



Iris Energy Pty Ltd and controlled entities
ACN 629 842 799



Compilation Report

We have compiled the accompanying management accounts of Iris Energy Pty Ltd and controlled entities ('Iris Energy Group'), which comprise the balance sheet as at 30 June 2020 and the profit & loss and cash flow statement for the period then ended. The management accounts have been prepared for internal use purposes.

The Responsibility Of Those Charged With Governance

Those charged with governance of Iris Energy Group are solely responsible for the information contained in the management accounts, the reliability, accuracy and completeness of the information and for the determination that the basis of accounting used is appropriate to meet their needs and for the purpose that the management accounts were prepared.

Our Responsibility

On the basis of information provided by those charged with governance we have compiled the accompanying management accounts in accordance with the basis of accounting as described above and APES 315 Compilation of Financial Information.

We have applied our expertise in accounting and financial reporting to compile these management accounts in accordance with the basis of accounting described above. We have complied with the relevant ethical requirements of APES 110 Code of Ethics for Professional Accountants.

Assurance Disclaimer

Since a compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information provided to us by management to compile these management accounts. Accordingly, we do not express an audit opinion or a review conclusion on these management accounts.

The management accounts were compiled exclusively for the benefit of those charged with governance who are responsible for the reliability, accuracy and completeness of the information used to compile them.

Income	
Bitcoin Mining Revenue	3,260,219
Total Income	3,260,219
Less Operating Expenses	
Net Electricity Costs	1,846,375
Brokerage Fees	7,015
Profit Share and Hosting	71,906
Total Operating Expenses	1,925,296
Operating Profit	1,334,923
Less Corporate Expenses	
Consulting fee	43,232
Insurance	65,430
Labour	19,869
Legal expenses	277,191
Professional fees	206,977
Recruitment expenses	50,000
Rent	26,170
Repairs and Maintenance	14,337
Storage fees	7,602
General Expenses	54,280
Travel	95,134
Utilities	8,573
Wages and Salaries	1,277,223
Total Corporate Expenses	2,146,018
Add Other Income	
Total Other Income	3,196
Less Other Expenses	
Bank Fees	6,898
Interest Expense	154,652
Foreign Currency Gains and Losses	315,475
Total Other Expenses	477,024
Net Profit Before Depreciation and Tax	(1,284,923)
Less Depreciation and Amortisation	
Total Depreciation	1,208,031
Net Profit After Depreciation	(2,492,954)
Less Income Tax Expense	
Total Income Tax Expense	-
Net Profit After Depreciation and Tax	(2,492,954)

FY20
June 2020

Assets

Current Assets

Cash and Cash Equivalents	2,849,003
Deposits - Electricity	177,385
Deposits	22,599
Interest Receivable	438
Insurance Receivable	111,661
Upfront Fees - Hosting Infrastructure	557,039
Prepayments	63,888
Sundry Debtors	7,939
GST Receivable	356,848
Total Current Assets	4,146,799

Non-current Assets

Property, Plant and Equipment	12,079,268
Goodwill	274,359
Employee shares loan	3,805,401
Total Non-current Assets	16,159,028

Total Assets **20,305,827**

Liabilities

Current Liabilities

Accounts Payable	368,492
Accrued Expenses	17,987
Employee Liabilities	7,212
Wages Payable	22,858
PAYG Withholdings Payable	29,061
Total Current Liabilities	445,610

Non-Current Liabilities

Loan - Awassi Capital Trust #1	23,127
Loan - Awassi Capital Trust #2	23,127
Loan - Vendor	2,969,916
Total Non-Current Liabilities	3,016,170

Total Liabilities **3,461,780**

Net Assets **16,844,047**

Equity

Retained Earnings	(68,517)
Issued Capital	19,985,014
FX Translation Reserve ¹	(579,495)
Current Year Earnings	(2,492,954)
Total Equity	16,844,047

¹ Balances over the subsidiaries operating in the US and Canada have been converted to the functional currency of the parent entity (AUD\$)

² Relate to cash received in advance of equity being issued

Cash Flow
Iris Energy Group
For the 12 months ended 30 June 2020



IrisEnergy

FY20
July 2019 - June 2020

Cash flow from operating activities

Receipt from Bitcoin mining activities	3,251,792
Payment for electricity costs	(1,685,967)
Payments to suppliers and employees	(2,016,499)
Sales Tax	(349,901)
Interest received	3,259
Finance costs	(7,562)
Net cash provided by / (used in) operating activities	(804,878)

Cash flow from investing activities

Payment for property, plant and equipment	(8,960,526)
Insurance Receivable	(93,278)
Payment for other non current assets	(540,964)
Net cash provided by investing activities	(9,594,768)

Cash flow from financing activities

Proceeds from share issue	10,799,415
Proceeds from borrowings	2,815,950
Net cash provided by / (used in) financing activities	13,615,365

Reconciliation of cash

Cash at the beginning of the period	120,646
Net increase / (decrease) in cash held	3,215,719
Foreign exchange differences on cash holdings	(487,363)
Cash at the end of the period	2,849,003