

# Iress announces equity raising

Iress (IRE.ASX) today announced the launch of an equity raising to further strengthen its balance sheet, to provide flexibility to respond to opportunities in the current environment, and to partly fund the proposed acquisition of OneVue also announced today.

Iress is undertaking:

- a fully underwritten placement (the "Placement") of \$150 million to institutional and sophisticated investors; and
- a non-underwritten Share Purchase Plan (the "SPP") to eligible shareholders targeting to raise approximately \$20 million.

Andrew Walsh, chief executive, Iress said: "The proceeds from this equity raising will be partially used to fund the proposed acquisition of OneVue as well as to strengthen our balance sheet and provide flexibility and capacity to pursue further investment opportunities. While the acquisition was contemplated based on debt funding and could be achieved with available debt, we have decided to adopt a more conservative funding strategy given the current economic environment.

"Following the equity raising targeting \$170 million and any successful acquisition of OneVue our net debt to Segment Profit<sup>1</sup> (pro forma December 2019) would decrease to 0.92x. In the absence of this equity raising it would have increased to 2.0x (pro forma December 2019), which is higher than we would be comfortable with in the current environment."

## Equity raising details

### *Placement*

The Placement of new fully paid Iress ordinary shares (the "Placement Shares") is fully underwritten and will be offered to sophisticated and institutional investors in Australia and certain overseas jurisdictions at a fixed price of \$10.42 per share (the "Placement Issue Price"). This represents a:

- 7.0% discount to Iress' last closing price on 29 May 2020 of \$11.21 per share; and
- 7.6% discount to the VWAP of Iress shares traded during the 5 trading days up to and including 29 May 2020 of \$11.2735 per share.

The Placement is expected to result in the issue of approximately 14.4m new shares, representing approximately 8.2% of Iress' existing ordinary shares on issue.

The Placement is being conducted today, 1 June 2020, with Iress' shares to remain in a trading halt pending completion of the Placement. Trading in Iress' shares is expected to recommence on 2 June 2020

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<sup>1</sup> As defined in Iress' debt agreements.

It is intended that eligible sophisticated and institutional shareholders who bid for an amount less than or equal to their 'pro-rata' share of the Placement Shares will be allocated their full bid, on a best endeavours basis<sup>2</sup>.

The Placement Shares are expected to settle on 4 June 2020, and be issued and commence trading on the ASX on 5 June 2020.

#### *Share Purchase Plan*

Following completion of the Placement, Iress will be offering eligible shareholders the opportunity to participate in a non-underwritten SPP by applying for up to \$30,000 worth of new fully paid Iress ordinary shares (the "SPP Shares"), free of any brokerage or transaction costs. Iress is targeting to raise approximately \$20 million under the SPP.

You will be an "eligible shareholder" if you were a registered Iress shareholder as at 7pm (Sydney time) on 29 May 2020, have a registered address in Australia or New Zealand, do not hold Iress shares on behalf of a person who resides outside Australia or New Zealand and are not in the United States or acting for the account or benefit of any person in the United States.

The issue price of the SPP Shares will be the lower of:

- the Placement Issue Price, being \$10.42 per share;
- the VWAP of Iress shares traded during the 5 trading days up to, and including, the SPP closing date (expected to be 29 June 2020) less a 2% discount, rounded down to the nearest cent; and
- the closing price of Iress shares on the SPP closing date less a 2% discount, rounded down to the nearest cent.

Depending on the level of demand under the SPP, Iress may decide to scale back applications, or raise an amount higher than \$20 million. In deciding to take either of those actions, Iress will focus on treating shareholders fairly. Consistent with that focus on fairness for shareholders, if a scale back is applied, it is Iress' intention that the scale back will be applied having regard to the pro rata shareholding of eligible shareholders (as at the SPP record date) who apply for SPP shares. However, Iress is not required to conduct a scale back in this way.

Full details of the SPP will be set out in the SPP Offer Booklet which is anticipated to be released to the ASX and dispatched to eligible shareholders on or around 9 June 2020.

#### *Additional information*

Placement Shares and SPP Shares will rank equally with existing fully paid Iress ordinary shares from their date of issue.

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<sup>2</sup> For this purpose, an eligible shareholder's 'pro rata' share of the Placement Shares will be estimated by reference to Iress' beneficial register on 27 May 2020, but without undertaking any reconciliation processes and ignoring shares that may be issued under the SPP. Unlike in a rights issue, this may not truly reflect the participating shareholder's actual pro rata share of Placement Shares. Nothing in this announcement gives a shareholder a right or entitlement to participate in the Placement and Iress has no obligation to reconcile assumed holdings (e.g. for recent trading or swap positions) when determining a shareholder's 'pro rata' share of Placement Shares. Iress and the underwriter disclaim any duty or liability (including for negligence) in respect of the determination of a shareholder's 'pro rata' share of Placement Shares.

Further information is provided in the equity raising investor presentation provided to the ASX today by Iress. The presentation includes important information including key risks and international offer restrictions in relation to the equity raising.

## Indicative Timetable\*

Event	Date / Time
Record Date for the SPP	7pm on Friday 29 May 2020
Trading halt commences	
Announcement of the Placement and SPP	Monday 01 June 2020
Placement bookbuild	Monday, 1 June 2020
Trading halt lifted	Tuesday 02 June 2020
Settlement of Placement Shares	Thursday 04 June 2020
Allotment and normal trading of Placement Shares	Friday 05 June 2020
SPP offer opens	Tuesday 09 June 2020
SPP booklet despatched to eligible shareholders	From Tuesday 09 June 2020
SPP closing date	5pm on Monday 29 June 2020
Issue date for SPP Shares	Wednesday 08 July 2020
Commencement of trading of SPP Shares	Thursday 09 July 2020
Holding statements for SPP Shares despatched	Friday 10 July 2020

\*This timetable is indicative only and is subject to change. Iress may alter the dates above, withdraw or vary the Placement and/or the SPP, or accept applications for SPP Shares that are received after the SPP closing date, in each case in Iress' absolute discretion, subject to the ASX Listing Rules and the Corporations Act. All references to time are to Sydney time.

## 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 9,000 businesses and 500,000 users globally. We have over 2,000 people based in Asia-Pacific, North America, Africa, the UK and Europe.

[www.iress.com](http://www.iress.com)

## **FORWARD LOOKING STATEMENTS**

This announcement contains statements that are, or may be deemed to be, forward-looking statements. These forward-looking statements may be identified by the use of forward-looking terminology and include indications of, and guidance or outlook on, future earnings or financial position and distributions. Such forward looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Iress (and its directors, officers, employees, agents and advisers), which may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements. Iress does not give any representation or warranty (express or implied) in relation to any forward-looking statement, including that the events referred to in those statements will occur. Iress disclaims any obligation to update any forward-looking statement to reflect any change in expectations or any change in events, circumstances or conditions on which any statement is based.

## **NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES**

This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or any other jurisdiction in which such an offer would be illegal. The securities referred to in this announcement have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the U.S. Securities Act), or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Placement Shares and the SPP Shares may not be offered or sold, directly or indirectly, in the United States unless they have been registered under the U.S. Securities Act (which Iress is under no obligation to do) or are offered or sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable securities laws of any state or other jurisdiction of the United States. The SPP Shares may only be offered and sold outside the United States in "offshore transactions" (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act.

*Authorised by Iress' Board of Directors*