



ASX:IHR Release

29<sup>th</sup> July 2022

## Record YoY FY22 Growth

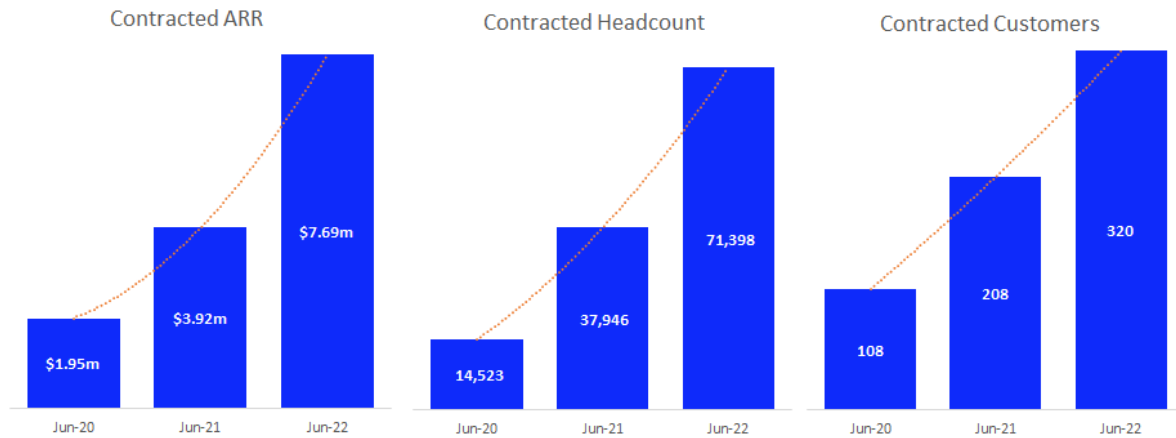
### Key Highlights

- Contracted Annualised Recurring Revenue ('ARR') closed FY22 at \$7.7 million, an increase of 97% YoY.
  - Q4 Contracted ARR growth of \$0.6 million (new customers) plus \$0.4 million from existing customer price increases, below trend from Q2 & Q3, due to sales pipeline lead time associated with recent strategic pivot to target larger enterprise customers and lead generation via signing of new channel partnerships.
  - Q4 Cintra Reseller conversions of \$123k, increasing total Contracted ARR to \$251k, ahead of successful market launch in UK on June 29<sup>th</sup>.
  - Q4 conversion of new enterprise customer, Discovery Parks (2,200 headcount).
  - Price increases successfully rolled-out across existing customer base, with all listed plans increasing between 10% to 12.5%.
  - Post Q4 quarter end, further Contracted ARR growth of \$0.2 million, including conversion of new enterprise customer, Hall & Wilcox (950 headcount) and UK based private equity firm Tenzing (owner of Cintra / PSSG) (30 headcount).
- Net cash used in operations in Q4 reduced by 24% compared to Q3 to \$2.2m, through a combination of restructuring cost savings (as previously announced) and increased income.
  - Q4 cash receipts from customers of \$1.8m, up 29% q-o-q.
  - Full year FY22 cash receipts from customers \$5.631m, a YoY increase of 91%.
- New implementation partnership with Phase 3, UKs leading HR, payroll, and finance systems professional and managed services provider.
- 12 new HR ecosystem partnerships contracted, including KKR's Humanforce, Fluent Group, and Deputy. 8 of which are building native integrations to the IntelliHR platform.
- New product features launched Q4 including Gender Pay Gap analytics and Organisation Objectives.

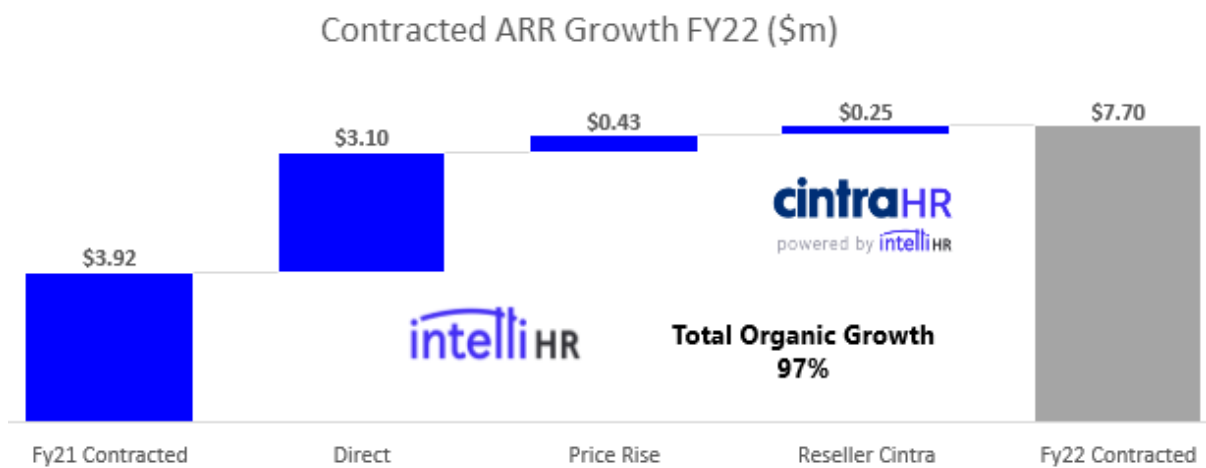
**intelliHR Limited (ASX: IHR)** has delivered its strongest ever FY, with contracted ARR increasing 97% YoY. As at 30<sup>th</sup> June 2022, total contracted ARR was \$7.7m and invoiced ARR was \$5.763m. Q4 Contracted ARR growth was \$0.6 million (new customers) plus \$0.4 million generated from the existing customer price increases. Professional services fees for FY22 were a record \$1.1 million, including \$0.2 million in Q4.

A further record 112 customers were added in FY22, including 23 in Q4. Contracted subscriber headcount on platform has increased to 71,402, an 88% YoY increase.

The IntelliHR platform continues to achieve excellent levels of Annual Net Retained Revenue Growth at 115%, and with less than 0.6% of revenue lost in the last twelve months.



## Channel Performance



### Direct

The direct channel delivered \$3.5 million Contracted ARR growth in FY22, including \$0.4 million from successfully rolling out price increases across the existing customer base.

Q4 growth included the signing of new enterprise customer Discovery Parks (representing 2,200 headcount on intelliHR's full Strategic HR product offering).

intelliHR's target mid market enterprise customer pipeline remains strong and is targeting passing \$10 million in Contracted ARR during H1 of FY23.

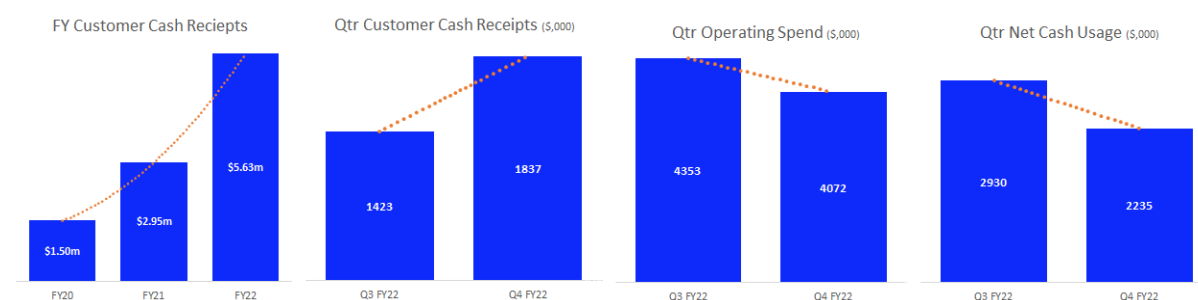
### Partner

During Q4 Cintra Reseller conversions contracted new ARR of \$123k, increasing total Cintra ARR to \$251k during FY22. These conversions were achieved ahead of the successful market launch in the UK of 'Cintra HR – powered by intelliHR' product which was completed on the 29th of June at Cintra's annual customer event.

The IntelliHR partner team continues to build our HR ecosystem, with a further 12 partner relationships contracted during Q4 including Deputy, Humanforce, and Expr3ss!, with 8 of these also building native integrations to the intelliHR product. IntelliHR is negotiating in both the global and ANZ regions with multiple Tier 1 and 2 consulting firms to expand our ideal and enterprise customer implementation capacity along with new lead generation sources. An example of these new

partnerships is Phase 3, UKs leading HR, payroll, and finance systems professional and managed services firm and we expect additional signings to be finalised over the course of Q1.

### Capital management and cash flow



FY22 customer cash receipts were \$5.6 million (representing 91% YoY growth), which included record Q4 collections of \$1.8 million (representing 29% growth q-o-q). Further strong growth in customer receipts is expected over the coming quarters given the current WIP pipeline yet to commence billing, representing 16,558 paying subscribers.

Net cash used in operations reduced by 24% compared to Q3 to \$2.2m through a combination of restructuring cost savings (as previously announced) and increased income.

IntelliHR retains cash reserves of \$5.5m as at 30 June 2022. Capital management and a focus upon achieving operating cash flow breakeven remain a key focus for FY23.

### Additional Information as at 30<sup>th</sup> of June 2022

	1H20	2H20	1H21	2H21	1H22	2H22
Customer Numbers	84	109	149	208	280	320
Net Growth	26	25	40	59	72	40
Contracted Subscribers	11,800	14,531	29,170	37,496	52,138	71,402
Net Growth	2,349	2,731	14,639	8,326	14,642	19,264
Subscribers Invoiced	8,743	9,726	22,271	32,219	40,734	54,884
Growth	3,501	983	12,545	19,674	8,515	14,150
Subscribers to be Invoiced *	3,057	4,805	6,899	5,277	11,404	16,558
Change	-1,152	1,748	2,094	-1,622	6,127	5154

## **Payments to Related Parties**

A total of \$177,286.09 was paid to Directors and their associates for salaries, Director fees and superannuation during the quarter ended 30 June 2022. During the quarter, the Group paid \$55,818.62 for services on normal commercial terms and conditions, from a Company of which Ilona Charles is a Director and shareholder.

Authorised for release by the Board of intelliHR.

## **Further Information**

Paul Trappett

intelliHR Investor Relations

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intelliHR is the intelligent secure people management platform empowering HR leaders to create an engaged, included and aligned workforce. The intelliHR platform is a cloud-based model driving employee engagement, performance and retention. Easily implemented, employing best-of-breed integrations, with powerful data at its core, intelliHR is the choice of HR software for 300+ progressive organizations and over 70,000 users across 20 countries. For more information, visit [www.intellihr.com](http://www.intellihr.com)

## Appendix 4C

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

**Name of entity**

intelliHR Limited

**ABN**

38 600 548 516

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

30 June 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,837	5,631
1.2 Payments for		
(a) research and development	(1,279)	(4,193)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(366)	(1,904)
(d) leased assets	-	-
(e) staff costs	(1,827)	(7,418)
(f) administration and corporate costs	(656)	(2,276)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	19
1.5 Interest and other costs of finance paid	(17)	(75)
1.6 Income taxes paid	(2)	(16)
1.7 Government grants and tax incentives	75	876
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(2,235)</b>	<b>(9,356)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(8)	(54)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) 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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(8)</b>	<b>(54)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	11,982
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(637)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(116)	(573)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	1	15
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(115)</b>	<b>10,787</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 period	7,837	4,102
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,235)	(9,356)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(8)	(54)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(115)	10,787
4.5	Effect of movement in exchange rates on cash held	1	1
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>5,480</b>	<b>5,480</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	5,480	7,837
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>5,480</b>	<b>7,837</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	233
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

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

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
<b>7.4 Total financing facilities</b>	-	-
<b>7.5 Unused financing facilities available at quarter end</b>		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(2,235)
8.2 Cash and cash equivalents at quarter end (item 4.6)	5,480
8.3 Unused finance facilities available at quarter end (item 7.5)	0
8.4 Total available funding (item 8.2 + item 8.3)	5,480
<b>8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	2.5
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	



## 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.

Date: 29 July 2022

Authorised by: The Chairman of the Board  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.