

MILESTONE ACHIEVED AS TOTAL CUSTOMER GROWTH ACCELERATES

Highlights

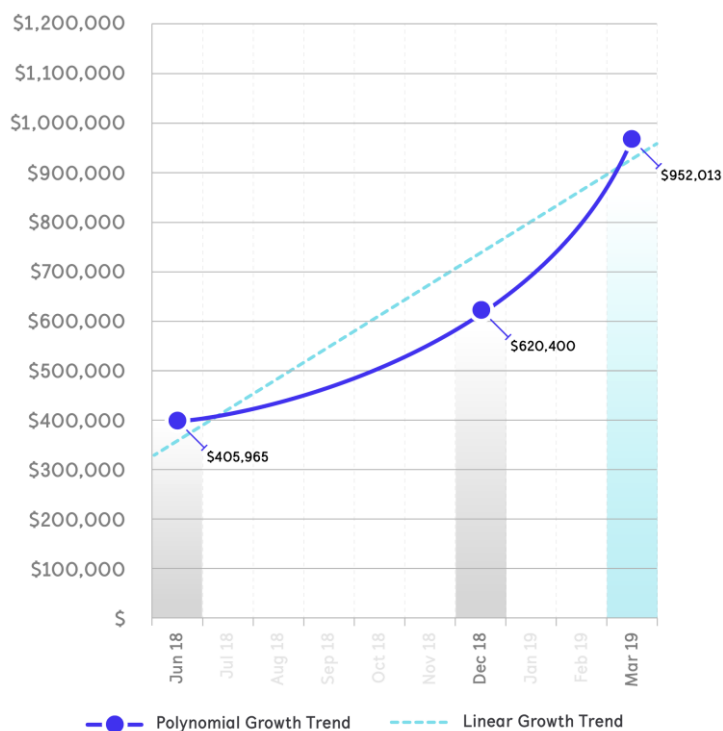
- Recent customer wins see customer contracts exceed the significant milestone of 50 unique organisations
- Total headcount continues rapid growth, increasing 34% since December 2018 and nearing 7,000 paying users
- Annual Recurring Revenue nearing \$1,000,000 per annum
- Third US based customer contract signed with implementation to occur early April 2019
- Strong momentum from H1 continues into H2 2019
- Recently signed 21st partnership contract to expand reach of the intelliHR platform

intelliHR Holdings Limited (ASX:IHR) is pleased to announce that it has reached a significant milestone by signing its 50th (and also 51st) contracted customer to the intelliHR HR management platform, a 16% increase on the 44 signed organisations as at 31 December 2018, and a 143% increase on total customer contracts signed as at 31 March 2018. This has occurred on the back of a targeted direct marketing approach and significant investment into building and leveraging a scalable sales organisation. A focus to expand integration and partnership sales channels is also now well under way and expected to add weight to intelliHR's sales results this year.

Adding multiple, large customers to the intelliHR platform has resulted in a substantial uplift in Annual Recurring Revenue (ARR) over the quarter to date, with a 54% increase since December 2018 to \$952,013.

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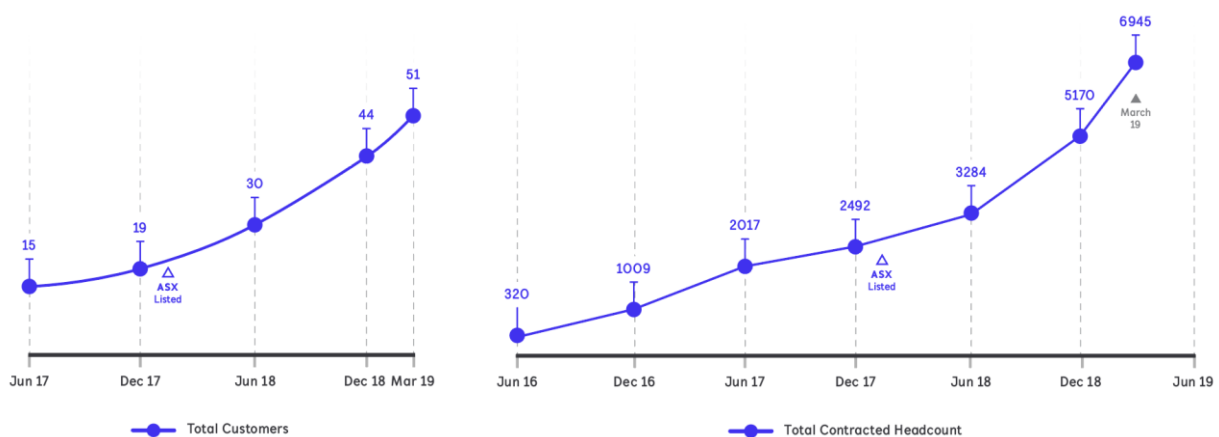
Contracted Annual Recurring Revenue Growth



Whilst 2018 was a year of validation for intelliHR, 2019 will be a year of expansion and growth.

The Company is actively pursuing relationships both within Australia and abroad for potential integrations that may support new customer lead generation opportunities (i.e. Xero & ADP for Payroll together with Lever & Greenhouse for Recruitment), and separately has also recently signed its 21st partner to its program to efficiently pursue enterprise level organisations. This distribution plan allows intelliHR's direct sales team to actively target the middle market (30 to 400 staff per organisation) where the Company can efficiently sign and implement customers in rapid fashion. intelliHR continues to prove its HR management platform is instrumental to business and employee success, with its strong retention performance to date.

These results represent the strongest quarter in intelliHR history, with 1775 contracted paying users joining the platform and 6900+ total paying users now on board. intelliHR has also recently signed its third US based customer with implementation to occur in April. intelliHR is currently working with several US based integration partners and is confident this expansion will continue.



intelliHR Founder and Managing Director Mr. Robert Bromage commented: "It is great to see all the hard work by our team paying off. We have a very detailed business strategy and are very confident in our offering and the momentum we are carrying into 2019 as evidenced by our exciting start to the year. We have received exceedingly positive feedback from our new customers and are looking forward to expanding on this growth going forward".

intelliHR Revenue Model

intelliHR generates income from ongoing subscription fees and once off professional services fees.

intelliHR's product strategy is a "customer for life" strategy and a minimum 7-year customer life-time is expected, where ongoing subscription fees provide intelliHR with consistent, long-term income. The all-in-one pricing model supports this strategy, enhancing customer stickiness as customers utilize multiple features on the intelliHR product set delivering value for money across multiple use case possibilities.

Professional services fees are charged for implementation services, training and process redesign consulting workshops. Services delivered as part of the implementation are amortised over the life of the contract in line with revenue recognition accounting standards. Professional services fees are expected to grow over the coming year to contribute 40% of intelliHR's revenue.



27 March 2019

intelliHR Business Model

intelliHR has a clear strategy to expand growth on its investment into the Customer Acquisition cost centre, which accounts for marketing lead generation activities. This cost centre is designed to support direct, partner and integration distribution channels but also adds value through its ability to increase earnings from implementation.

Signed for and on behalf of intelliHR Holdings Limited:



Robert Bromage

Managing Director
intelliHR Holdings Limited

About intelliHR

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.com.au.

