

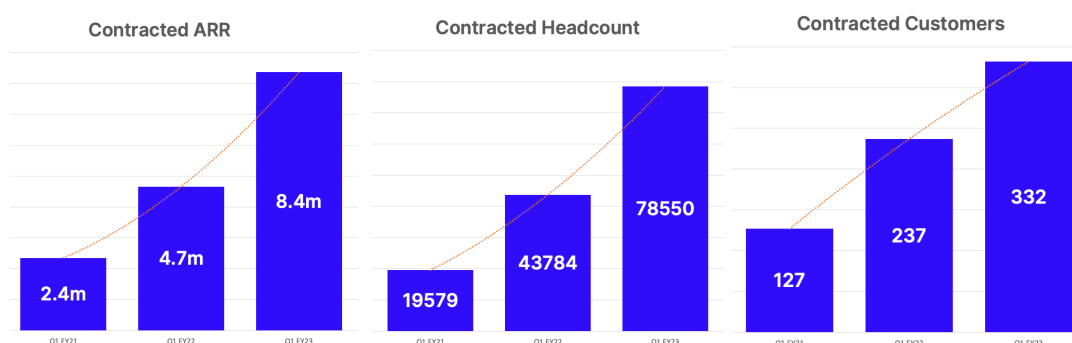
Strong start to new Financial Year

Key Highlights

- Contracted Annualised Recurring Revenue ('ARR') closed Q1 FY23 at \$8.37m, up 78.1% y-o-y and 8.7% q-o-q
 - Q1 Contracted ARR growth of \$0.67m
 - Successful Q1 conversion of 20 new mid-market customers, and successful completion of implementation of enterprise customer Mitre 10 NZ, resulting in FY23 YTD implementation revenue of \$0.15m
 - Net Retained Revenue Growth (last twelve months) stands at 116%, and mid-market and enterprise customer churn remains at 0%
 - Average ARR per customer for all customer segments is now \$25,208
- Net Cash used in operations of \$2.25m, flat q-o-q
- Global recognition: intelliHR named a 'Momentum Leader' by leading software review site G2
- Partner Channel Team established in late FY22Q4 gained momentum in Q1 with a number of new ecosystem partners, new capability expanding integrations, and an innovative Australian HRIS industry first
 - intelliHR is Australia's first HRIS to integrate with school management system TASS – facilitating a more seamless offer to educational institutions
 - 20 new HR ecosystem partners contracted and 23 new integrations completed in Q1 with payroll systems, workforce management, document signing, learning management, ATS, compliance, and rewards and recognition systems
- Current Q2 product roadmap includes Contract Offer Making, ISO and SOC Certification (currently in Audit), and a Global Leave Management solution

intelliHR Limited (ASX: IHR) has delivered a strong start to the new financial year, with Q1 Contracted ARR growth of \$0.67 million. As at 30th September 2022, total contracted ARR was \$8.37m from 78,550 contracted subscribed headcount, a 8.7% increase q-o-q.

The intelliHR platform continues to achieve excellent levels of Revenue Retention recorded at 116%, with lost customer revenue (churn) accounting to only 0.6%.



Product Performance and Recognition

Q1 saw the successful completion of the on-boarding process for marquee customer Mitre 10 NZ, which will see c.6000 headcount migrate from WIP to Invoiced ARR in Q2.

Also in Q1, leading global software review website G2 published its Fall 2022 Grid Reports and for the first time IntelliHR was recognised as a global 'Momentum Leader' in the categories of HR Analytics, Performance Management System, Workforce Management Software, Core HR Software, and Employee Engagement.

G2 is a Chicago, USA, based company that has built a global industry leading platform for enterprise software reviews to help customers make decisions on what software to use and buy. G2 sets itself apart from other software review sites by not using advertising, and rates all companies solely based on customer reviews and feedback.

"I want to thank our IntelliHR customers in over 20 countries for the reviews they contributed to G2 over the past year. Customer reviews, both positive and less so, are essential insight for any SaaS business. We're thrilled to be recognised as a global Momentum Leader in the G2 Fall 2022 Grid Report. This capped a great FY22 for our team, where we welcomed over 100 new customers, and grew our ARR by 97%", said Matt Donovan, IntelliHR Executive Chair.

Partner Channel Performance

Cintra generated c.\$0.1m in Q1 Contracted ARR and Implementation Revenue, including the Vines Group, the UK's leading independent BMW and Mini dealerships business. This increases total Cintra Contracted ARR to-date to \$324k. Q1 was a 'bridge quarter' from the initial pilot customers to post launch at the end of June, with Q2 expecting to see an acceleration of Cintra revenue. Cintra is offering IntelliHR to the c.200k+ headcount on its platform and recently agreed to expand the reseller agreement to include PSSG's (Cintra parent company) newly acquired Software for People platform with c.40k+ headcount.

In Q1, IntelliHR contracted 20 new HR ecosystem partners including Smart Recruiters, Perkbox, Talos360, Greenhouse and Workable. The team also completed 23 new integrations in Q1 including payroll systems (iPayroll, KeyPay UK, Datapay Australia, Payroo), workforce management (GoodHuman, Soon), document signing (Get Accept, DocuSign), learning management (Docebo, Adobe Learning Manager), ATS (SnapHire, Lever, Scout Talent), compliance (National Crime Check), rewards and recognition (Wishlist).

"Every new ecosystem partner scales our ability to configure our service to the specifics of the customer. IntelliHR is not a one size fits "all-in-one". Whether it is connecting IntelliHR into the data streams from a customer's existing tech ecosystem, or helping their HR and IT team upgrade via one of our partners, we empower the way our Customer wants to work. Every integration makes IntelliHR more intelligent", said IntelliHR Executive Chair Matt Donovan.

IntelliHR is continuing negotiations in both the global and ANZ regions with multiple consulting, reseller, and system integrator firms to expand ideal and enterprise customer implementation capacity along with new lead generation sources.

Direct Channel Performance

The Direct channel delivered \$0.5m in Contracted ARR.

Notable Australian customer wins included c.1,600 headcount from two leading ANZ firms - legal group Hall & Wilcox, and solutions and managed IT services business Brennan. IntelliHR also saw organic growth via an expanded relationship with existing customer Scope Australia, one of Australia's largest providers of disability support services.

Notable global customer wins included New Zealand's Joylab, infrastructure and industrial services leader InterGroup, leading UK tech growth equity investor Tenzing, and the European Climate Foundation.

Capital management and cash flow

intelliHR has retained its focus on cash management, with operating cash burn for Q1 of \$2.25m remaining relatively flat q-o-q. Q1 Cash Receipts from Customers of \$1.83m was also flat q-o-q (noting FY22Q4 was a previous record quarter).

intelliHR retains cash reserves of \$3.11m as at 30th September 2022, and moves into Q2 with a strong WIP pipeline to convert onto the platform consisting of 16,409 paying subscribers (including 6000 Mitre 10 subscribers already converted in Q2 to-date).

Additional Information as at 30th of September 2022

	1H20	2H20	1H21	2H21	1H22	2H22	1H23 (to date)
Customer Numbers	84	109	149	208	280	320	332
Net Growth	26	25	40	59	72	40	12
Contracted Subscribers	11,800	14,531	29,170	37,496	52,138	71,402	78,550
Net Growth	2,349	2,731	14,639	8,326	14,642	19,264	7,148
Subscribers Invoiced	8,743	9,726	22,271	32,219	40,734	54,884	62,141
Growth	3,501	983	12,545	19,674	8,515	14,150	7,257
Subscribers to be Invoiced *	3,057	4,805	6,899	5,277	11,404	16,558	16,409
Change	-1,152	1,748	2,094	-1,622	6,127	5154	-149

Payments to Related Parties

A total of \$167,697.77 was paid to Directors and their associates for salaries, Director fees and superannuation during the quarter ended 30 September 2022. During the quarter, the Group paid \$58,437.50 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

intelliHR Investor Relations

investor.relations@intellihr.com

About ASX:IHR

intelliHR is the intelligent people platform empowering global HR leaders to create an inclusive, engaging, performing, and aligned working culture. The intelliHR platform is the cloud-based way to drive employee engagement, performance and retention, in today's hybrid working world. Easily implemented, highly configurable, an ecosystem of integrations partners, with powerful data at its core - intelliHR is the HR software choice for 340+ progressive organisations and over 78,000 users across 20 countries. For more information, visit 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 September 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,829	1,829
1.2 Payments for		
(a) research and development	(1,174)	(1,174)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(387)	(387)
(d) leased assets	-	-
(e) staff costs	(1,993)	(1,993)
(f) administration and corporate costs	(487)	(487)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	3
1.5 Interest and other costs of finance paid	(4)	(4)
1.6 Income taxes paid	(33)	(33)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(2,246)	(2,246)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
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)		
	Repayment of principal portion of lease liability	(127)	(127)
3.10	Net cash from / (used in) financing activities	(127)	(127)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	5,480	5,480
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,246)	(2,246)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(127)	(127)
4.5	Effect of movement in exchange rates on cash held	2	2
4.6	Cash and cash equivalents at end of period	3,109	3,109

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	3,109	5,480
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,109	5,480

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	226
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>		

7.	Financing facilities <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
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.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(2,246)
8.2	Cash and cash equivalents at quarter end (item 4.6)	3,109
8.3	Unused finance facilities available at quarter end (item 7.5)	0
8.4	Total available funding (item 8.2 + item 8.3)	3,109
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.4
<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: No. A material R&D tax incentive refund is expected to be received prior to 31 December 2022.	
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: The Company is assessing options for funding. The Company has no reason to believe any steps taken in this regard won't be successful.	
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: The Directors believe there is sufficient cash available for the Company to continue operating under further funding is obtained.	
<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 October 2022

Authorised by: Matt Donovan, Executive Chairman
(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.