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# MARKET ANNOUNCEMENT

## FY26 Full Year Results

**Sydney, 27 August 2026** – Integrated Research (Company, IR) (ASX: IRI), a leading global provider of observability for business-critical IT ecosystems, today released its results for the financial year ended 30 June 2026.

### Highlights

- FY26 final fully franked dividend of $0.05 per share comprising of an ordinary dividend of $0.03 per share (FY25: $0.02) and a special dividend of $0.02 per share.
- Robust cash generation and strong cash position maintained for investment in product-led growth.
- Release of new products: increased product & technology investment offset by other cost savings.
- Revenue performance reflects a softer FY26 renewals book and lower second half new business contribution.
- EBITDA loss reflects lower revenue, an increase in credit losses and foreign exchange losses.
- IR Labs beta launch of first standalone agentic AI product.

### Summary of FY26 Results (Statutory unless noted otherwise)

| A$'m | FY26 (Actual) | FY25 (Actual) | % Change |
|---|---|---|---|
| Revenue | 57.6 | 68.3 | (16%) |
| Pro forma Revenue[1] | 65.8 | 74.3 | (12%) |
| EBITDA[2] | (2.1) | 15.9 | NM[3] |
| Net Profit After Tax (NPAT) | 1.2 | 13.4 | (91%) |
| Cash | 51.7 | 40.6 | 27% |
| Dividend – cents per share (fully franked) | 5.00 | 2.00 | 150% |

[1]*Pro forma Revenue provides a non-statutory alternate view of underlying performance by restating term licence fee revenue to be on a recurring subscription basis (i.e. over time), rather than upfront at the commencement of a contract, per the statutory view.*
[2]*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.*
[3]*NM (Not meaningful) - the % Change is not meaningful to the prior year.*
[4]*Rounded numbers may produce minor differences in change percentages.*

FY26 revenue performance was impacted primarily by a softer-value renewals book which is subject to year-on-year variability. The improvement in new business contribution achieved in the first half was encouraging while not sustained through the second half as several new business opportunities were deferred into FY27. This reflects a more cautious enterprise market generally, the effect of which included slower procurement cycles arising from AI-led disruption and continued contraction in the average contract term.

Similarly, FY26 Pro forma Revenue of $65.8m decreased by 12% reflecting an 11% reduction in term-based revenues, and a 20% reduction in other revenues (services). 92% of Pro forma revenue is secured via term-based contracts and apportions upfront license fee revenue evenly over the life of the contract.

FY26 saw a 29% increase in product and technology expense as the Company invested in building new products. Notwithstanding this higher investment, cost management discipline was maintained, with savings across other areas of the business delivering a 2% reduction in total expenses before the impact of a $5.0 million credit loss provision.

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The increase in the credit loss provision, together with adverse foreign exchange movements impacted year-on-year statutory earnings. The $5.0 million provision includes a first half expense of $3.8 million relating to a single client and is unrelated to software performance.

The Company's cash position increased by 27% from 30 June 2025 to $51.7 million. The strengthened balance sheet allowed for an increase in the FY26 final fully franked dividend of $0.05 per share comprising of an ordinary dividend of $0.03 per share (FY25: $0.02) and a special dividend of $0.02 per share.

The Company's cash balance provides a solid foundation for continued investment in product innovation and execution of the Company's product-led growth strategy.

**Progress update**

In FY26 the Company continued to progress its product-led growth strategy. This included the release of Iris, a new AI powered product integrated into Prognosis, and the beta launch of IR Labs first product, an AI platform that automates software quality assurance. These new product releases allow for a utilisation based revenue model.

The product-led growth strategy targets a return to sustainable growth over the medium to long term, including:

- Delivering new products and capabilities designed to maximise retention and enable new revenue opportunities.
- Leveraging technical innovation, including AI, to deliver new, AI powered products and capabilities.

The focus on building new products recognises that the Company has a mature offering in a technology market that is increasingly innovative, in particular with AI rapidly giving rise to new capabilities.

In FY26 the Company also completed implementation of its High Value Payments solution with a Top 10 US bank.

**Observations**

The emergence of AI is significant and serves as both a disruptor and an enabler. The Company is responding to this by leveraging the innovation opportunity of AI and embedding it into our product offering (eg. Iris), building new, stand-alone products that are born AI enabled (eg. IR Labs) and integrating AI tools into operations to improve productivity.

While AI-led disruption presents change that will continue and likely accelerate, the Company has established capabilities and client trust over many years that provide a foundation for the future, including:

- Observability of the business-critical technology IR provides remains essential for large organisations.
- Much of the data IR harvests lies deep within the client's technology stack and is difficult to access.
- Enterprise clients operating in highly regulated verticals such as finance, government and health, work within tight compliance and regulatory frameworks where trust of AI is an open issue.
- The complexity of data IR harvests is significant. Simplifying and interpreting this data requires specialist expertise, expertise the Company can leverage to build new products.

AI-led disruption is also seeing clients make decisions more cautiously and committing to shorter contract periods. The Company's product strategy recognises and responds to this by seeking to:

- Minimise deployment friction - build new products that can be more easily deployed and adopted.
- Minimise pricing friction – SaaS based revenues do not require the client to commit in advance, their cost is based on usage.
- Minimise contract friction – incorporate new products into client contracts to avoid additional contract cycles.

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**Product-led growth execution**

To achieve its medium to long term sustainable revenue growth objective, in FY27 the Company will focus on the following:

- Ongoing product investment to build additional new products. Investment in product-led growth will impact profit performance over the short to medium term.
- Closer client engagement established in FY26 will be further expanded in support of new product development.
- Continued focus on sales and new product commercialisation seeks to minimise churn and secure a growing contribution from new client, expansion and SaaS revenues.

The Company also notes that the FY27 renewals book is weighted to the second half.

*CEO and Managing Director Ian Lowe said: "With a medium to long-term transition to product-led growth the key driver, FY26 was a pivotal year for the Company. Critical foundations were built around innovation, product delivery and client engagement, while first releases were undertaken of new AI powered products. These releases simultaneously introduce a new utilisation-based revenue model, an important element of the Company's product-led growth strategy.*

*Despite strong cash generation, FY26 was also a challenging year as reflected in our results. Accordingly, accelerated monetisation of new products, in parallel with expanded client-led innovation is a critical focus for FY27. IR's privileged position as a trusted provider to some of the world's largest and best-known organisations provides the platform from which to continue to innovate and pursue product-led growth."*

**By Authority of the Board.**

**Leanne Ralph**
Company Secretary
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**Investor queries:**

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**About IR**
At IR, we power elite business performance. Trusted by the world's largest organizations for more than 30 years, our market-leading observability solutions are powered by Prognosis – the real-time intelligence platform built for multi-vendor infrastructure, UC&CX and payments environments. Find out more: www.ir.com.