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For

intelliHR

2021

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# 2021 HIGHLIGHTS

(NON INTERNATIONAL FINANCIAL REPORTING STANDARDS MEASURES)

## CONTRACTED SUBSCRIBERS

**37,946**

INCREASE OF 22,965  
ON FY2020

↑ 158% YOY

## CONTRACTED ARR

**\$3.92m**

\$1.96M  
INCREASE

↑ UP 101% YOY

## CONTRACTED CUSTOMERS

**208**

52 CUSTOMERS LOCATED  
OUTSIDE AUSTRALIA

## CASH RECEIPTS

**\$2.95m**

96% INCREASE OF \$1.445M  
OVER FY2020

## GLOBAL SUBSCRIBERS

**38%**

61% OF GROWTH IN FY21  
WERE GLOBAL SUBSCRIBERS

## AVE CONTRACTED CUSTOMER ARR

**\$18,847**

INCREASE OF 4%  
OVER FY2020

## TOTAL CUSTOMER LIFETIME VALUE

**\$49.7m**

## NET PROMOTER SCORE

**66**

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# CORPORATE DIRECTORY

## DIRECTORS

G Baynton *M.Econ St, MBA, B.Bus, PG.Dip. Applied Fin & Inv., FGS*

A Bellas *B.Econ, DipEd, MBA, FAICD, FCPA, FGS*

R Bromage *B.Bus, CAHR/*

I Charles *B Occ Therapy, MBA, G. Dip AICD*

J Duffield *MAICD*

B Lajoie

D Slocomb *B.Bus (Fin), LLB (Hons I), MFin*

## SECRETARY

S M Yeates *CA, B.Bus*

## PRINCIPAL PLACE OF BUSINESS

Level 28, 345 Queen Street, Brisbane QLD 4000

## REGISTERED OFFICE

Level 28, 345 Queen Street, Brisbane QLD 4000

## SHARE REGISTER

Link Market Services Limited

Level 21, 10 Eagle Street

Brisbane QLD 4000

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

## AUDITOR

BDO Audit Pty Ltd

Level 10, 12 Creek Street

Brisbane QLD 4000

[www.bdo.com.au](http://www.bdo.com.au)

## SOLICITORS

Atkinson Corporate Lawyers

Level 8

99 St Georges Tce

Perth, WA, 6000

## BANKERS

Commonwealth Bank of Australia

## STOCK EXCHANGE LISTING

intelliHR Limited shares are listed on the Australian Securities Exchange (ASX:IHR).

## WEBSITE ADDRESS

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

# CHAIRMAN AND MANAGING DIRECTOR'S LETTER

It is our pleasure to present the Annual Report of IntelliHR Limited for the year to 30 June 2021.



Having commenced operations in 2014, IntelliHR commercialised its product in 2016, was listed on the Australian Stock Exchange in 2018 and established its "Product Market Fit" in 2019.

FY2021 saw IntelliHR cement its position as a fast growing global scale-up by delivering record levels of YoY growth fuelled by international expansion, enterprise customer acquisition in all operating markets and the successful introduction of a value based pricing model.

With the world deep in the grips of the COVID-19 pandemic, FY2021 started exactly as FY2020 ended. The continuing health crisis, uncertain economic conditions and significant disruption from lockdowns were challenging organisations worldwide, with the way of working in a state of flux. This disruption served to increase the relevance of IntelliHR as an essential tool to assist organisations in managing the engagement and effectiveness of their greatest asset, their people.

In July 2020, a cornerstone investment in IntelliHR by Australian tech entrepreneur, Bevan Slattery through the Slattery Family Trust, cornerstoned a \$5.5 million capital raise made up of a \$2.5 million placement, and a 1 for 5 rights issue, to raise a further \$3.0 million. The rights issue was jointly underwritten by Colinton Capital Partners and Bevan Slattery with both parties

recognising the unique market and global growth opportunities which are emerging for IntelliHR.

IntelliHR continued to focus upon its business plan to become a Globally recognised HR SaaS platform. Over the course of FY2021, it delivered upon its growth agenda via a continual acceleration in customer conversions. It achieved significant business milestones including securing its 200th paying customer, conversion of six high profile Enterprise Customers, and roll out of its global sales and service footprint, delivering 418% Global subscriber growth.

Still an early stage technology business, IntelliHR is in a very exciting growth phase having recorded yet again its strongest 12 month period of customer cash receipts and revenue growth. The Company successfully doubled its customer base to 208, grew subscribers by 158% to 37,946, grew contracted annual recurring revenue by 101%, a \$1.92m increase, and generated a 149% increase in contracted professional services income to \$0.8m. Cash receipts rose to \$3.0 million a 96% increase.

IntelliHR continues to enjoy a very high customer Net Promoter Score (NPS) that is consistently over 60, with minimal lost revenue (less than 0.5%) experienced during the last 12 months. This ensures the business can expect to earn subscription revenue from existing customers well beyond the next decade.

During FY2021, 12 month net revenue retention from the customer base at June 2020 was also excellent at 106%.

Key drivers of performance have included the Company's investment into global growth by building sales and support capabilities in North America and the UK. This has paid dividends with 56% of FY2021 revenue growth generated from Globally Contracted customers. Whilst direct sales remain our strongest channel, we are encouraged to see our technology ecosystem partners positively influencing an increasing proportion of these deals. intelliHR is presently working to progress emerging reseller technology partnerships: reseller opportunities will take the form of a new scalable sales channel offering significant growth in addition to both the existing Global Direct Sales Channel and also the now fast emerging Ecosystem Channel.

intelliHR has also increased its product and market focus upon the People Management needs of Enterprise Customers with the product fit for this valuable segment being confirmed regularly during FY2021. A key competitive advantage is our SaaS technology which delivers our best-in-breed people management systems, allowing organisations to maintain a real-time handle on their people and performance, whilst being able to quickly configure the platform to support their own culture and business strategy and contribute to strategic decision-making with data-driven insights which amaze and inform executive teams.

intelliHR continues to deliver results for our 208 high profile customers including lower costs, higher productivity and improved revenues. The value of intelliHR's people management platform to customers is also reflected in its strong customer retention to date. intelliHR's global relevance is also evidenced by the expansion of subscribers into 18 countries and approximately

40% of our contracted subscribers now accounted for by our global customers.

In the year ahead, the Company's growth strategy will be intensely focused on continuing to build scale and leverage the strong relationships being built with partners. It will continue to focus on high value integrations to support new customer lead generation opportunities and fast track the building of an ecosystem of integrated best in class HR tools, centred around intelliHR as the essential core people management platform for business.

In closing, we would like to thank the talented and energetic team at intelliHR for their efforts over the year. As well, we would like to thank our other Independent Directors, Greg Baynton, Illona Charles, Jamie Duffield, Belle Lajoie, and David Slocomb, as well as Alan Bignell (retired) and Nicole Cook (retired) for their diligence and support in guiding the Company through this exciting phase in its development.

We are confident that we have the talent and technology that can help deliver outstanding outcomes for our customers and build enduring value for our shareholders.



TONY BELLAS

Chairman



ROB BROMAGE

Managing Director



# DIRECTORS' REPORT

Your Directors present their report on the consolidated entity consisting of IntelliHR Limited and the entities it controlled at the end of, or during, the year ended 30 June 2021. Throughout the report, the consolidated entity is referred to as the Group.

## DIRECTORS AND COMPANY SECRETARY

The following persons were Directors of IntelliHR Limited during the whole of the financial year or from the date of appointment and up to the date of this report.

- > A Bellas > G Baynton > D Slocomb
- > R Bromage > J Duffield

I Charles and B Lajoie were appointed as Directors on 19 February 2021 and 30 April 2021 respectively and continue in office as the date of this report.

A Bignell was a Director from the beginning of the financial year until his resignation on 30 April 2021.

N Cook was a Director from the beginning of the financial year until her resignation on 29 October 2020.

The Company Secretary is Suzanne Yeates. Suzanne was appointed to the position of Company Secretary in 2016. She is a Chartered Accountant, Founder and Principal of Outsourced Accounting Solutions Pty Ltd. She holds similar positions with other public and private companies.

## PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year were the development of an innovative, cloud-based people management platform.

No significant change in the nature of these activities occurred during the period.

## DIVIDENDS

The Directors do not recommend the payment of a dividend.

No dividend was paid during the year.

## COVID 19 IMPACT

IntelliHR has continued to respond positively to COVID-19 with the team safe and highly productive having transitioned primarily to a working from home work environment. Our growth has continued to accelerate since the onset of Covid, with IntelliHR being particularly well positioned to support the

# OUR VISION

To be the #1 people technology platform in the world, renowned for transforming workplaces for the better with a powerful fusion of inspired people management and data science.





global shift to 'Work from Home', where organisations can better manage and engage their team using IntelliHR's platform tools for continuous feedback, performance enablement and wellness capabilities. At times of lock-down initiation, IntelliHR has experienced some delays in customer contract signing as decision makers focus attention on other priorities.

## REVIEW OF OPERATIONS

FY2021 has delivered accelerating levels of customer conversions from across the globe with IntelliHR generating record growth performances across all major metrics including, customers, subscribers, revenue, implementation and retention. We have continued to efficiently leverage our capital, successfully executing upon a high growth strategy, whilst building our global capacity and scale.

### Financial Performance

- › 158% YoY increase to 37,946 in Contracted Subscribers
- › 101% YoY increase in Contracted Annual Recurring Revenue - \$1,920,000 increase on FY2020
- › 97% YoY increase in Revenue growth, a \$1,250,470 increase over FY 2020
- › 149% YoY increase in Contracted Professional Services, a \$480,475 increase over FY2020
- › 96% YoY Customer Cash Receipts growth, an increase of \$1,445,000 over FY2020

### Customer Growth

- › IntelliHR has been firmly established as a global SaaS business, servicing organisations across 20 countries, delivering 418% increase in global subscribers and 163% global revenue growth during FY2021.
- › \$3.92M Contracted ARR, 208 paying customers and 37,946 paying subscribers contracted as at 30 June 2021 with significant milestone of 200 paying customers contracted achieved in June 2021
- › Conversion of 6 Enterprise Customers over the course of FY21 with a strong pipeline of future Enterprise conversions being established and maintained
- › 101% Annual Recurring Revenue (ARR) growth contracting \$1.92m ARR over FY2021
- › Increased traction was achieved across key established industries including Healthcare, Retail, and Professional Services such as Law, Engineering, Finance, and Technology amongst others. With Healthcare proving to be particularly strong accounting for nearly 30% of our growth.

### Operational Performance

- › 149% increase in contracted professional services generated from implementation and consultancy support to new and existing customers
- › The company continued to see strong customer and revenue retention with less than 0.5% of revenue lost in the last 12 months despite the impact of Covid-19.

# OUR MISSION

To be the most valuable, addictive and must-have technology for every person, leader and enterprise worldwide.

- › Product development and engineering capacity and capability expansion resulted in further product improvements during FY2021 with the introduction of
    - » 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. Additional languages to be added as customer demand supports investment.
    - » a range of scaling and self-service onboarding initiatives including an automated billing system and customer facing data upload automation.
    - » extension of intelliHR's public API, which increases the endpoints and functionality and extends the potential range of integration possibilities with enterprise payroll systems and the best of breed HR ecosystem around intelliHR as core.
    - » further investment in R&D into analytics and AI to deliver additional functionality including insight generation to underpin business decision-making.
    - » Significant technology transformation projects were undertaken and completed to increase platform performance for larger enterprise data sets and improving user experience
- Eco-system development is paying dividends with over 80% of the conversions in Q4 FY2021 having an eco-system partnership focus.

**Strategy and Outlook**

- › Looking forward, the company is excited to further build upon FY2021 successes in FY2022. intelliHR is accelerating growth from its innovative and configurable HR platform which is proven to quickly meet the needs of organisations across the globe, providing an expanded market opportunity looking forward to FY2022. It has continued to invest into efficiently scaling sales operations through a range of product initiatives including foreign language capabilities, ecosystem and channel development which similarly increase the addressable market.
- › IntelliHR has firmly established a strong platform for global SaaS HR success over the course of FY2021. It has continued to invest in building our global subsidiary intelliHR America's, initially employing 2 salespeople this team has now expanded to 11 providing comprehensive sales and support coverage across the entire North American market and UK Markets.
- › With 61% of our record subscriber growth, along with half of Enterprise Conversions being generated from Global Markets, this investment has already paid dividends and is expected to lead our growth into FY2022 and beyond.

- › Continue to accelerate toward offering a marketplace based ecosystem built from best of breed people focused platforms with intelliHR at the core.
- › Continue to adapt our offering at all levels to service the increasing scale opportunity offered by Enterprise customers. The range of customers that we support is now 50 to 10,000 employees, multilingual and located across the globe.
- › Continue to develop emerging Reseller technology partnerships creating a new scalable distribution channel.

As disclosed in the financial report, the Group achieved a net loss of \$7,633,419 (2020: \$4,820,837) and net operating cash outflows of \$3,095,924 (2020: \$2,012,572) for the year ended 30 June 2021.

**SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

In August 2020, \$5.75 million was raised through the placement of 30,601,377 shares, and a rights issue of 40,820,819 shares.

**EVENTS SINCE THE END OF THE FINANCIAL YEAR**

Since the 30th of June the Group has:

Executed a Reseller Agreement with leading UK-based payroll software providers Payroll Software and Services Group (PSSG) and Cintra to sell the intelliHR SaaS offering to Cintra's enterprise customer base of over 200 customers, representing over 200,000 potential subscribers. The agreement accelerates intelliHR's international expansion and represents its first major large-scale channel partnership deal in its emerging reseller sales channel. Annual Recurring Revenue (ARR) potential of up to circa \$8.0m from the Cintra agreement, subject to successful roll out which is expected to gain significant momentum in H2 FY2022.

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## TONY BELLAS

Chair – Non-executive

### EXPERIENCE AND EXPERTISE

Mr Bellas brings over 30 years of experience in the public and private sectors. Tony was previously CEO of the Seymour Group, one of Queensland's largest private investment and development companies. Prior to joining the Seymour Group, Tony held the position of CEO of Ergon Energy, a Queensland Government-owned corporation involved in electricity distribution and retailing. Before that, he was CEO of CS Energy, also a Queensland Government-owned corporation and the State's largest electricity generation company, operating over 3,500 MW of gas-fired and coal-fired plant at four locations.

Tony had a long career with Queensland Treasury, achieving the position of Deputy Under Treasurer.

Tony is a Director of the following unlisted companies: Loch Explorations Pty Ltd, Colonial Goldfields Pty Ltd, Burlington Mining Pty Ltd, and West Bengal Resources (Australia) Pty Ltd.

*"It's better to hang out with better people than you. Pick out associates whose behaviour is better than yours and you'll drift in that direction" – Warren Buffet*

*"intelliHR provides a set of key, strategic people management tools to support organisations that are always looking to be "better"."*

### OTHER CURRENT DIRECTORSHIPS

Chairman of NOVONIX Limited (ASX: NVX) and Director of State Gas Limited (ASX: GAS).

### FORMER LISTED DIRECTORSHIPS IN LAST 3 YEARS

- › Corporate Travel Management Ltd (ASX: CTD)  
– Ceased March 2019
- › ERM Power Ltd (ASX: EPW)  
– Ceased February 2019
- › Shine Corporate Ltd (ASX: SHI)  
– Ceased June 2020.

### SPECIAL RESPONSIBILITIES

- › Chairman of the Board
- › Chairman of the Nomination Committee
- › Member of the Audit & Risk Committee
- › Member of the People Committee

### INTERESTS IN SHARES AND OPTIONS

- › 4,957,545 ordinary shares



## G BAYNTON

Non-Executive Director

### EXPERIENCE AND EXPERTISE

Mr Baynton is Founder and Managing Director of ORBIT CAPITAL, an investment and advisory firm and holder of an Australian Financial Services Licence. He has been a Director of ASX-listed companies for over 20 years, in sectors including technology, infrastructure and resources.

Mr Baynton has experience in investment banking, infrastructure investment, IPOs, public company directorships, Queensland Treasury and the Department of Mines and Energy. He holds a Bachelor of Business, a Postgraduate Diploma in Applied Finance and Investment, a Masters of Economic Studies, and a Masters of Business Administration. He is a Fellow of the Geological Society of London.

*"2021 established beachheads for our international expansion and also tested those new markets. The early results look extremely exciting indeed."*

### OTHER CURRENT DIRECTORSHIPS

Executive Director of State Gas Limited (ASX: GAS) and NOVONIX Limited (ASX: NVX).

### FORMER LISTED DIRECTORSHIPS IN LAST 3 YEARS

- > Non-executive Director of Superloop Limited (ASX: SLC)  
- Ceased October 2020

### SPECIAL RESPONSIBILITIES

- > Member of the Audit & Risk Committee
- > Member of the Nomination Committee

### INTERESTS IN SHARES AND OPTIONS

- > 6,863,689 ordinary shares



*"It is exciting to be part of such an exceptional growth story. There is a real need for intelligent HR technology globally and the opportunity is enormous."*



## I CHARLES

Non-Executive Director

### EXPERIENCE AND EXPERTISE

Ms Charles is CEO and co-founder of ShiloPeople, an on-demand human resources consultancy. She is an experienced executive with an extensive career in human resources, transformation and change across multiple industries and geographies. She has worked across global and complex organisation from entrepreneurial start-ups to large-scale, multi-national corporates. Industries include digital and technology, financial services, health, telecommunications and government.

Ms Charles holds a Bachelor of Applied Science (OT), Graduate Diploma Business Administration and a Masters of Business Administration. She is a graduate of the Australian Institute of Company Directors and a Certified member of the Australian Human Resources Institute.

### OTHER CURRENT DIRECTORSHIPS

- > Director Goulburn Valley Health (GVH)
- > Chair of the Remuneration & Workforce committee (GVH)
- > Director LaunchVic
- > Member, People Advisory Committee Burnet Institute (sub-committee of the Board)

### FORMER LISTED DIRECTORSHIPS IN LAST 3 YEARS

- > None

### SPECIAL RESPONSIBILITIES

- > Chairman of the People Committee
- > Member of the Nomination Committee

### INTERESTS IN SHARES AND OPTIONS

Pursuant to a Call Option Deed with Colinton Capital Partners I (A) Pty Ltd (ACN 620 748 718) as Trustee for Colinton Capital Partners Fund I (A) Trust (CCP) dated 19 February 2021, Ilona Charles has an option to acquire 250,000 of IHR ordinary shares held by CCP as the registered holder for an exercise price of \$0.40, exercisable at any time before 19 February 2025 subject to certain vesting conditions.



## B LAJOIE

Non-Executive Director

### EXPERIENCE AND EXPERTISE

Ms Lajoie is the CEO of Cloudscene and is a globally recognised technology leader and expert at rapidly growing organisations from start-up to scale. Ms Lajoie has played critical roles in the growth and commercial success of some of Australia's most successful technology start-ups and has 13 years' experience in both Telecommunications and SaaS sectors. Ms Lajoie has spent her career working as an integral member of the leadership teams at PIPE networks, NEXTDC, Megaport, and Cloudscene.

*"With a record year for annual revenue, customers and subscribers, the results show that there's high market demand for the product and the team have proven their sales model. This is just the beginning."*

### OTHER CURRENT DIRECTORSHIPS

> None

### FORMER LISTED DIRECTORSHIPS IN LAST 3 YEARS

> None

### SPECIAL RESPONSIBILITIES

> None

### INTERESTS IN SHARES AND OPTIONS

> None

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## J DUFFIELD

Non-Executive Director

### EXPERIENCE AND EXPERTISE

Mr Duffield has over 20 years of experience in the IT industry and is the CEO of Ampion, a leading quality assurance consulting firm which he co-founded in 2004. He has strong risk, governance and commercial experience with expertise in driving growth through sales, marketing, mergers and acquisitions.

Jamie is also a graduate of the Australian Institute of Company Directors.

*"The intelliHR team worked hard to achieve strong ARR growth and customer retention in a very challenging year."*

### OTHER CURRENT DIRECTORSHIPS

> None

### FORMER LISTED DIRECTORSHIPS IN LAST 3 YEARS

> None

### SPECIAL RESPONSIBILITIES

- > Member of the Audit & Risk Committee
- > Member of the Nomination Committee

### INTERESTS IN SHARES AND OPTIONS

> 4,155,583 ordinary shares



## MR BROMAGE

Managing Director

### EXPERIENCE AND EXPERTISE

Mr Bromage is a HR Professional with 22 years in the industry. An experienced businessman, his entrepreneurial flair and continuous, forward-thinking improvement is fueled by his passion for HR and high-performing business. His career has centered around the field of building validated performance prediction models, developing his expertise in human capital management analytics. He actively researches the future of people management, which drives IntelliHR's evolution.

Career highlights include:

- > Founder and current CEO of IntelliHR – an Australian HR technology business developing and currently marketing a next-generation cloud-based people management Platform
- > Founder of APRG – a Human Capital Management Consulting organisation focused on delivering leading consulting services to Australian businesses.

Specialties:

People and Culture Strategy Alignment, Performance Management Frameworks, HR Process Design, Attrition Reduction, HR Software Development, HR Technology Implementation, HR Metrics and Predictive Analytics.

*"Our team is world class in delivery of a best-in-class customer experience, service and product to an expanding global market. 2021 was a year to be remembered as pivotal to our future success."*

### OTHER CURRENT DIRECTORSHIPS

- > None

### FORMER LISTED DIRECTORSHIPS IN LAST 3 YEARS

- > None

### SPECIAL RESPONSIBILITIES

- > Managing Director

### INTERESTS IN SHARES AND OPTIONS

- > 27,910,105 ordinary shares
- > 3,895,543 options over ordinary shares
- > 2,727,273 performance rights





## DAVID SLOCOMB

Non-Executive Director

### EXPERIENCE AND EXPERTISE

Mr Slocomb is a Partner at Australian mid-market private equity firm, Colinton Capital Partners. Mr Slocomb has significant prior experience in private equity and investment banking with former roles at global investment firms The Carlyle Group, Oaktree Capital and Macquarie Group. He was also previously CFO at Guzman y Gomez. He holds a Master of Finance from INSEAD Business School and a Bachelor of Business (Finance)/Bachelor of Laws (Hons I) from the Queensland University of Technology.

*"In FY21 intelliHR successfully executed the early foundations for global growth, duly recognised by signing marquee offshore enterprise customers."*

### OTHER CURRENT DIRECTORSHIPS

- > Director of Turtle HoldCo Pty Ltd (Buildsafe)

### FORMER LISTED DIRECTORSHIPS IN LAST 3 YEARS

- > None

### SPECIAL RESPONSIBILITIES

- > Chairman of the Audit & Risk Committee
- > Member of the People Committee
- > Member of the Nomination Committee

### INTERESTS IN SHARES AND OPTIONS

- > None

## MEETINGS OF DIRECTORS

The number of meetings of the Company's Board of Directors and of each board committee held during the year ended 30 June 2021, and the number of meetings attended by each Director were:

	FULL MEETINGS OF DIRECTORS		MEETINGS OF AUDIT & RISK COMMITTEE		MEETING OF PEOPLE COMMITTEE	
	A	B	A	B	A	B
A Bellas	8	8	2	2	1	1
G Baynton	8	8	2	2	1	1
J Duffield	8	8	2	2	1	1
A Bignell	4	6	N/A	N/A	1	1
D Slocomb	8	8	N/A	N/A	1	1
N Cook	2	3	N/A	N/A	1	1
Charles	4	4	N/A	N/A	N/A	N/A
B Lajoie	2	2	N/A	N/A	N/A	N/A
R Bromage	8	8	N/A	N/A	N/A	N/A

A = Number of meetings attended

B = Number of meetings held during the time the Director held office or was a member of the committee during the year

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# REMUNERATION REPORT (AUDITED)

The Directors present the IntelliHR Limited 2021 remuneration report, outlining key aspects of our remuneration policy and framework, and remuneration awarded this year.

The report is structured as follows:

- |     |   |     |  |
|-----|---|-----|--|
| (a) | Key management personnel (KMP) covered in this report | (e) | Remuneration expenses for executive KMP    |
| (b) | Remuneration policy and link to performance           | (f) | Contractual arrangements for executive KMP |
| (c) | Elements of remuneration                              | (g) | Non-executive Director arrangements        |
| (d) | Link between remuneration and performance             | (h) | Additional statutory information           |

## (A) KEY MANAGEMENT PERSONNEL COVERED IN THIS REPORT

**NON-EXECUTIVE AND EXECUTIVE DIRECTORS, AND OTHER KEY MANAGEMENT PERSONNEL**  
(See pages 11 to 17 for details about each Director)

### NON-EXECUTIVE DIRECTORS

A Bellas (Non-executive Chairman)

G Baynton (Non-executive Director)

J Duffield (Non-executive Director)

A Bignell (Non-executive Director) (Resigned 30 April 2021)

D Slocomb (Non-executive Director)

N Cook (Non-executive Director) (Resigned 29 October 2020)

I Charles (Non-executive Director) (Appointed 19 February 2021)

B Lajoie (Non-executive Director) (Appointed 30 April 2021)

### EXECUTIVE DIRECTORS

R Bromage (Managing Director)

### OTHER KEY MANAGEMENT PERSONNEL

P Trappett (Chief Operating Officer)

**(B) REMUNERATION POLICY AND LINK TO PERFORMANCE**

The role of a remuneration committee is performed by the full Board of Directors. The Board reviews and determines the remuneration policy and structure annually to ensure it remains aligned to business needs and conforms with our remuneration principles. In particular, the Board aims to ensure that remuneration practices are:

- > competitive and reasonable, enabling the Group to attract and retain key talent
- > aligned to the Group's strategic and business objectives and the creation of shareholder value
- > transparent and easily understood, and
- > align with shareholder interests and are acceptable to shareholders

ELEMENT	PURPOSE	PERFORMANCE METRICS	POTENTIAL VALUE	CHANGES FOR FY 2021
Fixed remuneration (FR)	Provide competitive market salary including superannuation and non-monetary benefits	Nil	Positioned at median market rate	None
STI	Reward for in-year performance	Based on individual KPIs.	50% of TFR	None
LTI	Alignment to long-term shareholder value	Performance vesting conditions	50% of TFR	None

Long term incentives are assessed periodically and are designed to promote long-term stability in shareholder returns.

**Assessing performance**

The Board of Directors is responsible for assessing performance against KPIs and determining the LTI to be paid.

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**(C) ELEMENTS OF REMUNERATION****(i) Fixed annual remuneration (FR)**

Executives receive their fixed remuneration as cash. FR is reviewed annually and is benchmarked against market data for comparable roles in companies in a similar industry and with similar market capitalisation. The Board has the flexibility to take into account capability, experience, value to the organisation and performance of the individual.

The Group has not engaged an external remuneration consultant during FY2021.

Superannuation is included in FR for executives.

**(ii) Short term incentives**

Short term incentives for all key management personnel (excluding non-executive Directors) have been implemented for FY2021. They are eligible to receive a cash bonus of up to 50% of their total fixed remuneration at the end of the financial year, subject to the executive achieving the KPIs set for them during the financial year.

The Group reserves the right to pay any STI in either cash, fully paid ordinary shares or performance rights at the Board of Director's sole discretion.

If an executive does not achieve each of the KPIs during the financial year, the Board shall determine the appropriate pro rate STI to be received by the Executive. The Board of Directors shall make this determination for both the Managing Director and the Chief Operating Officer.

For the year ended 30 June 2021, key performance indicators were based on the Group objectives focusing on customer growth. Achievement against KPIs is reviewed annually by the Board of Directors.

For each KMP eligible for short-term incentive, the percentage split of the available bonus awarded and forfeited is disclosed in the following table.

NAME	2021		2020	
	AWARDED %	FORFEITED %	AWARDED %	FORFEITED %
R Bromage	61%*	39%	75%**	25%
P Trappett	59%*	41%	64%***	36%

\* STI awarded for 2021 will be settled in shares.

\*\* STI awarded for 2020 settled in shares subject to shareholder approval.

\*\*\* STI awarded for 2020 settled in shares.

(iii) Long-term incentives

Executive KMP participate, at the Board's discretion, in a performance based long term incentive program (LTI) with a maximum annual benefit of 50% of TFR, which is assessed over a three year period and is payable in shares or performance rights at the discretion of the Board. Performance rights will vest if the relative total shareholder return is measured at or above the 3-year average of the S&P ASX small ordinaries Ex A-REIT Franking Credit Adjusted Annual Total Return Index Cap Index, unless otherwise agreed.

Options

There were no options granted to KMP during FY2021.

(D) LINK BETWEEN REMUNERATION AND PERFORMANCE

During the year, the Group has generated losses from its principal activity. The Group aims to align its executive remuneration to its strategic and business objectives and the creation of shareholder wealth. However, as the Group is still growing, the group's financial performance is not necessarily consistent with the measures used in determining the variable amounts of remuneration to be awarded to the KMPs. As a consequence, there may not always be a direct correlation between the group's key performance measures and the variable remuneration awarded. Share prices are subject to the influence of fluctuation in the domestic and global economy, and as such, increases and decreases may occur independently of executive performance.

Given the nature of the Group's activities and the consequential operating results, no dividends have been paid. There have been no returns of capital in the current or previous financial periods. The details of market price movements are as follows:

	SHARE PRICE
Year end 30 June 2021	22.0 cents
Year end 30 June 2020	5.2 cents
Year end 30 June 2019	7.7 cents
On admission to ASX - 23 January 2018	30 cents

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**(E) REMUNERATION EXPENSES FOR EXECUTIVE KMP**

The following table shows details of the remuneration expense recognised for the Group's executive key management personnel for the current and previous financial year measured in accordance with the requirements of the accounting standards.

NAME	YEAR	FIXED REMUNERATION					VARIABLE REMUNERATION			TOTAL	RELATED TO PERFORMANCE %
		CASH SALARY \$	CASH SALARY INCREASE 01/05/2021 \$	NON-MONETARY BENEFITS \$	ANNUAL AND LONG SERVICE LEAVE** \$	POST-EMPLOYMENT BENEFITS \$	OPTIONS / PERFORMANCE RIGHTS' \$	STI \$	\$		
<b>EXECUTIVE DIRECTORS</b>											
R Bromage	2021	300,000	-	4,917	3,006	28,500	695,612	-	1,032,035	67.4%	
	2020	300,000	-	7,042	16,843	28,500	27,846	112,500	492,731	28.5%	
<b>NON-EXECUTIVE DIRECTOR</b>											
A Bellas	2021	30,000	3,333	8,333	-	4,017	-	-	45,683	0%	
	2020	30,000	-	-	-	2,850	7,685	-	40,535	19.0%	
G Baynton	2021	30,000	-	5,000	-	3,350	-	-	38,350	0%	
	2020	30,000	-	-	-	2,850	7,631	-	40,481	18.9%	
J Duffield	2021	30,000	-	5,000	-	3,350	-	-	38,350	0%	
	2020	30,000	-	-	-	2,850	7,685	-	40,535	19.0%	
A Bignell	2021	25,000	-	-	-	2,375	-	-	27,375	0%	
	2020	24,318	-	-	-	2,310	-	-	26,628	0%	
D Slocomb	2021	33,350	-	5,000	-	-	-	-	38,350	0%	
	2020	15,793	-	-	-	-	-	-	15,793	0%	
N Cook	2021	10,000	-	-	-	950	-	-	10,950	0%	
	2020	13,615	-	-	-	1,293	-	-	14,908	0%	
I Charles	2021	11,016	-	11,016	-	2,148	-	-	24,179	0%	
	2020	-	-	-	-	-	-	-	-	-	
B Lajoie	2021	5,114	-	5,114	-	997	-	-	11,224	0%	
	2020	-	-	-	-	-	-	-	-	-	
<b>OTHER KEY MANAGEMENT PERSONNEL</b>											
P Trappett	2021	180,000	-	-	4,866	17,100	433,625	-	635,591	68.2%	
	2020	180,000	-	-	4,766	17,100	106,286	-	308,152	34.5%	
<b>TOTAL KMP REMUNERATION EXPENSED</b>											
	2021	654,479	3,333	44,380	7,872	62,787	1,129,237	-	1,902,088	-	
	2020	623,726	-	7,042	21,609	57,753	157,133	112,500	979,763	-	

Options/performance rights granted under the executive options or performance rights Incentive plan are expensed over the performance period, which includes the year in which the options / performance rights are granted and the subsequent vesting period.

\*\* Other long-term benefits as per Corporations Regulation 2M.3.03(1) Item 8. The amounts disclosed in this column represent the movements in the associated provision. They may be negative where a KMP has taken more leave than accrued during the year.

**(F) CONTRACTUAL ARRANGEMENTS WITH EXECUTIVE KMP**

COMPONENT	MD	COO
Fixed remuneration	\$328,500	\$197,100
Contract duration	Ongoing	Ongoing
Notice by the individual / Company	6 months	6 months
Termination benefits	-	-

There are no further contractual arrangements with Executive KMP outside of the cash remuneration shown above and the STI and LTI's shown at section (c)

**(G) NON-EXECUTIVE DIRECTOR ARRANGEMENTS**

Fees are reviewed annually by the Board taking into account comparable roles. The current base fees were reviewed with effect from 1 May 2021.

The non-executive Chairperson receives fees of \$100,000 per annum, plus superannuation, payable \$50,000 in cash and \$50,000 in shares. Other non-executive Directors receive fees of \$60,000 per annum, plus superannuation, payable \$30,000 in cash and \$30,000 in shares. The issue of shares is subject to shareholder approval at the next Annual General Meeting. Should the issue of shares not be approved then this amount will be paid as cash.

All non-executive Directors enter into a service agreement with the Group in the form of a letter of appointment. The letter summarises the Board policies and terms, including remuneration relevant to the office of Director.

**(H) ADDITIONAL STATUTORY INFORMATION**

**(i) Performance based remuneration granted, exercised and forfeited during the year**

The table below shows for each KMP the value of options that were granted, exercised and forfeited during FY2021. The number of options and percentages vested/forfeited for each grant are disclosed on page 21.

OPTIONS 2021	VALUE GRANTED* \$	VALUE EXERCISED** \$
A Bellas	-	344,616
G Baynton	-	327,537
J Duffield	-	-
A Bignell	-	-
D Slocomb	-	-
N Cooke	-	-
R Bromage	-	-
P Trappett	-	-

\* The value at grant date calculated in accordance with AASB 2 Share-based Payment of options granted during the year as part of remuneration

\*\* The value at the exercise date of options that were granted as part of remuneration and were exercised during the year has been determined as the intrinsic value of the options at that date.



PERFORMANCE RIGHTS 2021	VALUE GRANTED* \$	VALUE EXERCISED** \$
P Trappett	409,091	119,249

\* The value at grant date calculated in accordance with AASB 2 Share-based Payment of options granted during the year as part of remuneration

\*\* The value at the exercise date of performance rights that were granted as part of remuneration and were exercised during the year has been determined as the intrinsic value of the performance rights at that date.

## (ii) Terms and conditions of the share-based payment arrangements

### Options

The terms and conditions of each grant of options affecting remuneration in the current or a future reporting period are as follows:

GRANT DATE	VESTING DATE	EXPIRY DATE	EXERCISE PRICE	VALUE PER OPTION AT GRANT DATE	PERFORMANCE ACHIEVED	% VESTED
23/11/2016	30/09/2020	1/12/2021	\$0.20	\$0.1140	100%	100%

The number of options over ordinary shares in the Company provided as remuneration to key management personnel is shown in the table on page 26. The options carry no dividend or voting rights. There are no other conditions that must be satisfied for the options to vest.

When exercisable, each option is convertible into one ordinary share of IntelliHR Limited.

### Performance Rights

The terms and conditions of each grant of performance rights affecting remuneration in the current or a future reporting period are as follows:

GRANT DATE	VESTING DATE	EXPIRY DATE	EXERCISE PRICE	VALUE PER PERFORMANCE RIGHT AT GRANT DATE	PERFORMANCE ACHIEVED %	% VESTED
1/7/2018	1/7/2021	1/7/2022	N/A	\$0.20	-	-
20/8/2020	1/7/2021	30/6/2023	N/A	\$0.025	61% <sup>1</sup>	61%

<sup>1</sup> Weighted average of performance rights achieved

The number of performance rights over ordinary shares in the Company provided as remuneration to key management personnel is shown on page 27. The performance rights carry no dividend or voting rights. The performance rights vest as follows:

- 367,347 vest on 1 July 2021 if the relative total shareholder return is at or above the 3-year average of the S&P ASX small ordinaries Ex A-REIT Franking Credit Adjusted Annual Total Return Index Cap Index
- 4,363,637 vest on achievement of mutually agreed KPIs that relate to FY2021.

When exercisable, each performance right is convertible into one ordinary share of IntelliHR Limited.

If an executive ceases employment before the rights vest, the rights will be forfeited, except in limited circumstances that are approved by the Board on a case-by-case basis.

## (iii) Reconciliation of options, performance rights and ordinary shares held by KMP

The table below shows a reconciliation of options held by each KMP from the beginning to the end of FY2021.

No options were forfeited during the year.

## Options

2021 NAME & GRANT DATES	BALANCE AT THE START OF THE YEAR		PLACEMENT BONUS OPTIONS	GRANTED AS COMPENSATION	VESTED	EXERCISED	BALANCE AT THE END OF THE YEAR		
	UNVESTED	VESTED					VESTED AND EXERCISABLE	% VESTED	UNVESTED
<b>A BELLAS</b>									
16/12/2016	-	2,080,944	-	-	-	2,080,944	-	-	-
<b>G BAYNTON</b>									
16/12/2016	-	1,845,000	-	-	-	1,845,000	-	-	-
05/01/2017	-	235,944	-	-	-	235,944	-	-	-
<b>J DUFFIELD</b>									
-	-	-	-	-	-	-	-	-	-
<b>A BIGNELL</b>									
-	-	-	-	-	-	-	-	-	-
<b>D SLOCOMB</b>									
-	-	-	-	-	-	-	-	-	-
<b>N COOK</b>									
-	-	-	-	-	-	-	-	-	-
<b>R BROMAGE</b>									
23/11/2016	243,478	4,485,397	-	-	243,478	416,666	4,312,209	100%	-
<b>P TRAPPETT</b>									
-	-	-	-	-	-	-	-	-	-

## Performance Rights

The table below shows how many performance rights were granted and vested during the year. No performance rights were forfeited during the year:

NAME & GRANT DATES	BALANCE AT THE START OF THE YEAR		VESTED DURING THE YEAR	FORFEITED DURING THE YEAR	GRANTED AS COMPENSATION	BALANCE AT THE END OF THE YEAR		MAXIMUM VALUE YET TO VEST* \$
	UNVESTED	VESTED				UNVESTED	VESTED	
<b>P TRAPPETT</b>								
2021 – 20 Aug 2020	1,458,256	-	698,182	(392,727)	1,636,364	2,003,711	-	-
2020 – 1 Sept 2019	734,694	-	198,367	(168,980)	1,090,909	1,458,256	-	24,534
<b>R BROMAGE</b>								
2021 – 20 Aug 2020	-	-	-	-	2,727,273	2,727,273	-	-
2020	-	-	-	-	-	-	-	-

The maximum value of the performance rights yet to vest has been determined as the amount of the grant date fair value of the rights that are yet to be expensed. The minimum value of deferred shares yet to vest is nil, as the shares will be forfeited if the vesting conditions are not met.

## Shareholdings

2021 NAME	BALANCE AT THE START OF THE YEAR	ISSUED ON EXERCISE OF OPTIONS	ENTITLEMENT OFFER*	OTHER CHANGES DURING THE YEAR	BALANCE AT THE END OF THE YEAR
<b>ORDINARY SHARES</b>					
A Bellas	2,050,344	2,080,944	826,257	-	4,957,545
G Baynton	3,638,798	2,080,944	1,143,947	-	6,863,689
J Duffield	3,462,986	-	692,597	-	4,155,583
A Bignell	206,630	-	41,326	(247,956)**	N/A
D Slocomb	-	-	-	-	-
N Cook	-	-	-	-	N/A
I Charles	-	-	-	-	-
B Lajoie	-	-	-	-	-
R Bromage	22,563,978	416,666	4,512,975	-***	27,493,439
P Trappett	1,024,033	-	333,642	698,182****	2,055,857

\* Shares issued under a 1 for 5 rights issue at \$0.075 in September 2020

\*\* Shareholding at date of resignation 247,956.

\*\*\* 1,500,000 shares for FY2020 STI settled in shares: less 1,500,000 shares sold on market

\*\*\*\* 698,182 ordinary shares issued on the vesting of performance rights

(iv) Other transactions with key management personnel

On 30 April 2021, the company entered into a loan agreement for \$124,999.80 with Mr R Bromage for the purpose of funding the exercise of 416,666 options (exercise price \$0.30, expiring 30 April 2022). The loan is limited in recourse over the shares issued on exercise of the options, Mr Bromage has provided a personal guarantee for the loan, and the Company has placed a holding lock over the shares to secure payment. The loan has interest of 10%, payable quarterly in arrears in cash, and has a term of 1 year, with early repayment if Mr Bromage ceases to be a Director or employee of the Company. A share based payment expense of \$71,750 was recognised which reflects the incremental fair value of the modified option.

END OF REMUNERATION REPORT (AUDITED)

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## SHARES UNDER OPTION

### Unissued ordinary shares

Unissued ordinary shares of IntelliHR Limited under option at the date of this report are as follow:

SECURITIES	EXPIRY DATE	EXERCISE PRICE	NUMBER UNDER OPTION
<b>OPTIONS</b>			
23/11/2016	01/12/2021	\$0.01	177,778
05/01/2017	01/12/2021	\$0.04	24,000
23/11/2016	01/12/2021	\$0.20	3,895,543
01/04/2017	31/03/2022	\$0.04	2,000
11/08/2017	11/08/2022	\$0.02	334,000
27/02/2018	14/02/2023	\$0.32	160,000
23/07/2018	30/06/2023	\$0.30	169,000
02/10/2020	30/08/2024	\$0.22	3,060,000
01/07/2021	30/06/2025	\$0.38	870,000
<b>PERFORMANCE RIGHTS</b>			
03/09/2018	01/07/2022	N/A	367,347
09/11/2018	01/11/2022	N/A	250,000
20/08/2020	30/06/2023	N/A	7,409,092

Unissued ordinary shares of IntelliHR Limited under performance right at the date of this report total 8,026,439. 2,003,711 of these performance rights are the performance rights granted as remuneration to Mr Trappett. 2,727,273 of these performance rights are the performance rights granted as remuneration to Mr Bromage. The remaining 3,295,455 performance rights were granted to other employees during the prior financial year. Details of the performance rights granted to key management personnel are disclosed on page 27 above.

No performance right holder or option holder has any right to participate in any other share issue of the Company or any other entity.

No performance rights have been granted since the end of the financial year.

## INSURANCE OF OFFICERS AND INDEMNITIES

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**(a) Insurance of officers**

During the financial year, IntelliHR Limited paid a premium of \$162,094 to insure the Directors and Officers of the Company.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a willful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Group. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

**(b) Indemnity of auditors**

IntelliHR Limited has not agreed to indemnify their auditors.

**(c) Proceedings on behalf of the Company**

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

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## NON-AUDIT SERVICES

The Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group are important.

Details of the amounts paid or payable to the auditor (BDO) for audit and non-audit services provided during the year are set out below.

The Board of Directors has considered the position and, in accordance with advice received from the audit and risk committee is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- > all non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor
- > none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

During the year, the following fees were paid or payable for non-audit services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	CONSOLIDATED	
	2021 \$	2020 \$
<b>Taxation services</b>		
BDO Services Pty Ltd Preparation of Tax and FBT Return, and R&D AusIndustry Return	19,886	29,725
<b>TOTAL REMUNERATION FOR NON-AUDIT SERVICES</b>	<b>19,886</b>	<b>29,725</b>

### 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 page 32.

### Rounding of amounts

Amounts in the Director's Report have been rounded off, in accordance with the ASIC Legislative Instrument 2016/191, to the nearest dollar.

This report is made in accordance with a resolution of Directors.



A Bellas

Chairman

Brisbane, 23 August 2021



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Australia

**DECLARATION OF INDEPENDENCE BY R M SWABY TO THE DIRECTORS OF INTELLIHR LIMITED**

As lead auditor of IntelliHR Limited for the year ended 30 June 2021, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of IntelliHR Limited and the entities it controlled during the year.

**R M Swaby**  
Director

**BDO Audit Pty Ltd**

Brisbane, 23 August 2021

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# Corporate governance statement

intelliHR Limited and the Board are committed to achieving and demonstrating the highest standards of corporate governance.

intelliHR Limited has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council.

The 2021 corporate governance statement is dated as at 30 June 2021 and reflects the corporate governance practices in place throughout the 2021 financial year. The 2021 corporate governance statement was approved by the Board on 23 August 2021.

A description of the Group's current corporate governance practices is set out in the Group's corporate governance statement, which can be viewed at <https://intellihr.com/investor-relations/#corporate-governance>.

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intelliHR

2021

F I N A N C I A L  
R E P O R T



# intelliHR

These financial statements are for intelliHR Limited.

The financial statements are presented in the Australian currency.

intelliHR Limited is a Company limited by shares, incorporated and domiciled in Australia.

Its principal place of business is:

**intelliHR Limited**

**Level 28, 345 Queen Street**

**Brisbane QLD 4000**

The financial statements were authorised for issue by the Director's on 23 August 2021. The Directors have the power to amend and reissue the financial statements.

All press releases, financial reports and other information are available at our website: [www.intellihr.com](http://www.intellihr.com).



## ANNUAL REPORT 2021

## FINANCIAL REPORT

## INTELLIHR LIMITED

ACN 600 548 516

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## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

	Notes	CONSOLIDATED	
		2021 \$	2020 \$
Revenue	3	2,463,765	1,250,471
Other income	3	344,651	256,876
Employee benefits expense		(5,718,046)	(2,671,420)
Directors remuneration		(1,298,791)	(676,258)
Depreciation and amortisation expense		(1,932,995)	(1,872,281)
Marketing expense		(863,980)	(363,581)
Finance expense		(127,490)	(125,635)
General and administrative expense		(500,533)	(619,009)
Loss before income tax expense	4	(7,633,419)	(4,820,837)
Income tax expense	5	-	-
Other comprehensive income for the period, net of tax		1,093	38
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>(7,632,326)</b>	<b>(4,820,799)</b>
Earnings per share for loss from continuing operations attributable to the ordinary equity holders of the Company:		Cents	Cents
Basic earnings per share	8	(2.91)	(2.83)
Diluted earnings per share	8	(2.91)	(2.83)

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 30 JUNE 2021

		CONSOLIDATED	
	Notes	2021 \$	2020 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	9	4,102,453	2,790,577
Trade and other receivables	11	730,402	319,037
<b>Total current assets</b>		<b>4,832,855</b>	<b>3,109,614</b>
<b>Non-current assets</b>			
Investments	10	416,838	416,838
Plant and equipment	12	21,424	6,150
Right-of-use asset	13	1,954,563	2,388,249
Intangible assets	14	2,593,071	2,135,128
<b>Total non-current assets</b>		<b>4,985,896</b>	<b>4,946,365</b>
<b>TOTAL ASSETS</b>		<b>9,818,751</b>	<b>8,055,979</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	15	2,568,027	1,468,586
Lease liability	13	573,274	404,308
<b>Total current liabilities</b>		<b>3,141,301</b>	<b>1,872,894</b>
<b>Non-current liabilities</b>			
Provisions	16	23,836	7,906
Lease liability	13	1,667,611	2,240,885
<b>Total non-current liabilities</b>		<b>1,691,447</b>	<b>2,248,791</b>
<b>TOTAL LIABILITIES</b>		<b>4,832,748</b>	<b>4,121,685</b>
<b>NET ASSETS</b>		<b>4,986,003</b>	<b>3,934,294</b>
<b>EQUITY</b>			
Contributed equity	17	25,278,740	18,671,536
Reserves	18	4,815,525	2,737,601
Accumulates losses		(25,108,262)	(17,474,843)
<b>Total equity</b>		<b>4,986,003</b>	<b>3,934,294</b>

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2021

	CONTRIBUTED EQUITY \$	SHARE BASED PAYMENTS RESERVE \$	FOREIGN CURRENCY TRANSLATION RESERVE \$	ACCUMULATED LOSSES \$	TOTAL \$
<b>BALANCE AT 1 JULY 2019</b>	<b>14,341,235</b>	<b>2,366,641</b>	-	<b>(12,654,006)</b>	<b>4,053,870</b>
Loss for the period	-	-	-	(4,820,837)	(4,820,837)
Other comprehensive income	-	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,820,837)</b>	<b>(4,820,837)</b>
Foreign Currency Translation	-	-	38	-	38
<b>Transactions with owners in their capacity as owners:</b>					
Contributions of equity, net of transaction costs	4,330,301	-	-	-	4,330,301
Share-based payments	-	370,922	-	-	370,922
<b>BALANCE AT 30 JUNE 2020</b>	<b>18,671,536</b>	<b>2,737,563</b>	<b>38</b>	<b>(17,474,843)</b>	<b>3,934,294</b>
Loss for the period	-	-	-	(7,633,419)	(7,633,419)
Other comprehensive income	-	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,633,419)</b>	<b>(7,633,419)</b>
Foreign Currency Translation	-	-	1093	-	1093
<b>Transactions with owners in their capacity as owners:</b>					
Contributions of equity, net of transaction costs	6,607,204	-	-	-	6,607,204
Share-based payments	-	2,076,831	-	-	2,076,831
<b>BALANCE AT 30 JUNE 2021</b>	<b>25,278,740</b>	<b>4,814,394</b>	<b>1,131</b>	<b>(25,108,262)</b>	<b>4,986,003</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

		CONSOLIDATED	
	Notes	2021 \$	2020 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (GST inclusive)		2,946,273	1,500,941
Payments to suppliers and employees (GST inclusive)		(6,076,699)	(3,578,426)
Interest received		29,117	22,594
Interest paid		(97,635)	(106,826)
Income tax refund		-	-
Government stimulus received		103,020	149,145
<b>Net cash outflow from operating activities</b>	20(a)	<b>(3,095,924)</b>	<b>(2,012,572)</b>
<b>Cash flows from investing activities</b>			
Payments for development		(2,436,748)	(1,830,448)
Payments for plant and equipment		(24,046)	(6,288)
Proceeds from sale of plant and equipment		-	609
Research and development tax incentive refund		664,814	656,469
Refunds / (Payments) for security deposits		-	50,000
<b>Net cash outflow from investing activities</b>		<b>(1,795,980)</b>	<b>(1,129,658)</b>
<b>Cash flows from financing activities</b>			
Proceeds on issue of shares		6,678,959	4,338,974
Payment of capital raising costs		(71,756)	(108,674)
Repayment of principal portion of lease liability		(404,308)	(254,247)
<b>Net cash inflow from financing activities</b>		<b>6,202,895</b>	<b>3,976,053</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>1,310,991</b>	<b>833,823</b>
Cash and cash equivalents at the beginning of the year		2,790,577	1,956,906
Effects of exchange rate changes on cash and cash equivalents		885	(152)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	20(b)	<b>4,102,453</b>	<b>2,790,577</b>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

## NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of IntelliHR Limited (the Company) as at and for the year ended 30 June 2021 comprise the company and its controlled entities (the Group).

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs.

The financial statements were authorised for issue by the Directors on 23 August 2021. The Directors have the power to amend and reissue the financial statements.

### Going Concern

The financial report has 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 report, the Group achieved a net loss of \$7,633,419 (2020: \$4,820,837) and net operating cash outflows of \$3,095,924 (2020: \$2,012,572) for the year ended 30 June 2021. As at 30 June 2021, the Group has cash of \$4,102,453 (2020: \$2,790,577).

The ability of the Group to continue as a going concern is principally dependent upon one or more of the following:

- › the ability of the Group to raise capital as and when necessary;
- › the ability to complete successful development and commercialisation of the Group's software platform.

These conditions give rise to material uncertainty, which may cast significant doubt over the Group's ability to continue as a going concern.

The Directors believe that the going concern basis of preparation is appropriate due to the proven ability of the Group to raise necessary funding via the issue of shares as evidenced by the recent capital raisings and the increased revenues now being achieved through software sales.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial report.

This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Group be unable to continue as a going concern.

### a. Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of IntelliHR Limited ('Company' or 'Parent Entity') as at 30 June 2021 and the results of all subsidiaries for the year then ended. IntelliHR Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.



**NOTE 1** SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and can affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, balance sheet and statement of changes in equity of the Group.

Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity.

The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

**b. Income tax**

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- › When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- › When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled, and it is probable that the temporary difference will not reverse in the foreseeable future.

**NOTE 1** SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date.

Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

### c. Foreign Currency Transactions and Balances

#### Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars, which is the parent entity's functional currency.

#### Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continued to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange difference arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

#### Group companies

The financial results and position of foreign operations, whose functional currency is different from the Group's presentation currency, are translated as follows:

- › Assets and liabilities are translated at exchange rates prevailing as the end of the reporting period;
- › Income and expenses are translated at the average exchange rates for the period and;
- › Accumulated losses are translated at the exchange rates prevailing at the date of the transaction.

**NOTE 1** SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Exchange differences arising on the translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the balance sheet. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed of.

**d. Revenue from contracts with customers****Measurement and recognition**

Service operating fees primarily consists of fees that give customers access to the intelliHR platform and to technical support. These revenues are recognised over time as they are delivered and consumed concurrently over the contractual term, beginning on the date the service is made available to the customer. Contracts typically have a term of 1 to 3 years in duration. Customers are invoiced monthly in advance for service operating fees. Service initiation fees charged to customers for implementation services are recognised over time and amortised over the life of these contracts, and costs directly attributable to the implementation services are capitalised and amortised over a period consistent with the term of revenue recognition.

Consulting workshops are provided to customers to assist with redesigning HR processes. These are invoiced at the time of the delivery and are recognised at a point in time.

**Financing components**

The Group does not expect to have any contracts where the period between the transfer of the promised services to the customer and payment by the customer exceeds 1 year. Consequently, the Group does not adjust any of the transaction prices for the time value of money. Payments from customers are generally collected in advance of provision of services.

In applying AASB 15 to contracts with customers, the Group has determined that there are no material rights offered by way of options for additional services to be provided at a discount within the contractual terms. Where the Group provides discounts or rebates to customers, these are factored into the transaction price and are recognised on a systematic basis in line with the revenue stream to which they relate.

**Interest**

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

**Other revenue**

Other revenue is recognised when it is received or when the right to receive payment is established.

**NOTE 1** SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Grant Revenue**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

**e. Impairment of non-financial assets**

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information, including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**f. Development costs**

Expenditure during the research phase of a project and costs associated with maintaining the software are recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are amortised on a straight-line basis over three years, which given the constant and rapid development of the project, management considers to represent the useful life of the project.

**g. Plant and equipment**

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of plant and equipment over their expected useful lives as follows:

**Plant and equipment – 2 years**

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

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**NOTE 1** SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**h. Group as a lessee**

Right-of-use assets are measured at cost which includes the amount of the initial measurement of the lease liability; any lease payments made at or before the commencement date less any lease incentives received; any initial direct costs incurred by the Group; and an estimate of costs to be incurred by the Group to 'make good' the asset.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is measured at the present value of the lease payments discounted at the Group's incremental borrowing rate. Lease payments include fixed payments, and variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.

The Group has no short-term and low-value leases.

**i. Employee benefits****Short-term employee benefits**

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

**Other long-term employee benefits**

The liability for long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

**Equity-settled share-based compensation benefits are provided to employees.**

Equity-settled transactions are awards of shares, options, or performance rights over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is determined using various valuation methods including Binomial and the Monte Carlo Simulation method that considers the exercise price, the term of the performance right, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, and the risk-free interest rate for the term of the performance right.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

**NOTE 1** **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made.

An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

**j. Provisions**

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**k. Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**l. Trade receivables**

Trade receivables include amounts due from customers for goods sold and services performed in the ordinary course of business and the Group has unconditional rights to payment. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets.

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit loss.

The simplified approach to measuring expected credit losses has been applied, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

**m. Trade and other payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted.

The amounts are unsecured and are usually paid within 30 days of recognition.

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**NOTE 1** SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**n. Other receivables**

Other receivables are recognised at amortised cost, less any provision for impairment.

**o. Current and non-current classification**

Assets and liabilities are presented in the balance sheet based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current. Deferred tax assets and liabilities are always classified as non-current.

**p. Issued capital**

**Ordinary shares are classified as equity.**

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**q. Earnings per share****Basic earnings per share**

Basic earnings per share is calculated by dividing the profit attributable to the owners of intelliHR Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

**Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

**r. Goods and Services Tax ('GST') and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

**NOTE 1** **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

**s. Critical accounting estimates and judgements**

**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 Group meets all 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 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.

**t. New and Amended Accounting Policies Adopted by the Group**

The Group has adopted all 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.

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**NOTE 2 PARENT INFORMATION**

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Australian Accounting Standards.

	2021 \$	2020 \$
<b>BALANCE SHEET</b>		
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	3,756,346	2,686,260
Trade and other receivables	112,460	90,623
<b>Total current assets</b>	<b>3,868,806</b>	<b>2,776,883</b>
<b>Non-current assets</b>		
Plant and equipment	21,424	6,150
Intangible assets	1,281,847	1,231,574
<b>Total non-current assets</b>	<b>1,303,271</b>	<b>1,237,724</b>
<b>TOTAL ASSETS</b>	<b>5,172,077</b>	<b>4,014,607</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables	186,074	80,313
<b>Total current liabilities</b>	<b>186,074</b>	<b>80,313</b>
<b>TOTAL LIABILITIES</b>	<b>186,074</b>	<b>80,313</b>
<b>NET ASSETS</b>	<b>4,986,003</b>	<b>3,934,294</b>
<b>EQUITY</b>		
Contributed equity	25,278,740	18,671,536
Reserves	4,815,525	2,737,601
Accumulates losses	(25,108,262)	(17,474,843)
<b>Total equity</b>	<b>4,986,003</b>	<b>3,934,294</b>
<b>Statement of Profit or Loss and Other Comprehensive Income</b>		
<b>TOTAL LOSS AND TOTAL COMPREHENSIVE INCOME</b>	<b>(7,633,419)</b>	<b>(4,820,800)</b>

**Guarantees**

intelliHR Limited has not entered into any guarantees, in the current or previous reporting period, in relation to the debts of its subsidiaries.

**NOTE 2 PARENT INFORMATION (CONTINUED)**
**Contingent liabilities**

At 30 June 2021, IntelliHR Limited did not have any contingent liabilities (2020: Nil).

**Contractual commitments**

At 30 June 2021, IntelliHR Limited did not have any contractual commitments (2020: Nil).

**NOTE 3 REVENUE**

	2021			2020		
	AUSTRALIA \$	AMERICAS/ UK \$	TOTAL \$	AUSTRALIA \$	AMERICAS/ UK \$	TOTAL \$
<b>Revenue from contracts with customers</b>						
Over time (Service Operating Fees)	1,814,990	225,316	2,040,305	1,115,021	-	1,115,021
Over time (Service Initiation Fees)	239,684	9,896	249,580	104,594	-	104,594
At a point in time (Workshop Fees)	170,953	2,926	173,879	30,856	-	30,856
<b>Total revenue</b>	<b>2,225,627</b>	<b>238,138</b>	<b>2,463,765</b>	<b>1,250,471</b>	<b>-</b>	<b>1,250,471</b>

	2021 \$	2020 \$
<b>Other income</b>		
Interest received	36,461	22,594
Government grant income	131,645	164,871
Other income	176,545	69,411
<b>Total other income</b>	<b>344,651</b>	<b>256,876</b>

**NOTE 4 LOSS FOR THE YEAR**

Loss before income tax from continuing operations includes the following items that are unusual because of their nature, size or incidence:

	2021 \$	2020 \$
Amortisation of intangible assets	1,490,536	1,411,203
Depreciation of property, plant and equipment	8,772	26,110
Depreciation of right-of-use asset	433,687	434,968
<b>Total</b>	<b>1,932,995</b>	<b>1,872,281</b>

**Included in employee benefits expense and Directors remuneration:**

	2021 \$	2020 \$
Superannuation contributions	348,483	241,054
Share based payments expense	2,189,331	355,398
Loss on foreign exchange	23,317	10,250
Interest paid on lease liabilities	97,635	106,826

**NOTE 5 INCOME TAX EXPENSE**

This note provides an analysis of the Group's income tax expense, shows what amounts are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Group's tax position.

	2021 \$	2020 \$
(a) Numerical reconciliation of income tax expense to prima facie tax payable		
Profit/(loss) before income tax expense	(7,633,419)	(4,820,837)
Tax at the Australian tax rate of 26% (2020: 27.5%)	(1,984,688)	(1,325,729)
<b>Tax effect of amounts which are not deductible (taxable) in calculating taxable income:</b>		
Non-deductible items	962,733	602,060
Adjustment to deferred tax assets and liabilities for tax losses and temporary differences not recognised	1,021,955	723,669
Income tax expense / (benefit)	-	-
(b) Tax losses		
Unused tax losses for which no deferred tax asset has been recognised	15,079,123	10,738,895
Potential tax benefit @ 26% (2020: 27.5%)	3,920,572	2,953,196
(c) Tax expense (income) recognised directly in equity		
<b>Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited or credited to equity:</b>		
Deferred tax: Share issue costs	-	-

**NOTE 5** INCOME TAX EXPENSE (CONTINUED)

	2021 \$	2020 \$
(d) Deferred tax assets		
<i>The balance comprises temporary differences attributable to:</i>		
Tax losses	3,920,572	2,953,196
Employee entitlements	151,798	122,846
Share issue costs	76,128	112,507
Accrued expenses	52,795	43,326
Rights of use asset	74,444	70,659
<b>TOTAL DEFERRED TAX ASSETS</b>	<b>4,275,737</b>	<b>3,302,534</b>
Set-off of deferred tax liabilities pursuant to set-off provisions	(120,199)	(62,062)
Deferred tax assets not recognised	(4,155,538)	(3,240,472)
<b>Net deferred tax assets</b>	<b>-</b>	<b>-</b>
(e) Deferred tax liabilities		
<i>The balance comprises temporary differences attributable to:</i>		
Development assets	9,905	8,535
Interest receivable	5,046	3,318
Prepayments	105,248	50,209
<b>TOTAL DEFERRED TAX LIABILITIES</b>	<b>120,199</b>	<b>62,062</b>
Set-off of deferred tax liabilities pursuant to set-off provisions	(120,199)	(62,062)
<b>NET DEFERRED TAX LIABILITIES</b>	<b>-</b>	<b>-</b>

Unused losses which have not been recognised as an asset, will only be obtained if:

- (i) the Group derives future assessable income of a nature and of an amount sufficient to enable the losses to be realised;
- (ii) the Group continues to comply with the conditions for deductibility imposed by the law; and
- (iii) no changes in tax legislation adversely affect the Group in realising the losses.

**NOTE 6 KEY MANAGEMENT PERSONNEL COMPENSATION**

Refer to the remuneration report contained in the Directors' report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the year ended 30 June 2021.

The totals of remuneration paid to KMP of the Group during the year are as follows:

	2021 \$	2020 \$
Short-term employee benefits	710,065	652,377
Other long-term benefits	62,787	57,753
Share-based compensation	1,129,237	269,633
<b>TOTAL KMP COMPENSATION</b>	<b>1,902,088</b>	<b>979,763</b>

**Short-term employee benefits**

These amounts include fees and benefits paid to the non-executive Directors as well as all salary, paid leave benefits and fringe benefits paid to Executive Directors and employees.

**Other long-term benefits**

These amounts are the current-year's superannuation contributions made during the year and the movement of long service leave liabilities.

**Share-based payments**

These amounts represent the expense related to the participation of KMP in equity-settled benefit schemes as measured by the fair value of the options, performance rights and shares granted on grant date.

**NOTE 7 AUDITOR'S REMUNERATION**

	2021 \$	2020 \$
<b>Remuneration of the auditor for:</b>		
Auditing or reviewing the financial reports	74,350	82,774
<b>Remuneration for non-audit services</b>		
Preparation of Tax and FBT Return, and R&D AusIndustry Return	19,886	29,725
<b>TOTAL AUDITOR'S REMUNERATION</b>	<b>94,236</b>	<b>112,499</b>



**NOTE 8 EARNINGS PER SHARE**

	2021 Cents	2020 Cents
(a) Basic earnings per share		
<b>TOTAL BASIC EARNINGS PER SHARE ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE COMPANY</b>	<b>(2.91)</b>	<b>(2.83)</b>
(b) Diluted earnings per share		
<b>TOTAL DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE COMPANY</b>	<b>(2.91)</b>	<b>(2.83)</b>
(c) Reconciliations of earnings used in calculating earnings per share	2021 \$	2020 \$
<b>BASIC EARNINGS PER SHARE</b>		
Profit / (loss) attributable to the ordinary equity holders of the Company used in calculating basic earnings per share	(7,633,419)	(4,820,837)
<b>DILUTED EARNINGS PER SHARE</b>		
Profit / (loss) attributable to the ordinary equity holders of the Company used in calculating diluted earnings per share	(7,633,419)	(4,820,837)
(d) Weighted average number of shares used as the denominator	2021 Number	2020 Number
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share	262,094,919	170,311,424
(e) Information concerning the classification of securities		
(i) Options and performance rights		
Options and performance rights on issue during the year are not included in the calculation of diluted earnings per share because they are antidilutive for the year ended 30 June 2021. These options could potentially dilute basic earnings per share in the future. Details relating to options are set out in note 21.		

**NOTE 9 CASH AND CASH EQUIVALENTS**

	2021 \$	2020 \$
Cash at bank and on hand	4,102,453	2,790,577
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>4,102,453</b>	<b>2,790,577</b>

**NOTE 10 INVESTMENTS**

	2021 \$	2020 \$
Non-current fixed term cash deposits (restricted)	416,838	416,838
<b>TOTAL INVESTMENTS</b>	<b>416,838</b>	<b>416,838</b>

**NOTE 11 TRADE AND OTHER RECEIVABLES**

	2021 \$	2020 \$
Trade receivables	250,398	53,028
Other receivables	19,408	12,064
Prepayments	460,596	253,945
<b>TOTAL CURRENT TRADE AND OTHER RECEIVABLES</b>	<b>730,402</b>	<b>319,037</b>

**Credit risk**

The Group has no significant concentration of credit risk with respect to any counterparties or on a geographical basis. The following table details the Group's trade and other receivables exposed to credit risk with ageing analysis. Amounts are considered as "past due" when the debt has not been settled, with the terms and conditions agreed between the Group and the customer to the transaction.

The Group assesses impairment on trade receivables using the simplified approach of the expected credit loss (ECL) model under AASB 9. Due to the minimal history of bad debt write offs and strong credit approval processes, the Group have determined that the incorporation of the ECL model will not have a material effect on impairment as at 30 June 2021.

The balance of receivables that remain within initial trade terms are considered to be of high credit quality.

**NOTE 12 PLANT AND EQUIPMENT**

	2021 \$	2020 \$
<b>PLANT AND EQUIPMENT</b>		
At cost	172,325	148,278
Accumulated depreciation	(150,901)	(142,128)
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<b>21,424</b>	<b>6,150</b>
<b>MOVEMENTS IN CARRYING AMOUNTS</b>		
<b>Plant and equipment</b>		
Balance at 1 July	6,150	25,972
Additions	24,046	6,288
Disposals	-	-
Depreciation expense	(8,772)	(26,110)
<b>BALANCE AT 30 JUNE</b>	<b>21,424</b>	<b>6,150</b>

**NOTE 13 LEASES**

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

	2021 \$	2020 \$
<b>RIGHT-OF-USE ASSET</b>		
Balance at 1 July	3,038,186	3,038,186
Accumulated Depreciation	(1,083,623)	(649,937)
<b>Balance at 30 June 2021</b>	<b>1,954,563</b>	<b>2,388,249</b>

	2021 \$	2020 \$
<b>LEASE LIABILITIES</b>		
<b>Maturity Analysis</b>		
Less than one year	573,274	404,308
One to five years	1,667,611	2,240,885
More than five years	-	-
<b>Total Lease Liabilities at 30 June</b>	<b>2,240,885</b>	<b>2,645,193</b>

	2021 \$	2020 \$
<b>AMOUNTS RECOGNISED IN PROFIT OR LOSS</b>		
Interest on lease liabilities	97,635	106,826
Depreciation right-of-use-asset	433,687	434,968

	2021 \$	2020 \$
<b>AMOUNTS RECOGNISED IN THE STATEMENT OF CASHFLOWS</b>		
<b>Cashflows from operating activities</b>		
Interest paid	97,635	106,826
<b>Cash flows from financing activities</b>		
Repayment of borrowings	404,308	254,247

**NOTE 14 INTANGIBLE ASSETS**

	2021 \$	2020 \$
<b>DEVELOPMENT COSTS</b>		
Cost	8,288,557	6,340,079
Accumulated amortisation	(5,695,486)	(4,204,951)
<b>TOTAL DEVELOPMENT COSTS</b>	<b>2,593,071</b>	<b>2,135,128</b>
<b>MOVEMENTS IN CARRYING AMOUNTS</b>		
Balance at 1 July	2,135,128	2,288,025
Additions – internally developed	2,436,748	1,845,974
Research and development tax incentive	(488,269)	(587,668)
Amortisation charge	(1,490,536)	(1,411,203)
<b>BALANCE AT 30 JUNE</b>	<b>2,593,071</b>	<b>2,135,128</b>

**Impairment testing**

Based on the existing market conditions as well as forward-looking estimates at the end of the period management have determined that no indicators of impairment are present and that the carrying value of the development asset is appropriate.

**NOTE 15 TRADE AND OTHER PAYABLES**

	2021 \$	2020 \$
<b>UNSECURED LIABILITIES</b>		
Trade payables	294,940	55,681
Other payables	1,689,247	966,190
Accrual for annual leave	488,189	356,801
Accrual for long service leave	95,651	89,914
<b>TOTAL TRADE AND OTHER PAYABLES</b>	<b>2,568,027</b>	<b>1,468,586</b>

**NOTE 16 PROVISIONS**

	2021 \$	2020 \$
Provision for long service leave	23,836	7,906
<b>TOTAL PROVISIONS</b>	<b>23,836</b>	<b>7,906</b>

**NOTE 17 CONTRIBUTED EQUITY**

(a) Share capital	2021 Shares	2020 Shares	2021 \$	2020 \$
<b>FULLY PAID ORDINARY SHARES</b>	<b>280,406,519</b>	<b>193,407,826</b>	<b>25,278,740</b>	<b>18,671,536</b>

**(b) Ordinary share capital**

DATE	DETAILS	NOTE	NUMBER OF SHARES	ISSUE PRICE	\$
<b>1 JULY 2019</b>	<b>BALANCE</b>		<b>133,042,546</b>		<b>14,341,235</b>
August 2019	Placement shares	(d)	21,147,124	\$0.075	1,586,035
	Placement shares	(e)	833,333	\$0.12	100,000
September 2019	STI shares issued		385,867	-	-
January 2020	Exercise of options	(c)	66,660	\$0.01	667
	Exercise of options	(c)	45,000	\$0.02	900
	Placement shares	(d)	36,500,000	\$0.075	2,737,500
February 2020	Exercise of options	(c)	1,387,296	\$0.01	13,873
	Share issue costs			-	(108,674)
<b>30 JUNE 2020</b>	<b>BALANCE</b>		<b>193,407,826</b>		<b>18,671,536</b>
July 2020	Exercise of options	(c)	20,000	\$0.02	400
August 2020	Exercise of options	(c)	3,925,944	\$0.01	39,259
	Exercise of options	(c)	235,944	\$0.04	9,438
	Exercise of options	(c)	2,406,668	\$0.075	180,500
	STI shares issued	(f)	1,375,758	-	-
	Placement shares	(g)	2,731,956	\$0.075	204,897
September 2020	Placement shares	(g)	30,601,377	\$0.075	2,295,103
	Entitlement offer shares	(h)	40,820,707	\$0.075	3,061,553
	STI shares issued	(i)	1,500,000	-	112,500
	Exercise of options	(c)	100,000	-	7,500
October 2020	Exercise of options	(c)	111,111	\$0.01	1,111
December 2020	Exercise of options	(c)	338,334	\$0.30	101,500
January 2021	Exercise of options	(c)	115,000	\$0.30	34,500
March 2021	Exercise of options	(c)	147,000	\$0.02	2,940
	Exercise of options	(c)	68,894	\$0.04	2,759
May 2021	Exercise of options	(c)	2,083,334	\$0.30	625,000
	Exercise of option	(j)	416,666	-	-
	Share issue costs				(71,756)
<b>30 JUNE 2021</b>	<b>BALANCE</b>		<b>280,406,519</b>		<b>25,278,740</b>



**NOTE 17** CONTRIBUTED EQUITY (CONTINUED)**(c) Exercise of options**

The issue of fully paid ordinary shares on the exercise of options.

**(d) Issued to sophisticated and institutional investors**

The issue of 57,647,124 fully paid ordinary shares to sophisticated and institutional investors at an issues price of \$0.075 cash.

**(e) Issued to sophisticated and institutional investors**

The Issue of 833,333 fully paid ordinary shares to sophisticated and Institutional Investors at an Issue price of \$0.12 cash.

**(f) STI shares issued**

1,375,758 ordinary shares were issued to KMP on the achievement of FY2020 KPI's and associated vesting of performance rights.

**(g) Issued to sophisticated investor**

33,333,333 ordinary shares were issued to a sophisticated investor at an issue price of \$0.075 cash.

**(h) Rights issue**

40,820,707 ordinary shares issued under a 1 for 5 rights issue.

**(i) STI shares issued**

On 11 September 2020 following receipt of shareholder approval at an EGM, 1,500,000 shares were issued to R Bromage as settlement for his FY2020 STI.

**(j) Capital Management**

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Company includes equity attributable to equity holders, comprising of issued capital, reserves, and accumulated losses. In order to maintain or adjust the capital structure, the Company may issue new shares, sell assets to reduce debt or adjust the level of activities undertaken by the company.

The Group monitors capital on the basis of cash flow requirements for operational, and exploration and evaluation expenditure. The Group will continue to use capital market issues and joint venture participant funding contributions to satisfy anticipated funding requirements.

The Group has no externally imposed capital requirements. The Group's strategy for capital risk management is unchanged from prior years.

**NOTE 18 RESERVES**

	2021 \$	2020 \$
Share-based payment reserve	4,814,394	2,737,563
<b>Movements:</b>		
Balance 1 July	2,737,563	2,366,641
Share based payments expensed	1,786,807	242,898
Share based payments capitalised	402,524	15,524
STI's settled in shares	(112,500)	-
STI's to be settled in shares	-	112,500
<b>BALANCE 30 JUNE</b>	<b>4,814,394</b>	<b>2,737,563</b>

The share-based payment reserve records items recognised as expenses on valuation of director, employee and contractor options and performance rights.

	2021 \$	2020 \$
Foreign currency translation reserve	1,131	38

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive Income as described in note 1c and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net Investment is disposed of.

**NOTE 19 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 Great Britain, and as a result the Board has identified two geographical segments being Asia Pacific and Americas/UK. In the prior financial year there was only one geographical segment being Australasia.

The Group has no customers from which it generates greater than 10% of its revenue. (2020: Nil).

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 statement of the Group.

**NOTE 19** OPERATING SEGMENTS (CONTINUED)**(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 services
- > Global marketing
- > Share-based payments
- > Research and development tax incentive
- > Government incentives
- > Income tax expense

**(e) Segment Information**

## Segment Performance

	APAC \$	AMERICAS / UK \$	UNALLOCATED \$	TOTAL \$
<b>30 June 2021</b>				
Revenue	2,225,628	238,137	-	2,463,765
Other income	-	-	344,651	344,651
<b>TOTAL REVENUE AND OTHER INCOME</b>	<b>2,225,628</b>	<b>238,137</b>	<b>344,651</b>	<b>2,808,416</b>
<b>Segment assets</b>				
<b>30 JUNE 2021</b>	<b>865,357</b>	<b>126,295</b>	<b>8,827,099</b>	<b>9,818,751</b>
<b>Segment liabilities</b>				
<b>30 JUNE 2021</b>	<b>1,721,205</b>	<b>217,661</b>	<b>2,893,882</b>	<b>4,832,748</b>

**NOTE 20 CASH FLOW INFORMATION**

(a) Reconciliation of profit / (loss) after income tax to net cash inflow from operating activities	2021 \$	2020 \$
<b>PROFIT / (LOSS) FOR THE PERIOD</b>	<b>(7,633,419)</b>	<b>(4,820,838)</b>
<b>Adjustments for:</b>		
Share based payments	2,076,831	355,398
Depreciation and amortisation	1,499,308	1,437,313
Depreciation Right-of-use asset	433,687	434,968
Profit on sale of plant and equipment	-	(609)
Research and development tax incentive	(176,545)	(68,802)
<b>Change in operating assets and liabilities:</b>		
(Increase)/decrease in trade and other receivables	(197,369)	(10,588)
Decrease in other assets	358,872	236,160
Increase in trade and other payables	25,832	322,024
Increase in provisions	516,879	102,402
<b>NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>(3,095,924)</b>	<b>(2,012,572)</b>

CONSOLIDATED			
(b) Cash and cash equivalents shown in the statement of cashflows comprises the following:	Note	2021 \$	2020 \$
Cash and cash equivalents	9	4,102,453	2,790,577
<b>TOTAL CASH AND CASH EQUIVALENTS</b>		<b>4,102,453</b>	<b>2,790,577</b>

(c) Non-cash financing and investing activities	2021 \$	2020 \$
Share based payments capitalised	402,524	15,524
STI settled in shares	112,500	-

**NOTE 20** CASH FLOW INFORMATION (CONTINUED)**(d) Net debt reconciliation**

This section sets out an analysis of net debt, and the movements in net debt for each period presented.

	2021 \$	2020 \$
Cash and cash equivalents	4,102,453	2,790,577
Lease liability repayable within one year	(573,274)	(404,308)
Lease liability repayable after one year	(1,667,611)	(2,240,855)
<b>Net debt</b>	<b>1,861,568</b>	<b>145,414</b>

	CASH/BANK OVERDRAFT \$	LIABILITIES FROM FINANCING ACTIVITIES		TOTAL \$
		BORROWINGS DUE WITHIN 1 YEAR \$	BORROWING DUE AFTER 1 YEAR \$	
As at 30 June 2019	1,956,906	(478,319)	(2,519,820)	(1,041,233)
Cashflows	833,671	254,247	-	1,087,918
Lease liability	-	(180,236)	278,935	98,699
As at 30 June 2020	2,790,577	(404,308)	(2,240,885)	145,384
Cashflows	1,311,876	404,308	-	1,716,184
Lease liability	-	(573,274)	573,274	-
As at 30 June 2020	4,102,453	(573,274)	(1,667,611)	1,861,568

**NOTE 21 SHARE-BASED PAYMENTS****OPTIONS**

The IntelliHR Limited Employee Option Plan is designed to provide long-term incentives for employees to deliver long-term shareholder returns.

Under the plan, participants are granted options which only vest if certain performance standards are met. Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

Options are granted under the plan for no consideration and carry no dividend or voting rights.

When exercisable, each option is convertible into one ordinary share.

Set out below are summaries of options granted under the plan:

	NUMBER	WEIGHTED AVERAGE EXERCISE PRICE
<b>OPTIONS OUTSTANDING AS AT 30 JUNE 2019</b>	<b>11,065,399</b>	<b>\$0.09</b>
Granted		
Forfeited	(184,229)	\$0.15
Exercised	(1,498,956)	\$0.01
Expired	-	-
<b>OPTIONS OUTSTANDING AS AT 30 JUNE 2020</b>	<b>9,382,214</b>	<b>\$0.10</b>
Granted	4,350,000	\$0.25
Forfeited	(31,000)	\$0.16
Exercised	(4,538,893)	\$0.01
<b>OPTIONS OUTSTANDING AS AT 30 JUNE 2021</b>	<b>9,162,321</b>	<b>\$0.22</b>

The weighted average share price on the exercise of options was \$0.18 (2020: \$0.08). No options expired during the periods covered by the above table.

The number of options vested and exercisable as at 30 June 2021 is 4,776,821. The weighted average share price of these is \$0.19.

**NOTE 21** SHARE-BASED PAYMENTS (CONTINUED)

Share options outstanding at the end of the year have the following expiry date and exercise prices:

DATE OPTIONS GRANTED	NOTE	EXPIRY DATE	EXERCISE PRICE	SHARE OPTIONS 30 JUNE 2021
23/11/2016		01/12/2021	\$0.01	177,778
05/01/2017		01/12/2021	\$0.04	24,000
23/11/2016		01/12/2021	\$0.20	3,895,543
01/04/2017		31/03/2022	\$0.04	2,000
11/08/2017		11/08/2022	\$0.02	334,000
27/02/2018		14/02/2023	\$0.32	200,000
30/06/2018		30/06/2023	\$0.30	179,000
14/09/2020	(a)	30/08/2024	\$0.22	3,480,000
30/06/2021	(b)	30/06/2025	\$0.38	870,000
<b>TOTAL OF SHARE OPTIONS</b>				<b>9,162,321</b>

Weighted average remaining contractual life of options outstanding at end of period 1.9 years

- a. On 14 September 2020, 3,480,000 share options were granted to employees to take up ordinary shares at an exercise price of \$0.22 each. One third of options vest on 31 August 2021, one third on 31 August 2022 and one third on 31 August 2023. All options expire on 30 August 2024.

The options hold no voting or dividend rights and are not transferable.

The fair value of these options was \$660,272. This value was calculated using a binomial option pricing model applying the following inputs.

Exercise Price	\$0.22
Grant date	14/09/2020
Expiry date	30/08/2024
Vesting date	One third on 31/08/2021 One third on 31/08/2022 One third on 31/08/2023
Volatility	135.7%
Dividend yield	0%
Risk-free interest rate	0.34%
Fair value at grant date	One third \$0.18 One third \$0.1914 One third \$0.1978

**NOTE 21** SHARE-BASED PAYMENTS (CONTINUED)

- b. On 30 June 2021, 870,000 share options were granted to employees to take up ordinary shares at an exercise price of \$0.38 each. One third of options vest on 30 June 2022, one third on 30 June 2023 and one third on 30 June 2024. All options expire on 30 June 2025.

The options hold no voting or dividend rights and are not transferable.

The fair value of these options was \$147,900. This value was calculated using a binomial option pricing model applying the following inputs:

Exercise Price	\$0.38
Grant date	30/06/2021
Expiry date	30/06/2025
Vesting date	One third on 30/06/2022 One third on 30/06/2023 One third on 30/06/2024
Volatility*	138.1%
Dividend yield	0%
Risk-free interest rate	0.73%
Fair value at grant date	\$0.17

\* Volatility has been determined by looking at the historical volatility over the same period as the expected life of the option, long term average level of volatility, the length of time an entity's shares have been publicly traded, and the appropriate interval for price observations. The company does not have a reasonable history of share transactions by which to gauge the company's volatility. Due to this fact an average volatility of comparable companies share transactions over the same period of time have been used to calculate an appropriate volatility.

**PERFORMANCE RIGHTS**

A summary of movements of all performance rights issued is as follows:

	NUMBER
<b>PERFORMANCE RIGHTS OUTSTANDING AS AT 30 JUNE 2020</b>	<b>2,496,135</b>
Granted	7,409,092
Vested	(1,375,758)
Forfeited	(503,030)
Expired	-
<b>PERFORMANCE RIGHTS OUTSTANDING AS AT 30 JUNE 2021</b>	<b>8,026,439</b>

The weighted average remaining contractual life of performance rights outstanding at year end was 1.9 years (2020: 2.2 years).

7,409,092 performance rights were granted to executives on 20 August 2020 (details included in the table below).

GRANT DATE	NUMBER OF RIGHTS	VESTING CONDITIONS	VESTING DATE	% VESTED	EXPIRY DATE	FAIR VALUE AT GRANT DATE PER RIGHT
20/08/2020	7,409,092	Achievement of mutually agreed KPI's for FY 2020	01/07/2021	0%	30/06/2023	\$0.025



**NOTE 21** SHARE-BASED PAYMENTS (CONTINUED)

- a. On 20 August 2020, 7,409,092 performance rights were granted to an employee under the IntelliHR Limited Performance Rights Plan to take up ordinary shares.

All of the performance rights have been awarded under the Group's STI program and vest on achievement of mutually agreed KPI's.

The performance rights hold no voting or dividend rights and are not transferable.

The fair value of these performance rights was \$1,852,273. This value was determined with reference to the market value of IHR securities on grant date being \$0.25.

**OTHER SHARE BASED PAYMENTS**

On 30 April 2021 the Company entered into a loan agreement for \$124,999.80 with Mr R Bromage for the purpose of funding the exercise of 416,666 options (exercise price \$0.30, expiring 30 April 2022). The loan is limited in recourse over the shares issued on exercise of the options, and the Company has placed a holding lock over the shares to secure repayment. The loan has interest of 10% per annum, payable quarterly in arrears in cash, and has a term of 1 year, with early repayment if Mr Bromage ceases to be a director or employee of the Company.

The fair value of the modification of these options was calculated to be \$71,750. This value was calculated using a binomial option pricing model applying the following inputs:

Exercise Price	\$0.30
Grant date	30/04/2021
Expiry date	30/04/2022
Vesting date	30/04/2022
Volatility	138.1%
Dividend yield	0%
Risk-free interest rate	0.04%
Fair value at grant date	\$0.1722

## NOTE 22 EVENTS AFTER THE REPORTING DATE

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Since the 30th of June the Group has:

Executed a Reseller Agreement with leading UK-based payroll software providers Payroll Software and Services Group (PSSG) and Cintra to sell the IntelliHR SaaS offering to Cintra's enterprise customer base of over 200 customers, representing over 200,000 potential subscribers. The agreement accelerates IntelliHR's international expansion and represents its first major large-scale channel partnership deal in its emerging reseller sales channel. Annual Recurring Revenue (ARR) potential of up to circa \$8.0m from the Cintra agreement, subject to successful roll out which is expected to gain significant momentum in H2 FY2022.

## NOTE 23 RELATED PARTY TRANSACTIONS

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### Related Parties

The Group's main related parties are as follows:

**a. Entities exercising control over the Group**

The company does not have an ultimate controlling entity.

**b. Key management personnel**

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

For details of disclosures relating to remuneration of key management personnel, refer to Note 6.

**c. Other related parties**

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel, individually or collectively with their close family members.

**d. Transactions with related parties**

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

**NOTE 23** RELATED PARTY TRANSACTIONS (CONTINUED)

The following transactions occurred with related parties:

	2021 \$	2020 \$
<b>OTHER RELATED PARTIES</b>		
<b>Purchase of goods and services:</b>		
A company of which R Bromage is a director provided recruiting services during the year under normal commercial terms and conditions.	103,042	52,163
<b>Sales of goods and services:</b>		
The same company was a customer during the year under normal commercial terms and conditions.	3,308	6,670

R Bromage is no longer a Director of the abovementioned company from 25 June 2021. Therefore, balances as at 30 June are not applicable.

**NOTE 24** CONTINGENT ASSETS AND LIABILITIES

The Group does not have any contingent assets or liabilities as at 30 June 2021.

**NOTE 25** COMMITMENTS

The Group does not have any commitments as at 30 June 2021.

**NOTE 26** FINANCIAL RISK MANAGEMENT

The Group's financial instruments consist mainly of deposits with banks and accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 9: Financial Instruments as detailed in the accounting policies to these financial statements, are as follows:

	Note	2021 \$	2020 \$
<b>Financial assets</b>			
Cash and cash equivalents	9	4,102,453	2,790,577
Trade and other receivables	11	269,806	65,092
Cash deposits	10	416,838	416,838
<b>TOTAL FINANCIAL ASSETS</b>		<b>4,789,097</b>	<b>3,272,507</b>
<b>Financial liabilities</b>			
Trade and other payables	15	1,984,187	1,021,871
<b>TOTAL FINANCIAL LIABILITIES</b>		<b>1,984,187</b>	<b>1,021,871</b>

**NOTE 26 FINANCIAL RISK MANAGEMENT (CONTINUED)**

The Board has overall responsibility for the determination of the Group's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility.

**Credit risk**

Credit risk is managed on a Group basis. Credit risk arises primarily from cash and cash equivalents and deposits with banks and financial institutions. For bank and financial institutions, only independently rated parties with a minimum rating of 'AA' are accepted.

Refer to Note 11 for further details on credit risks associated with trade receivables.

**Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities to meet obligations when due.

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows. No finance facilities were available to the Group at the end of the reporting period.

Most financial assets and financial liabilities mature within one year except for fixed term cash deposits.

**Market risk**

Market risk is the risk that the change in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments.

The Group is not exposed to market risks other than interest rate risk, and foreign exchange risk.

The Group's exposure to foreign currency risk at the 30 June 2021, expressed in Australian dollars, was:

	2021 \$	2020 \$
Cash and cash equivalents – CA\$	35,239	4,578
Trade receivables - US\$, NZ\$ and UK\$	165,344	20,378
Trade Payables – US\$, NZ\$ and UK\$\$	64,787	29,128

**Cash flow and fair value interest rate risk**

As the Group has interest-bearing cash assets, the Group's income and operating cash flows are exposed to changes in market interest rates. The Group manages its exposure to changes in interest rates by using fixed term deposits.

At 30 June 2021, if interest rates had changed by +/- 100 basis points from the year-end rates with all other variables held constant, post-tax profit / (loss) for the year would have been \$42,348 (2020: \$27,406) lower/higher, as a result of higher/lower interest income from cash and cash equivalents.

**Fair Value**

The carrying value of all financial assets and financial liabilities approximate their fair value, due to their short term nature.

## DIRECTORS' DECLARATION

### IN THE DIRECTORS' OPINION:

- (a) the financial statements and notes set out on pages 38 to 74 are in accordance with the Corporations Act 2001, including:
- (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the financial year ended on that date, and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Note 1 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Managing Director and Chief Financial Officer required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Directors.



A Bellas

Chairman

Brisbane, 23 August 2021



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## INDEPENDENT AUDITOR'S REPORT

To the members of intelliHR Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of intelliHR Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, 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 year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as 30 June 2021 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with 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 our audit of the 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 in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Material uncertainty related to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.



### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

### Capitalisation of Development Costs

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>The Group capitalises costs incurred in the development of its software, as disclosed in note 14. These costs are then amortised over the estimated useful life of the asset.</p> <p>The capitalisation of development costs was a key audit matter due to the significance of the balance and the judgement involved in assessing whether the criteria set out in AASB 138 Intangible Assets required for capitalisation of such costs have been met and the useful life of the asset is reasonable.</p> <p>The Group's judgements include whether the costs capitalised, including payroll costs, were directly attributable to development projects, rather than related to research or maintenance operations.</p>	<p>Our work on capitalised development costs was focused on the Group's process in determining the projects which should be capitalised and the determination of the appropriate allocation of overhead and payroll costs to be capitalised in accordance with AASB 138.</p> <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Assessed the nature of a sample of projects against the requirements of AASB 138 to determine if they were capital in nature, including an assessment of whether capitalised costs related to the development phase of the project and the generation of probable future economic benefits.</li> <li>• On a sample basis, vouched the payroll costs capitalised to supporting payroll records and assessed the procedures applied by the Group to appropriately record and allocate staff costs to capitalised development expenditure.</li> <li>• On a sample basis, vouched overhead costs capitalised to supporting documentation and assessed the procedures applied by the Group to appropriately allocate overhead costs to capitalised development expenditure.</li> <li>• Assessing the adequacy of disclosures in the financial statements.</li> </ul>



### Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

[https://www.auasb.gov.au/admin/file/content102/c3/ar1\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf)

This description forms part of our auditor's report.

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## Report on the Remuneration Report

### Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 19 to 28 of the directors' report for the year ended 30 June 2021. In our opinion, the Remuneration Report of IntelliHR Limited, for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

**BDO Audit Pty Ltd**

A handwritten signature in black ink, appearing to read 'R M Swaby', is written over a small, faint BDO logo.

**R M Swaby**  
Director

Brisbane, 23 August 2021

# SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 27 July 2021.

## A DISTRIBUTION OF EQUITY SECURITIES

Analysis of numbers of equity security holders by size of holding:

	CLASS OF EQUITY SECURITY
	ORDINARY SHARES
1 - 1,000	41
1,001 - 5,000	479
5,001 - 10,000	298
10,001 - 50,000	680
50,001 - 100,000	159
100,001 and over	272
<b>TOTAL DISTRIBUTION OF EQUITY SECURITIES</b>	<b>1,929</b>

There were 228 holders of less than a marketable parcel of ordinary shares.

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## B EQUITY SECURITY HOLDERS

### Twenty largest quoted equity security holders

The names of the twenty largest holders of quoted equity securities are listed below:

NAME	ORDINARY SHARES	
	NUMBER HELD	% OF ISSUED SHARES
Colinton Capital Partners Pty Ltd	44,916,146	16.03%
Jodie Ann Slattery	35,120,206	12.53%
Robert Jon Bromage	27,076,773	9.66%
Immanuel Developments Pty Ltd	8,283,334	2.96%
Intercontinental Pty Ltd	6,031,312	2.15%
Bond Street Custodians Limited	4,957,545	1.77%
JD Investments Holding Pty Ltd	4,155,583	1.48%
K R Khatri (Dental) Pty Ltd	3,870,332	1.38%
Workforce Guardian Pty Ltd	3,331,733	1.19%
Mr Thomas George Hackett & Mrs Nerida Leith Hackett	2,725,680	0.97%
Mrs Lori Michele Lowther	2,653,560	0.95%
J J N A Super Pty Ltd	2,577,039	0.92%
Immanuel Developments Pty Ltd	2,500,000	0.89%
Mr Adam Patrick Warbrooke	2,487,372	0.89%
Kokoris Superannuation Pty	2,221,200	0.79%
BCI Holdings Pty Ltd	2,200,000	0.78%
Chatterton Pty Ltd	2,176,492	0.78%
Colinton Capital Pty Limited	2,145,456	0.77%
Kingsley Developments Pty Ltd	1,920,000	0.69%
Ms Marilyn Joan Bromage	1,806,741	0.64%
<b>TOTAL</b>	<b>163,156,504</b>	<b>58.21%</b>

### Unquoted equity securities

	NUMBER OF ISSUE	NUMBER OF HOLDERS
Options over ordinary shares	10,822,322	48
Performance rights	8,026,439	4

Holders of more than 20% of unquoted share options on issue

	NUMBER HELD	% OF TOTAL ON ISSUE
Robert Bromage	3,895,543	36.00%

Holders of more than 20% of unquoted performance rights on issue

	NUMBER HELD	% OF TOTAL ON ISSUE
Robert Bromage	2,727,273	33.98%
Paul Trappett	2,003,711	24.96%
Glenn Donaldson	1,886,364	23.50%

C SUBSTANTIAL HOLDERS

Substantial holders in the company are set out below:

	NUMBER HELD	PERCENTAGE
<b>Ordinary shares</b>		
Colinton Capital Partners Pty Ltd	44,916,146	16.03%
Jodie Ann Slattery	35,120,206	12.53%
Robert Bromage	27,076,773	9.66%

D VOTING RIGHTS

The voting rights attaching to each class of equity securities are set out below:

- (a) Ordinary shares: On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.
- (b) Performance rights: No voting rights
- (c) Share options: No voting rights

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