

18 April 2019

**IntelliHR Holdings Limited (ASX Code: IHR; 'intelliHR' or the 'Company')** is pleased to present its Quarterly Cashflow report (Appendix 4C) for the quarter ended 31 March 2019.

## Highlights

- intelliHR increased Contracted Annual Recurring Revenue by 58% to \$952,000 as at 31 March 2019.
- Total contracted customers increased by 16% to 51 and total headcount increased 41% to 6,945 during the quarter ending 31 March 2019.
- Net cash used in operating activities totalled \$1,261,000.
- Cash of \$967,000 on hand as at 31 March 2019.
- Receipts from customers totalled \$149,000 with a significant Quarter 3 announced customer contract still to be implemented. Revenue from these implementations will flow through in the 30 June 2019 quarter.

Cash and cash equivalents remaining at the end of the 31 March 2019 quarter totalled \$967,000, down from \$2,279,000 as at 31 December 2019, and receipts from customers totalled \$149,000 for the quarter.

intelliHR reached several milestones during the quarter, signing its 50<sup>th</sup> customer and, with additional conversions during April, Contracted Annual Recurring Revenue now exceeds \$1 million for the first time. The Company has proven its people management platform addresses a global market and the company has shown the capability to efficiently and effectively implement and service the platform in both Australian and international markets. The Company has increased its total contracted customers to 51, a 16% increase on 31 December 2018 whilst increasing headcount by 41% to 6,945.

intelliHR's product strategy is a "customer for life" strategy, where ongoing subscription fees provide intelliHR with consistent, long-term income. Once a customer signs up to utilise the intelliHR people management platform, a rigorous implementation process is conducted to ensure the platform can optimise each customer's experience. 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. This implementation approach enhances customer stickiness by utilising multiple features on the intelliHR product set, delivering value for money across multiple use case possibilities. intelliHR currently enjoys a strong retention rate of existing customers.

## Subsequent Events

intelliHR is currently finalising a \$1 million placement to sophisticated and institutional investors, and a non-renounceable entitlement offer of 1 for every 5 existing Shares to raise up to \$2.76 million in additional capital, a total of \$3.76 Million. These funds will be used to continue the Company's rapid domestic and international growth.

IntelliHR's recent customer wins are presently well progressed in their implementation phase. Although these implementations are funded by the customer, head count revenue is only realised when the customer is fully



implemented. It is expected that there will be material increases in head count revenue as these implementation revenues flow through.

intelliHR's Managing Director, Mr. Robert Bromage, commented: "This quarter highlights our concentration on customer expansion and growth, where we are driving regular success while receiving very positive feedback from our new global customer base".

For Further Information:

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## 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 Artificial Intelligence, 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](http://www.intellihr.com.au)



## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

intelliHR Holdings Limited

**ABN**

38 600 548 516

**Quarter ended ("current quarter")**

31 March 2019

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	149	454
1.2 Payments for		
(a) research and development	(511)	(1,635)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(151)	(416)
(d) leased assets	(63)	(220)
(e) staff costs	(525)	(1,752)
(f) administration and corporate costs	(164)	(610)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	33
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	820
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,261)</b>	<b>(3,326)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(11)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)		-
	Payment for security deposit	-	(417)
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>(428)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	8
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>8</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	2,228	4,713
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,261)	(3,326)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(428)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	8

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of quarter</b>	<b>967</b>	<b>967</b>

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	967	1,728
5.2	Call deposits	-	500
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>967</b>	<b>2,228</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter  
\$A'000**

176

-

Payments to directors include salaries, directors fees and superannuation guarantee.

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter  
\$A'000**

21

-

A company of which Robert Bromage is a director provided recruitment services under a client services agreement under normal commercial terms and conditions.

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Research and development	464
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	105
9.4 Leased assets	105
9.5 Staff costs	669
9.6 Administration and corporate costs	183
9.7 Other (provide details if material)	-
<b>9.8 Total estimated cash outflows</b>	<b>1,526</b>

10. <b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

### **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.

Sign here: .....  .....  
(Director/Company secretary)

Date: 18 April 2019

Print name: Suzanne Yeates

### **Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.