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30 March 2023

The Manager
ASX Market Announcements Office
ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

FOR LODGEMENT ONLINE

Dear Sir/Madam

On-market takeover bid for intelliHR Limited (ACN 600 548 516) (ASX: IHR) – Third Supplementary Bidder's Statement

We act for Humanforce Holdings Pty Ltd (ACN 618 020 401) (**Bidder**).

We refer to the Bidder's unconditional on-market takeover bid to acquire ordinary shares in intelliHR Limited (ACN 600 548 516) (ASX: IHR) (**intelliHR**), on the terms set out in the offer contained in the Bidder's Statement dated 17 March 2023 as supplemented by the Supplementary Bidder's Statement dated 27 March 2023 and the Second Supplementary Bidder's Statement dated 28 March 2023 (**Offer**).

We enclose, in accordance with section 647(3)(b) of the *Corporations Act 2001* (Cth) a copy of the Third Supplementary Bidder's Statement dated 30 March 2023 in relation to the Offer.

The Third Supplementary Bidder's Statement has been lodged today with the Australian Securities and Investments Commission and sent to intelliHR.

Yours faithfully,



Johnson Winter Slattery

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Liability limited by a scheme approved under Professional Standards Legislation

This document is a supplementary bidder's statement (**Third Supplementary Bidder's Statement**) prepared in accordance with section 643 of the *Corporations Act 2001* (Cth) and given by Humanforce Holdings Pty Ltd (ACN 618 020 401) (**Bidder**) in connection with its unconditional on-market bid to acquire all of the ordinary shares in IntelliHR Limited (ACN 600 548 516) (**IntelliHR**).

This Third Supplementary Bidder's Statement supplements, and should be read together with, the bidder's statement lodged with the Australian Securities Exchange (**ASX**), IntelliHR and the Australian Securities and Investments Commission (**ASIC**) on 17 March 2023, as supplemented by the first supplementary bidder's statement dated 27 March 2023 and second supplementary bidder's statement dated 28 March 2023 (together, the **Prior Bidder's Statements**). Neither ASIC nor its officers take any responsibility for the content of this Third Supplementary Bidder's Statement.



Level 14, 90 Arthur St
North Sydney NSW, 2060

On-market acquisition of IntelliHR shares at \$0.22 per IntelliHR share

Key highlights

- Moelis is standing in the market on behalf of Humanforce to acquire IntelliHR shares offered to it on ASX at \$0.22 per IntelliHR share until the closing date of the Offer.
- The IntelliHR board has announced that Humanforce's on-market price is superior to the TAG Transaction.
- Humanforce's revised on-market price is superior to the TAG Transaction because:
 - it is unconditional, whereas the TAG Scheme is subject to approval by IntelliHR's shareholders and the TAG Bid is subject to a 50.1% minimum acceptance condition;
 - the TAG Scheme is high unlikely to succeed, because Humanforce holds 19.9% of IntelliHR shares and has confirmed that it will vote against a TAG Scheme at a cash price of \$0.22;
 - the offer price in the TAG Bid is lower compared to the \$0.22 cash consideration under the on-market price from Humanforce; and
 - the Humanforce bid gives IntelliHR shareholders cash certainty, as IntelliHR shareholders can receive \$0.22 per IntelliHR share in two trading days.
- Humanforce's revised proposal is a premium of 266.7% to the closing price of IntelliHR shares on 18 November 2022, being the last trading day before Humanforce submitted its initial indicative offer.

Dear IntelliHR Shareholder,

Increase in price offered by the Bidder

As announced yesterday, MA Moelis Australia Securities Pty Ltd (ACN 122 781 560; AFSL 308241) (**Moelis**), on behalf of Humanforce Holdings Pty Ltd (**Humanforce** or the **Bidder**), has offered to acquire on market all of the shares in IntelliHR Limited (**IntelliHR**) that the Bidder does not already own at \$0.22 cash per IntelliHR share.

Further, the Bidder will vary its takeover bid for IntelliHR (**Offer**), with effect from the commencement of the offer period, by increasing the offer price to \$0.22 cash per IntelliHR share (**Increased Offer Price**).

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

The Bidder refers to the announcement yesterday by IntelliHR that it has entered into a transaction implementation deed with Access Workspace Pty Limited (**TAG Bidder**) under which it is proposed that the TAG Bidder will acquire all of the issued shares in IntelliHR by way of scheme of arrangement and simultaneous takeover bid (**TAG Transaction**) which is proposed to be effected:

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

TAG Scheme at \$0.22 likely to fail

The Bidder confirms its previous statement that it will vote its 19.9% of IntelliHR Shares **AGAINST** the TAG Scheme at an offer price of \$0.22 per IntelliHR Share. Given that a TAG Scheme would require 75% of the votes cast by eligible IntelliHR shareholders to vote in favour of the TAG Scheme, at least **93.63%** of all IntelliHR shares not controlled by the Bidder must be voted in favour of it to succeed¹. Consequently, it is highly likely that the TAG Scheme will **FAIL**.

TAG Bid unlikely to achieve \$0.215 per IntelliHR share

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

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

Superior proposal to TAG Transaction

The Humanforce bid is **SUPERIOR** to the TAG Transaction because the Bidder's Increased Offer Price of **\$0.22** is:

- **HIGHER** than the consideration payable under the TAG Bid; and
- equal to the consideration payable under the TAG Scheme, which is highly likely to **FAIL**.

In contrast to the TAG Transaction, the Offer provides absolute certainty for IntelliHR shareholders. If IntelliHR shareholders sell their IntelliHR shares to the Bidder, they will be paid within two trading days. In these circumstances, the \$0.22 per IntelliHR share, which is an unconditional cash offer, is superior to the TAG Transaction.

The superiority of the Humanforce bid to the TAG Transaction was acknowledged by the IntelliHR board in its announcement to ASX made on 30 March 2023.

Why you should sell your IntelliHR shares to the Bidder now

(a) Superior proposal to TAG Transaction

The Increased Offer Price is superior to the TAG Transaction because the Increased Offer Price of \$0.22 is:

- higher than the consideration payable under the TAG Bid; and
- equal to the consideration payable under the TAG Scheme, which is highly likely to fail.

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

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

Moelis is standing in the market on behalf of the Bidder to acquire IntelliHR shares offered to it on ASX at \$0.22 until the closing date of the Offer.

The consideration offered to IntelliHR shareholders is 100% cash which provides an opportunity for IntelliHR shareholders to realise their investment for certain cash value and mitigate external and company-specific risks that IntelliHR may be subject to.

If you sell your IntelliHR shares on market to the Bidder, you will be paid \$0.22 cash for each of your IntelliHR Shares two trading days after you sell.

If you do not sell before the end of the Offer there is no certainty that you will be able to liquidate your entire IntelliHR shareholding following the close of the Offer.

(c) **There are no conditions to receiving the \$0.22 per IntelliHR share from the Bidder**

In contrast, the TAG Transaction is conditional on:

- (i) in respect of the TAG Scheme, approval by IntelliHR's shareholders and Court approval of the scheme of arrangement; and
- (ii) in respect to the TAG Bid, TAG Bidder receiving acceptances for at least 50.1% of IntelliHR shares.

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

(a) **The \$0.22 now offered by the Bidder is a significant premium to IntelliHR's undisturbed historic share price**

The all cash consideration of \$0.22 per IntelliHR share offered by the Bidder provides a compelling opportunity for IntelliHR shareholders to realise the full value of their IntelliHR shares and represents a significant premium of:

- (i) 266.7% to the closing price of IntelliHR shares of \$0.060 on 18 November 2022, being the last trading day before the Bidder submitted its initial indicative offer; and
- (ii) 249.2% to the closing price of IntelliHR shares of \$0.063 on 30 January 2023, being the last trading day before the announcement of the scheme of arrangement with the Bidder.

Next steps

We encourage you to read this Third Supplementary Bidder's Statement with the Prior Bidder's Statements in full for further details about the on-market acquisitions by the Bidder and the Offer.

If you have any questions in relation to this document, the Offer or how to sell your IntelliHR shares to the Bidder, please call +61 2 9434 0500. If you are in doubt as to how to deal with this document, please consult your financial, legal or other professional adviser.

Yours sincerely,

David Pullini

David Pullini
Chairman
Humanforce Holdings Pty Ltd

1 Important information

This Third Supplementary Bidder's Statement is dated 30 March 2023. A copy of this Third Supplementary Bidder's Statement was lodged with ASIC on 30 March 2023. Neither ASIC nor its officers take any responsibility for the content of this Third Supplementary Bidder's Statement.

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

2 On-market acquisitions

As announced by Moelis on 29 March 2023, the Bidder has appointed Moelis as its broker to acquire IntelliHR Shares on market during normal trading hours on the ASX during the Bid Period (as defined in the ASIC Market Integrity Rules) at \$0.22 per IntelliHR share (**Broker Announcement**).

A copy of the Broker Announcement is set out at **Annexure 1** to this Third Supplementary Bidder's Statement.

For the avoidance of doubt, the Bidder confirms that it has not increased the Offer Price in accordance with rule 5.12.2 of the ASIC Market Integrity Rules.

However, the Bidder will, in accordance with s649B of the Corporations Act and with effect from the commencement of the Offer Period, vary the Offer by increasing the Offer Price to \$0.22 cash per IntelliHR share. As at the date of this Third Supplementary Bidder's Statement, the Bidder confirms that it does not intend to change any other terms of the Offer, and accordingly the Offer will remain open for acceptance until the close of trading on 1 May 2023, unless extended or withdrawn in accordance with the Corporations Act.

3 Funding the Increased Aggregate Consideration

As at the date of this Third Supplementary Bidder's Statement, according to documents provided by IntelliHR to ASX, there are 339,991,116 IntelliHR shares on issue, 21,518,911 IntelliHR Performance Rights and 2,250,000 IntelliHR Options.²

In the event that all IntelliHR Shares on issue as at the date of this Third Supplementary Bidder's Statement other than those owned by the Bidder are sold to the Bidder now or accepted into the Offer, the aggregate amount of cash consideration that the Bidder would be required to pay is \$59,913,234.48.³

If all IntelliHR Performance Rights and IntelliHR Options vest and the resulting IntelliHR shares are sold to the Bidder now or accepted into the Offer, \$5,229,160.42⁴ additional cash consideration will be payable.

Accordingly, the maximum amount that the Bidder could be required to pay is \$65,142,394.90 (plus costs associated with the Offer) (**Increased Aggregate Consideration**).

² Based on Notification of Cessation of Securities announcement dated 23 March 2023.

³ Based on 272,332,884 ordinary shares outstanding not currently owned or controlled.

⁴ Based on 21,518,911 IntelliHR Performance Rights and 2,250,000 IntelliHR Options outstanding.

The funds required by the Bidder to pay the Increased Aggregate Consideration 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 (or deeds of variation to the 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 Increased Aggregate Consideration up to a maximum amount of \$66.0 million, being an amount in excess of the Increased Aggregate Consideration (**Equity Commitment**).

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

4 Consents

The following persons have given and have not, before the time of lodgement of this Third Supplementary Bidder's Statement with ASIC, withdrawn their written consent to being named in this Third Supplementary Bidder's Statement in the form and context in which they are named:

Name of person	Named as
MA Moelis Australia Securities Pty Ltd	Broker in respect of the Offer
AKKR Fund IV	Counterparty to the Equity Commitment Letter

None of these persons have caused or authorised the issue of this Third Supplementary Bidder's Statement.

Except for **Annexure 1** (which is an announcement made by MA Moelis Australia Securities Pty Ltd on 29 March 2023 as broker to the Offer), each of the above persons:

- (a) does not make, or purport to make, any statement in this Supplementary Bidder's Statement, or any statement on which a statement in this Supplementary Bidder's Statement is based, other than a reference to its name or a statement included in this Supplementary 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 Supplementary Bidder's Statement with the consent of that person.

As permitted by ASIC Corporations (Consents to Statements) Instrument 2016/72 this Supplementary Bidder's Statement contains trading data sourced from Bloomberg without its consent.

5 Conclusion

The Bidder encourages you to consider all information that has been sent to you in connection with the Offer and to **SELL** your intelliHR shares to the Bidder on market now.

If you have any questions in relation to this document, the Prior Bidder's Statement, the Offer or how to sell your intelliHR shares to the Bidder, please call +61 2 9434 0500.

If you are in doubt as to how to deal with this document or the Offer, please consult your financial, legal or other professional adviser.

6 Approval of the Third Supplementary Bidder's Statement

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

Dated 30 March 2023

Signed for and on behalf of the Bidder by:



David Pullini
Chairman
Humanforce Holdings Pty Ltd

Annexure 1 – Broker Announcement

29 March 2023

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

ASX Announcement

For immediate release

**On-market acquisition of IntelliHR Limited (ACN 600 548 516) (ASX: IHR) shares
at \$0.22 per IntelliHR share**

On 17 March 2023 Humanforce Holdings Pty Ltd (ACN 618 020 401) (**Humanforce**) made an on-market takeover bid for all of the fully paid ordinary shares in IntelliHR Limited (ACN 600 548 516) (ASX:IHR).

In accordance with rule 5.13.1 of the ASIC Market Integrity Rules (Securities Markets) 2017 (**ASIC Market Integrity Rules**), MA Moelis Australia Securities Pty Ltd (ACN 122 781 560; AFSL 308241), as broker to the Offer, announces that it will acquire IntelliHR shares on market during normal trading hours on the ASX during the Bid Period (as defined in the ASIC Market Integrity Rules) at **\$0.22 cash per IntelliHR share**.

As at 29 March 2023, Humanforce had relevant interests in 19.9% of IntelliHR shares, representing voting power of 19.9%.

Signed on behalf of MA Moelis Australia Securities Pty Ltd



Simon Scott
Director
MA Moelis Australia Securities Pty Ltd