



18 February 2021

ASX Market Announcements Office
Australian Securities Exchange Limited

Dear Sir/Madam

ASX Market Announcement

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

- Appendix 4D, and
- Interim Financial Report for the half-year ended 31 December 2020.

By authority of the Board

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



Appendix 4D

Half-year report

Name of entity

INTEGRATED RESEARCH LIMITED

ABN

76 003 588 449

Reporting period
(half-year ended)

31 December 2020

Previous corresponding
period (half-year ended)

31 December 2019

For announcement to the market

Extracts from this report for announcement to the market

					A\$000
Revenues from ordinary activities	Down	36%	to		34,111
Profit/(loss) before tax attributable to members	Down	109%	to		(1,386)
Net profit for the period attributable to members	Down	99%	to		129

Dividends (distributions)	Amount per security	Franked amount per security
Interim dividend	Nil	N/A
Previous corresponding period	3.5¢	100%

Brief explanation of results

Please refer to page 2 'Review of Operations' for an explanation of the results.
This information should be read in conjunction with Integrated Research Limited 2020 Annual Report.

The information provided in this report contains all the information required by ASX Listing Rule 4.2A.

NTA backing	December 2020 Cents	December 2019 Cents
Net tangible asset backing per ordinary security	25.94	28.74

Dividends	December 2020 \$'000	December 2019 \$'000
No interim dividend has been declared for the current period (prior period: 100% franked dividend of 3.5 cents per share)	Nil	6,015
Total dividends provided for or paid	Nil	6,015



INTEGRATED RESEARCH LIMITED AND CONTROLLED ENTITIES

FOR THE HALF-YEAR ENDED
31 DECEMBER 2020

ABN: 76 003 588 449

ASX CODE: IRI

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Directors' Report

The Directors present their report together with the consolidated financial report for the half-year ended 31 December 2020 and the review report thereon.

Directors

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

Paul Brandling – Independent Non-Executive Director and Chairman
 Nick Abrahams – Independent Non-Executive Director (retired 25 November 2020)
 Allan Brackin – Independent Non-Executive Director (appointed 1 February 2021)
 Garry Dinnie – Independent Non-Executive Director
 Peter Lloyd – Independent Non-Executive Director
 Anne Myers – Independent Non-Executive Director
 John Ruthven – Managing Director

Principal Activities

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

Half-Year Results

The following table summarises the key revenue, expense and profit results for the consolidated entity for the half-year ended 31 December 2020 compared to the previous corresponding period:

In thousands of AUD	2020	2019	Change %
Revenue from licence fees	17,104	33,358	(49%)
Revenue from maintenance fees	10,287	12,068	(15%)
Revenue from SaaS fees	125	396	(68%)
Revenue from testing solution services	2,385	2,809	(15%)
Revenue from professional services	4,210	4,549	(7%)
Total revenue	34,111	53,180	(36%)
Total expenses	(32,880)	(38,457)	(15%)
Profit before finance income, other losses, and income tax	1,231	14,723	(92%)
Other (losses) ¹	(2,983)	(112)	2563%
Finance income	366	274	34%
(Loss)/profit before tax	(1,386)	14,885	(109%)
Net profit after income tax	129	11,824	(99%)

¹ Other losses comprise of currency revaluation loss of \$3.0 million (2019: \$11,000) and loss on sale of financial assets of nil (2019: \$101,000).

The Company reported profit after tax of \$129,000 and revenue of \$34.1 million for the half year ended 31 December 2020. The results were down globally across all product lines. There were four factors affecting the revenue: firstly, sales opportunities that did not renew; secondly, sales that closed at lower contract value from shortened commitment periods; thirdly, sales deferred past the reporting period; and lastly an increase in the AUD/USD exchange rate across the period. The greatest impact on revenue was the deferment of sales past the reporting period.

As communicated at the Company's Annual General Meeting, the on-going global uncertainty around COVID and other geo-political uncertainties saw typical sales cycles lengthen and some customers deferring purchasing decisions. Historically, a significant proportion of licence sales close within the last few weeks of a reporting period. As it transpired, the risk on earnings shortfall was much greater than first anticipated with delays pushing beyond 31 December 2020.

The strengthening Australian dollar during the half had a negative impact on the Company in two ways. Firstly, the revaluation of foreign currency denominated assets resulted in unrealised losses of \$3.0 million in the half. Secondly, the translation of offshore revenues at higher exchange rates lowering reported revenues. In constant currency, revenue for the half would have been \$35.7 million compared to the reported revenue of \$34.1 million. Removing the effects from both currency revaluation and currency translation would have seen profit after tax of \$2.9 million compared to the reported result of \$129,000.

Directors' Report (continued)

Review of Operations

Revenue

Revenue for the reporting period was \$34.1 million, a decrease of 36% over the previous corresponding period. The following table presents Company revenue for each of the relevant product groups:

In thousands of AUD	2020	2019	Change %
Collaborate	20,100	29,659	(32%)
Infrastructure	5,565	11,176	(50%)
Transact	4,236	7,796	(46%)
Professional Services	4,210	4,549	(7%)
Total revenue	34,111	53,180	(36%)

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

	2020	2019	Change %
Americas (USD'000)	17,873	23,409	(24%)
Europe (£'000)	2,898	5,250	(45%)
Asia Pacific (A\$'000)	4,100	9,288	(56%)

Expenses

The Company's operating cost base decreased by 15% to \$32.9 million. Significant reductions in travel, marketing events and other employee expenses were consequential from the pandemic. The cost base was also down due to offshore operating expenses being translated at higher exchange rates. Variable expenses, such as sales commissions, were also down due to lower revenue. Staff numbers at 31 December 2020 were 264 compared to 268 at 31 December 2019.

The following table represents an analysis of research and development:

In thousands of AUD	2020	2019
Gross research and development spending	10,148	11,012
Capitalisation of development expenses	(6,173)	(7,236)
Amortisation of capitalised expenses	4,614	4,370
Net research and development expenses	8,589	8,146

Cashflow

Despite the fall in profitability, cashflow from operating activities of \$11.3 million remained buoyant. Cash receipts from customers was \$42.4 million for the reporting period with no debtor factoring.

For the financial year ended 30 June 2020, as detailed in the Directors' Report for that financial year, a final dividend of 3.75 cents per share franked at 100% was paid to the holders of fully paid ordinary shares on 15 October 2020.

Statement of Financial Position

At 31 December 2020, the Company held \$8.2 million in cash (30 June 2020: \$9.7 million). The \$20 million bank debt facility was drawn to \$6.5 million (30 June 2020: \$5.0 million).

Outlook

Plans have been developed to turnaround the poor first half performance, however revenue and profit for the current financial year will be below the preceding financial year. The Company plans to gain traction from new cloud solutions that were recently released to provide the platform for growth in future years.

Interim Dividend

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

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

The lead auditor's independence declaration is set out on page 14 and forms part of the Directors' Report for the half-year ended 31 December 2020.

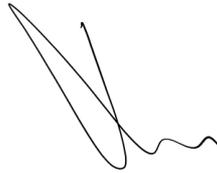
Rounding off

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

Signed in accordance with a resolution of the Directors:

Handwritten signature of Paul Brandling, consisting of a large stylized 'P' and 'B' followed by a horizontal line.

Paul Brandling
Chairman

Handwritten signature of John Ruthven, consisting of a large stylized 'J' and 'R' followed by a horizontal line.

John Ruthven
Managing Director

Dated at North Sydney this 18th day of February 2021.

Consolidated Statement of Comprehensive Income

For the half-year ended 31 December 2020

In thousands of AUD

	Note	December 2020	December 2019
Continuing Operations			
<i>Revenue from contracts with customers</i>			
Licence fees		17,104	33,358
Maintenance fees		10,287	12,068
SaaS fees		125	396
Testing solution services		2,385	2,809
Professional services		4,210	4,549
Total revenue	3	34,111	53,180
<i>Expenditure:</i>			
Research and development		(8,589)	(8,146)
Sales, professional services and marketing expenses		(21,580)	(26,936)
General and administration expenses		(2,711)	(3,375)
Total expenditure		(32,880)	(38,457)
Other losses		(2,983)	(112)
(Loss)/profit before finance income and tax		(1,752)	14,611
Finance income		366	274
(Loss)/profit before tax		(1,386)	14,885
Income tax benefit/(expense)		1,515	(3,061)
Profit for the period		129	11,824
Other comprehensive income			
Items that may be reclassified subsequently to profit			
Gain on cash flow hedges taken to equity		-	208
Foreign exchange translation differences		(1,976)	52
Other comprehensive (loss)/income for the period		(1,976)	260
Total comprehensive (loss)/income for the period		(1,847)	12,084
<i>Profit attributable to:</i>			
Members of Integrated Research		129	11,824
<i>Total comprehensive (loss)/income attributable to:</i>			
Members of Integrated Research		(1,847)	12,084
<i>Earnings per share attributable to members of Integrated Research</i>			
Basic earnings per share to ordinary equity holders (AUD cents)	4	0.08	6.88
Diluted earnings per share to ordinary equity holders (AUD cents)	4	0.07	6.85

The consolidated statement of comprehensive income is to be read in conjunction with the accompanying notes set out on pages 8 to 11.

Consolidated Statement of Financial Position

For the half-year ended 31 December 2020

In thousands of AUD

	December 2020	June 2020
Current assets		
Cash and cash equivalents	8,171	9,744
Trade and other receivables	43,302	57,853
Current tax assets	2,185	64
Other current assets	4,100	2,963
Total current assets	57,758	70,624
Non-current assets		
Trade and other receivables	26,948	29,399
Other financial assets	206	236
Property, plant and equipment	1,565	1,883
Right-of-use assets	6,923	6,367
Deferred tax assets	1,214	1,404
Intangible assets	30,020	29,052
Other non-current assets	647	872
Total non-current assets	67,523	69,213
Total assets	125,281	139,837
Current liabilities		
Trade and other payables	8,512	10,213
Provisions	3,752	3,852
Income tax liabilities	-	2,192
Deferred revenue	16,010	20,767
Lease liabilities	1,741	1,372
Other financial liabilities	478	37
Total current liabilities	30,493	38,433
Non-current liabilities		
Borrowings	6,494	5,000
Deferred tax liabilities	6,287	6,450
Provisions	604	713
Deferred revenue	1,223	1,556
Lease liabilities	5,483	5,142
Other financial liabilities	12	21
Total non-current liabilities	20,103	18,882
Total liabilities	50,596	57,315
Net assets	74,685	82,522
Equity		
Issued capital	1,667	1,667
Reserves	3,560	5,079
Retained earnings	69,458	75,776
Total equity attributable to members of Integrated Research	74,685	82,522

The consolidated statement of financial position is to be read in conjunction with the accompanying notes set out on pages 8 to 11.

Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2020

In thousands of AUD

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

	Share Capital	Hedging Reserve	Translation Reserve	Employee Benefits Reserve	Retained Earnings	Total
Balance as at 1 July 2019	1,667	(51)	493	3,536	64,182	69,827
Profit for the period	-	-	-	-	11,824	11,824
Other comprehensive income	-	208	52	-	-	260
Total comprehensive income for the period	-	208	52	-	11,824	12,084
Expensed employee options and performance rights	-	-	-	334	-	334
Payment of dividends	-	-	-	-	(6,445)	(6,445)
Balance at 31 December 2019	1,667	157	545	3,870	69,561	75,800

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes set out on pages 8 to 11.

Consolidated Statement of Cash Flows
 For the half-year ended 31 December 2020
 In thousands of AUD

	December 2020	December 2019
Cash flows from operating activities		
Cash receipts from customers	42,354	45,450
Cash paid to suppliers and employees	(28,319)	(30,029)
Cash generated from operations	14,035	15,421
Income taxes paid	(2,780)	(2,174)
Net cash from operating activities	11,255	13,247
Cash flows from investing activities		
Payments for capitalised development	(6,173)	(7,236)
Payments for property, plant and equipment	(72)	(224)
Payments for intangible assets	-	(385)
Interest received	605	364
Net cash used in investing activities	(5,640)	(7,481)
Cash flows from financing activities		
Proceeds from borrowings	6,494	4,000
Repayment of borrowings	(5,000)	(4,000)
Payment of lease liabilities	(851)	(961)
Interest payments	(240)	(90)
Payment of dividend	(6,447)	(6,445)
Net cash used in financing activities	(6,044)	(7,496)
Net increase/(decrease) in cash and cash equivalents	(429)	(1,730)
Cash and cash equivalents at 1 July	9,744	9,316
Effects of exchange rate changes on cash	(1,144)	6
Cash and cash equivalents at 31 December	8,171	7,592

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes set out on pages 8 to 11.

Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2020

In thousands of AUD

Note 1. Significant accounting policies

a) Statement of Compliance

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

b) Basis of Preparation

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

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

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

New accounting standards and interpretations

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in Integrated Research Limited's 2020 annual financial report, except for the adoption of new standards for the 2021 financial year. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Note 2. Segment information

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

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

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

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

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

In thousands of AUD	Americas		Europe		Asia Pacific		Corporate Australia ¹		Eliminations		Consolidated	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Continuing operations												
Sales to customers outside the consolidated entity	24,732	34,275	5,279	9,842	4,100	9,288	-	(225)	-	-	34,111	53,180
Inter-segment revenue	-	-	-	-	-	-	14,163	22,483	(14,163)	(22,483)	-	-
Total segment revenue	24,732	34,275	5,279	9,842	4,100	9,288	14,163	22,258	(14,163)	(22,483)	34,111	53,180
Segment (loss)/profit (before finance income and tax)	850	969	152	246	136	314	(2,890)	13,082	-	-	(1,752)	14,611
Financing income (interest received)											366	274
Income tax benefit/(expense)											1,515	(3,061)
Profit for the half-year											129	11,824
Capital additions ²	1,534	637	4	622	75	150	68	6,820	-	-	1,681	8,229
Depreciation and amortisation expenses	334	464	147	184	145	93	5,556	5,288	-	-	6,182	6,029

In local currency ³	Americas (USD)		Europe (UK Sterling)	
	2020	2019	2020	2019
Sales to customers outside the consolidated entity	17,873	23,409	2,898	5,250
Inter-segment sales	-	-	-	-
Total segment revenue	17,873	23,409	2,898	5,250
Segment Profit	616	661	84	125

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

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

³ Segment results represented in local currencies.

Note 3. Revenue from contracts with customers

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

In thousands of AUD	Consolidated December 2020	Consolidated December 2019
Timing of revenue recognition		
At a point in time	17,104	33,358
Over time	17,007	19,822
Total Revenue from contracts with customers	34,111	53,180
Type of product group		
Collaborate	20,100	29,659
Infrastructure	5,565	11,176
Transact	4,236	7,796
Professional Services	4,210	4,549
Total revenue	34,111	53,180

Note 4. Earnings per Share

Basic earnings per share

The calculation of basic earnings per share for the half-year ended 31 December 2020 was based on the profit attributable to ordinary shareholders of \$129,000 (half-year ended 31 December 2019: \$11,824,000) and a weighted average number of ordinary shares outstanding during the half-year ended 31 December 2020 of 172,030,086 (half-year ended 31 December 2019 of 171,860,753).

Diluted earnings per share

The calculation of diluted earnings per share for the half-year ended 31 December 2020 was based on the profit attributable to ordinary shareholders of \$129,000 (half-year ended 31 December 2019: \$11,824,000) and a weighted average number of ordinary shares outstanding during the half-year ended 31 December 2020 of 172,541,197 (half-year ended 31 December 2019: 172,611,329).

Note 5. Employee Equity benefits

Performance Rights and Options Plan – November 2011

On 21 November 2011, the consolidated entity established performance rights and options plan. The plan enables Integrated Research Limited to offer performance rights to eligible employees to obtain shares in Integrated Research Limited at no cost contingent upon performance conditions being met. The performance conditions may be a service period only or a service period and either a net profit after tax or total shareholder return hurdle. The performance rights are automatically exercised into shares upon the performance conditions being met. The following performance rights were granted during the period:

Grant Date	Number of Rights	Expiry date
September 2020	134,410	August 2023
November 2020	95,368	August 2023

The following performance rights were outstanding as at 31 December 2020:

Grant Date	Number of Rights	Expiry date
September 2018	83,000	September 2021
December 2018	136,000	November 2021
January 2019	89,988	March 2022
February 2019	40,000	March 2021
August 2019	40,000	September 2022
September 2019	186,267	September 2022
November 2019	152,438	September 2022

Note 5. Employee Equity benefits (continued)

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

Grant Date	Number of Rights	Expiry date
September 2017	70,000	September 2020
October 2017	244,000	October 2020

Note 6. Financial Instruments

Forward foreign exchange contracts

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

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

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

Outstanding contracts	Average Exchange Rate		Foreign Currency		Contract Value		Fair Value	
	2020	2019	2020 FC'000	2019 FC'000	2020 A\$'000	2019 A\$'000	2020 A\$'000	2019 A\$'000
Consolidated								
<u>Sell US Dollar</u>								
Less than 3 months	0.72	0.70	3,750	5,000	5,203	7,184	350	59
3 to 6 months	0.72	0.69	3,750	3,150	5,205	4,557	354	78
6 to 9 months	0.72	0.69	2,500	2,000	3,493	2,918	261	79
9 to 12 months	-	0.70	-	850	-	1,206	-	1
<u>Sell Euros</u>								
Less than 3 months	-	0.61	-	50	-	82	-	2
3 to 6 months	-	0.62	-	50	-	81	-	-
<u>Sell Sterling</u>								
Less than 3 months	-	0.55	-	150	-	275	-	(7)
3 to 6 months	-	0.53	-	50	-	94	-	-
							965	212

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

Fair value of financial instruments

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

Financial assets

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

Note 6. Financial Instruments (continued)

Credit risk management

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

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. The largest single counterparty balance with any one customer at 31 December 2020 was \$10.7 million (June 2020: \$12.1 million). Ongoing credit evaluation is performed on the financial condition of accounts.

The Company has a program to sell selected account receivable balances to a third party without recourse. There were no sales of accounts receivables during the current reporting period. During the equivalent prior period a total of \$1.2 million debtors were sold at a cost of \$101,000. The Company continues to bear maintenance support obligations to the end customers which are carried as a liability in the deferred revenue account of the Company's balance sheet of \$2.2 million (June 2020: \$2.7 million).

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

Note 7. Subsequent events

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

Directors' Declaration

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

In the opinion of the directors:

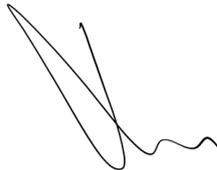
- a) The financial statements and notes of Integrated Research Limited for the half-year ended 31 December 2020 are in accordance with the Corporations Act 2001, including:
 - (i) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
 - (ii) Complying with Accounting Standards and the Corporations Regulations 2001.
- b) There are reasonable grounds to believe that Integrated Research Limited will be able to pay its debts as and when they become due and payable.

Dated at North Sydney this 18th day of February 2021.

On behalf of the Directors



Paul Brandling
Chairman



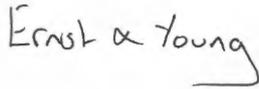
John Ruthven
Managing Director

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

As lead auditor for the review of Integrated Research Limited for the half-year ended 31 December 2020, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

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



Ernst & Young



Julian M. O'Brien
Partner
18 February 2021



**Building a better
working world**

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

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Integrated Research Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not 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 31 December 2020 and of its consolidated financial performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's consolidated financial position as at 31 December 2020 and its consolidated financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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



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working world**

Independence

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

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

Ernst & Young

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

Julian M. O'Brien
Partner
Sydney
18 February 2021