

14 August 2020

Dear Shareholders

IntelliHR Limited - Notice to Ineligible Shareholders

1. On 6 August 2020, IntelliHR Limited (ACN 600 548 516) (IHR or the Company) announced a \$5.5 million capital raising (Capital Raising), consisting of:
 - (a) a 1 for 5 pro rata non-renounceable entitlement offer at \$0.075 per new Share (New Share) to raise up to approximately \$3 million (the Entitlement Offer); and
 - (b) a placement of 33,333,333 Shares to Australian tech entrepreneur Bevan Slattery (via the Slattery Family Trust) to raise \$2.5 million, with 2,731,956 Shares (Tranche 1) issued on 10 August 2020 and a further 30,601,377 Shares (Tranche 2) subject to shareholder approval to be sought at a meeting to be held on 10 September 2020 (Placement);
2. Eligible shareholders can subscribe for 1 New Share for every 5 existing shares held at 7.00pm (Sydney time) on 11 August 2020 (Record Date) at the price of \$0.075 per New Share (Entitlements).
3. The Company will offer the New Shares for issue without disclosure to investors 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. The offer booklet and notice given in accordance with sections 708AA(2)(f) of the Corporations Act have been lodged with ASX and are available to view on ASX's website (www.asx.com.au).
4. Fractional Entitlements will be rounded down to the nearest whole number of New Shares, and holdings on different registers or sub-registers will not be aggregated to calculate Entitlements.
5. The Entitlement Offer is non-renounceable. Accordingly, Entitlements do not trade on ASX, nor can they be transferred or otherwise disposed of.
6. 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). The Entitlement Offer is fully underwritten by the Slattery Family Trust, an entity associated with Bevan Slattery, and Colinton Capital Partners Fund I (A) Pty Limited as trustee for the Colinton Capital Partners Fund I (A) Trust, for 45% and 55% respectively of shortfall. The underwriters will not receive any fee.

7. The Company expects that the Entitlement Offer will be conducted as follows:

Record Date of the Entitlement Offer	11 August 2020
Offer Booklet and Entitlement and Acceptance Form despatched	14 August 2020
Entitlement Offer opens	
Closing date for the Entitlement Offer (5.00pm (AEST))	4 September 2020
Announcement of results of the Entitlement Offer	9 September 2020
Issue of New Shares under the Entitlement Offer	10 September 2020
Normal ASX trading for New Shares commences	11 September 2020



Despatch of holding statements for New Shares issued

This timetable is indicative only and subject to change, subject to the Listing Rules.

8. The capital structure of the Company following completion of the Capital Raising is expected to be as follows (ignoring the effect of rounding Entitlements):

Shares (approx.)	Number of Shares	%
Existing Shares on issue as at the Record Date (including Shares issued under Tranche 1 the Placement on 10 August 2020)	204,104,096	73.68
Entitlement Offer at \$0.075 per New Share	40,820,819	14.74
Tranche 2 of the Placement and Shares to be issued to Mr Bromage at \$0.075 per Share (subject to Shareholder approval)	32,101,377	11.59
Total	277,026,292	100

9. The Company has determined under ASX Listing Rule 7.7.1(a) and section 9A(3) of the Corporations Act that it would be unreasonable to make the Entitlement Offer to shareholders with a registered address outside Australia or New Zealand. Accordingly and as you have a registered address outside Australia or New Zealand, this letter is to inform you that the Entitlement Offer is not made to you and you are not eligible to apply for the New Shares. You are not required to do anything in response to this letter.
10. If you have any queries, please contact the Company Secretary on suzanne.yeates@intellihr.co or +61 439 310 818 between 9:00am and 5:00pm (AEST) Monday to Friday, alternatively, consult your stockbroker, solicitor, accountant or other professional financial adviser.
11. On behalf of the directors, I thank you for your continued support of the Company.

Yours faithfully



Mr Tony Bellas
Non-executive Chairman
intelliHR Holdings Limited

Important notices

This letter does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States, or in any other jurisdiction in which such an offer would be illegal. The securities referred to in this letter have not been and will not be registered under the United States Securities Act of 1933 (the 'US Securities Act'), or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, within the United States, unless the securities have been registered under the US Securities Act or an exemption from the registration requirements of the US Securities Act is available.



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