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17 March 2023

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

Unconditional on-market takeover offer for IntelliHR Limited at \$0.165 cash per share

Humanforce Holdings Pty Ltd (ACN 618 020 401) (**Bidder**) is pleased to announce an unconditional offer (**Offer**) to acquire by means of an on-market takeover bid at \$0.165 cash per share (**Offer Price**) all of the fully paid ordinary shares in IntelliHR Limited (ACN 600 548 516) (ASX: IHR) (**IntelliHR**) which are listed for quotation on the official list of the ASX (**IntelliHR Shares**) during the Offer Period (defined below), together with all rights attaching to them.

The full terms of the Offer are set out in Section 10 of the attached Bidder's Statement.

The Bidder has appointed MA Moelis Australia Securities Pty Ltd (ACN 122 781 560) (**Moelis**) as its broker for the purchase of the IntelliHR Shares on-market.

The Offer will commence on 1 April 2023 and end on 1 May 2023, unless extended or withdrawn under the Corporations Act (**Offer Period**). However, Moelis will buy IntelliHR Shares from today at the Offer Price (before the Offer opens).

As an on-market bid, the Offer is unconditional and provides you with a simple cash exit from your investment in IntelliHR that delivers immediate value. You are expected to be paid cash on the usual T+2 basis (being 2 trading days after your acceptance).

The Offer Price of \$0.165 per share:

- represents a premium of 11% to the 1 month VWAP of IntelliHR Shares to 16 March 2023 of \$0.149;
- represents a premium of 29% to the 3 month VWAP of IntelliHR Shares to 16 March 2023 of \$0.128;
- represents a significant premium of 161.9% to the closing price of IntelliHR Shares of \$0.063 on 30 January 2023 being the last trading day before the announcement date of the Scheme (**Undisturbed Share Price Date**); and
- represents a significant premium of 171.2% to the three-month VWAP of IntelliHR Shares to the Undisturbed Share Price Date of \$0.061.

Further details of the Offer are set out in the ASX announcement made today by Moelis.

David Pullini, Chairman of Humanforce Holdings Pty Ltd, said, “Humanforce, with the capital and expertise of Accel-KKR can help IntelliHR identify and pursue growth opportunities that it otherwise may not have access to with its declining cash balance and the current uncertain macroeconomic conditions, particularly for software and technology firms.”

Counter proposal from TAG

The Access Group (**TAG**) has today proposed an increase in its non-binding indicative scheme proposal for IntelliHR to \$0.20 per IntelliHR Share (**TAG Scheme**).

However, as previously announced, the Bidder has Relevant Interests in 67,658,232 IntelliHR Shares (i.e. 19.90%) arising from:

- (i) a Share Sale and Purchase Agreement dated 12 March 2023 between Colinton Capital Partners Fund I (A) Pty Ltd as trustee for Clinton Capital Partners Fund I (A), Colinton Capital Pty Ltd and the Bidder (which relates to 38,769,623 IntelliHR Shares); and
- (ii) a Share Sale and Purchase Agreement dated 12 March 2023 between Slattery Family Asset Management Pty Ltd and the Bidder (which relates to 28,888,609 IntelliHR Shares).

The price payable by the Bidder for the IntelliHR Shares to be acquired under the above agreements is \$0.165 cash per IntelliHR Share.

There is no assurance that the TAG proposal will result in a formal offer capable of acceptance. In addition, the Bidder will complete the acquisition of IntelliHR Shares under the above agreements and will vote its 19.9% of IntelliHR Shares against any TAG scheme of arrangement at a cash price of \$0.20 for each IntelliHR Share. Consequently, it is highly likely that a TAG scheme of arrangement at a cash price of \$0.20 for each IntelliHR Share will fail, should one be proposed.

In light of the above, rather than waiting for at least another six weeks for a possible TAG scheme of arrangement to fail, IntelliHR Shareholders should ACCEPT this Offer now and receive payment for their IntelliHR Shares on a T+2 basis.

About Humanforce Holdings Pty Ltd

Humanforce Holdings Pty Ltd (**Humanforce**) is making the Offer. Humanforce, established in 2004 and incorporated in 2017, is an Australian proprietary company which operates a SaaS platform providing workforce management solutions. Humanforce has subsidiaries in Australia, New Zealand, Singapore and the United Kingdom. Humanforce is a portfolio company of Accel-KKR (**AKKR**), a USA headquartered technology-focussed private equity firm. The funds managed or advised by AKKR indirectly hold approximately 95% of the issued share capital of Humanforce, with the remaining interests held by minority investors.

Bidder's Statement

[see over]

BIDDER'S STATEMENT

ACCEPT

THE UNCONDITIONAL ON-MARKET CASH OFFER
TO ACQUIRE YOUR SHARES IN

INTELLIHR LIMITED

ACN 600 548 516

BY

Humanforce Holdings Pty Ltd

ACN 618 020 401

humanforce

FOR \$0.165 CASH PER INTELLIHR SHARE

To accept this Offer, you must instruct your broker to accept the Offer in the manner described
in section 2 of this Bidder's Statement

The Offer closes at 4:00pm (Sydney, Australia time) on 1 May 2023, unless extended or
withdrawn

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES
YOUR IMMEDIATE ATTENTION**

MA Moelis Australia Securities Pty Ltd (ACN 122 781 560), AFSL No. 308241 has
been appointed as the Broker for Humanforce Holdings Pty Ltd and will stand in
the market and accept IntelliHR Shares offered to it at the Offer Price from
10.00am (Sydney time) on 17 March 2023.

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

Legal Adviser

Financial Adviser

JOHNSON | WINTER | SLATTERY

MA Moelis Australia

IMPORTANT INFORMATION

KEY DATES

Announcement Date	17 March 2023
Bidder's Statement lodged with ASIC and ASX	17 March 2023
Date of the Offer	1 April 2023
Date on which the Offer opens	1 April 2023
Offer closes (unless extended or withdrawn in accordance with the Corporations Act)*	1 May 2023

**This date is indicative only and may be changed as permitted by the Corporations Act.*

BIDDER'S STATEMENT

This Bidder's Statement is given by Humanforce Holdings Pty Ltd ACN 618 020 401 to IntelliHR Limited ACN 600 548 516 under Part 6.5 of the Corporations Act and relates to the Offer.

This Bidder's Statement is dated 17 March 2023 and includes in Section 10 an Offer dated 1 April 2023 to acquire Your IntelliHR Shares.

You should read this Bidder's Statement in its entirety.

AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

A copy of this Bidder's Statement was lodged with ASIC on 17 March 2023. Neither ASIC nor any of its officers takes any responsibility for the contents of this Bidder's Statement.

FOREIGN JURISDICTIONS

The distribution of this Bidder's Statement and the making of the Offer in jurisdictions outside Australia may be restricted by law, and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Bidder's Statement does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer.

DISCLAIMER REGARDING FORWARD LOOKING STATEMENTS

This Bidder's Statement contains certain forward looking statements which are based wholly or partly on expectations, opinions or predictions as at the date of this Bidder's Statement about future events and results. These forward looking statements are subject to inherent risks and uncertainties. Such risks and uncertainties include factors and risks specific to the industries in which IntelliHR and the Bidder operate as well as general economic

conditions, prevailing exchange rates and interest rates, conditions in the financial markets, government policies and regulation and competitive pressures. Actual events or results may differ materially from the expectations, opinions or predictions expressed or implied in such forward looking statements.

None of the Bidder, AKKR nor any of their directors, officers and advisers, nor any other person named in this Bidder's Statement or involved in the preparation of this Bidder's Statement, makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward looking statement.

The forward-looking statements in this Bidder's Statement only reflect views held as at the date of this Bidder's Statement.

INVESTMENT DECISIONS

This Bidder's Statement does not take into account your individual investment objectives, financial situation or particular needs. You are advised to exercise caution in relation to the Offer and to seek independent financial and taxation advice before deciding whether or not to accept the Offer.

HOW DO I ACCEPT THE OFFER?

To accept the Offer, follow the instructions set out in Section 10.8 of the Bidder's Statement.

INFORMATION ON INTELLIHR

Any information in this Bidder's Statement relating to IntelliHR (including its assets and securities) has been prepared using publicly available information. This information has not been commented on or verified by IntelliHR or independently verified by the Bidder for the purposes of this Bidder's Statement. Accordingly, the Bidder does not make any representation, and/or warranty, express or implied, as to the accuracy or completeness of such information to the extent permitted by the Corporations Act.

The information on IntelliHR in this Bidder's Statement should not be considered comprehensive. In addition, the Corporations Act requires the directors of IntelliHR to provide a Target's Statement to IntelliHR Shareholders in response to this Bidder's Statement, setting out certain material information concerning IntelliHR.

EFFECT OF ROUNDING

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Bidder's Statement are subject to the effect of rounding. The actual calculation of these figures, amounts, percentages, prices,

estimates, calculations of value and fractions may differ from those set out in this Bidder's Statement. Any discrepancies between totals in tables or financial statements or in calculations graphs or charts are due to rounding.

ESTIMATES AND ASSUMPTIONS

Unless otherwise indicated, all references to estimates, assumptions and derivations of the same in this Bidder's Statement are references to estimates, assumptions and derivations of the same by the Bidder. Estimates reflect, and are based on, views as at the date of this Bidder's Statement, and actual facts or outcomes may materially differ from those estimates or assumptions.

PRIVACY

The Bidder has collected your information from the register of members of intelliHR for the purposes of making the Offer and, if accepted, administering acceptances over your holding of intelliHR Shares. The Corporations Act requires the names and addresses of intelliHR Shareholders to be held in a public register. Your information may be disclosed on a confidential basis to AKKR, and may be required to be disclosed to regulators, such as ASIC. If you would like details of information about you held by the Bidder, please contact the Bidder at the address set out in the Corporate Directory.

DEFINED TERMS AND INTERPRETATION

A number of defined terms are used in this Bidder's Statement. These terms are explained in the Glossary in Section 11 along with certain rules of interpretation which apply to this Bidder's Statement.

WEBSITE

References in this Bidder's Statement to the website of Humanforce (<https://humanforce.com/au>), AKKR (<https://www.accel-kkr.com>) or intelliHR (<https://intelliHR.com>) are for your reference only.

Information contained in, or otherwise accessible through, these internet sites is not a part of this Bidder's Statement. All references in this Bidder's Statement to these internet sites are inactive textual references to these sites and are for your information only.

CURRENCIES AND TIME

In this Bidder's Statement, references to "Australian dollars", "AUD", "\$", "A\$" or "cents" are to the lawful currency of Australia, unless stated otherwise.

All references to time in this Bidder's Statement are references to Sydney, Australia time, unless stated otherwise.

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1 Letter from Humanforce



Humanforce
Level 14, 90 Arthur St
North Sydney
NSW, 2060
P +61 2 9434 0500

17 March 2023

Dear IntelliHR Shareholder,

On-market offer of \$0.165 cash per IntelliHR Share

On behalf of Humanforce Holdings Pty Ltd ACN 618 020 401 (**Bidder**), we are pleased to enclose an unconditional cash offer to acquire some or all of Your IntelliHR Shares together with all Rights attaching to them at an Offer Price of \$0.165 per IntelliHR Share (**Offer**).

With the Offer being an on-market cash bid, it will allow you to have a clean and simple exit from your investment in IntelliHR with certainty as to the cash value of Your IntelliHR Shares.

The Offer Price of \$0.165 per IntelliHR Share represents:

- a premium of 11.0% to the 1 month VWAP of IntelliHR Shares to 16 March 2023 of \$0.149;
- a premium of 29.0% to the 3 month VWAP of IntelliHR Shares to 16 March 2023 of \$0.128;
- a significant premium of 161.9% to the closing price of IntelliHR Shares of \$0.063 on 30 January 2023 being the last trading day before the announcement date of the Scheme (**Undisturbed Share Price Date**);
- a significant premium of 167.9% to the one-month VWAP of IntelliHR Shares to the Undisturbed Share Price Date of \$0.062; and
- a significant premium of 171.2% to the three-month VWAP of IntelliHR Shares to the Undisturbed Share Price Date of \$0.061.

Background

As you may be aware, the Bidder and IntelliHR Limited ACN 600 548 516 (**IntelliHR**) entered into a scheme implementation deed on 30 January 2023 (subsequently varied by deed of amendment dated 13 March 2023) (**SID**) in relation to the proposed acquisition by the Bidder of all of the ordinary shares in the capital of IntelliHR at a cash price of \$0.165 for each IntelliHR Share by way of scheme of arrangement (**Scheme**). The Bidder intends to carry out all its obligations under the SID and progress the Scheme concurrently with the Offer.

On 3 March 2023, IntelliHR announced it had received a non-binding indicative and conditional offer from The Access Group (**TAG**) to acquire all the IntelliHR Shares at a cash price of \$0.14 for each IntelliHR Share. The TAG proposal is conditional on, amongst other things, TAG conducting due diligence on IntelliHR, receiving approval from Australian Foreign Investment

Review Board and other customary conditions for implementing a scheme of arrangement. On 17 March 2023, IntelliHR announced it had received a varied proposal from TAG to acquire all the IntelliHR Shares by way of scheme of arrangement at a cash price of \$0.20 for each IntelliHR Share, subject to receipt of TAG internal approvals.

However, as previously announced, the Bidder has Relevant Interests in 67,658,232 IntelliHR Shares (i.e. 19.90%) arising from:

- a Share Sale and Purchase Agreement dated 12 March 2023 between Colinton Capital Partners Fund I (A) Pty Ltd as trustee for Clinton Capital Partners Fund I (A), Colinton Capital Pty Ltd and the Bidder (which relates to 38,769,623 IntelliHR Shares); and
- a Share Sale and Purchase Agreement dated 12 March 2023 between Slattery Family Asset Management Pty Ltd and the Bidder (which relates to 28,888,609 IntelliHR Shares).

The price payable by the Bidder for the IntelliHR Shares to be acquired under the above agreements is \$0.165 cash per IntelliHR Share.

There is no assurance that the TAG proposal will result in a formal offer capable of acceptance. In addition, the Bidder will complete the acquisition of IntelliHR Shares under the above agreements and will vote its 19.9% of IntelliHR Shares against any TAG scheme of arrangement at a cash price of \$0.20 for each IntelliHR Share. Consequently, it is highly likely that a TAG scheme of arrangement at a cash price of \$0.20 for each IntelliHR Share will fail, should one be proposed.

Rather than waiting for at least another six weeks for a possible TAG scheme of arrangement to fail, IntelliHR Shareholders should ACCEPT this Offer now and receive \$0.165 per IntelliHR Share in 2 Trading Days after your acceptance.

Throughout this process, we have expressed our support for the IntelliHR management and business, as well as our intention to help realise IntelliHR's strategic ambitions and opportunities in a private context. We are well positioned to support the growth of the business in tandem with our principal investors, Accel-KKR (**AKKR**). As a portfolio company of AKKR, a US private equity firm investing in mid-market software and technology-enabling services firms, we believe we have the capital, expertise and relationships to help IntelliHR scale faster and more profitably.

Details of the Offer

As mentioned above, the Offer Price is \$0.165 per IntelliHR Share. The full terms of the Offer are set out in Section 10 of this Bidder's Statement.

The key attractions of the Offer are summarised below:

- the Offer provides IntelliHR Shareholders with a significant premium to the closing price of IntelliHR Shares on the Undisturbed Share Price Date in an environment where listed peers in the technology and software sector globally remain challenged;
- the Offer will ensure IntelliHR Shareholders are no longer exposed to inherent risks and uncertainties with IntelliHR Shares including financing risks and the risks of equity dilution;
- as a 100% cash offer, the Offer provides IntelliHR Shareholders with certain value and liquidity, with no stamp duty or brokerage fees; and
- the Offer provides IntelliHR Shareholders the opportunity to sell their IntelliHR Shares and receive cash proceeds on an expedited timetable compared to the Scheme.

How to accept

You may only accept the Offer by selling Your IntelliHR Shares on-market on ASX. The Bidder has appointed MA Moelis Australia Securities Pty Ltd (ACN 122 781 560) (**Moelis**) to

act as its Broker and accept IntelliHR Shares offered to it at the Offer Price from the Announcement Date until the end of the Offer Period. Further details on how to accept the Offer is set out in Section 10.8.

Next Steps

We encourage you to read this Bidder's Statement in full for further details about the Offer, its terms and the Bidder.

The Offer is open for your acceptance until 4.00 pm (Sydney, Australia time) on 1 May 2023, unless extended or withdrawn.

If you have any questions about the Offer, please consult your legal, financial or other professional adviser.

Yours faithfully,

David Pullini

David Pullini
Chairman
Humanforce Holdings Pty Limited

2 Summary of the Offer and how to accept the Offer

The following questions and answers are intended to assist in your understanding of the Offer. They are qualified by, and should be read in conjunction with, the detailed information contained in this Bidder's Statement. You should read the Bidder's Statement in full before deciding whether or not to accept the Offer. You should also read the Target's Statement which IntelliHR will send to IntelliHR Shareholders as required under the Corporations Act.

Question	Answer
What is the Offer?	<p>The Bidder is making an Offer to acquire Your IntelliHR Shares by way of an all cash on-market takeover bid.</p> <p>The Offer Price is \$0.165 per IntelliHR Share.</p> <p>The Offer also extends to all IntelliHR Shares that are issued during the Offer Period due to the conversion of any IntelliHR Options or IntelliHR Performance Rights that exist at any time during the Offer Period.</p>
What is this Bidder's Statement?	<p>This Bidder's Statement was prepared by the Bidder for distribution to IntelliHR Shareholders. This Bidder's Statement describes the terms of the Offer for Your IntelliHR Shares and information relevant to your decision whether or not to accept the Offer.</p> <p>This Bidder's Statement is an important document. Should you have any doubt as to how to deal with this document, you should consult your financial, legal or other professional adviser.</p>
Who is the Bidder?	<p>Humanforce is an Australian company which operates a SaaS platform providing Workforce Management Solutions. Humanforce was incorporated in 2017, though the business has been operating since 2002, with subsidiaries in Australia, New Zealand, Singapore and the United Kingdom.</p> <p>Humanforce is a portfolio company of AKKR.</p> <p>Further details of the Bidder are set out in Section 4.</p>
What interest does the Bidder currently have in IntelliHR Shares?	<p>As at the date of this Bidder's Statement, the Bidder has a Relevant Interest in 67,658,232 IntelliHR Shares, which represents 19.90% of the total number of IntelliHR Shares.¹</p> <p>Further details on the Bidder's Relevant Interest are set out in Section 9.1 of this Bidder's Statement.</p>

¹ On 13 March 2023, the Bidder disclosed to ASX that it had a Relevant Interest in 67,658,232 IntelliHR Shares, representing 19.90% of the Shares on issue.

Question	Answer
<p>Who is AKKR?</p>	<p>AKKR is a USA headquartered technology-focussed private equity firm, with US\$14 billion of cumulative capital commitments across its buyout and growth capital funds.</p> <p>AKKR is comprised of over 10 private equity funds investing across various types of structures, including but not limited to majority, minority, and credit investments. AKKR invests in mid-market software and technology enabled services firms with the goal of driving value for its portfolio company management teams and their employees as well as its investors.</p> <p>Further details on AKKR are set out in Section 4.3 of this Bidder's Statement.</p>
<p>How do I accept the Offer?</p>	<p>The Offer can only be accepted by selling some or all Your intelliHR Shares on ASX through your Broker to Moelis, acting on behalf of the Bidder, before the end of the Offer Period.</p> <p>Depending on how Your intelliHR Shares are held, you may accept the Offer by:</p> <ul style="list-style-type: none"> (a) For Issuer Sponsored Holdings of intelliHR Shares: instructing a Broker to sell Your intelliHR Shares at the Offer Price during the Offer Period; (b) For CHESS Holdings of intelliHR Shares: instructing your Controlling Participant, which is usually your Broker, to sell Your intelliHR Shares at the Offer Price during the Offer Period; (c) Broker or Controlling Participant: accepting in accordance with the requirements of the ASX Settlement Operating Rules before the end of the Offer Period; and (d) Beneficial owner: contacting the nominee of Your intelliHR Shares, which may be a Broker, investment dealer, bank, trust company, or other nominee to assist you to accept the Offer. <p>You are not required to complete any forms to accept the Offer.</p> <p>Further details on how to accept the Offer are set out in Section 10.8 of this Bidder's Statement.</p>
<p>When can I sell my intelliHR Shares</p>	<p>You can sell Your intelliHR Shares to the Bidder immediately on-market. Moelis will stand in the market on the Bidder's behalf and purchase all intelliHR Shares offered to it at the Offer Price from the Announcement Date until 1 May 2023, which is the date the Offer is scheduled to close (unless extended or withdrawn in accordance with the Corporations Act).</p>
<p>Are there any conditions of the Offer?</p>	<p>The Offer is unconditional.</p>

Question	Answer
How long is the Offer open?	<p>The Offer opens on 1 April 2023 and is scheduled to close at 4.00pm (Sydney, Australia time) on 1 May 2023 (unless extended or withdrawn in accordance with the Corporations Act).</p> <p>The Offer Period will automatically be extended if the Bidder's Voting Power in intelliHR increases to more than 50% in the last seven days of the Offer Period. In that scenario, the Offer Period will end fourteen days after the Bidder's Voting Power increases to more than 50%.</p> <p>While the Bidder may extend the Offer Period in its discretion at any time prior to the last five Trading Days of the Offer Period or in limited circumstances at any time prior to the end of the Offer Period (subject to the Corporations Act as modified by ASIC Class Order 13/521), the Bidder does not have any intentions to do so currently.</p>
Do I have to pay any fees?	<p>As the Offer by the Bidder is pursuant to an on-market takeover bid, the Offer will be made on the ASX. Accepting intelliHR Shareholders may only accept the Offer through Brokers who are members of ASX. Any brokerage fees charged by such Brokers will be the sole responsibility of the accepting intelliHR Shareholder.</p>
What should I do?	<p>You should:</p> <ul style="list-style-type: none"> (a) read this Bidder's Statement in full; (b) consult your Broker, legal, financial or other professional adviser if you are in any doubt as to what action to take or how to accept the Offer; and (c) if you wish to accept the Offer, follow the instructions set out in Section 10.8 of this Bidder's Statement.
Can the Bidder withdraw the Offer?	<p>The Bidder may only withdraw the Offer in respect to any Offers that are unaccepted at that time:</p> <ul style="list-style-type: none"> (a) with ASIC's written consent and subject to any conditions specified in that consent (if any); (b) where a Prescribed Occurrence occurs, if at the time of the Prescribed Occurrence the Bidders' Voting Power in intelliHR is at or below 50%; or (c) upon the occurrence of an Insolvency Event in relation to intelliHR (regardless of the Bidder's Voting Power in intelliHR). <p>Notice of the withdrawal of the Offer will be provided by the Bidder to ASX.</p>
Can I accept the Offer for less than all of my intelliHR Shares?	<p>Yes. You may choose to sell some or all of Your intelliHR Shares.</p>

Question	Answer
If I accept the Offer, when will I receive consideration for my IntelliHR Shares?	If you accept the Offer, you will be paid cash 2 Trading Days after your acceptance under the normal T+2 basis for the settlement of transactions which occur on the ASX.
What happens if I accept the Offer?	Once you accept the Offer in respect of some or all of Your IntelliHR Shares you will not be able to sell those IntelliHR Shares or otherwise deal with the Rights attaching to those IntelliHR Shares, subject to your limited statutory rights to withdraw your acceptance in certain circumstances.
What happens if I do not accept the Offer?	<p>If you do not accept the Offer and you do not sell Your IntelliHR Shares on ASX, you will retain Your IntelliHR Shares and will not receive any cash consideration.</p> <p>In addition, if there is a limited number or spread of IntelliHR Shareholders remaining at the end of the Offer Period, the Bidder may seek to procure the removal of IntelliHR from the official list of ASX. In such event, your subsequent ability to trade IntelliHR Shares may be limited.</p> <p>If the Bidder becomes entitled to Compulsorily Acquire Your IntelliHR Shares and the Scheme is not proceeding, it intends to proceed with the Compulsory Acquisition. If Your IntelliHR Shares are Compulsorily Acquired by the Bidder, it will be on the same terms (including the same consideration for each IntelliHR Share acquired) as the Offer but you will receive payment for Your IntelliHR Shares much later than if you accept the Offer.</p> <p>The Bidder intends to carry out all its obligations under the SID and progress the Scheme concurrently with the Offer.</p> <p>Further details on the Bidder's intentions are set out in Section 6 of this Bidder's Statement.</p>
What are the tax implications of accepting the Offer?	<p>A general description of the Australian taxation treatment for certain IntelliHR Shareholders accepting the Offer is set out in Section 8.</p> <p>The description in Section 8 is a general description only and not advice. It does not take into account your particular circumstance or needs. You should not rely on that description as advice for your own affairs.</p> <p>You should consult your taxation adviser for detailed taxation advice before making a decision as to whether or not to accept the Offer for Your IntelliHR Shares.</p>
What about the Scheme?	Humanforce intends to carry out its obligations under the SID and implement the Scheme concurrently with the Offer. However, the Offer provides IntelliHR Shareholders the opportunity to sell their IntelliHR shares and receive cash proceeds on an expedited timetable compared to the Scheme (and assuming the Scheme is successful).

3 Why you should accept the Offer

The Bidder is offering to acquire some or all of Your IntelliHR Shares in an all-cash on-market offer for \$0.165 per IntelliHR Share.

The key attractions of the Offer are summarised below.

(a) **The Offer Price delivers a significant premium to IntelliHR's undisturbed historic share price:**

The all cash consideration of \$0.165 per IntelliHR Share provides a compelling opportunity for IntelliHR Shareholders to realise the full value of their IntelliHR Shares and represents a significant premium of:

- (i) 161.9% to the closing price of IntelliHR Shares of \$0.063 on 30 January 2023 being the last trading day before the announcement date of the Scheme (**Undisturbed Share Price Date**);
- (ii) 167.9% to the one-month VWAP of IntelliHR Shares to the Undisturbed Share Price Date of \$0.062; and
- (iii) 171.2% to the three-month VWAP of IntelliHR Shares to the Undisturbed Share Price Date of \$0.061.

(b) **The Offer provides cash certainty today**

Under the Offer, you may sell Your IntelliHR Shares to the Bidder immediately. Moelis will stand in the market on behalf of the Bidder to acquire IntelliHR Shares offered to it on ASX at the Offer Price on and from the Announcement Date until the closing date of the Offer. The consideration offered to IntelliHR Shareholders is 100% cash which provides an opportunity for IntelliHR Shareholders to realise their investment for certain cash value and mitigate external and company-specific risks that IntelliHR may be subject to, which may adversely affect the future trading price of IntelliHR Shares, such as:

- (i) a continuing challenging trading environment for technology stocks;
- (ii) regulatory risks;
- (iii) competitive threats; and
- (iv) global macroeconomic conditions.

If you accept the Offer, you will be paid:

- (v) \$0.165 cash for each of Your IntelliHR Shares
- (vi) 2 Trading Days after accepting the Offer.

If you accept the Offer you will no longer be exposed to the risks and uncertainties inherent in owning IntelliHR Shares. If you do not accept the Offer and the Scheme is not successful, there is no certainty that you will be able to liquidate your entire IntelliHR shareholding following the close of the Offer.

The Offer also provides intelliHR Shareholders the opportunity to sell their intelliHR shares and receive cash proceeds on an expedited timetable compared to the Scheme (and assuming the Scheme is successful).

(c) **Avoid financing risks and any dilution of your rights as an intelliHR Shareholder**

As a result of intelliHR's declining cash balance, the ability of intelliHR to continue as a going concern is principally dependent upon its ability to raise capital and to complete the successful development and commercialisation of its software platform. These conditions give rise to material uncertainty, which may cast significant doubt over the intelliHR's Group's ability to continue as a going concern. There can be no guarantee that intelliHR will be able to obtain future debt or equity financing to sustain its operations. The last 12 months has been a challenging period for growth companies seeking to raise equity finance, with a significant downturn in equity capital markets. If additional equity funding is obtained, it may be highly dilutionary to intelliHR Shareholders, depending on the price at which intelliHR seeks to issue new intelliHR Shares. While debt funding may be available to intelliHR in the future, the availability of such funding will be dependent on a combination of intelliHR's financial performance and macroeconomic conditions. In the current macroeconomic climate of persistent high inflation, rising interest rates and concerns about the trajectory of global economic growth, there is a risk that additional debt financing will be expensive to obtain, if it can be obtained at all. If intelliHR is unsuccessful in obtaining funds when required, it may need to delay planned business activities, and potentially forgo growth opportunities.

Furthermore, while intelliHR continues to make considerable investments in its business to provide a platform for sustainable growth, there is no certainty as to the value or timing of any return from these investments.

If you do not accept the Offer and the Scheme does not succeed, you may continue to be exposed to intelliHR's financing risks and experience the dilutive effects of any subsequent equity financing in respect to Your intelliHR Shares.

(d) **Risks of remaining as a minority shareholder in intelliHR**

If you do not accept the Offer and the Scheme does not succeed and the Bidder acquires more than 50% of the intelliHR Shares but less than 90% of intelliHR Shares, you will be a minority shareholder in intelliHR.

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

- (i) the price at which intelliHR Shares are traded on ASX may fall and trade at a material discount to the Offer Price, which could cause intelliHR's ASX index weighting to decrease;
- (ii) the market for intelliHR Shares may become less liquid;
- (iii) intelliHR's distribution policy, capital structure and board configuration may change; and

(iv) intelliHR may be delisted from the official list of ASX.

If the Bidder becomes entitled to compulsorily acquire Your intelliHR Shares and the Scheme does not succeed, it intends to exercise those rights.

If Your intelliHR Shares are compulsorily acquired, you will still receive the Offer Price per intelliHR Share, but at a later time than you would have received it if you had accepted the Offer, which would have been paid by no later than 10 Business Days after the later of:

- (i) the date that the Conditions are satisfied or waived; and
- (ii) the date that you validly accept the Offer.

4 Information on the Bidder and AKKR

4.1 Overview of the Bidder

The Bidder, Humanforce is an Australian proprietary company which operates a SaaS platform providing workforce management solutions. Humanforce was incorporated in 2017, though the business has been operating since 2002, with subsidiaries in Australia, New Zealand, Singapore and the United Kingdom. Humanforce is a portfolio company of AKKR, a USA headquartered technology-focussed private equity firm. The AKKR Funds indirectly hold approximately 95% of the issued share capital of Humanforce, with the remaining interests held by minority investors.

Further information regarding Humanforce can be found on its website: <https://humanforce.com/au>. Further detail on AKKR is set out in Section 4.3 below.

4.2 Directors and executives of the Bidder

The Humanforce Board and executive management as at the date of this Bidders Statement comprises the following people:

(a) *David Pullini, Chairman*

Mr Pullini is an investment, funds management and business professional with over 30 years' experience in both public and private companies across a variety of sectors. He joined the Humanforce Board in 2018.

Mr Pullini is also the principal of Ginostra Capital, a private investment vehicle that actively holds both private and public market investments, a Non-Executive Director of Ansarada Group Limited (ASX:AND) and Chairman of Ansarada's Audit & Risk Committee, a director of Vantage Asset Management and a director of Tempus Partners Holdings Pty Ltd (Folklore Ventures). Mr Pullini is a member of eight investment committees across Vantage and Folklore Ventures. In these professional engagements Mr Pullini provides business counsel, mentoring and coaching to Founders and senior executives.

Mr Pullini was a founding partner of O'Sullivan Pullini, a leading boutique investment bank in Australia that completed M&A transactions totalling over \$10 billion in value. Prior to co-founding O'Sullivan Pullini, he managed international corporate business for fifteen years in Europe and Australia.

Mr Pullini studied Engineering and Finance and completed an MBA from the International Institute for Management Development (IMD) in Lausanne, Switzerland.

(b) *Joseph Porten, Non-Executive Director*

Mr Porten is a Managing Director at AKKR and a board member of several of AKKR's portfolio companies, including ATP Software Solutions, Entersekt, FM:systems, FRISS, Partnerize, TELCOR, ToolsGroup, Birdeye, Submittable and Masabi. He joined the board of Humanforce in 2018.

Prior to joining AKKR, Mr Porten was Vice President for Battery Ventures, a multi-stage venture capital firm focused on investing in technology, and held roles at private equity firms Lake Capital and Spectrum Equity Investors. Mr Porten began his career in the Corporate Acquisitions Group at ABN AMRO, where he advised

and executed buy-side and sell-side transactions in the financial services, and financial technology sectors.

Mr Porten holds a MBA from The University of Chicago Booth School of Business and a BA in Economics from The University of Chicago.

(c) *Craig Charlton, Non-Executive Director*

Mr Charlton is a strategic adviser to AKKR and the CEO of SugarCRM, one of AKKR's portfolio companies, which is a customer relationship management software and tools provider. He joined the board of Humanforce in 2022.

Mr Charlton previously held management roles in a number of companies including as CEO of Oildex, a financial automation software and services provider, CEO of Abila, a financial and customer relationship management provider and senior vice president and general manager of Epicor Software Corporation, an enterprise resource planning provider.

Mr Charlton holds a Bachelor of Commerce degree from Monash University.

(d) *Christian Stewart, Non-Executive Director*

Mr Stewart is a Vice President at AKKR and a board member of Entersekt, one of AKKR's portfolio companies. He joined the board of Humanforce in 2022.

Before joining AKKR, Mr Stewart worked as an Investment Banking Analyst in Raymond James Technology and Services Group focused on mergers & acquisitions and capital raising transactions in sectors including enterprise software, hardware, semiconductors and tech-enabled services.

Mr Stewart holds a BS in Accounting from Brigham Young University.

(e) *Clayton Pyne, Chief Executive Officer and Managing Director*

Mr Pyne has been CEO of Humanforce since July 2019 and was appointed as Managing Director in 2022.

Prior to joining Humanforce, Mr Pyne held executive positions with IBM and Cisco, where he was responsible for leading sales, marketing, product and partner teams across the world. For his achievements, Mr Pyne was crowned an AFR BOSS Young Executive of the Year in 2017.

Mr Pyne was a Co-op Scholar at the University of New South Wales where he earned a BSc with first class honours in Business Information Technology. He also holds an Executive MBA from NYU Stern School of Business.

(f) *Alex Panich, Chief Financial Officer*

Mr Panich has been CFO of Humanforce since 2020 and has nearly two decades of financial experience across Australia, the United Kingdom and South East Asia.

Mr Panich was previously the Chief Financial Officer at marketing services firm, Salmat Limited, and a Financial Controller at The People's Operator and Adstream.

Mr Panich has a BSc from The University of New South Wales and is a Chartered Accountant.

4.3 Overview of AKKR

AKKR is a private equity firm headquartered in Menlo Park, California, USA with US\$14 billion of cumulative capital commitments across its buyout and growth capital funds. AKKR is comprised of over 10 private equity funds investing across various types of structures, including but not limited to majority, minority, and credit investments. AKKR invests in mid-market software and technology enabled services firms with the goal of driving value for its portfolio company management teams and their employees as well as its investors.

Since 2012 AKKR has made over 45 investments outside of North America including in Australia, Austria, Chile, Colombia, Denmark, England, Germany, India, Ireland, Italy, New Zealand, Netherlands, South Africa, Switzerland and Sweden.

Further information regarding AKKR can be found on its website:
<https://www.accel-kkr.com/>

5 Information on intelliHR

5.1 Disclaimer

While the Bidder has had access to information to undertake due diligence on intelliHR, the information in this Section 5 has been prepared based on a review of publicly available information concerning intelliHR only. It has not been independently verified and the Bidder does not make any representation or warranty, express or implied, as to the accuracy or completeness of the information. The information should not be considered comprehensive. Further information relating to intelliHR's businesses and issued securities may be included in intelliHR's Target Statement in relation to the Offer.

5.2 Overview of intelliHR

intelliHR is an Australian human resources technology business that offers a cloud-based human resources and people management platform predominantly aimed to assist human resources professionals across various industries such as health care, technology, accounting, legal, public service, engineering, education and not-for-profit organisations. intelliHR's systems and solutions add value through the automation of traditional manual human resources processes, capturing critical people and performance data which is not typically available or visible to businesses without such software. intelliHR utilises cloud-based tools for real time collection and reporting of data. The Software-as-a-Service (SaaS) model provides a cost efficient means through which businesses can share computing resources; it is more scalable and agile than traditional software.

For the half year ended 31 December 2022, intelliHR's revenue increased by 67% year on year from \$2,328,531 to \$3,887,990. However, a loss of \$3,929,190 was reported in the same period.

intelliHR has a market capitalisation of approximately \$56.1m (as at the close of trading on the last Trading Day before the date of this Bidder's Statement).

More information on intelliHR is available on its website, <https://intellihr.com/>.

5.3 Directors of intelliHR

As at the date of this Bidder's Statement, the directors of intelliHR are:

Director	Position
Matthew Donovan	Chair and Chief Executive Officer
David Slocomb	Non-Executive Director, Chair of Audit and Risk Committee, Member of People Committee and Member of Nomination Committee
Ilona Charles	Non-Executive Director, Chair of People Committee and Member of Nomination Committee.
Belinda Lajoie	Non-Executive Director, Member of People Committee and Member of Nomination Committee.
Anthony Bellas	Non-Executive Director, Member of Audit and Risk Committee, Member of Nomination Committee and Member of People Committee.

Profiles of IntelliHR's directors are available on its website, <https://intellihr.com/>

5.4 Substantial holders

Based on publicly available information, the following persons have disclosed themselves as 'substantial shareholders' of IntelliHR (as at the close of trade on the last Trading Day prior to the Announcement Date):

Substantial holder	Number of IntelliHR Shares held ²	% of IntelliHR Shares held
Humanforce Holdings Pty Ltd	67,658,232	19.90%
Colinton Capital ³	50,683,342	14.91%
Robert Jon Bromage ⁴	27,076,773	7.96%
Harvest Lane Asset Management ⁵	18,357,314	5.4%

5.5 Capital Structure of IntelliHR

According to documents lodged by IntelliHR with ASX (as at the close of trade on the last Trading Day prior to the Announcement Date), IntelliHR had the following securities on issue:

- 339,991,116 fully paid ordinary shares;
- 21,518,911 IntelliHR Performance Rights; and
- 3,040,000 Options.⁶

The IntelliHR Performance Rights and IntelliHR Options are unlisted and therefore cannot be traded on ASX. The Offer extends to IntelliHR Shares that are issued on the exercise of IntelliHR Performance Rights and IntelliHR Options during the Offer Period.

At the date of this Bidder's Statement all IntelliHR Options on issue are "out of the money" because each has an exercise price of between \$0.22 to \$0.38 per IntelliHR Share which exceeds the Offer Price of \$0.165 per IntelliHR Share.⁷

5.6 IntelliHR information

IntelliHR is a listed disclosing entity for the purposes of the Corporations Act and as such, is subject to regular reporting and disclosure obligations. Specifically, as a listed company, IntelliHR is subject to the Listing Rules of ASX which require immediate disclosure of any information IntelliHR has concerning it that a reasonable person would expect to have a material effect on the price or value of its securities, subject to certain exceptions.

² The actual number of IntelliHR Shares held or Voting Power may differ from that shown as there is no obligation to publicly disclose changes if the change in Voting Power is less than 1%.

³ Based on Form 604 lodged with ASX on 10 December 2021. Note this amount includes 38,769,623 IntelliHR Shares that Colinton Capital has agreed to sell to the Bidder pursuant to the Share Sale and Purchase Agreement dated 12 March 2023 between Colinton Capital Partners Fund I (A) Pty Ltd as trustee for Clinton Capital Partners Fund I (A), Colinton Capital Pty Ltd and the Bidder.

⁴ Based on Form 604 lodged with ASX on 15 September 2020.

⁵ Based on Form 603 lodged with ASX on 7 March 2023.

⁶ Based on Notification of Cessation of Securities announcement dated 31 January 2023.

⁷ Based on the 2022 IntelliHR Annual Report.

All information disclosed by intelliHR and publicly released by ASX is available at ASX's website <https://www2.asx.com.au/> and at intelliHR's website <https://intellihr.com/investor-relations>.

A list of announcements made by intelliHR to ASX since the lodgement of intelliHR's FY22 Annual Report is contained in Annexure 1.

intelliHR is also required to lodge various documents with ASIC. Copies of documents lodged with ASIC by intelliHR may be obtained from, or inspected at, an ASIC office.

6 The Bidder's intentions

6.1 Introduction

This Section 6 sets out the Bidder's intentions in relation to the following:

- the growth of the business of intelliHR;
- any major changes to be made to the business of intelliHR, including any redeployment of the fixed assets of intelliHR;
- the future employment of the present employees of intelliHR;
- changes to the intelliHR Board; and
- the Compulsory Acquisition of intelliHR Shares and intelliHR Options, and the removal of intelliHR from the official list of ASX.

The intentions, knowledge, views, understandings and beliefs set out in this Section 6 are the same as those of AKKR, so generally references to the Bidder should be read as including AKKR.

6.2 Qualifications and disclaimers

The intentions set out in this Section 6 represent the current intentions of the Bidder as at the date of this Bidder's Statement formed on the basis of facts and information concerning intelliHR and its business, and the general business environment, which are known to the Bidder at the time of preparing this Bidder's Statement. Accordingly, it is important to recognise that all statements set out in this Section 6 are statements of current intention and may change as new information becomes available or circumstances change.

As there is no minimum acceptance condition to the Offer, the Bidder will not know the extent of its ultimate shareholding in intelliHR until after the close of the Offer. This means that the Bidder's ultimate Voting Power in intelliHR could be anywhere between 19.90% and 100% at the close of the Offer. Accordingly, the precise circumstances surrounding the Bidder's ability to pursue the changes outlined in this Section 6 may not be known until after the close of the Offer, and are difficult to predict with any certainty at this stage.

The implementation of the Bidder's intentions in the event that the Bidder has a Relevant Interest in less than 100% of intelliHR Shares will be subject to the level of Voting Power the Bidder has in intelliHR and the Corporations Act (including, without limitation, those provisions intended for the protection of minority shareholders), the Listing Rules, intelliHR's constitution and the statutory and fiduciary obligations of the intelliHR Board at that time to act in the best interests of intelliHR (**Shareholder Protections**).

For example:

- If the Bidder acquires less than 50% of all intelliHR Shares, it may not be in a position to alone determine the outcome of ordinary resolutions (in respect of which it is entitled to vote) and so, for example, it may not be in a position to control the composition of the intelliHR Board. This means that the Bidder's ability to undertake a detailed review of intelliHR and its assets and liabilities may be limited, and (assuming it is able to undertake

any such review) its ability to realise the proposed outcomes of that strategic review may be similarly constrained.

- If the Bidder acquires more than 50% of all IntelliHR Shares (but less than 90%), it will be able to alone determine the outcome of ordinary resolutions (in respect of which it is entitled to vote) and will be in a position to control the composition of the IntelliHR Board. However, in these circumstances, the Shareholder Protections will continue to apply and again may constrain the Bidder's ability to realise the proposed outcomes of the strategic review.
- If the Bidder acquires at least 75% of all IntelliHR Shares (but again less than 90%), it will also be able to determine alone the outcome of special resolutions (in respect of which it is entitled to vote). Such special resolutions could involve amendments to the IntelliHR constitution or a change to company type. However, again, the Shareholder Protections will continue to apply.
- If during, or at the end of, the Offer Period:
 - the Bidder and its Associates together have Relevant Interests in at least 90% (by number) of all IntelliHR Shares; and
 - the Bidder and its Associates have acquired at least 75% (by number) of all IntelliHR Shares for which Offers are made,

the Bidder will be entitled to Compulsorily Acquire all outstanding IntelliHR Shares and presently intends to do so. Following completion of such Compulsory Acquisition process, IntelliHR would become a wholly-owned subsidiary of the Bidder and the Bidder would be entitled to exercise its rights as the sole shareholder of IntelliHR.

Therefore, the Bidder's ability to achieve some of its intentions might not be able to be realised, either at all or without the approval of IntelliHR Shareholders in a general meeting.

As a result of the Shareholder Protections, the Bidder and its Associates may also be excluded from voting on certain resolutions in a general meeting, and any nominee directors appointed by the Bidder may potentially be precluded from voting at IntelliHR Board meetings, to the extent of any conflict of interest or material personal interest. Further, in circumstances where a minority shareholder maintains a "blocking stake" or other substantial holding in IntelliHR which provides them with a significant proportion of the IntelliHR Shares which are not held by the Bidder and its Associates, then that IntelliHR Shareholder's ability to determine the outcome of any such resolutions put to IntelliHR Shareholders in a general meeting may be disproportionate to its holding; for example, where that IntelliHR Shareholder's holding in IntelliHR is such that they alone could determine whether a resolution is passed or not, in circumstances where the Bidder and its Associates are excluded from voting on that resolution.

6.3 **Intentions upon acquiring 90% or more of IntelliHR Shares**

Without limiting the qualifications and disclaimers in Section 6.2, this Section 6.3 describes the intentions of the Bidder if at the end of the Offer Period, the Bidder acquires Relevant Interests in at least 90% (by number) of the IntelliHR Shares then on issue.

(a) **Compulsory Acquisition of IntelliHR Shares and removal from official list**

If the Bidder and its Associates collectively have Relevant Interests in at least 90% of IntelliHR Shares during, or at the end of the Offer Period, the Bidder will give a notice pursuant to Part 6A.1 of the Corporations Act to Compulsorily Acquire all outstanding IntelliHR Shares, even if IntelliHR Shares to which those notices relate are issued:

- after the Offer closes but before notices are given (pursuant to Section 661A(4)(b) of the Corporations Act); or
- on exercise of IntelliHR Options, up to six weeks after the notices are given (pursuant to Section 661A(4)(c) of the Corporations Act).

If not all of the IntelliHR Options are exercised or otherwise acquired by the Bidder and the Bidder is entitled to Compulsorily Acquire any outstanding IntelliHR Options, the Bidder intends to Compulsorily Acquire any outstanding IntelliHR Options pursuant to Part 6A.2 of the Corporations Act, although it reserves the right not to do so.

IntelliHR Shareholders should consult their legal advisors for a determination of their legal rights with respect to any Compulsory Acquisition.

The Offer does not extend to any IntelliHR Performance Rights. However, the Offer will extend to all IntelliHR Shares that are issued and listed for quotation on the ASX at any time during the Offer Period as a result of the vesting or exercise of any IntelliHR Performance Rights.

The income tax consequences to an IntelliHR Shareholder of a Compulsory Acquisition may differ from the income tax consequences to such IntelliHR Shareholder accepting the Offer. See Section 8 for further information on Australian taxation considerations for IntelliHR Shareholders who dispose of their IntelliHR Shares under the Offer.

(b) **Business and operations**

The Bidder intends to continue to operate the IntelliHR business as a wholly-owned subsidiary of the Bidder. The Bidder intends to work with the IntelliHR team to identify and pursue growth and expansion opportunities, leveraging the complementary Bidder and IntelliHR businesses and product offerings and utilising AKKR's and the Bidder's capital and expertise. The Bidder does not currently intend to redeploy any of the IntelliHR's fixed assets.

(c) **Head office**

The Bidder presently intends that the head office of IntelliHR will remain in Brisbane, Queensland in the short-term.

(d) Board of IntelliHR

The Bidder intends that the board of IntelliHR and each of its subsidiaries will be reconstituted. At the date of this Bidder's Statement, the new directors of IntelliHR and each of its subsidiaries are expected to be Joseph Porten, Clayton Pyne and David Pullini.

(e) Management team

The Bidder expects there to be significant value and knowledge in the existing management team of IntelliHR. It is currently proposed that a number of the senior management team of IntelliHR will remain involved in the business by assuming operating roles within the combined business.

(f) Employees

The Bidder considers the employees of IntelliHR to be critical to the future success and growth of the business. The Bidder intends to review IntelliHR's business operations and organisational structure to ensure that the combined business has an appropriate mix and level of employees and skills to pursue its strategic directions and growth opportunities. It is currently anticipated that the number of employees will increase in line with the growth strategy pursued by the Bidder.

(g) Delisting

The Bidder intends to procure that the quotation of IntelliHR Shares on the ASX be terminated and IntelliHR be removed from the official list of the ASX.

(h) Changes to IntelliHR's constituent documents

The Bidder intends to replace IntelliHR's constitution with a constitution on terms which are typical for a proprietary company limited by shares. This is consistent with the intention that IntelliHR Shares will no longer be publicly listed and IntelliHR will be converted into a proprietary company limited by shares.

6.4 Intentions upon acquiring 50.1% or more of IntelliHR Shares

This Section 6.4 describes the Bidder's intentions if it were to acquire Relevant Interests in at least 50.1%, but less than 90%, of IntelliHR Shares on issue and the Scheme does not proceed.

The ability of the Bidder to implement the intentions set out in this Section 6.4 will be subject to the legal obligations of the IntelliHR Directors (including any nominees of the Bidder) to have regard to the interests of IntelliHR and Shareholder Protections. This may limit or modify the implementation of the intentions outlined below, and the approval of minority IntelliHR Shareholders may be required for the implementation of some of the intentions outlined below.

(a) IntelliHR Board

Subject to the Corporations Act and IntelliHR's constitution, the Bidder intends to seek to replace some of the members of the IntelliHR Board so that the Bidder nominees constitute at least a majority of the members of the IntelliHR Board. No decision has been made at this stage about the

identity of the proposed nominees to the IntelliHR Board or which current IntelliHR Directors would be removed.

The Bidder will seek, to the extent possible through its nominees on the IntelliHR Board, to implement the intentions detailed in Section 6.3 where they are consistent with IntelliHR being a controlled entity of (but not wholly-owned by) the Bidder and are considered to be in the interests of IntelliHR Shareholders as a whole.

The Bidder would consider (but not necessarily comply with) the recommendations in ASX Corporate Governance Principles and Recommendations when determining the composition of the IntelliHR Board.

(b) **Business and operations**

As mentioned above, the Bidder intends to continue to operate the IntelliHR business as a wholly-owned subsidiary, work with the IntelliHR team to identify and pursue growth and expansion opportunities and will, to the extent permitted, undertake a review of the business operations and organisation structure outlined in Section 6.3(f) after the Offer Period.

(c) **Removal of ASX listing**

The Bidder intends, subject to satisfying the relevant preconditions, to remove IntelliHR from the official list of ASX.

In relation to the removal of IntelliHR from the official list of ASX, ASX guidance indicates that the usual conditions that ASX would expect to be satisfied in order for it to approve the removal of IntelliHR from the official list in the context of a successful takeover bid include:

- at the end of the Offer Period, the Bidder has a Relevant Interest in at least 75% of the IntelliHR Shares and the Offer has remained open for at least two weeks after the Bidder attained ownership or control of at least 75% of the IntelliHR Shares;
- the number of IntelliHR Shareholders (other than the Bidder) having holdings with a value of at least \$500 is fewer than 150; and
- IntelliHR has applied for removal from the official list within one month after the end of the Offer Period,

and in such case, ASX will not usually require the Bidder to obtain IntelliHR Shareholder approval for IntelliHR's removal from the official list of ASX.

In addition, ASX may approve an application for IntelliHR to be removed from the official list of ASX with shareholder approval and, where such removal is sought later than one month after the close of the Offer, the Bidder would be entitled to vote on the resolution approving the removal.

If IntelliHR is removed from the official list of ASX, there may be risks related to remaining as a minority shareholder in IntelliHR. These include

reduced or non-existent liquidity if shareholders wish to sell their intelliHR Shares.

(d) **Further acquisition of intelliHR Shares**

The Bidder may, at some later time, acquire further intelliHR Shares in a manner consistent with the Corporations Act and any other applicable laws.

(e) **Subsequent acquisition of interest in intelliHR**

It is possible that even if the Bidder is not entitled to proceed to Compulsory Acquisition of minority holdings after the end of the Offer Period under Part 6A.1 of the Corporations Act, it may subsequently become entitled to exercise rights of general Compulsory Acquisition under the Corporations Act; for example, as a result of acquisitions of intelliHR Shares in reliance on the "3% creep" exception in item 9 of section 611 of the Corporations Act. If so, it may exercise those rights.

6.5 Intentions if the Bidder does not acquire 50.1% of intelliHR

If the Offer closes and the Bidder has not acquired a Relevant Interest in at least 50.1% of intelliHR Shares on issue and the Scheme does not proceed:

- (a) the Bidder will seek to:
 - (i) obtain representation on the intelliHR Board which is at least consistent with its proportionate shareholding; and
 - (ii) gain a more detailed understanding of the business' assets and operations in order to evaluate the performance, profitability and prospects of intelliHR in light of the information then available to the Bidder;
- (b) the Bidder will, to the extent possible, procure the intelliHR Board to follow the intentions set out in Sections 6.3 or 6.4; and
- (c) the Bidder would otherwise have regard to the circumstances at the time and consider the appropriate courses of action that are in the best interests of the Bidder.

6.6 Limitations on intentions

The intentions and statements of future conduct set out in this Section 6 must be read as being subject to:

- (a) the law (including the Corporations Act) and the Listing Rules, including in particular the requirements of the Corporations Act and the Listing Rules in relation to conflicts of interest and 'related party' transactions, given that if the Bidder obtains control of intelliHR but does not acquire all of the intelliHR Shares, it will be treated as a related party of intelliHR for these purposes;
- (b) the legal obligation of the intelliHR Board at the time, including any nominees of the Bidder, to act in good faith and in the best interests of intelliHR for proper purposes and to have regard to the interests of all intelliHR Shareholders; and
- (c) the outcome of the reviews referred to in this Section 6.

7 Funding

7.1 Provision of consideration

On the basis of the arrangements described in this Section 7, the Bidder is of the opinion that it has a reasonable basis for forming the view, and holds the view, that it will be able to provide 100% of the cash consideration required for the acquisition of the IntelliHR Shares pursuant to the Offer as and when it falls due for payment and will be able to satisfy its obligations under the Offer and will also meet the costs associated with the Offer.

7.2 Consideration under the Offer

The consideration for the acquisition of the Shares to which the Offer relates will be wholly satisfied by the payment of cash (in Australian dollars).

7.3 Cash consideration

As at the Announcement Date, according to documents provided by IntelliHR to ASX, there were 339,991,116 IntelliHR Shares on issue, and 21,518,911 IntelliHR Performance Rights and 3,040,000 IntelliHR Options.⁸

In the event that acceptances are received for all IntelliHR Shares on issue as at the date of this Bidder's Statement other than those owned or controlled by the Bidder, the aggregate amount of cash consideration that the Bidder would be required to pay based on the Offer Price would be \$44,934,925.86.⁹

As at the Announcement Date, all IntelliHR Options on issue are "out of the money" because each has an exercise price of between \$0.22 to \$0.38 per IntelliHR Share, which exceeds the Offer Price of \$0.165 per IntelliHR Share.¹⁰ Therefore, holders of IntelliHR Options are unlikely to exercise their IntelliHR Options into IntelliHR Shares (and accept into the Offer) because the exercise price exceeds the Offer Price of \$0.165 per IntelliHR Share.

If all IntelliHR Performance Rights vest and the resulting IntelliHR Shares are accepted into the Offer, \$3,550,620.32¹¹ additional cash consideration will be payable.

Accordingly, the maximum amount that the Bidder could be required to pay under the Offer is \$48,485,546.18 (plus costs associated with the Offer) (**Offer Amount**).

7.4 Sources of Offer Amount

The funds required by the Bidder to pay the Offer Amount will be made available to the Bidder by Accel-KKR Growth Capital Partners IV LP (**AKKR Fund IV**), an entity managed and advised by AKKR. AKKR Fund IV has executed a legally binding equity commitment letter in favour of the Bidder pursuant to which it undertakes to make available to the Bidder, in the form of immediately available funds, such equity funding as is required to enable the Bidder to fulfil its obligations to pay the aggregate Offer Amount up to a maximum amount of \$59.7 million, being an amount in excess of the Offer Amount (**Equity Commitment**).

⁸ Based on Notification of Cessation of Securities announcement dated 31 January 2023.

⁹ Based on 272,332,884 ordinary shares outstanding not currently owned or controlled.

¹⁰ Based on the 2022 IntelliHR Annual Report.

¹¹ Based on 21,518,911 IntelliHR Performance Rights outstanding.

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

8 Australian Taxation Considerations

8.1 Introduction

The following is a general description of the Australian income tax, GST and stamp duty consequences for intelliHR Shareholders of disposing of intelliHR Shares under the Offer.

This summary only applies to intelliHR Shareholders who hold their intelliHR Shares on capital account for Australian income tax purposes. In particular, it does not apply to intelliHR Shareholders who buy and sell shares in the ordinary course of business or who otherwise hold their intelliHR Shares on revenue account or as trading stock for Australian tax purposes.

In addition, this summary does not apply to:

- (a) intelliHR Shareholders who acquired their intelliHR Shares under an employee share or option scheme;
- (b) intelliHR Shareholders who are subject to special taxation rules (for example, insurance companies and tax exempt organisations);
- (c) intelliHR Shareholders whose intelliHR Shares are subject to the "taxation of financial arrangements" rules in Division 230 of the *Income Tax Assessment Act 1997*; and
- (d) non-Australian resident intelliHR Shareholders who have held their intelliHR Shares at any time in carrying on a business at or through a permanent establishment in Australia.

This summary also does not address intelliHR Shareholders that are partnerships, persons that are partners of such partnerships or persons that are beneficiaries of a trust that is an intelliHR Shareholder. If a partnership or a trust is an intelliHR Shareholder, the partners of such partnership or the beneficiaries of such trust should consult their own tax advisers with respect to the Australian taxation consequences to them of the partnership or the trust (as applicable) before accepting the Offer.

The information in this description is based upon Australian taxation law and practice in effect at the date of this Bidder's Statement. It is not intended to be an authoritative or comprehensive analysis of the taxation laws of Australia. The summary does not consider any specific facts or circumstances that may apply to particular intelliHR Shareholders.

You are advised to seek independent professional advice regarding the Australian tax consequences of disposing of Your intelliHR Shares according to your particular circumstances.

8.2 *intelliHR Shareholders who are Australian residents for tax purposes*

- (a) CGT consequences of accepting the Offer or have their intelliHR Shares acquired in Compulsory Acquisition.

This Section applies to intelliHR Shareholders who are residents of Australia for Australian income tax purposes and hold their intelliHR Shares on capital account.

The disposal of Your intelliHR Shares pursuant to the Offer will constitute a CGT event.

The time of the CGT event is when you dispose of Your intelliHR Shares for CGT purposes. If you accept the Offer, you should be taken to have disposed of Your

intelliHR Shares for CGT purposes when the contract to sell Your intelliHR Shares comes into existence by accepting the Offer to dispose of Your intelliHR Shares in accordance with Section 10.8. However, if you do not ultimately dispose of Your intelliHR Shares then no CGT event should happen to Your intelliHR Shares.

If the Bidder becomes entitled to Compulsorily Acquire any outstanding intelliHR Shares under the Corporations Act (see Section 6.3(a) above) and Your intelliHR Shares are compulsorily acquired, you will be taken to have disposed of Your intelliHR Shares for CGT purposes on the date you cease to be the owner.

The disposal of Your intelliHR Shares will give rise to a capital gain or loss equal to the difference between:

- (i) the capital proceeds received for the disposal of Your intelliHR Shares (i.e. the cash received under the Offer); and
- (ii) the cost base (or, in the case of a capital loss, reduced cost base) of Your intelliHR Shares (which would generally include the amount paid to acquire the intelliHR Shares plus any non-deductible incidental costs of acquisition, e.g. brokerage fees).

Each intelliHR Share constitutes a separate asset for CGT purposes. You will need to separately consider the consequences of the disposal of Your intelliHR Shares which were acquired in different parcels at different times.

Your net capital gain for the income year is included in your assessable income for the income year. Broadly, your net capital gain for an income year is the total of all of the capital gains made during the income year less capital losses made in the income year and available net capital losses made in previous income years. That amount may be reduced further by other concessions, particularly under the discount capital gains tax rules discussed below.

If you make a capital loss from the disposal of Your intelliHR Shares, the capital loss may be used to offset capital gains made in the same or subsequent years of income (subject to satisfying any applicable carry forward loss conditions) but cannot be offset against ordinary income, nor carried back to offset net capital gains arising in earlier income years.

(b) Discount capital gains

If you are an individual, or you hold Your intelliHR Shares as trustee of a trust or a complying superannuation fund, and have held Your intelliHR Shares for at least 12 months before disposal (and have not chosen for indexation to apply, should the choice be available), the discount capital gain provisions should apply as follows:

- (i) If you are an individual, one half of the capital gain (without any allowance for indexation in the cost base of the shares), after offsetting any applicable capital losses, will be included in your assessable income.
- (ii) If you are acting as a trustee of a trust (but not a superannuation fund), one half of the capital gain (without any allowance for indexation in the cost base of the shares), after offsetting any applicable capital losses, will be included in the "net income" of the trust. The discount capital gains provisions may also apply to capital gains to which beneficiaries in the trust (other than beneficiaries that are companies) are entitled. The CGT provisions applying to trustees and beneficiaries of trusts are complex

and you should seek advice from your professional tax adviser in this regard.

- (iii) If you are a complying superannuation fund, two-thirds of the capital gain (without any allowance for indexation in the cost base of the shares) after offsetting applicable capital losses will be included in the fund's assessable income.

The discount capital gain provisions do not apply to companies.

Where the discount capital gain provisions apply, any available capital loss will be applied to reduce the nominal capital gain before discounting the resulting net amount by either one half or one third (as applicable) to calculate the net capital gain that is included in assessable income.

8.3 *intelliHR Shareholders who are not Australian residents for tax purposes*

This Section 8.3 applies to intelliHR Shareholders that are not Australian residents for tax purposes and hold their intelliHR Shares on capital account. It does not apply to intelliHR Shareholders who have held their intelliHR Shares at any time in carrying on a business at or through a permanent establishment in Australia.

If you are not a resident of Australia for Australian income tax purposes, you will generally not be subject to CGT on the disposal of Your intelliHR Shares unless Your intelliHR Shares are an "indirect Australian real property interest" at the time you dispose of Your intelliHR Shares for CGT purposes.

Broadly, Your intelliHR Shares should not be an indirect Australian real property interest as at that time unless the following conditions are satisfied:

- (a) you and your associates (as defined for tax purposes) together have held at least 10% or more of the issued shares in intelliHR at the time that you dispose of Your intelliHR Shares for CGT purposes or for at least 12 months during the 24 months before you disposed of Your intelliHR Shares for CGT purposes; and
- (b) the aggregate market value of intelliHR's assets which are taxable Australian property (being direct and indirect interests in real property, including leases of land, situated in Australia and mining, quarrying or prospecting rights in respect of materials situated in Australia) exceeds the aggregate market value of intelliHR's assets which are not taxable Australian property.

If you are a non-resident of Australia for tax purposes and hold, or have held (either alone or together with associates) 10% or more of the total number of intelliHR Shares on issue, you should seek professional advice with respect to the CGT consequences of disposing of Your intelliHR Shares.

8.4 *CGT Non-resident withholding tax*

The CGT non-resident withholding tax regime (**CGT NRWT**) applies to transactions entered into on or after 1 July 2016. Under this regime buyers of securities in certain companies and trusts from foreign residents who are subject to CGT are generally required to pay 12.5% of the purchase price to the ATO as a pre-payment of the seller's tax liability.

The Bidder does not consider the provisions will be enlivened to require it to withhold any amount from the Offer Amount on account of foreign resident capital gains on the basis that the acquisition of each intelliHR Share will occur through the acceptance of the Offer which will result in the acquisition occurring on an approved stock exchange, the ASX. The

acquisition of IntelliHR Shares should therefore be an 'excluded transaction' for the purposes of the CGT NRWT.

8.5 GST

The disposal of Your IntelliHR Shares in return for cash under the Offer will not attract GST. To the extent that you incur GST on acquisitions which you make in connection with the Offer (such as adviser fees), you may not be entitled to an input tax credit or only be entitled to a reduced input tax credit for that GST, depending on your particular circumstances.

8.6 Stamp duty

You will not be liable for any stamp duty on the disposal of Your IntelliHR Shares in return for cash under the Offer. Any stamp duty payable on the disposal of IntelliHR Shares pursuant to the Offer will be paid by the Bidder.

9 Other material information

9.1 *Relevant Interests in intelliHR Shares and Voting Power*

As at the date of this Bidder's Statement:

- (a) the Bidder holds a Relevant Interest in 67,658,232 intelliHR Shares representing a Voting Power in intelliHR of 19.90% pursuant to:
 - (i) the Share Sale and Purchase Agreement dated 12 March 2023 between Colinton Capital Partners Fund I (A) Pty Ltd as trustee for Clinton Capital Partners Fund I (A), Colinton Capital Pty Ltd and the Bidder; and
 - (ii) the Share Sale and Purchase Agreement dated 12 March 2023 between Slattery Family Asset Management Pty Ltd and the Bidder.

The price payable by the Bidder for the intelliHR Shares to be acquired under these agreements is \$0.165 cash per intelliHR Share;

- (b) the Bidder does not hold a Relevant Interest in any intelliHR Options; and
- (c) the Bidder does not hold a Relevant Interest in any intelliHR Performance Rights.

Other than as disclosed above, neither the Bidder nor any of its Associates has provided, or agreed to provide, consideration for an intelliHR Share under a purchase or agreement to purchase during the four months before the date of this Bidder's Statement and \$0.165 is the maximum consideration agreed to be provided for an IntelliHR Share during that period.

9.2 *No collateral benefits*

During the period commencing four months before the date of this Bidder's Statement, and during the period from the date of this Bidder's Statement to the date before the date of the Offer, neither the Bidder nor any of its Associates gave, or offered to give, or agreed to give a benefit to another person which was likely to induce the other person, or an Associate of the other person, to:

- (a) accept the Offer; or
- (b) dispose of intelliHR Shares,

and which is not offered to all intelliHR Shareholders under the Offer.

9.3 *TAG proposal*

On 3 March 2023, intelliHR announced it had received a non-binding indicative and conditional offer from The Access Group (**TAG**) to acquire all the intelliHR Shares at a cash price of \$0.14 for each intelliHR Share.

The indicative offer was conditional on, amongst other things, TAG conducting due diligence on intelliHR, receiving approval from the Australian Foreign Investment Review Board and other customary conditions for a scheme of arrangement.

As announced by intelliHR on 3 March 2023, TAG was granted a 10 Business Day period to undertake a due diligence investigation into intelliHR.

On 17 March 2023, intelliHR announced it had received a varied proposal from TAG to acquire all the intelliHR Shares by way of scheme of arrangement at a cash price of \$0.20 for each intelliHR Share, subject to receipt of TAG internal approvals.

There is no assurance that the TAG proposal will result in a formal offer capable of acceptance. In addition, the Bidder will complete the acquisition of IntelliHR Shares under the agreements noted in section 9.1 above and will vote its 19.9% of IntelliHR Shares against any TAG scheme of arrangement at a cash price of \$0.20 for each IntelliHR Share. Consequently, it is highly likely that a TAG scheme of arrangement at a cash price of \$0.20 for each IntelliHR Share will fail, should one be proposed.

9.4 Scheme

The Bidder and IntelliHR entered into a scheme implementation deed on 30 January 2023, as varied by deed of amendment dated 13 March 2023 (**SID**) in relation to the Scheme.

The Bidder intends to carry out all its obligations under the SID and progress the Scheme concurrently with the Offer.

However, if you accept the Offer, you will receive cash proceeds on an expedited timetable compared to the Scheme.

9.5 ASIC modifications

ASIC has published various "Class Order" instruments providing for modifications and exemptions that generally apply to all persons including the Bidder, in relation to the operation of Chapter 6 of the Corporations Act.

Amongst others, the Bidder has relied on:

- (a) the modification to Section 636(3) of the Corporations Act set out in paragraph 5(d) of ASIC Class Order 13/521 "Takeover Bids" to include references to certain statements which are made or based on statements made in documents lodged with ASIC or ASX. Pursuant to Class Order 13/521, the consent of the relevant person is not required for the inclusion of such statements in this Bidder's Statement. As required by Class Order 13/521, the Bidder will make available a copy of these documents (or of relevant extracts from these documents), free of charge, to you and other IntelliHR Shareholders who request it during the Offer Period. To obtain a copy of these documents (or the relevant extracts), you may contact the Bidder on 1300 886 698;
- (b) ASIC Corporations (Consents to Statements) Instrument 2016/72 that permits the Bidder's Statement to include or be accompanied by statements that fairly represent what purports to be a statement by an official person, from a public official document or a published book, journal or comparable publication. In accordance with that instrument, the Bidder's Statement contains trading data sourced from Bloomberg without their consent.

9.6 No escalation agreements

Neither the Bidder nor any Associate of the Bidder has entered into any escalation agreement in respect of IntelliHR Shares that is prohibited by Section 622 of the Corporations Act.

9.7 Consents

This Bidder's Statement contains statements made by, or statements based on, statements made by the Bidder and AKKR. The Bidder and AKKR has each given and has not, before lodgement of this Bidder's Statement with ASIC, withdrawn its consent to the inclusion of:

- (a) references to its name;
- (b) each statement it has made; and
- (c) each statement which is based on a statement it has made,

in this Bidder's Statement in the form and context in which those statements appear and to the maximum extent permitted by law expressly disclaims and takes no responsibility for any part of this Bidder's Statement other than any statement which has been included in this Bidder's Statement with the consent of that party.

The following firms and companies have given, and have not at the date of this Bidder's Statement withdrawn, their written consent to being named in this Bidder's Statement:

Name of person	Named as
Johnson Winter Slattery	Legal adviser in respect of the Offer
MA Moelis Australia Advisory Pty Ltd	Financial adviser in respect of the Offer
MA Moelis Australia Securities Pty Ltd	Broker in respect of the Offer

None of these firms and companies have caused or authorised the issue of this Bidder's Statement.

Each of the above firms and companies:

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

In addition, this Bidder's Statement includes statements which are made in, or based on statements made in, documents lodged with ASIC or the company announcement platform of ASX by intelliHR and others. Under the terms of ASIC Class Order 13/521, the parties making those statements are not required to, and have not consented to, the inclusion of those statements in this Bidder's Statement. This information may also be obtained from intelliHR's website at <https://intellihr.com/>.

9.8 No other material information

There is no other information that:

- (a) is material to the making of the decision by a holder of intelliHR Shares whether or not to accept the Offer; and
 - (b) which is known to the Bidder,
- other than:
- (c) as set out or referred to elsewhere in this Bidder's Statement; or

- (d) information which would be unreasonable to require the Bidder to disclose because the information has previously been disclosed to holders of IntelliHR Shares.

10 The Offer

10.1 Offer

- (a) The Bidder offers to acquire from you on the terms and conditions of this Offer some or all of Your IntelliHR Shares (together with all Rights attaching to those IntelliHR Shares) issued and listed for quotation or to be issued and listed for quotation on the ASX official list during the Offer Period.
- (b) The Bidder has appointed Moelis to act as Broker and accept IntelliHR Shares offered to it at the Offer Price from the time that trading of IntelliHR Shares commences on the Announcement Date until the end of the Offer Period. Moelis has been appointed as the Participant Bidder for the purposes of the ASX Settlement Operating Rules. For further information, refer to the announcement in Annexure 2.
- (c) This Offer is dated 1 April 2023.

10.2 Consideration for the Offer

The Offer Price is \$1.05 for each IntelliHR Share is \$0.165 per IntelliHR Share.

10.3 No conditions

The Offer is not subject to any conditions.

10.4 IntelliHR Performance Rights and IntelliHR Options

This Offer will not extend to the acquisition of any IntelliHR Performance Rights or IntelliHR Options (or any other securities that confer rights to be issued IntelliHR Shares).

However, the Offer will extend to all IntelliHR Shares that are issued and listed for quotation on the ASX at any time during the Offer Period as a result of the vesting or exercise of any IntelliHR Performance Rights or IntelliHR Options (or any other securities that confer rights to be issued IntelliHR Shares).

10.5 Announcement Date to start of Offer Period

Moelis, on behalf of the Bidder, will stand in the market and purchase all IntelliHR Shares offered to it for sale on ASX at the Offer Price from the time trading in IntelliHR Shares commences on the Announcement Date, on the same terms of the Offer.

10.6 Offer Period

The Offer will officially commence on 1 April 2023 and will end at the close of trading on ASX on 1 May 2023 (unless extended or withdrawn in accordance with the Corporations Act).

10.7 Extension of Offer Period

The Offer Period will be automatically extended by law if the Bidder's Voting Power in IntelliHR increases to more than 50% during the last 7 days of the Offer Period. In this case, the Offer Period will end on the 14th day after the Bidder's Voting Power in IntelliHR increases to more than 50%.

The Bidder may extend the Offer Period in its discretion at any time prior to the last 5 Trading Days of the Offer Period or in certain limited circumstances at any time prior to the end of the Offer Period (subject to compliance with the law).

10.8 Acceptance

- (a) You may accept this Offer in respect of some or all of Your intelliHR Shares at any time during the Offer Period.
- (b) To accept this Offer in respect of intelliHR Shares, you may sell Your intelliHR Shares to the Bidder on-market by offering to sell some or all of Your intelliHR Shares on ASX at the Offer Price on and from the Announcement Date until the end of the Offer Period.

- (i) For Issuer Sponsored Holdings of intelliHR Shares

If Your intelliHR Shares are held in an Issuer Sponsored Holding (such holdings will have Securityholder Reference Numbers beginning with an "I"), to sell Your intelliHR Shares to the Bidder, you must instruct a Broker to sell Your intelliHR Shares at the Offer Price during the Offer Period.

- (ii) For CHESS Holdings of intelliHR Shares

If Your intelliHR Shares are held in a CHESS Holding (such holdings will have Holder Identification Numbers beginning with an "X"), to sell Your intelliHR Shares to the Bidder, you must instruct your Controlling Participant (for example, your Broker) to sell Your intelliHR Shares at the Offer Price during the Offer Period

- (iii) Brokers or Controlling Participants

If you are a Broker or Controlling Participant, acceptances of the Offer must be initiated in accordance with the requirements of the ASX Settlement Operating Rules before the end of the Offer Period.

- (iv) Beneficial owner

Beneficial owners whose intelliHR Shares are registered in the name of a Broker, investment dealer, bank, trust company or other nominee should contact that nominee for assistance in having this Offer accepted in respect of the intelliHR Shares which they beneficially own.

- (c) You are not required to complete any forms to accept the offer.

10.9 Payment of consideration

The usual rules for settlement of transactions which occur on the ASX will apply in respect of the Bidder's purchase of intelliHR Shares on-market. This means that if you accept the Offer, you will be paid on a normal T+2 basis (being 2 Trading Days after your acceptance).

10.10 Withdrawal

The Bidder may withdraw the Offer in respect of any Offers that are unaccepted at any time:

- (a) with the written consent of ASIC and subject to the conditions (if any) specified in such consent;
- (b) where a Prescribed Occurrence occurs, if at the time of the Prescribed Occurrence the Bidder's Voting Power in intelliHR is at or below 50%; or
- (c) upon the occurrence of an Insolvency Event in relation to intelliHR (regardless of the Bidder's Voting Power in intelliHR).

Notice of withdrawal of the Offer must be given by the Bidder to ASX.

10.11 Variation

The Bidder may vary the Offer in accordance with the Corporations Act. The Offer may also be varied at law by the operation of the Corporations Act. If an intelliHR Shareholder has sold its intelliHR Shares prior to any such variation, that intelliHR Shareholder will not receive any benefit from the variation.

10.12 Costs and taxes

As the Offer by the Bidder is pursuant to an on-market takeover bid, the Offer will be made on the ASX. Accepting intelliHR Shareholders may only accept the Offer through Brokers who are members of ASX. Any brokerage fees charged by such Brokers will be the sole responsibility of the accepting intelliHR Shareholder.

No stamp duty or GST will be payable by you on the transfer of intelliHR Shares pursuant to the Offer (other than GST payable to your Broker in respect of brokerage fees charged to you).

10.13 Governing law and jurisdiction

This Offer and any contract that results from your acceptance of this Offer is governed by the laws in force in New South Wales. Each party irrevocably submits to the non-exclusive jurisdiction of the courts of New South Wales, and Commonwealth courts having jurisdiction there, and waives any right to object to proceedings being brought in those courts on the basis that proceedings have been brought in an inconvenient forum.

11 Definitions and interpretation

11.1 Glossary

The following terms have the meanings set out below unless the context requires otherwise:

AKKR means the Accel-KKR private equity group.

AKKR Funds means:

- (a) Accel-KKR Growth Capital Partners IV LP, a limited liability partnership organised in the Cayman Islands with AKKR Growth Capital Management Company IV LP as general partner; and
- (b) Accel-KKR Members Fund, LLC, a limited liability company incorporated in Delaware.

Announcement Date means 17 March 2023.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given to that term in Section 12 of the Corporations Act.

ASX means the Australian Securities Exchange or ASX Limited (ABN 98 008 624 691), as the context requires.

ASX Settlement means ASX Settlement Pty Ltd ABN 49 008 504 532, the body which administers the CHESS system in Australia.

ASX Settlement Operating Rules means the operating rules of ASX Settlement.

ATO means the Australian Taxation Office.

Bidder or **Humanforce** means Humanforce Holdings Pty Ltd ACN 618 020 401.

Bidder's Statement means this document, being the bidder's statement of the Bidder under Part 6.5 of the Corporations Act relating to the Offer.

Broker means a person who is a share broker and participant in CHESS.

Business Day means any day that is each of the following:

- (a) a 'Trading Day' within the meaning given in ASX Listing Rules; and
- (b) a day that is not Saturday, Sunday or a public holiday or bank holiday in Sydney, New South Wales.

CGT means Australian capital gains tax.

CHESS means the Clearing House Electronic Subregister System operated by ASX Settlement, which provides for the electronic transfer, settlement and registration of securities in Australia.

CHESS Holding means a holding of intelliHR Shares on the CHESS subregister of intelliHR.

Colinton Capital means both Colinton Capital Partners Fund I (A) Pty Ltd as trustee for Colinton Capital Partners Fund I (A) and Colinton Capital Pty Ltd.

Compulsory Acquisition means the compulsory acquisition by the Bidder of IntelliHR Shares pursuant to Chapter 6A of the Corporations Act and **Compulsory Acquire** has a corresponding meaning.

Controlling Participant has the meaning given in ASX Settlement Operating Rules.

Corporations Act means the *Corporations Act 2001* (Cth) and any regulations made under that Act.

GST means the goods and services tax imposed under the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Insolvency Event means an event described in section 652C(2) of the Corporations Act.

IntelliHR means IntelliHR Limited ACN 600 548 516.

IntelliHR Board means the board of directors of IntelliHR from time to time.

IntelliHR Employee Share Option Plan means the plan, under which IntelliHR has granted IntelliHR Options to eligible IntelliHR directors, employees and consultants, approved by IntelliHR Shareholders on 15 November 2019 and on 30 November 2021.

IntelliHR Long Term Incentive and Performance Rights Plan means the plan under which IntelliHR has granted IntelliHR Performance Rights to its senior executives (including the directors of IntelliHR) adopted on 9 November 2017 and approved by IntelliHR Shareholders on 15 November 2019.

IntelliHR Options means options to acquire IntelliHR Shares which have been issued under the IntelliHR Employee Share Option Plan.

IntelliHR Performance Rights means performance rights for the grant of IntelliHR Shares or other securities in the capital of IntelliHR which have been offered or issued under the IntelliHR Long Term Incentive and Performance Rights Plan.

IntelliHR Shareholder means a person who is registered as the holder of IntelliHR Shares in the Register.

IntelliHR Shares means fully paid ordinary shares in IntelliHR on issue.

Issuer Sponsored Holding means a holding of IntelliHR Shares on IntelliHR's issuer sponsored sub register.

Listing Rules means the listing rules of ASX as amended or varied from time to time.

Moelis means MA Moelis Australia Securities Pty Ltd (ACN 122 781 560), AFSL No. 308241, the Broker in respect of the Offer.

NSW means New South Wales, Australia.

Offer means, as the context requires, the offer for IntelliHR Shares contained in Section 10, or the on-market takeover bid containing that offer and each other offer by the Bidder for IntelliHR Shares in the form of that offer, including in each case as varied in accordance with the Corporations Act.

Offer Amount has the meaning given in Section 7.3.

Offer Period means the period during which Offers will remain open for acceptance in accordance with Section 10.4.

Offer Price means the Offer price of \$0.165 for each IntelliHR Share, as varied in accordance with the Corporations Act.

Participant Bidder has the meaning given to the term in the ASX Settlement Operating Rules.

Prescribed Occurrence means prescribed occurrences listed in section 652C of the Corporations Act.

Prescribed Occurrence Condition means the Condition contained in Section 10.3(b).

Register means the register of IntelliHR Shareholders maintained by IntelliHR in accordance with the Corporations Act.

Related Body Corporate has the meaning given in Section 50 of the Corporations Act.

Relevant Interest has the meaning given to that term in Sections 608 and 609 of the Corporations Act.

Rights means all accretions, rights or benefits of whatever kind attaching to or arising from or in respect of the IntelliHR Shares, whether directly or indirectly, including without limitation all rights to receive dividends (and any attaching franking credit), to receive or subscribe for shares, units, notes, options or other securities and to receive all other distributions or entitlements declared, paid, made or issued by IntelliHR or any subsidiary of IntelliHR (within the meaning of the Corporations Act).

SaaS means Software-as-a-Service.

Scheme means the proposed scheme of arrangement pursuant to part 5.1 of the Corporations Act between IntelliHR and the Scheme Shareholders (as that term is defined in the SID) substantially in the form set out in the SID or in such other form IntelliHR and the Bidder agree in writing, subject to any alterations or conditions made or required by the Court (as that term is defined in the SID).

Shareholder Protections has the meaning given in Section 6.2.

SID means the scheme implementation agreement between IntelliHR and Humanforce dated on 30 January 2023, as varied by deed of amendment dated 13 March 2023.

Target's Statement means the target's statement issued by IntelliHR in response to this Bidder's Statement in accordance with Part 6.5 Division 3 of the Corporations Act.

Trading Day has the meaning given to it in the Listing Rules.

Voting Power has the meaning given in section 610 of the Corporations Act.

VWAP means volume weighted average price.

Your IntelliHR Shares means subject to Section **Error! Reference source not found.**, the IntelliHR Shares (a) in respect of which you are registered or entitled to be registered as holder in the Register at any time during the Offer Period, or (b) to which you are able to give good title at the time you accept this Offer during the Offer Period.

11.2 Interpretation

- (a) Annexures to this Bidder's Statement form part of this Bidder's Statement.
- (b) Words and phrases to which a meaning is given by the Corporations Act, the Listing Rules or ASX Settlement Operating Rules have that meaning in this

Bidder's Statement and in the Acceptance Form unless that meaning is inconsistent with the context in which the word or phrase is used.

- (c) Headings are for convenience only and do not affect the interpretation of this Bidder's Statement.
- (d) The singular includes the plural and vice versa and words importing any gender include the other gender, and references to persons include corporations.
- (e) References to Sections are to sections of this Bidder's Statement.
- (f) References to paragraphs are references to paragraphs within the Section in which the reference to the paragraph is made.

12 Approval of Bidder's Statement

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

Dated 17 March 2023

Signed for and on behalf of the Bidder by:

David Pullini

David Pullini

Chairman

CORPORATE DIRECTORY

Bidder

Humanforce Holdings Pty Ltd

Level 14, 90 Arthur Street,
North Sydney NSW 2060

AKKR

Accel-KKR

Suite 300, 2180 Sand Hill Road
Menlo Park, CA 94025

Legal adviser to the Bidder

Johnson Winter Slattery

Quay Quarter Tower
Level 14, 50 Bridge St
Sydney NSW 2000

Financial adviser in respect of the Offer

MA Moelis Australia Advisory Pty Ltd

Level 27, Brookfield Place
10 Carrington Street
Sydney NSW 2000

Broker in respect of the Offer

MA Moelis Australia Securities Pty Ltd

Level 27, Brookfield Place
10 Carrington Street
Sydney NSW 2000

Annexure 1 – intelliHR ASX announcements

intelliHR made the following ASX announcements during the period after lodgement of the intelliHR FY22 Annual Report on 29 August 2022 and before the issue of this Bidder's Statement:

Date	Announcement
17/03/2023	Increased \$0.20 Offer from TAG
17/03/2023	Pause in Trading
17/03/2023	Unconditional on-market take-over offer for intelliHR
17/03/2023	Pause in Trading
14/03/2023	Ceasing to be a substantial holder
13/03/2023	Change in substantial holding
13/03/2023	Increase in intelliHR Scheme Consideration
13/03/2023	Trading Halt
07/03/2023	Becoming a substantial holder
03/03/2023	Counterproposal for the acquisition of intelliHR
28/02/2023	Appendix 4D & Half Year Accounts
23/02/2023	FIRB approval received for intelliHR Scheme
02/02/2023	Becoming a substantial holder
31/01/2023	Quarterly Activities/Appendix 4C Cash Flow Report
31/01/2023	IHR enters Scheme for acquisition by Humanforce
31/01/2023	Notification of cessation of securities - IHR
25/01/2023	Change of Director's Interest Notice
20/01/2023	Notification regarding unquoted securities - IHR
09/01/2023	Change of Registered Office and Principal Place of Business
24/11/2022	Results of Meeting
24/11/2022	Presentation to the AGM
24/11/2022	Chairman's Address to Shareholders
18/11/2022	Investor Presentation
17/11/2022	Investor webinar presentation
04/11/2022	Revised Appendix 4C
31/10/2022	Quarterly Activities/Appendix 4C Cash Flow Report
25/10/2022	Notice of Annual General Meeting/Proxy Form
11/10/2022	Notification of cessation of securities - IHR
10/10/2022	Change of Director's Interest Notice
10/10/2022	Change of Director's Interest Notice
10/10/2022	Change of Director's Interest Notice
10/10/2022	AGM date and director nominations
07/10/2022	Notification regarding unquoted securities - IHR
07/10/2022	Application for quotation of securities - IHR
07/10/2022	Notification of cessation of securities - IHR
07/10/2022	Final Director's Interest Notice
06/10/2022	IHR appoints Donovan CEO, Founder Rob Bromage departs
19/09/2022	Investor Presentation
16/09/2022	Executive Change
29/08/2022	Replacement Appendix 4E
29/08/2022	intelliHR FY2022 Results Presentation
29/08/2022	Corporate Governance Statement and Appendix 4G
29/08/2022	Annual Report to shareholders
29/08/2022	Appendix 4E

Annexure 2 – Announcement of Offer and Broker Announcement

17 March 2023

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

ASX Announcement

For immediate release

Humanforce Holdings Pty Ltd (ACN 618 020 401) unconditional on-market takeover offer for IntelliHR Limited (ACN 600 548 516) (ASX: IHR) at \$0.165 cash per share

MA Moelis Australia Securities Pty Ltd (ACN 122 781 560; AFSL 308241) (**MA Moelis**) announces that it will, on behalf of Humanforce Holdings Pty Ltd (ACN 618 020 401) (**Bidder**) offer to acquire by means of an on-market takeover bid for \$0.165 cash per share (**Offer Price**), all of the fully paid ordinary shares in IntelliHR Limited (ACN 600 548 516) (ASX:IHR) (**IntelliHR**) which are listed for quotation on the official list of the Australian Securities Exchange (**ASX**) that exist or will exist at any time during the Offer Period (as defined below) (**IntelliHR Shares**), up to a maximum of 339,991,116 IntelliHR Shares (being all of the IntelliHR Shares on issue as at the date of this announcement) plus any additional IntelliHR Shares which are issued during the Offer Period.

MA Moelis (on behalf of the Bidder) will buy IntelliHR Shares on-market on official trading days from 11.00 am (Sydney time) on the date of this announcement and ending at the close of trading on the ASX on 1 May 2023 (unless the Offer is withdrawn or extended in accordance with the *Corporations Act 2001* (Cth) (**Corporations Act**)) at the Offer Price.

Terms of the Offer

As the Offer is an on-market bid, it is unconditional and payment of the consideration will be by way of cash.

The key features of the Offer are:

- it is an on-market, unconditional cash offer of \$0.165 per IntelliHR Share;
- MA Moelis will purchase, on behalf of the Bidder, all IntelliHR Shares offered to it on-market from 11.00 am (Sydney time) today at the Offer Price until the conclusion of the Offer Period (defined below); and
- the Offer Period may be extended, the Offer Price may be increased and/or the Offer withdrawn in accordance with the Corporations Act.

Acquisition from Announcement

The Bidder has appointed MA Moelis to purchase all IntelliHR Shares that exist or will exist from today until the conclusion of the Offer Period on its behalf on-market during the official trading days (**Trading Days**) of the ASX in accordance with the usual ASX Settlement Operating Rules for ASX trading.

Offer Period

MA Moelis will stand in the market on behalf of the Bidder and accept IntelliHR Shares offered to it at the Offer Price from 11.00 am (Sydney time) on the date of this announcement. However, the Offer will officially be made during the period commencing on 1 April 2023 (being the first day after the end of 14 days after the date of this announcement) and ending on 1 May 2023 (**Offer Period**) unless extended or withdrawn by the Bidder pursuant to the Corporations Act.

Variation and withdrawal of the Offer

The Bidder may vary the Offer Period in accordance with the Corporations Act. The Offer may also be varied at law by the operation of the Corporations Act.

The Bidder reserves the right to withdraw unaccepted Offers in the limited circumstances permitted by, and in accordance with, Part 6.7 of the Corporations Act, at any time before the end of the Offer Period.

Payment of consideration for IntelliHR Shares and brokerage

The usual rules for settlement of transactions which occur on-market with ASX will apply in respect of acceptance of the Offer and purchase of IntelliHR Shares by MA Moelis on behalf of the Bidder. This means that if a holder of IntelliHR Shares accepts the Offer, they will receive the Offer Price in cash consideration for each IntelliHR Share on a T + 2 basis (being the second trading day after the date of the transaction) in accordance with ASX practice.

Any brokerage charged by brokers acting for holders of IntelliHR Shares wishing to sell their IntelliHR Shares will be the sole responsibility of holders of IntelliHR Shares.

Bidder's Statement

In accordance with section 635 of the Corporations Act, a Bidder's Statement will be served on IntelliHR and lodged with each of the ASX and Australian Securities and Investments Commission today. A copy of the Bidder's Statement will also be sent to IntelliHR shareholders before commencement of the Offer Period.

IntelliHR Shares

The IntelliHR Shares which are the subject of the Offer are all fully paid ordinary shares in the capital of IntelliHR, which are on issue at the date of the Bidder's Statement and such other shares which are issued before the end of the Offer Period. Immediately before making this announcement:

- as the Bidder is aware, there are 339,991,116 IntelliHR Shares on issue, all of which are quoted on ASX; and
- the Bidder has a relevant interest and voting power in 67,658,232 IntelliHR Shares, which represent approximately 19.90% of all IntelliHR Shares on issue in the capital of IntelliHR.

Signed on behalf of MA Moelis Australia Securities Pty Ltd



Simon Scott
Director
for and on behalf of MA Moelis Australia Securities Pty Limited
