

6 August 2020

## \$5.5M Capital Raising via Strategic Investment and Rights Issue

### Highlights

- Australian Tech Entrepreneur Bevan Slattery invests in intelliHR via Slattery Family Trust
- \$5.5 million capital raising, consisting of a \$2.5 million placement and an underwritten non-renounceable \$3.0 million rights issue
- Issue price of \$0.075, being a 3% premium to the last close of \$0.073 on the ASX
- Funds raised will be used primarily for global expansion acceleration beyond the existing 24% of ARR accounted for by offshore activities

**intelliHR Limited (ASX:IHR)** is pleased to announce a \$5.5 million capital raising, consisting of a \$2.5 million placement to the Slattery Family Trust, an early stage investment vehicle of Australian tech entrepreneur, Bevan Slattery, and the Slattery Family, and a fully underwritten non-renounceable \$3.0 million entitlement offer at an issue price of \$0.075 per share (the placement and entitlement offer are together the **Capital Raising**).

Under the placement the Company has agreed to issue 33,333,333 fully paid ordinary shares to the Slattery Family Trust, with 2,731,956 shares (**Tranche 1**) to be issued immediately (without shareholder approval and relying on the Company's capacity under Listing Rules 7.1) and 30,601,377 shares (**Tranche 2**) to be issued subject to shareholder approval, which will be sought at a shareholder meeting intended to be held on 10 September 2020.

Under the entitlement offer, eligible shareholders will be offered 1 new fully paid ordinary share for every 5 shares held on the record date of 11 August 2020 (**Record Date**) at an issue price of \$0.075 per share. The entitlement offer is open to all eligible shareholders who have a registered address within Australia or New Zealand, and who hold ordinary shares on the Record Date.

Directors Tony Bellas, Greg Baynton and Jamie Duffield have committed to taking up their entitlements (collectively approximately \$200,000). The entitlement offer is fully underwritten by the Slattery Family Trust, and Colinton Capital Partners Fund I (A) Pty Limited as trustee for the Colinton Capital Partners Fund I (A) Trust, for 45% and 55% respectively of the shortfall, subject to terminating events set out in the annexure to this announcement. The underwriters will not receive any fee.

Senior Partner at Colinton Capital Partners, Simon Moore, said: "We are very pleased to continue our support of intelliHR and welcome the involvement of one of Australia's leading technology entrepreneurs, Bevan Slattery, as a major shareholder in the Company. The intelliHR business has demonstrated robust growth through the period of COVID-19, with strong growth in subscriber numbers, positive net revenue retention and the rapid launch of the COVID-19 Essentials platform. "



“We believe the platform is well placed to benefit from the structural shift to remote working and the heightened awareness of and need for human resource management software tools which can be used to, among other things, address employee engagement and performance.”

“This equity raising will allow IntelliHR to accelerate its global growth and further invest in its highly differentiated people analytics capability. We look forward to continuing to work with Robert Bromage and his team to help them execute on their growth plans,” Mr Moore said.

Bevan Slattery said that he was excited by the global opportunity for IntelliHR in distributed workforce management. “The workplace has suddenly shifted forever and as an investor in numerous companies, one of the key challenges we are facing now that we have moved to a totally distributed workforce is how do we improve the way in which we engage with and understand our teams around the world. The importance of HR platforms designed to assist organisations in managing the engagement and effectiveness of a distributed workforce is not only becoming more relevant, but I believe will become a critical tool in managing the most important resource we have in every organisation – our people.”

“I believe IntelliHR has a pivotal role to play in this space and the significant investment over the past five years has positioned the company well for the global transformation that is happening before our eyes. Our investment is designed to assist the organisation leverage the potential of their platform globally,” Mr Slattery said.

Funds raised under the Capital Raising will be used to:

**Accelerate global expansion beyond existing 24% of ARR accounted for by offshore activities**

- Increase marketing investment in the Americas region following the recent launch of the IntelliHR Toronto Canada sales office in June 2020
- New sales staff to be brought on-line as required to meet growth opportunities

**General working capital to enable ongoing execution of global business strategy**

- Continue to grow domestic and international customer base, aiming to increase subscribers beyond 30,000 users
- Continue to execute new 'land and expand' business model whilst maintaining focus on the SME full digital transformation marketplace
- Continue focus on building out the international technology partner ecosystem and marketplace

**Ongoing R&D and product enhancement**

- Continuing investment in developing prescriptive analytics capabilities, specifically insight generation using machine learning and artificial intelligence (AI)
- Further investment in artificial intelligence (AI) across the full IntelliHR people management platform aimed at further differentiating IntelliHR's product offering
- Investing further into localisation (e.g. user language preference customisation) to support expanding IntelliHR's global reach



The anticipated timetable for the Capital Raising is as follows –

Ex date	10 August 2020
Issue of Tranche 1 shares	
Record Date	11 August 2020
Offer booklet sent to eligible shareholders and entitlement offer opens	14 August 2020
Entitlement offer closes	4 September 2020
Announce results of entitlement offer	9 September 2020
Shareholder meeting to approve Tranche 2	10 September 2020
Issue new shares offered under the entitlement offer and Tranche 2	11 September 2020

The above timetable is subject to change, in accordance with the Listing Rules and *Corporations Act 2001* (Cth).

The Company has also agreed, subject to shareholder approval, to issue Robert Bromage, the Company's founder and CEO, 1,500,000 shares as part of Mr Bromage's remuneration package. Approval will be sort at the forthcoming shareholder meeting.

All new shares issued will rank equally with existing shares on issue.

An investor presentation, cleansing notice in accordance with section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84), and an Appendix 3B for the shares to be issued under the Capital Raising accompany this announcement.

This announcement is authorised by the Board of IntelliHR Limited.

## Further Information

intelliHR Investor Relations  
investor.relations@intellihr.co

## About IntelliHR

intelliHR is an Australian HR technology business developing and currently marketing a next-generation cloud-based people management and data analytics platform. Delivered to customers by a SaaS business model, it is disruptive and advanced technology leveraging AI specifically Natural Language Processing in the application. It is scalable to a global market and is industry agnostic. For more information visit [www.intellihr.com.au](http://www.intellihr.com.au)



## ANNEXURE - UNDERWRITING TERMS

Either Underwriter may terminate the underwriting agreement in the event that:

- (a) (Company information) the entitlement documents include a statement which is or becomes false, misleading or deceptive in a material respect or likely to mislead or deceive in a material respect (including by way of omission);
- (b) (regulatory action) ASIC: (A) makes an application or threatens to make an application for an order under Part 9.5 of the Act in relation to the Placement; (B) commences or conveys its intention to commence any investigation or hearing under Part 3 of the Australian Securities and Investments Commission Act 2001 (Cth) in relation to the Company; or (C) otherwise issues or threatens to issue proceedings in relation to the Company or commences any formal inquiry or investigation into the Company;
- (c) (capital structure or constitution) the Company alters its capital structure (other than as contemplated in the agreement or disclosed to the Underwriters before the date of this letter) or constitution without the prior written consent of the Underwriters;
- (d) (prosecution or investigation) any of the following occurs: (A) a director or senior manager of the Company is charged with an indictable offence; (B) any regulatory body commences any public action against a director of the Company in his or her capacity as such or announces that it intends to take any such action; (C) any director of the Company is disqualified from managing a corporation under the Act; or (D) any governmental agency issues, or threatens to issue, proceedings or commences any inquiry or investigation into the Company;
- (e) (timetable) any event specified in the timetable described in the entitlement documents is delayed by the Company for more than 1 Business Day without the prior written consent of the Underwriters;
- (f) (adverse change) there is an adverse change, or an event occurs which is likely to give rise to an adverse change, in the assets, liabilities, financial position or performance, results, condition, operations or prospects of the Company other than as disclosed by the Company to the ASX before the date of the agreement; or
- (g) (compliance with laws) a contravention by the Company of the Corporations Act, its constitution, any of the ASX Listing Rules or any other applicable law or regulation (as amended or varied).

Any rights or powers of an Underwriter to terminate the agreement may be exercised severally. If an Underwriter terminates its obligations under the agreement (the "Terminating Underwriter"): (a) the obligations of the Terminating Underwriter under the agreement immediately end; (b) any entitlements of the Terminating Underwriter accrued under the agreement, including the right to be indemnified, up to the date of termination survive; and (c) the remaining Underwriter ("Remaining Underwriter") may elect to take up the rights and obligations of the Terminating Underwriter under the agreement by giving notice within two Business Day after the termination by the Terminating Underwriter. If the Remaining Underwriter fails to give notice by that time, it will be treated as having also terminated its obligations under the agreement. Termination of the agreement will not limit or prevent the exercise of any other rights and remedies which any of the parties may otherwise have under the agreement.

