

**IPH Limited**  
ACN 169 015 838

**Appendix 4D – Half Yearly Financial Report**

**Half Year ended 31 December 2020 (“HY21”)  
Results for announcement to the market**

| <b>Results</b>  | <b>Change</b> |      |    | <b>HY21<br/>\$'000</b> | <b>HY20<br/>\$'000</b> |
|---|---------------|------|----|------------------------|------------------------|
| Revenue from ordinary activities                                  | Unchanged     |      |    | 179,820                | 179,825                |
| Profit from ordinary activities after tax attributable to members | Down          | 1.4% | to | 26,798                 | 27,169                 |
| Profit for the period attributable to members                     | Down          | 1.4% | to | 26,798                 | 27,169                 |

| <b>Dividends</b>   | <b>Amount<br/>per Share</b> | <b>Franked<br/>amount<br/>per Share</b> |
|--|-----------------------------|---|
| Half year ended 31 December 2020 - Interim dividend      | 14c                         | 7c                                      |
| Half year ended 31 December 2019 - Interim dividend      | 13.5c                       | 13.5c                                   |
| Interim Dividend sourced from Conduit Foreign Income     |                             | 7c                                      |
| Record date for determining entitlements to the dividend |                             | 24 February 2021                        |

The Dividend Reinvestment Plan will be in operation for the HY21 interim dividend

| <b>Other</b>                         | <b>HY21</b> | <b>HY20</b> |
|--------------------------------------|-------------|-------------|
| Net tangible asset backing per share | \$(0.08)    | \$(0.16)    |

**Explanation of Result**

Please refer to the commentary in the Directors' Report included in the Half Year Financial Report for an explanation of the result.

Additional information requiring disclosure under listing rule 4.2A.3 is contained in the Half Year Financial Report.



IPH Limited and its  
Controlled Entities  
Half Year  
Financial Report

For the Half Year ended 31 December 2020

The Directors present their report, together with the financial statements, of the consolidated entity (referred to hereafter as the 'Group') consisting of IPH Limited (referred to hereafter as the 'Company' or 'Parent Entity') and the entities it controlled at the end of, or during, the half year ended 31 December 2020.

IPH is the leading intellectual property ("IP") services group in the Asia-Pacific region offering a wide range of IP services and products to a diverse client base of Fortune Global 500 companies, multinationals, public sector research organisations, SMEs and professional services firms worldwide.

IPH's intellectual property businesses comprise leading IP firms AJ Park, Griffith Hack, Pizzeys, Shelston IP and Spruson & Ferguson, which provide services for the protection, commercialisation, enforcement and management of all forms of intellectual property including patents, trade marks and designs. IPH also operates in adjacent areas of IP through the WiseTime business. In the comparative period this also included Glasshouse Advisory (acquired as a subsidiary of Xenith IP Group Ltd, which was subsequently closed down in May 2020).

The IPH group employs approximately 900 people across the Asia-Pacific region. IPH was the first IP services group to list on the Australian Securities Exchange.

## Directors

The following persons were Directors of IPH Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

| Name                    | Office  |
|-------------------------|---|
| Mr Richard Grellman, AM | Non-executive Chairman                        |
| Dr Andrew Blattman      | Managing Director and Chief Executive Officer |
| Mr John Atkin           | Non-executive Director                        |
| Ms Robin Low            | Non-executive Director                        |
| Ms Jingmin Qian         | Non-executive Director                        |



# Operational and Financial Review

## Operations and Financial Performance

The summary financial analysis below shows the results on a statutory and underlying basis.

The HY21 underlying earnings of the Group have been determined by adding back to statutory earnings amounts eliminating the effect of business acquisition costs, restructuring costs and non-cash share-based payments expenses.

|                                    | Revenue<br>HY21 | Revenue<br>HY20 | Chg%        | EBITDA<br>HY21 | EBITDA<br>HY20 | Chg%        |
|------------------------------------|-----------------|-----------------|-------------|----------------|----------------|-------------|
| Australian & New Zealand IP        | 135,585         | 133,829         | 1%          | 45,242         | 46,630         | (3%)        |
| Asian IP                           | 47,335          | 50,554          | (6%)        | 20,987         | 21,625         | (3%)        |
|                                    | <b>182,920</b>  | <b>184,383</b>  | <b>(1%)</b> | <b>66,229</b>  | <b>68,255</b>  | <b>(3%)</b> |
| Adjacent Businesses                | 245             | 1,273           |             | (34)           | (1,147)        |             |
| Corporate Office                   | 3,266           | 899             |             | (4,397)        | (6,188)        |             |
| Eliminations                       | (6,637)         | (7,241)         |             | (84)           | (544)          |             |
| <b>Underlying Revenue / EBITDA</b> | <b>179,794</b>  | <b>179,314</b>  | <b>0%</b>   | <b>61,714</b>  | <b>60,376</b>  | <b>2%</b>   |
| Business acquisition costs         |                 |                 |             | (1,102)        | (491)          |             |
| Restructuring expenses             |                 | 470             |             | (1,255)        | (750)          |             |
| Share-based payments               |                 |                 |             | (2,654)        | (1,691)        |             |
| <b>Statutory Revenue / EBITDA</b>  | <b>179,794</b>  | <b>179,784</b>  | <b>0%</b>   | <b>56,703</b>  | <b>57,444</b>  | <b>(1%)</b> |
| Interest income                    |                 |                 |             | 26             | 41             |             |
| Interest expense                   |                 |                 |             | (2,878)        | (3,513)        |             |
| Depreciation and amortisation      |                 |                 |             | (18,762)       | (16,226)       |             |
| Net Profit Before Tax              |                 |                 |             | 35,089         | 37,746         | (7%)        |
| Tax                                |                 |                 |             | (8,291)        | (10,577)       |             |
| <b>Net Profit After Tax</b>        |                 |                 |             | <b>26,798</b>  | <b>27,169</b>  | <b>(1%)</b> |

## Statutory Results

Revenue of \$179.8m was flat on the prior corresponding period. This reflected growth from the Xenith IP Group and Baldwins Intellectual Property acquisitions offset by the impact of a higher Australian dollar than the prior comparative period, and the shorter term impact of COVID-19.



EBITDA decreased by 1% to \$56.7m from \$57.4m in HY20.

The Group delivered a statutory net profit after tax of \$26.8m, a decrease of 1% from the prior year's result of \$27.2m. Underlying EBITDA of \$61.7m increased by 2% from the prior corresponding period.

### Impact of Foreign Exchange Movements

The Group's results are impacted by movements in foreign exchange rates in the following ways:

(i) Revaluation of foreign denominated assets and liabilities

Group companies invoice a significant proportion of their revenue in USD reflecting the preference of the client base. Accordingly, the Group carries a material amount of USD denominated cash and receivables. As at 31 December 2020 the balance sheet contained US\$30.7m in cash and US\$35.0m in receivables. These US denominated assets were offset by US\$19.5m of drawn debt.

The net unrealised gain arising from assets and liabilities denominated in foreign currencies totals \$3.3m compared to a loss of \$279k in the comparative period.

Period end foreign exchange rates used to translate balance sheet accounts were:

|                         | AUD/USD | AUD/EUR | AUD/SGD |
|-------------------------|---------|---------|---------|
| <b>31 December 2019</b> | 0.7013  | 0.6253  | 0.9439  |
| <b>30 June 2020</b>     | 0.6877  | 0.6124  | 0.9591  |
| <b>31 December 2020</b> | 0.7708  | 0.6285  | 1.0189  |

(ii) P&L impact of trading in foreign currencies

Revenue derived by the Group is recorded at the rate of the day of transaction. The Group invoiced 54% of its revenue in USD during the current period, with a relatively low proportion of USD denominated expenses.

The average exchange rate at which this USD revenue was derived during the six months to 31 December 2020 was 0.7232, while in the comparative period it was 0.6848.

Realised foreign exchange losses of \$5.3m were recognised in the P&L account during the half year.



Average foreign exchange rates used to translate earnings throughout the period were:

|                 | AUD/USD | AUD/EUR | AUD/SGD |
|-----------------|---------|---------|---------|
| <b>HY20</b>     | 0.6848  | 0.6171  | 0.9373  |
| <b>HY21</b>     | 0.7232  | 0.6124  | 0.9836  |
| <b>Movement</b> | 5.6%    | (0.7%)  | 4.9%    |

### **Australian & New Zealand IP**

The Australian & New Zealand IP segment achieved sales revenue growth of 1% to \$135.6m, which includes a full half year for the former Xenith IP Group and the impact of the acquisition of Baldwins from mid-October 2020.

Total Australian market patent filings (excluding Innovation Patents which will no longer be available from August 2021) decreased by 0.5% for the period. IPH Group's filings (including Baldwins IP on a pro-forma basis and excluding innovation patents) declined by 5.7%. There were no significant client losses during the period. IPH has the local market's largest exposure to US-based clients and, as expected, some of these clients filed less during the COVID-19 disruption with IPH filings originating from US clients down 1% for the period.

Underlying EBITDA decreased by 3% to \$45.2m at a margin of 33%. This includes the impact of unfavourable foreign exchange movements. EBITDA margin decreased slightly on the prior corresponding period due to the short-term disruption of COVID-19 which impacted filings and the integration of the Watermark brand into Griffith Hack.

The like-for-like basis excludes the impact of foreign exchange, 1.5 months of Xenith IP Group before it was acquired on 15 August 2019 and 2.5 months of Baldwins from acquisition. On a like-for-like basis EBITDA increased by 2% from continued margin accretion and cost synergies realised from the acquired Xenith businesses.

### **Asian IP**

The Asian IP segment sales revenue decreased by 6% to \$47.3m. On a like-for-like basis revenue decreased by 1%. While revenue was slightly down on the prior period, the Group continued to generate margin accretive earnings from leveraging its extensive network across the region, including increased client referrals from Australian/New Zealand businesses.

EBITDA decreased by 3% to \$21.0m which includes the impact of unfavourable foreign exchange movements. On a like-for-like basis EBITDA increased by 6%.

On the latest available data the Group has maintained its number one patent market share position (all patent applications filed in Singapore).



### **Adjacent Businesses**

Adjacent businesses include the autonomous time keeping software tool, WiseTime. In the comparative period this also included Glasshouse Advisory (an acquired Xenith subsidiary), which was subsequently closed down in May 2020.

### **Corporate Office**

Excluding the impacts of foreign exchange, corporate costs decreased by \$1.1m from the comparative period, reflecting the elimination of the former Xenith IP Group corporate costs.

### **Adjustments to Statutory Results**

Adjustments to the statutory EBITDA have been made for:

- **Business acquisition costs** – costs incurred in the pursuit of acquisitions which have been completed or are currently in progress. This predominantly included the acquisition of Baldwins Intellectual Property in the current period.
- **Restructuring costs** – costs of restructuring across the Group. This predominately included the costs associated with the integration of the Watermark brand into Griffith Hack in the current period.
- **Share-based payments** – accounting charges for the share-based incentive plans.

### **Dividends**

Since the end of the half year, the Directors have declared the payment of an interim ordinary dividend of 14.0 cents per share, franked at 50%. This represents 85% of cash adjusted NPAT (this is NPAT adjusted for net acquisition intangibles amortisation, net share-based payment expense and cash rent paid).

### **Auditor's Independence Declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.



**Dr Andrew Blattman**  
Managing Director

18 February 2021  
Sydney



18 February 2021

The Board of Directors  
IPH Limited  
Level 24, Tower 2 Darling Park  
201 Sussex Street,  
Sydney NSW 2000

Dear Board Members


### **Auditor's Independence Declaration to IPH Limited**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of IPH Limited.

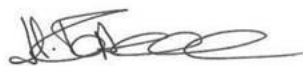
As lead audit partner for the review of the half year financial report of IPH Limited for the half year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



H Fortescue  
Partner  
Chartered Accountants



**IPH LIMITED**  
**ABN 49 169 015 838**  
**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

|   | Note | Consolidated  |               |
|---|------|---------------|---------------|
|   |      | 31 Dec 2020   | 31 Dec 2019   |
|   |      | \$'000        | \$'000        |
| <b>Revenue</b>  | 4    | 179,721       | 178,040       |
| Other income  | 5    | 99            | 1,785         |
| <b>Expenses</b>   |      |               |               |
| Agent fee expenses  |      | (52,294)      | (51,497)      |
| Amortisation of acquired intangibles                                      | 6    | (10,767)      | (9,116)       |
| Depreciation and amortisation of fixed assets and intangibles             | 6    | (3,551)       | (2,233)       |
| Depreciation of right-of-use assets                                       | 6    | (4,444)       | (4,877)       |
| Employee benefits expense   | 6    | (57,288)      | (55,801)      |
| Finance costs   | 6    | (2,878)       | (3,513)       |
| Insurance expenses  |      | (1,186)       | (1,407)       |
| Occupancy expenses  |      | (978)         | (943)         |
| Travel expenses   |      | (34)          | (1,580)       |
| Other expenses  | 6    | (11,311)      | (11,112)      |
| <b>Profit before income tax expense</b>                                   |      | <b>35,089</b> | <b>37,746</b> |
| Income tax expense  |      | (8,291)       | (10,577)      |
| <b>Profit after income tax expense for the year</b>                       |      | <b>26,798</b> | <b>27,169</b> |
| <b>Other comprehensive income</b>   |      |               |               |
| <i>Items that may be reclassified subsequently to profit or loss</i>      |      |               |               |
| Foreign currency translation  |      | (6,797)       | 977           |
| <i>Items that will not be reclassified subsequently to profit or loss</i> |      |               |               |
| Fair value gain on investment in equity instruments                       |      | -             | 855           |
| Fair value gain on hedging instruments                                    |      | 10            | -             |
| Other comprehensive income for the year, net of tax                       |      | (6,787)       | 1,832         |
| <b>Total comprehensive income for the year</b>                            |      | <b>20,011</b> | <b>29,001</b> |
| Profit for the year is attributable to:                                   |      |               |               |
| Owners of IPH Limited   |      | 26,798        | 27,169        |
|   |      | <b>26,798</b> | <b>27,169</b> |
| Total comprehensive income for the year is attributable to:               |      |               |               |
| Owners of IPH Limited   |      | 20,011        | 29,001        |
|   |      | <b>20,011</b> | <b>29,001</b> |
| <b>Earnings per share</b>   |      |               |               |
| From continuing operations  |      |               |               |
| Basic earnings (cents per share)  | 9    | 12.44         | 12.97         |
| Diluted earnings (cents per share)  | 9    | 12.40         | 12.91         |

*The accompanying notes form part of these financial statements*

**IPH LIMITED**  
**ABN 49 169 015 838**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2020**

|   | Note | Consolidated   |                |
|---|------|----------------|----------------|
|   |      | 31 Dec 2020    | 30 June 2020   |
|   |      | \$'000         | \$'000         |
| <b>Current assets</b>   |      |                |                |
| Cash and cash equivalents                                     |      | 59,777         | 82,910         |
| Trade and other receivables                                   |      | 69,562         | 89,132         |
| Contract assets   |      | 10,899         | 4,763          |
| Other assets  |      | 4,498          | 4,254          |
| <b>Total current assets</b>                                   |      | <b>144,736</b> | <b>181,059</b> |
| <b>Non-current assets</b>                                     |      |                |                |
| Property, plant and equipment                                 |      | 12,708         | 13,273         |
| Right-of-use assets   |      | 35,200         | 38,808         |
| Intangibles   | 7    | 477,500        | 483,259        |
| Deferred tax  |      | 15,943         | 22,709         |
| <b>Total non-current assets</b>                               |      | <b>541,351</b> | <b>558,049</b> |
| <b>Total assets</b>   |      | <b>686,087</b> | <b>739,108</b> |
| <b>Current liabilities</b>                                    |      |                |                |
| Trade and other payables                                      |      | 19,405         | 24,733         |
| Income tax payable  |      | 3,125          | 3,270          |
| Interest bearing lease liabilities                            |      | 10,948         | 11,076         |
| Provisions  |      | 17,579         | 19,160         |
| Contract liabilities  |      | 2,385          | 1,803          |
| Other financial liabilities                                   |      | 200            | 200            |
| <b>Total current liabilities</b>                              |      | <b>53,642</b>  | <b>60,242</b>  |
| <b>Non-current liabilities</b>                                |      |                |                |
| Borrowings  | 11   | 115,481        | 151,238        |
| Deferred tax  |      | 55,489         | 60,397         |
| Interest bearing lease liabilities                            |      | 38,006         | 42,587         |
| Provisions  |      | 1,145          | 1,208          |
| Other financial liabilities                                   |      | 761            | 774            |
| <b>Total non-current liabilities</b>                          |      | <b>210,882</b> | <b>256,204</b> |
| <b>Total liabilities</b>                                      |      | <b>264,524</b> | <b>316,446</b> |
| <b>Net assets</b>   |      | <b>421,563</b> | <b>422,662</b> |
| <b>Equity</b>   |      |                |                |
| Issued capital  | 12   | 411,058        | 402,149        |
| Reserves  |      | (4,179)        | 468            |
| Retained profits  |      | 14,684         | 20,045         |
| <b>Total equity attributable to the owners of IPH Limited</b> |      | <b>421,563</b> | <b>422,662</b> |

*The accompanying notes form part of these financial statements*

**IPH LIMITED**  
**ABN 49 169 015 838**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

|  | Issued Capital | Foreign<br>Currency<br>Translation<br>Reserve | Minority<br>Interest<br>Acquisition<br>Reserve | Equity Settled<br>Employee<br>Benefits<br>Reserve | Other Reserve | Retained<br>Profits | Total Equity   |
|--|----------------|---|--|---|---------------|---------------------|----------------|
|  | \$'000         | \$'000  | \$'000   | \$'000  | \$'000        | \$'000              | \$'000         |
| <b>Balance at 1 July 2019</b>  | <b>262,763</b> | <b>3,858</b>                                  | <b>(14,814)</b>                                | <b>4,453</b>                                      | <b>4,478</b>  | <b>24,012</b>       | <b>284,750</b> |
| AASB 16 transitional impact on retained earnings   | -              | -   | -  | -   | -             | (2,183)             | (2,183)        |
| <b>Adjusted opening balance at 1 July 2019</b>   | <b>262,763</b> | <b>3,858</b>                                  | <b>(14,814)</b>                                | <b>4,453</b>                                      | <b>4,478</b>  | <b>21,829</b>       | <b>282,567</b> |
| Profit after income tax expense for the period   | -              | -   | -  | -   | -             | 27,169              | 27,169         |
| Fair value gain on investment in equity instruments designated at FVTOCI                                 | -              | -   | -  | -   | 855           | -                   | 855            |
| Effect of foreign exchange differences   | -              | 977   | -  | -   | -             | -                   | 977            |
| <b>Total comprehensive income for the period</b>   | <b>-</b>       | <b>977</b>                                    | <b>-</b>                                       | <b>-</b>  | <b>855</b>    | <b>27,169</b>       | <b>29,001</b>  |
| <i>Transactions with owners in their capacity as owners:</i>   |                |   |  |   |               |                     |                |
| Issue of ordinary shares as consideration for a business combination, net of transaction costs (note 10) | 130,730        | -   | -  | -   | -             | -                   | 130,730        |
| Dividend reinvestment plan   | 2,879          | -   | -  | -   | -             | -                   | 2,879          |
| Share-based payments charge  | -              | -   | -  | 1,691   | -             | -                   | 1,691          |
| Dividends paid (note 8)  | -              | -   | -  | -   | -             | (27,680)            | (27,680)       |
| <b>Balance at 31 December 2019</b>   | <b>396,372</b> | <b>4,835</b>                                  | <b>(14,814)</b>                                | <b>6,144</b>                                      | <b>5,333</b>  | <b>21,318</b>       | <b>419,188</b> |
| <b>Balance at 1 July 2020</b>  | <b>402,149</b> | <b>3,342</b>                                  | <b>(14,814)</b>                                | <b>7,149</b>                                      | <b>4,791</b>  | <b>20,045</b>       | <b>422,662</b> |
| Profit after income tax expense for the period   | -              | -   | -  | -   | -             | 26,798              | 26,798         |
| Effect of foreign exchange differences   | -              | (6,797)                                       | -  | -   | -             | -                   | (6,797)        |
| Hedge revaluation  | -              | -   | -  | -   | 10            | -                   | 10             |
| <b>Total comprehensive income for the period</b>   | <b>-</b>       | <b>(6,797)</b>                                | <b>-</b>                                       | <b>-</b>  | <b>10</b>     | <b>26,798</b>       | <b>20,011</b>  |
| <i>Transactions with owners in their capacity as owners:</i>   |                |   |  |   |               |                     |                |
| Dividend reinvestment plan (note 8)  | 6,461          | -   | -  | -   | -             | -                   | 6,461          |
| Share-based payments charge  | -              | -   | -  | 2,140   | -             | -                   | 2,140          |
| Dividends paid (note 8)  | -              | -   | -  | -   | -             | (32,159)            | (32,159)       |
| Issue of ordinary shares as consideration for a business combination, net of transaction costs (note 10) | 2,448          | -   | -  | -   | -             | -                   | 2,448          |
| <b>Balance at 31 December 2020</b>   | <b>411,058</b> | <b>(3,455)</b>                                | <b>(14,814)</b>                                | <b>9,289</b>                                      | <b>4,801</b>  | <b>14,684</b>       | <b>421,563</b> |

The accompanying notes form part of these financial statements

**IPH LIMITED**  
**ABN 49 169 015 838**  
**CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

|   |             | <b>Consolidated</b> |                    |
|---|-------------|---------------------|--------------------|
|   | <b>Note</b> | <b>31 Dec 2020</b>  | <b>31 Dec 2019</b> |
|   |             | <b>\$'000</b>       | <b>\$'000</b>      |
| <b>Cash flows from operating activities</b>                         |             |                     |                    |
| Receipts from customers   |             | 209,976             | 206,068            |
| Payments to suppliers and employees                                 |             | (147,147)           | (149,713)          |
| Interest received   | 5           | 26                  | 41                 |
| Interest and other finance costs paid                               | 6           | (1,853)             | (2,421)            |
| Income taxes paid   |             | (8,984)             | (16,559)           |
| <b>Net cash from operating activities</b>                           |             | <b>52,018</b>       | <b>37,416</b>      |
| <b>Cash flows from investing activities</b>                         |             |                     |                    |
| Payments for purchase of subsidiaries, net of cash acquired         | 10          | (4,659)             | (40,324)           |
| Payments for property, plant and equipment                          |             | (1,086)             | (730)              |
| Payments for internally developed software                          | 7           | (2,266)             | (1,515)            |
| <b>Net cash used in investing activities</b>                        |             | <b>(8,011)</b>      | <b>(42,569)</b>    |
| <b>Cash flows from financing activities</b>                         |             |                     |                    |
| Dividends paid  | 8           | (25,697)            | (24,801)           |
| Proceeds from borrowings  |             | -                   | 70,183             |
| Repayment of borrowings   |             | (32,700)            | (26,107)           |
| Payment of lease liabilities  |             | (6,554)             | (5,459)            |
| <b>Net cash (used in)/from financing activities</b>                 |             | <b>(64,951)</b>     | <b>13,816</b>      |
| Net (decrease)/increase in cash and cash equivalents                |             | (20,944)            | 8,663              |
| Cash and cash equivalents at the beginning of the financial period  |             | 82,910              | 35,263             |
| Effects of exchange rate changes on cash and cash equivalents       |             | (2,189)             | (213)              |
| <b>Cash and cash equivalents at the end of the financial period</b> |             | <b>59,777</b>       | <b>43,713</b>      |

*The accompanying notes form part of these financial statements*

**IPH LIMITED**  
**ABN 49 169 015 838**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

## **1. General information**

IPH Limited ("Company") is a for-profit listed public company limited by shares, incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange ("ASX"). The condensed consolidated financial statements of the Company for the half-year ended 31 December 2020 ("the interim financial report") comprises the Company and its controlled entities ("Group"). IPH Limited is the ultimate parent entity in the Group.

The financial statements were authorised for issue in accordance with a resolution of Directors, on 18 February 2021.

## **2. Significant accounting policies**

### **Basis of preparation**

This general purpose interim financial report has been prepared in accordance with *AASB 134 Interim Financial Reporting* and the *Corporations Act 2001*.

The interim financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the annual financial report.

It is recommended that the interim financial report be read in conjunction with the annual financial report for the year ended 30 June 2020 and considered with any public announcements made by the Company during the half-year ended 31 December 2020 in accordance with the continuous disclosure obligations of the ASX listing rules.

The interim financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the interim financial report are consistent with those adopted and disclosed in the company's annual financial report for the year ended 30 June 2020, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

### **Changes to Accounting Standards for the current reporting period**

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

No new or revised Standards and Interpretations effective for the period under review are considered to materially impact the Company.

### **Accounting Standards and Interpretations in issue not yet adopted**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the period ended 31 December 2020.

### **Rounding of amounts**

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors Reports) Instrument dated 24 March 2016 and in accordance with that Instrument amounts in the interim financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

### **Prior period reclassifications**

Certain prior year amounts have been reclassified for consistency with the current period presentation and to align with the IPH Limited financial report. These reclassifications had no effect on the reported results of the Company.

## **Note 3. Operating segments**

### **Identification of reportable operating segments**

The Group is organised into three segments: Intellectual Property Services Australia & New Zealand; Intellectual Property Services Asia; and Adjacent Businesses. Adjacent Businesses at 31 December 2020 include the operations of Wisetime. In the comparative period Adjacent Businesses also included Glasshouse Advisory (acquired as a subsidiary of Xenith IP Group Ltd, which was subsequently transferred and closed down in May 2020). These operating segments are based on the internal reports that are reviewed and used by the senior executive team and Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM review profit before interest, tax and adjustments to the statutory reported results. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements. The information is reported to the CODM on at least a monthly basis.

### **Intersegment transactions**

There are varying levels of integration between the segments. The integration includes provision of professional services, shared technology and management services. Intersegment transactions were made at market rates. Intersegment transactions are eliminated on consolidation.

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**Note 3. Operating segments (continued)**

| Consolidated   | Intellectual Property Services |                |               |               |                     |                | Intersegment Eliminations / Unallocated |                |                |                | Total          |                |
|--|--------------------------------|----------------|---------------|---------------|---------------------|----------------|---|----------------|----------------|----------------|----------------|----------------|
|  | Australia & New Zealand        |                | Asia          |               | Adjacent Businesses |                | Corporate                               |                | 2020           | 2019           | 2020           | 2019           |
|  | 2020                           | 2019           | 2020          | 2019          | 2020                | 2019           | 2020                                    | 2019           |                |                |                |                |
|  | \$'000                         | \$'000         | \$'000        | \$'000        | \$'000              | \$'000         | \$'000                                  | \$'000         | \$'000         | \$'000         | \$'000         | \$'000         |
| <b>Revenue</b>   |                                |                |               |               |                     |                |   |                |                |                |                |                |
| Sales to external customers  | 133,601                        | 127,928        | 46,120        | 48,900        | -                   | 1,212          | -                                       | -              | -              | -              | 179,721        | 178,040        |
| Intersegment sales   | 438                            | 964            | 2,590         | 2,489         | -                   | -              | -                                       | -              | (3,028)        | (3,453)        | -              | -              |
| Total sales revenue  | 134,039                        | 128,892        | 48,710        | 51,389        | -                   | 1,212          | -                                       | -              | (3,028)        | (3,453)        | 179,721        | 178,040        |
| Other revenue  | 1,546                          | 4,937          | (1,375)       | (835)         | 245                 | 61             | 3,266                                   | 899            | (3,609)        | (3,788)        | 73             | 1,274          |
| <b>Total revenue</b>   | <b>135,585</b>                 | <b>133,829</b> | <b>47,335</b> | <b>50,554</b> | <b>245</b>          | <b>1,273</b>   | <b>3,266</b>                            | <b>899</b>     | <b>(6,637)</b> | <b>(7,241)</b> | <b>179,794</b> | <b>179,314</b> |
| Less: Overheads  | (90,343)                       | (87,199)       | (26,348)      | (28,929)      | (279)               | (2,420)        | (7,663)                                 | (7,086)        | 6,553          | 6,697          | (118,080)      | (118,937)      |
| <b>Earnings before interest, tax, depreciation and amortisation (EBITDA), before adjustments</b> | <b>45,242</b>                  | <b>46,630</b>  | <b>20,987</b> | <b>21,625</b> | <b>(34)</b>         | <b>(1,147)</b> | <b>(4,397)</b>                          | <b>(6,187)</b> | <b>(84)</b>    | <b>(544)</b>   | <b>61,714</b>  | <b>60,377</b>  |
| Less: Depreciation   | (4,808)                        | (4,776)        | (1,205)       | (1,144)       | (46)                | (167)          | (92)                                    | (112)          | -              | -              | (6,151)        | (6,199)        |
| Less: Amortisation   | (10,487)                       | (8,865)        | (647)         | (636)         | (1,029)             | (42)           | (459)                                   | (496)          | 11             | 12             | (12,611)       | (10,027)       |
| Less: Management Charges   | 2,790                          | 62             | (5,336)       | (3,805)       | -                   | -              | 2,463                                   | 3,733          | 83             | 9              | -              | -              |
| <b>Segment result: (Profit before interest, tax and adjustments)</b>                             | <b>32,737</b>                  | <b>33,051</b>  | <b>13,799</b> | <b>16,040</b> | <b>(1,109)</b>      | <b>(1,356)</b> | <b>(2,485)</b>                          | <b>(3,062)</b> | <b>10</b>      | <b>(523)</b>   | <b>42,952</b>  | <b>44,150</b>  |
| <b>Reconciliation of segment result</b>  |                                |                |               |               |                     |                |   |                |                |                |                |                |
| Segment result   |                                |                |               |               |                     |                |   |                |                |                | 42,952         | 44,150         |
| Adjustments to statutory result:   |                                |                |               |               |                     |                |   |                |                |                |                |                |
| Business acquisition costs   |                                |                |               |               |                     |                |   |                |                |                | (1,102)        | (491)          |
| Restructuring expenses   |                                |                |               |               |                     |                |   |                |                |                | (1,255)        | (750)          |
| Share-based payments   |                                |                |               |               |                     |                |   |                |                |                | (2,654)        | (1,691)        |
| Total adjustments  |                                |                |               |               |                     |                |   |                |                |                | (5,011)        | (2,932)        |
| Interest income  |                                |                |               |               |                     |                |   |                |                |                | 26             | 41             |
| Finance costs  |                                |                |               |               |                     |                |   |                |                |                | (2,878)        | (3,513)        |
| <b>Profit for the period before income tax expense</b>   |                                |                |               |               |                     |                |   |                |                |                | <b>35,089</b>  | <b>37,746</b>  |
| <b>Reconciliation of segment revenue</b>   |                                |                |               |               |                     |                |   |                |                |                |                |                |
| Segment revenue  |                                |                |               |               |                     |                |   |                |                |                | 179,794        | 179,314        |
| Business acquisition costs   |                                |                |               |               |                     |                |   |                |                |                | -              | 470            |
| Interest income  |                                |                |               |               |                     |                |   |                |                |                | 26             | 41             |
| <b>Total revenue</b>   |                                |                |               |               |                     |                |   |                |                |                | <b>179,820</b> | <b>179,825</b> |

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**Note 4. Sales revenue**

|  | Consolidated   |                |
|--|----------------|----------------|
|  | 31 Dec 2020    | 31 Dec 2019    |
|  | \$'000         | \$'000         |
| Revenue from the rendering of services | 179,721        | 178,040        |
|  | <b>179,721</b> | <b>178,040</b> |

**Note 5. Other income**

|   | Consolidated |              |
|---|--------------|--------------|
|   | 31 Dec 2020  | 31 Dec 2019  |
|   | \$'000       | \$'000       |
| Commission                                    | 1,283        | 1,281        |
| Interest                                      | 26           | 41           |
| Net realised foreign exchange gain / (loss)   | (5,302)      | (289)        |
| Net unrealised foreign exchange gain / (loss) | 3,277        | (279)        |
| Other   | 815          | 1,031        |
|   | <b>99</b>    | <b>1,785</b> |

**Note 6. Expenses**

Profit before income tax includes the following specific expenses:

|  | Consolidated  |               |
|--|---------------|---------------|
|  | 31 Dec 2020   | 31 Dec 2019   |
|  | \$'000        | \$'000        |
| <b>Depreciation and amortisation</b>                           |               |               |
| Amortisation of acquired intangibles                           | 10,767        | 9,116         |
| Depreciation and amortisation of fixed assets and intangibles: |               |               |
| Amortisation of software development                           | 1,844         | 911           |
| Depreciation of property, plant and equipment                  | 1,707         | 1,322         |
|  | <b>3,551</b>  | <b>2,233</b>  |
| Depreciation of right-of-use assets                            | 4,444         | 4,877         |
|  | <b>18,762</b> | <b>16,226</b> |
| <b>Employee benefits expense</b>                               |               |               |
| Included in employee benefits expense is:                      |               |               |
| Share-based payments   | 2,654         | 1,691         |
| Government COVID-19 stimulus grants <sup>1</sup>               | (1,028)       | -             |
| <b>Finance costs</b>   |               |               |
| Bank loan facility fees  | 459           | 636           |
| Interest on bank facilities                                    | 1,394         | 1,785         |
| Interest on lease contracts                                    | 1,025         | 1,092         |
|  | <b>2,878</b>  | <b>3,513</b>  |
| <b>Other expenses</b>  |               |               |
| Advertising and marketing                                      | 479           | 543           |
| Bank charges   | 473           | 326           |
| IT and communication   | 3,143         | 2,555         |
| Office expenses  | 958           | 998           |
| Professional fees  | 1,237         | 2,431         |
| Staff training and welfare                                     | 750           | 1,697         |
| Other  | 4,271         | 2,562         |
|  | <b>11,311</b> | <b>11,112</b> |

1. Grants received from Asian governments in response to the impact of COVID-19.

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**Note 7. Intangible assets**

|  | Consolidated   |                |
|--|----------------|----------------|
|  | 31 Dec 2020    | 30 June 2020   |
|  | \$'000         | \$'000         |
| Goodwill - at cost                         | 295,873        | 298,038        |
| Patents and trademarks - at cost           | 17,229         | 17,232         |
|  | <b>313,102</b> | <b>315,270</b> |
| Capitalised software development - at cost | 12,956         | 10,792         |
| Less: Accumulated amortisation             | (7,796)        | (6,022)        |
|  | <b>5,160</b>   | <b>4,770</b>   |
| Customer relationships                     | 218,793        | 212,011        |
| Less: Accumulated amortisation             | (58,594)       | (47,831)       |
| Less: Impairment                           | (961)          | (961)          |
|  | <b>159,238</b> | <b>163,219</b> |
|  | <b>477,500</b> | <b>483,259</b> |

**Reconciliations**

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

**Consolidated**

|   | Goodwill       | Patents and<br>trademarks | Customer<br>relationships | Capitalised<br>software<br>development | Total          |
|---|----------------|---------------------------|---------------------------|--|----------------|
|   | \$'000         | \$'000                    | \$'000                    | \$'000                                 | \$'000         |
| Balance at 1 July 2019                            | 184,648        | 4,189                     | 62,735                    | 3,481                                  | 255,053        |
| Additions   | -              | 43                        | -                         | 3,003                                  | 3,046          |
| Additions through business combinations (note 10) | 113,920        | 14,600                    | 120,100                   | -                                      | 248,620        |
| Amortisation expense                              | -              | -                         | (19,616)                  | (1,708)                                | (21,324)       |
| Exchange differences                              | (530)          | -                         | -                         | (6)                                    | (536)          |
| Impairment  | -              | (1,600)                   | -                         | -                                      | (1,600)        |
| <b>Balance at 30 June 2020</b>                    | <b>298,038</b> | <b>17,232</b>             | <b>163,219</b>            | <b>4,770</b>                           | <b>483,259</b> |
| Additions   | -              | 1                         | -                         | 2,265                                  | 2,266          |
| Additions through business combinations (note 10) | 1,986          | -                         | 6,756                     | -                                      | 8,742          |
| Amortisation expense                              | -              | (4)                       | (10,763)                  | (1,844)                                | (12,611)       |
| Exchange differences                              | (4,151)        | -                         | 26                        | (31)                                   | (4,156)        |
| <b>Balance at 31 December 2020</b>                | <b>295,873</b> | <b>17,229</b>             | <b>159,238</b>            | <b>5,160</b>                           | <b>477,500</b> |



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**Note 8. Dividends**

During the half-year, IPH Limited made the following dividend payments:

|                                    | Cents per share | Consolidated          |                       |
|------------------------------------|-----------------|-----------------------|-----------------------|
|                                    |                 | 31 Dec 2020<br>\$'000 | 31 Dec 2019<br>\$'000 |
| Final dividend                     |                 |                       |                       |
| June 2019 - paid 18 September 2019 | 13.0            | -                     | 27,680                |
| June 2020 - paid 18 September 2020 | 15.0            | 32,159                | -                     |

On 18 February 2021, the Company declared an interim dividend of 14 cents per share (franked at 50%) to be paid on 19 March 2021. The dividend value is \$30,272,916. No provision for this dividend has been recognised in the Statement of Financial Position as at 31 December 2020, as it was declared after the end of the financial period.

**Dividend Reinvestment Plan**

The Dividend Reinvestment Plan was active for the final dividend paid on 18 September 2020. 950,862 shares were issued to participants at \$6.80 per share totalling \$6,460,695.

**Note 9. Earnings per share**

|  | Consolidated          |                       |
|--|-----------------------|-----------------------|
|  | 31 Dec 2020<br>\$'000 | 31 Dec 2019<br>\$'000 |
| Profit after income tax  | 26,798                | 27,169                |
| <b>Profit after income tax attributable to the owners of IPH Limited</b> | <b>26,798</b>         | <b>27,169</b>         |
|  | <b>Number</b>         | <b>Number</b>         |
| Basic earnings per share - Weighted average number of ordinary shares    | 215,405,630           | 209,548,381           |
| Options over ordinary shares   | 667,312               | 846,085               |
| Diluted earnings per share - Weighted average number of ordinary shares  | 216,072,942           | 210,394,466           |
|  | <b>Cents</b>          | <b>Cents</b>          |
| Basic earnings per share   | 12.44                 | 12.97                 |
| Diluted earnings per share   | 12.40                 | 12.91                 |

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**Note 10. Business combinations**

**Baldwins Intellectual Property**

On 16 October 2020 the Group completed the acquisition of New Zealand intellectual property firm Baldwins Intellectual Property (Baldwins). The transaction was effected by the Group's subsidiary, AJ Park IP, acquiring the patent attorney business of Baldwins and the benefits of Baldwins' legal business through the acquisition of that legal business by AJ Park IP's allied law firm, AJ Park Law. The final agreed purchase price was NZ\$7,500,000.

Established in 1896, Baldwins is a well-known New Zealand IP firm, with four partners and other high quality IP professional staff working from Auckland and Wellington offices. Clients include large multi-national corporations, universities, government agencies, start-ups and individual inventors.

The initial accounting for the acquisition has only been provisionally determined at the end of the reporting period.

*Equity instruments issued*

A\$2,447,288 of the purchase price was settled by way of the issue of 335,016 ordinary shares in IPH to the vendors of Baldwins (with those shares being escrowed for two years). The shares issued have been recorded in the financial statements at the acquisition date fair value of \$7.31 per share.

*Consideration transferred*

The following table summarises the acquisition date fair value of each major class of consideration transferred.

|  | <b>\$'000</b> |
|--|---------------|
| Cash   | 4,659         |
| Equity instruments (335,016 ordinary shares) | 2,447         |
| <b>Total consideration transferred</b>       | <b>7,106</b>  |

The Group incurred acquisition costs of \$972,932. These costs have been included in business acquisition expenses in the Statement of Profit or Loss.

*Identifiable assets acquired and liabilities assumed*

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

|   | <b>Fair value</b> |
|---|-------------------|
|   | <b>\$'000</b>     |
| Contract assets   | 208               |
| Other assets  | 126               |
| Property, plant and equipment   | 191               |
| Right-of-use assets   | 1,186             |
| Intangible assets - customer relationships                            | 6,756             |
| Trade and other payables  | (87)              |
| Provisions  | (182)             |
| Deferred tax liability  | (1,892)           |
| Interest bearing lease liabilities                                    | (1,186)           |
| Net assets acquired   | 5,120             |
| Goodwill  | 1,986             |
| <b>Acquisition-date fair value of total consideration transferred</b> | <b>7,106</b>      |
| Cash used to acquire business, net of cash acquired:                  |                   |
| Acquisition-date fair value of total consideration transferred        | 7,106             |
| Less: shares issued by company as part of consideration               | (2,447)           |
| <b>Net cash used</b>  | <b>4,659</b>      |

**Xenith IP Group Ltd**

On 15 August 2019, the Group acquired the remaining 80.1% of ordinary shares of Xenith IP Group Limited which it did not already own under the terms of a Scheme of Arrangement.

The final accounting for the acquisition was finalised during the previous financial year. There were no acquisition adjustments recorded during the half year ended 31 December 2020.

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**Note 11. Borrowings**

|                             | Consolidated   |                |
|-----------------------------|----------------|----------------|
|                             | 31 Dec 2020    | 30 June 2020   |
|                             | \$'000         | \$'000         |
| <b>Non-current</b>          |                |                |
| Multicurrency loan facility | 115,481        | 151,238        |
|                             | <b>115,481</b> | <b>151,238</b> |

The Group has a facilities agreement ('Agreement') with HSBC and Westpac. The facilities under the Agreement comprise:

- A \$90m multicurrency revolving loan facility;
- A \$100m acquisition term loan facility; and
- A \$20m revolving credit facility for the general corporate purposes of the Group.

The Agreement has a term of 3 years maturing on 11th February 2022

**Note 12. Equity - issued capital**

|                                    | Consolidated       |                    | Consolidated   |                |
|------------------------------------|--------------------|--------------------|----------------|----------------|
|                                    | 31 Dec 2020        | 30 June 2020       | 31 Dec 2020    | 30 June 2020   |
|                                    | Shares             | Shares             | \$'000         | \$'000         |
| Ordinary Class shares - fully paid | 216,235,113        | 214,396,164        | 411,058        | 402,149        |
|                                    | <b>216,235,113</b> | <b>214,396,164</b> | <b>411,058</b> | <b>402,149</b> |

**Movements in ordinary share capital**

|   | Date              | Shares             | \$'000         |
|---|-------------------|--------------------|----------------|
| Opening balance   | 1 July 2019       | 197,341,566        | 262,763        |
| Acquisition of Xenith IP Group Ltd (note 10)            | 15 August 2019    | 15,581,683         | 130,730        |
| Performance and retention rights exercised              | 28 August 2019    | 510,320            | -              |
| Dividend reinvestment - final dividend (note 8)         | 18 September 2019 | 307,613            | 2,879          |
| Dividend reinvestment - interim dividend                | 13 March 2020     | 654,982            | 5,777          |
| <b>Balance at 30 June 2020</b>                          |                   | <b>214,396,164</b> | <b>402,149</b> |
| Performance and retention rights exercised              | 11 September 2020 | 553,071            | -              |
| Dividend reinvestment - final dividend (note 8)         | 18 September 2020 | 950,862            | 6,461          |
| Acquisition of Baldwins Intellectual Property (note 10) | 16 October 2020   | 335,016            | 2,448          |
| <b>Balance at 31 December 2020</b>                      |                   | <b>216,235,113</b> | <b>411,058</b> |

**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 authorised capital.

**Employee Share Trust**

On 1 July 2017, IPH established the Employee Share Trust for the purpose of acquiring and allocating shares granted through the IPH Employee Incentive Plan. As at 31 December 2020, the number of shares held by the trust was 880,251 (30 June 2020: 579,154).

**Note 13. Events subsequent to reporting date**

There were no significant events post 31 December 2020 that have impacted on the Group.

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**DIRECTORS DECLARATION**

In the opinion of the Directors of IPH Limited:

- (a) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;
- (b) the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity; and
- (c) there are reasonable grounds to believe that the company and the companies to which the ASIC Class Order applies, will, as a group, be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.



**Dr Andrew Blattman**  
Managing Director  
18 February 2021  
Sydney

## Independent Auditor's Review Report to the Members of IPH Limited

### *Conclusion*

We have reviewed the half-year financial report of IPH Limited (the "Company") and its subsidiaries (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2020, and the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### *Basis for Conclusion*

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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


## *Directors' Responsibilities for the Half-year Financial Report*

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

## *Auditor's Responsibilities for the Review of the Half-year Financial Report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



DELOITTE TOUCHE TOHMATSU



H Fortescue  
Partner  
Chartered Accountants  
Sydney, 18 February 2021



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