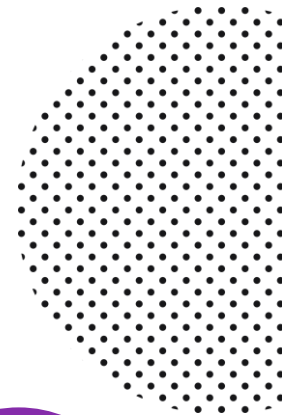


Integrated Research Limited (IRI) FY2022 Half Year Financial Results

February 2022

John Ruthven, CEO
Peter Adams, CFO



We are IR



A leading global software company, providing performance and experience management solutions for the world's mission critical ecosystems.



collaborate

Optimizing the collaboration that connects your people



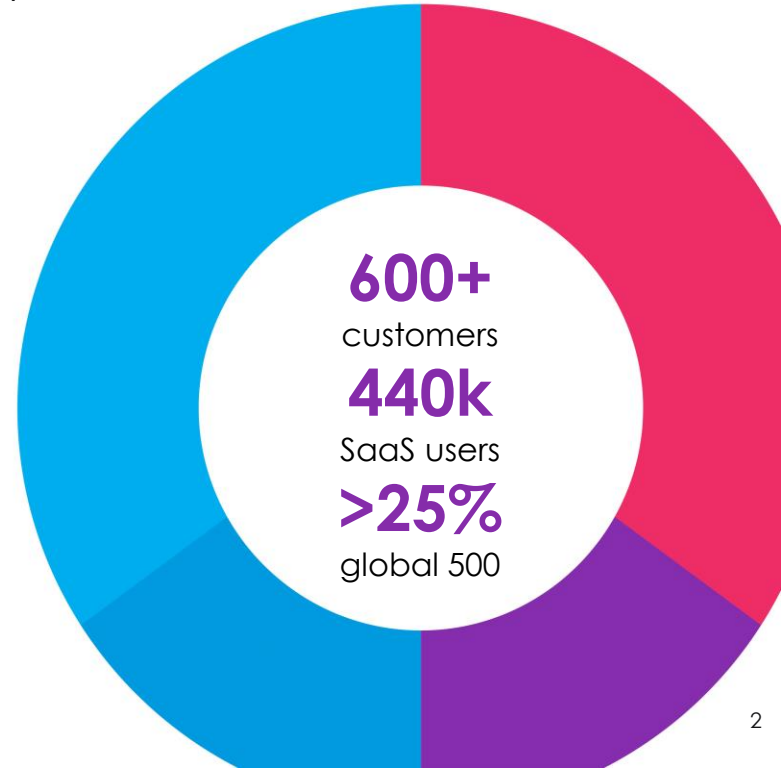
transact

Optimizing the commerce that connects our global economies



infrastructure

Optimizing the mission-critical environments that connect our world



CEO key messages

Transition underway – building a stronger IR with an expanded product set and enhanced market opportunity



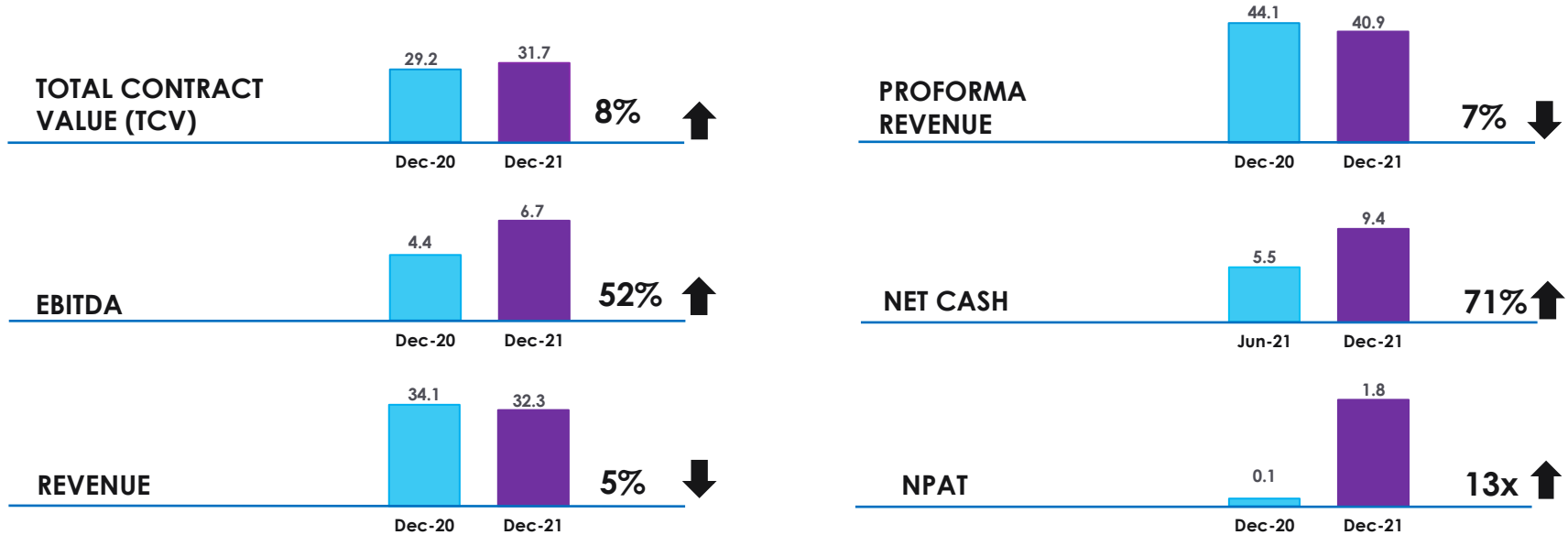
1. Right strategy, reaffirmed: Executing IR's strategy to expand product set to include on prem, hybrid and cloud client solutions
 - Expands addressable market opportunities
 - Increases leverage to positive growth trends
 - Accelerates new product speed to market
2. Delivering encouraging early results
 - Total contract value +8% versus pcp
 - 88% increase in new business in 1H
 - 424% growth in SaaS users
 - Some delays in US. Plan to rejuvenate growth underway.
3. Self funding growth strategy with strong balance sheet
 - \$15.6m adjusted EBITDA for 'on prem IR'
 - \$12m invested in "cloud IR", 15%+ ROI target
 - Net cash of \$9.4m up from \$5.5m

Positive 2H outlook – expected growth in TCV, NPAT driven by new product launches and customer wins



Half-year performance review (A\$M)

Growth in TCV +8% and NPAT, up 13x



1H customer wins validate enhanced value proposition

Significant new customer wins across on-prem, hybrid & cloud solutions



new customer through
service provider

hybrid

Collaborate

Teams SaaS + Space
Management

40,000 users



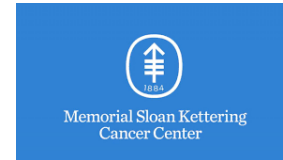
new to existing

hybrid

Collaborate

added MS Teams to
existing on-prem contract

99,000 users



new customer

on-premise

Collaborate

Cisco enterprise product
plus video

17,500 users



expansion

on-premise

Transact & Infrastructure
expansion of existing foot-
print

>4.0B txns per annum

Strong customer endorsements

New business growth up 88%, with 424% growth in new SaaS users



Customer Tenure 15+ years	Long dated contracts	Service Providers	New Logos

97%
customer retention

2.5 years
avg. contract length

424%
growth in SaaS users

88%
new business growth

1H FY22 Progress Report

Encouraging results in TCv from new customers, recently launched products gaining traction



Customer growth & retention	KPI target	New customer acquisition	KPI target	Product innovation	KPI target	Business Model Transition	KPI target
Proforma subscription Revenue retention	92%	New customers	75	Extend 3 rd party strategic relationships		Growth in cloud deferred revenue backlog	100%
ahead of plan		behind plan		good progress		behind plan	
TCV from new products & capacity to existing customers	20%	TCV from new customers	30%	Percent of TCv from products released in the last 5 years	15%	Systems & process readiness to report SaaS metrics	
behind plan		ahead of plan		behind plan		good progress	
Customer retention	95%			Development spend to TCv	14%		
ahead of plan				ahead of plan			



Financials



TCV, Revenue and Cash

Positive TCV growth driven by new business partially offset by timing of license renewal cycle

Interim results: TCV, proforma revenue and cash (A\$M)	Dec 2021	Dec 2020	% change
Total contract value (TCV)	31.7	29.2	8%
Proforma subscription revenue	34.4	36.8	(6%)
Proforma revenue	40.9	44.1	(7%)
Cash receipts from customers ¹	37.7	42.4	(11%)

Interim results: Statutory (A\$M)	Dec 2021	Dec 2020	% change
Licence fees	18.0	17.1	5%
Maintenance fees	7.8	10.3	(24%)
Subscription fees	0.5	0.1	314%
Testing solution services	2.2	2.4	(6%)
Professional services	3.7	4.2	(12%)
Total revenue	32.3	34.1	(5%)

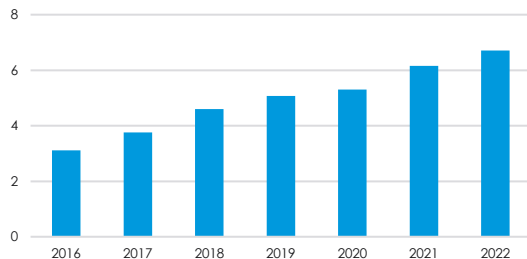
1. Cash receipts for Jan 22 were \$7.1 million (Jan 21: \$4.5 million)

Interim revenue analysis - Geographic and Product

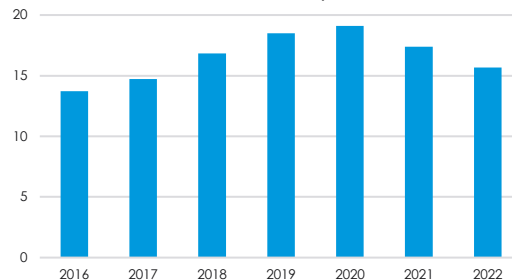


Proforma Subscription Revenue by Geographic

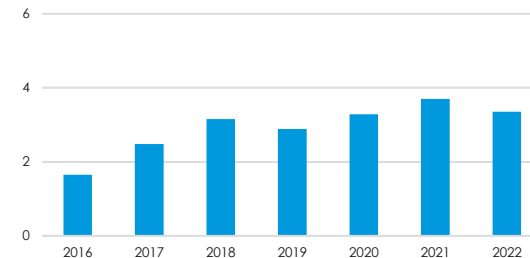
Asia Pacific revenue - A\$M



Americas - US\$M

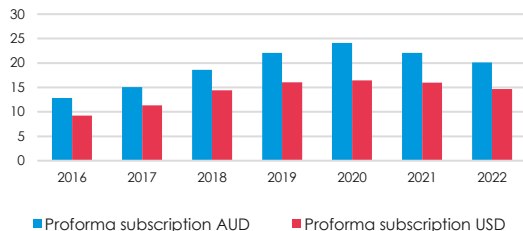


Europe revenue - £M

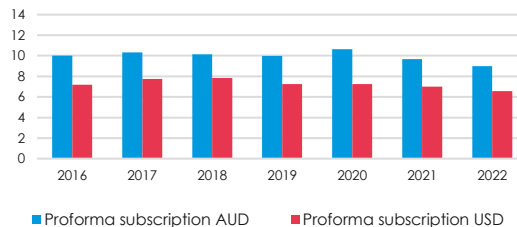


Proforma Subscription Revenue by Product

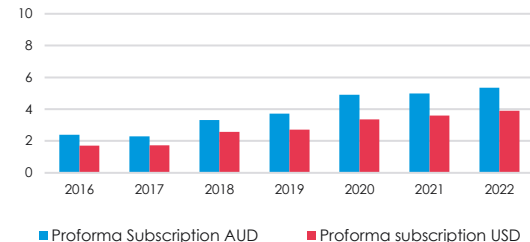
Collaborate \$M



Infrastructure \$M



Transact \$M



IR Underlying Business Fundamentals

On-prem business generates A\$15.6M in normalised EBITDA

Interim results – A\$M	1H FY22
Proforma revenue ¹	40.9
EBITDA (statutory)	6.7
Adjust for	
Over-time revenue conversion ¹	8.6
Cost deferral related to over-time revenue ²	(0.5)
Other income (eg forex, loan forgiveness)	(2.2)
EBITDA (normalised)	12.6
Results pertaining to cloud business ³ (estimate)	3.0
EBITDA (normalised) – on-premise business only	15.6
Normalised on-prem EBITDA margin	38%

The purpose of this calculation is to demonstrate the performance of the business by calculating the underlying EBITDA of the established on-premise business and separately reporting on the new cloud & hybrid investment which has high growth potential.

The methodology to calculate underlying EBITDA deducts “upfront” license fees and adds back the (“over-time”) amortised license component that relates to the reporting period. Commission costs associated with this timing difference are also adjusted to ensure revenues and expenses are matched to the correct reporting period. Items that are not part of normal operations are excluded eg unrealised currency gains and loan forgiveness credits.

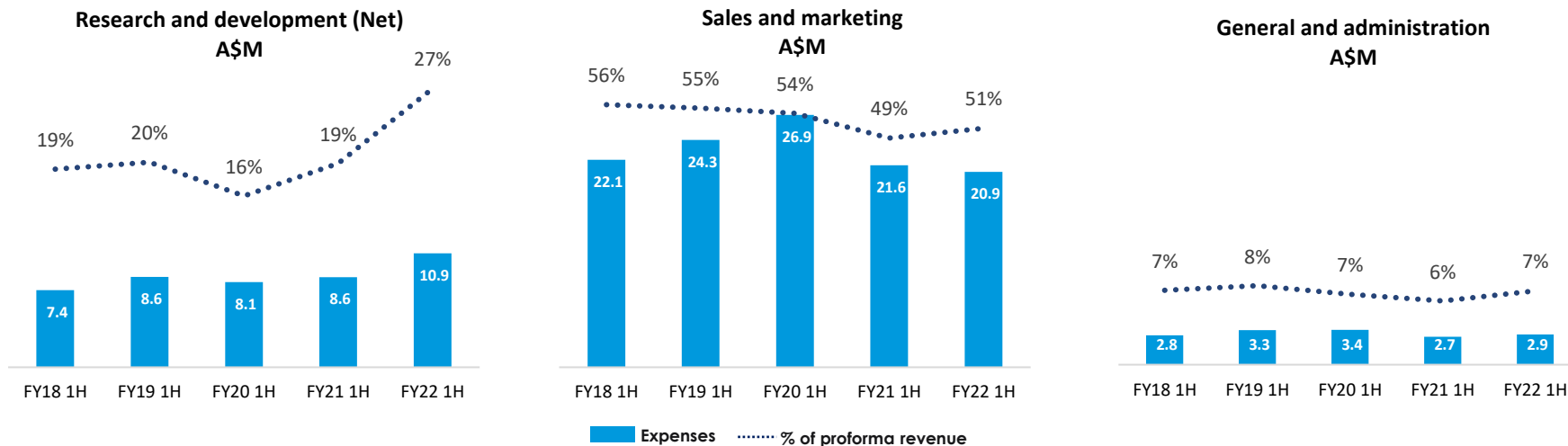
Cloud and hybrid investment:

- \$12 million capitalised development spend in cloud platform and new products in past 18 months
- Self funded from existing operations
- Margin expectations comparable to on premise
- 15%+ return on investment

1. Refer appendix for reconciliation of statutory revenue to proforma revenue; 2. Costs deferred to match revenue recognition relates to variable compensation; 3. Cloud net loss for six months based on management estimates.

Operating Leverage

Continued commitment to R&D with disciplined overhead controls



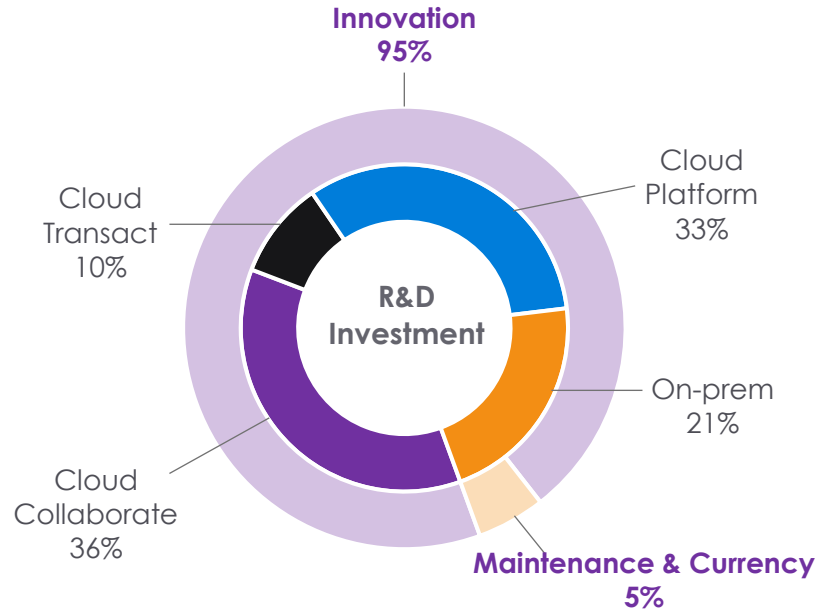
Innovation agenda remains unchanged;
Investments to date geared to cloud solutions;
1H FY22 includes a full period of cloud platform amortization

Sales & marketing spend pulled back in recent periods due to travel and trade shows due to COVID-19;
Go-to-market transitioned for on-prem, hybrid and cloud selling business (eg TCV focus);
Greater operating leverage from FY23 with productivity efficiencies on renewals

G&A costs managed within a 6% to 8% range of revenue;
Cost saving initiatives re-invested to facilitate business transition

Investment in innovation

Investments in new products enhance IR's market opportunities



Key takeaways:

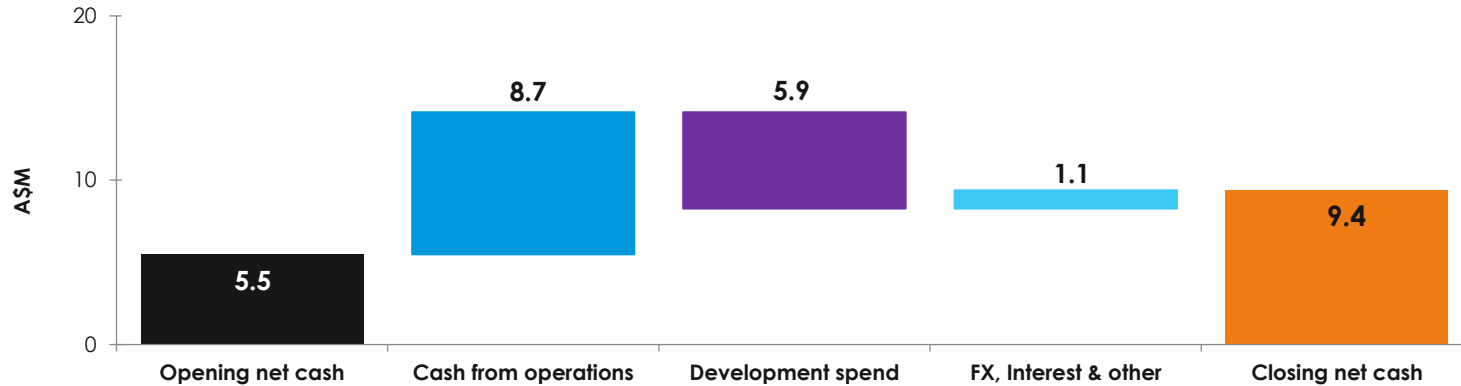
- IR remains firm to innovation agenda
- FY22 1H development spend¹ was \$6 million
- High investment initiative to cloud (~79%)
- Cloud platform supports multiple markets
- Cloud platform to facilitate new market segments
- Continued investment is key to growth

1. Per cashflow statement for FY22 1H



Net cash flow analysis

Positive operating cash flow funds growth investments with increased net cash balance



Cashflow from operations funds investment in cloud platform and new cloud products

92% cash collection conversion rate (representing cash receipts divided by proforma revenue);
Cash receipts Jan 22: \$7.1 million

Closing net cash continues to grow: highest net cash balance since December 2018



Balance sheet

Increased net cash

Strong balance sheet with net cash of \$9.4 million (30 June 21: \$5.5 million)

Trade receivables: a strong source of future cashflow. High quality, low doubtful debt risk

Undrawn debt facility of \$14.4 million

Interim results	Dec 21	Jun 21
	A\$M	A\$M
Cash and cash equivalents	14.9	12.1
Trade and other receivables	74.8	79.5
Intangible Assets	30.3	30.0
Right-of-use Assets	5.2	6.0
All Other Assets	9.8	7.5
Total Assets	134.9	135.1
Trade and other liabilities	8.1	10.2
Borrowings	5.6	6.7
Provisions	4.7	4.7
Tax liabilities	8.3	7.2
Deferred revenue	15.9	16.4
Lease and other liabilities	6.1	6.6
Total liabilities	48.7	51.7
Net assets	86.3	83.3



Strategy & Product

Phased strategy

Executing clear plan to transition to higher quality growing SaaS based subscription revenues



FY21

innovation

new products

- New SaaS platform & products
- Support customers on-premises, hybrid or SaaS
- Proforma subscription revenue

FY22

execution

new business

- Extend value proposition beyond vendor tools
- Extend on-premises lifecycle & new customers
- Total contract value & cash flow

FY23+

scale

market share

- Expand 3rd party integration and partnerships
- New customer segments & differentiated use cases
- SaaS metrics (ARR, churn, units, etc.)

Business transition to hybrid and SaaS

Building a broader, complementary product set to add more value to clients, and expand the addressable market opportunities



Platform

on-premise

hybrid

SaaS

Innovation focus

Maintain on prem solutions for new & existing customers

Add SaaS support and leverage Hybrid differentiation

Transition to SaaS enables growth in new customers

Projected FY26 TCV mix (from almost 100% on-premise in FY21)

Collaborate

25%

25%

50%

Transact

75%

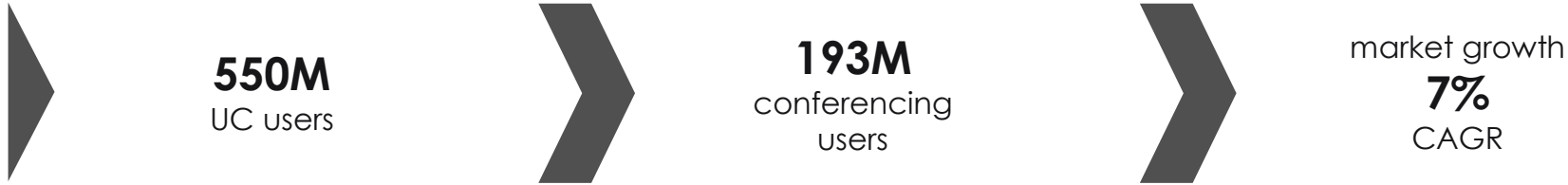
25%

Infrastructure

100%

IR Collaborate

Increasing IR's leverage to positive growth trends - hybrid work



What We Do

Monitoring, troubleshooting, testing and experience management across:

- Microsoft Teams
- Zoom
- Cisco, incl. Webex
- Avaya
- Collaboration Spaces

Trends

The future of the workforce and workplace is hybrid.

Hybrid work split is expected to be 30% remote, 30% 1 day/wk, 40% 1-4 days/wk in-office

Remote work is accelerating DX and changing office spaces

Infrastructure to remote work must be enterprise grade

Use Cases

Remote Support and Maintenance of Collaboration Space devices

Quickly identify and resolve communication and collaboration performance issues

Performance test communication and collaboration ecosystem

Opportunity

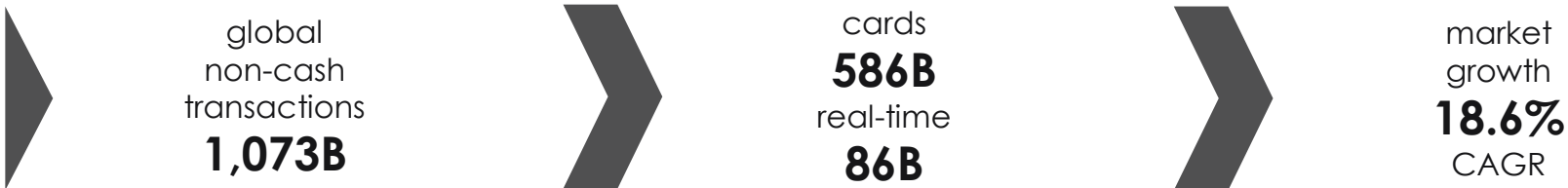
Growth in conferencing users drives demand for experience management

Hybrid working drives growth in collaboration spaces

Increased platform intelligence supports new services to increase ARPU

IR Transact

IR is well placed to benefit from cards growth and new payment types



What We Do

Infrastructure monitoring

Payments monitoring & troubleshooting

Card payments analytics

Real-Time & High-Value payments

Predictive analytics and AI

Market Trends

Massive shift in consumer buying behaviour from cards to online

Mobile transactions driving major advances in technology and connected devices

Government policies and regulations mandating adoption of new payment standards

Use Cases

Monitor the availability and throughput of payment channels and partners

Provide insights into payment flows to maximise business value

Ensure rapid detection of blockages in high value payment processing

Actionable dashboards for new payment types

Opportunity

Grow with our customers – payment volumes are increasing

Expand our base – new payment types (RTP & High-Value)

Increase value – greater business insights to existing customers



Summary and outlook

Positive outlook for 2H with expected growth in TCV and NPAT

TCV growth;

- 2H YTD TCV up on pcp
- big deal dependency
- change in 'mix' to new business
- expect growth for 2H and full-year

Proforma revenue

- annual proforma revenue comparable to prior year
- annual recurring revenue reporting in August

Americas turn-around;

- bolstered leadership
- solid pipeline
- expect annual growth

Solid renewals;

- 'inventory' double H1
- solid retention rates
- customer success validation

Cash flow & balance sheet;

- innovation funded organically
- 2H cashflow positive

Transition on-going;

- new business momentum
- some risk with employee turn-over

SaaS traction;

- solid pipeline
- 'hybrid' momentum
- new products extend value proposition

NPAT;

- revenue mix (on prem vs cloud) will influence outcome
- stable currency assumption
- expect annual growth

Building a stronger IR with an expanded product set and enhanced market opportunity



Disclaimer

SUMMARY INFORMATION

This document and the associated transcript (together “the presentation”) has been prepared by Integrated Research Limited (ABN 76 003 588 449) (IRI). The presentation provides general background information about IRI's activities current at the date of preparation. IRI is not responsible for updating, and does not undertake to update, the presentation. It contains information in a summary form and does not purport to be complete. It should be read in conjunction with IRI's other announcements released to ASX (available at www.asx.com.au).

NOT INVESTMENT ADVICE

The information contained in the presentation does not constitute investment or financial product advice or a recommendation to acquire shares or other financial products. It does not take into account the investment objectives, financial situation or needs of any particular investor. Investors should consider these factors, with professional advice if appropriate, before making an investment decision.

FINANCIAL INFORMATION

All dollar values are in Australian Dollars (A\$) unless stated otherwise. All financial information is presented in respect of the six months ended 31 December 2021 unless stated otherwise. The presentation contains certain non-IFRS financial measures that IRI believes is relevant and appropriate to understanding its business. The presentation uses proforma subscription revenue, which is used consistently without bias year on year for comparability and to present a clear view of underlying results. The basis of preparation and a reconciliation to statutory results is provided in the appendix to this presentation. A number of figures, amounts and percentages in the presentation are subject to the effect of rounding.

FORWARD LOOKING STATEMENTS

The presentation contains certain “forward-looking statements”. The words “anticipate”, “believe”, “expect”, “project”, “forecast”, “estimate”, “likely”, “intend”, “should”, “could”, “may”, “target”, “plan” and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. While due care and attention has been used in the preparation of forward-looking statements, they are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other factors, some of which are beyond the control of IRI, that may cause actual results, conduct, performance or achievements to differ materially from those expressed or implied in such statements. There can be no assurance that the actual outcomes will not differ materially from these statements. You are cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the outbreak of COVID-19. Neither IRI nor any other person gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in the presentation will actually occur. All forward looking statements in the presentation reflect views only as at the date of this presentation. Except as required by applicable law or the ASX Listing Rules, IRI disclaims any obligation or undertaking to publicly update any forward-looking statements, whether as a result of new information or future events or otherwise.

PAST PERFORMANCE

Statements about past performance are not necessarily indicative of and should not be relied upon as an indication of, future performance.

NOT AN OFFER

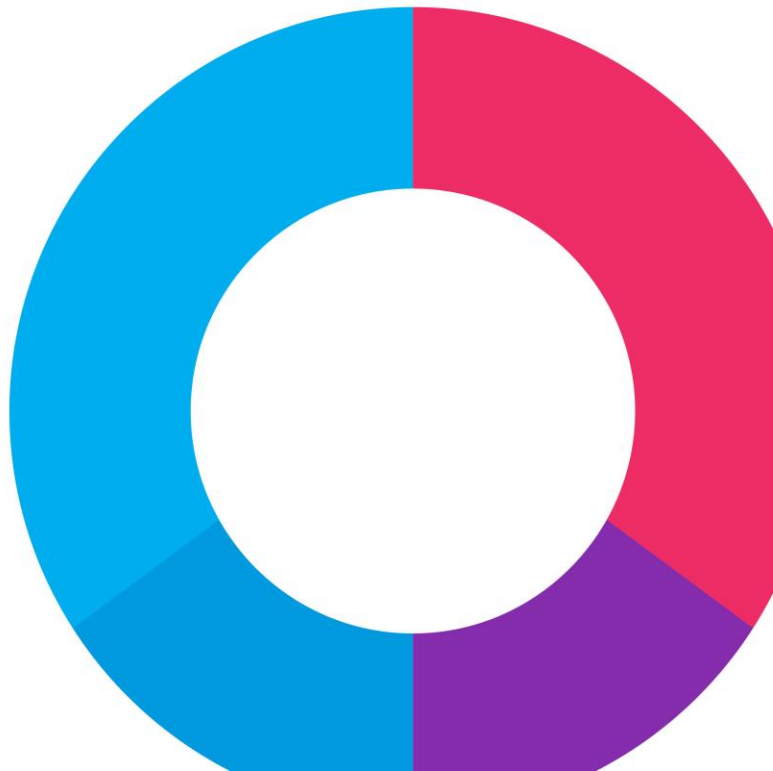
The presentation is for information purposes only and is not a prospectus, product disclosure statement or other disclosure or offering document under any law. The presentation does not constitute or contain an offer, invitation, solicitation, recommendation, advice or recommendation with respect to issue, purchase, or sale of any shares or financial products in any jurisdiction. The presentation does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or to any 'US person' (as defined in Regulation S under the US Securities Act of 1933, as amended (Securities Act) (US Person)). Securities may not be offered or sold in the United States or to US Persons absent registration or an exemption from registration. IRI shares have not been, and will not be, registered under the Securities Act or the securities laws of any state or jurisdiction of the United States.

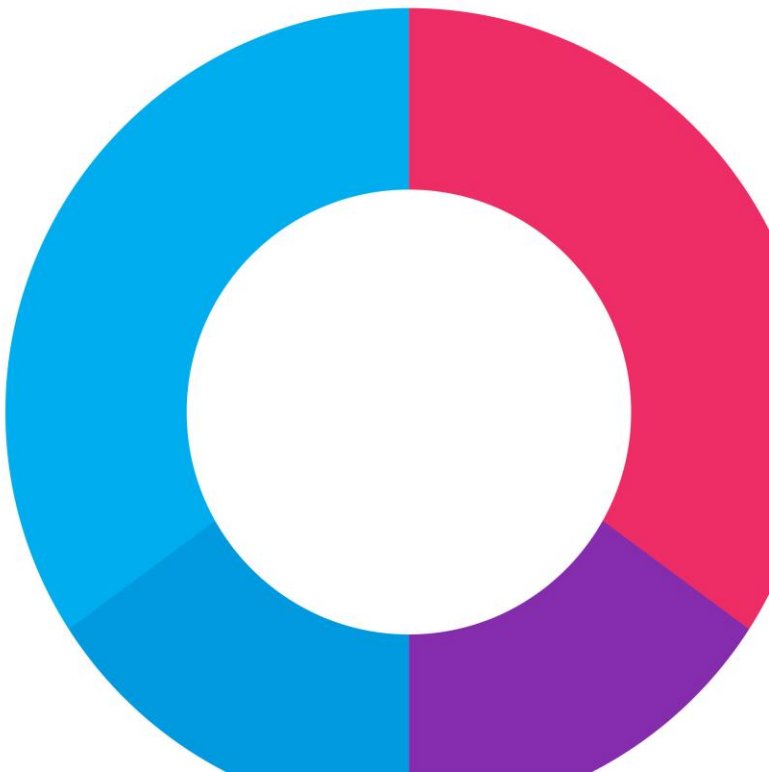
GENERAL

Each of IRI, its related bodies corporate and their respective affiliates, officers, employees, agents and advisers, to the maximum extent permitted by law, expressly disclaim any and all liability in respect of any expenses, losses, damages or costs (including indirect or consequential loss) arising from or in connection with this presentation or the information contained in or omitted from it, including, without limitation, any liability arising from fault, negligence or otherwise. No representation or warranty, express or implied, is made as to the fairness, currency, accuracy, reliability or completeness of information contained in the presentation. The information in the presentation remains subject to change without notice.



<end>





Appendix

Proforma subscription revenue



Purpose:

To provide an alternate view of underlying performance by restating term licence and maintenance revenues on a recurring subscription basis

How:

- All licence sales from FY2012 to FY2022 were analysed for each region in their natural currencies (the historic analysis period)
- Perpetual deals have been reported separately in the year sold
- Subscription revenues have been calculated by aggregating amortised licence revenues with maintenance revenues for each product line
- Other revenue streams have been reported the same as the statutory accounts (e.g. professional services and testing services)
- A reconciliation of proforma revenues and statutory revenue has been included for the reporting period



Interim proforma subscription revenue

Interim revenue	FY20	FY21	FY22	FY20	FY21	FY22
	A\$M	A\$M	A\$M			
Infrastructure	10.6	9.7	9.1	7%	(9%)	(7%)
Transact	4.9	5.0	5.3	33%	1%	7%
Collaborate	24.1	22.1	20.1	9%	(8%)	(9%)
Proforma subscription revenue	39.6	36.8	34.4	11%	(7%)	(6%)
Perpetual sales	2.7	0.7	0.5	16%	(75%)	(25%)
Testing Services	2.8	2.4	2.2	8%	(15%)	(6%)
Professional Services	4.5	4.2	3.7	39%	(7%)	(12%)
Proforma revenue	49.7	44.1	40.9	13%	(11%)	(7%)
Statutory revenue	53.2	34.1	32.3	6%	(36%)	(5%)
Reconciliation to Statutory Accounts:						
Proforma revenue	49.7	44.1	40.9			
Deduct Amortised licence fees	(27.0)	(26.4)	(26.1)			
Add License fees recognised upfront	30.5	16.4	17.5			
Statutory revenue	53.2	34.1	32.3			

Glossary



Customer retention	equals the opening customer count for the reporting period less customers who are deemed to cease purchasing from IR in the reporting period; this total is then divided by the opening balance and presented in percentage terms.
Proforma subscription revenue	provides an alternate view of underlying performance by restating term licence on a recurring subscription basis (ie over time) plus other recurring revenues such as maintenance fees and cloud services. [Note: the current statutory model recognises licence fee revenue upfront at the commencement of the contract.]
Proforma subscription revenue retention	equals total proforma subscription revenue for the period less new subscription revenue in that period. This total is divided by the prior period subscription revenue and presented in percentage terms.
Proforma revenue	equals proforma subscription revenue <u>plus</u> other non-recurring revenue streams such as perpetual license fees, professional services and one-time through testing services
Total Contract Value (TCV)	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 bookings.