

6 August 2020

Entitlement Offer cleansing notice under section 708AA(2)(f) of the Corporations Act 2001 (Cth)

intelliHR Limited ACN 600 548 516 (ASX: IHR) (**intelliHR**) announced today that it will undertake a:

1. placement of 33,333,333 shares (with the issue of 30,601,377 of these shares subject to shareholder approval) (**Placement**); and
2. 1 for 5 non-renounceable entitlement offer (**Entitlement Offer**),

(together the **Capital Raising**) at an issue price of \$0.075 per new fully paid ordinary share (the shares issued under the Entitlement Offer being the **New Shares** for the purposes of this notice).

The Entitlement Offer is fully underwritten by Jodie Ann Slattery as trustee for the Slattery Family Trust (for 45% of shortfall) and Colinton Capital Partners Fund I (A) Pty Limited as trustee for the Colinton Capital Partners Fund I (A) Trust (for 55% of shortfall).

This notice is given by intelliHR under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Corporations Act**) as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 (**Instrument 2016/84**).

Information required under section 708AA(7) of the Corporations Act

For the purposes of section 708AA(7) of the Corporations Act, intelliHR advises that:

1. the New Shares will be issued without disclosure under part 6D.2 of the Corporations Act as notionally modified by Instrument 2016/84;
2. this notice is given under section 708AA(2)(f) of the Corporations Act as notionally modified by Instrument 2016/84;
3. as at the date of this notice, intelliHR has complied with:
 - (a) the provisions of chapter 2M of the Corporations Act as they apply to intelliHR; and
 - (b) section 674 of the Corporations Act;
4. as at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Corporations Act as notionally modified by Instrument 2016/84; and
5. information regarding the potential effect of the issue of New Shares on the control of intelliHR, and the consequences of that effect, is set out below.



Effect of the Equity Raising on control

Given the structure of the Entitlement Offer as a pro rata offer, if all eligible shareholders take up their entitlement, each eligible shareholder's ownership interest (and voting power) in intelliHR will remain largely unchanged insofar as the Entitlement Offer is concerned. However as set out above, in addition to the Entitlement Offer, intelliHR will undertake the Placement. The Placement will involve the issue of an additional 33,333,333 fully paid ordinary shares (**Placement Shares**), subject to shareholder approval in respect of the issue of 30,601,377 of those shares, to raise \$2.5 million. The Placement Shares will represent approximately 12.24% of the fully paid ordinary shares on issue in intelliHR following completion of the Capital Raising. Accordingly, existing intelliHR shareholders will be diluted as a result of the Placement.

To the extent that any eligible shareholder fails to take up their entitlement under the Entitlement Offer, that eligible shareholder's percentage holding in intelliHR will be further diluted by those other eligible shareholders who take up some or all of their entitlement, and as a result of the Placement. The voting power of ineligible foreign shareholders will be diluted.

intelliHR directors Tony Bellas, Greg Baynton and Jamie Duffield have committed to taking up their entitlements under the Entitlement Offer (collectively 2,662,803 New Shares following the exercise of 4,161,888 options).

The maximum voting power that the underwriters may acquire under the Capital Raising assuming no shareholders (other than the above-named directors) take up their entitlement - an outcome the directors consider unlikely - and 2,875,758 shares (consisting 1,500,000 shares to be issued subject to shareholder approval to Robert Bromage, and the balance from performance rights vesting) in addition to the Capital Raising are issued, is as follows:

	Shares	% of total shares on issue
Jodie Ann Slattery as trustee for the Slattery Family Trust	47,018,628	17.17%
Colinton Capital Partners Fund I (A) Pty Limited as trustee for the Colinton Capital Partners Fund I (A) Trust	62,004,116	22.64%

Colinton Capital Partners Fund I (A) Pty Limited as trustee for the Colinton Capital Partners Fund I (A) Trust will rely upon item 9 of section 611 of the Corporations Act (3% creep exception) to increase its voting power in the Company to 20% or more.

This notice is authorised by the board of intelliHR Limited.



Tony Ballas

Chairman

intelliHR Limited

