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Game-Changing Reseller Channel Partnership for UK Enterprise Market

HIGHLIGHTS

- Execution of a significant Reseller Agreement with leading UK-based payroll software provider **Payroll Software and Services Group** (PSSG) and its subsidiary **Cintra** to sell the intelliHR SaaS offering to Cintra's enterprise customer base of over 200 customers, representing over 200,000 potential subscribers. In addition, the PSSG portfolio exceeds 1,250 customers, servicing a payroll of 1.6 million people.
- The agreement accelerates intelliHR's international expansion and represents its first major large-scale channel partnership deal in its emerging reseller sales channel. The arrangements are expected to dramatically increase intelliHR's UK market penetration.
- Annual Recurring Revenue (ARR) potential of up to circa \$8.0m from the agreement, subject to successful roll out which is expected to gain significant momentum in H2 FY2022.

intelliHR Limited (ASX: IHR) is pleased to announce it has executed a major channel partner agreement with UK-based payroll software provider PSSG and Cintra, to sell intelliHR to Cintra's enterprise customers. Cintra will package intelliHR as its HR and People Management offering "**Powered by intelliHR**" targeting their existing customer base and also the broader UK mid-to-enterprise customer marketplace.

The partnership significantly extends intelliHR's potential as a high growth best-of-breed SaaS platform, realising the potential to scale quickly through large channel partnerships. The arrangements complement intelliHR's fast growing direct global sales channel and its growing HR technology ecosystem marketplace.

Key features of the partnership agreement include:

- Agreement with Cintra to promote intelliHR as a fully integrated product suite across its entire customer base, under the banner of Cintra Plus "Powered by intelliHR".
- Cintra will market the offering to both existing customers and the broader UK mid-to-enterprise marketplace in competition to solutions including ADP, Sage People, Workday, Ceridian, IRIS, Northgate and SAP.
- Cintra will be responsible for all sales, invoicing and first level customer support.



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- intelliHR will provide Professional Services implementation for all Customer Onboarding, Continuous Feedback, Performance etc Process Design requirements generating an additional revenue stream for intelliHR.
- Cintra and intelliHR have also agreed commercial terms for full replacement of Cintra's current self-service HR offering with a commitment to work closely together over the coming months to advance product integration and requirements specifications prior to formalising full commitment to intelliHR being installed across the entire customer base. A new Core HR offering by intelliHR will be developed, becoming a lower entry point product in intelliHR's value-based pricing model. Implementation of the replacement is subject to the parties agreeing the product scope and resolving any system integration issues.

Key commercial terms of the Reseller Agreement include:

- A discounted buy price based on performance hurdles linked to subscriber numbers on the platform. Assuming full implementation, this could generate ARR of \$8 million in time, based solely on current Cintra customer numbers.
- The self-service HR full replacement offering, if accepted, will deliver \$1.32M of the \$8M ARR identified opportunity within its first 12 months, increasing to \$2.64M in the second year. It is intended that intelliHR's Engagement, Performance and Strategic HR offerings would then be upsold both in product and via Cintra's direct sales team members to realise full value under the Reseller Agreement. Timing of the full realisation of the potential \$8M ARR is contingent upon decisions by individual customers as to whether they will take up the product, the level of functionality of product taken up and the timing of those individual decisions.
- intelliHR will provide Professional Services implementation solutions for all customer onboarding, continuous feedback, performance, process and design requirements.
- The initial agreement is for a fixed 3 year term followed by annual rollovers.

Following planning, integration, implementation and customer transition, recurring revenues are expected to commence before the end of the current financial year.

A Complete HR Ecosystem Offering

Cintra and **intelliHR** are also partnering with leading UK Recruitment Software provider **Pinpoint** as part of a full HR Ecosystem offering. Under these arrangements, Pinpoint will deliver integrated applicant tracking and recruitment capabilities. Integration will deliver customers with the combined benefits of cutting-edge applicant tracking and recruitment capabilities, along with intelliHR's employee lifecycle management, HR data centralization and comprehensive people



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analytics. Pinpoint has already commenced its integration with intelliHR, with system testing expected to commence in the next few weeks.

In addition to the partnership relationship arising through the Cintra agreement, Pinpoint has independently signed a separate Referral Partner Agreement to work with intelliHR independently across its own customer base across both the UK and US markets.

intelliHR Chairman Tony Bellas said that the agreements with Cintra, PSSG and Pinpoint provided a rapid launching platform in the large and lucrative UK market for HR software and services.

“The strategic partnerships announced today are potential ‘game-changers’ that will accelerate intelliHR’s international expansion and provide a model for other relationships in our international target markets”.

“Our key reseller relationships will complement our increasing offshore direct sales efforts in North America, Europe and the UK which are already yielding strong results over the past 18 months since commencement”, Mr Bellas said.

Authorised for release by the Board of intelliHR.

Further Information

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About 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.co

About Cintra

Cintra is part of the Payroll Software & Services Group ('PSSG'), backed by Tenzing, a UK based private equity investor. PSSG also owns other global payroll solution providers including Trace Payroll, Unaterra and Online Payroll, who together support over 1280 organizations.

For more information visit www.cintra.co.uk and www.thepssg.com

About Pinpoint

Pinpoint is UK-based Applicant Tracking System, as an all-in-one ATS it covers everything you need to attract, hire, and retain top talent in the UK.

For more information visit www.pinpointhq.com

