

20 February 2020

INTELLIHR LIMITED (ASX: IHR)
ASX APPENDIX 4D
For the half-year ended 31 December 2019

The ASX Appendix 4D of intelliHR Limited and subsidiaries (intelliHR) for the half-year ended 31 December 2019 is filed with the Australian Securities Exchange (ASX) under ASX Listing Rule 4.2A.3. It should be read in conjunction with the intelliHR consolidated half-year financial statements and all other information concerning intelliHR filed with the ASX. Information presented for the previous corresponding period is for the half-year ended 31 December 2018 (unless otherwise stated).

RESULTS FOR ANNOUNCEMENT TO THE MARKET

			6 months 31 Dec 2019	6 months 31 Dec 2018
			\$	\$
Revenue from ordinary activities	Revenue increased	102%	548,882	272,946
Profit / (loss) from ordinary activities after tax attributable to members	Loss decreased	20%	(2,315,628)	(2,885,419)
Net profit for the period attributable to members	Loss decreased	20%	(2,315,628)	(2,885,419)

Refer to the intelliHR consolidated half-year financial statements for commentary on the above results.

Dividends

No final dividend was paid in relation to the year ended 30 June 2019.

No interim dividend will be paid in relation to the half-year ended 31 December 2019.

Net Tangible Assets

	31 Dec 2019	31 Dec 2018
	\$	\$
Net tangible asset backing per ordinary share	(0.02)	0.03

Controlled entities

No control has been gained over entities during the period.

Associates and joint ventures

There are no associates or joint ventures.

Status of review

The half-year results for the period ended 31 December 2019 have been reviewed. The independent review report is unqualified.

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intelliHR Limited

ABN 38 600 548 516

HALF-YEAR FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED

31 DECEMBER 2019

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DIRECTORS' REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

Your directors present their report on IntelliHR Limited (referred to hereafter as the 'consolidated entity') for the half-year ended 31 December 2019.

DIRECTORS

The following persons were directors of IntelliHR Limited during the whole of the half-year and up to the date of this report, unless otherwise stated:

Greg Baynton
Anthony Bellas
Robert Bromage
Jamie Duffield
Alan Bignell (Appointed 9 September 2019)
David Slocomb (Appointed 8 January 2020)
Nicole Cook (Appointed 17 January 2020)

PRINCIPAL ACTIVITIES

The principal activities of the company during the half-year were the development of an innovative, cloud-based people management platform.

No significant change in the nature of these activities occurred during the half-year.

REVIEW OF OPERATIONS

The loss for the consolidated entity after providing for income tax amounted to \$2,315,628 (2018: \$2,885,419).

The six months to 31 December 2019 saw significant improvements in revenue, including contracted annual recurring revenue, as well as cashflow and cash position, customer numbers and subscriber conversion. The key events and results for the period are as follows:

- growing revenue from continuing operations by 178% over 1H19 and doubling total revenue
- increasing contracted annual recurring revenue by 155% on 1H19 and by 30% on 2H19
- reducing total expenses by 9.3% compared with the 1H19
- further increasing our rolling 12-month retention rate, which now sits at 124%
- significantly increasing the rate at which yet to be invoiced subscribers are converted to invoiced subscribers
- continuing to increase subscriber usage, which has grown by 35 times over the past four years
- surpassing the 10,000 contracted subscriber milestone in July 2019
- further growth in our technology ecosystem, including the first commercial transaction with US HR SaaS business, Greenhouse
- raising \$2.74 million via a placement with Colinton Capital Partners, achieving a substantially stronger cash position
- the appointment to the Board of SaaS technology expert Alan Bignell in September 2019.

Over the half, we undertook further product development into large-scale data management and core HR record keeping enablement projects, including:

- launching the public API – giving flexibility to connect IntelliHR with other technologies used across business operations
- releasing custom fields – increasing product flexibility with the release of fully customisable fields that enable businesses to record individual employee preferences specific to their business
- a renewed mandatory job requirements function – ensuring employees are suitably qualified and have the requisite training and qualifications to perform their roles
- upgrading self-service actions – providing platform access to employees for self-service administrative purposes
- further investment in R&D into analytics and AI – continued work to deliver a range of new functionality including attrition prediction and insight generation to underpin business decision-making.

Areas of future focus for the business include:

- increasing sales and marketing resources to significantly boost sales in the existing Australian and New Zealand markets in the APAC region, increasing the APAC sales team from six to ten staff and appointing a Head of Marketing with global SaaS experience
- accelerating international expansion, initially with the establishment of a sales team in North America with the ability to service the Northern Hemisphere where six customers are already operational on the IntelliHR platform
- building a best-of breed ecosystem with complementary global technology vendors leveraging strategic partnerships for integration-led global expansion
- continuing to invest in R&D to maintain our market-leading position.

The business is now adequately resourced to proceed with its innovative research and development program in tandem with its global expansion strategy, with:

- the additional funds from the equity share placement with Colinton Capital Partners
- increased receipts from customers
- growing contracted annual recurring revenue
- a reduced cash burn rate
- a market-leading platform that exceeds market benchmarks with its AI and analytical capability, and
- a strong board with three new appointments to date across all aspects of management, finance, and technology.

SUBSEQUENT EVENTS OCCURRING AFTER THE REPORTING DATE

On 17 January 2020, the Group issued 36.5 million shares to Colinton Capital Partners, raising \$2,737,500 and increasing Colinton Capital Partners' interest to 19.9%.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.



Tony Bellas
Chairman

20 February 2020
Brisbane

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AUDITOR'S INDEPENDENCE DECLARATION



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DECLARATION OF INDEPENDENCE BY R M SWABY TO THE DIRECTORS OF INTELLIHR LIMITED

As lead auditor for the review of intelliHR Limited for the half-year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of intelliHR Limited and the entities it controlled during the period.



R M Swaby
Director

BDO Audit Pty Ltd

Brisbane, 20 February 2020

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General information

The financial statements cover intelliHR Limited as a consolidated entity consisting of intelliHR Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is intelliHR Limited's functional and presentation currency.

intelliHR Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office & Principal place of business

Level 28, 345 Creek Street
Brisbane QLD 4000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 20 February 2020.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

	Note	Consolidated	
		2019	2018
		\$	\$
Revenue			
Revenue from contracts with customers	3	541,968	195,027
Other revenue		6,914	77,919
		<u>548,882</u>	<u>272,946</u>
Expenses			
Employee benefits expense		1,118,150	1,392,171
Directors' remuneration		282,493	152,925
Depreciation and amortisation expense	3	909,657	702,081
Marketing expense		206,046	361,707
General and administrative expenses		348,164	549,481
		<u>(2,315,628)</u>	<u>(2,885,419)</u>
Loss before income tax			
Income tax benefit		-	-
		<u>(2,315,628)</u>	<u>(2,885,419)</u>
Loss for the period			
Other comprehensive income			
Total comprehensive income for the period		<u>(2,315,628)</u>	<u>(2,885,419)</u>
Loss attributable to members of the entity		<u>(2,315,628)</u>	<u>(2,885,419)</u>
Total comprehensive income attributable to members of the entity		<u>(2,315,628)</u>	<u>(2,885,419)</u>
Earnings per share for loss from continuing operations attributable to the ordinary equity holders of the Company:		Cents	Cents
Basic earnings per share	9	(1.54)	(2.75)
Diluted earnings per share	9	(1.54)	(2.75)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019**

		Consolidated	
	Note	31 December 2019 \$	30 June 2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		1,224,405	1,956,906
Trade and other receivables		247,526	316,171
Total current assets		1,471,931	2,273,077
NON-CURRENT ASSETS			
Investments	4	466,838	466,838
Plant and equipment		10,033	25,972
Right-of-use asset	5	2,603,385	2,821,917
Intangible assets	6	2,512,181	2,288,025
Total non-current assets		5,592,437	5,602,752
TOTAL ASSETS		7,064,368	7,875,829
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	888,843	823,820
Lease liability		394,993	378,319
Loan from related party		-	100,000
Total current liabilities		1,283,836	1,302,139
NON-CURRENT LIABILITIES			
Lease liability		2,319,982	2,519,820
Total non-current liabilities		2,319,982	2,519,820
TOTAL LIABILITIES		3,603,818	3,821,959
NET ASSETS		3,460,550	4,053,870
EQUITY			
Contributed Equity	8	15,932,315	14,341,235
Reserves		2,497,869	2,366,641
Accumulated losses		(14,969,634)	(12,654,006)
TOTAL EQUITY		3,460,550	4,053,870

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

Consolidated Group

	Contributed equity \$	Accumulated losses \$	Share based payments reserve \$	Total \$
Balance at 1 July 2018	11,915,456	(7,221,893)	2,164,992	6,858,555
Loss for the period	-	(2,885,419)	-	(2,885,419)
Total comprehensive income	-	(2,885,419)	-	(2,885,419)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	7,945	-	-	7,945
Share-based payments	-	-	334,064	334,064
Balance at 31 December 2018	11,923,401	(10,107,312)	2,499,056	4,315,145
Balance at 1 July 2019	14,341,235	(12,654,006)	2,366,641	4,053,870
Loss for the period	-	(2,315,628)	-	(2,315,628)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	(2,315,628)	-	(2,315,628)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	1,591,080	-	-	1,591,080
Share-based payments	-	-	131,228	131,228
Balance at 31 December 2019	15,932,315	(14,969,634)	2,497,869	3,460,550

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

	Note	Half-year	
		2019	2018
		\$	\$
Cash flows from operating activities			
Receipts from customers (GST inclusive)		713,134	305,304
Payments to suppliers and employees (GST inclusive)		(1,814,013)	(2,095,948)
Interest received		6,504	29,429
Interest paid	5	(55,133)	-
Net cash outflow from operating activities		(1,149,508)	(1,761,215)
Cash flows from investing activities			
Payments for Development		(891,015)	(1,123,876)
Research and development tax incentive refund		-	819,836
Proceeds from sale of property, plant and equipment		409	-
Payments for property, plant and equipment		(1,870)	(11,018)
Payment for investments		-	(416,838)
Net cash outflow from investing activities		(892,476)	(731,896)
Cash flows from financing activities			
Proceeds from issued and prepaid shares		1,587,601	7,944
Payment of capital raising costs		(94,954)	-
Repayment of borrowings	5	(183,164)	-
Net cash inflow from financing activities		1,309,483	7,944
Net increase (decrease) in cash and cash equivalents		(732,501)	(2,485,167)
Cash and cash equivalents at the beginning of the period		1,956,906	4,713,360
Cash and cash equivalents at the end of the period	10	1,224,405	2,228,193

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

Note 1 Summary of significant accounting policies

The consolidated half-year financial statements of IntelliHR Limited (the company) as at and for the half-year ended 31 December 2019 comprise the company and its controlled entities (the Group).

The consolidated interim financial report is a general purpose financial report for the half-year ended 31 December 2019, which has been prepared in accordance with Australian Accounting Standard 134 *Interim Financial Reporting* and the *Corporations Act 2001*. The Company is a for-profit entity for the purpose of preparing the interim financial report.

These interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the 30 June 2019 financial report and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The principal accounting policies adopted in the preparation of the half-year financial statements are the same as those applied by the Group in its consolidated financial report as at, and for the year ended 30 June 2019 except for the adoption of new and revised accounting standards.

Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

As disclosed in the financial statements, the Group achieved a net loss of \$2,315,628 and net operating cash outflows of \$1,149,508 for the period ended 31 December 2019. As at 31 December 2019, the Group has cash and cash equivalents of \$1,224,405 and net current assets of \$188,095.

On 17 January 2020, the Group received \$2,737,500 for shares issued.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

Note 1 Summary of significant accounting policies (continued)

The ability of the Group to continue as a going concern is principally dependent upon one or more of the following conditions;

- The ability of the group to successfully raise capital, as and when necessary; and
- The ability to complete successful development and commercialisation of the Group's software platform.

These conditions give rise to a material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern.

The Directors believe that the going concern basis of preparation is appropriate due to the proven ability of the Group to raise necessary funding via the issuance of shares as evidenced by the post period end capital raising.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Group be unable to continue as a going concern.

New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. There has been no material impact on the financial statements by their adoption.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The potential financial impact of these changes is not yet possible to determine.

Critical accounting estimates and Judgements

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed below.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

Note 1 Summary of significant accounting policies (continued)

Recognition of Development Costs

For the purpose of measurement, AASB 138 allows costs incurred in the development stage to be capitalised if certain requirements are met, including:

- It is technically feasible that the intangible asset will be completed so that it will be available for use;
- It is the intention to complete the intangible asset and use it;
- It can be demonstrated that it is probable that the intangible asset will generate future economic benefits;
- There are adequate resources to complete the development of the intangible asset;
- The expenditure attributable to the intangible asset during its development can be measured reliably.

As the company meets all of the above requirements, all costs directly attributable and necessary to create, produce and prepare the asset to be capable of operating in the manner intended, have been capitalised.

All costs to maintain the development asset are expensed as incurred.

Share based payment transactions

The Group measures the cost of equity settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the binomial tree model and Hull White model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions, including share price volatility, interest rates and vesting periods would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact the profit or loss and equity.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

Note 2 Segment information

The consolidated entity has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

Management currently identifies the Group as having only one operating segment, being the development of a cloud-based people management platform in Australasia. All significant operating decisions are based upon analysis of the Group as one segment. The financial results from the segment are equivalent to the financial statements of the Group as a whole.

Note 3 Profit or loss information

	31 December 2019 \$	31 December 2018 \$
REVENUE FROM CONTRACTS WITH CUSTOMERS		
Service Initiation Fees	41,820	17,236
Service Operating Fees	490,648	175,791
Training Services	9,500	2,000
Total Revenue from Contracts with Customers	541,968	195,027

Loss for the half-year includes the following items that are unusual because of their nature, size or incidence:

EXPENSES	673,316	666,756
Amortisation of intangible assets	17,809	35,325
Depreciation of property, plant and equipment	218,532	-
Depreciation of right-of-use asset		
Total	909,657	702,081

Included in employee benefit expense and Directors remuneration:

Superannuation contributions	164,604	173,287
Share based payments expense	124,769	263,390
Loss on foreign exchange	4,652	-
Interest paid on lease liabilities	55,133	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

Note 4 Investments

	31 December 2019	30 June 2019
	\$	\$
Non-current – fixed term cash deposits	466,838	466,838
Total Investments	466,838	466,838

Note 5 Leases

The Group is the lessee of an office premises and information about this lease is presented below:

	31 December 2019	30 June 2019
	\$	\$
RIGHT-OF-USE ASSET		
Balance at lease inception	3,036,886	3,036,886
Accumulated amortisation	(433,501)	(214,969)
Closing balance	2,603,385	2,821,917
LEASE LIABILITIES		
<i>Maturity analysis:</i>		
Less than one year	394,993	378,319
One to five years	2,319,982	2,259,468
More than five years	-	260,352
Closing balance	2,714,975	2,898,139
AMOUNTS RECOGNISED IN PROFIT OR LOSS		
Interest on lease liabilities	55,133	57,351
Depreciation right-of-use asset	218,532	214,969
AMOUNTS RECOGNISED IN THE STATEMENT OF CASH FLOWS		
<i>Cash flows from operating activities</i>		
Interest paid	55,133	57,351
<i>Cash flows from financing activities</i>		
Repayment of borrowings	183,164	137,747
Total	238,297	195,098

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

Note 6 Non-current assets – Intangible assets

	31 December 2019	30 June 2019
	\$	\$
DEVELOPMENT COSTS		
Cost	5,969,243	5,081,773
Accumulated amortisation	(3,457,061)	(2,793,748)
Carrying amount	<u>2,512,181</u>	<u>2,288,025</u>

The Development Costs carried forward above have been determined as follows:

Balance at the beginning of the period	2,288,025
Expenditure incurred during the half-year	897,472
Research and development incentive received	-
Amortisation charge	<u>(673,316)</u>
Balance at the end of the half-year	<u>2,512,181</u>

Capitalised development costs represent proprietary knowledge developed internally through the construction of the software platform.

Capitalised development costs have finite useful lives and are amortised on a straight-line basis over three years. The current amortisation charge for development costs is included under depreciation and amortisation expense in the statement of profit or loss and other comprehensive income.

Note 7 Current liabilities – Trade and other payables

	31 December 2019	30 June 2019
	\$	\$
UNSECURED LIABILITIES:		
Trade payables	15,436	112,664
Other payables	264,551	238,008
Contract liabilities	239,271	120,927
Employee entitlement liabilities	369,585	352,221
Total	<u>888,843</u>	<u>823,820</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

Note 8 Issued Capital

	31 December 2019 Shares	30 June 2019 Shares	31 December 2019 \$	30 June 2019 \$
(a) Share capital				
Ordinary shares				
Fully paid	155,408,870	133,042,546	15,932,315	14,341,235

(b) Ordinary share capital

Date	Details	Note	Number of Shares	Issue Price	\$
1 July 2018	Balance		103,895,094		11,915,456
July 2018	Exercise of options		697,814	\$0.01	6,978
	Exercise of options		24,000	\$0.02	480
October 2018	Exercise of options		16,664	\$0.01	167
	Exercise of options		16,000	\$0.02	320
	STI shares issued	(c)	717,227	\$0.30	215,168
April 2019	Exercise of options		1,186,875	\$0.01	11,869
	Exercise of options		86,000	\$0.02	1,720
	Exercise of options		49,995	\$0.04	2,000
	Placement shares		6,071,666	\$0.12	728,600
May 2019	Placement shares		1,428,335	\$0.12	171,400
June 2019	Placement shares		18,852,876	\$0.075	1,413,966
	Share issue costs		-		(126,889)
30 June 2019	Balance		133,042,546		14,341,235
August 2019	Placement shares		21,147,124	\$0.075	1,586,034
	Placement shares		833,333	\$0.12	100,000
Sept 2019	STI shares issued		385,867		-
	Share issue costs		-		(94,954)
31 December 2019	Balance		155,408,870		15,932,315

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

Note 9 Earnings per share

	Consolidated	
	2019	2018
	\$	\$
<i>Earnings per share for loss from continuing operations</i>		
Loss after income tax attributable to the owners of IntelliHR Limited	(2,315,628)	(2,885,419)
	Number	Number
Weighted average number of shares used in calculating basic and diluted earnings per share	150,411,220	104,787,498
	Cents	Cents
Basic earnings per share	(1.54)	(2.75)
Diluted earnings per share	(1.54)	(2.75)

Information concerning classification of securities

Class A shares

Class A shares were classified as equity and were a separate category of ordinary shares for the purposes of determining earnings per share, rather than potential ordinary shares.

Note 10 Cash flow information

	31 December	31 December
	2019	2018
	\$	\$
<i>Cash and cash equivalents shown in the statement of cashflows comprises the following:</i>		
Cash at bank	1,224,405	2,228,193

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

Note 11 Events occurring after the reporting date

On 17 January 2020, the Group issued 36.5 million shares to Colinton Capital Partners, raising \$2,737,500 and increasing Colinton Capital Partners' interest to 19.9%.

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DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 *'Interim Financial Reporting'*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



Tony Bellas
Chairman

20 February 2020
Brisbane

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of intelliHR Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of intelliHR Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2019 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Emphasis of matter - Material uncertainty relating to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2019 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134

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Interim Financial Reporting and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO Audit Pty Ltd



R M Swaby
Director

Brisbane, 20 February 2020

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