

3 December 2018

## MILESTONE ACHIEVED AS CONTRACTED HEADCOUNT GROWTH ACCELERATES

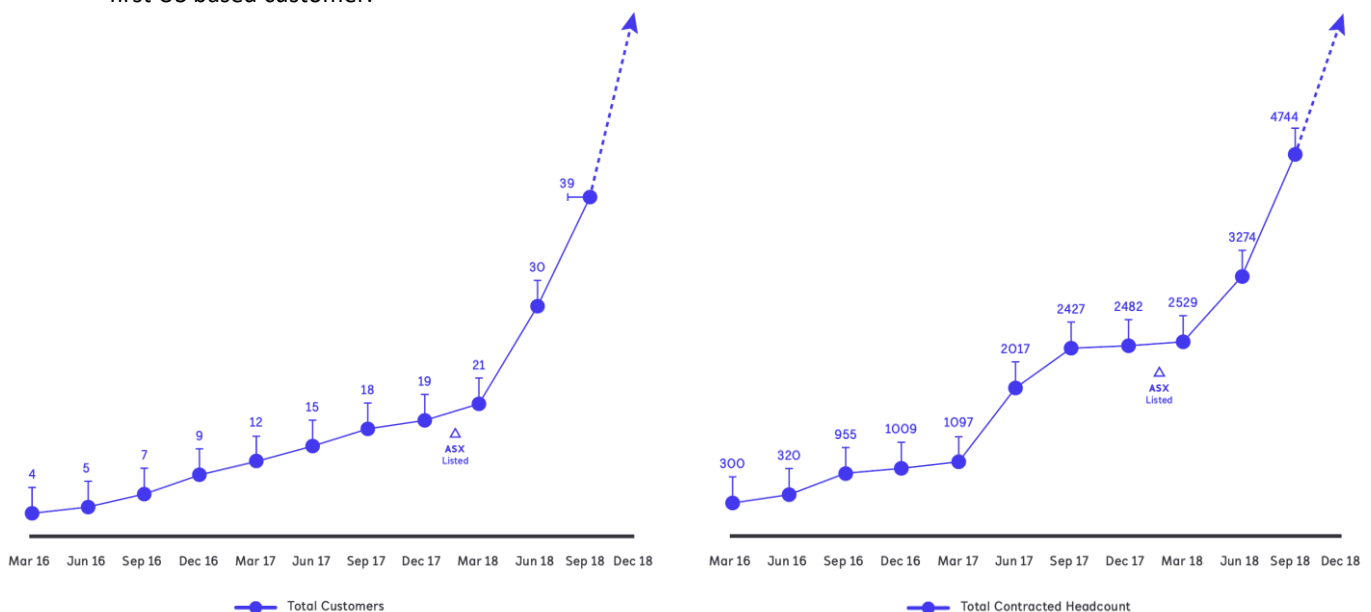
### Highlights

- Recent customer wins see contracted headcount now exceeding the significant milestone of 5,000 paying users upon implementation
- First US based customer implementation underway
- Strong momentum from the first quarter is extending into the second quarter of the current financial year

**intelliHR Holdings Limited (ASX:IHR)** is pleased to provide an update on its recent progress in adding new customers to the intelliHR people management software platform. This increase in customer base has led to rapid growth in annual recurring revenue due in part to the subscription based revenue model employed by intelliHR and the stickiness of these contracts.

2018 has been a year of validation for intelliHR, rewarding investors with customer verification of our market relevance, geographic expansion capability and product competitiveness in local and international markets. The product and service offering has been validated with high quality brands signing up to intelliHR across Australia, New Zealand and recently, directly out of the US.

intelliHR posted its strongest quarter of contracted headcount growth in its history with its first quarter 2019 results by adding 1,460 contracted users. Recent signings mean intelliHR has now reached a significant milestone, with over 5,000 total paying users. Demonstrating continued fast scaling growth and its international potential, intelliHR has also extended on securing its first international customers in New Zealand, by adding its first US based customer.



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Recent Australian customer acquisitions have included clients from a number of different industries whilst also differing in size and scale. The increasing uptake of both customers and users can be partly attributed to the expansion of intelliHR's partner program, with a total of 17 high profile partners now on board.

SaaS technology and the HR management space in particular is one of the fastest growing industry sectors globally, and intelliHR believes that its unique product offering and embedded protected technology has the opportunity to capture a sizeable portion of this market. The recent New Zealand expansion, followed by intelliHR's first US based customer signing is direct validation of the Company's global appeal.

## **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 5-7 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.

## **intelliHR Business Model**

Now established, intelliHR has a clear strategy to expand growth on its investment into Customer Acquisition, which accounts for marketing lead generation and customer winning activities. The investment into customer acquisition is supporting multiple channels, including our Australian direct, New Zealand direct and partner distribution channels.

Life-Time Value (LTV) is a key metric for any SaaS business and intelliHR is proving to derive value in the multiples from its investment into Customer Acquisition. Historically, intelliHR has been able to obtain \$1.30 for every \$1 invested into Customer Acquisition. This has been increasing quarter-on-quarter and doubled to \$2.60 per \$1 invested in Q1 2019, signifying increasing efficiency and value creation. In isolation, the Australian direct channel generated \$5.60 in (LTV) for every \$1 spent in the last quarter. The New Zealand direct and Partner Channels are both early stage investments for future growth.



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## Change of Address

intelliHR wishes to advise that its registered office and principle place of business has changed to Level 28, 345 Queen Street, Brisbane, Australia 4000.

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](http://www.intellihr.com.au).

