

ASX Release 15 March 2024

Iress to sell its UK Mortgages business for £85m

Highlights

- Bain Capital to buy Iress' UK Mortgages business for a total gross cash consideration of £85m (\$A164.3m)
- Net proceeds from sale to be used to retire debt, significantly deleveraging Iress
- This is the third and largest divestment executed under Iress' transformation strategy, marking significant progress.

Iress (IRE: ASX) today announces it has entered into a binding agreement to divest its UK Mortgage Sales & Originations ("Mortgages") business to Bain Capital Tech Opportunities LP ("Bain Capital") for a total cash consideration of £85m (\$A164.3m¹) before costs. The sale marks a significant advancement in Iress' transformation strategy to divest non-core assets and strengthen its balance sheet.

Iress' Mortgages business provides mortgage sales and origination software (MSO) and associated consulting services to banks and building societies in the UK. Iress acquired the Mortgages business over 10 years ago, during which time it has become a leading provider of mortgage origination software in the UK.

Iress Group CEO, Marcus Price, said: "MSO is recognised as the most advanced end-to-end software of its kind and has changed mortgage lending in the UK with its scalable, customer-focused value proposition. Our decision last year to focus on our core strengths means now is the right time for the Mortgages business to build on the strength of its product platform under new ownership.

"We saw strong interest in our Mortgages business through the sale process and we're delighted that we are announcing this transaction ahead of schedule. It is perhaps the most significant milestone achieved to date in Iress' transformation, which sets out our plans to simplify our structure, create a more transparent and sustainable business and find new owners for businesses which are no longer strategically aligned to Iress' objectives. We are delighted to have found an acquirer in Bain Capital with the expertise and capital to appropriately invest in the growth of MSO for the benefit of its customers and employees."

"The proceeds of the transaction will make a material difference to Iress' net debt position, strengthening our balance sheet and providing greater ability to double-down and invest for growth in our core businesses of Wealth, Trading & Market Data and Superannuation."

Bain Capital Tech Opportunities is a software-focused fund which partners and invests in technology companies at critical growth and expansion phases. It intends to combine the Mortgages business with

¹ FX rates as at 14 March.

another UK mortgage software provider, finova; establishing a new entity to bring best-of-breed technology to their respective customers, driving scale and access across all tiers of the mortgage market.

Net proceeds from the sale are expected to be approximately £70-73m (\$A135-141m¹). Completion of the sale is subject to the novation of the existing MSO client contracts to the new entity as well as Competition and Markets Authority approval. It is anticipated the transaction will be completed by the middle of the year, with the proceeds used to retire debt. Iress will provide support services for a period of up to 12 months after the transaction on a cost recovery basis to ensure a smooth transition.

The transaction follows the divestments of the [MFA](#) and [Platform](#) businesses, as part of Iress' strategy of simplifying its operations and divesting non-core businesses to retire debt. The current effective interest rate across Iress' drawn borrowings is approximately 6%. It is expected that the target leverage range of 1.0-1.5x will be achieved by the end of 2024.

Ends

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About Iress

Iress (IRE.ASX) is a technology company providing software to the financial services industry.

We provide software and services for trading & market data, financial advice, investment management, mortgages, superannuation, life & pensions and data intelligence.

Our software is used by more than 10,000 businesses and 500,000 users globally. We have over 2,000 people based in Asia-Pacific, North America, Africa, the UK and Europe.

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