2022

Half year profit announcement

Incorporating Appendix 4D
For the six months ended 30 June 2022

Technology to perform better every day.

We provide technology to power financial services.

We are a global team of more than 2,300 people building software that helps the financial services industry perform at its best.

Contents

First half 2022 highlights

Executing on vision of faster earnings growth with higher returns.

Group revenue growth

+6%

Segment profit growth

+7%

Reported earnings per share

↓23%

1H21: 21.4cps
1H22: 16.4cps

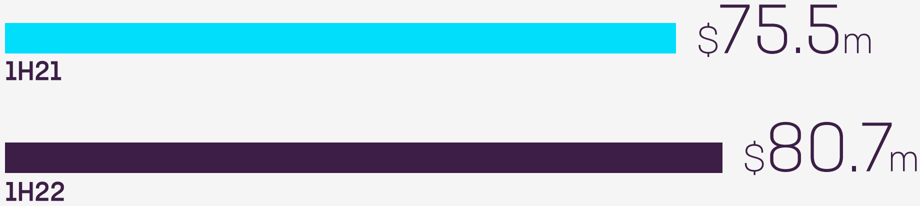
Underlying earnings per share[1]

↑32%

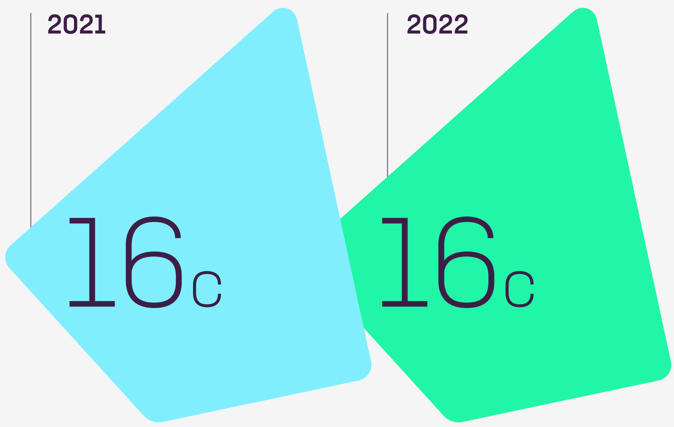
1H21: 12.9cps
1H22: 17.1cps

Segment profit

$80.7m



Interim dividend per share



(1) Underlying earnings per share adjusts for significant income or expenses that Management considers as not forming part of the ongoing income or cost base of the business. 1H21 Underlying earnings per share excludes the post tax gains from the release of deferred contingent consideration provisions ($16.3m). 1H22 Underlying earnings per share excludes the post tax amount of investment expenditure on the Iress single technology platform ($1.5m).

ASX Appendix 4D – Half year results announcement to the market

Name of entity	ABN reference
Iress Limited	47 060 313 359

1. Reporting periods

Financial half year ended ('current period')	Financial half year ended ('previous corresponding period')
30 June 2022	30 June 2021

2. Results for announcement to the market

Key information	Current period $'000	Previous corresponding period Cents	Percentage change increase	Amount increase $'000
Revenue from ordinary activities	308,205	290,208	6.2%	17,997
Profit before income tax expense	40,364	50,415	(19.9%)	(10,051)
Net profit attributable to members of parent company	30,620	40,919	(25.2%)	(10,299)

3. Dividends

Dividend	Period	Payment date	Amount per security Cents	Franked amount per security at 30% tax
Interim dividend*	30 June 2022	23 September 2022	16.0	25%
Final dividend	31 December 2021	18 March 2022	30.0	15%
Interim dividend	30 June 2021	24 September 2021	16.0	80%

* The record date for the interim dividend is 1 September 2022.

4. NTA backing

Net tangible asset backing per ordinary share	Current period Cents	31 December 2021 Cents	Previous corresponding period Cents
Net tangible asset backing per ordinary share	(138.02)	(108.48)	(88.02)

NTA backing for the Group is negative, reflecting the nature of the majority of the company's assets relating to recognised intangible assets and unrecognised human capital responsible for creating and maintaining Iress. Net tangible assets for the Group include right-of-use assets and lease liabilities arising from property and other leases.

This Half Year Report should be read in conjunction with the Annual Report of Iress Limited as at 31 December 2021 together with any public announcements made by Iress Limited and its controlled entities during the half year ended 30 June 2022, in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001 (Cth)*.

Directors' Report

The Directors present their report together with the Consolidated Financial Statements of Iress Limited ("Group"), comprising of the company and its controlled entities, for the half year ended 30 June 2022.

Directors

The Directors of Iress Limited during the half year ended 30 June 2022 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
A Walsh[1]	Managing Director and Chief Executive Officer since October 2009
N Beattie	Independent Non-Executive Director since February 2015
J Cameron[2]	Independent Non-Executive Director since March 2010 and final term as Director ended at the AGM in May 2022
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
M Price[3]	Independent Non-Executive Director since July 2022
T Vonhoff	Independent Non-Executive Director since February 2020 and Chair of the Audit & Risk Committee since May 2021

(1) Retiring as Managing Director and Chief Executive Officer effective 3 October 2022, and will remain a consultant from 3 October 2022 until the end of January 2023.

(2) Retired on 5 May 2022.

(3) To assume the Managing Director and Chief Executive Officer role on 3 October 2022.

Principal activities

Iress is a 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.

Technology & 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.

Directors' Report
(continued)

	Software	Clients
Financial advice	**Integrated financial advice software offering:** – client management – business automation – portfolio data – research – financial planning tools – scaled advice journeys – digital client solutions – data-driven compliance and analytics – regulatory obligations management	**Financial advice clients:** – institutional advisory & independent advisory
Trading & market data	**Global market data and trading software including:** – market data – trading interfaces – order & execution management – smart order routing – FIX services – portfolio management – securities lending – analytical tools – algorithmic trading – market making – CFD clearing – post trade solutions – Trading & market data APIs	**Trading & market data clients:** – institutional sell-side brokers – retail brokers – online brokers
Investment management	**Global investment management & trading software including:** – portfolio management – order & execution management – FIX services – analytical tools – connectivity **Integrated software solution offering:** – market data – order management – portfolio management – client relationship management – wealth management **Funds administration services including:** – funds registry – retail platform licensing & technology	**Investment management clients:** – investment managers – investment platforms – fund managers – private client advisers & managers – wealth managers – retail platforms
Superannuation	**Superannuation administration software and services offering:** – fund registry – clearing house & messaging services – digital member portal – digital advice and member education solutions – fund administration services	**Superannuation clients:** – superannuation funds
Mortgages	**Multi-channel mortgage sales & origination software including:** – automated workflow – application processing – connectivity **Mortgage intermediary software, including:** – mortgage comparison – mortgage advice – lender connectivity	**Mortgage clients:** – mortgage lenders – mortgage intermediaries
Life & pensions	**Insurance & pension sourcing software including:** – quoting – comparison – application processing	**Life & pensions clients:** – institutional advisory – independent advisory – insurance intermediaries

Directors' Report (continued)

Principal activities (continued)

Key risks

The material key risks that have the potential to impact Iress are as outlined in the 2021 Annual Report. These risks remain relevant at the interim reporting date.

The Iress Corporate Governance Statement (link provided below), also outlines key risks.

Changes in state of affairs

There were no significant changes in Iress' state of affairs during the financial period.

Corporate governance

The Corporate Governance Statement is located here:

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

Review of operations & outlook

Operating & financial review

		1H21 $m	2H21 $m	1H22 $m	1H22 v 1H21	1H22 v 2H21
Operating revenue	Reported	290.2	305.7	308.2	6%	1%
	Constant currency basis[1]	290.2	301.1	306.4	6%	2%
Segment profit	Reported	75.5	90.7	80.7	7%	(11%)
	Constant currency basis[1]	75.5	89.2	80.3	6%	(10%)
Segment profit after share-based payments		65.2	83.6	71.9	10%	(14%)
EBITDA		77.3	71.6	65.6	(15%)	(8%)
Reported NPAT		**40.9**	**32.9**	**30.6**	**(25%)**	**(7%)**

(1) Constant currency basis assumes the financial results are converted at the same average foreign exchange rates used in 1H21.

Iress' financial performance is underpinned by a focus on client service and support, ongoing investment in products and technology, product and geographical diversification, and a recurring subscription revenue model. As announced in July 2021, Iress is transitioning its software to a platform-based architecture in order to deliver further product and technology agility as well as increased operating leverage. The first half saw good progress on this important investment initiative with key foundational design and infrastructure work now largely complete.

Operating revenue

On a reported basis, operating revenue from ordinary activities for the first half of 2022 was $308.2m, an increase of 6% from 1H21, and 1% from 2H21. The increase in revenue compared to 1H21 was driven by growth in APAC Trading & Market Data, Financial Advice, Superannuation, Mortgages and North America. On a constant currency basis, revenue for the half year grew 6% from 1H21 and 2% from 2H21.

Segment profit

On a reported basis, segment profit for the half was $80.7m, an increase of 7% from 1H21, and a decrease of 11% from 2H21. On a constant currency basis, segment profit increased 6% from 1H21, and declined 10% from 2H21. The increase in 1H22 compared to 1H21 was driven by growth in operating revenue and strong cost discipline across the group.

The reduction in segment profit compared to 2H21 is primarily driven by a $4.4m annual leave expense in 1H22. The annual leave expense in 2H21 was a $2.8m credit. This is due to the timing of when leave is taken which was significantly weighted towards the second half in 2021, a profile that is expected to be repeated in 2022. In addition to this, Operations costs increased $3.3m in 1H22 compared to 2H21 primarily due to increased investment to support MFA business growth and the impact of annual leave timing.

Directors' Report
(continued)

Review of operations & outlook (continued)

	Operating revenue					Direct contribution				
	1H21 $m	2H21 $m	1H22 $m	1H22 v 1H21	1H22 v 2H21	1H21 $m	2H21 $m	1H22 $m	1H22 v 1H21	1H22 v 2H21
APAC	164.6	170.7	175.2	6%	3%	116.0	123.0	124.2	7%	1%
UK & Europe	75.7	80.5	78.0	3%	(3%)	46.1	51.9	48.4	5%	(7%)
Mortgages	13.6	15.9	16.3	20%	3%	9.3	11.8	11.7	26%	(1%)
South Africa	21.3	22.1	22.2	4%	0%	16.9	16.9	16.8	(1%)	(1%)
North America	15.0	16.5	16.5	10%	0%	6.9	7.7	7.6	10%	(1%)
Total group	**290.2**	**305.7**	**308.2**	**6%**	**1%**	**195.2**	**211.3**	**208.7**	**7%**	**(1%)**
Product & Technology						(68.5)	(66.6)	(69.7)	(2%)	(5%)
Operations						(29.7)	(30.3)	(33.6)	(13%)	(11%)
Corporate						(21.5)	(23.7)	(24.7)	(15%)	(4%)
Segment profit						**75.5**	**90.7**	**80.7**	**7%**	**(11%)**

APAC

On a reported basis, APAC revenue increased 6% from 1H21, and 3% from 2H21. The result was driven by revenue growth in Trading & Market Data, Financial Advice and Superannuation. This was partly offset by lower revenue in the Managed Fund Administration and the investment platform businesses, reflecting lower non-recurring client project activity, transaction volumes and movements in interest rates.

Across the region, Trading & Market Data revenue in 1H22 increased 9% from 1H21 and 4% from 2H21. Australian revenue increased 8% from 1H21, underpinned by strong growth in recurring subscription revenue across a large number of existing client contracts. Asia's revenue increased 29% from 1H21, and 9% from 2H21, largely driven by growth in the QuantHouse Asia market data business which benefited from both growth in existing clients and new client wins.

Financial Advice revenue increased 7% from 1H21 and 2% from 2H21. Demand for Iress' Xplan software remains strong as advisers continue to focus on digital services, data, and compliance. This, along with price increases, resulted in Financial Advice revenue in 1H22 being higher than 1H21. The number of Xplan users has remained stable over this period.

Superannuation revenue increased 9% from both 1H21 and 2H21, which reflects the successful delivery of Iress' super administration service at two funds.

Revenue from the Managed Fund Administration and investment platform businesses decreased 10% from 1H21, and 7% from 2H21. The decrease in revenue is largely driven by lower non-recurring client project revenues as a result of the focus on building a scalable and efficient operational and technology platform as the foundation for future growth.

APAC direct contribution increased by 7% from 1H21, and 1% from 2H21. This reflects the overall growth in operating revenue described above, and strong cost discipline, partly offset by the investment in people to support growth in Superannuation and the Digital Investment Infrastructure businesses.

UK & Europe

On a reported basis, UK & Europe revenue increased 3% from 1H21 and declined 3% from 2H21.

In local currency (pounds sterling), revenue increased 2% from 1H21 and decreased 1% from 2H21. In local currency, recurring revenue increased 3% from 1H21 and increased 1% from 2H21.

Growth from 1H21 to 1H22 reflects a 25% increase in recurring revenue in Private Wealth driven by the full period benefit of clients going live in 2H21, an 8% increase in Trading driven by a key client going live in 2H21, growth in services provided to existing clients and 4% growth in the API Data and Trading Solutions (ADTS) business (previously referred to as QuantHouse). This was partially offset by a decline in Retail Wealth which was impacted by both the lapse of an enterprise client due to a change in their business model, and user rationalisation at another enterprise client.

During 1H22, the UK business achieved a number of important milestones including:

- the implementation of a new sales structure providing increased Retail Wealth focus. Early momentum is positive with a series of wins against key competitors
- continued strong Private Wealth growth driven by ongoing adoption of Iress products, including replacing competitor licences at key blue-chip clients
- a number of new trading technology and market data clients went live and the pipeline continues to grow.

On a reported basis, direct contribution increased 5% from 1H21, and declined 7% from 2H21. In local currency, direct contribution was up 4% from 1H21, and declined 4% from 2H21 to 1H22, which largely reflects the movement in revenue and the impact of the timing of when annual leave is taken on the annual leave expense.

Directors' Report
(continued)

Review of operations & outlook (continued)

Mortgages

On a reported basis, revenue increased 20% from 1H21, and increased 3% from 2H21, while in local currency (pounds sterling), revenue increased 18% from 1H21 and increased 6% from 2H21. In local currency, this resulted in recurring revenue growth of 22% from 1H21 and 8% from 2H21.

Revenue increased from 1H21 largely due to the full-period impact of a client that went live in late 1H21, and the benefit of project fees from a potential new client. The Mortgages business continues to grow recurring subscription licence revenue, which contributed 60% of total revenue in 1H22, up from 59% in 1H21 and 2H21.

On a reported basis, Direct Contribution increased 26% from 1H21 and was broadly in line with 2H21. In local currency, Direct Contribution increased 24% from 1H21 and 2% from 2H21. The increase from 1H21 is driven by growth in revenue and relatively stable costs.

South Africa

On a reported basis, revenue increased 4% from 1H21, and was flat on 2H21, while in local currency (South African rand), revenue increased 2% from 1H21, and increased 1% from 2H21.

Revenue growth was largely the result of price increases at existing clients. Recurring revenue as a percentage of total revenue continues to remain high with 94% of revenue recurring in nature.

On a reported basis, direct contribution decreased marginally from both 1H21 and 2H21. In local currency, direct contribution decreased 3% from 1H21 and was in line with 2H21. Margins decreased 3% from 79% in 1H21, to 76% in 1H22 largely due to the increased expense from people transfers from Product & Technology to the segment to increase client support.

North America

On a reported basis, revenue increased 10% from 1H21, and was broadly in line with 2H21, while in local currency (Canadian dollars), revenue increased 4% from 1H21 and decreased 2% from 2H21.

The revenue increase from 1H21 is largely attributable to the full-period impact of the launch of a retail trading system for a Tier 1 bank in May 2021, and other organic growth in recurring revenues across a number of existing clients. The result was partly offset by the timing of non-recurring regulatory work completed in July 2021. Revenue in Canadian dollars was $0.2m lower than 2H21, impacted by a reduction in non-recurring revenue following the completion of certain client initiatives and regulatory change work.

On a reported basis, direct contribution increased 10% from 1H21, and was largely inline with 2H21. In local currency, direct contribution increased 5% from 1H21 and declined 2% from 2H21. The increase in direct contribution from 1H21 reflects revenue growth, the positive margin impact of synergies arising from the QuantHouse acquisition, and ongoing cost discipline. The direct contribution decline from 2H21 reflects the non-recurring revenue reduction.

Product & Technology

Investment in Product and Technology (P&T) is at the heart of Iress' success and market position, supporting client retention and growth in future recurring revenue. P&T costs primarily comprise people costs and reflects Iress' ongoing investment in existing and new technology.

On a reported basis, P&T costs increased 2% from 1H21, and 5% from 2H21. In constant currency, and adjusting for internal people transfers, P&T costs are flat from 1H21 and increased 6% from 2H21 mainly as a result of annual leave timing. Iress continues to invest in people and capability to pursue emerging revenue opportunities and continue to improve the way Iress designs, engineers, and delivers software.

Operations

Operational costs include core business infrastructure, and people. These include areas such as internal and external communications technology, information security, operating hardware and software, and help desk.

On a reported basis, Operations costs increased 13% from 1H21, and 11% from 2H21. In constant currency, and adjusting for internal people transfers, Operations costs increased 10% from 1H21 and 10% from 2H21. This was primarily due to increased investment to support MFA business growth and the timing of annual leave in 2H21 versus 1H22.

Corporate

Corporate costs include Iress' central business functions including human resources, finance, communications and marketing, legal and other general corporate costs.

On a reported basis, Corporate costs increased 15% from 1H21, and 4% from 2H21. In constant currency, and adjusting for internal people transfers, Corporate costs increased 16% from 1H21 and 6% from 2H21 largely due to an increase in insurance, marketing, and other general corporate costs.

Directors' Report
(continued)

Net profit after tax (NPAT)

	1H21 $m	2H21 $m	1H22 $m	1H22 v 1H21	1H22 v 2H21
Segment profit	**75.5**	**90.7**	**80.7**	**7%**	**(11%)**
Share-based payment expense	(10.3)	(7.1)	(8.8)	(15%)	24%
Segment profit after share-based payments	**65.2**	**83.6**	**71.9**	**10%**	**(14%)**
Significant items	12.1	(12.0)	(6.3)	(152%)	(48%)
Profit before interest and tax, depreciation and amortisation	**77.3**	**71.6**	**65.6**	**(15%)**	**(8%)**
Depreciation and amortisation	(22.5)	(24.5)	(20.2)	(10%)	(18%)
Profit before interest and tax	**54.8**	**47.1**	**45.4**	**(17%)**	**(4%)**
Net interest and financing costs	(4.4)	(4.6)	(5.1)	16%	11%
Tax expense	(9.5)	(9.6)	(9.7)	2%	1%
Reported NPAT	**40.9**	**32.9**	**30.6**	**(25%)**	**(7%)**

Iress' reported NPAT decreased 25% from 1H21, and 7% from 2H21. The decrease in NPAT largely reflects the benefit in 1H21 from the net provision release associated with the finalisation of QuantHouse ($15.2m) and BC Gateways earnout ($1.1m) arrangements in 1H21, which have been reported within significant items in the table above. This was partly offset by the increase in segment profit in 1H22.

Share-based payment expense was 15% below 1H21 due to forfeitures in 2H21 (including from a small number of departing executives) which reduced the ongoing expense into 1H22.

The 24% increase in share-based payment expense in 1H21 as compared to 2H21 reflects a reduced level of forfeitures during 1H22 as well as the impact of the grant of performance rights to the CEO, executives and other key employees in 1H22.

Significant items include non-operating income and expenses as well as significant project related expenses that Management consider as not forming part of the ongoing cost base of the business so are separately disclosed to provide greater clarity on underlying business performance.

Significant items increased from a benefit of $12.1m in 1H21, to an expense of $6.3m in 1H22. The benefit of $12.1m in 1H21 included deferred contingent consideration provision releases of $15.2m and $1.1m in relation to the acquisitions of QuantHouse in 2019, and BC Gateways in 2020, respectively.

After adjusting for these provision releases the non-operating and significant non-recurring expenses totalled $4.2m in 1H21, as compared to $6.3m in 1H22.

The significant items in 1H22 primarily comprise:

- non-recurring costs in relation to the ongoing technology integration of OneVue
- non-recurring costs in relation to the investment in the replatforming of Iress' key software products announced in 2021
- non-recurring costs resulting from the implementation of corporate infrastructure and restructuring projects.

Depreciation and amortisation (D&A) expenses decreased from $22.5m in 1H21, and from $24.5m in 2H21 to $20.2m in 1H22. These movements were primarily due to intangible amortisation and lease right-of-use asset depreciation.

The intangible amortisation expense decreased due to certain intangible assets becoming fully amortised during 2H21 as they reached the end of their useful economic lives.

The depreciation on lease right-of-use assets decreased due to the impairment of certain office lease assets during 2H21. The Group had recognised an impairment loss of $3.9 million in 2021 in relation to property lease right-of-use assets in Australia and the UK, following decisions to transfer the teams working in these locations to other existing leased office space. The impact of the impairment is a reduced depreciation expense on these assets in 2022 as compared to 2021.

Net interest and financing costs of $5.1m in 1H22 were higher than the $4.4m in 1H21 and the $4.6m in 2H21. The increase in interest expense from 2H21 and 1H21 was due to the impact of higher average borrowings in 1H22 compared with 1H21 and 2H21. Average borrowings increased in 1H22 due to the ongoing on-market buyback and the payment of the FY21 final dividend in March 2022. In addition, average interest rates on AUD and GBP debt have increased in line with the central bank increasing cash rates. To partially mitigate the underlying interest rate risk on GBP floating debt, the Group issued GBP60.5m of 7-year fixed-rate notes in May 2022 and used the proceeds to repay existing GBP floating rate debt.

The Group's effective tax rate was 24% in 1H22 due to the effective tax rates in jurisdictions in which Iress operates, and was higher than 19% reported in 1H21, and 23% reported in 2H21. This is due to the impact of deferred contingent consideration provision releases for QuantHouse ($15.2m in 1H21) and BC Gateways ($1.1m in 1H21 and $7.0m in 2H21) during 2021, which are treated as capital rather than income items for company tax purposes and, therefore, attract no accounting tax charge.

Directors' Report
(continued)

Statement of Financial Position

Intangible assets were reduced by $23.5m during the period primarily due to the impact of weaker GBP and EUR currencies on goodwill and other assets denominated in these currencies (impact of $23.0m). During the period, $7.3m of development costs were capitalised, and intangible amortisation was $7.8m.

Net debt (measured as borrowings excluding capitalised borrowing costs, net of derivatives, and less cash and cash equivalents) increased by $57.1m to $290.9m during the period ended 30 June 2022. This was mainly due to the payment of the $56.9m final 2021 dividend payment, the on-market purchase of $23.0m of treasury shares to satisfy employee share plan obligations, $22.4m of payments relating to the ongoing share buyback, and the $4.4m final settlement of deferred contingent consideration relating to the acquisition of BC Gateways in 2020. These outflows were partially offset by net operating cash inflow of $59.0m during the period.

As a result, the leverage ratio (defined in this report as the ratio of net debt to the last twelve months' segment profit) increased to 1.7x at the end of the period compared to 1.4x at the start of the period.

As noted above, the Group issued GBP60.5m ($106.6m) of 7-year fixed rate notes to an institutional investor in May 2022, with the proceeds being used to repay existing GBP floating rate borrowing. In addition, $50m of the $400m bank facility expiring in October 2025 was cancelled. As a result of these transactions, the Group's total available debt facility that can be drawn in cash increased from $400m to $456.6m, of which $98.0m was undrawn at 30 June 2022.

Current provisions reduced by $5.3m, primarily due to the final settlement of $4.4m of deferred contingent consideration relating to the 2020 BC Gateways acquisition.

Dividends

Iress' dividend policy is to maintain a payout ratio of not less than 80% of underlying earnings[1] on an annualised basis, subject to accounting limitations. The dividend policy may be modified by the Board in the future where it is felt appropriate. Dividends continue to be franked to the greatest extent possible while reflecting the geographical context of the business and the timing of tax payments.

In respect of 1H22 earnings, the Directors determined to pay an interim dividend of 16.0 cents per share franked to 25% at a 30% corporate tax rate.

Events subsequent to the Statement of Financial Position date

On 22 July 2022, Iress announced an extension of the existing on-market buyback of up to $100m of fully paid ordinary shares originally announced in July 2021.

The timing and actual number of shares purchased under the buyback, and other matters relating to the timing to the conduct of the buyback, will depend on the prevailing share price, market conditions, forecast future capital requirements and other considerations, including any unforeseen circumstances. There can be no certainty that Iress will repurchase all of the up to $100m of ordinary shares announced under the buyback. For more details on the buyback, please refer to Note 6 of the financial statements in this report.

Mr Andrew Walsh, Managing Director and Chief Executive Officer since October 2009, announced his retirement from Iress, and will continue in a consulting capacity from 3 October 2022 until 25 January 2023.

Other than the buyback extension, the announcement of the forthcoming retirement of Mr Andrew Walsh and the declaration of the interim dividend noted above, there has been no other matter nor circumstance that has arisen since the end of the financial period 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 periods.

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 13.

(1) Segment Profit less operating depreciation & amortisation & tax at 30%.

Directors' Report
(continued)

Rounding of amounts

The amounts shown in this report and in the half year 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.

Signed in accordance with a resolution of the Directors made pursuant to section 306(3) of the *Corporations Act 2001 (Cth)*.

On behalf of the Directors.

Roger Sharp
Chair
Melbourne 17 August 2022

Andrew Walsh
Managing Director & Chief Executive Officer

Auditor's Independence Declaration

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Melbourne, VIC, 3000
Australia

Phone: +61 3 9671 7000
www.deloitte.com.au

17 August 2022

The Board of Directors
Iress Limited
Level 16, 385 Bourke Street
Melbourne VIC 3000

Dear Board Members,

Auditor's Independence Declaration to Iress Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Iress Limited.

As lead audit partner for the review of the half year financial report of Iress Limited for the half year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) The auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(ii) Any applicable code of professional conduct in relation to the review.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Stephen Roche
Partner
Chartered Accountants

Consolidated Statement of Profit or Loss
and Other Comprehensive Income

For the half year ended 30 June 2022

	Notes	Half year ended 30 June 2022 $'000	Half year ended 30 June 2021 $'000
Revenue from contracts with customers		308,205	290,208
Customer data fees		(27,944)	(26,435)
Communication and other technology expenses		(36,304)	(30,966)
Employee benefit expenses		(157,606)	(154,964)
Net other expenses	3	(20,758)	(516)
Profit before depreciation, amortisation, interest and income tax expense		**65,593**	**77,327**
Depreciation and amortisation expense		(20,212)	(22,548)
Profit before interest and income tax expense		**45,381**	**54,779**
Interest income		70	87
Interest expense		(5,087)	(4,451)
Net interest and financing costs		(5,017)	(4,364)
Profit before income tax expense		**40,364**	**50,415**
Income tax expense		(9,744)	(9,496)
Profit after income tax expense		**30,620**	**40,919**
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations[1]		(13,792)	11,749
Tax related to exchange differences recognised directly in foreign currency translation reserve[2]		(36)	(20)
Total other comprehensive (loss)/income for the period		(13,828)	11,729
Total comprehensive income for the period		**16,792**	**52,648**

	Cents per share	Cents per share
Earnings per share		
Basic earnings per share	16.4	21.4
Diluted earnings per share	16.2	21.3

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

(1) Under AASB121 – *The Effects of Changes in Foreign Exchange Rates*, the foreign exchange gain or loss on these monetary items is recognised directly in other comprehensive income rather than the profit or loss.

(2) Relates to the tax effect on exchange differences arising from intercompany monetary items that are treated as part of a net investment in a foreign operation.

Consolidated Statement of Financial Position

As at 30 June 2022

	Notes	30 June 2022 $'000	31 December 2021 $'000
ASSETS			
Current assets			
Cash and cash equivalents		67,808	64,393
Receivables and other assets		82,359	74,401
Current taxation receivables		17,217	9,831
Total current assets		**167,384**	**148,625**
Non-current assets			
Intangible assets		719,143	742,615
Plant and equipment		30,111	32,068
Right-of-use assets		70,452	77,737
Deferred tax assets		24,246	31,580
Total non-current assets		**843,952**	**884,000**
Total assets		**1,011,336**	**1,032,625**
LIABILITIES			
Current liabilities			
Payables and other liabilities		86,988	77,508
Lease liabilities		18,060	15,384
Provisions		10,016	15,346
Current taxation payables		337	605
Total current liabilities		**115,401**	**108,843**
Non-current liabilities			
Lease liabilities		66,895	77,470
Provisions		2,741	2,950
Borrowings	5	357,453	296,530
Deferred tax liabilities		8,586	9,919
Total non-current liabilities		**435,675**	**386,869**
Total liabilities		**551,076**	**495,712**
Net assets		**460,260**	**536,913**
EQUITY			
Issued capital	6	448,519	493,883
Share-based payments reserve		16,210	26,178
Foreign currency translation reserve		(6,505)	7,323
Retained earnings		2,036	9,529
Total equity		**460,260**	**536,913**

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

Consolidated Statement of Changes in Equity

For the half year ended 30 June 2022

	Issued capital $'000	Share-based payments reserve $'000	Foreign currency translation reserve $'000	Retained earnings $'000	Total equity $'000
Balance at 1 January 2021	**558,416**	**35,020**	**(5,093)**	**(1,545)**	**586,798**
Profit for the period	-	-	-	40,919	40,919
Other comprehensive income	-	-	11,729	-	11,729
Total comprehensive income	**-**	**-**	**11,729**	**40,919**	**52,648**
Transactions with owners in their capacity as owners:					
Purchase of shares for employee share schemes[2]	(20,386)	-	-	-	(20,386)
Dividends declared or paid	3,190	-	-	(57,998)	(54,808)
Share-based payment expense	-	10,323	-	-	10,323
Transfer of share-based payments reserve[4]	-	(23,844)	-	23,844	-
	(17,196)	**(13,521)**	**-**	**(34,154)**	**(64,871)**
Balance at 30 June 2021	**541,220**	**21,499**	**6,636**	**5,220**	**574,575**

	Issued capital[1] $'000	Share-based payments reserve $'000	Foreign currency translation reserve $'000	Retained earnings $'000	Total equity $'000
Balance at 1 January 2022	**493,883**	**26,178**	**7,323**	**9,529**	**536,913**
Profit for the period	-	-	-	30,620	30,620
Other comprehensive loss	-	-	(13,828)	-	(13,828)
Total comprehensive (loss) / income	**-**	**-**	**(13,828)**	**30,620**	**16,792**
Transactions with owners in their capacity as owners:					
Purchase of shares for employee share schemes[2]	(22,957)	-	-	-	(22,957)
On-market buyback of shares[3]	(22,407)	-	-	-	(22,407)
Dividends declared or paid	-	-	-	(56,889)	(56,889)
Share-based payment expense	-	8,808	-	-	8,808
Transfer of share-based payments reserve[4]	-	(18,776)	-	18,776	-
	(45,364)	**(9,968)**	**-**	**(38,113)**	**(93,445)**
Balance at 30 June 2022	**448,519**	**16,210**	**(6,505)**	**2,036**	**460,260**

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

(1) During the period, the total number of ordinary shares in issue decreased from 189,628,356 to 187,575,477 as result of the on-market buyback funded from Iress' existing cash and committed debt facilities. The number of treasury shares outstanding as at 30 June 2022 is 2,845,107 (31 December 2021: 2,446,754) (Refer to Note 6).

(2) Reflects the on-market purchase of treasury shares by the employee share trust during the period.

(3) Iress repurchased 2,052,879 fully-paid ordinary shares at an average price of $10.91 for a total amount of $22.4 million during the period as part of the ongoing on-market buyback (Refer to Note 6).

(4) The movement from share-based payment reserves to retained earnings represents the grant date fair value of share-based payments that have vested during the period. In addition it includes the grant date fair value of awards that have been forfeited or lapsed during the period. The amount transferred reflects the value recognised as a share-based payment expense over the vesting period.

Consolidated Statement of Cash Flows

For the half year ended 30 June 2022

		Half year ended 30 June	
	Notes	2022 $'000	2021 $'000
Cash flows from operating activities			
Cash generated from operating activities		74,691	67,815
Interest received		14	87
Interest and borrowing costs paid		(3,064)	(2,662)
Interest on lease liabilities		(1,211)	(1,212)
Income tax paid		(11,398)	(13,829)
Net cash inflow generated from operating activities		**59,032**	**50,199**
Cash flows from investing activities			
Payments for purchase of intangible assets		(7,330)	(5,639)
Payments for purchase of plant and equipment		(3,780)	(6,168)
Proceeds from sale of plant and equipment		8	-
Payment for deferred consideration[1]		(4,400)	(8,818)
Net cash outflow utilised by investing activities		**(15,502)**	**(20,625)**
Cash flows from financing activities			
Purchase of shares for employee share schemes		(22,957)	(20,387)
On-market buyback of shares, net of tax		(22,393)	-
Share buyback fees paid		(14)	-
Payment of lease liabilities		(7,462)	(7,131)
Dividends paid		(56,929)	(54,768)
Proceeds from borrowings		334,636	75,085
Repayment of borrowings		(263,636)	(39,000)
Net cash outflow utilised by financing activities		**(38,755)**	**(46,201)**
Net increase/(decrease) in cash and cash equivalents		**4,775**	**(16,627)**
Cash and cash equivalents at the beginning of the financial year		64,393	63,141
Effects of exchange rate changes on cash and cash equivalents		(1,360)	748
Cash and cash equivalents at end of the half year		**67,808**	**47,262**

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

(1) Deferred consideration paid in the current year relating to the 2020 BC Gateways acquisition. The previous year's payments relate to the 2019 QuantHouse acquisition.

Notes to the Consolidated Financial Statements

For the half year ended 30 June 2022

1. Basis of preparation

Iress Limited (the 'Company') is a for-profit company domiciled in Australia. The half 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 period ended 30 June 2022. The half year financial statements:

- were prepared in accordance with the *Corporations Act 2001 (Cth)*, Australian Accounting Standards and Interpretations, and International Financial Reporting Standards (IFRS), including AASB 134 *Interim Financial Reporting*
- were authorised for issue by the Directors on 17 August 2022
- were prepared on a historical cost basis, except for derivative financial instruments and investments in financial assets which have been measured at fair value
- all amounts are presented in Australian dollars, unless otherwise stated
- the amounts in this report have been rounded off to the nearest thousand dollars, unless otherwise stated, as allowed under ASIC Corporations (Rounding in Financial/Directors Reports) Instrument 2016/191 dated 24 March 2016 (ASIC guidance).

The half year financial report does not include all notes of the type normally included within the annual financial report. Accordingly, it should be read in conjunction with the annual financial report of Iress for the year ended 31 December 2021 and any public announcements made by Iress during the half year ended 30 June 2022 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001 (Cth)*.

The accounting policies used are consistent with those applied in the 2021 Annual Report except as noted below:

(a) Adoption of new accounting 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 2022 including the following:

– AASB 2020-8 Amendments to Australian Accounting Standards	– *Interest rate benchmark reform – Phase 2*
– AASB 2020-3 Amendments to Australian Accounting Standards	– *Annual Improvements 2018-2020 and Other Amendments*
– AASB 2021-4 Amendments to Australian Accounting Standards	– *COVID-19 related rent concessions*

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 in issue but not yet effective

At the date of authorisation of the financial report, the following new accounting standards, amendments and interpretations have been published that are not mandatory for 30 June 2022 reporting periods and have not yet been applied by Iress within this financial report:

– AASB 17 *Insurance contracts*	– *Measurement of insurance liabilities*[1]
– 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 2015-10 Amendments to Australian Accounting Standards	– *Effective date of amendments to AASB 10 and AASB128*[2]
– AASB 2017-5 Amendments to Australian Accounting Standards	– *Effective date of amendments to AASB 10 and AASB128 and editorial corrections*[1]
– AASB 2020-1 Amendments to Australian Accounting Standards	– *Classification of liabilities as current or non-current*[1]
– AASB 2021-2 Amendments to Australian Accounting Standards	– *Disclosure of Accounting Policies and Definition of Accounting Estimates*[1]
– AASB 2021-5 Amendments to Australian Accounting Standards	– *Deferred tax related to assets and liabilities arising from a single transaction*[1]
– AASB 2021-7 Amendments to Australian Accounting Standards	– *Effective date of amendments to AASB 10 and AASB128 and editorial corrections*[2]
– AASB 2022-1 Amendments to Australian Accounting Standards	– *Initial application of AASB17 and AASB9 – comparative information*[1]

(1) Effective for annual periods beginning on or after 1 January 2023.

(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.

Notes to the Consolidated Financial Statements (continued)

1. Basis of preparation (continued)

The impact of the COVID-19 pandemic on these financial statements

Since the onset of the global pandemic in March 2020, Iress has taken a number of steps in response to managing the impact of COVID-19 for the welfare of our people and for business continuity. Iress' key focus during this time has been the health and wellbeing of its people, ensuring they have been able to work safely and effectively on a remote basis as required while continuing to provide service continuity for clients and users.

Members of the Iress leadership team, including the CEO, and specialists from within the business, continue to meet regularly to ensure the right measures are in place. Where offices are open again, our teams have been returning on an optional basis. In locations where offices are closed, our teams are working well remotely.

Employees who return to offices in select locations do so in line with government, health & safety, landlord and internal guidelines. We are not requiring vaccinations for our people as a condition of employment or for entry to our offices (unless there are government, landlord or client requirements). However, we continue to closely follow the advice of governments and health authorities in each of our locations.

Iress has been able to continuously operate and support all services. We have not experienced any serious negative impact on operations or productivity due to this global pandemic. We are satisfied that our teams, including business-critical ones, can continue to operate remotely for an extended period if required.

Our data centres are deliberately located in different and independent locations consistent with prudent failover strategies. Following assessment, we are confident these services are not materially at risk at present from coronavirus-related issues. We are also unaware of any change to our supply chain that has or will have a material impact on our clients and users. Regular updates regarding business continuity are published on Iress' website.

Iress operates a software subscription model, with most of its revenue recurring in nature. Iress has a history of strong cash conversion and low debtor defaults. These features of Iress' commercial model have continued throughout the pandemic.

The Group is exposed to the broader economic uncertainty evident in all of Iress' markets as a result of COVID-19 and the impact of Government public health responses, including lockdowns.

Significant sources of estimation uncertainty

The following assets and liabilities recognised in the Consolidated Statement of Financial Position as at 30 June 2022 are subject to estimates made about future performance and, as such, require significant judgment:

(a) Goodwill

Significant judgment is required in the assumptions used in the value-in-use models used in impairment testing. Refer to Note 4 for further information.

(b) Credit Loss Allowance

The Group's credit loss allowance is recognised within 'Receivables and other assets' in the Consolidated Statement of Financial Position.

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 historical credit loss rate for each group of clients, adjusted for any material expected changes to the future credit risk for that client group.

The adjustment for material expected changes to credit risk for each client group requires judgment about future events. As such, a significant increase in actual credit losses from that expected would significantly impact on financial performance. To date, COVID-19 has not had a material impact on the credit risk profile of Iress' clients. However, the broader economic uncertainty resulting from COVID-19 could lead to a deterioration in the credit profile within the client base. Iress continues to monitor credit exposures closely and carefully.

Notes to the Consolidated Financial Statements
(continued)

2. Segment information

Iress has a global presence. The Managing Director and Chief Executive Officer (Iress' Chief Operating Decision Maker) receives internal reporting split by the segments listed below and measures the performance of the segments based on comparison to the previous half (in this case, 2H21) and the previous corresponding half (1H21). Therefore, both the previous half (2H21) and the previous corresponding period (1H21) segment results have been presented.

Any transactions directly between segments are charged on an arm's length basis.

Iress segments comprise:

(a) Client segments

Client segment financial performance is measured in terms of revenue and direct contribution (defined as revenue less the direct costs of the customer-facing teams that oversee this revenue generation). The Group's client segments are:

APAC

Consists of the Trading & Market Data business, which provides market data, trading, compliance, order management, portfolio systems and related tools to financial markets participants in Australia, New Zealand and Asia; the Financial Advice business which provides financial planning systems and related tools to wealth management professionals located in Australia and New Zealand; and the Superannuation business which provides fund administration software and related tools to the superannuation industry.

UK & Europe

Incorporates the financial markets business which provides information, trading, compliance, order management, portfolio systems, and related tools to cash equity participants; and the wealth management business, which provides financial planning systems and related tools to wealth management professionals located in the United Kingdom. In addition, market data services are provided to customers throughout the UK and Europe.

Mortgages

The Mortgages segment operates in the United Kingdom to provide mortgage origination software and associated consulting services to banks.

South Africa

Provides information, trading, compliance, order management, portfolio systems and related tools to financial markets participants and provides financial planning systems and related tools to wealth management professionals located in South Africa.

North America

Provides information, trading, compliance, order management, portfolio systems and related tools to financial markets and wealth management participants in Canada. In addition, market data services are provided to customers in the United States of America.

(b) Cost segments

Product & Technology

All costs associated with product and technology will be reported under this segment, giving a clear view of the substantial investment made by Iress in maintaining and enhancing its products.

Operations

Includes costs to run client-facing and corporate operations activity, including hosting and networks, information security, client help desks, and property infrastructure.

Corporate

All other corporate functions include legal, finance and administration, human resources, communications and marketing, Board of Directors, and Chief Executive Officer.

Notes to the Consolidated Financial Statements (continued)

2. Segment information (continued)

The revenue, segment profit, and reconciliation to the Group results are shown below:

		Operating revenue[1]			Direct contribution		
		1H22 $'000	**2H21 $'000**	**1H21 $'000**	**1H22 $'000**	**2H21 $'000**	**1H21 $'000**
Client segments	APAC	175,239	170,772	164,574	124,215	122,984	116,065
	UK & Europe	77,948	80,495	75,662	48,346	51,935	46,094
	Mortgages	16,294	15,841	13,636	11,714	11,767	9,328
	South Africa	22,200	22,111	21,339	16,819	16,906	16,887
	North America	16,524	16,518	14,997	7,649	7,650	6,872
	Total group	**308,205**	**305,737**	**290,208**	**208,743**	**211,242**	**195,246**
Cost segments	Product & Technology				(69,651)	(66,539)	(68,509)
	Operations				(33,603)	(30,368)	(29,663)
	Corporate				(24,762)	(23,649)	(21,528)
	Total indirect costs				**(128,016)**	**(120,556)**	**(119,700)**
Group results	**Group segment profit**				**80,727**	**90,686**	**75,546**
	Share-based payment expense				(8,808)	(7,096)	(10,323)
	Segment profit after share-based payment expense				**71,919**	**83,590**	**65,223**
	Non-operating and significant items[2]				(6,326)	(12,031)	12,104
	Profit before depreciation, amortisation, interest and income tax expense				**65,593**	**71,559**	**77,327**
	Depreciation and amortisation				(20,212)	(24,430)	(22,548)
	Profit before interest and income tax expense				**45,381**	**47,129**	**54,779**
	Net interest and financing costs				(5,017)	(4,678)	(4,364)
	Income tax expense				(9,744)	(9,572)	(9,496)
	Net profit after tax				**30,620**	**32,879**	**40,919**

(1) Operating revenue is recognised 'over time' in accordance with AASB 15 – *Revenue from Contracts with Customers.*

(2) Predominantly relates to significant non-recurring project expenses, business acquisition and integration expenses, revaluation of financial liabilities relating to deferred contingent consideration and realised and unrealised foreign exchange gains and losses. Refer to Note 3.

Notes to the Consolidated Financial Statements (continued)

3. Profit before income tax expense

The profit before income tax includes the following:

	Half year ended 30 June	
	2022 $'000	2021 $'000
Other operating income/(expenses)		
Fees to auditors	(973)	(936)
Irrecoverable trade debtors written off	(229)	(247)
(Increase)/reversal of credit loss allowances	(7)	361
Rental expense relating to operating leases	(86)	(75)
Other operating expenses[1]	(13,137)	(11,723)
	(14,432)	**(12,620)**
Non-operating and significant items of income/(expenses)		
Realised/unrealised losses on foreign balances	(87)	(30)
Non-operating income	121	60
Business acquisition, integration and restructuring expenses	(2,858)	(2,776)
Single technology platform[2]	(2,039)	-
Remeasurement of deferred acquisition consideration	-	16,247
(Remeasurement)/release of other provisions	(92)	9
Other significant items[3]	(1,371)	(1,406)
	(6,326)	**12,104**
Net other expenses	**(20,758)**	**(516)**

(1) Includes office related expenses, insurance premiums, professional and legal fees and marketing expenses.

(2) Predominantly Product & Technology expenses relating to the strategic single technology platform investment (which includes cloud optimisation) over the next 2 to 3 years.

(3) Comprises all other non-operating and significant non-recurring project-related expenses.

4. Goodwill

In accordance with the accounting standard AASB 136 *Impairment of Assets*, the Group has conducted a review of indicators of impairment during the half year for each of the cash-generating units (CGUs) to which goodwill has been allocated.

During the half year, and as at 30 June 2022, no indicators were identified that would require a reassessment of the recoverable amount of goodwill for any of the CGUs.

Whilst discount rates have increased for all of Iress' CGUs due to the increasing cost of debt as Central Banks raise cash rates to combat inflationary pressures, those increases are not significant enough to reduce the value in use of the CGUs below their current carrying values.

The Group also considered the impact of the Russia/Ukraine war on the future business performance of the CGUs and concluded that unless the conflict escalates outside those two countries, there is not expected to be a significant direct economic impact on the Group, given that the Group only generates/incurs a small amount of revenue/ expense from customers and suppliers based in Russia and Ukraine.

As a result of the review of indicators of impairment, no impairments of goodwill have been recognised in the half year to 30 June 2022 (2021: Nil).

Notes to the Consolidated Financial Statements (continued)

5. 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 17 May 2022, Iress entered into note purchase agreements with two affiliates of a United States domiciled institutional investor. The notes issued provided GBP60.5 million of funding at a fixed rate coupon and with a 7-year maturity to 17 May 2029. The covenant requirements are the same as the existing bank facility. The proceeds were used to repay existing GBP floating rate bank debt.

Following the issuance of the notes, the amount of the unsecured floating rate bank facility was reduced by $50 million to $350 million. The covenant requirements remain unchanged.

Details of borrowings held by the Group are as follows:

	2022 $'000	2021 $'000
Non-current		
4 year $350 million (2021:$400 million) bank facility to October 2025		
AUD	146,000	75,000
GBP	58,171	174,005
EUR	47,842	49,138
7 year GBP60.5 million fixed rate notes to May 2029		
GBP	106,647	-
Total amount drawn	**358,660**	**298,143**
Borrowing costs capitalised	(1,207)	(1,613)
Total borrowings	**357,453**	**296,530**

6. Issued capital

On 29 July 2021, Iress announced the launch of an on-market buyback of up to $100.0 million of fully-paid ordinary shares funded from Iress' existing cash and committed debt facilities.

Since the commencement of the buyback in 2021, 6,101,175 shares at an average price of $11.5 were repurchased for a cumulative amount of $70.2 million from the market. Up to $29.8 million of ordinary fully-paid shares remain to be bought back from the market.

	Amount		Number of shares	
	2022 $'000	2021 $'000	2022 '000	2021 '000
Balance at the beginning of the period/year	**493,883**	**558,416**	**189,628**	**193,326**
Purchase of Treasury Shares	(22,957)	(20,387)	-	-
Share buyback	(22,407)	(47,781)	(2,053)	(4,048)
Shares issued to meet obligations under the Dividends Reinvestment Plan	-	3,190	-	350
Shares issued under the Employee Share Purchase Plan	-	445	-	-
	448,519	**493,883**	**187,575**	**189,628**
Less Treasury Shares	-	-	(2,845)	(2,447)
Balance at the end of the period/year	**448,519**	**493,883**	**184,730**	**187,181**

Notes to the Consolidated Financial Statements
(continued)

7. Dividends

	Half year ended 30 June	
	2022 $'000	**2021 $'000**
Dividends recognised and paid during the half year		
Final dividend for 2021: 30.0 cents per share franked to 15% (2020: 30.0 cents per share franked to 40%)	56,889	57,998
	56,889	**57,998**
Dividends declared after balance date		
Interim dividend for 2022: 16.0 cents per share franked to 25% (2021: 16.0 cents per share franked to 80%)	30,012	30,988
Franking credit balance		
Franking credits available for subsequent reporting periods based on a tax rate of 30% (2021: 30%)	2,647	3,618

8. Events subsequent to the Statement of Financial Position date

On 22 July 2022, Iress announced an extension of the existing on-market buyback of up to $100m of fully-paid ordinary shares originally announced in July 2021.

The timing and actual number of shares purchased under the buyback, and other matters relating to the timing to the conduct of the buyback, will depend on the prevailing share price, market conditions, forecast future capital requirements, and other considerations, including any unforeseen circumstances. There can be no certainty that Iress will repurchase all of the up to $100m of ordinary shares announced under the buyback. Please refer to Note 6 of the financial statements for more details on the buyback.

Mr Andrew Walsh, Managing Director and Chief Executive Officer since October 2009, announced his retirement from Iress, and will continue in a consulting capacity from 3 October 2022 until 25 January 2023.

Other than the buyback extension, the announcement of the forthcoming retirement of Mr Andrew Walsh and the declaration of the interim dividend noted above, there has been no other matter nor circumstance that has arisen since the end of the financial period 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 periods.

Directors' Declaration

For the half year ended 30 June 2022

The Directors declare that in the Directors' opinion:

(a) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(b) the attached half year financial statements and notes thereto are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the financial position as at 30 June 2022 and the performance of the Group for the half year ended on that date, and

(ii) compliance with Accounting Standards AASB 134 *Interim Financial Reporting* and the *Corporation Regulations 2001*.

Signed in accordance with a resolution of the Directors made pursuant to section 303(5) of the *Corporations Act 2001*.

On behalf of the Directors.

Roger Sharp
Chair

Andrew Walsh
Managing Director and Chief Executive Officer

Melbourne 17 August 2022

Independent Auditor's Review Report

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Independent Auditor's Review Report to the members of Iress Limited

Report on the Half Year Financial Report

Conclusion

We have reviewed the half year financial report of Iress Limited (the "Entity") and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the half year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the half year ended on that date; and
- Complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001.*

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a *Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half Year Financial Report* section of our report. We are independent of the Group in accordance with 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Entity, would be in the same terms if given to the directors as at the time of this auditor's review report.

Directors' Responsibilities for the Half Year Financial Report

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

Auditor's Responsibilities for the Review of the Half Year Financial Report

Our responsibility is to express a conclusion on the half Year financial report based on our review. *ASRE 2410* requires us to conclude whether we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2022 and its performance for the half year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001.*

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in

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Deloitte.

scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Stephen Roche
Partner
Chartered Accountants