

# Q2 FY22 Quarterly Activities Report

ASX Release

31<sup>st</sup> January 2022

Third consecutive quarter of record growth

## Q2 FY22 Highlights

**\$1.47m**

Q2 Contracted ARR and Implementation

**123%**

YoY Record Q2 Cash Receipts

**109%**

YoY Record Q2 Contracted Growth

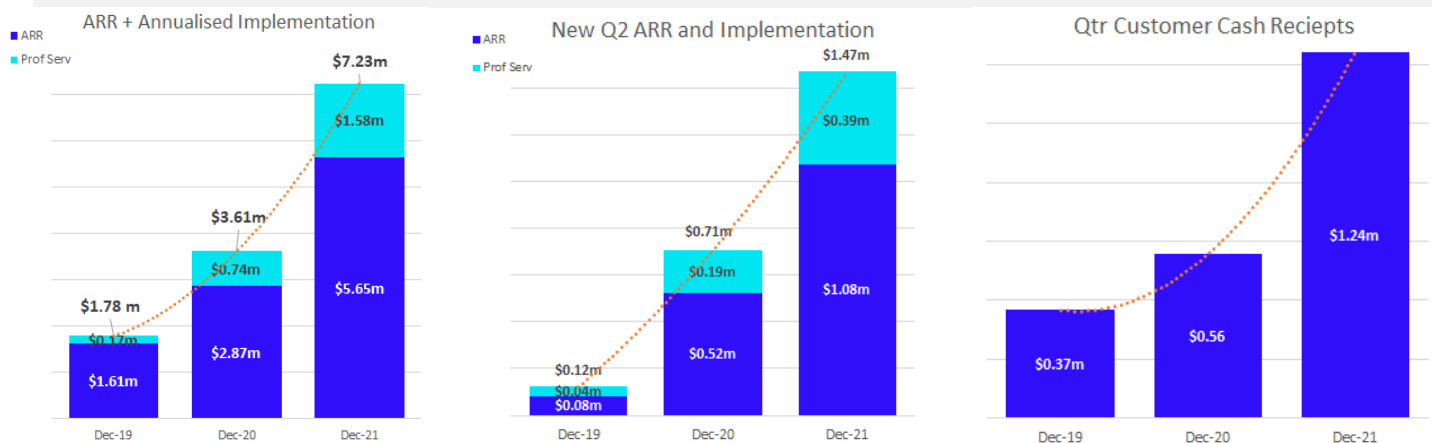
**\$10.8m**

Current Cash Reserves

**intelliHR Limited (ASX: IHR)** has achieved its third consecutive quarter of record growth in Q2, with newly contracted revenue increasing 47% QoQ and 108% YoY. Contracted revenue for the quarter comprised \$1.08m in Annual Recurring Revenue (ARR) and \$0.396m in professional services fee income. Subscription ARR increased by 18% QoQ and 126% YoY.

Q2 growth was 100% organic. A record 44 new customers were contracted, up 33% QoQ and 83% YoY. Q2 deal size increased to an average ARR of \$24,454 (up 17% on historical customer size). New customer wins included 4 enterprise accounts and with 53% of the new enterprise subscribers from global accounts based outside of Australia. intelliHR's enterprise sales pipeline continues to grow, pointing to a strong Q3 forecast performance.

Cash receipts for the quarter were strong at \$1.24m, up 10% QoQ and 123% YoY



## Channel Performance

intelliHR's direct sales channel generated over \$1.0m of new contracted ARR in Q2, accounting for c.95% of total contracted ARR growth. Whilst these deals were originated as direct sales, it is intelliHR's growing 'best of breed' partner ecosystem which increasingly underpins its success, with c.91% of contracted ARR growth having an integration with an ecosystem partner.

intelliHR Cintra reseller channel has secured its first enterprise customer win with the acquisition of the UK arm of global cinema chain, Showcase Cinemas. The Cintra partnership continues to progress, with integration work well advanced and first customers expected to go live in March 2022. The completion of integration work is expected to lead to a rapid expansion in deal volume.

## Financial Performance – Annual Recurring Revenue (ARR) growth

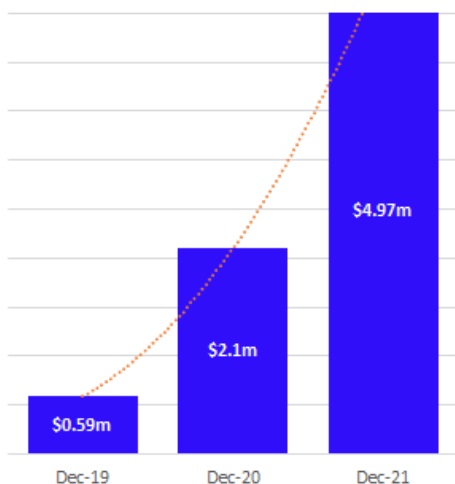
Newly contracted ARR increased by \$1.08m during the quarter, a 107% increase YoY. Total contracted ARR increased to \$5.65m, representing a 97% YoY increase. Professional services fees for Q2 contributed \$0.396m. Total annualised contracted revenue (comprising subscription ARR and annualised Q2 professional services fees) reached \$7.23m.

During Q2, intelliHR has increased marketing investment, resulting in record lead generation (up 162% YoY and 20% QoQ), supporting strong expected future growth. The Company's 12-month Annual Net Retained Revenue Growth increased to 116%, with customer departures less than 1% of ARR in the last 12 months.

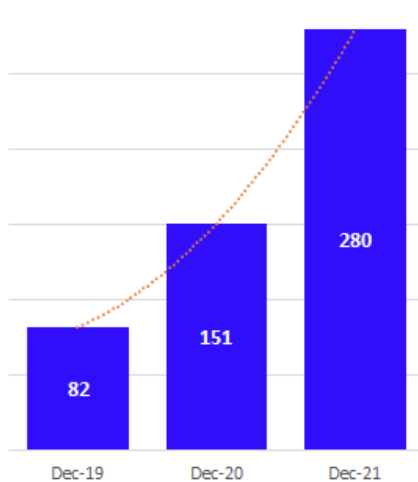
*"We're excited to partner with SupportNinja, enabling them to take a talent-focused, agile, and unified approach to their HR strategy and operations. As digital transformation becomes a priority to power omnichannel solutions and customer experience, intelliHR is well-positioned to support businesses in this sector."*

– Glenn Donaldson, Chief Customer Officer & intelliHR Americas President

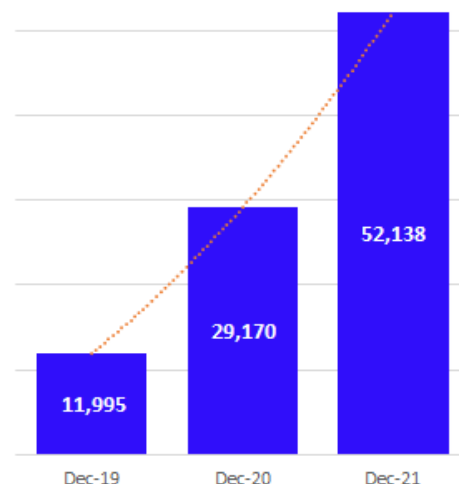
Annualised Qtrly Cash Receipts



Customers on Platform



Contracted Headcount



## Q2 delivers record global enterprise conversions

Following the key growth milestones of 50,000 subscribers and \$5m in ARR achieved earlier in Q2, intelliHR's global expansion has continued with a strong finish to the quarter. Most recent enterprise customer account wins include leading disability service provider, Kirinari, and one of the Queensland largest residential building companies, Clarendon Homes.

These new enterprise accounts build on the success in FY22 to date including Showcase Cinemas, SupportNinja, Couples Resort and the upgrade of OSL to the full Strategic HR package.

"Momentum has continued throughout Q2 for intelliHR which has led to our third consecutive quarter of record sales and it is particularly encouraging to see our 12-month net revenue retention rate strengthening to 116%," said Rob Bromage, intelliHR Founder and Managing Director. "This excellent level of growth has been made possible through our global enterprise customer pipeline continuing to strengthen with an additional four wins achieved this quarter. It's clear that the adoption of analytics-driven HR solutions is becoming ever-more valuable for HR managers and global teams leading into 2022. It's also a testament to our team's ongoing dedication to supporting the needs of the enterprise market," said Bromage.

### AMERICAS

1.4 years - launched September 2020

38 Customers

13 Sales & CS Team

7 New Partners Onboarding

### EMEA

0.6 years - launched June 2021

11 Customers

5 Sales & CS Team

1 Major Reseller Onboarding

5 New Partners Onboarding

### APAC

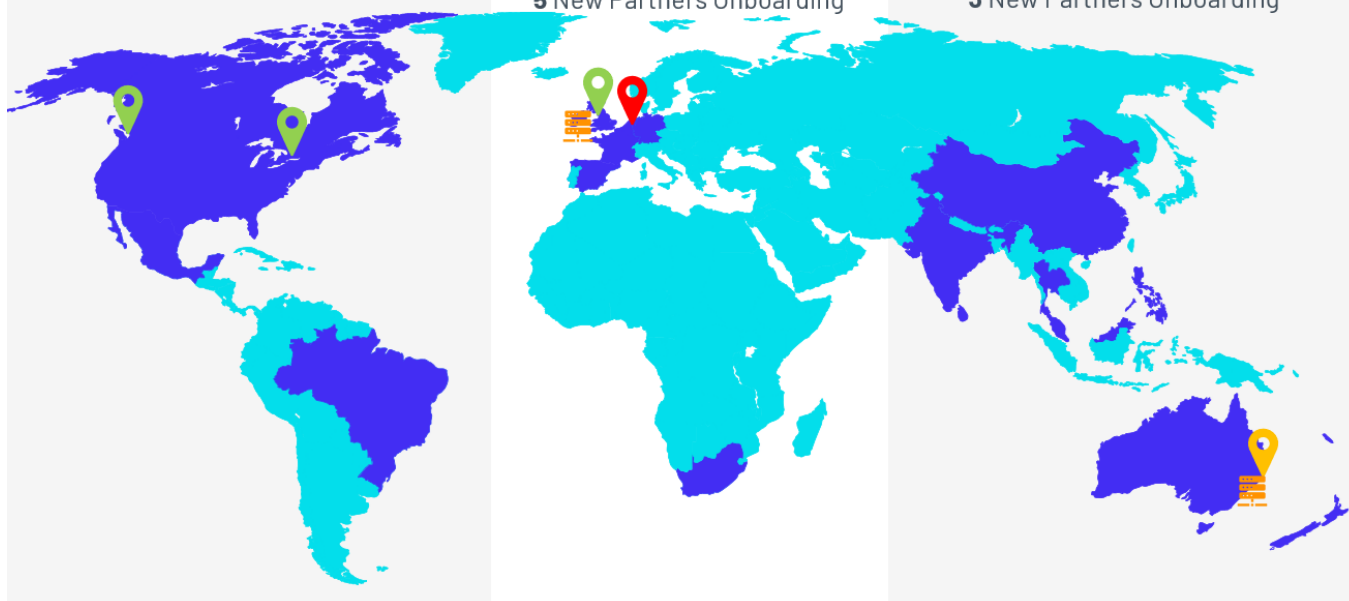
5.4 years - launched August 2016

239 Customers

23 Sales & CS Team

16 Active Referring Partnerships

3 New Partners Onboarding



## Investing in the growth of a global SaaS business

Net cash outflow for Q2 was \$1.08m, with the cash result benefitting from receipt of the R+D rebate (\$801k) and additional capital injections (\$1.28m), with net cash used in operations for the quarter totaling \$2.19m. During the quarter intelliHR continued to invest strategically in longer term horizon capabilities, including the expansion of its global hubs in North America and the UK and product development to support partnership and enterprise client demands. The quarter also saw some outflows associated with finalisation of COVID related deferred expenditure commitments.

### Strong Cash Reserves Maintained

- ✓ At the end of Q2 FY22, intelliHR continued to maintain a strong forward cash position of \$10.8m
- ✓ Austrade Export Market Development grants are expected to contribute to cash flow in Q3 FY22

## Additional Information

Contracted Customer Details as at 31<sup>st</sup> of December 2021

	2H19	1H20	2H20	1H21	2H21	1H22
Customer Numbers	58	84	109	149	208	280
Net Growth	14	26	25	40	59	72
Contracted Subscribers	9,451	11,800	14,531	29,170	37,496	52,138
Net Growth	4,281	2,349	2,731	14,639	8,326	14,642
Subscribers Invoiced	5,242	8,743	9,726	22,271	32,219	40,734
Growth	1,956	3,501	983	12,545	19,674	8,515
Subscribers to be Invoiced *	4,209	3,057	4,805	6,899	5,277	11,404
Change	2,325	-1,152	1,748	2,094	-1,622	6,127

\* Predominantly new business to be implemented. Also includes some existing customers' team members currently stood down

### Payments to Related Parties

A total of \$157,456 was paid to Directors and their associates for salaries, Director fees and superannuation during the quarter ended 31 December 2021.

## Further Information

Paul Trappett  
intelliHR Investor Relations  
[investor.relations@intellihr.co](mailto:investor.relations@intellihr.co)

**intelliHR** intelliHR is an Australian HR technology business that has developed a next-generation cloud-based people management and data analytics platform. Our strategic HR SaaS product helps our customers:

- Create a culture based on employee engagement
- Enable performance through empowering employees
- Give leaders real-time insights and visibility over their people

Our aim is to become an essential core platform for every business to manage their talent providing the necessary tools to align, manage and enable a 'people and culture strategy' within a company's broader business strategy.

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")**

31 December 2021

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,244	2,371
1.2 Payments for		
(a) research and development	(1,026)	(1,844)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(521)	(843)
(d) leased assets	-	-
(e) staff costs	(1,941)	(3,454)
(f) administration and corporate costs	(731)	(1,189)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	19
1.5 Interest and other costs of finance paid	(19)	(40)
1.6 Income taxes paid	(2)	(12)
1.7 Government grants and tax incentives	801	801
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(2,194)</b>	<b>(4,191)</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	(6)	(30)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 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>(6)</b>	<b>(30)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,907	11,900
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	82	82
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(614)	(637)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(172)	(342)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	(82)	(82)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>1,121</b>	<b>10,921</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	11,880	4,102
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,194)	(4,191)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(6)	(30)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,121	10,921
4.5	Effect of movement in exchange rates on cash held	-	(1)
4.6	<b>Cash and cash equivalents at end of period</b>	<b>10,801</b>	<b>10,801</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	10,801	11,880
5.2	Call deposits	-	-
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>10,801</b>	<b>11,880</b>

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	157
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

<b>7.</b>	<b>Financing facilities</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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>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.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(2,194)
8.2	Cash and cash equivalents at quarter end (item 4.6)	10,801
8.3	Unused finance facilities available at quarter end (item 7.5)	0
8.4	Total available funding (item 8.2 + item 8.3)	10,801
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	4.9
<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: 31 January 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.