

Q1 FY22 Quarterly Activities Report

ASX Release

28th October 2021

New Record Quarter Growth and Q2 Global Enterprise Customer Growth

Q1 FY22 Highlights



\$1.01m

Q1 Contracted ARR and Implementation



114%

YoY Record Q1 Cash Receipts



95%

YoY Record Q1 ARR Growth



121%

YoY Increase in Subscribers

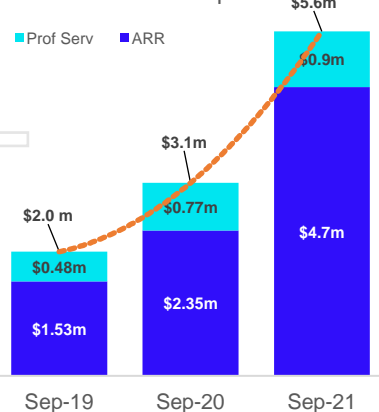
intelliHR Limited (ASX: IHR) Q1 represents intelliHR's most successful quarter since inception with record growth generated from APAC and global market activities. This includes, three key enterprise customer conversions in FY22 to date. Q1 saw intelliHR add contracted revenue of \$1m, a 95% increase YoY. Newly contracted revenue comprised \$775,582 in annual recurring revenue and \$224,770 in professional services. Subscription revenue increased by 127% YoY, and cash receipts by 114% YoY.

Q1 growth was 100% organic, driven by record lead generation which increased 168% YoY, and 29% on Q4 FY21, pointing to a stronger Q2 with the enterprise pipeline progressing well. 43% of newly contracted subscribers and revenue were generated outside of Australia, highlighting intelliHR's global potential and validating the team's continued investment into its direct sales channel. With no customer losses in Q1, the Company's account and revenue retention remains strong. The 33 contracts won in Q1 comprised 29 new customers (a 52% increase YoY), and four upgrades within the APAC region increasing its average ARR to \$28,161, a 51% increase on FY21. These achievements demonstrate intelliHR's successful targeting of the enterprise market.

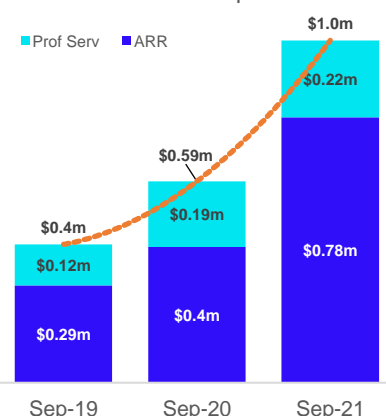
intelliHR has continued to build our best of breed ecosystem marketplace during Q1 with intelliHR having agreed commercial terms for entry into the ADP marketplace in the US and Canada. We are now in the planning phase of integration works and upon successful completion of integration will formalise the partnership. The Cintra partnership is progressing well –

- Integration works have started with a 3 phase plan to integrate the products targeting March 2022 go-live to customers.
- intelliHR product demonstrations to Cintra customers well received, with several deals in advanced sales stages.
- intelliHR Leadership to be on site with Cintra in the UK to work with their Leadership, Product, Marketing and Sales teams.

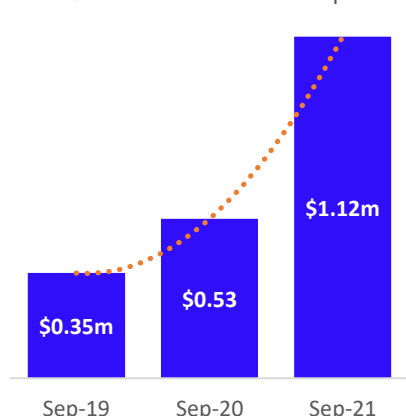
ARR + Annualised Implementation



New Q1 ARR and Implementation



Qtr Customer Cash Receipts



Financial Performance – Annual Recurring Revenue (ARR) growth

Newly contracted ARR increased by \$775,582 during the quarter, a 95% increase YoY. Contracted ARR increased to \$4.66m, a 19% growth on the previous quarter. Professional services for Q4 contributed \$224,770. Total annual revenue (comprising ARR and professional services) reached \$5.6m.

During Q1, intelliHR has continued to increase investment in marketing activities, resulting in record lead generation (up 168% YoY and 29% on Q4 FY21) pointing to higher future growth rates. This success is indicative of intelliHR's strong lead and sales engine, which will continue to be scaled through expanded global marketing and sales investment.

"The partnership with Couples Resorts is incredibly exciting for intelliHR, with us supporting the digital transformation of their people systems. With the world gradually returning to normality, the tourism industry and hotel industry have become a key strategic focus with intelliHR's HR process configurability well positioned to support the personalized and culturally focused needs of this sector."

Glenn Donaldson, Chief Customer Officer & intelliHR Americas President

Financial Performance (cont)

intelliHR now supports a customer base of 237 engaged companies, having lost less than 0.5% of revenue in the last 12 months. Total contracted platform subscribers grew to 43,784, a YoY increase of over 121%.

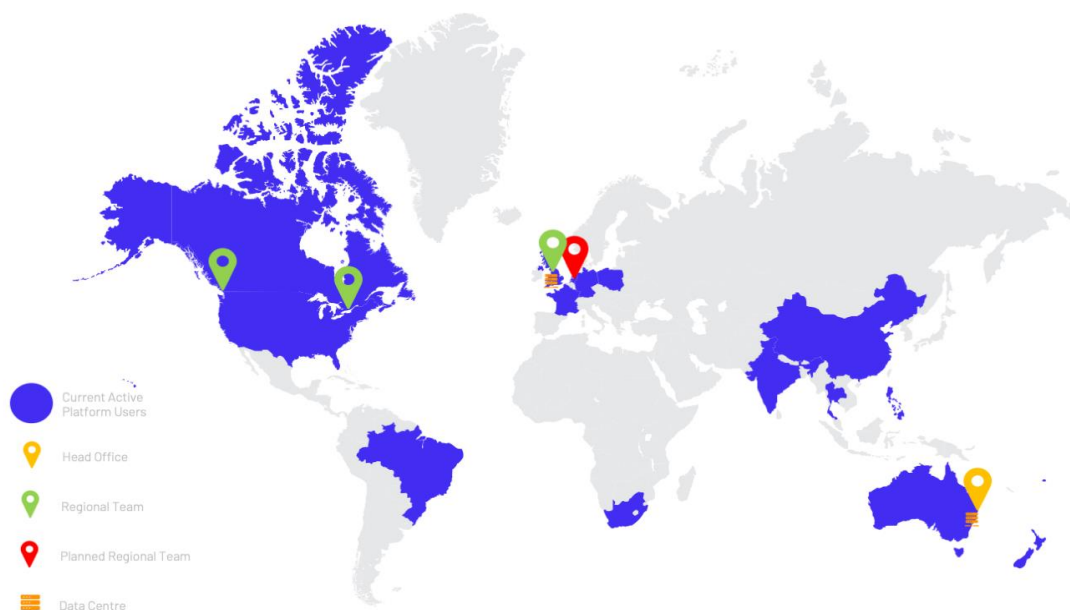
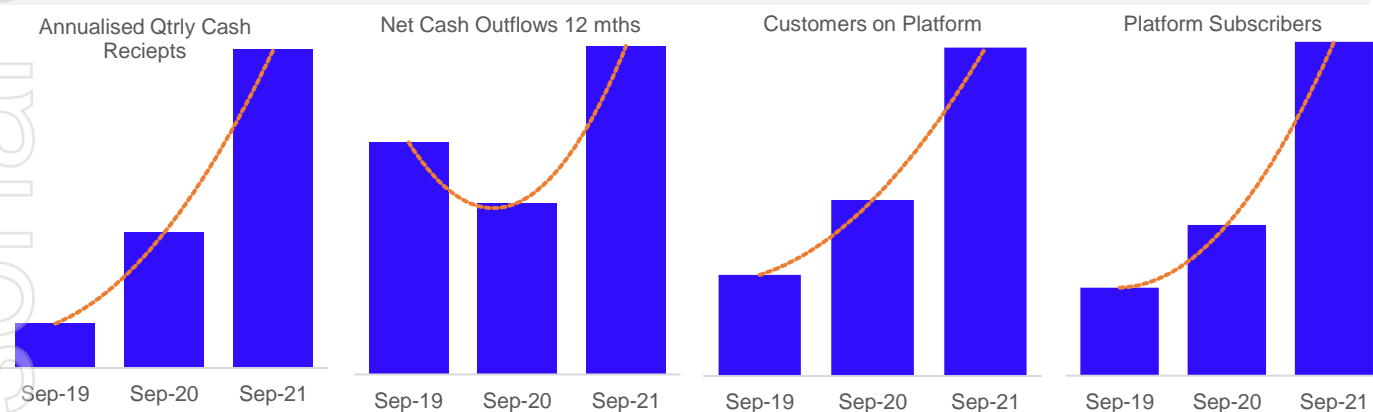
Strong Start to Q2 with further Global Enterprise Conversion

Following the successful acquisition of large enterprise accounts in Q1 FY22: Southern Cross Aged Care, Kings Christian College, Junction Works, Growth Ops, and Couples Resorts, intelliHR is pleased to report a strong start to Q2 with the conversion of SupportNinja, a digital customer experience and BPO service provider. SupportNinja operates globally with a headcount of 1600; the contract is expected to generate \$550,000 in revenue over their 36 month agreement.

“We are pleased to announce our partnership with SupportNinja which will see our team configure the platform to enable the organization to take a talent-focused, agile approach to their HR strategy, performance management, onboarding, and professional development. Along with implementing a talent marketplace framework and experience-centered design, we have been able to unify their HR operations and provide their leaders with robust analytics that will guide hiring decisions and performance expectations,” said Glenn Donaldson, Chief Customer Officer & intelliHR Americas President.

“As digital transformation initiatives are fast becoming a key priority for global enterprises, the demand for omnichannel solutions that power customer experience and back-office support is rising. intelliHR is well-positioned to support businesses in this sector with analytics-driven solutions for building high-performing teams that are best-structured to service this demand and drive their business strategy forward,” said Donaldson.

With consecutive record quarters of growth, the company is experiencing higher levels cash receipts in Q1 to \$1.127m, an increase of 114% YoY. Annualised Q1 cash receipts equated to \$4.5m.



Investing in the growth of a global SaaS business

intelliHR's global growth continues to build momentum with enterprise successes in FY22 to date including SupportNinja, Couples Resorts, and the upgrade of OSL. During the establishment phase of intelliHR's global hubs, the business recognises the need to invest in capabilities and is prepared to accept a longer return period as we continue to optimise marketing and sales spend and investment levels.

This investment in key global growth markets, increasing product investment to support partnership and enterprise client demands, along with the finalisation of some COVID-deferred commitments, saw net cash used in operations for the quarter total \$1.579 million, a 26% increase QoQ.

Finally, during Q1, intelliHR also completed a successful and over-subscribed capital raising receiving \$10m in capital net of fees from investors, with a further \$833K to be received from cornerstone investor Colinton Capital once their placement is approved at forthcoming AGM. These funds will be used to continue and expand investment across strategic growth activities.

Strong Cash Reserves Maintained

- ✓ At the end of Q1 FY22, intelliHR continued to maintain a strong forward cash position of \$11.8m
- ✓ AusIndustry Research and Development (\$810k received Oct 2) and Austrade Export Market Development grants are expected to contribute to cash flow in Q2 FY22

Additional Information

Contracted Customer Details as at 30th of June 2021

	2H19	1H20	2H20	1H21	2H21	1H22 (to date)
Customer Numbers	58	84	109	149	208	237
Net Growth	14	26	25	40	59	29
Contracted Subscribers	9,451	11,800	14,531	29,170	37,496	43,784
Net Growth	4,281	2,349	2,731	14,639	8,326	6,288
Subscribers Invoiced	5,242	8,743	9,726	22,271	32,219	34,597
Growth	1,956	3,501	983	12,545	19,674	2,451
Subscribers to be Invoiced *	4,209	3,057	4,805	6,899	5,277	9,187
Change	2,325	-1,152	1,748	2,094	-1,622	3,910

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

Payments to Related Parties

A total of \$163,074 was paid to Directors and their associates for salaries, Director fees and superannuation during the quarter ended 30 September 2021.

Further Information

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intelliHR intelliHR is an Australian HR technology business that has developed a next-generation cloud-based people management and data analytics platform. Our strategic HR SaaS product helps our customers:

- Create a culture based on employee engagement
- Enable performance through empowering employees
- Give leaders real-time insights and visibility over their people

Our aim is to become an essential core platform for every business to manage their talent providing the necessary tools to align, manage and enable a 'people and culture strategy' within a company's broader business strategy.

For more information visit www.intellihr.com

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")

30 September 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities			
1.1 Receipts from customers		1,127	1,127
1.2 Payments for			
(a) research and development		(818)	(818)
(b) product manufacturing and operating costs		-	-
(c) advertising and marketing		(322)	(322)
(d) leased assets		-	-
(e) staff costs		(1,513)	(1,513)
(f) administration and corporate costs		(458)	(485)
1.3 Dividends received (see note 3)		-	-
1.4 Interest received		18	18
1.5 Interest and other costs of finance paid		(21)	(21)
1.6 Income taxes paid		(10)	(10)
1.7 Government grants and tax incentives		-	-
1.8 Other (Government Stimulus)		-	-
1.9 Net cash from / (used in) operating activities		(1,997)	(1,997)
2. Cash flows from investing activities			
2.1 Payments to acquire:			
(a) entities			
(b) businesses			
(c) property, plant and equipment		(24)	(24)
(d) investments			
(e) intellectual property			
(f) other non-current assets			

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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	(24)	(24)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	9,993	9,993
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	(23)	(23)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings	(170)	(170)
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	9,800	9,800

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,102	4,102
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,997)	(1,997)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(24)	(24)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	9,800	9,800
4.5	Effect of movement in exchange rates on cash held	(1)	(1)
4.6	Cash and cash equivalents at end of period	11,880	11,880

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	11,880	1,600
5.2	Call deposits	-	2,502
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)	11,880	4,102

**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**

\$163

-

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)	(1,997)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	11,880
8.3	Unused finance facilities available at quarter end (Item 7.5)	0
8.4	Total available funding (Item 8.2 + Item 8.3)	11,880
8.5	Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	5.9

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

- 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:

- 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:

- 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: 28/10/2021

Authorised 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.