
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO SECTION 13A-16 OR 15D-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of May 2022

Commission File Number: 001-41072

Iris Energy Limited

(Translation of registrant's name into English)

Level 12, 44 Market Street
Sydney, NSW 2000 Australia
+61 2 7906 8301

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

EXPLANATORY NOTE

On May 11, 2022, Iris Energy Limited (the “Company”) released information regarding its financial results for the quarter ended March 31, 2022 and nine months ended March 31, 2022. Copies of the Company’s press release, management presentation and unaudited interim consolidated financial statements are furnished hereto as Exhibits 99.1, 99.2 and 99.3, respectively.

This Report on Form 6-K shall be deemed to be incorporated by reference into the registration statement on Form S-8 (File No. 333-261320) of Iris Energy Limited and to be a part thereof from the date on which this report is filed, to the extent not superseded by documents or reports subsequently filed or furnished.

The information contained in the press release furnished as Exhibit 99.1 and the management presentation furnished as Exhibit 99.2 to this Report on Form 6-K shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any of the Company’s filings under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof, except as shall be expressly set forth by specific reference in any such filing.

EXHIBIT INDEX

**Exhibit
No.**

Description

99.1	Press Release of Iris Energy Limited, dated May 11, 2022
99.2	Management Presentation, dated May 11, 2022
99.3	Unaudited Interim Consolidated Financial Statements for the Three and Nine Months ended March 31, 2022

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Iris Energy Limited

Date: May 11, 2022

By: /s/ Daniel Roberts
Daniel Roberts
Co-Chief Executive Officer and Director



Iris Energy Reports Third Quarter FY22 Results

Key Highlights

- Revenue of \$15.2 million (A\$20.2 million) (+445% YoY)
- Adjusted EBITDA of \$7.3 million (A\$9.8 million) (+358% YoY)
- Adjusted EBITDA Margin of 48% (-9bp YoY)
- Cash flow from operations during the quarter of \$4.6 million (A\$6.1 million)
- IFRS NLAT of \$2.7 million (A\$3.6 million), largely driven by unrealized foreign exchange losses of \$5.8 million (A\$7.8 million)
- Record average operating hashrate of 833 PH/s (+686% YoY), exceeding Canal Flats' previously announced site capacity of 0.7 EH/s
- 357 Bitcoin mined (+449% YoY)
- Expansion to 15 EH/s of installed capacity progressed well across four data center sites
 - o Several construction milestones at the second and third data center sites in British Columbia (Canada), with the first 0.3 EH/s (9MW) being commissioned at Mackenzie ahead of schedule following quarter end on April 12
 - o 600MW connection agreement signed with AEP Texas at the Company's fourth site in Texas (USA), increasing the Company's total announced power capacity to 795MW
- \$71 million NYDIG equipment financing facility secured by 19,800 miners (1.98 EH/s)

SYDNEY, AUSTRALIA, May 11, 2022 (GLOBE NEWSWIRE) -- Iris Energy Limited (NASDAQ: IREN) ("Iris Energy" or "the Company"), a leading sustainable Bitcoin miner which is building an institutional- grade infrastructure platform with 15 EH/s of operating and contracted miners (10 EH/s expected to be operational by early 2023), today reported its financial results for the third quarter ended March 31, 2022. All \$ amounts are in United States Dollars ("USD") and all A\$ amounts are in Australian Dollars ("AUD"), unless otherwise stated.

"We remain focused on delivering our strategy of building a global institutional-grade data center platform for our shareholders" stated Daniel Roberts, Co-Chief Executive Officer and Co-Founder of Iris Energy. "We expect the next 12 months will be transformational for the Company."

Iris Energy's President, Lindsay Ward, commented, "Over the quarter, the Iris Energy team continued to expand and safely build out our second and third proprietary data center sites in British Columbia, Canada with our fourth site in Texas breaking ground in April. The next 12 months will be an exciting period for the Company as we deliver our hashrate growth targets."

Third Quarter FY22 Results

Iris Energy generated quarterly revenue of \$15.2 million (A\$20.2 million) vs. \$2.8 million (A\$3.7 million) in the prior-year quarter, Adjusted EBITDA of \$7.3 million (A\$9.8 million) vs. \$1.6 million (A\$2.1 million) in the prior-year quarter and Adjusted EBITDA Margin of 48% vs. 57% in the prior-year quarter. The increases in revenue and Adjusted EBITDA are largely attributable to the Company's increased hashrate and Bitcoin mined from the installation of additional capacity at Canal Flats.

Adjusted EBITDA Margin was lower than the prior-year quarter predominantly due to increased corporate costs following the IPO as well as expenses to support the Company's expansion to 15 EH/s of contracted miners and our development pipeline in excess of 1GW.

IFRS Net Loss After Tax for the quarter was \$2.7 million (A\$3.6 million), compared to a Net Profit After Tax of \$0.5 million (A\$0.7 million) in the prior-year quarter, driven predominately by unrealized foreign exchange losses of \$5.8 million (A\$7.8 million).

Iris Energy generated positive cash flow from operations during the quarter of \$4.6 million (A\$6.1 million). Iris Energy's total assets increased 13% in the quarter to \$557.3 million (A\$743.2 million).

Operational and Corporate Highlights

- 600MW connection agreement signed with AEP Texas at the Company's Childress site (Texas, USA), increasing the Company's total announced power capacity to 795MW
 - Expansion to 15 EH/s of installed capacity progressed well across four data center sites:
 - Canal Flats (BC, Canada) – achieved record average operating hashrate of 833 PH/s (vs. 106 PH/s during the prior-year quarter), exceeding previously announced site capacity of 0.7 EH/s
 - Mackenzie (BC, Canada) – first 0.3 EH/s (9MW) was commissioned ahead of schedule following quarter end on April 12, with remainder of the first 1.5 EH/s (50MW) still on track for Q3 CY22. Further expansion by 0.9 EH/s (30MW) to a total site capacity of 2.4 EH/s (80MW) is expected to come online in CY23
 - Prince George (BC, Canada) – first 1.4 EH/s (50MW) remains on track to be energized by the end of Q3 CY22, with foundation works for the first data center building completed ahead of schedule and ongoing site grading, civil works and foundation works progressing for the full 2.4 EH/s (85MW) build out, with the additional 1.0 EH/s (35MW) anticipated to come online in CY23
 - Childress (Texas, USA) – procurement and early mobilization activities commenced, and purchase orders have been placed on key long-lead items, including the 345kV step-down transformer, 138kV step-down transformers and associated circuit breakers. The first 3.0 EH/s (100MW) of data center buildings are expected to be completed by the end of CY22, with energization targeted for Q1 CY23. The remaining 6.6 EH/s (235MW) of contracted miners are expected to progressively come online until Q3 CY23
 - Additional hires joined the growing Iris Energy executive team
 - Giles Walsh, Vice President – Operations (USA), is a strategic operational leader who has considerable experience in EPC project delivery and industrial asset management and optimization. Giles has previously worked extensively across both North America and Australia and joins Iris Energy from Ventia, where he serviced infrastructure assets in the West Australian mining industry. Giles has previously held senior positions with environmental technology development company Minestar Group, FT Services (now Graham Construction Canada) and BHP. Giles has relocated to Texas and will lead the construction of our Childress project
 - Kane Doyle, Senior Manager – Investor Relations, has over 12 years' experience across capital markets, investor relations and investment management and joins Iris Energy from QIC, where he worked in the capital solutions team (institutional alternative investments). Kane has previously held investor relations, capital markets and projects roles with Cromwell Property Group, JBWere and Lendlease. After an initial period in Australia, Kane is expected to relocate to Vancouver
 - Development works continued across additional sites in Canada, the USA and Asia-Pacific, which are expected to support an additional >1GW of aggregate power capacity to power growth well beyond the Company's 15 EH/s of contracted miners (~530MW) and 795MW of announced power capacity
 - \$71 million NYDIG equipment financing facility secured by 19,800 miners (1.98 EH/s)
-

Earnings Conference Call

Webcast and Conference Details

Date: Wednesday, May 11, 2022
Time: 5:00 p.m. Eastern Time (2:00 p.m. Pacific Time or 7:00 a.m. Australian Eastern Standard Time (Thursday May 12, 2022))

Participant	Registration Link
Live Webcast	Use this link
Phone Dial-In with Live Q&A	Use this link

Please note, participants joining the conference call via the phone dial-in option will receive their dial-in number, passcode and PIN following registration using the link above. It would be appreciated if all callers could dial in approximately 5 minutes prior to the scheduled start time.

There will be a Q&A session after the Company delivers its third quarter FY22 financial results. Those dialling in via phone can elect to ask a question via the moderator. Participants on the live webcast have the ability to pre-submit a question upon registering to join the webcast or can submit a question during the live webcast.

Forward-Looking Statements

This presentation includes “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements generally relate to future events or Iris Energy’s future financial or operating performance. For example, forward-looking statements include but are not limited to the expected increase in the Company’s power capacity, the Company’s business plan, and the expected schedule for commencing and/or expanding operations at the Company’s sites. In some cases, you can identify forward-looking statements by terminology such as “anticipate,” “believe,” “may,” “can,” “should,” “could,” “might,” “plan,” “possible,” “project,” “strive,” “budget,” “forecast,” “expect,” “intend,” “target”, “will,” “estimate,” “predict,” “potential,” “continue,” “scheduled” or the negatives of these terms or variations of them or similar terminology, but the absence of these words does not mean that statement is not forward-looking. Such forward-looking statements are subject to risks, uncertainties, and other factors which could cause actual results to differ materially from those expressed or implied by such forward looking statements. In addition, any statements or information that refer to expectations, beliefs, plans, projections, objectives, performance or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking.

These forward-looking statements are based on management’s current expectations and beliefs. These statements are neither promises nor guarantees, but involve known and unknown risks, uncertainties and other important factors that may cause Iris Energy’s actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including, but not limited to: Iris Energy’s limited operating history with operating losses; electricity outage, limitation of electricity supply or increase in electricity costs; long term outage or limitation of the internet connection at Iris Energy’s sites; any critical failure of key electrical or data center equipment; serial defects or underperformance with respect to Iris Energy’s equipment; failure of suppliers to perform under the relevant supply contracts for equipment that has already been procured which may delay Iris Energy’s expansion plans; supply chain and logistics issues for Iris Energy or Iris Energy’s suppliers; cancellation or withdrawal of required operating and other permits and licenses; customary risks in developing greenfield infrastructure projects; Iris Energy’s evolving business model and strategy; Iris Energy’s ability to successfully manage its growth; Iris Energy’s ability to raise additional capital; competition; Bitcoin prices; risks related to health pandemics including those of COVID-19; changes in regulation of digital assets; and other important factors discussed under the caption “Risk Factors” in Iris Energy’s final prospectus filed pursuant to Rule 424(b)(4) with the SEC on November 18, 2021 , as such factors may be updated from time to time in its other filings with the SEC, accessible on the SEC’s website at www.sec.gov and the Investor Relations section of Iris Energy’s website at <https://investors.irisenergy.co>.

These and other important factors could cause actual results to differ materially from those indicated by the forward-looking statements made in this presentation. Any forward-looking statement that Iris Energy makes in this presentation speaks only as of the date of such statement. Except as required by law, Iris Energy disclaims any obligation to update or revise, or to publicly announce any update or revision to, any of the forward-looking statements, whether as a result of new information, future events or otherwise.

Non-IFRS Financial Measures

This presentation includes non-IFRS financial measures, including Adjusted EBITDA and Adjusted EBITDA Margin. See Financial Summary for a definition of Adjusted EBITDA and Adjusted EBITDA Margin, along with a reconciliation to net profit/(loss) after income tax expense, the nearest applicable IFRS measure, for the periods presented. We provide Adjusted EBITDA and Adjusted EBITDA Margin in addition to, and not as a substitute for, measures of financial performance prepared in accordance with IFRS. There are a number of limitations related to the use of Adjusted EBITDA and Adjusted EBITDA Margin. For example, other companies, including companies in our industry, may calculate Adjusted EBITDA and Adjusted EBITDA Margin differently. The Company believes that these measures are important and supplement discussions and analysis of its results of operations and enhances an understanding of its operating performance.

All financial information included in this presentation is denominated in USD and references to "\$" are to USD unless otherwise stated.

Operating and Financial Overview

The Group uses EBITDA and Adjusted EBITDA as a metric that is useful for assessing its operating performance before the impact of non-cash and other items.

EBITDA is net profit or (loss) from operations, as reported in profit and loss, before finance income and expense, tax and depreciation and amortization.

Adjusted EBITDA is EBITDA adjusted for removing certain non-cash and other items, including share-based payment expenses, foreign currency gains/(losses) and one-time transactions. The below table reconciles (Adjusted) EBITDA to Net Profit/Loss After Tax.

Adjusted EBITDA Reconciliation	Three months ended 31 March 2022 USD'000	Nine months ended 31 March 2022 USD'000
Bitcoin mining revenue	15,178	45,565
Electricity and other site costs ⁽¹⁾	(3,523)	(8,499)
Other corporate costs	(4,322)	(9,812)
Adjusted EBITDA	7,333	27,254
Adjusted EBITDA Margin	48%	60%
Add/(deduct):		
Other income	13	13
Foreign exchange loss	(5,834)	(5,749)
Share-based payments expense – founders ⁽²⁾	(3,267)	(8,420)
Share-based payments expense – executives ⁽³⁾	(403)	(2,039)
IPO one-off expenses	-	(3,094)
EBITDA	(2,158)	7,965
Fair value loss and interest expense on hybrid financial instruments ⁽⁴⁾	-	(418,884)
Other finance expense	(1,435)	(3,366)
Interest income	12	12
Depreciation	(2,286)	(4,247)
Profit/(loss) before income tax benefit/(expense)	(5,867)	(418,520)
Income tax benefit/(expense)	3,189	(3,033)
Profit/(loss) after income tax benefit/(expense)	(2,678)	(421,553)

- 1) Electricity and other site costs includes electricity charges, site employee benefits, repairs and maintenance and site utilities.
- 2) Share-based payments expense includes expenses recorded on Founder options, including (1) Founder price target options (Executive Director Liquidity and Price Target Options) that vested on IPO during the previous quarter ended 31 December 2021. For the 3 months ended 31 March 2022 and onwards no further expense will be recorded in relation to these price target options. (2) Founder long-term options (Executive Director Long-term Target Options) which were granted in September 2021 in connection with the IPO with an expense of US\$3.27 million recorded in the three months ended 31 March 2022. These long-term options are currently "out of the money" with an exercise price of US\$75 and initial share price vesting conditions of US\$370, US\$650, US\$925 and US\$1,850 for each tranche granted. See note 15 of the 31 March 2022 unaudited interim consolidated financial statements for further information.
- 3) Share-based payments expense includes expense recorded in relation to incentives issued under the Employee Share Plans, Employee Option Plan and Non-Executive Director Option Plan.
- 4) Includes fair value losses recorded on SAFE, convertible notes and associated embedded derivatives that were converted into ordinary shares upon the Group's listing on the Nasdaq. The net fair value losses recorded on these instruments represents the movement in the share price from date of issuance of these instruments to the IPO listing price of US\$28. All of these instruments converted to ordinary shares on 16 November 2021, the associated fair value gains/(losses) are non-cash movements and do not impact the cash position of the Group. See note 5 of the 31 March 2022 interim financial statements for further information.

About Iris Energy

Iris Energy is a sustainable Bitcoin mining company that supports local communities, as well as the decarbonization of energy markets and the global Bitcoin network.

- Focus on low-cost renewables: Iris Energy targets markets with low-cost, excess and/or under-utilized renewable energy, and where the Company can support local communities
- Long-term security over infrastructure, land and power supply: Iris Energy builds, owns and operates its electrical infrastructure and proprietary data centers, providing long-term security and operational control over its assets
- Seasoned management team: Iris Energy's team has an impressive track record of success across energy, infrastructure, renewables, finance, digital assets and data centers

Contacts

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To keep updated on Iris Energy's news releases and SEC filings, please subscribe to email alerts at <https://investors.irisenergy.co/ir-resources/email-alerts>.

An aerial photograph of a large reservoir surrounded by forested mountains. The image is overlaid with white topographic contour lines, suggesting a focus on natural resources and sustainable energy.

Bitcoin mining. Done Sustainably.

FY22 Third Quarter Results

MAY 2022 | NASDAQ: IREN

Disclaimer

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The information in this presentation is only effective as of the date given, May 11, 2022, and will not be updated or affirmed unless and until Iris Energy publicly announces updated or affirmed information. Distribution or reference of this deck following May 11, 2022, does not constitute Iris Energy re-affirming information.

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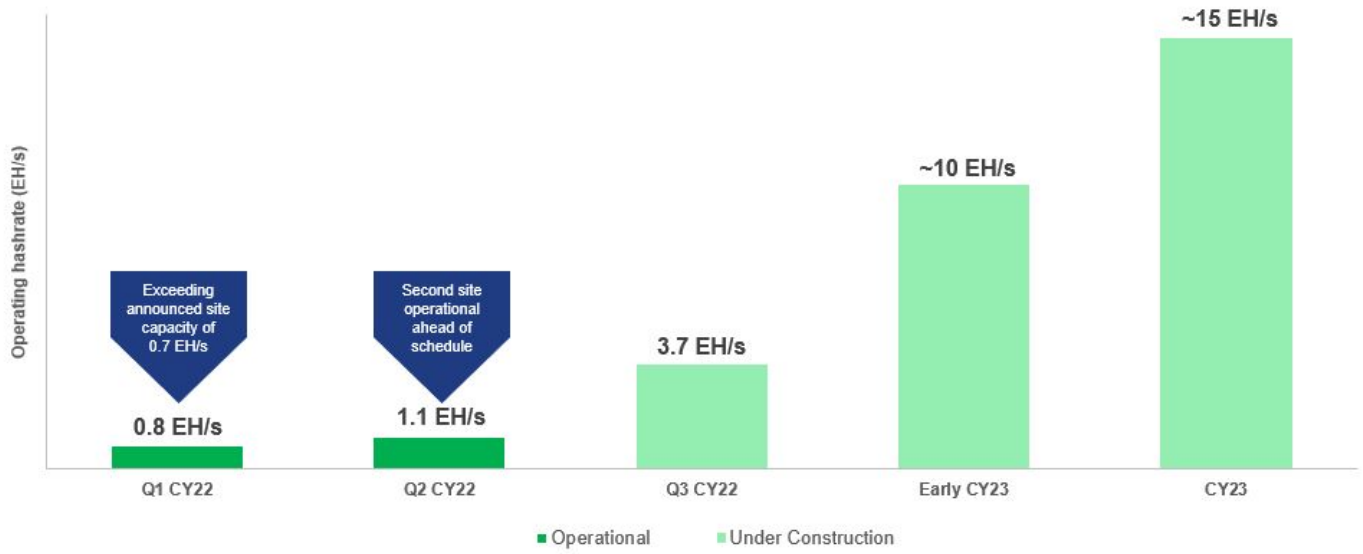
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Industry and Statistical Data

This presentation includes industry data, statistical data, estimates and other forecasts that may have been obtained from periodic industry publications, third-party studies and surveys, filings of public companies in our industry, internal company surveys, and our review and analysis of market conditions, surveys and industry feedback. Our expectations regarding market and industry data, including expected growth rates, are subject to change based on our ongoing analysis of prevailing market and industry conditions and, as a result, assumptions based on such expectations may not be reliable indicators of future results. We undertake no obligation to update such figures in the future. These sources include government and industry sources, including third-party websites. Industry publications and surveys generally state that the information contained therein has been obtained from sources believed to be reliable. Although we believe the industry data to be reliable as of the date of this presentation, this information could prove to be inaccurate. Industry data could be wrong because of the method by which sources obtained their data and because information cannot always be verified with complete certainty due to the limits on the availability and reliability of raw data, the voluntary nature of the data gathering process, and other limitations and uncertainties. In addition, we do not know all of the assumptions regarding general economic conditions or growth that were used in preparing the forecasts from the sources relied upon or cited herein. Further, certain financial measures and statistical information in this document have been subject to rounding adjustments. Accordingly, the sum of certain data may not conform to the expressed total.

Hashrate Deployment Schedule

15 EH/s contracted, on schedule to install ~10 EH/s by early 2023



Reflects anticipated hashrate based on current binding hardware purchase contracts. There can be no assurance that Iris Energy's contracted hardware will become fully operational on the anticipated schedule or at all, and such risks and uncertainties surrounding deployment could delay or prevent Iris Energy from achieving the anticipated hashrate capacity.

Board & Management Team

Iris Energy's leadership team has delivered >\$25 billion in energy & infrastructure projects



David Bartholomew

Independent Chair

- 30+ years' experience across energy utilities, transportation and industrials
- Former CEO of DUET Group (sold to CKI for \$5bn in 2017)



Daniel Roberts

Co-Founder and Co-CEO

- 15 years' experience across finance, infrastructure and renewables
- Previously 2nd largest individual shareholder in \$6bn infrastructure fund



Will Roberts

Co-Founder and Co-CEO

- 10 years' experience across resources, commodities & real assets
- Previously Vice President at Macquarie in Commodities & Global Markets



Chris Guzowski

Non-Executive Director

- 10+ years' experience in renewables development across Europe & Australia
- Founded Mithra Energy, developing 10+ solar PV projects in Poland



Mike Alfred

Non-Executive Director

- Previously CEO of Digital Assets Data, Inc. (sold to NYDIG in 2020)
- Board member of Crestone Group, LLC, HOHM, Inc., and Eaglebrook Advisors



Brian Fehr

Strategic Partner

- Awarded the Order of British Columbia in 2018, BC's highest recognition
- 35+ years' experience across construction, fabrication & energy



Brian Fry

Strategic Partner

- Co-founded RackForce in 2001 (became Canada's largest cloud hosting provider)
- Co-founded IP World, a fibre optic network company in 1999



Lindsay Ward

President

- 35+ years' experience across infrastructure, energy & resources
- Previously CEO of Palisade Integrated Management Services



Joanna Brand

General Counsel & Company Secretary

- 25 years' experience in corporate, capital markets, M&A & infrastructure
- Previously General Counsel at ME Bank, Jetstar Airways, Billabong & Epic Energy



David Shaw

Chief Operating Officer

- 30 years' experience across energy, utilities and resources
- Previously SVP Operations Asia-Pacific East at global engineering firm Wood



Denis Skrinnikoff

Chief Technology Officer

- 15+ years' experience in the cloud & data center service provider space
- Previous data center, M&A and senior leadership experience in listed markets



Anne Hayes

Vice President – Finance (Interim)

- 30+ years' experience across transport, logistics, energy & infrastructure
- Previously Deputy Secretary Corporate Services & CFO of Transport for NSW

Quality, Sustainable Assets

- Industry leading data centers
- Proprietary designs, optimizing operational performance
- Longer hardware life

Building a multi-decade, institutional grade,
data center platform



Canal Flats, British Columbia, Canada: Aerial view

Financing Update

- Institutional-grade IPO – first Bitcoin miner led by bulge bracket banks
- Operational cash flows available to underwrite non-dilutive funding opportunities
- Recently secured \$71m NYDIG hardware financing for ~2 EH/s

Nasdaq IPO

(*) Iris Energy research coverage



Funding

~\$1bn
Capex required for 15 EH/s

- ~10 EH/s remain unencumbered (~\$350m of financing capacity?)

~\$750m
Funding secured¹

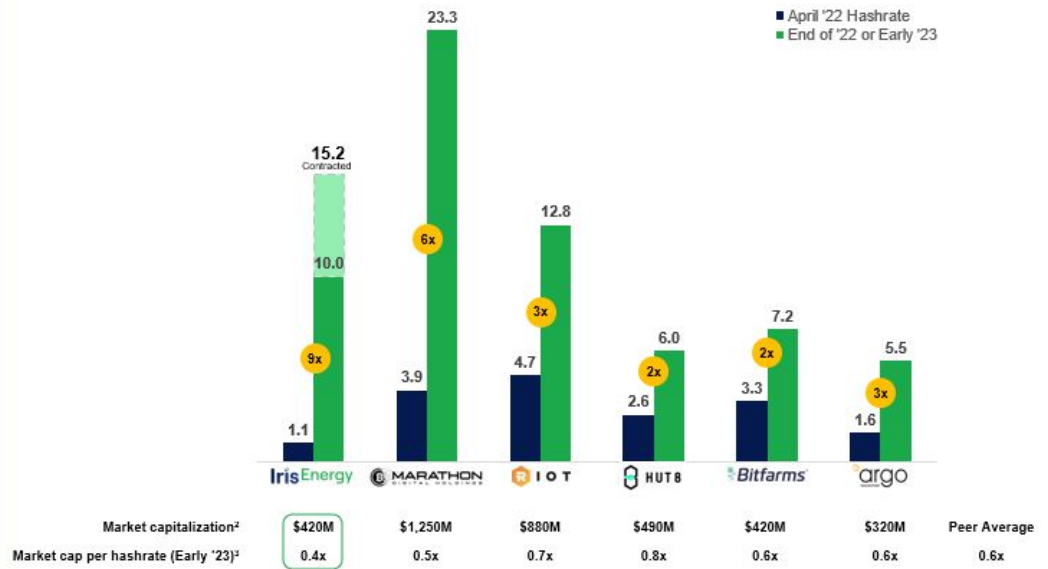
- Multiple formal debt processes underway

1. Indicative estimate assuming \$40k Bitcoin price, ~213 EH/s global hashrate (implied by network difficulty) increasing to ~300EH/s by December 2023 and reinvestment of operating cash flow. All assumptions as of May 10, 2022.
 2. Indicative LVR of ~63%/TH based on NYDIG facility.

Attractive Value

- One of the industry's leading hashrate growth rates over next 12 – 18 months
- Faster hashrate growth will drive higher share of global network
- Iris Energy market cap per Hashrate ~33% below peer average

Hashrate Growth¹



1. Sources: Marathon - April 2022 Production Update; Riot - April 2022 Production Update; Hut 8 - current 2.58 EH/s from April 2022 Production Update and 6 EH/s by end of 2022 estimate from Jan 4, 2022 Cowen Research Report and March 17, 2022 Q4'21 Earnings Call; Bitfarms current 3.3 EH/s from April 2022 Production Update and 7.2 EH/s target by end of 2022 from "Recapping Q4 2021 Performance" letter; Argo current 1.6 EH/s and 5.5 EH/s by Dec'22 from "2021 Full Year Results" PR published 4/28/22.
 2. Market values as of 5/10/22 after market close from Thomson Reuters.
 3. Market cap per hashrate multiple is calculated as Market cap (\$m) divided by product of hashrate and 100.

Illustrative Mining Profit

Assuming contracted hardware is operating today⁵ (annualized)

Nameplate Hashrate	10 EH/s ^{1,2}	15 EH/s ^{1,2}
Illustrative Net Revenue ³	\$626m	\$939m
Illustrative Mining Profit ⁴	\$505m	\$761m

Notes:

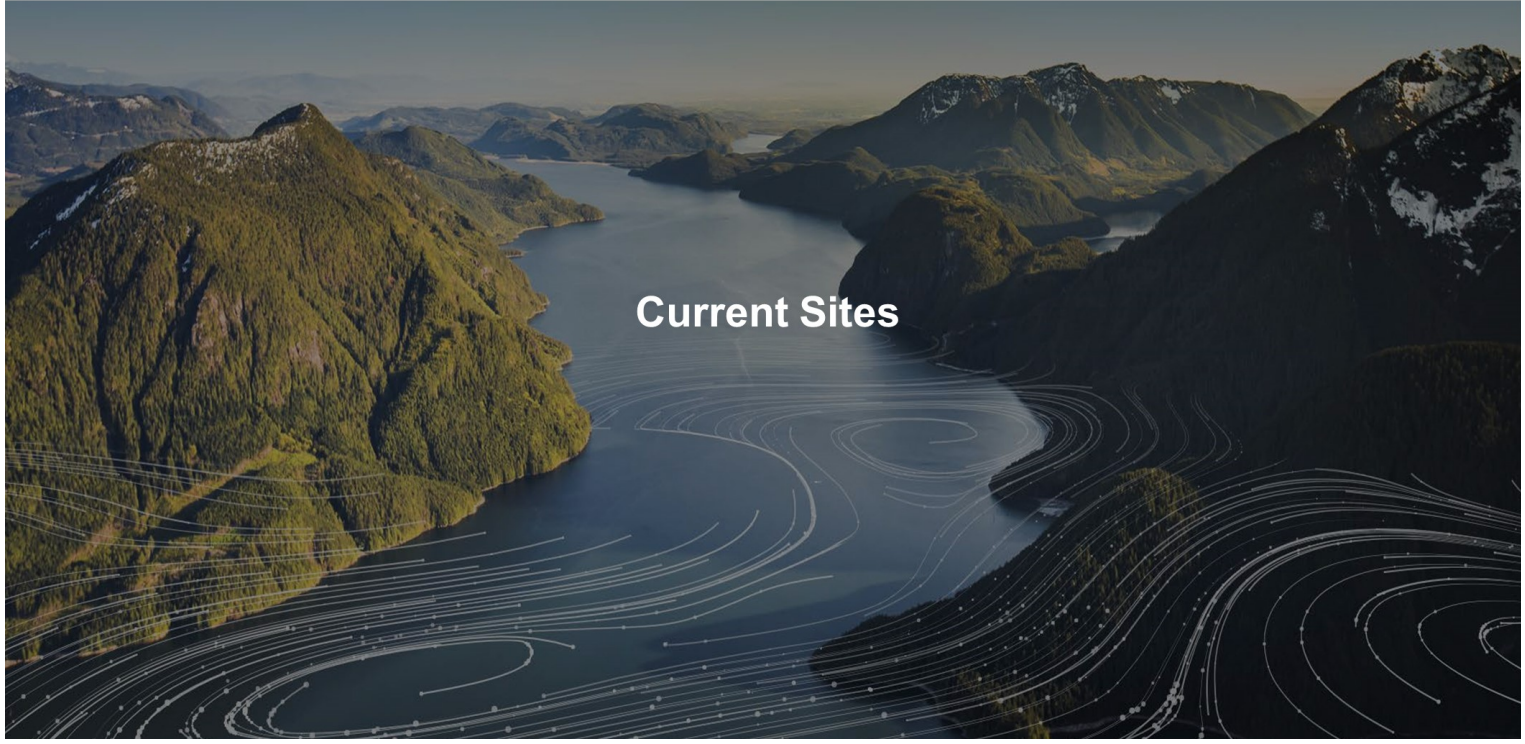
1. Please see the Coinwarz Bitcoin Mining Calculator (<https://www.coinwarz.com/mining/bitcoin/calculator/>):

- [Inputs for 10 EH/s](#): 10,000 PH/s (hashrate), 335MW (power consumption) and \$0.04 /kWh (electricity costs) – pre-filled link [here](#)
- [Inputs for 15 EH/s](#): 15,000 PH/s (hashrate), 495MW (power consumption) and \$0.04 /kWh (electricity costs) – pre-filled link [here](#)

Based on binding hardware purchase contracts which are expected to increase operating and contracted nameplate hashrate capacity to 15.2 EH/s.

2. Illustrative outputs assume: as a placeholder only, as at May 10, 2022. Bitcoin price of ~US\$40k, global hashrate (implied by network difficulty) of ~213 EH/s and transaction fees of ~0.1 BTC per block. Assumes pool fees of 0.5% of mining rewards and mining hardware operates at 100% uptime. Note: Online calculator excludes all overheads and fees (except mining pool fees)
3. Illustrative net revenue = Illustrative gross revenue less assumed mining pool fees
4. Illustrative mining profit = Illustrative net revenue less assumed electricity costs
5. The illustrative outputs assume nameplate hashrate is **fully installed and operating today** using the above assumptions. **These assumptions are likely to be different in the future and users should input their own assumptions**

THE ABOVE INFORMATION IS FOR GENERAL INFORMATION PURPOSES ONLY. THE NET REVENUE AND MINING PROFIT OUTPUTS ARE FOR ILLUSTRATIVE PURPOSES ONLY AND SHOULD NOT BE CONSIDERED PROJECTIONS OF IRIS ENERGY'S OPERATING PERFORMANCE. SUCH NET REVENUE AND MINING PROFIT OUTPUTS ARE BASED ON IMPORTANT ASSUMPTIONS AND HISTORICAL INFORMATION, INCLUDING INFORMATION AND CALCULATIONS FROM THIRD PARTY SOURCES (INCLUDING WEBSITES). WE HAVE NOT INDEPENDENTLY VERIFIED SUCH INFORMATION AND CALCULATIONS, AND SUCH INFORMATION AND CALCULATIONS ARE SUBJECT TO IMPORTANT LIMITATIONS AND COULD PROVE TO BE INACCURATE. THE ILLUSTRATIVE NET REVENUE AND MINING PROFIT OUTPUTS ARE BASED ON HISTORICAL INFORMATION WHICH MAY OR MAY NOT MATERIALIZE IN THE FUTURE – ACCORDINGLY, THERE IS NO ASSURANCE THAT ANY ILLUSTRATIVE OUTPUTS WILL BE ACHIEVED WITHIN THE TIMEFRAMES PRESENTED OR AT ALL OR THAT MINING HARDWARE WILL OPERATE AT 100% UPTIME. THE ABOVE AND THIS PRESENTATION SHOULD BE READ STRICTLY IN CONJUNCTION WITH THE FORWARD-LOOKING STATEMENTS DISCLAIMER ON PAGE 2.



Current Sites



Site Progress

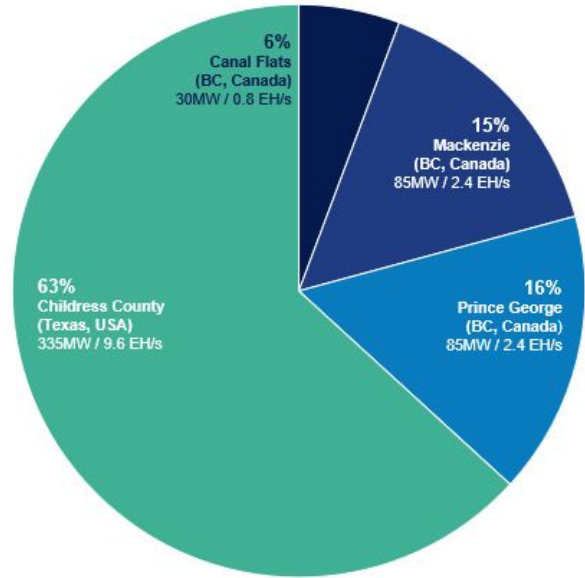
Site Overview	Capacity (MWs)	Miners (EH/s)	Timing	Status
Canal Flats (BC, Canada)	30	0.8	Complete	Operating
	9	0.3	Complete	Operating
Mackenzie (BC, Canada)	41	1.2	Q3 CY22	Under Construction
	30	0.9	CY23	Under Construction
Prince George (BC, Canada)	50	1.4	Q3 CY22	Under Construction
	35	1.0	CY23	Under Construction
Childress County (Texas, US)	100	3.0	Q4 CY22 ¹	Under Construction
	235	6.6	CY23	Under Construction
Total (miners secured)	530	15.2		
Childress (Texas, US)	265	~8 ²		Potential Capacity
Total (potential expansion)	795	~23²		

Reflects anticipated hashrate based on current binding hardware purchase contracts. There can be no assurance that Iris Energy's contracted hardware will become fully operational on the anticipated schedule or at all, and such risks and uncertainties surrounding deployment could delay or prevent Iris Energy from achieving the anticipated hashrate capacity.

1. Data center buildings targeted for completion by end of CY22; energization of data centers targeted for Q1 CY23.

2. Equivalent hashrate potential for the available power capacity assuming installation of additional Bitmain S19j Pro miners.

Geographical Diversification



Canal Flats

British Columbia, Canada

- **Land:** 100% owned
- **Power Source:** 100% renewable energy¹
- **Power Capacity:** 30MW
- **Miners:** 0.8 EH/s
- **Status:** Operating
- **Timing:** Complete
- Onsite fabrication facility supports BC build out
- Center of excellence for research and development
- Proprietary design; optimized ventilation and airflow
- Optimal performance achieved in high and low temperature extremes

1. Currently 98% from direct renewable energy sources and 2% from the purchase of RECs



Mackenzie

British Columbia, Canada

- **Land:** 100% owned
- **Power Source:** 100% renewable energy¹
- **Power Capacity:** 80MW
- **Miners:** 2.4 EH/s
- **Status:** Operating and under construction
- **Expected Timing:** 1.2 EH/s Q3 CY22 + 0.9 EH/s CY23
- First 0.3 EH/s operating since April 12, 2022 (ahead of schedule)



1. Currently 98% from direct renewable energy sources and 2% from the purchase of RECs.

Prince George

British Columbia, Canada

- **Land:** 50-year lease¹
- **Power Source:** 100% renewable energy²
- **Power Capacity:** 85MW
- **Miners:** 2.4 EH/s
- **Status:** Under construction
- **Expected Timing:** 1.4 EH/s Q3 CY22 + 1.0 EH/s CY23

1. 30 year lease including 2 x 10 year extensions plus option to purchase within first 10 years.
2. Currently 98% from direct renewable energy sources and 2% from the purchase of RECs.

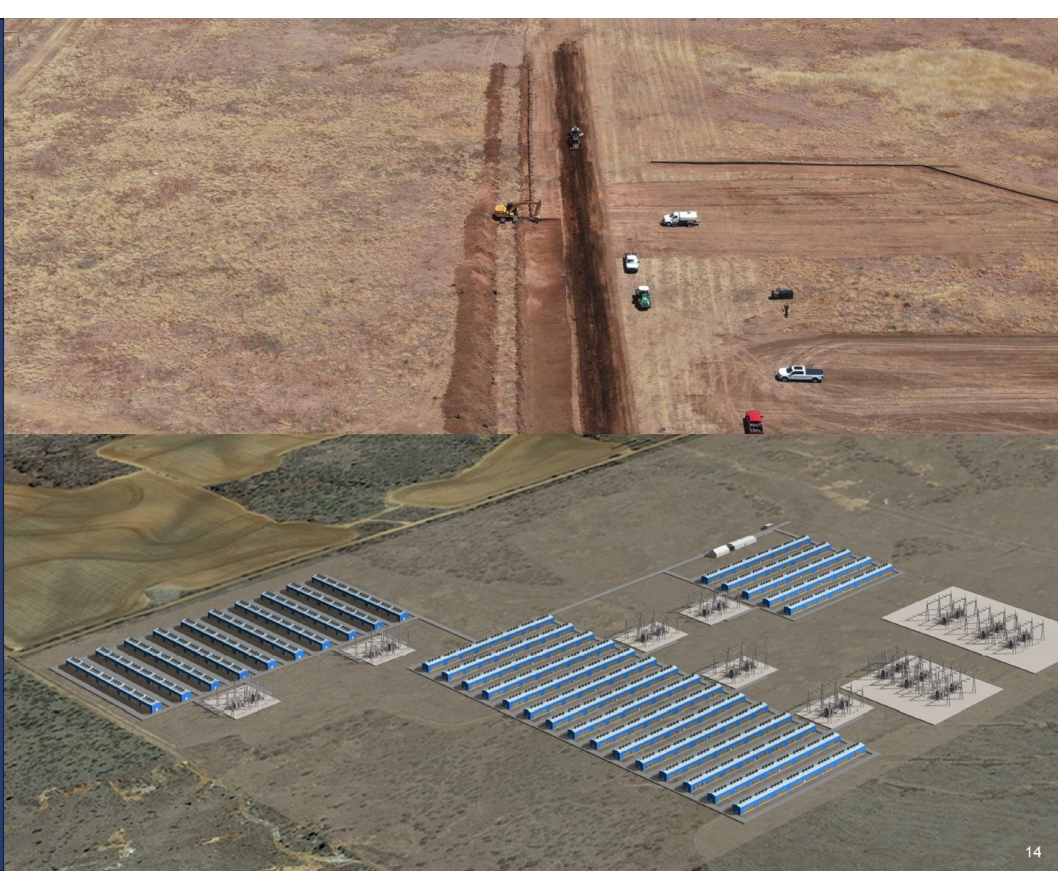


Childress County

Texas, USA

- **Land:** 100% owned >300 Acres
- **Power Source:** Excess/under-utilized renewable energy¹
- **Power Capacity:** 600MW
- **Miners:** 9.6 EH/s + 8 EH/s²
- **Status:** Construction underway
- **Expected Timing:**
 - Data center buildings for the initial 3 EH/s (100MW) targeted for completion by the end of 2022 and energization Q1 CY23
 - Remaining 6.6 EH/s (235MW) expected to progressively come online through to Q3 2023

1. Renewable power source and mix to be confirmed closer to time of commissioning.
2. Equivalent hashrate potential for the power capacity assuming installation of Bitmain S19j Pro miners.



Execuational Excellence

- Our team has an impressive track record of success across energy, infrastructure, renewables, finance, digital assets and data centers
- Extensive in-house construction management and operational expertise
- World class engineering and construction partners
- Rapidly expanding operational team in Canada and Texas
- Rolling out standardized proprietary data center design



Supply Chain Management

- **Early procurement** of long lead items to de-risk construction
- **Leveraging relationships** with key suppliers to expedite manufacture and delivery
- **Multiple projects** allow optimization of standardized equipment delivery
- **Constant review** of supply chain improvement opportunities by internal logistics team
- **Sourcing from multiple manufacturers** to reduce single point supply chain exposure



Social License to Operate

- 100% renewable energy¹
- Solving problems in renewable energy markets
- Social licence to operate
- Supports local communities via community grants, sponsorship and local employment

We target markets with excess and under-utilized renewables

British Columbia, Canada

PROBLEM: declining industrial loads may force power prices up

SOLUTION: we can re-introduce load to help keep power prices down

Texas, United States

PROBLEM: renewables intermittency creates grid instability

SOLUTION: we can support the grid by reducing load during peak periods and increasing load during off-peak periods.

We support local communities



We have a strong emphasis on proper governance

BOARD OF DIRECTORS

DAVID BARTHOLOMEW Independent Chair*

MIKE ALFRED Non-Executive Director*

CHRIS GUZOWSKI Non-Executive Director*

DANIEL ROBERTS Co-Founder and Co-CEO

WILL ROBERTS Co-Founder and Co-CEO

AUDIT AND RISK COMMITTEE

CHRIS GUZOWSKI Chair*

DAVID BARTHOLOMEW Financial Expert*

MIKE ALFRED*

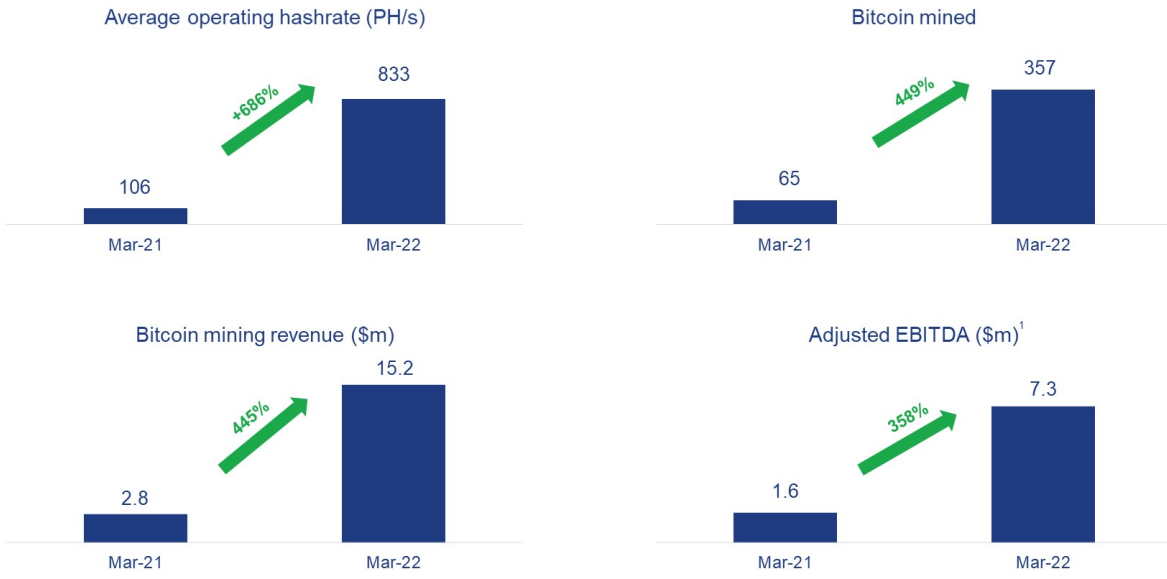
¹ Currently 98% from direct renewable energy sources and 2% from the purchase of RECs.

* Independent director



Financial Summary

Q3 FY22 Quarterly Results (YoY)



1. Adjusted EBITDA is a non-IFRS measure. Please refer to page 20 for reconciliation to the comparable IFRS measure.

Adjusted EBITDA Reconciliation

USD'000	Three months ended 31 March 2022	Three months ended 31 March 2021	Nine months ended 31 March 2022	Nine months ended 31 March 2021	
Bitcoin mining revenue	15,178	2,787	45,565	4,818	
Electricity and other site costs ⁽¹⁾	(3,523)	(811)	(8,499)	(2,232)	
Other corporate costs	(4,322)	(373)	(9,812)	(1,633)	
Adjusted EBITDA	7,333	1,603	27,254	953	
Adjusted EBITDA Margin	48%	57%	60%	20%	
Add/(deduct):					
Other income	13	59	13	583	
Foreign exchange gains/(loss)	(5,834)	1,592	(5,749)	1,095	
Share-based payments expense - founders ⁽²⁾	(3,267)	(61)	(8,420)	(61)	← Non-cash. Founders primarily relate to \$75 strike options (\$370 - \$1,850 share price vesting)
Share-based payments expense - executives ⁽³⁾	(403)	(175)	(2,039)	(435)	
IPO one-off expenses	-	-	(3,094)	-	
EBITDA	(2,158)	3,018	7,965	2,135	
Fair value loss and interest expense on hybrid financial instruments ⁽⁴⁾	-	(2,158)	(418,884)	(2,244)	← Non-cash mark-to-market of convertible notes converted into equity at IPO
Other finance expense	(1,435)	(71)	(3,366)	(140)	
Interest income	12	3	12	5	
Depreciation	(2,286)	(290)	(4,247)	(942)	
Profit/(loss) before income tax benefit/(expense)	(5,867)	502	(418,520)	(1,186)	
Income tax benefit/(expense)	3,189	-	(3,033)	-	
Profit/(loss) after income tax benefit/(expense)	(2,678)	502	(421,553)	(1,186)	

1) Electricity and other site costs includes electricity charges, site employee benefits, repairs and maintenance and site utilities.

2) Share-based payments expense includes expenses recorded on Founder options, including (1) Founder price target options (Executive Director Liquidity and Price Target Options) that vested on IPO during the previous quarter ended 31 December 2021. For the 3 months ended 31 March 2022 and onwards no further expense will be recorded in relation to these price target options. (2) Founder long-term options (Executive Director Long-term Target Options) which were granted in September 2021 in connection with the IPO with an expense of US\$3.27 million recorded in the three months ended 31 March 2022. These long-term options are currently "out of the money" with an exercise price of US\$75 and initial share price vesting conditions of US\$370, US\$650, US\$925 and US\$1,850 for each tranche granted. See note 15 of the 31 March 2022 unaudited interim consolidated financial statements for further information.

3) Share-based payments expense includes expense recorded in relation to incentives issued under the Employee Share Plans, Employee Option Plan and Non-Executive Director Option Plan.

4) Includes fair value losses recorded on SAFE, convertible notes and associated embedded derivatives that were converted into ordinary shares upon the Group's listing on the Nasdaq. The net fair value losses recorded on these instruments represents the movement in the share price from date of issuance of these instruments to the IPO listing price of US\$28. All of these instruments converted to ordinary shares on 16 November 2021, the associated fair value gains/(losses) are non-cash movements and do not impact the cash position of the Group. See note 5 of the 31 March 2022 interim financial statements for further information.

The Group uses EBITDA and Adjusted EBITDA as a metric that is useful for assessing its operating performance before the impact of non-cash and other items. EBITDA is net profit or (loss) from operations, as reported in profit and loss, before finance income and expense, tax and depreciation and amortization. Adjusted EBITDA is EBITDA adjusted for removing certain non-cash and other items, including share-based payment expenses, foreign currency gains/(losses) and one-time transactions.

The Group presents its financial statements in Australian dollars (A\$). All U.S. dollar balances presented in this presentation have been translated using the noon buying rate of the Federal Reserve Bank of New York on the last working day of each relevant quarter.

Financial Performance

USD'000	Three months ended 31 March 2022	Three months ended 31 March 2021	Nine months ended 31 March 2022	Nine months ended 31 March 2021
Revenue				
Bitcoin mining revenue	15,178	2,787	45,565	4,818
Other income	13	59	13	583
Expenses				
Depreciation and amortization	(2,286)	(290)	(4,247)	(942)
Electricity charges	(2,997)	(686)	(7,195)	(1,823)
Employee benefits expense	(1,454)	(254)	(3,922)	(826)
Share-based payments expense	(3,669)	(236)	(10,459)	(496)
Impairment of assets	196	8	(156)	(431)
Loss on disposal of assets	-	-	-	(193)
Professional fees	(606)	(148)	(4,178)	(294)
Other expenses	(2,985)	(104)	(5,954)	(298)
Operating profit	1,390	1,136	9,467	98
Finance expense				
Interest income	(1,435)	(2,229)	(422,250)	(2,384)
Foreign exchange gains/(loss)	12	3	12	5
Profit/(loss) before income tax benefit/(expense)	(5,834)	1,592	(5,749)	1,095
Income tax benefit/(expense)	3,189	-	(3,033)	-
Profit/(loss) after income tax benefit/(expense)	(2,678)	502	(421,553)	(1,186)

Non-cash

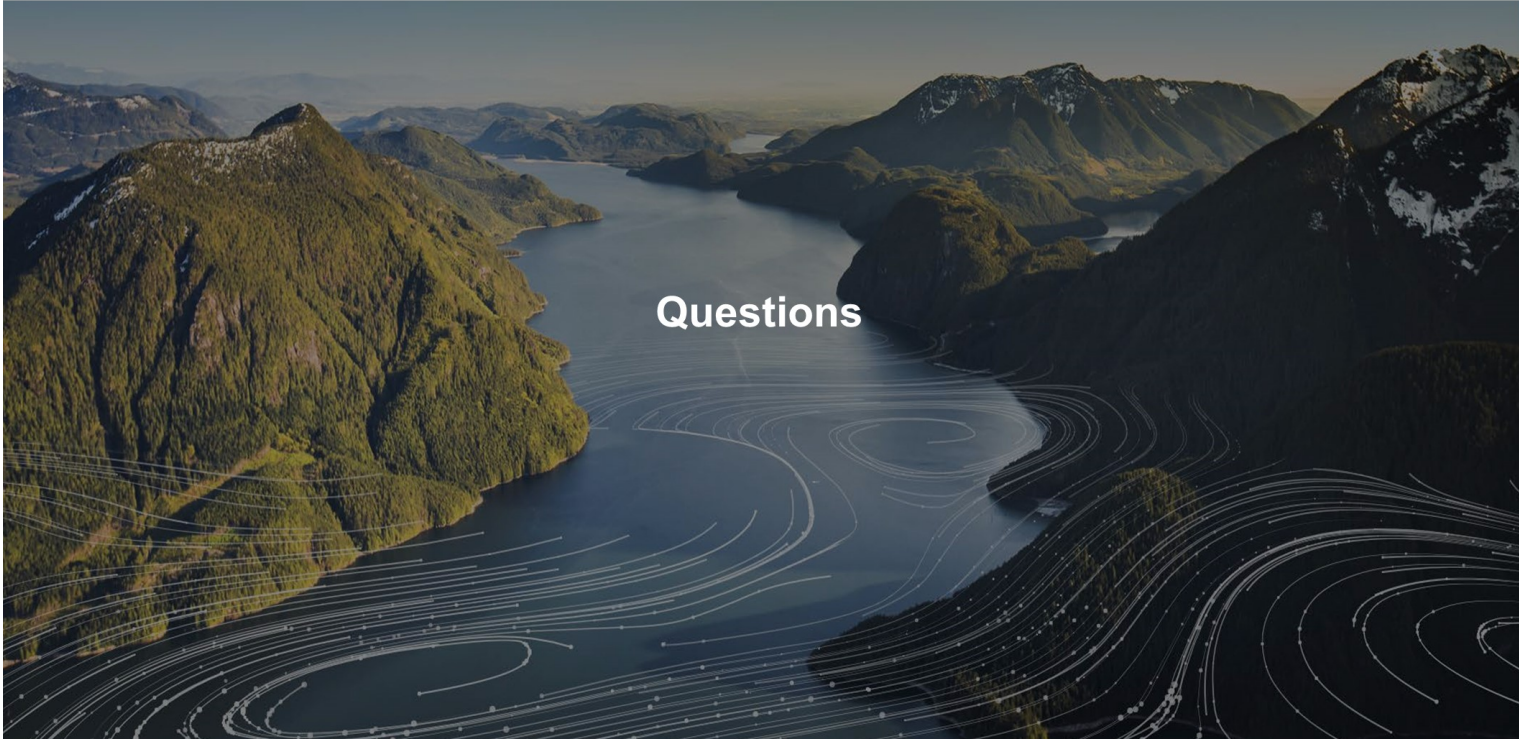
Primarily non-cash mark-to-market of convertible notes converted into equity at IPO

The Group presents its financial statements in Australian dollars (A\$). All U.S. dollar balances presented in this presentation have been translated using the noon buying rate of the Federal Reserve Bank of New York on the last working day of each relevant quarter.

Financial Position

USD'000	31 March 2022	30 June 2021	
Assets			
Cash and cash equivalents	157,993	38,990	
Other receivables	18,764	794	
Prepayments and other assets	25,150	648	
Total current assets	201,907	40,432	
Property, plant and equipment	168,146	15,952	
Right-of-use assets	1,009	1,405	
Goodwill	656	660	
Deferred tax asset	7,258	912	
Mining hardware prepayments	178,355	75,208	
Total non-current assets	355,424	94,137	
Total assets	557,331	134,569	
Liabilities			
Trade and other payables	6,147	1,120	
Borrowings	44,320	71,986	
Embedded derivatives	-	96,716	
Income tax liability	3,191	533	
Employee benefits	355	109	
Total current liabilities	54,013	170,464	
Borrowings	40,745	11,853	
Deferred tax liability	3,332	1,618	
Total non-current liabilities	44,077	13,471	
Total liabilities	98,090	183,935	
Equity			
Issued capital	950,057	12,036	
Reserves	9,647	1,449	
Accumulated losses	(500,463)	(62,851)	Primarily non-cash mark-to-market of convertible notes converted into equity at IPO
Total equity / (deficit)	459,241	(49,366)	
Total liabilities and equity	557,331	134,569	

The Group presents its financial statements in Australian dollars (A\$). All U.S. dollar balances presented in this presentation have been translated using the noon buying rate of the Federal Reserve Bank of New York on the last working day of each relevant quarter.



Questions

Iris Energy Limited

(Formerly known as Iris Energy Pty Limited)

Unaudited Interim Consolidated Financial Statements
31 March 2022

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31 March 2022

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Unaudited interim consolidated statements of profit or loss and other comprehensive income

	Note	Three months ended 31 Mar 2022 A\$'000	Three months ended 31 Mar 2021 A\$'000	Nine months ended 31 Mar 2022 A\$'000	Nine months ended 31 Mar 2021 A\$'000
Revenue					
Bitcoin mining revenue		20,240	3,661	62,159	6,375
Other income		17	78	17	800
Expenses					
Depreciation and amortization		(3,049)	(381)	(5,754)	(1,258)
Electricity charges		(3,997)	(901)	(9,789)	(2,432)
Employee benefits expense		(1,939)	(333)	(5,346)	(1,104)
Share-based payments expense	15	(4,893)	(310)	(14,256)	(659)
Impairment of assets		262	10	(226)	(566)
Loss on disposal of assets		-	-	-	(270)
Professional fees		(808)	(195)	(5,734)	(391)
Other expenses	4	(3,980)	(137)	(8,077)	(396)
Operating profit		1,853	1,492	12,994	99
Finance expense	5	(1,913)	(2,928)	(584,555)	(3,133)
Interest income		16	4	16	7
Foreign exchange gain/(loss)		(7,780)	2,091	(7,646)	1,461
Profit/(loss) before income tax benefit/(expense)		(7,824)	659	(579,191)	(1,566)
Income tax benefit/(expense)	6	4,252	-	(4,335)	-
Profit/(loss) after income tax benefit/(expense) for the period		(3,572)	659	(583,526)	(1,566)
Other comprehensive income/(loss)					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Foreign currency translation		(4,092)	739	(3,325)	(186)
Other comprehensive income/(loss) for the period, net of tax		(4,092)	739	(3,325)	(186)
Total comprehensive income/(loss) for the period		(7,664)	1,398	(586,851)	(1,752)
		Cents	Cents	Cents	Cents
Basic earnings per share	14	(6.74)	3.13	(1,580.23)	(7.64)
Diluted earnings per share	14	(6.74)	3.07	(1,580.23)	(7.64)

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

Unaudited interim consolidated statements of financial position

	Note	31 Mar 2022 A\$'000	30 Jun 2021 A\$'000
Assets			
Current assets			
Cash and cash equivalents		210,685	52,015
Other receivables		25,022	1,059
Prepayments and other assets		33,538	864
Total current assets		269,245	53,938
Non-current assets			
Property, plant and equipment	7	224,225	21,281
Right-of-use assets	8	1,346	1,874
Goodwill		875	880
Deferred tax		9,678	1,217
Mining hardware prepayments		237,838	100,331
Total non-current assets		473,962	125,583
Total assets		743,207	179,521
Liabilities			
Current liabilities			
Trade and other payables		8,198	1,494
Borrowings	9	59,101	96,033
Embedded derivatives		-	129,024
Income tax		4,255	711
Employee benefits		473	145
Total current liabilities		72,027	227,407
Non-current liabilities			
Borrowings	9	54,334	15,812
Deferred tax		4,443	2,159
Total non-current liabilities		58,777	17,971
Total liabilities		130,804	245,378
Equity			
Issued capital	10	1,266,912	16,057
Reserves		12,864	1,933
Accumulated losses		(667,373)	(83,847)
Total equity/(deficit)		612,403	(65,857)
Total liabilities and equity		743,207	179,521

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

Unaudited interim consolidated statements of changes in equity

	Issued capital A\$'000	Reserves A\$'000	Accumulated losses A\$'000	Total equity A\$'000
Balance at 1 July 2020	16,057	19	(3,314)	12,762
Loss after income tax expense for the period	-	-	(1,566)	(1,566)
Other comprehensive loss for the period, net of tax	-	(186)	-	(186)
Total comprehensive loss for the period	-	(186)	(1,566)	(1,752)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	659	-	659
Balance at 31 March 2021	16,057	492	(4,880)	11,669
	Issued capital A\$'000	Reserves A\$'000	Accumulated losses A\$'000	Total equity/ (deficit) A\$'000
Balance at 1 July 2021	16,057	1,933	(83,847)	(65,857)
Loss after income tax (expense)/benefit for the period	-	-	(583,526)	(583,526)
Other comprehensive loss for the period, net of tax	-	(3,325)	-	(3,325)
Total comprehensive loss for the period	-	(3,325)	(583,526)	(586,851)
<i>Transactions with owners in their capacity as owners:</i>				
Issue of ordinary shares (note 10)	303,692	-	-	303,692
Share-based payments (note 15)	-	14,256	-	14,256
Conversion of hybrid financial instruments (note 10)	946,918	-	-	946,918
Share-based payments, prepaid in advance (note 10)	245	-	-	245
Balance at 31 March 2022	1,266,912	12,864	(667,373)	612,403

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

Unaudited interim consolidated statements of cash flows

	Note	Nine months ended 31 Mar 2022 A\$'000	Nine months ended 31 Mar 2021 A\$'000
Cash flows from operating activities			
Receipts from Bitcoin mining activities		62,159	6,375
Payments to suppliers (inclusive of GST)		(39,740)	(4,137)
		22,419	2,238
Other income received		-	628
Interest paid		(3,352)	(151)
Net cash from operating activities		19,067	2,715
Cash flows from investing activities			
Payments for property, plant and equipment		(64,296)	(7,261)
Proceeds for property, plant and equipment		57	-
Payments of prepayments and deposits		(26,043)	-
Payments for mining hardware		(257,722)	(73,009)
Advancement of loan proceeds		(2,702)	-
Loans repaid relating to business combinations		-	(3,273)
Net cash used in investing activities		(350,706)	(83,543)
Cash flows from financing activities			
Proceeds from issue of shares	10	297,475	-
Proceeds from hybrid financial instruments		145,268	137,678
Capital raising costs		(5,777)	-
Repayment of borrowings		(5,880)	-
Proceeds from mining hardware finance		61,369	3,024
Payment of borrowing transaction costs		-	(619)
Repayment of lease liabilities		(57)	-
Net cash from financing activities		492,398	140,083
Net increase in cash and cash equivalents		160,759	59,255
Cash and cash equivalents at the beginning of the period		52,015	2,849
Effects of exchange rate changes on cash and cash equivalents		(2,089)	1,111
Cash and cash equivalents at the end of the period		210,685	63,215

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

Note 1. General information

These unaudited interim consolidated financial statements cover Iris Energy Limited as a Group consisting of Iris Energy Limited ('Company' or 'Parent Entity') and the entities it controlled at the end of, or during, the period (collectively the 'Group'). The unaudited interim consolidated financial statements are presented in Australian dollars ('A\$'), which is the Company's functional and presentation currency.

Iris Energy Limited was previously known as Iris Energy Pty Ltd until 7 October 2021, when it converted to an Australian public unlisted company limited by shares. Iris Energy Limited is incorporated and domiciled in Australia. The Group's ordinary shares are listed on the Nasdaq under the trading ticker IREN. Iris Energy Limited's registered office and principal place of business are:

Registered office

c/o Pitcher Partners
Level 13, 664 Collins Street
Docklands VIC 3008
Australia

Principal place of business

Level 12, 44 Market Street
Sydney NSW 2000
Australia

The Group completed an initial public offering ('IPO') on 17 November 2021. The IPO was led by lead book-runners J.P. Morgan, Cannaccord Genuity and Citigroup and raised total gross proceeds of US dollar ('US\$') 231.5 million. The Group is a Bitcoin mining company that builds, owns and operates data center and electrical infrastructure powered by abundant and/or under-utilized renewable energy.

The unaudited interim consolidated financial statements were authorized for issue, in accordance with a resolution of Directors, on 11 May 2022. The Directors have the power to amend and reissue the unaudited interim consolidated financial statements.

Note 2. Significant accounting policies

These unaudited interim consolidated financial statements for the periods ended 31 March 2022 have been prepared in accordance with IAS 34 *Interim Financial Reporting*, and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 30 June 2021 ('last annual financial statements'). They do not include all of the information required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards ('IFRS'). However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements for the year ended 30 June 2021.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

Reverse share split

On 4 November 2021, the Company effected a 1-for-5 reverse share split of its ordinary shares. Unless otherwise indicated, the per ordinary share information has been retroactively adjusted to reflect the 1-for-5 reverse share split.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended IFRS and Interpretations as issued by the International Accounting Standards Board ('IASB') 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 unaudited interim consolidated financial statements.

Note 2. Significant accounting policies (continued)**Going concern**

The Group has determined there is material uncertainty that may cast doubt on the Group's ability to continue as a going concern but has concluded it is appropriate to prepare the consolidated interim 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 and securing additional capital.

Since inception of the Company in November 2018, the Group has raised over A\$760 million including the recent IPO which raised A\$297.5 million, net of underwriting fees.

The ability of the Group to continue as a going concern depends upon the Group maintaining sustained positive free operating cash flows and securing additional capital to fund the contracted mining hardware purchases and infrastructure spend, as part of its growth plan. There are other risks and uncertainties affecting the Group's operations including, but not limited to, the viability of the economics of Bitcoin mining and the ability to execute its business plan.

For the nine months ended 31 March 2022, the Group generated positive operating cashflows of A\$19.1 million (31 March 2021: A\$2.7 million) and had net current assets of A\$197.2 million (30 June 2021: net current liabilities of A\$173.5 million) with net assets of A\$612.4 million (30 June 2021: net liabilities of A\$65.9 million). For the nine months ended 31 March 2022, the Group incurred a loss after tax of A\$583.5 million (31 March 2021: A\$1.6 million), this loss included a A\$540.9 million fair value loss on hybrid instruments which converted to equity on 16 November 2021.

As further background, the Group's miners are 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 significant decline in the market price of Bitcoin, an increase in the difficulty of Bitcoin mining, changes in the regulatory environment and/or adverse changes in other inherent risks would significantly negatively impact the Group's operations. Due to the volatility of the Bitcoin price and the effects of possible changes in the other aforementioned factors, there can be no guarantee that future mining operations will be profitable.

The strategy to mitigate these risks and uncertainties is to execute a business plan aimed at continued operational efficiency, revenue growth, improving overall mining profit, managing operating and capital expenditure and working capital requirements, and securing additional financing, as needed. The Group is also in a position to wind down its operations (including not acquiring any additional mining hardware and/or incurring the associated infrastructure growth capital expenditure) in the event of unfavourable pricing in Bitcoin. 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 dependent upon a number of factors which have been considered in preparing a cash flow forecast over the next 12 months to consider the going concern of the Group and the ability of the Group to achieve its growth plans. The key assumptions include:

- the Bitcoin price remaining at a level higher than prior financial years and a lag in global hashrate, thereby contributing to sustained forecast positive free cash flow; and
- the Group's contracted mining hardware purchases and infrastructure spend will be funded by a combination of available cash (A\$210.7 million as at 31 March 2022), operating cashflow and additional financing (including A\$31.4 million financing committed to the Group which as of 31 March 2022 remained undrawn). Of the total contracted mining hardware purchases, US\$285.7 million (A\$381.9 million) is due to be paid before 31 March 2023, with a further US\$90.5 million (A\$120.9 million) due beyond 31 March 2023 giving a total contracted mining hardware purchases of US\$376.2 million (A\$502.8 million) (including estimated shipping and provincial sales tax) as at 31 March 2022.

Note 3. Operating segments*Identification of reportable operating segments*

The Group operates within one operating segment, being the operation of building and operating data center sites for the purpose of Bitcoin mining and reports to the Executive Leadership Team, which is made up of the Executive Directors and their Executive Officers (who are identified as the Chief Operating Decision Makers 'CODM') on the performance of the Group as a whole.

Unless stated otherwise, all amounts reported to the Board of Directors are determined in accordance with accounting policies that are consistent with those adopted in these unaudited interim consolidated financial statements. The information reported to the CODM is on a monthly basis.

The CODM uses 'EBITDA' and 'Adjusted EBITDA' as a metric that is useful for assessing its operating performance before the impact of non-cash and other items.

EBITDA is net profit or (loss) from operations, as reported in profit and loss, before finance income and expense, tax and depreciation and amortization. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the unaudited interim consolidated financial statements.

Adjusted EBITDA is EBITDA adjusted for removing certain non-cash and other items, including share-based payment expenses, foreign currency gains/(losses) and one-time transactions.

	Three months ended 31 Mar 2022 A\$'000	Three months ended 31 Mar 2021 A\$'000	Nine months ended 31 Mar 2022 A\$'000	Nine months ended 31 Mar 2021 A\$'000
Bitcoin mining revenue	20,240	3,661	62,159	6,375
Electricity and other site costs ⁽¹⁾	(4,698)	(1,065)	(11,563)	(2,978)
Other corporate costs	(5,764)	(491)	(13,345)	(2,181)
Adjusted EBITDA	9,778	2,105	37,251	1,216
Add/ (deduct):				
Other income	17	78	17	800
Foreign exchange gain/(loss)	(7,780)	2,091	(7,646)	1,461
Non-cash share-based payments expense - founders ⁽²⁾	(4,356)	(80)	(11,459)	(80)
Non-cash share-based payments expense - executives ⁽³⁾	(537)	(230)	(2,797)	(579)
IPO one off expenses	-	-	(4,264)	-
EBITDA	(2,878)	3,964	11,102	2,818
Non-cash fair value gain/(loss) and interest expense on hybrid financial instruments ⁽⁴⁾	-	(2,835)	(579,975)	(2,956)
Other finance expense	(1,913)	(93)	(4,580)	(177)
Interest income	16	4	16	7
Depreciation	(3,049)	(381)	(5,754)	(1,258)
Profit/(loss) before income tax expense	(7,824)	659	(579,191)	(1,566)
Income tax benefit/(expense)	4,252	-	(4,335)	-
Profit/(loss) after income tax expense for the period	(3,572)	659	(583,526)	(1,566)

Note 3. Operating segments (continued)

(1) Electricity and other site costs includes electricity charges, site employee benefits, repairs and maintenance and site utilities.

(2) Share-based payments expense includes expenses recorded on Founder options, including (1) Founder price target options (Executive Director Liquidity and Price Target Options) that vested on IPO during the previous quarter ended 31 December 2021. For the 3 months ended 31 March 2022 and onwards no further expense will be recorded in relation to these price target options. (2) Founder long-term options (Executive Director Long-term Target Options) which were granted in September 2021 in connection with the IPO with an expense of A\$4.36 million recorded in the three months ended 31 March 2022. These long-term options are currently "out of the money" with an exercise price of US\$75 and initial share price vesting conditions of US\$370, US\$650, US\$925 and US\$1,850 for each tranche granted. See note 15 of the 31 March 2022 unaudited interim consolidated financial statements for further information.

(3) Share-based payments expense includes expense recorded in relation to incentives issued under the Employee Share Plans, Employee Option Plan and Non-Executive Director Option Plan.

(4) Includes fair value losses recorded on SAFE, convertible notes and associated embedded derivatives that were converted into ordinary shares upon the Group's listing on the Nasdaq. The net fair value losses recorded on these instruments represents the movement in the share price from date of issuance of these instruments to the IPO listing price of US\$28. All of these instruments converted to ordinary shares on 16 November 2021, the associated fair value gains/(losses) are non-cash movements and do not impact the cash position of the Group. See note 5 of the 31 March 2022 unaudited interim consolidated financial statements for further information.

Note 4. Other expenses

	Three months ended 31 Mar 2022 A\$'000	Three months ended 31 Mar 2021 A\$'000	Nine months ended 31 Mar 2022 A\$'000	Nine months ended 31 Mar 2021 A\$'000
Insurance	2,593	48	4,113	158
Marketing and sponsorship expenses	184	1	365	1
Short-term office rental	44	18	144	54
Site expenses	450	41	966	64
Donations	1	-	611	-
Filing fees	29	2	617	2
Site identification costs	183	-	183	-
Other expenses	496	27	1,078	117
Other expenses	3,980	137	8,077	396

Note 5. Finance expense

	Three months ended 31 Mar 2022 A\$'000	Three months ended 31 Mar 2021 A\$'000	Nine months ended 31 Mar 2022 A\$'000	Nine months ended 31 Mar 2021 A\$'000
Interest expense	1,492	67	3,340	151
Interest expense on hybrid financial instruments	-	2,434	37,307	2,555
Interest expense on lease liabilities	34	-	102	-
Amortization of capitalized borrowing costs	387	428	2,864	428
Loss/(gain) on embedded derivatives held at fair value through profit or loss	-	(1)	540,942	(1)
Finance expense	1,913	2,928	584,555	3,133

Note 6. Income tax benefit/ (expense)

	Nine months ended 31 Mar 2022 A\$'000	Nine months ended 31 Mar 2021 A\$'000
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Profit/(loss) before income tax benefit/(expense)	(579,191)	(1,566)
Tax at the statutory tax rate of 30% (2021: 26%)	(173,757)	(407)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible/non-allowable items	173,333	362
	(424)	(45)
Current year tax losses not recognized	6,073	45
Recognition of previously unrecognized tax losses	(1,889)	-
Difference in overseas tax rates	575	-
Income tax benefit/(expense)	4,335	-
	Nine months ended 31 Mar 2022 A\$'000	Nine months ended 31 Mar 2021 A\$'000
<i>Income tax expense</i>		
Current tax	5,126	-
Deferred tax	(791)	-
Income tax benefit/(expense)	4,335	-

Note 7. Property, plant and equipment

	31 Mar 2022 A\$'000	30 Jun 2021 A\$'000
<i>Non-current assets</i>		
Land - at cost	2,320	536
Buildings - at cost	11,759	4,689
Less: Accumulated depreciation	(719)	(309)
	11,040	4,380
Plant and equipment - at cost	4,623	3,798
Less: Accumulated depreciation	(409)	(209)
	4,214	3,589
Mining hardware - at cost	156,508	7,275
Less: Accumulated depreciation	(6,491)	(1,577)
Less: Impairment	-	(462)
	150,017	5,236
Assets under construction - at cost	56,634	7,540
	224,225	21,281

Reconciliations

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

	Land A\$'000	Buildings A\$'000	Plant and equipment A\$'000	Mining hardware A\$'000	Assets under construction A\$'000	Total A\$'000
Balance at 1 July 2021	536	4,380	3,589	5,236	7,540	21,281
Additions	1,830	630	876	152,089	56,762	212,187
Disposals	-	-	-	(40)	-	(40)
Exchange differences	(46)	(102)	(63)	(2,175)	(1,117)	(3,503)
Transfers in/(out)	-	6,551	-	-	(6,551)	-
Depreciation expense	-	(419)	(188)	(5,093)	-	(5,700)
Balance at 31 March 2022	2,320	11,040	4,214	150,017	56,634	224,225

Note: Mining 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.

Note 8. Right-of-use assets

	31 Mar 2022 A\$'000	30 Jun 2021 A\$'000
<i>Non-current assets</i>		
Land - right-of-use asset	1,391	1,403
Less: Accumulated depreciation	(45)	(10)
	1,346	1,393
Prepaid hosting fees right-of-use asset	-	574
Less: Accumulated depreciation	-	(93)
	-	481
	1,346	1,874

Note 8. Right-of-use assets (continued)*Reconciliations*

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

	Prepaid hosting fee A\$'000	Land A\$'000	Total A\$'000
Balance at 1 July 2021	481	1,393	1,874
Disposals	(262)	-	(262)
Exchange differences	19	(5)	14
Impairment of assets	(226)	-	(226)
Depreciation expense	(12)	(42)	(54)
Balance at 31 March 2022	-	1,346	1,346

The prepaid hosting fee right-of-use asset for a facility based in USA has been impaired as the Group is focused on executing its strategy to build, own and operate data centers.

The land right-of-use asset represents a 30-year lease of a site in Prince George, British Columbia, Canada.

Note 9. Borrowings

	31 Mar 2022 A\$'000	30 Jun 2021 A\$'000
<i>Current liabilities</i>		
Mining hardware finance	61,507	9,566
Capitalized borrowing costs - mining hardware finance	(2,414)	(1,491)
SAFE	-	4,175
Convertible notes	-	84,995
Capitalized borrowing costs - convertible notes	-	(1,219)
Lease liability	8	7
	59,101	96,033
<i>Non-current liabilities</i>		
Mining hardware finance	54,718	16,278
Capitalized borrowing costs - mining hardware finance	(1,706)	(1,807)
Lease liability	1,322	1,341
	54,334	15,812
	113,435	111,845

Mining hardware finance

During the year ended 30 June 2021, the Group entered into equipment finance and security agreements pursuant to which an equipment financier agreed to finance the purchase of various mining hardware that have been delivered or yet to be delivered. These facilities carry an annual contractual interest rate of 12% and are denominated in United States dollars. The facilities are repaid through blended monthly payments of interest and principal with the final payment due to the financier on 25 September 2023.

On 25 March 2022, the Group entered into a US\$71.0 million (A\$93.6 million) limited recourse equipment finance and security agreement with NYDIG ABL LLC. The facility has a contractual term of 25 months and is secured by 19,800 Bitmain S19j Pro miners (1.98 EH/s) with an applicable interest rate of 11% per annum. The facilities are repaid through blended monthly payments of principal and interest with the final payment due April 2024. As at 31 March 2022, the Group had an undrawn balance of A\$31.4 million available on the facility.

Note 9. Borrowings (continued)*Convertible notes issued on 8 October 2021*

The Group issued convertible notes with a total face value of US\$111.5 million (A\$154.7 million) on 8 October 2021. These notes were issued at an interest rate of 12% per annum and converted to ordinary shares at the same time as the existing convertible instruments on 16 November 2021 ahead of the IPO.

SAFE and Convertible notes

All SAFE and convertible note instruments issued by the Group converted to ordinary shares on 16 November 2021 immediately prior to the IPO on 17 November 2021. See note 10 for further details.

Lease liabilities

The Group's lease liability relates to a 30-year lease of a site in Prince George, British Columbia, Canada which was entered into in March 2021.

Note 10. Issued capital

	31 Mar 2022 Shares	30 Jun 2021 Shares	31 Mar 2022 A\$'000	30 Jun 2021 A\$'000
Ordinary shares - fully paid and unrestricted	53,028,867	19,828,593	1,266,912	16,057

Movements in ordinary share capital

Details	Date	Shares	A\$'000
Opening balance as at	1 July 2021	19,828,593	16,057
Conversion of hybrid financial instruments	16 November 2021	24,835,118	946,918
Ordinary shares issued (IPO)	17 November 2021	8,269,231	319,865
Share-based payments, prepaid in advance	31 December 2021	95,925	245
IPO capital raise costs, net of tax		-	(16,173)
Closing balance as at	31 March 2022	53,028,867	1,266,912

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.

Initial Public offering

The Company listed its 55,036,108 ordinary shares on Nasdaq as part of an IPO on 17 November 2021. 8,269,231 ordinary shares were issued as part of this offering at a price of US\$28.00 (A\$38.68). Total proceeds (net of underwriting fees) of A\$297.5 million were raised by the Group as part of this offering.

Conversion of hybrid financial instruments

On 16 November 2021, immediately prior to the IPO on Nasdaq, all hybrid financial instruments (convertible notes and simple agreement for future equity 'SAFE') converted to equity in accordance with the underlying deeds. 24,835,118 ordinary shares were issued to noteholders on conversion of these instruments resulting in a corresponding increase in issued capital of A\$946.9 million (based on a conversion share price fair value of US\$28 (A\$36.13) on 16 November 2021. As at 31 March 2022, there are no outstanding convertible instruments issued by the Group.

Share based payments, prepaid in advance

During the year ended 30 June 2020, the Company issued 95,925 restricted share-based payments, prepaid in advance. The restrictions on these shares expired on 31 December 2021 with the corresponding liability converting to equity. As at 31 March 2022, there are no restricted share-based payments, prepaid in advance.

Note 10. Issued capital (continued)*Loan-funded shares*

Note there are 1,985,964 restricted ordinary shares issued to management under the Employee Share Plan as well as certain non-employee founders of Podtech Innovation Inc. The total number of ordinary shares outstanding (including the restricted shares) is 55,014,831 as at 31 March 2022.

Note 11. Dividends

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

Note 12. Contingent liabilities

There were no contingent liabilities as at 31 March 2022 and 30 June 2021.

Note 13. Commitments

As at 31 March 2022, the Group had hardware purchase commitments of A\$502.8 million (includes estimated shipping and provincial sales tax) (30 June 2021: A\$208.9 million) which are payable in instalments from April 2022 to October 2023. The committed amounts are payable as set out below:

	31 Mar 2022 A\$'000	30 Jun 2021 A\$'000
Amounts payable within 12 months of balance date	381,878	197,796
Amounts payable after 12 months of balance date	120,928	11,147
Total Commitments	502,806	208,943

Note 14. Earnings per share

	Three months ended 31 March 2022 A\$'000	Three months ended 31 March 2021 A\$'000
Profit/(loss) after income tax benefit/(expense) for the period	(3,572)	659
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	53,028,867	21,021,524
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	-	470,425
Weighted average number of ordinary shares used in calculating diluted earnings per share	53,028,867	21,491,949
	Cents	Cents
Basic earnings per share	(6.74)	3.13
Diluted earnings per share	(6.74)	3.07

For the three months ended 31 March 2021, 2,000,000 restricted shares and options have been excluded from the diluted earnings per share calculations as they are anti-dilutive.

Note 14. Earnings per share (continued)

	Nine months ended 31 March 2022 A\$'000	Nine months ended 31 March 2021 A\$'000
Profit/(loss) after income tax benefit/(expense) for the period	(583,526)	(1,566)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	36,926,515	20,501,527
Weighted average number of ordinary shares used in calculating diluted earnings per share	36,926,515	20,501,527
	Cents	Cents
Basic earnings per share	(1,580.23)	(7.64)
Diluted earnings per share	(1,580.23)	(7.64)

Note 15. 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 Plan

The Group's Employee Share Plan is a loan-funded share scheme. 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. 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 IFRS 2 *Share-based Payments*. Vesting of instruments granted under the Employee Share Plan is dependent on specific service thresholds being met by the employee.

2021 Executive Director Liquidity and Price Target Options

On 20 January 2021, the Group's 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 A\$5.0005 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 in accordance with the following vesting thresholds:

- If the liquidity price or volume weighted average market price ('VWAP') of an ordinary share over any consecutive 20 trading day period is equal to or exceeds A\$7.00: 300,000 options vest
- If the liquidity price or VWAP of an ordinary share over any consecutive 20 trading day period is equal to or exceeds A\$9.00: 300,000 options vest
- If the liquidity price or VWAP of an ordinary share over any consecutive 20 trading day period is equal to or exceeds A\$11.00: 400,000 options vest

Note 15. Share-based payments (continued)

The option holder is entitled to receive, in its capacity as a holder of the options, an income distribution per vested option equal to any dividend, distribution, capital return or buyback proceeds (collectively, 'Distribution') paid by the Company per ordinary share as if any vested options were exercised and ordinary shares issued to the option holder at the relevant time of such Distribution. The options are subject to customary adjustments to reflect any reorganization of the Company's capital. As at 31 March 2022, none of the 2,000,000 outstanding vested 'Executive Director Liquidity and Price Target Options' have been exercised.

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 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. Where an option holder ceases to be a Director of the Company within the vesting period of the options granted, the Board retains the absolute discretion to cancel any unvested options held by the option holder. Vesting of instruments granted under the NED Option Plan is dependent on specific service thresholds being met by the Non-Executive Director.

2021 Executive Director Long-term Target 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 US\$75 per option ('Long-term Target Options'). These options were granted on 14 September 2021, and have a contractual exercise period of 12 years.

The Long-term Target 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 vesting thresholds are detailed below:

- If the VWAP of an ordinary share over the immediately preceding 20 trading days is equal to or exceeds US\$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 US\$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 US\$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 US\$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.

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.

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.

Note 15. 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 per share
Outstanding as at 1 July 2021	4,143,412	A\$4.25
Granted during the period	5,118,734	A\$97.05
Forfeited during the period	(258,715)	A\$11.80
Outstanding as at 31 March 2022	9,003,431	A\$56.80
Exercisable as at 31 March 2022	3,351,327	A\$4.13

As at 31 March 2022, the weighted average remaining contractual life of options outstanding is 8.9 years (30 June 2021: 6.8 years).

Valuation methodology

The fair value of instruments issued under the Employee Share Plan, Employee Option Plan and NED Option Plan have been measured using a Black-Scholes-Merton valuation model. The fair value of the Executive Director Liquidity and Price Target Options and 2021 Executive Director Long-term Target Options 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 list the inputs used in measuring the fair value of arrangements granted during the nine months ended 31 March 2022:

Grant date	Dividend yield %	Expected volatility %	Risk free interest rate %	Expected life (weighted average) years	Grant date share price A\$	Exercise Price A\$	Fair value (weighted average) A\$	Number of options granted
Long-term Target Options								
14 September 2021	-	90%	1.28%	9.00	47.41	102.18	33.13	4,800,000
Employee Option Plan								
28 July 2021	-	90%	0.15%	7.00	47.35	11.95	42.33	89,541
20 October 2021	-	90%	0.15%	7.00	46.51	48.72	35.42	53,223
NED Option Plan								
28 July 2021	-	90%	0.15%	6.58	47.35	11.95	42.00	161,707
21 October 2021	-	90%	0.15%	7.00	46.44	48.64	35.36	14,266

The share-based payment expense for the three months ended 31 March 2022 was A\$4,893,000 (31 March 2021: A\$310,000).

The share-based payment expense for the nine months ended 31 March 2022 was A\$14,256,000 (31 March 2021: A\$659,000).

Note 16. Related party transactions*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 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 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).

Changes in key management personnel

There have been a number of strategic appointments made to key management personnel during the period including:

- Effective 1 September 2021, Joanna Brand commenced her role as the Group General Counsel and was subsequently appointed as the Company Secretary on 17 September 2021
- Effective 24 September 2021, David Bartholomew was appointed as a Non-Executive Director and Chairman of the Company
- Effective 11 October 2021, Denis Skrinnikoff commenced his role as Chief Technology Officer
- Effective 18 October 2021, Lindsay Ward commenced his role as President
- Effective 21 October 2021, Michael Alfred commenced his role as Non-Executive Director
- Effective 22 October 2021, David Shaw commenced his role as Chief Operating Officer
- Effective 24 October 2021, Paul Gordon resigned from his role as Non-Executive Director

The table below sets out details of options to acquire ordinary shares which were granted to key management personnel during the period. The options vest in three equal tranches on the third, fourth and fifth anniversary of the executive's employment with the Company.

Key management personnel	Grant date	Number of Options	Exercise price (A\$)
David Bartholomew	28 July 2021	42,554	11.95
Paul Gordon	28 July 2021	59,575	11.95
Christopher Guzowski	28 July 2021	59,575	11.95
Joanna Brand	28 July 2021	29,289	11.95
Lindsay Ward	20 October 2021	31,670	48.72
David Shaw	20 October 2021	7,194	48.72
Denis Skrinnikoff	20 October 2021	6,334	48.72
Michael Alfred	21 October 2021	14,266	48.64

Jason Conroy served as the Chief Executive Officer of the Company from 10 May 2021 until 23 September 2021. In connection with his cessation of employment, Mr. Conroy receives (or may receive) (i) salary continuation payments for six months and, if applicable, (ii) a lump sum payment equal to 0.1% of the net proceeds of any initial public offering ('IPO') (converted to Australian dollars) if the IPO is completed on or before 31 December 2021 or 0.07% of the net proceeds of the IPO (converted to Australian dollars) if the IPO is completed after 31 December 2021 but on or before 30 June 2022. Mr. Conroy is subject to customary confidentiality obligations, a non-competition obligation through 30 June 2022 and a one year post-termination non-solicitation of employees and customers covenant.

During the year ended 30 June 2021, 136,171 loan-funded shares were granted to Mr. Conroy under the Employee Share Plan, all of these loan-funded shares lapsed during the period ended 31 December 2021.

Effective 24 October 2021, Paul Gordon resigned from his role as a Non-Executive Director of the Company. Upon his resignation, 41,318 of the 59,975 Options to acquire ordinary shares granted on 28 July 2021 lapsed. The remaining 18,257 Options vested in line with the NED Option Plan.

Note 16. Related party transactions (continued)

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 17. Events after the reporting period

No matter or circumstance has arisen since 31 March 2022 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.