2024 Annual Report

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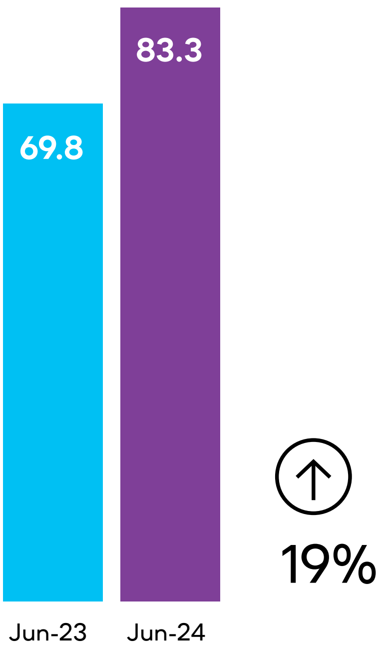
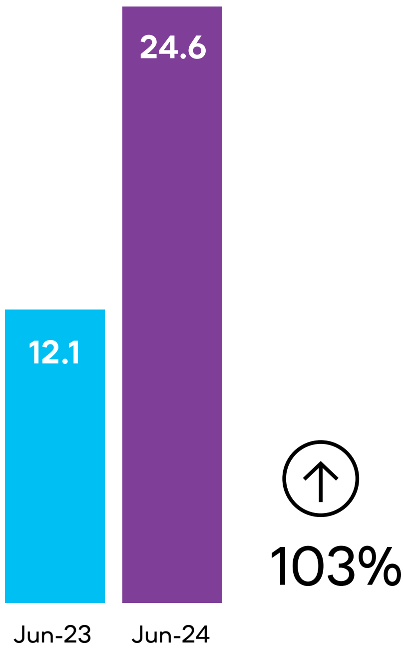
Financial Update (A$M)

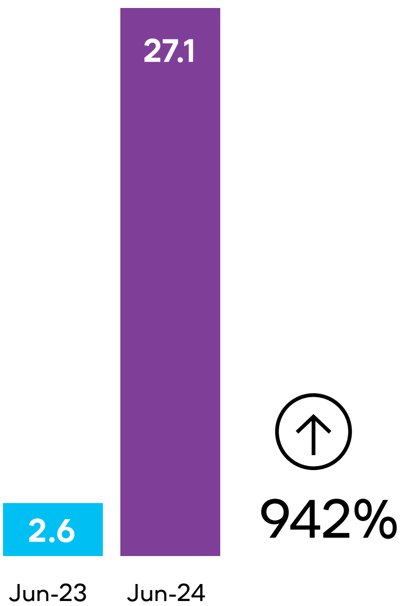
Revenue



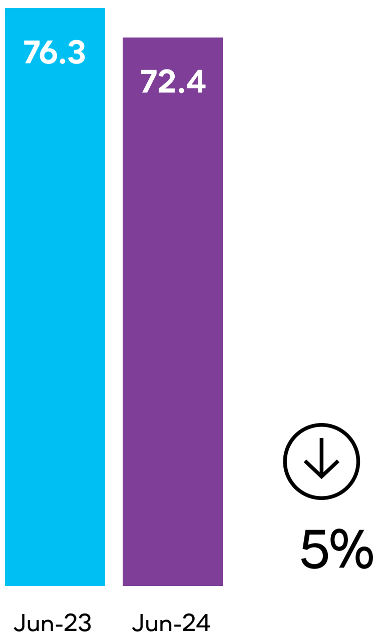
EBITDA



NPAT (Excl impairment)*

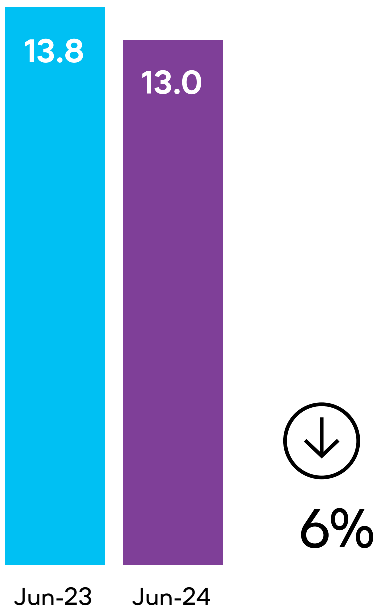


Cash Receipts from Customers

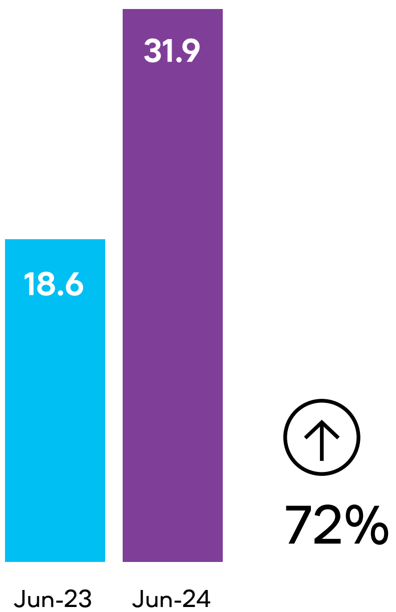


* Jun-23 NPAT excludes $31.8M impairment of goodwill and intangible assets.

Net Operating Cashflow



Net Cash



Chairman's and CEO's Letter

Dear Shareholders,

On behalf of the Board, we extend our sincere appreciation for your continued support of Integrated Research Ltd (IR).

Over the past year, our company has delivered a significant turnaround, and we are embarking on a fresh phase. We are excited to share the key highlights and our direction for the future.

Financial Performance Summary

We are pleased to report strong financial and operational results for FY24, reflecting solid execution across our business.

The Total Contract Value (TCV) signed during the period reached $83.9 million, a 22% increase over the prior corresponding period. Group revenue increased by 19% to $83.3 million. Contributing to this result was a strong renewals book, new business growth in the Americas, improved sales discipline and good demand for our Infrastructure and Transact solutions.

Total expenses were significantly reduced by 44% to $58.0 million, primarily due to rightsizing operations, and the absence of the $31.8 million impairment charge recorded in the prior year.

Revenue growth and expense control resulted in a substantial increase in net profit after tax, up to $27.1 million, from a loss in the prior year.

Our financial position strengthened considerably, with cash at bank increasing by 72% to $31.9 million as of 30 June 2024, as a direct result of improved operational efficiency, cost management, and disciplined cash collections.

Looking through a product lens, Transact and Infrastructure products had a very strong year, with Infrastructure revenue rising 71% and Transact up 52%. This was on the back of strong renewals and multi-year license deals ranging from an average of three to five years. By contrast, Collaborate revenue dropped 11% as the market continued its shift to cloud and hybrid solutions, impacting demand for on-premises tools. Notably, Collaborate net revenue retention (NRR) in constant currency improved to 86%, up from 79% in the prior year. This reflects efforts to retain and win larger customers, operating complex communications eco-systems.

Taking a regional view, the Americas delivered a standout performance with US$39.1 million in revenue, up 39% from last year, driven by large contract renewals, new business and growth across all product lines. Asia Pacific, revenue declined 8%, as growth in Transact and Infrastructure was outweighed by underperformance in Collaborate. Europe saw a 28% revenue drop, where strong performance in Collaborate was offset by weaker results in Transact and Infrastructure.

The Board has declared a final dividend of $0.02 per share, fully franked, reflecting our commitment to delivering value to our shareholders, whilst maintaining a solid balance sheet to support our working capital requirements and pursue current and future growth opportunities.

Growth Strategy

Our improved financial position provides a platform to face into some of the Company's headwinds, as well as take advantage of opportunities. Across our product portfolio we make the following summary observations;

a. NonStop is a highly cash generative but mature business
b. Transact is a small solid business in which we are yet to fully leverage our position
c. Collaborate churn has slowed; however, we expect it to continue

Our growth strategy is product-led and focuses on retention and expansion of our existing product lines, and net new product development.

We are making modest investments in our existing products for both retention and growth. This includes features to retain NonStop customers, developments to expand our Transact product line beyond card payments and enhancements to our Collaborate solutions to support customers' cloud migration journey.

We are also investing in net new products to create additional revenue streams, organically with IR Labs (an internal incubation engine), and inorganically by looking for M&A opportunities.

We have undertaken substantial organisational changes to enable and support our product-led growth strategy. This has included significant changes in senior leadership - both our CEO and CFO; the launch of IR Labs and streamlining to a single global sales organisation under a globally experienced executive, as well as changes to the board.

CEO Transition

On 7 August, the Board announced the appointment of Ian Lowe as our new CEO, effective 1 October 2024. Ian brings extensive experience across a range of sectors, and a proven track record in leading high-growth, product-led technology businesses. We sought a leader outside our current product areas to help us find net new sources of revenue growth. We are confident that his leadership will be instrumental in guiding IR through its next exciting phase.

John Ruthven, who has served as our CEO with dedication and distinction, is continuing in his role through the first quarter of FY25, ensuring a smooth and orderly handover to Ian. We extend our deepest gratitude to John for his significant contributions over the past five years, particularly for the FY24 result and positioning the Company for future success.

Capital Management

Our improved financial position gives us optionality for capital deployment. We are developing a capital management framework to guide our deployment of capital across investments to retain and grow our customer base, diversify organic revenue, pursue targeted M&A opportunities, and deliver shareholder returns.

We will discuss the framework in more detail at our upcoming AGM.

Looking Ahead

Our strong financial position and growth strategy underpins our excitement and optimism for the company's future. But our new initiatives will take time to deliver and until then we are influenced by current dynamics.

We anticipate a mixed outlook for FY25, with a softer renewals book compared to the prior year, particularly skewed towards the second half of the year and modestly skewed to our Transact and Infrastructure clients. We expect Collaborate churn to persist as some clients migrate to a full SaaS environment.

To offset this, our new business and upsell pipeline is strong, with a particular focus on targeting larger enterprise customers across all products and geographies which derive substantial value from our products.

In closing, we are confident that the strategic initiatives and leadership changes we have put in place will pave the way for continued growth and success. We remain committed to delivering positive outcomes for our shareholders, customers, and employees.

Thank you for your ongoing support.

Peter Lloyd
Chairman

John Ruthven
Chief Executive Officer

create great when it matters most

connect the dots to ensure technology delivers on its promise

About IR

IR is the corporate brand name of Integrated Research Limited, the leading global provider of experience management solutions for business-critical technology environments.

The modern world relies on a complex array of technologies to keep turning. IR's aim is to simplify that complexity and enable their customers to create great experiences, insights, systems and connections, when it matters most.

IR offers three key solution suites - Collaborate, Transact and Infrastructure - powered by the Prognosis platform, enabling a deeper level of insight to turn real-time data into real-time intelligence.

These solutions enable performance management, analytics, and business insights, and are used by many of the world's largest organizations including major stock exchanges, banks and telecommunication companies, to keep their critical technologies running as they should.

Our purpose is to create great when it matters most.

Our mission is to connect the dots to ensure technology delivers on its promise.

Collaborate

IR Collaborate offers enterprise grade performance management, testing solutions and analytics across voice, web, video and collaboration ecosystems.

Whether your environment is on-premises, in the cloud, or hybrid, IR Collaborate simplifies the complexity of modern unified communication and collaboration environments, providing the insight you need to ensure your most essential business systems, provide a seamless experience and optimize the collaboration that connects your people.

Transact

Analyse transaction data, deploy new technology with confidence and ensure a seamless payments experience to keep your card, high value and real-time payments business flowing.

IR Transact simplifies the complexity of managing modern payments ecosystems, uncovering unparalleled insights and turning data into intelligence to help you optimize the commerce that connects our global economies.

Infrastructure

Access real-time insight into HPE Non-Stop environments to help manage IT performance, spot patterns in data, proactively prevent problems, and build a solid foundation for business-critical systems.

IR Infrastructure provides the insight organizations need to make informed business decisions and ensure systems are running efficiently to optimize the mission-critical environments that connect our world.

Directors' Report

The Directors present their report together with the Financial Report of Integrated Research Limited ("the consolidated entity" or "Integrated Research"), being the Company and its controlled entities, for the year ended 30 June 2024 and the Auditor's Report thereon.

Review of operations and activities

Principal activities

Integrated Research Limited's (the "Company" or "IR") 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.

Group overview

Integrated Research has a long heritage of providing performance monitoring, diagnostics and management software solutions for business-critical computing environments.

Since its establishment in 1988, the Company has provided its Prognosis products to a cross section of large organisations requiring high levels of computing performance and reliability.

Prognosis is an integrated suite of monitoring and management software, designed to give an organisation's management and technical personnel operational insight into and optimise the operation of their HP NonStop, distributed system servers, Unified Communications ("UC"), and Payment environments and the business applications that run on these platforms.

Integrated Research has developed its Prognosis products around a fault-tolerant, highly distributed software architecture, designed to achieve high levels of functionality, scalability and reliability with a low total cost of ownership.

Integrated Research services customers in more than 52 countries through direct sales offices in the USA, UK, Germany, Singapore and Australia, and via a global, channel-driven distribution network. Integrated Research's customer base consists of many of the world's largest organisations and includes banks, credit card companies, telecommunications carriers, technology companies, service providers and manufacturers.

The Company generates its revenue from licence fees, recurring maintenance, testing solutions and professional services. Revenue from the sale of licences where there are no post-delivery obligations is recognised at the date of the delivery. Revenue from maintenance contracts is recognised ratably over the service agreement. Revenue from professional services and testing solution services is recognised over the period the services are delivered.

Review and results of operations

Overview

The Company achieved an annual profit after tax of $27.1 million. This represents a significant increase on the prior year as a result of a 19% increase in Revenue to $83.3 million, together with a 44% decrease in expenses, inclusive of a non cash asset impairment expense in the prior year. This has also helped the Company increase its cash balance by 72% and trade & other receivables by 16%. The improvement in revenue performance was the consequence of a stronger renewal book and a higher win rate. The first and second halves of the financial year were relatively consistent period for sales, with new business sales stronger in the second half, though lower than the preceding year. Pleasingly our largest market in the Americas rebounded well and underpinned the revenue result, with 39% growth on prior year, where Asia-Pacific and Europe were down, 8% and 28%, respectively. Demand generation and sales execution risk continued to be a focus for management.

The Company incurred currency losses of $0.9 million (prior year gain of $0.9 million) and benefited from other income of $0.1 million (prior year $0.5 million). These amounts are included in other gains and losses of the Consolidated Statement of Comprehensive Income.

Revenue

The following table presents Company revenues for each of the relevant product groups:

In thousands of AUD	2024	2023	% Change
Collaborate	**35,154**	39,368	(11%)
Infrastructure	**25,129**	14,667	71%
Transact	**18,434**	12,127	52%
Professional services	**4,575**	3,666	25%
Total revenue	**83,292**	69,828	19%

Collaborate revenue of $35.2 million, decreased by 11% over the prior year. The Collaborate market continues to have significant change with customers moving toward cloud and hybrid environments and reducing their footprint of on-premise collaboration tools. This has increased the risk of churn on the Company's on premise collaborate solution. The constant currency net revenue retention rate for Collaborate was 86% (2023: 79%). Licence fees for Collaborate were $21.6 million, down 12% over the prior year. SaaS revenues for Collaborate were $2.2 million, down 15% over the prior year, noting that the revenue from cloud-based products is recognised over time.

Infrastructure revenue of $25.1 million, increased by 71% over the prior year. Transact revenue of $18.4 million, increased by 52% over the prior year. Improvement in Infrastructure and Transact revenue performance was on account of a stronger renewal book and a higher win rate. Licence transactions sold during the year were closed on a multi-year term basis with maturities ranging from an average of three to five years.

The following table presents Company revenues for each of the relevant geographic segments in underlying currencies:

	2024	2023	% Change
Asia Pacific (A$'000)	**15,830**	17,219	(8%)
Americas (USD'000)	**39,138**	28,113	39%
Europe (£'000)	**4,128**	5,755	(28%)

Asia Pacific revenue of $15.8 million, was down 8% over the prior year. The region achieved growth across Transact and Infrastructure however this was outweighed by underperformance in Collaborate. Asia Pacific added 10 new customers over the course of the year, with 11 exiting.

Americas revenue of US$39.1 million, was up 39% over the prior year. The region experienced large contract renewals and revenue improvement to prior year across all product lines, with Transact and Infrastructure strongly outperforming and encouraging new wins in Collaborate. In FY24, the Americas added 12 new customers with 45 smaller-sized customers exiting.

Europe revenue of £4.1 million, was down 28% over the prior year with strong performance in Collaborate being overshadowed by lower Transact and Infrastructure results. Europe added 1 new customer over the course of the year, with 14 exiting.

The net customer churn was driven by Collaborate, consistent with the trend in recent years. This is a perpetuation of the competitive environment and is one driver of the Company's strategic focus on larger, diversified clients with an ideal profile that resonates with the product offering.

Directors' Report

Expenses

The following table presents the Company's cost base compared to the preceding year:

In thousands of AUD	2024	2023	% Change
Product and technology expenses	**12,779**	23,695	(46%)
Sales, professional services and marketing expenses	**38,679**	40,892	(5%)
General and administration expenses	**6,493**	6,312	3%
Impairment expenses	**–**	31,778	(100%)
Total expenses	**57,951**	102,677	(44%)

Total expenses were down 44% to $58.0 million. The significant reduction in expense was primarily a result of a large reduction in product and technology expenses, reflecting a review and reset in the product development strategy and a reduction in staff numbers, together with the $31.8m impairment expenses in the prior year of goodwill and intangible assets as a result of a devaluing assessment of the Cash Generating Unit reflecting updated forecasts and underlying business assumptions for new business, renewals and expenses. Total staff numbers finished the year at 142 (2023: 175).

Gross spending on product and technology expenditure represents 15% of total revenue (2023: 30%):

In thousands of AUD	2024	2023	% Change
Gross product and technology expenses	**12,779**	20,882	(39%)
Capitalisation of development expenses	**–**	(7,479)	(100%)
Amortisation of capitalised expenses	**–**	10,292	(100%)
Net product and technology expenses	**12,779**	23,695	(46%)
Gross spend as a % of revenue	**15%**	30%	

Tax expense

Income tax was a net benefit of $0.42m for the year (2023: $0.07m) as tax expense was offset by current year and brought forward R&D credits and recognition of previously un-recognised deferred taxes. As at 30 June 2024, the Company has utilised all its R&D credits. Excluding brought forward R&D credits from prior years, the Company's effective tax rate would have been 22.2%.

Shareholder returns

Returns to shareholders were as follows:

	2024	2023	2022
Net profit/(loss) ($'000)	**27,130**	(29,226)	1,545
Basic EPS (cents)	**15.57**	(16.90)	0.90
Dividends declared per share (cents)	**2.00**	Nil	Nil
Dividend franking percentage	**100%**	N/A	N/A
Return on equity	**37%**	(40%)	2%

Strategy and Priorities

IR progressed its turnaround in FY24 in response to the ongoing evolution of our customer and competitive landscape.

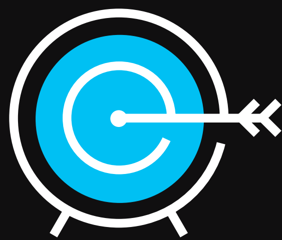
With core markets of Collaborate and Transact continuing to reflect ongoing structural market changes and our large enterprise customers who are the core of our customer base, making strategic decisions around on-premise, hybrid and SaaS infrastructure, it is clear that IR requires product led growth and the pursuit of new revenue streams, to drive longevity and shareholder value.

A core focus in FY24 was the continued stabilisation and consolidation of our key business fundamentals. We focused on maximising sales execution in a year of strong renewals and particularly in the Americas as our largest region, revitalised our core product offering to customers via a major software release, focused on market and competitive landscape assessment and innovating product strategy, built strong working capital and made organisational re-alignment and key hiring decisions to drive product led growth of the business forward in a sustainable way.

Our balance sheet has no debt and the cash balance is strong, allowing us to pursue opportunities for product led growth.

During FY25 our key priorities include:

- Refocus go-to-market and customer support on a narrow set of high-value, ideal customers to optimize growth and reduce churn;
- Target product and engineering on fewer, high-yield product extensions, for product-led growth in existing markets;
- Restructure the organization in support of these priorities, and yield cash and resources for growth; and
- Implement capital management plan to invest cash in innovation to diversify organic revenue, targeted M&A for fresh inorganic growth and shareholder returns.



We make the following observations regarding the FY25 trading year:

- Renewals book is softer to the prior year and is weighted towards H2 FY25. Renewals skewed modestly towards Transact and Infrastructure clients;
- Collaborate churn expected to persist as clients migrate to a full SaaS environment;
- Current new business & upsell pipeline is up on pcp, weighted to Collaborate. Increased focus on targeting larger enterprise customers across all products and geographies; and
- The effective tax rate is expected to normalise in FY25 given brought forward R&D tax credits utilized in FY24.

The material risks to delivery on our priorities continue to be:

- Vendors enhancing their in-built tools to narrow the competitive advantage of the IR offer;
- Changing customer requirements, particularly a move to more homogeneous environments;
- Inflationary cost pressures both in the IR supply chain (wages growth, supplier price increases), and for customers resulting in an increase in competitive pricing in renewals and new business;
- Sales capability given the tight labour market, highly technical skillset and time to productivity to effectively build a pipeline of opportunities and convert these to commercial deals; and
- Product capability, given the tight labour market, highly technical skillset and time to productivity to ensure our product offering and value proposition are relevant in the market.

Directors' Report

Directors

The Directors of the Company at any time during or since the end of the financial year are listed below:

Peter Lloyd

MAICD

Independent Non-Executive Director and Chairman

Peter was appointed Director in July 2010 and elected Chairman in March 2021. He has over 45 years' experience in computing technology, having worked for both multinational computer hardware and software providers. Peter's experience in global markets includes executive management roles leading the Asia Pacific region as well as several stints in the U.S. For 35 years, Peter was specifically involved in the provision of payments solutions for banks and financial institutions. He is currently the proprietor of The Grayrock Group Pty Ltd, a management consultancy company focusing on the payments industry. Peter is a Non-Executive Director of privately held Taggle Pty Ltd. Peter's current term will expire no later than the close of the 2024 Annual General Meeting.

John Ruthven

B.Ed, MAICD

Managing Director[1] and Chief Executive Officer

John joined IR in July 2019 as the Company's Chief Executive Officer and was appointed as Managing Director in September 2019. Mr Ruthven is an internationally experienced software industry executive respected for his strategic approach and operational expertise across global enterprises. Mr Ruthven has over 25 years' experience working in the technology industry with a proven track record of leadership and delivering strong profitable growth.

Prior to joining IR, Mr Ruthven was the Operating Officer – Global Sales at TechnologyOne (ASX: TNE). Prior to that he was President & Managing Director ANZ for SAP, SVP International Sales at Zuora Inc, and various senior positions at CA Technologies and Computer Associates Inc. John has extensive international experience in the USA, Europe and Asia Pacific regions.

1 Mr Ruthven resigned from the Managing Director position after the end of the financial year, with effect from 17 July 2024.

Michael Hitz

BE Hons

Independent Non-Executive Director

Michael was appointed a Director in October 2023. His career spans roles from engineering communications infrastructure in energy, mining and telecommunications, to corporate strategy, mergers and acquisitions and investing. Over the past five years Michael has worked with a leading pan-Asian fund to invest in public companies pursuing growth in payments, telecommunications and energy. Prior to this, Michael was a Partner and Managing Director for The Boston Consulting Group, where he held roles including leading the technology, media and telecommunications business.

Michael is a Director of The Institute for Economics and Peace Limited. Michael's current term will expire no later than the close of the 2026 Annual General Meeting.

Michael is currently Chair of the Company's Technology & Innovation Committee.

Mark Brayan

BSurv Hons, MBA

Independent Non-Executive Director

Mark was elected a Director in November 2023. Mark has had an extensive career as a Chief Executive Officer and Managing Director. He has run several Australian technology companies, public and private, in various domains including communications and artificial intelligence. Mark was previously the CEO of Soprano Design Pty Ltd, CEO and Managing Director of Appen Limited (ASX:APX), CEO and Managing Director of MineSite Technologies Pty Limited, and CEO and Managing Director of Integrated Research Limited (ASX:IRI). Mark is currently Chair and Non-Executive Director of SenSen Networks Limited (ASX:SNS), and Chair and Non-Executive Director of Shorthand Pty Ltd.

Mark has a Masters of Business Administration (MBA) from the Australian Graduate School of Management (AGSM) and a First Class Honours Bachelor of Surveying from the University of New South Wales. Mark's current term will expire no later than the close of the 2026 Annual General Meeting.

Mark is currently Chair of the Company's Nomination & Remuneration Committee.

Kate Greenhill

BEc, FCA, GAICD

Independent Non-Executive Director

Kate was appointed a Director in April 2024 and is a fellow of the Institute of Chartered Accountants in Australia and a Graduate of the Australian Institute of Company Directors. Kate has over 25 years' experience in the financial services industry with extensive knowledge of finance and risk. As a former Partner with PwC, Kate has worked In both Australia and the UK providing assurance and advisory services to clients. She has experience as Chair of Audit, Risk & Compliance Committees.

Kate is currently a Director of Australian Ethical Investment Limited, an ASX Listed company. Kate Is also a Director of Intersect Australia Limited, Australian Ethical Superannuation Pty Limited and the Australian Ethical Foundation Limited. Kate's current term will expire no later than the close of the 2024 Annual General Meeting.

Kate is currently Chair of the Company's Audit & Risk Committee.

Directors' Report

Officers of the Company

Will Witherow
B.A., J.D.

General Counsel and Company Secretary

Will joined IR in July 2017, based in the Company's Denver, Colorado office. Mr. Witherow was promoted to Head of Legal and Compliance in 2019 and subsequently relocated to IR's head office in Sydney, overseeing the provision of legal services for the Company's global operations and serving as IR's Data Privacy Officer. Will was appointed IR's General Counsel and Company Secretary in April 2022. Will is a qualified lawyer, holding a B.A. in Political Science and International Relations, and a J.D. in Law, along with being a Certified Information Privacy Professional through the International Association of Privacy Professionals. Prior to joining IR, Will gained experience in the software industry with global organizations, including Oracle and Deloitte.

Christian Shaw
B.Bus CPA

Chief Financial Officer

Christian joined IR in January 2024 and assumed the role as Chief Financial Officer on 1 March 2024. He is responsible for Group Financials, Finance Planning and Analysis, People and Culture and Legal teams. He has three decades of listed and private company experience as a senior finance and corporate services executive from a range of industries, including technology, minerals processing, financial services, telecommunications and biotechnology. Christian possesses a strong operational, commercial and strategic focus and has been the former CFO at AJG Australia, Multicom Resources, Unith Limited, Moko Social Media Limited and iCash Payment Systems Limited. He graduated with a Bachelor of Business from the University of Technology Sydney and is CPA qualified.

Resigning and Retiring Directors and Officers during the year

Cathy Aston *B.Ec, M. Comm, SF Fin, GAICD*

Independent Non-Executive Director

Cathy joined IR in April 2022 and retired as a Non-Executive Director and Chair of Audit & Risk Committees in March 2024.

Allan Brackin *BAppSc*

Independent Non-Executive Director

Alan joined IR in February 2021 and retired as a Non-Executive Director and Chair of the Nomination & Remuneration Committee in September 2023.

Anne Myers *MBA, FAICD*

Independent Non-Executive Director

Anne joined IR in July 2018 and retired as a Non-Executive Director and Chair of the Technology and Innovation Committee in November 2023.

James Scott *BEng Hons, GAICD, FIEAust CPEng EngExec*

Independent Non-Executive Director

James joined IR in May 2021 and retired as a Non-Executive Director in January 2024.

Matthew Walton *B.Sc., MBA, CPA*

Chief Financial Officer

Matthew joined IR in July 2022 as interim CFO and resigned in February 2024.

Results

Profit for the year was $27.1 million (2023: loss $29.2m).

Dividends

There were no dividends paid or declared by the Company during the year. On 20 August 2024, the Directors declared a fully franked final dividend for the year ended 30 June 2024 of 2.0 cents per ordinary share and will be paid on 15 October 2024 with a record date of 03 September 2024.

Events subsequent to reporting date

On 16 July 2024, IR announced plans for a CEO transition and that John Ruthven would step down. Additionally, Mr. Ruthven resigned from the Managing Director position with effect from 17 July 2024. Subsequently, on 7 August 2024, IR announced the appointment of Ian Lowe, as CEO of IR with an effective date of 1 October 2024.

Other than Dividend and events disclosed above, there has been no other transaction or event of a material or unusual nature that has arisen in the interval between the end of the financial year and the date of this report which is likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

Future developments

Likely developments in the operations of the consolidated entity in future financial years and the expected results of those operations are referred to generally in the Review of Operations and Activities Report.

Further information on likely developments including expected results would be in the Directors' opinion, result in unreasonable prejudice to the Company and has therefore not been included in this Report.

Directors and Company Secretary

Details of current Directors' qualifications, experience and special responsibilities are set out on pages 14 to 15. Details of the company secretary and his qualifications are set out on page 16.

Officers who were partners of the audit firm during the financial year

No officers of the Company were partners of the current audit firm during the financial year.

Directors' meetings

The numbers of meetings of the Company's Board of Directors and of each Board committee held during the year ended 30 June 2024, and the numbers of meetings attended by each Director were:

	Board Meetings		Audit & Risk Committee Meetings		Nomination & Remuneration Committee Meetings		Technology & Innovation Meetings	
	A	B	A	B	A	B	A	B
Peter Lloyd	20	21	4	4	5	5	1	1
John Ruthven	21	21	–	–	–	–	–	–
Cathy Aston (until March 2024)	17	17	3	3	–	–	–	–
Allan Brackin (until September 2023)	5	5	1	1	1	1	–	–
Anne Myers (until November 2023)	9	9	–	–	–	–	–	–
James Scott (until January 2024)	14	15	–	–	2	2	–	–
Michael Hitz (from October 2023)	13	13	1	1	–	–	1	1
Mark Brayan (from November 2023)	11	11	–	–	3	3	1	1
Kate Greenhill (from April 2024)	4	4	1	1	1	1	–	–

A. Number of meetings attended.
B. Number of meetings held during the time the Directors held office or was a member of the Board or committee during the year.

State of affairs

In the opinion of the Directors there were no significant changes in the state of affairs of the consolidated entity that occurred during the financial year under review.

Environmental regulation

The consolidated entity's operations are not subject to significant environmental regulations under either Commonwealth or State legislation.

Directors' Report

Directors' interests

The relevant interest of each Director in the shares, options or performance rights over ordinary shares issued by the companies in the consolidated entity and other relevant bodies corporate, as notified by the Directors to the Australian Securities Exchange in accordance with S205G(1) of the *Corporations Act 2001*, at the date of this report is as follows:

	Ordinary shares in Integrated Research			Options	Performance rights
	Directly held	**Beneficially held**	**Total**	**Number of options**	**Number of rights**
Peter Lloyd	–	51,263	51,263	–	–
John Ruthven	99,593	–	99,593	655,809	700,000
Cathy Aston (until Mar-24)[1]	37,500	–	37,500	–	–
Allan Brackin (until Sep-23)[1]	–	150,000	150,000	–	–
Anne Myers (until Nov-23)[1]	21,500	–	21,500	–	–
James Scott (until Jan-24)[1]	–	74,588	74,588	–	–
Mark Brayan	–	260,000	260,000		
Kate Greenhill	–	–	–	–	–
Michael Hitz	–	–	–	–	–

1. Total Values represents holding on last day as Director.

Share options and performance rights

Options and performance rights granted to Directors and key management personnel

During or since the end of the financial year, the Company granted performance rights for no consideration over unissued ordinary shares in Integrated Research Limited to the following named Directors and executive officers of the consolidated entity as part of their remuneration:

	Number of performance rights granted	Performance hurdle	Exercise price	Expiry date
Executive Officers				
Christian Shaw	256,410	Yes	Nil	Aug 2026

The performance rights were granted under the Integrated Research Limited Equity Plan Rules (established April 2023). Apart from interest in performance rights disclosed above, Christian Shaw did not have any other interest in shares, options or performance rights over ordinary shares issued by the companies in the consolidated entity and other relevant bodies corporate at the date of this report.

Unissued shares under options and performance rights

Unissued ordinary shares of Integrated Research Limited under options and performance rights at the date of this report are as follows:

Expiry date	Exercise price	Employee LTI	Executive LTI	Options	Total
Aug 2024	Nil	6,734	–	–	6,734
Sep 2024	Nil	166,225	–	–	166,225
Aug 2025	Nil	58,400	1,589,012	–	1,647,412
Sep 2025	Nil	2,348,661	–	–	2,348,661
Aug 2026	Nil	–	1,905,130	–	1,905,130
Sep 2026	Nil	4,779,169	–	–	4,779,169
Aug 2026	$1.98	–	–	1,147,332	1,147,332
Total performance rights and options		7,359,189	3,494,142	1,147,332	12,000,663

Performance rights and options do not entitle the holder to participate in any share issues of the Company. Performance rights granted to the Company's employees under the Integrated Research Equity Plan Rules have a three year vesting period including a service and performance condition, the details of the performance conditions for executive KMP are provided in the Remuneration Report. The performance conditions also apply to other Company executives.

Indemnification and insurance of officers and auditors

Indemnification

The Company has agreed to indemnify the Directors of the Company on a full indemnity basis to the full extent permitted by law, for all losses or liabilities incurred by the Director as an officer of the Company including, but not limited to, liability for negligence or for reasonable costs and expenses incurred, except where the liability arises out of conduct involving a lack of good faith.

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment of this type has been made to Ernst & Young during or since the financial year.

Insurance

During the financial year Integrated Research Limited paid a premium to insure the Directors and executive officers of the consolidated entity and related bodies corporate.

The liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against officers in their capacity as officers of the consolidated entity.

Remuneration report

The Company's Remuneration Report, which forms part of this Directors' Report, is on pages 20 to 33.

Corporate governance

A statement describing the Company's main corporate governance practices in place throughout the financial year is on pages 34 to 39.

Non-audit services

During the year Ernst & Young, the Company's auditor, has not performed other services in addition to their statutory duties as disclosed in Note 7.

A copy of the auditors' independence declaration as required under Section 307C of the Corporations Act is on page 73 and forms part of the Directors' Report.

Rounding of amounts to nearest thousand dollars

The Company is of a kind referred to in ASIC Corporations Instrument 2016/191 and in accordance with that Class order, amounts in the Financial Report and the Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

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

Peter Lloyd
Chairman

Dated at North Sydney 20 August 2024

Remuneration Report (audited)

Introduction from the Chair of the Nomination & Remuneration Committee

Dear Shareholder,

On behalf of the Board, I am pleased to present our Remuneration Report for FY24. This report describes our remuneration principles and framework for Directors and executives. It sets out the links between our remuneration framework and business strategy, performance and reward, and shareholder value creation.

Remuneration framework and objectives

Our remuneration framework is underpinned by our strategy. For FY24, this included:

- Focusing on growing and consolidating our footprint in key geographical markets,
- Building strong and lasting alliances, and
- Targeting innovation and research and development activities.

The remuneration framework is based on industry benchmarks, designed to attract and retain suitably qualified candidates, reward the achievement of strategic objectives, and motivate and reward shareholder value.

FY24's objectives included a strong focus on Pro forma EBITDA and cash generation to build a platform for growth investments in FY25 and beyond.

FY24 performance objectives and outcomes

The FY24 short-term incentive (STI) was subject to 100% achievement of financial performance measures including Total Contract Value, Pro forma EBITDA and Cashflow. Targets were set for challenging full-year results combined with a vesting scale that would appropriately reward for outperformance against objectives. All executive STI payments were subject to achievement of an Expense Gate. Nil STI was payable if the Expense Gate was not achieved.

The long-term incentive (LTI) framework for executives in FY24 is consistent with the FY23 LTI framework, with vesting of Performance Rights subject to challenging share price hurdles that are tested annually over a 3-year performance period.

FY24 performance included some notable improvements on FY23, including:

- Total contract value growth of 22%
- Increased average contract length to 3.1 years compared to 3 years in FY23
- Revenue growth of 19%
- EBITDA[1] (excluding impairment) growth of 103%
- Pro forma EBITDA[1] reduction of 5%
- Cash growth by 72%

1. The definitions for EBITDA and Pro forma EBITDA are provided later in this report in section 3

In addition, we continue to retain a strong balance sheet with no borrowings and improved cash balances compared to FY23.

Further details of STI and LTI objectives are in the tables below.

CEO and MD remuneration

The fixed remuneration for the CEO and MD was reduced by 4% in FY24 to offset travel expenses incurred due to relocation.

The STI outcome for the CEO and MD was 87.5% of STI payment opportunity. This was based on achievement of the Expense target, 99% achievement of the TCV target, 133% of the Pro forma EBITDA target and 155% of the Cashflow target. Under the FY24 STI plan, no payment was due for the 99% TCV target achievement. However, the Board exercised its discretion to reward the CEO, and senior executives, with a 75% payment given the small shortfall to target and the high TCV growth on FY23 of 22%. Further details are in the tables below.

LTI granted to the CEO and MD had the following active plans during FY24:

- Performance Rights under the Company's FY21 LTI plan did not meet Total Shareholder Return (TSR) requirements. As a result, such Performance Rights lapsed within FY24, and no Performance Rights vested in FY24 for the CEO and MD.
- The third and final tranche of share Options granted to the CEO and MD under the Company's FY22 LTI plan vested, with a total of 655,809 Options being available for exercise with an exercise price of A$1.98 per Option. The expiry date for all Options is 31 August 2026.
- Performance Rights with annual share price hurdles granted to the CEO and MD in FY23 were tested against the first-year share price hurdle of $0.80, and the hurdle was not met. However, such rights are available for re-testing against share price hurdles in subsequent years, as provided in section 2.3 below.

On behalf of the Board, we recommend this report to you and welcome any feedback you may have.

Mark Brayan
Chair of the Nomination & Remuneration Committee

1. Persons included in the Remuneration Report

KMP, including Directors, have authority and responsibility for planning, directing and controlling the activities of the Company and the consolidated entity. The following were KMP of the Company at any time during the reporting period, and unless otherwise indicated were KMP for the entire period:

1.1. Executive KMP

As of the current year, the Nomination & Remuneration Committee (Committee) assessed the Executive KMP to include the following executive roles.

Executive KMP	Role	Appointed
John Ruthven[1]	Chief Executive Officer and Managing Director	July 2019 as Chief Executive Officer September 2019 as Managing Director
Matthew Walton[2]	Chief Financial Officer	July 2022 (ceased 29 February 2024)
Christian Shaw[3]	Chief Financial Officer	March 2024

Notes
1. Resigned as Managing Director effective 17 July 2024
2. Interim Appointment of CFO
3. Joined the company in January 2024 but assumed role of CFO March 2024

1.2. Independent Non-Executive Directors

Directors	Role	Appointed
Peter Lloyd	Independent Non-Executive Director and Chairman	Director from July 2010 Chairman from March 2021
Mark Brayan	Independent Non-Executive Director	November 2023
Kate Greenhill	Independent Non-Executive Director	April 2024
Michael Hitz	Independent Non-Executive Director	October 2023
Cathy Aston	Independent Non-Executive Director	April 2022 (ceased 31 March 2024)
Allan Brackin	Independent Non-Executive Director	February 2021 (ceased 30 September 2023)
Anne Myers	Independent Non-Executive Director	July 2018 (ceased 22 November 2023)
James Scott	Independent Non-Executive Director	May 2021 (ceased 30 January 2024)

2. Executive remuneration

2.1. Remuneration framework

The remuneration framework set out below considers the capability and experience of the Executive KMP, their ability to control business performance, and the Company's performance.

	Fixed remuneration	Short-term incentive (STI)	Long-term incentive (LTI)
Purpose	To ensure that fixed remuneration is competitive in the marketplace to attract and retain executives.	To provide focus on annual objectives and align remuneration outcomes with achievement of key priorities.	To provide focus on long -term performance and align remuneration outcomes with the experience of shareholders.
Delivery	Base salary plus superannuation and any fringe benefits.	The STI is provided as an annual award paid in cash. Performance measures are set and assessed through a balanced scorecard that vary with position. The target levels of performance set by the Board are challenging and driven by the annual budget and longer-term strategic plan.	The LTI is provided as either options or performance rights over ordinary shares of the Company that vest over 3 years subject to performance and service conditions. LTI awards are granted annually. The LTI performance measures set by the Board are aligned with value creation for shareholders.
Performance period	N/A	12 months	3 years

Remuneration Report (audited)

2.2. FY24 Short-term incentive (STI)

The FY24 STI framework is described below.

Feature	Description
Participants	Executive Leadership Team, including Executive KMP
Award basis	The Committee is responsible for setting performance measures for the CEO and MD, and for approving the measures for the other executives who report to the CEO and MD. The performance measures for executives generally include key metrics relating to the Company and the individual, and include financial, people, customer and strategy. The measures are chosen as they directly align the individual executive's reward to the key metrics of the Company and its strategy and performance. At the end of the performance period the Committee assesses the actual performance against the targets set at the beginning of the financial year. A percentage of the predetermined target opportunity for each performance measure is awarded depending on results. The Committee recommends the award to be paid for approval by the Board. STI awards are paid in cash.
Performance measures	Performance measures are set and assessed through a balanced scorecard that vary with the position. The target levels of performance set by the Board are challenging and driven by the annual budget and longer-term strategic plan. Performance measures may include financial and non-financial measures. The performance measures in FY24 were: – Total Contract Value (TCV) – Pro forma EBITDA – Cashflow
Performance period	Performance is measured over the financial year. To provide executives additional focus and attention to deliver on key priorities for FY24, the Committee set targets for both half-year (H1) and full-year results for each performance measure.
Scorecard operation	Each performance measure in scorecards has a vesting scale with threshold requirements, at which 100% of the target opportunity is attained. Outcomes below threshold requirements result in nil payments. Outcomes above threshold are paid on a pro-rata linear basis at an uncapped effective rate.
Gateway	The STI is subject to an expense gate. The expense gate requires total actual expense (excluding commissions) to be less than or equal to the total budget expense (excluding commissions). In the event the expense gate is not achieved the STI payout will be nil.
Payment timing	Awards are paid following assessment of the performance measures based on audited full-year results.
Treatment on termination	Unvested STI awards are forfeited on termination of employment.

2.3. FY24 Long-term incentive (LTI)

The FY24 LTI framework is described below.

Feature	Description
Participants	Executive Leadership Team, including Executive KMP and excluding the CEO and MD as the LTI was not approved at the Company's 2023 AGM.
Payment vehicle	Performance Rights which are rights to acquire ordinary shares in the Company for nil consideration subject to achievement of vesting conditions.
Award basis	The number of Performance Rights granted to participants is calculated by dividing the face value of the LTI opportunity for FY24 by the Company's 10-day VWAP after release of FY23 full-year results, being $0.39. Performance Rights are granted in three equal tranches.
Vesting period	Performance Rights vest on 31 August 2026 (Vesting Date) subject to achievement of service conditions and performance conditions set out below. Performance Rights that vest are automatically exercised for shares.
Performance conditions	Vesting of Performance Rights in each tranche is subject to achievement of share price hurdles set out below. Tranche 1 Testing in 2024: Where the Company's share price, calculated using the closing share price VWAP of the Company for the ten trading days following the release of the Company's FY24 Financial Report is equal to or greater than A$0.80, 100% of Tranche 1 Performance Rights will vest in August 2026 if the service condition is met. Tranche 1 Performance Rights which do not meet the Performance Condition of A$0.80 on 31 August 2024 may be carried forward for retesting against (i) the Tranche 2 Performance Condition of A$1.20 on 31 August 2025, or (ii) the Tranche 3 Performance Condition of A$1.60 on 31 August 2026. There is no retesting of Performance Rights after the Vesting Date. Tranche 2 Testing in 2025: Where the Company's share price, calculated using the closing share price VWAP of the Company for the ten trading days following the release of the Company's FY25 Financial Report is equal to or greater than A$1.20, 100% of Tranche 2 Performance Rights will vest in August 2026 if the service condition is met. Tranche 2 Performance Rights which do not meet the Performance Condition of A$1.20 on 31 August 2025 may be carried forward for retesting against the Tranche 3 Performance Condition of A$1.60 on 31 August 2026. There is no retesting of Performance Rights after the Vesting Date. Tranche 3 Testing in 2026: Where the Company's share price, calculated using the closing share price VWAP of the Company for the ten trading days following the release of the Company's FY26 Financial Report is equal to or greater than A$1.60, 100% of Tranche 3 Performance Rights will vest in August 2026 if the service condition is met. Tranche 3 Performance Rights which do not meet the Performance Condition of A$1.60 on 31 August 2026 will lapse. Similarly, any Tranche 1 or Tranche 2 Performance Rights which have been carried forward for retesting against the Tranche 3 Performance Condition of A$1.60 on 31 August 2026 will also lapse. There is no retesting of Performance Rights after the Vesting Date.
Treatment on termination	Unvested Performance Rights are forfeited on cessation of employment, unless the Performance Rights have met the performance conditions and employment is terminated due to death, disability, or redundancy.
Change of control	In the event of a takeover or other change of control, any unvested Performance Rights will vest at the discretion of the Board.
Malus and clawback	The awards are subject to malus considerations by the Board and in relation to serious and material matters may be subject to a reduction or adjustment prior to exercise or clawback. In the event of fraud, dishonesty or breach of obligations (including legal and statutory non-compliance), the Board may take any actions to ensure that no unfair benefit is obtained.

Remuneration Report (audited)

FY23 LTI

The FY23 LTI framework is described below.

Feature	Description
Participants	Executive Leadership Team, including Executive KMP
Payment vehicle	Performance Rights which are rights to acquire ordinary shares in the Company for nil consideration subject to achievement of vesting conditions.
Award basis	The number of Performance Rights granted to participants is calculated by dividing the face value of the LTI opportunity for FY23 by the Company's 10-day VWAP to 31 August 2022. The 10-day VWAP on that date was $0.50. Performance Rights are granted in three equal tranches.
Vesting period	Performance Rights vest on 31 August 2025 (Vesting Date) subject to achievement of service conditions and performance conditions set out below. Performance Rights that vest are automatically exercised for shares.
Performance conditions	Vesting of Performance Rights in each tranche is subject to achievement of share price hurdles set out below. Tranche 1 Testing in 2023: Where the 10-day VWAP immediately prior to and including 31 August 2023 is equal to or greater than A$0.80, 100% of Tranche 1 Performance Rights will vest in August 2025 if the service condition is met. Outcome: *Tranche 1 failed to meet the A$0.80 share price hurdle.* Tranche 1 Performance Rights which did not meet the Performance Condition of A$0.80 on 31 August 2023 may be carried forward for retesting against (i) the Tranche 2 Performance Condition of A$1.20 on 31 August 2024, or (ii) the Tranche 3 Performance Condition of A$1.60 on 31 August 2025. There is no retesting of Performance Rights after the Vesting Date. Tranche 2 Testing in 2024: Where the 10-day VWAP immediately prior to and including 31 August 2024 is equal to or greater than A$1.20, 100% of Tranche 2 Performance Rights will vest in August 2025 if the service condition is met. Tranche 2 Performance Rights which do not meet the Performance Condition of A$1.20 on 31 August 2024 may be carried forward for retesting against the Tranche 3 Performance Condition of A$1.60 on 31 August 2025. There is no retesting of Performance Rights after the Vesting Date. Tranche 3 Testing in 2025: Where the 10-day VWAP immediately prior to and including 31 August 2025 is equal to or greater than A$1.60, 100% of Tranche 3 Performance Rights will vest in August 2025 if the service condition is met. Tranche 3 Performance Rights which do not meet the Performance Condition of A$1.60 on 31 August 2025 will lapse. Similarly, any Tranche 1 or Tranche 2 Performance Rights which have been carried forward for retesting against the Tranche 3 Performance Condition of A$1.60 on 31 August 2025 will also lapse. There is no retesting of Performance Rights after the Vesting Date.
Treatment on termination	Unvested Performance Rights are forfeited on cessation of employment, unless the Performance Rights have met the performance conditions and employment is terminated due to death, disability, or redundancy.
Change of control	In the event of a takeover or other change of control, any unvested Performance Rights will vest at the discretion of the Board.
Malus and clawback	The awards are subject to malus considerations by the Board and in relation to serious and material matters may be subject to a reduction or adjustment prior to exercise or clawback. In the event of fraud, dishonesty or breach of obligations (including legal and statutory non-compliance), the Board may take any actions to ensure that no unfair benefit is obtained.
Current Status:	Tranche 1 tested in FY24 failed to meet the A$0.80 share price hurdle.

FY22 LTI

The FY22 LTI framework is described below.

Feature	Description
Participants	Executive Leadership Team, including Executive KMP
Payment vehicle	Options which are rights to acquire ordinary shares in the Company at the exercise price of A$1.98 per option if the service conditions are met.
Award basis	Quantity issued is a percentage of executive remuneration.
Vesting period	Options vest in three equal tranches over a three year period, with tranche 1 vesting in August 2022. All Options have an expiry date of 31 August 2026. Any Options which are not exercised by the Expiry date will automatically lapse.
Service conditions	Exercise of Options is subject to continuous employment.
Treatment on termination	Options are forfeited on cessation of employment, unless terminated due to death, disability, or redundancy.
Change of control	In the event of a takeover or other change of control, any unexercised Options will exercise at the discretion of the Board.
Malus and clawback	The awards are subject to malus considerations by the Board and in relation to serious and material matters may be subject to a reduction or adjustment prior to exercise or clawback. In the event of fraud, dishonesty or breach of obligations (including legal and statutory non-compliance), the Board may take any actions to ensure that no unfair benefit is obtained.
Current Status	The final tranche of Options vested on 31 August 2024

FY21 LTI

The FY21 LTI framework is described below.

Feature	Description
Participants	Executive Leadership Team, including Executive KMP
Payment vehicle	Performance Rights which are rights to acquire ordinary shares in the Company for nil consideration subject to achievement of vesting conditions.
Award basis	The number of Performance Rights granted to participants is calculated by dividing the face value of the LTI opportunity by the Company's 10-day VWAP for the ten trading days immediately prior to and including 30 June 2020.
Vesting period	Performance Rights vest on 31 August 2023 subject to achievement of service conditions and performance conditions.
Performance conditions	Company's relative TSR performance compared to Australian technology companies in the S&P/ASX All Technology Index at the end of each year.
Treatment on termination	Unvested Performance Rights are forfeited on cessation of employment, unless the Performance Rights have met the performance conditions and employment is terminated due to death, disability, or redundancy.
Change of control	In the event of a takeover or other change of control, any unexercised Options will exercise at the discretion of the Board.
Malus and clawback	The awards are subject to malus considerations by the Board and in relation to serious and material matters may be subject to a reduction or adjustment prior to exercise or clawback. In the event of fraud, dishonesty or breach of obligations (including legal and statutory non-compliance), the Board may take any actions to ensure that no unfair benefit is obtained.
Current Status	Performance Rights failed to meet the performance conditions and lapsed upon the vesting date.

Remuneration Report (audited)

2.4. FY24 executive remuneration opportunity

(AUD)	CEO and Managing Director	CFO	Interim CFO
Fixed remuneration	$558,000[1]	$350,000	$500,000
STI opportunity (at target)[2]	$265,000	$100,000[3]	–
LTI opportunity (face value)[4]	–	$100,000	–

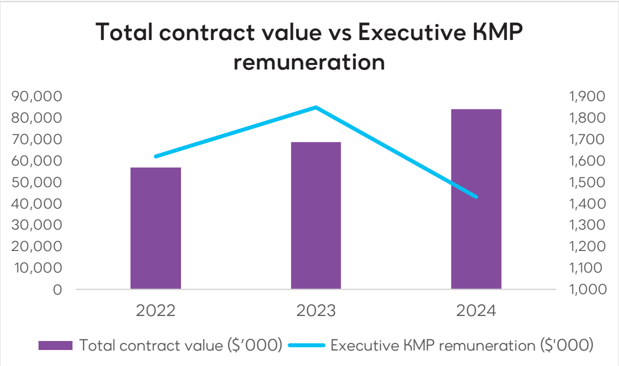
Notes
1. Effective 1 August 2023.
2. The STI opportunity is uncapped for stretch outcomes above target.
3. STI opportunity on full-year basis.
4. The CEO and MD does not participate in the FY24 LTI as the grant was not approved at the Company's 2023 AGM.

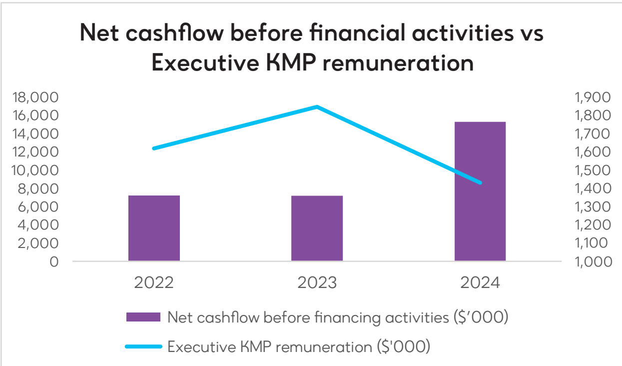
3. Company performance and remuneration outcomes

In considering the Company's performance and benefits for shareholder wealth, the Committee has regard to the following indices in respect of the current financial year and the previous three financial years:

Three-year selected financial indices of the Company

	2024	2023	2022
Total contract value ($'000)	**83,869**	68,499	56,650
Net cashflow before financing activities ($'000)	**15,280**	7,162	7,191
Pro forma EBITDA ($'000)	**16,733**	17,575	24,494
Dividends paid ($'000)	**–**	–	–
Closing share price	**$0.93**	$0.39	$0.42
Pro forma EBITDA decline %	**(5%)**	(28%)	(8%)
Executive KMP remuneration ($'000)	**1,430**	1,847	1,618





Two of the financial indices shown in the tables above are Total Contract Value (TCV) and Cashflow. The Committee considers these two financial performance metrics as Key Performance Indicators (KPIs) in setting the STI element of the KMP remuneration package. The above charts show that the Executive KMP's remuneration framework has decreased in the current year which is not aligned with overall Company performance. The main contributing factors to reduced KMP remuneration in FY24 include the following components of CEO remuneration: one-time bonus in FY23, FY24 LTI not approved at the 2023 AGM, and changes to the LTI plan. These items led to a reduction in variable remuneration and particularly the value of share-based payments, in 2024 versus 2023. Whilst the pro forma EBITDA has declined, the rate of decline has moderated and Management achieved the FY24 target. The Committee considers that the above performance-linked structure is generating the desired outcomes.

Reconciliation of Net profit after Tax (NPAT) to EBITDA & Pro forma EBITDA

	2024	2023
Net Profit after Tax (NPAT)	**27,130**	(29,226)
Income tax benefit	**(416)**	(71)
Finance Income	**(2,225)**	(2,175)
Depreciation & Amortisation	**112**	11,787
EBITDA[1]	**24,601**	(19,685)
Impairment	**–**	31,778
Cost deferral related to over time revenue	**671**	(373)
Over-time revenue conversion	**(8,539)**	5,807
Pro forma EBITDA[2]	**16,733**	17,527

1. EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation) is a non-IFRS measure used to evaluate the Company's operating performance by focusing on profit from core operations and excluding the effects of capital structure, tax rates, and non-cash accounting items like depreciation and amortisation.
2. Pro forma EBITDA is an alternative non-IFRS measure calculated as pro forma revenue less expenses (variable compensation adjusted in line with pro-forma revenue) and other gains excluding interest, tax, depreciation, amortization and Impairment expenses. Pro forma revenue is calculated as pro forma subscription revenue plus other non-recurring revenue streams such as perpetual licence fees, professional services, and one-time testing services. Pro forma subscription revenue provides a view of underlying performance by restating term licence on a recurring subscription basis (i.e. over time) plus other recurring revenues such as maintenance fees and cloud services.

3.1. STI outcomes

The executive KMP's FY24 performance measures and outcomes are summarised below.

Performance measure	Weight	Target	Achieved % of target	Payment % of target
Total Contract Value	50%	$85M	99%	75%[1]
Pro forma EBITDA	25%	$12.6M	133%	100%
Cashflow	25%	$10M	155%	100%
Total	**100%**			

1. The Board exercised its discretion to reward the CEO, and senior executives, with a 75% payment given the small shortfall to target and the high TCV growth on FY23 of 22%.

3.2. LTI outcomes

LTI granted to the CEO and MD had the following active plans during FY24:

- Performance Rights under the Company's FY21 LTI plan did not meet Total Shareholder Return (TSR) requirements. As a result, such Performance Rights lapsed within FY24, and no Performance Rights vested in FY24 for the CEO and MD.
- The third and final tranche of share Options granted to the CEO and MD under the Company's FY22 LTI plan vested, with a total of 655,809 Options being available for exercise with an exercise price of A$1.98 per Option. The expiry date for all Options is 31 August 2026.
- Performance Rights with annual share price hurdles granted to the CEO and MD in FY23 were tested against the first-year share price hurdle of $0.80, and the hurdle was not met. However, such rights are available for re-testing against share price hurdles in subsequent years, as provided in section 2.3 above.

Remuneration Report (audited)

3.3. Actual remuneration received in FY24

The table below reflects the actual remuneration received by the Executive KMP for the financial year ended 30 June 2024. The values presented below may differ from statutory remuneration. The statutory disclosures are prepared on an accruals basis, in accordance with the Australian Accounting Standards, including share-based payments valuation and accounting, which may not always represent what the Executive KMP have received, as some share-based payments may not manifest if certain conditions are not met.

(AUD)	Fixed remuneration	STI	LTI	Actual total pay received
John Ruthven	$560,257	$231,875	–	$792,132
Matthew Walton[1]	$373,575	–	–	$373,575
Christian Shaw[2]	$127,145	$43,750	–	$170,895

Notes
1. Ceased February 2024.
2. Joined the company in January 2024 but assumed role of CFO March 2024.Remunueration only Includes term as CFO.

3.4. Executive service agreements

The main terms of service agreements for Executive KMP as at 30 June 2024 are set out below.

Basis of contract	CEO and Managing Director[1]	CFO	Interim CFO
Contract term	No specified end date	No specified end date	No specified end date
Notice period	6 months by either party	6 months by either party	1 month by either party
Termination payment in lieu of notice	6 months fixed remuneration	6 months fixed remuneration	Not applicable
Treatment of STI on termination	Forfeited	Forfeited	Not applicable
Treatment of LTI on termination	All unvested LTIs are forfeited	All unvested LTIs are forfeited	Not applicable

1. John Ruthven resigned from the Managing Director position effective 17 July 2024 and from the CEO position with effect from 16 January 2025.

4. Non-Executive Director remuneration

4.1. Board and Committee Structure

The Board and Committees are structured as follows:

	Director	Board	Audit & Risk Committee	Nomination & Remuneration Committee	Technology & Innovation Committee
Non-Executive & Independent Directors	Peter Lloyd	✔ (Chair)	✔	✔	✔
	Kate Greenhill	✔	✔ (Chair)	✔	
	Mark Brayan	✔		✔ (Chair)	✔
	Michael Hitz	✔	✔		✔ (Chair)
Executive Director	John Ruthven[1]	✔			

1. Resigned as Managing/Executive Director effective 17 July 2024

4.2. Non-Executive Director fees

Directors' fees cover all main Board activities and committee membership. Directors can elect to salary sacrifice their fees into superannuation. Non-Executive Directors do not receive performance-related compensation or retirement benefits. The total remuneration pool for all Non-Executive Directors is not to exceed $850,000 per annum, which the Shareholders last voted upon at the Annual General Meeting in November 2020.

There were no changes to the level or structure of Non-Executive Director (NED) fees in FY24.

Non-Executive Director fees

Board/Committee	Position	Per Position	Aggregate
Board	Fee for a Member	$90,000	$360,000
Board	Fee for role as Chair	$90,000	$90,000
Audit & Risk Committee	Fee for role as Chair	$10,000	$10,000
Nomination & Remuneration Committee	Fee for role as Chair	$10,000	$10,000
Technology & Innovation Committee	Fee for role as Chair	$10,000	$10,000
Total fees for Non-Executive Directors			**$480,000**

Remuneration Report (audited)

5. Statutory remuneration

5.1. Directors' and Executive KMP's remuneration

Details of the nature and amount of each major element of the remuneration of each of the KMP are reported below.

	Short term			Post-employment	Long term	Share-based payments	Other compensation		Proportion of remuneration	
For the year ended 30 June 2024 (in AUD)	**Salary & fees $**	**Bonus $**	**Non-cash benefits $**	**Superannuation Contribution $**	**Long service leave $**	**Value of instruments[1] $**	**Termination Benefit $**	**Total $**	**Performance-related (STI)**	**Value of rights (LTI)**
Executive KMP										
Christian Shaw	163,333	43,750	–	13,699	2,660	7,044	–	230,486	19%	3%
Matthew Walton	316,471	–	–	20,549	–	–	–	337,020	0%	0%
Directors										
Executive										
John Ruthven	532,858	231,875	–	27,399	8,836	61,814	–	862,782	27%	7%
Non-Executive										
Peter Lloyd	162,162	–	–	17,838	–	–	–	180,000	0%	0%
Cathy Aston[2]	67,568	–	–	7,432	–	–	–	75,000	0%	0%
Allan Brackin[2]	22,523	–	–	2,477	–	–	–	25,000	0%	0%
Anne Myers[2]	35,497	–	–	3,905	–	–	–	39,402	0%	0%
James Scott[2]	47,297	–	–	5,203	–	–	–	52,500	0%	0%
Michael Hitz[3]	60,743	–	–	6,682	–	–	–	67,425	0%	0%
Mark Brayan[3]	53,333	–	–	5,867	–	–	–	59,200	0%	0%
Kate Greenhill[3]	18,068	–	–	1,987	–	–	–	20,055	0%	0%
Total compensation	1,479,853	275,625	–	113,038	11,496	68,858	–	1,948,870		

Notes
1. The estimated value of performance rights and options are calculated at the date of grant using the Black Scholes, Binomial or Monte Carlo methodology.
2. Remuneration received up to the date the role was held.
3. Remuneration received from the date the role was held.

Details of the nature and amount of each major element of the remuneration of each of the KMP are reported below.

	Short term			Post-employment	Long term	Share-based payments	Other compensation		Proportion of remuneration	
For the year ended 30 June 2023 (in AUD)	**Salary & fees $**	**Bonus $**	**Non-cash benefits $**	**Superannuation Contribution $**	**Long service leave $**	**Value of instruments[1] $**	**Termination Benefit $**	**Total $**	**Performance-related (STI)**	**Value of rights (LTI)**
Executive KMP										
Matthew Walton	417,037	–	–	23,185	–	–	–	440,222	0%	0%
Peter Adams	56,618	–	–	5,945	–	123,566	–	186,129	0%	66%
Directors										
Executive										
John Ruthven	557,708	398,800	–	25,292	10,228	228,203	–	1,220,231	33%	19%
Non-Executive										
Peter Lloyd	162,896	–	–	17,104	–	–	–	180,000	0%	0%
Cathy Aston	90,498	–	–	9,502	–	–	–	100,000	0%	0%
Allan Brackin	90,498	–	–	9,502	–	–	–	100,000	0%	0%
Anne Myers	90,498	–	–	9,502	–	–	–	100,000	0%	0%
James Scott	81,448	–	–	8,552	–	–	–	90,000	0%	0%
Total compensation	1,547,201	398,800	–	108,584	10,228	351,769	–	2,416,582		

Notes
1. The estimated value of performance rights and options are calculated at the date of grant using the Black Scholes, Binomial or Monte Carlo methodology.

6. Additional statutory disclosures

6.1. Equity Instruments

All options refer to options over ordinary shares of Integrated Research Limited, which are exercisable on a one-for-one basis under the Employee Share Option Plan (ESOP). Performance rights and options granted as compensation are listed in the table below.

6.2. Analysis of performance rights and options over equity instruments granted as compensation

	Rights granted			Value yet to vest or value vested ($)				
	Number	Date	Fair value per share ($)	Percent vested in year	Percent lapsed in year (A)	Financial year in which grant expires	Min (B)	Max (C)
Performance Rights								
John Ruthven	31,789	Nov-20	1.07	–	100%	2024	–	–
	31,789	Nov-20	1.51	–	100%	2024	–	–
	31,790	Nov-20	1.80	–	100%	2024	–	–
	700,000	Oct-22	0.09 -0.06	–	–	2025	nil	52,033
Christian Shaw	85,470	Mar-24	0.10	–	–	2026	nil	8,376
	85,470	Mar-24	0.09	–	–	2026	nil	7,692
	85,470	Mar-24	0.07	–	–	2026	nil	6,325
Options								
John Ruthven	665,809	Nov-21	0.37	33%	–	2026	nil	245,273

Notes:
(A) The percentage lapsed in the year represents the reduction from the maximum number of performance rights or options available to vest due to the performance hurdles not being achieved.
(B) The minimum value of performance rights or options yet to vest is $nil as the executives may not achieve the required performance hurdles or may terminate their employment prior to vesting.
(C) The maximum values presented above are based on the values calculated using the Black Scholes, Binomial or Monte Carlo methodology as applied in estimating the value of performance rights and options for employee benefit expense purposes.

6.3. Performance rights and options over equity instruments granted as compensation

The movement during the reporting year in the number of performance rights and options over ordinary shares in the Company held, directly, indirectly or beneficially, by each KMP, including their related parties, is as follows:

For the year ended 30 June 2024	Held at 1 July 2023	Granted as compensation	Exercised	Other changes[1]	Held at 30 June 2024	Vested during the year	Vested and exercised at 30 June 2024
Performance Rights							
John Ruthven	**795,368**	**–**	**–**	**(95,368)**	**700,000**	**–**	**–**
Mathew Walton	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Christian Shaw	**–**	**256,410**	**–**	**–**	**256,410**	**–**	**–**
Options							
John Ruthven	**655,809**	**–**	**–**	**–**	**655,809**	**218,603**	**–**
Mathew Walton	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Christian Shaw	**–**	**–**	**–**	**–**	**–**	**–**	**–**

1. Other changes represent performance rights that expired or were lapsed during the year

Remuneration Report (audited)

For the year ended 30 June 2023	Held at 1 July 2022	Granted as compensation	Exercised	Other changes[1]	Held at 30 June 2023	Vested during the year	Vested and exercised at 30 June 2023
Performance Rights							
Peter Adams*	67,515	–	(48,732)	(18,783)	–	48,732	48,732
John Ruthven	247,806	700,000	(79,593)	(72,845)	795,368	79,593	79,593
Options							
Peter Adams*	220,960	–	–	(220,960)	–	–	–
John Ruthven	655,809	–	–	–	655,809	218,603	–

1. Other changes represent performance rights that expired, lapsed or were forfeited during the year
* Resigned in August 2022. Performance rights and options expire on the earlier of their expiry date or termination of the individual's employment.

6.4. Movement in shares

The movement during the reporting period in the number of ordinary shares in the Company held, directly, indirectly or beneficially, by each KMP, including their related parties, is as follows:

For the year ended 30 June 2024	Held at 1 July 2023	Purchases	Received on exercise of performance rights	Other changes	Sales	Held at 30 June 2024
Executive KMP						
Mathew Walton	–	–	–	–	–	–
Christian Shaw	–	–	–	–	–	–
Directors						
Executive						
John Ruthven	**99,593**	–	–	–	–	**99,593**
Non-executive						
Peter Lloyd	**51,263**	–	–	–	–	**51,263**
Mark Brayan	–	**260,000**	–	–	–	**260,000**
Kate Greenhill	–	–	–	–	–	–
Michael Hitz	–	–	–	–	–	–
Cathy Aston[1]	**37,500**	–	–	–	–	**37,500**
Allan Brackin[1]	**150,000**	–	–	–	–	**150,000**
Anne Myers[1]	**21,500**	–	–	–	–	**21,500**
James Scott[1]	**74,588**	–	–	–	–	**74,588**

1. 'Held at 30 June 2024' value represents holding on last day as Key Management Personnel.

For the year ended 30 June 2023	Held at 1 July 2022	Purchases	Received on exercise of performance rights	Other changes	Sales	Held at 30 June 2023
Executive KMP						
Peter Adams[1]	70,000	–	48,732	–	–	118,732
Directors						
Executive						
John Ruthven	20,000	–	79,593	–	–	99,593
Non-executive						
Peter Lloyd	51,263	–	–	–	–	51,263
Cathy Aston	–	37,500	–	–	–	37,500
Allan Brackin	150,000	–	–	–	–	150,000
Anne Myers	21,500	–	–	–	–	21,500
James Scott	24,588	50,000	–	–	–	74,588

1 'Held at 30 June 2023' value represents holding on last day as Key Management Personnel.

Shareholdings at the date of the Directors' Report for existing Key Management Personnel remain unchanged.

6.5. Other Transactions with KMP

Non-Executive Director Mark Brayan, provided strategic advisory services to the Company through a consultancy agreement during the reporting period. The total value of these services is estimated to be $75,000, with the services commencing in June 2024 and anticipated to complete in August 2024. $31,250 was recognised as expenses In the year ended 30 June 2024.

There were no other transactions between the KMP, or their personally related entities, and the Company.

7. About this report

7.1. Basis for preparation of 2024 remuneration report

The information in this Remuneration Report has been prepared based on the requirements of the *Corporations Act 2001* and applicable accounting standards. The Remuneration Report is designed to provide shareholders with a clear and detailed understanding of the Company's remuneration framework, and the link between our remuneration policies and Company performance. The Remuneration Report details the remuneration framework for the Company's KMP. This report has been audited.

7.2. Remuneration Governance

The Committee is responsible for developing the remuneration framework for IR's Executives and making recommendations related to remuneration to the Board. The Committee develops the remuneration philosophy and policies for Board approval.

The responsibilities of the Committee are outlined in their Charter, which is reviewed annually by the Board. The key responsibilities of the Committee include:

- Advising the Board on IR's policy for Executive and Director remuneration
- Making recommendations to the Board on the remuneration arrangements for Executives and Directors to ensure they are aligned with IR's vision and are set competitively to the market
- Approving KMP terms of employment

In making recommendations to the Board, the Committee reviews the appropriateness of the nature and amount of remuneration to Executives and Non-executive Directors on an annual basis. In carrying out its duties, the Committee can engage external advisors who are independent of Management.

Corporate Governance Statement

This statement outlines the main corporate governance practices that were in place throughout the financial year, which comply with the ASX Corporate Governance Council recommendations, unless otherwise stated.

Board of Directors and its Committees

Role of the Board

The Board's primary role is the protection and enhancement of long-term shareholder value.

To fulfil this role, the Board is responsible for the overall corporate governance of the consolidated entity including evaluating and approving its strategic direction, approving and monitoring capital expenditure, setting remuneration, appointing, removing and creating succession policies for Directors and senior executives, establishing and monitoring the achievement of management goals and assessing the integrity of internal control and management information systems. It is also responsible for approving and monitoring financial and other reporting.

Board process

To assist in the execution of its responsibilities, the Board has established a number of Board committees including a Nomination and Remuneration Committee, an Audit and Risk Committee and a Technology and Innovation Committee. These committees have written mandates and operating procedures, which are reviewed on a regular basis. The Board has also established a framework for the management of the consolidated entity including Board-endorsed policies, a system of internal control, a business risk management process and the establishment of appropriate ethical standards.

The full Board currently holds eleven scheduled meetings each year and any extraordinary meetings at such other times as may be necessary to address any specific matters that may arise.

The agenda for its meetings is prepared in conjunction with the Chairman, Chief Executive Officer and Company Secretary. Standing items include strategic matters for discussion, the CEO's report, financial reports, key performance indicator reports and presentations by key executives and external industry experts. Board papers are circulated in advance. Directors have other opportunities, including visits to operations, for contact with a wider group of employees.

Director education

The consolidated entity follows an induction process to educate new Directors about the nature of the business, current issues, the corporate strategy and expectations of the consolidated entity concerning the performance of Directors. In addition, executives make regular presentations to the Board to ensure its familiarity with operational matters. Directors are expected to access external continuing education opportunities to update and enhance their skills and knowledge.

Independent advice and access to company information

Each Director has the right of access to all relevant company information and to the Company's executives and, subject to prior consultation with the Chairman, may seek independent professional advice from a suitably qualified adviser at the Company's expense. A copy of the advice received by the Director is made available to all other members of the Board.

Composition of the Board

The names of the Directors of the Company in office at the date of this report are set out on pages 14 to 15 of this report. Director profiles are also provided on the company's website: www.ir.com.

The Company's constitution provides for the Board to consist of between three and twelve members. At 30 June 2024 the Board members were comprised as follows:

- Mr Peter Lloyd – Independent Non-Executive Director (Chairman)
- Mr John Ruthven – Chief Executive Officer and Managing Director
- Mr Michael Hitz – Independent Non-Executive Director (Appointed October 2023)
- Mr Mark Brayan – Independent Non-Executive Director (Appointed November 2023)
- Ms Kate Greenhill – Independent Non-Executive Director (Appointed April 2024)

At each Annual General Meeting one-third of Directors, any Director who has held office for three years, and any Director appointed by Directors in the preceding year must retire, then being eligible for re-election. The CEO is not required to retire by rotation.

The composition of the Board is reviewed on a regular basis to ensure that the Board has the appropriate mix of expertise and experience. When a vacancy exists and where the Board considers that it would benefit from the services of a new Director with particular skills, the Nomination and Remuneration Committee, in conjunction with the Board, determines the skills deemed necessary for the Board to best carry out its responsibilities. Any appointed candidate must stand for election at the next general meeting of shareholders.

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee has a documented charter, approved by the Board. The Nomination and Remuneration Committee is a committee of the Board of Directors and is empowered by the Board to assist it in fulfilling its duties to shareholders and other stakeholders. In general, the committee has responsibility to: 1) ensure the Company has appropriate remuneration policies designed to meet the needs of the Company and to enhance corporate and individual performance and 2) review Board performance, select and recommend new Directors to the Board and implement actions for the retirement and re-election of Directors. The Nomination and Remuneration Committee Charter may be viewed on the Company's website: www.ir.com.

Responsibilities Regarding Remuneration

The Committee reviews and makes recommendations to the Board on:

- The appointment, remuneration, performance objectives and evaluation of the CEO.
- The remuneration packages for senior executives.
- The Company's recruitment, retention and termination policies and procedures for senior executives.
- Executive remuneration and incentive policies.
- Policies on employee incentive plans, including equity incentive plans.
- Superannuation arrangements.
- The remuneration framework and policy for Non-Executive Directors.
- Remuneration levels are competitively set to attract and retain the most qualified and experienced Directors and senior executives. The Remuneration Committee obtains independent advice on the appropriateness of remuneration packages, given trends in comparative companies and industry surveys. Remuneration packages include a mix of fixed remuneration, performance-based remuneration and equity-based remuneration.

Responsibilities Regarding Nomination

The Committee develops and makes recommendations to the Board on:

- The CEO and senior executive succession planning.
- The range of skills, experience and expertise needed on the Board and the identification of the particular skills, experience and expertise that will best complement Board effectiveness.
- A plan for identifying, reviewing, assessing and enhancing Director competencies.
- Board succession plans to maintain a balance of skills, experience and expertise on the Board.
- Evaluation of the Board's performance.
- Appointment and removal of Directors.
- Appropriate composition of committees.

The terms and conditions of the appointment of Non-Executive Directors are set out in a letter of appointment, including expectations for attendance and preparation for all Board meetings, expected time commitments, procedures when dealing with conflicts of interest, and the availability of independent professional advice.

The performance review of the CEO and the Board was undertaken in the reporting period identifying both strengths and development actions. The performance review of other senior management was conducted by the CEO in the reporting period.

The members of the Nomination and Remuneration Committee during the year were:

- Mr Mark Brayan – Independent Non-Executive Director (Chair from December 2023)
- Mr Allan Brackin – Independent Non-Executive Director (Chair to September 2023)
- Mr Peter Lloyd – Independent Non-Executive Director (Interim Chair from October 2023 to December 2023, Member)
- Kate Greenhill – Independent Non-Executive Director (Member from April 2024)
- Mr James Scott – Independent Non-Executive Director (Member to January 2024)

A matrix of skills and diversity of the Board as required by the ASX corporate governance recommendations is available on the Company's website at www.ir.com.

The Nomination and Remuneration Committee meets at least twice a year and as required. The Committee met five times during the year under review.

Corporate Governance Statement

Audit and Risk Committee

The Audit and Risk Committee has a documented charter, approved by the Board. The charter states that all members must be non-executive Directors with a majority being independent. The Chair may not be the Chair of the Board. The committee advises on the establishment and maintenance of a framework of risk management and internal control of the consolidated entity.

The members of the Audit and Risk Committee during the year were:

- Ms Kate Greenhill – Independent Non-Executive Director (Chair from April 2024)
- Ms Cathy Aston – Independent Non-Executive Director (Chair to March 2024)
- Mr Peter Lloyd – Independent Non-Executive Director
- Mr Allan Brackin – Independent Non-Executive Director (Member to September 2023)

During the year, the Audit and Risk Committee provided the Board with updates to the Company's risk management register.

The external auditor, Chief Executive Officer and Chief Financial Officer are invited to Audit and Risk Committee meetings at the discretion of the committee. The committee met four times during the year and committee members' attendance record is disclosed in the table of Directors' meetings on page 17.

The external auditor met with the Audit and Risk Committee/Board four times during the year, three of which included time without the presence of executive management. The Chief Executive Officer and the Chief Financial Officer declared in writing to the Board that the Company's financial reports for the year ended 30 June 2024 comply with accounting standards and present a true and fair view, in all material respects, of the Company's financial condition and operational results.

The main responsibilities of the Audit and Risk Committee as set out in the charter include:

- Serve as an independent party to monitor the financial reporting process and internal control systems.
- Review the performance and independence of the external auditors and make recommendations to the Board regarding the appointment or termination of the auditors.
- Review the scope and cost of the annual audit, negotiating and recommending the fee for the annual audit to the Board.
- Review the external auditor's management letter and responses by management.
- Provide an avenue of communication between the auditors, management and the Board.
- Monitor compliance with all financial statutory requirements and regulations.
- Review financial reports and other financial information distributed to shareholders so that they provide an accurate reflection of the financial health of the Company.
- Monitor corporate risk management and assessment processes, and the identification and management of strategic and operational risks.
- Enquire of the auditors of any difficulties encountered during the audit, including any restrictions on the scope of their work, access to information or changes to the planned scope of the audit.

The Audit and Risk Committee reviews the performance of the external auditors on an annual basis and normally meets with them during the year as follows:

- To discuss the external audit plans, identifying any significant changes in structure, operations, internal controls or accounting policies likely to impact the Financial Report and to review the fees proposed for the audit work to be performed.

Prior to announcement of results:

- To review the half-year and preliminary final report prior to lodgement with the ASX, and any significant adjustments required as a result of the auditor's findings.
- To recommend the Board approval of these documents.
- Review the results and findings of the auditor, the adequacy of accounting and financial controls, and to monitor the implementation of any recommendations made.

To finalise half-year and annual reporting:

- Review the draft financial report and recommend Board approval of the financial report.
- As required, to organise, review and report on any special reviews or investigations deemed necessary by the Board.

Technology and Innovation Committee

The Technology and Innovation Committee has a documented charter, approved by the Board and is responsible for reviewing strategy and recommending strategies to the Board to enhance the Company's long-term performance. The Board appoints a member to Chair the committee.

The members of the Technology and Innovation Committee during the year were:

- Mr Michael Hitz– Independent Non-Executive Director (Chair from December 2023)
- Ms Anne Myers – Independent Non-Executive Director (Chair to November 2023)
- Mr Peter Lloyd – Independent Non-Executive Director
- Mr Mark Brayan – Independent Non-Executive Director (Member from April 2024)
- Mr James Scott– Independent Non-Executive Director (Member to January 2024)

The Technology and Innovation Committee is responsible for:

- Reviewing and assisting in defining current strategy.
- Assessing new strategic opportunities, including M&A proposals and intellectual property developments or acquisitions.
- Staying close to the business challenges and monitor operational implementation of strategic plans.
- Endorsing strategy and business cases for consideration by the full Board.

The Committee met once during the year under review. This was due to technology and innovation strategy being a standing agenda item addressed by the Board during the financial year.

Risk Management

Under the Audit and Risk Charter, the Audit and Risk Committee reviews the status of business risks to the consolidated entity through integrated risk management programs ensuring risks are identified, assessed and appropriately managed and communicated to the Board. The risk framework is reviewed annually to ensure risks are managed within the risk appetite set by the Board. Major business risks arise from such matters as actions by competitors, government policy changes and the impact of exchange rate movements. The Audit and Risk Committee Charter may be viewed on the Company's website: www.ir.com.

Comprehensive policies and procedures are established such that:

- Capital expenditure above a certain threshold requires Board approval.
- Financial exposures are controlled, including the use of derivative instruments.
- Risks are identified and managed, including through internal and external audits, privacy assessments, insurances, business continuity testing, and compliance reporting.
- Business transactions are properly authorised and executed.

The Chief Executive Officer and the Chief Financial Officer have declared, in writing to the Board that the Company's financial reports are founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board.

Internal control framework

The Board is responsible for the overall internal control framework and recognises that no cost effective internal control system will preclude all errors and irregularities. The Board has instigated the following internal control framework:

- Financial reporting – Monthly actual results are reported against budgets approved by the Directors and revised forecasts for the year are prepared monthly.
- Continuous disclosure – Identify matters that may have a material effect on the price of the Company's securities, notify them to the ASX and post them to the Company's website.
- Quality and integrity of personnel – Formal appraisals are conducted at least annually for all employees.
- Investment appraisals – Guidelines for capital expenditure include annual budgets, detailed appraisal and review procedures and levels of authority.

Corporate Governance Statement

Internal audit
The Company does not have an internal audit function but utilises its financial resources as needed to assist the Board in ensuring compliance with internal controls. Additionally, the Company leverages external resources for ad hoc reviews in relation to the Company's internal controls.

Material exposure to economic, environmental and social sustainability risks
Exposure to economic, environment and social sustainability risks for the Company are routinely examined through the risk management framework, overseen by the Audit and Risk Committee. The Company considers risk in the conduct of its operations and outlines exposure to specific economics and operating risk in the notes to the Financial Report. There was no material exposure to environmental or social sustainability risks during the period.

Environmental, Social and Governance
In FY2023 the Company formed an Environmental, Social and Governance (ESG) Steering Committee comprised of select members of the Company's Management, along with adopting an ESG Committee Charter. The overarching purpose of the ESG Committee is to assist the Company and the Board in fulfilling their oversight responsibilities with regard to ESG matters, including but not limited to environmental, health and safety, corporate social responsibility, energy and natural resources conservation, sustainability, corporate governance, diversity, equity and inclusion, human rights and other ESG issues that are relevant and material to the Company.

Ethical standards
All Directors, managers and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the consolidated entity. Every employee has a nominated supervisor to whom they may refer any issues arising from their employment.

Conflict of interest
Each Director must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. Where the Board considers that a significant conflict exists the Director concerned does not receive the relevant Board papers and is not present at the meeting whilst the item is considered. The Board has developed procedures to assist Directors to disclose potential conflicts of interest. Details of Director related entity transactions with the consolidated entity are set out in Remuneration report pages 20 to 33.

Code of Conduct
The consolidated entity has advised each Director, manager and employee that they must comply with the Code of Conduct. The code aligns behaviour of the Board and management with the code of conduct by maintaining appropriate core values and objectives. The Code of Conduct may be viewed on the Company's website and includes:

- Responsibility to the community and fellow employees to act with honesty and integrity, and without prejudice.
- Compliance with laws and regulations in all areas where the Company operates, including employment opportunity, occupational health and safety, trade practices, fair dealing, privacy, drugs and alcohol, and the environment.
- Dealing honestly with customers, suppliers and consultants.
- Ensuring reports and other information are accurate and timely.
- Proper use of Company resources, avoidance of conflicts of interest and use of confidential or proprietary information.

Equal Employment Opportunity
The Company has a policy on Equal Employment Opportunity with the provision that commits to a workplace that is free of discrimination of all types. It is Company policy to hire, develop and promote individuals solely on the basis of merit and their ability to perform without prejudice to race, colour, creed, national origin, religion, gender, age, disability, sexual orientation, marital status, membership or non-membership of a trade union, status of employment (whether full or part-time) or any other factors prohibited by law. Additionally, the Company has adopted a Diversity Policy which may be viewed on the Company's website: www.ir.com.

Trading in company securities by Directors and employees

Directors and employees may acquire shares in the Company, but are prohibited from dealing in Company shares whilst in possession of price sensitive information. Share trading is permitted in the following periods:

- From 24 hours to 56 days after the release of the Company's half-yearly results announcement.
- From 24 hours to 56 days after release of the Company's annual results announcement.
- The company advises the ASX of any transactions conducted by Directors in shares in the Company. The Company's Trading in Securities policy may be viewed on the Company's website: www.ir.com.

Participants in the Company's employee equity program are specifically prohibited to hedge the exposure to the Integrated Research share price during the vesting period in respect of the unvested performance rights or options. For the purposes of this policy, hedging includes the entry into any transaction, arrangement or financial product which operates to limit the economic risk of a security holding In the Company and includes financial instruments such as equity swaps and contracts for differences.

Communication with shareholders

The Board provides shareholders with information using a comprehensive continuous disclosure policy which includes identifying matters that may have a material effect on the price of the company's securities, notifying them to the ASX, posting them on the Company's website (www.ir.com), and issuing media releases. Disclosures under this policy are in addition to the periodic and other disclosures required under the ASX Listing Rules and the Corporations Act. More details of the policy are available on the Company's website.

The Chief Executive Officer and the Chief Financial Officer are responsible for interpreting the Company's policy and where necessary informing the Board. The Company Secretary is responsible for all communication with the ASX.

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the consolidated entity's strategy and goals. Important issues are presented to the shareholders as single resolutions. The external auditor is requested to attend the Annual General Meetings to answer any questions concerning the audit and the content of the auditor's report.

The shareholders are requested to vote on the appointment and aggregate remuneration of Directors, the granting of options and shares to Directors, the Remuneration Report and changes to the Constitution. Copies of the Constitution are available to any shareholder who requests it.

Financial Report

Consolidated Statement of Comprehensive Income

for the year ended 30 June 2024

In thousands of AUD	Notes	Consolidated 2024	Consolidated 2023
Revenue from contracts with customers			
Licence fees		**59,132**	45,559
Maintenance fees		**14,304**	14,737
Subscription fees		**2,169**	2,533
Testing solution services		**3,112**	3,333
Professional services		**4,575**	3,666
Total revenue	3	**83,292**	69,828
Expenditure			
Product and technology expenses		**(12,779)**	(23,695)
Sales, professional services and marketing expenses		**(38,679)**	(40,892)
General and administration expenses		**(6,493)**	(6,312)
Impairment expenses	17	**–**	(31,778)
Total expenditure	4	**(57,951)**	(102,677)
Other (losses)/gains	5	**(852)**	1,377
Profit/(loss) before finance income and tax		**24,489**	(31,472)
Finance income	6	**2,225**	2,175
Profit/(loss) before tax		**26,714**	(29,297)
Income tax benefit	8	**416**	71
Profit/(loss) for the year		**27,130**	(29,226)
Other comprehensive income			
Items that may be reclassified subsequently to profit			
Foreign exchange translation differences		**(199)**	1,229
Other comprehensive income		**(199)**	1,229
Total comprehensive income for the year		**26,931**	(27,997)
Profit/(loss) attributable to:			
Members of Integrated Research		**27,130**	(29,226)
Total comprehensive income attributable to:			
Members of Integrated Research		**26,931**	(27,997)
Earnings per share attributable to members of Integrated Research:			
Basic earnings/(loss) per share (cents)	9	**15.57**	(16.90)
Diluted earnings/(loss) per share (cents)	9	**15.18**	(16.90)

The consolidated statement of comprehensive income is to be read in conjunction with the notes to the Financial Report set out on pages 45 to 70.

Consolidated Statement of Financial Position

as at 30 June 2024

		Consolidated	
In thousands of AUD	**Notes**	**2024**	**2023**
Current assets			
Cash and cash equivalents	10	**31,892**	18,553
Trade and other receivables	11	**41,647**	40,913
Current tax assets		**294**	127
Other financial assets	13	**1,110**	–
Other current assets	12	**2,959**	3,457
Total current assets		**77,902**	63,050
Non-current assets			
Trade and other receivables	11	**31,897**	22,540
Other financial assets	13	**319**	1,400
Property, plant and equipment	14	**44**	–
Right-of-use assets	21	**241**	–
Deferred tax assets	15	**2,518**	1,509
Other non-current assets	12	**1,264**	1,213
Total non-current assets		**36,283**	26,662
Total assets		**114,185**	89,712
Current liabilities			
Trade and other payables	18	**6,069**	7,901
Provisions	20	**3,348**	3,453
Income tax liabilities		**258**	415
Deferred revenue		**13,921**	13,862
Lease liabilities	21	**1,341**	1,582
Total current liabilities		**24,937**	27,213
Non-current liabilities			
Provisions	20	**513**	935
Deferred revenue		**–**	220
Lease liabilities	21	**374**	1,470
Total non-current liabilities		**887**	2,625
Total liabilities		**25,824**	29,838
Net assets		**88,361**	59,874
Equity			
Share capital	22	**1,667**	1,667
Reserves	22	**9,981**	8,624
Retained earnings		**76,713**	49,583
Total equity		**88,361**	59,874

The consolidated statement of financial position is to be read in conjunction with the notes to the Financial Report set out on pages 45 to 70.

Consolidated Statement of Changes in Equity

for the year ended 30 June 2024

In thousands of AUD	Share capital	Translation reserve	Employee benefit reserve	Retained earnings	Total
Balance at 1 July 2023	**1,667**	**1,870**	**6,754**	**49,583**	**59,874**
Profit for the year	–	–	–	27,130	27,130
Other comprehensive income	–	(199)	–	–	(199)
Total comprehensive income	**–**	**(199)**	**–**	**27,130**	**26,931**
Share based payments expense	–	–	1,556	–	1,556
Balance at 30 June 2024	**1,667**	**1,671**	**8,310**	**76,713**	**88,361**
Balance at 1 July 2022	**1,667**	**641**	**5,996**	**78,809**	**87,113**
Loss for the year	–	–	–	(29,226)	(29,226)
Other comprehensive income	–	1,229	–	–	1,229
Total comprehensive income	**–**	**1,229**	**–**	**(29,226)**	**(27,997)**
Share based payments expense	–	–	758	–	758
Balance at 30 June 2023	**1,667**	**1,870**	**6,754**	**49,583**	**59,874**

The consolidated statement of changes in equity is to be read in conjunction with the notes to the Financial Report set out on pages 45 to 70.

Consolidated Statement of Cash Flows

for the year ended 30 June 2024

		Consolidated	
In thousands of AUD	**Notes**	**2024**	**2023**
Cash flows from operating activities			
Cash receipts from customers		**72,389**	76,258
Cash paid to suppliers and employees		**(58,370)**	(60,727)
Cash generated from operations		**14,019**	15,531
Income taxes paid		**(975)**	(1,713)
Net cash provided by operating activities	25	**13,044**	13,818
Cash flows from investing activities			
Payments for capitalised development		**–**	(7,479)
Payments for property, plant and equipment		**(48)**	(311)
Payment for deposit		**–**	(1,110)
Interest received		**2,321**	2,244
Net cash used in investing activities		**2,273**	(6,656)
Cash flows from financing activities			
Payment of principal portion of lease liabilities		**(1,589)**	(1,631)
Interest payments		**(96)**	(68)
Net cash used in financing activities		**(1,685)**	(1,699)
Net increase in cash and cash equivalents		**13,632**	5,463
Cash and cash equivalents at 1 July		**18,553**	12,329
Effects of exchange rate changes on cash		**(293)**	761
Cash and cash equivalents at 30 June	10	**31,892**	18,553

The consolidated statement of cash flows is to be read in conjunction with the notes to the Financial Report set out on pages 45 to 70.

Notes to the Financial Report

for the year ended 30 June 2024

Note 1. Material accounting policies

Integrated Research Limited (the "Company") is a company domiciled in Australia. The financial report of the Company for the year ended 30 June 2024 comprises the Company and its subsidiaries (together referred to as the "consolidated entity").

The financial report was authorised for issue by the Directors on 20 August 2024.

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

A. Statement of Compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards and Interpretations and the *Corporations Act 2001*. Financial Report of the consolidated entity comply with International Financial Reporting Standards and interpretations adopted by the International Accounting Standards Board.

B. Basis of Preparation

The Financial Report is presented in Australian dollars and are prepared on a going concern basis using historical cost.

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

The preparation of Financial Report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by each entity in the consolidated entity.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

New accounting standards and Interpretations

The accounting policies and methods of computation adopted in the preparation of the financial report are consistent with those adopted and disclosed in Integrated Research Limited's 2023 annual financial report.

The following new standards/interpretations are applicable for the first time in the current financial report:

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

The amendment requires classification of liabilities as current if the entity has no right at the end of the reporting period to defer settlement for at least 12 months after the reporting period. It Is assessed that the entity has no rights to defer settlement for all current liabilities in the current or past periods. There was no material Impact on the financial statements.

Definition of Accounting Estimates - Amendments to IAS 8

The amendments provide a new definition for accounting estimates to differentiate it from an accounting policy. The new definition is that 'Accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty.' There was no material impact on the financial statements.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to AASB 101 Presentation of Financial Statements require disclosure of material accounting policy information, instead of significant accounting policies. This is updated in the financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

The amendments in AASB12 changed the requirements to meet the criteria of the initial recognition exception. There was no material impact on the financial statements.

Notes to the Financial Report

for the year ended 30 June 2024

Note 1. Material accounting policies (continued)

Standards and Interpretations issued not yet effective

At the date of authorisation of the financial report, a number of standards and Interpretations were in issue but not yet effective.

Initial application of the following Standards is not expected to materially affect any of the amounts recognized in the Financial Report, but may change the disclosures made in relation to the consolidated entity's Financial Report. The Company is still assessing the impact of AASB18 Presentation and Disclosure in Financial Statements on the Company's financial statements:

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 2020-1 Amendments to AASs – Classification of Liabilities as Current or Noncurrent	1 Jan 2024	30 June 2025
AASB 18 Presentation and Disclosure in Financial Statements	1 Jan 2027	30 June 2028

C. Basis of consolidation

Subsidiaries are entities controlled by the Company. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if and only if the Company has power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee). Exposure, or rights, to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee including: the contractual arrangement with the other vote holders of the investee; rights arising from other contractual arrangements and the Company's voting rights and potential voting rights.

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Company gains control until the date the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the Financial Report of subsidiaries to bring their accounting policies into line with the Company's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Company are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Company loses control over a subsidiary, it: de-recognises the assets (including goodwill) and liabilities of the subsidiary; de-recognises the carrying amount of any non-controlling interests; de-recognises the cumulative translation differences recorded in equity; recognises the fair value of the consideration received; recognises the fair value of any investment retained; recognises any surplus or deficit in profit or loss; reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Company had directly disposed of the related assets or liabilities.

D. Foreign currency

In preparing the Financial Report of the individual entities' transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end date are translated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Australian dollars at foreign exchange rates ruling at the dates the fair value was determined.

On consolidation, the assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation are translated to Australian dollars at foreign exchange rates ruling at the year end date. The revenues and expenses of foreign operations are translated to Australian dollars at rates approximating the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on retranslation are recognised directly in other comprehensive income and accumulated in the translation reserve.

Note 1. Material accounting policies (continued)

E. Property, plant and equipment

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation and impairment losses (see accounting policy (M)). The cost of acquired assets includes (i) the initial estimate at the time of installation and during the period of use, when relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and (ii) changes in the measurement of existing liabilities recognised for these costs resulting from changes in the timing or outflow of resources required to settle the obligation or from changes in the discount rate.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is provided on property, plant and equipment. Depreciation is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed annually, with the effect of any changes recognised on a prospective basis.

The following useful lives are used in the calculation of depreciation:

- Leasehold improvements 6 to 10 years
- Plant and equipment 4 to 8 years

F. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. The Company applies a single recognition and measurement approach for all leases, except for short term leases and low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying asset.

Right-of-use assets

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated on a straight-line basis over the lease term.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

G. Intangible Assets

Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised if the product or process is technically and commercially feasible and the consolidated entity has sufficient resources to complete development.

Notes to the Financial Report

for the year ended 30 June 2024

Note 1. Material accounting policies (continued)

The useful lives of the capitalised assets are assessed as finite. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in profit or loss as an expense as incurred.

Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses (see accounting policy (J)).

Amortisation is charged to profit or loss on a straight-line basis over the estimated useful life, but no more than three years, the exception being for the Company's next generation Prognosis Cloud platform which is amortised over five years.

Intellectual property

Intellectual property acquired from third parties is amortised over its estimated useful life, but no more than three years.

Computer software

Computer software is stated at cost and amortised on a straight-line basis over a two and a half to three year period. SaaS arrangements are service contracts providing the Company with the right to access the cloud provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received.

H. Trade and other receivables

Trade and other receivables are stated at their amortised cost less expected credit losses. To measure the expected credit losses the Company utilises the simplified approach in calculating the expected credit loss and recognises a loss allowance based on a lifetime expected credit losses at each reporting date. The Company has established a provision matrix calculated based on the group historical credit loss experience adjusted for forward looking factors.

Trade receivables are written off when there is no reasonable expectation of recovery.

For the trade receivables with extended payment terms beyond twelve months, the receivable is initially recognised at fair value less transaction costs calculated by applying a discount to the contracted cash flows. The discount rate applied is based upon the corporate borrowing rate that would apply to the type of customer, taking into account the customers' credit worthiness based on its size and jurisdiction.

I. Cash and cash equivalents

Cash and cash equivalents comprises cash balances and call deposits with an original maturity of three months or less.

J. Impairment

The carrying amounts of the consolidated entity's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

For intangible assets that are not yet available for use, the recoverable amount is estimated at each year end date.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss unless the asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use.

In assessing recoverable value, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and their risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Note 1. Material accounting policies (continued)

K. Employee benefits

Superannuation

Obligations for contributions to defined contribution pension plans are recognised as an expense in profit or loss as incurred. There are no defined benefit plans in operation.

Long-term service benefits

The consolidated entity's net obligation in respect of long-term service benefits, other than pension plans, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates, and is discounted using the rates attached to the high quality corporate bond rate at the year end date which have maturity dates approximating to the terms of the consolidated entity's obligations.

Share-based payment transactions

The performance rights and options programmes allow the consolidated entity's employees to acquire shares of the Company. The fair value of performance rights and options granted are recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the performance rights or options. The fair value of the instrument granted is measured using a Black-Scholes, Binomial or Monte-Carlo methodology, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options or performance rights that are expected to vest.

Wages, salaries, annual leave, and non-monetary benefits

Liabilities for employee benefits for wages, salaries and annual leave represent present obligations resulting from employees' services provided to the year end date, calculated at undiscounted amounts based on remuneration wage and salary rates that the consolidated entity expects to pay as at the year end date.

L. Provisions

A provision is recognised in the statement of financial position when the consolidated entity has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Employee benefits

Provisions for employee benefits include liabilities for annual leave and long service leave and are measured at the amounts expected to be paid when the liabilities are settled.

Make good

The make good provision is for leases undertaken by the Company. For each provision raised a corresponding asset has been recognised and is amortised over the shorter of the term of the lease or the useful life of the asset.

M. Trade and other payables

Trade and other payables are stated at their amortised cost.

N. Revenue

Revenue from contracts with customers is recognised either at a point in time (licence fees) or over time (maintenance, SaaS, testing solutions and professional services fees), regardless of when payment is received. Amounts disclosed as revenue are net of agency commissions and discounts. Where the Company bundles the products or services, the transaction price is allocated to each performance obligation based on the proportionate stand-alone selling prices.

Licence fees are recognised on delivery of the licence key, where the Company's contracts with customers provide the right to use the Company's intellectual property. As such, the Company's performance obligation is satisfied at the point in time which the customer receives the licence key.

Maintenance fees are recognised on a monthly basis over the term of the service agreement, which may range between one to five years. Services provided to customers under maintenance contracts include technical support and supply of software upgrades.

Subscription fees are recognised on a monthly basis over the term of the service agreement which may range between one to five years. The Company's contracts with customers provide a right of access to the Company's intellectual property (hosted on the Company's cloud environment) for the duration of the term of the contract.

Notes to the Financial Report

for the year ended 30 June 2024

Note 1. Material accounting policies (continued)

Testing solutions services revenues are recognised either ratably over a service period or as services are rendered. Testing services relate to the provision of services to performing testing of customer environments.

Professional services are revenues recognised as the services are rendered, typically in accordance with the achievement of contract milestones or hours expended. Professional services include implementation and configuration services for licenced software.

Unsatisfied performance obligations are disclosed as deferred revenue on the consolidated statement of financial position. Where the Company has a multiyear non-cancellable contractual commitment but does not expect to satisfy the performance obligation within twelve months, no deferred revenue or trade receivable is recognised.

The Company typically provides multi-year payment terms to customers ranging between one to five years. For such contracts with customers, the transaction price is discounted using a rate that would be reflected in a separate financing transaction between the Company and the customer. This amount is recognised ratably as finance income over the payment period.

Directly related contract costs in obtaining the customer contracts are expensed unless they are incremental to obtaining the contract and the Company expects to recover those costs. These costs are recognised as contract assets and amortised over the life of the contract they relate to. The incremental costs in obtaining customer contracts for the Company relate to specified commissions paid to employees which meet the criteria of directly related contract costs.

No revenue is recognised if there are significant uncertainties regarding the recovery of the transaction price, the costs incurred or to be incurred cannot be measured reliably or there is a risk of return.

O. Financing income

Financing income comprises interest receivable on funds invested and the financing component of the sale of licences, less interest payable on borrowings.

P. Income tax

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the year end date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the year end date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional dividend franking deficit tax that arises from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

Q. Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), or similar taxes, except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable or payable is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable or payable are classified as operating cash flows.

R. Business Combination and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred at acquisition date measured at fair value. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Changes in the fair value of the contingent consideration are recognised in the Statement of Comprehensive Income.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed. Goodwill is tested annually for impairment. Acquisition-related costs are expensed as incurred and included in administrative expenses.

Note 1. Material accounting policies (continued)

S. Significant accounting judgements, estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Revenue Recognition - Multi-element contracts or agreements

Majority of the Company's sales contracts involve multiple-element arrangements, for example a single software sales transaction that combines the delivery of a software licence and rendering of maintenance and other professional services.

Revenue recognition for multiple-element arrangements has inherent complexities due to the judgment required to properly allocate the revenue amongst respective contracted activities.

Intangible assets - Development

An intangible asset arising from development expenditure on an internal project is recognised only when the consolidated entity can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development. Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Any expenditure capitalised is amortised over the period of expected benefits from the related project commencing from the commercial release of the project. The carrying value of an intangible asset arising from development expenditure is tested for impairment annually when the asset is not yet available for use or more frequently when an indication of impairment arises during the reporting period.

Share based payment transactions

The consolidated entity 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 either a Black-Scholes or Monte Carlo methodology and applying management determined probability factors relating to non-market vesting conditions.

Provision for expected credit losses of trade and other receivables

The Company uses a provision matrix to calculate the expected credit loss for trade and other receivables. The provision rates are based on the days overdue and differ by geography. The provision matrix is based on the historical default experience for the Company and adjusted for forward-looking information and includes the use of macroeconomic information where appropriate. The determination of the provision rates is considered a significant estimate as it is sensitive to change in circumstances and of forecast of economic conditions. The expected credit loss also may not be representative of the customers' actual default in the future.

Income Tax

The Company regularly assesses the adequacy of income tax provisions having regard to the differing tax rules and regulations applicable in the various jurisdictions in which the Company operates. Due to the complexities of tax rules and regulations in numerous jurisdictions, matters such as the availability and timing of tax deductions and the application of the arm's length principle to cross-border transactions often require significant judgements and assumptions to be made. Deferred tax assets are recognised for deductible temporary differences and tax losses to the extent that it is probable that future taxable profits will be available to utilise those temporary differences and tax losses. Significant judgement is required by the Company to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

Notes to the Financial Report

for the year ended 30 June 2024

Note 2. Segment reporting

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

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. Inter-segment pricing is determined on an arm's length basis.

Information regarding these geographic regions is presented below.

	Americas		Europe		Asia Pacific		Corporate Australia[1]		Eliminations		Consolidated	
In thousands of AUD	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Sales to customers outside the consolidated entity	**59,545**	42,205	**7,917**	10,404	**15,830**	17,219	**–**	–	**–**	–	**83,292**	69,828
Inter-region revenue	**–**	–	**–**	–	**–**	–	**46,920**	31,804	**(46,920)**	(31,804)	**–**	–
Total regional revenue	**59,545**	42,205	**7,917**	10,404	**15,830**	17,219	**46,920**	31,804	**(46,920)**	(31,804)	**83,292**	69,828

	Americas (USD)		Europe (GBP)	
In thousands of local currency	**2024**	**2023**	**2024**	**2023**
Sales to customers outside the consolidated entity	**39,138**	28,113	**4,128**	5,755
Inter-region sales	**–**	–	**–**	–
Total regional revenue	**39,138**	28,113	**4,128**	5,755

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

Note 3. Revenue from contracts with customers

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

	Consolidated	
In thousands of AUD	**2024**	**2023**
Timing of Revenue Recognition:		
At a point in time	**59,132**	45,559
Over time	**24,160**	24,269
Total Revenue from contracts with customers	**83,292**	69,828
Type of product Group		
Collaborate	**35,154**	39,368
Infrastructure	**25,129**	14,667
Transact	**18,434**	12,127
Professional services	**4,575**	3,666
Total Revenue	**83,292**	69,828

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied), which are not included above, is $19,089,000 (2023: $21,389,000) as at 30 June and is expected to be recognised as revenue in two to five years. This amount relates to contracts with customers where the Company has a multi-year non-cancellable contractual commitment but does not expect to satisfy the performance obligation within twelve months, and no deferred revenue or trade receivable is recognised.

Note 4. Expenditure

Total expenditure includes:

In thousands of AUD	Note	Consolidated 2024	Consolidated 2023
Employee benefits expense:			
Defined contribution plans		**2,060**	2,365
Equity settled share-based payments		**1,556**	773
Other employee benefits		**39,367**	43,954
		42,983	47,093
Depreciation and amortization		**112**	11,787
Impairment	17	**–**	31,778
Expected credit loss provision expense	11	**(182)**	(621)

Note 5. Other (losses)/gains

In thousands of AUD	Note	Consolidated 2024	Consolidated 2023
Currency exchange (losses)/gains		**(940)**	850
Other income		**88**	527
		(852)	1,377

Note 6. Finance income

In thousands of AUD	Consolidated 2024	Consolidated 2023
Interest income	**2,321**	2,243
Interest on lease liability	**(96)**	(68)
	2,225	2,175

Note 7. Auditors' remuneration

In AUD	Consolidated 2024	Consolidated 2023
Fees to Ernst & Young (Australia)		
Fees for auditing the consolidated financial report of the Company and auditing the statutory financial reports of any controlled entities	**323,450**	412,325
Fees for other services		
- Tax compliance	**–**	18,375
Total fees to Ernst & Young (Australia)	**323,450**	430,700
Fees to other overseas member firms of Ernst & Young (Australia)		
Fees for other services		
- iXBRL service and share register reporting	**–**	1,343
Total fees to overseas member firms of Ernst & Young (Australia)	**–**	1,343
Total auditor's remuneration	**323,450**	432,043

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for the year ended 30 June 2024

Note 8. Income tax

Recognised in profit for the year

		Consolidated	
In thousands of AUD	**Note**	**2024**	**2023**
Current income tax:			
Current income tax expense/(benefit)		**855**	(2,401)
Adjustments in respect of current income tax of previous year		**(297)**	(333)
		558	(2,734)
Deferred tax:			
Relating to origination and reversal of temporary differences	15	**6,568**	(8,462)
Losses and R&D credits available for offset against future taxable income	15	**–**	1,607
Recognition of previously unrecognised deferred taxes	15	**(7,542)**	–
De-recognition of deferred tax	15	**–**	9,518
Total income tax benefit in profit and loss		**(416)**	(71)

Numerical reconciliation between income tax benefit and profit before tax

	Consolidated	
In thousands of AUD	**2024**	**2023**
Profit/(loss) before tax	**26,714**	(29,297)
Income tax using the domestic corporate tax rate of 30%	**8,014**	(8,789)
Increase in income tax expense due to:		
Non-deductible expenses	**463**	2,299
De-recognition of Deferred tax asset	**–**	9,518
Recognition of previously unrecognised deferred taxes	**(7,542)**	–
Effect of tax rates in foreign jurisdictions	**(80)**	70
Decrease in income tax expense due to:		
R&D tax incentive	**(974)**	(2,836)
Over provision from prior year	**(297)**	(333)
Income tax benefit	**(416)**	(71)

Note 9. Earnings per share

The calculation of basic and diluted earnings per share at 30 June 2024 was based on the profit attributable to ordinary shareholders of $27,130,000 (2023: loss $29,226,000); a weighted number of ordinary shares outstanding during the year ended 30 June 2024 of 174,281,213 (2023: 172,902,324); and a weighted number of ordinary shares (diluted) outstanding during the year ended 30 June 2024 of 178,761,286 (2023: 172,902,324), calculated as follows:

	Consolidated	
In thousands of AUD	**2024**	**2023**
Profit/(loss) for the year	**27,130**	(29,226)

Note 9. Earnings per share (continued)

Weighted average number of shares used as the denominator

Number	Consolidated 2024	2023
Number for basic earnings per share:		
Ordinary shares	**174,281,213**	172,902,324
Effect of employee share plans on issue	**4,480,073**	–
Number for diluted earnings per share	**178,761,286**	172,902,324
Basic earnings/(loss) per share (cents)	**15.57**	(16.90)
Diluted earnings/(loss) per share (cents)	**15.18**	(16.90)

Note 10. Cash and cash equivalents

In thousands of AUD	Consolidated 2024	2023
Cash at bank and on hand	**19,892**	18,553
Short term deposits	**12,000**	–
	31,892	18,553

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Note 11. Trade and other receivables

Current

In thousands of AUD	Consolidated 2024	2023
Trade receivables	**41,377**	41,005
Less: Allowance for expected credit losses	**(58)**	(301)
	41,319	40,704
GST receivable	**328**	209
	41,647	40,913

Non-current

In thousands of AUD	Consolidated 2024	2023
Trade receivables	**31,897**	22,540

The Company provides customers of good credit worthiness extended payment plans over the committed term of the licence contract ranging between one to five years. For customers not on extended payment plans the credit period on sales range from 30 to 90 days.

Ageing of past due but not impaired:

In thousands of AUD	Note	Consolidated 2024	2023
Past due 30 days		**771**	305
Past due 60 days		**935**	359
Past due 90 days		**140**	281
Total	23	**1,846**	945

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for the year ended 30 June 2024

Note 11. Trade and other receivables (continued)

The movement in the allowance for expected credit losses in respect of trade receivables is detailed below:

	Consolidated	
In thousands of AUD	**2024**	**2023**
Balance at beginning of year	**301**	1,288
Amounts written back during the year	**(61)**	(366)
(Decrease)/Increase in provision	**(182)**	(621)
Balance end of year	**58**	301

The Company has used the following criteria to assess the allowance loss for expected credit losses shown above:

- historical default experience. Loss rate for 2024 was 0.21% (2023: 0.52%);
- macroeconomic factors specific to the geography of the customer;
- an individual account by account specific risk assessment based on past credit history; and
- any prior knowledge of debtor insolvency or other credit risk.

Included in the Company's trade receivable balance are debtors which are 90 days past due at the reporting date which the Company has not provided for as there has been no significant change in credit quality and the consolidated entity believes that the amounts are still recoverable.

Note 12. Other assets

Current

	Consolidated	
In thousands of AUD	**2024**	**2023**
Prepayments	**1,906**	2,228
Contract assets	**1,053**	1,229
Total	**2,959**	3,457

Non-current

	Consolidated	
In thousands of AUD	**2024**	**2023**
Contract assets	**1,264**	1,213
Total	**1,264**	1,213

The Company pays sales commission to its employees for certain contracts, these costs are recognized as costs incurred to obtain a contract and included as contract assets.

Note 13. Other financial assets

Current

	Consolidated	
In thousands of AUD	**2024**	**2023**
Deposits	**1,110**	–

Deposits include deposit for a cash backed bank guarantee for rental premises due to expire in February 2025.

Non-current

	Consolidated	
In thousands of AUD	**2024**	**2023**
Deposits	**319**	1,400

The carrying amount of other financial assets is a reasonable approximation of their fair value. Deposits include rental deposits.

Note 14. Property, plant and equipment

Plant and equipment

In thousands of AUD	Consolidated 2024	Consolidated 2023
At cost	**6,007**	5,959
Accumulated depreciation and impairment	**(5,963)**	(5,753)
Impairment for the year (Note 17)	**–**	(206)
	44	–

Leasehold improvements

In thousands of AUD	Consolidated 2024	Consolidated 2023
At cost	**3,117**	3,117
Accumulated depreciation and impairment	**(3,117)**	(2,854)
Impairment for the year (Note 17)	**–**	(263)
	–	–

Total property, plant and equipment

In thousands of AUD	Consolidated 2024	Consolidated 2023
At cost	**9,124**	9,076
Accumulated depreciation and impairment	**(9,080)**	(8,607)
Impairment for the year (Note 17)	**–**	(469)
	44	–

Plant and Equipment

In thousands of AUD	Consolidated 2024	Consolidated 2023
Carrying amount at start of year	**–**	427
Additions	**48**	58
Effects of foreign currency exchange	**–**	7
Depreciation expense	**(4)**	(286)
Impairment for the year (Note 17)	**–**	(206)
Carrying amount at end of year	**44**	–

Leasehold Improvements

In thousands of AUD	Consolidated 2024	Consolidated 2023
Carrying amount at start of year	**–**	317
Effects of foreign currency exchange	**–**	1
Depreciation expense	**–**	(55)
Impairment for the year (Note 17)	**–**	(263)
Carrying amount at end of year	**–**	–

Notes to the Financial Report

for the year ended 30 June 2024

Note 15. Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Consolidated In thousands of AUD	Assets		Liabilities		Net	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
Property, plant and equipment	**131**	–	**–**	–	**131**	–
Trade and other payables	**255**	342	**–**	–	**255**	342
Employee benefits	**1,102**	941	**–**	–	**1,102**	941
Provisions	**48**	210	**–**	–	**48**	210
Other current liabilities	**1,212**	2,580	**423**	593	**789**	1,987
Unrealized foreign exchange gain	**193**	–	**–**	538	**193**	(538)
Losses and R&D credits available for offset against future taxable income	**–**	8,085	**–**	–	**–**	8,085
De-recognition of deferred tax	**–**	(9,518)	**–**	–	**–**	(9,518)
Deferred tax assets/(liabilities)	**2,941**	2,640	**(423)**	1,131	**2,518**	1,509
Set off of deferred tax liabilities	**(423)**	(1,131)	**423**	(1,131)	**–**	–
Net deferred tax assets/ (liabilities)	**2,518**	1,509	**–**	–	**2,518**	1,509

Movement in temporary differences during the year:

For year ended 30 June 2024 In thousands of AUD	Consolidated Balance 1 July 23	Recognised in income	Recognised in equity	Balance 30 June 24
Intangible assets	–	131	–	**131**
Trade and other payables	342	(87)	–	**255**
Employee benefits	941	161	–	**1,102**
Provisions	210	(162)	–	**48**
Other current liabilities	1,987	(1,198)	–	**789**
Unrealized foreign exchange gain	(538)	731	–	**193**
Losses and R&D credits[1] available for offset against future taxable income	8,085	(8,085)	–	**–**
De-recognition of deferred tax[2]	(9,518)	9,518	–	**–**
	1,509	**1,009**	**–**	**2,518**

1. R&D Credits refer to tax incentive received for conduction eligible R&D activities under the Research and Development Tax Incentive (R&DTI) scheme administered jointly by AusIndustry and Australian Taxation Office. These tax Incentives can be used by the company to offset its future tax liability.
2. As at 30 June 2024, the Company has no un-recognised deferred tax assets related to Australian R&D tax incentives (30 June 2023: $8.1 million) and no unrecognized deferred tax assets on temporary differences (30 June 2023: $1.4 million).

Note 15. Deferred tax assets and liabilities (continued)

For year ended 30 June 2023 In thousands of AUD	Consolidated Balance 1 July 22	Recognised in income	Recognised in equity	Balance 30 June 23
Intangible assets	(8,206)	8,206	–	–
Trade and other payables	314	28	–	342
Employee benefits	1,025	(84)	–	941
Provisions	440	(230)	–	210
Other current liabilities	72	1,915	–	1,987
Unrealized foreign exchange gain	(1,277)	739	–	(538)
Losses and R&D credits[1] available for offset against future taxable income	6,478	1,607	–	8,085
De-recognition of deferred tax[2]	–	(9,518)	–	(9,518)
	(1,154)	**2,663**	**–**	**1,509**

1. R&D Credits refer to tax incentive received for conduction eligible R&D activities under the Research and Development Tax Incentive (R&DTI) scheme administered jointly by AusIndustry and Australian Taxation Office. These tax Incentives can be used by the company to offset its future tax liability.
2. As at 30 June 2024, the Company has no un-recognised deferred tax assets related to Australian R&D tax incentives (30 June 2023: $8.1 million) and no unrecognized deferred tax assets on temporary differences (30 June 2023: $1.4 million).

Note 16. Intangible assets

The balance of capitalized intangible assets comprises:

Cost

In thousands of AUD	Software development	Third party software	Goodwill	Total
Balance at 1 July 2022	54,648	2,284	3,575	60,507
Acquired	–	21	–	21
Fully amortised & offset	–	(17)	–	(17)
Internally developed	7,479	–	–	7,479
Effects of foreign currency exchange	–	–	152	152
Balance at 30 June 2023	**62,127**	**2,288**	**3,727**	**68,142**
Balance at 1 July 2023	62,127	2,288	3,727	68,142
Fully amortised & offset	–	–	–	–
Effects of foreign currency exchange	–	–	–	–
Balance at 30 June 2024	**62,127**	**2,288**	**3,727**	**68,142**

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for the year ended 30 June 2024

Note 16. Intangible assets (continued)

Amortisation

In thousands of AUD	Software development	Third party software	Goodwill	Total
Balance at 1 July 2022	26,952	2,246	–	29,198
Fully amortised & offset	–	(17)	–	(17)
Amortisation for year	10,293	22	–	10,315
Impairment (Note 17)	24,882	37	3,727	28,646
Balance at 30 June 2023	**62,127**	**2,288**	**3,727**	**68,142**
Balance at 1 July 2023	62,127	2,288	3,727	68,142
Fully amortised & offset	–	–	–	–
Amortisation for year	–	–	–	–
Impairment (Note 17)	–	–	–	–
Balance at 30 June 2024	**62,127**	**2,288**	**3,727**	**68,142**

Carrying amounts

In thousands of AUD	Software development	Third party software	Goodwill	Total
Balance at 30 June 2023	–	–	–	–
Balance at 30 June 2024	**–**	**–**	**–**	**–**

Note 17. Goodwill and Impairment

Management has identified the Group as one cash generating unit (the Prognosis CGU). The carrying value of goodwill at 30 June 2024 is $Nil (2023: $Nil). As such, management has not performed impairment testing as at 30 June 2024.

For the year ended 30 June 2023, management recognized an impairment charge of $31,778,000 against Goodwill of $3,727,000, Intangible Assets of $24,919,000, Right-of-use assets of $2,663,000 and Property, Plant and equipment of $469,000. The impairment charge was recorded in the consolidated statement of comprehensive income.

In the current year, as at 30 June 2024, the management has not identified any indicators which suggest reversal of impairment from prior year. There has been no material change in the key assumptions used to determine the recoverable amount of the Cash generating unit.

Note 18. Trade and other payables

	Consolidated	
In thousands of AUD	2024	2023
Trade and other payables	**6,069**	7,901

The average credit period on trade and other payables is 30 days.

Note 19. Employee benefits

Current

	Consolidated	
In thousands of AUD	2024	2023
Liability for annual leave	**1,693**	2,053
Liability for long service leave	**955**	1,013
	2,648	3,066

Note 19. Employee benefits (continued)

Non-current

In thousands of AUD	Consolidated 2024	Consolidated 2023
Liability for long service leave	**485**	547

Pension plans

Employees of the consolidated entity accumulate pension benefits through statutory contributions by the entities in the consolidated entity as required by the laws of the jurisdictions in which they operate, supplemented by individual contributions.

Share based payments

Employee Equity Plan

In April 2023, the consolidated entity established the Integrated Research Limited Equity Plan Rules (Plan), which replaced the prior plan rules adopted in 2011. The Plan enables the Company to offer eligible employees the right to obtain shares in Integrated Research at no cost contingent upon performance conditions being met (otherwise referred to as performance rights).

The annual long term incentive (LTI) equity allocations are broadly broken into two groups: grants to Company staff with job grades three or above (Staff LTI), and grants to Company executives (Executive LTI). The performance conditions include a service period with performance components. The performance rights are automatically exercised into shares upon the service and performance conditions being met. Allocations for Staff LTI vest annually over a three year period, so long as the recipient remains employed at the vesting date and receives a "meets expectations" performance rating in the prior year. Executive LTI equity grants vest over a three year period with annual performance hurdles tied to company performance, the details of the FY24 Executive LTI performance hurdles are provided in the Remuneration Report.

During the year ended 30 June 2024, the consolidated entity recognised an expense through statement of Comprehensive Income of $1,556,000 related to the fair value of rights and options (2023: $773,000).

There were no cancellations or modifications to the awards in 2024 or 2023.

Movements during the year

The following tables provides the movement in performance rights and options and weighted average exercise prices (WAEP) during the year:

Performance Rights	2024 Staff LTI	2024 Executive LTI	2023 Staff LTI	2023 Executive LTI
In thousands of instruments				
Outstanding at the beginning of the year	**5,216**	**1,684**	1,325	95
Granted during the year	**5,432**	**1,905**	5,132	1,954
Forfeited during the year	**(1,761)**	**(95)**	(649)	(365)
Vested during the year	**(1,528)**[1]	**–**	(592)[2]	–
Outstanding at the end of the year	**7,359**	**3,494**	5,216	1,684
Exercisable at the end of the year (vested)	**–**	**–**	–	–

1. Weighted average share price of exercised performance rights for the period was $0.350
2. Weighted average share price of exercised performance rights for the period was $0.436

The weighted average remaining contractual life for the performance rights outstanding as at 30 June 2024 was 1.69 years (2023: 2.10 years).

The weighted average fair value of performance rights granted during the year was $0.34 (2023: $0.46).

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for the year ended 30 June 2024

Note 19. Employee benefits (continued)

The exercise price for the performance rights at the end of the year was nil (2023: nil).

	2024		2023	
Options	**Number**	**WAEP**	**Number**	**WAEP**
In thousands of instruments				
Outstanding at the beginning of the year	**1,147**	**$1.98**	1,368	$1.98
Granted during the year	**–**	**–**	–	–
Forfeited during the year	**–**	**–**	(221)	$1.98
Exercised during the year	**–**	**–**	–	–
Outstanding at the end of the year	**1,147**	**$1.98**	1,147	$1.98
Exercisable at the end of the year (vested)	**765**	**$1.98**	382	$1.98

The weighted average remaining contractual life for the share options outstanding as at 30 June 2024 was 2.17 years (2023: 3.17 years).

The weighted average fair value of options granted during the year was $0.065 (2023: $0.074).

The exercise price for options outstanding at the end of the year was $1.98 (2023: $1.98).

Inputs on instruments granted

The following tables list the inputs to the models use for the Employee Equity plans for the years ended 30 June 2024 and 2023:

For the year ended 30 June 2024	Staff LTI	Executive LTI
Weighted average fair values at measurement date	$0.34	$0.065
Expected dividends	0.0%	0.0%
Expected volatility	64.74%	64.74%
Risk-free interest rate	3.97%	3.97%
Contractual life (expressed in years)	2.84	2.71
Weighted average share price	$0.34	$0.31
Exercise price	Nil	Nil
Performance hurdles - IRI share price at testing date	N/A	$0.80 (T1), $1.20 (T2), $1.60 (T3)
Testing date	N/A	Aug-24 (T1), Aug-25 (T2), Aug-26 (T3)
Model Used	Black Scholes	Monte Carlo

Note 19. Employee benefits (continued)

For the year ended 30 June 2023	Staff LTI	Executive LTI
Weighted average fair values at measurement date	$0.46	$0.074
Expected dividends	0.0%	0.0%
Expected volatility	53.74%	53.74%
Risk-free interest rate	3.45%	3.45%
Contractual life (expressed in years)	2.75	2.81
Weighted average share price	$0.46	$0.38
Exercise price	Nil	Nil
Performance hurdles - IRI share price at testing date	N/A	$0.80 (T1), $1.20 (T2), $1.60 (T3)
Testing date	N/A	Aug-23 (T1), Aug-24 (T2), Aug-25 (T3)
Model Used	Black Scholes	Monte Carlo

The fair values of services received in return for performance rights and options granted to employees is measured by reference to the fair value of rights granted.

Note 20. Provisions

Current

		Consolidated	
In thousands of AUD	Note	2024	2023
Employee benefits	19	**2,648**	3,066
Lease make good		**700**	–
Other provisions		**–**	387
		3,348	3,453

Non-current

		Consolidated	
In thousands of AUD	Note	2024	2023
Employee benefits	19	**485**	547
Lease make good		**28**	388
		513	935

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for the year ended 30 June 2024

Note 21. Lease assets and liabilities

The Company has lease contracts for office space and equipment used in operations, with terms ranging from 1 to 5 years. The company's obligations under Its leases are secured by the lessor's title to the leased assets.

The lease liabilities were discounted at the incremental borrowing rates as at inception of the respective lease. The incremental borrowing rates for the portfolio of leases were between 3% and 4%. Finance income decreased by $96,000 (2023: $68,000) relating to the interest expense on lease liabilities recognised.

Right-of-use assets

Office premises

	Consolidated	
In thousands of AUD	**2024**	**2023**
At cost	**8,329**	7,982
Accumulated depreciation and impairment	**(8,088)**	(5,319)
Impairment for the year (Note 17)	**–**	(2,663)
	241	–

Office premises

	Consolidated	
In thousands of AUD	**2024**	**2023**
Carrying amount at start of year	**–**	4,407
Additions	**352**	–
Changes during the year	**–**	(662)
Effects of foreign currency exchange	**(3)**	49
Depreciation expense	**(108)**	(1,131)
Impairment (Note 17)	**–**	(2,663)
Carrying amount at end of year	**241**	–

Current lease liabilities

	Consolidated	
In thousands of AUD	**2024**	**2023**
Lease liabilities	**1,341**	1,582
	1,341	1,582

Non-current lease liabilities

	Consolidated	
In thousands of AUD	**2024**	**2023**
Lease liabilities	**374**	1,470
	374	1,470

Contractual undiscounted cash outflows used to calculate lease liability

	Consolidated	
In thousands of AUD	**2024**	**2023**
Less than one year	**1,379**	1,643
Between one and five years	**396**	1,471
	1,775	3,114

Note 22. Capital and reserves

Share capital

In thousands of shares	Ordinary shares 2024	2023
On issue 1 July	**173,081**	172,489
Issued against employee performance right exercised	**1,528**	592
On issue 30 June	**174,609**	173,081

The company does not have authorized capital or par value in respect of its issued shares.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the Financial Report of foreign operations where their functional currency is different to the presentation currency of the consolidated entity, as well as from the translation of liabilities that hedge the consolidated entity's net investment in a foreign subsidiary.

Employee benefit reserve

The employee benefit reserve arises on the grant of either share options or performance rights to employees under the Integrated Research Limited Equity Plan Rules (adopted in April 2023) or the Integrated Research Performance Rights and Option Plan (adopted in November 2011). Refer to Note 16 for further details.

Dividends

There were no dividends paid or declared by the Company during the year. On 20 August 2024, the Directors declared a fully franked final dividend for the year ended 30 June 2024 of 2.0 cents per ordinary share and will be paid on 15 October 2024 with a record date of 03 September 2024. The financial effect of this dividend has not been brought to account in the financial statements for the year ended 30 June 2024 and will be recognised in subsequent financial statements:

In thousands of AUD	Cents per share	Total amount	Franked/ unfranked	Date of payment
Final dividend declared on 20 August 2024	2.00	3,492	100% franked	15 Oct 2024

Franking account disclosure:

In thousands of AUD	Company 2024	2023
Adjusted franking account balance	**7,807**	7,766

Note 23. Financial instruments

Capital risk management

The consolidated entity manages its capital to ensure that controlled entities will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of treasury management.

The capital structure of the consolidated entity consists of cash and cash equivalents and equity attributable to equity holders of the company, comprising issued capital, reserves, and retained earnings as disclosed in Notes 10 and 22 respectively.

Bank Guarantee

At 30 June 2024, the total value of cash backed guarantee provided was $1,110,000 (2023: $1,110,000).

Material accounting policies

Details of the material accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the Financial Report.

Notes to the Financial Report

for the year ended 30 June 2024

Note 23. Financial instruments (continued)

Financial risk management objectives

The Board of Directors has overall responsibility for the establishment and oversight of the consolidated entity's financial management framework. The Board has an established Audit and Risk Committee, which is responsible for developing and monitoring the consolidated entity's financial management policies. The Committee provides regular reports to the Board of Directors on its activities.

The Audit and Risk Committee oversees how Management monitors compliance with risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks. The main risks arising from the consolidated entity's financial instruments are currency risk, credit risk, liquidity risk and cash flow interest rate risk.

Market risk

The consolidated entity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and cash flow interest rate risks.

Foreign currency risk management

The consolidated entity undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise.

The carrying amount of the consolidated entity's foreign currency denominated monetary assets and monetary liabilities at the reporting date that are denominated in a currency that is different to the functional currency of the respective entities undertaking the transactions is as follows:

	Consolidated			
	Liabilities		Assets	
In thousands of AUD	**2024**	**2023**	**2024**	**2023**
US Dollar	**1,235**	1,302	**5,173**	4,479
Sterling	**–**	–	**116**	1
Euro	**–**	–	**1,819**	1,179

Foreign currency sensitivity

At 30 June 2024, if the US Dollar, Sterling or Euro weakened or strengthened against the Australian dollar by the percentage shown, with all other variables held constant, net profit for the year would increase (decrease) by the following based on the change in the exchange rate against the Australian dollar.

	Consolidated			
	Net (loss)/profit before tax		Equity	
In thousands of AUD	**2024**	**2023**	**2024**	**2023**
US Dollar	**438**	353	**438**	353
Sterling	**13**	–	**13**	–
Euro	**202**	131	**202**	131

Change in currency (i) – 10% decrease.

	Consolidated			
	Net (loss)/profit before tax		Equity	
In thousands of AUD	**2024**	**2023**	**2024**	**2023**
US Dollar	**(358)**	(289)	**(358)**	(289)
Sterling	**(11)**	–	**(11)**	–
Euro	**(165)**	(107)	**(165)**	(107)

Change in currency (i) – 10% increase.

Note 23. Financial instruments (continued)

The sensitivity analysis has been based on the sensitivity rates used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates based on historical volatility.

In addition to the above, there is also an A$35.1 million (2023: A$24.8 million) intercompany receivable in the parent entity at 30 June, denominated in US dollars, that eliminates on consolidation. The gain or loss on revaluation of the intercompany balance to Australian dollars is not eliminated and is therefore recorded through profit and loss. A 10% decrease in the Australian dollar against the US dollar would result in a A$3.9 million (2023: A$2.8 million) increase to net profit before tax and equity, whilst a 10% increase would result in a A$3.2 million (2023: A$2.3 million) decrease to net profit before tax and equity.

In management's opinion, the sensitivity analysis is not fully representative of the inherent foreign exchange risk as the year end exposure does not necessarily reflect the exposure during the course of the year. The consolidated entity includes certain subsidiaries whose functional currencies are different to the consolidated entity presentation currency. The main operating entities outside of Australia are based in the United States, the United Kingdom, Germany and Singapore. As stated in the consolidated entity's accounting policies per Note 1, on consolidation the assets and liabilities of these entities are translated into Australian dollars at exchange rates prevailing at the year end date. The income and expenses of these entities is translated at the average exchange rates for the year. Exchange differences arising are classified as equity and are transferred to a foreign exchange translation reserve. The consolidated entity's future reported profits could therefore be impacted by changes in rates of exchange between the Australian Dollar and United States Dollar, UK Sterling, Euro and Singapore Dollar each.

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 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 30 June 2024 was $1.3 million (2023: $2.7 million). Ongoing credit evaluation is performed on the financial condition of accounts.

The Company has a program available to sell selected account receivable balances to a third party without recourse. The purpose of the program is to manage credit risk and improve working capital. During the year ended 30 June 2024 no debtors were sold (2023: nil).

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

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the consolidated entity's short, medium and long-term funding and liquidity management requirements.

The consolidated entity manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

All trade and other payables shown in Note 18 carry no interest obligation.

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.

For non-current trade debtors Integrated Research 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%. The carrying value of non-current trade receivables of the consolidated entity was a reasonable approximation of their fair value.

Notes to the Financial Report

for the year ended 30 June 2024

Note 24. Consolidated entities

	Country of incorporation	Ownership interest	
		2024	2023
Parent entity:			
Integrated Research Limited	Australia		
Subsidiaries of Integrated Research Limited:			
Integrated Research Inc	USA	100%	100%
Integrated Research Singapore Pte Limited	Singapore	100%	100%
Integrated Research UK Limited	UK	100%	100%
Subsidiaries of Integrated Research UK Limited:			
Integrated Research Germany GmbH	Germany	100%	100%

Note 25. Reconciliation of cash flows from operating activities

	Consolidated	
In thousands of AUD	**2024**	**2023**
Profit/(Loss) for the year	**27,130**	(29,226)
Depreciation and amortisation	**112**	11,787
Provision for expected credit loss	**(243)**	(987)
Interest received	**(2,321)**	(2,243)
Interest paid	**96**	68
Share-based payments expense	**1,556**	773
Impairment	**–**	31,778
Net exchange differences	**(3)**	2,059
Change in operating assets and liabilities:		
(Increase)/decrease in trade debtors	**(9,848)**	6,341
(Increase)/decrease in future income tax benefit	**(1,218)**	261
(Increase)/decrease in other operating assets	**418**	(1,119)
Increase/(decrease) in trade and other payables	**(1,832)**	(2,230)
Increase/(decrease) in other operating liabilities	**(161)**	(1,203)
Increase/(decrease) in provision for income taxes payable	**(115)**	415
Increase/(decrease) in provision for deferred income taxes	**–**	(2,487)
Increase/(decrease) in other provisions	**(527)**	(169)
Net cash from operating activities	**13,044**	13,818

Note 26. Key management personnel disclosures

Key management personnel compensation

The key management personnel compensation are as follows:

	Consolidated	
In thousands of AUD	**2024**	**2023**
Short-term benefits	**1,755,478**	1,946,001
Post-employment benefits	**113,038**	108,584
Long term benefit	**11,496**	10,228
Equity compensation benefits	**68,858**	351,769
	1,948,870	2,416,582

Refer to Note 27. Related parties for transactions between the company and key management personnel.

Note 27. Related parties

At 30 June 2024 Mr. Steve Killelea, the founder of IR, owned either directly or indirectly 29.91% of the Company (2023: 29.97%). A related entity of Mr. Killelea no longer provided consulting services during the year ended 30 June 2024 (2023: $33,333). The payable balance as at 30 June 2024 is nil (2023: nil).

Non-Executive Director Mark Brayan provided strategic advisory services to the Company through a consultancy agreement during the reporting period. The total value of these services is estimated to be $75,000, with the services commencing in June 2024 and anticipated to complete in August 2024. Services provided during the year ended 30 June 2024 was estimated to be $31,250.

Apart from the details disclosed in this note, there were no other transactions between key management personnel, or their personally related entities, and the Company.

Note 28. Parent entity disclosures

Financial Position

	Parent Entity	
In thousands of AUD	**2024**	**2023**
Assets		
Current assets	**70,916**	50,026
Non-current assets	**3,541**	1,411
Total Assets	**74,457**	51,437
Liabilities		
Current Liabilities	**7,324**	10,536
Non-current liabilities	**1,217**	907
Total Liabilities	**8,541**	11,443
Net Assets	**65,916**	39,994
Equity		
Issued Capital	**1,667**	1,667
Employee benefits Reserve	**8,310**	6,754
Retained Earnings	**55,939**	31,573
Total Equity	**65,916**	39,994

Notes to the Financial Report

for the year ended 30 June 2024

Note 28. Parent entity disclosures (continued)

Financial Performance

	Parent Entity	
In thousands of AUD	2024	2023
Profit/(Loss) for the year	**24,366**	(25,384)
Other comprehensive income	**–**	–
Total comprehensive income	**24,366**	(25,384)

Investments in subsidiaries are included at cost.

Note 29. Subsequent events

On 16th July 2024, IR announced plans for a CEO transition and that John Ruthven would step down. Subsequently, on 5th August 2024, IR announced the appointment of Ian Lowe, as CEO of IR with an effective date of 1st October 2024.

Other than events disclosed above and Dividends in Note 22, there have been no transaction or event of a material or unusual nature that has arisen in the interval between the end of the financial year and the date of this report which is likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

Consolidated Entity Disclosure Statement

As at 30 June 2024

Entity name	Entity type	Body corporate Country of incorporation	Body corporate % of share capital held	Country of tax residence
Parent entity:				
Integrated Research Limited	Body Corporate	Australia		Australia
Subsidiaries of Integrated Research Limited:				
Integrated Research Inc	Body Corporate	USA	100%	Australia
Integrated Research Singapore Pte Limited	Body Corporate	Singapore	100%	Australia
Integrated Research UK Limited	Body Corporate	UK	100%	Australia
Subsidiaries of Integrated Research UK Limited:				
Integrated Research Germany GmbH	Body Corporate	Germany	100%	Australia

Directors' Declaration

In accordance with a resolution of the Directors of Integrated Research Limited, we state that:

1. In the opinion of the Directors:
    a) the Financial Report and notes of Integrated Research Limited for the financial year ended 30 June 2024 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 30 June 2024 and of its performance for the year ended on that date; and
        ii) complying with Accounting Standards and the *Corporations Regulations 2001*;
    b) the Financial Report and notes also comply with International Financial Reporting Standards as disclosed in Note 1; and
    c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
    d) the consolidated entity disclosure statement required by section 295(3A) of the Corporations Act is true and correct;
2. This declaration has been made after receiving the declarations required to be made to the Directors by the chief executive officer and chief financial officer in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2024.

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

Dated at North Sydney 20 August 2024.

Peter Lloyd
Chairman

Auditor's Independence Declaration

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

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

Auditor's independence declaration to the Directors of Integrated Research Limited

As lead auditor for the audit of the financial report of Integrated Research Limited for the financial year ended 30 June 2024, 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 audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; 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 year.

Ernst & Young

Ernst & Young

JmOBrien

Julian M. O'Brien
Partner
20 August 2024

Independent Auditor's Report

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Independent auditor's report to the members of Integrated Research Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Integrated Research Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

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

a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2024 and of its consolidated financial performance for the year ended on that date; and

b. 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 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Revenue recognition for multiple-element arrangements

Why significant	How our audit addressed the key audit matter
For the year ended 30 June 2024 the Group's revenue streams consist of Licence fees $59.1 million, Maintenance fees $14.3 million, Subscription fees $2.2 million, Testing solution services $3.1 million and Professional services $4.6 million as presented in the consolidated statement of comprehensive income, and disclosed in Note 1 to the financial statements. The majority of the Group's sales contracts involve multiple-element arrangements, for example a single software sales transaction that combines the delivery of a software license and rendering of maintenance and other professional services. Revenue recognition for multiple-element arrangements was considered to be a key audit matter due to the complexity of the multi-element contracts and the judgment required to allocate the revenue amongst respective contracted activities.	Our audit procedures included the following: ► Assessed the appropriateness of the Group's revenue recognition accounting policies relating to multi-element arrangements in accordance with the relevant requirements of AASB15 *Revenue from contracts with customers*. ► For a sample of contracts, • assessed the Group's identification and separation of each element and assessed whether the allocation of total contract revenue to each element in the multiple-element arrangements is correct based on the underlying contract terms. • assessed whether the revenue recognition criteria of each element in the multiple-element arrangements had been met in accordance with AASB 15, which included the determination of whether the control associated with the relevant licensed software passed to the customer in the reporting period. ► Assessed the adequacy and appropriateness of the disclosures included in the Notes to the financial report.

Independent Auditor's Report

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Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2024 annual report, but does not include the financial report and our auditor's report thereon. We obtained the directors' report, the remuneration report and the Corporate Governance Statement that are to be included in the annual report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the annual report after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

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 on the other information obtained prior to the date of this auditor's report, 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 (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001; and
- The consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001; and

for such internal control as the directors determine is necessary to enable the preparation of:

- The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- The consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating 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 have 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public

Independent Auditor's Report

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disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 20 to 33 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Integrated Research Limited for the year ended 30 June 2024, 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.

Ernst & Young

Ernst & Young

Julian M. O'Brien
Partner
Sydney
20 August 2024

Shareholder Information

Analysis of numbers of equity security holders by size of holding as at 25 September 2024

	Class of equity security		
	Ordinary shares		
Holdings Ranges	**Shareholders**	**Options Holders**	**Performance Rights Holders**
1 -1,000	1,078	-	-
1,001 - 5,000	1,754	-	-
5,001 - 10,000	735	-	4
10,001 - 100,000	1,166	-	91
100,001 and over	154	2	6
	4,887	**2**	**101**

Fully Paid Ordinary Shares (Total)

Twenty largest security holders of quoted equity securities as of 25 September 2024

Rank	Name	Units	% Units
1	STEPHEN JOHN KILLELEA	51,880,619	29.25
2	CITICORP NOMINEES PTY LIMITED	9,363,107	5.28
3	MR NICHOLAS BARRY DEBENHAM + MRS ANNETTE CECILIA DEBENHAM <N & A DEBENHAM S/FUND A/C>	6,389,520	3.60
4	B & R JAMES INVESTMENTS PTY LIMITED <JAMES SUPERANNUATION A/C>	5,630,000	3.17
5	SANTOS L HELPER PTY LTD <THE VAN PAASSEN FAMILY A/C>	5,125,247	2.89
6	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	3,069,294	1.73
7	ANDREW RHYS RUTHERFORD	2,794,210	1.58
8	ANACACIA PTY LTD <WATTLE FUND A/C>	1,686,898	0.95
9	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	1,560,780	0.88
10	MR NICHOLAS BARRY DEBENHAM <NICHOLAS DEBENHAM FAM A/C>	1,475,200	0.83
11	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,374,407	0.77
12	BNP PARIBAS NOMS (NZ) LTD	1,293,247	0.73
13	GARRETT SMYTHE LTD	1,219,053	0.69
14	GRAHAM NEWMAN PTY LTD	1,159,300	0.65
15	TEN TALENTS (2020) LIMITED <FIVE TALENTS A/C>	1,156,905	0.65
16	MR PARAMDEEP SINGH GHUMMAN	1,132,000	0.64
17	CUSTODIAL SERVICES LIMITED <BENEFICIARIES HOLDING A/C>	1,027,572	0.58
18	MS KYLIE LYNETTE NUSKE + MR MATTHEW JAMES COOK <VISION SPLENDID SUPER A/C>	1,022,238	0.58
19	IOOF INVESTMENT SERVICES LIMITED <IPS SUPERFUND A/C>	930,915	0.52
20	WAUCHOPE & KILGOUR PTY LTD	830,000	0.47
	Totals: Top 20 holders of FULLY PAID ORDINARY SHARES (Total)	**100,120,512**	**56.45**
	Total Remaining Holders Balance	**77,232,196**	**43.55**
	Total Number of Ordinary Shares on Issue	**177,352,708**	**100.00**

Shareholder Information

Unquoted equity securities

	Number on issue	Number of holders
Option issued under the Integrated Research Limited Employee Option Plan to take up ordinary shares	876,769*	2
Performance Rights issued under the Integrated Research Limited Performance Rights and Option Plan to take up ordinary shares	6,297,253**	101

* Number of unissued ordinary shares under the Options.

** Number of unissued ordinary shares under the Performance Rights.

On-market buy-back

There is no current on-market buy-back.

Substantial holders

Substantial holders in the Company are set below:

	Number held	Percentage
Stephen John Killelea*	52,218,231	29.44

* Includes direct and indirect holdings at 25 September 2024.

Voting rights

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

1. Ordinary shares

On a show of hands every member present at a meeting in person or proxy shall have one vote and upon a poll each share have one vote.

2. Options

No voting rights.

3. Performance rights

No voting rights.

Other information

Integrated Research Limited, incorporated and domiciled in Australia, is a publicly listed Company limited by shares.

Corporate Directory

Directors

Peter Lloyd
Independent Non-Executive Director and Chairman

John Ruthven
Managing Director and Chief Executive Officer

Michael Hitz
Independent Non-Executive Director

Mark Brayan
Independent Non-Executive Director

Kate Greenhill
Independent Non-Executive Director

Company Secretary

Will Witherow

ABN

76 003 588 449

Registered Office

Level 9, 100 Pacific Highway
North Sydney NSW 2060

T. +61 (2) 9966 1066

Share Registry

Computershare

Solicitors

Ashurst
Level 11, 5 Martin Place
Sydney NSW 2000

Bankers

HSBC Bank Australia
Westpac Banking Corporation

Securities Exchange Listing

Australian Securities Exchange
Code: IRI

Country of Incorporation

Integrated Research Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares.

Notice of Annual General Meeting

The 2024 Annual General Meeting of Integrated Research Limited will be held on 25 November 2024.
A formal Notice of Meeting will be released in October.

Asia Pacific/Middle East/Africa

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