHR operates now or in the future) or tax legislation generally may affect intelliHR and its Shareholders. In addition, an interpretation of Australian taxation laws by the Australian Taxation Office that differs to intelliHR's interpretation may lead to an increase in intelliHR's taxation liabilities and a reduction in Shareholder returns.

Personal tax liabilities are the responsibility of each individual investor. intelliHR is not responsible either for taxation or penalties incurred by investors.

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## **7 ACTIONS REQUIRED BY ELIGIBLE SHAREHOLDERS**

### **7.1 What you may do**

As an Eligible Shareholder, you may:

- (a) subscribe for all or part of your Entitlement (see section 7.2);
- (b) subscribe for all of your Entitlement and apply for Shortfall Shares (see section 7.3);
- (c) allow all or part of your Entitlement to lapse (see section 7.4).

### **7.2 Subscribe for all or part of your Entitlement**

Applicants should read this Prospectus in its entirety in order to make an informed decision on the prospects of the Company and the rights attaching to the New Shares and attaching Options offered by this Prospectus before deciding to apply for New Shares. If you do not understand this Prospectus you should consult your stockbroker, accountant or other professional adviser in order to satisfy yourself as to the contents of this Prospectus.

If you wish to subscribe for all or part of your Entitlement, complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on that form. The Entitlement and Acceptance Form sets out the number of New Shares and attaching options you are entitled to subscribe for.

### **7.3 Subscribe for all of your Entitlement and apply for Shortfall Shares**

Eligible Shareholders who take up their Entitlement in full may, in addition to their Entitlement, apply for Shortfall Shares regardless of the size of their present holding by completing the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on that form. See section 8.6 for details of the manner in which Shortfall Shares will be allocated.

Surplus application moneys will be returned to Applicants as soon as practicable following the close of the Offer.

### **7.4 Allow all or part of your Entitlement to lapse**

If you are an Eligible Shareholder and do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

If you take no action, your Entitlement will lapse. You will receive no benefit or New Shares and your Entitlement will become Shortfall Shares.

If you wish to participate in the Offer, you must take action to accept your Entitlement in accordance with the instructions above and on the accompanying personalised Entitlement and Acceptance Form.

The number of Existing Shares you hold as at the Record Date and the rights attached to those Existing Shares will not be affected if you choose not to accept any of your Entitlement.

## 7.5 Payment methods

### **BPAY**

If you are paying by BPAY, refer to your personalised instructions on your Entitlement and Acceptance Form. Shareholders who wish to pay by BPAY must ensure that payment is received by no later than 5.00pm AEST on the Closing Date.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. It is your responsibility to ensure that funds submitted through BPAY are received by 5.00pm AEST on the Closing Date.

If you have more than one shareholding and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those shareholdings only use the Customer Reference Number specific to that shareholding as set out in the applicable Entitlement and Acceptance Form. Do not use the same Customer Reference Number for more than one of your shareholdings. This can result in your application monies being applied to your Entitlement in respect of only one of your shareholdings (with the result that any application in respect of your remaining shareholdings will not be recognised as valid).

The Company shall not be responsible for any postal or delivery delays or delay in the receipt of the BPAY payment.

### **Cheque, bank draft or money order**

Alternatively, if you are paying by cheque, bank draft or money order, the completed Entitlement and Acceptance Form must be accompanied by a cheque, bank draft or money order made payable to 'intelliHR Holdings Limited' and crossed 'Not Negotiable' for the appropriate application money in Australian dollars calculated at \$0.12 per New Share accepted. Your cheque, bank draft or money order must be paid in Australian currency and be drawn on an Australian branch of an Australian financial institution. The Company will present the cheque or bank draft on the day of receipt of the Entitlement and Acceptance Form. You must ensure that your cheque account has sufficient funds to cover your payment, as your cheque will be presented for payment on receipt. If your bank dishonours your cheque your application will be rejected. Dishonoured cheques will not be represented.

If the amount of your cheque(s), bank draft(s) or money order(s) for application money (or the amount for which those cheque(s) or bank draft(s) clear in time for allocation) is insufficient to pay for the number of New Shares you have applied for in your Entitlement and Acceptance Form, you may be taken to have applied for such lower number of New Shares as your cleared application money will pay for (and to have specified that number of New Shares in your Entitlement and Acceptance Form) or your Application may be rejected.

The Entitlement and Acceptance Form must be received by the Company at the following addresses by no later than 5.00pm (AEST) on the Closing Date:

<b>By Post To:</b>	<b>By Hand to</b>
intelliHR Holdings Limited c/- Link Market Service Limited	intelliHR Holdings Limited c/- Link Market Service Limited

## **7.6 Entitlement and Acceptance Form is binding**

Receipt of a completed and lodged Entitlement and Acceptance Form together with a cheque, bank draft or money order for the application monies, or by making a payment in respect of an Application by BPAY, constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Prospectus and, once lodged, cannot be withdrawn.

By completing and returning your Entitlement and Acceptance Form with the requisite application monies, or by making a payment in respect of an Application by BPAY, you will be deemed to have represented that you are an Eligible Shareholder. In addition, you will also be deemed to have represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given the Prospectus, does not prohibit you from being given the Prospectus and that you:

- (a) agree to be bound by the terms of the Offer;
- (b) declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- (c) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;
- (d) authorise the Company and its respective officers or agents, to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Company's share registry upon using the contact details set out in the Entitlement and Acceptance Form;
- (e) declare that you are the current registered holder of Shares and are an Australian or New Zealand resident, and you are not in the United States or a US Person, or acting for the account or benefit of a US Person;
- (f) acknowledge that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs; and
- (g) acknowledge that the New Shares have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia and New Zealand and accordingly, the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws in particular the US Securities Act.

The Entitlement and Acceptance Form does not need to be signed to be a valid application. An Application will be deemed to have been accepted by the Company upon the issue of the New Shares.

If the Entitlement and Acceptance Form is not completed correctly or if the accompanying payment of the application monies is for the wrong amount, it may still be treated as a valid application for New Shares. The Directors' decision whether to treat an acceptance as valid

and how to construe, amend or complete the Entitlement and Acceptance Form is final. However, an Applicant will not be treated as having applied for more Shares than is indicated by the amount of the application monies received by the Company.

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## **8 DETAILS OF THE OFFER**

### **8.1 Shares offered for subscription**

By this Prospectus the Company makes a non-renounceable pro rata offer to Eligible Shareholders on the basis of 1 New Share for every 5 Existing Shares held as at the Record Date at a price of \$0.12 per New Share, with 1 New Option for every 2 new Shares issued, to raise up to approximately \$2.76 million before issue costs. Fractional entitlements will be rounded down to the nearest whole number.

The Offer is only open to Eligible Shareholders. The Company reserves the right to reject any application that it believes comes from a person who is not an Eligible Shareholder.

Details of how to apply for New Shares are set out at section 7.

All New Shares offered under this Prospectus will rank equally with Existing Shares. The rights and liabilities of the New Shares offered under this Prospectus are summarised in section 9.

### **8.2 Minimum subscription**

The minimum subscription under the Offer is \$1,000,000. In the event the minimum subscription is not raised within 4 months of the date of this Prospectus, then the Company will repay all application money received in full and without interest. The Company may, where permitted under the Listing Rules, accept any over-subscriptions.

### **8.3 Acceptances**

This Offer may be accepted in whole or in part prior to the Closing Date subject to the rights of the Company to extend the Offer period or close the Offer early.

Instructions for accepting your Entitlement are set out in section 7 and on the Entitlement and Acceptance Form which accompanies this Prospectus.

### **8.4 Underwriting**

The Offer is not underwritten.

### **8.5 Entitlement to Offer**

The Offer is made to Eligible Shareholders, who are those Shareholders that:

- (a) are the registered holder of Shares as at 5.00pm (AEST) on the Record Date; and
- (b) have a registered address in Australia or New Zealand.

### **8.6 Shortfall**

Any New Shares not applied for under the Offer will become Shortfall Shares. The Directors reserve the right to issue any Shortfall Shares at their discretion within 3 months after the Closing Date (**Shortfall Offer**).

The Shortfall Offer is, to the extent it is made in Australia, made under this Prospectus. To the extent the Shortfall Offer is made outside Australia, the Shortfall Offer is made without disclosure, a prospectus, lodgement, filing or registration, or other requirements of any applicable securities law, and only in circumstances where it is lawful to do so (such as to institutional or sophisticated investors).

Eligible Shareholders may apply for Shortfall Shares under the Shortfall Offer by completing the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on that form. Other investors who are not Eligible Shareholders may apply for Shortfall Shares using the Shortfall Application Form attached to this Prospectus. Persons outside Australia doing so represent to the Company that they can apply for Shortfall Shares in circumstances which do not require the offer for Shortfall Shares or this Prospectus to be registered.

It is possible that there may be no Shortfall Shares available for issue.

Subject to the above, the Directors reserve the right at their absolute discretion and subject to the Corporations Act and Listing Rules, issue Shortfall Shares at their discretion, and to reject any application for Shortfall Shares or to issue a lesser number of Shortfall Shares than that applied for. It is an express term of the Shortfall Offer that applicants for Shortfall Shares will be bound to accept a lesser number of Shortfall Shares allocated to them than applied for. If a lesser number is allocated, excess application money will be refunded without interest as soon as practicable after the Closing Date.

#### **8.7 New Zealand Shareholders**

The Offer contained in this Prospectus to Eligible Shareholders with registered addresses in New Zealand is made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand). Members of the public in New Zealand who are not existing Shareholders on the Record Date are not entitled to apply for any New Shares. This Prospectus has not been registered, filed or approved by any New Zealand regulatory authority. This Prospectus is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

#### **8.8 Treatment of Ineligible Shareholders**

Given the small number of Ineligible Shareholders and the cost of complying with applicable regulations outside Australia and New Zealand, the Company has decided that it would be unreasonable to extend the Offer to Ineligible Shareholders. The Prospectus will not be sent to those Shareholders.

This Prospectus does not constitute an offer of securities in any jurisdiction where, or to any person to whom, it would not be lawful to issue the Prospectus or make the Offer. No action has been taken to register or qualify the New Shares or the Offer or otherwise to permit an offering of the New Shares in any jurisdiction other than as set out in this section.

This document is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This document is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act, and may not be offered

or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

Recipients may not send or otherwise distribute this Prospectus or the Entitlement and Acceptance Form to any person outside Australia or New Zealand (other than to Eligible Shareholders).

#### **8.9 Beneficial holders, nominees, trustees and custodians**

The foreign selling restrictions under the Offer summarised in section 8.8 of this Prospectus apply to the underlying beneficial holder. Nominees, trustees and custodians must not apply on behalf of any beneficial holder that would not itself be an Eligible Shareholder. Shareholders who are nominees, trustees or custodians are advised to seek independent advice as to how they should proceed. Shareholders who hold Shares on behalf of persons whose registered address is not in Australia or New Zealand are responsible for ensuring that applying for New Shares does not breach securities laws in the relevant overseas jurisdictions.

Nominees and custodians that hold Shares should note that the Offer is available only to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of securities. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offer is compatible with applicable foreign laws.

#### **8.10 Allotment and application money**

New Shares will be issued only after all application money has been received and ASX has granted permission for the New Shares to be quoted. It is expected that New Shares will be issued on 23 May 2019 and normal trading of the New Shares on ASX is expected to commence on 24 May 2019.

All application monies will be deposited into a separate bank account of the Company and held in trust for Applicants until the Shares are issued or application monies returned. Any interest that accrues will be retained by the Company and will not be paid to Applicants.

#### **8.11 Quotation**

The Company will apply to ASX within 7 days after the date of this Prospectus for quotation of the New Shares offered by this Prospectus on ASX. If ASX does not grant permission for the quotation of the New Shares offered under this Prospectus within 3 months after the date of this Prospectus, or such longer period as modified by ASIC, none of the New Shares offered by this Prospectus will be allotted or issued. In these circumstances, all Applications will be dealt with in accordance with the Corporations Act including the return of all application monies without interest.

A decision by ASX to grant official quotation of the New Shares is not to be taken in any way as an indication of ASX's view as to the merits of the Company or of the New Shares.

Quotation, if granted, of the New Shares offered by this Prospectus will commence as soon as practicable after statements of holdings of the New Shares are dispatched.



### 8.12 Market prices of Existing Shares on ASX

The highest and lowest market sale price of the Existing Shares, which are on the same terms and conditions as the New Shares being offered under this Prospectus, during the 3 months immediately preceding the lodgement of this Prospectus with the ASIC, and the last market sale price on the date before the lodgement date of this Prospectus, are set out below.

	3 month high	3 month low	Last market sale price
Price	\$0.205	\$0.11	\$0.145
Date	22 January 2019	18, 20, 21 and 22 February 2019 15, 18, 19 and 25 March 2019 5 and 9 April 2019	10 April 2019

### 8.13 CHESS

The Company participates in the Clearing House Electronic Subregister System (**CHESS**). CHESS is operated by ASX Settlement Pty Ltd (**ASPL**), a wholly owned subsidiary of ASX.

Under CHESS, the Company does not issue certificates to investors. Instead, security holders will receive a statement of their holdings in the Company, including New Shares issued under this Prospectus. If an investor is broker sponsored, ASPL will send a CHESS statement.

The CHESS statement will set out the number of New Shares issued under this Prospectus, provide details of your holder identification number and give the participation identification number of the sponsor.

If you are registered on the issuer sponsored sub register, your statement will be dispatched by the Company's share registrar and will contain the number of New Shares issued to you under this Prospectus and your security holder reference number.

A CHESS statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

### 8.14 Taxation and duty implications

The Directors do not consider that it is appropriate to give Shareholders advice regarding the taxation consequences of the Company conducting the Offer or Shareholders applying for New Shares under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation positions of Shareholders. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to Shareholders in the Offer. Shareholders should, therefore, consult their own professional tax adviser in connection with the taxation implications of the Offer.

No brokerage or stamp duty is payable by Applicants in respect of Applications for New Shares under this Prospectus.

## 8.15 Privacy

The Company collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Entitlement and Acceptance Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Entitlement and Acceptance Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related body corporates, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

The Corporations Act requires the Company to include information about the Shareholder (including name, address and details of the Shares held) in its public register. The information contained in the Company's public register must remain there even if that person ceases to be a Shareholder. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your Application. An Applicant has the right to gain access to the information that the Company holds about that person subject to certain exceptions under law. A fee may be charged for access. Such requests must be made in writing to the Company's registered office.

## 8.16 Enquiries

Any queries regarding the Offer should be directed to the Company Secretary on +61 439 310 818 or [suzanne.yeates@intellihr.co](mailto:suzanne.yeates@intellihr.co).

Any queries regarding the Entitlement and Acceptance Form should be directed to the Share Registry on 1300 658 099.

You can also contact your stockbroker or professional adviser with any queries in relation to the Offer.

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# 9 RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

## 9.1 Rights and liability attaching to Shares

The following is a summary of the provisions of intelliHR's Constitution.

This summary is not exhaustive, nor does it constitute a definitive statement of a Shareholder's rights and obligations.

### (a) Shares

The Directors are entitled to issue and cancel Shares in the capital of intelliHR, grant options over unissued shares and settle the manner in which fractions of a Share are to be dealt with. The Directors may decide the persons to whom, and the terms on

which, Shares are issued or options are granted as well as the rights and restrictions that attach to those Shares or options.

The Constitution also permits the issue of preference shares on terms determined by the Directors.

intelliHR may also sell a Share that is part of an unmarketable parcel of shares under the procedure set out in the Constitution.

(b) Variation of Class Rights

The rights attached to any class of Shares may, unless their terms of issue state otherwise, only be varied with the consent in writing of members holding at least three-quarters of the Shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of Shares of that class.

(c) Share Certificates

Subject to the requirements of the Corporations Act, the Listing Rules or the ASX Settlement Operating Rules, intelliHR need not issue share certificates if the Directors so decide.

(d) Calls

The Directors may, from time to time, call upon Shareholders for unpaid monies on their shares. The Directors must give Shareholders notice of a call at least 30 business days before the amount called is due, specifying the time and place of payment. If a call is made, Shareholders are liable to pay the amount of each call by the time and at the place specified.

A call is taken to have been made when a Directors' resolution passing the call is made or on any later date fixed by the Board. A call may be revoked or postponed at the discretion of the Directors.

(e) Forfeiture and Lien

intelliHR may forfeit Shares to cover any call, or other amount payable in respect of Shares, which remains unpaid following any notice to that effect sent to a Shareholder. Forfeited Shares become the property of intelliHR and the Directors may sell, reissue or otherwise dispose of the Shares as they think fit.

A person whose Shares have been forfeited may still be required to pay intelliHR all calls and other amounts owing in respect of the forfeited Shares (including interest) if the Directors so determine.

intelliHR has a first and paramount lien for unpaid calls, instalments and related interest and any amount it is legally required to pay in relation to a Shareholder's Shares. The lien extends to all distributions relating to the Shares, including dividends.

intelliHR's lien over Shares will be released if it registers a transfer of the Shares without giving the transferee notice of its claim.

(f) Share Transfers

Shares may be transferred by any method permitted by the Corporations Act, the Listing Rules or the ASX Settlement Operating Rules or by a written transfer in any

usual form or in any other form approved by the Directors. The Directors may refuse to register a transfer of Shares where it is not in registrable form, intelliHR has a lien over any of the Shares to be transferred or where it is permitted to do so by the Listing Rules or the ASX Settlement Operating Rules.

(g) General Meetings

Each Shareholder, Director and auditor is entitled to receive notice of and attend any general meeting of intelliHR. Two Shareholders must be present to constitute a quorum for a general meeting and no business may be transacted at any meeting except the election of a chair and the adjournment of the meeting, unless a quorum is present when the meeting proceeds to business.

(h) Voting Rights

Subject to any rights or restrictions attached to any Shares or class of shares, on a show of hands each Shareholder present has one vote and, on a poll, one vote for each fully paid Share held, and for each partly paid Share, a fraction of a vote equivalent to the proportion to which the Share has been paid up. Voting may be in person or by proxy, attorney or representative.

(i) Remuneration of Directors

Each Director is entitled to remuneration from intelliHR for his or her services as decided by the Directors but the total amount provided to all Directors for their services as Directors must not exceed in aggregate in any financial year the amount fixed by intelliHR in general meeting (see section 10.2). The remuneration of an executive Director must not include a commission on, or a percentage of, profits or operating revenue.

Remuneration may be provided in the manner that the Directors decide, including by way of non-cash benefits. There is also provision for Directors to be paid extra remuneration (as determined by the Directors) if they devote special attention to the business of intelliHR or otherwise perform services which are regarded as being outside of their ordinary duties as Directors or, at the request of the Directors, engage in any journey on intelliHR's business.

Directors are also entitled to be paid all travelling and other expenses they incur in attending to intelliHR's affairs, including attending and returning from general meetings or Board meetings, or meetings of any committee engaged in intelliHR's business.

(j) Interests of Directors

A Director who has a material personal interest in a matter that is being considered by the Board must not be present at a meeting while the matter is being considered nor vote on the matter, unless the Corporations Act allows otherwise.

(k) Election and Retirement of Directors

There must be a minimum of three Directors and a maximum of 12 Directors unless intelliHR in general meeting resolves otherwise.

Where required by the Corporations Act or Listing Rules, intelliHR must hold an election of directors each year. No Director, other than the managing director, may

hold office without re-election beyond the third annual general meeting following the meeting at which the Director was last elected or re-elected. A Director appointed to fill a casual vacancy, who is not a managing Director, holds office until the conclusion of the next annual general meeting following his or her appointment. If there would otherwise not be a vacancy, and no Director is required to retire, then the director who has been longest in office since last being elected must retire.

If a number of Directors were elected on the same day, the Directors to retire is (in default of agreement between them) determined by ballot.

(l) Dividends

If the Directors determine that a final or interim dividend is payable, it is (subject to the terms of issue on any Shares or class of Shares) paid on all Shares proportionate to the amount for the time being paid on each Share. Dividends may be paid by cash, electronic transfer or any other method as the Board determines.

The Directors have the power to capitalise and distribute the whole or part of the amount from time to time standing to the credit of any reserve account or otherwise available for distribution to Shareholders. The capitalisation and distribution must be in the same proportions which the Shareholders would be entitled to receive if distributed by way of a dividend.

Subject to the Listing Rules, the Directors may pay a dividend out of any fund or reserve or out of profits derived from any source.

(m) Proportional Takeover Bids

intelliHR may prohibit registration of transfers purporting to accept an offer made under a proportionate takeover bid unless a resolution of intelliHR has been passed approving the proportional takeover bid under the provisions of the Constitution.

The rules in the Constitution relating to proportional takeover bids cease on the third anniversary of the adoption of the Constitution, or the renewal of the rules, unless renewed by a special resolution of Shareholders.

(n) Indemnities and Insurance

intelliHR must indemnify current and past Directors and other executive officers (Officers) of intelliHR on a full indemnity basis and to the fullest extent permitted by law against all liabilities incurred by the Officer as a result of their holding office in intelliHR or a related body corporate.

intelliHR may also, to the extent permitted by law, purchase and maintain insurance, or pay or agree to pay a premium for insurance, for each Officer against any liability incurred by the Officer as a result of their holding office in intelliHR or a related body corporate.

## 9.2 Rights and liability attaching to New Options

Options offered under this Prospectus are subject to the following terms:

- (a) The Options will be issued for no consideration.
- (b) Each Option entitles the holder to be issued one Share.
- (c) The exercise price of the Options is \$0.30 each.

- (d) The expiry date of an Option is 30 April 2021.
- (e) The Options may be exercised at any time prior to the expiry date, in whole or in part, upon payment of the exercise price per Option.
- (f) The Options are non-transferable, and no application will be made for quotation of the Options on ASX.
- (g) The holder of an Option may not exercise less than 1,667 Options at any one time unless the holder has less than 1,667 Options in which event the Holder must exercise all of the Options together.
- (h) The Company will provide to each Option holder a notice that is to be completed when exercising the Options (Notice of Exercise). Options may be exercised by the Option holder in whole or in part by completing the Notice of Exercise and forwarding the same to the Secretary of the Company to be received prior to the expiry date. The Notice of Exercise must state the number of Options exercised, the consequent number of Shares to be issued and the identity of the proposed subscribers. The Notice of Exercise by an Option holder must be accompanied by payment in full for the relevant number of Shares being subscribed, being an amount of the exercise price per Share.
- (i) All Shares issued upon the exercise of the Options will rank equally in all respects with the Company's then issued Shares. The Company must apply to the ASX in accordance with the Listing Rules for all Shares pursuant to the exercise of Options to be admitted to quotation.
- (j) There are no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues or pro-rata issues of capital to Shareholders during the term of the Options. Thereby, the Option holder has no rights to a change in:
  - (i) the exercise price of the Option; or
  - (ii) period of exercise of the Option; or
  - (iii) except in the event of a Bonus Issue (defined below), a change to the number of underlying securities over which the Option can be exercised.
- (k) The Company will ensure, for the purposes of determining entitlements to any issue, that Option holder will be notified of a proposed issue after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in such issues.
- (l) If, from time to time on or prior to the Expiry Date, the Company makes a bonus issue of securities to holders of Shares in the Company (Bonus Issue), then upon exercise of his or her Options a holder will be entitled to have issued to him or her (in addition to the Shares which he or she is otherwise entitled to have issued to him or her upon such exercise) the number of securities which would have been issued to him or her under that Bonus Issue if the Options had been exercised before the record date for the Bonus Issue.
- (m) In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, all rights of the Option

holder shall be reconstructed (as appropriate) in accordance with the ASX Listing Rules.

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## 10 ADDITIONAL INFORMATION

### 10.1 Continuous disclosure obligations

The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities. The New Shares which will be issued pursuant to this Prospectus are in the same class of Shares that have been quoted on the Official List during the 12 months prior to the issue of this Prospectus.

This Prospectus is a "transaction specific prospectus" to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus. In general terms "transaction specific prospectuses" are only required to contain information in relation to the effect of the issue of New Shares on the Company and the rights attaching to the New Shares. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the period from lodgement of the Company's annual financial statements of the Company for the financial year ended 30 June 2018 to the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

The Company confirms that, to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in this Prospectus, there is no information

- (a) that has been excluded from a continuous disclosure notice in accordance with ASX Listing Rules; and
- (b) is information that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
  - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and

- (ii) the rights and liabilities attaching to New Shares.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
  - (i) the annual financial statements of the Company for the financial year ended 30 June 2018 being the last financial statements for a financial year, of the Company lodged with the ASIC before the issue of this Prospectus;
  - (ii) any half-year financial report lodged with ASIC by the Company after the lodgement of that annual report and before the lodgement of this Prospectus; and
  - (iii) any continuous disclosure notices given by the Company after the lodgement of the financial statements referred to in paragraph (i) and before the lodgement of this Prospectus with ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be obtained free of charge from the Company's registered office during normal office hours or from [asx.com.au](http://asx.com.au).

The Company has lodged the following announcements with ASX since its 2018 annual report was lodged with ASX on 29 August 2018:

Date	Description of Announcement
18/04/2019	Appendix 4C - quarterly
17/04/2019	Cancellation of unlisted options
17/04/2019	Capital Raising
15/04/2019	Trading Halt
10/04/2019	NEW ZEALAND MARKET EXPANDS FOR INTELLIHR
05/04/2019	Appendix 3B
27/03/2019	MILESTONE ACHIEVED AS TOTAL CUSTOMER GROWTH ACCELERATES
26/02/2019	Half Year Accounts
26/02/2019	Half Year Results



26/02/2019	Appendix 4D
18/02/2019	Final Director's Interest Notice
18/02/2019	Operations and Personnel Update
14/02/2019	Managing Director Institution & Broker Roadshow Presentation
31/01/2019	Appendix 4C - quarterly
16/01/2019	Additional information regarding new customer contract
16/01/2019	Pause in Trading
16/01/2019	MILESTONE ACHIEVED AS GLOBAL EXPANSION ACCELERATES
10/12/2018	US Institutional Roadshow Presentation Update
07/12/2018	2019 and Beyond - US Institutional Roadshow
05/12/2018	Appendix 3B
03/12/2018	MILESTONE ACHIEVED AS CONTRACTED HEADCOUNT ACCELERATES
09/11/2018	Appendix 3B
01/11/2018	Change of Director's Interest Notice
01/11/2018	Change of Director's Interest Notice
31/10/2018	Appendix 4C - quarterly
29/10/2018	Appendix 3B
26/10/2018	Results of Annual General Meeting
26/10/2018	Managing Director Presentation to the Annual General Meeting
26/10/2018	Chairman's Address to Annual General Meeting
22/10/2018	R&D Tax Incentive Refund
18/10/2018	Presentation to Australian Microcaps Conference 2018
16/10/2018	Release of Restricted Securities and Appendix 3B
03/10/2018	Appendix 3B
02/10/2018	Managing Director Institution & Broker Roadshow Presentation

26/09/2018	Notice of Annual General Meeting/Proxy Form
14/09/2018	Change of Director's Interest Notice
03/09/2018	Appendix 3B
29/08/2018	Managing Director Annual Report Market Update
29/08/2018	2018 Corporate Governance Statement
29/08/2018	Appendix 4G

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours or from [www.asx.com.au](http://www.asx.com.au).

## 10.2 Directors' interests

As at the date of this Prospectus the Directors have a relevant interest in securities of the Company and remuneration as set out below.

	Annual Remuneration	Shares	Converting Securities	Entitlement
Mr Tony Bellas	\$32,850	1,383,678	2,080,944	276,736
Robert Bromage	\$328,500	21,371,075	3,895,543	4,274,215
Jamie Duffield	\$32,850	2,075,690	1,387,296	415,138
Greg Baynton	\$32,850	3,638,798	2,080,944	727,760

### Notes:

- 1 The Chairman and non-executive Directors are entitled to annual directors' fees of \$32,850 (inclusive of superannuation).

Mr Bromage, the Company's Managing Director and Chief Executive Officer is entitled to a \$328,500 salary (inclusive of superannuation) per year.

The Constitution provides that the Directors may be paid for their services as Directors. Non-executive directors may only be paid a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting, to be divided among the non-executive directors and in default of agreement then in equal shares.

The Company also pays premiums to insure all of the Directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct whilst acting in the capacity as a Director of the Company.

Other than as set out above or elsewhere in this Prospectus, no Director or proposed Director holds at the date of this Prospectus, or held at any time during the last 2 years before the date of lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company; or

- (b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Company or the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given:

- (d) to a Director or proposed Director or to any firm which any such Director is a partner, to induce him or her to become, or to qualify as, a Director; or
- (e) for services provided by a Director or proposed Director or to any firm which any such Director is a partner, in connection with the formation or promotion of the Company or the Offer.

### 10.3 Interests of promoters and named persons

Except as disclosed in this Prospectus, no expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (c) the Offer.

BDO Audit Pty Limited has acted as auditor for the Company's half year accounts for the period ending 31 December 2018. In respect of this work, BDO Audit Pty Limited was paid approximately \$23,012. BDO Audit Pty Limited has received \$177,838 for services to the Company in the 2 years prior to the date of this Prospectus.

Atkinson Corporate Lawyers has acted as solicitor to the Offer. In respect of this work, the Company will pay approximately \$10,000 exclusive of GST. Subsequently fees will be paid in accordance with normal hourly rates. Atkinson Corporate Lawyers has not received any fees for services to the Company in the 2 years prior to the date of this Prospectus.

### 10.4 Consents

Each of the persons referred to in this section:

- (a) has given and has not, before the date of lodgement of this Prospectus with ASIC withdrawn their written consent:
  - (i) to be named in the Prospectus in the form and context which it is named; and
  - (ii) where applicable, to the inclusion in this Prospectus of the statement(s) and/or reports (if any) by that person in the form and context in which it appears in this Prospectus;
- (b) has not caused or authorised the issue of this Prospectus;

- (c) has not made any statement in this Prospectus or any statement on which a statement in this Prospectus is based, other than specified below;
- (d) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Prospectus, other than the references to their name and the statement(s) and/or report(s) (if any) specified below and included in this Prospectus with the consent of that person.

Name	Role
Atkinson Corporate Lawyers	Lawyer

### 10.5 Expenses of the Offer

The total expenses of the Placement and Offer are estimated to be up to \$90,000, consisting of the following:

Cost	\$
Legal fees	10,000
ASX and ASIC fees	15,000
Capital raising fees under the Placement	30,000
Printing, postage and other expenses	35,000
<b>Total</b>	<b>90,000</b>

These expenses have or will be paid by the Company.

### 10.6 Litigation

As at the date of this Prospectus, the Company is not involved in any other legal proceedings of a material nature and the Directors are not aware of any other legal proceedings pending or threatened against the Company.

### 10.7 Cleansing offer

For the purposes of section 708A(11) of the Corporations Act, the Company offers a Share to a person nominated by the Directors. The offer will be made prior to, and remain open for acceptance until after, Shares are issued under the Placement. As a result, holders of Shares issued under the Placement may offer those Shares for sale without disclosure.

On 29 October 2018 the Company issued 717,227 Shares in lieu of salary to Messrs Bromage and Jeremy Fong (the Company's former executive Director and Chief Technology Officer). Those Shares were issued without disclosure and have not been offered for sale. In accordance with section 708A(11) of the Corporations Act, this prospectus allows these Shares to be offered for sale without disclosure.

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## 11 DIRECTORS' RESPONSIBILITY AND CONSENT

Each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Dated: 18 April 2019

A handwritten signature in dark ink, consisting of a large, stylized 'R' followed by a horizontal line and a small flourish.

.....

Signed for and on behalf of intelliHR Holdings Limited  
By Robert Bromage  
Managing Director

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## 12 GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

<b>\$, A\$ or Dollars</b>	Australian dollars unless otherwise stated.
<b>AEST</b>	Australian Eastern Standard Time
<b>Applicant</b>	a person who submits a valid Entitlement and Acceptance Form pursuant to this Prospectus.
<b>Application</b>	a valid application made on an Entitlement and Acceptance Form to subscribe for New Shares pursuant to this Prospectus.
<b>ASIC</b>	the Australian Securities & Investments Commission.
<b>ASX</b>	ASX Limited ACN 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.
<b>Board</b>	the board of Directors.
<b>Business Day</b>	Monday to Friday inclusive, except any day that ASX declares is not a business day.
<b>Closing Date</b>	the date set out in section 1.
<b>Company or intelliHR</b>	intelliHR Holdings Limited (ACN 600 548 516).
<b>Constitution</b>	the constitution of the Company.
<b>Corporations Act</b>	the <i>Corporations Act 2001</i> (Cth).
<b>Director</b>	a director of the Company.
<b>Eligible Shareholders</b>	a Shareholder as at the Record Date with a registered address in Australia or New Zealand.
<b>Entitlement or Right</b>	a Shareholder's entitlement to subscribe for New Shares offered by this Prospectus.
<b>Entitlement and Acceptance Form</b>	the personalised entitlement and acceptance form attached to this Prospectus.
<b>Ex Date</b>	the date set out in section 1.
<b>Existing Share</b>	a Share issued as at 5.00pm (AEST) on the Record Date.
<b>Full Subscription</b>	means receiving Applications for approximately \$2,757,288 before costs.
<b>Group</b>	means the Company and its subsidiaries.

<b>Ineligible Shareholder</b>	a Shareholder who is not an Eligible Shareholder.
<b>Listing Rules</b>	the listing rules of the ASX.
<b>New Option</b>	means an Option on the terms set out in section 9.2 and offered under this Prospectus.
<b>New Shares</b>	Shares issued pursuant to this Prospectus.
<b>Offer</b>	an offer made under this Prospectus to subscribe for New Shares.
<b>Offer Price</b>	means \$0.12.
<b>Official List</b>	the official list of the ASX.
<b>Opening Date</b>	the date set out in section 1.
<b>Option</b>	an option to be issued a Share.
<b>Performance Rights</b>	means performance rights issued by the Company.
<b>Placement</b>	has the meaning given in section 5.1.
<b>Prospectus</b>	this Prospectus and includes the electronic prospectus.
<b>Record Date</b>	the date set out in section 1.
<b>Share</b>	a fully paid ordinary share in the Company.
<b>Share Registry</b>	Link Market Services Limited.
<b>Shareholder</b>	the registered holder of Shares in the Company.
<b>Shortfall Offer</b>	has the meaning given in section 8.6.
<b>Shortfall Shares</b>	New Shares for which valid Applications for Entitlement have not been received by the Closing Date.
<b>Minimum Subscription</b>	means \$1,000,000.
<b>US person</b>	has the meaning given to that term in Regulation S under the US Securities Act.
<b>US Securities Act</b>	the <i>United States Securities Act of 1933</i> , as amended.

### 13 PRO FORMA STATEMENT OF FINANCIAL POSITION

	Management Accounts	Proforma adjustments		Pro-Forma Financial Information 31 March 2019	
	31-Mar-19	Minimum subscription <sup>1</sup>	Full subscription <sup>2</sup>	Minimum subscription	Full subscription
	\$	\$	\$	\$	\$
<b>Current assets</b>					
Cash and cash equivalents	967,025	1,910,000	3,667,288	2,877,025	4,634,313
Trade and other receivables	22,598			22,598	22,598
Other assets	221,973			221,973	221,973
<b>Total current assets</b>	<b>1,211,596</b>	<b>1,910,000</b>	<b>3,667,288</b>	<b>3,121,596</b>	<b>4,878,884</b>
<b>Non-current assets</b>					
Investments	466,838			466,838	466,838
Plant and equipment	37,759			37,759	37,759
Intangible assets	2,202,587			2,202,587	2,202,587
<b>Total non-current assets</b>	<b>2,707,184</b>	<b>-</b>	<b>-</b>	<b>2,707,184</b>	<b>2,707,184</b>
<b>Total assets</b>	<b>3,918,780</b>	<b>1,910,000</b>	<b>3,667,288</b>	<b>5,828,780</b>	<b>7,586,068</b>
<b>Current liabilities</b>					
Trade and other payables	459,049			459,049	459,049
Provisions	290,605			290,605	290,605
<b>Total current liabilities</b>	<b>749,654</b>	<b>-</b>	<b>-</b>	<b>749,654</b>	<b>749,654</b>
<b>Non-current liabilities</b>					
Provisions	25,353			25,353	25,353
<b>Total non-current liabilities</b>	<b>25,353</b>	<b>-</b>	<b>-</b>	<b>25,353</b>	<b>25,353</b>
<b>Total liabilities</b>	<b>775,007</b>	<b>-</b>	<b>-</b>	<b>775,007</b>	<b>775,007</b>
<b>Net assets</b>	<b>3,143,773</b>	<b>1,910,000</b>	<b>3,667,288</b>	<b>5,053,773</b>	<b>6,811,061</b>
<b>Equity</b>					
Issued capital	12,138,569	1,910,000	3,667,288	14,048,569	15,805,857
Reserves	2,276,236			2,276,236	2,276,236
Accumulated losses	- 11,271,032			11,271,032 -	11,271,032
<b>Total equity</b>	<b>3,143,773</b>	<b>1,910,000</b>	<b>3,667,288</b>	<b>5,053,773</b>	<b>6,811,061</b>

Notes:

<sup>1</sup> Includes the issue of 8,333,333 ordinary shares to institutional and sophisticated investors at an issue price of \$0.12 raising \$1,000,000 and the issue of a minimum of 8,333,333 ordinary shares offered under this prospectus at an issue price of \$0.12 raising \$1,000,000. Total cash costs expected to be incurred in connection with the preparation of the prospectus and the placement of \$90,000.

<sup>2</sup> Includes the issue of 8,333,333 ordinary shares to institutional and sophisticated investors at an issue price of \$0.12 raising \$1,000,000 and the issue of up to 22,977,401 ordinary shares offered under this prospectus at an issue price of \$0.12 raising \$2,757,288. Total cash costs expected to be incurred in connection with the preparation of the prospectus and the placement of \$90,000.



**SRN/HIN:****Entitlement Number:**

**Number of Eligible Shares held as at the Record Date, 7:00pm (AEST) on 29 April 2019:**

**Entitlement to New Shares  
(on a 1 New Share for 5 basis):**

**Amount payable on full acceptance  
at A\$0.12 per Share:**

**Offer Closes  
5.00pm (AEST):**

16 May 2019

## ENTITLEMENT AND ACCEPTANCE FORM

As an Eligible Shareholder you are entitled to acquire 1 New Share for every 5 Existing Shares that you hold on the Record Date, at an Offer Price of A\$0.12 per New Share. You may also apply for New Shares in excess of your Entitlement, at the Offer Price. This is an important document and requires your immediate attention. If you do not understand it or you are in doubt as how to deal with it, you should contact your accountant, stockbroker, solicitor or other professional adviser.

**IMPORTANT:** The Offer is being made under the Prospectus dated 18 April 2019. The Prospectus contains information about investing in the New Shares. Before applying for New Shares, you should carefully read the Prospectus. This Entitlement and Acceptance Form should be read in conjunction with the Prospectus.

If you do not have a paper copy of the Prospectus, you can obtain a paper copy at no charge, by calling the IntelliHR Holdings Limited Offer Information Line on 1300 658 099 (within Australia) or +61 1300 658 099 (from outside Australia).

## PAYMENT OPTIONS

If you wish to take up all or part of your Entitlement (as shown above), or take up all of your Entitlement and apply for additional New Shares, you have two payment options detailed below.

### OPTION 1: PAYING BY BPAY®

If paying by BPAY®, refer to the instructions overleaf. **You do NOT need to return the acceptance slip below if you elect to make payment by BPAY®.** Payment must be received via BPAY® before 5.00pm (AEST) on 16 May 2019. You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry in time. By paying by BPAY® you will be deemed to have completed an Application Form for the number of Shares subject of your application payment.

## OPTION 2: PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

If paying by cheque, bank draft or money order, complete and return the acceptance slip below with your Application Monies. No signature is required on the acceptance slip. The acceptance slip with your Application Monies must be received by the Registry before 5.00pm (AEST) on 16 May 2019.



**Biller Code:** 66795  
**Ref:**

**Telephone & Internet Banking – BPAY®**

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. More info: [www.bpay.com.au](http://www.bpay.com.au)

® Registered to BPAY Pty Ltd ABN 69 079 137 518

See overleaf for details and further instructions on how to complete and lodge this Entitlement and Acceptance Form.

**THIS IS A PERSONALISED FORM FOR THE SOLE USE OF THE SHAREHOLDER AND HOLDING RECORDED ABOVE.**



ABN 38 600 548 516

**Please detach and enclose with payment**



SRN/HIN:

Entitlement Number:

**A** Number of New Shares accepted (being not more than your Entitlement shown above)

**B** Number of additional New Shares

**C** Total number of New Shares accepted  
(add Boxes A and B)

**D** PLEASE INSERT CHEQUE, BANK DRAFT OR MONEY ORDER DETAILS – Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to “**intelliHR Holdings Limited**” and crossed “**Not Negotiable**”.

Drawer

Cheque Number

BSB Number

Account Number

Amount of Cheque

				A\$
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**E CONTACT DETAILS – Telephone Number**

Telephone Number – After Hours

Contact Name

( )	( )	
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# INTELLIHR HOLDINGS LIMITED

The Entitlement Offer to which this Entitlement and Acceptance Form relates is not being made to investors located or resident outside of Australia and New Zealand. In particular the Entitlement Offer is not being made to any person in the U.S. or to a U.S. person. The Prospectus and Entitlement and Acceptance Form do not constitute an offer or invitation to acquire Shares in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation.

## ACCEPTANCE OF ENTITLEMENT OFFER

By either returning the Entitlement and Acceptance Form with payment to the Registry, or making payment received by BPAY®:

- you represent and warrant that you have read and understood the Prospectus and that you acknowledge the matters, and make the warranties and representations;
- you provide authorisation to be registered as the holder of New Shares acquired by you and agree to be bound by the Constitution of IntelliHR Holdings Limited.

## HOW TO APPLY FOR NEW SHARES

### 1. IF PAYING BY BPAY® (AVAILABLE TO SHAREHOLDERS WITH AN AUSTRALIAN BANK ACCOUNT ONLY)

If you elect to make payment using BPAY® you must contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. For more information on paying by BPAY®: [www.bpay.com.au](http://www.bpay.com.au)

Work out the total amount payable by you. To calculate the total amount, multiply the number of New Shares you wish to apply for by A\$0.12.

Refer overleaf for the Biller Code and Reference Number. The Reference Number is used to identify your holding. If you have multiple holdings you will have multiple Reference Numbers. You must use the Reference Number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares that you wish to apply for in respect of that holding.

### 2. IF PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

Complete all relevant sections of the Entitlement and Acceptance Form USING BLOCK LETTERS. These instructions are cross referenced to each section of the Entitlement and Acceptance Form.

#### A. Acceptance of New Shares

Enter into section A the number of New Shares you wish to apply for. The number of New Shares must be equal to or less than your Entitlement, which is set out overleaf.

#### B. Application for Additional New Shares

You can apply for more New Shares than your Entitlement. Please enter the number of **additional** New Shares above your Entitlement for which you wish to apply into Box B. Your Application for additional New Shares may not be successful (wholly or partially). The decision of IntelliHR Holdings Limited on the number of New Shares to be allocated to you will be final. No interest will be paid on any Application Monies received or returned.

#### C. Total Number of New Shares Subscribed for

To calculate total number of New Shares subscribed for, add Box A and Box B and enter this in Box C.

#### D. Cheque, bank draft or money order details

Enter your cheque, bank draft or money order details in section D. Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "IntelliHR Holdings Limited" and crossed "Not Negotiable". Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. If you provide a cheque or money order for the incorrect amount, IntelliHR Holdings Limited may treat you as applying for as many New Shares and Additional New Shares as your cheque, bank draft or money order will pay for.

#### E. Contact details

Enter your contact telephone number where we may contact you regarding your acceptance of New Shares, if necessary.

## 3. HOW TO LODGE YOUR ENTITLEMENT AND ACCEPTANCE FORM

A reply paid envelope is enclosed for your use. No postage stamp is required if it is posted in Australia. Alternatively, if you have lost the reply paid envelope, or you have obtained the Prospectus electronically, your completed Entitlement and Acceptance Form with the payment for New Shares may be mailed to the postal address, or delivered by hand to the delivery address, set out below. **If paying by BPAY® you do not need to complete or return the Entitlement and Acceptance Form.** You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry by the close of the offer.

#### Mailing Address

IntelliHR Holdings Limited  
C/- Link Market Services Limited  
GPO Box 3560  
Sydney NSW 2001

#### Hand Delivery

IntelliHR Holdings Limited  
C/- Link Market Services Limited  
1A Homebush Bay Drive  
Rhodes NSW 2138 **(Please do not use this address for mailing purposes)**

Make sure you send your Acceptance Slip and application payment allowing enough time for mail delivery, so Link Market Services Limited receives them no later than 5.00pm (AEST) on 16 May 2019. Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. IntelliHR Holdings Limited reserves the right not to process any Acceptance Slips and cheques received after the Closing Date.

**If you require further information on how to complete this Entitlement and Acceptance Form, please contact the IntelliHR Holdings Limited Offer Information Line on 1300 658 099 (within Australia) or +61 1300 658 099 (from outside Australia) between 8:30am and 5:30pm (AEST) Monday to Friday.**