

Q3FY21 Quarterly Activities Report

ASX Release

30 April 2021

International expansion delivers record Q3 new business and cash receipts

Q3 FY21 Highlights

↑ 111%

YoY Record Q3 New Customer Rev\$ Acquisition

↑ 82%

YoY Record Q3 Invoiced Revenue

↑ 242%

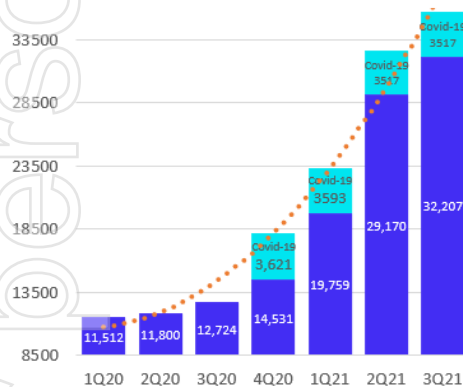
YoY Contracted Subscriber Headcount Growth

↑ 132%

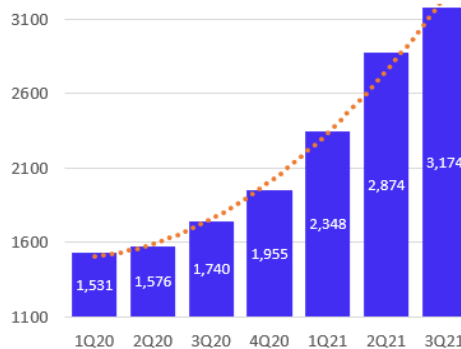
YoY increase in Q3 Cash Receipts, Annualised is now \$2.9 Million

intelliHR Limited (ASX: IHR) is pleased to report a record Q3 with \$308,000 of new Annual Recurring Revenue added in the quarter - 111% higher than was achieved YoY in Q3 FY20. Professional Services of \$155,000 were also contracted in Q3 - a 60% increase YoY. Invoiced Revenue produced a YoY 82% increase, and a 20% quarter on quarter growth. Q3 FY21 added 3,037 new subscribers, some 242% higher YoY. In total the number of new customers signed in Q3 was 22, 100% higher YoY and included the addition of a new enterprise customer. Post 3Q end, momentum in new customer contracts has increased with a further 12 new customers already contracted in Q4, with 2 of these being enterprise customers. These contracts have already delivered in Q4 an additional \$371,000 in new Annual Recurring Revenue. Customer cash receipts for Q3 continued to grow strongly up 132% YoY, with no bad debts emerging. The business has continued to see strong customer and revenue retention with less than 0.5% of revenue lost in the last 12 months notwithstanding the impact of COVID. IntelliHR supports businesses across 18 countries.

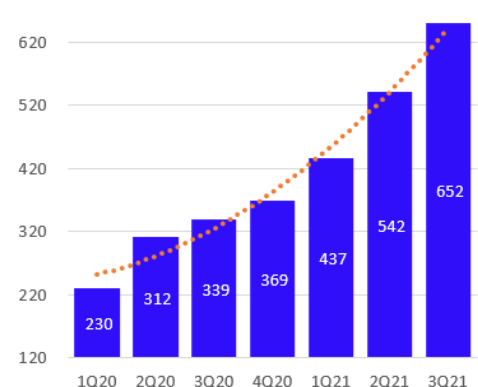
Platform Subscribers



Annual Recurring Revenue (\$000s)



Qtrly Invoiced Revenue (\$000s)



Financial Performance – International Expansion Drives Growth

Annual Recurring Revenue increased \$308,000 during the quarter being 111% higher than was achieved in Q3 FY20, increasing contracted ARR from \$2.87 million to \$3.17 million, an 11% increase in Q3. Contracted Q3 Professional Services of \$155,000 brought our YTD new business professional services fees to \$488,000, a 116% growth YoY compared with FY2020. This strong growth was achieved thanks to the acquisition of a Q3 record 22 new contracted customers, 100% higher than was achieved in Q3 FY20, increasing total contracted customers to 169.

We were delighted to see a further enterprise customer in Q3 with innovative container processing business, Young Guns contracting as a customer in a 3 year agreement valued at approximately \$350,000 - \$380,000 AUD. This will see intelliHR servicing their team across Australia, New Zealand, Canada and US - with further business growth from the progressive and globally focused Young Guns team expected.

"We chose intelliHR through a competitive tender, they have demonstrated they can competitively create a solution which transforms our HR ecosystem and is capable of meeting the current and future needs of Young Guns. The support through the tender process was second to none, and they responded to our needs in a manner which made choosing intelliHR as a partner very easy." Young Guns HR Project Manager

David Collins

Financial Performance (cont)

Since the end of Q3, we are encouraged to have converted an additional 2 enterprise deals with Australia’s largest specialty baby goods retailer, Baby Bunting, and leading global engineering group ARUP, along with a further 10 customers. Q4 now shapes as a very strong quarter benefiting from record lead generation during Q3 thanks to additional global marketing investment. We continue to be encouraged by these enterprise conversions along with a strengthening of our global enterprise customer sales pipeline.

With record ARR growth achieved YTD in FY21 (141% higher YoY) and a significant increase in professional services revenue YTD in FY21 (116% higher YoY) the company continues to deliver stronger invoiced revenue levels with Q3 up 82% YoY and 20% QoQ.

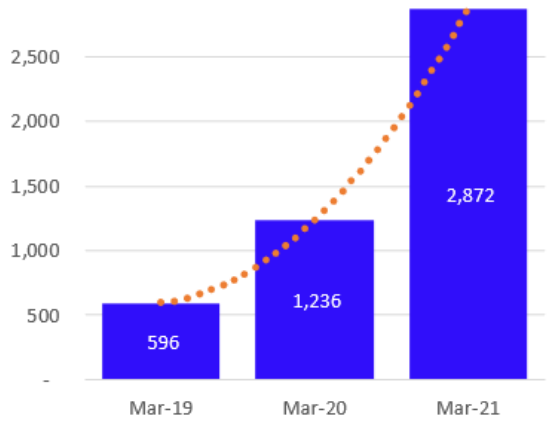
Cash receipts have grown strongly in Q3 to \$718,000 which annualized, equates to \$2,872,000, some 132% higher than Q3 FY20.

As foreshadowed in the last 4C, global investment particularly in areas of marketing, sales, and infrastructure have continued to grow as we ramp up the execution of our international growth plans. Along with the repayment of some COVID deferred tax commitments, net cash used in operations for the quarter totalled \$1.514 million. During Q3 intelliHR received an additional \$40k from investors converting maturing options.

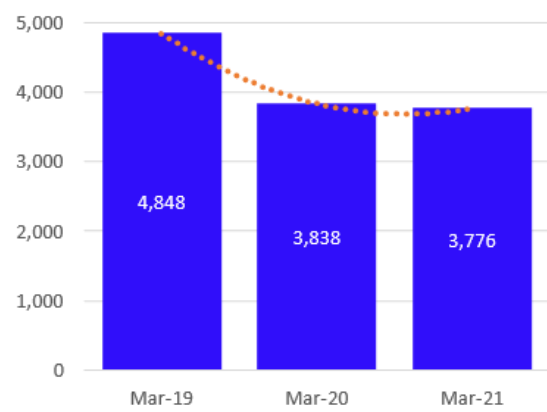
Strong Cash Reserves Maintained

- At the end of Q3 intelliHR continues to maintain a strong forward cash position of \$5.27m

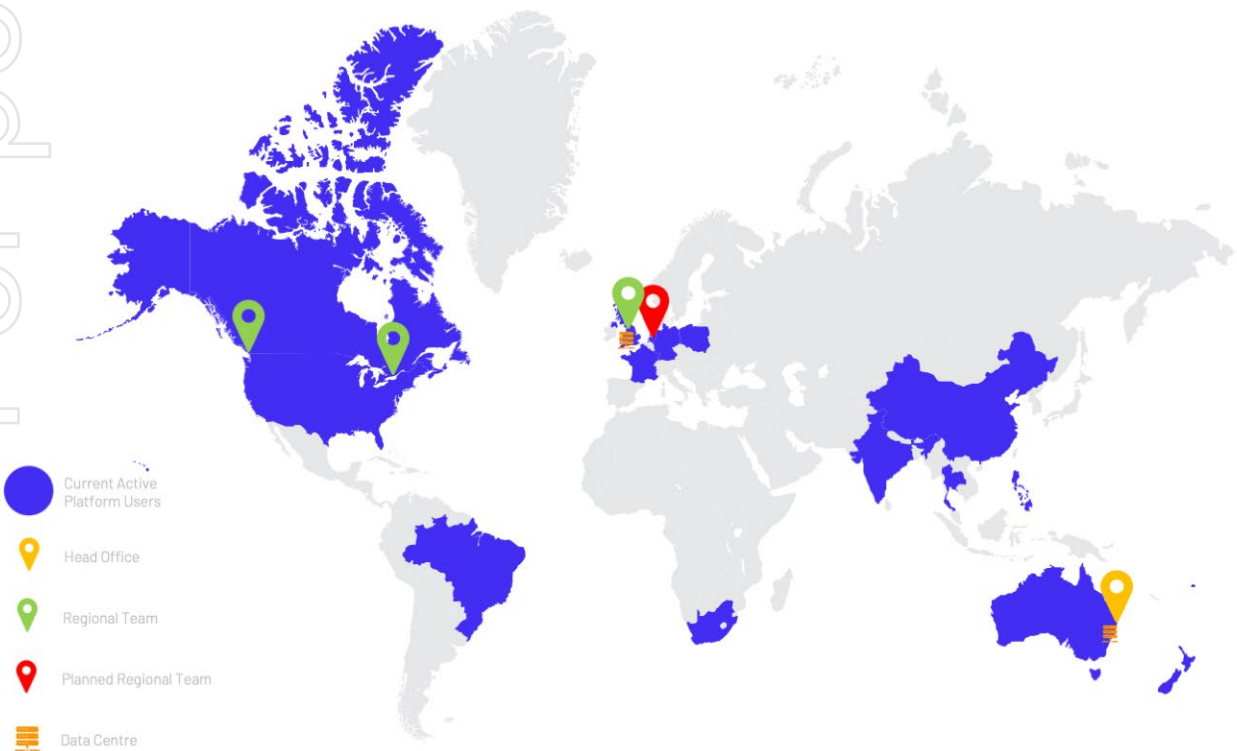
Annualised Qtrly Cash Reciepts (\$000s)



Net Cash Outflows (\$000s)
12 Mth Ending



Strengthening our commitment to International Growth



Strengthening our commitment to International Growth (Cont)

The continued acceleration in growth confirms that intelliHR is well positioned to support the global shift to 'Work from Home', where organisations can better manage and engage their team using intelliHR's platform tools for continuous feedback, performance enablement and wellness capabilities.

intelliHR's strong cash position allows us to continue to expand our international sales and marketing efforts with further investment into key activities including:

- ✓ The building out of key sales roles in both the North American and now UK/EU Regions.
- ✓ Increase in digital & event marketing activities to support global intelliHR brand development.
- ✓ Spinning up of an EU based instance of intelliHR capable of servicing the UK, Europe and North American markets.
- ✓ Adding foreign languages into the intelliHR platform, significantly increasing our global addressable market and targeting multi-national organisations who are poorly serviced by suitably capable HR platforms.
- ✓ Additional global team members to be brought on-line as required to meet growth opportunities - with the growth experienced in North America already we have during Q3 built that team out to 11, including account management, lead generation, business development roles and a VP of Sales.

Experienced enterprise SaaS sales leader Aly Kassam has joined the team in a newly created role of Vice President of Sales with responsibility for sales execution in the North American region. Aly's responsibilities will include consolidating our strategic expansion into the North American market and adapting the sales and customer success approach to suit the local markets.

Additional Information

Freemium Customer Headcount as at 31 st of March 2021			Customers		On Platform Subscribers	
Freemium Customers			37		3517	
	1H19	2H19	1H20	2H20	1H21	2H21 <small>(To Date)</small>
Customer Numbers	44	58	84	109	149	169
Growth	14	14	26	25	40	20
Contracted Subscribers	5,170	9,451	11,800	14,531	29,170	32,207
Growth	1,886	4,281	2,349	2,731	14,639	3,037
Subscribers Invoiced	3,286	5,242	8,743	9,726	22,271	27,376
Growth	998	1,956	3,501	983	12,545	5,105
Subscribers to be Invoiced *	1,884	4,209	3,057	4,805	6,899	4,831
Change	888	2,325	-1,152	1,748	2,094	-2,068

* Predominantly new business to be Implemented. Also includes some existing customers' team members currently stood down

Payments to Related Parties

A total of \$120,720 was paid to directors and their associates for salaries, director fees and superannuation during the quarter ended 31 March 2021. During the quarter, the Group paid \$51,310 for recruiting services and received \$652 in revenue on normal commercial terms and conditions, from a company of which Robert Bromage is a director and shareholder.

Further Information

Paul Trappett
intelliHR Investor Relations
investor.relations@intellihr.co

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

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

intelliHR Limited

ABN

38 600 548 516

Quarter ended ("current quarter")

31 March 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	718	1,800
1.2 Payments for		
(a) research and development	(576)	(1,462)
(b) product manufacturing and operating costs		
(c) advertising and marketing	(311)	(654)
(d) leased assets		
(e) staff costs	(959)	(2,724)
(f) administration and corporate costs	(372)	(824)
1.3 Dividends received (see note 3)		
1.4 Interest received	10	28
1.5 Interest and other costs of finance paid	(24)	(75)
1.6 Income taxes paid		
1.7 Government grants and tax incentives	-	665
1.8 Other (Government Stimulus)	-	103
1.9 Net cash from / (used in) operating activities	(1,514)	(3,143)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	43	(14)
(d) investments		
(e) intellectual property		
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (Release of Security Deposit)		
2.6	Net cash from / (used in) investing activities	43	(14)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	40	5,941
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(72)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings	(165)	(238)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	(125)	5,631

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	6,859	2,791
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,514)	(3,143)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	43	(14)

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(125)	5,631
4.5	Effect of movement in exchange rates on cash held	3	1
4.6	Cash and cash equivalents at end of period	5,266	5,266

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,564	1,959
5.2	Call deposits	3,702	4,900
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	5,266	6,859

6. Payments to related parties of the entity and their associates

6.1 Aggregate amount of payments to related parties and their associates included in item 1

6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

127

-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

7.1 Loan facilities

7.2 Credit standby arrangements

7.3 Other (please specify)

7.4 **Total financing facilities**

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
0	0

7.5 **Unused financing facilities available at quarter end**

0

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

8. Estimated cash available for future operating activities

\$A'000

8.1	Net cash from / (used in) operating activities (Item 1.9)	(1,514)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	5,266
8.3	Unused finance facilities available at quarter end (Item 7.5)	0
8.4	Total available funding (Item 8.2 + Item 8.3)	5,266
8.5	Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	3.5

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 April 2021

Authorised by: By the Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.