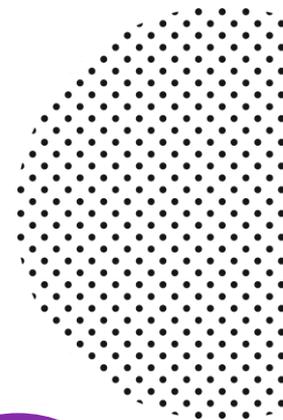


Integrated Research Limited (IRI) FY2022 Full Year Financial Results

18 August 2022

John Ruthven, CEO
Peter Adams, CFO
Matthew Walton, interim CFO





We are IR

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

Real-time analytics, fast troubleshooting, dynamic alerts, comprehensive reporting and customizable dashboards delivers a seamless user experience across ...



collaborate

highly complex and expanding communications environments



transact

increasingly complex and expanding global payments networks



infrastructure

business critical network infrastructure

Blue Chip Customer Base



600 customers, 470k SaaS users, >25% Fortune 500 customers

Tech | Telco



BFSI



Health | Gov | Edu



Other

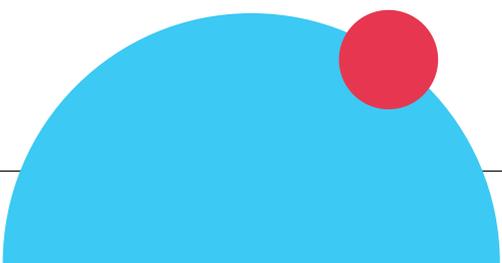




CEO Key Messages

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

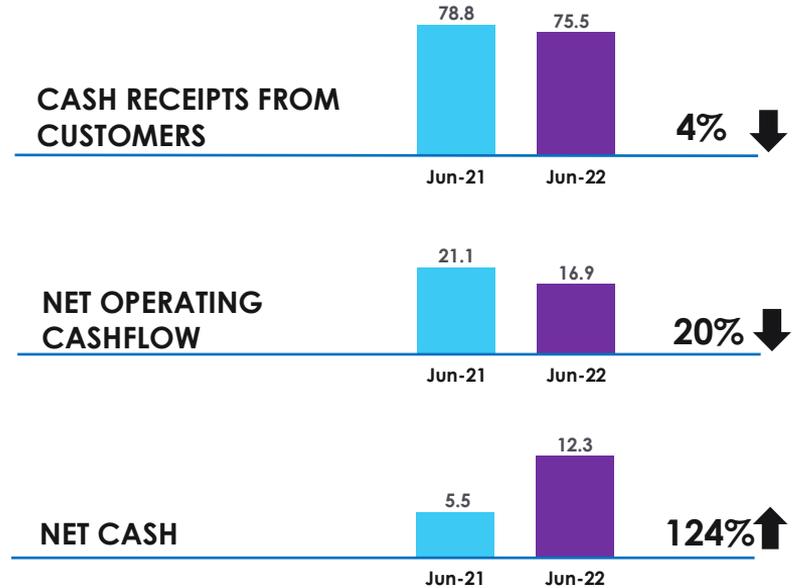
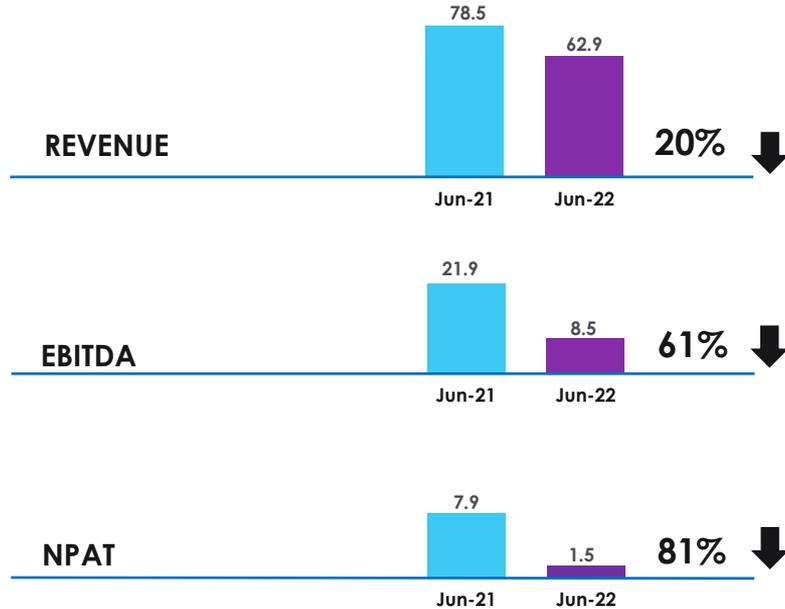


1. FY22 was a challenging year for IR with the macro environment leading to sales delays and cancellations
 2. New SaaS product adoption slower than anticipated, but positive signs of gaining traction
 3. Recent leadership changes in the Americas and Europe and business re-alignment underway to address execution issues
 4. Macro trends across Collaborate and Transact environments support strategic outlook
 5. The three-phase strategy of *Innovate, Execute, Scale* remains core to our growth plans
 6. Balance sheet is positioned for self-funded innovation and growth
- 
- 



Full-Year Performance Review: Statutory (A\$M)

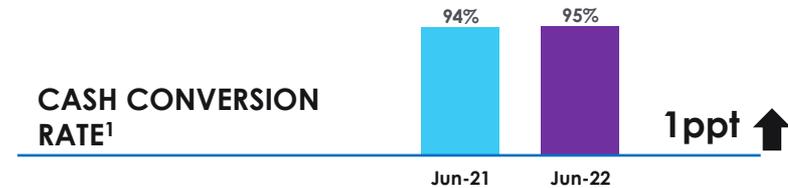
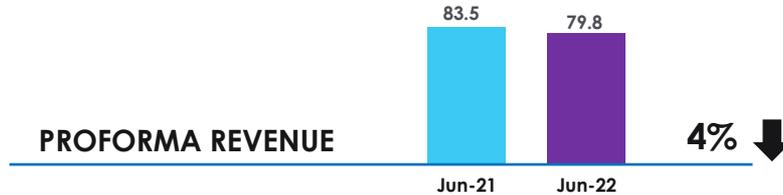
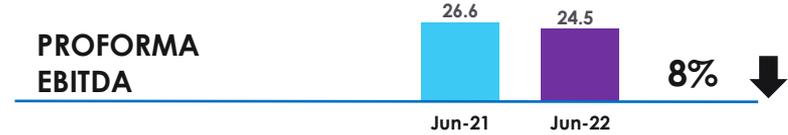
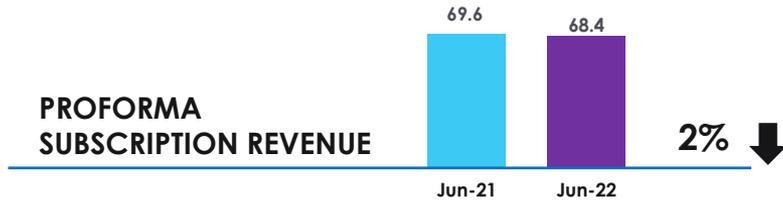
Cash receipts and cash position remain strong in a challenging year





Full-Year Performance Review: Proforma (A\$M)

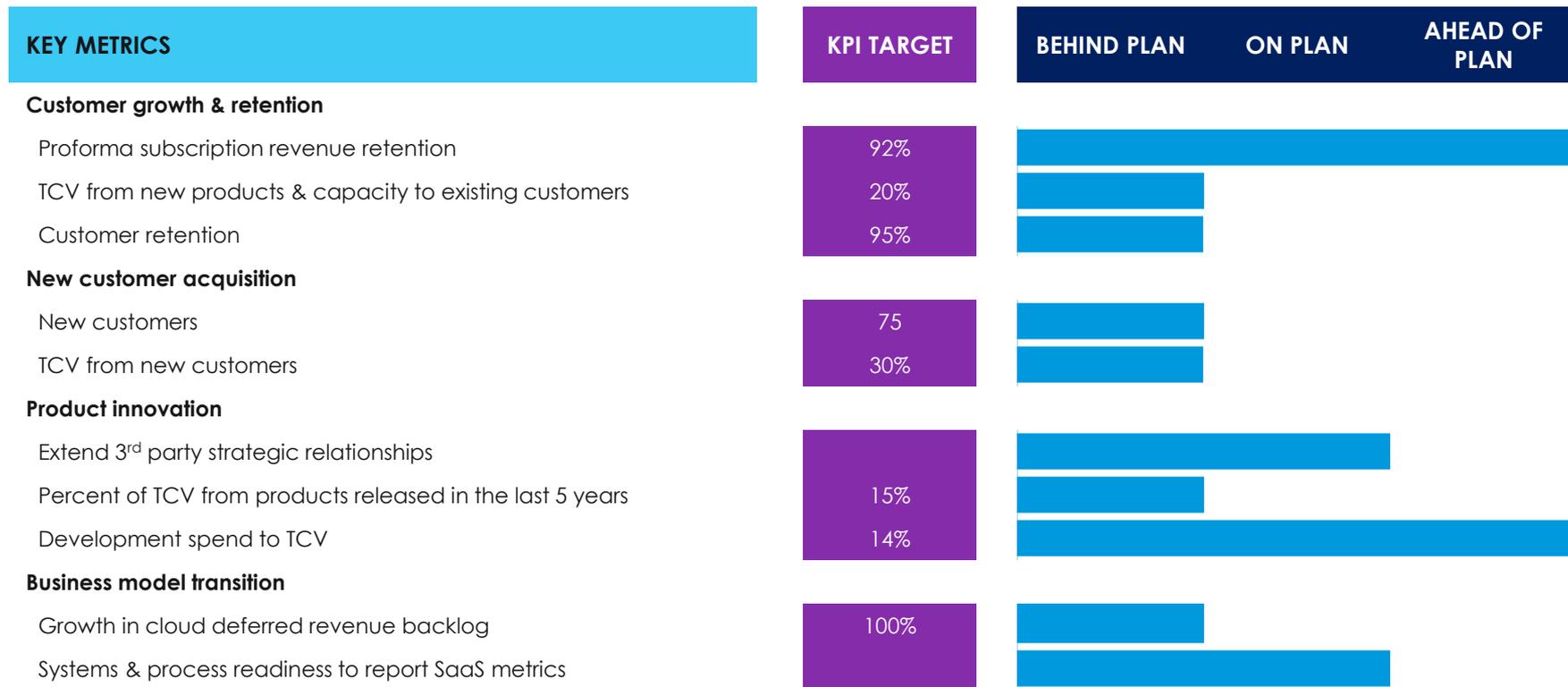
Proforma – more reflective of underlying performance



1. Cash conversion rate equals cash receipts divided by proforma revenue

FY22 Progress Report

Focus on addressing past underperformance including appointing new international leadership team





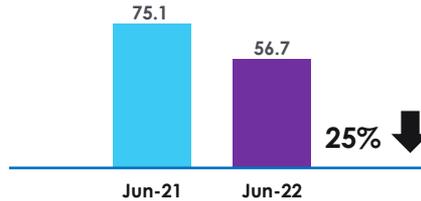
Financials



Full-Year Performance Review: Key Metrics (A\$M)

Reporting Annual Recurring Revenue (ARR)

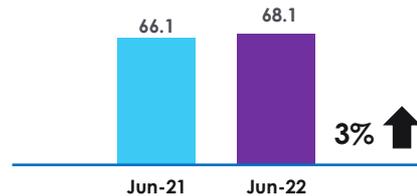
Total Contract Value (TCV)



Drivers of TCV result:

- macro-economic environment
- UC market disruption
- delays in new product traction
- sales execution

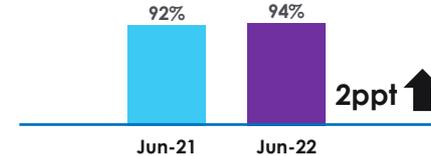
Annual Recurring Revenue¹



Stable ARR as a result of:

- non-cancelable term licence contracts
- excludes services and perpetual business
- currency tailwind

Net Revenue Retention Rate²



Stable net retention:

- strong Transact & Infrastructure result;
- low Collaborate retention caused by customers evaluating their UC environments

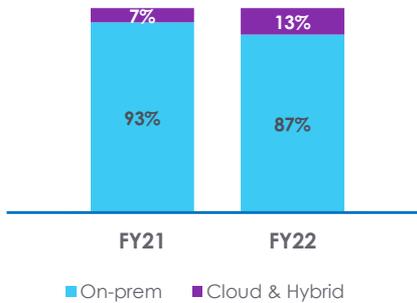
1. Annual Recurring Revenue is equal to the monthly proforma subscription revenue as of June 2022 multiplied by 12. Values in equivalent USD show a decline of 5% on pcp
2. Net Revenue Retention based on proforma subscription revenue – see appendix for definition



Full-Year Performance Review: Key Metrics

TCV by product contribution from Cloud and Hybrid almost double in FY22

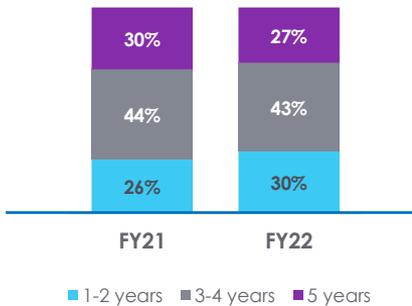
TCV by Product



Contribution from Cloud & hybrid wins doubles:

- 470,000 users on the cloud platform

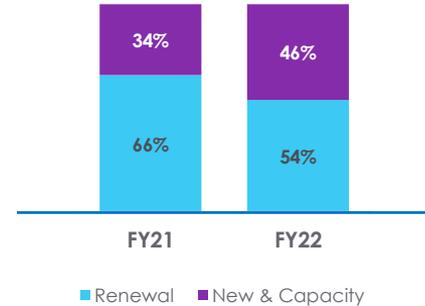
Contract Life



Contract life:

- average contract length is 2.6 years;
- split relatively unchanged
- Transact & Infrastructure have longer duration

TCV Renewal & New



FY22 experienced:

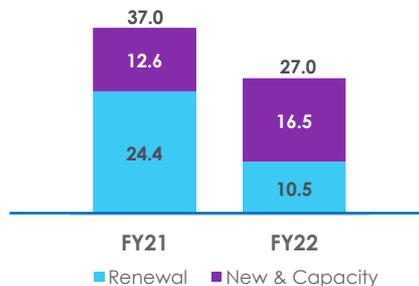
- fewer contracts up for renewal
- an improvement in new sales execution, but more to come

Total Contract Value (TCV) by Product

New contract wins flat YoY, fewer contracts up for renewal



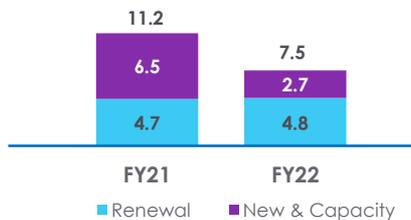
Collaborate – A\$M



Collaborate, down 27%:

- new & capacity up 31%
- fewer contracts up for renewal
- some losses caused through UC market disruption

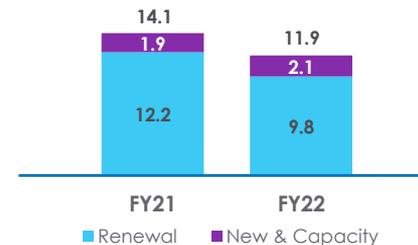
Transact – A\$M



Transact, down 32%:

- macro-economic environment
- lower new business sales
- large deal slippage

Infrastructure – A\$M



Infrastructure, down 15%:

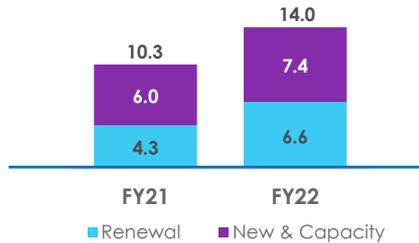
- fewer contracts up for renewal
- customer base remains firm



Total Contract Value (TCV) by Geography

Recent leadership changes implemented in Americas and Europe

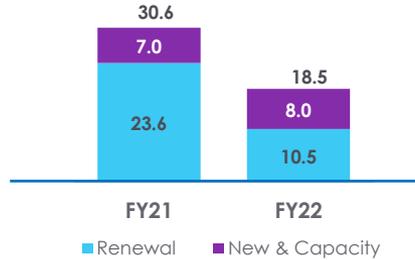
APAC – A\$M



APAC, up 36%:

- growth across all product lines
- healthy renewals and new business
- Added 12 new customers

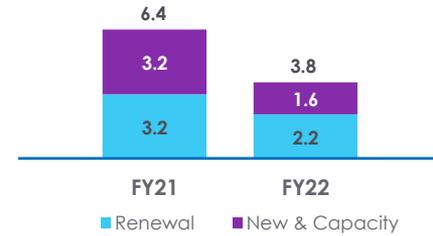
Americas – US\$M



Americas, down 40%:

- fewer contracts up for renewal
- achieved 14% growth in new & capacity selling
- under new leadership in FY23

Europe - £M



Europe, down 41%:

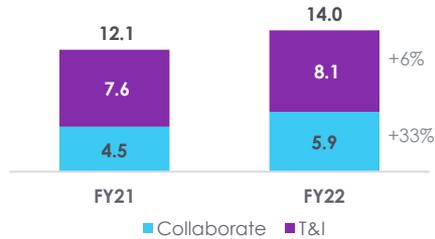
- strong first half (up 78%),
- geo-political factors impacting 2H
- under new leadership in FY23



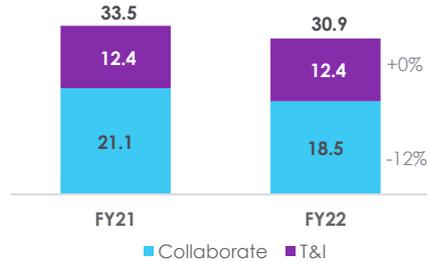
Proforma Subscription Revenue

APAC the standout with growth across all product lines

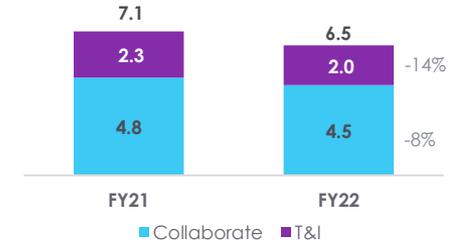
APAC – A\$M



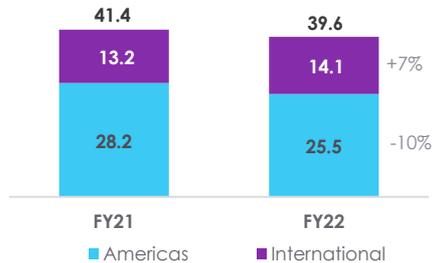
Americas – US\$M



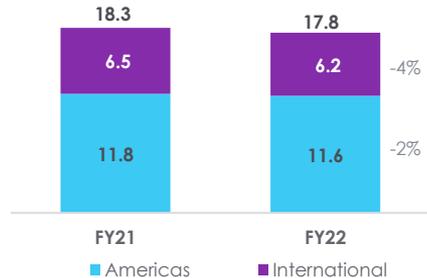
Europe - £M



Collaborate – A\$M



Infrastructure – A\$M



Transact – A\$M



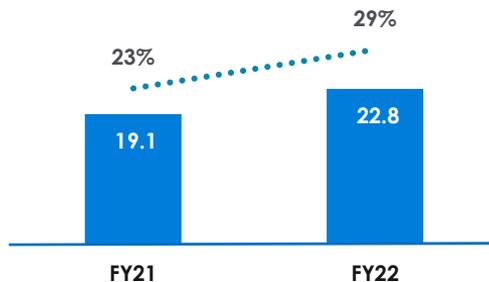
Note: Proforma subscription revenue is a non-statutory alternate view of term licence and maintenance revenue (unaudited); refer to appendix for calculations

Operating Leverage

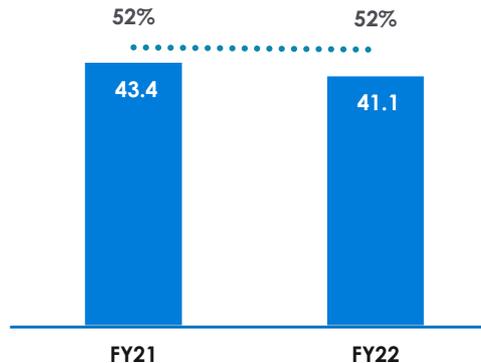
Continued commitment to innovation with disciplined overhead controls



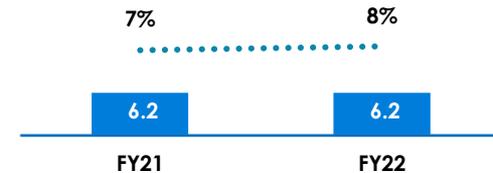
Research and development (Net)
A\$M



Sales and marketing
A\$M



General and administration
A\$M



Expenses % of proforma revenue

- Innovation agenda remains unchanged
- Investments to date geared to cloud and hybrid solutions
- FY22 includes a full year of cloud platform amortization

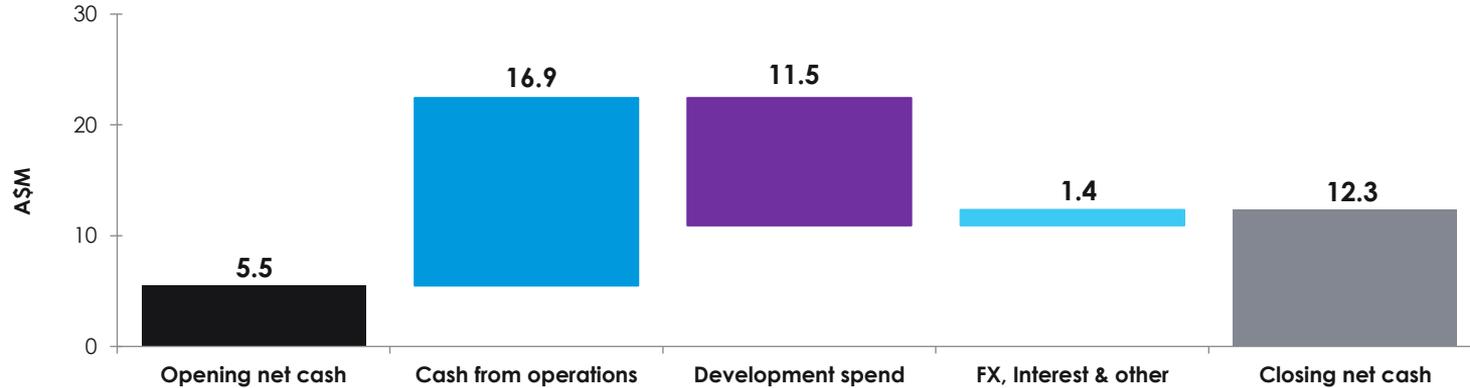
- Sales & marketing spend pulled back in recent periods due to travel and trade show restrictions;
- Go-to-market transitioned for on-prem, hybrid and cloud selling business (eg TCV focus)

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



Net Cash Flow Analysis

Strong cash conversion boosts net cash balance



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

95% cash collection conversion rate (representing cash receipts divided by proforma revenue);

Highest end of year net cash balance in over five years driven by cash receipts from non-cancelable contracts

Balance Sheet

Strong balance sheet to support self-funded growth



Strong balance sheet with net cash of \$12.3 million (30 June 21: \$5.5 million)

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

No debt carried forward

Tax liabilities decline due to lower profitability

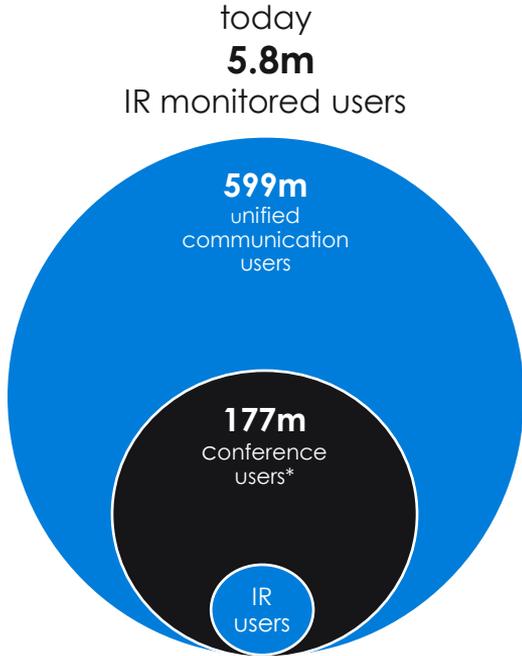
Annual results	Jun 22	Jun 21	YoY
	A\$M	A\$M	
Cash and cash equivalents	12.3	12.1	1%
Trade and other receivables	68.8	79.5	(13%)
Intangible Assets	31.3	30.0	4%
Right-of-use Assets	4.4	6.0	(27%)
All Other Assets	7.6	7.5	2%
Total Assets	124.4	135.1	(8%)
Trade and other liabilities	10.1	10.2	(0%)
Borrowings	0.0	6.7	(100%)
Provisions	4.6	4.7	(3%)
Tax liabilities	2.5	7.2	(65%)
Deferred revenue	14.6	16.4	(11%)
Lease and other liabilities	5.5	6.6	(17%)
Total liabilities	37.3	51.7	(28%)
Net assets	87.1	83.3	5%



The Opportunity

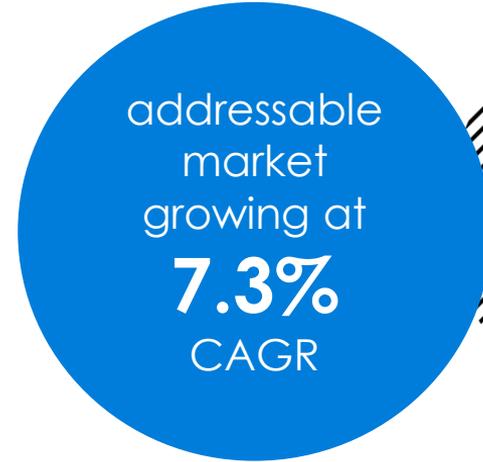
Collaborate – The Opportunity

Positive long-term trends from market growth and increasing complexity



The CIO's Challenge

- 'Work from anywhere' policies increase environments to manage (home, office, café, etc.)
- Proliferation of multi-vendor collaboration environments increases complexity
- Expanding range of devices and technologies expands the IT support coverage required
- Consumer-grade expectations need to be met, i.e., 'it just works'
- IT needs a single point of visibility



"Customers care about voice. Voice is a sensitive and integral part of business operations; it's critical. One customer of ours said that a single minute of voice downtime costs them approx. \$120,000."

Andy KleinHeinz, CDW



*conference Users consume meeting solutions with associated audio and video capabilities in premises-based and cloud-based deployments

Collaborate - Key Growth Drivers

Positive long-term trends from market growth and increasing complexity



Structural market change – Cloud based applications and solutions creating more flexibility for businesses to operate across multiple environments



Expanding workplace environments – remote working is creating multiple workplaces for our customers, leading to increasing user licenses



Increasing complexity – additional multi-vendor communications products, applications and devices create increasing likelihood of systems issues and failures



New products – opportunity to upsell and cross-sell multiple solutions to address expanding customer communications footprint



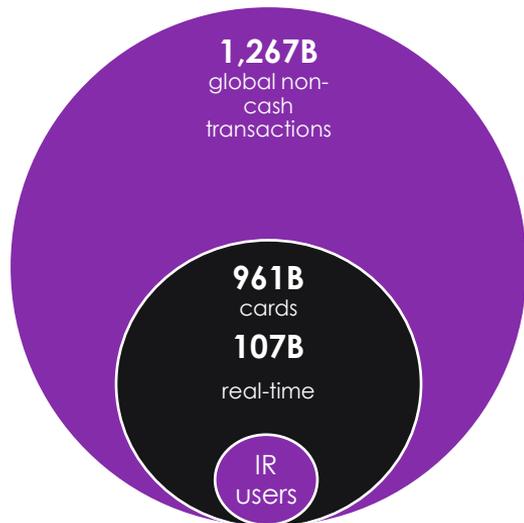
Increasing user expectations – higher expectations for seamless communications experiences from users drives demand for better outcomes

Transact - The Opportunity

Well positioned to benefit from cards growth and expanding cashless payment methods



Today
IR monitors ~600m
transactions daily*



The Payments Industry's Challenge

- Evolving at a rapid rate
- Effectively manage booming transaction volumes
- A greater shift to cashless payments, new payment schemes and technologies
- Higher customer expectations to remain successful in a competitive market

"Merchants don't want complicated solutions – their data is already complex. They want simple, quick, easy to use and easy to interpret, that's what they get with IR."

Timothy Abrahams, ACI

ACI Worldwide
Real-Time Payments

addressable
market
growing at
18.6%
CAGR

* Payment statistics are forecast for FY23, source "World Payments Report 2021", Capgemini and "Prime Time for Real-Time Report 2021", ACI Worldwide. Addressable market for transaction monitoring is larger than the non-cash transaction market given the multiple parties involved with transaction processing.

Transact - Key Growth Drivers

Well positioned to benefit from cards growth and expanding cashless payment methods



Structural market change – entrenched behavioral change by consumers and businesses to non-cash payment methods



Expanding payment types and channels – increasing use of debit and credit cards due to more form factors and channels, real-time 'push' payments displacing legacy batch payments. Real-time 'requested' payments will drive further demand.



Increasing complexity – additional systems, applications and vendors creates increasing likelihood of systems issues and failures



New products – opportunity to upsell and cross-sell multiple solutions to address customer's payments business holistically



Increasing user expectations – higher expectations for seamless payment experiences from users drives demand for better outcomes



Data driven decision making – increasingly, payments businesses seek to monetize insights from their data, to drive customer acquisition, grow revenue and optimize costs



Strategy & Product

Strategy



leverage structural shift in our markets

support enterprise users' evolving needs



expand into adjacent areas and higher value segments

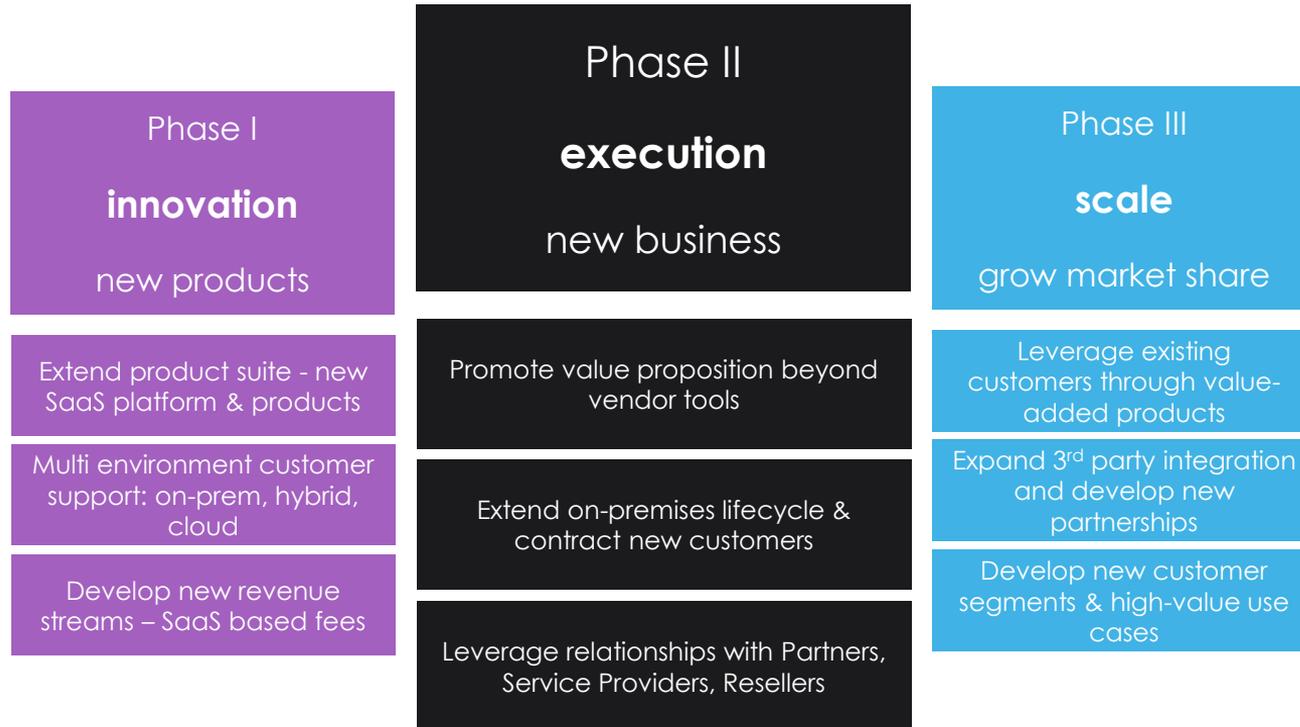
continue to build long-term recurring revenue streams

continue to transition business to combination of on-premise, hybrid and cloud

self-funding development of new SaaS products and initiatives

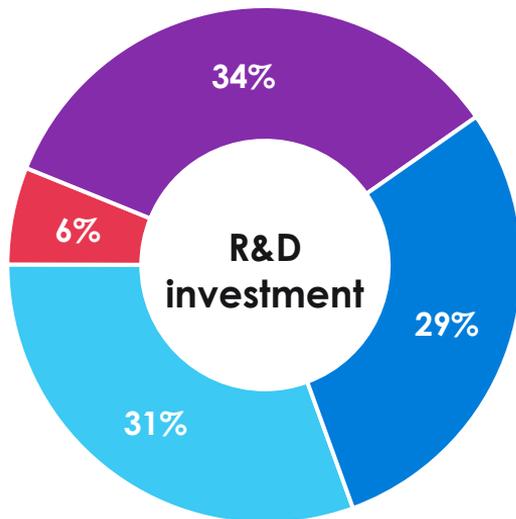
Phased Strategy

Supporting the evolving market trends



Innovation - Investment Over Last 2 Years

Pro-active cloud-based innovation pipeline to support customers



■ Cloud Collaborate ■ Cloud Transact ■ Cloud Platform ■ On-prem

~\$20m
spend on
innovation
over last 2
years

71% of
spend on
SaaS based
products

37%
dedicated to
new cloud-
based
vendor
products

Innovation - New Products and Future Development

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



	Collaborate	Transact	Platform
Prognosis cloud products	<ul style="list-style-type: none">• Space Management• AudioCodes SBC• Direct Routing	<ul style="list-style-type: none">• Payment Analytics	<ul style="list-style-type: none">• ServiceNow• Single Sign On
Prognosis server products	<ul style="list-style-type: none">• Supporting Customers' Hybrid Journey	<ul style="list-style-type: none">• Real-Time Payments• High Value Payments	<ul style="list-style-type: none">• Security Enhancements (Key Rotation)
Future development	<ul style="list-style-type: none">• Device Insights• Analytics & Insights	<ul style="list-style-type: none">• Private Cloud• Service Provider Analytics	<ul style="list-style-type: none">• Custom Roles• Service Providers Enhancements

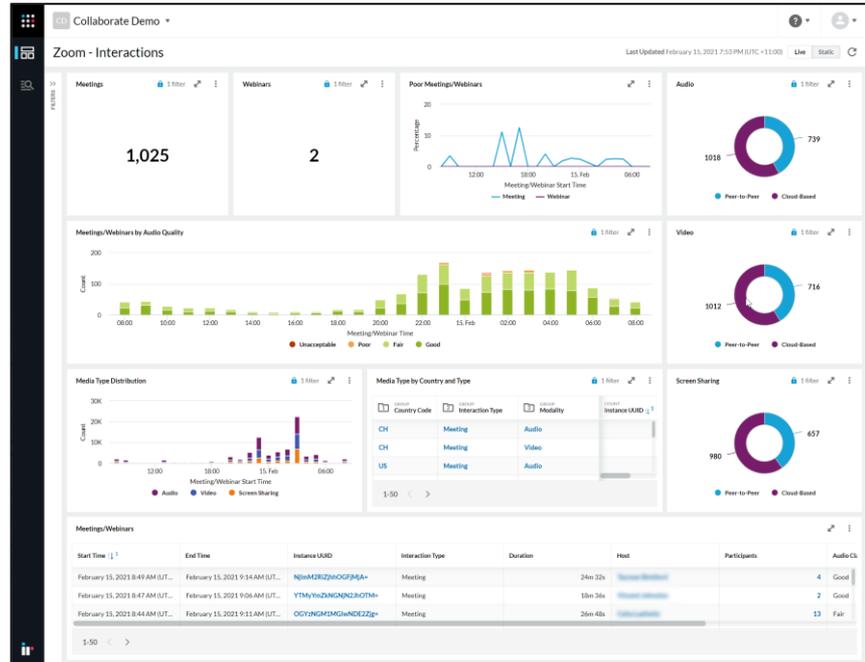
Collaborate Dashboards

Empowering IT to make the complex simple



Meetings List - WEBEX-DEMO

Host Name	Title	Start Time	End Time	Duration	Participants	Service Region	Peer Score	Average Audio MIB	Average Audio Latency	
...	...	15/02/2021 09:24:08	15/02/2021 08:58:47	00:26:49	16	US	5	4.93	17.84	13.43
...	...	15/02/2021 09:00:01	15/02/2021 09:00:47	00:00:46	16	US	5	4.94	2.98	4.64
...	...	15/02/2021 09:20:08	15/02/2021 09:08:47	00:08:30	9	US	5	4.91	16.71	6.49
...	...	15/02/2021 09:21:02	15/02/2021 09:09:47	00:09:34	7	US	5	4.88	21.72	18.18
...	...	15/02/2021 09:46:02	15/02/2021 09:00:47	00:05:45	18	US	5	4.92	10.76	10.13
...	...	15/02/2021 09:46:02	15/02/2021 09:08:47	00:06:54	16	US	5	4.94	13.64	9.47
...	...	15/02/2021 09:46:01	15/02/2021 09:08:47	00:06:51	17	US	5	4.94	14.44	9.68
...	...	15/02/2021 09:46:00	15/02/2021 09:08:47	00:06:56	9	US	5	4.97	11.68	11.13
...	...	15/02/2021 09:21:08	15/02/2021 09:09:47	00:05:49	17	US	5	4.88	45.07	32.46
...	...	15/02/2021 09:21:08	15/02/2021 09:06:46	00:05:27	16	US	5	4.82	10.75	9.41
...	...	15/02/2021 09:21:08	15/02/2021 09:06:46	00:05:27	12	US	5	4.82	10.71	9.41
...	...	15/02/2021 09:21:08	15/02/2021 09:06:46	00:05:20	15	US	5	4.75	16.15	11.62
...	...	15/02/2021 09:21:08	15/02/2021 09:06:46	00:05:20	16	US	5	4.75	16.15	11.62
...	...	15/02/2021 09:21:08	15/02/2021 09:06:46	00:05:18	13	US	5	4.79	13.47	10.69
...	...	15/02/2021 09:21:08	15/02/2021 09:06:46	00:05:21	16	US	5	4.75	26.08	24.83
...	...	15/02/2021 09:21:08	15/02/2021 09:06:46	00:05:18	13	US	5	4.75	18.47	13.85
...	...	15/02/2021 09:21:02	15/02/2021 09:06:46	00:07:23	16	US	5	4.75	26.42	28.88
...	...	15/02/2021 09:21:02	15/02/2021 09:06:46	00:05:52	13	US	5	4.88	17.49	8.94
...	...	15/02/2021 09:21:02	15/02/2021 09:06:46	00:05:34	7	US	5	4.80	20.04	4.21
...	...	15/02/2021 09:21:02	15/02/2021 09:06:46	00:05:31	7	US	5	4.80	20.04	4.21
...	...	15/02/2021 09:21:02	15/02/2021 09:06:46	00:05:31	17	US	5	4.88	20.04	4.21
...	...	15/02/2021 09:21:02	15/02/2021 09:06:46	00:05:31	6	US	5	4.88	12.58	13.24
...	...	15/02/2021 09:21:02	15/02/2021 09:06:46	00:05:31	6	US	5	4.88	12.58	13.24
...	...	15/02/2021 09:21:02	15/02/2021 09:06:46	00:05:31	16	US	5	4.88	16.04	11.39
...	...	15/02/2021 09:21:02	15/02/2021 09:06:46	00:05:31	16	US	5	4.88	16.04	11.39



Step 1 - Turn your data into storytelling

Step 2 - Visualize the data

Step 3 - Create your dashboard

Step 4 - Analyze and troubleshoot

Step 5 - Automate alerts & relax

Collaborate Case Study: GSK

Assurance and Visibility for Complex Global Operations



“What we really needed was to see problems before our users called us. And that’s what IR gave us – the ability to see our environment in real-time, as it was running, and not wait for the user to call and then react”

Don Clark,
Director of Collaboration, Social and Broadcast Engineering

CHALLENGE

- **Issue resolution times** traditionally averaged 16 hours to identify and resolve
- **Multiple vendor platforms** to support across businesses and stakeholders
- **Global operations** that needed to collaborate with multiple stakeholders
- **Very limited visibility** across platforms, businesses and locations

SOLUTION

- **Collaborate Experience Management**
- Simple dashboard(s) for monitoring and identifying issues in real-time, delivering faster response and resolution times
- Provides custom reports and dashboards, providing real-time alerts and critical insights for assessment and quicker resolution

BENEFITS

- Issue identification and resolution reduced from an average **16 hours to under 5 mins**

Transact Dashboards

Making the complex simple



agtest

Transact - Transactions - Untitled

Filters Fields Visualization

Transaction Time: Default (UTC +00:00)

Comparison Type: None

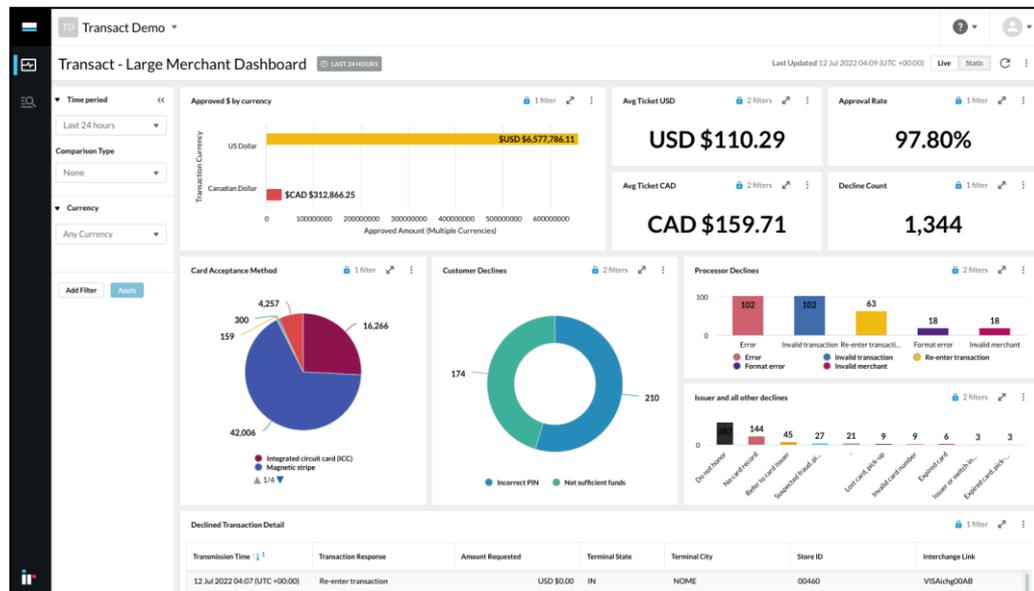
Transaction Currency: Any Currency

Filters

- Filter Group 1
- Unique Transaction Identifier
- AND
- Card Primary Account Number

Add Filter

Transaction Currency	Transaction Currency	Amount Requested
Registry Hotels	US Dollar	USD \$349,848.44
General Rent-A-Car	US Dollar	USD \$185,155.19
Embassy Suites	US Dollar	USD \$198,342.85
Conrad Hotels	US Dollar	USD \$345,770.73
Air Zaire	US Dollar	USD \$35,433.78
LIAT	US Dollar	USD \$3,259.33
TAP Air Portugal (TAP)	US Dollar	USD \$113,547.54
Concrete Work Contractors	US Dollar	USD \$118,274.34
TradeWinds Resort	US Dollar	USD \$546,445.28
Discount Stores	US Dollar	USD \$3,975.76
Dollar Rent-A-Car	US Dollar	USD \$271,279.04
Alta Mira Hotel	US Dollar	USD \$185,574.00
New Otani Hotels	US Dollar	USD \$346,832.51
Laundry Services - Family and C...	US Dollar	USD \$2,718.23
Virgin River Hotel and Casino	US Dollar	USD \$117,134.36
Alamo Rent-A-Car	US Dollar	USD \$32,289.36
Metal Service Centers and Oth...	US Dollar	USD \$187,740.93
Music Stores - Musical Instrum...	US Dollar	USD \$268,158.74
Smugglers Neck Resort	US Dollar	USD \$195,417.84



Step 1 - Turn your data into storytelling

Step 2 - Visualize the data

Step 3 - Create your dashboard

Step 4 - Analyze and troubleshoot

Step 5 - Automate alerts & relax

Transact Case Study – Rabobank

Modernization & Flexible Integration



CHALLENGE

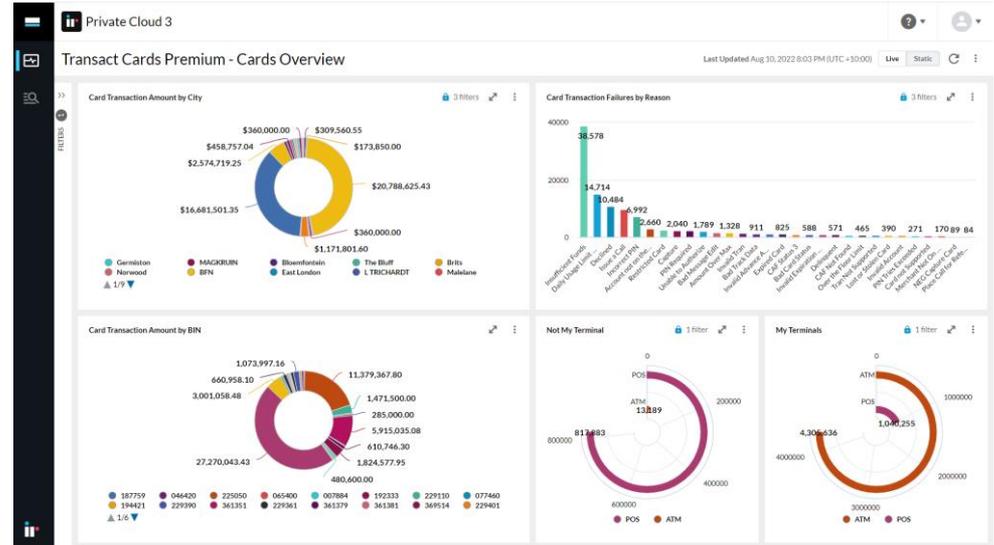
- Customer is modernizing payments platforms, introducing new payment type, leveraging more payment services
- **Regulatory constraints** - can't go live with new services or flows without monitoring

SOLUTION

- **Transact Real-Time Payments**
- Monitoring for new eCommerce payment flows
- Monitoring & reporting for Instant Payments

BENEFITS

- Regulatory issues resolved
- Flexibility to extend as the business evolves





FY23 Key Priorities

FY23 Key Priorities

Strong foundation from which to grow



Returning the Americas and Europe to growth



Increasing new product adoption and traction



High customer retention and ongoing managed migration to cloud



Launch of generation II products – building on the new SaaS products launched in FY22



Retain a strong balance sheet

'Well positioned for self-funded innovation and long-term growth'



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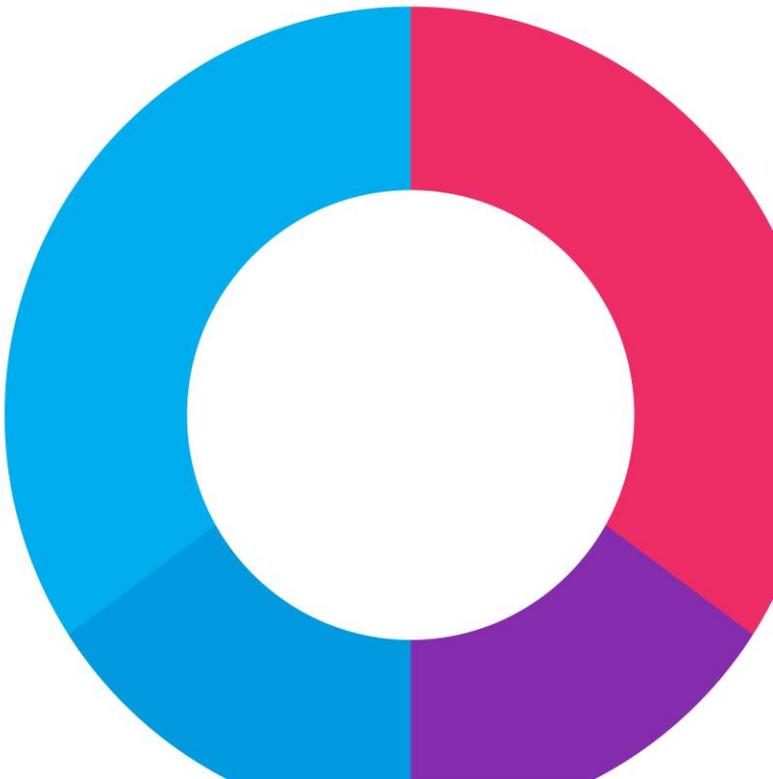
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Appendix

Proforma Subscription Revenue



Purpose:

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

How:

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

Proforma Subscription Revenue

Reconciliation of statutory to proforma revenue



Annual revenue	FY20	FY21	FY22	FY20	FY21	FY22
	A\$M	A\$M	A\$M			
Infrastructure	21.5	18.3	17.8	6%	(15%)	(2%)
Transact	10.5	10.0	10.9	25%	(5%)	10%
Collaborate	49.3	41.4	39.6	9%	(16%)	(4%)
Proforma subscription revenue	81.3	69.6	68.4	10%	(14%)	(2%)
Perpetual sales	4.3	1.2	0.6	51%	(73%)	(53%)
Testing Services	5.5	4.3	3.8	11%	(22%)	(11%)
Professional Services	8.6	8.4	7.1	17%	(3%)	(16%)
Proforma revenue	99.8	83.5	79.8	12%	(16%)	(4%)
Statutory revenue	110.9	78.5	62.9	10%	(29%)	(20%)
Reconciliation to Statutory Accounts:						
Proforma revenue	99.8	83.5	79.8			
Deduct Amortised licence fees	(56.5)	(51.2)	(51.9)			
Add License fees recognised upfront	67.6	46.2	34.9			
Statutory revenue	110.9	78.5	62.9			

TCV Reconciliation by Product



A\$M	Collaborate			Transact			Infrastructure			Services			Total		
	FY21	FY22	YoY	FY21	FY22	YoY	FY21	FY22	YoY	FY21	FY22	YoY	FY21	FY22	YoY
Renewal	24.4	10.5	(57%)	4.7	4.8	2%	12.2	9.8	(20%)	-	-	-	41.3	25.2	(39%)
New & Capacity	12.6	16.5	31%	6.5	2.7	(58%)	1.9	2.1	10%	-	-	-	21.1	21.4	1%
Subtotal – TCV Subscription	37.0	27.0	(27%)	11.2	7.5	(32%)	14.1	11.9	(15%)	-	-	-	62.4	46.6	(25%)
Testing	4.3	4.5	4%	-	-	-	-	-	-	-	-	-	4.3	4.5	4%
Services	-	-	-	-	-	-	-	-	-	8.4	5.6	(33%)	8.4	5.6	(33%)
Total Contract Value (TCV)	41.4	31.5	(24%)	11.2	7.6	(32%)	14.1	11.9	(15%)	8.4	5.6	(33%)	75.1	56.7	(25%)

TCV Reconciliation by Geography



Natural Currency	APAC – A\$M			Americas – U\$M			Europe - £M		
	FY21	FY22	YoY	FY21	FY22	YoY	FY21	FY22	YoY
Renewal	4.3	6.6	56%	23.6	10.5	(55%)	3.2	2.2	(32%)
New & Capacity	6.0	7.4	24%	7.0	8.0	14%	3.2	1.6	(49%)
Subtotal – TCV Subscription	10.3	14.0	36%	30.6	18.5	(40%)	6.4	3.8	(41%)
Services & Testing	1.3	1.4	7%	7.0	5.3	(24%)	1.1	0.8	(32%)
Total Contract Value (TCV)	11.6	15.5	34%	37.6	23.8	(37%)	7.5	4.6	(39%)

Glossary



Annual Recurring Revenue (ARR)	equals to the monthly proforma subscription revenue as of June 2022 multiplied by 12.
Cash conversion rate	equals cash receipts divided by proforma revenue.
Customer retention	equals the opening customer count for the reporting period less customers who are deemed to cease purchasing from IR in the reporting period; this total is then divided by the opening balance and presented in percentage terms.
Proforma subscription revenue	provides an alternate view of underlying performance by restating term licence on a recurring subscription basis (ie over time) plus other recurring revenues such as maintenance fees and cloud services. Note: the current statutory model recognises licence fee revenue upfront at the commencement of the contract.
Proforma subscription net revenue retention	equals total proforma subscription revenue for the period less new subscription revenue in that period. This total is divided by the prior period subscription revenue and presented in percentage terms.
Proforma revenue	equals proforma subscription revenue <u>plus</u> other non-recurring revenue streams such as perpetual license fees, professional services and one-time through testing services
Total Contract Value (TCV)	means the total value of a revenue generating contract written in the period of performance less any residual value from a previous related contract. The value includes software licence and related maintenance, cloud, testing and consulting services bookings.