Iris Energy Limited (d/b/a IREN)

Consolidated Annual Financial Report - 30 June 2024

Iris Energy Limited (d.b.a IREN)

Contents
30 June 2024

Directors

The following persons were Directors of Iris Energy Limited (d/b/a IREN) during the financial year and at the date of this report:

Mr. Daniel Roberts (Executive Director and Co-CEO) (Appointed 6 November 2018)
Daniel Roberts is a Co-Founder, Co-Chief Executive Officer and director of Iris Energy Limited (d/b/a IREN). Mr. Roberts has over 20 years' experience in the finance, infrastructure and renewables industries. Prior to founding Iris Energy Limited (d/b/a IREN), Mr. Roberts was an Executive Director of, and the second largest individual shareholder in, Palisade Investment Partners, an infrastructure funds management business based in Sydney. Prior to Palisade Investment Partners, Mr. Roberts worked at Macquarie Group and PricewaterhouseCoopers in London and Sydney, respectively. Mr. Roberts currently serves on the board of JOLT, a Blackrock-backed electrical vehicle charging business where he is also the second largest individual shareholder. Mr. Roberts has previously served as a board member of various entities involved in airports, ports, gas pipelines, bulk liquid storage businesses, waste treatment facilities and wind and solar farms, including Granville Harbour Wind Farm, Ross River Solar Farm, Northern Territory Airports, Sunshine Coast Airport, ANZ Terminals Pty Ltd and Tasmanian Gas Pipeline. Mr. Roberts holds a Bachelor of Business from University of Technology Sydney and a Master of Finance (Dean's List) from INSEAD Business School. Mr. Roberts is the brother of William Roberts, who also serves as a Co-Chief Executive Officer of Iris Energy Limited (d/b/a IREN).

Mr. William Roberts (Executive Director and Co-CEO) (Appointed 6 November 2018)
William Roberts is a Co-Founder, Co-Chief Executive Officer and director of Iris Energy Limited (d/b/a IREN). Mr. Roberts has over 13 years' experience in finance, real assets and commodities markets, including debt financing and principal investment across resources mining projects, as well as managing foreign exchange and commodity price risks. Prior to founding Iris Energy Limited (d/b/a IREN), Mr. Roberts worked across accounting and banking, resources, commodities and real assets at Macquarie Group, Westpac and Brookfield Multiplex. At Macquarie Group, he co-founded the newly established Digital Assets team. Mr. Roberts holds a Bachelor of Business (Distinction) from the University of Technology Sydney. Mr. Roberts is the brother of Daniel Roberts, who also serves as a Co-Chief Executive Officer of Iris Energy Limited (d/b/a IREN).

Mr. David Bartholomew (Chair) (Appointed 24 September 2021)
David Bartholomew has served as the Chair of the Board of Iris Energy Limited (d/b/a IREN) since September 2021. Mr. Bartholomew currently serves as a non-executive director on the boards of Atlas Arteria - a global owner and operator of toll roads, Endeavour Energy - a NSW electricity distributor and Keolis Downer - provides public transport operation and maintenance services in Australia and Atmos Renewables (Independent Non-Executive Chair) - an owner and developer of renewable generation assets in Australia and GHD - a global engineering services firm. Mr. Bartholomew is also External Independent Chair of the Executive Price Review Steering Committee of AusNet Services. Mr. Bartholomew's executive background includes the role of Chief Executive Officer of DUET Group, where he oversaw the ASX listed company's transition to a fully internalized management and governance structure and in which he was appointed to the boards of DUET's portfolio companies including United Energy Distribution (Victorian electricity distribution), Multinet Gas (Victorian gas distribution), the Dampier to Bunbury Natural Gas Pipeline, Energy Developments Limited (remote and waste-to-energy electricity generation) and Duquesne Light (Pittsburgh, USA electricity distribution). He has also held executive roles at Hastings Funds Management, Lend Lease, The Boston Consulting Group and BHP Minerals. Mr. Bartholomew has also served on the boards of Vector Limited, Power and Water Corporation (NT), Dussur (Saudi Arabia), The Helmsman Project, Interlink Roads (Sydney's M5 Motorway), Statewide Roads (Sydney's M4 Motorway), Epic Energy (gas transmission), Sydney Light Rail, Port of Geelong, various forestry companies and Nextgen Networks (communications cable network), representing investors managed by Hastings Funds Management. Mr. Bartholomew holds a Bachelor of Economics (Honours) degree from Adelaide University and an MBA from The Australian Graduate School of Management

Mr. Christopher Guzowski (Director) (Appointed 19 December 2019)
Christopher Guzowski has served on the Board of Iris Energy Limited (d/b/a IREN) since December 2019. Mr. Guzowski has over 15 years' international experience in renewable energy project development across Europe and Australia. Mr. Guzowski founded Baltic Wind, developing large scale wind farm projects in Europe from greenfield to operations. He also founded Mithra Energy, developing 10+ solar PV projects in Poland since 2012. Mr. Guzowski was the Project Development Director and commercial development partner of Photon Energy, with a major solar PV pipeline under development in Australia. Mr. Guzowski was the Founding Director of ADCCA - Australian Digital Currency Commerce Association and was a founder of ABA Technology in 2014 (Australian blockchain technology). Mr. Guzowski holds a

Bachelor of Business from University of Technology Sydney and an MBA in Energy Management from Vienna University of Economics and Business.

Mr. Michael Alfred (Director) (Appointed 21 October 2021)
Michael Alfred has served on the Board of Iris Energy Limited (d/b/a IREN) since October 2021. Mr. Alfred is a private investor, advisor, and board member. Previously, he served as the Chief Executive Officer of Digital Assets Data, Inc., a financial technology and data company building enterprise-grade software and data feeds for the digital asset ecosystem, from when he co-founded the company in January 2018 through its sale to New York Digital Investment Group LLC in November 2020. Mr. Alfred has served as an Advisor to the Chief Executive Officer of Amenify, a real estate technology company, since July 2020, and on the Advisory Board of Outerbridge Capital Management, LLC since December 2019. From October 2016 to January 2018, Mr. Alfred was a Managing Director and member of the five-person executive committee for Strategic Insight, Inc., a provider of data and software to the global asset management industry, which was acquired by Institutional Shareholder Services (ISS) in 2019. Prior to that, Mr. Alfred served as the Chief Executive Officer of BrightScope, Inc., a financial information company providing 401k analyses and tools for retirement plan participants, sponsors and advisors, from February 2008 until it was acquired by Strategic Insight, Inc. in October 2016. Prior to co-founding BrightScope, Inc., Mr. Alfred served as Co-Founder and Portfolio Manager of Alfred Capital Management, LLC, a registered investment advisor serving high net worth individuals. Mr. Alfred also serves as a principal investor in a variety of industries including technology and consumer products. Mr. Alfred has served on the boards of Crestone Group, LLC, a national artisan bakery, since March 2015 and Eaglebrook Advisors, a tech-driven digital asset management platform for financial advisors and their clients, since September 2019. Mr. Alfred received a Bachelor of Arts degree in History from Stanford University.

Sunita Parasuraman (Director) (Appointed 17 July 2023)
Sunita Parasuraman has served on the Board of Iris Energy Limited (d/b/a IREN) since July 2023. During her career as a senior technology executive, Ms. Parasuraman has built and scaled world-class teams at Meta (Facebook), VMware, Genentech, and Apple. Ms. Parasuraman most recently served as the Head of Investments, New Product Experimentation at Meta (Facebook) and, prior to that, served as Facebook's Global Head of Treasury and Head of Treasury for Facebook's blockchain initiative (Libra). Ms. Parasuraman currently serves on the board of The Baldwin Group (NASDAQ: BWIN), a leading publicly-traded insurance distribution company, where she is a member of its Audit and Technology & Cyber Risk Committees. She also serves on the board of the IIT Bombay Heritage Foundation, where she is Chair of the Nomination & Governance Committee and a member of its Finance Committee. Ms. Parasuraman holds a Bachelor's degree in Engineering from the Indian Institute of Technology (IIT), Bombay, a Master's degree in Engineering from the University of Pennsylvania and an MBA from the University of California, Berkeley's Haas School of Business.

Company Secretary
Cesilia Kim has been the Chief Legal Officer and Company Secretary of Iris Energy Limited (d/b/a IREN) since January 2023. Ms. Kim is a senior executive and lawyer with over 20 years' experience across renewable energy, water, infrastructure, corporate governance and M&A. Ms. Kim has a strong track record in corporate strategy, major project development and approvals, policy, regulatory reform, governance and risk management. Ms. Kim was most recently Snowy Hydro Limited's Group Executive - External Affairs, Procurement and Legal with a broad commercial and multi- disciplinary remit, including procurement, corporate affairs, regulatory strategy and legal. Prior to this, Ms. Kim was in private practice at Allens Linklaters. Ms. Kim holds a Bachelor of Commerce degree and a Bachelor of Laws (Honors) degree from the University of Sydney, Australia, and is a member of the Australian Institute of Company Directors.

Principal activities
The Group is an owner and operator of institutional-grade, highly efficient proprietary Bitcoin mining data centers powered by renewable energy. During the year ended 30 June 2024, the Group operated from three sites in Canada at Canal Flats, Mackenzie and Prince George in British Columbia, and from one site in the U.S. at Childress, Texas.

Dividends
There were no dividends paid, recommended, or declared during the current or previous financial year.

Review of operations

The loss for the Group after providing for income tax amounted to $28,955,000 (30 June 2023: $171,871,000).

Key business operating metrics are noted below:

- Bitcoin mining revenue of $184,087,000 (30 June 2023: $75,509,000)
- the number of Bitcoin earned from mining was 4,191 (30 June 2023: 3,259)

Significant changes in the state of affairs

ATM Facility

On September 13, 2023, Iris Energy Limited (d/b/a IREN) entered into an At Market Sales Agreement ("Sales Agreement") with B. Riley Securities, Inc., Cantor Fitzgerald & Co. and Compass Point Research and Trading, LLC, to which Canaccord Genuity LLC, Citigroup Global Markets Inc. and Macquarie Capital (USA) Inc. were joined on March 21, 2024 (collectively, the "Sales Agents"). Pursuant to the Sales Agreement, Iris Energy Limited (d/b/a IREN) may offer and sell its ordinary shares from time to time through or to the Sales Agents in an amount not to exceed the lesser of the amount registered on an effective registration statement and for which we have filed a prospectus, and the amount authorized from time to time to be issued and sold under the Sales Agreement by the Board or a duly authorized committee thereof. As a result, Iris Energy Limited (d/b/a IREN) may increase the amount of its ordinary shares that may be sold from time to time pursuant to the Sales Agreement in accordance with the terms of the Sales Agreement. As of June 30, 2024, Iris Energy Limited (d/b/a IREN) have sold a total of 108,063,868 shares under the Sales Agreement for aggregate gross proceeds of $771,438,000.

There were no other significant changes in the state of affairs of the Group during the financial year.

Matters subsequent to the end of the financial year

Bitmain Hardware Purchase

On 19 August 2024, the Group entered into a new firm purchase agreement with Bitmain Technologies Delaware Limited ("Bitmain") to purchase approximately 39,000 Bitmain S21 XP miners (approximately 10.5 EH/s) at a price of $21.5/TH. The purchased miners are scheduled to be shipped in October and November 2024. The total contracted cost (excluding shipping and taxes) is $226,395,000 payable in instalments.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments

In the opinion of the Directors, disclosure of further information about any likely developments in the Group's operations and the expected results of such operations is commercially sensitive and would likely be detrimental and result in unreasonable prejudice to the Group.

Environmental regulation

The Group's ordinary course operations and properties are subject to various laws and regulations governing health and safety, the discharge of pollutants into the environment or otherwise relating to health, safety and environmental protection requirements in the countries and localities in which the Group operates. The Directors believe that there are adequate systems in place for the management of the Group's environmental requirements and are not aware of any material breach of those environmental requirements.

Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') and the Audit and Risk Committee ('ARC') held during the year ended 30 June 2024, and the number of meetings attended by each member of each committee are set out below:

	Board meeting		Audit and Risk Committee	
	Attended	Held	Attended	Held
David Bartholomew	8	8	6	6
Christopher Guzowski	8	8	4	6
Michael Alfred	8	8	5	6
Daniel Roberts	8	8	0	0
William Roberts	8	8	0	0
Sunita Parasuraman	7	8	6	6

Held: represents the number of meetings held during the time the Director held office.

Indemnity and insurance of officers

During the financial year, the Company paid a premium in respect of a contract to insure the Directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Non-audit services

There were no non-audit services provided during the financial year by the auditor.

Rounding of amounts

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that Instrument, amounts in the consolidated financial statements and Directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

Shares under option

Details of outstanding shares under option issued by the Company are set out in Note 31 and Note 33 of the consolidated financial statements.

Restricted Share Units issued subsequent to 30 June 2024

In July 2024, the Company issued a total of 3,242,968 restricted share units. These RSUs include a grant of 2,730,593 RSUs to the below Directors of the Company:

Individual	Position	Number of RSUs granted
Daniel Roberts	Executive Director, Co-Founder and Co-Chief Executive Officer	1,338,391
William Roberts	Executive Director, Co-Founder and Co-Chief Executive Officer	1,338,391
David Bartholomew	Non-Executive Director	17,937
Christopher Guzowski	Non-Executive Director	11,958
Michael Alfred	Non-Executive Director	11,958
Sunita Parasuraman	Non-Executive Director	11,958
Total		**2,730,593**

The 1,338,391 RSUs granted to the nominated entity of each Co-CEO will vest as follows (subject to the relevant criteria disclosed which is tested at the end of each respective vesting period):

- 118,099 will vest following one year of continued service;
- 118,099 will vest following two years of continued service;
- 118,099 will vest following three years of continued service; and
- 984,094 will vest subject to the achievement of share price milestones across 7 tranches, with the vesting of each tranche based on the relevant Ordinary share price across any 30 trading day average prior to 2027 being equal to or exceeding:
    - $20 share price for 116,857 RSUs (190% premium to 90-day average closing price of $6.91 on June 28, 2024)
    - $25 share price for 124,359 RSUs (262% premium to 90-day average closing price of $6.91 on June 28, 2024)
    - $30 share price for 131,970 RSUs (334% premium to 90-day average closing price of $6.91 on June 28, 2024)
    - $35 share price for 140,228 RSUs (407% premium to 90-day average closing price of $6.91 on June 28, 2024)
    - $40 share price for 147,466 RSUs (479% premium to 90-day average closing price of $6.91 on June 28, 2024)
    - $45 share price for 156,129 RSUs (551% premium to 90-day average closing price of $6.91 on June 28, 2024)
    - $50 share price for 167,085 RSUs (624% premium to 90-day average closing price of $6.91 on June 28, 2024)

The 53,811 RSUs issued to the Non-Executive Directors listed above are to vest within 10 days of the release by the Board of the Company's financial statements for the year ended 30 June 2025 and in any event no later than 31 December 2025, so long as the relevant Director has not ceased to be a Director of the Company before that date.

124,985 RSUs were also granted to the below executive Key Management Personnel ('KMP') and Company Secretary:

Individual	Position	Number of RSUs granted
David Shaw	Chief Operating Officer	41,722
Belinda Nucifora	Chief Financial Officer	37,338
Cesilia Kim	Chief Legal Officer	45,925
Total		**124,985**

The RSUs issued to the KMP have identical vesting conditions set out as follows:

- 32,410 will vest following one year of continued service with the Group over the vesting period;
- 32,410 will vest following two years of continued service with the Group over the vesting period; and
- 60,165 will vest subject to a total shareholder return test assessed against a market index (and continued service over the vesting period).

For each of the issuances outlined to Directors or employees outlined above, the vesting date each year will be within 10 days of the release by the Board of the Company's financial statements in the respective calendar year of vesting and in any event no later than 31 December of that year, so long as the relevant director or employee has not ceased to be a director or employee of the Group before that date.

For all RSUs issued the Board has discretion to, at any time, interpret, apply or not apply, amend, modify, or terminate the LTIP, any plan rules and any individual RSU granting and vesting.

This Report is made in accordance with a resolution of Directors.

DocuSigned by:	Signed by:
DB64DA1AA0B1473...	5F9D65BF59E5412...
David Bartholomew	Daniel Roberts
Chair	Co-Chief Executive Officer and Director
28 August 2024	28 August 2024

Iris Energy Limited (d/b/a IREN)

Consolidated statements of profit or loss and other comprehensive income
For the year ended 30 June 2024

	Note	Year ended 30 June 2024 US$'000	Year ended 30 June 2023 US$'000
Revenue			
Bitcoin mining revenue		184,087	75,509
AI cloud service revenue		3,105	-
Other income	5	1,566	3,137
Gain on disposal of subsidiaries		-	3,258
Expenses			
Depreciation	6	(50,650)	(30,856)
Electricity charges		(81,605)	(35,753)
Realized gain on financial asset	24	4,121	-
Employee benefits expense		(22,203)	(17,897)
Share-based payments expense	31	(23,636)	(14,356)
Impairment of assets	16	-	(105,172)
Reversal of impairment of assets	14	108	-
Professional fees		(8,079)	(6,271)
Site expenses		(8,657)	(4,544)
Other operating expenses	7	(21,085)	(14,278)
Gain/(loss) on disposal of property, plant and equipment		43	(6,628)
Unrealized loss on financial asset	24	(3,448)	-
Operating profit/(loss)		(26,333)	(153,851)
Finance expense	8	(253)	(16,363)
Interest income		5,831	924
Foreign exchange gain/(loss)		(4,747)	(191)
Loss before income tax expense		(25,502)	(169,481)
Income tax expense	9	(3,453)	(2,390)
Loss after income tax expense for the year		(28,955)	(171,871)
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(338)	(13,641)
Other comprehensive income/(loss) for the year, net of tax		(338)	(13,641)
Total comprehensive loss for the year		(29,293)	(185,512)
		US$	**US$**
Basic earnings per share	23	(0.29)	(3.14)
Diluted earnings per share	23	(0.29)	(3.14)

The above consolidated statements of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Iris Energy Limited (d/b/a IREN)
Consolidated statements of financial position
As at 30 June 2024

		Consolidated	
	Note	**30 June 2024 US$'000**	**30 June 2023 US$'000**
Assets			
Current assets			
Cash and cash equivalents	10	404,601	68,894
Other receivables	11	29,367	6,543
Financial assets at fair value through profit or loss	24	6,530	-
Prepayments and other assets	13	11,888	13,793
Total current assets		452,386	89,230
Non-current assets			
Property, plant and equipment	14	441,371	241,102
Right-of-use assets	15	1,549	1,374
Deferred tax assets	9	-	8
Computer hardware prepayments	12	239,841	68
Prepayments and other assets	13	17,459	-
Other assets		427	292
Total non-current assets		700,647	242,844
Total assets		1,153,033	332,074
Liabilities			
Current liabilities			
Lease liabilities	17	214	192
Income tax		1,389	32
Employee benefits		1,342	961
Trade and other payables	19	32,119	16,644
Deferred revenue	20	2,558	-
Provisions	18	13,375	6,172
Total current liabilities		50,997	24,001
Non-current liabilities			
Lease liabilities	17	1,441	1,256
Deferred tax liabilities	9	3,125	1,365
Employee benefits		119	91
Total non-current liabilities		4,685	2,712
Total liabilities		55,682	26,713
Equity			
Issued capital	21	1,764,289	965,857
Foreign currency translation reserve		(34,993)	(34,655)
Share-based payments reserve		51,286	28,435
Accumulated losses		(683,231)	(654,276)
Total equity		1,097,351	305,361
Total liabilities and equity		1,153,033	332,074

The above consolidated statements of financial position should be read in conjunction with the accompanying notes

Iris Energy Limited (d/b/a IREN)
Consolidated statements of changes in equity
For the year ended 30 June 2024

	Issued capital US$'000	Foreign currency translation reserve US$'000	Share-based payments reserve US$'000	Accumulated losses US$'000	Total equity US$'000
Balance at 1 July 2022	926,581	(21,014)	14,200	(482,405)	437,362
Loss after income tax expense for the year	-	-	-	(171,871)	(171,871)
Other comprehensive loss for the year, net of tax	-	(13,641)	-	-	(13,641)
Total comprehensive loss for the year	-	(13,641)	-	(171,871)	(185,512)
Transactions with owners in their capacity as owners:					
Share-based payments (note 31)	515	-	14,235	-	14,750
Share issuances (note 21)	41,581	-	-	-	41,581
Capital raise costs (note 21)	(2,820)	-	-	-	(2,820)
Balance at 30 June 2023	965,857	(34,655)	28,435	(654,276)	305,361

	Issued capital US$'000	Foreign currency translation reserve US$'000	Share-based payments reserve US$'000	Accumulated losses US$'000	Total equity US$'000
Balance at 1 July 2023	965,857	(34,655)	28,435	(654,276)	305,361
Loss after income tax expense for the year	-	-	-	(28,955)	(28,955)
Other comprehensive loss for the year, net of tax		(338)	-		(338)
Total comprehensive loss for the year	-	(338)	-	(28,955)	(29,293)
Transactions with owners in their capacity as owners:					
Share-based payments (note 31)	1,716	-	22,851	-	24,567
Share issuances (note 21)	822,855	-	-	-	822,855
Capital raise costs (note 21)	(26,139)	-	-	-	(26,139)
Balance at 30 June 2024	1,764,289	(34,993)	51,286	(683,231)	1,097,351

The above consolidated statements of changes in equity should be read in conjunction with the accompanying notes

Iris Energy Limited (d/b/a IREN)
Consolidated statements of cash flows
For the year ended 30 June 2024

	Note	Consolidated Year ended 30 June 2024	Year ended 30 June 2023
		US$'000	US$'000
Cash flows from operating activities			
Receipts from Bitcoin mining revenue		183,586	78,423
Receipts from AI cloud services revenue		3,432	-
Receipts from other income		438	3,104
Payments for electricity, suppliers and employees		(139,535)	(72,183)
Interest received		5,008	803
Interest paid		(213)	(4,102)
Net cash from operating activities	28	52,716	6,045
Cash flows from investing activities			
Payments for property, plant and equipment net of mining hardware prepayments	14	(141,855)	(116,064)
Payments for mining hardware prepayments		(338,054)	-
Payments for prepayments and other assets		(18,600)	(7,363)
Repayments/(advancement) of loan proceeds		-	2,291
Deconsolidation of Non-Recourse SPVs		-	(1,214)
Proceeds from disposal of property, plant and equipment	14	43	32,488
Proceeds from release of deposits		-	18,395
Net cash used in investing activities		(498,466)	(71,467)
Cash flows from financing activities			
Proceeds from hybrid financial instruments	21	-	-
Capital raise costs	21	(946)	(1,012)
Proceeds from mining hardware finance		-	-
Repayment of borrowings		-	(9,432)
Proceeds from Initial Public Offering (net of underwriting fees)	21	-	-
Proceeds from loan funded shares	21	503	-
Payment of borrowing transaction costs		-	(250)
Share issuances		783,069	39,252
Repayment of lease liabilities		(497)	(318)
Net cash from financing activities		782,129	28,240
Net increase/(decrease) in cash and cash equivalents		336,379	(37,182)
Cash and cash equivalents at the beginning of the financial year		68,894	109,970
Effects of exchange rate changes on cash and cash equivalents		(672)	(3,894)
Cash and cash equivalents at the end of the financial year	10	404,601	68,894

The above consolidated statements of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The consolidated financial statements cover Iris Energy Limited (d/b/a IREN) as a Group consisting of Iris Energy Limited d/b/a IREN ("Company" or "Parent Entity") and the entities it controlled at the end of, or during, the year (collectively the "Group").

The Company's shares trade on the NASDAQ under the ticker symbol "IREN".

Iris Energy Limited (d/b/a IREN) is incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office	Principal place of business
c/o Pitcher Partners	Level 12, 44 Market Street
Level 13, 664 Collins Street	Sydney NSW 2000
Docklands VIC 3008	Australia
Australia	

The Group is a leading next-generation data center business powering the future of Bitcoin, AI and beyond.

The consolidated financial statements were authorized and approved for issue, in accordance with a resolution of Directors, on 28 August 2024. The Directors have the power to amend and reissue the consolidated financial statements.

Note 2. Material accounting policies

The material accounting policies adopted in the preparation of the consolidated financial statements are set out below.

Going concern

The Group has determined there is material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern but has concluded it is appropriate to prepare the consolidated financial statements on a going concern basis which contemplates continuity of normal business activities, the realization of assets and settlement of liabilities in the ordinary course of business. The operating cash flows generated by the Group are inherently linked to several key uncertainties and risks including, but not limited to, volatility associated with the economics of Bitcoin mining and the ability of the Group to execute its business plan.

For the year ended 30 June 2024, the Group incurred a loss after tax of $28,955,000 (2023: $171,871,000) and net operating cash inflows of $52,716,000 (2023: $6,045,000). As at 30 June 2024, the Group had net current assets of $401,389,000 (2023: net current assets of $65,229,000) and net assets of $1,097,351,000 (2023: net assets of $305,361,000).

As further background, the Group owns mining hardware that is designed specifically to mine Bitcoin and its future success will depend in a large part upon the value of Bitcoin, and any sustained decline in its value could adversely affect the business and results of operations. Specifically, the revenues from Bitcoin mining operations are predominantly based upon two factors: (i) the number of Bitcoin rewards that are successfully mined and (ii) the value of Bitcoin. A decline in the market price of Bitcoin, increases in the difficulty of Bitcoin mining, changes in the regulatory environment, and/or adverse changes in other inherent risks may significantly negatively impact the Group's operations. Due to the volatility of the Bitcoin price and the effects of the other aforementioned factors, there can be no guarantee that future mining operations will be profitable, or the Group will be able to raise capital to meet growth objectives.

The strategy to mitigate these risks and uncertainties is to try to execute a business plan aimed at operational efficiency, revenue growth, improving overall mining profit, managing operating expenses and working capital requirements,

Note 2. Material accounting policies (continued)

maintaining potential capital expenditure optionality, and securing additional financing, as needed, through one or more debt and/or equity capital raisings.

The continuing viability of the Group and its ability to continue as a going concern and meet its debts and commitments as they fall due are therefore significantly dependent upon several factors. These factors have been considered in preparing a cash flow forecast over the next 12 months to consider the going concern of the Group. The key assumptions include:

- A base case scenario assuming recent Bitcoin economics including Bitcoin prices and global hashrate;
- Three operational sites in British Columbia, Canada with installed nameplate capacity of 160MW; 80MW Mackenzie, 50MW Prince George and 30MW Canal Flats;
- A fourth operational site at Childress, Texas with installed nameplate capacity of 100MW as at 31 July 2024 incrementally increasing to 350 MW by 31 December 2024;
- Securing additional financing as required to achieve the Group's growths objectives.

The key assumptions have been stress tested using a range of Bitcoin price and global hashrate. The Group aims to maintain a degree of flexibility in both operating and capital expenditure cash flow management where it practicably makes sense, including ongoing internal cash flow monitoring and projection analysis performed to identify potential liquidity risks arising and to try to respond accordingly.

As a result, the Group has concluded there is material uncertainty related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. However, the Group considers that it will be successful in the above matters and will have adequate cash reserves to enable it to meet its obligations for at least one year from the date of approval of the consolidated financial statements, and, accordingly, has prepared the consolidated financial statements on a going concern basis.

Basis of preparation
These consolidated financial statements have been prepared in accordance with the Australian Accounting Standards (AASBs) as issued by the Australian Accounting Standards Board (AASB).

Historical cost basis
The consolidated financial statements have been prepared on a historical cost basis, except for financial assets and liabilities at fair value through profit or loss.

Critical accounting estimates
The preparation of the consolidated financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 3.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in Note 35. Parent entity disclosures.

Rounding off
The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, and in accordance with that Instrument all financial information presented in Australian dollars has been rounded to the nearest thousand unless otherwise stated.

Note 2. Material accounting policies (continued)

Principles of consolidation
The principles outlined below are guided by AASB 10 'Consolidated Financial Statements' and pertain to the preparation of consolidated financial statements for Iris Energy Limited and its subsidiaries.

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Iris Energy Limited as at 30 June 2024 and 30 June 2023 and the results of all subsidiaries for the years ended 30 June 2024 and 30 June 2023.

Subsidiaries are all those entities over which the Group has control (as listed in note 27). The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Where the Group loses control over a subsidiary, it derecognizes the assets including goodwill and liabilities in the subsidiary together with any cumulative translation differences recognized in equity. The Group recognizes the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Intercompany transactions, balances and unrealized gains on transactions between entities in the Group are eliminated upon consolidation. Accounting policies of subsidiaries align to the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognized directly in equity attributable to the parent.

Operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ("CODM"). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Functional and presentation currency
The functional currency of the Parent is Australian dollars, whilst the presentation currency of the Group is in US dollars. Some subsidiaries have a functional currency other than Australian dollars which is translated to the presentation currency. The presentation currency of US dollars has been adopted to suit the needs of the primary users of the financial statements.

Transactions in currencies other than an entity's functional currency are initially recorded in the functional currency by applying the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in currencies other than an entity's functional currency are retranslated at the foreign exchange rate ruling at the reporting date. Foreign exchange differences arising on translation are recognized in the consolidated statements of profit or loss.

Foreign exchange differences that arise on the translation of monetary items that form part of the net investment in a foreign operation are recognized in the foreign currency translation reserve in the consolidated statements of financial position. Non-monetary assets and liabilities that are measured in terms of historical cost in currencies other than an entity's functional currency are translated using the exchange rate at the date of the initial transaction.

Foreign operations
The assets and liabilities of foreign operations are translated into US dollars using the relevant exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into US dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognized in other comprehensive income through the foreign currency translation reserve in equity.

The foreign currency reserve, reflecting the cumulative translation differences, is recognized in the consolidated statements of profit or loss when the foreign operation or net investment is disposed of.

Note 2. Material accounting policies (continued)

Revenue and other income recognition
The Group recognizes revenue and other income as follows:

Revenue from contracts with customers
The Group recognizes revenue under AASB 15, "Revenue from Contracts with Customers" ("AASB 15"). The core principle of this standard is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The following five steps are applied to achieve that core principle:

- Step 1: Identify the contract with the customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when the Company satisfies a performance obligation

In order to identify the performance obligations in a contract with a customer, a company must assess the promised goods or services in the contract and identify each promised good or service that is distinct. A performance obligation meets AASB 15's definition of a "distinct" good or service (or bundle of goods or services) if both of the following criteria are met: The customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer (i.e., the good or service is capable of being distinct), and the entity's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (i.e., the promise to transfer the good or service is distinct within the context of the contract).

If a good or service is not distinct, the good or service is combined with other promised goods or services until a bundle of goods or services is identified that is distinct.

The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer. The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both. When determining the transaction price, an entity must consider the effects of all of the following:

- Variable consideration
- Constraining estimates of variable consideration
- The existence of a significant financing component in the contract
- Non-cash consideration
- Consideration payable to a customer

Variable consideration is included in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. The transaction price is allocated to each performance obligation on a relative standalone selling price basis. The transaction price allocated to each performance obligation is recognized when that performance obligation is satisfied, at a point in time or over time as appropriate.

Bitcoin mining revenue
The Group operates data center infrastructure supporting the verification and validation of Bitcoin blockchain transactions in exchange for Bitcoin, referred to as "Bitcoin mining". The Group's revenue is derived from providing computing power (hashrate) to mining pools. The Company has entered into arrangements, as amended from time to time, with mining pool operators to provide computing power to the mining pools. The provision of computing power to mining pools is an output of the Company's ordinary activities. The Company has the right to decide the point in time and duration for which it will provide computing power. As a result, the Company's enforceable right to compensation only begins when, and continues as long as, the Company provides computing power to the mining pool. The contracts can be terminated at any time by either party without substantive compensation to the other party for such termination. Upon termination, the mining pool operator (i.e., the customer) is required to pay the Company any amount due related to previously satisfied performance obligations. Therefore, the Company has determined that the duration of the contract is less than 24 hours and that the contract continuously renews throughout the day. The Company has determined that this renewal right is not a material right as the terms, conditions, and compensation amounts are at then market rates. There is no significant financing component in these transactions.

Note 2. Material accounting policies (continued)

In exchange for providing computing power, which represents the Company's only performance obligation, the Company is entitled to non-cash consideration in the form of cryptocurrency, calculated under the Full Pay Per Share ("FPPS") payout methods which contain three components, (1) a fractional share of the fixed cryptocurrency award from the mining pool operator (referred to as a "block reward"), (2) transaction fees generated from (paid by) blockchain users to execute transactions and distributed (paid out) to individual miners by the mining pool operator, and (3) mining pool operating fees retained by the mining pool operator for operating the mining pool. The Company's total compensation is the sum of the Company's share of (a) block rewards and (b) transaction fees, less (c) mining pool operating fees.

1. The block reward earned by the Company is calculated by the mining pool operator based on the proportion of hashrate the Company contributed to the mining pool to the total network hashrate used in solving the current algorithm. The Company is entitled to its relative share of consideration even if a block is not successfully added to the blockchain by the mining pool.

2. Transaction fees refer to the total fees paid by users of the network to execute transactions. Under FPPS, the Company is entitled to a pro-rata share of the total network transaction fees. The transaction fees paid out by the mining pool operator to the Company is based on the proportion of hashrate the Company contributed to the mining pool to the total network hashrate. The Company is entitled to its relative share of consideration even if a block is not successfully added to the blockchain by the mining pool.

3. Mining pool operating fees are charged by the mining pool operator for operating the mining pool as set forth in a rate schedule to the mining pool contract. The mining pool operating fees reduce the total amount of compensation the Company receives and are only incurred to the extent that the Company has generated mining revenue pursuant to the mining pool operators' payout calculation.

Because the consideration to which the Company expects to be entitled for providing computing power is entirely variable (block rewards, transaction fees and pool operating fees), as well as being non-cash consideration, the Company assesses the estimated amount of the variable non-cash consideration to which it expects to be entitled for providing computing power at contract inception and subsequently, to determine when and to what extent it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur once the uncertainty associated with the variable consideration is subsequently resolved. For each contract under the FPPS payout method, the Company recognizes the non- cash consideration on the same day that control of the contracted service transfers to the mining pool operator, which is the same day as the contract inception.

The Group measures the non-cash consideration received at the fair market value of the Bitcoin received. Management estimates fair value on a daily basis, as the quantity of Bitcoin received multiplied by the price quoted on Kraken on the day it was received. Management considers the prices quoted on Kraken to be a level 1 input under AASB 13 Fair Value Measurement. The Group did not hold any Bitcoin on hand as at 30 June 2024 (30 June 2023: Nil).

AI cloud services revenue
The Group generates AI cloud services revenue through the provision of AI cloud services to clients. Revenue is measured at the fair value of the consideration received or receivable for services, net of discounts and sales taxes. The steps involved in recognizing AI cloud services revenue are set out as follows:

- AI cloud services revenue is recognized as service revenue rateably over the enforceable term of individual contracts which is typically the stated term. The Company satisfies its performance obligation as these services are provided over time. This method best represents the transfer of services.
- Transaction price is determined as the list price of services (net of discounts) that the Company delivers to its customers, considering the term of each individual contract, and the ability to enforce and collect the consideration.
- Usage revenue (overage and consumption-based services) is recorded as AI cloud services revenue in the month the usage is incurred/service is consumed by the customer, based on a fixed agreed upon amount per unit consumed.

Note 2. Material accounting policies (continued)

Other income
Other income is recognized when it is probable that the economic benefits will flow to the Group, and the amount of income can be reliably measured. Other income is measured at the fair value of the consideration received or receivable. Gains from the sale of other assets are recognized when the control of the asset has been transferred, and it is probable that the entity will receive the economic benefits associated with the transaction.

Income tax
The income tax expense for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognized for prior periods, where applicable.

Deferred tax assets and liabilities are recognized for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or

- when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognized for deductible temporary difference only if the Group considers it probable that future taxable amounts will be available to utilize those temporary differences and losses.

The carrying amount of recognized and unrecognized deferred tax assets are reviewed at each reporting date. Deferred tax assets recognized are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognized deferred tax assets are recognized to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. These uncertainties may require management to adjust expectations based on changes in circumstances, which may impact the amount of deferred tax assets and deferred tax liabilities recognized in the statement of financial position and the amount of other tax losses and temporary differences not recognized. In such circumstances, some or all of the carrying amounts of recognized deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to the consolidated statement of profit or loss and other comprehensive income.

Current and non-current classification
Assets and liabilities are presented in the consolidated statement of financial position based on current and non-current classification.

An asset is classified as current when it is either expected to be realized or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realized within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current. Deferred tax assets and liabilities are always classified as non-current.

Note 2. Material accounting policies (continued)

Cash and cash equivalents
Cash and cash equivalents includes cash at bank, deposits that can be withdrawn without notice held with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial assets
Financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortized cost, fair value through profit or loss, or fair value through other comprehensive income depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognized when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial Instrument Fair Value through Profit & Loss ("FVTPL")
The Group recognizes the electricity financial assets at fair value on initial recognition. After initial recognition, financial instruments measured at FVTPL are remeasured at fair value at each reporting date. Any gains or losses arising from changes in the fair value of these instruments are recognized immediately in profit or loss. A financial instrument measured at FVTPL is derecognized when the contractual rights to the cash flows from the instrument expire or when the Group transfers substantially all the risks and rewards of ownership of the instrument.

The Group measures the fair value of prepaid electricity using the forward price approach. The fair value is calculated by multiplying the quantity of electricity prepaid by a forward price for the Energy Reliability Council of Texas (“ERCOT”) West Load Zone market, which is the principal market for our electricity transactions. The forward prices are provided by OTC Global Holdings and reflect the expected future prices of electricity based on current market conditions and observable market data. The forward prices used to measure the fair value of prepaid electricity are classified as Level 2 inputs under AASB 13.

Financial assets at amortized cost
A financial asset is measured at amortized cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest. The financial assets at amortized cost include cash and cash equivalents and other receivables (except sales tax receivables).

Impairment of financial assets
The Group recognizes a loss allowance for expected credit losses on financial assets which are either measured at amortized cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group’s assessment at the end of each reporting period as to whether the financial instrument’s credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset’s lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset’s lifetime expected credit losses. The amount of expected credit loss recognized is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

Property, plant and equipment
Property, plant and equipment is measured at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Note 2. Material accounting policies (continued)

Depreciation is calculated on a straight-line basis to write off the net cost (less residual value where applicable) of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	20 years
Plant and equipment	3-10 years
Mining hardware[1]	2 - 4 years
High-performance computing ("HPC") hardware	5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

An item of property, plant and equipment is derecognized upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Development assets consist of data center sites under development. Development assets are not depreciated until they are available for use. Once an asset becomes available for use, it is transferred to another category within property, plant and equipment and depreciated over its useful economic life.

Mining and HPC hardware includes both installed hardware units and units that have been delivered but are in storage, yet to be installed. Depreciation of mining hardware commences once units are onsite and available for use.

Repair and maintenance costs incurred are expensed to 'other operating expenses' in the consolidated statements of profit or loss.

Leases
The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.

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

A right-of-use asset is recognized at the commencement date of a lease. The right-of-use asset is measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of the right-of-use assets includes the amount of the lease liability recognized, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset. Right-of-use assets are depreciated from the commencement of the lease on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amount expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

[1] During the year ended 30 June 2024, the Group reduced the useful life of its Bitmain Antminer S19jPros and Antminer S19 Pros (together the "S19j Pros"), refer to Note 14. All other models are depreciated over 4 years.

Note 2. Material accounting policies (continued)

In calculating the present value of the lease payments, the Group uses 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 lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Group has applied judgement to determine the lease term for contracts which include renewal and termination options.

Goodwill
Goodwill arises on the acquisition of a business. Goodwill is not amortized. Instead, the cash-generating unit ("CGU") to which goodwill has been allocated is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Impairment of other non-financial assets
At the end of reporting period, property, plant and equipment and right-of-use assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. An impairment loss is recognized in the profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount, where the recoverable amount is the higher of an asset's fair value less costs of disposal ("FVLCOD") or the value in use ("VIU"). In assessing VIU, the estimated future cash flows of the asset are discounted to their present value using a discount rate that reflects the risks specific to the asset or the CGU to which the asset belongs and relevant market assessments. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets.

A recognized impairment loss on an asset is subject to reversal if there is a subsequent change in the variables and assumptions that were used to calculate the asset's recoverable amount. Such a reversal is executed only when the asset's estimated recoverable amount exceeds its current carrying amount. However, the adjusted carrying amount after reversal must not exceed the asset's carrying amount that would have been determined (net of depreciation and amortization) had no impairment loss been recognized for the asset in prior years.

Trade and other payables
These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. They are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method. However, due to their short-term nature, they are not discounted.

Financial liabilities
Trade and other payables are initially recognized at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortized cost using the effective interest method.

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Finance costs
Finance costs attributable to qualifying assets are capitalized as part of the asset. All other finance costs are expensed using the effective interest rate method.

Provisions
Provisions are recognized when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present

Note 2. Material accounting policies (continued)

obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognized as a finance expense.

Employee benefits
Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Share-based payments
Equity-settled share-based compensation benefits are provided to employees. Equity-settled transactions are awards of shares, or options over shares and restricted stock units ("RSUs"), that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using the Black-Scholes-Merton option pricing model and Monte-Carlo simulations which take into account the exercise price, the term of the option or the RSU, the impact of dilution, the share price at grant date, expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option, together with non- vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment.

The cost of equity-settled transactions are recognized as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognized in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognized in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum, an expense is recognized as if the modification has not been made. An additional expense is recognized, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If equity-settled awards are cancelled or settled during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied), this is treated as an acceleration of vesting and the amount that otherwise would have been recognized for services received over the remainder of the vesting period will be recognized immediately through share-based payments expense in the profit or loss.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Note 2. Material accounting policies (continued)

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use, determined by maximization of value by way of continuing use or sale to third party. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement. Transfers between levels of the fair value hierarchy are recognized at the end of the reporting period in which they occur.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital
Ordinary shares are classified as equity because they represent ownership in the company and do not have an obligation to be repurchased or settled in cash or other financial assets. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Earnings per share
Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Iris Energy Limited (d/b/a IREN), by the weighted average number of ordinary shares outstanding during the financial year. The weighted average number of shares is also adjusted for any ordinary shares to be issued under mandatorily convertible instruments issued by the Group.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Foreign currency translation reserve
The reserve is used to recognize exchange differences arising from the translation of the financial statements of foreign operations to United States dollar.

Share-based payments reserve
The reserve is used to recognize the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services.

Goods and Services Tax ("GST") and other similar taxes
Revenues, expenses and assets are recognized net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognized as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the consolidated statements of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Note 2. Material accounting policies (continued)

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Computer hardware prepayments
Computer hardware prepayments represent payments made by the Group for the purchase of mining and HPC hardware that were yet to be delivered as of the end of the financial year. These prepayments are in accordance with payment schedules set out in relevant purchase agreements with hardware manufacturers.

Government grants
Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group expects to comply with the conditions. Depending on the grant conditions, grants received may be deferred and recognized over time on a straight-line basis.

Rounding of amounts
Amounts in this report have been rounded off to the nearest thousand dollars, or in certain cases, the nearest dollar.

New or amended Accounting Standards and Interpretations adopted
The Group has adopted all of the new or amended AASBs and Interpretations as issued by the AASB that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The Group believes that the impact of recently issued standards or amendments to existing standards that are not yet effective will not have a material impact on the Group's consolidated financial statements.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the consolidated financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes-Merton option-pricing model and Monte-Carlo simulations which take into account the terms and conditions upon which the instruments were granted. Management has exercised its best judgements in determining the key inputs for the valuation models used which includes volatility, grant-date share price, expected term and the risk-free rate. Refer note 31 for further information and key assumptions.

Estimation of useful lives of assets
The Group determines the estimated useful lives, residual values and related depreciation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets
The Group assesses impairment of non-financial assets other than goodwill at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves assessing the value of the asset at FVLCOD or using VIU models which incorporate a number of key estimates and assumptions. No triggers existed at the reporting date which suggested any additional impairment of assets was necessary.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Deferred tax
Deferred tax assets relating to temporary differences and unused tax losses are recognized only to the extent that it is probable that the future taxable profit will be available against which the benefits of the deferred tax can be utilized. At the reporting date, deferred tax assets have only been recognized to the extent of deferred tax liabilities if they are related to the same tax jurisdiction. Deferred tax assets in relation to losses have not been recognized in the consolidated statement of financial position and will not be recognized until such time when there is more certainty in relation to the availability of future taxable profits.

Income tax
Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. These uncertainties may require management to adjust expectations based on changes in circumstances, which may impact the amount of deferred tax assets and deferred tax liabilities recognized in the consolidated statement of financial position and the amount of other tax losses and temporary differences not yet recognized. In such circumstances, some or all of the carrying amounts of recognized deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to profit or loss or other comprehensive income/(loss).

Going concern
The assessment of going concern requires management to make judgements based on projections of the operating cash flows generated by the Group, which is subject to a number of key assumptions. The Group has determined there is material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern but has concluded it is appropriate to prepare the consolidated financial statements on a going concern basis. Refer to Note 2 for further information.

Provisions
Provisions are recorded for present obligations arising from past events where settlement is expected to result in an outflow of resources. The Group has recorded provisions for sales tax at the best estimate of expenditure required to settle the obligation. Management makes assessments of provisions based on the expectations of probability of outcome and expectations of settlement which is inherently subject to uncertainty. Refer to Note 18 for further information.

Functional currency determination
The functional currency for the Company and its subsidiaries is the currency of the primary economic environment in which the entity operates. Determination of functional currency is conducted through an analysis of the consideration factors identified in IAS 21 "The Effects of Changes in Foreign Exchange Rates" and may involve certain judgements to determine the primary economic environment. The Company reconsiders the functional currency of its entities if there is a change in events and conditions which determine the primary economic environment. Significant changes to those underlying factors could cause a change to the functional currency.

Note 4. Operating segments

Identification of reportable operating segments
The Group is organized into different business activities:
- Bitcoin mining: The Group owns and operates ASIC hardware used to mine Bitcoin. The revenue depends on the number of Bitcoin received from the mining pool each day and the Bitcoin price.
- AI cloud services: The Group owns and operates HPC hardware and generates revenue by providing third-party customers with remote access to these HPC hardware.

However, the Group's CODM assesses the business performance and primarily makes resource allocation decisions based on the Group as a whole, rather than by individual business lines or geographical regions.

The Group's internal reporting used by the CODM is structured as a single integrated business and thus does not contain discrete financial information on separate business activities. Therefore, in accordance with AASB 8 Operating Segments, the Group has determined that it has only one reportable segment.

Note 4. Operating segments (continued)

Additionally, revenue and assets related to the AI cloud services business activity represent less than 10% of the Group's total revenue and assets.

Major customers
The Group generated 98% (2023: 100%) of its revenue through the provision of computing power to three (2023: two) Bitcoin mining pools for the year ended 30 June 2024.

Geographical information
Disaggregated revenue data by geographical region in terms of where the services were provided within the operating segment is as follows:

	Consolidated	
	30 June 2024 US$'000	**30 June 2023 US$'000**
Revenue per geographical area		
Australia	184,087	81,884
North America	4,671	20

Non-current assets, excluding deferred tax assets, are located in the following geographical locations:

	Consolidated	
	30 June 2024 US$'000	**30 June 2023 US$'000**
Non-current assets per geographical area		
Australia	658	867
North-America	699,989	241,967

Note 5. Other income

	Consolidated	
	Year ended 30 June 2024 US$'000	**Year ended 30 June 2023 US$'000**
Net gain on disposal of other assets	-	3,117
ERS revenue	1,566	-
Other	-	20
Total other income	1,566	3,137

Other income for the year ended 30 June 2024 comprises income generated from an Emergency Response Service ("ERS") program entered into in Texas. This ERS program is a demand response program designed to help ERCOT mitigate rolling

Note 5. Other income (continued)

blackouts. The Group receives recurring capacity payments for agreeing to curtail electricity consumption in response to abnormally high electricity demand or other grid emergencies. Other income is generated by the Group's participation in this program at the site in Childress, Texas, and the revenue is recognized on a monthly basis depending on electricity related factors as determined by the operator.

Note 6. Depreciation

	Consolidated	
	Year ended 30 June 2024 US$'000	Year ended 30 June 2023 US$'000
Depreciation of property, plant and equipment	50,415	30,636
Depreciation of right-of-use assets	235	220
Total depreciation	50,650	30,856

Note 7. Other operating expenses

	Consolidated	
	Year ended 30 June 2024 US$'000	Year ended 30 June 2023 US$'000
Insurance	7,033	5,687
Sponsorship and marketing	2,051	716
ERS fees	94	-
Charitable donations	640	164
Legal expenses	1,797	-
Filing fees	79	76
Site identification costs	-	15
Non-refundable sales tax (See Note 18 - Provisions)	6,276	4,972
Non-refundable provincial sales tax	1,408	371
Other expenses	1,707	2,277
Total other operating expenses	21,085	14,278

Other operating expenses previously included site expenses, however, for the year ended 30 June 2024, site expenses has been presented as a separate financial statement line item. Comparative figures have been updated accordingly.

Note 8. Finance expense

	Consolidated	
	Year ended 30 June 2024	**Year ended 30 June 2023**
	US$'000	**US$'000**
Interest expense on borrowings	-	15,213
Interest expense on hybrid financial instruments	-	-
Interest expense on lease liabilities	253	112
Amortization of capitalized borrowing costs	-	1,038
Loss on embedded derivatives held at fair value through profit or loss	-	-
Total finance expense	253	16,363

For the year ended 30 June 2023, interest expense on borrowings includes late fees and interest charged on third-party loans held by IE CA 3 Holdings Ltd and IE CA 4 Holdings Ltd.

Note 9. Income tax expense

	Consolidated	
	Year ended 30 June 2024 US$'000	**Year ended 30 June 2023 US$'000**
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(25,502)	(169,481)
Tax at the statutory tax rate of 30% (2023: 30%)	(7,650)	(50,844)
Tax effect amounts which are not deductible in calculating taxable income:		
Non-deductible/non-allowable items	8,793	4,756
	1,143	(46,088)
Current year tax losses not recognized	1,207	28,349
Recognition of previously unrecognized tax losses	12	-
Derecognition of previously recognized tax losses	860	-
Difference in overseas tax rates	(315)	1,979
Current year temporary differences not recognized	535	-
Prior year tax over/(under) provisions	(296)	(212)
Deconsolidation of Non-recourse SPVs	-	18,362
Other	307	-
Income tax expense	3,453	2,390

	Consolidated	
	Year ended 30 June 2024 US$'000	**Year ended 30 June 2023 US$'000**
Income tax expense		
Current tax expense/(benefit)	1,709	(1,013)
Deferred tax expense	1,744	3,403
Income tax expense	3,453	2,390

Note 9. Income tax expense (continued)

	Consolidated	
	30 June 2024 US$'000	30 June 2023 US$'000
Unrecognized deferred tax assets		
Available tax losses	155,608	136,849
Tax effect at the applicable tax rate for each jurisdiction	41,750	39,238
Deferred tax asset on tax losses recognized to the extent of taxable temporary differences	19,148	10,761
Deferred tax asset on losses not recognized	22,602	28,477

In addition to tax losses unrecognized, there are $123,987,000 of deductible temporary differences in relation to capital losses, capital raising costs and other temporary differences for which no deferred tax asset is recognized as at 30 June 2024. These tax losses can only be utilized against availability of future available profits. These tax losses are not expected to expire.

Recognized deferred tax assets and liabilities
The following are the deferred tax assets and liabilities recognized by the Group and movements during the years ended 30 June 2024 and 30 June 2023:

	Tax losses US$'000	Employee benefits US$'000	Property, plant and equipment US$'000	Unrealized foreign exchange losses US$'000	Capital raising costs US$'000	Other deferred tax assets US$'000	Total US$'000
Deferred tax assets							
Movement in balances							
As at 1 July 2022	3,854	113	15	725	4,627	1,222	10,556
(Charge)/credit to profit or loss	6,907	(381)	(15)	(691)	(666)	1,117	6,271
As at 30 June 2023	10,761	(268)	-	34	3,961	2,339	16,827
Offset against deferred tax liabilities							(16,819)
As at 30 June 2023							8
As at 1 July 2023	10,761	(268)	-	34	3,961	2,339	16,827
(Charge)/credit to profit or loss	8,391	152	-	702	(1,701)	1,654	9,198
(Charge)/credit to equity					-		-
As at 30 June 2024	19,152	(116)	-	736	2,260	3,993	26,025
Offset against deferred tax liabilities							(26,025)
As at 30 June 2024							-

Note 9. Income tax expense (continued)

	Property, plant and equipment US$'000	Unrealized foreign exchange gains US$'000	Other deferred tax liabilities US$'000	Total US$'000
Deferred tax liabilities				
Movement in balances				
As at 1 July 2022	(4,692)	(3,471)	(347)	(8,510)
(Charge)/credit to profit or loss	(7,426)	(1,540)	(708)	(9,674)
As at 30 June 2023	(12,118)	(5,011)	(1,055)	(18,184)
Offset against deferred tax assets				16,819
As at 30 June 2023				(1,365)
As at 1 July 2023	(12,118)	(5,011)	(1,055)	(18,184)
(Charge)/credit to profit or loss	(12,455)	2,227	(738)	(10,966)
As at 30 June 2024	(24,573)	(2,784)	(1,793)	(29,150)
Offset against deferred tax assets				26,025
As at 30 June 2024				(3,125)

Note 10. Cash and cash equivalents

	Consolidated	
	30 June 2024 US$'000	30 June 2023 US$'000
Cash at bank	304,601	38,657
Cash on deposit (cash equivalents)	100,000	30,237
Total cash and cash equivalents	404,601	68,894

Cash on deposit includes term deposits with maturities of less than 90 days and are therefore considered cash and cash equivalents.

Note 11. Other receivables

	Consolidated	
	30 June 2024	**30 June 2023**
	US$'000	**US$'000**
Current assets		
Trade receivable	152	-
Government grant receivable (note 20)	2,078	-
Share issuances proceeds receivable	16,563	1,581
Provincial sales tax receivable	-	122
Interest receivable	1,472	-
ERS receivable	1,128	-
Other receivable	130	97
GST receivable	7,844	4,743
Total other receivables	29,367	6,543

Note 12. Computer hardware prepayments

	Consolidated	
	30 June 2024	**30 June 2023**
	US$'000	**US$'000**
Non-current assets		
Mining hardware prepayment	239,841	68

Computer hardware prepayments represent payments made by the Group for the purchase of Bitcoin mining hardware. These prepayments are in accordance with payment schedules set out in relevant purchase agreements with hardware manufacturers.

Mining hardware prepayments at 30 June 2024 include Bitcoin mining hardware prepayments of $203,783,000 and $36,058,000 relating to initial 10% non-refundable deposits for options to purchase further Bitcoin mining hardware. $22,768,000 and $13,290,000 of these option deposits expire if unexercised before March and May 2025 respectively.

During the year ended 30 June 2023, an impairment of $12,961,000 was recorded in relation to mining hardware prepayments of which $11,301,000 related to the above utilization of all prepayments under the 10 EH/s contract with Bitmain. During the year ended 30 June 2023, an impairment of $1,660,000 was recorded against mining hardware prepayments held by IE CA 3 Holdings Ltd reducing the underlying carrying amount of the mining hardware prepayments held by IE CA 3 Holdings Ltd to $2,381,000 which were derecognized by the Group on deconsolidation of the entity on 3 February 2023. See note 16.

Note 13. Prepayments and other assets

	Consolidated	
	30 June 2024	**30 June 2023**
	US$'000	**US$'000**
Current assets		
Security deposits	2,101	2,420
Prepayments	9,787	11,373
Total current	11,888	13,793
Non-current assets		
Security deposits	17,459	-
Total prepayments and other assets	29,347	13,793

Non-current deposits include connection deposits paid for expansion projects in British Columbia, Canada and West Texas, USA.

Note 14. Property, plant and equipment

	Consolidated	
	30 June 2024 US$'000	**30 June 2023 US$'000**
Land - at cost	3,601	1,803
Buildings - at cost	215,542	153,100
Less: Accumulated depreciation	(13,237)	(5,042)
Total buildings	202,305	148,058
Plant and equipment - at cost	4,856	4,145
Less: Accumulated depreciation	(1,142)	(712)
Total plant and equipment	3,714	3,433
Mining hardware - at cost	177,766	115,024
Less: Accumulated depreciation	(54,892)	(15,709)
Less: Accumulated impairment	(25,605)	(25,934)
Total mining hardware	97,269	73,381
HPC hardware - at cost	33,315	-
Less: Accumulated depreciation	(1,779)	-
Total HPC hardware	31,536	-
Development assets - at cost	102,946	14,427
Total property, plant and equipment	441,371	241,102

Details of impairment expenses recorded during the year ended 30 June 2023 is set out in note 16.

Note 14. Property, plant and equipment (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Land US$'000	Buildings US$'000	Plant and equipment US$'000	Mining hardware US$'000	HPC hardware US$'000	Development assets US$'000	Total US$'000
Balance at 1 July 2022	**1,836**	**13,082**	**3,200**	**163,147**	-	**66,297**	**247,562**
Additions	-	22,467	673	163,663	-	67,866	254,669
Deconsolidation of subsidiaries	-	-	-	(90,054)	-	-	(90,054)
Disposals	(6)	-	-	(39,046)	-	-	(39,052)
Exchange differences	(27)	2,852	(93)	(7,826)	-	(4,685)	(9,779)
Impairment of assets	-	-	-	(90,524)	-	(1,084)	(91,608)
Transfers in/(out)	-	113,967	-	-	-	(113,967)	-
Depreciation expense (note 6)	-	(4,310)	(347)	(25,979)	-	-	(30,636)
Balance at 30 June 2023	**1,803**	**148,058**	**3,433**	**73,381**	-	**14,427**	**241,102**
Additions	1,817	3,288	876	65,291	33,685	150,408	255,365
Disposals	-	-	(35)	(6)	-	(5)	(46)
Exchange differences	(19)	(2,706)	(104)	(1,595)	(369)	252	(4,541)
Reversal of impairment	-	-	-	-	-	108	108
Assets written off	-	-	-	-	-	(202)	(202)
Transfers in/(out)	-	62,042	-	-		(62,042)	-
Depreciation expense (note 6)	-	(8,377)	(456)	(39,802)	(1,780)	-	(50,415)
Balance at 30 June 2024	**3,601**	**202,305**	**3,714**	**97,269**	**31,536**	**102,946**	**441,371**

Depreciation of mining hardware and HPC hardware commences once units are installed onsite and available for use.

Development assets include costs related to the development of data center infrastructure at Childress, Texas along with other early-stage development costs. Depreciation will commence on the development assets at Childress as each phase of the underlying infrastructure becomes available for use.

Change in estimates

Following the announcement made in May 2024, the Group intends to grow to 30 EH/s operating capacity by 31 December 2024, therefore planning to renew its current Bitcoin mining fleet to improve both hashrate and efficiency. As such, the Group intends to replace older miners consisting of the S19j Pros with the newer Bitmain S21 Pros, which resulted in changes in the expected usage of the S19j Pros. The S19j Pros which were previously intended to be used for four years, are now expected to remain active until 1 October 2024. As a result, the expected useful life of the S19j Pros decreased, and their estimated residual value is now expected to equal the secondary market price upon selling date which is expected to be approximately $16,770,000.

The effect of these changes on actual and expected depreciation expense was as follows.

Note 14. Property, plant and equipment (continued)

In $'000	30 June 2024	30 June 2025	30 June 2026	30 June 2027
Increase / (decrease) in depreciation expenses	11,568	1,712	(21,037)	(8,818)

Note 15. Right-of-use assets

	Consolidated 30 June 2024 US$'000	Consolidated 30 June 2023 US$'000
Non-current assets		
Land and buildings - right-of-use assets	2,054	1,649
Less: Accumulated depreciation	(505)	(275)
Total right-of-use assets	1,549	1,374

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	**US$'000**
Balance at 1 July 2022	1,253
Additions	373
Disposals	-
Exchange differences	(32)
Impairment of assets	-
Depreciation (note 6)	(220)
Balance at 30 June 2023	1,374
Additions	347
Disposals	-
Lease modification	102
Exchange differences	(39)
Impairment of assets	-
Depreciation (note 6)	(235)
Balance at 30 June 2024	1,549

The land and buildings right-of-use asset represents a 30-year lease of a site in Prince George, B.C., Canada, a 3-year lease of a corporate office in Sydney, Australia and a 5-year corporate office lease in Vancouver, B.C., Canada.

Note 16. Goodwill and impairment

	Consolidated	
	30 June 2024	**30 June 2023**
	US$'000	**US$'000**
Non-current assets		
Goodwill - at cost	598	617
Less: Impairment	(598)	(617)
Total goodwill	-	-

The Group tests whether goodwill is impaired on an annual basis or when indicators of impairment exist. To determine if goodwill is impaired, the carrying value of the identified CGU to which the goodwill is allocated is compared to its recoverable amount. For the years ended 30 June 2024 and 30 June 2023 the Group operated as a single CGU.

The recoverable amount of the CGU is based on VIU calculations, determined by discounting the future cash flows to be generated from continuing the use of the CGU.

As at 30 June 2024, no impairment indicators existed for the CGU.

Reconciliation
Impairment recorded during the year ended 30 June 2023 comprised of the following:

	Year ended 30 June 2024	**Year ended 30 June 2023**
	US$'000	**US$'000**
Goodwill	-	603
Mining hardware	-	25,700
Mining hardware – Non-Recourse SPVs	-	64,824
Mining hardware prepayments	-	11,301
Mining hardware prepayments – Non-Recourse SPVs	-	1,660
Development assets	-	1,084
Impairment of assets	-	105,172

The impairment expense described above has been recognized in the consolidated statements of profit or loss as impairment of assets.

As at June 30, 2024, the Group has not identified any indicator of impairment for the property, plant and equipment.

Note 17. Lease liabilities

	Consolidated	
	30 June 2024	**30 June 2023**
	US$'000	**US$'000**
Current liabilities		
Lease liability	214	192
Non-current liabilities		
Lease liability	1,441	1,256
Total lease liabilities	1,655	1,448

Lease liabilities
The Group's lease liabilities include a 30-year lease of a site in Prince George, B.C., Canada, a 3-year lease of a corporate office in Sydney, Australia and a 5-year corporate office lease in Vancouver, B.C., Canada. A reconciliation of lease liabilities is set out below, an undiscounted contractional maturity analysis of lease liabilities is included in Note 24.

Reconciliation	**US$'000**
Balance as at 1 July 2022	1,267
Additions	390
Lease charges	(332)
Finance charges	166
Exchange differences	(42)
Balance as at 30 June 2023	1,448
Additions	344
Modifications	101
Lease charges	(398)
Finance charges	194
Exchange differences	(34)
Balance as at 30 June 2024	1,655
Current portion	214
Non-current portion	1,441

Note 18. Provisions

	Consolidated	
	30 June 2024	**30 June 2023**
	US$'000	**US$'000**
Current liabilities		
Non-refundable sales tax and other provisions	13,375	6,172

Note 18. Provisions (continued)

Non-Refundable Sales Tax
The Canada Revenue Agency ("CRA") is currently conducting an audit of input tax credits ("ITCs") claimed by several of the Group's Canadian subsidiaries. The CRA has issued an assessment in relation to one of the subsidiaries which, the Directors believe may be applied across the Group's Canadian subsidiaries. Under the proposed decision, the CRA has noted that ITCs claimed by the Group would be allowed. However, the Canadian subsidiaries would also be required to remit an amount of 5% on services exported to the Australian parent under an intercompany service agreement. The export of services typically attract a 0% rate of GST in Canada. If GST were to apply to these services at a rate of 5%, the Australian parent may not be permitted to recover this tax.

The Group has submitted additional information to the CRA to further support the ITCs claimed and the 0% rate applied to the exported services in addition to the formally submitted a formal notice of objection to the CRA in November 2022. The CRA provided an initial response to the Group's formal notice of objection in April 2024, to which the Group responded to in early July 2024. The Group has yet to receive further correspondence from the CRA in relation to the matter.

Additionally, amendments were made to Canadian Tax legislation in June 2023 regarding Mining Activities in respect of Cryptoassets. The CRA has yet to clarify it's interpretation of this legislation and the application to the subsidiaries of the Group. The Group continues to monitor developments in this regard. Consequently, the affected subsidiaries continue to accrue a provision in line with the aforementioned methodology.

Note 19. Trade and other payables

	Consolidated	
	30 June 2024 US$'000	**30 June 2023 US$'000**
Current liabilities		
Trade payables	27,346	11,544
Employment tax payables	367	2,207
Accrued expenses	4,406	2,893
Total trade and other payables	32,119	16,644

Note 20. Deferred revenue

	Consolidated	
	30 June 2024 US$'000	**30 June 2023 US$'000**
Current liabilities		
British Columbia ("B.C.") Affordability Credit	2,078	-
AI Cloud deferred revenue	480	-
Total deferred revenue	2,558	-

Note 20. Deferred revenue (continued)

The Government of B.C. announced on 22 February 2024 that all eligible British Columbia Hydro and Power Authority ("B.C. Hydro") customers will receive an electricity affordability credit from 1 April 2024 to 31 March 2025. As the conditions for receiving the credit have been met, the Group has recognized a receivable and associated deferred revenue for the credit to be received from 1 April 2024 to 31 March 2025.

Note 21. Issued capital

	Consolidated			
	30 June 2024	**30 June 2023**	**30 June 2024**	**30 June 2023**
	Shares	**Shares**	**US$'000**	**US$'000**
Ordinary shares - Issued capital	186,367,686	64,747,477	1,764,289	965,857

Movements in ordinary share capital

Details	**Date**	**Shares**	**US$'000**
Opening balance as at	1 July 2022	53,028,867	926,581
Shares issued under Committed Equity Facility		11,089,357	39,939
Unpaid shares issued under Committed Equity Facility		364,967	1,642
Shares issued for services		260,286	500
Equity settled share-based payments		4,000	15
Capital raise costs, net of tax		-	(2,820)
Opening balance as at	1 July 2023	64,747,477	965,857
Shares issued under Committed Equity Facility		12,887,814	51,417
Shares issued under ATM Facility		108,063,868	771,438
Shares issued for services		106,687	319
Share based payment - employees		561,840	1,397
Capital raise costs, net of tax			(26,139)
Closing balance as at	30 June 2024	186,367,686	1,764,289

Refer note 33 for further information on B Class restricted shares issued.

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorized capital.

At-the-market Facility
On 13 September 2023, Iris Energy Limited (d/b/a IREN) entered into an At-the-market ("ATM") Sales Agreement with B. Riley Securities, Inc., Cantor Fitzgerald & Co. and Compass Point Research & Trading, LLC, pursuant to which Iris Energy Limited (d/b/a IREN) has the option, but not the obligation, to sell up to $300,000,000 of its Ordinary shares through or to the Sales Agents, for a period of up to 36 months. On 21 March 2024, the Company added Canaccord

Note 21. Issued capital (continued)

Genuity LLC, Citigroup Global Markets Inc. and Macquarie Capital (USA) Inc. as Sales Agents pursuant to the Sales Agreement and filed a new prospectus supplement relating to the offer and sales of its ordinary shares under the Sales Agreement, which reflected an increase of $200,000,000 in the aggregate offering price, from an aggregate of up to $300,000,000 under the previously filed prospectus supplement relating to the offer and sale of ordinary shares under the Sales Agreement ("the ATM Facility"). As a result, in accordance with the terms of the Sales Agreement, Iris Energy Limited (d/b/a IREN) may offer and sell its ordinary shares having an aggregate offering price of up to $500,000,000. On 15 May, 2024, Iris Energy Limited (d/b/a IREN) filed a new registration statement, including an accompanying prospectus, that provided Iris Energy Limited (d/b/a IREN) with the option, but not the obligation, to sell up to an aggregate of $500 million of its Ordinary shares pursuant to the Sales Agreement. As at 30 June 2024, 108,063,868 shares have been issued under the ATM facilities raising total gross proceeds of approximately $771,438,000. An additional $5,191,000 was raised through the sale of 463,089 shares from trades which were executed in June 2024 and subsequently issued and settled in July 2024.

Committed Equity Facility
On 23 September 2022 Iris Energy Limited (d/b/a IREN) entered into a share purchase agreement with B. Riley Principal Capital II, LLC ("B. Riley") to establish a committed equity facility ("ELOC"), pursuant to which Iris Energy Limited (d/b/a IREN) may, at its option, sell up to US$100 million of ordinary shares to B. Riley over a two-year period. A resale registration statement relating to shares sold to B. Riley under the ELOC was declared effective by the SEC on 26 January 2023. During the year ended 30 June 2024, 12,887,814 shares were issued under the facility raising gross proceeds of $51,417,000. On February 15, 2024, Iris Energy Limited (d/b/a IREN) terminated the Purchase Agreement and the Registration Rights Agreement and on February 16, 2024, Iris Energy Limited (d/b/a IREN) filed a post-effective amendment to the registration statement on Form F-1 related to this offering, which deregistered all remaining shares on such registration statement, terminating the offering.

Loan-funded shares
As at 30 June 2024, there are 1,496,768 (30 June 2023: 1,954,049) restricted ordinary shares issued to management under the Employee Share Plans as well as certain non-employee founders of Podtech Innovation Inc. The total number of ordinary shares outstanding (including the loan funded shares) is 187,864,454 as at 30 June 2024 (30 June 2023: 66,701,526).

Capital risk management
The Group's objectives when managing capital is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

Capital is regarded as total equity, as recognized in the consolidated statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, issue new debt or sell assets to reduce debt.

Note 22. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 23. Earnings per share

	Year ended 30 June 2024 US$'000	Year ended 30 June 2023 US$'000
Loss after income tax	(28,955)	(171,871)
	Number	**Number**
Weighted average number of shares used in calculating basic earnings per share	99,640,920	54,775,571
Weighted average number of shares used in calculating diluted earnings per share	99,640,920	54,775,571
	US$	**US$**
Basic earnings per share	(0.29)	(3.14)
Diluted earnings per share	(0.29)	(3.14)

As the Group has recorded a loss after tax for all years presented, any potential ordinary shares are antidilutive.

Note 24. Financial instruments

Financial risk management objectives

The Group has a simple capital structure and its principal financial assets are cash and cash equivalents and other receivables (except for sales tax receivables). The Group is subject to market risk by way of being exposed to daily volatility in the Bitcoin price and variations in foreign exchange rates. The Group has limited exposure to credit risk. The Group primarily holds cash and cash equivalents with regulated authorized deposit taking institutions which have strong credit ratings. The Group may also be exposed to liquidity and capital risk, due to the nature of operations and the requirements to incur capital expenditure.

Risk management is carried out by senior executives who identify, evaluate and hedge financial risks.

Market risk

Foreign currency risk

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognized financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

Note 24. Financial instruments (continued)

The Group's exposure to foreign currency risk arises when a Group entity holds a financial asset or liability in a currency other than the functional currency of that entity. At the end of the reporting period, the Group's exposure to foreign currency risk was as follows (denominated in US Dollars):

	Financial assets		Financial liabilities	
	30 June 2024 US$'000	30 June 2023 US$'000	30 June 2024 US$'000	30 June 2023 US$'000
US dollars	442,127	96,888	56,720	32,619
Canadian dollars	112,639	124,549	1,265	37,390
	554,766	221,437	57,985	70,009

Sensitivity analysis
The following table illustrates sensitivities to the Group's exposure to changes in exchange rates. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variables that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables, each scenario assumes no change to other variables.

	Strengthened			Weakened		
30 June 2024	Change %	Effect on profit before tax US$'000	Effect on equity US$'000	Change %	Effect on profit before tax US$'000	Effect on equity US$'000
US dollar	10%	45,350	45,350	10%	(55,427)	(55,427)
Canadian dollar	10%	18,115	18,115	10%	(18,251)	(18,251)
Australian dollar	10%	(62,606)	(62,606)	10%	76,179	76,179

Price risk
The Group is exposed to daily price risk on Bitcoin rewards it generates through contributing computing power to mining pools. Bitcoin rewards are typically liquidated on a daily basis and no Bitcoin is held as at the reporting period end (30 June 2023: nil).

Bitcoin currency prices are affected by various forces including global supply and demand, interest rates, exchange rates, inflation or deflation and the global political and economic conditions. The profitability of the Group is directly related to the current and future market price of digital currencies. A decline in the market prices for digital currencies could negatively impact the Group's future operations. The Group has not hedged the conversion of any of its sales of Bitcoin.

Interest rate risk
The Group has limited exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates on variable interest-bearing financial instruments. The Group does not, at this time, use derivatives to mitigate these exposures. The Group's cash and cash equivalents consist of balances available on demand and term deposits.

A reasonably possible change of 100 basis points ("bp") in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below:

Note 24. Financial instruments (continued)

30 June 2024	**100 bp increase US$'000**	**100 bp decrease US$'000**
Term deposit	425	(425)
Remunerated bank account	897	(897)
Cash flow sensitivity (net)	1,322	(1,322)

Credit risk
The Group's exposure to credit risk is primarily related to its potential counterparty credit risk with exchanges, mining pools and regulated financial institutions. It mitigates credit risk associated with mining pools and exchanges by maintaining relationships with various alternative mining pools and transferring fiat currency to its Australian bank account on a regular basis. The Group cash and cash equivalents consists of balances held with regulated, listed financial institutions. The Group regularly monitors industry developments, actively monitors concentration risks with each financial institution and primarily holds balances on demand with A-1 rated institutions (based on Standard & Poor's ratings).

Liquidity risk
The Group is exposed to liquidity risk and is required to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay contractual obligations as and when they become due and payable. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Group regularly updates cash projections for changes in business and fluctuations in the Bitcoin price. Refer to the Going Concern section within note 2 for further information in relation to how the Group intends to meet its short-term contractual obligations.

Remaining contractual maturities
The following table details the Group's remaining contractual maturity for its financial instruments and other liabilities. The table presents the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The table includes both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the consolidated statement of financial position.

30 June 2024	**Weighted average contractual interest rate %**	**1 year or less US$'000**	**Between 1 and 2 years US$'000**	**Between 2 and 5 years US$'000**	**Over 5 years US$'000**	**Remaining contractual maturities US$'000**
Trade and other payables	-	24,780	-	-	-	24,780
Lease liabilities	-	371	261	516	2,869	4,017
Total non-derivatives		25,151	261	516	2,869	28,797

Note 24. Financial instruments (continued)

30 June 2023	Weighted average contractual interest rate %	1 year or less US$'000	Between 1 and 2 years US$'000	Between 2 and 5 years US$'000	Over 5 years US$'000	Remaining contractual maturities US$'000
Trade and other payables	-	13,541	-	-	-	13,541
Lease liabilities	-	335	326	446	2,270	3,377
Total non-derivatives		13,876	326	446	2,270	16,918

Financial assets at fair value through profit or loss

	Consolidated 30 June 2024 US$'000	Consolidated 30 June 2023 US$'000
Current assets		
Electricity financial asset	6,530	-

Reconciliation		
Reconciliation of the fair values at the beginning and end of the current and previous financial period are set out below:		
Opening fair value	-	-
Additions	28,332	-
Financial asset realized	(18,354)	-
Unrealized loss	(3,448)	-
Closing fair value	6,530	-

Power Supply Agreement
A subsidiary of the Company ("the Subsidiary") entered into a Power Supply Agreement ("PSA") for the procurement of electricity at the Childress site.

Under the PSA, the Subsidiary has the right to purchase a fixed quantity of electricity in advance at a fixed price however, the Subsidiary has no obligation to take physical delivery of electricity purchased. For any unused electricity purchased, the Subsidiary sells the unused electricity to the counterparty of the PSA at the prevailing spot price at the time of curtailment.

As the PSA meets the definition of a financial instrument under AASB 132, it is accounted for as a financial asset at fair value through Profit and Loss under AASB 9.

Accordingly, the PSA is recorded at an estimated fair value each reporting period with the change in the fair value recorded in the consolidated statements of profit and loss.

As at 30 June 2024, the financial asset comprises the fair value of unused electricity procured for future periods.

Note 24. Financial instruments (continued)

On settlement, a realized gain or loss on a financial asset is recognized in profit or loss. The gain or loss is calculated based on the unused quantity of electricity multiplied by prevailing spot price at the time of curtailment less the price paid upon prepayment (fixed costs). For the year ended 30 June 2024, the realized gain was $4,121,000 (2023: nil).

Note 25. Fair value measurement

Fair value hierarchy
Assets and Liabilities that are measured in the consolidated statements of financial position at fair value are categorized into a three-level hierarchy based on the priority of the inputs to the valuation. The categorization within the hierarchy is based on the lowest level input that is significant to the fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

There were no transfers between levels during the financial years ended 30 June 2023 and 30 June 2024. The carrying amounts of other receivables, trade and other payables are assumed to approximate their fair values due to their short-term nature and are excluded from the hierarchy.

The following tables show the valuation techniques used in measuring Level 2 fair values for financial instruments in the statement of financial position, as well as the significant unobservable inputs used as at 30 June 2024:

Fair Value Hierarchy Level	Asset Description	Valuation Technique	Significant Input
Level 2	Prepaid Electricity - Financial assets at FVT PL	Forward Price Approach	Forward Prices from OTC Global Holdings

Note 26. Commitments

As at 30 June 2024, the Group had commitments of $194,641,000 (30 June 2023: $7,481,000) which are payable within the year ended 30 June 2025. These commitments include committed capital expenditure on infrastructure related to site development.

Note 26. Commitments (continued)

The committed amounts are payable as set out below:

	Consolidated	
	30 June 2024	**30 June 2023**
	US$'000	**US$'000**
Mining hardware commitments		
Amounts payable within 12 months of balance date:	116,982	-
Amounts payable after 12 months of balance date:	-	-
Other commitments		
Amounts payable within 12 months of balance date:	77,659	7,481
Amounts payable after 12 months of balance date:	-	-
Total commitments	194,641	7,481

Note 27. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Beneficial Ownership interest 30 June 2024 %	Beneficial Ownership interest 30 June 2023 %
Iris Energy Custodian Pty Ltd	Australia	100%	100%
Iris Energy Holdings Pty Ltd	Australia	100%	100%
SA 1 Holdings Pty Ltd	Australia	100%	100%
SA 2 Holdings Pty Ltd	Australia	100%	100%
TAS 1 Holdings Pty Ltd	Australia	100%	100%
Podtech Data Centers Inc.	Canada	100%	100%
IE CA Compute Ltd.	Canada	100%	-%
IE CA Leasing Ltd.	Canada	100%	-%
IE CA 1 Holdings Ltd.	Canada	100%	100%
IE CA 2 Holdings Ltd.	Canada	100%	100%
IE CA 5 Holdings Ltd.	Canada	100%	100%
IE CA Development Holdings Ltd.	Canada	100%	100%
IE CA Development Holdings 2 Ltd.	Canada	100%	100%
IE CA Development Holdings 3 Ltd.	Canada	100%	100%
IE CA Development Holdings 4 Ltd.	Canada	100%	100%
IE CA Development Holdings 5 Ltd.	Canada	100%	100%
IE CA Development Holdings 7 Ltd.	Canada	100%	100%
IE US 1, Inc.	United States of America	100%	100%
IE US Holdings Inc.	United States of America	100%	100%
IE US Development Holdings 1 Inc.	United States of America	100%	100%
IE US Development Holdings 3 Inc.	United States of America	100%	100%
IE US Development Holdings 4 Inc.	United States of America	100%	100%
IE US Development Holdings 5 Inc.	United States of America	100%	100%
IE US Development Holdings 6 Inc.	United States of America	100%	-%
IE US Hardware 1 Inc.	United States of America	100%	100%
IE US Hardware 3 Inc.	United States of America	100%	100%
IE US Hardware 4 Inc.	United States of America	100%	100%
IE US Operations Inc.	United States of America	100%	100%

Note 28. Reconciliation of loss after income tax to net cash from/(used in) operating activities

	Consolidated	
	Year ended 30 June 2024 US$'000	Year ended 30 June 2023 US$'000
Loss after income tax expense for the year	(28,955)	(171,871)
Adjustments for:		
Depreciation	50,650	30,856
Capital raising costs	-	-
Impairment of assets	-	105,172
Reversal of impairment of assets	(108)	-
Other income	-	(3,137)
Gain on disposal of subsidiaries	-	(3,258)
Gain/(loss) on disposal of property, plant and equipment	(43)	6,628
Foreign exchange loss/(gain)	(3,540)	5,055
Loss on embedded derivatives held at fair value through profit or loss	-	-
Accrued interest	-	11,223
Amortization of capitalized borrowing costs	-	1,038
Share-based payment expense	23,636	14,356
Realized gain on financial asset	(4,121)	-
Unrealized loss on financial asset	3,448	-
Change in operating assets and liabilities:		
Decrease/(increase) in other receivables	(5,588)	17,641
Increase in deferred tax assets	-	(6,271)
Increase/(decrease) in trade and other payables	2,869	(5,800)
Increase/(decrease) in provision for income tax	1,357	(1,172)
Increase in deferred tax liabilities	-	9,674
Increase/(decrease) in employee benefits	409	(1,175)
Increase in other provisions	7,203	3,703
Increase in deferred revenue	2,558	-
Increase/(decrease) for prepayments and deposits	2,941	(6,617)
Net cash from operating activities	52,716	6,045

Note 29. Non-cash investing and financing activities

	Consolidated	
	Year ended 30 June 2024 US$'000	Year ended 30 June 2023 US$'000
Mining hardware finance additional fee payable in cash or equity	-	-
Mining hardware finance prepayments made directly by third party financier	-	(3,420)
Additions to right of use assets	347	373
Share issuance proceeds under Committed Equity Facility	-	1,642
Realized gain on financial asset	4,121	-
ATM agent fees	23,143	-
Share based payment - third party issuance	319	-
Total non-cash investing and financing activities	27,930	(1,405)

Note 30. Contingent liabilities

In addition to PwC continuing in their capacity as receiver in respect of the Non-Recourse SPVs, a hearing was held in June 2023 in the Trial Court with respect to, among other things, claims brought by the lender, NYDIG, seeking remedies regarding the limited recourse equipment financing facilities entered into by the Non-Recourse SPVs. A judgement on those proceedings was delivered on 10 August 2023 which declared, among other things, that the transactions pursuant to hashpower services provided by the Non-Recourse SPVs to Iris Energy Limited (d/b/a IREN) to be void. On 21 August 2023, Iris Energy Limited (d/b/a IREN) and the Non-Recourse SPVs filed a notice to appeal the judgement. On 30 January 2024, NYDIG filed a notice of cross appeal with the Court of Appeal to appeal the dismissal of the substantive consolidation and oppression remedy relief that was dismissed. In particular, NYDIG sought an order that the substantive consolidation and oppression remedies be remitted to the Trial Court for consideration and reasons. On 27 June 2024, the Court of Appeal released its reasons for judgment. The Court of Appeal: (a) granted the appeal by the Non-Recourse SPVs and Iris Energy Limited (d/b/a IREN), finding that the intercompany transactions were not fraudulent conveyances (b) denied NYDIG's cross-appeal by finding that there is no basis for appellate interference in relation to the Trial Court's dismissal of NYDIG's substantive consolidation claim; and (c) upheld NYDIG's cross-appeal in part by finding that the application for relief in relation to the oppression remedy is remitted to the Trial Court for the judge for consideration. The matter has not been listed in the Trial Court as of the date of these consolidated financial statements.

Note 31. Share-based payments

The Group has entered into a number of share-based compensation arrangements. Details of these arrangements, which are considered as options for accounting purposes, are described below:

Employee Share Plans

The Group's Employee Share Plans are loan-funded share schemes. These loan-funded shares generally vest subject to satisfying employment service periods (and in some cases, non-market-based performance milestones). The employment service periods are generally met in three equal tranches on the third, fourth and fifth anniversary of the grant date. Under this scheme, the Company issues a limited recourse loan (that has a maximum term of up to 9 years and 11 months) to employees for the sole purpose of acquiring shares in the Company. Upon disposal of any loan-funded shares by employees, the aggregate purchase price for the shares shall be applied by the Company to pay down the outstanding loan payable.

Note 31. Share-based payments (continued)

The recourse on the loan is limited to the lower of the initial amount of the loan granted to the employee and the proceeds from the sale of the underlying shares. Employees are entitled to exercise the voting and dividend rights attached to the shares from the date of allocation. If the employee leaves the Company within the vesting period, the shares may be bought back by the Company at the original issue price and the loan is repaid. Loan-funded shares have been treated as options as required under AASB 2 Share-based Payments. Vesting of instruments granted under the Employee Share Plans are dependent on specific service thresholds being met by the employee.

2021 Executive Director Liquidity and Price Target Options
On 20 January 2021, the Board approved the grant of 1,000,000 options each to entities controlled by Daniel Roberts and William Roberts (each an Executive Director) to acquire ordinary shares at an exercise price of $3.868 (A$5.005) with an expiration date of 20 December 2025. All 'Executive Director Liquidity and Price Target Options' vested on completion of the IPO on 17 November 2021.

Employee Option Plan
The Board approved an Employee Option Plan on 28 July 2021. The terms of the Employee Option Plan are substantially similar to the Employee Share Plan, with the main difference being that the incentives are issued in the form of options and loans are not provided to participants. If the employee leaves the Company within the vesting period of the options granted, the Board retains the absolute discretion to cancel any unvested options held by the employee. Vesting of options granted under the Employee Option Plan is generally dependent on specific service thresholds being met by the employee.

Non-Executive Director Option Plan
The Board approved a Non-Executive Director Option Plan ("NED Option Plan") on 28 July 2021. The terms of the NED Option Plan are substantially similar to the Employee Option Plan. Vesting of instruments granted under the NED Option Plan is dependent on specific service thresholds being met by the Non-Executive Director. Where an option holder ceases to be a Director of the Company within the vesting period, the options granted to that Director will vest on a pro-rata basis of the associated service period. The Board retains the absolute discretion to cancel any remaining unvested options held by the option holder.

$75 Exercise Price Options
On 18 August 2021, the Group's shareholders approved the grant of 2,400,000 long-term options each to entities controlled by Daniel Roberts and William Roberts to acquire ordinary shares at an exercise price of $75 per option ("$75 Exercise Price Options"). These options were granted on 14 September 2021, and have a contractual exercise period of 12 years.
The options are subject to customary adjustments to reflect any reorganization of the Company's capital, as well as adjustments to vesting thresholds including any future issuance of ordinary shares by the Company.

The $75 Exercise Price Options will vest in four tranches following listing of the Company, if the relevant ordinary share price is equal to or exceeds the corresponding vesting threshold and the relevant executive director has not voluntarily resigned as a director of the Company. The initial vesting thresholds are detailed below based on 24,195,092 ordinary shares outstanding at the time of issuance:

- If the VWAP of an ordinary share over the immediately preceding 20 trading days is equal to or exceeds $370: 600,000 Long-term Target Options will vest

- If the VWAP of an ordinary share over the immediately preceding 20 trading days is equal to or exceeds $650: 600,000 Long-term Target Options will vest

- If the VWAP of an ordinary share over the immediately preceding 20 trading days is equal to or exceeds $925: 600,000 Long-term Target Options will vest

- If the VWAP of an ordinary share over the immediately preceding 20 trading days is equal to or exceeds $1,850: 600,000 Long-term Target Options will vest

The VWAP vesting thresholds may also be triggered by a sale or takeover of the Company based upon the price per ordinary share received in such transaction.

Note 31. Share-based payments (continued)

The option holder is entitled to receive in its capacity as a holder of the options, a distribution paid by the Company per ordinary share as if the vested options were exercised and ordinary shares issued to the option holder at the relevant time of such distribution.

2022 Long-Term Incentive Plan Restricted Stock Units ("2022 LTIP")
In June 2022, the Board approved a new long term incentive plan under which participating employees generally have been granted RSUs in two equal tranches after three and four years of continued service, including a portion the vesting of which is also subject to the achievement of specified performance goals over this time period. RSUs issued under the new long term incentive plan are subject to other terms and conditions contained in the plan.

Under the terms of the plan, the Board maintains sole discretion over the administration, eligibility and vesting criteria of instruments issued under the 2022 LTIP.

During the year ended 30 June 2023, the following grants were made under the 2022 LTIP:
- 1,594,215 RSUs to certain employees and key management personnel ('KMP') of the Group were issued RSUs of which 50% of each individual's RSU grant will vest after 3.25 years and the remaining 50% will vest after 4.25 years, subject to the following criteria which is tested at the end of each respective vesting period:
    - 80% vesting based on continued service with the Group over the vesting period; and
    - 20% vesting based on total shareholder return ('TSR') against a peer group of Nasdaq listed entities (and continued service over the vesting period).
- 305,630 RSUs to the nominated entity of each of Daniel Roberts and William Roberts which are subject to a sole vesting condition and will immediately vest when the daily closing share price of the of the ordinary shares of Company exceeds $28 for 10 trading days out of any 15 consecutive full trading day period following the grant date.
- Daniel Roberts and William Roberts also received a Co-Founder and Co-Chief Executive Officer grant of 713,166 to each of the nominated entity, which have time-based vesting conditions and will vest in three equal tranches on 1 July 2024, 1 July 2025 and 1 July 2026
- 108,559 RSUs to certain Non-Executive Directors. These RSUs vested within 10 days of the release of the consolidated Group financial statements for the year ended 30 June 2023.

During the year ended 30 June 2024, there were no grants made under the 2022 LTIP.

2023 Long-Term Incentive Plan Restricted Stock Units ("2023 LTIP")
In June 2023, the Board approved a revised long term incentive plan under which participating employees have been granted RSUs in three tranches, the first two tranches being time-based vesting conditions and the third tranche being performance-based vesting conditions. RSUs issued under the revised long term incentive plan are subject to other terms and conditions contained in the plan.

Under the terms of the plan, the Board maintains sole discretion over the administration, eligibility and vesting criteria of instruments issued under the 2023 LTIP.

During the year ended 30 June 2024, the following grants were made under the 2023 LTIP:
- 3,194,491 RSUs to certain employees and key management personnel ("KMP") of the Group were issued RSUs of which:
    - 809,883 RSUs are subject to time-based vesting conditions and will vest after one years;
    - 809,883 RSUs are subject to time-based vesting conditions and will vest after two years;
    - 1,574,725 RSUs are subject to performance-based vesting conditions and will vest after three years based on total shareholder return measured against the Nasdaq Small Cap Index ("NQUSS") (and continued service over the vesting period).
- 120,303 RSUs to certain Non-Executive Directors. These RSUs will vest within 10 days of the release of the consolidated Group financial statements for the year ended 30 June 2024 or in any event by no later than 31 December 2024.

Note 31. Share-based payments (continued)

Reconciliation of outstanding share options

Set out below are summaries of options granted under all plans:

	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
	30 June 2024	**30 June 2024**	**30 June 2023**	**30 June 2023**
Outstanding as at 1 July	8,906,839	$41.93	9,010,547	$41.67
Granted during the year	34,454	$13.47	-	-
Forfeited during the year	-	-	(103,708)	$20.03
Exercised during the year	(457,282)	$1.89	-	-
Outstanding at the end of the financial year	8,484,011	$43.97	8,906,839	$41.93
Exercisable at the end of the financial year	3,332,076	$3.01	3,485,302	$2.97

As at 30 June 2024, the weighted average remaining contractual life of options outstanding is 6.56 years (30 June 2023: 7.57 years). As at 30 June 2024, the exercise prices associated with the options outstanding ranges from $1.53 to $75.00 (30 June 2023: $1.53 to $75.00). For the share options exercised during the year, the weighted average share price at the date of exercise is $9.27.

Reconciliation of outstanding RSUs

Set out below are summaries of RSUs granted under all plans:

	Number of RSUs	Number of RSUs
	30 June 2024	**June 30, 2023**
Outstanding as at 1 July	3,623,867	-
Granted during the year	3,314,794	3,740,366
Forfeited during the year	(221,455)	(112,499)
Exercised during the year	(104,559)	(4,000)
Outstanding at the end of the financial year	6,612,647	3,623,867
Exercisable at the end of the financial year	-	-

As at 30 June 2024, the weighted average remaining contractual life of RSUs outstanding is 2.76 years. All RSUs have a nil weighted average exercise price.

Valuation methodology
The fair value of instruments issued under the Employee Share Plans have been measured using a Black-Scholes-Merton valuation model. The fair value of the Executive Director Liquidity and Price Target Options, and Long-Term Incentive

Note 31. Share-based payments (continued)

Plan RSUs have been measured using a Monte-Carlo simulation. Service and non-market performance conditions attached to the arrangements were not taken into account when measuring fair value.

The following table lists the inputs used in measuring the fair value of arrangements granted during the years ended 30 June 2024 and 30 June 2023:

Grant date	Dividend yield	Expected volatility	Risk-free interest rate	Expected life (weighted average)	Grant date share price	Exercise price (weighted average)	Fair value (weighted average)	Number of options/ RSUs granted
	%	%	%	years	US$	US$	US$	
Long Term Incentive Plan								
1 July 2022								
Service RSUs	-	-	-	3.74	3.73	-	3.73	1,109,500
TSR RSUs (3.25 years)	-	120%	3.00%	3.25	3.73	-	3.22	138,189
TSR RSUs (4.25 years)	-	120%	3.25%	4.25	3.73	-	3.38	138,189
Share Price Target RSU	-	120%	3.60%	15.00	3.73	-	1.72	611,260
22 December 2022								
Service RSUs	-	-	-	1.00	1.13	-	1.13	104,559
11 January 2023								
Service RSUs	-	-	-	3.75	1.53	-	1.53	169,870
TSR RSUs	-	120%	3.25%	3.75	1.53	-	1.32	42,467
19 June 2023								
Service RSUs	-	-	-	2.00	3.42	-	3.42	1,426,332
1 July 2023								
Service RSUs	-	-	-	2.00	4.66	-	4.66	1,676,083
TSR RSUs	-	-	4.39%	3.00	4.66	-	2.40	1,534,598
17 July 2023								
Service RSUs	-	-	-	1.00	7.14	-	7.14	18,908
13 January 2024								
Service RSUs	-	-	-	2.00	5.15	-	5.15	45,078
TSR RSUs	-	-	3.85%	3.00	5.15	-	2.98	40,127

The share-based payment expense for the year was $23,636,000 (2023: $14,356,000, 2022: $13,896,000).

Note 32. Related party transactions

Parent entity
Iris Energy Limited (d/b/a IREN) is the ultimate parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 27.

Key management personnel
Disclosures relating to key management personnel are set out in note 33.

Transactions with related parties
There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Note 33. Key management personnel disclosures

Details of Directors and key management personnel
The following persons were Directors of Iris Energy Limited (d/b/a IREN) at any time during the year, up to the date of this report:

Individual	Position	Date of Commencement	Date ceased to be KMP
Daniel Roberts	Executive Director, Co-Founder and Co-Chief Executive Officer	6 November 2018	-
William Roberts	Executive Director, Co-Founder and Co-Chief Executive Officer	6 November 2018	-
David Batholomew	Non-Executive Director	24 September 2021	-
Christopher Guzowski	Non-Executive Director	19 December 2019	-
Michael Alfred	Non-Executive Director	21 October 2021	-
Sunita Parasuraman	Non-Executive Director	17 July 2023	-

The following persons were considered to be KMP of Iris Energy Limited (d/b/a IREN) at any time during the year:

Individual	Position	Date of Commencement	Date ceased to be KMP
David Shaw	Chief Operating Officer	22 October 2021	-
Belinda Nucifora	Chief Financial Officer	16 May 2022	-
Cesilia Kim	Chief Legal Officer	1 January 2023	-

Significant Transactions with key management personnel
On or around 18 August 2021, the shareholders of the Company approved the issue of one B Class share each (for consideration of A$1.00 per B Class share) to entities controlled by Daniel Roberts and William Roberts, respectively. The B Class shares were formally issued on 7 October 2021. Each B Class share confers on the holder fifteen votes for each

Note 33. Key management personnel disclosures (continued)

ordinary share in the Company held by the holder. In addition, a B Class share confers a right for the holder to nominate a director to put forward for election to the Board. Because of the increased voting power of the B Class shares, the holders of the B Class shares collectively could continue to control a significant percentage of the combined voting power of the Company's shares and therefore may be able to control all matters submitted to the Company's shareholders for approval until the redemption of the B Class shares by the Company on the earlier of (i) when the holder ceases to be a director due to voluntary retirement; (ii) a transfer of B Class shares in breach of the Constitution; (iii) liquidation or winding up of the Company; or (iv) at any time which is 12 years after the Company's ordinary shares are first listed on a recognized stock exchange. Aside from these governance rights, the B Class shares do not provide the holder with any economic rights (e.g. the B Class shares do not confer on its holder any right to receive dividends). The B Class shares are not transferable by the holder (except in limited circumstances to affiliates of the holder).

Deed of access, insurance and indemnity
The Group has entered into deeds of access, insurance and indemnity with each of our directors and certain of our officers. These deeds provide the directors and officers with contractual rights to indemnification and expense advancement and are governed by the laws of Victoria, Australia.

Compensation
The aggregate compensation made to Directors and other members of key management personnel of the Group is set out below:

	Consolidated	
	Year ended 30 June 2024	Year ended 30 June 2023
	US$	US$
Short-term employee benefits	8,137,249	7,967,322
Post-employment benefits	86,515	66,830
Share-based payments	21,571,999	13,905,489
Total KMP compensation	29,795,763	21,939,641

The following table summarizes the movement in options and RSUs outstanding issued to Directors and other members of KMP:

	Number of options/RSUs 30 June 2024	Weighted average exercise price 30 June 2024	Number of options/RSUs 30 June 2023	Weighted average exercise price 30 June 2023
Outstanding as at 1 July	10,008,224	$ 37.84	6,973,516	$ 53.16
Granted during the year	2,564,809	-	3,070,379	$ 2.97
Forfeited during the year	-	-	(31,671)	$ 36.45
Exercised during the year	(104,559)	-	(4,000)	-
Outstanding at the end of the financial year	12,468,474	$ 30.37	10,008,224	$ 37.84
Exercisable at the end of the financial year	2,017,021	$ 3.92	2,017,021	$ 3.87

Note 34. Consolidated entity disclosure statement

Set out below is relevant information relating to entities that are consolidated in the consolidated financial statements at the end of the financial year as required by the Corporations Act 2001 (s.295(3A)(a)).

Name	Corporation, partnership or trust	Place incorporated / formed	% of share capital held directly or indirectly by the Company in the body corporate		Australian or Foreign tax resident	Jurisdiction for Foreign tax resident
			30 June 2024 %	30 June 2023 %		
Iris Energy Custodian Pty Ltd	Corporation	Australia	100%	100%	Australia	Australia
Iris Energy Holdings Pty Ltd	Corporation	Australia	100%	100%	Australia	Australia
SA 1 Holdings Ltd	Corporation	Australia	100%	100%	Australia	Australia
SA 2 Holdings Ltd	Corporation	Australia	100%	100%	Australia	Australia
TAS 1 Holdings Ltd	Corporation	Australia	100%	100%	Australia	Australia
Podtech Data Centers Inc.	Corporation	Canada	100%	100%	Foreign	Canada
IE CA Compute Ltd.	Corporation	Canada	100%	—%	Foreign	Canada
IE CA Leasing Ltd.	Corporation	Canada	100%	—%	Foreign	Canada
IE CA 1 Holdings Ltd.	Corporation	Canada	100%	100%	Foreign	Canada
IE CA 2 Holdings Ltd.	Corporation	Canada	100%	100%	Foreign	Canada
IE CA 5 Holdings Ltd.	Corporation	Canada	100%	100%	Foreign	Canada
IE CA Development Holdings Ltd.	Corporation	Canada	100%	100%	Foreign	Canada
IE CA Development Holdings 2 Ltd.	Corporation	Canada	100%	100%	Foreign	Canada
IE CA Development Holdings 3 Ltd.	Corporation	Canada	100%	100%	Foreign	Canada
IE CA Development Holdings 4 Ltd.	Corporation	Canada	100%	100%	Foreign	Canada
IE CA Development Holdings 5 Ltd.	Corporation	Canada	100%	100%	Foreign	Canada
IE CA Development Holdings 7 Ltd.	Corporation	Canada	100%	100%	Foreign	Canada
IE US 1, Inc.	Corporation	United States of America	100%	100%	Foreign	United States of America
IE US Holdings Inc.	Corporation	United States of America	100%	100%	Foreign	United States of America
IE US Development Holdings 1 Inc.	Corporation	United States of America	100%	100%	Foreign	United States of America
IE US Development Holdings 3 Inc.	Corporation	United States of America	100%	100%	Foreign	United States of America
IE US Development Holdings 4 Inc.	Corporation	United States of America	100%	100%	Foreign	United States of America

Note 34. Consolidated entity disclosure statement (continued)

IE US Development Holdings 5 Inc.	Corporation	United States of America	100%	100%	Foreign	United States of America
IE US Development Holdings 6 Inc.	Corporation	United States of America	100%	—%	Foreign	United States of America
IE US Hardware 1 Inc.	Corporation	United States of America	100%	100%	Foreign	United States of America
IE US Hardware 3 Inc.	Corporation	United States of America	100%	100%	Foreign	United States of America
IE US Hardware 4 Inc.	Corporation	United States of America	100%	100%	Foreign	United States of America
IE US Operations Inc.	Corporation	United States of America	100%	100%	Foreign	United States of America

Key assumptions and judgements

Determination of Tax Residency
Section 295 (3A) of the Corporation Acts 2001 requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement (CEDS) be disclosed. In the context of an entity which was an Australian resident, "Australian resident" has the meaning provided in the Income Tax Assessment Act 1997. The determination of tax residency involves judgment as the determination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

- Australian tax residency: The consolidated entity has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in Tax Ruling TR 2018/5.
- Foreign tax residency: The consolidated entity has applied current legislation and where available judicial precedent in the determination of foreign tax residency. Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with.

Partnerships and Trusts

Australian tax law does not contain specific residency tests for partnerships and trusts. Generally, these entities are taxed on a flow through basis so there is no need for a general residence test. There are some provisions which treat trusts as residents for certain purposes, but this does not mean the trust itself is an entity that is subject to tax.

Additional disclosures on the tax status of partnerships and trusts have been provided where relevant.

Note 35. Auditors' remuneration

The following table sets forth the fees payable or paid to our independent registered public accounting firm during the years ended 30 June 2024 and 2023.

	Consolidated	
	Year ended 30 June 2024 US$'000	**Year ended 30 June 2023 US$'000**
Audit of the financial statements		
PCAOB (US) Auditor – Raymond Chabot Grant Thornton LLP	912	795
Local Statutory Auditor – Byrons (previously Moore Australia)	62	35
Assurance related fees		
PCAOB (US) Auditor – Raymond Chabot Grant Thornton LLP	102	126
Local Statutory Auditor – Byrons (previously Moore Australia)	-	-
Other services		
PCAOB (US) Auditor – Raymond Chabot Grant Thornton LLP	-	-
Local Statutory Auditor – Byrons	-	-
Total	1,076	956

Note 36. Parent entity disclosures

In accordance with the Corporations Act 2001, these consolidated financial statements present the results of the Group only. As at, and throughout, the financial year ended 30 June 2023 the ultimate parent entity of the Group was Iris Energy Limited (previously known as Iris Energy Pty Ltd until 7 October 2021).

Set out below is the supplementary information about the parent entity:

Note 36. Parent entity disclosures (continued)

	Consolidated	
	Year ended 30 June 2024 US$'000	**Year ended 30 June 2023 US$'000**
Financial performance of parent entity		
Loss after income tax	(31,747)	(173,558)
Other comprehensive profit/(loss)	9,573	(13,942)
Total comprehensive loss from parent entity	(22,174)	(187,500)
Financial position of parent entity at year end		
Current assets	505,602	179,513
Total assets	1,263,319	408,382
Current liabilities	156,983	100,131
Total liabilities	159,928	105,034
Total equity of the parent entity comprising of:		
Issued capital	1,765,013	965,957
Foreign currency translation reserve	(36,961)	(46,429)
Share-based payments reserve	51,188	27,922
Accumulated losses	(675,849)	(644,101)
Total equity	1,103,391	303,349

The functional currency of Iris Energy Limited (d/b/a IREN) is AUD. For the purposes of consistent presentation in the financial statements the parent entity is reported in USD. The foreign currency translation reserve balance arises on translation of AUD denominated equity balances at historical cost.

Note 37. Events after the reporting period

Bitmain Hardware Purchase

The Group entered into a new firm purchase agreement with Bitmain Technologies Delaware Limited ("Bitmain") dated 16 August 2024, to purchase approximately 39,000 Bitmain S21 XP miners (approximately 10.5 EH/s) at a price of $21.5/TH. The purchased miners are scheduled to be shipped in October and November 2024. The total contracted cost (excluding shipping and taxes) is $226,395,000 payable in instalments.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

In the Directors' opinion:

a. the attached consolidated financial statements and notes are in accordance with the Corporations Act 2001 including:

   i. complying with the Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

   ii. giving a true and fair view of the Group's financial position as at 30 June 2024 and of their performance for the financial year ended on that date;

   iii. giving a true and correct view of the Consolidation entity disclosure statement in note 34 as at 30 June 2024;

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.

The Directors draw attention to Note 2 to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001. On behalf of the Directors

On behalf of the Directors

Name: David Bartholomew	Name: Daniel Roberts
Title: Chair	Title: Co-Chief Executive Officer and Director
DocuSigned by:	Signed by:
DB64DA1AA0B1473...	5F9D6FBF59E5412...
28 August 2024	28 August 2024

BYRONS

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Iris Energy Limited

I declared that, to the best of my knowledge and belief, during the year ended 30 June 2024, there have been:

i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

ii) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Iris Energy Limited and the entities it controlled during the financial year.

Byrons

Byrons Audit Pty Ltd

Irene

Ying (Irene) Wang
Director

Date 28 August 2024
Sydney NSW 2000

BYRONS

Independent Audit Report to the members of Iris Energy Limited

Report on the Audit of the Consolidated Annual Financial Report

Opinion

We have audited the consolidated annual financial report of Iris Energy Limited and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2024, 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, and notes to the financial statements, including material accounting policies, and the directors' declaration.

In our opinion, the consolidated annual 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 30 June 2024, and of its consolidated financial performance for the year then ended; and

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Material Uncertainty related to Going Concern

We draw attention to Note 2 to the consolidated annual financial report, which indicates that significant uncertainties exist in relation to the operating cash flows generated by the Group, which are inherently linked to several key uncertainties and risks including, but not limited to, volatility associated with the economics of Bitcoin mining and the ability of the Group to execute its business plan. These conditions, along with other matters set forth in Note 2, indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's consolidated annual financial report for the year ended 30 June 2024, but does not include the consolidated annual financial report and our auditor's report thereon.

Our opinion on the consolidated annual financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated annual financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated annual 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.

Independent Audit Report to the members of Iris Energy Limited

Responsibilities of the Directors for the Consolidated Annual Financial Report

The directors of Iris Energy Limited are responsible for the preparation of the consolidated annual 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 they determine is necessary to enable the preparation of the consolidated annual financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related 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 Consolidated Annual Financial Report

Our objectives are to obtain reasonable assurance about whether the consolidated annual financial report as a whole are 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 consolidated annual financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

This description forms part of our auditor's report.

Byrons

Byrons Audit Pty Ltd

Irene

Ying (Irene) Wang
Director

Date 28 August 2024

Sydney NSW 2000