



17 February 2022

ASX Market Announcements Office
Australian Securities Exchange Limited

Dear Sir/Madam

ASX Market Announcement

In accordance with the ASX Listing Rules, Integrated Research Limited (ASX: IRI) encloses for release to the market:

- Appendix 4D, and
- Interim Financial Report for the half-year ended 31 December 2021.

By authority of the Board

David Purdue
Company Secretary
Integrated Research Limited
ABN: 76 003 588 449



Appendix 4D

Half-year report

Name of entity

INTEGRATED RESEARCH LIMITED		
ABN	Reporting period (half-year ended)	Previous corresponding period (half-year ended)
76 003 588 449	31 December 2021	31 December 2020

For announcement to the market

Extracts from this report for announcement to the market

					A\$000
Revenues from ordinary activities	Down	5%	to		32,287
Profit/(loss) before tax attributable to members	Up	146%	to		635
Net profit for the period attributable to members	Up	1286%	to		1,788

	Amount per security	Franked amount per security
Dividends (distributions)		
Interim dividend	Nil	N/A
Previous corresponding period	Nil	N/A

Brief explanation of results

Please refer to page 2 'Review of Operations' for an explanation of the results. This information should be read in conjunction with Integrated Research Limited 2021 Annual Report.
The information provided in this report contains all the information required by ASX Listing Rule 4.2A.

	December 2021 Cents	December 2020 Cents
NTA backing		
Net tangible asset backing per ordinary security	32.48	25.94

	December 2021 \$'000	December 2020 \$'000
Dividends		
No interim dividend has been declared for the current period	Nil	Nil
Total dividends provided for or paid	Nil	Nil



**INTEGRATED RESEARCH LIMITED AND CONTROLLED
ENTITIES**

FOR THE HALF-YEAR ENDED
31 DECEMBER 2021

ABN: 76 003 588 449

ASX CODE: IRI

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Directors' Report

The Directors present their report together with the consolidated financial report for the half-year ended 31 December 2021 and the review report thereon.

Directors

The Directors of Integrated Research Limited at any time during or since the end of the half-year are:

Peter Lloyd – Independent Non-Executive Director and Chairman
 John Ruthven – Managing Director and Chief Executive Officer
 Allan Brackin – Independent Non-Executive Director
 Anne Myers – Independent Non-Executive Director
 James Scott – Independent Non-Executive Director
 Garry Dinnie – Independent Non-Executive Director (retired 31 October 2021)

Principal Activities

Integrated Research Limited's principal activities are the design, development, implementation and sale of systems and applications management computer software for business-critical computing, Unified Communication networks and Payment networks.

Half-Year Results

The following table summarises the key revenue, expense and profit results for the consolidated entity for the half-year ended 31 December 2021 compared to the previous corresponding period:

In thousands of AUD	2021	2020	Change %
Revenue from licence fees	17,992	17,104	5%
Revenue from maintenance fees	7,828	10,287	(24%)
Revenue from subscription fees	518	125	314%
Revenue from testing solution services	2,249	2,385	(6%)
Revenue from professional services	3,700	4,210	(12%)
Total revenue	32,287	34,111	(5%)
Total expenses	(34,658)	(32,880)	5%
(Loss)/profit before finance income, other losses, and income tax	(2,371)	1,231	(293%)
Other gains/ (losses) ¹	2,208	(2,983)	(174%)
Finance income	798	366	118%
Profit/(loss) before tax	635	(1,386)	(146%)
Income tax benefit ²	1,153	1,515	(24%)
Net profit after income tax	1,788	129	1286%

The Company reported profit after tax of \$1.8 million and revenue of \$32.3 million for the half year ended 31 December 2021. The result represents a thirteen-fold increase on the prior equivalent half. Strong revenue results from Asia Pacific (up 80%) and Europe (up 19%) were offset by revenue falls in the Americas (down 24%). Total Contract Value³ ("TCV") of \$31.7 million was up 8% on the previous corresponding period noting that the first half was not a strong period for renewal business with the second half expected to be stronger. Of the TCV written in the current half, 38% was attributable to either new customers or new products sold to existing customers. There were 23 new customers added during the period. The Company's cloud and hybrid solutions are gathering momentum with approximately 440,000 users on the platform, representing 424% growth since the start of the financial year.

¹ Other gains/ (losses) comprise of currency revaluation gain of \$0.8 million (2020: \$3.0 million loss) and forgiveness of the US Paycheck Protection Program loan for \$1.4 million (2020: nil) which has been recognised as grant income.

² The effective income tax benefit rate is not 30% of pre-tax profit due to permanent differences including estimates for the R&D tax incentives and non-assessable grant income.

³ Total contract value means the total value of a revenue generating contract written in the period of performance less any residual value from a previous related contract. The value includes software licence and related maintenance, cloud, testing and consulting services.

Directors' Report (continued)

Review of Operations

Revenue

Revenue for the reporting period was \$32.3 million, a decrease of 5% over the previous corresponding period. The following table presents Company revenue for each of the relevant product groups:

In thousands of AUD	2021	2020	Change %
Collaborate	19,677	20,100	(2%)
Infrastructure	5,199	5,565	(7%)
Transact	3,711	4,236	(12%)
Professional Services	3,700	4,210	(12%)
Total revenue	32,287	34,111	(5%)

The following table presents revenue in native currency by geographic segment:

	2021	2020	Change %
Americas (USD'000)	13,528	17,873	(24%)
Europe (£'000)	3,439	2,898	19%
Asia Pacific (A\$'000)	7,389	4,100	80%

Expenses

The Company's operating cost base increased by 5% to \$34.7 million. The increase in operating expenses was driven by higher non-cash expenses represented by higher amortisation charges from the Company's capitalised development noting the release of new products off the new cloud platform in the prior period. Staff numbers at 31 December 2021 were 224 compared to 264 at 31 December 2020.

The following table represents an analysis of research and development:

In thousands of AUD	2021	2020
Gross research and development spending	11,074	10,148
Capitalisation of development expenses	(5,862)	(6,173)
Amortisation of capitalised expenses	5,664	4,614
Net research and development expenses	10,876	8,589

Cashflow

Cash receipts from customers was \$37.7 million for the reporting period with no debtor factoring. Cashflow from operating activities of \$8.7 million continued to be the source of investing in innovation and development.

For the financial year ended 30 June 2021, as detailed in the Directors' Report for that financial year, no dividends were paid to the holders of fully paid ordinary shares.

Statement of Financial Position

At 31 December 2021, the Company held \$14.9 million in cash (30 June 2021: \$12.1 million). The \$20 million bank debt facility was drawn to \$5.6 million (30 June 2021: \$5.3 million).

Outlook

The Company anticipates stronger second half results for the FY22 financial year based on licence renewals, gaining new sales traction on the cloud platform and a turnaround in performance from the Americas.

Directors' Report (continued)

Interim Dividend

The Board did not declare an interim dividend. The assessment of future dividends will be made after the annual results are available.

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration is set out on page 14 and forms part of the Directors' Report for the half-year ended 31 December 2021.

Rounding off

Integrated Research Limited is of a kind referred to in ASIC Legislative instrument 2016/191 and in accordance with the Class Order, amounts in the financial report and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the Directors:



Peter Lloyd
Chairman



John Ruthven
Managing Director and Chief Executive Officer

Dated at North Sydney this 17th day of February 2022.

Consolidated Statement of Comprehensive Income

For the half-year ended 31 December 2021

In thousands of AUD

	Note	December 2021	December 2020
Continuing Operations			
<i>Revenue from contracts with customers</i>			
Licence fees		17,992	17,104
Maintenance fees		7,828	10,287
Subscription fees		518	125
Testing solution services		2,249	2,385
Professional services		3,700	4,210
Total revenue	3	32,287	34,111
<i>Expenditure:</i>			
Research and development		(10,876)	(8,589)
Sales, professional services and marketing expenses		(20,867)	(21,580)
General and administration expenses		(2,915)	(2,711)
Total expenditure		(34,658)	(32,880)
Other gains and (losses)		2,208	(2,983)
Loss before finance income and tax		(163)	(1,752)
Finance income		798	366
Profit/(loss) before tax		635	(1,386)
Income tax benefit		1,153	1,515
Profit for the period		1,788	129
Other comprehensive income			
Items that may be reclassified subsequently to profit			
Foreign exchange translation differences		625	(1,976)
Other comprehensive income/(loss) for the period		625	(1,976)
Total comprehensive income/(loss) for the period		2,413	(1,847)
<i>Profit attributable to:</i>			
Members of Integrated Research		1,788	129
<i>Total comprehensive income/(loss) attributable to:</i>			
Members of Integrated Research		2,413	(1,847)
Earnings per share attributable to members of Integrated Research			
Basic earnings per share to ordinary equity holders (AUD cents)	4	1.04	0.08
Diluted earnings per share to ordinary equity holders (AUD cents)	4	1.03	0.07

The consolidated statement of comprehensive income is to be read in conjunction with the accompanying notes set out on pages 8 to 12.

Consolidated Statement of Financial Position

For the half-year ended 31 December 2021

In thousands of AUD

	December 2021	June 2021
Current assets		
Cash and cash equivalents	14,931	12,149
Trade and other receivables	47,003	51,918
Current tax assets	839	693
Other current assets	3,112	3,345
Total current assets	65,885	68,105
Non-current assets		
Trade and other receivables	27,760	27,593
Other financial assets	232	175
Property, plant and equipment	951	1,255
Right-of-use assets	5,200	6,003
Deferred tax assets	3,754	1,183
Intangible assets	30,287	29,962
Other non-current assets	880	799
Total non-current assets	69,064	66,970
Total assets	134,949	135,075
Current liabilities		
Trade and other payables	8,092	10,181
Provisions	3,710	4,045
Income tax liabilities	-	126
Deferred revenue	15,284	15,526
Lease liabilities	1,655	1,655
Other financial liabilities	486	192
Total current liabilities	29,227	31,725
Non-current liabilities		
Borrowings	5,556	6,658
Deferred tax liabilities	8,291	7,044
Provisions	949	665
Deferred revenue	656	861
Lease liabilities	3,975	4,767
Other financial liabilities	8	13
Total non-current liabilities	19,435	20,008
Total liabilities	48,662	51,733
Net assets	86,287	83,342
Equity		
Issued capital	1,667	1,667
Reserves	5,568	4,411
Retained earnings	79,052	77,264
Total equity attributable to members of Integrated Research	86,287	83,342

The consolidated statement of financial position is to be read in conjunction with the accompanying notes set out on pages 8 to 12.

Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2021

In thousands of AUD

	Share Capital	Translation Reserve	Employee Benefits Reserve	Retained Earnings	Total
Balance as at 1 July 2021	1,667	(666)	5,077	77,264	83,342
Profit for the period	-	-	-	1,788	1,788
Other comprehensive (loss)/income	-	625	-	-	625
Total comprehensive (loss)/income for the period	-	625	-	1,788	2,413
Expensed employee options and performance rights	-	-	532	-	532
Payment of dividends	-	-	-	-	-
Balance at 31 December 2021	1,667	(41)	5,609	79,052	86,287

	Share Capital	Translation Reserve	Employee Benefits Reserve	Retained Earnings	Total
Balance as at 1 July 2020	1,667	830	4,249	75,776	82,522
Profit for the period	-	-	-	129	129
Other comprehensive (loss)/income	-	(1,976)	-	-	(1,976)
Total comprehensive (loss)/income for the period	-	(1,976)	-	129	(1,847)
Expensed employee options and performance rights	-	-	457	-	457
Payment of dividends	-	-	-	(6,447)	(6,447)
Balance at 31 December 2020	1,667	(1,146)	4,706	69,458	74,685

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes set out on pages 8 to 12.

Consolidated Statement of Cash Flows
For the half-year ended 31 December 2021
In thousands of AUD

	December 2021	December 2020
Cash flows from operating activities		
Cash receipts from customers	37,723	42,354
Cash paid to suppliers and employees	(28,607)	(28,319)
Cash generated from operations	9,116	14,035
Income taxes paid	(463)	(2,780)
Net cash from operating activities	8,653	11,255
Cash flows from investing activities		
Payments for capitalised development	(5,862)	(6,173)
Payments for property, plant and equipment	(60)	(72)
Interest received	940	605
Net cash used in investing activities	(4,982)	(5,640)
Cash flows from financing activities		
Proceeds from borrowings	-	6,494
Repayment of borrowings	-	(5,000)
Payment of lease liabilities	(902)	(851)
Interest payments	(142)	(240)
Payment of dividend	-	(6,447)
Net cash used in financing activities	(1,044)	(6,044)
Net increase/(decrease) in cash and cash equivalents	2,627	(429)
Cash and cash equivalents at 1 July	12,149	9,744
Effects of exchange rate changes on cash	155	(1,144)
Cash and cash equivalents at 31 December	14,931	8,171

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes set out on pages 8 to 12.

Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2021

In thousands of AUD

Note 1. Significant accounting policies

a) Statement of Compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

b) Basis of Preparation

The interim financial report is prepared on the historical cost convention, with the exception of financial instruments for the purposes of cash flow hedges, which are at fair value. All amounts are presented in Australian dollars unless otherwise stated.

Integrated Research Limited is a for-profit Company limited by ordinary shares.

Integrated Research Limited is of a kind referred to in ASIC Legislative instrument 2016/191. In accordance with that Class Order, amounts in the financial report and Directors' Report and the half-year financial report have been rounded off to the nearest thousand dollars, unless otherwise indicated.

New accounting standards and interpretations

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in Integrated Research Limited's 2021 annual financial report, except for the adoption of new standards for the 2022 financial year. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Note 2. Segment information

The Chief Operating Decision Maker, “CODM”, (being the Chief Executive Officer) reviews a variety of information on the performance of Prognosis across the group for the purpose of resource allocation. The CODM monitors profit at a group level.

The principal geographical regions are The Americas – Operating from the United States with responsibility for the countries in North, Central and South America, Europe – operating from the United Kingdom and Germany with responsibility for the countries in Europe, Asia Pacific – operating from Australia and Singapore with responsibility for the countries in the rest of the world and Corporate Australia – with responsibility for research and development and corporate head office functions of the Company.

Segment profit represents the profit earned by each segment without allocation of investment revenue and income tax expense.

Information regarding these geographic segments is presented below. The accounting policies of the reportable segments are the same as the Company’s accounting policies.

	Americas ⁴		Europe		Asia Pacific		Corporate Australia ¹		Eliminations		Consolidated	
In thousands of AUD	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Continuing operations												
Sales to customers outside the consolidated entity	18,504	24,732	6,394	5,279	7,389	4,100	-	-	-	-	32,287	34,111
Inter-segment revenue	-	-	-	-	-	-	12,553	14,163	(12,553)	(14,163)	-	-
Total segment revenue	18,504	24,732	6,394	5,279	7,389	4,100	12,553	14,163	(12,553)	(14,163)	32,287	34,111
Segment (loss)/profit (before finance income and tax)	1,958	850	174	152	439	136	(2,734)	(2,890)	-	-	(163)	(1,752)
Financing income (interest received)	-	-	-	-	-	-	-	-	-	-	798	366
Income tax benefit	-	-	-	-	-	-	-	-	-	-	1,153	1,515
Profit for the half-year											1,788	129
Capital additions ²	15	1,534	4	4	110	75	13	68	-	-	142	1,681
Depreciation and amortisation expenses	242	334	108	147	118	145	6,417	5,556	-	-	6,885	6,182

	Americas ⁴ (USD)		Europe (UK Sterling)	
In local currency ³	2021	2020	2021	2020
Sales to customers outside the consolidated entity	13,528	17,873	3,439	2,898
Inter-segment sales	-	-	-	-
Total segment revenue	13,528	17,873	3,439	2,898
Segment Profit	1,402	616	94	84

¹ Corporate Australia includes research and development, hedging and corporate head office functions of Integrated Research Limited.

² Excludes internal development costs capitalised but includes third party assets acquired.

³ Segment results represented in local currencies.

⁴ Americas segment profit is inclusive of grant income recognised on the forgiveness of the US Paycheck Protection Program loan for USD \$1.0 million or AUD \$1.4 million (2020: nil).

Note 3. Revenue from contracts with customers

Information regarding the disaggregation of the Company's revenues from contracts with customers is presented below.

In thousands of AUD	Consolidated	Consolidated
	December 2021	December 2020
Timing of revenue recognition		
At a point in time	17,992	17,104
Over time	14,295	17,007
Total Revenue from contracts with customers	32,287	34,111
Type of product group		
Collaborate	19,677	20,100
Infrastructure	5,199	5,565
Transact	3,711	4,236
Professional Services	3,700	4,210
Total revenue	32,287	34,111

Note 4. Earnings per Share

Basic earnings per share

The calculation of basic earnings per share for the half-year ended 31 December 2021 was based on the profit attributable to ordinary shareholders of \$1,788,000 (half-year ended 31 December 2020: \$129,000) and a weighted average number of ordinary shares outstanding during the half-year ended 31 December 2021 of 172,334,138 (half-year ended 31 December 2020 of 172,030,086).

Diluted earnings per share

The calculation of diluted earnings per share for the half-year ended 31 December 2021 was based on the profit attributable to ordinary shareholders of \$1,788,000 (half-year ended 31 December 2020: \$129,000) and a weighted average number of ordinary shares outstanding during the half-year ended 31 December 2021 of 172,852,323 (half-year ended 31 December 2020: 172,541,197).

Note 5. Employee Equity benefits

Performance Rights and Options Plan – November 2011

The consolidated entity has a performance rights and options plan that enables Integrated Research Limited to offer performance rights and options to eligible employees to obtain shares in Integrated Research Limited contingent upon performance conditions being met. The performance conditions may be a service period only or a service period and either a net profit after tax or total shareholder return hurdle. The performance rights are automatically exercised into shares upon the performance conditions being met at zero cost. Options are exercisable by employees after the vesting date but before the expiry date (which is five years from the grant date) at their exercise price. The following instruments were granted during the period:

Grant Date	Type	Quantity	Exercise price	Expiry date
August 2021	Options	2,452,609	\$1.98	August 2026
November 2021	Performance rights	1,053,210	-	August 2024

The following instruments were outstanding as at 31 December 2021:

Grant Date	Type	Quantity	Exercise price	Expiry date
January 2019	Performance rights	67,988	-	March 2022
August 2019	Performance rights	40,000	-	September 2022
September 2019	Performance rights	141,456	-	September 2022
November 2019	Performance rights	152,438	-	September 2022
September 2020	Performance rights	99,251	-	August 2023
November 2020	Performance rights	95,368	-	August 2023

Note 5. Employee Equity benefits (continued)

During the period, the following performance rights were exercised into ordinary shares for nil consideration.

Grant Date	Number of Rights	Expiry date
September 2018	83,000	September 2021
December 2018	136,000	November 2021

Note 6. Financial Instruments

Forward foreign exchange contracts

The consolidated entity is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the AUD. The currencies giving rise to this risk are primarily United States Dollar, UK Sterling and the Euro.

The consolidated entity uses option and forward exchange contracts to hedge its foreign currency risk. The option and forward exchange contracts have maturities of less than two years after the reporting date.

The consolidated entity classifies its option and forward exchange contracts hedging forecasted transactions as cash flow hedges and measures them at fair value. The following table details the option and forward foreign currency contracts outstanding as at reporting date:

Outstanding contracts	Average Exchange Rate		Foreign Currency		Contract Value		Fair Value	
	2021	2020	2021 FC'000	2020 FC'000	2021 A\$'000	2020 A\$'000	2021 A\$'000	2020 A\$'000
FX Forwards								
<u>Sell US Dollar</u>								
Less than 3 months	0.75	0.72	3,700	3,750	4,949	5,203	(148)	350
3 to 6 months	0.76	0.72	2,500	3,750	3,307	5,205	(135)	354
6 to 9 months	0.76	0.72	1,500	2,500	1,962	3,493	(103)	261
9 to 12 months	0.74	-	1,000	-	1,344	-	(32)	-
12 to 15 months	0.73	-	500	-	699	-	9	-
<u>Sell Euros</u>								
3 to 6 months	0.62	-	200	-	321	-	8	-
<u>Sell Sterling</u>								
3 to 6 months	0.53	-	400	-	750	-	5	-
FX Options								
<u>Put US Dollar</u>								
6 to 9 months	0.67	-	2,000	-	3,008	-	(23)	-
9 to 12 months	0.70	-	1,000	-	1,429	-	(31)	-
<u>Call US Dollar</u>								
6 to 9 months	0.75	-	2,000	-	2,685	-	49	-
9 to 12 months	0.75	-	1,000	-	1,335	-	32	-
							(369)	965

These hedge assets and liabilities are classified as a level 2 fair value measurement, being derived from inputs provided from financial institutes, rather than quoted prices that are observable for the asset either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair value measurement of the over-the-counter forward contract would not qualify as Level 1 as there is not a quoted price for the actual contract, even though data used to value the contract may be derived entirely from active foreign-exchange and interest-rate market.

Note 6. Financial Instruments (continued)

Fair value of financial instruments

The carrying value of financial assets and financial liabilities of the consolidated entity is a reasonable approximation of their fair value.

Financial assets

For non-current trade debtors Integrated Research Limited has considered a discount rate to recognise the net present value of the debtors. Level 3 inputs have been considered including corporate borrowing rates, size of the customer and jurisdiction of the customer. A discounted cashflow model was used to derive the fair value. The range of discount rates was between 3.5% to 7.5%.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. The largest single counterparty balance with any one customer at 31 December 2021 was \$8.9 million (June 2021: \$8 million). Ongoing credit evaluation is performed on the financial condition of accounts.

The Company has a program to sell selected account receivable balances to a third party without recourse. There were no sales of accounts receivables during the current or prior comparative reporting period. The Company continues to bear maintenance support obligations to the end customers which are carried as a liability in the deferred revenue account of the Company's balance sheet of \$1.2 million (June 2021: \$1.4 million).

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Note 7. Subsequent events

There were no events after the interim balance sheet date which are expected to have a material effect on the consolidated entity's financial position.

Directors' Declaration

In accordance with a resolution of the directors of Integrated Research Limited:

In the opinion of the directors:

- a) The financial statements and notes of Integrated Research Limited for the half-year ended 31 December 2021 are in accordance with the Corporations Act 2001, including:
 - (i) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
 - (ii) Complying with Accounting Standards and the Corporations Regulations 2001.
- b) There are reasonable grounds to believe that Integrated Research Limited will be able to pay its debts as and when they become due and payable.

Dated at North Sydney this 17th day of February 2022.

On behalf of the Directors



Peter Lloyd
Chairman



John Ruthven
Managing Director and Chief Executive Officer



Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

**Building a better
working world**

Auditor's Independence Declaration to the Directors of Integrated Research Limited

As lead auditor for the review of Integrated Research Limited for the half-year ended 31 December 2021, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b) no contraventions of any applicable code of professional conduct in relation to the review; and
- c) No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Integrated Research Limited and the entities it controlled during the financial period.

A handwritten signature in black ink that reads "Ernst & Young".

Ernst & Young

A handwritten signature in black ink that reads "Julian M. O'Brien".

Julian M. O'Brien
Partner
17 February 2022



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working world**

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Independent Auditor's Review Report to the Members of Integrated Research Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Integrated Research Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2021 and of its consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' Responsibilities for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

A handwritten signature in black ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in black ink that reads 'Julian M. O'Brien'.

Julian M. O'Brien
Partner
Sydney
17 February 2022