Reset
Refocus
Build

Annual Report 2023

iress

We **harness the power** of technology to **enable** a smarter financial system that **delivers more** for everyone.

Our values

Go Beyond

We dream big and nothing is off the table. From our people, to our market-leading ideas and how we connect with and deliver for our customers; a growth mindset is part of our fabric.

Act Smart

We act with integrity, ensuring there are no surprises. We use our collective knowledge to strive for excellence while delivering industry-leading software and services that consistently impress our customers.

Win Together

We're one team that has each other's back. We bring our A-game, take ownership and follow up; with our shareholders, customers and community always at heart.

AGM details

The AGM will be a hybrid event, with the option to attend online or in person on:

Thursday 2 May 2024
11.30am AEST
King & Wood Mallesons
Level 27, 447 Collins Street
Melbourne VIC 3000, Australia

Acknowledgement of Country

We pay our respects to the Traditional Owners of the lands where we work as well as across the lands through which we travel. We recognise Indigenous Peoples' continuing connection to land, place, waters and community. We pay our respects to their cultures, Country, and elders past, present and emerging.

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2023 Highlights

Financial

Delivered at top end of revised guidance. Revenue up 2% on previous year, through growth in Superannuation and the UK.

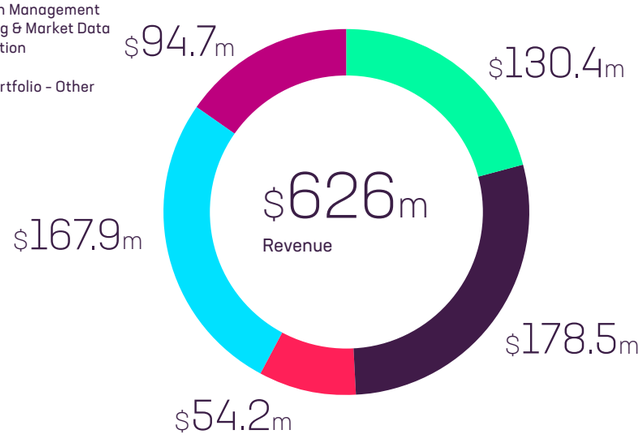
Operating revenue AUD (m)

2023	$625.7m
2022	$615.6m

+2%
on 2022

Segment overview

- APAC Wealth Management
- APAC Trading & Market Data
- Superannuation
- UK
- Managed Portfolio – Other



Shareholder

Net Profit After Tax (NPAT)

(137.5m)	2023
$52.7m	2022

Earnings per share (EPS)

(76.4c)	2023
28.6c	2022

Underlying EBITDA

2023	$128.3m
2022	$146.4m

Statutory loss attributable to non-cash amortisation, depreciation, de-recognition and impairment expense of $180.4m. This was notably impacted by an impairment of $130.2m on the UK goodwill carrying value which was written down in the first half of the year, as well as the de-recognition of capitalised software intangible assets and one-off expenses related to transformation.

Innovation

- Launched editorial and discussion platform, Advisely, to improve business efficiency amongst financial advisers.
- Launched Iress FIX Hub, a cloud-native financial information exchange platform.
- Exploring opportunities in data & AI.

People and culture

A new remuneration model and an evolved performance framework has been launched in 2024 to drive growth, development and performance, and align the contribution of everyone to annual and quarterly objectives.

Almost 12,000 'Long Weekend' days were taken by our people globally in 2023. Iress' 'Long Weekend' will be continued in 2024 – with the added flexibility of being able to take a 'Long Weekend' on your birthday.

ESG

- The Science Based Targets initiative approved Iress' near-term emissions reduction targets.
- New emissions management system.
- Initiation of Reflect Reconciliation Action Plan & working group.
- Modern slavery risk identification & toolkit development.
- UX Scholarship for two refugee women.

Transformation

Significant year of change, with announcement of refreshed strategy and clear actions to reset Iress' cost and asset base, refocus on core businesses while managing non-strategic businesses for value and innovating to build future growth.

1,900
people restructured to product-led business units, with refreshed leadership team driving end-to-end accountability and improved performance.

15% reduction in headcount
as at 31 December 2023 vs 31 December 2022. Total headcount reduction of 21% when MFA divestment included.

Five-year plans
in place for business units with a focus on customers to further improve customer satisfaction scores.

$50.5m (AUD)
MFA business sold for $50.5m, and a clear program for divestments of Platforms and Mortgages businesses.

Iress Impact

Iress Impact was established in 2017 to support charities, predominantly through fundraising and workplace giving. The guiding principles remain relevant today: facilitate, support and promote people engagement, while making a visible, reliable, and meaningful contribution to partner charities.

500
volunteering hours

$266k
(AUD) donated

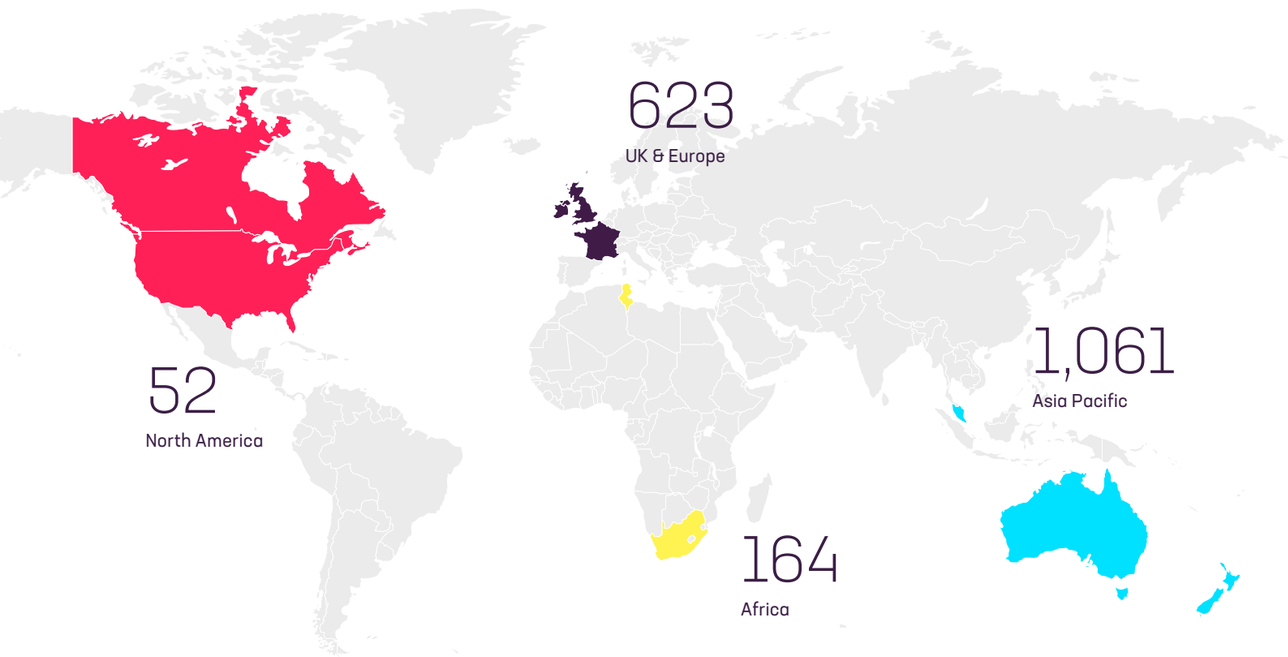
86
charities supported

Business overview

Iress is a **leading technology company**, designing and developing software and services for the financial services industry. Iress operates across Asia Pacific, the United Kingdom & Europe, Africa and North America.

Our people and locations across the globe

1,900
People



Software and clients

Our clients range from small retail to large institutional businesses across the financial services industry. Our technology sits at the centre of our clients' businesses, supporting their core operations with essential infrastructure and functionality, helping them to deliver to their clients, members and customers.

3.2b
in trade orders processed in Australia annually

$A45trn+
in trade volumes annually in Australia

38,000
Australian Xplan users

3m+
Super member accounts

	Software		Clients
Financial advice	**Integrated financial advice software including:** • client management • business automation • portfolio data • research	• financial planning tools • scaled advice journeys • digital client solutions • data-driven compliance and analytics • regulatory obligations management	• Institutional and independent advisory
Trading and market data	**Global market data and trading software including:** • market data • trading interfaces • order and execution management • smart order routing • FIX services • portfolio management	• securities lending • analytical tools • algorithmic trading • market making • CFD clearing • post trade solutions • trading and market data APIs	• Institutional sell-side brokers • Retail brokers • Online brokers
Investment management	**Global investment management and trading software including:** • portfolio management • order and execution management services • FIX services • analytical tools • connectivity	**Integrated software solution including:** • market data • order management • portfolio management • client relationship management • wealth management	• Investment managers • Investment platforms • Fund managers • Private client advisers and managers • Wealth managers • Retail platforms
Superannuation	**Superannuation administration software including:** • fund registry • digital member portal	• digital advice solutions • fund administration services	• Superannuation funds
Mortgages	**Multi-channel mortgage sales and origination software including:** • automated workflow • application processing • connectivity	**Mortgage intermediary software including:** • mortgage comparison • mortgage advice • lender connectivity	• Mortgage lenders • Mortgage intermediaries
Life and pensions	**Insurance and pension sourcing software including:** • quoting	• comparison • application processing	• Institutional and independent advisory • Mortgage intermediaries

Letter from the CEO & Chair

2023 was a year of significant change for Iress, with the appointment of a new Management Team, the launch of a refreshed strategy and the start of a comprehensive transformation program aimed at unlocking the significant earning potential of our core businesses.

Strategy and transformation program

Iress has for many years enjoyed strong market positions in systemically important financial markets software verticals, generating high-quality recurring revenues. However, over time the company had become too complex, made acquisitions that did not consistently meet financial or operational hurdles and had taken its eye off customer experience, while carrying an unsustainably high cost base.

The Board reviewed this position and decided that a significant transformation would be required. This commenced with the appointment of a new CEO and Managing Director in Marcus Price in October 2022.

In early 2023 the Board and Management Team undertook a thorough review of the business. This resulted in the articulation of an updated strategy and clear actions to reset Iress' cost and asset base, refocus on core businesses, manage non-strategic businesses for value and pave the way to innovate to build future growth.

The company's transformation program, which is set to complete at the end of FY24, will see Iress emerge with a more efficient cost base, stronger balance sheet and greater capacity to reinvest in its core products with innovation powering new growth verticals.

Iress renewed its leadership team during the year, and an organisation-wide restructure brought our people closer to our customers. The company is now structured across four divisions, with three core businesses and a managed portfolio aimed at managing assets for value, with the proceeds of divestments to be used principally to retire debt.

We are executing our transformation plan well and remain confident we're on the right path towards operating with significantly improved metrics and transparency. A number of transformation initiatives were brought forward in the second half of 2023, delivering early improvements at the cost and revenue lines.

The new structure is also delivering on our objective of delivering more value to our customers. Our leadership team is now firmly in the driver's seat, with each of our businesses working to five-year plans and accountability resting with divisional CEOs. We still have much work to do but remain on track to conclude the transformation program by the end of 2024 with benefits to continue into FY25 and beyond.

Financial results

Iress reported revenue of $625.7m in 2023, up 2% on the previous year with growth in our Superannuation and UK businesses, offset by a decline in revenue following the sale of the Managed Fund Administration (MFA) business in October.

Underlying EBITDA, Iress' current headline measure of performance, came in at the top end of the revised guidance set out at the half year but was 12% down on FY22 at $128.3m. This was primarily a cost story where inflationary pressures were a key factor in higher salaries and third-party input costs. In response, Iress undertook significant restructuring initiatives, to trim its cost base.

Iress reported a statutory net loss after tax of $137.5m, in large part due to non-cash impairments and accelerated amortisation of intangible assets which included the $130.2m write down on the carrying value of UK goodwill. Non-operating and significant items also increased to $57.8m, largely related to transformation activities.

The significant differences between the Group's headline Underlying EBITDA measure and the statutory NPAT result relate to non-cash amortisation, depreciation and impairment expenses, and the Group's non-operating and significant items during the year.

As part of Iress' commitment to improve transparency made at the time of announcing the transformation program in April, a new headline financial reporting measure will be adopted from 2024. Adjusted EBITDA will replace Underlying EBITDA as the preferred business performance measure, which has a prescriptive and narrower classification of excluded items from the statutory audit. This brings Iress more in line with contemporary peers and market practice.

Cost reset and people matters

Iress made the difficult but necessary decision to reduce headcount by approximately 15% in 2023 to restore profitability and improve efficiency.

The company has built a strong culture over many years. Recognising that workforce reductions can carry risk through disruption, Management took a considered approach to minimise impacts on the company's people and its customers. Your Board and Management team elected to take this action based on the view that, over time, a sustainable Iress will be better for both its employees and for its customers.

Reflecting the shift in Iress' expectations of its own performance, we have reset the company's compensation structure based on performance metrics that reflect the customer and shareholder experience. We are acutely conscious of the need to shift to a performance-based culture, which the new incentive structure reflects. Fixed equity entitlements have been replaced with cash STIs, with entitlement to be driven by performance against meaningful outcomes.

Responding to shareholder and customer perspectives

Iress' shareholders expect improved financial returns, while customers seek an improved product and service experience. We increased our focus on customer experience in 2023, and saw a marked improvement in customer sentiment. We also increased our engagement with shareholders; with new investors bought in and some existing shareholders beginning to rotate off the register.

Transparency is at the core of the new Iress. A common refrain from shareholders is that the company's financial metrics have not always been clear enough. We are taking steps to reframe our financial metrics and are on track to produce a clearer and simpler set of accounts from FY24.

Innovation and growth

The company's transformation program is expected to restore Iress' core businesses to their desired level of focus and profitability. However, it will not render them future proof.

Innovation is required to reimagine the future for our clients and to kickstart improved growth for Iress. As Iress began to remediate its core products in 2023 the company also began a new innovation cycle; aimed at evaluating growth vectors based on Iress' core competencies in Australia and internationally. This will step up during 2024 and accelerate over time.

Environmental, Social & Governance

Despite the company's urgent focus on transformation during 2023 we continued to prioritise corporate responsibility with ongoing work in a range of areas; most notably Modern Slavery, where we completed a risk assessment of our supply chain, and Environment where the Science Based Targets initiative (SBTi) approved our near-term emissions reductions targets. Iress has committed to reduce absolute scope 1 and 2 greenhouse gas (GHG) emissions by 69.3% by 2030 from a 2019 base year, as well as reducing absolute scope 3 GHG emissions 27.5% within the same timeframe.

Capital management and dividends

At the half year, the company committed to sharing a new capital management plan, which has now been announced.

This plan provides a clear statement of policy in relation to financial leverage, and provides a framework for balancing profits, capital reinvestment and dividends.

In 2023, the company used the proceeds of asset sales to decrease its leverage ratio and retire debt. Further, Iress took the prudent decision to suspend its interim and final dividends to prioritise its deleveraging efforts. We expect to continually assess when conditions are appropriate to commence paying dividends again.

Outlook

Success through transformation is not a linear process however the fruits of this program are beginning to be seen with all key milestones for 2023 achieved by the year's end. The transformation program will complete by the end of FY24 with some remaining costs to be incurred in FY25. The result will see Iress with improved operating margins, greater transparency, more customer focus, and a stronger balance sheet as non-core assets are sold.

Thank you

We would like to acknowledge the extremely hard work by Iress' employees in resetting this business for future success.

We would also like to thank the Iress Board who have been fully supportive of the transformation process and engaged at heightened levels during the year.

We conclude by thanking our shareholders for their patience during a necessary reset this year. We look forward with optimism.

Roger Sharp
Chair

Marcus Price
Managing Director &
Chief Executive Officer

Our vision & strategy

An update on our refreshed strategy & transformation

In April 2023 Iress announced a refreshed corporate strategy aimed at driving long-term sustainable growth, benefiting Iress' shareholders, clients and people. Following this, Management developed detailed Business Unit strategies, and a five-year plan (to FY27).

Iress' financial goal is to consistently achieve 'Rule of 40' returns for shareholders and build new businesses that achieve 'Rule of 40' returns.

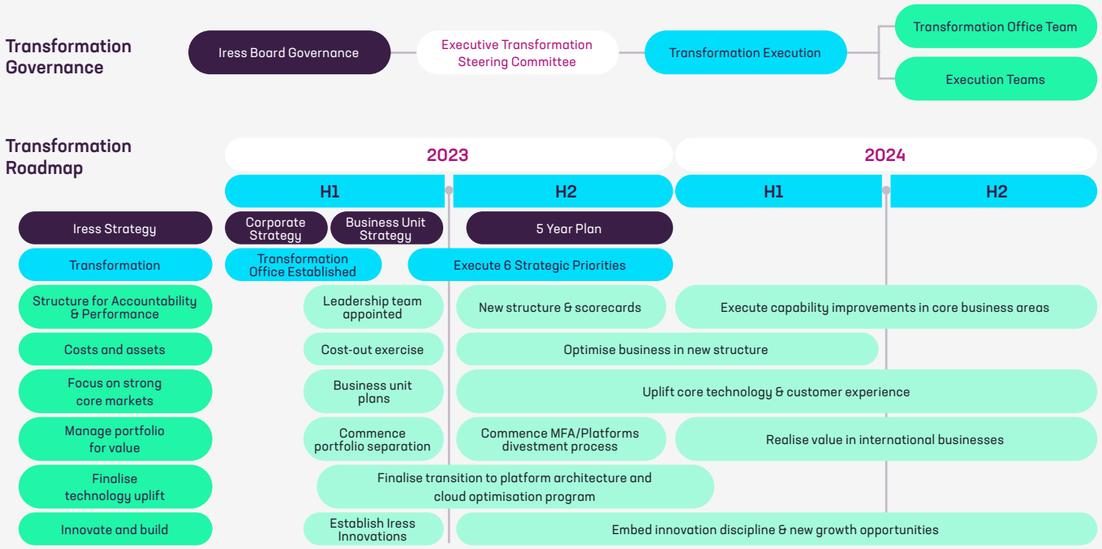
The refreshed strategy is underpinned by three pillars – reset, refocus and build – which together provide the opportunity and potential to transform Iress.

To execute against this refreshed strategy, Iress established a Transformation program and roadmap, with the governance, rigour and discipline required to steer the business towards its financial goal.

Supported by specialist transformation experts and an internal Transformation Office, Iress has demonstrated considerable improvements in reducing costs, streamlining operations and laying the foundations for organic earnings growth.

Reset	1 Structure for accountability and improved performance
	2 Reset the cost and asset base
Refocus	3 Focus on the core
	4 Manage portfolio for value
Build	5 Finish technology uplift
	6 Build new businesses

Iress has a disciplined and rigorous transformation plan to execute the strategy



Transformation progress

Iress has made solid progress against its transformation objectives.

Reset: *Create a performance-driven structure*

Structure for accountability and improved performance

In July 2023, Iress completed a company-wide restructure focused on improving accountability, performance and customer focus. This resulted in the formation of dedicated business units – APAC Wealth Management, APAC Trading & Market Data, Superannuation and Managed Portfolio. A refreshed and global leadership team has transitioned all Iress people to the new structure, and implemented a new performance and remuneration framework to underpin Iress' delivery of its vision.

Reset the cost and asset base

Arresting growth in the cost base was a focus in FY23, with several cost initiatives executed to remove more than $47m in annualised gross costs from the business. This included a 21% reduction in gross headcount along with several additional cost optimisation initiatives (15% excluding the divestment of the Managed Fund Administration [MFA] business). The divestment of non-strategic assets allowed for capital to be used for debt retirement – namely from the sale of the MFA business.

Refocus: *Strengthen the core business franchise, manage the full portfolio for value*

Refocus the core

Iress' core businesses (APAC Wealth, APAC Trading & Market Data and Superannuation) have each developed five-year strategic business plans, with a focus on improving efficiency, organic growth and unlocking value for customers.

Customer Experience

During FY23 a dedicated Customer Experience team was established to support all business units in delivering enhanced value to customers, and to enable them to understand their feedback to enable improvements to Iress' products and services. A global client survey was conducted in September 2023 and the insights from this are being applied to the transformation roadmap.

Manage portfolio for value

2023, Iress sold its MFA business for $50.5m. The Platform business is currently in an active sales process.

The UK Mortgages business has also been announced for divestment. Simultaneously, efforts are continuing to separate the UK, South Africa and Canada businesses from Iress' core operations to provide optionality.

Build: *Set the foundation for greater long term growth*

Finish technology uplift

Iress' technology uplift program is well advanced, delivering on our commitment to deliver increased value to customers through technology modernisation and enhanced user interfaces. The technology uplift program is on track to be complete in the first quarter of 2024.

Build new businesses

To drive Iress towards new growth, an Innovations team was formed to explore new revenue opportunities. During FY23 this team was focused on Data and AI initiatives and delivered proofs of concept to be further progressed in FY24.

Innovation

A greater culture of innovation is being embedded across the organisation, supporting each Business Unit to identify new opportunities that create meaningful value for our clients and the industries they operate in.

Environmental, Social & Governance Report

Iress takes an active approach towards a sustainable natural environment and support for people and communities.

Environmental, Social & Governance Report

Environmental, Social, Governance & Iress Impact

Through stakeholder consultation, we developed a comprehensive 2025 environmental and social impact strategy that takes a structured approach to create genuine outcomes.

The Iress Impact framework focuses on causes aligned with Iress' business and communities. We recognise our key impacts as:

- energy consumption through operations and suppliers
- e-waste management
- diversity and inclusion
- human rights including modern slavery.

To address these key impacts, our environmental and social impact strategy:

- aligns stakeholder expectations, commitment and builds trust
- establishes structured, consistent implementation
- quantifies and tracks impact.

Materiality

In 2023, we conducted a pulse survey and interviews with our people, shareholders and clients to build on the detailed materiality assessment conducted in 2022. This process was informed by the Global Reporting Initiative (GRI) Standard, Sustainable Development Goals (SDGs), Sustainability Accounting Standards Board (SASB) software and IT services sector standard, and Iress' internal documents.

Our topic universe included 38 topics, which were developed on research around global risks and megatrends, media trends, peer comparisons, and relevant ESG standards. We identified 20 material topics for Iress to address in this report and include these topics in future strategic planning.

Iress' key stakeholders are those groups and individuals who impact and are impacted by our operations. These include: our clients and users, our people, investors, suppliers, industry and education partners, regulators, governments, and communities in which we operate.

We regularly engage our stakeholders throughout the year to understand what's important and to continue building our ESG agenda. Engagements can include surveys, peer forums, global internal Town Halls to encourage open discussions between our people and the CEO and Leadership Team, and engagement with policy makers and industry associations such as the Financial Services Council (FSC) on issues that are important to our clients and communities. The results of this materiality assessment are presented in the table below.

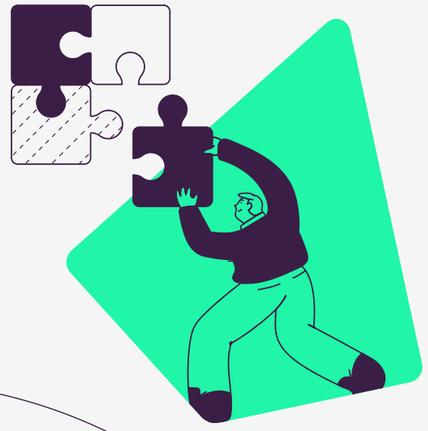
Our 2025 environmental and social impact roadmap centres on four key pillars:

Through Iress Impact, we are committed to making a visible, reliable, and meaningful contribution to partner charities that align with the United Nations Sustainable Development (SDG) goals of:

Quality education (SDG 4)

Decent work (SDG 8)

Partnership for the goals (SDG 17)



Material Topics

Social & Iress Impact	Environmental	Governance
Culture & values	Climate change adaptation & resilience	Ethics & integrity
Talent attraction & retention	Waste & resource efficiency	Data privacy & cyber security
Employee engagement		Transparent, fair & responsible product information/advice
Occupational health, safety & wellbeing	**Customer & product**	Risk management
Modern slavery & forced labour	Customer experience	Industry leadership & engagement
Responsible & sustainable procurement	Product/service quality	Responsible advertising
Diversity, equity & inclusion	Innovation	Economic growth
		Anti-corruption

Environmental

With the known impacts of climate change, and greater visibility of environmental considerations across the supply chain, taking action on environmental issues is critical.

2023 key achievements

- The Science Based Targets initiative approved Iress' near-term emissions reduction targets.
- Implemented a new emissions management system recalculating data from 2019-2023.
- Decreased leased area resulting in a footprint reduction.

2024 key objectives

- Emissions reduction strategy implementation.
- Develop climate scenarios specific to Iress and conduct climate scenario analysis.
- Environmental data assurance.

Relevant UN SDGs

In 2023, the Science Based Targets initiative (SBTi) approved Iress' near-term emissions reduction targets:

Iress Limited commits to reduce absolute scope 1 and 2 greenhouse gas (GHG) emissions

69.3%

by 2030 from a 2019 base year.

Iress Limited also commits to reduce absolute scope 3 GHG emissions

27.5%

within the same timeframe.

In setting the targets, we underwent a thorough assessment of our emissions boundary to align with evolving best practice, resulting in revised emissions calculations (tonnes of CO_2e) from 2019 to 2023 as presented in this section. This report supersedes previously reported data.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Environmental

Task Force on Climate-related Financial Disclosures (TCFD)

Iress supports the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and uses this framework to ensure transparent reporting of climate-related issues. 2022 was our inaugural year reporting against the TCFD recommendations and included a three-year roadmap (2022–2024), which established our key priorities and actions for improving climate-related disclosures over the coming years. Over the past year we have continued to implement priority actions from the 2022–2024 TCFD disclosure roadmap.

Governance

As listed in Governance structure on page 38.

Board

Iress' Board has the ultimate responsibility of enabling a positive risk culture and does so through the Audit and Risk Committee (ARC). The ARC reviews ESG matters, including climate-related issues, on a bi-annual basis.

In 2023, the Audit and Risk Committee endorsed the updated emissions reduction targets of increased ambition. These targets were validated by the Science Based Targets initiative.

Leadership team

In 2023 due to the company-wide restructure, operational responsibility for ESG moved from the Legal function to Corporate Affairs & Marketing. The Chief Corporate Affairs & Marketing Officer is now the Risk Owner for ESG risks, with support from the Chief Risk Officer who has responsibility for reviewing all material risks annually. ESG risks, including climate change, are integrated into our Enterprise Risk Register as risks that relate to 'business operations'.

Governance oversight of the ESG function remains through the ARC, with the Chief Operating Officer appointed the Leadership Team 'Climate Sponsor' and also taking accountability for ensuring information flows to the ARC through bi-annual board papers.

2022	2023	2024
Revision of Audit and Risk Committee (ARC) Charter to include mention of climate change as a risk	Develop assurance program for sustainability data (social and environment) published in annual ESG report	Establish Climate Steering Group, supported by representatives responsible for delivering KPIs for Iress' emission reduction strategy
Appointment of Executive Leadership Team 'climate sponsor' – updated to Chief Operating Officer in 2023*	Develop a global emission reduction strategy with interim KPIs to achieve 2030 reduction targets	Integration of climate risk mitigation measures and emission reduction strategy into relevant company strategies
Inclusion of overarching climate change risk (high and extreme) on enterprise risk register	Develop climate scenarios specific to Iress and conduct climate scenario analysis in 2024	Review of policies and procedures to align with ambitions of emissions reduction strategy
Bi-annual updates on ESG matters, including climate action, included on Board Audit & Risk Committee agenda	Annual monitoring of climate impacts and mitigation, and integration into enterprise risk management framework	Assess integrated reporting
Establish and publish Iress' 2030 science-based emission reduction target	Disclose scope 1, 2 and 3 greenhouse gas emissions for Iress' global operations (2022 ESG report)	Assess the viability of setting an internal cost on carbon to inform business cases and strategy
	Publish Iress' validated 2030 science-based emission reduction target in 2022 ESG Report	
	Ongoing annual disclosure of progress against emission reduction targets at scope 1, 2 and 3 level	

Complete
Ongoing
Underway
Not yet started

(*) Replacing Chief Legal Officer due to restructure.

Strategy

A list of priority climate-related risks and opportunities from 2022 is provided below. In 2022, these risks were integrated into our broader ESG enterprise risk, which is reviewed bi-annually.

These risks and opportunities were considered still relevant in 2023 and will be reviewed again in 2024 by the Risk Owner and the Chief Risk Officer. The Risk Owner is responsible for managing the risk, including ongoing monitoring of the effectiveness of key controls.

The workshops identified a number of climate-related opportunities for Iress. These key transition opportunities relate to the following areas:

a. **Supplier engagement** – Strong supplier relationships through shared commitment to reducing emissions.

b. **Employee/talent attraction and retention** – improved position on employee attraction, engagement and retention, supported by action on climate change.

c. **Meeting customers' expectations and taking a market-leading position** – providing products and services that support climate-related requirements for clients.

d. **Reputation on climate action** – improved reputation on climate change through engagement and knowledge sharing with clients, suppliers, and professional learning communities.

Noting the potential impact of climate change on the business, Iress has established near-term science-based targets (SBTs) that were validated by the SBTi in 2023 (refer to 'metrics and targets' for more details). These targets are supported by an emissions reduction strategy that identifies and stages priority actions over a seven-year period from 2023 to 2030.

Iress has undergone significant operational changes and a business transformation which delayed the planned scenario analysis. This will occur in 2024 to better understand the resilience of our business strategy to identify climate-related risks and opportunities.

Risk management

Climate change introduces a varied array of risks across different time frames, each carrying different probabilities across our global operations. Amongst these risks lie opportunities to navigate regional and global shifts toward a low-carbon economy.

Climate-related risks and opportunities are assessed through our existing Risk Management Framework. In 2022 we conducted a review of our Risk Management Framework and revised our approach to managing risk, including the development of new likelihood, consequence and risk ratings tables and categories. This new framework improves oversight of ESG related risks, including those related to climate change.

In 2022, we also conducted a series of climate-related risk and opportunity workshops to identify and assess risks and opportunities across Iress' global operations. Representatives were involved from all relevant business segments, including marketing, legal, product, technology, and business development.

Risks and opportunities were identified using two extreme future scenarios: 1) 'runaway climate change', focusing on physical impacts; and 2) 'heavy regulation and policy intervention', focusing on transitional impacts. The materiality of identified risks and opportunities were assessed using the organisation's Risk Management Framework consequence and likelihood criteria.

ESG impact	ESG risks	Description
Physical		
IT operation (incl. IT security)	Weather events (e.g., floods, fires, etc.) impact critical services	Weather events, especially extreme heat, wildfire, causing power outages and disruption to critical services (internet, phone and power) impacting service provision to clients. Also affects people working from home.
People (talent and capability)	Weather events (e.g., floods, fires, etc.) impact offices and employee commute	Increase in employee absence due to sickness driven by climate related impacts (e.g. extreme heat, extreme hayfever etc.).
Transitional		
Financial (revenue)	Difficulty in obtaining capital	Increased requirements for Iress to gain access to capital (i.e. must demonstrate emission reduction), unable to achieve, resulting in higher interest rates or inability to access loans.
Brand, reputation and customer	Requirements to reduce emissions	Clients expect demonstrated emission reduction in Iress' products over time, failure to do so, or disclose progress, may lead to loss of customers.
Financial (revenue)	Requirements to reduce emissions	Investors expect demonstrated emission reduction in Iress over time, failure to do so, or disclose progress, may lead to loss of investment, negative impact to share price or access to capital.
Financial (revenue)	Reputation on climate action	Iress is perceived by investors and customers as not "doing enough" and not transparent enough by clients, which leads to loss in sales/revenue.
Brand, reputation and customer	Regulatory changes related to climate change	Iress fails to anticipate or meet the needs of clients in responding to climate-related regulation within their industry (i.e. tracking of emissions intensity of funds or information on validating ESG claims). Loss of customers and impact on brand reputation.

Environmental

Metrics and targets

In 2023, the Science Based Targets initiative (SBTi) approved Iress' near-term emissions reduction targets: Iress Limited commits to reduce absolute scope 1 and 2 greenhouse gas (GHG) emissions 69.3% by 2030 from a 2019 base year Iress Limited also commits to reduce absolute scope 3 GHG emissions 27.5% within the same timeframe.

Greenhouse gas emissions

In 2023, we recalculated our FY19 to FY23 emissions using the emission calculation software PathZero. This allows us to ensure we use consistent methodologies and reporting methods across all historical and future years. Our 2019 emissions baseline was developed in accordance with the Greenhouse Gas Protocol and adjusted to account for mergers and acquisitions during this period.

The scope 3 GHG protocol categories covered by our scope 3 SBTi target are: purchased goods and services (cat. 1), capital goods (cat. 2), fuel and energy related activities (cat. 3), waste (cat.5), business travel (cat.6), employee commuting (cat. 7) and upstream leased assets (cat. 8).

Emissions for scope 1 and 2 were calculated using relevant jurisdictional emission factors. Scope 3 was calculated using supplier specific data, bespoke modelling and input-output emissions factors (tCO_2e/$AUD).

Photo Credit: Rabie Property Group

Green Building Certification

Iress has been on a path of continued improvement in embedding environmental considerations into tenancy decisions, seeking more energy efficient and higher rated buildings. Most recently, the Cape Town office was relocated to Sable Corner which was awarded a 4-Star Green Star Office v1.1 Design certification by the Green Building Council of South Africa (GBCSA). The design boasts green building principles such as energy efficient lighting, recycled materials and double glazing for heat reduction. Iress' Facilities team also made a conscious effort to use only local suppliers for the fit out, to reduce travel and shipping.

Waste management

We continued to educate our people on responsible waste management practices including recycling and reusing.

Electronic waste

Iress is committed to the sustainable procurement and consumption of electronics and their responsible disposal at end-of-life, to maximise resource recovery. We implemented a process for e-waste disposal requests globally using a single supplier for consistency.

Water management

We understand water is a depleting natural resource and the importance of water stewardship. Our cloud partner has made a commitment to be water positive by 2030 returning more water to communities and the environment than they use in data centre operations. This will be achieved by increasing the use of sustainable water sources, improving water use efficiency across operations, reusing water as much as possible, and supporting water replenishment projects for communities and the environment around the world.

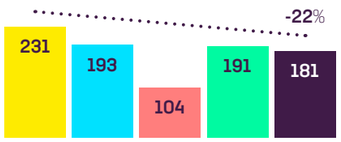
Scope 1+2 emissions

Scope 1 emissions relate to purchased gas and diesel and reimbursement for company car related expenses. Scope 2 emissions relate to electricity purchased for our global offices. Our primary offices in Melbourne and Sydney, Australia operate on renewable energy. Electricity emissions are calculated using the market based approach. Under this methodology renewable electricity purchases have been deducted from the emissions total.

2023 total Scope 1+2 emissions

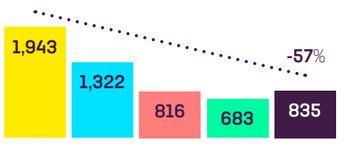
1,016 (-53%[1])

Market based electricity calculations (tCO_2e)
Scope 1



-22%
change from base year (2019)

Market based electricity calculations (tCO_2e)
Scope 2



-57%
change from base year (2019)

(1) Reduction from base year 2019.

Scope 3 emissions

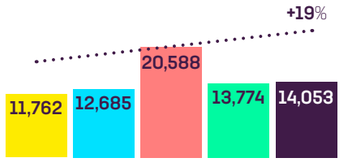
Scope 3 emissions arise from indirect emission sources in our value chain. Reductions within this scope rely on engagement with our suppliers and people. Emissions have been calculated using a combination of spend, actual and modelled activity data.

2023 total Scope 3 emissions

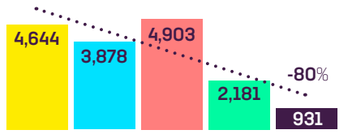
19,538 (-11%*)

Global scope 3 emissions by category (tCO_2e)

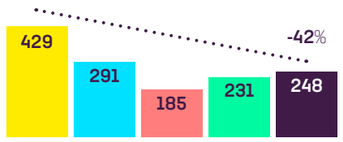
Purchased goods & services
68% of total 2023 emissions



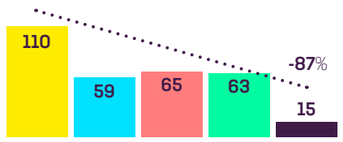
Capital goods
5% of total 2023 emissions



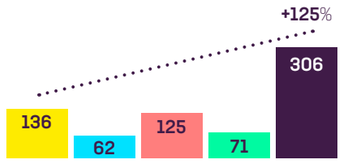
Fuel & energy related activities
1% of total 2023 emissions



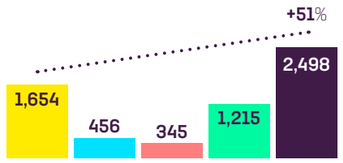
Upstream transportation & distribution
0% of total 2023 emissions



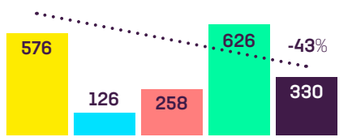
Waste & wastewater
1% of total 2023 emissions



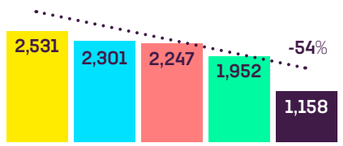
Business travel
12% of total 2023 emissions



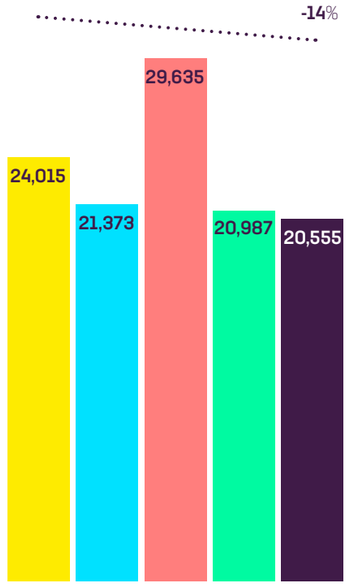
Employee commuting
2% of total 2023 emissions



Upstream leased assets
6% of total 2023 emissions



Total
(tCO_2e)



2019
2020
2021
2022
2023

We are subject to the following environmental legislation and have met 2023 reporting obligations for the following requirements:

Environment requirement	Jurisdiction
Energy Savings Opportunity Scheme (ESOS)	United Kingdom
Streamlined Energy and Carbon Reporting (SCER)	United Kingdom
EU Waste Electrical and Electronic Equipment Directive (WEEE)	United Kingdom, France

(*) Reduction from base year 2019.

Social

2023 key achievements

- Initiation of Reflect Reconciliation Action Plan & working group.
- Continued to strengthen our support of Talent Beyond Boundaries – awarded 'Champion Employer of the Year' at the UK Fragomen-TBB Displaced Talent Mobility awards, and attended the Global Refugee Labour Mobility summit in Jordan.
- As part of our commitment to gender diversity, Iress has renewed its signatory status with both the Tech Talent Charter and Women in Finance charter in the UK in addition to a continued partnership with Work180 in UK and Australia, and being a signatory on the 40:40 Vision.

2024 key objectives

- Broaden and embed diversity, equity and inclusion as part of how we work, who we are and what we stand for.
- Implement foundational diversity, equity and inclusion training to promote a greater common understanding and awareness.
- Address modern slavery risk through the development of human rights toolkit, including strengthening due diligence and remediation procedures.

Relevant UN SDGs

Social

Employee engagement

In December 2023, we conducted our annual people survey inviting all Iress people to have their say on what matters to them and what we do well.

Iress saw a decline in overall employee engagement in 2023. We note that the company is in the midst of a significant transformation, which has included a major restructure and headcount reduction program.

87%

of people agreed that their People Leader cares about their wellbeing

81%

of people agreed that harassment of any kind is not tolerated at Iress

75%

of people agreed that they are genuinely supported if they choose to make use of flexible working arrangements

75%

of people agreed that people from all backgrounds have equal opportunities to succeed at Iress

73%

of people agreed that Iress values diversity

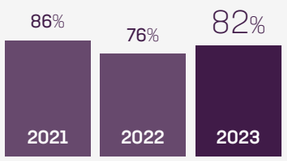
71%

of people agreed that Iress builds teams that are diverse

46%

overall employee engagement

Total participation



People benefits at Iress

People are at the heart of what we do. The following benefits continued to be provided to our people in 2023:

Wellbeing

Iress' unique Long Weekends benefit increased to eight days leave per year (on either a Friday or Monday) in addition to their annual leave entitlement to do what they enjoy most. In 2023, 12,000 Long Weekend days were taken by our people globally.

Other benefits include:

- **17 weeks paid parental leave and a further nine weeks at half-pay**. Return from parental leave on reduced hours for four weeks at full salary. Continued payment of retirement contributions for our people during parental leave in all countries where it is possible to do so.
- **8.5 days starting school leave** to take when their children start school for the first time.
- The ability to purchase and sell back up to **10 days additional leave per year**.
- **Three "Iress Impact" volunteer days per year**, to allow our people to give back to their local communities.

Occupational Health and Safety (OH&S)

We are committed to ensuring our workplace is safe and healthy at all times for the benefit of our people, clients and visitors. Our primary business activity is office based, therefore training focuses on OH&S within this environment. We conduct annual third-party audits of our OH&S management system. Outcomes are integrated into OH&S management and reflected in our global OH&S policy where relevant. Should a potential risk be identified, our Facilities team is tasked and trained in remediation. Should an incident occur, these are reported through dedicated First Aid officers who are responsible for notifying the facilities team. OH&S issues are reported to a dedicated email address and are reviewed by the facilities team and dedicated OH&S champions. These reports are also reviewed by Iress' OH&S Committee. In 2023 we had three minor incidents: two of these were offsite, and one minor accident was recorded in our offices. Iress also provides access to a third-party Employee Assistance Provider for each operating market.

Diversity, equity and inclusion

In 2023 we:

- Celebrated #EmbraceEquity on International Women's (IWD) day by:
  - giving everyone at Iress an opportunity to nominate a woman they work with and provide a description about why they admired them, the value they add, and the skills that they bring. These nominations were collated and projected on our main office display screens for the week of IWD 2023.
  - supporting local charities focused on helping women through raffles, donations and fundraising.
  - facilitating interactive global webinars with Leaders for Good to gain a deeper understanding of the concept of equity and gender inequality, and learn clear actions we can take as individuals to drive equity.
- Celebrated Global Accessibility Awareness Day with a special guest speaker giving us an engaging and informative brown bag session about accessibility.
- Continued to undertake annual role-by-role remuneration reviews (by country) and submit annual Gender Pay Gap reports to ensure role gender remuneration parity.
- Maintained endorsed employer status with Work180 in the UK and Australia.

In 2024 our priorities include:

- We are participating in the 40:40 Vision for representation of 40% Women, 40% Men, 20% any gender at Board, Leadership Team and Senior Leadership levels by 2030.
- Attracting diverse talent, with objectives to target 45% of female representation of candidates to be interviewed for all roles, and 50% female representation of hires in New Talent Programs. We will also deliver focused DEI Training on inclusive recruitment to our Talent Acquisition team, and maintain our endorsed Employer Status with Work180 in both the UK and Australia.
- Ensuring there is no bias in how we remunerate by continuing to undertake an annual Gender Pay Gap analysis and submitting Gender Pay Gap reports.
- Establishing a DEI council with a clear purpose to identify any barriers to diversity and inclusion in our current practices, recommend new programs or practices, and track the long-term progress of promoting a culture of inclusion.
- Delivering DEI Foundation training to all people to raise the level of understanding and awareness of DEI, what inclusion really means and how it can benefit Iress, teams, leaders and individuals.
- Publishing a DEI statement of intent stating what Iress intends on achieving in broadening our focus beyond gender diversity.

In 2023 we released our 2022-2023 Australian Workplace Gender Equity Report. The report is a mandatory requirement under the *Workplace Gender Equality Act 2012* (the Act) in Australia. The information in the report is based on our Australian people only and covers our specific policies, strategies and actions on gender equality, as well as employee movements including appointments, promotions, resignations and parental leave; and our workforce composition, salaries and remuneration. In 2023 we also released our 2022 UK gender pay gap report based on our people in the UK. This report is a mandatory requirement under the Equality Act (2010) in the UK. Both reports can be accessed www.iress.com/join-us/diversity-iress.

Female representation at Iress:

42.8%
Board

33.3%
Executive Leadership

35.3%
Overall

We understand that a diverse Board, with different perspectives, experience and gender, will remain relevant, competitive and productive. We manage this objective by periodically assessing the diversity of the Board, in terms of gender, talent and experience, and determining the extent to which membership of the Board fulfils that objective.

Graduate recruitment program

In 2023 we launched our graduate recruitment program in South Africa. The 12 month program forms part of our Black Economic Empowerment skills development plan to upskill previously disadvantaged communities in South Africa. In 2023, six African graduates, with a 50/50 gender split, were hired and successfully completed the program. Five of these graduates have been placed in permanent roles at Iress, beginning in 2024, and an additional four new graduates will participate in the 2024 Graduate Program in South Africa. Iress does not employ workers under the legal age of work, and requires suppliers to abide by legal standards related to working age and hazardous work.

Reconciliation Action Plan

We initiated the Reflect stage of the Reconciliation Action Plan through the creation of a working group represented by people across states and business units. We are grateful to have Celeste Carnegie, a Birrigubba Juru and South Sea Islander woman from the tropics of North Queensland, represented on the working group. She brings passion and drive to build platforms for First Nations people everywhere.

We have an open invitation to all people at Iress to contribute to the working group at any time. We promote this through internal platforms and share awareness during Reconciliation and NAIDOC Weeks.

Social

Awards and recognition

Upfront

Iress won silver at the Corporate Content Awards in London for our podcast, Upfront, which was recognised for its creativity and originality.

TradingTech Insight Awards Europe

Iress won **'Best Low Latency Data Feed'** at A-Team Group's 2023 TradingTech Insight Awards Europe

Cloud Transformation

Iress won the Cloud Transformation category at the 11th annual Technology Business Management (TBM) Council awards. Nominees were evaluated based on tangible results such as optimisation of on-premises and cloud costs and investment prioritisation, shifting money from run-the-business to change-the business, self-funding innovation programs, and driving return on investment from project and product portfolios.

Best Investment Management Application

Iress won the Best Investment Management Application award at the Goodacre Systems in the City Fintech Awards

Champion Employer of the Year

Fragomen and Talent Beyond Boundaries (TBB) hosted the inaugural Displaced Talent Mobility Awards Ceremony to celebrate and recognise the people and organisations behind the groundbreaking work undertaken to advance displaced talent mobility in the UK. Iress was named Champion employer of the year.

Social

Iress Impact

Iress Impact was established in 2017 to support charities, predominantly through fundraising and workplace giving.

The guiding principles established in 2017 remain relevant today: **facilitate, support and promote people engagement, while making a visible, reliable, and meaningful contribution to partner charities.**

As a financial technology company, we have aligned Iress Impact's mission to the following United Nations Sustainable Development (SDG) goals:

- **Quality education** (SDG 4), with a focus on STEM education
- **Decent work** (SDG 8), with a focus on displaced people and refugees
- **Partnership for the goals** (SDG 17), through the provision of services to charities

500

Volunteer hours

$266,921.87

Donated

86

Charities supported

Talent Beyond Boundaries (TBB) Summit in Jordan

Peter Ferguson and Cindy Hu represented Iress at a Refugee Summit in Jordan.

The Summit focused on how global communities can improve labour mobility for refugees and how TBB could generate greater scale, as well as encouraging participants to commit to meaningful action to support that.

Caring for Communities and People (CCP)

Throughout 2023 a small group of Iress Employees in the UK have been helping CCP with skilled-based volunteering to improve their Hamper Scamper Referrer process.

The previous form used by CCP was unsuitable as it only allowed 30 inputs per submission, however, a number of their referrers have over 200 children that they refer. It also didn't allow for submissions to be edited by the referrer and in addition to that the code generated for each gift had to be generated by hand for each gift taking into account siblings. The Iress team working on the project has been able to automate the generation of the gift code as well as establish a method to identify siblings and are fully in control of the new cloud-based solution.

UX Scholarship, Australia: Iress and Academy Xi designing the future with young women

Over the past year Iress has been working with the River Nile School, an independent school for refugees and asylum seeker women.

We wanted to create a valuable experience in collaboration with the students. Through the Iress Design Scholarship, and in partnership with Academy Xi, Iress is providing an opportunity for women from the River Nile School to access a fully paid, accredited design course.

We would like to congratulate the inaugural recipients of the Iress Design Scholarship: Marwa Irdis and Maram Irdis. After being introduced to the profession of UX design nine months ago, they have shown outstanding dedication to learning the craft of design.

iSchool Africa

The Iress iSchoolAfrica programme was launched at Lehlabile Secondary School in partnership with Mamelodi Initiative in July 2020 and we continued to support this program in 2023.

The objective of the iSchoolAfrica #MyFuture programme is to empower Grades 10, 11 and 12 learners who have the potential to succeed through a combination of iPad technology, access to relevant curriculum content and online school subject-focused lessons.

In 2023 we added another school to the programs that we support. We are now also sponsoring the "Everyone Can Code programme" at Liv Lanseria for students in Grade 4 to 7. There are a total of 76 students at Liv Lanseria that benefit from this coding program.

Iress hosted two coding days in 2023 at the Iress Johannesburg office with the students sponsored through the Iress iSchoolAfrica programmes.

Social

People data

Gender percentage

Total workforce by gender

- **33.3**% Female
- **63.5**% Male
- **3.2**% Not declared

Executive, senior & other managers by gender

- **38.4**% Female
- **61.3**% Male
- **0.3**% Not declared

Percentage of employees receiving regular performance & career development reviews

- **100**% Female
- **100**% Male
- **100**% Not declared

Employee totals by contract type, employment type and gender

Contractor

- **8** Female
- **43** Male
- **57** Not declared

Fixed term

- **14** Female
- **10** Male

Regular

- **611** Female
- **1,152** Male
- **3** Not declared

Full time

- **542** Female
- **1,137** Male
- **3** Not declared

Part time

- **83** Female
- **25** Male

Total

- **633** Female
- **1,207** Male
- **60** Not declared

Health & safety: lost day rate

- **1.5**% All
- **1.8**% Female
- **1.4**% Male
- **1.7**% Not declared

New people hires (2023) by region, gender & age

	Gender	<30		30-50		>50		Total
Location		**%**	**Count**	**%**	**Count**	**%**	**Count**	**Count**
APAC	Female	14.9	10	56.06	37	33.33	22	**67**
	Male	23.29	17	60.27	44	16.44	12	**73**
	Not declared	-	-	-	-	-	-	**-**
North America	Female	-	-	100.0	1	-	-	**1**
	Male	100.0	1	-	-	-	-	**1**
	Not declared	100.0	1	-	-	-	-	**1**
South Africa	Female	60.0	3	20.0	1	20.0	1	**5**
	Male	50.0	2	50.0	2	-	-	**4**
	Not declared	-	-	-	-	-	-	**-**
UK & Europe*	Female	41.6	5	50.0	6	8.3	1	**12**
	Male	26.7	8	60.0	18	13.3	4	**30**
	Not declared	50.0	2	50.0	2	-	-	**4**
Total		**24.5**	**49**	**55.5**	**111**	**20.0**	**40**	**200**

(*) UK & Europe includes Tunisia employees.

People turnover (2023) by region, gender & age

	Gender	<30		30-50		>50		Total
Location		**%**	**Count**	**%**	**Count**	**%**	**Count**	**Count**
APAC	Female	18.1	36	63.6	126	18.1	36	**198**
	Male	15.8	40	67.5	171	16.6	42	**253**
	Not declared	-	-	-	-	-	-	**-**
North America	Female	-	-	75.0	3	25.0	1	**4**
	Male	33.3	2	66.6	4	-	-	**6**
	Not declared	100.0	2	-	-	-	-	**2**
South Africa	Female	14.3	4	60.7	17	25.0	7	**28**
	Male	4.8	2	73.1	30	21.9	9	**41**
	Not declared	-	-	-	-	-	-	**-**
UK & Europe*	Female	17.8	10	62.5	35	19.6	11	**56**
	Male	16.6	16	48.9	47	34.3	33	**96**
	Not declared	100.0	2	-	-	-	-	**2**
Total		**16.6**	**114**	**63.1**	**433**	**20.2**	**139**	**686**

(*) UK & Europe includes Tunisia employees.

Social

Employee levels by gender & age

Employee Level	Gender	<30 %	<30 Count	30-50 %	30-50 Count	>50 %	>50 Count	Total Count
Global Leadership Team	Female			100	5			**5**
	Male			40	4	60	6	**10**
People Leaders	Female	4.72	6	66.14	84	29.13	37	**127**
	Male	1.83	4	70.18	153	27.98	61	**218**
	Not Declared			100	1			**1**
Employees	Female	11.97	59	65.72	324	22.31	110	**493**
	Male	14.67	137	67.24	628	18.09	169	**934**
	Other			100	1			**1**
	Not Declared	100	1					**1**
Total		**11.56**	**207**	**67.04**	**1,200**	**21.40**	**383**	**1,790**

People by contract & region

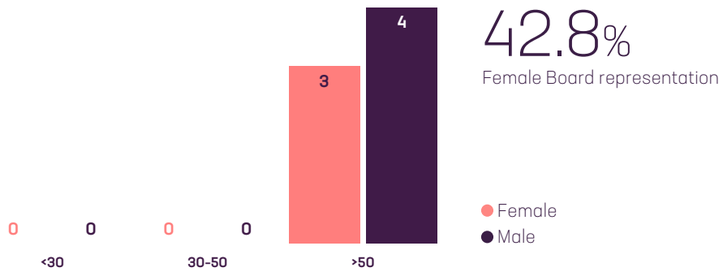
Region	Regular	Fixed Term	Contractor	Total
Australia	900	16	15	**931**
Canada	49	0	0	**49**
France	40	0	3	**43**
Remote	0	0	79	**79**
New Zealand	19	1	0	**20**
Singapore	31	0	0	**31**
South Africa	137	7	1	**145**
Tunisia	19	0	0	**19**
United Kingdom	570	0	10	**580**
United States of America	3	0	0	**3**
Total	**1,766**	**24**	**108**	**1,900**

Employee by business unit, gender & age

Business Unit	Gender	<30 %	<30 Count	30-50 %	30-50 Count	>50 %	>50 Count	Total
Core Trading & Market Data		14.02	45	71.03	228	14.95	48	**321**
	Female	13.95	12	65.12	56	20.93	18	**86**
	Male	13.68	32	73.50	172	12.82	30	**234**
	Not declared	100	1					**1**
Core Wealth Management		12.37	35	72.44	205	15.19	43	**283**
	Female	10.31	10	76.29	74	13.40	13	**97**
	Male	13.44	25	70.43	131	16.13	30	**186**
Global Portfolio - CA		18.18	8	56.82	25	25	11	**44**
	Female	10	1	70	7	20	2	**10**
	Male	20.59	7	52.94	18	26.47	9	**34**
Global Portfolio - SA		8.70	10	71.30	82	20	23	**115**
	Female	12.07	7	68.97	40	18.97	11	**58**
	Male	5.26	3	73.68	42	21.05	12	**57**
Global Portfolio - UK		9.60	43	65.40	293	25	112	**448**
	Female	8.06	10	64.52	80	27.42	34	**124**
	Male	10.22	33	65.63	212	24.15	78	**323**
	Not declared			100	1			**1**
Group Finance		4.88	2	68.29	28	26.83	11	**41**
	Female			82.35	14	17.65	3	**17**
	Male	8.33	2	58.33	14	33.33	8	**24**
Group Marketing		8	2	84	21	8	2	**25**
	Female	6.25	1	87.50	14	6.25	1	**16**
	Male	11.11	1	77.78	7	11.11	1	**9**
Group Operations		11.76	8	63.24	43	25	17	**68**
	Female	14.71	5	58.82	20	26.47	9	**34**
	Male	9.09	3	66.67	22	24.24	8	**33**
	Not declared			100	1			**1**
Group Risk				87.50	7	12.50	1	**8**
	Female			83.33	5	16.67	1	**6**
	Male			100	2			**2**
Group Technology		5.17	3	82.76	48	12.07	7	**58**
	Female	66.67	2	33.33	1			**3**
	Male	1.82	1	85.45	47	12.73	7	**55**
Innovation				90	9	10	1	**10**
	Female			100	1			**1**
	Male			88.89	8	11.11	1	**9**
Leadership				41.67	5	58.33	7	**12**
	Female			75	3	25	1	**4**
	Male			25	2	75	6	**8**
People		24	6	72	18	4	1	**25**
	Female	22.73	5	77.27	17			**22**
	Male	33.33	1	33.33	1	33.33	1	**3**
Platform		23.26	10	51.16	22	25.58	11	**43**
	Female	5.56	1	72.22	13	22.22	4	**18**
	Male	36	9	36	9	28	7	**25**
Super		11.66	33	56.89	161	31.45	89	**283**
	Female	8.66	11	51.97	66	39.37	50	**127**
	Male	14.10	22	60.90	95	25	39	**156**
Transformation & Strategy		33.33	2	50	3	16.67	1	**6**
	Female			50	1	50	1	**2**
	Male	50	2	50	2			**4**
Grand Total		11.56	207	66.93	1,198	21.51	385	**1,790**

Social

Board diversity: gender & age



42.8%
Female Board representation

Ratio of basic salary & remuneration of females to males**

Location	<30	30-50	>50
APAC	1:1.08	1:1.12	1:1.46
North America	1:0.80	1:1.16	1:1.64
UK & Europe*	1:1.17	1:1.12	1:1.07
South Africa	1:1.05	1:1.29	1:1.28

(*) UK & Europe includes Tunisia employees.
(**) Based on average salary across gender.

Parental leave statistics by gender

Employees that were entitled to parental leave

562 Female
1,079 Male

Employees that took parental leave

44 Female
40 Male

Employees that returned to work in the reporting period after parental leave ended

33 Female
45 Male

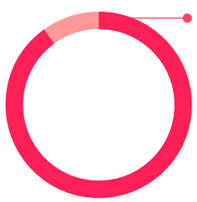
Employees that returned to work after parental leave ended that were still employed 12 months after their return to work*

13 Female
30 Male

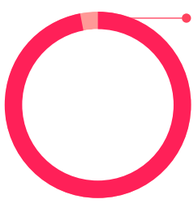
(*) Calculated using figures of people who took parental leave in 2022.

Return to work and retention rates of employees that took parental leave**

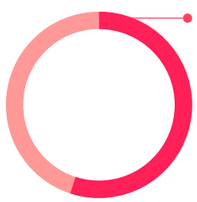
Female



Male



Retention rate



(**) Calculated using figures of people who took parental leave in 2022 and were still employed after 12 months.

Community and industry engagement

Industry support and engagement

Iress is committed to keeping our clients connected and informed when it comes to relevant industry matters and the support available to them. In 2023 we hosted a series of events for the Superannuation, Wealth and Trading communities in Australia, featuring industry experts. Iress also played host to the first-ever FISD event in Melbourne, bringing the financial information industry together in October. In December, we hosted our annual Super Efficient superannuation conference in Melbourne, with leaders from across the superannuation industry coming together to discuss innovation, best practice, and the delivery of better retirement outcomes for all Australians. In the UK, our popular Exchange Protection Forum continues to gather partners and providers in the industry to discuss the latest developments impacting the intermediary market.

Iress also sponsored multiple industry conferences in 2023 across APAC, South Africa and the UK. We also supported and attended a number of charity and industry awards events.

Launch of Advisely – financial advice industry community of best practice

In November 2023, Iress launched Advisely, a community of best practice with tools, insights and news to help financial advisers and practitioners to benchmark their operational efficiency across key advice dimensions, while connecting and learning from peers and experts on how to improve. The genesis of Advisely stems from Iress' 2023 Advice Efficiency survey which highlighted a significant gap between 'high performing' financial advice providers and the average – amounting to as much as four hours difference per client, per annum. In helping advisers become more efficient, Iress also has an opportunity to help improve affordability of advice for all Australians.

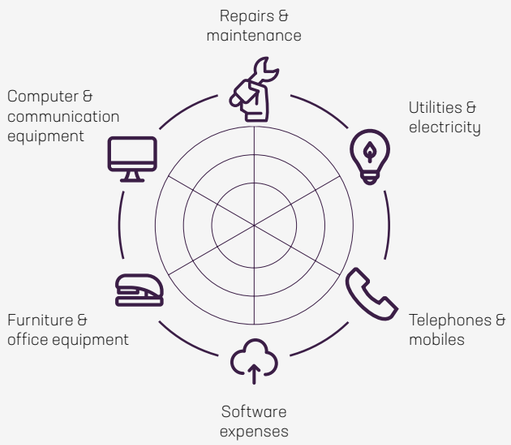
Upfront podcast

Following the success of Series 1 in 2022, the second series of Iress' award-winning podcast, Upfront, was released. The podcast continues to pose thought-provoking questions about the financial services industry's purpose with episodes on responsible investing, ethics and Artificial Intelligence, diversity, equity, inclusion and mental health. Since its launch, Upfront has had over 90,000 downloads. Recent benchmarking data from Omny Studio puts Upfront in the top 10% of all global podcasts. Upfront is available on all major podcast platforms.

Iress People Conference: 'Game On'

In October Iress held three employee conferences in central locations around the world: London, Johannesburg and Melbourne. The purpose of the event was to illuminate outside perspectives on key trends influencing our markets, clients, people and technology, inspire confidence in Iress' future direction, and connect our people to Iress' refreshed strategy. 1,490 people attended across locations with positive sentiment highlighting the value of hearing from leaders, hearing from industry experts and connecting with colleagues.

Industry Risk
Notable high-risk categories



Modern slavery

Iress is committed to better understanding and more effectively managing the risk of modern slavery within our operations and supply chain. Iress released its third Modern Slavery Statement in June 2023 in accordance with the *Modern Slavery Act 2015* (UK) (a UK Act) and the *Modern Slavery Act 2018* (Cth) (an Australian Act). This statement is available on Iress' website and the Australian Border Force Modern Slavery Portal. In 2023 we engaged a human rights consultancy to support risk identification across operations and supply chain as well as assess due diligence and remediation mechanisms. Across the full scope of Iress' supply chain, the following spend categories were noted to be high risk for modern slavery and potential human rights violations.

Key priorities to address Modern Slavery risk and human rights toolkit development include:

- Category management plans: covering merchandise, labour hire and electronics.
- Modern Slavery Governance: key business stakeholders to be onboarded and engaged in the newly formed Supplier Council.
- Strengthening due diligence: develop efficient and credible processes and methods for supplier due diligence.
- Improving supplier engagement: create a structured process for engagement around meeting appropriate standards and improve the Supplier Code of Conduct by aligning it with UNGPs and relevant industry initiatives.
- Conducting third party audits and disclose outcomes: go beyond self-assessment and request high-risk suppliers undertake third party verification audits and publish the audit results transparently.
- Strengthening remediation procedures: implement effective grievance mechanisms.

Social

Supply chains

Iress has over 1,600 suppliers across technology infrastructure, software, facilities management, banking services providers and outsourced service providers for various disciplines, as well as professional consultants in finance, legal, marketing and communications disciplines. Critical suppliers are defined as those that:

- Perform a task on behalf of Iress or a customer
- Perform or provide a product that is essential to the business continuity of Iress
- Represent the most significant supplier spend.

Iress is committed to upholding stringent procurement practices, ensuring adherence to both core-selection, best-practice criteria and stakeholder expectations. The criteria includes a number of technical, legal, operational, and sustainability factors against which suppliers are assessed. Iress does not engage a supplier unless they meet this criteria. This process of assessment ensures that suppliers are both suitable and meet the objectives contained in Iress' various policies, including the Supplier Code of Ethics Policy.

Our Supplier Code of Ethics Policy outlines the expectations of Iress' suppliers to share the values set out in the Code. The Code applies to all suppliers engaged by Iress, being any third party organisation which provides goods and services to Iress. Suppliers are also expected to ensure that their supply chain, including sub-contractors, adheres to the Code. Our Supplier Code of Ethics and Sustainable Procurement Policy, which applies to all suppliers, are available online. As part of improved oversight on our supply chain we intend to further understand and collect information on the environmental impact of our suppliers. Our Code of Ethics and Conduct Policy guides our people and suppliers on corruption and bribery as well as e-learning and training.

In 2023 we:

- Increased our use of social enterprise and Indigenous owned businesses for our catering provision, and for the electronic waste recycling.
- Further enhanced our onboarding process that captures information across additional categories of ESG and engages due diligence across Iress Legal, Procurement, Information Security, and Accounts teams.
- Enhanced the real-time monitoring of all non-government suppliers, including financial stability, adverse media (environmental, labour, health & safety, ethical & regulatory media), sanctions, and company sustainability credentials. This was done by improving the market data vendors used to source this information.
- Undertook further vendor segmentation work to deep dive into areas of potential modern slavery risk by using categorisation around vendor place of activity, more specific product code analysis.

In 2024, we aim to:

- Further consolidate the office lease footprint globally, where appropriate relocating to smaller and more energy efficient office locations.
- Further expand the use of recycled and sustainably sourced materials for office fitout and furniture requirements (see the case study regarding our recent work in this area in our Cape Town office).
- Implement enhanced supplier questionnaires for the supplier categories identified as having heightened modern slavery risk in our 2023 segmentation deep dive activity.

Social procurement in South Africa: Broad-based Black economic empowerment (BBBEE)

BBBEE stands as a pivotal element in the South African Government's strategy for transformation. Envisioned as a mandated initiative, it aims to tackle the persistent repercussions of the apartheid system. This program actively advocates for increased economic involvement of Black individuals, women, people with disabilities, and youth within the broader economy. BBBEE has different components, and includes Enterprise and Supplier development.

This measures the extent to which entities buy goods and services from empowering suppliers with strong BBBEE recognition levels. Supplier and enterprise development initiatives intend to assist and accelerate growth and sustainability of enterprises owned by Black people (African, Coloured, Indian and Chinese). Iress' performance is audited and final audited results for 2022 are applicable for the period January 2023 to December 2023. Iress scored 90.4% (45.2 out of 50 points which is down on the prior year of 46.4) on this metric.

Preferential Procurement

The Preferential Procurement metric measures the percentage of an entity's expenditure with an empowering supplier that is recognised as BBBEE expenditure, depending on that supplier's BBBEE level. Iress scored 80.89% of the total measured points including bonus points. This position is lower than the prior year of 85% due to a one-off office revamp project.

We continue to maintain Iress **Enterprise Development** program (ED) beneficiaries into the supplier pipeline to allow them to participate in the procurement process. Iress earns 100% of the points available. The Iress ED program makes a monetary and non-monetary contribution to develop businesses that are owned by Black people. The target for ED is 3% of net-profit after tax, which for 2023 was estimated at $44,800 (FY2022 $51,000).

In 2023, our ED program contributions included support for:

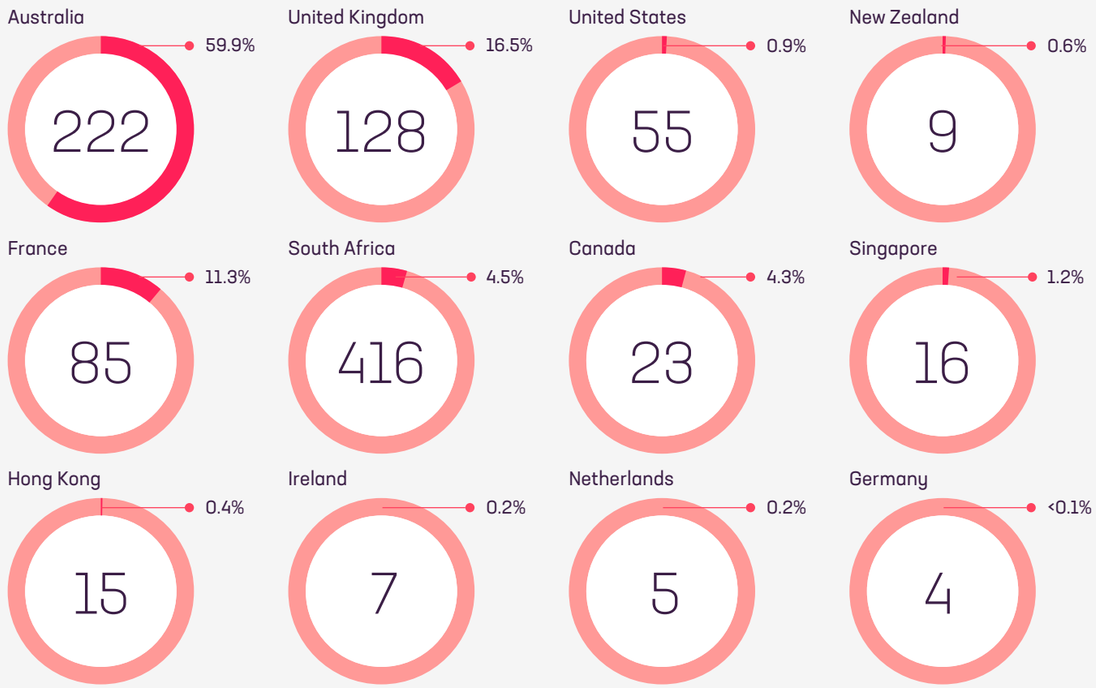
- Polelo, who provide ed-tech support as part of the "Jendamark/Odin Education" ecosystem which is a youth education program for learners at previously disadvantaged rural schools. Iress' support will enable improvement of the tech stack.
- Stin Technology, for the acquisition of equipment and training to enable further expansion of their business.
- Abottech, a software development company where Iress funding will replace end of life equipment to enable business development.

The Iress **Supplier Development** (SD) program

The Iress Supplier Development (SD) program is on a contribution basis made available to Iress' Black-owned suppliers, who are mostly small entrepreneurial businesses. Iress earns 100% of the points available. The target for SD is 2% of net-profit after tax for 2023, which is estimated at $32,000 (FY2022 $34,000). In 2023, we made financial contributions to the following organisations:

- MalediFresh (Fresh fruit supplier): We provided fencing to enable protection from vandalism that disadvantaged the business last year.
- Akunamillio (Fire services): We enabled additional deployment of teams as the business has grown.
- Lucky Time (BBBEE Admin provider): We supported training and specialist skills development.
- Vezi Solutions (IT hardware): We supported this existing supplier to refresh their hardware.
- Digital Cloud (Marketing): We supported this supplier to refresh their hardware and software.

Suppliers by country



(location based on business operating address)

Governance

2023 key achievements

- Continued to embed our revised risk management framework to support our desired risk culture

2024 key objectives

Continuing from the 2023 Strategy, the Global InfoSec team will continue to focus and develop the following areas:

- **Security Training and Awareness:** foster a security-aware culture and communicate security policies and procedures in order to effectively and safely deliver our operational effect.
- **Governance, Risk and Compliance:** ensure robust governance of our systems and product delivery to ensure compliance with industry specific standards and address security risks and vulnerabilities.
- **Cyber security Monitoring and Incident Response**: monitor cyber security threats and respond to security incidents to proactively defend the business from threat.

Relevant UN SDGs

Iress believes that maintaining a high standard of corporate governance is essential to sustainable long-term performance and value creation for shareholders, stakeholders and the communities in which we operate. Iress operates under a well-established corporate governance framework that is regularly reviewed by our Board.

The governance practices in place reinforce and affirm Iress' obligations pursuant to the *Corporations Act 2001* (Cth) (**Corporations Act**), the Australian Securities Exchange (**ASX**) Listing Rules and other applicable laws and regulations.

Governance

Iress' Constitution also reflects many of these corporate governance mechanisms to ensure, amongst other things, prudent decision making and appropriate oversight.

Furthermore, Iress' Board Charter sets out the functions and responsibilities of the Board with respect to Iress Limited and its subsidiaries (the **Group**). The Board Charter is intended to supplement the description of the Board's responsibility set out in the Constitution. The Board has ultimate responsibility for approving strategy and setting policy regarding the business and affairs of the Group.

Iress' Board is committed to complying with the ASX's Corporate Governance Council's Corporate Governance Principles and Recommendations issued from time to time by the ASX Corporate Governance Council. During 2023, Iress complied with each of the Corporate Governance Principles (4th Edition), as set out in the 2023 Corporate Governance Statement.

Governance structure

The Board's responsibility includes overseeing the Company's strategy, policies, processes and performance in relation to ESG matters. The risk management function of the Board is overseen by the Audit & Risk Committee, which is responsible for, amongst other things, ESG at Iress.

In 2023 due to the company-wide restructure, operational responsibility for ESG moved from the Legal function to Corporate Affairs & Marketing. The Chief Corporate Affairs & Marketing Officer is now the risk owner for ESG risks, with support from the Chief Risk Officer who has responsibility for reviewing all material risks annually.

In addition, the Chief Operating Officer is the appointed Leadership Team 'Climate Sponsor' and accountable for ensuring information flows to the ARC through bi-annual board papers.

Risk management

As a global technology company and licensed financial services business, the dynamic market and business in which Iress operates has evolved, and will continue to do so. Accordingly, a robust, consistent and effective risk management framework which proactively identifies, manages and mitigates risks is essential for the ongoing success of Iress. In 2023, we further enhanced our risk management framework, which is underpinned by the principles outlined in ISO 31000: 2018 – Risk Management Guidelines.

Risk governance structure

All people at Iress have a responsibility to integrate risk management practices into their day-to-day business activities to support the achievement of Iress' strategic goals and objectives. The following governance structures are in place and provide oversight of the effective operation of our risk management strategy and framework:

- The Iress Board is responsible for demonstrating leadership and commitment to enable a positive risk culture, including approving Iress' risk management strategy and framework, establishing appropriate governance structures for risk oversight, determining organisational appetite for risk, and ensuring appropriate policies and procedures are in place to oversee and manage risk. The risk management function of the board is performed by the Audit and Risk Committee (**ARC**), the composition, roles and responsibilities of which are set out in the ARC Charter. The ARC is responsible for ensuring Iress has a structured and comprehensive risk management system in place and amongst other things, monitoring material changes to the Company's risk profile and making recommendations in relation to changes that should be made to the Company's risk appetite.
- The Executive Risk Committee (**ERC**) reports to the ARC on Iress' key risks and the application of the risk management framework, specifically the extent to which it believes risks are being adequately managed.

Cyber security and data protection

Data privacy and security

In 2023, a Data Governance Council ("**DGC**"), with cross-functional representation, was formed to further enhance governance of data management in the organisation. The DGC has since released an artificial intelligence ("**AI**") policy, data ethics policy, and approved AI list to the organisation.

In addition to the formation of the DGC, there have also been two privacy appointments working collaboratively to continually uplift the organisation's privacy program including the recent revision of the internal global data breach register and privacy impact assessment ("**PIA**")/data protection impact assessment ("**DPIA**") process.

Certifications and standards

Iress continues to be proactive in gaining and maintaining internationally recognised Certifications. We renewed ISO 27001 globally in late 2023, but are committed to expanding the volume of Certifications by certifying each business unit independently throughout 2024 increasing the auditing and external verifications process.

Additionally, we are well advanced with achieving the SOC 2 Certification Standard in the Wealth Management business unit having undergone a readiness assessment and SOC 2 Type 1 audit with Ernst & Young, our objective is to achieve this by early 2024.

Data protection impact assessments

We undertake data protection impact assessments to look at how and where we process data across our business, and we seek to take a best practice review of data above the defined statutory requirement to instigate such assessments. This process ensures privacy risks are appropriately considered and mitigated to ensure compliance with applicable legal and regulatory requirements. In 2023, we completed multiple data protection impact assessments, launched a new template and began implementing improved tracking and review of these assessments.

Supplier security assessments

Iress robustly manages suppliers through a well documented procurement due diligence process. The Information Security team assesses each and every supplier for cyber risk as well as scores and monitors suppliers via external monitoring tools (such as Upguard) for real-time changes that may increase cyber risk.

Security awareness and training

Iress recognises that our people are our best cyber defence and we have invested significantly in awareness training. In 2023, we updated our Acceptable Use Policy to align with contemporary expectations and this has been sent to all users (including contractors and third-party business partners) as a mandatory read and acceptance which we also record.

We continue to conduct yearly training in our online platform with several cyber modules with completion rates for 2023 currently at 98.7%.

Responsible and ethical business practices

At Iress, we maintain and report against a set of stringent corporate principles. A summary of our key corporate governance documents is outlined below, each of which is available on our website.

Tax transparency

In 2023, we published our fourth annual tax transparency report detailing our tax contribution, tax governance and strategy, and international related party dealings for the 2022 financial year. The report was prepared in accordance with the guidelines set out in the voluntary Tax Transparency Code (TTC) recommended by the Australian Board of Taxation and endorsed by the Australian Treasury.

Whistleblower protection

Iress' whistleblower policy applies to all Iress people, including part-time and casual employees, officers, agency workers, contractors and suppliers and their employees (where relevant) and is subject to applicable laws as they apply to the local Iress entity. It encourages people to report any suspected reportable conduct with the knowledge that their concerns will be taken seriously, appropriately investigated, and that their confidentiality will be respected. It also provides people with guidance around how to raise concerns and reassures people that they can raise any concerns and complaints of reportable conduct without fear of discrimination, intimidation, disadvantage or reprisal.

Memberships and partnerships

Global

- FISD (Financial Information Services Association of SIIA)
- FIX Trading Community
- The Software & Information Industry Association (SIIA)

Australia

- ASFA Affiliation of Superannuation Practitioners (ASP)
- ATO APRA Funds Operational Insights Report Design Working Group
- ATO Online Superannuation Screens Communications Working Group
- ATO SMSF Rollovers Design Group
- ATO Super Administration Stakeholder Group (SASG)
- ATO Superannuation Data Standard Technical Group (SDSTG)
- ATO SuperStream Implementation Working Group
- ATO Technical Services Working Group (TSWG)
- Australian Custody Services Association (ACSA)
- Financial Executive Women (FEW)
- Financial Executives Institute (FEI)
- Financial Services Council of Australia (FSC)
- Stockbrokers and Investment Advisers Association (SIAA)
- The Association of Superannuation Funds of Australia (ASFA)
- Women in Super (WiS)

Canada

- Canadian Security Traders Association (CSTA)
- Investment Industry Regulatory Organisation of Canada (IIROC) (Market Rules Advisory Committee and LEI Implementation Committee)
- Portfolio Management Association of Canada (PMAC)

New Zealand

- Financial Advice New Zealand
- FinTechNZ

South Africa

- SA Securities Lending Association (SASLA)

United Kingdom

- Association of Mortgage Intermediaries (AMI)
- Building Societies Association (BSA)
- Income Protection Task Force (IPTF)
- Intermediary Mortgage Lender Association (IMLA)
- ORIGO (Industry Standards Body for Life and Pensions – UK)
- The Personal Investment Management and Financial Advice Association (PIMFA)

Iress leadership

Our greatest asset at Iress is our people. Supporting them is a leadership team committed to achieving Iress' mission to go beyond, act smart and win together.

Marcus Price
Chief Executive Officer

Cameron Williamson
Chief Financial Officer

Harry Mitchell
Group Executive, Wealth & UK

Ana Smith
Chief Transformation & Strategy Officer

Jason Hoang
CEO, Trading & Market Data

Paul Giles
CEO, Superannuation

Kelli Willmer
EGM APAC Wealth

Kelly Fisk
Chief Corporate Affairs & Marketing Officer

David Hentschke
Chief Innovation Officer

Justin Schmitt
Chief Operating Officer

Julia McNeill
Chief People Officer

Chris Donlon
Acting Chief Technology Officer

Charissa Astley-Turner
Chief Risk Officer

Additional LT members:

Ian McKenna
Chief Information Security Officer

Eric Kuah
Chief Global Market Data Officer

Board of Directors

Roger Sharp

Independent Non-Executive Director
(since February 2021)
Chair
(since May 2021)

Roger has more than 30 years' global experience in markets, technology and governance. He has advised, built, run and chaired a number of technology companies. Roger's current governance roles include chairing Webjet Limited (director since January 2013 and Chair since 21 June 2017) and the Lotteries Commission of New Zealand (Chair since 1 July 2020). He is also the founder of boutique technology investment bank, North Ridge Partners and the founder of Whakatipu Hangarau Trust, a not-for-profit trust whose mission is to build a world-class technology sector in Queenstown Lakes District, New Zealand. His past executive roles included Global Head of Technology and CEO of Asia Pacific Securities for ABN AMRO Bank.

Marcus Price

Managing Director and Chief Executive Officer
(since October 2022)

Marcus Price has over 25 years' experience building, leading and managing teams in the financial services and technology sectors. Mr Price was the founding CEO of Property Exchange Australia (PEXA) for over nine years, from May 2010 to December 2019. From its beginnings as a start-up, Mr Price oversaw PEXA's growth into a company capturing more than 75% of all property transactions in Australia, with a valuation of $1.6bn upon its trade sale in 2018. Prior to this, Mr Price held senior positions with NAB, the Boston Consulting Group, Certane Group and previously served as Chief Executive Officer and Managing Director of businesses for Equifax and Dun & Bradstreet. Mr Price was a Director of Credit Clear Limited from November 2020 to November 2022.

Julie Fahey

Independent Non-Executive Director
(since October 2017)
Chair of the People and Performance Committee
(since February 2020)

Julie has over 30 years of experience in technology, including in major organisations such as Western Mining, Exxon, Roy Morgan, General Motors and SAP, covering consulting, software vendor and chief information officer roles. In addition to her industry experience, Julie spent 10 years at KPMG as a partner with the firm, during which time she held roles as national lead partner telecommunications, media and technology, and national managing partner – markets. Julie was also a member of the KPMG National Executive Committee. Julie is currently a member of the Board of Datacom Group, and Australian Red Cross LifeBlood. Julie is also currently a Non-Executive Director of Australian Foundation Investment Company (appointed April 2021) and was a Non-Executive Director of Seek Limited from July 2014 until November 2023.

Niki Beattie

Independent Non-Executive Director
(since February 2015)

Niki has more than 30 years' experience in financial technology and capital markets. She currently runs Market Structure Partners, a strategic consulting firm for financial market participants and policy makers. Prior to that she spent more than a decade in senior positions at Merrill Lynch International. She is currently Chair of ClearToken, a clearing house for digital assets and a Director of the Financial Markets Standards Board, FMSB, a member-owned, international standards setting body.

She was previously Chair of privately owned XTX Markets, a quantitative market maker and of Aquis, a listed pan European exchange and technology business as well as a Board Director of Kepler Cheuvreux UK Ltd, a French brokerage firm, MOEX, the Moscow Exchange and Borsa Istanbul, the Turkish exchange. She also spent 12 years on the Secondary Markets Advisory Committee for the European Securities Markets Authority and six years on the Regulatory Decisions Committee of the UK's Financial Conduct Authority.

Trudy Vonhoff

Independent Non-Executive Director
(since February 2020)
Chair of the Audit & Risk Committee
(since May 2021)

Trudy has over 20 years' experience in retail banking, financial markets and investment. She is currently a director of Credit Corp Group Limited (since September 2019), Cuscal Limited (since April 2019) and Australian Cane Farms Limited (since April 2021). Previous directorships include AMP Bank, A2B (Cabcharge), Ruralco Holdings Limited, Tennis NSW and the Westpac Staff Superannuation Fund. For 13 years Trudy held senior executive roles at Westpac and AMP across retail banking, finance, risk, technology & operations, and agribusiness.

Michael Dwyer AM

Independent Non-Executive Director
(since February 2020)

Michael has over 35 years' experience in superannuation and investment, including 14 years as CEO of First State Super. He is a director of the Global Advisory Council of Tobacco Free Portfolios and the Sydney Financial Forum. Since 1998 Michael has also been a director and subsequently Chair and now Patron of Australia for UNHCR, the private sector partner of the UN Refugee Agency. He is a life member of ASFA (Australia's superannuation industry association) and the Fund Executives Association. After serving as a director, on 31 August 2020 Michael was appointed as the Chair of TCorp (New South Wales Treasury Corporation). He is also a member of the ASIC Consultative Panel, Chair of MSquared Capital Advisory Committee and member of the Hope Housing Advisory Committee.

Anthony Glenning

Independent Non-Executive Director
(since October 2022)

Mr Glenning has over 25 years' experience in the software industry, 14 of those living and working in Silicon Valley. He is currently the fund manager for Skalata Ventures, leading the investment into early-stage companies and helping them scale and grow into significant and sustainable businesses.

He is also a non-executive director of Pro Medicus Limited (ASX.PME) since May 2016, a leading provider of enterprise medical imaging and practice management software, and Austco Healthcare Limited (ASX.AHC) since September 2018, an international provider of healthcare communication and clinical workflow management solutions. In 1999, Mr Glenning founded Tonic Systems, a web application development company which he built up over eight years and sold to Google in 2007 as part of the Google Docs suite of products.

He worked with Google post-acquisition where he was a senior software engineer for two years. From 2010 to 2018, Mr Glenning was an investment director for Starfish Ventures, based in Melbourne, a venture capital firm specialising in Australian high-growth technology businesses, and during that time held directorships at Aktana, Atmail, DesignCrowd, MetaCDN and Nitro Software.

Michael Bowan

Company Secretary

Michael joined Iress in October 2023, on an interim basis while Iress commences a search for a permanent replacement. He has a BA/LLB (Hons) from the Australian National University and has been admitted as a solicitor in NSW for more than 30 years. Michael has long-standing executive experience in banking and energy, including eight years as General Counsel and Company Secretary of a listed bank, six years as General Counsel and Company Secretary of the regional NSW electricity distributor and six years as Chief of Staff to a major Australian bank's CEO.

Material business risks

The material business risks that have the potential to impact Iress' financial position, future financial results, operations and the success of our strategy are outlined below, together with mitigating actions undertaken to minimise these risks. Climate change risk (and ESG more broadly) forms a part of Business Operations risk and is also addressed separately in Iress' ESG Report.

Risk	Nature of risk	Mitigating actions
Strategic Risk	The risk that Iress does not meet its strategic objectives.	Iress has established strategy planning processes that appropriately consider strategy determination through investigation and analysis, consideration of competition risks, as well as any potential structural changes in the markets that we operate in. Iress' Group Strategy team partners with external experts, as appropriate, to provide additional support and governance. Group and Business Unit strategic plans are endorsed and overseen by the Leadership Team and the Board.
Transformation Risk	The risk that Iress does not successfully execute on its transformation agenda.	Iress seeks to manage and mitigate risks associated with the execution of business transformation initiatives linked to its strategic objectives. These initiatives are designed to pursue growth opportunities that are likely to deliver significant shareholder value in a reasonable time frame. Iress' Transformation Office, with assistance from external experts, provides project management disciplines and governance oversight. Progress and delivery against agreed milestones are tracked through an industry-recognised system, with key metrics and reporting overseen by the Leadership Team and the Board.
Financial Risk (including foreign exchange, interest rate, funding and liquidity)	The risk that Iress is unable to meet its financial obligations, incurs losses from failure of counterparties paying their debt, losses from unexpected changes in market rates and prices or impairment of assets.	Iress aims to manage its material financial risks in accordance with the Board-approved Treasury Policy. Iress mitigates foreign exchange risk associated with its international operations by funding these investments in the local currency. Foreign currency transaction risks can be hedged, where appropriate. Iress does not hedge translation risk on foreign currency earnings.
Legal and regulatory risk	The risk of legal or regulatory sanction/loss from failure to comply with our contractual requirements, licensing, laws and regulations.	Iress aims to manage its material Legal and Regulatory Risks in accordance with applicable laws, commercial principles as they apply to our contractual obligations and corporate governance principles. Additionally, Iress has dedicated Legal and Compliance teams who oversee the management of regulatory requirements and the implementation of regulatory change across the Group. These teams also closely monitor regulatory developments globally and remain proactively engaged with relevant regulatory bodies and policy makers across the jurisdictions in which we operate.

Risk	Nature of risk	Mitigating actions
Technology and Information Security	The risk of an event or events occurring which may result in Iress' or Iress' client's information being unavailable, lost, stolen, copied or otherwise compromised with adverse consequences for the business (legal, regulatory, financial, reputational or other).	Iress seeks to proactively manage its material technology and information security risks in accordance with the Board-approved Information Security Strategy and information security standard ISO 27001, whilst maintaining strong alignment with recognised industry and organisational frameworks. Iress endeavours to maintain a highly skilled team of technology and information security professionals. Information security risk is overseen by a dedicated global information security function, led by the Chief Information Security Officer, who is responsible for ensuring appropriate systems and processes are in place, in line with Iress' Information Security Strategy. Executive-level oversight is provided via the Executive Risk Committee, while material information security risks and issues are also escalated to the Board Audit & Risk Committee for oversight. Iress' Global Information Security Management System (ISMS) is independently certified to meet the global ISO 27001 standard.
Business Operations Risk	The risk impacting day-to-day operations of Iress, including business disruption events, failure of internal processes and systems, failure of material supplier fulfilment, damages resulting from mismanagement of data and financial crime.	Iress aims to minimise its material Business Operations risk through robust systems, efficient processes and effective controls. Iress' Business Continuity and Disaster Recovery Plans are tested, updated, and reviewed on an annual basis. The testing ensures that access to critical systems, including backup environments, are restored and disruption minimised. Iress' material third party suppliers are onboarded with sufficient due diligence and are subject to ongoing monitoring and oversight.
People and Culture Risk	The risk resulting from people-related risks impacting the delivery of our strategy.	Iress aims to manage its material People and Culture risks in accordance with approved People policies, which set the expectations and guide the behaviour of our people and the company. Iress endeavours to retain key individuals with the skills required to fulfil our strategic objectives.

Operating & Financial Review

For the year ended 31 December 2023

Operating & Financial Review

	2023[1] $m	2022 $m	2023 vs 2022
Operating revenue	625.7	615.6	2%
Operating expenses	(497.4)	(469.2)	6%
Underlying EBITDA	128.3	146.4	(12%)
Net Profit After Tax	(137.5)	52.7	(361%)

(1) Iress results above are shown on a reported basis using foreign exchange rates applicable through the year. On a constant currency basis and applying the 2022 foreign exchange rate to compatible 2023 results, the impact is negligible and would result in a $0.4m increase to 2023 Underlying EBITDA.

	2023 Cents per share	2022 Cents per share	2023 vs 2022
Earnings and dividends per share			
Basic earnings per share	(76.4)	28.6	(367%)
Dividends per share	-	46.0	(100%)

	Operating revenue[1]			Underlying EBITDA [2][3]		
	2023 $m	2022 $m	2023 vs 2022	2023 $m	2022 $m	2023 vs 2022
APAC Trading and Global Market Data	178.5	174.4	2%	40.5	45.0	(10%)
APAC Wealth Management	130.4	132.7	(2%)	47.2	55.1	(14%)
Superannuation	54.2	49.9	9%	(2.5)	1.3	(292%)
Managed Portfolio - UK	167.9	159.0	6%	34.7	35.5	(2%)
Managed Portfolio - Other	94.7	99.6	(5%)	8.4	9.5	(11%)
Total group	**625.7**	**615.6**	**2%**	**128.3**	**146.4**	**(12%)**

(1) Operating revenue for each segment captures revenue generation directly attributable to that segment.

(2) Underlying EBITDA for each segment represents segment operating revenue less direct expenses associated with operating the segment and indirect expenses from corporate functions providing scale benefits across the Group which have been allocated to segments using functional drivers.

(3) New segments commenced effective 1 July 2023 with historic information for 2022 and 1H23 restated to pro-forma when operating under prior segments across the Iress Group.

Operating revenue

Operating revenue in 2023 was $625.7m, a 2% increase over the previous year. The increase was substantially attributable to the Superannuation and Managed Portfolio - UK segments, while there was a decline in the Managed Portfolio - Other segment on the back of the sale of the Managed Fund Administration business on 1 October 2023.

Underlying earnings before interest, tax, depreciation and amortisation (EBITDA)

Underlying EBITDA, the Group's preferred business performance measure, decreased 12% to $128.3m over the year as a result of an increase in costs. Inflationary pressures were evident in both employee and non-wage opex, with pay rises and third-party input costs contributing to margin pressure. Iress undertook significant restructuring initiatives to arrest cost growth momentum which included a reduction in the number of full time equivalent employees (FTE's) by 21% (15% when MFA is excluded).

APAC Trading & Global Market Data

Revenue for APAC Trading & Global Market Data increased 2% over the course of the year to $178.5m. This was achieved despite a challenging trading environment which saw equity trading volumes 30% lower than 2022 and notable consolidation across the industry. At the same time many clients remained cautious in the inflationary operating environment leading to subdued new business wins through the year. Costs were higher reflecting the ongoing investment in people, infrastructure and technology necessary to support customer service delivery.

APAC Wealth Management

Revenue for APAC Wealth Management decreased by 2% in 2023 mainly due to a reduction in non-recurring revenue as client projects and transitions completed. Operating costs were higher, largely a result of salary inflation and initiatives to improve the user experience of Xplan. The business executed a program of cost reduction and pricing discipline initiatives which offset some of these headwinds.

Superannuation

The Superannuation business grew revenue by 9% with increased demand for consulting services, contract renegotiations and new client wins including two newly merged entities. The business also saw an increase in costs from salary inflation, restructuring activity and notable remediation projects.

Managed Portfolio - UK

The UK component of the Managed Portfolio grew revenue by 6% in 2023, driven by new client wins across the Sourcing and the Mortgages business lines, while UK Wealth grew as a result of increased project work with enterprise clients. Salary inflation and higher third-party software costs led to an increase in costs from the prior year.

Managed Portfolio - Other

Revenue decreased overall in the Managed Portfolio - Other, substantially due to the sale of the MFA business in October. While the Canadian business saw revenue growth, it was partially offset by a reduction in revenue in South Africa. Both the South African and Canadian businesses were prudent on cost management throughout the year.

Net Profit after Tax (NPAT)

	2023 $m	2022 $m	2023 vs 2022
Underlying EBITDA	**128.3**	**146.4**	**(12%)**
Amortisation, depreciation, derecognition and impairment expense	(193.4)	(43.4)	346%
Gains on disposal of subsidiary	17.6	-	-
Non-operating and significant items[1]	(57.8)	(22.4)	158%
Profit before interest and income tax expense	**(105.3)**	**80.6**	**(231%)**
Net interest and financing costs	(21.8)	(12.7)	72%
Income tax expense	(10.4)	(15.2)	(32%)
Net profit after income tax expense	**(137.5)**	**52.7**	**(361%)**

The Group recorded a statutory net loss after tax for the year of $137.5m (2022: $52.7m profit). The significant differences between the Group's headline Underlying EBITDA measure and the statutory NPAT result relate to the non-cash amortisation, depreciation and impairment expense, and the Group's non-operating and significant items during the year.

Non-operating and significant items substantially relate to project and transformation related expenses that are not deemed to form part of the ongoing cost base of the business and are excluded to provide greater clarity on underlying business performance. Non-operating and significant items increased this year to $57.8m (2022: $22.4m) and captured the following key items:

- Notable one-off technology uplift projects ($16.9m)
- Transformation program expenses ($15.1m)
- Transformation led redundancy costs ($13.6m)
- M&A related costs ($6.9m)
- Other one-off non-operating costs ($5.3m).

Operating & Financial Review (continued)

For the year ended 31 December 2023

The non-cash amortisation, depreciation, de-recognition and impairment expense increased from $43.4m in 2022 to $193.4m. This was notably impacted by an impairment of $130.4m on the UK goodwill carrying value which was written down in the first half of the year. A number of capitalised software intangible assets were also de-recognised during the year resulting in an additional $13.3m write-down.

During the year, Iress sold the Managed Funds Administration (MFA) business for proceeds, after purchase price adjustments, of $50.5m with $5m remaining in escrow for a period of 12 months. A $17.6m gain on the sale has been recognised with proceeds from the sale used to retire debt.

Net interest and financing costs increased by 72% to $21.8m through the year ($2022: $12.7m). This was primarily driven by higher average debt levels over the course of the year and markedly higher interest rates on the floating rate part of the borrowings.

Statement of Financial Position

	2023 $m	2022 $m	2023 vs 2022
Cash and cash equivalents	43.9	63.4	(31%)
Intangible assets	550.7	725.0	(24%)
Other current and non-current assets	197.6	211.7	(7%)
Borrowings	(363.6)	(388.4)	(6%)
Other current and non-current liabilities	(156.6)	(177.9)	(12%)
Net assets	**272.0**	**433.8**	**(37%)**

Cash and cash equivalents reduced by $19.5m or 31%, due to an improvement in cash management processes and working capital requirements.

Intangible assets reduced by $174.3m to $550.7m, a 24% decline, primarily due to a write down in the carrying value of goodwill in the UK business of $130.4m. An additional $31.2m of intangible assets were reduced as part of the sale of MFA, while there was a de-recognition of $13.3m of intangible assets following a strategic review of capital projects in 1H23. During the year $14.1m of internally generated development costs were capitalised, 29% lower than last year (2022: $19.9m).

Net debt, as measured by gross borrowings less cash and cash equivalents, declined $5.8m to $320.3m over the year. Net debt peaked at $375.8m at 30 June before declining in the second half of the year as proceeds from the sale of the MFA business and positive free cash flow were used to retire debt.

Other liabilities fell 12% to $156.6m through the year, predominantly due to a decrease in lease liabilities of $14.9m as property requirements were resized with lower FTE across the business.

Dividends

During the year, Iress paused the payment of its 2023 dividend pending the completion of a broader Capital Management Plan.

Headline Business Performance Change

In 2023, Iress undertook to amend its headline business performance measure from Segment Profit to Underlying EBITDA. This involved the transfer of share based payment expenses, that were previously excluded in Segment Profit, into the cost base as they were considered an important part of employee remuneration.

Following the announcement of the transformation program in 1H23, Iress committed to review the way it presented its financial performance and provide enhanced transparency around items not considered part of the ongoing cost base of the business. These have historically been reported as significant and non-operating items, however without clearly defined classifications.

As a result of a recent review, Iress will be changing its headline performance measure to Adjusted EBITDA from 2024. This is represented by Reported EBITDA adjusted for mergers and acquisition items, transformation related costs including costs to achieve such as restructuring and redundancy, and share based payments expense.

Adjusted EBITDA is considered to better align with Iress' business unit accountability and provide improved transparency across Iress' operating segments. The primary change from Underlying EBITDA is the transition of non-recurring technology uplift projects back into the underlying cost base of the business.

A reconciliation from Underlying EBITDA to Adjusted EBITDA for the year is provided below:

	2023 $m	2022 $m	2023 vs 2022
Underlying EBITDA	**128.3**	**146.4**	**(18.1)**
Tech uplift & non-recurring projects - staff costs	(16.9)	(10.6)	(6.3)
Other non-recurring items - Non-staff costs	(5.3)	(5.8)	0.5
Adjusted EBITDA	**106.1**	**130.0**	**(23.9)**

The Adjusted EBITDA measure will be supplemented with NPATA as an additional business performance measure from 2024.

NPATA is represented as Statutory NPAT adjusted for the after-tax effect of amortisation and impairment of acquired intangible assets; and M&A related gains/losses on the disposal of businesses.

NPATA is considered a closer proxy to the free cash flow generation of the business and will be used as the basis for the dividend payout going forward.

Capital Management Plan

Iress has undertaken a detailed review of its capital management settings in order to provide a robust financial platform to meet strategic goals. The aim of the review was to establish optimal capital settings for a stronger balance sheet, while creating capacity to reinvest back into the business and reward shareholders over time via dividends and capital growth. The review was centred around an optimal level of leverage for the business and appropriate dividend policy, while creating capacity for R&D investment.

As a result of the review, Iress is seeking to reduce leverage over the coming year to a targeted range of 1.0-1.5x EBITDA from the current level of 2.5x. This is to be achieved by the sale of non-core assets and the retention of free cash flow.

The dividend will remain paused until the target leverage range is achieved and at that time will be subject to consideration for recommencement by the Board. The dividend payout will be made out of NPATA with a view to increasing it over time as transformation led activity is completed and the balance sheet is stronger. The level of the dividend will be set having regard to ongoing R&D requirements and capital for other strategic initiatives.

Iress believes these capital settings will deliver a stronger balance sheet going forward while balancing profits, capital reinvestment and dividends.

Directors' Report

For the year ended 31 December 2023

The Directors present their report and the annual financial report for Iress Limited (the Company) and its consolidated subsidiaries (together referred to as Iress Group or the Group) for the 2023 Financial Year.

Directors

The Directors of Iress Limited during the year ended 31 December 2023 and up to the date of this report are set out below:

Name	Tenure
R Sharp	Chair since May 2021 and Independent Non-Executive Director since February 2021
M Price	Independent Non-Executive Director since July 2022 and Managing Director and Chief Executive Officer since October 2022
N Beattie	Independent Non-Executive Director since February 2015
M Dwyer	Independent Non-Executive Director since February 2020
J Fahey	Independent Non-Executive Director since October 2017 and Chair of the People & Performance Committee since February 2020
A Glenning	Independent Non-Executive Director since October 2022
T Vonhoff	Independent Non-Executive Director since February 2020 and Chair of the Audit & Risk Committee since May 2021

Directors' Meetings

The following table sets out the number of meetings of the Group's Board of Directors and of each Board Committee held during the year ended 31 December 2023, and the number of meetings attended by each Director as a member of the Board or relevant Board Committee.

Directors who are not members of a particular Board Committee are entitled to attend meetings in a non-voting capacity and are given access to all Board Committee papers and minutes.

	Board Meetings		Audit & Risk		People & Performance	
Director	Eligible	Attended[1]	Eligible	Attended	Eligible	Attended
R Sharp	15	15	*	*	*	*
M Price	15	15	*	*	*	*
N Beattie	15	14	*	*	5	5
M Dwyer	15	15	4	4	5	5
J Fahey	15	13	4	4	5	5
A Glenning	15	15	*	*	*	*
T Vonhoff	15	15	4	4	5	5

* Not a member of this committee.

(1) Where attended meetings are less than eligible, the non-attended meetings were called on short notice.

Principal activities

Iress is a technology company designing and developing software and services for the financial services industry. Iress operates across the Asia Pacific, the United Kingdom & Europe, Africa, and North America regions.

Operating and Financial Review

The Operating and Financial Review (OFR) containing information on the operations and financial position of Iress is set out in the Strategic Report on pages 2 to 9 and the Material business risks and OFR on pages 44 to 49 of this Annual Report.

Changes in state of affairs

On 1 October 2023, Iress sold its Managed Funds Administration (MFA) business, accounted for in the subsidiary OneVue Fund Services Pty Ltd which was part of the Managed Portfolio – Other segment. As at 1 October 2023, the carrying amount of MFA's total assets amounted to $35.7 million and the total liabilities amounted to $2.9 million. Gross cash proceeds of $50.5 million were received upon completion of which $5.0 million remains in escrow until 1 October 2024.

Other than the above, there was no significant change in the state of affairs of the Group during the financial year.

Events subsequent to the Statement of Financial Position date

There has been no matter nor circumstance which has arisen since the end of the financial year which has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent years.

Indemnification of Officers & Auditors

During the year, the Company paid a premium in respect of a contract insuring each of the Directors of the Company (as named above), the Company Secretary, each of the Executive Officers of the Company, and any related body corporate against a liability or expense incurred in their capacity as a Director, Secretary or Executive Officer to the extent permitted by the *Corporations Act 2001*. Further details have not been disclosed due to confidentiality provisions in the insurance contract.

In addition, the Company has entered into a Deed of Indemnity, which ensures that a Director or an officer of the Company will generally incur no monetary loss as a result of defending actions taken against them as a Director or an officer. Certain actions are specifically excluded, for example, penalties and fines which may be imposed in respect of breaches of the law.

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 has been made to indemnify Ernst & Young during or since the financial year.

Audit and non-audit services

Details of the amounts paid or payable to the Group's external auditor, Ernst & Young (2022: Deloitte Touche Tohmatsu) for audit and non-audit services provided during the year are set out in Note 1.6(b) to the financial statements. Ernst & Young was appointed as auditor on 4 May 2023 and Mr David Petersen commenced as the lead audit partner for the first year ended 31 December 2023.

During the year, the auditor performed certain other services in addition to its audit responsibilities. The Board is satisfied that the provision of non-audit services during the year by the auditor is compatible with, and did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services were subject to the corporate governance procedures adopted by the Company to ensure that they do not impact the integrity and objectivity of the auditor.
- The non-audit services provided did not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity of the Company, acting as an advocate of the Company or jointly sharing risks or rewards.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001 (Cth)*, is set out on page 82.

Rounding of amounts

The amounts shown in this report and in the financial statements have been rounded off, except where otherwise stated, to the nearest thousand dollars, the Company being in a class specified in the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission.

Corporate governance

The corporate governance statement is located on the Iress website:

https://www.iress.com/trust/corporate-governance/corporate-governance-statement/.

Remuneration Report

For the year ended 31 December 2023

Letter from Julie Fahey, Chair of the People and Performance Committee

Dear shareholders,

On behalf of the People & Performance Committee (PPC), I am pleased to present Iress' Remuneration Report for the financial year ended 31 December 2023 which sets out the remuneration information for Iress' Key Management Personnel (KMP). This group covers Executive Key Management Personnel and the Non-executive Directors (NEDs). For the purposes of this report: 'Executive KMP' refers to the Managing Director and Chief Executive Officer (Group CEO) and those Executives considered to have responsibility for planning and directing Iress' operations. As shareholders are aware, this has been a year of substantial change for Iress. The start of our transformation program has had a significant impact on our structure, our KMP and the remuneration framework in 2023. This letter summarises these changes as well as 2023 remuneration outcomes and proposed changes to our Remuneration Framework in 2024.

Impact on Structure, KMP and 2023 Remuneration Framework

Organisational Structure

In July 2023, Iress pivoted from a global functional structure to a product segment Profit and Loss structure. The new structure has provided clearer lines of accountability and allowed for the introduction of performance metrics which focus on sales, account management, customer service and profitability. The new structure also introduced a new leadership team which is reflected in a new KMP group, effective 1 July 2023. The new KMP group continues to include the Group CEO and the Chief Financial Officer, and introduces the Executives accountable for product-led business units, including Group Executive Wealth & UK, CEO Trading & Market Data, and CEO Superannuation.

2023 Remuneration Changes

As highlighted in our 2022 Remuneration report and in subsequent shareholder communications, the Board undertook to review the company's remuneration framework following the appointment of M Price as Group CEO. Considering feedback from various stakeholders and, in particular, feedback from shareholders regarding the fixed nature of Equity Rights, the Board replaced the 2023 Equity Rights with an at-risk reward in the form of a Short Term Incentive (STI).

2024 Additional Remuneration Changes

The previous Long Term Incentive (LTI) incorporating Performance Rights, is proposed to be replaced by Share Appreciation Rights (SARs) in 2024. SARs are a form of LTI paid out when objectives are achieved and the Iress share price appreciates in value above the option exercise price. Additionally, an STI deferral will be introduced, and Minimum Shareholding Requirements (MSR) will be adjusted to account for historic Equity Rights no longer forming part of executives' fixed salaries.

	FY22 Remuneration Framework	FY23 Remuneration Framework	Proposed FY24 Remuneration Framework
Fixed Remuneration	Base/Fixed Salary Equity Rights[1]	Base/Fixed Salary	Base/Fixed Salary
Short term at-risk Remuneration		STI Commenced (Cash)	STI (Cash Deferral)
Long term at-risk Remuneration	Performance Rights[1] Options – Group CEO[1]	Performance Rights[1]	Share Appreciation Rights (SARS)

(1) Equity Rights, Performance Rights and Group CEO Options vesting is directly aligned to Iress' 2025 Strategic timeline and will be tested based on the defined hurdles/scheme rules.

Financial Performance in 2023

During 2023 Management undertook a significant transformation program, which is progressing well against the strategic undertakings announced to investors in April, with progress on asset sales, the cost base, and the bringing forward of initiatives which has led to improved earnings in the second half of 2023. The shift towards clearer financial reporting is underway, and a new capital management plan sets out a path towards sustainable reinvestment in the business and resuming dividends, which the company took the prudent decision to pause as it focuses on deleveraging the business.

Iress incurred a statutory net loss after tax for the 2023 year of $137.5m (2022: $52.7m profit), substantially impacted by a $130.4m write down in the carrying value of UK goodwill (2022: Nil impairment recognised). Non-operating items also increased to $57.8m (2022: $22.4m non-operating items), largely related to transformation activities and technology uplift projects which continued from the prior year.

The group's preferred business performance measure, Underlying EBITDA, was $128.3m for the year, a 12% decline from last year.

The year has seen revenue growth of 2% across the business (2023 operating revenue of $625.7m) with the earnings decline impacted by higher inflationary costs, both employee and supply side input costs. This trend was evident through the year as we lowered our full year guidance expectations after the half year result. A number of transformation-led changes were made at the time, including reducing headcount by 15% (excluding MFA, 21% including MFA), which has seen an improved second half performance versus the first half and come in at the upper end of the latest earnings guidance.

Executive KMP remuneration outcomes in 2023

As mentioned above, our Executive KMP group was substantially changed, effective 1 July 2023. As part of the move to a new business unit structure, new KMP roles were identified in the new structure. Three new KMP roles were identified representing responsibility for each of the three business units. Two prior KMP remain as part of Iress' leadership team, and five prior KMP have since departed Iress.

Fixed Remuneration in 2023

The new cash STI was introduced and replaced the Equity Rights element of the previous framework to better align individual rewards with both individual business and company performance. The adoption of the new structure provided the opportunity for a market based assessment of base salaries to be undertaken. Rebasing of remuneration across the newly appointed Executives was based on their roles and responsibilities. No increase was awarded to the Group CEO in 2023.

Short-term incentive in 2023

The new STI plan replaces the historical time-based Equity Rights element from the previous framework and seeks to better align individual reward with performance. The Group CEO had a target STI opportunity of 120% of fixed salary (180% maximum) in 2023, with all other Executive KMP having a 60% target opportunity (90% maximum). The opportunities for newly hired/promoted Executive KMP were pro-rated to align with their start dates. The Group CEO achieved 47% of the maximum STI, and the Executive KMP achieved an average of 43% of the maximum STI.

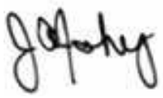
Long-term incentive in 2023

Performance Rights associated with the 2023 long term incentive (LTI) were brought forward and granted in February 2022 to reflect the time horizon of the 2025 strategy. As a result, the performance period was increased to four years, with this tranche eligible to vest in February 2026 (instead of the customary three years) and also incorporates an additional one-year holding lock. Executive KMP joining the new management team during the 2023 financial year have been awarded a pro-rata allocation of this tranche as an interim incentive solution while the overall remuneration platform was being reset. These instruments operate under the same terms as other participants.

The 2020 and 2021 grants of Performance Rights that were due to vest in February 2023/2024 have experienced a great deal of volatility in share price movements over their performance periods. Although the share price has rebounded off its lows, the absolute Total Shareholder Return (ATSR) measure was not achieved for either instrument, resulting in a 0% vesting for both tranches.

Engagement and feedback

Iress values the perspectives of our shareholders and stakeholders and encourages an open dialogue. It has been a pivotal year for Iress and we understand and acknowledge the volatility in the company's share price performance across 2023 and the impact it has had on remuneration outcomes for our executives. This report serves as not only a reflection of our 2023 performance but also as a foundation for future alignment between remuneration and outcomes. We welcome your questions and insights as Iress continues to refine its remuneration practices and look forward to your continued support at our AGM.



Julie Fahey
Chair of the People & Performance Committee

Remuneration Report (continued)
For the year ended 31 December 2023

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This remuneration report provides details of Iress' remuneration policy and practice for Key Management Personnel (KMP) for the 2023 financial year (2023). The KMP are identified in the below table and comprise the Non-Executive Directors (NEDs), Executive Director, and Executives. For the purposes of this report: 'Executive KMP' refers to the Executive Director and Executives.

The information presented in this report has been audited as required under section 308(3C) of the *Corporations Act 2001* and forms part of the Director's report.

Key Management Personnel (KMP)

For the year ended 31 December 2023, the KMP were:

KMP	Position	Term as KMP
Non-Executive Directors (NED)		
R Sharp	Non-executive Chairman	Full year
N Beattie	Non-executive Director	Full year
M Dwyer	Non-executive Director	Full year
J Fahey	Non-executive Director	Full year
A Glenning	Non-executive Director	Full year
T Vonhoff	Non-executive Director	Full year
Executive Director		
M Price	Managing Director and Chief Executive Officer (CEO)	Full year
Executive		
P Giles[1]	Chief Executive Officer – Superannuation	Partial year
J Hoang[1]	Chief Executive Officer – Trading & Market Data	Partial year
H Mitchell[1]	Group Executive – Wealth & UK	Partial year
C Williamson[2]	Chief Financial Officer	Partial year
Former Executive		
J Das[3]	Chief Product Officer	Partial year
P Ferguson[4]	Chief Legal Officer & Company Secretary	Partial year
K Fisk[5]	Chief Corporate Affairs & Marketing Officer	Partial year
J Harris[6]	Chief Financial Officer	Partial year
J McNeill[5]	Chief People Officer	Partial year
S New[6]	Chief Commercial Officer	Partial year
A Todd[6]	Chief Technology Officer	Partial year

(1) P Giles, J Hoang and H Mitchell were appointed as KMP on 1 July 2023 upon the introduction of the new product-led structure.

(2) C Williamson was appointed as a KMP upon joining Iress as CFO on 24 July 2023.

(3) J Das ceased to be a KMP upon exiting the company on 31 March 2023.

(4) P Ferguson ceased to be KMP on 30 June 2023 upon the introduction of the new product-led structure and remained a Leadership Team member until exiting the company on 31 December 2023.

(5) K Fisk and J McNeill ceased to be KMP on 30 June 2023 upon the introduction of the new product-led structure and remain as Leadership Team members.

(6) J Harris, S New and A Todd ceased to be KMP on 30 June 2023 upon the introduction of the new product-led structure and remained as Leadership Team members until their exit from the company.

The numbers reported reflect the period for which executives are KMP.

There have been no changes to KMP since the end of 2023 up to the date of signing the Directors' Report.

Remuneration Report (continued)

For the year ended 31 December 2023

Section 1 Executive remuneration framework in 2023

1.1 Overview of the 2023 executive remuneration framework

Iress' 2023 executive remuneration framework is summarised below. The remuneration components apply to all Executive KMP, with the exception of Options which only apply to the Group CEO.

	Our goal				
	To be the most innovative, reliable, and respected technology partner, regarded by our clients as essential and desirable.				
	Our goal is supported by our remuneration principles and performance framework				
Remuneration principles and performance	**Alignment with strategy**	**Alignment with shareholder interests**	**Support attraction, motivation, and retention**	**Simple to understand and transparent**	**Support robust performance management**
	Long-term deferred awards with vesting linked to key business success measures.	Significant exposure to share price through equity-based awards, with Absolute Total Shareholder Returns a gateway to Performance Rights vesting.	Market competitive remuneration opportunity. Long-term equity awards support retention and allow Executive KMPs to share in the value they create.	Total Remuneration structured clearly and easy to value unvested equity.	Long-term view of performance to avoid short-term gains for long-term loss. Strong performance and pay linking mechanisms.
Annual performance management	Robust performance management incorporating the 'what' and the 'how'				
Remuneration components	**Base Salary**	**Short Term Incentive**	**Long Term Incentive**	**Options (Group CEO only)**	
	Market-based reward for role.	Incentive plan to drive performance and motivate talent.	Equity to reward exceptional shareholder returns and achievement of strategic goals.	On commencement in 2022, a one-off grant of options to the Group CEO was made to provide immediate shareholder alignment and an avenue to invest in Iress.	
	Minimum shareholding requirement A 225% – 400% of base salary minimum shareholding requirement (for the Executives and Group CEO respectively) to be met within five years				
Performance measurement	**Individual performance**	**Individual and Company performance**	**Absolute total shareholder return (ATSR)**	**Shareholder wealth**	
	Any increases in base salary will consider the market and individual contribution and experience.	Any reward will align with both individual and company performance, with a heavy weighting towards financial outcomes.	An ATSR gateway over a four-year period (three years remaining) applies to the 2022 Grant 2 Performance Rights which must be achieved before the additional Earnings Per Share (EPS), Return on Invested Capital (ROIC) and Platform Delivery conditions are considered.	Over time, Executives should see a direct increase (or decrease) in their wealth in the same way shareholders do. Options for the Group CEO will only be in the money if a share price increase is realised.	

The Board also considered non-financial factors centred around:

- Platform – enabling our services on a platform architecture model.
- Product – productising our offers and services.
- Advocacy – growing advocacy from our people and clients.
- Growth – delivering sustainable growth.

1.2 Our 2023 remuneration framework

The 2023 executive remuneration structure is as follows and comprises Base Salary, Superannuation, Short Term Incentive, Long Term Incentive, Options, and Minimum Shareholding Requirement.

Base Salary	
Base Salary reflects a market-related reward for performing a leadership role at Iress, plus superannuation and benefits.	
Short Term Incentive (STI)	
The STI is a new addition to the remuneration framework for 2023. It replaces the Historical Equity Rights element from the previous framework and seeks to better align individual reward with both individual and company performance. It works via a multiplying structure, where 125% maximum performance can be awarded for Company Measures, and 120% for Individual Measures (maximum award of 150% of target opportunity). It is a wholly cash award for 2023, with a mandatory deferral element into equity to be introduced in 2024.	
Example	In the case where an Executive KMP's fixed salary is $500,000, target STI would be 60% of this ($300,000) and maximum opportunity would be 90% of fixed salary ($450,000). Whilst not an expected outcome, given the multiplying structure of the plan, if either the combined Company Measures or the combined Individual Measures were to add to 0%, then $0 benefit would result for a plan participant for that year (e.g. 125% for Company Measures x 0% for Individual Measures = 0% Outcome).
Purpose	To align the interests of Executive KMP with the company's short-term goals and performance targets, with a particularly high weighting directed toward financial metrics.
Opportunity	**Executive KMP** — **Target/Maximum Opportunity** Group CEO — 120%/180% of Fixed Salary (base salary plus superannuation) Executives — 60%/90% of Base Salary Any award is delivered wholly in cash in April 2024 for the 2023 plan, subject to continued service. Board discretion: The Board retains ultimate discretion to adjust any award, subject to their assessment of individual and company performance.
Performance measurement	Under the multiplying structure (where maximum award is equal to 150% of target opportunity) 125% maximum performance can be awarded for Company Measures that are highly weighted towards financial objectives. The maximum 120% dedicated to Individual Measures are made up of predominantly financial and strategic objectives that are under the participant's direct control. There are three Company Objectives that align the Group CEO and Executives with shareholder and client outcomes: 1. **Shareholder** (Group EBITDA less capital expenditure) 2. **Strategy & Transformation Execution** (Exit earnings run rate) 3. **Customer** (Net Promoter Score) The Group CEO and Executive KMP's individual objectives are, as appropriate to each individual, aligned to Group or Business Unit financial objectives, revenue achievement, the execution of transformation initiatives, the definition of long term strategic plans (to 2027), the strategic management of the cost base, and the repatriation of capital. Refer to Section 2.3.2 for more detailed information on performance against each measure for the Group CEO, as well as a summary of Executive KMP performance.
Termination of employment	If employment ceases due to resignation, termination for cause, or gross misconduct, then any award lapses. If employment ceases for other reasons, the Board may grant a pro-rated award at their absolute discretion.
Change of control	Board discretion also applies to a change in control. The Board will consider time elapsed and performance achieved when exercising this discretion.
Malus & clawback	Significant underperformance or misconduct can lead to reduced awards and the ability to clawback awards at the Board's discretion.

Remuneration Report (continued)

For the year ended 31 December 2023

Long Term Incentive (Performance Rights)

The 2022 Performance Rights grant combined two grants – one for 2022 and one for 2023. No additional Performance Rights were granted in 2023 to participants who received the brought forward 2023 grant, only as a pro-rata award to newly hired/promoted executives. Grant 2 of the 2022 award is reported below as the proxy for the 2023 grant.

The long term incentive is underpinned by Performance Rights, which is a right to receive one Iress share (or at the Board's discretion, cash of equivalent value) upon vesting and exercise of that right at no cost. Performance Rights do not carry any dividend entitlements or voting rights. Shares allocated upon exercise carry the same rights as any other Iress share.

Purpose

To reward exceptional shareholders returns and performance against key business strategy objectives.

Opportunity

Executive KMP	Performance Rights Award Value
Group CEO	2022 Grant 2: face value $4,062,016
Executives	2022 Grant 2: face value 38.5% of Total Remuneration

The number of Performance Rights granted to each executive was calculated using Award Value, divided by the twenty-trading-day Volume Weighted Average Price (VWAP) commencing on the day following the results being announced for the year ending 31 December 2021.

Two grants of Performance Rights were made to Executive KMPs in 2022, one being a four-year instrument brought forward that effectively replaced the 2023 grant.

A grant of Performance Rights will vest subject to: an ATSR gateway; ongoing service; and three additional measures over the performance measurement periods. The ATSR calculation uses a start and end share price based on the 20-day VWAP commencing on the Trading Day after Iress' financial results are announced. The starting Share price is the 20-day VWAP commencing on the Trading Day after Iress' financial results were announced for 2021, and the final Share price is based on the 20-day VWAP commencing on the Trading Day after Iress' 2025 results are announced.

- 2022 – Grant 2 has a four-year performance measurement period from 2022 to 2026.
- ATSR is aligned to Iress' business objectives as ATSR focuses on the growth of Iress and value to shareholders, regardless of the broader market and other companies' movements. Awards to Executive KMPs will not vest unless substantial shareholder value has been created over the performance measurement period.
- The annualised ATSR gateway of 10% –set at the 2021 maximum hurdle–must be met. Vesting is then dependent on performance against three equally weighted key business strategy objectives: EPS growth, ROIC improvement, and platform delivery.
- The 20-day ATSR VWAP start and end periods, allows for market consideration and response to the EPS, ROIC and platform delivery results achieved at the end of the performance periods.
- The platform delivery measure is the fundamental measure underpinning the strategy acceleration, with scale and financial outcomes, which are critical to providing returns to our shareholders.

Board discretion:

The Board retains ultimate discretion to adjust the award, or vesting quantum, of Performance Rights, subject to their assessment of individual and company performance. In applying any discretion, the Board takes into consideration performance against a set of non-financial measures across the following areas:

- Platform – enabling our services on a platform architecture model.
- Product – productising our offers and services.
- Advocacy – growing advocacy from our people and clients.
- Growth – delivering sustainable growth.

Performance measurement

2022 Grant 2 is eligible to vest in March 2026. A one-year holding lock applies to all Performance Rights post-vesting.

Measure 1: EPS condition (one-third of grant)

EPS is calculated as Net Profit After Tax (NPAT), divided by the weighted average number of Iress shares on issue in the final year of the relevant measurement period. Iress' EPS performance will be tested at the relevant financial year end, based on Iress' audited consolidated results. The EPS performance will be determined by the Board.

EPS vesting schedule	Threshold vesting (30% vesting of the tranche)	Maximum vesting
2022 Grant 2*	EPS of 51.9 cents	EPS of 66.8 cents

* Straight-line vesting will occur between threshold and maximum. No vesting of the measure will apply for below threshold performance.

Measure 2: ROIC condition (one-third of grant)

ROIC is calculated using NPAT (excluding interest and finance costs) as a percentage of the net debt plus equity. Iress' ROIC will be measured based on Iress' audited consolidated results for the final year of the relevant measurement period. ROIC performance will be determined by the Board.

ROIC vesting schedule	Threshold vesting (30% vesting of the measure)	Maximum vesting (100% vesting of the measure)
2022 Grant 2*	ROIC of 13.3%	ROIC of 17.8%

* Straight-line vesting will occur between threshold and maximum. No vesting of the measure will apply for below threshold performance.

Measure 3: Platform delivery condition (one-third of grant)

The technology platform delivery condition focuses on enabling services on Iress' new single product and technology platform. Platform Delivery performance will be measured at the end of the measurement period, with performance determined by the Board.

Platform vesting schedule	Threshold vesting (50% vesting of the measure)	Between threshold and maximum vesting (75% vesting of the measure)	Maximum vesting (100% vesting of the measure)
2022 Grant 2*	30%-50% of existing services are enabled on the platform	30%-50% of existing services and every new service is enabled on the platform	Majority (>=50%) of existing services and every new service is enabled on the platform

* The vesting schedule is binary, with no straight-line vesting occurring between each performance outcome. No vesting of the measure will apply for below threshold performance.

No retesting applies to Performance Right awards

Vesting

If employment ceases due to resignation, termination for cause, or gross misconduct, unvested Performance Rights lapse. If employment ceases for other reasons, Performance Rights continue to be held subject to original terms on a pro-rata basis (subject to Board discretion).

Termination of employment

If employment ceases due to resignation, termination for cause, or gross misconduct, then any award lapses.
If employment ceases for other reasons, the Board may grant a pro-rated award at their absolute discretion.

Change of control

Board discretion also applies to a change in control. The Board will consider time elapsed and performance achieved when exercising this discretion.

Malus & clawback

Significant underperformance or misconduct can lead to reduced awards and the ability to clawback awards at the Board's discretion.

Remuneration Report (continued)

For the year ended 31 December 2023

Options (one-off award granted to the Group CEO to offset fixed pay reduction on commencement)

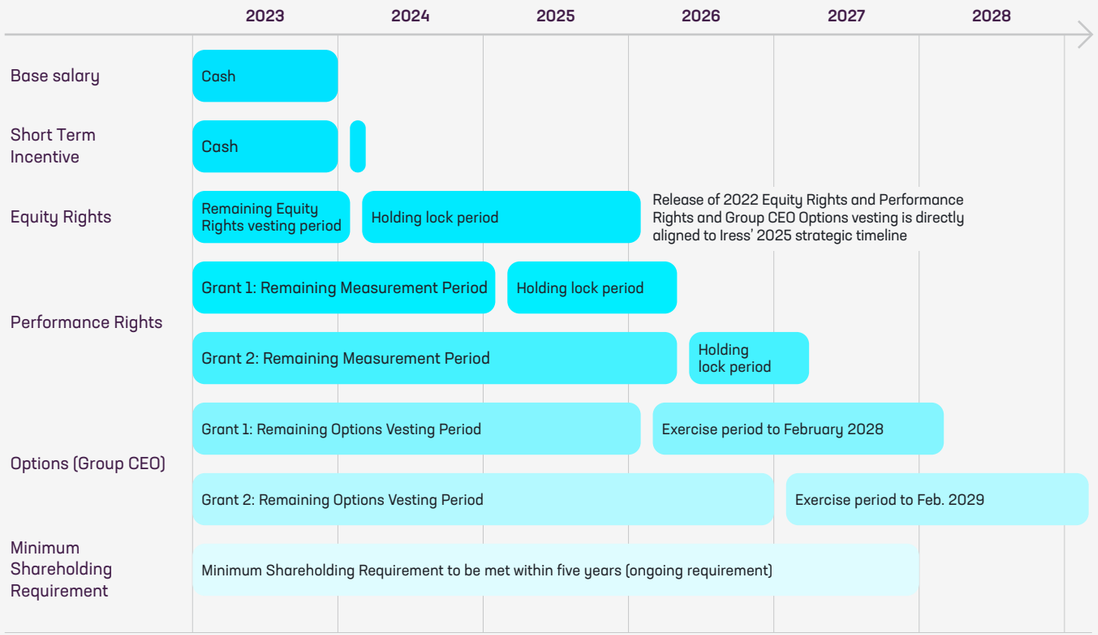
An Option is a right to buy one Iress share upon vesting and exercise of that right at a set exercise price, subject to adjustment for certain capital actions. Options do not carry any dividend entitlements or voting rights. Shares allocated upon exercise carry the same rights as any other Iress share. There were no Options awarded in 2023. The options granted to the Group CEO in 2022 have an exercise price of $13.00.

Purpose	To align interests with shareholders and reward shareholders returns.
Opportunity	**Executive KMPs** — **Award Value** Group CEO — 2022 Grant 1: grant value $686,235 2022 Grant 2: grant value $686,235 Executives — N/A The Award Value was equal to the 30% reduction in fixed remuneration comprising Base Salary and Historical Equity Rights agreed to by the Group CEO (compared to the fixed remuneration for the former Group CEO) for the period from his commencement date to 31 December 2022. The reduction in fixed remuneration reflects the Group CEO's intention to invest in Iress. The number of Options granted was calculated using the Award Value, divided by the independent Black Scholes valuation of an Option for each grant using the twenty-trading-day VWAP up to and including the grant date. The exercise price of the Options was set to reflect the effective strike price for Performance Rights if performance hurdles were to be achieved. The vesting of Options is not subject to any further performance conditions.
Performance measurement	The vesting period ends on the dates the Company announces its annual financial results to the ASX, which is estimated to be 20 February 2026 for Grant 1 and 22 February 2027 for Grant 2. Once vested, Options can be exercised at any time during the two-year exercise period apart from any 'blackout periods' that apply under the Company's Share Trading Policy. The exercise period is estimated to end on 28 February 2028 for Grant 1 and 28 February 2029 for Grant 2.
Vesting and exercise period	Subject to applicable law, in the event of cessation of employment for any reason: • after the end date of the vesting period for Grant 1, all Options will remain on issue and there will be no acceleration of any remaining vesting period nor change to any exercise period unless the Board determines otherwise; and • before the end date of the vesting period for Grant 1, a pro rata portion of all of the Options will lapse reflecting the portion of that vesting period Marcus Price has not served and there will be no acceleration of any vesting period nor change to any exercise period unless the Board determines otherwise. This position differs to the position for cessation of employment under the 2022 Performance Rights (discussed above). This is because the grant of Options is provided in return for a 30% reduction in fixed remuneration.
Termination of employment	If employment ceases due to resignation, termination for cause, or gross misconduct, then any award lapses. If employment ceases for other reasons, the Board may grant a pro-rated award at their absolute discretion.
Change of control	Board discretion also applies to a change in control. The Board will consider time elapsed and performance achieved if/when exercising this discretion as to whether any remaining unexercised Options will vest and be automatically exercised. This position differs to the position for a Change of Control under 2022 Performance Rights (discussed in the section above). This is because the grant of Options was intended to accommodate the 30% reduction in fixed remuneration.
Malus & clawback	Significant underperformance or misconduct can lead to reduced awards and the ability to clawback awards at the Board's discretion.

Minimum shareholding requirement

- Executive KMP have a Minimum Shareholding Requirement to be met by December 2023, or within five years of commencing in their executive role. The requirement for the Group CEO and Executives is as follows:
  - Group CEO: 400% of base salary.
  - Executives: 225% of base salary.
- Unvested Historical Equity Rights, vested Performance Rights and vested Options that are 'in the money' will count towards meeting the requirement. Unvested Performance Rights will not.
- The value of each holding will be calculated as the maximum of:
  - share price at the time of the measurement, or
  - share price at the time when equity is acquired (i.e., when Historical Equity Rights were granted, when Performance Rights vest, and/or when fully-paid shares are purchased).
- Executive KMP progress towards the Minimum Shareholding Requirement is shown in Section 5.2.

Under the framework, remuneration for 2023 is delivered over a remaining four-year timeframe for Executives, and up to five remaining years for the Group CEO, as shown below:



Remuneration Report (continued)

For the year ended 31 December 2023

1.3 Approach to determining remuneration opportunities

For Executives, each remuneration component (Base Salary, Superannuation, STI and LTI) is calculated as a proportion of Total Remuneration, as per the remuneration opportunities shown in Section 1.2. The LTI refers to the 2022 Grant 2 Performance Rights allocation that was brought forward from 2023.

For the Group CEO, 2023 remuneration was set using:

- Base Salary of $685,236
- Superannuation of $27,500
- STI based on a maximum of 180% of Fixed Salary (Base Salary plus Superannuation)
- LTI based a face value $4,062,016 (the full value of the former Group CEO's 2022 Grant 2 LTI Performance Rights)

In determining Total Remuneration, Iress considers the skills, experience, performance, and value to Iress of the individual and market pay levels of comparable roles. Total Remuneration is reviewed annually and approved by the Board for the Group CEO and by the PPC for other Executive KMP. Any decision to increase Total Remuneration is considered in the context of the resulting change to Base Salary, STI, and LTI.

Iress serves multiple sophisticated client segments internationally, faces a range of competitors, and is exposed to global technology and regulatory influences. As a result, Iress competes for the best people globally.

The challenges and opportunities faced by Iress reflect the international nature of its business, its size, and the industries in which it operates. Recognising this, Iress generally considers two main comparator groups when assessing executive remuneration: ASX-listed technology companies with complex multinational operations of a similar size (assessed by market capitalisation); and, periodically, overseas-listed technology companies operating in a closely comparable industry segment with comparable scale.

The Board routinely assesses the remuneration approach against the market of such peers, and this was an important input to the changes made to executive remuneration in 2023.

The 2023 remuneration outcomes for each member of the Executive KMP are shown in Section 2.4.

Section 2 Performance and remuneration outcomes in 2023

2.1 Mechanisms that link remuneration to performance

Pay for Performance

Our remuneration approach is supported by the following mechanisms that link reward outcomes to key measures of business performance and success.

Group and individual performance impacts Executive KMP remuneration in four ways:

Impact 1 Non-financial performance	Impact 2 STI award subject to achieving testing individual and company performance targets.	Impact 3 LTI vesting subject to ATSR gateway and additional measures	Impact 4 Ultimate discretion from the Board to adjust remuneration in light of poor performance
• Individual and Group performance against the annual non-financial objectives set by the Board is a key consideration when the Board determines the Base Salary and Total Remuneration package of an executive.	• STI awards align with short term individual and company performance, with a heavy weighting towards financial outcomes.	• LTI vesting is subject to a four year (three years remaining) ATSR gateway measure that aligns reward with shareholder outcomes. • The significant proportion of Total Remuneration delivered via LTI then only vests subject to performance against key business strategy objectives. • This instrument will be replaced with SARS from 2024.	• The Board has discretion to reduce, cancel or clawback at-risk remuneration if Group or individual performance is significantly below expectations, or in the event of individual misconduct. The discretion can be applied at grant, vesting, during the equity restriction period. Or after an award has been made. • In the case of LTI, remuneration can be adjusted prior to grant, during vesting, and after vesting as a result of performance.

Board discretion

The Board has an overarching responsibility to ensure performance is appropriately managed, to maintain a focus on strong performance, and the long-term link of performance-to-remuneration outcomes.

Each year, the Board approves the Group financial and non-financial objectives consistent with the Group's risk appetite and specific targets for the Group to achieve its strategy. The Group's financial and non-financial objectives cascade down to individual objectives for each executive that are specific to each executive's role.

At all points throughout the remuneration and performance cycles for both STI and LTI, the Board and PPC review performance at a Group and individual level and retain discretion to reduce the value of awards in line with performance to maintain the alignment between performance and remuneration.

Remuneration Report (continued)

For the year ended 31 December 2023

2.2 Group performance against objectives

The table below provides summary information on the Group's performance for the five years to 31 December 2023:

Measure	2023	2022	2021	2020	2019
Revenue from contracts with customers ($'000)	625,743	615,589	595.945	542,630	508,943
Net Profit (loss) After Tax ($'000)	(137,484)	52,672	73,798	59,213	65,128
Basic Earning per Share (cents)	(76.4)	28.6	38.8	32.4	37.9
Reported Return On Invested Capital[1]	(19.24%)	8.20%	10.50%	9.20%	11.40%
Annual ATSR[2]	(16.61%)	(21.10%)	26.50%	(18.00%)	23.50%
Annualised 3-year ATSR[2]	(5.70%)	(6.00%)	8.90%	1.30%	9.30%

(1) Earnings after tax adjusted for net interest / (net debt and equity).

(2) All share prices and the TSR calculation are based on the twenty-trading-day volume weighted average share price on the relevant dates.

2.3 Remuneration awarded in the current year

2023 financial performance was reflected in 2023 remuneration outcomes. STI payments were below target and the value of executive equity holdings have decreased in line with shareholder experience. For the 2020 Performance Rights, the Absolute Total Shareholder Return (ATSR) failed to meet the minimum performance requirement for vesting. Given the negative ATSR performance through to 31 December 2023, there also will be no vesting for the 2021 Performance Rights. Executives holding Historical Equity Rights were also impacted by the share price which includes the 2020 and 2021 tranches which were under a holding lock during 2023.

The Board viewed that overall financial performance was fairly reflected in the decreased award of at-risk remuneration.

2.3.1 – 2023 Fixed remuneration

The current policy for reviewing Executive remuneration this year focused on ASX-listed technology companies with complex multinational operations of a similar size (assessed by market capitalisation). External surveying specialists (Aon Human Capital, Godfrey Remuneration Group and SW Corporate) were engaged to source listed company remuneration data.

With the adoption of the new product-led structure, a market based assessment of base salaries for Executive KMP was undertaken, and the salaries for existing Iress employees who became KMP (P Giles and J Hoang), and incoming KMP (H Mitchell) were determined according to the role and its responsibilities. No increase was awarded to the Group CEO in 2023.

2.3.2 – 2023 STI outcomes

The first of the tables below outlines detailed STI outcomes for the Group CEO. The tables outline Company Measures (maximum 125%) and Individual Measures (maximum 120%) that multiply to form the Group CEO's STI for 2023 (maximum 150% of target opportunity). In assessing the overall STI outcome, the Board took into consideration performance against these measures.

Measure	Weighting (at Target)	Performance Outcome	Weighted Outcome	Commentary
Company Measures (up to 125%)				
Shareholder (Group EBITDA less Capex – Group Underlying Earnings Before Interest, Tax and Amortisations less capital expenditure)	40%	Threshold Target Stretch	0%	This metric aligns performance to shareholder interests. The 2023 Group EBITDA less Capex was below the 2022 Group EBITDA less Capex and on that basis there is no Executive reward for this metric. 2022 Group EBITDA less capex $118.8m 2023 Group EBITDA less capex $108.9m
Strategy & Transformation Execution (Exit earnings run rate)	40%	Threshold Target Stretch	50%	This metric aligns performance to market announced strategic priorities, specifically the recurring financial value of transformation initiatives. Progress on the delivery of strategy execution: • Capturing revenue through enhanced and new products, pricing standardisation • Managing non-strategic assets for value • Arresting growth in the cost base • Operating model efficiency
Customer (Group Net Promoter Score)	20%	Threshold Target Stretch	25%	This metric aligns performance with customer outcomes. Customer sentiment improved with a demonstrable NPS improvement. Improvements particularly across ANZ Wealth, UK Wealth, UK Sourcing, Trading Asia.
Individual Measures (up to 120%) – M Price				
Group Revenue	30%	Threshold Target Stretch	21%	Revenue initiatives have resulted in a modest 2% growth in revenue from 2023.
Strategic Cost Initiatives	30%	Threshold Target Stretch	34%	Strategic cost initiatives allowed Iress' growth in the cost base to be arrested in an inflationary environment. Initiatives have resulted in a more efficient cost base.
Corporate Restructure	20%	Threshold Target Stretch	20%	To support its growth objectives, Iress restructured into a product-led Business Unit structure, delivering accountability and focus on core businesses. All Iress people moved into the new structure, a new remuneration model was developed, and financial accounts were restated to support the new structure.
Capital Repatriation Program	20%	Threshold Target Stretch	20%	The divestment of non-strategic assets, and the management of the portfolio for value is a strategic priority. During 2023 the sale of the MFA business was completed.

Remuneration Report (continued)

For the year ended 31 December 2023

2.3.3 - STI awarded for the year ended 31 December 2023

The Group CEO and Executive KMP's individual objectives are, as appropriate to each individual, aligned to Group or Business Unit financial objectives, revenue achievement, the execution of transformation initiatives, the definition of long term strategic plans (to 2027), the strategic management of the cost base, and the repatriation of capital.

Details of the STI payments awarded to each Executive KMP for the year ended 31 December 2023 are set out below:

Short-term incentive for the year ended 31 December 2023

Executive KMP	Cash STI $000[1]	% earned of maximum opportunity	% forfeited of maximum opportunity
M Price	$605,144	47%	53%
P Giles[2]	$124,329	40%	60%
J Hoang[2]	$154,772	44%	56%
H Mitchell[2]	$165,034	38%	62%
C Williamson[3]	$147,450	50%	50%

(1) Under the terms of the 2023 STI, 100% of their award is delivered in cash which is generally paid around April 2024.

(2) Amounts shown for P Giles, J Hoang and H Mitchell are pro-rated to account for base salary changes during the performance period.

(3) C Williamson became a KMP upon joining as CFO on 24 July 2023. Amounts shown are pro-rated from this date.

2.3.4 - LTI Performance Rights, and remuneration realised from equity granted in previous years

LTI Performance Rights granted in 2020

Of the current Executive KMP, only J Hoang participated in this grant (prior to becoming a KMP). For the LTI Performance Rights granted in 2020 and tested on 31 December 2022, vesting was based on ATSR performance over the measurement period: 0% of the rights vest for compound annual growth ATSR performance below 6.5%, 50% vest at 6.5% and 100% of the rights vest at 10% with pro-rata vesting on a straight-line basis in between. Based on Iress' compound annual growth ATSR performance, there was zero vesting of LTI Performance Rights over this period.

LTI Performance Rights granted in 2021

The same vesting schedule as 2020 applied to this grant. In February 2024, based on Iress' compound annual growth ATSR performance in the preceding three-year period up to 31 December 2023, there will be zero vesting of LTI Performance Rights granted to executives in 2021. This will be reported on in next year's report.

Historical Equity Rights granted in 2021

Of the current Executive KMP, only J Hoang participated in this grant (prior to becoming a KMP). Historical Equity Rights granted in 2021 were eligible to vest in February 2023 subject to continued service. Performance is reflected in share price movements and dividends earned, which collectively impact the value of Historical Equity Rights. Following the 2022 year-end assessment of performance, the Board determined it was fair and appropriate, under the terms of the award, that the 2021 Historical Equity Rights vest. These Historical Equity Rights are under restriction until February 2025 (or August 2025 if the relevant executive elected for the voluntary holding lock to also apply).

Historical Equity Rights granted in 2022

Of the current Executive KMP, only M Price received a grant of 2022 Equity Rights. Historical Equity Rights granted in 2022 are eligible to vest in February 2024 subject to continued service. Performance is reflected in share price movements and dividends earned, which collectively impact the value of Historical Equity Rights. Following the 2023 year-end assessment of performance, the Board will determine if it is fair and appropriate, under the terms of the award, that the 2022 Historical Equity Rights vest. Any Historical Equity Rights that vest will be under restriction until February 2026 (or August 2026 if the relevant executive elected for the voluntary holding lock to also apply). This will be reported on in next year's report.

In the table, Historical Equity Rights and Additional Equity Rights (Rights awarded to reflect dividend equivalents), as well as LTI Performance Rights are shown at face value (reflecting share price at grant multiplied by the number of instruments granted). This differs from the portion of the grant date fair value expensed in 2023, which has been used to calculate remuneration in Section 2.4 Executive KMP statutory remuneration. Options are shown at fair value (reflecting fair value on grant date multiplied by the number of instruments granted).

The equity-related remuneration awarded to Executive KMP in 2023 (and 2022) is shown below.

	Year	Historical Equity rights $	Additional Equity rights[1] $	Performance rights[2] $	Options[3] $	Total Value of Equity Granted $
Executive KMP						
M Price	2023	-	-	-	-	-
	2022	175,750	-	8,124,042	1,372,470	9,672,262
P Giles[4]	2023	-	-	606,264	-	606,264
J Hoang[4][5]	2023	-	-	732,731	-	732,731
H Mitchell[4]	2023	-	-	1,090,429	-	1,090,429
C Williamson[6]	2023	-	-	1,168,668	-	1,168,668
Total Executive KMP	**2023**	**-**	**-**	**3,598,092**	**-**	**3,598,092**
	2022	**175,750**	**-**	**8,124,042**	**1,372,470**	**9,672,262**
Former Executive KMP						
A Walsh	2022	1,008,892	76,389	8,124,042	-	9,209,323
J Das[8][7]	2023	-	26,457	-	-	26,457
	2022	275,001	-	2,812,302	-	3,087,303
P Ferguson[8]	2023	-	18,762	-	-	18,762
	2022	195,005	14,770	1,994,180	-	2,203,955
K Fisk[8]	2023	-	-	-	-	-
	2022	175,002	-	1,789,650	-	1,964,652
J Harris[8][9]	2023	-	29,828	-	-	29,828
	2022	310,012	23,480	3,170,229	-	3,503,721
J McNeill[8][12]	2023	-	19,714	-	-	19,714
	2022	213,283	16,562	2,181,111	-	2,410,956
S New[8][10][12]	2023	-	28,283	-	-	28,283
	2022	306,019	23,755	3,129,414	-	3,459,188
A Todd[8][11]	2023	-	30,310	-	-	30,310
	2022	315,006	23,854	3,221,362	-	3,560,222
Total former Executive KMP	**2023**	**-**	**153,354**	**-**	**-**	**153,354**
	2022	**2,798,220**	**178,810**	**26,422,290**	**-**	**29,399,320**
Total	**2023**	**-**	**153,354**	**3,598,092**	**-**	**3,751,446**
	2022	**2,973,970**	**178,810**	**34,546,332**	**1,372,470**	**39,071,582**

(1) Amount reflects the dividend equivalents granted in 2023 and 2022 upon vesting of the 2021 and 2020 Equity Rights respectively.

(2) The number of rights granted to each Executive KMP in 2023 and 2022 was based on the twenty-trading-day volume weighted average share price up to and including 31 December 2023 and 31 December 2022 respectively.
Values estimate the maximum value available to vest in future years.
The minimum value is zero as no rights vest if the vesting conditions are not satisfied.

(3) The number of granted Options were based on the fair value of an Option on the grant date for each grant using the twenty-trading-day volume weighted average share price up to and including the grant date 3 October 2022.
Values estimate the maximum value available to vest in future years.
The minimum value is zero as no options vest if the vesting conditions are not satisfied.

(4) Participants were appointed as KMPs on 1 July 2023. No additional Performance Rights were granted in 2023 to participants who received this brought forward grant, only as a pro-rata award to newly hired/promoted executives. The amounts reflect the part of the year as KMP.

(5) J Hoang's salary was fully denominated in Singaporean Dollars and was subject to exchange rate movements.
The Australian dollar amounts in the table were converted at an average foreign exchange rate of 0.8938.

(6) C Williamson was appointed as KMP on 24 July 2023. The amounts reflect the part of the year as KMP.

(7) J Das ceased to be KMP on 31 March 2023. The amounts reflect the part of the year as KMP.

(8) Participants ceased to be KMPs on 30 June 2023. The amounts reflect the part of the year as KMP.

(7) On the termination of employment on 30 September 2023, J Das retained all of the Equity Rights and the 2022 and 2021 Performance Rights pro-rata.

(8) P Ferguson Equity Rights and Performance Rights fully vested on 2 June 2023. The accelerated vesting of the equity Rights and Performance Rights were approved by the Board.

(9) On the termination of employment on 30 September 2023, J Harris retained all of the Equity Rights and the 2022 and 2021 Performance Rights pro-rata.

(10) On the termination of employment on 6 October 2023, S New retained all of the Equity Rights and the 2022 and 2021 Performance Rights pro-rata.

(11) On the termination of employment on 31 December 2023, A Todd retained all of the Equity Rights and the 2022 and 2021 Performance Rights pro-rata.

(12) J McNeill and S New salaries were fully denominated in British Pounds and were subject to exchange rate movements.
The Australian dollar amounts in the table were converted at an average foreign exchange rate of 0.5344 (2022: 0.5546).

Remuneration Report (continued)

For the year ended 31 December 2023

2.4 Executive KMP statutory remuneration

		Short-term benefits			Post-employment benefits	Long-term benefits					
Executive KMP	Year	Salary and Fees[1] $	Other benefits[2] $	Short-term incentive $	Superannuation $	Share-based payments[3] $	Long-service leave (LSL)[4] $	Compassionate payment $	Termination payment $	Total Remuneration $	At-risk pay to total remuneration[5] %
Executive KMP											
M Price	2023	705,140	-	605,144	27,500	691,892	1,906	-	-	2,031,582	63.84%
	2022	168,962	-	-	6,781	470,889	-			646,632	72.82%
P Giles[6]	2023	235,429	-	124,329	27,500	54,525	968	-	-	442,751	40.40%
J Hoang[6][7]	2023	226,031	68,465	154,772	15,515	104,258	-	-	-	569,041	45.52%
H Mitchell[6]	2023	347,548	58,985	165,034	27,500	8,922	-	-	-	607,989	28.61%
C Williamson[8]	2023	344,715	-	147,450	27,500	4,425	-	-	-	524,090	28.98%
Total	**2023**	**1,858,863**	**127,450**	**1,196,729**	**125,515**	**864,022**	**2,874**	**-**	**-**	**4,175,453**	**49.35%**
Executive KMP	**2022**	**168,962**	**-**	**-**	**6,781**	**470,889**	**-**			**646,632**	**72.82%**
Former Executive KMP											
A Walsh[9]	2022	808,656	-	-	26,250	1,850,673	(37,829)			2,647,750	69.90%
J Das[10]	2023	155,001	-	-	-	366,051	(281)	-	442,273	963,044	38.01%
	2022	550,000	-	-	27,500	401,385	3,740			982,625	40.85%
P Ferguson[11][12]	2023	200,012	1,290	-	7,025	1,969,841	(5,200)	471,500	518,430	3,162,898	62.28%
	2022	390,000	2,580	-	28,475	337,313	(3,882)			754,486	44.71%
K Fisk[11]	2023	178,307	1,140	-	9,125	105,901	1,900	-	-	296,373	35.73%
	2022	354,019	2,280	-	32,050	171,634	4,539			564,522	30.40%
J Harris[11]	2023	338,307	1,290	-	-	217,139	(4,423)	-	200,000	752,313	28.86%
	2022	620,000	2,580	-	27,500	534,230	16,617			1,200,927	44.48%
J McNeill[11][13][14]	2023	240,021	3,677	-	19,367	166,145	-	-	-	429,210	38.71%
	2022	414,698	12,904	-	37,323	382,722	-			847,647	45.15%
S New[11][13][14]	2023	332,504	2,480	-	15,438	237,351	-	-	-	587,773	40.38%
	2022	595,002	4,690	-	29,750	545,261	-			1,174,703	46.42%
A Todd[11]	2023	317,611	-	-	-	220,641	3,076	-	-	541,328	40.76%
	2022	630,000	-	-	27,500	546,106	8,239			1,211,845	45.06%
Total former Executive KMP	**2023**	**1,761,763**	**9,877**	**-**	**50,955**	**3,283,069**	**(4,928)**	**471,500**	**1,160,703**	**6,732,939**	**48.76%**
	2022	**4,362,375**	**25,034**	**-**	**236,348**	**4,769,324**	**(8,576)**	**-**	**-**	**9,384,505**	**50.82%**
Total	**2023**	**3,620,626**	**137,327**	**1,196,996**	**176,470**	**4,147,091**	**(2,054)**	**471,500**	**1,160,703**	**10,908,392**	**48.99%**
	2022	**4,531,337**	**25,034**	**-**	**243,129**	**5,240,213**	**(8,576)**	**-**	**-**	**10,031,137**	**52.24%**

(1) Salary and fees includes allowances and short-term compensated absences paid during the 2023 and 2022 years.

(2) Other benefits include health, life insurance, school fees, home passage and housing subsidies.

(3) Share-based payments include share based payment expenses in relation to historical equity rights, deferred share rights, transitional equity rights, performance rights and options rights.

(4) The negative movements in Long Service Leave ("LSL") reflect the utilisation of the long service leave which off-sets the amounts paid and included salaries.

(5) Percentage calculated as the sum of short-term incentives and equity shares over the total remunerations.

(6) Participants were appointed as KMPs on 1 July 2023. The amounts reflect the part of the year as KMP.

(7) J Hoang's salary was fully denominated in Singaporean Dollars and was subject to exchange rate movements.
The Australian dollar amounts in the table were converted at an average foreign exchange rate of 0.8938.

(8) C Williamson was appointed as KMPs on 24 July 2023. The amounts reflect the part of the year as KMP.

(9) On the cessation of A Walsh as KMP on 3 October 2022, in relations to the retained Equity Rights and Performance rights, the share-based payment expenses still to be recognised from the cessation date to the vesting date were accelerated and recognised in full on cessation.
The prior year share-based payment expenses were restated by $673,855. Salaries and fees were restated to include termination payments.

(10) J Das ceased to be KMP on 31 March 2023.
The amounts reflect the part of the year as KMP.

(11) Participants ceased to be KMPs on 30 June 2023. The amounts reflect the part of the year as KMP.

(12) P Ferguson Equity Rights and Performance Rights fully vested on 2 June 2023.The accelerated vesting of the Equity Rights and Performance Rights and removal of performance conditions were approved by the Board.

(13) J McNeill and S New salaries were fully denominated in British Pounds and were subject to exchange rate movements.
The Australian dollar amounts in the table were converted at an average foreign exchange rate of 0.5344 (2022: 0.5546).

(14) J McNeill and S New share-based payments include the payment of cash dividend replacement for their vested but unexercised 2020 Equity Rights.
Cash dividend replacement is only applicable to KMPs in the United Kingdom.

2.4.1 Additional disclosures relating to termination arrangements for former Executive KMP (since exited) – non-statutory

Following the organisational restructure coming into effect on 1 July 2023, J Harris, S New and A Todd left the business. J Das left at the time of the announcement of the restructure in April 2023, and P Ferguson left at the completion of the financial year in December 2023. Whilst no longer considered KMP after the restructure, the following section, although a non-statutory element, contains information about their termination arrangements for additional transparency. All payments were in line with individual contractual terms; pro-rated where applicable, and in line with good leaver treatment under Iress' standard plan terms.

Former Executive KMP	Total termination payments $
J Harris	984,911
S New	701,089
A Todd	823,571
Total	**2,509,571**

Remuneration Report (continued)

For the year ended 31 December 2023

2.5 Executive KMP actual realised remuneration – non-statutory

The differences between the statutory remuneration table in Section 2.4 and the realised remuneration table under this section, is that STI is excluded (as it will not be paid until April 2024, and the plan was only introduced in 2023) and share based payments have been excluded due to being realised on a vested basis, with no monetary amounts therefore included.

The value of equity vested to Executive KMP in 2023 (and 2022) is shown below. In addition to the 2019 LTI Performance Rights for the former Group CEO and 2020 LTI Performance Rights for the former Group CEO and other executives, the 2023 realised remuneration includes Deferred Share Rights granted in 2020 under the previous remuneration framework.

Total actual realised remuneration decreased in 2023, which was primarily driven by the reduced number of Executive KMP and there being no Transitional Equity Rights vesting in 2023. Transitional Equity Rights were a one-off grant of Additional Equity Rights in 2019 to recognise the cash flow impact of the changes to the executive remuneration framework in that year.

	Year	Salary and Fees $	Superannuation $	Total Remunerations $
Executive KMP				
M Price	2023	705,140	27,500	732,640
	2022	168,962	6,781	175,743
P Giles[1]	2023	235,429	27,500	262,929
J Hoang[1][2]	2023	226,031	15,515	241,546
H Mitchell[1]	2023	347,548	27,500	375,048
C Williamson [3]	2023	344,715	27,500	372,215
Total Executive KMP	**2023**	**1,858,863**	**125,515**	**1,984,378**
	2022	**168,962**	**6,781**	**175,743**

(1) Participants were appointed as KMPs on 1 July 2023. The amounts reflect the part of the year as KMP.

(2) J Hoang's salary was fully denominated in Singaporean Dollars and was subject to exchange rate movements. The Australian dollar amounts in the table were converted at an average foreign exchange rate of 0.8938.

(3) C Williamson was appointed as KMPs on 24 July 2023. The amounts reflect the part of the year as KMP.

Section 3 Remuneration governance

3.1 Overview

The People & Performance Committee (PPC) works closely with the Board to apply the Group's remuneration philosophy and ensure the Company's remuneration strategy supports the creation of sustainable shareholder value. One of the main roles of the PPC is to assist and advise the Board to fulfil its responsibilities on remuneration matters. The PPC takes into account a wide variety of information including business strategy and culture, stakeholder interests, market practice, and corporate governance principles. Input from other stakeholders is provided as required.

The following table summarises the role and responsibility of the PPC as it pertains to remuneration governance and interaction with other key bodies.

Board

- Consultation between PPC on matters relating to remuneration.
- PPC and Board responsible for diversity and inclusion matters.
- Approves performance and remuneration arrangements for CEO.
- Approves NED fee arrangements.

People & Performance Committee (PPC)

Consists of members appointed by the Board after due consideration of the composition and skill requirements of the Committee.

The PPC aims to meet three times a year.

Audit & Risk Committee (ARC)

- Refers risk or other related matters relevant to the business of the PPC for PPC examination and action, as required.

Management

- Provides recommendations to the PPC on matters relating to remuneration for PPC review, approval, or endorsement.

External Advisors

- Provision of independent advice and engagement with the PPC on PPC related matters.
- Delegation may be provided by the PPC to management on certain issues, while maintaining independence protocols.
- No remuneration recommendations (as defined by the *Corporations Act 2001*) were provided to the Board by independent advisors during the reporting period.

Remuneration Report (continued)

For the year ended 31 December 2023

The PPC is responsible for:

- Making recommendations to the Board in relation to company-wide remuneration strategies.
- Reviewing the remuneration packages for new and current executives (other than the Group CEO, for which remuneration decisions are undertaken at the Board level), and approving the base salary and incentives proposed by the Group CEO under these packages.
- Reviewing the performance evaluations prepared by the Group CEO for executives, and reporting on these evaluation criteria and their application to the Board.
- Developing and regularly reviewing succession plans prepared by the Group CEO for executives.
- Monitoring key appointments and departures as well as trends relating to recruitment, retention, termination, leave and diversity statistics, any key work health and safety issues and human resource projects.
- Thorough oversight of remuneration strategies for the executives with consideration of alignment to the success of the Company without rewarding conduct that is contrary to the Company's values, policies and risk appetite.
- Approving the remuneration policy for all other employees.
- Approving awards under employee equity plans, the terms on which the equity awards are offered, vesting outcomes and amending, suspending and cancelling plans.
- Reviewing the superannuation and pension arrangements for staff on the recommendation of the Group CEO.

More information about the Board's role in remuneration governance can be found at https://www.iress.com/trust/corporate-governance/governance-documents/board-charter/.

3.2 Executive KMP service agreements

All Executive KMP have a formal service agreement. Agreements are of an ongoing nature and have no set term of service. Termination entitlements for Executive KMP are limited to twelve months' base salary unless shareholder approval is received.

The key terms of the service agreement for the Group CEO are summarised below.

Criterion	Arrangements
Term of contract	Ongoing.
Resignation	The Group CEO may resign by providing six months' written notice.[1]
Termination on notice by Iress	Iress may terminate the employment agreement of the Group CEO by providing six months' written notice, or payment in lieu of the notice period.
Redundancy	If Iress terminates employment for reasons of bona fide redundancy, a severance payment will be made. The quantum of the payment will be determined subject to the Board's discretion, considering matters such as statutory requirements, the executive's contribution, position and length of service.
Termination for serious misconduct	Iress may terminate the employment agreement at any time without notice.
Non-compete	A non-compete arrangement exists for a period of six months following employment with the Group.[2]

(1) The notice period for Executive KMPs is six months.

(2) The non-compete period for Executives KMPs is six months.

Section 4 Non-executive director fees

4.1 Fee policy

Non-Executive Directors (NED) receive fees for their services plus the reimbursement of reasonable expenses. To ensure objective and independent oversight of the Group, a NED does not participate in performance-based incentives or receive post-employment benefits.

The fee levels that applied during 2023 were:

Role		Fee ($)
Board	Board Chair[1]	240,000
	Member	130,000
Additional fees for serving on the committees		
Audit & Risk Committee	Chair	24,000
	Member	Nil
People & Performance Committee	Chair	24,000
	Member	Nil

(1) The Chairman is entitled to the Board Chair fee only (no additional Committee fees).

4.2 Maximum aggregate NED fee pool

The maximum aggregate pool available for NED fees is approved by the shareholders at the Annual General Meeting in accordance with the Group's Constitution. The maximum pool is set around the median of comparable companies, to provide the ability for Iress to attract and retain appropriately qualified and experienced directors.

The maximum aggregate fee pool of $1,500,000 per annum was approved at the Annual General Meeting in May 2019. The total amount of remuneration paid to NEDs in 2023 was $1,035,975 (2022:$907,222).

Remuneration Report (continued)

For the year ended 31 December 2023

4.3 2023 Non-Executive Director remuneration

The total remuneration for NEDs during 2023 and 2022 is set out in the table below. This table is prepared in accordance with statutory requirements and accounting standards.

		Short-term benefits	Post employment entitlements	
Non-Executive Directors	**Year**	**Fees ($)**	**Super-annuation ($)**	**Total[1] ($)**
R Sharp[2]	2023	292,381	31,619	324,000
	2022	217,688	22,312	240,000
N Beattie	2023	130,000	13,975	143,975
	2022	130,296	13,355	143,651
J Cameron[3]	2022	51,061	5,105	56,166
M Dwyer	2023	117,382	12,618	130,000
	2022	117,914	12,086	130,000
J Fahey	2023	139,053	14,947	154,000
	2022	139,683	14,317	154,000
A Glenning[4][5]	2023	120,603	9,397	130,000
	2022	26,611	2,794	29,405
T Vonhoff[6]	2023	150,185	3,815	154,000
	2022	147,000	7,000	154,000
Total	**2023**	**949,604**	**86,371**	**1,035,975**
	2022	**830,253**	**76,969**	**907,222**

(1) NED fees paid are inclusive of superannuation for all NEDs except for N Beattie, who is paid superannuation on-top of fees due to being based in the UK and the difficulties estimating the proportion of the fees relating to work performed in Australia.

(2) Included in R Sharp's fees, is $84,000 received for additional work or special duties, outside the ordinary ambit of a Chair's role, in respect of additional work to assist management and the CEO in the ongoing corporate transformation. Roger spent a number of weeks working full-time on the transformation from February through June 2023, beyond the scope of a Non-Executive Chair role. By agreement, he was compensated for approximately half of the additional time spent. The level and amount of fees were agreed upon by the Audit and Risk Committee Chair.

The requirement for additional work is not expected to re-occur in the 2024 financial year.

(3) J Cameron ceased to be a NED on 5 May 2022.

(4) A Glenning was appointed to the Board as a NED effective 11 October 2022.

(5) Iress was exempt from the Superannuation Guarantee Charge to A Glenning for three months in 2023.

(6) Iress was exempt from the Superannuation Guarantee Charge to T Vonhoff for six months in 2022 and nine months in 2023.

Section 5 Additional required disclosures

5.1 Unvested equity

The table below presents the Historical Equity Rights, Deferred Share Rights and Performance Rights and Options held during the financial year by each Executive KMP. No rights are granted to NED or related parties. Any rights that vest will be automatically exercised on or around the time Iress notifies the participant that their rights have vested. Historical Equity Rights and Deferred Share Rights, as well as LTI Performance Rights are granted for no consideration, and upon vesting, can be exercised at no cost. Options granted in 2022 are exercisable between the vesting date and expiry date upon payment of the exercise price of $13 per option.

Iress operates an anti-hedging policy stating that hedging against unvested instruments is prohibited. The Board's view is that any participant who enters into such schemes on the unvested component of their equity would be in breach of the terms and conditions of their grant, and the Board would exercise its right to cancel any of these hedged instruments.

Executive KMP

Executive KMP	Type of equity	Grant date	Number granted	Fair value at grant date	Vesting date	Expiry date	Number vested [1][2]	% vested	Number lapsed	% lapsed	Number unvested
M Price	Equity Rights	3-Oct-22	13,865	8.25	28-Feb-24	28-Feb-25	-	0.00%	-	0.00%	13,865
	Performance Rights	3-Oct-22	370,910	1.96	31-Mar-25	31-Mar-25	-	0.00%	-	0.00%	370,910
	Performance Rights	3-Oct-22	370,910	2.03	31-Mar-26	31-Mar-26	-	0.00%	-	0.00%	370,910
	Options	3-Oct-22	666,248	0.61	20-Feb-26	28-Feb-28	-	0.00%	-	0.00%	666,248
	Options	3-Oct-22	591,582	0.73	22-Feb-27	28-Feb-29	-	0.00%	-	0.00%	591,582
	Total of Equity Rights and Deferred Share Rights										13,865
	Total of Performance Rights										741,820
	Total of Options										1,257,830
	Total										**2,013,515**
P Giles[3]	Performance Rights	4-Sep-23	55,359	0.33	31-Mar-26	31-Mar-26	-	0.00%	-	0.00%	55,359
	Deferred Shares	28-Feb-23	2,532	9.31	27-Feb-26	27-Feb-26	-	0.00%	-	0.00%	2,532
	Deferred Shares	28-Feb-23	2,531	9.31	28-Feb-25	28-Feb-25	-	0.00%	-	0.00%	2,531
	Deferred Shares	28-Feb-23	2,531	9.31	28-Feb-24	28-Feb-24	-	0.00%	-	0.00%	2,531
	Performance Rights	9-May-22	18,263	2.85	31-Mar-26	28-Feb-27	-	0.00%	-	0.00%	18,263
	Total of Equity Rights and Deferred Share Rights										7,594
	Total of Performance Rights										73,622
	Total										**81,216**

Remuneration Report (continued)

For the year ended 31 December 2023

Executive KMP	Type of equity	Grant date	Number granted	Fair value at grant date	Vesting date	Expiry date	Number vested [1][2]	% vested	Number lapsed	% lapsed	Number unvested
J Hoang[5]	Performance Rights	1-Dec-23	66,907	0.33	31-Mar-26	31-Mar-26	-	0.00%	-	0.00%	66,907
	Deferred Shares	28-Feb-23	2,821	9.31	27-Feb-26	27-Feb-26	-	0.00%	-	0.00%	2,821
	Deferred Shares	28-Feb-23	2,821	9.31	28-Feb-25	28-Feb-25	-	0.00%	-	0.00%	2,821
	Deferred Shares	28-Feb-23	2,821	9.31	28-Feb-24	28-Feb-24	-	0.00%	-	0.00%	2,821
	Performance Rights	9-May-22	18,263	2.85	31-Mar-26	28-Feb-27	-	0.00%	-	0.00%	18,263
	Deferred Shares	28-Feb-22	1,967	10.36	28-Feb-25	28-Feb-25	-	0.00%	-	0.00%	1,967
	Deferred Shares	28-Feb-22	1,964	10.36	28-Feb-24	28-Feb-24	-	0.00%	-	0.00%	1,964
	Deferred Shares	28-Feb-22	1,964	10.36	28-Feb-23	28-Feb-23	(1,964)	100.00%	-	0.00%	-
	Equity Rights	26-Feb-21	14,379	8.27	28-Feb-23	28-Feb-23	(14,379)	100.00%	-	0.00%	-
	Equity Rights	26-Feb-21	1,284	8.27	1-Mar-23	1-Mar-23	(1,284)	100.00%	-	0.00%	-
	Performance Rights	26-Feb-21	14,379	2.56	28-Feb-24	28-Feb-24	-	0.00%	-	0.00%	14,379
	Performance Rights	28-Feb-20	12,034	3.81	28-Feb-23	28-Feb-23	-	0.00%	(12,034)	100.00%	-
	Total of Equity Rights and Deferred Share Rights										12,394
	Total of Performance Rights										99,549
	Total										**111,943**
H Mitchell	Performance Rights	4-Sep-23	99,569	0.33	31-Mar-26	31-Mar-26	-	0.00%	-	0.00%	99,569
	Total of Performance Rights										99,569
	Total										**99,569**
C Williamson	Performance Rights	4-Sep-23	106,713	0.33	31-Mar-26	31-Mar-26	-	0.00%	-	0.00%	106,713
	Total of Performance Rights										106,713
	Total										**106,713**

Former Executive KMP

Executive KMP	Type of equity	Grant date	Number granted	Fair value at grant date	Vesting date	Expiry date	Number vested [1][2]	% vested	Number lapsed	% lapsed	Number unvested
J Das[6]	Equity Rights	28-Feb-22	21,695	9.32	28-Feb-24	28-Feb-24	(21,695)	100.00%	-	0.00%	-
	Performance Rights	28-Feb-22	128,398	3.16	31-Mar-25	31-Mar-25	(74,743)	58.21%	(53,655)	41.79%	-
	Performance Rights	28-Feb-22	128,398	2.84	31-Mar-26	31-Mar-26	(56,070)	43.67%	(72,328)	56.33%	-
	Equity Rights	26-Feb-21	26,465	2.56	28-Feb-23	28-Feb-23	(26,465)	100.00%	-	0.00%	-
	Equity Rights	26-Feb-21	2,362	2.56	1-Mar-23	1-Mar-23	(2,362)	100.00%	-	0.00%	-
	Performance Rights	26-Feb-21	26,465	8.27	28-Feb-24	28-Feb-24	(24,242)	91.60%	(2,223)	8.40%	-
	Total of Equity Rights and Deferred Share Rights										-
	Total of Performance Rights										-
	Total										**-**
P Ferguson[7]	Equity Rights	28-Feb-22	15,384	9.32	3-Jun-23	3-Jun-23	(15,384)	100.00%	-	0.00%	-
	Performance Rights	28-Feb-22	91,046	3.16	3-Jun-23	3-Jun-23	(91,046)	100.00%	-	0.00%	-
	Performance Rights	28-Feb-22	91,046	2.84	3-Jun-23	3-Jun-23	(91,046)	100.00%	-	0.00%	-
	Equity Rights	26-Feb-21	18,766	8.27	3-Jun-23	3-Jun-23	(18,766)	100.00%	-	0.00%	-
	Equity Rights	26-Feb-21	1,675	2.56	3-Jun-23	3-Jun-23	(1,675)	100.00%	-	0.00%	-
	Performance Rights	26-Feb-21	18,766	2.56	3-Jun-23	3-Jun-23	(18,766)	100.00%	-	0.00%	-
	Performance Rights	28-Feb-20	14,762	3.81	3-Jun-23	3-Jun-23	-	0.00%	(14,762)	100.00%	-
	Total of Equity Rights and Deferred Share Rights										-
	Total of Performance Rights										-
	Total										**-**
K Fisk[7]	Equity Rights	28-Feb-22	13,806	9.32	28-Feb-24	28-Feb-24	-	0.00%	-	0.00%	13,806
	Performance Rights	28-Feb-22	81,708	3.16	31-Mar-25	31-Mar-25	-	0.00%	-	0.00%	81,708
	Performance Rights	28-Feb-22	81,708	2.84	31-Mar-26	31-Mar-26	-	0.00%	-	0.00%	81,708
	Deferred Shares	26-Feb-21	1,639	9.19	28-Feb-24	28-Feb-24	-	0.00%	-	0.00%	1,639
	Deferred Shares	26-Feb-21	1,637	9.19	28-Feb-23	28-Feb-23	(1,637)	100.00%	-	0.00%	-
	Deferred Shares	28-Feb-20	1,066	11.86	28-Feb-23	28-Feb-23	(1,066)	100.00%	-	0.00%	-
	Total of Equity Rights and Deferred Share Rights										15,445
	Total of Performance Rights										163,416
	Total										**178,861**

Remuneration Report (continued)

For the year ended 31 December 2023

Executive KMP	Type of equity	Grant date	Number granted	Fair value at grant date	Vesting date	Expiry date	Number vested [1][2]	% vested	Number lapsed	% lapsed	Number unvested
J Harris	Equity Rights	28-Feb-22	24,457	9.32	28-Feb-24	28-Feb-24	(24,457)	100.00%	-	0.00%	-
	Performance Rights	28-Feb-22	144,739	3.16	31-Mar-25	31-Mar-25	(84,256)	58.21%	(60,483)	41.79%	-
	Performance Rights	28-Feb-22	144,740	2.84	31-Mar-26	31-Mar-26	(63,207)	43.67%	(81,533)	56.33%	-
	Equity Rights	26-Feb-21	29,833	8.27	28-Feb-23	28-Feb-23	(29,833)	100.00%	-	0.00%	-
	Equity Rights	26-Feb-21	2,663	2.56	1-Mar-23	1-Mar-23	(2,663)	100.00%	-	0.00%	-
	Performance Rights	26-Feb-21	29,833	2.56	28-Feb-24	28-Feb-24	(27,327)	91.60%	(2,506)	8.40%	-
	Performance Rights	28-Feb-20	23,468	3.81	28-Feb-23	28-Feb-23	-	0.00%	(23,468)	100.00%	-
	Total of Equity Rights and Deferred Share Rights										-
	Total of Performance Rights										-
	Total										**-**
J McNeill[5][7]	Equity Rights	28-Feb-22	16,826	9.32	28-Feb-24	28-Feb-26	-	0.00%	-	0.00%	16,826
	Performance Rights	28-Feb-22	99,580	3.16	31-Mar-25	31-Mar-26	-	0.00%	-	0.00%	99,580
	Performance Rights	28-Feb-22	99,581	2.84	31-Mar-26	31-Mar-27	-	0.00%	-	0.00%	99,581
	Equity Rights	26-Feb-21	19,713	8.27	28-Feb-23	28-Feb-25	(19,713)	100.00%	-	0.00%	-
	Equity Rights	26-Feb-21	1,760	2.56	1-Mar-23	1-Mar-23	(1,760)	100.00%	-	0.00%	-
	Performance Rights	26-Feb-21	19,713	2.56	28-Feb-24	28-Feb-24	-	0.00%	-	0.00%	19,713
	Performance Rights	28-Feb-20	16,553	3.81	28-Feb-23	28-Feb-23	-	0.00%	(16,553)	100.00%	-
	Total of Equity Rights and Deferred Share Rights										16,826
	Total of Performance Rights										218,874
	Total										**235,700**
S New[5]	Equity Rights	28-Feb-22	24,142	9.32	28-Feb-24	28-Feb-26	(24,142)	100.00%	-	0.00%	-
	Performance Rights	28-Feb-22	142,876	3.16	31-Mar-25	31-Mar-26	(83,953)	58.76%	(58,923)	41.24%	-
	Performance Rights	28-Feb-22	142,876	2.84	31-Mar-26	31-Mar-27	(62,979)	44.08%	(79,897)	55.92%	-
	Equity Rights	26-Feb-21	28,284	8.27	28-Feb-23	28-Feb-25	(28,284)	100.00%	-	0.00%	-
	Equity Rights	26-Feb-21	2,525	2.56	1-Mar-23	1-Mar-23	(2,525)	100.00%	-	0.00%	-
	Performance Rights	26-Feb-21	28,284	2.56	28-Feb-24	28-Feb-24	(26,063)	92.15%	(2,221)	7.85%	-
	Performance Rights	28-Feb-20	23,750	3.81	28-Feb-23	28-Feb-23	-	0.00%	(23,750)	100.00%	-
	Total of Equity Rights and Deferred Share Rights										-
	Total of Performance Rights										-
	Total										**-**
A Todd	Equity Rights	28-Feb-22	24,851	9.32	28-Feb-24	28-Feb-24	(24,851)	100.00%	-	0.00%	-
	Performance Rights	28-Feb-22	147,074	3.16	31-Mar-25	31-Mar-25	(97,960)	66.61%	(49,114)	33.39%	-
	Performance Rights	28-Feb-22	147,074	2.84	31-Mar-26	31-Mar-26	(73,487)	49.97%	(73,587)	50.03%	-
	Equity Rights	26-Feb-21	30,314	8.27	28-Feb-23	28-Feb-23	(30,314)	100.00%	-	0.00%	-
	Equity Rights	26-Feb-21	2,706	2.56	1-Mar-23	1-Mar-23	(2,706)	100.00%	-	0.00%	-
	Performance Rights	26-Feb-21	30,314	2.56	28-Feb-24	28-Feb-24	(30,314)	100.00%	-	0.00%	-
	Performance Rights	28-Feb-20	23,846	3.81	28-Feb-23	28-Feb-23	-	0.00%	(23,846)	100.00%	-
	Total of Equity Rights and Deferred Share Rights										-
	Total of Performance Rights										-
	Total										**-**

(1) Includes equity instruments held by the individual and in a nominated trust.

(2) All Equity Rights, Deferred Share Rights and Performance Rights that vested during the year were exercisable, except for participants in the United Kingdom. For former KMP who have exited, any retained rights with future vesting dates are shown as fully vested at 31 December 2023 in accordance with AASB2 however remain subject to retained performance conditions to the future vesting date.

(3) P Giles was awarded Deferred Shares and Performance Rights prior to being appointed KMP on 1 July 2023.

(4) J Hoang was awarded Deferred Shares and Performance Rights prior to being appointed KMP on 1 July 2023.

(5) Equity Rights vested for United Kingdom participants during the year are not exercisable until the end of the exercise restriction period.

(6) J. Das' number of unvested shares as at 31 March 2023 when ceasing to be a KMP upon exiting the company.

(7) Number of unvested shares as at 30 June 2023 of participants when they ceased to be KMPs.

Remuneration Report (continued)

For the year ended 31 December 2023

5.2 Shareholdings

The number of ordinary shares held in Iress Limited during the financial year by each KMP is set out below. Included for each individual are shares held on their behalf by the trustee of the Iress Limited Equity Plans Trust and their personally related parties.

NED

NEDs have a Minimum Shareholding Requirement (MSR) to be met either by 31 December 2023, or within three years of their appointment if past this date. NEDs are required to accrue and hold Iress equity equivalent to 100% of the base fee for being a Member of the Board, unless otherwise determined by the Board.

NED	Balance as at 01 Jan 2023	Shares acquired during the year	Other changes	Balance as at 31 Dec 2023	Value of holdings as a % of base fees[1]	Date Minimum Shareholding Requirement to be met [2][3]
R Sharp	20,202	37,973	(10,101)	48,074	388%	18 Feb 2024
N Beattie	15,820	6,788	-	22,608	158%	31 Dec 2022
M Dwyer	12,609	2,000	-	14,609	112%	01 Feb 2023
J Fahey	13,225	-	-	13,225	110%	31 Dec 2022
A Glenning	-	15,455	-	15,455	92%	11 Oct 2025
T Vonhoff	23,864	6,640	-	30,504	240%	01 Feb 2023
Total	**85,720**	**68,856**	**(10,101)**	**144,475**		

(1) The value of shares for the purpose of the Minimum Shareholding Requirement calculation is the higher of the share price at 31 December 2023 (twenty-trading-day volume-weighted average share price up to and including 31 December 2023) and the purchase price.

(2) NEDs appointed on or after 1 January 2020 are required to accrue and hold Iress equity equivalent to 100% of the base fee for being a Member of the Board within three years of their appointment.

(3) NEDs appointed prior to 1 January 2020 are required to accrue and hold Iress equity equivalent to 100% of the base fee for being a Member of the Board by 31 December 2022.

Executive KMP

Executive KMPs have a Minimum Shareholding Requirement to be met within five years of commencing. The CEO is required to accrue and hold Iress equity equivalent to 400% of base salary, which for M Price is required by 3 October 2027. Executives are required to hold 225% of their base salary. Unvested Historical Equity Rights count towards the requirement but unvested Performance Rights and Options do not.

Executive KMP	Balance as at 1 Jan 2023	Equity Rights granted during the year	Equity Rights Lapsed during the year	Shares acquired during the year[1]	Other changes	Balance as at 31 Dec[2]	Percentage of holdings value to base salary [3][4][5]	Date Minimum Share-holding Require-ment to be met [2][3]
M Price[6]	63,533	-	-	15,576	-	79,109	120%	03 Oct 2027
P Giles[7]	7,683	-	-	-	-	7,683	16%	01 Jul 2028
J Hoang[7]	65,866	-	-	-	-	65,866	167%	01 Jul 2028
H Mitchell	-	-	-	19,569	-	19,569	23%	01 Jul 2028
C Williamson	-	-	-	23,200	-	23,200	27%	24 Jul 2028
Total	**137,082**	**-**	**-**	**58,345**	**-**	**195,427**		

(1) Shares acquired by executive KMP during the year were directly acquired (purchased).

(2) Includes unvested Historical Equity Rights and excludes unvested Performance Rights and Options.

(3) The value of holding as a % of base salary was calculated in accordance with the Minimum Shareholding Requirement Policy.

(4) The CEO is required to accrue and hold Iress equity equivalent to 400% of the base salary within five years of appointment.

(5) Executive KMP appointed on or after 1 January 2019 require to accrue and hold Iress equity equivalent to 225% of their base salary within five years of their appointment.

(6) The opening balance includes unvested 2022 Historical Equity Rights.

(7) Participants were appointed as KMPs on 1 July 2023. The opening balance reflects the share acquired prior to the date of becoming KMPs. No shares were acquired after the date of becoming a KMP.

5.3 Transactions with KMP

No transactions (excluding remuneration as outlined in this report) occurred between KMP and the Group during 2023.

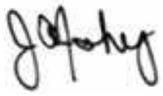
5.4 Loans to KMP or related parties

No loans to KMP or related parties were provided during 2023.

This Directors' Report has been verified by Management and reviewed by the Company's Board of Directors and its Audit and Risk Committee.

Signed in accordance with a resolution of the Directors made pursuant to s.298(2) of the *Corporations Act 2001* (Cth).

On behalf of the Directors.



Julie Fahey
Chair of the People & Performance Committee

Melbourne
21 February 2024

Auditor's Independence Declaration

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Building a better working world

Auditor's independence declaration to the directors of Iress Limited

As lead auditor for the audit of the financial report of Iress Limited for the financial year ended 31 December 2023, 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 Iress Limited and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

David J Petersen
Partner
21 February 2024

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Financial Statements

For the year ended 31 December 2023

This is the financial report for Iress Limited (the 'Company') and its controlled entities (collectively referred to as the 'Group' or 'Iress') For the year ended 31 December 2023.

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2023

	Notes	2023 $'000	2022 $'000[1]
Revenue from contracts with customers	1.3(a)	625,743	615,589
Employee benefit expenses	1.4	(347,791)	(316,309)
Customer data fees		(57,558)	(55,151)
Communication and other technology expenses		(84,951)	(76,616)
Professional fees		(30,918)	(10,643)
Business development and marketing		(6,134)	(3,469)
General office and administration	1.6(a)	(27,875)	(29,394)
Amortisation, depreciation, derecognition and impairment expense	1.7	(193,392)	(43,396)
Gains on disposal of subsidiary	4.2	17,592	-
(Loss)/profit before interest and income tax expense		**(105,284)**	**80,611**
Finance income		1,928	1,007
Finance costs		(23,709)	(13,698)
Net finance income and costs	3.1(d)	(21,781)	(12,691)
(Loss)/profit before income tax expense		**(127,065)**	**67,920**
Income tax expense	4.1(a)	(10,419)	(15,248)
(Loss)/profit after income tax expense		**(137,484)**	**52,672**
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Net movement of cash flow hedge		150	(150)
Exchange differences on translation of foreign operations		10,772	(12,693)
Total other comprehensive income/(loss) for the year		**10,922**	**(12,843)**
Total comprehensive (loss)/profit for the year		**(126,562)**	**39,829**

		Cents per share	Cents per share
Earnings per share			
Basic earnings per share	1.2(a)	(76.4)	28.6
Diluted earnings per share	1.2(a)	(76.4)	28.0

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

(1) Expenses within the comparative information for the year ended 31 December 2022 have been reclassified to present certain items in more detail.

Consolidated Statement of Financial Position

As at 31 December 2023

	Notes	2023 $'000	2022 $'000
ASSETS			
Current assets			
Cash and cash equivalents	1.8(a)	43,881	63,353
Receivables and other assets	2.5(a)	82,997	83,661
Assets held-for-sale	4.3(a)	11,584	-
Current taxation receivables		2,732	11,552
Total current assets		**141,194**	**158,566**
Non-current assets			
Intangible assets	2.1(a)	550,706	724,998
Plant and equipment	2.2(a)	23,864	28,519
Right-of-use assets	2.3(c)	50,281	60,638
Deferred tax assets	4.1(c)	26,172	27,340
Total non-current assets		**651,023**	**841,495**
Total assets		**792,217**	**1,000,061**
LIABILITIES			
Current liabilities			
Payables and other liabilities	2.6	74,466	69,961
Lease liabilities	2.3(d)	14,141	15,447
Provisions	2.7(a)	17,295	21,458
Liabilities held-for-sale	4.3(a)	3,650	-
Derivative liabilities	2.4(d)	-	150
Current taxation payables		540	451
Total current liabilities		**110,092**	**107,467**
Non-current liabilities			
Lease liabilities	2.3(d)	45,254	58,880
Provisions	2.7(a)	1,299	2,463
Borrowings	3.1(a)	363,563	388,424
Deferred tax liabilities	4.1(c)	-	9,014
Total non-current liabilities		**410,116**	**458,781**
Total liabilities		**520,208**	**566,248**
Net assets		**272,009**	**433,813**
EQUITY			
Issued capital	3.2	419,343	419,065
Share-based payments reserve		25,366	26,329
Cash flow hedge reserve	2.4(d)	-	(150)
Foreign currency translation reserve		5,402	(5,370)
Accumulated losses		(178,102)	(6,061)
Total equity		**272,009**	**433,813**

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

	Issued Capital $'000	Share-based Payments Reserve $'000	Cash flow hedge reserve[1] $'000	Foreign Currency Translation Reserve $'000	Retained Earnings/ (Accumulated Losses) $'000	Total Equity $'000
Balance at 1 January 2022	**493,883**	**26,178**	**-**	**7,323**	**9,529**	**536,913**
Profit for the year	-	-	-	-	52,672	**52,672**
Other comprehensive loss	-	-	(150)	(12,693)	-	**(12,843)**
Total comprehensive (loss)/income	**-**	**-**	**(150)**	**(12,693)**	**52,672**	**39,829**
Transactions with owners in their capacity as owners:						
Shares issued under employee Share Purchase Plan	394	-	-	-	-	**394**
Purchase of shares for employee share schemes	(22,957)	-	-	-	-	**(22,957)**
On-market buy-back of shares	(52,255)	-	-	-	-	**(52,255)**
Dividends declared or paid	-	-	-	-	(86,858)	**(86,858)**
Share-based payment expense, net of tax	-	18,747	-	-	-	**18,747**
Transfer of share-based payments reserve[2]	-	(18,596)	-	-	18,596	**-**
	(74,818)	**151**	**-**	**-**	**(68,262)**	**(142,929)**
Balance at 31 December 2022	**419,065**	**26,329**	**(150)**	**(5,370)**	**(6,061)**	**433,813**

	Issued Capital $'000	Share-based Payments Reserve $'000	Cash flow hedge reserve[1] $'000	Foreign Currency Translation Reserve $'000	Accumulated Losses $'000	Total Equity $'000
Balance at 1 January 2023	**419,065**	**26,329**	**(150)**	**(5,370)**	**(6,061)**	**433,813**
Loss for the year	-	-	-	-	(137,484)	**(137,484)**
Other comprehensive income	-	-	150	10,772	-	**10,922**
Total comprehensive income/(loss)	**-**	**-**	**150**	**10,772**	**(137,484)**	**(126,562)**
Transactions with owners in their capacity as owners:						
Shares issued under employee Share Purchase Plan	278	-	-	-	-	**278**
Dividends declared or paid	-	-	-	-	(55,375)	**(55,375)**
Share-based payment expense	-	20,500	-	-	-	**20,500**
Cash settled equity shares	-	(645)	-	-	-	**(645)**
Transfer of share-based payments reserve[2]	-	(20,818)	-	-	20,818	**-**
	278	**(963)**	**-**	**-**	**(34,557)**	**(35,242)**
Balance at 31 December 2023	**419,343**	**25,366**	**-**	**5,402**	**(178,102)**	**272,009**

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

(1) The cash flow hedge reserve represents the cumulative amount of gains and losses on hedging instruments deemed effective in cash flow hedges. The cumulative deferred gain or loss on the hedging instrument is recognised in profit or loss only when the hedged transaction affects the profit or loss, or is included directly in the initial cost or other carrying amount of the hedged non-financial items (basis adjustment).

(2) The movement from share-based payment reserves to accumulated losses represents the grant date fair value of share-based payments that have vested or lapsed during the year. The amount had previously been recognised as a share-based payment expense over the vesting period. Details of share-based payment arrangements are provided in Note 1.5.

Consolidated Statement of Cash Flows

For the year ended 31 December 2023

	Notes	2023 $'000	2022 $'000
Cash flows from operating activities			
Receipts from customers		701,817	685,855
Payments to suppliers		(281,190)	(251,066)
Payments to employees		(326,641)	(295,499)
Interest received		1,917	537
Interest and borrowing costs paid		(21,307)	(11,151)
Interest on lease liabilities	2.3(a)	(1,924)	(2,309)
Income tax paid		(9,007)	(13,788)
Net cash inflow generated from operating activities	1.8(b)	**63,665**	**112,579**
Cash flows from investing activities			
Payments for development of intangible assets	2.1(a)	(14,059)	(19,903)
Payments for purchase of plant and equipment	2.2(a)	(5,369)	(7,706)
Proceeds from sale of plant and equipment		6	53
Payment for deferred consideration	2.7(b)	-	(4,400)
Proceeds from disposal of subsidiary		45,208	-
Net cash inflow generated from/(outflow utilised by) investing activities		**25,786**	**(31,956)**
Cash flows from financing activities			
Purchase of shares for employee share schemes	3.2	-	(22,957)
On-market buyback of shares	3.2	-	(52,224)
Share buyback fees paid	3.2	-	(31)
Proceeds from employee share plan repayments	3.2	278	394
Payment of lease liabilities	2.3(d)	(17,104)	(15,283)
Dividends paid		(55,424)	(86,896)
Proceeds from borrowings	3.1(b)	114,471	369,850
Repayment of borrowings	3.1(b)	(150,471)	(270,704)
Net cash outflow utilised by financing activities		**(108,250)**	**(77,851)**
Net (decrease)/increase in cash and cash equivalents		**(18,799)**	**2,772**
Cash and cash equivalents at the beginning of the financial year		63,353	64,393
Effects of exchange rate changes on cash and cash equivalents		(673)	(3,812)
Cash and cash equivalents at end of the year		**43,881**	**63,353**

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

Section 1. Financial results

1.1 Segment information

Operating segments have been reported in a manner consistent with internal management reporting provided to the chief operating decision-maker ("CODM"). The CODM consists of the Managing Director and Chief Executive Officer.

(a) Operating segments

Iress' business revenues are predominantly derived from software development and distribution. During the year, Iress changed its organisation structure from being functionally-led to product-led. As a result of the organisational structure change, Iress' operating segments have changed from those disclosed in prior periods to reflect the new product led structure and internal reporting to the CODM. Segment information for the year ended 31 December 2022 has also been restated to reflect the new operating segments. Iress Group has determined the following distinct reportable business segments on which the Group reports its primary segment information:

APAC Trading & Global Market Data

- APAC Trading & Global Market Data provides comprehensive solutions to financial market participants, encompassing market data, trading, compliance, order management, portfolio, and related tools designed to enhance business efficiencies.

APAC Wealth Management

- APAC Wealth Management provides financial advice software and related tools to the advice and superannuation industries.

Superannuation

- Superannuation provides fund administration software, services and related tools to the Australian superannuation industry.

Managed Portfolio – UK

Portfolio of ancillary businesses, comprising:

- UK Financial Markets provides information, trading, compliance, order management, portfolio systems, and related tools to cash equity participants
- UK Wealth Management provides financial advice software and related tools to wealth management professionals located in the United Kingdom
- Sourcing provides insurance and mortgage comparison tools for UK financial advisers
- Mortgages provides mortgage origination software and associated consulting services to banks in the United Kingdom.

Managed Portfolio – Other

Portfolio of ancillary businesses in South Africa, Canada and Australia comprising:

- Financial Markets businesses provide comprehensive solutions, encompassing information, trading, compliance, order management, portfolio systems and related tools to financial market participants located in South Africa and Canada
- Wealth Management provides financial planning systems and related tools to wealth management professionals located in South Africa
- Platform administration services provides technology and data services to the Australian wealth industry, bringing innovative solutions to support licensees, advisers and stockbrokers to deliver services to their clients. Platform fund administration services include managed funds, managed accounts and administration services.

The CODM assesses the performance of each operating segment based on underlying earnings before tax, depreciation and amortisation (underlying EBITDA). This is a non-IFRS measure that excludes items not considered relevant in evaluating segment performance. This includes the amortisation and impairment of intangible assets, transaction and integration costs together with investment gains and losses associated with mergers and acquisitions, and other significant non-operating items including, interest income and expense, tax and non-recurring transformation expenses that are not considered part of the ongoing run-rate of the business.

(b) The segment revenue, underlying earnings/(loss) before interest, tax, depreciation and amortisation (EBITDA) and reconciliation to the Group results are outlined below:

For the year ended 31 December 2022 (restated)	APAC Trading & Global Market Data $'000	APAC Wealth Management $'000	Super-annuation $'000	Managed Portfolio - UK $'000	Managed Portfolio - Other $'000	Total $'000
Revenue from contracts with customers	174,357	132,749	49,948	158,950	99,585	**615,589**
Direct operating expenses	(106,619)	(54,178)	(41,890)	(99,931)	(80,215)	**(382,833)**
Other expenses	(22,756)	(23,502)	(6,780)	(23,491)	(9,842)	**(86,371)**
Underlying EBITDA	**44,982**	**55,069**	**1,278**	**35,528**	**9,528**	**146,385**
Non-operating items[1]						**(22,378)**
Amortisation, depreciation, derecognition and impairment expense						**(43,396)**
Profit/(loss) before interest and income tax expense						**80,611**
Net interest and financing expenses						**(12,691)**
Profit before income tax expense						**67,920**
Income tax expense						**(15,248)**
Profit after income tax expense						**52,672**

For the year ended 31 December 2023	APAC Trading & Global Market Data $'000	APAC Wealth Management $'000	Super-annuation $'000	Managed Portfolio - UK $'000	Managed Portfolio - Other $'000	Total $'000
Revenue from contracts with customers	178,503	130,419	54,186	167,898	94,737	**625,743**
Direct operating expenses	(110,785)	(57,591)	(49,045)	(104,599)	(74,878)	**(396,898)**
Other expenses	(27,220)	(25,676)	(7,653)	(28,617)	(11,399)	**(100,565)**
Underlying EBITDA	**40,498**	**47,152**	**(2,512)**	**34,682**	**8,460**	**128,280**
Non-operating items[1]						**(57,764)**
Amortisation, depreciation, derecognition and impairment expense						**(193,392)**
Gains on disposal of subsidiary						**17,592**
Profit/(loss) before interest and income tax expense						**(105,284)**
Net interest and financing expenses						**(21,781)**
Loss before income tax expense						**(127,065)**
Income tax expense						**(10,419)**
Loss after income tax expense						**(137,484)**

(1) Predominantly relates to significant non-recurring project related expenses, business acquisition and integration expenses and realised and unrealised foreign exchange gains and losses.

(c) Geographical information

Iress Group has an established international infrastructure targeted to serve markets in the following geographical segments, namely:

- Asia Pacific — Australia, Malaysia, New Zealand and Singapore
- UK & Europe — France and United Kingdom
- Africa — South Africa and Tunisia
- North America — Canada and United States of America

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2023

1.1 Segment information (continued)

(c) Geographical information (continued)

The following table provides an analysis by geographical market of the Group's operating revenue irrespective of the origin of the goods and services and summarised statement of financial position:

For the year ended 31 December 2022	Asia Pacific $'000	UK & Europe $'000	Africa $'000	North America $'000	Total $'000
Revenue from contracts with customers	346,987	201,506	43,445	23,651	**615,589**
Non-current assets	486,594	329,293	14,803	10,805	**841,495**

For the year ended 31 December 2023	Asia Pacific $'000	UK & Europe $'000	Africa $'000	North America $'000	Total $'000
Revenue from contracts with customers	347,642	210,881	42,205	25,015	**625,743**
Non-current assets	424,416	204,207	12,067	10,333	**651,023**

Total assets and liabilities are reviewed at a consolidated Iress Group level, and segment assets and liabilities are not regularly reviewed by the CODM.

1.2 Earnings per share and dividends per share

(a) Basic and diluted earnings per share, and dividends per share, for the year are:

	Cents per share 2023	Cents per share 2022
(Loss)/profit per share	(76.4)	28.6
Diluted (loss)/profit per share[1]	(76.4)	28.0
Dividends per share:		
Interim dividend franked to 0% (2022: 25%)	-	16.0
Final dividend declared after the Statement of Financial Position date (2022: franked to 0%)	-	30.0

(1) Potentially dilutive ordinary shares for the year ended 31 December 2023 have not been included in the calculation of diluted earnings per share as they were considered anti-dilutive.

(b) The weighted average number of shares used to calculate earnings per share is as follows:

	Number of shares 2023 '000	Number of shares 2022 '000
Weighted average number of ordinary shares used in basic earnings per share	179,960	184,157
Effect of potentially dilutive shares	5,518	4,078
Weighted average number of ordinary shares used in diluted earnings per share	**185,478**	**188,235**

(c) Dividends recognised during the year and after the Statement of Financial Position date were as follows:

	2023 $'000	2022 $'000
Dividends paid during the year		
Final dividend for the 2022 financial year: 30.0 cents per share franked to 0% (2021: 30.0 cents per share franked to 15%)	55,375	56,889
Interim dividend for the 2023 financial year: nil (2022: 16.0 cents per share franked to 25%)	-	29,969
	55,375	**86,858**
Dividends declared after balance date		
Final dividend for the 2023 financial year: nil (2022: 30.0 cents per share franked to 0%)	-	55,375
Franking credit balance		
Franking credits available for subsequent reporting periods based on a tax rate of 30% (2022: 30%)	27	185

1.3 Revenue from contracts with customers

Iress designs, develops, and delivers technology solutions for the financial services industry in Australia, Asia, New Zealand, UK & Europe, South Africa and North America.

From these activities, Iress generates the following streams of revenue:

- Software licence revenue
- Implementation and consulting revenue
- Royalties revenue from the provision of financial market information
- Other ancillary fees such as hosting and support service fees.

Each of the above services delivered to customers are considered separate performance obligations, even though for practical expedience they may be governed by a single legal contract with the customer.

Revenue recognition for each of the above revenue streams is as follows:

Revenue stream	Performance obligation	Timing of recognition
Software licence revenue	Access to software.	Software licence revenue is recognised over time as the customer simultaneously receives and consumes the benefit of accessing the software. Revenue can either be calculated based on the number of licences used and rate per licence, or as a negotiated package for large customers, or based on funds under administration or transaction volume. Software licence revenue is recognised as the amount to which the Group has a right to invoice. Customers are typically invoiced monthly and consideration is payable when invoiced, which corresponds directly with the performance completed to date in respect of this stream.
Implementation and consulting revenue	As defined in the contract. For implementation revenue – typically the completion of data conversions, completion of user acceptance testing, provision of functional environments.	Revenue is recognised over time as services are delivered. Revenue from providing services is recognised in the accounting period in which the services are rendered. Revenue is calculated based on time and materials used. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period. Recognition is determined based on the actual labour hours spent as a proportion of total expected hours. This requires a judgement of the forecast expected hours and changes in implementation timing. If contracts include the installation of hardware, revenue for the hardware is recognised at a point in time when the hardware is delivered, the legal title has passed, and the customer has accepted the hardware.
Royalties revenue	Provision of financial market information.	Royalties revenue is recognised over time as the customer simultaneously receives and consumes the benefit of accessing the information. Royalties revenue is recognised as the amount to which the Group has the right to invoice. Customers are typically invoiced monthly and consideration is payable when invoiced, which corresponds directly with the performance completed to date in respect of this stream.
Other ancillary fees	Provision of hosting services, cloud services, support and maintenance services.	Over time, as the customer simultaneously receives and consumes the benefit of the communication line/server hardware/cloud infrastructure. Customers are typically invoiced monthly in advance in accordance with their agreements. There is generally a longer lead time for new lines/servers than the other revenue streams.

Some contracts include multiple deliverables, such as implementation services and software licences.

Because the implementation services do not include client-specific material software customisation, and could be performed by another party, the implementation service and software licences are accounted for as separate performance obligations. In these cases, the transaction prices are allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus a margin.

Principal versus Agent

In accordance with AASB 15 *Revenue from contracts with customers*, a principal recognises revenue and the corresponding expenses in gross amounts, whereas an agent recognises fees or commissions, irrespective of whether gross cash flows pass through the agent.

Upon the inception of Iress entering into an agreement to provide goods or services to a customer, Iress determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself and act as a principal or whether it arranges for those goods or services to be provided by the other party and act as an agent.

Iress has assessed that for most of its revenue streams such subscription services, trading services, royalties, news and trading volumes to be acting as a principal and recognises revenue in the gross amount of consideration to which it expects to be entitled in exchange for the specified good or service transferred.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2023

1.3 Revenue from contracts with customers (continued)

In fixed-price contracts, the customer pays the fixed amount based on an agreed payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

If the contract includes an hourly fee, revenue is recognised at the amount to which the Group has the right to invoice (i.e. based on hours actually incurred in providing the service to the client). Customers are generally invoiced monthly for their access in that month, and consideration is payable when invoiced.

(a) Revenue by geographical segment:

Revenue stream	Revenue recognition	Asia Pacific $'000	UK & Europe $'000	Africa $'000	North America $'000	Total $'000
For the year ended 31 December 2022						
Software licence revenue	Over time	296,274	162,261	39,801	18,785	**517,121**
Royalties revenue	Over time	29,495	12,385	1,973	3,072	**46,925**
Other ancillary fees	Over time	11,591	5,355	1,566	1,794	**20,306**
Implementation and consulting revenue	Over time	9,627	21,505	105	-	**31,237**
Total revenue		**346,987**	**201,506**	**43,445**	**23,651**	**615,589**

Revenue stream	Revenue recognition	Asia Pacific $'000	UK & Europe $'000	Africa $'000	North America $'000	Total $'000
For the year ended 31 December 2023						
Software licence revenue	Over time	295,348	171,458	39,897	20,235	**526,938**
Royalties revenue	Over time	28,699	12,112	1,116	3,082	**45,009**
Other ancillary fees	Over time	10,039	6,142	1,105	1,698	**18,984**
Implementation and consulting revenue	Over time	13,556	21,169	87	-	**34,812**
Total revenue		**347,642**	**210,881**	**42,205**	**25,015**	**625,743**

(b) Receivables, contract assets, and contract liabilities from contracts with customers by geographical segment:

	Notes	Asia Pacific $'000	UK & Europe $'000	Africa $'000	North America $'000	Total $'000
For the year ended 31 December 2022						
Trade receivables	2.5(a)	20,867	11,088	2,100	745	**34,800**
Contract assets	2.5(a)	6,240	5,714	350	-	**12,304**
Contract liabilities	2.6	(1,447)	(15,408)	(79)	(267)	**(17,201)**

	Notes	Asia Pacific $'000	UK & Europe $'000	Africa $'000	North America $'000	Total $'000
For the year ended 31 December 2023						
Trade receivables	2.5(a)	16,976	8,711	1,475	928	**28,090**
Contract assets	2.5(a)	3,646	3,434	426	-	**7,506**
Contract liabilities	2.6	(987)	(15,248)	(20)	(227)	**(16,482)**

(c) Revenue recognised in relation to contract assets and liabilities:

	Contract assets		Contract liabilities	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Balance at the beginning of the year	12,304	13,687	(17,201)	(16,504)
Transfer from contract assets to receivables	(12,600)	(13,460)	-	-
Revenue raised for work performed but not yet billed	8,512	12,341	-	-
Decrease due to revenue recognised from performance obligations satisfied	-	-	17,858	16,063
Increase due to cash received, excluding amount recognised during the year	-	-	(16,651)	(16,907)
Reclassified to assets held-for-sale	(993)	-	124	-
Foreign currency translation	283	(264)	(612)	147
Balance at the end of the year	**7,506**	**12,304**	**(16,482)**	**(17,201)**

(d) Transaction price allocated to the remaining performance obligations

Revenue from existing contracts expected to be recognised in the future which relates to performance obligations that are unsatisfied (or partially satisfied) at the reporting date:

Year in which transaction price is expected to be realised	Revenue stream	Revenue recognition	Asia Pacific $'000	UK & Europe $'000	Africa $'000	North America $'000	Total $'000
2024	Software licence revenue	Over time	1,034	3,264	-	-	4,298
	Implementation and consulting revenue	Over time	4,031	597	-	-	4,628
	Royalties revenue	Over time	9	-	-	-	9
	Other ancillary fees	Over time	-	-	20	227	247
	Total revenue		**5,074**	**3,861**	**20**	**227**	**9,182**
2025	Software licence revenue	Over time	-	283	-	-	283
	Implementation and consulting revenue	Over time	3,700	-	-	-	3,700
	Total revenue		**3,700**	**283**	**-**	**-**	**3,983**
2026	Implementation and consulting revenue	Over time	631	-	-	-	631
	Total revenue		**631**	**-**	**-**	**-**	**631**
Total	Software licence revenue	Over time	1,034	3,547	-	-	4,581
	Implementation and consulting revenue	Over time	8,362	597	-	-	8,959
	Royalties revenue	Over time	9	-	-	-	9
	Other ancillary fees	Over time	-	-	20	227	247
	Total revenue		**9,405**	**4,144**	**20**	**227**	**13,796**

The Group applies the practical expedient in the revenue standard and does not disclose information about the remaining performance obligation on contracts that have an original expected duration of one year or less, or where the Group has the right to consideration from a customer in an amount that corresponds directly with the value to the customer of the Group's performance to date.

The table above, therefore, does not include revenue expected to be recognised in future years on software licences, royalties and other ongoing contracts where the Group will recognise revenue in the amount to which the entity has a right to invoice.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2023

1.4 Employee benefit expenses

Short-term employee benefits, mainly comprising base salary and annual leave costs, are expensed as the employee renders services.

Post-employment benefits, which comprise Iress' contribution to defined contribution retirement plans, are expensed as the service is received from the employee.

Termination benefits are amounts paid to employees when their employment is terminated. These are expensed when Iress can no longer withdraw the offer of the termination benefit.

	Notes	2023 $'000	2022 $'000
Short-term and other employee benefits		(280,764)	(267,661)
Post-employment benefits		(24,468)	(23,546)
Termination benefits and redundancy expenses		(14,062)	(614)
Share-based payment expense	1.5(c)	(20,500)	(18,747)
Employee administration expense		(7,997)	(5,741)
Total employee benefit expenses		**(347,791)**	**(316,309)**

Key Management Personnel

Executive and Non-Executive Director Key Management Personnel compensation included in total employee benefits:

	2023 $'000	2022 $'000
Short-term and other employee benefits	(5,904)	(5,343)
Long-term employee benefits	2	9
Post-employment benefits	(263)	(320)
Share-based payment expense	(4,147)	(4,201)
Termination benefits	(1,632)	-
	(11,944)	**(9,855)**

Detailed remuneration disclosures are provided in the Audited Remuneration Report, including a description of the executive remuneration framework.

1.5 Share-based payments

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an expense, with a corresponding increase to shareholders equity, over the vesting period of the awards. The amount recognised as an expense is fair valued at the time the award is granted reflecting the number of awards for which the related service and non-market performance conditions are expected to meet. Therefore, the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

(a) Details of share plans

To assist in the attraction, retention and motivation of employees, the Group operated the following share-based payment plans up to the end of 2023:

Plan	Key terms	Performance condition/exercise price	Performance/ restriction/exercise period	Dividends received before vesting	If participant leaves before end of performance period
Executive Options Plan - CEO - 2022	CEO receives options in return for a 30% reduction in fixed remuneration	Price payable on exercise is $13 per option	3.4 years followed by 2 year exercise period; and 4.4 years followed by 2 year exercise period	No	Generally retained (pro-rata if CEO leaves before grant 1 vesting)
Executive Equity Rights - From 2019	Eligible participants receive equity rights at no cost	Individual performance criteria	2 years vesting followed by 2 year holding lock	No but dividend equivalent "top-up" on vesting	Generally forfeited (Board discretion may apply)
Executive PR Plan - CEO - 2022	Eligible participants receive performance rights at no cost	Absolute total shareholder return (ATSR) gateway and 3 additional performance measures	3 years followed by 1 year holding lock; and 4 years followed by 1 year holding lock	No	Generally forfeited (Board discretion may apply)
Executive PR Plan - 2022					
Employee PR Plan - 2022			4 years followed by 1 year holding lock		
Executive PR Plan - former CEO - From 2019 to 2021	Eligible participants receive performance rights at no cost	Absolute total shareholder return (ATSR) against hurdles	3 years	No	Generally forfeited (Board discretion may apply)
Executive PR Plan - From 2019 to 2021					
Employee Deferred Share Plan - From 2019	Eligible participants receive deferred shares at no cost	Individual performance criteria	3 years (vesting in equal portions annually)	Yes	Generally forfeited (Board discretion may apply)
Employee Deferred Share Rights Plan - From 2019	Eligible participants receive deferred rights at no cost		3 years (vesting in equal portions annually)	Yes	
OneIress Equity award/UK Share Incentive Plan	Eligible participants are invited to acquire Iress shares, Iress matches this participation to a set value	Nil	3 years	Yes	Matched shares are forfeited under the UK Share Incentive Plan and released under the General Employee Share Plan and OneIress Equity Plan

As at 31 December 2023, the total unvested shares in the OneIress Equity award were 122,649 shares (2022: 95,214) and 948 unvested share rights (2022: 297).

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2023

1.5 Share-based payments (continued)

(b) Grant date fair value

The grant date fair value of the employee deferred share plans reflects the market price of shares on the grant date given that the awards provide dividends to recipients of grants throughout the vesting period.

The grant date fair value of Executive Plans are independently determined using a Monte Carlo simulation option pricing model. This uses standard option pricing inputs such as the underlying share price, exercise price, expected dividends, expected risk free rates and expected share price volatility.

Key inputs include:

Grant date fair value

Key inputs in determining grant date fair value[1]	Executive Equity Rights	Executive Performance Rights	Executive Options	Employee Performance Rights
Model used	Black Scholes	Monte Carlo	Black Scholes	Monte Carlo
Risk free rate	1.095%-3.26%	2.99%-3.84%	3.49%-3.53%	3.10%-3.39%
Share price volatility	25.00%-30.00%	25.00%-27.50%	27.50%	25.00%-27.50%
Dividend yield	0.00%	4.25%-5.00%	4.00%	4.00%-5.00%

Equity rights	CEO	Former CEO	Executive
Risk free rate	3.26%	0.07%-3.04%	1.10%
Share price volatility	30.00%	25.00%	25.00%
Dividend yield	0.00%	0.00%	0.00%

Performance rights	CEO	Former CEO	Executive	MSO	Gilligan
Risk free rate	3.35%-3.39%	2.99%-3.10%	2.99%-3.84%	3.39%	3.37%
Share price volatility	27.50%	25.00%	25.00%-27.50%	27.50%	27.50%
Dividend yield	4.00%	5.00%	4.25%-5.00%	4.00%	4.25%

Options	CEO
Risk free rate	3.49%-3.53%
Share price volatility	27.50%
Dividend yield	4.00%

(1) The range of inputs shown represent the low and high points of the inputs used in valuing the various share based payment grants made by Iress during the 2022 and 2023 financial years. Refer to the tables in Note 1.5(c) for the grant dates for each grant made.

As the vesting conditions of the Employee Deferred Share Plan grants are not subject to performance hurdles and participants receive dividends during the vesting period, the grant date fair value of the award approximates the share price at the date of grant.

(c) Details of shares or rights on issue and amounts expensed during the financial year:

			Number of shares					At grant date		Expenses
Type	Grant date	Vesting date	At 1 Jan 2023	Granted	Forfeited	Vested	At 31 Dec 2023	Share price $	Fair value $	2023 $'000
Executive Plans - CEO										
2022 Grant - ER	09 May 2022	28 Feb 2024	13,865	-	-	-	13,865	10.36	8.25	(57)
2022 Grant - PR	09 May 2022	31 Mar 2025	370,910	-	-	-	370,910	10.36	1.96	(233)
2022 Grant - PR	09 May 2022	31 Mar 2026	370,910	-	-	-	370,910	10.36	2.03	(183)
2022 Grant - Options	03 Oct 2022	20 Feb 2026	666,248	-	-	-	666,248	10.36	0.61	(120)
2022 Grant - Options	03 Oct 2022	22 Feb 2027	591,582	-	-	-	591,582	10.36	0.73	(98)
			2,013,515	**-**	**-**	**-**	**2,013,515**			**(691)**
Executive Plans - Former CEO										
2020 Grant - PR	08 May 2020	28 Feb 2023	80,916	-	(80,916)	-	-	10.92	2.61	-
2021 Grant - ER	07 May 2021	28 Feb 2023	97,089	-	-	(97,089)	-	10.01	9.01	-
2021 Grant - PR	07 May 2021	28 Feb 2024	102,863	-	(31,888)	(70,975)	-	10.01	3.19	-
2022 Grant - ER	09 May 2022	28 Feb 2024	79,592	-	-	(79,592)	-	10.36	9.54	-
			360,460	**-**	**(112,804)**	**(247,656)**	**-**			**-**
Executive Plans - Non-CEO										
2020 Grant - PR	28 Feb 2020	28 Feb 2023	157,654	-	(157,654)	-	-	11.86	3.81	(27)
2021 Grant - ER	26 Feb 2021	28 Feb 2023	262,909	32,134	-	(295,043)	-	9.19	8.27	(123)
2021 Grant - PR	26 Feb 2021	28 Feb 2024	211,873	-	(7,437)	(162,434)	42,002	9.19	2.56	(300)
2022 Grant - ER	28 Feb 2022	28 Feb 2024	141,161	-	-	(110,529)	30,632	10.36	9.32	(741)
2022 Grant - PR	28 Feb 2022	31 Mar 2025	835,421	-	(222,175)	(431,958)	181,288	10.36	3.16	(1,996)
2022 Grant - PR	28 Feb 2022	31 Mar 2026	835,423	-	(307,345)	(346,789)	181,289	10.36	2.84	(1,709)
2023 Grant - PR	04 Sep 2023	31 Mar 2026	-	185,997	-	-	185,997	10.36	0.33	(15)
2023 Grant - PR	04 Sep 2023	31 Mar 2026	-	185,997	-	-	185,997	10.36	0.33	(15)
2023 Grant - PR	04 Sep 2023	31 Mar 2026	-	186,004	-	-	186,004	10.36	0.33	(15)
			2,444,441	**590,132**	**(694,611)**	**(1,346,753)**	**993,209**			**(4,941)**
Employee PR Plan										
2022 Grant - PR	09 May 2022	31 Mar 2026	1,739,523	-	(714,170)	(57,424)	967,929	10.36	2.85	(591)
2022 Grant - PR	03 Oct 2022	31 Mar 2026	449,348	-	-	-	449,348	11.67	2.03	(261)
2023 Grant - PR	31 May 2023	31 Mar 2026	-	41,091	-	-	41,091	10.95	3.02	(26)
			2,188,871	**41,091**	**(714,170)**	**(57,424)**	**1,458,368**			**(878)**

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2023

1.5 Share-based payments (continued)

(c) Details of shares or rights on issue and amounts expensed during the financial year (continued):

			Number of shares					At grant date		Expenses
Type	Grant date	Vesting date	At 1 Jan 2022	Granted	Forfeited	Vested	At 31 Dec 2022	Share price $	Fair value $	2023 $'000
Employee Deferred Share Plan										
2020 Grant - EAG	28 Feb 2020	28 Feb 2023	272,351	-	(1,002)	(271,349)	-	11.86	11.86	(162)
2021 Grant - EAG	26 Feb 2021	28 Feb 2023	408,915	-	(2,267)	(406,648)	-	9.19	9.19	(282)
2021 Grant - EAG	26 Feb 2021	28 Feb 2024	408,918	-	(29,225)	(39,573)	340,120	9.19	9.19	(1,017)
2022 Grant - EAG	28 Feb 2022	28 Feb 2023	473,892	-	(3,472)	(470,420)	-	10.36	10.36	(758)
2022 Grant - EAG	28 Feb 2022	28 Feb 2024	473,892	706	(47,517)	(51,161)	375,920	10.36	10.36	(2,052)
2022 Grant - EAG	28 Feb 2022	28 Feb 2025	474,859	471	(64,283)	(34,338)	376,709	10.36	10.36	(1,372)
2023 Grant - EAG	28 Feb 2023	28 Feb 2024	-	606,753	(75,675)	(43,284)	487,794	9.31	9.31	(4,210)
2023 Grant - EAG	28 Feb 2023	28 Feb 2025	-	606,360	(96,902)	(21,664)	487,794	9.31	9.31	(2,103)
2023 Grant - EAG	28 Feb 2023	27 Feb 2026	-	606,750	(104,022)	(14,487)	488,241	9.31	9.31	(1,405)
			2,512,827	**1,821,040**	**(424,365)**	**(1,352,924)**	**2,556,578**			**(13,361)**
Employee Deferred Share Rights Plan										
2020 Grant - EAG	28 Feb 2020	28 Feb 2023	9,493	-	-	(9,493)	-	11.86	11.86	(6)
2021 Grant - EAG	26 Feb 2021	28 Feb 2023	16,145	-	-	(16,145)	-	9.19	9.19	(12)
2021 Grant - EAG	26 Feb 2021	28 Feb 2024	16,181	-	(378)	(1,335)	14,468	9.19	9.19	(47)
2022 Grant - EAG	28 Feb 2022	28 Feb 2023	17,934	-	-	(17,934)	-	10.36	10.36	(30)
2022 Grant - EAG	28 Feb 2022	28 Feb 2024	17,934	-	(172)	(457)	17,305	10.36	10.36	(92)
2022 Grant - EAG	28 Feb 2022	28 Feb 2025	17,967	-	(326)	(306)	17,335	10.36	10.36	(61)
2023 Grant - EAG	28 Feb 2023	28 Feb 2024	-	27,115	(527)	(433)	26,155	9.31	9.31	(208)
2023 Grant - EAG	28 Feb 2023	28 Feb 2025	-	27,115	(743)	(217)	26,155	9.31	9.31	(104)
2023 Grant - EAG	28 Feb 2023	27 Feb 2026	-	27,120	(816)	(145)	26,159	9.31	9.31	(69)
			95,654	**81,350**	**(2,962)**	**(46,465)**	**127,577**			**(629)**
Total			**9,615,768**	**2,533,613**	**(1,948,912)**	**(3,051,222)**	**7,149,247**			**(20,500)**

The weighted average remaining contractual life of the above grants is 1.7 years (2022: 1.9 years).

1.6 Other expenses

(a) The (loss)/profit before income tax includes the following general office and administration items:

	Notes	2023 $'000	2022 $'000
Irrecoverable trade debtors written off		(923)	(361)
Credit loss allowances released to profit and loss		662	331
Business acquisition & divestments, integration and restructuring expenses		(4,100)	(9,810)
Office related expenses and business insurance premiums		(12,038)	(12,486)
Rental expense relating to short-term or low-value leases	2.3(e)	(186)	(175)
(Recognition)/release of onerous contracts		(514)	504
Release/(recognition) of provision for restructure	2.7(b)	169	(92)
Other operating expenses		(10,051)	(7,127)
Other non operating income		393	673
Realised and unrealised foreign exchange losses		(1,287)	(851)
Total general office and administration		**(27,875)**	**(29,394)**

(b) Remuneration of the auditors, Ernst & Young (2022: Deloitte Touche Tohmatsu), for services rendered are as follows:

	2023 $	2022 $
Auditors of the parent entity		
Fees for auditing the statutory financial report of the parent covering the group and auditing the statutory financial reports of any controlled entities	(844,625)	(655,367)
Fees for assurance services that are required by legislation to be provided by the auditor	(58,050)	(56,517)
Fees for other assurance and agreed-upon-procedures services under other legislation or contractual arrangements where there is discretion as to whether the service is provided by the auditor	(470,100)	(504,527)
Fees for other non-audit services[1]	(329,588)	(86,400)
Total audit fees to the parent entity	**(1,702,363)**	**(1,302,811)**
Overseas member firms of the parent entity auditor		
Fees for audit or review of the financial report of any controlled entities	(382,384)	(387,644)
Total audit fees to overseas member firms of the parent entity	**(382,384)**	**(387,644)**
Total auditor's remuneration of parent entity auditors	**(2,084,747)**	**(1,690,455)**

(1) Other non-audit services comprise tax compliance, workforce mobility and people services.

1.7 Amortisation, depreciation, derecognition and impairment

Amortisation and depreciation are calculated on a straight line basis over the expected useful life of the respective assets.

	Notes	2023 $'000	2022 $'000
Amortisation of intangible assets	2.1(a)	(27,045)	(16,084)
Depreciation of plant and equipment	2.2(a)	(10,001)	(10,345)
Depreciation of right-of-use assets	2.3(c)	(13,958)	(14,227)
Impairment of goodwill[1]	2.1(a)	(130,384)	-
Losses on the derecognition of intangible assets[2]	2.1(a)	(13,329)	(2,265)
Losses on the disposal of plant and equipment	2.2(a)	(416)	(523)
Gains on the disposal of right-of-use assets	2.3(e)	617	72
Gains on the fair value of lease right-of-use-asset and liabilities	2.3(e)	1,053	-
Gains/(losses) on the disposal of Investment		71	(24)
Total amortisation, depreciation, derecognition and impairment expense		**(193,392)**	**(43,396)**

(1) Impairment of goodwill relating to the UK CGU (Refer to Note 2.1).

(2) Derecognition of capitalised internally developed computer software and acquired other intangible assets (Refer to Note 2.1).

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2023

1.8 Notes to the Consolidated Statement of Cash Flows

(a) Cash and cash equivalents comprise cash at bank held in the following currencies, translated to Australian dollars:

	2023 $'000	2022 $'000
Australian Dollar	18,823	35,987
Euro	3,185	1,434
British Pound	5,808	9,628
United States Dollar	5,448	3,150
South African Rand	6,424	6,528
Other currencies	4,193	6,626
Total cash and cash equivalents	**43,881**	**63,353**

(b) Reconciliation of profit attributable to members of the parent entity to cash generated from operating activities:

	Notes	2023 $'000	2022 $'000
(Loss)/profit after income tax expense		(137,484)	52,672
Adjustment for non-cash and non-operating cash flow items			
Depreciation and amortisation	1.7	51,004	40,656
Net credit loss allowances reversed on trade receivables	2.5(c)	(662)	(331)
Net provision reversed on employee benefits		(297)	(1,300)
Net provision reversed on the onerous contracts	2.7(b)	(1,681)	(504)
Net provision (reversed)/recognised on other provisions	2.7(b)	(169)	92
Share-based payment expense	1.5(c)	20,500	18,747
Foreign exchanges losses		1,287	851
Amortisation of financing charges	3.1(d)	518	753
Gains on disposal of subsidiary	4.2	(17,592)	-
Losses on derecognition of intangible assets	2.1(a)	13,329	2,265
Losses on disposal of plant and equipment	2.2(a)	416	523
Gains on derecognition of right-of-use-assets and lease liabilities	2.3(e)	(617)	(72)
Gains on the fair value recognition of the right-of-use-assets and lease liabilities	2.3(e)	(1,053)	-
Impairment of goodwill	1.7	130,384	-
Interest recognised in relation to finance lease liability		-	14
Cash settled equity shares		(645)	-
Capitalisation of borrowing costs		-	(213)
Interest income		(11)	25
Interest expense		(39)	(811)
Change in working capital			
Decrease/(increase) in receivables and other assets		138	(10,237)
Increase in payables and other liabilities		5,462	7,989
Increase in provision for employee benefits		(535)	-
Decrease in tax balances		1,412	1,460
Net cash inflow generated from operating activities		**63,665**	**112,579**

Section 2. Core assets and working capital

2.1 Intangible assets

Intangible assets for the Group comprise goodwill arising from business combinations, customer relationships, computer software and other intangibles (mainly acquired databases and brands). Intangible assets with finite lives are carried at cost, less accumulated amortisation, and accumulated impairment losses.

Goodwill recognised arose from business combinations where the fair value of the consideration paid exceeded the fair value of the assets acquired. Goodwill is considered to have an indefinite life and is not amortised as it represents the synergistic benefits of bringing the businesses together.

Customer relationships, a proportion of computer software and other intangibles were acquired as part of business combinations. These intangible assets are initially recognised at their fair value at the acquisition date. The remainder of computer software was either separately acquired or developed internally, and recognised at cost. Subsequent to initial recognition, intangible assets other than goodwill and work-in-progress are amortised over the expected useful lives noted below.

Internally generated intangible assets are recognised where the cost of actual development can be reliably measured and clearly distinguished from research and ongoing operating and maintenance activities. These costs that are directly associated with the development of software are recognised where the following criteria are met:

- It is technically feasible to complete the software product so that it is available for use
- Management intends to complete the software product and use or licence it to customers, and there is adequate technical, financial, and other resources to complete the development
- There is an ability to use or licence the software product and it can be demonstrated how the product will generate future economic benefits
- The expenditure attributable to the software product during its development can be reliably measured.

The costs remain in work-in-progress during the development phase and are transferred to computer software when products are considered ready for their intended use. A significant percentage of software development within the Group occurs contemporaneously with the research phase and ongoing operating and maintenance activities in supporting core customer systems. As a result, the separation of the cost of development can be imprecise and difficult to reliably measure. Accordingly, where the expenditure related to the development activity cannot be reliably measured, the Group expends the amounts in the period they are incurred.

During the year, $14.1 million (2022: $19.9 million) of costs have been capitalised relating to internally generated computer software assets.

(a) Carrying value of intangible assets:

	Goodwill $'000	Customer relationships $'000	Computer software $'000	Other intangibles $'000	Work-in-progress $'000	Total $'000
As at 31 December 2022						
Cost	603,738	51,129	125,075	4,802	25,836	**810,580**
Accumulated amortisation	-	(27,673)	(57,295)	(614)	-	**(85,582)**
Net carrying value	**603,738**	**23,456**	**67,780**	**4,188**	**25,836**	**724,998**
Movement for the year						
Balance at 1 January 2022	622,481	28,603	74,464	1,723	15,344	**742,615**
Reclassified between asset classes[1]	-	-	5,142	2,615	(7,757)	**-**
Separately acquired	-	-	3	-	-	**3**
Internally generated development costs	-	-	-	-	19,900	**19,900**
Derecognition	-	-	(645)	-	(1,620)	**(2,265)**
Amortisation	-	(4,877)	(11,058)	(149)	-	**(16,084)**
Foreign currency translation	(18,743)	(270)	(126)	(1)	(31)	**(19,171)**
Balance at 31 December 2022	**603,738**	**23,456**	**67,780**	**4,188**	**25,836**	**724,998**
Expected useful life (years)	*Indefinite*	*5 to 15*	*2 to 20*	*2 to 20*	*Nil*	

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2023

2.1 Intangible assets (continued)

(a) Carrying value of intangible assets (continued):

	Goodwill $'000	Customer relationships $'000	Computer software $'000	Other intangibles $'000	Work-in-progress $'000	Total $'000
As at 31 December 2023						
Cost	481,050	46,620	102,716	1,540	16,943	**648,869**
Accumulated amortisation	-	(34,117)	(64,046)	-	-	**(98,163)**
Net carrying value	**481,050**	**12,503**	**38,670**	**1,540**	**16,943**	**550,706**
Movement for the year						
Balance at 1 January 2023	603,738	23,456	67,780	4,188	25,836	**724,998**
Disposal of subsidiary	(11,886)	-	(11,745)	(2,796)	(4,747)	**(31,174)**
Reclassified to assets held-for-sale	(1,572)	-	(6,581)	-	-	**(8,153)**
Reclassified between asset classes[1]	-	-	7,774	530	(8,304)	**-**
Internally generated development costs	-	-	-	-	14,059	**14,059**
Impairment of goodwill	(130,384)	-	-	-	-	**(130,384)**
Derecognition	-	-	(3,170)	-	(10,159)	**(13,329)**
Amortisation	-	(11,174)	(15,489)	(382)	-	**(27,045)**
Foreign currency translation	21,154	221	101	-	258	**21,734**
Balance at 31 December 2023	**481,050**	**12,503**	**38,670**	**1,540**	**16,943**	**550,706**
Expected useful life (years)	*Indefinite*	*3 to 10*	*1 to 10*	*1 to 10*	*Nil*	

(1) Transfer of capitalised internally generated software when products were considered ready for their intended use.

(b) Review of expected useful life for finite life intangible assets

Intangible assets with finite life are reviewed for expected useful life annually, or whenever events or changes in circumstances indicate that the expected useful life needs to be adjusted.

A review of the Group's intangible assets during the year ended 31 December 2023 resulted in the derecognition of capitalised internally-developed and acquired computer software assets with a carrying value of $13.3 million (2022: $2.3 million) as these were no longer expected to be utilised in the Group's operations. In addition, the Group has re-estimated the useful lives of certain computer software assets and customer relationship intangibles to align with updated strategies and expectations for the related business areas, resulting in additional amortisation expense of approximately $13.0 million being recognised in the 2023 financial year (as compared to the amortisation expense that would have been recognised if calculated using previous useful life estimates).

(c) Impairment testing for goodwill

Goodwill is tested for impairment annually, or more frequently when indicators of impairment are identified. In testing for impairment, the carrying amount of each Cash Generating Unit (CGU) is compared against the recoverable amount.

Group restructure and reassessment of CGUs from 1 July 2023

In April 2023, the Group announced its intention to implement a restructure of its operating segments for management reporting purposes, effective from 1 July 2023. The revised segments comprise APAC Wealth Management (also a CGU), APAC Trading & Global Market Data (comprising the Trading & Market Data and International Market Data CGUs), Superannuation (also a CGU), Managed Portfolio – UK (comprising the UK and UK Mortgages CGUs) and Managed Portfolio – Other (comprising the South Africa, Canada, Managed Fund Administration (MFA) and Platforms CGUs). The cash flow forecasts for each CGU were revised in line with the strategy review.

The separation of the MFA and Platforms CGUs from the APAC Wealth Management operating segment to the Managed Portfolio – Other segment resulted in the attribution of goodwill to MFA of $11.9 million and to Platforms of $1.6 million, calculated on a relative fair value basis, and a reduction in the remaining carrying value of the Wealth Management CGU by these amounts. The goodwill attributable to the MFA CGU of $11.9 million has subsequently been derecognised by the Group as part of the sale of the subsidiary completed on 1 October 2023 (refer to Note 4.2). The goodwill attributable to the Platforms CGU of $1.6 million has been recognised by the Group within assets held-for-sale at 31 December 2023 (refer to Note 4.3).

Impairment assessment at 30 June 2023

The revision of cash flow forecasts at 30 June 2023 as a result of the Group restructure was assessed as an indicator of impairment. Accordingly, the Group undertook an impairment assessment at 30 June 2023 on the pre-restructure CGUs. This assessment resulted in impairment of goodwill within the UK CGU of $130.4 million (£70.1 million) which reduced the carrying value of the UK CGU to its assessed recoverable amount, determined utilising a fair value less costs of disposal approach. The fair value less costs of disposal determined was calculated using discounted cash flow (DCF) projections over five years and was considered to be Level 3 in the fair value hierarchy. Key inputs utilised in determining the fair value less costs of disposal in the UK CGU at 30 June 2023 were a revenue cumulative annual growth rate for the five year forecast period of 7.1%, a post-tax discount rate of 9.7% and a long-term growth rate of 2.0%.

Impairment assessment at 31 December 2023

Each of the post-restructure CGUs was tested for impairment at 31 December 2023. The recoverable amount of all CGUs was determined as fair value less cost of disposal, using a DCF approach. The fair value less costs of disposal DCF approach:

- Utilises post-tax cash flow projections based on the most recent five-year financial plan. These cash flow projections include estimated benefits to be delivered from ongoing post-restructure transformation activities taking place over the forecast period.
- Is discounted at an appropriate after-tax discount rate, taking into account an assessed weighted average cost of capital adjusted for any risks specific to the CGU.
- Applies a terminal growth rate to year 5 earnings. Terminal growth rates are based on estimates of long term inflation and nominal GDP growth in the country in which the CGU primarily operates.
- Deducts estimated disposal costs from the recoverable amount determined.

The fair value less costs of disposal determined is compared to the carrying amount of the CGU which includes directly attributable assets of each CGU and an allocation of corporate assets. The valuation is considered to be Level 3 in the fair value hierarchy due to unobservable inputs used in the valuation.

Allocation of goodwill to each relevant cash-generating unit and assumptions applied in calculating the recoverable amounts of the goodwill in testing for impairment:

	Allocated Goodwill		Post-Tax Discount Rates		Long Term Growth Rates	
Cash generating unit	**2023 $'000**	**2022 $'000**	**2023 %**	**2022 %**	**2023 %**	**2022 %**
APAC Wealth Management	117,264	130,864	9.4	9.2	2.5	3.0
APAC Trading & Market Data	43,662	42,727	9.4	9.2	2.5	3.0
International Market Data	5,458	5,293	9.0	8.4	2.0	2.5
Superannuation[1]	-	-	9.4	-	2.5	-
UK	204,168	318,106	9.7	9.5	2.0	3.0
UK Mortgages	82,402	78,171	9.7	9.0	2.0	3.0
South Africa	12,854	13,534	17.9	18.1	5.0	5.0
Canada	15,242	15,043	9.4	9.8	2.0	2.5
Total goodwill	**481,050**	**603,738**				

(1) Not tested for impairment in the comparative period.

Significant estimates made

The cash flow projections used in the impairment test are made with consideration to other available information and estimations including actual performance to date, discount rates, assumptions around future performance and expected revenue and cost growth.

The Group considered the impact of climate change on the cash flow projections included in the value-in-use models and concluded that based on current expectations, facts and circumstances, there were no significant impacts to the projected cash flows.

Sensitivity to changes in assumptions

Management is of the view that reasonably possible changes in the key assumptions, such as an increase to the discount rate of 1% or a reduction in cash flow of 10%, would not cause the recoverable amount for the APAC Wealth Management, APAC Trading & Market Data, International Market Data, UK Mortgages, South Africa or Canada CGUs to fall short of their respective carrying amounts as at 31 December 2023. However, an increase to the discount rate of 1% or a reduction in cash flow of 10% would cause the recoverable amount for the UK CGU and Superannuation CGU to fall short of their respective carrying amounts at 31 December 2023.

The recoverable amount of the UK CGU at 31 December 2023 is $226.8 million and current headroom is $6.3 million (30 June 2023: $Nil headroom). For the estimated recoverable amount of the goodwill attributable to the UK CGU to be equal to its carrying amount, the post-tax discount rate would have to increase to 9.88%, or the projected cash flows would need to reduce by 1.39%.

The current headroom for the Superannuation CGU is $1.3 million (2022: $42.4 million). For the estimated recoverable amount of the Superannuation CGU to be equal to its carrying amount, the post-tax discount rate would have to increase to 9.51%, or the projected cash flows would need to reduce by 0.16%.

Apart from the impairment of goodwill in relation to the UK CGU of $130.4 million at 30 June 2023, there has been no further impairment of goodwill during the year ended 31 December 2023. The carrying values of goodwill in relation to CGUs based outside of Australia have been translated to Australian dollars using the 31 December spot exchange rates for the respective foreign currencies.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2023

2.2 Plant and equipment

Plant and equipment are carried at cost, less accumulated depreciation, and any impairment losses.

The estimated useful lives, residual values, and depreciation method are reviewed at the end of each annual reporting period.

The depreciation charge for each period is recognised in profit or loss.

(a) Carrying value of plant and equipment

	Leasehold improvement $'000	Furniture & fittings $'000	Office equipment $'000	Computer equipment $'000	Work-in-progress $'000	Total $'000
As at 31 December 2022						
Cost	17,870	14,761	1,875	54,353	-	88,859
Accumulated depreciation	(8,413)	(9,438)	(1,412)	(41,077)	-	(60,340)
Net carrying value	**9,457**	**5,323**	**463**	**13,276**	**-**	**28,519**
Movement for the year						
Balance at 1 January 2022	11,527	6,954	618	12,969	-	32,068
Separately acquired	948	204	36	6,518	-	7,706
Derecognition	(438)	(126)	(12)	-	-	(576)
Depreciation	(2,377)	(1,612)	(180)	(6,176)	-	(10,345)
Foreign currency translation	(203)	(97)	1	(35)	-	(334)
Balance at 31 December 2022	**9,457**	**5,323**	**463**	**13,276**	**-**	**28,519**
Expected useful life (years)	*3 to 10*	*3 to 10*	*3 to 5*	*3 to 5*	*Nil*	

	Leasehold improvement $'000	Furniture & fittings $'000	Office equipment $'000	Computer equipment $'000	Work-in-progress $'000	Total $'000
As at 31 December 2023						
Cost	18,224	14,622	1,874	58,807	-	93,527
Accumulated depreciation	(10,540)	(10,780)	(1,550)	(46,793)	-	(69,663)
Net carrying value	**7,684**	**3,842**	**324**	**12,014**	**-**	**23,864**
Movement for the year						
Balance at 1 January 2023	9,457	5,323	463	13,276	-	28,519
Disposal of subsidiary	-	-	(1)	(6)	-	(7)
Reclassified between asset classes[1]	592	-	-	-	(592)	-
Separately acquired	115	2	5	4,655	592	5,369
Derecognition	(278)	(125)	-	(12)	-	(415)
Depreciation	(2,291)	(1,413)	(143)	(6,154)	-	(10,001)
Foreign currency translation	89	55	-	255	-	399
Balance at 31 December 2023	**7,684**	**3,842**	**324**	**12,014**	**-**	**23,864**
Expected useful life (years)	*3 to 10*	*3 to 10*	*3 to 5*	*3 to 8*	*Nil*	

(1) Work-in-progress assets are transferred to plant and equipment asset classes as they are brought into use.

(b) Plant and equipment pledged as security

The Group does not have any plant and equipment pledged to secure borrowings of the Group.

2.3 Leases

(a) Summary of leasing amounts recognised in the Statement of Profit or Loss and Statement of Cash Flows:

(i) Contractual lease payments and amounts recognised in the Statement of Profit or Loss

	Notes	2023 $'000	2022 $'000
Contractual rental payments	2.3(a)(ii)	(19,028)	(17,592)
Depreciation expense on right-of-use assets	2.3(c)	(13,958)	(14,227)
Interest expense on lease liabilities	2.3(e)	(1,924)	(2,323)

(ii) Total cash flow relating to leases recognised in the Statement of Cash Flows

	2023 $'000	2022 $'000
Settlement of lease liabilities	(17,104)	(15,283)
Interest expense on lease liabilities	(1,924)	(2,309)
Total cash outflows for leases	**(19,028)**	**(17,592)**

(b) Iress Group lease portfolio

The Group leases real estate in the ordinary course of its business. The Group's real estate leases comprise office building leases in the countries the Group operates in.

The Group's regional lease portfolio:

Region	Lease characteristic features
Australia	The Group leases office buildings in a number of Australian cities, with the most significant being the head office in Melbourne and an office in Sydney. The non-cancellable period of the leases range from two to twelve years with variable options to extend the lease terms. The lease payments are adjusted every year, based on contractual fixed percentage increases, and in certain instances, additionally increased by the prevailing consumer price index (CPI) at the lease review date.
South Africa	The Group leases office buildings in South Africa. The non-cancellable period of these leases range from two to seven years with options to extend the lease terms up to five years. The lease payments are adjusted every year by a fixed percentage increase at the lease review date.
United Kingdom	The Group leases office buildings in the UK. The non-cancellable period of these leases range from five to ten years. The lease payments are fixed with no increases over the lease terms.
Other	The Group leases other office buildings in other countries. The non-cancellable period of these leases range from three to ten years. The lease payments are fixed with no increases over the lease terms.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2023

2.3 Leases (continued)

(b) Iress Group lease portfolio (continued)

(i) Group as a lessee

Right-of-use asset

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset – or to restore the underlying asset or the site on which it is located–less any lease incentives received.

The right-of-use asset is separately disclosed in the Consolidated Statement of Financial Position.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to either the earlier of the end of the useful life of the right-of-use asset, or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Lease liability

The lease liability is initially measured at the present value of the lease payments not paid at the commencement date, discounted using the interest rate implicit in the lease, or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group's average incremental borrowing rate used is 3.79% (2022: 4.23%).

Lease payments included in the measurement of the lease liability include:

- fixed payments, including in-substance fixed payments less any lease incentives receivable
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option
- payment of penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is separately disclosed in the Consolidated Statement of Financial Position. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the expected payable amount under a residual value guarantee, or, if the Group changes its assessment of whether it will exercise a purchase, extension, or termination option.

When the lease liability is remeasured in this way, either a corresponding adjustment is made to the carrying amount of the right-of-use asset, or, it is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of office and information technology equipment with a lease term of 12 months or less, or for leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis, over the lease term.

(ii) Group as a lessor

When the Group acts as a lessor–generally when it subleases property on which it has entered a head lease as a lessee–it determines at the sublease inception whether each sublease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease. If not, then it is accounted for as an operating lease. As part of this assessment, the Group considers certain indicators, such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The Group assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease. If an arrangement contains a lease and non-lease component, the Group applies AASB 15 *Revenue from Contracts with Customers* to allocate the consideration in the contract.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of non-operating income.

(c) Carrying value of right-of-use assets

The Group's right-of-use assets comprise real estate. Right-of-use assets have finite lives and are carried at cost less accumulated depreciation.

Carrying value of right-of-use assets:

	2023 $'000	2022 $'000
Cost	111,159	119,233
Accumulated depreciation	(60,878)	(58,595)
Net carrying value	**50,281**	**60,638**
Movement for the year		
Balance at beginning of the year	60,638	77,737
New leases entered into contract	3,584	834
Disposal of right-of use assets for early termination	(1,700)	(2,744)
Fair value adjustments for modified leases	839	366
Depreciation	(13,958)	(14,227)
Foreign currency translation	878	(1,328)
Balance at end of the year	**50,281**	**60,638**
Expected useful life (years)	*1 to 12*	*2 to 12*

(d) Lease liabilities

(i) Lease liabilities included in the Statement of Financial Position at the end of the period:

	2023 $'000	2022 $'000
Current	(14,141)	(15,447)
Non-current	(45,254)	(58,880)
Total	**(59,395)**	**(74,327)**

The Group's liquidity risk with regard to its lease liabilities is managed by the inclusion of lease liability cash flows in the cash flow forecasts regularly monitored by the Group in line with the Group's treasury policy.

(ii) Reconciliation of the movement of the lease liabilities:

	2023 $'000	2022 $'000
Balance at beginning of the year	(74,327)	(92,854)
Lease liabilities raised from the negotiation of new lease contracts	(3,581)	(834)
Lease liabilities reversed from early termination of lease contracts	1,921	2,816
Lease liabilities reversed during the year	396	-
Lease liabilities reversed/(raised) from changes in subsequent lease payments	214	(366)
Lease liabilities raised due to the timing of interest payment	-	(14)
Settlement of lease liabilities	17,104	15,283
Foreign currency translation	(1,122)	1,642
Balance at end of the year	**(59,395)**	**(74,327)**

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2023

2.3 Leases (continued)

(d) Lease liabilities (continued)

(iii) Maturity analysis – contractual undiscounted cash flows:

	2023 $'000	2022 $'000
Less than one year	15,901	17,687
More than one year and not more than five years	41,703	52,872
More than five years	5,295	9,722
Total undiscounted lease liabilities at the end of the period	**62,899**	**80,281**

(e) Amounts recognised in the Statement of Profit or Loss and Other Comprehensive Income

	Notes	2023 $'000	2022 $'000
Depreciation expense on right-of-use assets	1.7	(13,958)	(14,227)
Interest expense on lease liabilities	3.1(d)	(1,924)	(2,323)
Expenses relating to short term or low value assets leases	1.6(a)	(186)	(175)
Gain on the fair value recognition of the right-of-use-assets and lease liabilities as a result of incremental lease payments		1,053	-
Gain on the de-recognition of right-of-use assets and lease liabilities		617	72
Income from the sub-leasing of right-of-use assets		236	213

(f) Operating lease arrangements

Operating leases, in which the Group is the lessor, relate to sub-leased office buildings.

During the year, the Canadian office entered into a sublease arrangement for which the Group is the lessee under a head lease arrangement.

The cash outflows relating to the head leases on these buildings are included in the amounts disclosed in Note 2.3(e) above.

2.4 Derivative financial instruments

(a) Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Group has both a legally enforceable right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

(b) Hedge accounting

The Group designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- There is an economic relationship between the hedged item and the hedging instrument.
- The effect of credit risk does not dominate the value changes that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again. The Group designates the full change in the fair value of a forward contract (i.e. including the forward elements) as the hedging instrument for all of its hedging relationships involving forward contracts.

(c) Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'other gains and losses' line item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect other comprehensive income. Furthermore, if the Group expects that some or all of the loss accumulated in the cash flow hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognised in other comprehensive income and accumulated in cash flow hedge reserve at that time remains in equity and is reclassified to profit or loss when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in the cash flow hedge reserve is reclassified immediately to profit or loss.

(d) Forward exchange contracts

The Group pays certain suppliers in US Dollars (USD). In order to protect against exchange rate movements, the Group entered into forward exchange contracts to purchase USD through the financial year.

Forward currency contracts mature when expected payments are scheduled to be made. These derivatives have met the requirements to qualify for hedge accounting with movements recorded in other comprehensive income accordingly. The purchases took place evenly throughout the financial year at which time the amount deferred in equity was removed from equity and included in 'Communication and other technology expenses' in the Consolidated Statement of Profit or Loss.

At 31 December 2023, there are no outstanding contracts that are hedging highly probable forecasted supplier payments where the contract notional value is forecast to total less than the expected payments for the same period.

(i) Foreign currency contracts

	2023 $'000	2022 $'000
– Carrying amount	-	(150)
– Notional amount	-	14,606

(ii) Movement in foreign exchange contracts gains/(losses):

	2023 $'000	2022 $'000
Hedging recognised in Other Comprehensive Income (OCI)	150	(150)

As at 31 December 2023, the aggregate amount of gains under foreign exchange forward contracts deferred in the cash flow hedge reserve relating to these anticipated future purchase transactions is $Nil (2022: (AUD0.2 million)).

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2023

2.5 Receivables and other assets

Trade receivables arise from revenue billed, but not yet settled by the customer.

Revenue arises from providing access to Iress software, rendering of services, or recharging for access to capital markets data. Revenue is measured at the fair value of the consideration received or receivable.

Revenue is recognised over time as the relevant performance obligations identified in a customer contract are satisfied.

Refer to Note 1.3 for further details of revenue recognition.

Where revenue recognised exceeds billings, it results in a contract asset (refer to Note 2.5(a)), and where cash amounts are received in advance of revenue recognition, it results in a contract liability (refer to Note 1.3(b)).

Iress' credit terms are generally 30 days from the date of invoice. Therefore, the carrying amount of receivables approximates their fair value.

(a) Receivables and other assets

	Notes	2023 $'000	2022 $'000
Trade receivables	2.5(b)	28,090	34,800
Credit loss allowance	2.5(b)	(280)	(923)
Total receivables net of credit loss allowances		**27,810**	**33,877**
Contract assets	1.3(b)	7,506	12,304
Prepayments		33,749	30,059
Deposits		6,331	1,527
Financial assets at fair value through profit or loss		526	456
GST/VAT receivables		2,771	1,603
Other assets		4,304	3,835
Total receivables and other assets		**82,997**	**83,661**

Included within other assets are financial assets categorised at fair value through profit or loss. Iress has assessed its investments held at fair value through profit and loss and these investments are held for trading, where they are acquired for the purpose of selling in the short term with an intention of making a profit.

These investments primarily comprise holdings in ASX listed equities that are held for operational purposes. Regular purchase and sales of investments are recognised on trade date, the date on which Iress commits to purchase or sell the asset. Investments are initially recognised at fair value with any transaction costs expensed through the statement of profit and loss and other comprehensive income. Subsequent movements in fair value of financial assets are recognised in the statement of profit and loss and other comprehensive income. These instruments—categorised as Level 1 in the Fair Value Hierarchy—are valued using the quoted price in active markets.

(b) Credit Loss Allowance

The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

Expected credit losses are measured by grouping trade receivables and contract assets, based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts.

A provision matrix is then determined based on the historic credit loss rate for each group of customers, adjusted for any material expected changes to the future credit risk for that customer group.

The credit loss allowance as at 31 December 2022 is determined as follows:

Provision matrix As at 31 December 2022	APAC	UK & Europe	Africa	North America
1 to 30 days	0.1%	0.9%	0.4%	0.2%
31 to 60 days	0.2%	2.0%	2.7%	0.3%
61 to 90 days	0.6%	10.0%	7.9%	0.4%
Over 90 days	0.6%	11.1%	8.6%	0.4%
Contract assets	0.0%	0.2%	0.1%	0.1%

Ageing of receivables As at 31 December 2022	APAC $'000	UK & Europe $'000	Africa $'000	North America $'000	Group $'000
1 to 30 days	18,169	10,023	1,930	701	**30,823**
31 to 60 days	1,919	272	151	35	**2,377**
61 to 90 days	427	61	-	-	**488**
Over 90 days	352	732	19	9	**1,112**
Total trade receivables	**20,867**	**11,088**	**2,100**	**745**	**34,800**
Contract assets	6,240	5,714	350	-	**12,304**
Allowance based on historic credit losses	25	212	13	1	**251**
Adjustment for expected changes in credit risk[1]	291	314	11	56	**672**
Credit loss allowance	**316**	**526**	**24**	**57**	**923**

(1) Adjustment to reflect the higher credit risk and probability of default relating to customers that have amounts owing including invoices that are over 90 days past due.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2023

2.5 Receivables and other assets (continued)

(b) Credit Loss Allowance (continued)

The credit loss allowance as at 31 December 2023 is determined as follows:

Provision matrix As at 31 December 2023	APAC	UK & Europe	Africa	North America
1 to 30 days	0.1%	0.7%	0.7%	0.4%
31 to 60 days	0.1%	2.0%	2.8%	0.7%
61 to 90 days	0.1%	4.0%	5.3%	1.0%
Over 90 days	0.1%	4.2%	5.6%	1.0%
Contract assets	0.0%	0.2%	0.1%	0.1%

Ageing of receivables As at 31 December 2023	APAC $'000	UK & Europe $'000	Africa $'000	North America $'000	Group $'000
1 to 30 days	13,704	7,428	1,161	768	**23,061**
31 to 60 days	1,707	552	213	5	**2,477**
61 to 90 days	300	158	-	17	**475**
Over 90 days	1,265	573	101	138	**2,077**
Total trade receivables	**16,976**	**8,711**	**1,475**	**928**	**28,090**
Contract assets	3,646	3,434	426	-	**7,506**
Allowance based on historic credit losses	50	154	27	17	**248**
Adjustment for expected changes in credit risk[1]	57	(33)	19	(11)	**32**
Credit loss allowance	**107**	**121**	**46**	**6**	**280**

(1) Adjustment to reflect the higher credit risk and probability of default relating to customers that have amounts owing including invoices that are over 90 days past due.

Significant estimate made

The adjustment for material expected changes to credit risk for each client group requires judgement about future events and, therefore, a significant increase in actual credit losses from that expected would lead to a significant impact on financial performance.

(c) Movement in credit loss allowance

	Notes	2023 $'000	2022 $'000
Balance at the beginning of the year		(923)	(1,248)
Credit loss allowances recognised during the year		(261)	(30)
Credit loss allowance utilised during the year against irrecoverable trade debtors		923	361
Foreign currency translation		(19)	(6)
Balance at the end of the year	2.5(a)	**(280)**	**(923)**

2.6 Payables and other liabilities

Payables and other liabilities are initially measured at fair value. Subsequent to initial measurement, these are recognised at amortised cost.

Liabilities are classified as current where Iress does not have an unconditional right to defer settlement beyond 12 months.

Contract liabilities represent amounts received from customers for which revenue has not been earned or recognised.

Finance arrangements relate to the acquisition of software licences.

Due to the short-term nature of current liabilities, the carrying amount approximates their fair value.

	Notes	2023 $'000	2022 $'000
Current			
Trade payables		(8,747)	(15,814)
General accruals[1]		(7,060)	(7,458)
Goods and services received but not invoiced accruals[1]		(15,696)	(8,032)
Royalties accruals[1]		(5,387)	(4,341)
Facilities related accruals[1]		(743)	(996)
Audit fee accruals		(590)	(687)
Taxation accruals		(182)	(205)
Contract liabilities	1.3(b)	(16,482)	(17,201)
GST/VAT payable		(5,676)	(4,921)
Employee related liabilities		(10,360)	(8,234)
Dividend payable		(78)	(127)
Accrued interest		(11)	-
Accrued interest on loans		(1,183)	(1,196)
Other liabilities		(2,271)	(749)
Total current payables and other liabilities		**(74,466)**	**(69,961)**

(1) Prior year reclassifications of accruals related to goods and services received but not invoiced, royalties and facilities previously disclosed as general accruals.

The Group's exposure to foreign currency risk arising from translating payables, and other liabilities to the Group's functional currency, is considered to be insignificant. The exposure is monitored on a net working capital basis, refer to Note 3.3.

Liquidity risk arises from current payables, and other liabilities, payable in less than one year. The Group manages this liquidity risk by maintaining sufficient cash and current assets to meet the contractual obligations as they arise.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2023

2.7 Provisions

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

Employee benefits mainly comprise annual and long service leave entitlements in Australia, bonuses, superannuation and other benefits. The annual leave liability is measured as current leave accrued multiplied by current salary plus statutory charges. The amount of long service leave reflected as a current provision is that relating to employees who have reached the statutory length of service required to either take the leave or for it to be paid out on departure from the Group.

Onerous contracts represent the expected losses on non-cancellable property lease commitments no longer utilised by the Group. The amount provided for in the prior comparative year represented the present value of the future expected expenses to be incurred in relation to the leased premises over the remaining lease term.

(a) Provisions as at the end of the year include:

	2023 $'000	2022 $'000
Current provisions		
Employee benefits	(17,295)	(19,735)
Onerous contracts	-	(1,568)
Other provisions	-	(155)
Total current provisions	**(17,295)**	**(21,458)**
Non-current provisions		
Employee benefits	(1,299)	(2,463)
Total non-current provisions	**(1,299)**	**(2,463)**
Total provisions	**(18,594)**	**(23,921)**

(b) Movements in the carrying value of provisions

As at 31 December 2022	Employee benefits $'000	Deferred consideration $'000	Onerous loss provision $'000	Other provisions $'000	Total $'000
Balance at 1 January 2022	**(21,107)**	**(4,400)**	**(2,171)**	**(60)**	**(27,738)**
Provision reversed/(raised) during the year	(1,088)	-	504	(92)	**(676)**
Provision utilised during the year	-	4,400	-	-	**4,400**
Foreign currency translation	(3)	-	99	(3)	**93**
Balance at 31 December 2022	**(22,198)**	**-**	**(1,568)**	**(155)**	**(23,921)**
As at 31 December 2023					
Balance at 1 January 2023	(22,198)	-	(1,568)	(155)	**(23,921)**
Disposal of subsidiary	2,194	-	-	-	**2,194**
Reclassified to assets held-for-sale	909	-	-	-	**909**
Provision reversed/(raised) during the year	519	-	1,681	169	**2,369**
Foreign currency translation	(18)	-	(113)	(14)	**(145)**
Balance at 31 December 2023	**(18,594)**	**-**	**-**	**-**	**(18,594)**

2.8 Commitments and contingencies

(a) Capital commitments

As at 31 December 2023, no capital expenditure has been contracted or provided for (2022: $Nil).

(b) Contingencies

The Iress Group is currently undertaking a significant multi-year transformation with the assistance and guidance of specialist consultants through the 2023 and 2024 years. The fees payable to the consultants are aligned to the growth of the business and contingent on achieving growth outcomes up to a maximum potential payment of $20 million, which would be payable in the second half of 2025. For the maximum payment to be satisfied, the Group's Adjusted EBITDA is required to be approximately $161 million to $171 million, a 52% to 62% increase from the 2023 level, using an annualised run rate calculation period in the first half of 2025. No amounts have been recorded in relation to the contingent fees at 31 December 2023.

Section 3. Debt facilities, derivatives and equity

3.1 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any gains or losses are recognised in the Statement of Profit or Loss in the event the borrowings are derecognised.

On 7 June 2023, Iress entered into an agreement with one of its existing lenders for a new two-year $50 million multi-currency facility, increasing the total amount of unsecured floating rate bank facilities to $400 million.

(a) Borrowings held by the Group

	Borrowings at fair value[1]		Borrowings at carrying value	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Non-current				
$50 million bank facility to June 2025				
AUD	18,000	-	18,000	-
EUR	30,007	-	30,007	-
$350 million bank facilities to October 2025				
AUD	117,000	171,000	117,000	171,000
GBP	61,688	58,520	61,688	58,520
EUR	24,330	52,689	24,330	52,689
£60.5 million fixed rate notes to May 2029				
GBP	100,970	97,661	113,093	107,288
Total amount drawn	**351,995**	**379,870**	**364,118**	**389,497**
Borrowing costs capitalised	(555)	(1,073)	(555)	(1,073)
Total borrowings	**351,440**	**378,797**	**363,563**	**388,424**

(1) The fair value of the fixed rate notes is a Level 2 measurement in the fair value hierarchy. Level 2 fair value measurements are derived from inputs, rather than directly quoted prices for an identical asset or liability in an active market. The inputs are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) and applied within the valuation technique.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2023

3.1 Borrowings (continued)

(a) Borrowings held by the Group (continued)

The bank facilities allow multi-currency drawdowns and are at variable interest rates based on BBSY, SONIA and EURIBOR benchmark rates plus a market margin. Amounts can be repaid at the discretion of the Group. Therefore, the amounts drawn approximate their fair value. The borrowings are unsecured, and the Group has complied with the financial covenants of its borrowing facilities during the year.

In addition, there is a $15 million (2022: $15 million) revolving capital and contingent instruments facility used for any bank guarantees, letters of credit or similar instruments required by the Group. As at 31 December 2023, $7.1 million (2022: $6.5 million) was utilised.

(b) Reconciliation of the movement in borrowings to the financing cash flows:

	2023 $'000	2022 $'000
Balance at beginning of the year	388,424	296,530
Proceeds from borrowings	114,471	369,850
Repayments of borrowings	(150,471)	(270,704)
Net borrowing costs amortised	518	541
Foreign exchange rate movements	10,621	(7,793)
Balance at end of the year	**363,563**	**388,424**

(c) Contractual maturity analysis

Contractual cash outflow maturity analysis is shown based on undiscounted cash flows. An estimate, based on forward interest rates and foreign currency rates, has been applied in determining interest and foreign cash outflows and inflows. The actual contractual outflow may vary to the amounts disclosed.

31 December 2022 Outflows/(inflows)	Within 1 year $'000	1-3 years $'000	Greater than 3 years $'000
Total borrowings drawn	-	281,939	106,485
Interest on borrowings	9,633	10,881	8,625

31 December 2023 Outflows/(inflows)	Within 1 year $'000	1-3 years $'000	Greater than 3 years $'000
Total borrowings drawn	-	251,025	113,094
Interest on borrowings	19,642	19,795	9,047

(d) Interest expense and financing costs

Interest expenses are recognised using the effective interest rate method. Interest expense includes exchange differences arising from foreign currency borrowings to the extent they are regarded as adjustments to interest costs.

	Notes	2023 $'000	2022 $'000
Interest income		1,928	1,007
Interest expense		(21,267)	(10,622)
Other financing costs comprising:			
Interest expense of lease liabilities	2.3(e)	(1,924)	(2,323)
Amortisation of borrowing costs		(518)	(753)
Net interest expense and financing costs		**(21,781)**	**(12,691)**

3.2 Issued capital

On 1 March 2023, Iress issued 2,207,000 shares to fund the vesting of equity rights to executives and the issue of deferred shares to selected employees for nil consideration.

Ordinary shares outstanding at the end of the year:

	Amount		Number of shares	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Balance at the beginning of the year	**419,065**	**493,883**	**184,582**	**189,628**
New shares issued to employees in relation to employee share schemes	-	-	2,207	-
Shares purchased and issued to employees in relation to employee share schemes[1]	-	(22,957)	-	-
On-market share buy-back[1]	-	(52,255)	-	(5,046)
Shares issued under employee Share Purchase Plan	278	394	-	-
	419,343	419,065	186,789	184,582
Less Treasury Shares[2]	-	-	(6,467)	(3,381)
Balance at the end of the year	**419,343**	**419,065**	**180,322**	**181,201**

(1) Shares issued during the year net of issue cost and tax.

(2) Treasury shares represent unvested and unallocated or allocated shares held by the Employee Share Trust.

3.3 Managing financial risks

(a) Market risks

Interest rate risk

The Group's exposure to interest rate risk mainly arises from its variable rate borrowings.

An increase in the benchmark interest rates of 50 basis points (0.5%) , with all other factors held constant, would result in an increase in the annual interest cost of the Group of $1.8 million (2022: $1.9 million).

Foreign currency risk

GBP and EUR borrowings have limited foreign currency risk to the Group because they are either drawn down by entities with the same functional currency or by the way they have been structured.

The Group is exposed to foreign currency transaction risk mainly from payment to certain suppliers in USD and intercompany balances denominated in foreign currency. Additional foreign currency risk arises from cash balances, receivables and payables held within each subsidiary but denominated in a currency different to the functional currency of that subsidiary.

The material exposure to foreign currency movements arising from foreign currency working capital balances held within the Group includes:

	2023 '000	2022 '000
Working capital denominated in foreign currency		
GBP	7,909	2,404
USD	1,809	(1,049)
ZAR	42,775	29,414

	2023 '000	2022 '000
AUD impact on profit or loss of a 1% increase in foreign currency rates		
GBP	148	43
USD	27	(15)
ZAR	34	25

The above excludes the exposure of the Group from translating its foreign operations to the Group presentation currency.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2023

3.3 Managing financial risks (continued)

(b) Capital risk

The Group manages its capital to ensure it will be able to continue as a going concern while maximising the return to shareholders. In order to maintain an optimal capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group is not subject to any significant regulatory capital requirements.

Management reviews the capital structure of the Group on a regular basis. As part of this review, the cost of capital and the risks associated with each class of capital is considered as well as the impact on the Group's available debt facilities (refer to Note 3.1) and associated leverage.

(c) Liquidity risk

Liquidity risk is the risk that the Iress Group will not be able to meet its financial obligations as they fall due. The Group generally processes trade creditor payments in accordance with the supplier's trading terms. All trade and other payables are payable within one year. The Group has no other exposure to liquidity risk. Liquidity risk is proactively managed by regularly assessing working capital requirements and monitoring cash flows.

The Group maintains sufficient cash and working capital in order to meet future obligations and statutory regulatory capital requirements. This assessment has been confirmed after considering the present and uncertain future impacts on the Group's financial position and estimated cash flows.

Maturities of financial liabilities

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

31 December 2022	Within 1 year $'000	1-3 years $'000	Greater than 3 years $'000	Contractual cash flows $'000	Carrying amount of liabilities $'000
Payables and other liabilities	69,961	-	-	**69,961**	69,961
Lease liabilities	17,687	52,872	9,722	**80,281**	74,327
Borrowings	-	281,939	106,485	**388,424**	388,424

31 December 2023	Within 1 year $'000	1-3 years $'000	Greater than 3 years $'000	Contractual cash flows $'000	Carrying amount of liabilities $'000
Payables and other liabilities	74,466	-	-	**74,466**	74,466
Lease liabilities	15,901	41,703	5,295	**62,899**	59,395
Borrowings	-	251,025	113,094	**364,119**	363,563

(d) Credit risk

Other than those financial assets whose carrying amounts best represent the maximum exposure to credit risk, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the statement of financial position.

Bank balances

The credit risks on balances of bank deposits are limited because counterparties are subject to minimum credit ratings assigned by international credit-rating agencies.

Trade receivables

As trade receivables comprises a widespread customer base, there is no concentration of credit risk. The Group undertakes ongoing credit evaluations of the financial condition of their customers. The Group does not consider there to be any significant credit risk that has not been insured or adequately provided for.

The Group's credit policy requires customers to pay within 30 days from the date of invoice. No interest is charged on the outstanding trade receivables balance nor does the Company hold any collateral or insurance over these trade debtors' balances.

Trade receivables are not impaired unless the Group becomes aware of any objective evidence that the receivable may be impaired. The Group actively engages with customers to realise the payment of invoices remaining outstanding after contractual due dates. A credit loss allowance is recognised where the Company has identified objective evidence that an amount owing may not be recoverable, such as the observed financial difficulty of a customer, or the Group has identified a risk of expected credit losses based on a historical trend of credit losses.

Section 4. Other disclosures

4.1 Taxation

Total income tax expense comprises current and deferred tax recognised in the Statement of Profit or Loss in the year. Current and deferred tax is also recognised directly in equity, and not in the Statement of Profit or Loss, to the extent it is attributable to amounts and movements which have also been recognised directly in equity.

Current tax

Current tax comprises expected tax payable/receivable on business taxable income/loss which is recognised in the Statement of Profit or Loss in the current year. Any adjustments to tax payable/receivable are recognised in the current year that relate to taxable income/loss recognised in the Statement of Profit or Loss in prior years.

Current tax is measured using the applicable enacted (or substantively enacted) income tax rates, at the reporting date in the countries where the Company's subsidiaries and associates operate.

Deferred tax

Deferred tax represents the movements in deferred tax assets and liabilities which have been recognised during the year and which are attributable to amounts recognised in the Statement of Profit or Loss in the current year and the amounts recognised in the Statement of Profit or Loss in prior years. Deferred tax assets and liabilities are attributable to temporary timing differences between the carrying amount of assets and liabilities recognised for financial reporting purposes, and the tax base of assets and liabilities recognised for tax purposes.

Deferred tax assets are recognised for deductible temporary differences, unused tax losses and unused tax credits to the extent it is probable that future taxable profits will be available against which they can be realised.

Deferred tax liabilities are recognised for all the assessable temporary differences as required by accounting standards.

Deferred tax is determined using tax rates which are expected to apply when the deferred tax asset/liability is expected to be realised based on enacted (or substantively enacted) laws at the reporting date. The measurement of deferred tax also reflects the tax consequences flowing from the manner in which the Group expects, at the reporting date, to realise or settle the carrying amount of its assets and liabilities.

Tax consolidation

The Company and its wholly-owned Australian resident entities are part of a tax consolidated group under Australian taxation law. Iress Limited is the head entity of the Australian tax consolidated group. Tax expense, deferred tax assets and deferred tax liabilities arising from temporary differences of the members of the tax consolidated group are recognised in the separate financial accounts of the members of the Australian tax consolidated group using the stand-alone taxpayer approach. Current and deferred tax assets and liabilities arising from unused tax losses, and tax credits of the members of the Australian tax consolidated group, are recognised by the Company (as head entity of the tax consolidated group).

Due to the existence of a tax funding arrangement between the entities in the Australian tax consolidated group, amounts are recognised as payable to, or receivable by, the Company and each member of the Australian tax consolidated group. This is in relation to the tax contribution amounts paid or payable between the parent entity and the other members of the Australian tax consolidated group in accordance with the arrangement.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2023

4.1 Taxation (continued)

(a) Income tax expense for the year including current and deferred tax

	2023 $'000	2022 $'000
Income tax expense recognised in Statement of Profit or Loss		
Current income tax		
Current tax expense	18,004	14,467
Adjustments for current tax of prior periods	(304)	(2,195)
Total current income tax expense	**17,700**	**12,272**
Deferred income tax expense		
(Reversal)/origination of temporary differences	(7,148)	3,322
Adjustments in respect of deferred income tax of prior periods	(133)	(346)
Total deferred tax expense	**(7,281)**	**2,976**
Total income tax expense recognised in the Statement of Profit or Loss	**10,419**	**15,248**
Income tax expense recognised directly in equity		
Current tax credited directly to other reserves	(240)	(240)
Deferred tax credited directly to other reserves	240	240
Total income tax recognised in Other comprehensive income	**-**	**-**

(b) Reconciliation of income tax on profit at the Australian tax rate to total income tax expense

	2023 $'000	2022 $'000
Profit before income tax	(127,065)	67,920
Income tax calculated at the Australian tax rate of 30% (2022: 30%)	**(38,120)**	**20,376**
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Differences in overseas tax rates	8,675	351
Effect of non-assessable income and other deductible items	(6,709)	(11,734)
Effect of non-deductible expenses and other assessable items	40,165	8,511
Employee equity grant amortisation	5,142	576
Adjustments for current and deferred tax of prior years	(437)	(2,541)
Unrecognised tax losses	1,703	(291)
Income tax expense	**10,419**	**15,248**

(c) Deferred income tax assets and liabilities

For the year ended 31 December 2022	Opening balance $'000	Charged to income $'000	Reclassified to held-for-sale $'000	Charged to OCI/equity $'000	Exchange differences $'000	Closing balance $'000
Deferred tax assets						
Receivables and other assets	215	(142)	-	-	(2)	71
Plant and equipment	3,636	(488)	-	-	(97)	3,051
Computer software	2,030	(264)	-	-	-	1,766
Payables and other liabilities	5,092	(329)	-	-	(6)	4,757
Provisions and accruals	8,322	(1,607)	-	-	(7)	6,708
Carry forward tax losses	4,069	248	-	-	4	4,321
Capital transaction costs	3,372	(795)	-	(240)	-	2,337
Share-based payments	2,139	(308)	-	-	(86)	1,745
Leases	2,703	(118)	-	-	-	2,585
Other	2	(3)	-	-	-	(1)
Total deferred tax assets	**31,580**	**(3,806)**	**-**	**(240)**	**(194)**	**27,340**
Deferred tax liabilities						
Trade and other payables	(600)	(80)	-	-	4	(676)
Computer software	(421)	136	-	-	20	(265)
Intangible assets	(8,898)	1,815	-	-	51	(7,032)
Employee share plan	-	(1,041)	-	-	-	(1,041)
Total deferred tax liabilities	**(9,919)**	**830**	**-**	**-**	**75**	**(9,014)**
Net deferred tax	**21,661**	**(2,976)**	**-**	**(240)**	**(119)**	**18,326**

For the year ended 31 December 2023	Opening balance $'000	Charged to income $'000	Reclassified to held-for-sale $'000	Charged to OCI/equity $'000	Exchange differences $'000	Closing balance $'000
Deferred tax assets						
Receivables and other assets	71	(62)	320	-	2	331
Plant and equipment	3,051	2,431	-	-	104	5,586
Intangible assets	1,765	(1,646)	897	-	310	1,326
Payables and other liabilities	4,757	2,246	-	-	(8)	6,995
Provisions and accruals	6,708	(3,271)	(882)	-	-	2,555
Carry forward tax losses	4,321	(467)	-	-	(16)	3,838
Capital transaction costs	2,337	(818)	-	(240)	-	1,279
Share-based payments	1,745	469	-	-	94	2,308
Leases	2,585	(407)	-	-	(18)	2,160
Total deferred tax assets	**27,340**	**(1,525)**	**335**	**(240)**	**468**	**26,378**
Set-off deferred tax balances	-	-	-	-	-	(206)
Net deferred tax assets	**-**	**-**	**-**	**-**	**-**	**26,172**
Deferred tax liabilities						
Trade and other payables	(676)	468	-	-	2	(206)
Intangible assets	(7,297)	7,297	-	-	-	-
Employee share plan	(1,041)	1,041	-	-	-	-
Total deferred tax liabilities	**(9,014)**	**8,806**	**-**	**-**	**2**	**(206)**
Set-off deferred tax balances	-	-	-	-	-	206
Net deferred tax liabilities	**-**	**-**	**-**	**-**	**-**	**-**
Net deferred tax	**18,326**	**7,281**	**335**	**(240)**	**470**	**26,172**

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2023

4.1 Taxation (continued)

(d) Unused tax losses to carry forward for which no deferred tax asset has been recognised

	2023 $'000	2022 $'000
Hong Kong (Tax rate 16.5% (2022: 16.5%)	59	159
France (Tax rate 25.0% (2022: 25.0%)	80,949	75,903
Australia (Tax rate 30.0% (2022: 30.0%)	17,130	17,130
Potential tax benefit	**25,386**	**24,141**

4.2 Sale of subsidiary

During the financial year, Iress sold its Managed Funds Administration (MFA) business. Iress completed the transaction on 1 October 2023 at which time the carrying amount of MFA's total assets amounted to $35.7 million and the total liabilities amounted to $2.9 million.

Derecognised assets and liabilities disposed at the date of sale

	Notes	01 October 2023 $'000
Assets and liabilities disposed of		
Cash and cash equivalents		(247)
Receivables and other assets		(4,299)
Intangible assets	2.1(a)	(31,174)
Plant and equipment	2.2(a)	(7)
Payables and other liabilities		670
Provisions	2.7(b)	2,194
Net assets disposed of		**(32,863)**
Gain on the disposal of subsidiary		(17,592)
Total consideration		**(50,455)**
Consideration transferred		
Cash and cash equivalents		45,455
Deferred consideration		5,000
Total fair value of consideration		**50,455**
Net cash inflow arising on disposal:		
Consideration received in cash and cash equivalents		45,455
Less: cash and cash equivalents disposed of		(247)
Net cash inflow		**45,208**

4.3 Assets held-for-sale

Non-current assets (or disposal group) are classified as held-for-sale and measured at the lower of their carrying amount and fair value less costs of disposal if their carrying amount will be recovered principally through a sale transaction. They are not depreciated or amortised. For an asset to be classified as held-for-sale, it must be available for immediate sale in its present condition and its sale must be highly probable.

An impairment loss is recognised in the Statement of Profit or Loss if the carrying amount of the non-current asset held-for-sale exceeds its fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less cost of disposal of a non-current asset held-for-sale but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset held-for-sale is recognised at the date of derecognition.

During the financial year, Iress entered into a heads of agreement to divest its OneVue Platform business. The transaction is expected to complete by 30 April 2024 .

The associated current and non-current assets and liabilities of the disposal group have been classified as held-for-sale as at 31 December 2023. The results of the OneVue Platform business are accounted for in the Managed Portfolio – Other segment.

As at 31 December 2023, the carrying amount of OneVue Platform's total assets amounted to $11.5 million and the total liabilities amounted to $3.6 million.

Assets and liabilities reclassified as held-for sale

	Notes	2023 $'000
ASSETS		
Current assets		
Receivables and other assets		3,431
Non-current assets		
Goodwill		1,572
Computer software	2.1(a)	6,581
LIABILITIES		
Current liabilities		
Payables and other liabilities		(193)
Accruals		(2,776)
Non-current liabilities		
Provisions for employee benefits		(347)
Deferred tax liabilities		(335)
Total net assets held-for-sale		**7,933**

4.4 Iress Limited – parent entity financial information

The ultimate controlling entity of the Group is Iress Limited, which is a for-profit entity listed on the Australian Securities Exchange (ASX).

(a) Summary financial information

The financial statements for the parent entity, Iress Limited:

	2023 $'000	2022 $'000
Current assets	55,327	78,218
Non-current assets	888,911	893,026
Total assets	**944,238**	**971,244**
Current liabilities	99,055	60,449
Non-current liabilities	335,603	370,689
Total liabilities	**434,658**	**431,138**
Net assets	**509,580**	**540,106**
Equity		
Issued capital	419,343	419,065
Reserves	25,366	26,179
Retained earnings	64,871	94,862
Total equity	**509,580**	**540,106**
Profit for the year[1]	4,566	50,771
Total comprehensive income	**4,566**	**50,771**

(1) Included within profit for the year is dividend income from subsidiaries of $Nil (2022: $4.8 million).

(b) Capital commitments

As at 31 December 2023, no capital expenditure has been contracted or provided for (2022: $Nil).

(c) Contingencies

The Iress Group is currently undertaking a significant multi-year transformation with the assistance and guidance of specialist consultants through the 2023 and 2024 years. The fees payable to the consultants are aligned to the growth of the business and contingent on achieving growth outcomes up to a maximum potential payment of $20 million, which would be payable in the second half of 2025. For the maximum payment to be satisfied, the Group's Adjusted EBITDA is required to be approximately $161 million to $171 million, a 52% to 62% increase from the 2023 level, using an annualised run rate calculation period in the first half of 2025. No amounts have been recorded in relation to the contingent fees at 31 December 2023.

As at 31 December 2023, no other material contingent liabilities have been contracted or provided for (2022: $Nil).

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2023

4.5 Subsidiaries

Details of the Group's wholly-owned subsidiaries at the end of the financial year:

Australia

BC Gateways Pty Ltd	No More Practice Education Pty Ltd
Diversa Funds Management Pty Ltd	No More Practice Holdings Pty Ltd
Diversa Pty Ltd	OneVue Financial Pty Ltd
FUND.eXchange Pty Ltd	OneVue Holdings Ltd[1]
Financial Synergy Actuarial Pty Ltd[1]	OneVue Pty Ltd
Financial Synergy Holdings Pty Ltd[1]	OneVue Services Pty Ltd
Financial Synergy Pty. Limited[1]	OneVue Super Member Administration Pty Ltd
Glykoz Pty Ltd	OneVue Super Services Holdings Pty Ltd
Group Insurance & Superannuation Concepts Pty Ltd	OneVue Super Services Pty Ltd
Innergi Pty Ltd	OneVue UMA Pty Ltd
Investment Gateway Pty Ltd	OneVue Unit Registry Pty Ltd
Iress Data Pty Ltd[1]	OneVue Wealth Assets Pty Ltd
Iress Euro Holdings Pty Ltd[1]	OneVue Wealth Services Ltd
Iress Information Pty Ltd	OneVue Wealth Solutions Pty Ltd
Iress International Holding Pty Ltd[1]	Planning Resources Group Pty Ltd[1]
Iress South Africa (Australia) Pty Ltd[1]	Top Quartile Management Pty Ltd
Iress Spotlight Wealth Management Solutions (RSA) Pty Ltd[1]	Tranzact Consulting Pty Ltd
Iress Wealth Management Pty Ltd[1]	Tranzact Financial Services Pty Ltd
Lucsan Capital Pty Ltd	Tranzact Superannuation Services Pty Ltd
Map Funds Management Pty Ltd	

Canada

Iress Canada Holdings Ltd	Iress (Ontario) Ltd
Iress (LP) Holdings Corp.	KTG Technologies Corp.
Iress Market Technology Canada LP	

South Africa

Advicenet Advisory Services (Pty) Ltd	Iress MD RSA (Pty) Ltd
Iress Hosting (Pty) Ltd	Iress Wealth MNGT (Pty) Ltd
Iress Financial Markets (Pty) Ltd	

United Kingdom

Iress FS Group Ltd	Iress (UK) Ltd
Iress FS Ltd	Iress UK Holdings Ltd
Iress Mortgage Services Ltd	Iress Web Ltd
O&M Systems Ltd	Proquote Ltd
O&M Life & Pensions Ltd	Pulse Software Systems Ltd
Iress Portal Ltd	QuantHouse UK Ltd
Iress Solutions Ltd	TrigoldCrystal Ltd
Iress Technology Ltd	

Other countries

BC Gateways Ltd (Hong Kong)	Iress SAS
Iress Asia Holdings Ltd (Hong Kong)	Iress Tunisia Branch Sàrl
Iress Inc	QH HoldCo (Luxembourg)
Iress Malaysia Holdings Sdn Bhd (Malaysia)	QuantHouse Singapore Pte Ltd (Singapore)
Iress Market Technology (Singapore) Pte Ltd (Singapore)	Waysun Technology Development Ltd (Hong Kong)
Iress (NZ) Ltd (New Zealand)	

(1) The Australian subsidiaries marked with this footnote are currently party to the Iress Limited Deed of Cross Guarantee dated 22 December 2014, as varied from time to time.

4.6 Deed of cross guarantee

Iress Limited and a number of Australian wholly-owned subsidiaries (outlined in Note 4.5) are party to a Deed of Cross Guarantee under which each company guarantees the debts of the others. By entering into the deed, the relevant, wholly-owned subsidiaries have been relieved from the requirement to prepare the financial report and Directors' Report under *ASIC Corporations (Wholly-Owned Companies) Instrument 2016/785* issued by the Australian Securities and Investments Commission. The amounts disclosed in the tables below represent the consolidated amounts for the entities within the closed group and therefore exclude Iress Group subsidiaries.

(a) Consolidated Statement of Profit or Loss and retained earnings

	2023 $'000	2022 $'000
Profit before tax	48,876	65,380
Income tax expense	(4,988)	(8,415)
Net profit after tax	**43,888**	**56,965**
Retained earnings at the beginning of the year	133,913	43,777
Dividends declared	(55,375)	(86,858)
Transfers from share-based payments reserve	20,818	18,596
Reclassification of the fair value of Iress UK Holdings Limited shares transferred to Iress International Holding Pty Ltd	-	101,433
Retained earnings at the end of the year	**143,244**	**133,913**

(b) Consolidated Statement of Financial Position

	2023 $'000	2022 $'000
ASSETS		
Current assets		
Cash and cash equivalents	13,355	28,928
Receivables and other assets	54,520	45,881
Receivables from Iress Group companies outside the Deed	81,924	71,703
Current taxation receivables	9,919	8,547
Total current assets	**159,718**	**155,059**
Non-current assets		
Intangible assets	111,025	120,521
Plant and equipment	12,441	14,641
Right-of-use assets	27,377	33,299
Investments in subsidiaries	440,408	449,608
Deferred tax assets	22,599	19,271
Other financial assets	174,694	165,724
Total non-current assets	**788,544**	**803,064**
Total assets	**948,262**	**958,123**
LIABILITIES		
Current liabilities		
Payables and other liabilities	37,537	28,831
Lease liabilities	8,405	7,569
Provisions	15,954	17,550
Derivative liabilities	-	150
Current taxation payables	10,154	151
Total current liabilities	**72,050**	**54,251**

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2023

4.6 Deed of cross guarantee (continued)

(b) Consolidated Statement of Financial Position (continued)

	2023 $'000	2022 $'000
Non-current liabilities		
Lease liabilities	25,303	31,781
Provisions	1,647	2,155
Borrowings	363,563	388,424
Deferred tax liabilities	-	2,796
Total non-current liabilities	**390,513**	**425,156**
Total liabilities	**462,563**	**479,407**
Net assets	**485,699**	**478,716**
EQUITY		
Issued capital	419,343	419,065
Share-based payments reserve	25,366	26,329
Cash flow hedge reserve	-	(150)
Other reserves	(101,433)	(101,433)
Foreign currency translation reserve	(821)	992
Retained earnings	143,244	133,907
Total equity	**485,699**	**478,716**

4.7 Basis of preparation

Iress Limited (the 'Company') is a for-profit company domiciled in Australia. The full year financial report is a general purpose financial report comprising the Company and its subsidiaries (collectively referred to as the 'Group' or 'Iress') For the year ended 31 December 2023. The full year financial statements:

- have been prepared in accordance with the *Corporations Act 2001 (Cth)*, Australian Accounting Standards and Interpretations, and International Financial Reporting Standards (IFRS)
- were authorised for issue by the Directors on 21 February 2024
- have been prepared on a historical cost basis, except for derivative financial instruments and investments in financial assets which have been measured at fair value
- have been prepared on a going concern basis; and
- are measured and presented in Australian dollars with all values rounded to the nearest thousand dollars in accordance with ASIC Corporations (Rounding in Financial/Directors Reports) Instrument 2016/191 dated 24 March 2016 (ASIC guidance), unless otherwise stated.

(a) Adoption of new standards

In the current period, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for annual reporting periods commencing on or after 1 January 2023 including the following:

AASB 17 *Insurance contracts*	*– Measurement of insurance liabilities*
AASB 2021-2 *Amendments to Australian Accounting Standards*	*– Disclosure of Accounting Policies and Definition of Accounting Estimates*
AASB 2020-3 *Amendments to Australian Accounting Standards*	*– Annual Improvements 2018-2020 and Other Amendments*
AASB 2021-5 *Amendments to Australian Accounting Standards*	*– Deferred tax related to assets and liabilities arising from a single transaction*
AASB 2021-6 *Amendments to Australian Accounting Standards*	*– Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards*
AASB 2021-7 *Amendments to Australian Accounting Standards*	*– Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*
AASB 2022-1 *Amendments to Australian Accounting Standards*	*– Initial application of AASB 17 and AASB 9 - comparative information*
AASB 2022-6 *Amendments to Australian Accounting Standards*	*– Non-current Liabilities with Covenants*
AASB 2022-8 *Amendments to Australian Accounting Standards*	*– Insurance Contracts - Consequential Amendments*
AASB 2023-2 *Amendments to AASB 112*	*– International Tax Reform Pillar Two Model Rules*

None of these standards have had a material impact on the Group in the current period and are not expected to have a material impact in future reporting periods or on foreseeable future transactions.

(b) Standards on issue but not yet effective

At the date of authorisation of the financial statements, the following new accounting standards and interpretations have been published that are not mandatory for 31 December 2023 reporting period and have not yet been applied by the Group within this financial report:

AASB 2014-10 *Consolidated Financial Statements* and AASB 128 *Investments in Associates* (amendments)	*– Sale or contribution of assets between an investor and its associate or joint venture* [2]
AASB 2020-1 *Amendments to Australian Accounting Standards*	*– Classification of liabilities as current or non-current* [1]
AASB 2022-5 *Amendments to Australian Accounting Standards*	*– Lease Liability in a Sale and Leaseback* [1]
AASB 2023-1 *Amendments to Australian Accounting Standards*	*– Amendments to AASB 107 and AASB 7 - Disclosures of Supplier Finance Arrangements* [1]
AASB 2023-3 *Amendments to Australian Accounting Standards*	*– Disclosure of Non-current Liabilities with Covenants: Tier 2* [1]

(1) Effective for annual periods beginning on or after 1 January 2024.

(2) Effective for annual periods beginning on or after 1 January 2025.

Iress does not believe these new accounting standards, amendments, and interpretations will have a material impact on the financial statements of the Group in future periods.

(c) Changes in presentation of the Consolidated statement of profit or loss and other comprehensive income

Iress has revised its presentation of expenses recognised in profit or loss for the year ended 31 December 2023, using a classification based on the nature of expenses, which is considered to provide the most reliable and relevant information about the Group's financial performance. The analysis of expenses has been presented in the Consolidated statement of profit or loss and other comprehensive income. Comparative balances have been reclassified to ensure consistency with changes to current period presentation and classification.

The main change to the presentation of the Consolidated statement of profit or loss and other comprehensive income was to remove the previously disclosed line item 'Net other expenses' and to reclassify corresponding amounts recognised into the line items 'Employee benefit expenses', 'Customer data fees', 'Amortisation, depreciation, derecognition and impairment expense' and newly-presented line items 'Professional fees', Business development and marketing' and 'General office and administration'.

In addition, certain amounts of platform administration fees recognised as gross revenue and expenses in the prior financial year have been reclassified as a net amount disclosed in the line item 'Revenue from contracts from customers'.

(d) Summary of general accounting policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(i) Consolidation

The consolidated financial statements include the financial statements of the Company, and the information and results of each subsidiary from the date on which the Company obtains control and until such time as the Company ceases to control such entity.

An entity is controlled when Iress is exposed to, or has rights to, variable returns from involvement with the entity and has the ability to affect those returns through power over the entity.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

In reporting the consolidated financial statements, all intercompany balances and transactions, and unrealised profits or losses within the Group are eliminated in full.

(ii) Foreign currency translation

Foreign currency transactions

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at the reporting date.

Exchange differences are recognised in profit or loss in the period in which they arise, except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned or likely to occur. These form part of the net investment in a foreign operation, and are recognised in the foreign currency translation reserve in the consolidated financial statements in addition to profit or loss on disposal of the net investment.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2023

4.7 Basis of preparation (continued)

(d) Summary of general accounting policies (continued)

(ii) Foreign currency translation (continued)

Foreign operations

Assets and liabilities of foreign operations are translated using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Any exchange differences are recognised in equity. On the disposal of a foreign operation, all of the exchange differences accumulated in equity in respect of that operation are reclassified to profit or loss.

(iii) Financial instruments

Financial assets and financial liabilities are recognised in the Company's Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

When the transaction price differs from fair value at initial recognition, the Group will account for such difference if:

- fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised as a gain or loss on initial recognition (i.e. day 1 profit or loss)
- in all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be released to profit or loss such that it reaches a value of zero at the time when the entire contract can be valued using active market quotes or verifiable objective market information.

Depending on the type of financial instrument, the Group can adopt one of the following policies for the amortisation of day 1 gain or loss:

- Calibrate unobservable inputs to the transaction price and recognise the deferred gain or loss as the best estimates of those unobservable inputs change based on observable information.
- Release the day 1 gain or loss in a reasonable fashion based on the facts and circumstances (i.e. using either straight-line or non-linear amortisation).

Financial assets

The Company's financial assets include cash and cash equivalents, derivatives, listed shares and trade and other receivables.

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions and are subsequently measured at amortised cost include:

- the financial asset is held within a business model whose objective is to collect contractual cash flows
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit impaired.

Impairment of financial assets

The Group performs impairment assessment under the expected credit losses model on financial assets (including trade and other receivables, receivables from related parties and bank balances), which are subject to impairment under AASB 9 *Financial Instruments*. The amount of expected credit losses is updated at the end of each reporting period to reflect changes in credit risk since initial recognition. Refer to Note 2.5(b) on the Group's approach to the credit loss allowance.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and on-demand deposits, and other short-term highly liquid investments, readily convertible into a known amount of cash and are subject to an insignificant risk of changes in value.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the fair value of proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the statement of comprehensive income using the effective interest rate method. They are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

4.8 Significant sources of estimation uncertainty

The following are subject to estimates and require significant judgement:

(i) Goodwill

Significant judgement is required in the assumptions used in the value-in-use models used in impairment testing. Refer to Note 2.1 for more detailed information.

(ii) Revenue from contracts with customers

Significant judgement is required in relation to whether revenue from contracts with customers should be recognised over time or at a point-in-time, identification of the performance obligations in the contract and the allocation of the transaction price to each specific performance obligation, the implementation revenue recognised as a percentage of completion and it being a distinct performance obligation, as well as determining whether Iress is the principal or agent in a transaction with an end consumer. Refer to Note 1.3 for further details of revenue recognition.

(iii) Credit Loss Allowance

Significant judgement is required in the assumptions made in calculating the Group's credit loss allowance included within trade and other receivables. Refer to Note 2.5 for more detailed information.

(iv) Development costs capitalised

Significant judgement is required in determining whether internally generated intangible assets are recognised where the cost of actual development can be reliably measured and clearly distinguished from research and ongoing operating and maintenance activities, and whether costs that are directly associated with the development of software are recognised where the established criteria are met. Refer to Note 2.1 for more detailed information.

(v) Taxation

Significant judgement is required in the recognition and measurement of deferred tax assets relating to the timing of reversal of temporary differences and the recoverability of unused tax losses and unused tax credits to the extent it is probable that future taxable profits will be available against which they can be realised.

4.9 Transactions with related parties

There are no shareholders with substantial holdings that materially transacted with the Group during the year.

4.10 Events subsequent to the Statement of Financial Position date

There has been no matter nor circumstance which has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent years.

Directors' Declaration

31 December 2023

In the Directors' opinion:

(a) the financial statements and notes set out on pages 46 to 93 are in accordance with the *Corporations Act 2001*, including:

(i) complying with the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements

(ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the financial year ended on that date

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable

(c) at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group identified in Note 4.5 will be able to meet any obligations or liabilities to which they are, or may become subject by virtue of the deed of cross guarantees described in Note 4.6.

Note 4.7 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

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

Roger Sharp
Chair

Marcus Price
Managing Director and Chief Executive Officer

Melbourne
21 February 2024

Independent Auditor's Report

Ernst & Young
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Melbourne VIC 3000 Australia
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Independent auditor's report to the members of Iress Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Iress Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other 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, 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 31 December 2023 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.

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.

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Independent Auditor's Report (continued)

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1. Impairment assessment for intangibles

Why significant	How our audit addressed the key audit matter
A significant component of the Group's total assets are intangible assets, amounting to $550.7 million, representing 70% of the Group's total assets. Included within this intangible asset balance is goodwill amounting to $481.1 million. In line with the accounting standard requirements, these goodwill balances are required to be tested for impairment annually, and where indicators exist. In the current year, the Group has performed a strategic restructure with effect from 1 July 2023. For the purposes of June 2023 Half Year reporting, this was determined to be an indicator of impairment for all cash generating units ("CGUs"), with management performing an impairment assessment and subsequently recognising a $130.4 million impairment in relation to the UK CGU. Management performs their annual impairment assessment as at December each year, and therefore have also performed an impairment assessment for all CGUs within the current structure as at year end. No further impairment was recognised as a result of this assessment at year end. The impairment assessments are complex and involve significant management judgement specifically in relation to identification of CGUs, preparation of cash flow forecasts including long term growth rates and determination of discount rates. The assessment completed by the Group includes numerous assumptions and estimates and as such is considered to be subject to a significant level of estimation uncertainty. Based on the factors noted above we consider the impairment assessment of intangible assets to be a key audit matter.	Our audit procedures included the following: ▸ Assessed the application of the valuation methodologies applied. ▸ Evaluated whether the determination of CGUs was in accordance with Australian Accounting Standards. ▸ Agreed the forecast cashflows within the impairment model to the Board approved budgets. ▸ Considered the historical accuracy of the Group's cash flow forecasting process. ▸ Compared the forecast cash flows used in the recoverable amount models to the actual current year financial performance of the underlying CGUs for reasonability. ▸ Assessed key inputs being discount rates and terminal value growth rates adopted in the recoverable amount models including comparison to available market data for comparable businesses. ▸ Performed sensitivity analysis on key inputs and assumptions included in the forecast cashflows and impairment models including the discount rates, to assess the risk of the CGU carrying values exceeding the recoverable amount. ▸ We compared earnings multiples derived from the group's recoverable amount models to those observable from external market data of comparable listed entities. ▸ Assessed the adequacy of the disclosures included in the financial report including "reasonably possible change" sensitivity disclosure. Our valuation specialists were involved in the conduct of these procedures where required.

2. Capitalised Software Development Costs

Why significant	How our audit addressed the key audit matter
The Group capitalises internally generated software assets where they represent the development of new discrete products or market offerings outside the core customer systems and are able to be reliably measured. The carrying value of capitalised development costs at 31 December 2023 is $16.9 million (PY: $25.8 million). Capitalised development costs are work-in-progress as at 31 December 2023 have not yet begun to be amortised. Capitalised development costs are reviewed each period to identify projects which have been discontinued requiring associated capitalised costs to be derecognised. During the year ended 31 December 2023 the Group capitalised $14.1 million (31 December 2022: $19.9 million). In addition, $13.3 million was derecognised as a result of ongoing projects being discontinued in connection with the strategic review completed in March 2023.	Our audit procedures included the following: ▸ We selected a sample of software development projects to determine the nature and status of the projects and assessed whether the costs incurred on these projects met the capitalisation requirements under AASB 138 Intangible assets. ▸ We met with management, including business partners and Project Leads, to understand project status, assess the feasibility of project completion and assess the future economic benefits. ▸ For a sample of capitalised employee and contractor costs, we agreed the pay rates to employment contracts or supplier invoices. We discussed with management and relevant employees their involvement in projects to assess the percentage of employee time allocated to the project. ▸ We assessed the timing of commencement of amortisation for any projects completed during the year.

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Why significant	How our audit addressed the key audit matter
The Group's process for capitalising development costs involves significant judgement as it includes evaluating the commercial viability of the software, distinguishing development costs from research and ongoing maintenance activities and estimating the time which staff spend developing the software and the costs attributable to that time. The capitalization of development costs continues to be a key focus area from regulatory bodies on the validation of the feasibility and legitimacy of capitalised costs relating to internally generated assets. Due to the above, this matter is significant to the audit and there is a high level of audit effort required due to the level of complexity and management judgement involved. As such, we consider capitalisation of software development assets to be a key audit matter.	This also included assessing the useful lives and recalculating the amortisation for the year. ▸ We enquired regarding any discontinued projects and ensured they had been appropriately derecognised. ▸ We assessed the adequacy of the related disclosures in the financial report, including the judgements associated with the capitalisation of intangible software assets.

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 2023 annual report, but does not include the financial report and our auditor's report thereon.

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, 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 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 financial report that gives a true and fair view and is free from material 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.

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Independent Auditor's Report (continued)

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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 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.

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Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 55 to 81 of the directors' report for the year ended 31 December 2023.

In our opinion, the Remuneration Report of Iress Limited for the year ended 31 December 2023, 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

David Petersen
Partner
Melbourne
21 February 2024

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Shareholder information

The below shareholder information was applicable as at 18 January 2024:

(a) Distribution of members and their holdings:

	Number of shareholders	Number of shares	% of issued capital
1 to 1,000	4,858	1,849,865	0.99
1,001 to 5,000	2,966	7,156,464	3.83
5,001 to 10,000	549	3,959,023	2.12
10,001 to 100,000	347	8,263,984	4.42
100,001 and over	34	165,560,138	88.64
Total	**8,754**	**186,789,474**	**100.00**

(b) Substantial shareholders[1]:

	Number held[1]	%[2]
Mitsubishi UFJ Financial Group, Inc.[3]	22,173,568	11.87
Challenger Limited and Apollo Global Management, Inc.	19,361,036	10.37
DNR Capital Pty Ltd	13,630,278	7.30
The Vanguard Group, Inc.	9,465,830	5.07
Selector Funds Management Limited	9,350,918	5.01
Total substantial shareholders	**73,981,630**	**39.62**
Balance of register	112,807,844	60.38
Total	**186,789,474**	**100.00**

(1) Number of securities based on the most recent section 671B disclosure lodged with ASX Ltd.

(2) Percentage based on Iress' issued share capital as at 18 January 2024.

(3) First Sentier Holdings Pty Limited lodged a section 671B notice ("Subsidiary Notice") on 5 December 2023 for an identical number of securities to the number specified in this notice. Mitsubishi UFJ Financial Group, Inc. states in its notice that it has voting power of 100% in First Sentier Investors Holdings Pty Limited; as a consequence reference to the Subsidiary Notice is not included in the above table.

(c) 20 largest shareholders of quoted equity securities

Rank	Name	Number held	% of issued shares
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	54,211,871	29.02
2	CITICORP NOMINEES PTY LIMITED	49,383,971	26.44
3	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	29,134,729	15.60
4	NATIONAL NOMINEES LIMITED	11,185,818	5.99
5	BNP PARIBAS NOMS PTY LTD	5,257,179	2.81
6	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING A/C>	2,693,840	1.44
7	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	2,478,173	1.33
8	MUTUAL TRUST PTY LTD	1,758,466	0.94
9	BNPP NOMS PTY LTD HUB24 CUSTODIAL SERV LTD	1,587,480	0.85
10	ARGO INVESTMENTS LIMITED	1,216,431	0.65
11	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED – A/C 2	792,924	0.42
12	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	764,493	0.41
13	CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	499,598	0.27
14	CITICORP NOMINEES PTY LIMITED <143212 NMMT LTD A/C>	391,971	0.21
15	SANDHURST TRUSTEES LTD <JMFG CONSOL A/C>	368,692	0.20
16	CPU SHARE PLANS PTY LTD <IRE DSP UNALLOCATED A/C>	351,283	0.19
17	BNP PARIBAS NOMS (NZ) LTD	335,981	0.18
18	NETWEALTH INVESTMENTS LIMITED <SUPER SERVICES A/C>	322,656	0.17
19	UBS NOMINEES PTY LTD	319,159	0.17
20	UBS NOMINEES PTY LTD	287,907	0.15
Total Top 20 shareholders		**163,342,622**	**87.44**
Balance of register		23,446,852	12.56
Total		**186,789,474**	**100.00**

Corporate directory

Directors

R Sharp	Chair since May 2021 and Independent Non-Executive Director since February 2021
M Price	Independent Non-Executive Director since July 2021 and Managing Director and Chief Executive Officer since October 2022
N Beattie	Independent Non-Executive Director since February 2015
M Dwyer	Independent Non-Executive Director since February 2020
J Fahey	Independent Non-Executive Director since October 2017 and Chair of the People & Performance Committee since February 2020
A Glenning	Independent Non-Executive Director since October 2022
T Vonhoff	Independent Non-Executive Director since February 2020 and Chair of the Audit & Risk Committee since May 2021

Company Secretary

M Bowan (interim)

Registered Office

Level 16, 385 Bourke Street
Melbourne VIC 3000
Phone: +61 3 9018 5800
Fax: +61 3 9018 5844

Share Registry

Computershare Investors Services Pty Limited
452 Johnston Street
Abbotsford VIC 3067
www.computershare.com

Stock Exchange Listing

Iress Limited shares are quoted on the Australian Securities Exchange under the code: IRE

Auditor

Ernst & Young

GRI Content Index

Statement of use

Iress Limited has reported in accordance with the GRI Standards for the period 1 January 2023 to 31 December 2023. GRI 1: Foundation 2021 was used. There is no applicable GRI sector standard.

GRI Standard	Disclosure	Page/reference/further information
GENERAL DISCLOSURES		
GRI 2	**General Disclosures 2021**	
2-1	Organisational details	Pages 4, 137. Iress Limited
2-2	Entities included in the organisation's sustainability reporting	Page 4. Iress Limited is the only entity included in this report
2-3	Reporting period, frequency and contact point	Reporting period: 1 January - 31 December 2023 Contact point: Amarjot Bagga, Head of Environment and Social Impact. amarjot.bagga@iress.com
2-4	Restatements of information	Environmental activity data and emissions calculations from FY19 to FY22 have been re-issued due to changes in the methodology and reporting boundary to align with best practice
2-5	External assurance	External assurance has not been undertaken for the environmental, social & governance (ESG) sections of this report
2-6	Activities, value chain and other business relationships	Pages 4, 5, 34-35
2-7	Employees	Pages 4, 22, 23, 28-32. Iress made the difficult but necessary decision to reduce headcount by approximately 21% in 2023 to restore profitability and improve efficiency. Data has been compiled using internal management systems.
2-8	Workers who are not employees	Pages 28, 30. Iress does not employ contractors that are considered to complete a significant portion of the company's activities. Contractors primarily provide product and technology support. Iress made the difficult but necessary decision to reduce headcount by approximately 21% in 2023 to restore profitability and improve efficiency. Data has been compiled using internal management systems
2-9	Governance structure and composition	See Corporate Governance Statement and page 38
2-10	Nomination and selection of the highest governance body	See Corporate Governance Statement and Board Charter
2-11	Chair of the highest governance body	Pages 42, 50. Roger Sharp is the Chair of Iress' Board of Directors. Roger Sharp is a non-executive director
2-12	Role of the highest governance body in overseeing the management of impacts	See Corporate Governance Statement and Board Charter
2-13	Delegation of responsibility for managing impacts	See Board Charter
2-14	Role of the highest governance body in sustainability reporting	Iress' Board of Directors has reviewed and endorsed this report
2-15	Conflicts of interest	See Conflicts of Interest Policy
2-16	Communication of critical concerns	Pages 38-39, 44-55
2-17	Collective knowledge of the highest governance body	Pages: 42-43. See Corporate Governance Statement
2-18	Evaluation of the performance of the highest governance body	See Corporate Governance Statement
2-19	Remuneration policies	Pages 52-81. See Corporate Governance Statement, Board Charter
2-20	Process to determine remuneration	Pages 52-81. See Corporate Governance Statement, Board Charter
2-21	Annual total compensation ratio	Information currently not calculated.
2-22	Statement on sustainable development strategy	Pages 6-9, 12
2-23	Policy commitments	Pages 6-9, 12, 15-16, 21, 23, 33-34, 37. See corporate governance policies and procedures
2-24	Embedding policy commitments	Page 39. See Code of Ethics and Conduct Policy
2-25	Processes to remediate negative impacts	Pages 15-18, 26-27, 33, 35, 39
2-26	Mechanisms for seeking advice and raising concerns	Page 39
2-27	Compliance with laws and regulations	No significant instances of non-compliance with laws and regulations during the reporting period. No fines for instances of non-compliance with laws and regulations paid during the reporting period
2-28	Membership associations	Page 39
2-29	Approach to stakeholder engagement	Pages 13, 21, 33-35
2-30	Collective bargaining agreements	Not applicable. No Iress employees are employed on collective bargaining agreements
Material topics		
GRI 3	**Material Topics 2021**	
3-1	Process to determine material topics	Page 13
3-2	List of material topics	Page 13
SPECIFIC DISCLOSURES		
Customer experience		
GRI 3	**Material Topics 2021**	
3-3	Management of material topics	Pages 1, 6-9, 12-13, 17-18, 23, 33, 38-39
Ethics and integrity		
GRI 3	**Material Topics 2021**	
3-3	Management of material topics	Pages 34, 38-39
GRI 207	**Tax 2019**	
207-1	Approach to tax	Page 39. See Tax Transparency Report
207-2	Tax governance, control, and risk management	See Tax Transparency Report
207-3	Stakeholder engagement and management of concerns related to tax	See Tax Transparency Report
207-4	Country-by-country reporting	Not applicable. Iress Limited does not meet the definition of a Significant Global Entity (i.e. turnover >$1bn)
Data privacy and cyber security		
GRI 3	**Material Topics 2021**	
3-3	Management of material topics	Page 39
GRI 418	**Customer Privacy 2016**	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No instances of substantiated complaints concerning breaches of customer privacy and losses of customer data recorded during the reporting period
Transparent, fair, and responsible product information/advice		
GRI 3	**Material Topics 2021**	
3-3	Management of material topics	Pages 5, 39
417-1	Requirements for product and service information and labelling	Not applicable. Iress does not produce physical products, no product disclosure statements produced
417-2	Incidents of non-compliance concerning product and service information and labelling	No instances of non-compliance concerning product and service information and labelling recorded during the reporting period
417-3	Incidents of non-compliance concerning marketing communications	No instances of non-compliance concerning marketing communication recorded during the reporting period
Talent attraction and retention, employee engagement		
GRI 3	**Material Topics 2021**	
3-3	Management of material topics	Pages 9, 21, 23. See Careers webpage
401-1	New employee hires and employee turnover	Page 29
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Pages 3, 22, 33. See Benefits webpage.
401-3	Parental leave	Page 32

GRI Content Index continued

GRI Standard	Disclosure	Page/reference/further information
Occupational health, safety, and wellbeing		
GRI 3	**Material Topics 2021**	
3-3	Management of material topics	Pages 21-22
403-1	Occupational health and safety management system	Page 22
403-2	Hazard identification, risk assessment, and incident investigation	Page 22
403-3	Occupational health services	Page 22
403-4	Worker participation, consultation, and communication on occupational health and safety	Page 22
403-5	Worker training on occupational health and safety	Page 22
403-6	Promotion of worker health	Page 22
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Not applicable. Given the nature of the products sold by Iress, no significant negative OH&S impacts linked with operations, products or services have been identified and/or needed mitigation
403-8	Workers covered by an occupational health and safety management system	Pages 22, 28
403-9	Work-related injuries	Pages 22, 28
403-10	Work-related ill health	Pages 22, 28
Modern slavery and forced labour		
GRI 3	**Material Topics 2021**	
3-3	Management of material topics	Pages 33-35
408-1	Operations and suppliers at significant risk for incidents of child labour	Pages 33-35
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Pages 33-35
Climate change adaptation and resilience		
GRI 3	**Material Topics 2021**	
3-3	Management of material topics	Pages 12, 15-18
305-1	Direct (Scope 1) GHG emissions	Page 18
305-2	Energy indirect (Scope 2) GHG emissions	Page 18
305-3	Other indirect (Scope 3) GHG emissions	Page 19
305-4	GHG emissions intensity	Pages 18-19
305-5	Reduction of GHG emissions	Pages 15-19
305-6	Emissions of ozone-depleting substances (ODS)	Not applicable. Iress does not produce, import or export ozone-depleting substances
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Not applicable. Iress activity does not result in emission of these substances
Responsible advertising		
GRI 3	**Material Topics 2021**	
3-3	Management of material topics	Page 39
GRI 417	**Marketing and Labeling 2016**	
417-1	Requirements for product and service information and labeling	Not applicable. Iress does not produce physical products, no product disclosure statements produced
417-2	Incidents of non-compliance concerning product and service information and labeling	No instances of non compliance concerning product and service information and labeling recorded during the reporting period
417-3	Incidents of non-compliance concerning marketing communications	No instances of non compliance concerning marketing communication recorded during the reporting period

GRI Standard	Disclosure	Page/reference/further information
Responsible and sustainable procurement		
GRI 3	**Material Topics 2021**	
3-3	Management of material topics	Pages 33-35
308-1	New suppliers that were screened using environmental criteria	Pages 34-35
308-2	Negative environmental impacts in the supply chain and actions taken	Real-time monitoring of all non-government suppliers, including financial stability, adverse media (environmental, labour, health & safety, ethical & regulatory media), sanctions, and company sustainability credentials
414-1	New suppliers that were screened using social criteria	All new suppliers must complete our supplier due diligence questionnaire
414-2	Negative social impacts in the supply chain and actions taken	No negative impacts identified in the supply chain in 2023
Economic growth		
GRI 3	**Material Topics 2021**	
3-3	Management of material topics	Pages 6-9
201-1	Direct economic value generated and distributed	Pages 2-3, 46-49
201-2	Financial implications and other risks and opportunities due to climate change	Pages 16-17
201-3	Defined benefit plan obligations and other retirement plans	Iress does not have a defined benefit plan
201-4	Financial assistance received from government	Iress received $1,207,523.77 of government financial assistance comprised of $1,169,673 in Australia, $24,700.58 in South Africa & $13,150.19 in Singapore
204-1	Proportion of spending on local suppliers	Pages 34-35
Anti-corruption		
GRI 3	**Material Topics 2021**	
3-3	Management of material topics	Page 39
205-1	Operations assessed for risks related to corruption	Pages 38-39
205-2	Communication and training about anti-corruption policies and procedures	Page 39
205-3	Confirmed incidents of corruption and actions taken	No instances of corruption recorded during the reporting period
Waste and resource efficiency		
GRI 3	**Material Topics 2021**	
3-3	Management of material topics	Page 18
301-1	Materials used by weight or volume	Not applicable. Iress does not produce or sell any physical products
301-2	Recycled input materials used	Not applicable. Iress does not produce or sell any physical products
301-3	Reclaimed products and their packaging materials	Not applicable. Iress does not produce or sell any physical products
GRI 302	**Energy 2016**	
302-1	Energy consumption within the organization	Pages 18-19
302-2	Energy consumption outside of the organization	Page 19
302-3	Energy intensity	Pages 18-19
302-4	Reduction of energy consumption	Pages 15, 18-19
302-5	Reductions in energy requirements of products and services	Pages 15, 18-19
GRI 306	**Waste 2020**	
306-1	Waste generation and significant waste-related impacts	Page 19
306-2	Management of significant waste-related impacts	Page 19
306-3	Waste generated	Page 19
306-4	Waste diverted from disposal	Page 19
306-5	Waste directed to disposal	Page 19

GRI Standard	Disclosure	Page/reference/further information
Diversity, equity, and inclusion		
GRI 3	**Material Topics 2021**	
3-3	Management of material topics	Page 23
405-1	Diversity of governance bodies and employees	Pages 23, 28-32
405-2	Ratio of basic salary and remuneration of women to men	Page 32
GRI 406	**Non-discrimination 2016**	
406-1	Incidents of discrimination and corrective actions taken	No incidents of discrimination and corrective actions taken during the reporting period

MATERIAL TOPICS WITH NO RELATED GRI DISCLOSURES

Product/service quality		
GRI 3	**Material Topics 2021**	
3-3	Management of material topics	Pages 5-9
Innovation		
GRI 3	**Material Topics 2021**	
3-3	Management of material topics	Page 9
Culture and values		
GRI 3	**Material Topics 2021**	
3-3	Management of material topics	Pages 1, 23
Risk management		
GRI 3	**Material Topics 2021**	
3-3	Management of material topics	Pages 17, 38, 44-45
Industry leadership and engagement		
GRI 3	**Material Topics 2021**	
3-3	Management of material topics	Pages 17, 38, 44-45

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