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19 February 2021

INTELLIHR LIMITED (ASX: IHR) ASX APPENDIX 4D For the half-year ended 31 December 2020

The ASX Appendix 4D of intelliHR Limited and subsidiaries (intelliHR) for the half-year ended 31 December 2020 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 2019 (unless otherwise stated).

RESULTS FOR ANNOUNCEMENT TO THE MARKET

			6 months 31 Dec 2020 \$	6 months 31 Dec 2019 \$
Revenue from ordinary activities	Revenue increased	138%	1,305,628	548,882
Profit / (loss) from ordinary activities after tax attributable to members	Loss increased	31%	(3,033,010)	(2,315,628)
Net profit for the period attributable to members	Loss increased	31%	(3,033,010)	(2,315,628)

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 2020. No interim dividend will be paid in relation to the half-year ended 31 December 2020.

Net Tangible Assets

	31 Dec 2020	31 Dec 2019
	\$	\$
Net tangible asset backing per ordinary share	0.01	(0.02)

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 2020 have been reviewed. The independent review report is unqualified.

intelliHR Limited | ACN 600 548 516



intelliHR Limited ABN 38 600 548 516 HALF-YEAR FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2020



DIRECTORS' REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

Your directors present their report on intelliHR Limited (referred to hereafter as the 'consolidated entity') for the half-year ended 31 December 2020.

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 David Slocomb Nicole Cook (Resigned 28 October 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 \$3,033,010 or \$2,303,948 excluding the Share Based Payments adjustment for the issue of new employee share benefits during the 6 months. (2019: \$2,315,628).

The six months to 31 December 2020 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 81% over 1H20 and more than doubling total income from \$548,882 to \$1,305,628. Annualised invoiced revenue at the 31 December was \$2,595,855.
- increasing contracted annual recurring revenue by a record \$919,000 to \$2,874,000 being an increase of 82% on 1H20 and by 47% on 2H20
- delivering a significant 288% growth of the Rest of the World revenue over 1H20, with Rest of the World revenue now representative of 28% of Total revenue up from 13% in 1H20.
- rolling 12-month retention rate sits at 101% whilst still above 100%, this has reduced year-onyear as a result of reducing subscriber numbers (employees) in some customers as they navigated the Global Pandemic
- a strong 104% year-on-year increase in contracted professional services implementations generating \$332,680 in 1H21. The strengthening of our value capture from professional services to new clients is underlined by it increasing the total first year income from new customers by 36% over ARR.



DIRECTORS' REPORT (CONTINUED) REVIEW OF OPERATIONS (CONTINUED)

- total expenses increased by \$1,474,128 being an increase of 63.7% compared with 1H20. The largest notable increase was an increase of \$1,022,518 to Employee Benefits Expenses due to planned team growth, together with a \$729,062 non-cash increase in expenses from the issue of new employee share benefits.
- contracted subscribers increased a record 14,639 over 1H21 increasing to a total of 29,170 as at 31 December 2020 and a 523% increase compared with 1H20.
- Record invoiced subscriber growth of 12,954 which is 133% increase to 22,680 as at 31 December 2020, significantly increasing the rate at which yet to be invoiced subscribers are converted to invoiced subscribers
- surpassing the 20,000 contracted subscriber milestone in October 2020 and also nearing 30,000 contracted subscriber milestone as at 31 December 2020.
- further growth in our technology ecosystem, with partnerships with Keypay, JobAdder, Greenhouse, Kineo operating well, and the first commercial transaction with GO1 for our introduction to Scope Australia which will generate on-going revenue over the lifetime of the agreement.
- strategic investment made by Australian serial Technology Entrepreneur Bevan Slattery becoming a major shareholder
- raising \$5.5 million consisting of a \$2.5 million placement with Bevan Slattery and a \$3.0 million rights issue, achieving a substantially stronger cash position

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

- progressed a key front-end technology transformation supporting the extension of language translation of the platform opening up new geographic markets. Initial languages to be rolled out imminently include French Canadian, French, English (US) and Spanish.
- progressed a range of scaling and self-service onboarding initiatives including automated billing system and customer facing data upload automation.
- progressed the extension of intelliHR's Public API increasing endpoints and functionality extending the potential range of integration possibilities with enterprise Payroll Systems.
- further investment in R&D into analytics and AI continued work to deliver a range of new functionality including insight generation to underpin business decision-making.

Areas of future focus for the business include:

- accelerating international expansion specifically in the America's and UK markets timed carefully with a recovering global economy
- 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.
- As a result our development resources continue to be fully utilised.

DIRECTORS' REPORT (CONTINUED) REVIEW OF OPERATIONS (CONTINUED)

Covid Impact:

The Global Pandemic has seen improved growth of the sales pipeline and positive progression of sales opportunities. There has not been an impact on the collectability of Aged Receivables, nor has COVID prevented the Groups' ability to raise capital. The business continues to save in travel and office running costs and the Group continues to delay the opening of a physical Toronto office with local Toronto team members working from home. Cashflow has also benefited from the deferral of premise lease payments, payroll tax and PAYG payments.

The intelliHR team has continued to weather the impacts of Covid-19 well. Our team remains Covid free, although we note that presently our Canadian based Team members remain in lockdown. We continue to provide support to them as any is requested and closely monitor their wellbeing. We have demonstrated on three occasions our resolve to close our Brisbane Head office and revert to all working from home seamlessly with no notable drop in productivity. Daily attendance at the office is gradually strengthening, but intermittent closures have slowed this trend recently. The majority of team members have indicated a preference to continue working in and out of the office flexibly, with a minority opting to solely work from home. As a result, we are re-configuring the Brisbane office to better support the emerging collaboration focus of team members visits to the office.

In closing, the business is strongly positioned to proceed with its innovative research and development program in tandem with its global expansion strategy, with:

- the strongest cash position in the history of the business
- increased and positively growing receipts from customers
- growing contracted annual recurring revenue (subscription fees)
- growing professional services revenue
- a reducing cash burn rate
- a market-leading platform that competes successfully in global markets and large employing organisations with its AI and analytical capability, and
- a strong board with experience across all aspects of management, finance, and technology.

SUBSEQUENT EVENTS OCCURRING AFTER THE REPORTING DATE

The Group has no matters or circumstances that have arisen since 31 December 2020 that have significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in future financial years.



DIRECTORS' REPORT (CONTINUED)

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*.

Nonz Belles

Tony Bellas Chairman

19 February 2021 Brisbane





Tel: +61 7 3237 5999 Fax: +61 7 3221 9227 www.bdo.com.au Level 10, 12 Creek St Brisbane QLD 4000 GPO Box 457 Brisbane QLD 4001 Australia

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 2020, 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.

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R M Swaby Director

BDO Audit Pty Ltd

Brisbane, 19 February 2021



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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 Queen 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 19 February 2021.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

		Consolidated	
	Note	2020	2019
		\$	\$
Revenue	2	979,057	541,968
Other income		326,571	6,914
		1,305,628	548,882
Employee benefits expense		(2,140,680)	(1,118,150)
Directors' remuneration		(555,899)	(282 <i>,</i> 493)
Depreciation and amortisation expense	3	(967,282)	(909,657)
Marketing expense		(299,392)	(206,046)
Finance expense		(63,601)	(64,529)
General and administrative expense		(311,784)	(283,635)
Loss before income tax expense		(3,033,010)	(2,315,628)
Income tax expense		-	-
Loss for the period		(3,033,010)	(2,315,628)
Other comprehensive income for the period, net of tax		3,746	
Total comprehensive income for the period		(3,029,264)	(2,315,628)
Earnings per share for loss from continuing operations			
attributable to the ordinary equity holders of the Company:		Cents	Cents
Basic earnings per share	9	(1.23)	(1.54)
Diluted earnings per share	9	(1.23)	(1.54)

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

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2020

		Consolidated		
	-	31 December	30 June	
	Note	2020	2020	
		\$	\$	
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents		1,958,836	2,740,577	
Investments	4	4,900,000	50,000	
Trade and other receivables	_	503,224	319,037	
Total current assets	_	7,362,060	3,109,614	
NON-CURRENT ASSETS				
Investments	4	416,838	416,838	
Plant and equipment		8,641	6,150	
Right-of-use asset	5	2,169,624	2,388,249	
Intangible assets	6	1,965,857	2,135,128	
Total non-current assets	-	4,560,960	4,946,365	
TOTAL ASSETS	-	11,923,020	8,055,979	
	_	1 674 462	1 460 506	
Trade and other payables	7	1,671,462	1,468,586	
Lease liability	-	673,190	404,308	
Total current liabilities	-	2,344,652	1,872,894	
NON-CURRENT LIABILITIES				
Provisions		13,260	7,906	
Lease liability	-	1,899,402	2,240,885	
Total non-current liabilities	-	1,912,662	2,248,791	
TOTAL LIABILITIES	=	4,257,314	4,121,685	
NET ASSETS	-	7,665,706	3,934,294	
EQUITY	0	24,613,543	18,671,536	
Contributed equity	8	3,560,016	2,737,601	
Reserves		(20,507,853)	(17,474,843)	
Accumulated losses	-			
TOTAL EQUITY	-	7,665,706	3,934,294	

The above consolidated balance sheet should be read in conjunction with the accompanying notes.



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

Consolidated Group	Contributed equity \$	Share based payments reserve \$	Foreign Currency Translation Reserve \$	Accumulated losses \$	Total \$
Balance at 1 July 2019	14,341,235	2,366,641	-	(12,654,006)	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	2,497,869	-	(14,969,634)	3,460,550
Balance at 1 July 2020	18,671,536	2,737,563	38	(17,474,843)	3,934,294
Loss for the period	-	-	-	(3,033,010)	(3,033,010)
Other comprehensive income	-	-	-	-	-
Foreign currency translation	-	-	3,746	-	3,746
Total comprehensive income	-	-	3,746	(3,033,010)	(3,029,264)
Transactions with owners in their capacity as owners: Contributions of equity, net of transaction costs Share-based payments	5,942,007 -	- 818,669	-	-	5,942,007 818,669
Balance at 31 December 2020	24,613,543	3,556,232	3,784	(20,507,853)	7,665,706

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 2020

		Half-	year
	Note	2020	2019
		\$	\$
Cash flows from operating activities			
Receipts from customers (GST inclusive)		1,082,322	713,134
Payments to suppliers and employees (GST inclusive)		(2,560,571)	(1,814,013)
Interest received	_	18,381	6,504
Interest paid	5	(51,397)	(55,133)
Government incentives	-	103,020	-
Net cash outflow from operating activities	-	(1,408,245)	(1,149,508)
Cash flows from investing activities			
Payments for development		(885,820)	(891,015)
Research and development tax incentive refund and			
government grants		664,814	-
Proceeds from sale of plant and equipment		-	409
Payments for plant and equipment	-	(57,542)	(1,870)
Net cash outflow from investing activities	-	(278,548)	(892,476)
Cash flows from financing activities			
Proceeds on issue of shares		5,901,263	1,587,601
Payment of capital raising costs		(71,754)	(94,954)
Principal element of lease payments	5	(72,601)	(183,164)
Net cash inflow from financing activities	-	5,756,908	1,309,483
Net increase (decrease) in cash and cash equivalents		4,070,115	(732,501)
Cash and cash equivalents at the beginning of the			
period		2,790,577	1,956,906
Effects of exchange rate changes on cash and cash		, ,	, ,
equivalents	-	(1,856)	
Cash and cash equivalents at the end of the period			
cash and cash equivalents at the end of the period	10	6,858,836	1,224,405
		-,	_, ,

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 2020

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 2020 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 2020, which has been prepared in accordance with Australian Accounting Standard AASB 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 2020 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 2020 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 \$3,033,010 and net operating cash outflows of \$1,408,243 for the period ended 31 December 2020. As at 31 December 2020, the Group has cash and cash equivalents including term deposits classified as investments of \$6,858,836 and net current assets of \$5,017,408.

The Directors consider the going concern basis appropriate following the successful capital raisings completed during the period which, based on management's projections, are sufficient to continue normal business activities and realise assets and settle liabilities in the ordinary course of business.

The Directors have also considered the impact of Covid 19 and found that the pandemic has increased sales prospects due to the greater global need for businesses to manage employees remotely using HR platforms. The Group continues to tightly control expenses and savings have been made on business travel, office running costs and the suspension of the establishment of an international office. The business deferred premises lease payments, payroll tax and ATO payments as part of voluntary concessions allowed under Covid 19 relief arrangements. These are progressively being repaid. In addition, Covid 19 has not adversely impacted the collection of Trade Receivables and the Director's do not expect increased credit losses.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

Note 1 Summary of significant accounting policies (continued)

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.

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.

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 2020

Note 2 Income

(a) Revenue	31 December 2020			31 December 2019		
	APAC	Americas	Total	APAC	Americas	Total
Revenue from contracts with customers	Ş	Ş	Ş	Ş	Ş	Ş
Over time (Service Operating Fees)	804,090	11,352	815,442	490,648	-	490,648
Over time (Service Initiation Fees)	99,110	217	99,327	41,820	-	41,820
At a point in time (Professional Fees)	64,288	-	64,288	9 <i>,</i> 500	-	9,500
Total Revenue	967,488	11,569	979,057	541,968	-	541,968

(b) Other Income

20202019\$\$\$\$Interest Received18,381Covid 19 Government Stimulus131,645Percearch and Development Incentive138,175		31 December	31 December
Covid 19 Government Stimulus 131,645 -		2020	2019
Covid 19 Government Stimulus 131,645 -		\$	\$
	Interest Received	18,381	6,505
Percent and Development Incentive 128 175	Covid 19 Government Stimulus	131,645	-
	Research and Development Incentive	138,175	-
Other Income 38,370 409	Other Income	38,370	409
Total Other Income 326,571 6,914	Total Other Income	326,571	6,914

Note 3 Loss for the period

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

	31 December 2020	31 December 2019
EXPENSES	\$	\$
Amortisation of intangible assets		
Depreciation of property, plant and equipment		
Depreciation of right-of-use asset	745,156	673,316
	3,500	17,809
_	218,626	218,532
Total	967,282	909,657
Included in employee benefit expense and Directors' remuneration:		
Superannuation contributions	152,094	164,604
Share based payments expense	752,834	124,769
Loss on foreign exchange Interest paid on lease liabilities	12,561 51,397	4,652 55,133



Note 4 Investments

	31 December	30 June
	2020	2020
	\$	\$
Current fixed term cash deposits	4,900,000	50,000
Non-current fixed term cash deposits	416,838	416,838
Total Investments	5,316,838	466,838

Note 5 Leases

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

	31 December 2020 \$	30 June 2020 \$
RIGHT-OF-USE ASSET		
Balance at lease inception	3,038,186	3,038,186
Accumulated depreciation	(868,562)	(649,937)
Closing balance	2,169,624	2,388,249
LEASE LIABILITIES Maturity analysis: Less than one year One to five years Closing balance	673,190 1,899,402 2,572,592	404,308 2,240,885 2,645,193
AMOUNTS RECOGNISED IN PROFIT OR LOSS		
Interest on lease liabilities	51,397	106,826
Depreciation of right-of-use asset	218,626	434,968
AMOUNTS RECOGNISED IN THE STATEMENT OF CASH FLOWS Cash flows from operating activities Interest paid Cash flows from financing activities	51,397	106,826
Principal element of lease payments	72,601	254,247
Total	123,998	361,073



Note 6 Non-current assets – Intangible assets

	31 December 2020 \$	30 June 2020 \$
DEVELOPMENT COSTS		
Cost	6,915,963	6,340,079
Accumulated amortisation	(4,950,106)	(4,204,951)
-		
Carrying amount	1,965,857	2,135,128
The Development Costs carried forward above have been determined as follows:		
Balance at the beginning of the period		2,135,128
Additions – internally developed		1,064,154
Research and development tax incentive		(488,269)
Amortisation charge		(745,156)
Balance at the end of the half-year		1,965,857

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 2020 \$	30 June 2020 \$
UNSECURED LIABILITIES: Trade payables	61,865	55,681
Other payables Accrual for annual leave	1,112,403 404,388	966,190 356,801
Accrual for long service leave Total	92,806 1,671,462	89,914 1,468,586



Note 8 Issued Capital

	31 December	30 June	31 December	30 June
	2020	2020	2020	2020
	Shares	Shares	\$	\$
(a) Share capital				
Fully Paid Ordinary shares	277,575,625	193,407,826	24,613,543	18,671,536

(b) Ordinary share capital

			Number of	Issue	
Date	Details	Note	Shares	Price	\$
1 July 2019	Balance		133,042,546		14,341,235
August 2019	Placement shares		21,147,124	\$0.075	1,586,035
	Placement shares		833,333	\$0.12	100,000
Sept 2019	STI shares issued		385,867	-	-
January 2020	Exercise of options		66,660	\$0.01	667
	Exercise of options		45,000	\$0.02	900
	Placement shares		36,500,000	\$0.075	2,737,500
	Exercise of options		1,387,296	\$0.01	13,873
	Share issue costs	_	-		(108,674)
30 June 2020	Balance		193,407,826		18,671,536
July 2020	Exercise of options		20,000	\$0.02	400
August 2020	Exercise of options		3,925,944	\$0.01	39,259
	Exercise of options		235,944	\$0.04	9,438
	Exercise of options		2,406,668	\$0.075	180,500
	STI shares issued		1,375,758	-	-
	Placement shares		2,731,956	\$0.075	204,897
September 2020	Placement shares		30,601,377	\$0.075	2,295,103
	Entitlement offer shares		40,820,707	\$0.075	3,061,553
	STI shares issued		1,500,000	\$0.075	112,500
	Exercise of options		100,000	\$0.075	7,500
October 2020	Exercise of options		111,111	\$0.01	1,111
December 2020	Exercise of options		338,334	\$0.30	101,500
	Share issue costs		-		(71,754)
31 December		-			
2020	Balance	-	277,575,625		24,613,543



Note 9 Earnings per share

	Consolidated	
	2020 \$	2019 \$
Earnings per share for loss from continuing operations		
Loss after income tax attributable to the owners of intelliHR Limited	(3,033,010)	(2,315,628)

Weighted average number of shares used in calculating basic and	Number	Number
diluted earnings per share	245,884,697	150,411,220
Basic earnings per share Diluted earnings per share	Cents (1.23) (1.23)	Cents (1.54) (1.54)

Note 10 Cash flow information

	31 December 2020 \$	31 December 2019 \$
Cash and cash equivalents shown in the statement of cash flows comprises the following:		
Cash at bank Fixed term cash deposits	1,958,836 4,900,000	1,224,405
Total	6,858,836	1,224,405

Note 11 Operating segments

The Group 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. The Group is managed primarily on a geographic basis that is the location of the respective areas of revenue generation in Asia

Pacific and Americas. (Americas includes Canada, United States and Great Britain).

In the current financial year, the Group expanded its operations to North America, and as a result the Board has identified two geographical segments being Asia Pacific and Americas. In the prior financial year, there was only one geographical segment, being Australasia.

Basis of accounting for purposes of reporting by operating segments

a. Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board with respect to operating segments, are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of the Group.

b. Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of the economic value from the asset. In most instances, segment assets are clearly identifiable on the basis of their nature and physical location.

c. Segment liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables.

d. Unallocated items

The following items for revenue, expenses, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Interest income
- Global administrative and other expenses
- Global software development expenses
- Global customer help desk expenses
- Global marketing
- Share-based payments
- Research and development tax incentive
- Government incentives
- Income tax expense

INTERINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

Note 11 Operating segments (continued)

e. Segment Information

Segment performance

	\$ 79,057 26,571 05,628
	26,571
Other income 0 0 326,571 3	
	05,628
Total revenue and other income 967,488 11,569 326,571 1,3	
Segment net profit/(loss) from	2 010)
continuing operations before tax 217,399 (298,881) (2,951,528) (3,02	33,010)
Segment assets APAC Americas Unallocated \$ \$ \$	Total \$
31 December 2020 978,776 51,919 10,892,325 11,	923,020
Segment liabilities APAC Americas Unallocated \$ \$ \$	Total \$
31 December 20201,412,80622,5272,821,9814,	257,314

Note 12 Events occurring after the reporting date

No matters or circumstances have arisen since 31 December 2020 that have significantly affected, or may significantly affect, the operations of those operations or the state of affairs of the consolidated entity in future financial years.



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 2020 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

Nony Belles

Tony Bellas Chairman

19 February 2021 Brisbane



Tel: +61 7 3237 5999 Fax: +61 7 3221 9227 www.bdo.com.au Level 10, 12 Creek St Brisbane QLD 4000 GPO Box 457 Brisbane QLD 4001 Australia

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 2020, 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 ended on that date, a summary of 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 accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2020 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 the Corporations Regulations 2001.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity.* Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.



Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 2020 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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.

BDO Audit Pty Ltd

Reprahy

R M Swaby Director

Brisbane, 19 February 2021