

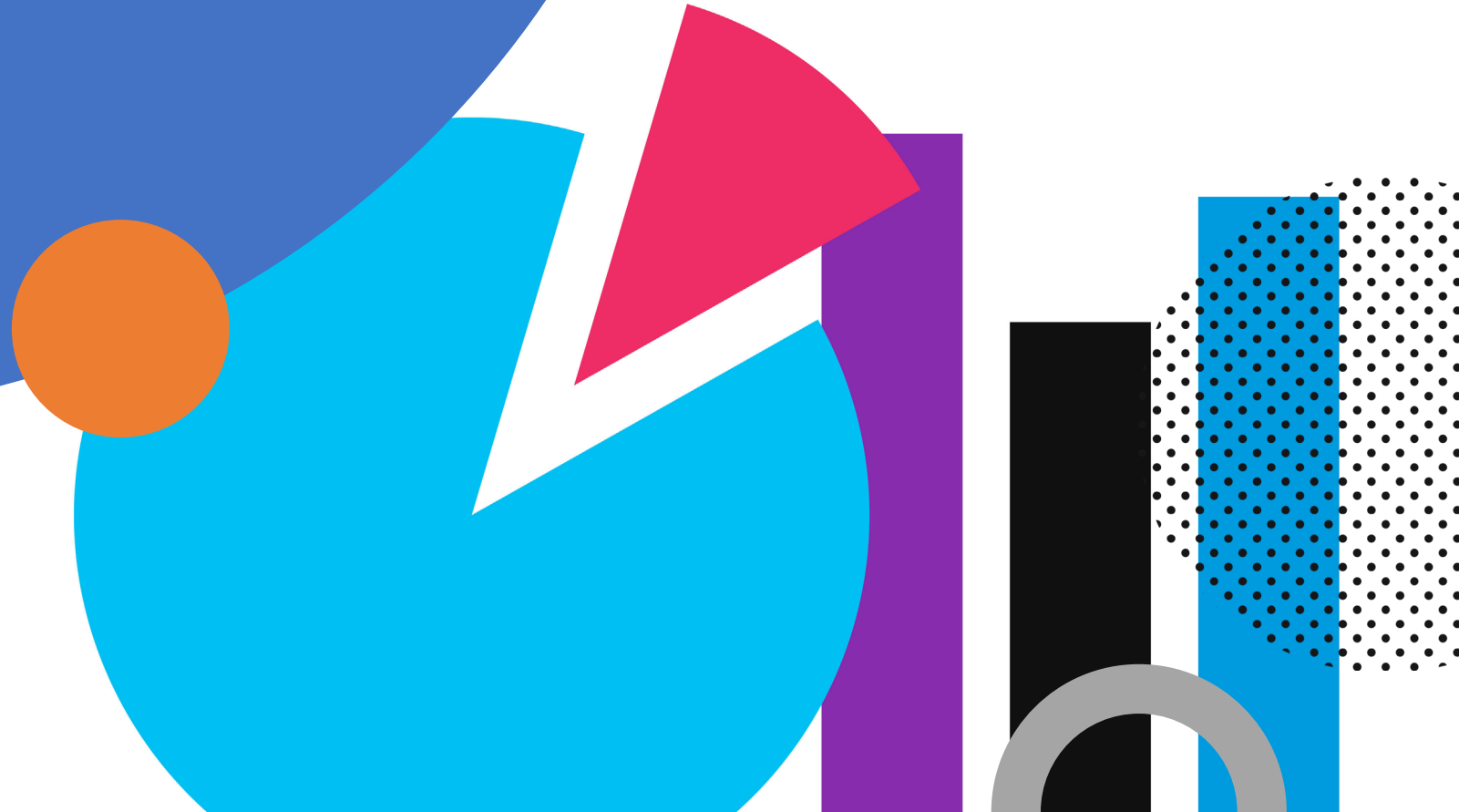


Integrated Research Limited Annual General Meeting

24 November 2021

Peter Lloyd

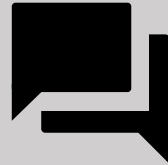
Chairman



ONLINE ATTENDEES – TEXT QUESTION PROCESS



When the question function is available, the messaging tab will appear at the top of the screen



To submit a question, type your question in the “Ask a question” box and press the send arrow



Your question will be sent immediately for review



334-906-770

HOME

MESSAGING

VOTING

Messaging

Ask a question



Moderator

Type your question in the box above and then press the send arrow. Please include the number of the resolution at the beginning of your question. Questions may be moderated or amalgamated if there are multiple questions on the same topic

ONLINE ATTENDEES – AUDIO QUESTION PROCESS



When the audio questions line is available, a link will appear on the home tab titled **Asking Audio Questions**

If you would like to ask an audio question, **pause the meeting broadcast** and click on the link

You will be prompted to enter your name and the topic of your question before being placed in the audio questions queue

334-906-770

HOME

MESSAGING

VOTING

Instructions

Watching the Webcast

Press **play** to begin the broadcast. Ensure your device isn't muted and the volume is turned up. On mobile devices, the broadcast can be minimised and audio will continue to play.

Asking Text Questions

Select the **MESSAGING** tab at the top of this page, then type your question in the box provided and press the send arrow.

Asking Audio Questions

If you would like to ask a question verbally, **pause the broadcast** and then click **HERE**. You will be connected to the audio questions line where you can listen to the meeting while waiting to ask your question. Please return to this page if you have any issues.

Voting

When voting opens, a **VOTING** tab will appear at the top of the screen. Selecting this tab will open a list of resolutions, select **For**, **Against** or **Abstain** to cast your vote. There is no enter or send button. You may however cancel your vote and enter a new selection while voting is open.

ONLINE ATTENDEES – VOTING



When open, the vote will be accessible by selecting the voting tab at the top of the screen



To vote simply select the direction in which you would like to cast your vote. The selected option will change colour

For



Against



Abstain



There is no submit or send button, your selection is automatically recorded. You can change your mind or cancel your vote any time before the poll is closed

334-906-770

HOME

MESSAGING

VOTING

Poll Open

You have voted on 0 of 2 items

Resolution 1

Select a choice.

For



Against



Abstain



CANCEL

Question 2

Select a choice.

Yes



No



Unsure



Peter Lloyd

Chairman



Peter Adams

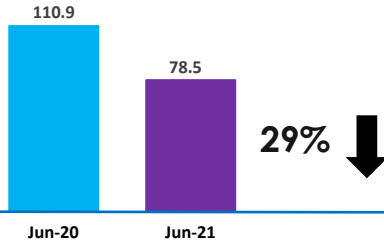
CHIEF FINANCIAL OFFICER



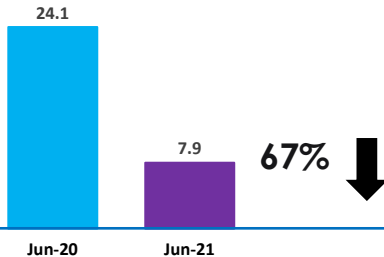
FY21 Annual results review (A\$M)

New product launches and sales execution drive 2H recovery following weak 1H

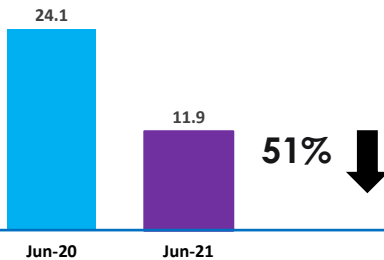
REVENUE



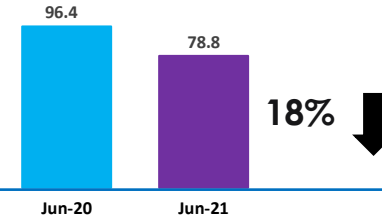
NPAT



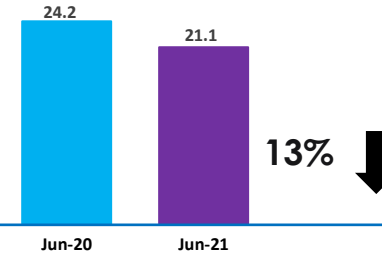
NPAT IN CONSTANT CURRENCY



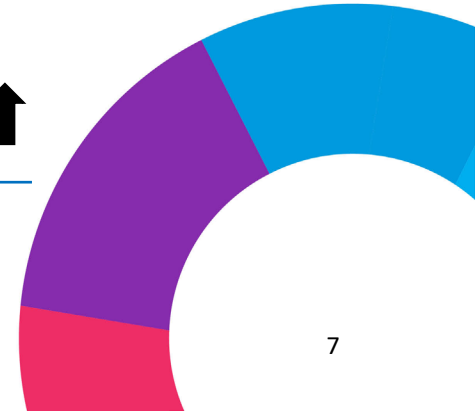
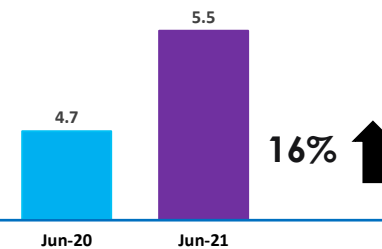
CASH RECEIPTS FROM CUSTOMERS



OPERATING CASH FLOW



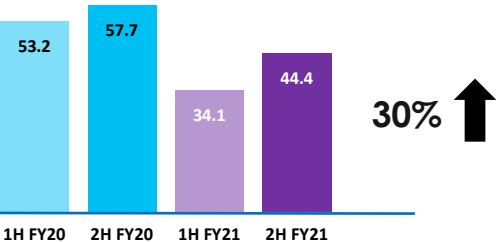
NET CASH



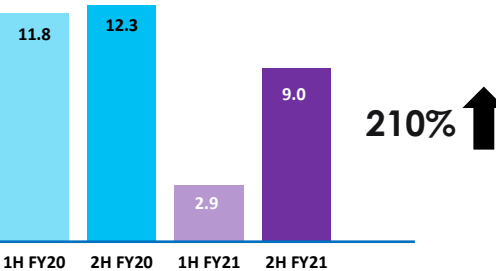
2H FY21 Results (A\$M)

Improved 2H performance - revenue and profit recovery

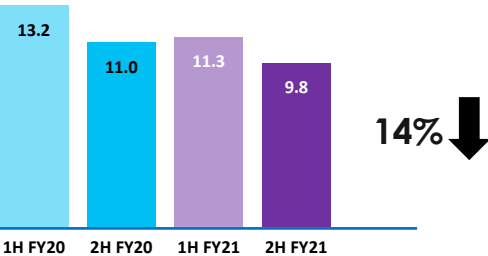
REVENUE



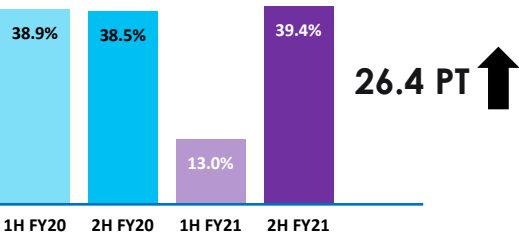
NPAT IN CONSTANT CURRENCY



OPERATING CASH FLOW



EBITDA MARGIN



Note: growth metrics represent FY21 2H vs FY21 1H

Business model evolution



Summary:

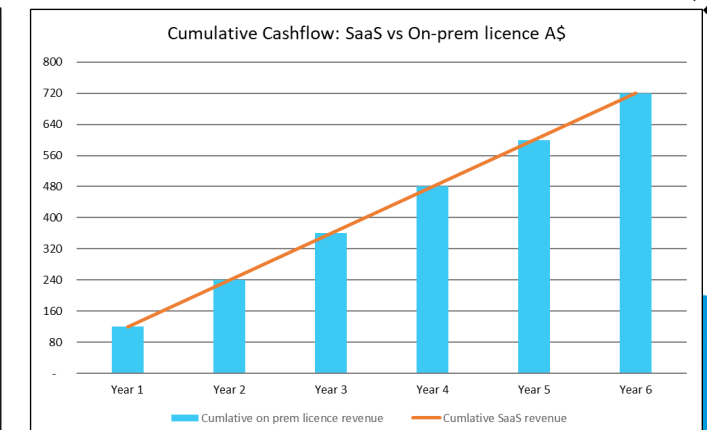
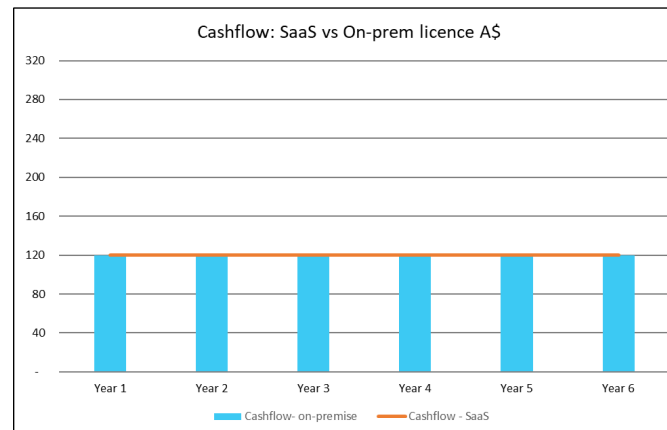
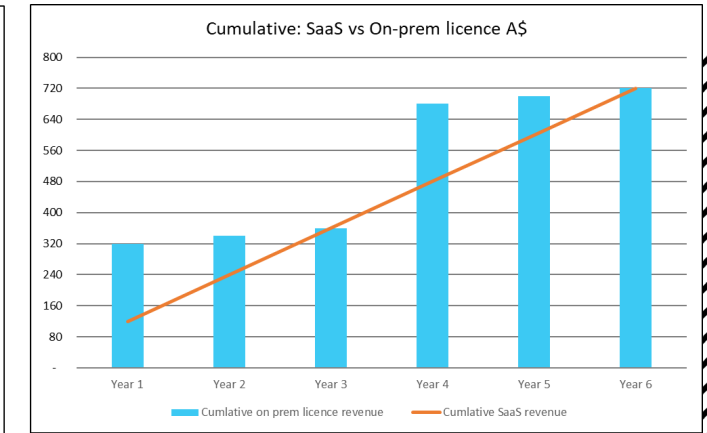
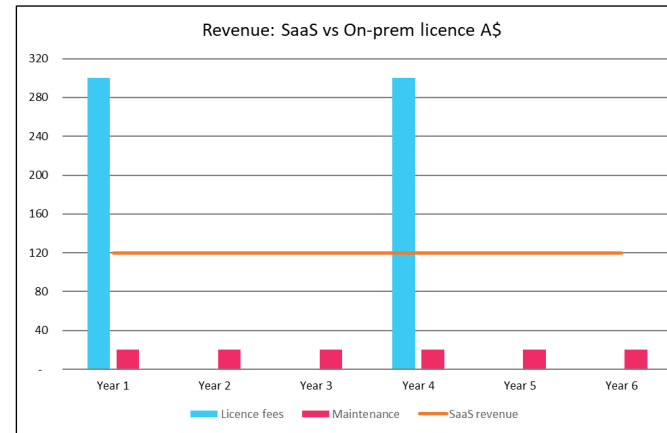
- No changes to accounting policies
- Compliance with International Financial Reporting Standards (IFRS)
- New cloud solutions recently released
- Cloud revenues expect to grow faster than on-prem revenue
- Introduce new SaaS metrics as business becomes more material

Established model (refer bars on charts):

- Licence revenue recognised upfront
- Maintenance revenue over time

Emerging model (refer lines on charts):

- SaaS revenue recognised over time
- Timing of cashflows expected to be similar to established model



Charts are based on a hypothetical example assuming Total Contract Value of \$360k for a three year period that is renewed for the same value for a further three years. The on-premise licence example assumes cash paid in three equal instalments. The hypothetical example is to illustrate revenue and cashflow differences between the models. It does not represent actual or intended pricing or other commercial realities. It ignores the time value of money. The charts are not forecasts.

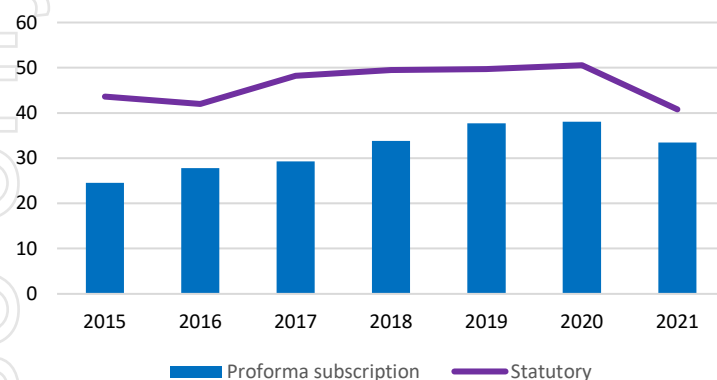
Geographic and Product revenue analysis

Group proforma subscription revenue was US\$52.1 million (down 3% on prior year)

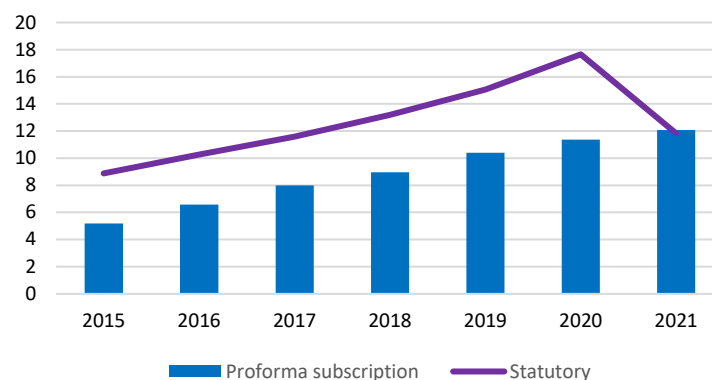


Geographic

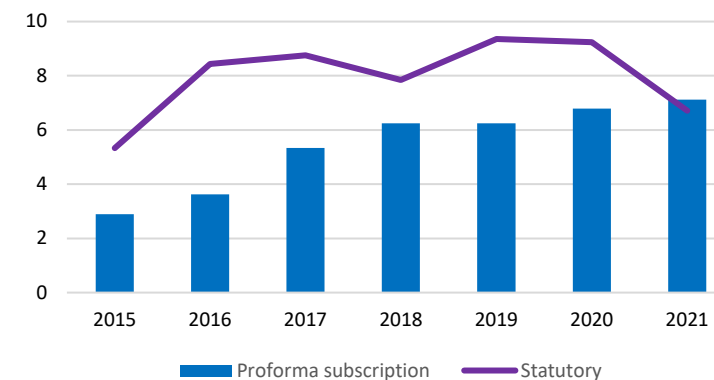
Americas - US\$M



Asia Pacific - A\$M

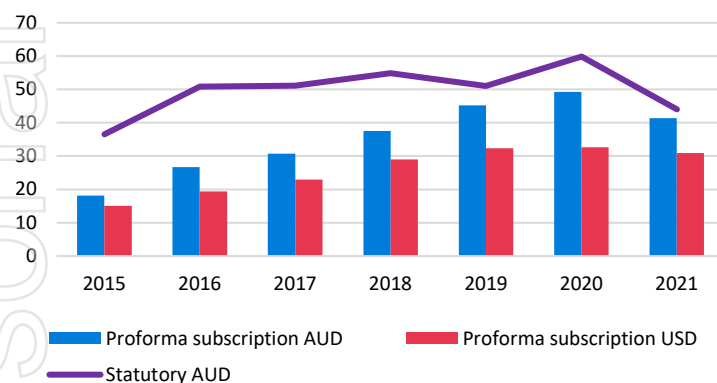


Europe - £M

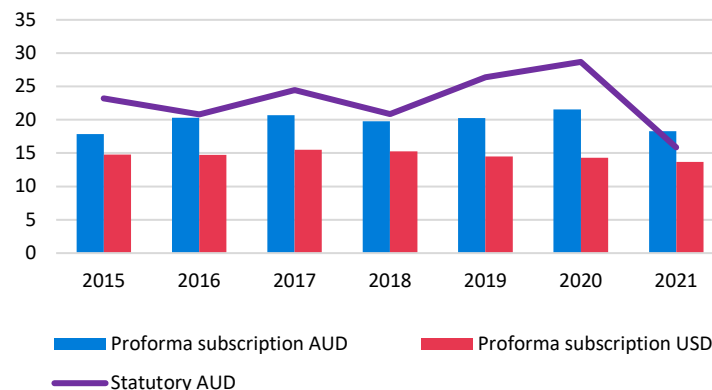


Product

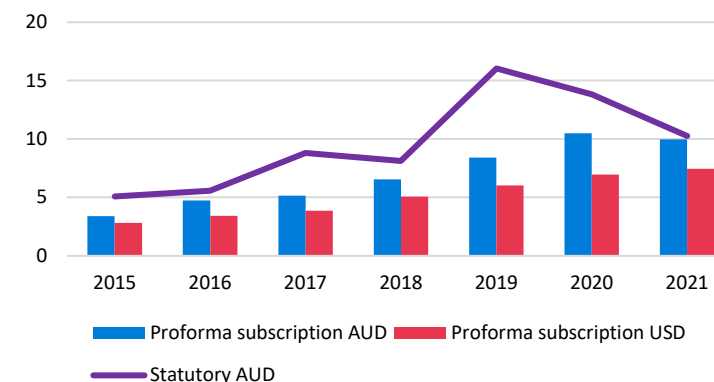
Collaborate \$M



Infrastructure \$M



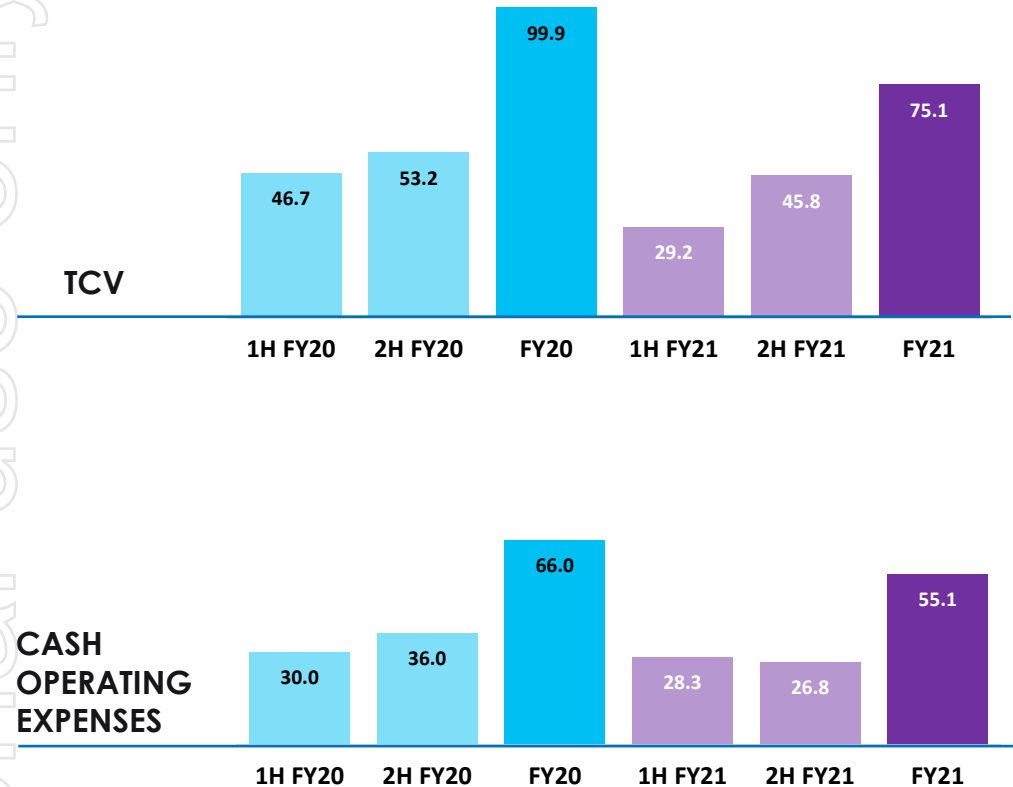
Transact \$M



Note: Proforma subscription revenue is a non-statutory alternate view of term licence and maintenance revenue (unaudited); refer appendix for calculations

TCV and Cash Operating Expenses (A\$M)

Key measures of underlying performance going forward



Total Contract Value (TCV)

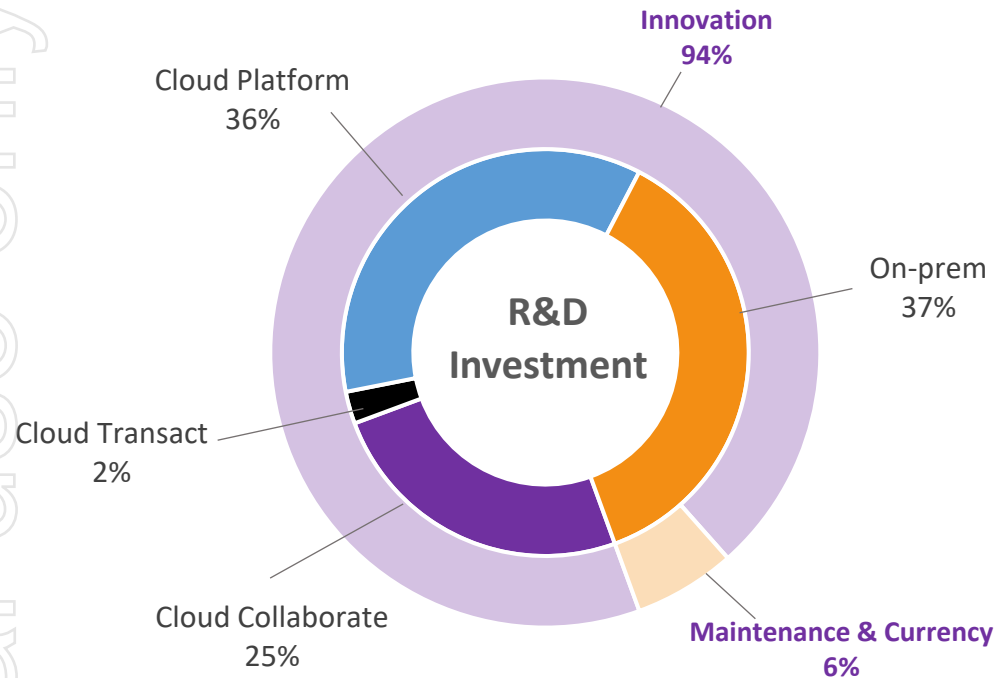
- a key driver of underlying momentum
- is not an accounting measure
- represents “in year” contract signings for new and renewal business (excluding residual values)
- will be reported semi annually with results release
- 2H is strongest half for both FY21 and FY20

Cash operating expenses

- a key operating metric
- represents total expenditure (excluding D&A)
- monitored relative to TCV performance
- Ratio of TCV to cash operating expenses for 2H FY21 was 1.7 (FY20 2H ratio was 1.5)

Investment in innovation

...the key to future growth

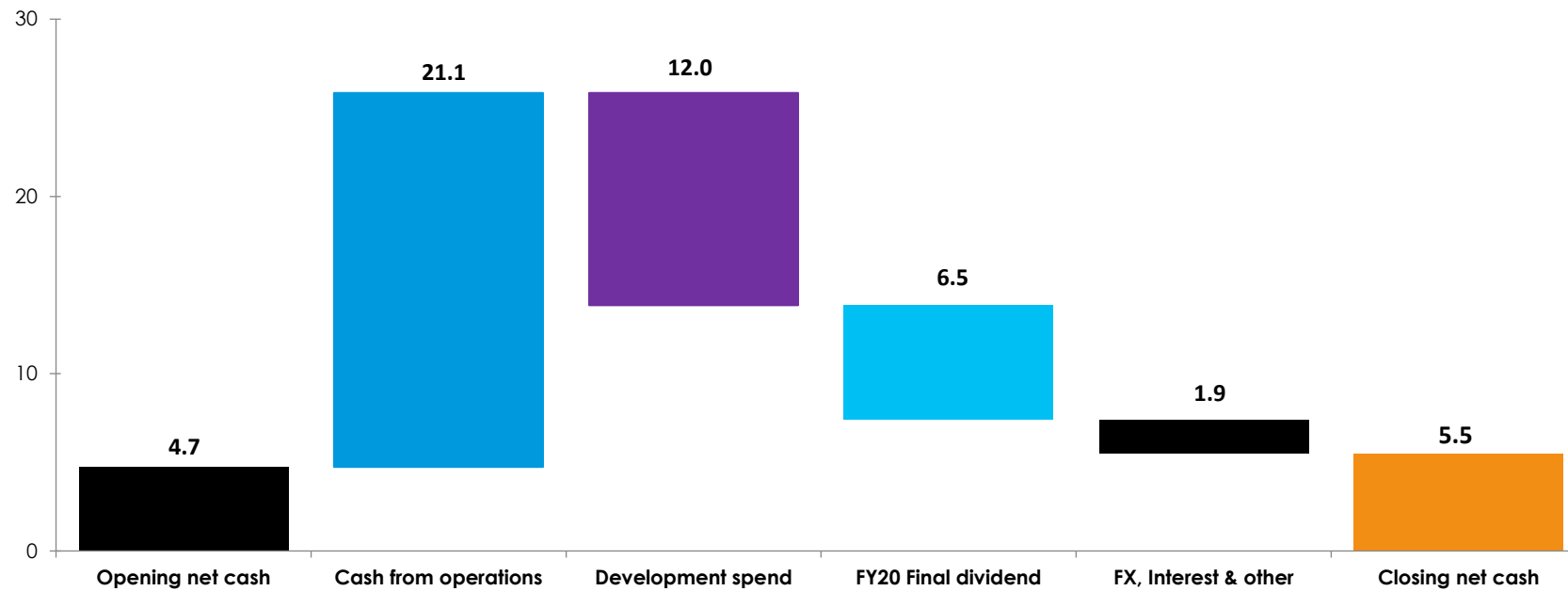


Key takeaways:

- IR remains firm to innovation agenda
- FY21 development spend was \$12 million
- High investment initiative to cloud (~63%)
- Four new products released during the year
- Cloud platform supports multiple markets
- Cloud platform to facilitate new market segments
- Continued investment is key to growth

Net cash flow analysis

Positive operating cash flow funds growth investments



Free cashflow¹ (ex growth investments)
\$18.5 million

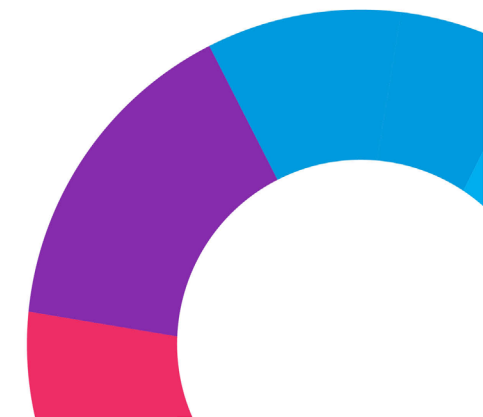
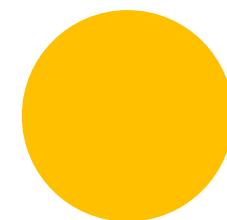
100% cash collection conversion rate

Development spend includes SaaS platform

Note 1: Free cashflow (ex growth investments) means cashflow from operations, less tax, interest and maintenance capex

John Ruthven

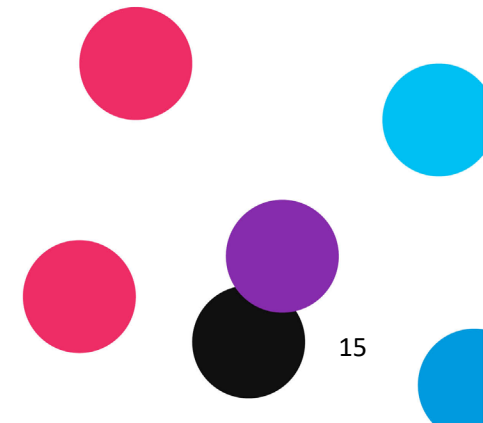
CHIEF EXECUTIVE OFFICER



Self-funding a new SaaS product suite to complement established on-prem business

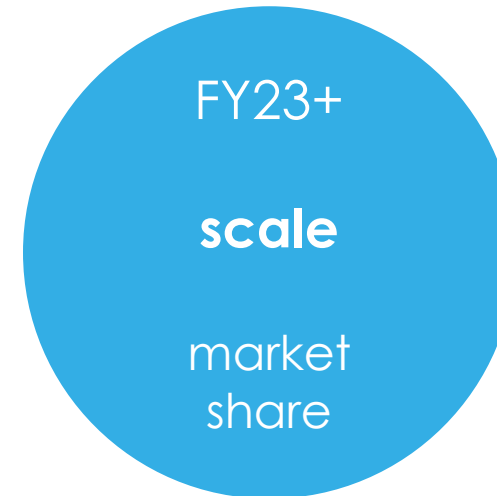
What is driving the change in business model;

1. Enhance our leverage to structural market changes – hybrid working and cashless payments
2. Expand our market opportunity
3. Enhance competitive strengths and increase customer relevancy
4. Deliver new products to market faster
5. Build for scale to accelerate growth and profitability



Transition underway

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



Product

New SaaS products

Extend and Enhance

Expand into new segments

Revenue

Upfront revenue recognition

Growing share of subscription revenues

Higher level of ARR

Key metric

Proforma subscription revenue

TCV & free cash flow

SaaS metrics

Increasing leverage to structural market changes - hybrid working

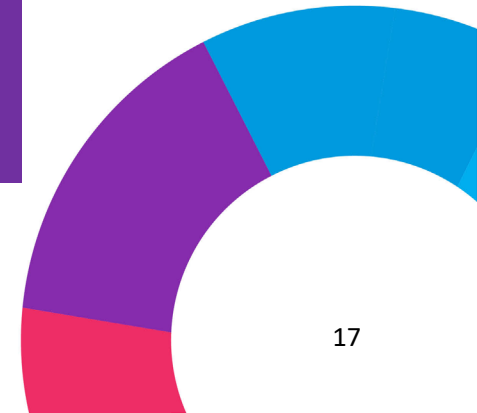
What we do



Trends driving the market change

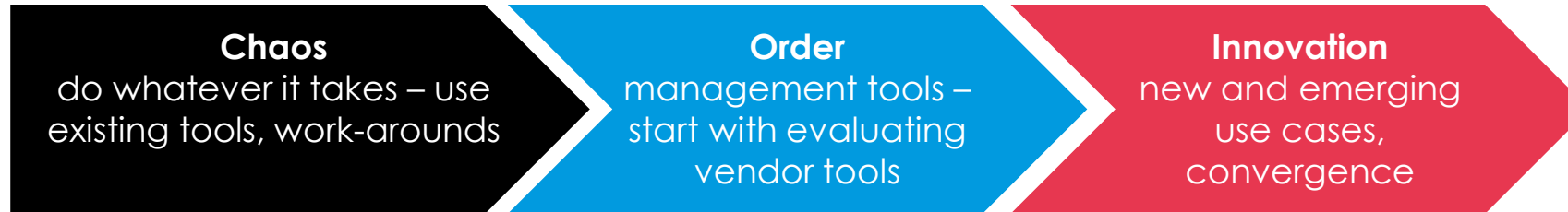
- a) Flexible work is here to stay
- b) Majority of employers are re-designing workspaces for hybrid work
- c) Hybrid work has extended the workplace boundary

Use cases



Enabling enterprises to deliver hybrid working

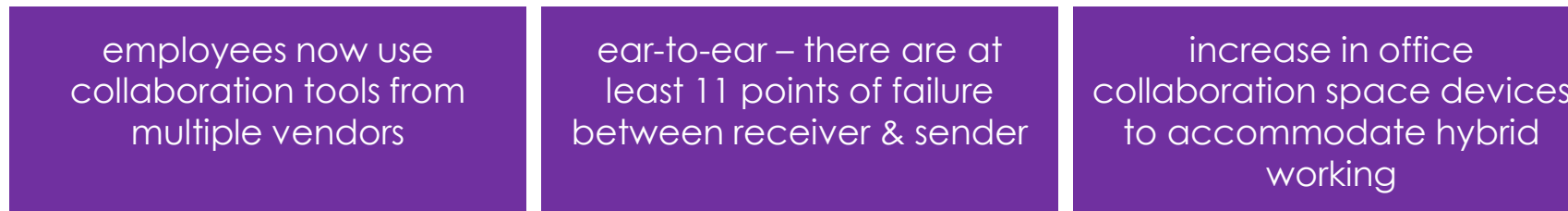
Phased take-up



‘Although these [vendor] tools are helpful, they offer less breadth and detail than specialised UC monitoring tools, such as those offered by IR (Prognosis) ...’

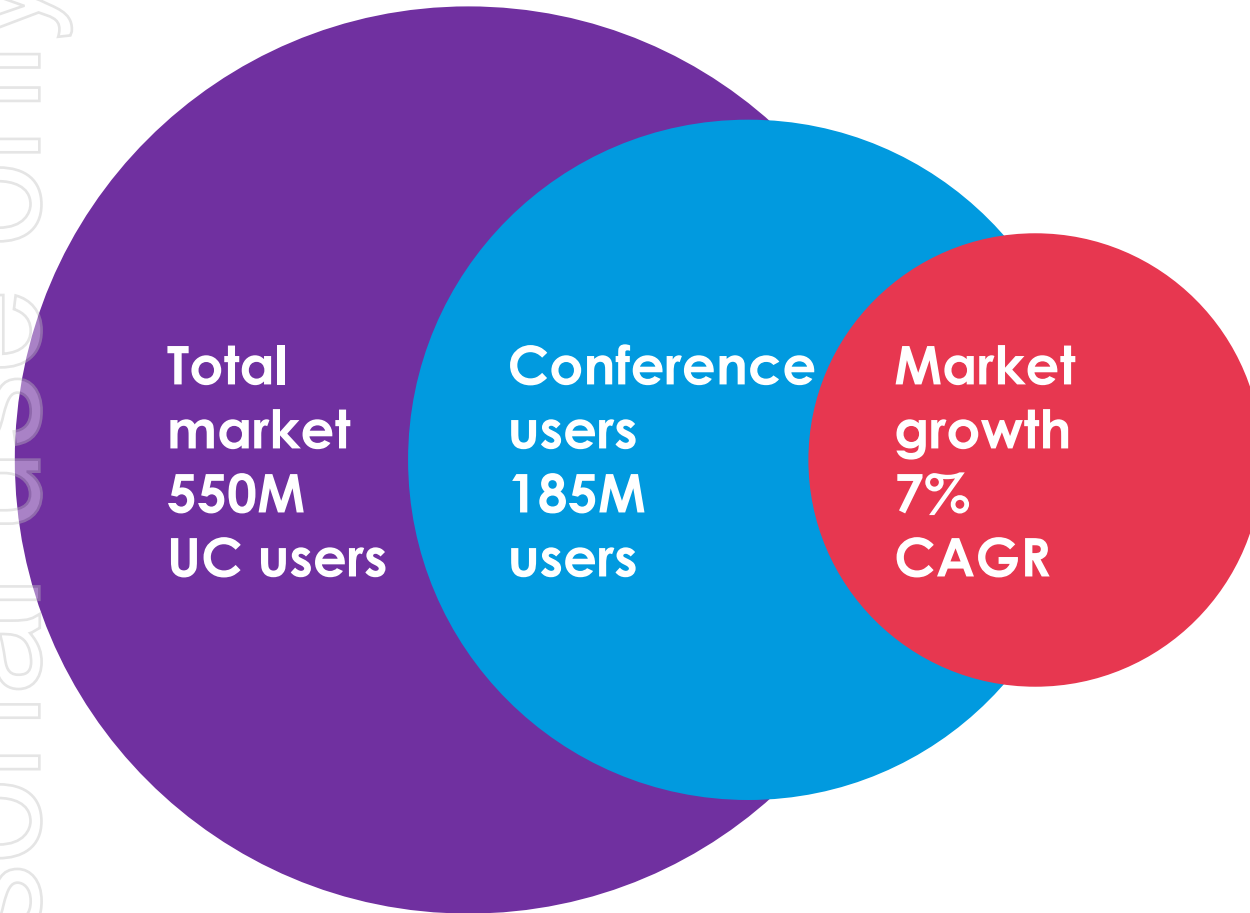
Source : Guidance for Migrating to UCaaS Solutions – Gartner, 5-JAN-21

Proof points



Collaborate market and opportunity

IR well placed to leverage move to 'hybrid work'



Source: Gartner UC Market Forecast 4Q20 – Jan 2021

opportunity

1. Long-tail with existing on-premise customers as well as new prospects
2. MS Teams, Zoom and Webex up-sell and cross-sell to existing, as well as new prospects
3. Expand our TAM – collaboration spaces, emerging new and sophisticated use cases

Increasing leverage to structural market changes – cashless payments

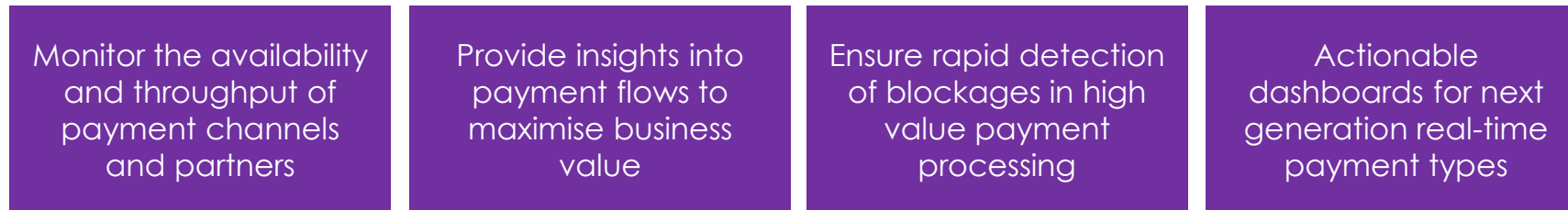
What we do



Trends driving the market change

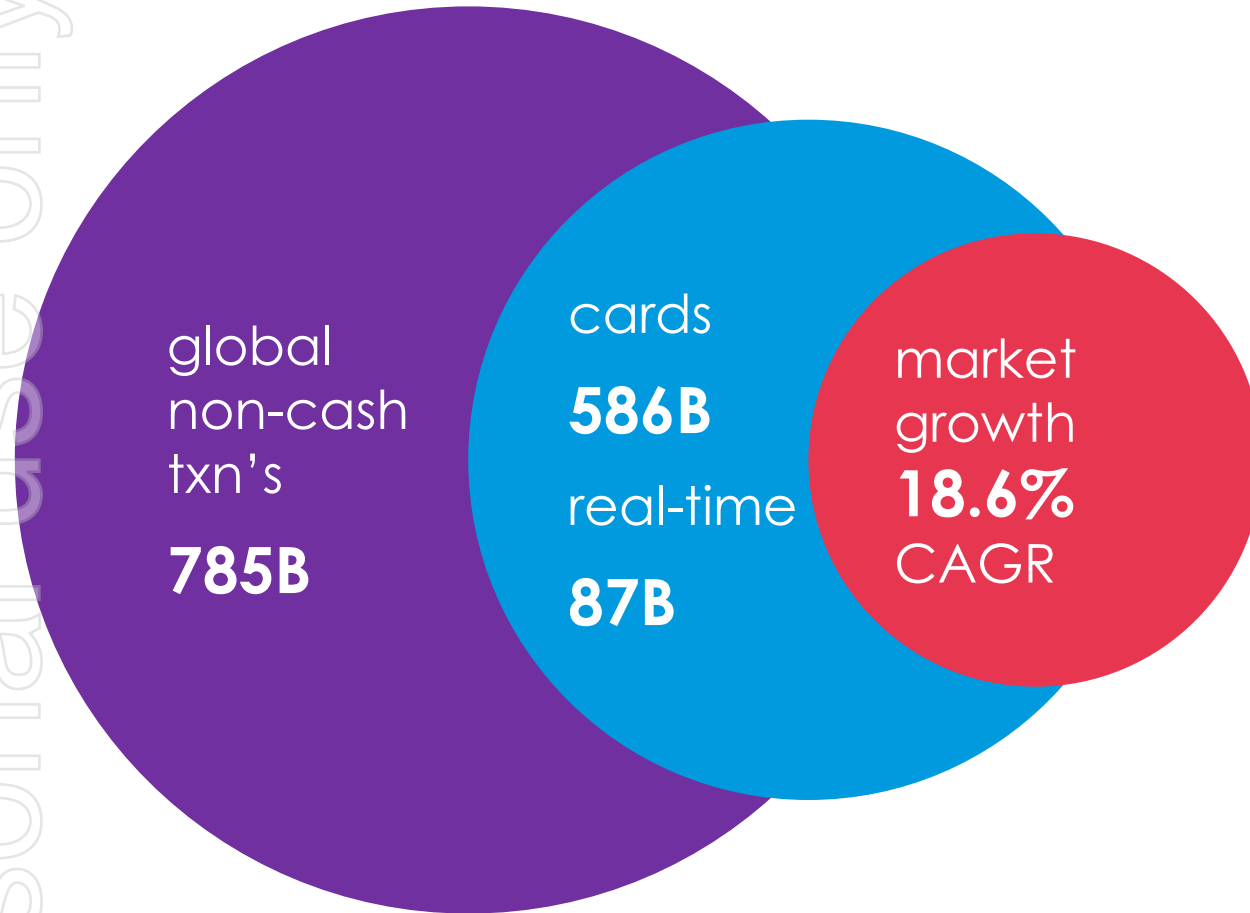
- a) Massive shift in consumer buying behaviour
- b) Major advances in technology and connected devices
- c) Government policies and regulations

Use cases



Transact market and opportunity

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



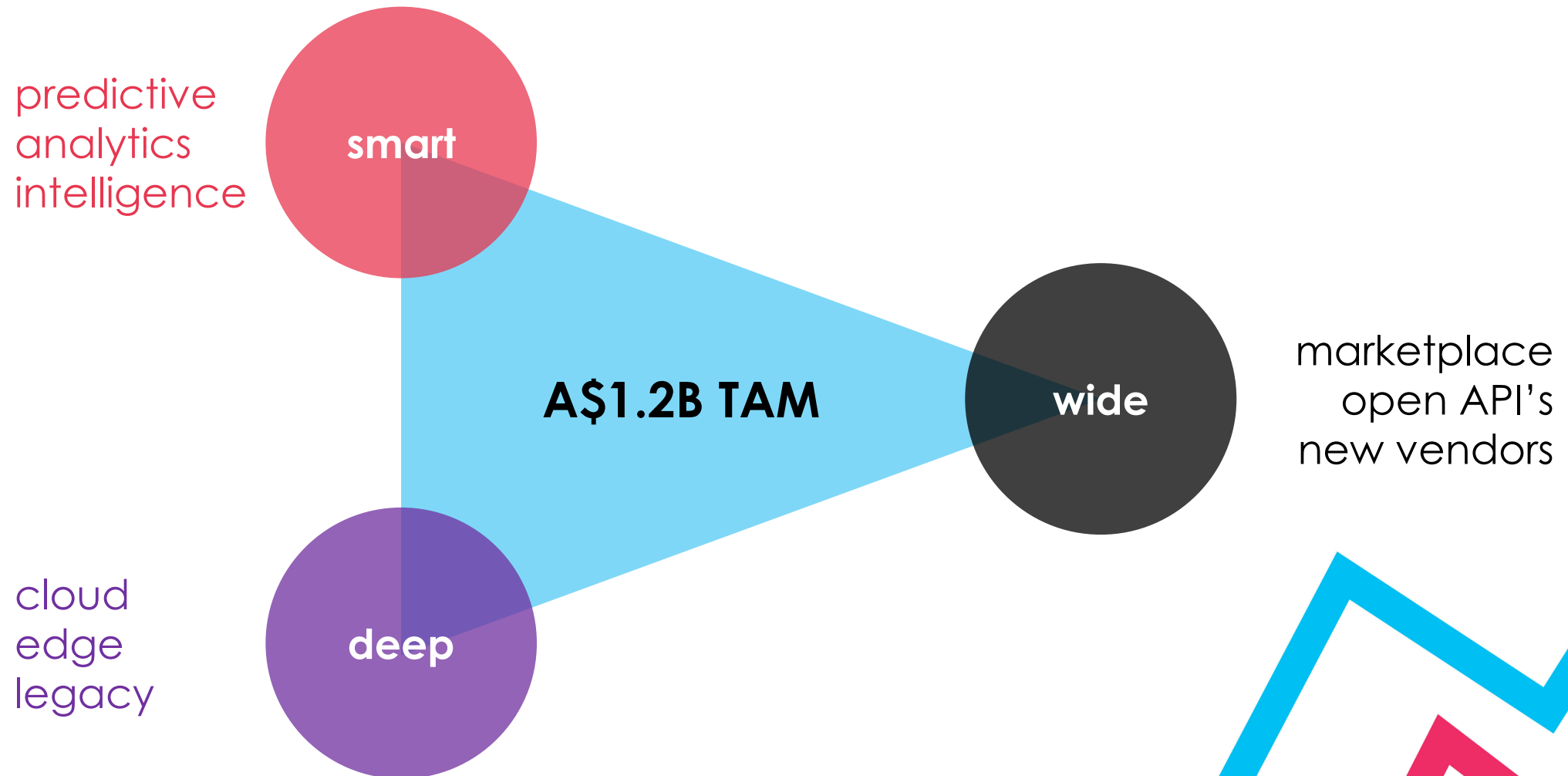
Note: Data is for 2020, source "World Payments Report 2021", Capgemini and "Prime Time for Real-Time Report 2021", ACI Worldwide

opportunity

1. Grow with our customers – payment volumes are increasing
2. Expand our base – new payment types (RTP & High-Value)
3. Increase our value – Insight and Data use cases

Product strategy

New product launches expand addressable market and leverage to long term growth trends



Quality customer base

Long-term, high value relationships based on mission critical solutions



Customer Tenure 15+ years	Contract Length 3+ years	Service Providers	New Logos

FY22 customer wins validate enhanced value proposition

Supporting large enterprise on their journey – on-prem, hybrid & cloud



new customer through
service provider

>\$1.0M

hybrid

Collaborate

Collaborate Premium +
MS Teams

145,000 users

new to existing

<\$500K

hybrid

Collaborate

added MS Teams
Collector to
existing contract

on-premise Avaya
environment

new customer

>\$500K

on-premise

Collaborate

PCA replacement;
mission-critical
environment

20,000 Cisco endpoints

expansion

<\$500K

on-premise

Transact & Infrastructure

expansion of existing
foot-print

Non-stop & Base24

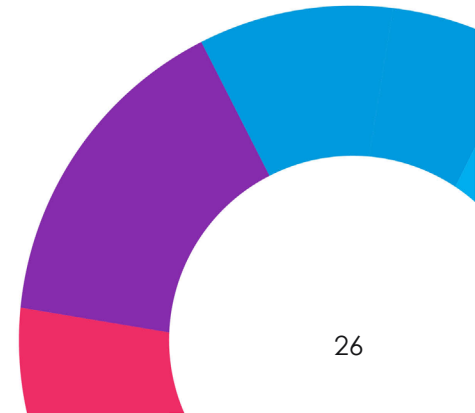


FY22 key performance indicators update

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

Trading update & summary

1. FY22 YTD TCV up on pcip - new products, 'hybrid' traction
2. Reported revenue and NPAT broadly in line with pcip – impact of change in revenue mix as SaaS contracts are recognised over time
3. Positive FCF, solid balance sheet supports on-going product roadmap
4. Strategy to enhance leverage to structural market changes – hybrid working and cashless payments
5. Transition underway: self-funding a new, SaaS offering to complement established on-prem solutions
 - increases relevancy
 - expands addressable market
 - increases speed to market
 - accelerates revenue growth and profitability





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 year ended 30 June 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. 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.

Integrated Research Limited Annual General Meeting

24 November 2021

