

ASX RELEASE

CHAIRMAN'S ADDRESS TO THE AGM

Before Rob makes his presentation on the performance of the company over the past year and future strategies, I would like to make some observations on behalf of the Board.

It has been a tumultuous year, mainly because of the massive disruption caused by the Corona virus pandemic. The economic and social disruption has been on an unprecedented scale. It has affected every person, every business small or large, every organisation whether public or private and just about every sector of the economy and every field of endeavour.

Our company was affected in the same way as most others. Working from home, managing a dispersed workforce, establishing COVID-safe office protocols, managing safe return to office procedures, resetting the office environment to comply with social distancing requirements et cetera.

In terms of our customers, some were forced to downsize because of the slowing economy or because of COVID related operating restrictions imposed by government. Others went into a form of hibernation. Whilst this had some initial impact on revenues, the exogenous shock delivered by COVID-19 reinforced the need for organisations to rethink the way they engage with and support their employees in this world of work. In particular, it reinforced the need for digitisation of people management practices and processes.

Recognising that many organisations, large and small, lacked the digital capability to manage a dispersed workforce on a more substantial scale than they had previously experienced, intelliHR responded quickly with the design and development of a "Freemium" SaaS software product, COVID-19 Essentials.

Developed in less than a week, COVI-19 Essentials provides the tools for organisations to support their employees either working in offices, transitioning to work from home arrangements, or a fully remote workforce. It enables basic digital engagement with their people. For the organisations that took up the product, it was a digital lifeline enabling managers to maintain contact with their teams and within their teams, identify and address areas of concern to employees, and gauge individual and collective wellness.

Many of these organisations subsequently migrated to one of our subscription services providing enhanced levels of functionality.



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A further initiative involved the launching of a value-based pricing model offering three different plans to suit individual customer requirements and positioning intelliHR to execute a genuine land-and-expand strategy. This has allowed the company to appeal to a wider range of customers and offer flexible product options to suit particular needs.

In June 2020, the company established a presence in North America with the recruitment of two sales people based in Toronto. North America is an important growth market that increases our market reach by a 15 times multiple. Subject to international COVID related travel constraints, the plan is to continue to invest in international expansion with the Toronto operation expanding operating hours to 21 hours coverage

Importantly, the company consolidated its balance sheet with a \$2.74 million capital raising in December 2019. In August 2020, a further \$5.5 million was raised through a \$2.5 million placement to technology entrepreneur, Bevan Slattery, and a \$3 million rights issue which was underwritten by Bevan Slattery and intelliHR's largest shareholder, Colinton Capital Partners. The Board regards these cornerstone investments by Colinton Capital Partners and Bevan Slattery, as a strong vote of confidence in the strategy and potential of the company.

The company is now well positioned to accelerate global expansion, grow the international and domestic customer base, and continue to invest in product development to maintain the company's position as a market leading product innovator.

As previously stated, the capability that the intelliHR platform can deliver to customers is aimed at delivering genuine, measurable returns on investment through bottom line cost savings and top line revenue growth from a more engaged, motivated and productive workforce.

Rob Bromage will detail the progress we have made in product development and product improvement as well as the key metrics around customer numbers, head count on platform, revenues and cash flows.

Earlier this year, we welcomed two new directors, David Slocomb and Nicole Cook, bringing additional skills and experience to complement the existing board and help drive the company's growth aggressive agenda. Nicole Cook has recently taken up an executive role with a management consulting firm and has withdrawn her nomination for election to the Board. We wish Nicole well in this new endeavour.

In closing, the Board and management look forward to continuing to build a successful enterprise for the benefit of our shareholders.

ENDS



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