

ASX Release 25 July 2022

Iress announces CEO succession, 1H FY22 preliminary unaudited results and reaffirmed guidance

Iress (IRE:ASX) ("Iress" or the "Company") today announces the appointment of Marcus Price as its new Managing Director & CEO, effective 3 October 2022. Andrew Walsh has notified the Board of his intention to retire, having been with the company since 2001.

Marcus Price has over 25 years of experience leading transformative financial services and technology businesses. Mr Price was previously the inaugural CEO of PEXA Group, Australia's first digital property exchange. He has also held senior positions with NAB and the Boston Consulting Group, and previously served in senior executive roles with both Equifax and Dun & Bradstreet.

The appointment followed a thorough succession planning, candidate search and evaluation process.

Roger Sharp, Chair of Iress, said the Board is delighted to welcome Mr Price to the Company and thanked Andrew for his long and successful career with Iress.

"Andrew has been an outstanding leader and steward of Iress. Since taking over as CEO in 2009, he has been instrumental in building Iress into a highly innovative market leader with a global footprint. The Board understands his decision, is tremendously grateful to Andrew for his service and wishes him well in his future endeavours."

"Marcus is ideally placed to steer Iress on the next phase of its journey. He brings tremendous experience in financial services and technology businesses with a demonstrated track record in creating shareholder value. As the founding CEO, Marcus is acknowledged as the driving force in the creation of PEXA, which he led for more than a decade."

To facilitate a smooth transition and continuity of leadership, Mr Price will be appointed a Non-Executive Director of Iress with effect from 26 July 2022, prior to assuming the Managing Director & CEO role on 3 October 2022¹. Mr Walsh will remain with Iress as a consultant from 3 October 2022 until the end of January 2023.

Mr Walsh said, "After more than 20 years at Iress and with the company in such a strong position, I feel the time is right to pursue new opportunities. I am proud to have seen Iress through a period of substantial transformation and growth into what is today a successful global technology business and market leader. My sincere thanks go to the entire Iress team for their hard work, support and friendship over the years and I look forward to supporting Marcus in the transition."

¹ Mr Price will not be paid Directors' fees.

Mr Price said, "Andrew has been an outstanding leader of Iress, and leaves behind an enviable legacy of achievements after nearly 13 years as CEO. Further, Andrew has set the foundations for the continued domestic and international success of this highly respected Australian technology business. I feel privileged to be able to follow in his footsteps and am grateful to Roger and the Board for the faith they have shown in appointing me as the new CEO.

"I am certainly looking forward to working with the Iress team as we execute on the 2025 strategy presented to the market last year, including continuing to evolve Iress' operational model and transition to a platform-based architecture. In addition, we will explore further horizons and ambitions for the business."

1H FY22 preliminary unaudited results

First half FY22 Segment Profit is expected to be \$80.3m, up 6% versus the prior comparative period. The Company reaffirms the guidance range of \$177m-\$183m for FY22 full year Segment Profit in constant currency remains on track.

Iress' first half FY22 results will be announced on 18 August 2022.

Employment terms

A summary of Mr Price's material terms of employment agreement and the separation agreement with Mr Walsh are included as an annexure to this announcement.

Reflecting the continuation of Iress' strategy and associated 2025 targets announced in July 2021, the Company intends seeking shareholder approval for Mr Price to step into the current Managing Director and CEO equity package, which was approved by shareholders in May 2022.

In addition, reflecting his intention to align his interests with shareholders and to invest in the Company, Mr Price has agreed a 30% reduction in base salary plus Equity Rights, and will receive a one-off grant of options with an equivalent accounting cost.

Equity incentives will be subject to Iress shareholder approval at an Extraordinary General Meeting that is expected to be held in or around September 2022.

Ends

Marcus Price biography

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. PEXA later reached a valuation of over \$3bn at its ASX listing in 2021.

Under his leadership, PEXA was recognised as one of the top 20 best places to work in Australia's Great Place to Work survey and won multiple awards for innovation and leadership.

Prior to this, Mr Price held senior positions with NAB, the Boston Consulting Group, Certane Group and previously served as Chief Executive and Executive Director of both Equifax and Dun & Bradstreet.

Marcus Price employment contract – summary of material terms of employment agreement

Position	Managing Director & CEO
Overview of remuneration	<p>Mr Price has agreed a 30% reduction in base salary and Equity Rights (compared with the current CEO remuneration package) from his appointment on 3 October 2022 through 31 December 2024, reducing his remuneration by \$1,372,470 over the period.</p> <p>In return, the Company has agreed to issue Mr Price with \$13 strike price options converting into Iress shares with a fair value of \$1,372,470 exercisable from 2026 and 2027, with an accounting cost equivalent to the 30% reduction. The strike price of the options was set to reflect a premium to the pricing of the Performance Rights package approved by shareholders at the Company's 2022 Annual General Meeting.</p> <p>In all other respects, the equity component of the remuneration package agreed for Mr Price will be subject to the same terms and conditions as set out in the 2022 Notice of AGM lodged with the ASX on 28 March 2022 and approved by shareholders on 5 May 2022.</p> <p>Mr Price's equity incentives will be subject to shareholder approval at an Extraordinary General Meeting, to be held in or around September 2022.</p>
Commencement date	As Non-Executive Director from 26 July 2022 and as Managing Director & CEO from 3 October 2022 (no Directors' fees will be paid).
Term	No fixed term. Ongoing employment until terminated by either party in accordance with the employment agreement (see 'Notice period' below)
Total annual base salary	\$712,736 (including superannuation). This will be pro-rated for the remainder of FY22, and fixed for FY23 and FY24.
Equity rights for FY22	<p>Mr Price will be awarded 13,865 2022 Equity Rights, reflecting a pro-rating of the number of the 2022 Equity Rights granted to Mr Walsh following the 2022 AGM (reflecting the fact that Mr Price will act as Managing Director & CEO for approximately three months of FY22).</p> <p>Otherwise the 2022 Equity Rights will be subject to the same terms and conditions as those set out in the 2022 Notice of AGM lodged with the ASX on 28 March 2022 and approved by shareholders on 5 May 2022.</p> <p>The grant of these 2022 Equity Rights will be subject to Iress shareholder approval at an Extraordinary General Meeting to be held in or around September 2022.</p>
Other equity arrangements	<p>In line with Iress' strategy and the associated 2025 targets announced in July 2021, the Company will also seek shareholder approval to award to Mr Price the same Performance Rights package approved by shareholders for Mr Walsh at the Company's AGM in May 2022.</p> <p>Further, reflecting the 30% reduction in both base salary and Equity Rights agreed with Mr Price, the Company has agreed to grant him a one-off issue of \$13 strike price options exercisable in 2025 and 2026 at an equivalent accounting cost, as set out below.</p> <p>2022 Performance Rights</p> <p>370,910 'Grant 1' 2022 Performance Rights</p> <p>370,910 'Grant 2' 2022 Performance Rights</p>

This is the same number of 2022 Performance Rights granted to Mr Walsh following the 2022 AGM (as described below, Mr Walsh will be forfeiting all of his 2022 Performance Rights). The Performance Rights will be subject to the same terms and conditions as those set out in the 2022 Notice of AGM lodged with the ASX on 28 March 2022.

As with Mr Walsh, Iress will not grant any Performance Rights for 2023. Mr Price will be eligible to participate in any similar plan from 2024 onwards insofar as it relates to the post-2025 period.

Options

Mr Price will receive \$13 strike price options converting into Iress shares on a 1:1 basis with a fair value of \$1,372,470, in two equal tranches:

- Grant 1: options to a fair value of \$686,235, and which are exercisable from February 2026 (2 year exercise period)
- Grant 2: options to a fair value of \$686,235, and which are exercisable from February 2027 (2 year exercise period)

The cost impact to the company will be neutral, with the fair value of the options equating to the 30% reduction in remuneration agreed by Mr Price.

The strike price of the options was set to reflect a premium to the pricing of the Performance Rights package approved by shareholders at the Company's 2022 Annual General Meeting.

Notice period	Six months by Iress and Mr Price, except that Iress may summarily terminate Mr Price's employment without notice in certain circumstances (including serious misconduct).
Termination entitlements	<p>Iress may elect to pay Mr Price in lieu of working out some or all of his notice period.</p> <p>Entitlements to any incentives on cessation of employment will be determined in accordance with the terms of the relevant plan.</p>
Post-employment restraint	Non-competition and non-solicitation restraints of up to 6 months apply.
Extraordinary General Meeting	Mr Price's equity incentives will be subject to Iress shareholder approval at an Extraordinary General Meeting that is expected to be held in or around September 2022. Further details of the incentive plan will be provided in the Notice of Meeting.

Andrew Walsh – summary of separation arrangements

Date cease as M&D and CEO	2 October 2022
Date cease with Iress	End of January 2023
Equity/incentives	<p>All equity instruments held by Mr Walsh under Iress' employee incentive plans will be treated in accordance with the terms of grant and as approved by shareholders at applicable AGMs, except in respect of the 2022 performance rights (see below).</p> <p>There will be no acceleration of vesting outcomes or testing periods for any performance hurdles. Further, there will be no relaxation of performance hurdles where those apply. Any rights that do not vest will, in accordance with their terms, lapse.</p> <p>Mr Walsh will forfeit all of the 2022 Performance Rights on his cessation of employment with Iress, despite the terms of grant as approved by shareholders at the 2022 AGM allowing for pro-rata retention in the circumstances.</p>

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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 2,250 people based in Asia-Pacific, North America, Africa, the UK and Europe.

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