

Q4FY21 Quarterly Activities Report

ASX Release

19th July 2021

Record Q4 and Full Year FY21 new business and cash receipts

Q4 FY21 Highlights

↑ 263%

YoY Record Q4 New Customer \$ARR Growth

↑ 178%

YoY Record Q4 Invoice Generated

↑ 207%

YoY Q4 New Subscriber Headcount Growth

↑ 139%

YoY increase in Q4 Cash Receipts

intelliHR Limited (ASX: IHR) IHR is pleased to report continued global growth acceleration, with a record Q4 exceeding \$1m in new contracted business for the first time, a 236% increase YoY. This comprises \$736,469 of new annual recurring revenue and \$271,380 in professional services. Q4 Invoice generation was a record \$1.246m a YoY 165% increase. This makes FY21 the most successful year in intelliHR's history, with contracted subscription revenue growing by \$1.92m, an increase of 178% YoY.

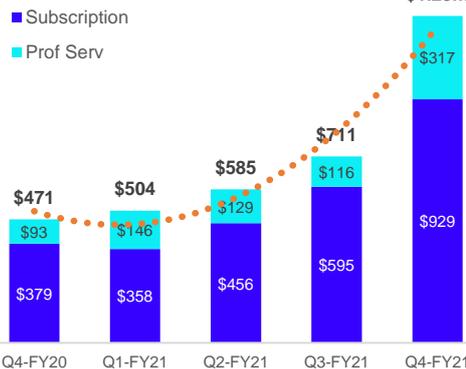
FY21 growth was generated by a strong and reliable lead and sales engine. Leveraging this globally has seen increased investment into building global sales and support capabilities targeting NZ, United Kingdom, Canada, and the United States. This investment has been rewarded with global contracts contributing 61% of headcount and 56% of ARR added during FY21, providing a strong base to accelerate growth looking forward to FY22 and beyond.

A further record number of 41 customers were added in Q4, 173% higher YoY. The business has also continued to see strong customer and revenue retention with less than 0.5% of revenue lost in the last 12 months. intelliHR is presently working to progress emerging Reseller technology partnerships, these opportunities will take the form of a new scalable sales channel offering significant growth in addition to the existing Global Direct Sales Channel and fast emerging Ecosystem Channel.

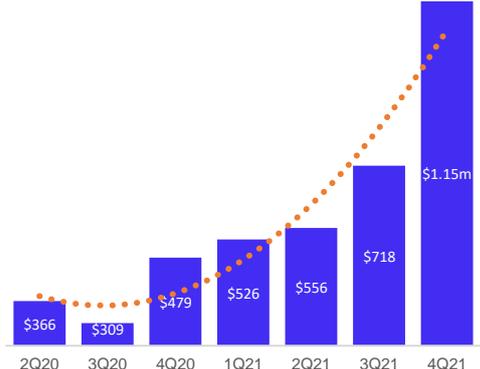
ARR + Annualised Implementation



Quarterly Invoice Generation (\$,000)



Cash Receipts (\$000s)



Financial Performance – Annual Recurring Revenue (ARR) growth

Newly Contracted Annual Recurring Revenue increased \$736,469 during the quarter, a 263% increase on Q4 FY20's achievement. Contracted ARR increased to \$3.92 Million a 24% increase on the previous quarter. Professional Services for Q4 were \$271,380 which when annualised raises Implementation fee generation to over \$1m for the first time. Total annual revenues comprising of subscription ARR and Professional Services fees reached \$5 million for the first time.

Higher marketing investment in lead generation in Q3 resulted in record new lead levels, and intelliHR is pleased to confirm that this has in-turn generated a record 41 new customer conversions in Q4, a 173% increase YoY. This success is indicative of intelliHR's strong lead and sales engine, which is being further scaled through expanded global marketing and sales investment.

"FY21 has been the most successful year in our history, with record growth, our product and service earning a world class NPS and amazing customer loyalty, all rich reward for our passionate team. Converting 6 New Enterprise Customers during FY21 with 50% of these from the Global Market, underpins our investment into our North American and UK hubs. These are central to executing upon our Global Growth ambitions and it is exciting to be entering FY22 with this year's global successes to build upon."

IntelliHR CEO Robert Bromage

Financial Performance (cont)

intelliHR now supports 208 customers, with less than 0.5% of revenue lost in the last 12 months. Total contracted Platform subscribers increased to 37496, an increase of over 158% during FY21.

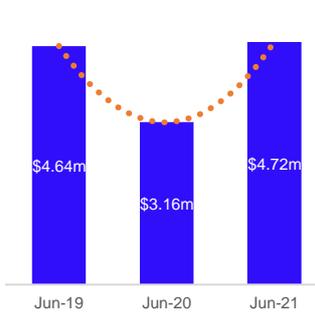
A further 2 enterprise customers were contracted in Q4, with Australia's largest specialty baby goods retailer, Baby Bunting, and leading global engineering group ARUP (UK based) both entering long-term 36 month agreements. The business continues to be encouraged by a growing reputation in the global enterprise HR market with additional enterprise opportunities close to conversion, along with a general strengthening of the enterprise pipeline.

With record ARR growth achieved during FY21 (178% higher YoY) and a significant increase in professional services revenue in FY21 (136% higher YoY) the company is seeing higher levels of invoicing with \$1.246m generated in Q4, a YoY 165% increase. This directly impacts cash generation with receipts strengthening markedly in Q4 to \$1,146,000 a QoQ growth of 60%, and 139% YoY. Annualized Q4 invoicing, equates to \$4.584m closely matching the annualised revenue expectations after allowing for WIP.

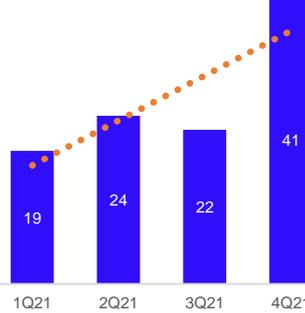
Annualised Qtrly Cash Receipts (\$000s)



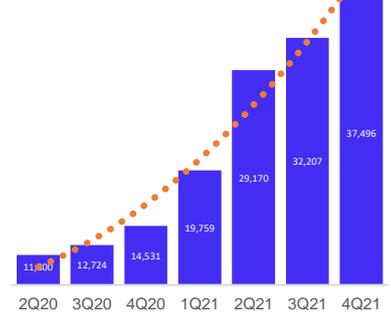
Net Cash Outflows (\$000s) 12 Mth



New Customer Contracts



Platform Subscribers



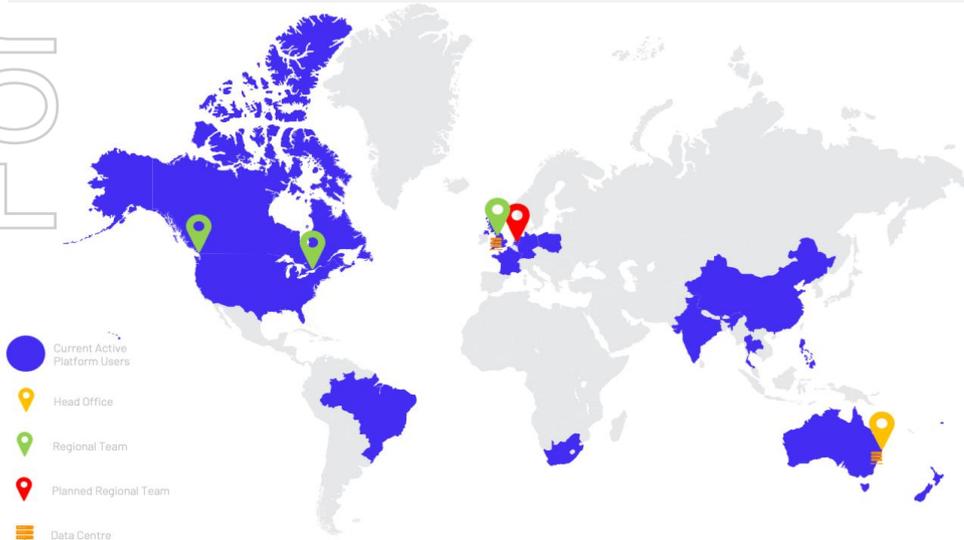
Investing in a Global SaaS business

intelliHR has been firmly established as a global SaaS business, with 61% of total headcount and 56% of total revenue acquired during FY21 stemming from global contracts. With 106 conversions during FY21, the sales engine has matured to produce a reliable acquisition cost, with the APAC region already generating full payback on regional sales and marketing spend within 1 year. During the establishment phase of intelliHR's Global Hubs, the business is prepared to accept longer return periods as local brand development, lead generation, and sales capabilities are refined. Over the course of FY22 the business plans to optimise marketing spend and investment levels to progressively deliver similar 1 year return levels. Early lead to opportunity performance in the UK market is already closely matching AU.

These Global growth investments along with the repayment of some COVID deferred tax commitments, saw net cash used in operations for the quarter total \$1.579 million, a 4.2% increase on Q3. During Q4, intelliHR received an additional \$738k from investors converting maturing options.

Strong Cash Reserves Maintained

- ✓ At the end of Q4 intelliHR continues to maintain a strong forward cash position of \$4.1m
- ✓ The AusIndustry Research and Development grant together with the Austrade Export Market Development grant are also expected to contribute to cashflows in Q1



"We are looking forward to partnering with IntelliHR as part of our People & Culture Transformation journey. IntelliHR are a progressive software vendor that demonstrates a strong alignment to our values and the solution delivers a great employee experience which provides us the opportunity to put our team members in the driver's seat as we grow."

Sharyn Murray, GM People & Culture
Baby Bunting

Additional Information

Contracted Customer Details as at 30th of June 2021

	1H19	2H19	1H20	2H20	1H21	2H21
Customer Numbers	44	58	84	109	149	208
Net Growth	14	14	26	25	40	59
Contracted Subscribers	5,170	9,451	11,800	14,531	29,170	37,496
Net Growth	1,886	4,281	2,349	2,731	14,639	8,326
Subscribers Invoiced	3,286	5,242	8,743	9,726	22,271	32,219
Growth	998	1,956	3,501	983	12,545	19,674
Subscribers to be Invoiced *	1,884	4,209	3,057	4,805	6,899	5,277
Change	888	2,325	-1,152	1,748	2,094	-1,622

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

Freemium Customer Headcount as at 30th of June 2021

Customers

On Platform

Total

37

3517

Payments to Related Parties

A total of \$134,175 was paid to directors and their associates for salaries, director fees and superannuation during the quarter ended 30 June 2021. During the quarter, the Group paid \$50,952 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")

30 June 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	1,146	2,946
1.2 Payments for		
(a) research and development	(649)	(2,111)
(b) product manufacturing and operating costs		
(c) advertising and marketing	(303)	(957)
(d) leased assets		
(e) staff costs	(1,458)	(4,182)
(f) administration and corporate costs	(294)	(1,118)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	29
1.5 Interest and other costs of finance paid	(22)	(97)
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	(1,579)	(4,722)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(11)	(25)
(d) investments		
(e) intellectual property		
(f) other non-current assets		

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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	11	(25)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	625	6,566
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	(32)	(104)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings	(167)	(405)
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	426	6,057

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	5,266	2,791
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,579)	(4,722)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(11)	(25)

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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)	426	6,057
4.5	Effect of movement in exchange rates on cash held		1
4.6	Cash and cash equivalents at end of period	4,102	4,102

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	1,600	1,564
5.2	Call deposits	2,502	3,702
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)	4,102	5,266

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
\$185
-

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

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

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.

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8. Estimated cash available for future operating activities**\$A'000**

8.1 Net cash from / (used in) operating activities (Item 1.9)

(1,579)

8.2 Cash and cash equivalents at quarter end (Item 4.6)

4,102

8.3 Unused finance facilities available at quarter end (Item 7.5)

0

8.4 Total available funding (Item 8.2 + Item 8.3)

4,102

8.5 **Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**

2.6

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:

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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:

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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:

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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: 19 July 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.