ASX Announcement

18 August 2022

Appendix 4E and 2022 Annual Report

Attached is a copy of the IPH Limited Appendix 4E and 2022 Annual Report, which this year includes the IPH Limited 2022 Sustainability Report. A printed version of the report will be sent to shareholders who have requested a copy. The report is also available on the Company's website at www.iphltd.com.au.

For more information, please contact:

Martin Cole
Managing Director
Capital Markets Communications
T. +61 403 332 977

Authorised for release to ASX by:

The Board of Directors

About IPH Limited

IPH is the Asia Pacific's leading intellectual property services group, comprising a network of member firms working in eight IP jurisdictions and servicing more than 25 countries. The group includes leading IP firms AJ Park, Griffith Hack, Pizzeys and Spruson & Ferguson and online IP services provider Applied Marks. IPH employs more than 900 people working in Australia, China, Hong Kong SAR, Indonesia, Malaysia, New Zealand, Singapore and Thailand.

IPH Limited

ABN 49 169 015 838

Appendix 4E – Preliminary Final Report
Full year ended 30 June 2022 ("FY22")

Reporting periods

Current reporting period:	Financial year ended 30 June 2022
Previous corresponding period:	Financial year ended 30 June 2021

Results for announcement to the market		Change		FY22 $'000	FY21 $'000
Revenue from ordinary activities	Up	4.1%	to	374,330	359,684
Profit from ordinary activities after tax attributable to members	Down	1.9%	to	52,564	53,600
Profit for the period attributable to members	Down	1.9%	to	52,564	53,600

Dividends	Amount per Share	Franked amount per Share
Current period		
Final dividend	16.0c	8.0c
Interim dividend	14.5c	5.8c
Previous period		
Final dividend	15.5c	6.2c
Interim dividend	14.0c	7.0c

Final Dividend sourced from Conduit Foreign Income is 8.0c

Record date:	Wednesday 24 August 2022
Payment date:	Friday 16 September 2022
Ex-dividend date:	Tuesday 23 August 2022

The Dividend Reinvestment Plan will be in operation for the FY22 full year dividend

Net tangible assets	FY22	FY21
Net tangible asset backing per share	($0.01)	($0.02)

A large proportion of the Company's assets are intangible in nature, relating to goodwill and identifiable intangible assets acquired through business combinations. These assets are excluded from the calculation of net tangible assets per share. Including intangible assets, net assets per share are $1.96 (FY21: $1.97)

Audit review status

Details of audit/review dispute or qualification (if any):

The accounts have been audited with no qualification.

Attachments

Details of attachments (if any):

The remainder of the information requiring disclosure to comply with listing rule 4.3A is contained in the accompanying FY22 Financial Report.

Signed

John Wadley
Chief Financial Officer
Sydney

Date: 18 August 2022

iphltd.com.au

2022 Annual Report

Year ended 30 June 2022

iph

Contents: Annual Report

About IPH

About IPH

IPH is Asia Pacific's leading intellectual property (IP) group and was the first IP services group to list on the Australian Securities Exchange (ASX) in 2014.

Through the IPH group network, we provide services for the protection, commercialisation, enforcement and management of all forms of IP including patents, trade marks and designs. We operate in eight IP jurisdictions in the Asia Pacific, servicing more than 25 countries across the region.

IPH's vision is to be the leading IP services group in secondary IP markets and adjacent areas of IP. We service a broad range of clients, including some of the world's leading companies, multi-nationals, universities, public sector research organisations, foreign associates and other corporate and individual clients.

Central to everything we do is a set of core values. These values underpin IPH's success and assist us to deliver tailored commercial solutions to our clients, empower our people, and create and maintain value for our stakeholders:

Core values

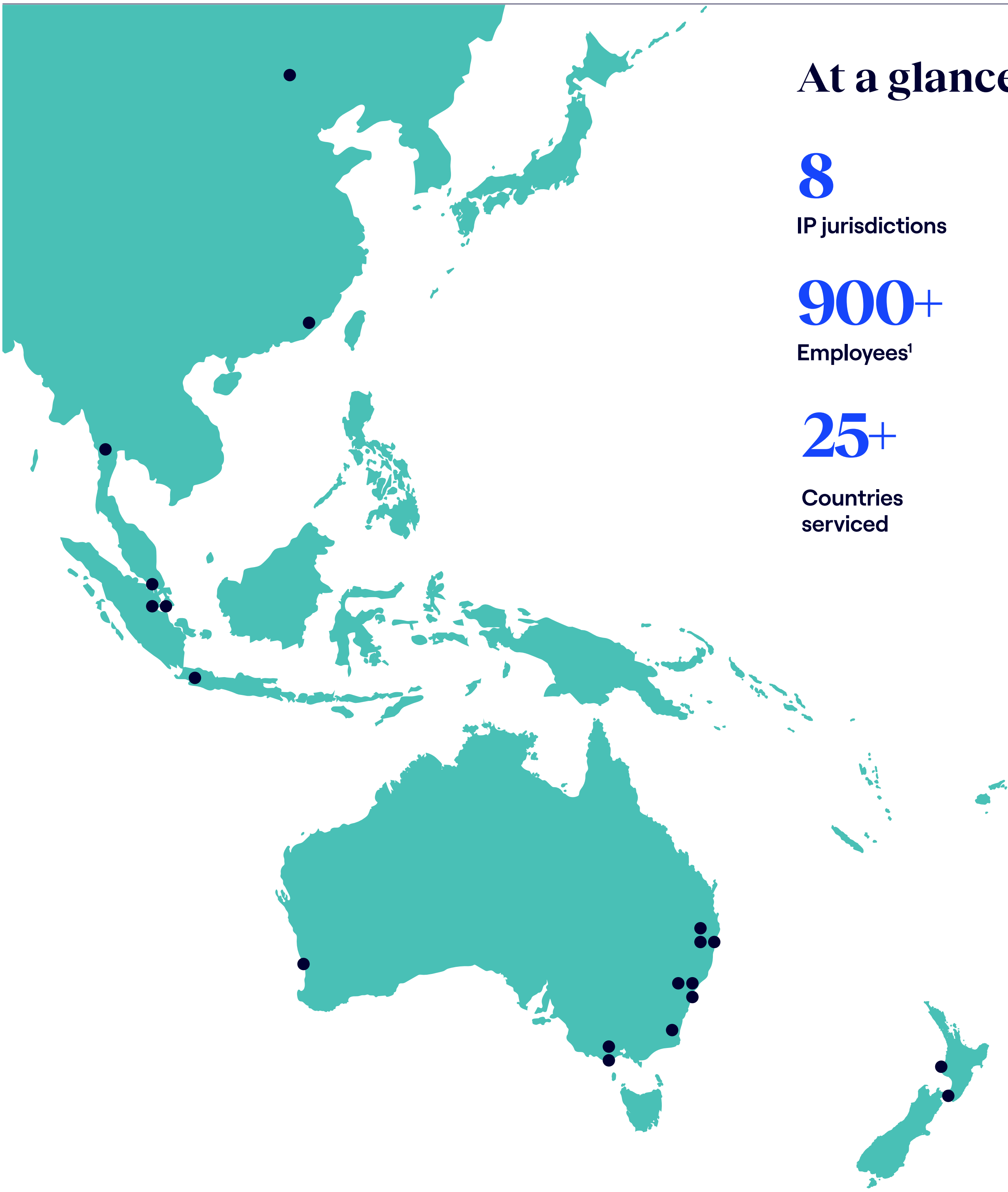
Excellence in service delivery to our clients

Innovation in value creation

Integrity in business practices

Efficiency and effectiveness in our operations

Empowerment and engagement of our people



At a glance

8
IP jurisdictions

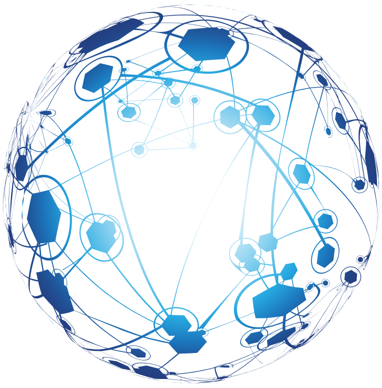
900+
Employees[1]

25+
Countries serviced

No 1 Patent group
in Australia, New Zealand and Singapore[2]

Trade mark group
in Australia and New Zealand[3]

1) Approximate employee numbers as at 30 June 2022.
2) Management estimated market share based on local IP office filing data: Australia (FY22 as at 1/8/22), Singapore (CY22 YTD March as at 21/7/22), New Zealand (FY22 as at 4/8/22), Canada (CY21 as at 30/6/22 + IPH internal filing data).
3) Management estimated market share based on local IP office filing data: Australia (FY22 as at 7/7/22, share of top 50 agents), New Zealand (FY22 as at 5/8/22).



The IPH group network

As at 30 June 2022, IPH operated six brands with over 900 employees. The IPH group network, comprises leading IP firms AJ Park, Griffith Hack, Pizzeys, Spruson & Ferguson and online IP services provider Applied Marks. The autonomous timekeeping software business, WiseTime, was divested in July 2022. The IPH group network firms provide services for the protection, commercialisation, enforcement and management of all forms of IP.

We work in some 20 offices across the Asia Pacific region, including in Australia, China, Hong Kong SAR, Indonesia, Malaysia, New Zealand, Singapore and Thailand.

AJPark

AJ Park, established in 1891, is a premier IP firm operating in Australia, New Zealand and the Pacific Islands. With offices in Auckland and Wellington, AJ Park acts for a wide range of clients, from international agents to government institutions, multinationals and major listed companies. As a full-service firm, AJ Park helps these clients identify, develop, protect, commercialise, manage, and enforce their IP rights in Australia, New Zealand and throughout the world. On 16 October 2020, AJ Park successfully acquired Baldwins Intellectual Property, giving the business greater depth.

23
Principals[1]

4
Principal promotions

6
Additional promotions

Year formed
1891

Locations
Auckland
Wellington

Recent recognition and highlights

New Zealand Firm of the Year | *Managing IP* Asia Pacific Awards 2022

Tier 1: Trade mark prosecution and Trade mark contentious (New Zealand) | *Managing IP* Stars 2022

Gold band: Firms (New Zealand) | *WTR 1000* 2022

Tier 1: Firms (New Zealand) | *The Legal 500* 2022

IP Specialist Firm of the Year | *New Zealand Law Awards* 2021

1) as at 1 July 2022

Applied Marks is a leading Australian online automated trade mark application platform, also providing automated registration and intelligence services relating to companies and domain names, both directly to customers and through channel partners. Founded in 2008, Applied Marks is a leading filer in the Australian trade mark market, with a focus on the retail market.

Recent recognition and highlights	Year formed
Partnership with **LawPath**	**2008**

Griffith Hack, established in 1904, is one of Australia's leading providers of intellectual property services with offices in Melbourne, Sydney, Brisbane and Perth. The firm is one of Australia's largest filers of patents and trade marks and provides a comprehensive range of domestic and international services relating to the protection, management, commercialisation and enforcement of IP rights. In May 2022, the business of Watermark was integrated into Griffith Hack, strengthening the combined businesses' service offering.

22 Principals[1]

1 Principal promotion

4 Additional promotions

Year formed

1904

Location

Brisbane

Melbourne

Perth

Sydney

Recent recognition and highlights

Tier 1: Trade mark prosecution and Tier 3: Trade mark contentious (Australia) | *Managing IP* Stars 2022

Patent Contentious Firm of the Year (Australia) | *Managing IP* Awards 2021

Silver Band: Firms (prosecution and strategy) and Bronze Band: Firms (enforcement and litigation) (Australia) | *WTR 1000* 2022

Tier 2: Leading Intellectual Property Firms, Australia | *The Legal 500* 2022

1) as at 1 July 2022

PIZZEYS

Pizzeys Patent and Trade Mark Attorneys was established in 1981 and has offices in Brisbane, Canberra and Singapore. Pizzeys' business is predominantly focused on in-bound work into Australia and Singapore from overseas IP associates and direct corporate clients.

Year formed

1981

Locations

Brisbane

Canberra

Singapore

8 Principals[1]

1 Principal promotions

Recent recognition and highlights

Tier 3: Patent Prosecution (Australia) | *Managing IP* Stars 2022

Tier 3: Patent Prosecution (Australia) | *Asia IP Patent Rankings* 2022

SPRUSON & FERGUSON INTELLECTUAL PROPERTY

Spruson & Ferguson Australia established in 1887, is one of Australia's leading IP firms, offering a variety of services for the protection, commercialisation, enforcement and management of IP.

Year formed

1887

Locations

Brisbane

Melbourne

Sydney

41 Principals[1]

6 Principal promotions

5 Additional promotions

Recent recognition and highlights

Tier 1: Trade Mark Prosecution (Australia) | *Managing IP* Stars 2022

Tier 3: Trade Mark Contentious (Australia) | *Managing IP* Stars 2022

Boutique Firm of the Year | *Managing IP* Asia Pacific Awards 2021

Gold Band: Prosecution and Strategy (Australia) | *WTR 1000* 2022

Bronze Band: Enforcement and Litigation (Australia) | *WTR 1000* 2022

1) as at 1 July 2022

Spruson & Ferguson Asia is one of the leading IP firms operating throughout the Asia-Pacific region, offering a variety of services for the protection, commercialisation, enforcement and management of IP.

20
Principals[1]

2
Principal promotions

2
Additional promotions

Year formed

1997

Locations

Beijing

Bangkok

Hong Kong

Jakarta

Kuala Lumpur

Singapore

Recent recognition and highlights

Boutique Firm of the Year | *Managing IP Asia Pacific Awards 2021*

Silver Band: Prosecution and Strategy (China, Singapore) | *WTR 1000 2022*

Bronze Band: Prosecution and Strategy (Indonesia) | *WTR 1000 2022*

Highly Recommended: Prosecution (Hong Kong) | *IAM Patent 1000 2022*

Recommended: Prosecution" (Malaysia) | *IAM Patent 1000 2022*

1) as at 1 July 2022

The group acquisition history

Since listing on the ASX in November 2014, IPH has grown through a series of strategic acquisitions and integrations to become the largest IP services group in the Asia Pacific region, with a market capitalisation of approximately $1.7bn.

In FY22 we continued to grow and consolidate the IPH group network.

In July 2021, we expanded our digital and trade mark capability with the acquisition of Applied Marks Pty Ltd, a leading Australian online automated trade mark application platform.

In December 2021, we integrated two of our member firms, Shelston IP and Spruson & Ferguson Australia, to create one firm operating under the Spruson & Ferguson brand. By combining the two firms we further extended Spruson & Ferguson's position as the leading IP firm in Australia.

In June 2022, we announced the divestment of Practice Insight Pty Ltd, trading as WiseTime, to Anaqua Inc. The transaction completed in July 2022.

In August 2022, we announced that Canada's pre-eminent IP agency firm, Smart & Biggar, will be joining our group of leading IP firms. This is a transformational transaction that extends our international network beyond Asia Pacific into an additional significant secondary market. It also provides a platform for IPH to participate in further growth opportunities. The transaction is subject to completion which is expected to occur in September 2022.

Acquisition timeline

2022

Aug 2022

IPH announced that Canada's pre-eminent IP agency firm, Smart & Biggar, will be joining the IPH group

Jul 2022

Divestment of Practice Insight Pty Ltd, trading as WiseTime to Anaqua Inc.

2021

Jul 2021

IPH expands its digital and trade mark capability with the acquisition of Applied Marks

Dec 2021

Integration of IPH member firms Shelston IP and Spruson & Ferguson Australia completed

2020

May 2020

Divestment of Glasshouse Advisory R&D tax and EMDG practices to Grant Thornton

Jul 2020

Integration of IPH member firms Watermark and Griffith Hack completed

Sep 2020

IPH firm AJ Park acquires New Zealand IP firm Baldwins IP

Acquisition timeline

2019

Aug 2019

IPH acquires Xenith IP Group, including Griffith Hack

2018

Jul 2018

Merger of Fisher Adams Kelly Callinans and Cullens with Spruson & Ferguson

2017

Jun 2017

Opening of Spruson & Ferguson Melbourne

Oct 2017

IPH acquires AJ Park in New Zealand

2016

Mar 2016

Opening of Spruson & Ferguson Indonesia

May 2016

Opening of Spruson & Ferguson Thailand

Jun 2016

IPH acquires Australian IP firm Cullens

Nov 2016

IPH acquires Ella Cheong Hong Kong and Beijing

Acquisition timeline

2015

Apr 2015

IPH acquires IP data analysis & software applications businesses Practice Insight and WiseTime

May 2015

IPH acquires Australian IP firm Fisher Adams Kelly

Sep 2015

IPH acquires Australian IP firm Pizzeys

Nov 2015

IPH firm Fisher Adams Kelly acquires the business of Australian IP firm Callinans

2014

Nov 2014

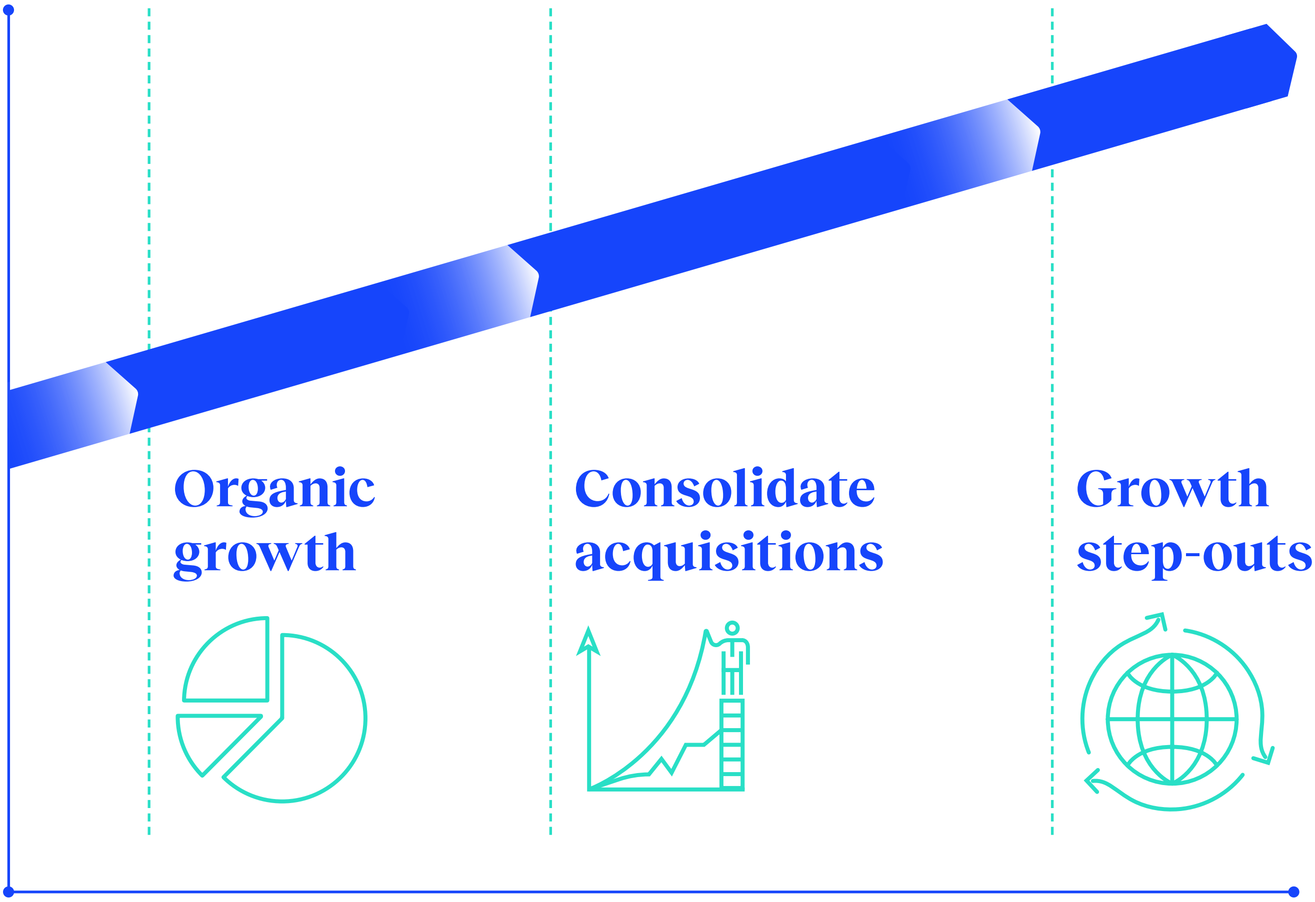
IPH becomes the first IP firm to list on the Australian Securities Exchange, with Spruson & Ferguson as the founding business

The IPH story

IPH was formed in 2014 with the vision of being the leading IP services group in secondary IP markets. We are now the number 1 patent group in Australia, New Zealand and Singapore and the number 1 trade mark group in Australia and New Zealand.

Our strategy, which allows us to deliver on our vision, is focused on organic growth, investing in new international and domestic businesses, and consolidating these acquisitions. Core to this strategy has been our success in acquiring and integrating firms that share our values, employ highly skilled professionals and that are leaders in the markets they serve.

Strategic direction



Enablers

Robust client management programs focused on delivering the highest levels of client service

Targeted service expansion across Asia Pacific

Focus on our people – attract, motivate and retain

Expand service offering to Australian and New Zealand companies

The IPH brand

At IPH, we use the combined power of our group network to build the capabilities of our people and our member firms to create benefit and value for all of our stakeholders. We call it the network effect.

IPH's commitment to continuous improvement means that we are continually looking to shape new ways of working in IP services. The scale of our group allows IPH to invest in technology, tools and resources to enhance our service offering and provide our clients and our people with smarter ways of working.

As the network evolves, we will continue to invest in building the capabilities of member firms and their people to enhance performance and open up new opportunities for growth.

The Network Effect

Smarter working

IPH is at the forefront of the future of work and continuously finding smarter ways to operate its firms.

Combined power

IPH brings together a portfolio of member firms supported by a leading infrastructure that makes accessing international markets more streamlined for clients.

iph

Enabling growth

IPH enables people and member firms to build greater capability and enhance performance.

FY22
Year in Review

Chairman's Report

I am pleased to present my first report as Chairman of IPH Limited (IPH).

Since joining the Company as a Non-executive Director in November 2021, and my appointment as Chairman on 28 February 2022, I have been greatly impressed by the calibre of people, the strong and enduring relationships our businesses have with our clients and the opportunities we have to leverage our platform to deliver further growth and greater value creation for shareholders.

I wish to acknowledge the significant contribution of my predecessor as Chairman, Richard Grellman AM.

Richard was the Company's inaugural Chairman from IPH's successful listing in November 2014 to February 2022 and presided over a period of substantial growth and significant value creation for shareholders. On behalf of the Board and shareholders, I wish to acknowledge and thank Richard for his contribution and wish him every continued success.

FY22 Results

IPH reported a Statutory Net Profit After Tax (NPAT) of $52.6 million for FY22 compared to $53.6 million for the prior year. Diluted Earnings Per Share was 24.0 cents, down 3 per cent on the prior year.

The Group's statutory results include the negative impact of the non-cash write-down of the intangible value of the Shelston IP brand of $4.6 million following its integration with Spruson & Ferguson Australia and the $2.2m write-down of the Practice Insight business which was divested in July 2022.

On an Underlying basis, the Company reported a strong uplift in earnings with Underlying NPAT increasing by 14 per cent to $86.7 million and Underlying EBITDA up by 11 per cent to $137.4 million.

The Directors declared a final dividend of 16 cents per share, 50 per cent franked, bringing the full year dividend to 30.5 cents per share, compared to 29.5 cents per share for the prior year. The full year dividend is in line with the Board's dividend policy to pay 80 to 90 per cent of cash NPAT as dividends.

More detail on our financial results is contained within the CEO's Report and Operating and Financial Review in the Directors' Report.

Update on Strategy

Our vision remains clear and consistent; to be the leading IP services group in secondary IP markets and adjacent areas of IP.

We continued to make progress on our strategy during the year, leveraging our strong network across the region to deliver organic growth, while continuing to extract synergies from business integrations.

We continued to expand our client offering and increase referrals from our member firms to expand our reach. This has resulted in an increase in new case referrals into our Asian hubs, up 4.5% for the year.

We successfully completed the integration of Spruson & Ferguson Australia and Shelston IP in December 2021. This integration has resulted in Spruson & Ferguson further extending its position as the leading IP firm in Australia.

The acquisition and integration of Applied Marks has enabled the creation of our Digital Services function which is focused on harnessing digital expertise and software tools to generate growth and efficiencies for our teams and clients in each of the regions in which we operate.

Through the course of the year the management team has invested significant effort in the Company's systems and technology infrastructure. The initial aim of this investment was to have all our member firms operating on the same up to date versions of the same systems. This investment will be ongoing with the aim of providing our clients with the best possible service. It is also aimed at equipping our staff with systems to provide them with the most satisfying work environment and the Company with the most efficient and lowest risk operating systems and processes. The Board is pleased with the results of this investment to date.

More recently, we announced a significant step in the implementation of our strategy with Canada's leading intellectual property (IP) agency firm, Smart & Biggar, to join IPH.

Smart & Biggar is one of Canada's preeminent IP firms, with more than 300 employees located in multiple offices across Canada. Smart & Biggar is a full service IP firm with a client base including *Fortune 500* companies and large multinational corporations, research institutions, SMEs, start-ups and Canadian entrepreneurs. They will become the first Canadian IP firm to join a publicly listed IP group.

This is a transformational transaction that extends IPH's international network beyond Asia Pacific into an additional significant secondary IP market. It also provides a platform for IPH to participate in further growth opportunities.

The acquisition will be funded by IPH's debt facilities and the issuance of IPH shares to the vendors. Following the transaction IPH will remain in a strong financial position with a pro forma group leverage ratio of below 2 times (net debt/EBITDA). I refer you to our separate announcement for detailed information on this exciting development.

We look forward to welcoming the employees of Smart & Biggar to group.

Sustainability

IPH remains committed to sustainability and has continued to work closely with our stakeholders to ensure we drive positive change and sustainable outcomes. We provide detailed information on this in the Sustainability section of this report, including reporting against a number of GRI Sustainability Reporting Standards and UN Sustainable Development Goals, highlighting the Group's contribution to sustainability in a global context.

With a growing focus on Environmental, Social and Governance (ESG), in FY22 IPH engaged sustainability specialists, Republic of Everyone, to review the Group's ESG strategy and to advise and assist with its update. This program of work is expected to complete in Q1 FY23 and will provide a refreshed and aligned approach to sustainability across the group in FY23 and for our future.

Importantly, the strategy will include measurable targets and programs against our identified material topics, including the ongoing assessment of climate change risk and opportunities across our business.

Further details of our strategy will be made available on our website.

Conclusion

I would like to acknowledge the Company's Managing Director and CEO, Dr Andrew Blattman, his leadership team, and all our people across the IPH Group for their dedication and efforts in FY22.

Our team can be justifiably proud of their achievements during the year in delivering a strong financial result while continuing the significant progress in implementing our strategic agenda.

I would also like to thank you, our shareholders, for your ongoing support of IPH.

Kind regards,

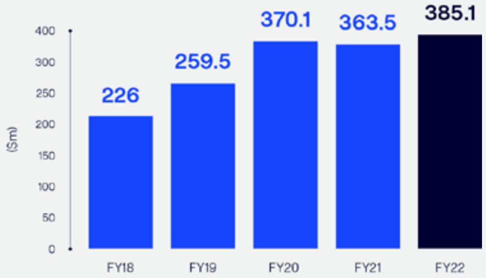
Peter

Peter Warne
Non-executive Chairman
IPH Limited

Financial Highlights

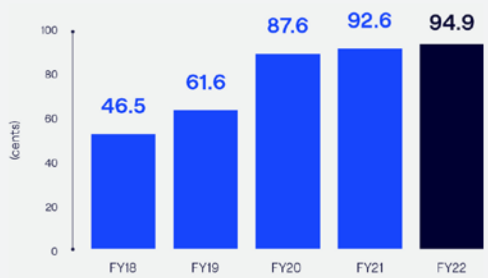
Revenue

AUD$385.1m



Operating Cashflow

AUD$94.9m



EBITDA[1]

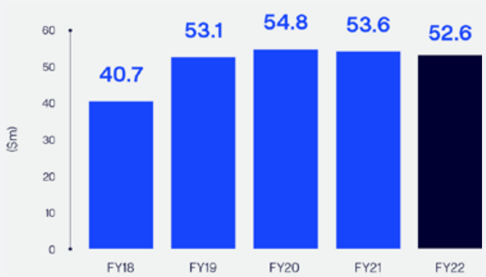
AUD$115.9m

Earnings Per Share[2]

24.0c

NPAT

AUD$52.6m



Full Year Dividend

30.5c

1) Earnings before Interest, Tax, Depreciation and Amortisation
2) Diluted Earnings Per Share

CEO's Report

IPH continued to leverage its leading IP network across Asia Pacific to deliver a strong financial result in FY22.

We also further strengthened our strategic platform to put the Company in a very strong position to continue to deliver earnings growth and enhanced shareholder returns for the future.

This includes the announcement that Canada's leading IP agency firm, Smart and Biggar will be joining the IPH group, which extends our reach beyond Asia Pacific and places the Company as one of the largest IP services groups in secondary IP markets.

FY22 Results

On an Underlying basis, the Company reported a strong uplift in earnings with Underlying NPAT increasing by 14% to $86.7 million and Underlying EBITDA up by 11% to $137.4 million. Underlying like-for-like EBITDA margin increased from 34.2% to 35.7%.

Underlying earnings were assisted by organic growth, particularly in our Asian business, together with a currency benefit as a result of the lower A$/US$ compared to the prior year.

On a like-for-like basis (which removes the impact of acquisitions and the effect of foreign exchange movements) IPH reported a 2% lift in both revenue and Underlying EBITDA.

Our Asian business delivered double-digit revenue and earnings growth on a like-for-like basis with revenue and EBITDA increasing by 10%.

Like-for-like revenue in IPH's Australian and New Zealand IP businesses decreased by 1%. However, the successful integration of Spruson & Ferguson Australia and Shelston IP in December 2021 and the delivery of cost synergies assisted to deliver a 1% growth in Underlying like-for-like EBITDA with a corresponding increase in Underlying EBITDA margin from 33.8% to 34.5%.

Market Conditions

In Singapore, IPH group maintained our number one patent market share of 21.9% for the period ending 31 March 2022.

Outside of Singapore, IPH experienced patent filing growth of 9.4% across our Asian jurisdictions in FY22, with growth across all key jurisdictions (except Hong Kong SAR). We continue to deliver double-digit filing growth in China with filings increasing by 15.3%.

The integration of Spruson & Ferguson Australia and Shelston IP, plus significantly reduced filings by the largest filer in the Australian market, impacted IPH group's total patent filings in FY22. IPH group filings in Australia (ex innovation patents) declined by 0.6% for FY22. If filings from this client were removed from IPH and the market, IPH filings increased 1.7% compared to a market increase of 7.0%.

IPH remains the market leader in Australia with combined group patent market share (excluding innovation patents) of 34% for the year to 30 June 2022.

Strategic Progress

IPH's strategy remains focused on organic growth, consolidating acquisitions and pursuing growth step-out opportunities. During FY22 we made considerable progress in each of these areas.

We have accelerated our growth strategy and extended our reach beyond Asia Pacific with the announcement that Canada's leading IP agency firm, Smart and Biggar will join IPH.

Smart & Biggar is a full service IP firm with a client base including Fortune 500 companies and large multinational corporations, research institutions, SMEs, start-ups and Canadian entrepreneurs. They will become the first Canadian IP firm to join a publicly listed IP group.

This transaction extends IPH's international network into an additional significant secondary IP market and will also provide a platform for IPH to participate in further growth opportunities.

The transaction is expected to be underlying EPS accretive at approximately 10% in the first full year of ownership and is expected to complete in September 2022.

We continued to leverage our leading network in IP jurisdictions across the Asia Pacific region with an 4.5% increase in case referrals leading to organic growth.

The integration of Spruson & Ferguson Australia and Shelston IP is delivering synergies as planned and following some short term disruption is well placed to grow its position as a leading IP firm in this market.

Our acquisition and integration of Applied Marks has enabled the creation of our Digital Services function which is focused on harnessing digital expertise and software tools to generate growth and efficiencies for our teams and clients in each of the regions in which we operate.

Focus on people

We continue to focus on attracting, motivating, developing, and retaining our people across the group.

FY22 was another record year for promotions for the IPH group with 31 promotions across all our member firms, including 14 Principal appointments (including a 50% increase in female Principal appointments from FY21).

We continue to invest in the future of the IP profession and supported more than 40 trainees to complete their Master of IP and become registered attorneys.

In the community

IPH is committed to supporting the communities in which we operate. In 2022, we were proud to announce a flagship community partnership with Australian not-for-profit organisation the Beacon Foundation. The partnership is the first-of-its-kind for IPH, with the group committing $500,000 over a five-year period to support Beacon Foundation in fulfilling its mission of improving educational and employment outcomes for young Australians. An important part of this partnership is the volunteering opportunities it will provide for people to support one of the many programs run by Beacon. With IPH's strong footprint in the Asia Pacific, we are exploring similar opportunities to support communities in New Zealand and Asia.

Summary

IPH has made substantial progress on its growth strategy. As a result, we are uniquely placed as one of the largest IP services groups in secondary IP markets to consolidate and grow our business in our key markets.

I want to acknowledge and thank all our people across IPH for their hard work and dedication in the delivery of this strong platform for growth. I would also like to thank our shareholders for your ongoing support and assure you of the Company's continued focus on generating further shareholder value creation.

Kind regards,

Andrew

Dr Andrew Blattman
CEO and Managing Director
IPH Limited

The IPH Board of Directors

The IPH Board from left to right: Robin Low, Dr. Andrew Blattman, Peter Warne, Jingmin Qian and John Atkin.

Peter Warne

Non-executive Director and Chairman

BA (Actuarial Studies), FAICD

Peter has been a Non-executive Director of IPH since 2021 and Chairman since February 2022. He brings to the roles an extensive knowledge of, and experience in, financial services and investment banking, gained through a number of senior roles at Bankers Trust Australia Limited, including as head of its Global Financial Markets Group from 1988 to 1999.

Peter was a Director of the Sydney Futures Exchange (SFE) from 1990 to 1999, and from 2000 to 2006, and served as its Deputy Chairman from 1995 to 1999. When the SFE merged with the Australian Securities Exchange (ASX Limited) in July 2006, he became a Director of ASX Limited, a position he held until 2020.

Peter has previously served as a Non-executive Chairman of ALE Property Group from 2003 to 2017, and OzForex Group Limited (now trading as OFX Limited) from 2013 to 2016. He also served as a Non-executive Director of Macquarie Group Limited and Macquarie Bank Limited from 2007 to 2022, including the period from 2016 to 2022 as Chairman. He was a Director of New South Wales Treasury Corporation from 2012 until 2020, where he also served as Chairman from 2019 to 2020.

In addition to his role on the IPH Board, Peter is Non-executive Chairman of St Andrews Cathedral School Foundation, a board member of international law firm Allens and NSW Net Zero Emissions and Clean Economy Board, and a member of the ASIC Corporate Governance Consultative Panel.

Dr Andrew Blattman

Chief Executive Officer and Managing Director

BScAgr (Hons 1), PhD, GraDipIP

Andrew was appointed as Chief Executive Officer and Managing Director of IPH in November 2017.

Andrew has nearly 30 years' experience in the intellectual property profession, having joined IPH Group member firm Spruson & Ferguson in 1995. He was appointed as a Principal in 1999 and served as CEO from 2015 to 2017, during which time the firm significantly expanded its footprints in both the Australian and Asia IP markets, opening new offices in Melbourne, Beijing, Hong Kong SAR, Jakarta and Bangkok.

Since Spruson & Ferguson's incorporation and the listing of IPH on the ASX in 2014, Andrew has played a key role in the development and growth of the IPH Group. He has a deep knowledge and understanding of the IPH business and the environment in which the company operates.

Andrew is on the Board of St Paul's College Foundation.

John Atkin

Independent Non-executive Director
LLB (1st Class Hons), BA (Pure Mathematics) (1st Class Hons)

John was appointed as a Non-executive Director in September 2014.

He is Chairman of the Australian Institute of Company Directors and Qantas Superannuation Limited, as well as a Non-executive Director of Integral Diagnostics Limited. He served as Chairman of Outward Bound Australia for over 12 years and has been the Vice Chairman of Outward Bound International since 2017. John is also a former Director of Commonwealth Bank Officers Superannuation Corporation Pty Limited.

John was CEO & Managing Director of The Trust Company Limited from 2009-2013 prior to its successful merger with Perpetual Limited.. A former lawyer, he was Managing Partner and Chief Executive of Blake Dawson from 2002-2008 and also practiced at Mallesons Stephen Jaques (as it was then known) as a Mergers & Acquisitions Partner for 15 years from 1987-2002.

Robin Low

Independent Non-executive Director
BCom, FCA

Robin was appointed as a Non-executive Director in September 2014.

In addition to her role on the IPH Board, Robin is a Director of ASX listed companies: AUB Group Limited, Appen Limited and Marley Spoon AG. She is also on the boards of Australian Reinsurance Pool Corporation, Gordian Runoff Limited/Enstar Australia Holdings Pty Ltd (part of the NASDAQ listed Enstar Group), Guide Dogs NSW/ACT and the Sax Institute. Robin is a member of the University of New South Wales audit committee.

She is a former Non-executive Director of CSG Limited and former Deputy Chair of the Auditing and Assurance Standards Board. Robin was with PricewaterhouseCoopers for 28 years, including as a Partner from 1996 to 2013, specialising in audit and risk.

Jingmin Qian

Independent Non-executive Director
BEc, MBA, CFA, FAICD

Jingmin was appointed as a Non-executive Director in April 2019.

Jingmin is a Director of Abacus Property Group and Club Plus Super, a member of Macquarie University Council, a Director of the Australia China Business Council, and Chairwoman of the Foundation for Australian Studies in China. She is also a senior advisor to leading global and Australian organisations and Director of Jing Meridian Advisory Pty Ltd.

Jingmin previously held senior roles with L.E.K. Consulting, Boral Limited, and Leighton Holdings. She brings a broad range of commercial experience covering strategy, mergers and acquisitions, capital planning, investment review and Asian expansion to her role on the IPH Board.

Note: Executives' profiles as at August 2022.

The IPH Executive Leadership Team

Philip Heuzenroeder

Group General Counsel & Company Secretary
BEc, LLB, LLM, GAICD (Order of Merit)

Philip has been Group General Counsel and Company Secretary of IPH since 2016.

Prior to joining the IPH Executive Leadership Team, he was a Principal of member firm Spruson & Ferguson for over 12 years.

Philip has nearly 30 years' experience as a solicitor and governance professional, both in private practice and in-house. His expertise covers a broad range of areas of law including commercial law, competition law, ICT, intellectual property and litigation.

Philip is a former Director of the Cure Brain Cancer Foundation.

John Wadley

Chief Financial Officer
B.Bus (Accounting & Finance), ICAA

John has been IPH's Chief Financial Officer since 2016.

As CFO John is responsible for financial management of the Group, including internal and external reporting to the ASX and IPH shareholders. The Finance team is also responsible for the treasury, taxation, budgeting and forecasting functions.

John is a qualified accountant. Prior to joining IPH he was Group Financial Controller at IT services firm SAI Global, having previously spent seven years in audit at firms Ernst & Young and Arthur Andersen.

John O'Shea

Chief Operating Officer
BEc, MBA, GAICD

John has been IPH's COO since 2018.

In his role, John works with the Managing Directors of the Group's member firms to ensure business strategy and key business initiatives are identified, developed and delivered in a way that supports commercial outcomes. In his time with IPH, John has also had responsibility for the consolidation of acquisitions and their integration into the Group.

John has an extensive background in senior executive roles having international, regional and Australian experience in his time as both a partner in KPMG Australia and as Global Chief Marketing Officer for KPMG International. Prior to professional services John held senior roles in banking, funds management and superannuation.

Cath Harris

Chief People Officer
BA (Hons), Masters of Human Resources and Organisational Development

Cath joined IPH as Chief People Officer in 2020.

In her role as Chief People Officer, Cath works with the leadership and people teams to align HR strategy to set and execute the Group's business strategy. She is responsible for talent attraction and management, policy design and implementation, employee relations, reward and recognition, performance management, building leadership capability and creating a great working atmosphere.

She has over 20 years' experience working in senior HR roles in professional services firms including roles leading HR functions for Dentons and Slater & Gordon, and media organisations Foxtel and Sky Broadcasting in Australia and the UK respectively. Cath has particular expertise in partnering with business leaders to shape strategy, build performance and create growth for their people.

Tee Tan

Chief Information Officer
BE (Computing) (Hons), MBA

Tee joined IPH in 2018 and is the company's Chief Information Officer.

Tee is responsible for ensuring that information technology investments and operations in all IPH Group companies are aligned with the Group's strategic business objectives. His role includes overseeing IT and digital strategy, executive leadership and team development, technology roadmap, IT operations, project delivery and information security.

Tee has more than 20 years' of experience, previously working in various senior IT roles, mainly in the financial services industry. He has an extensive IT background, specialising in systems architecture with a proven track record in championing flexible and scalable solutions and solving complex organisational problems.

Halina Kochanowicz

Chief Commercial Officer
Licentiate in Law, MBA

Halina joined IPH in 2021 as the company's Chief Commercial Officer.

She is responsible for business development, sales, marketing and communications.

A former lawyer, Halina has more than 20 years' experience working as a marketing professional in Europe, Brazil, New York and Sydney. She has worked primarily in the legal industry for both international and leading Australian firms.

Before joining IPH as the Chief Commercial Officer, Halina worked for Elevate and set up Elevate Flex in Australia. Prior to that she was the CMO at Corrs Chambers Westgarth, Australia's leading independent law firm.

Halina is fluent in six languages and is a passionate advocate for kids with ASD.

Note: Executives' profiles as at August 2022.

Corporate **Directory**

Corporate Directory

Directors	Mr Peter Warne - Chairman Dr Andrew Blattman Mr John Atkin Ms Robin Low Ms Jingmin Qian
Company Secretary	Mr Philip Heuzenroeder
Notice of Annual General Meeting	IPH will hold its 2022 Annual General Meeting on Thursday 17 November 2022.
Registered office	Level 22, Tower 2, Darling Park 201 Sussex Street, Sydney NSW 2000 Tel: 02 9393 0301 Fax: 02 9261 5486
Principal place of business	Level 22, Tower 2, Darling Park 201 Sussex Street, Sydney NSW 2000
Share register	Link Market Services Limited Level 12, 680 George Street, Sydney NSW 2000 Tel: 1300 554 474
Auditor	Deloitte Touche Tohmatsu Level 9, Grosvenor Place 225 George Street, Sydney NSW 2000
Solicitors	Watson Mangioni Lawyers Pty Limited Level 23, 85 Castlereagh Street, Sydney NSW 2000
Stock exchange listing	IPH Limited shares are listed on the Australian Securities Exchange (ASX code: IPH)
Website	www.iphltd.com.au
Corporate Governance Statement	The Corporate Governance Statement has been approved by the Board of Directors and can be found at www.iphltd.com.au

Sustainability **Report**

Contents: Sustainability Report

Our achievements

31 promotions across the group

14 Principal appointments

50% increase in women promoted to Principal from FY21

140 leaders participated in the IPH People Leadership Excellence Program since inception in FY21

12 employee referrals via our new employee referral program

95+ professional staff received industry awards

AUD$500k

committed to a 5-year partnership with Beacon Foundation

AUD$260k+

to support more than 40 trainees to complete their Master of IP

1,100

hours of content delivered through our IPH Professional Development Workshops launched in May 2022

18%

reduction in scope 2 emissions in ANZ

233

new hires

Our approach to sustainability

At IPH, maintaining a business that supports the economy, society and the environment is fundamental to how we operate.

Our approach is underpinned by our core values and informed by our understanding of the importance of resilient and sustainable business practices to help achieve a more sustainable future. IPH's approach to sustainability is set out in more detail in this Report.

Our firms provide services to industries including pharmaceutical, engineering, aerospace, healthcare, food and beverage, life sciences, agriculture, biotechnology, ICT and fintech that enable industry participants to protect and sustain their investment in innovation and continue to pursue further commercial development.

We continue to work with clients to secure IP protection of and commercialise new technologies, inventions, designs and innovations. We also continue to work to support the communities in which we operate, and to support causes that drive positive social change.

In FY22, we introduced our Group Community Program initiative to increase collaboration among our member firms and maximise our impact in support of identified United Nations Sustainable Development Goals (UNSDGs). See the section titled "Acting Responsibly" for further information on the economic value distributed by the group during FY22.

Contribution to UN Sustainable Development Goals

IPH supports the UNSDGs, which are designed to be a blueprint to achieve a better and more sustainable future for all. IPH has identified the following UNSDGs as being those in relation to which we have the biggest impact, and which are most relevant to our business strategy:

The group promotes a diverse workforce with an inclusive culture.

The group promotes full and productive employment and decent work for all our employees. We contribute to the growth of economies by our own economic activity, including the creation of value for our shareholders and other stakeholders and by our support of appropriate protection for innovation and the resulting economic activity.

The group encourages investment in research and development and supports innovation through the IP and related services it offers clients.

The group invests in community initiatives, including volunteering, donations and community partnerships, and promotes the benefits of innovation for communities.

The group has established a community partnership with Australian not-for-profit organisation Beacon Foundation. We've committed $500,000 over a five-year period to support Beacon Foundation in fulfilling its mission of improving educational and employment outcomes for young Australians.

The group actively participates in the IP ecosystem by providing IP services to clients, interaction with and support of government IP regulatory authorities, and via utilisation and support of international frameworks and treaties for the protection of IP. The group supports the building and maintaining of effective and accessible institutions at all levels.

Materiality and stakeholder engagement

Our Material Topics

IPH is exposed to multiple risks that may have an impact on the company's ability to achieve its operational, financial and strategic objectives. Material risks faced by the IPH group are disclosed in the Directors' Report and also addressed in the IPH 2022 Corporate Governance Statement.

In this Sustainability Report, we report on the material risks and opportunities for the IPH group that have economic, environmental and social impacts, and therefore influence the assessments and decisions of our stakeholders. We refer to these as "Material Topics".

During FY22, members of IPH's management team undertook a materiality assessment to identify the Material Topics set out below. Management considered materiality in light of the "materiality principle" articulated in *GRI Standard 101: Foundation 2016*.

Given the two-pronged nature of the materiality principle which includes assessing the influence of risks and opportunities on our stakeholders, our Material Topics differ somewhat from the material risks disclosed in the Directors' Report (and in our Corporate Governance Statement). In particular, while IPH does not consider that it has any material exposure to environmental risks (see our Corporate Governance Statement), we do report on climate change risks and opportunities below as part of the Material Topic "Acting responsibly". This is because IPH appreciates the importance and relevance of this issue to our stakeholders.

Following the materiality assessment undertaken by members of IPH's management team, four Material Topics were identified as set out below:

Material Topic	Key stakeholders impacted	Relevant section in this Report
Our People, including: » health, safety and security of employees; » employee engagement and motivation; and » diversity.	Our people; shareholders and the investment community.	Page 35
Governance, risk, privacy and data protection	Government and regulators; Australian Securities Exchange; our people; clients and customers; shareholders and the investment community.	Page 48
Client and customer experience and satisfaction	Clients and customers; shareholders and the investment community.	Page 53
Acting responsibly, including: » climate-related issues and environmental initiatives; » community impact; and » financial contribution.	Clients and customers; government and regulators; our people; shareholders and the investment community; communities.	Page 55

Our Stakeholders

IPH engages with a broad range of stakeholders, who are an essential part of our operations. Planning and engagement with stakeholders is a key element of effective risk management. Stakeholder engagement is also an important part of the materiality assessment referred to above.

Our key stakeholders are considered to be those that are affected by, or have the ability to effect, the IPH group, together with stakeholders that are interested in the IPH group.

IPH is committed to engaging openly, honestly and regularly with our stakeholders to understand their expectations and concerns. The method and frequency of engagement varies depending on the stakeholder, the purpose of engagement and the stakeholder's issues of concern.

IPH's key stakeholders can be identified as follows:

Stakeholder group	Why is this a key stakeholder group?	Method of engagement
Our people	As a professional services business, our people are critical to our success. We have a strong commitment to creating a dynamic workplace where our people are supported to reach their personal and career goals.	We engage with our people through engagement surveys, presentations, internal learning and development, training sessions, reviews, performance development sessions and succession planning.
Shareholders and the investment community	IPH has a range of investors with different interests and concerns. We are committed to providing information to shareholders and the market in a timely manner, which assists in promoting investor confidence in the integrity of the group.	IPH engages regularly with its shareholders and the investment community, guided by our Continuous Disclosure and Investor Relations Policy. IPH communicates information on the group's activities to shareholders and the public via a number of forums and channels including our Annual General Meeting, announcements to the ASX, investor presentations, meetings with investors, analysts and proxy advisers, releases to the media, the release of financial and other reports, our website including an enquiry tool and publication of all announcements, and the membership and participation of directors and senior management in a range of professional governance bodies and interaction in other forums.

Stakeholder group	Why is this a key stakeholder group?	Method of engagement
Clients and customers	The group has a diverse client base including some of the world's leading companies, multi-nationals, universities, public sector research organisations, foreign associates and other corporate and individual clients. We assist our clients by helping to protect their IP, including their research, inventions, trade marks, brands, designs and other innovations.	IPH member firms have ongoing dialogue with their clients and customers, including via meetings, phone calls and written communications, and through client surveys.
Suppliers	IPH has a diverse supply chain. IPH and its member firms are dependent on our suppliers to assist the group in the provision of professional services.	IPH and its member firms have ongoing engagement with our suppliers in the course of the supply relationship. We have recently rolled out and are implementing a Supplier Code of Conduct for all new suppliers. This sets out the standards and behaviours expected from suppliers when conducting business with the group and this will continue to be refined. We also work with our suppliers to ensure compliance with legislation, including the *Modern Slavery Act 2018* (Cth).
Government and regulators	IPH operates in a highly regulated environment as an Australian listed entity, and in the operation of our professional services businesses. Our IP professional staff are governed by codes of conduct and professional conduct rules for patent and trade mark attorneys and legal practitioners. IPH and its member firms are committed to maintaining the highest standards in our activities.	To ensure we monitor and comply with regulatory and professional obligations, IPH and its member firms engage directly with relevant regulatory and government bodies as required.
Communities	IPH recognises our responsibility to act appropriately within the communities in which we operate. We do this in our interaction with all of the stakeholders outlined above. Our commitment extends to our engagement with our profession and our community and charitable initiatives	IPH and its member firms engage with our local communities, via professional memberships and contributions, and by giving and volunteering initiatives. IPH makes a significant financial contribution to our communities by the creation of economic activity with our suppliers and customers, provision of employment, and creation and distribution of value for shareholders.

In the following sections of our Sustainability Report, we address in more detail each of the "Material Topics".

Our people

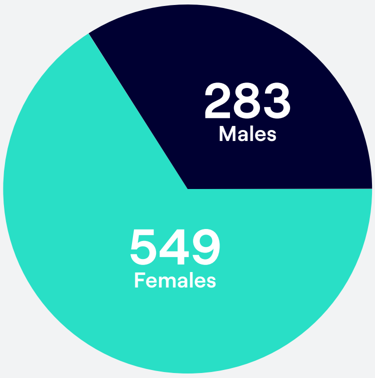
IPH is committed to developing our talent and providing a positive employee experience across the group. Since consolidating our human resource (HR) capability into one team in FY21, we've continued to make group-scale investments in people systems and tools. This has had a positive impact in delivering a consistent employee experience approach across the group. Our investments in our HR capability, systems and tools are further outlined in this Report, and highlight future opportunities and initiatives to build capability among our people across all jurisdictions.

Our workforce in FY22

As at 30 June 2022, IPH employed more than 900 people across our member firms serving over 25 countries. The following tables show our workforce by contract type, employment type and region across the group. We have also included data on new hires. This material references Disclosure 401-1 from *GRI 401: Employment 2016*.

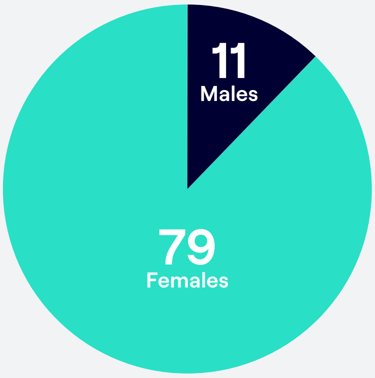
Total number of permanent employees

Full Time



Total
832

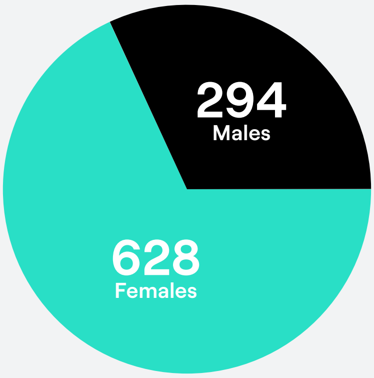
Part Time



Total
90

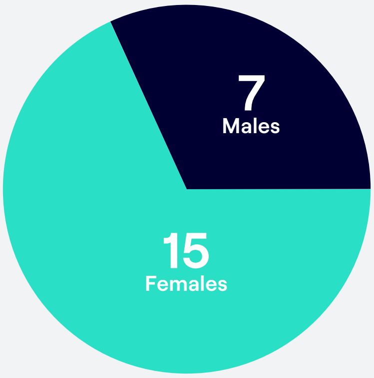
Total number of employees by contract type

Number of permanent staff



Total
922

Number of contract staff

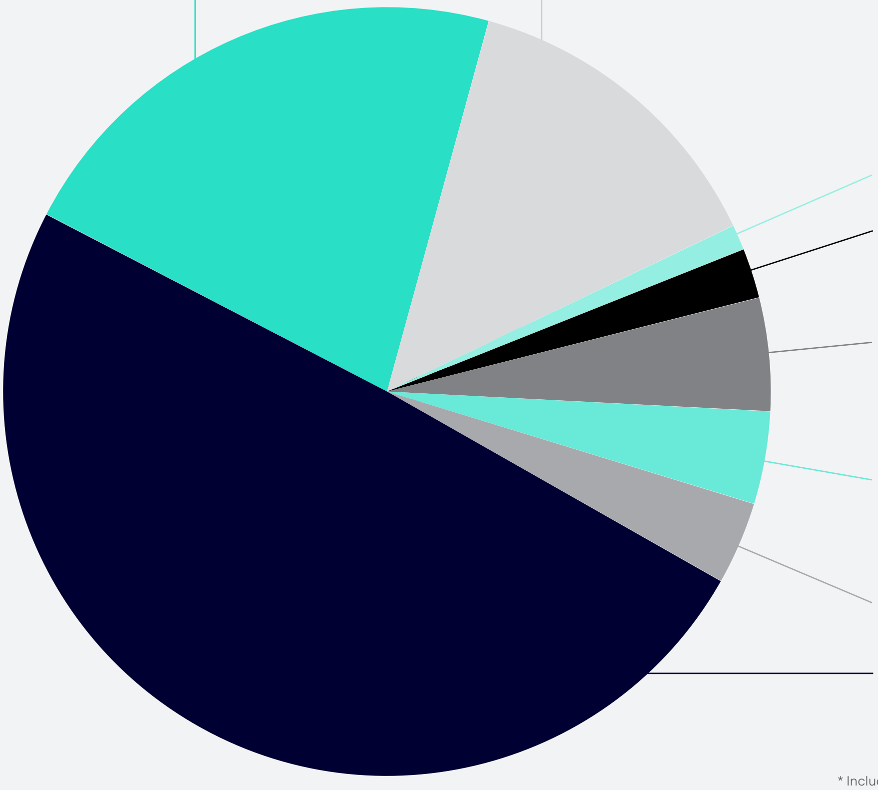


Total
22

Approximate employee numbers as at 30 June 2022.

Workforce by region

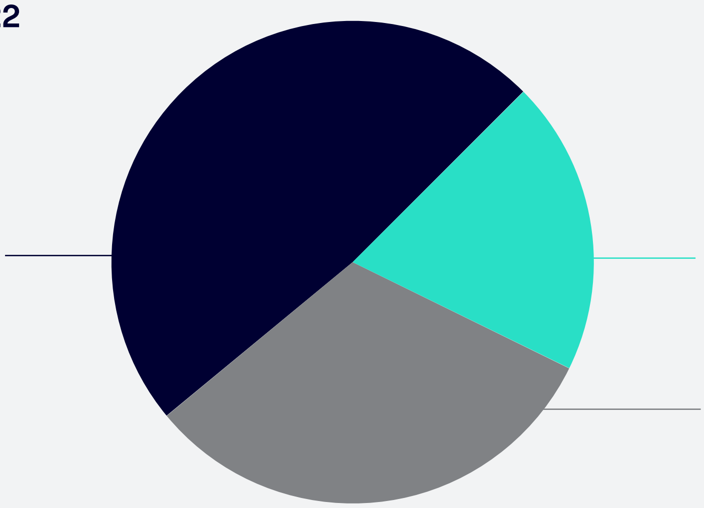
Total*
947



* Includes all permanent, contract and casual employees.

New hires for FY22

Total*
233



13% staff turnover across the group in FY22

Note: Voluntary departures only.

Health, safety and security of employees

We are committed to providing a safe work environment and flexible work options that support diverse individual, team and geographic circumstances. Over the FY21 and FY22 period, we have had a significant focus on supporting flexible working arrangements, mental health and wellbeing, and providing management with resources to drive staff engagement.

Health and wellbeing

Our partnership with Assure, an enterprise-wide Employee Assistance Provider (EAP) continues to provide benefits and enable the provision of comprehensive employee support and wellbeing services. This includes the introduction of a resource to support and engage our people during extended periods of lockdown and across hybrid working models as a result of COVID-19. Resources are available to all staff via our Wellbeing Gateway application and on our Intranet. Resources include virtual seminars and information regarding mental health and wellbeing, financial management, understanding fatigue and impacts of uncertainty on children.

Over the FY22 period, we have delivered several initiatives to support health and wellbeing, including but not limited to:

» **Mental health sessions** – these include participation in RU OK? Day a national initiative driven by an Australian non-profit suicide prevention organisation; and a session focused on managing uncertainty due to the global pandemic. More than 500 group employees in total participated in these events.

» **Counselling services** – via Assure, the provision of a comprehensive range of content and access to free professional and confidential counselling services to employees and their immediate family members. The annual utilisation rate for FY22 is 8.67%, an increase of 2.67% on FY21 utilisation rates. In addition, all staff now have access to the Assure app on their mobile phones.

» **Mindfulness programs** – establishing a part-nership with Smiling Mind, a non-for-profit web and app-based mindfulness and meditation organisation. Smiling Mind delivered mindfulness workshops to leaders and employees to support mental health and resilience.

- **Member firm initiatives** – our member firms also facilitate numerous wellbeing initiatives including flu vaccinations programs, health insurance benefits and wellbeing incentives.
- **Community-based initiatives** – including the group-wide involvement in STEPtember 2021, with 233 employees participating to raise $29,070 to improve the lives of people with cerebral palsy. This figure was matched by IPH, resulting in a total contribution of $57,871.

COVID response & employee reengagement

The IPH COVID Response Team continues to coordinate activities across the group to support the varying needs and situations of our employees across the regions in which we operate. This includes ensuring COVID-safe plans, including the group COVID Policy and COVID response plans for each member firm remain in place and are followed.

While we continue to implement best practice COVID measures, our focus has turned to employee engagement levels and safe return to work initiatives whilst supporting flexible working arrangements.

Hybrid Working Policy revisions

We have further revised our existing Hybrid Working Policy to support our people and their diverse working arrangements. The majority of our workforce has elected to and is supported to work in a blended model. Across the group:

- 80% of employees in Spruson & Ferguson's Australian offices are engaged in a hybrid working arrangement
- A 2 days in / 3 days out hybrid working agreement has been introduced in Spruson & Ferguson's Singapore office, utilised by all employees
- 96% of Griffith Hack employees are engaged in a hybrid working arrangement
- 99.05% of AJ Park employees are engaged in a hybrid working arrangement
- 56% of IPH and IPH Services employees are engaged in a hybrid working arrangement

IPH Limited raises $57,871 for people with cerebral palsy

IPH participated in STEPtember 2021, Australia's leading virtual health and wellness fundraising challenge dedicated to raising funds for people living with cerebral palsy. A total of 233 employees took a combined 65-million equivalent steps to raise over $29,070. IPH matched this, making an equivalent donation to the Cerebral Palsy Alliance, contributing a total of $57,871 for people with cerebral palsy. IPH placed 38th overall for fundraising out of over 2,500 organisations who participated in the event.

Cerebral Palsy Alliance provides annual support for more than 6,500 people living with cerebral palsy - a condition that affects more than 17 million people around the world.

In 2005, Cerebral Palsy Alliance established a Research Foundation to fund Australian and international research to find a prevention and cure for cerebral palsy. The Foundation is also committed to improving the quality of life of people with cerebral palsy by funding research into improving early diagnosis which can reduce the long-term impact of the disability, treatments and technology innovations.

STEPtember fundraising is turbo-charging this research and has been a major contributing factor in reducing the rate of cerebral palsy in Australia by 30%.

"Your people have been able to do something very special for children and adults living with cerebral palsy – Australia's most common childhood physical disability and the fifth highest cause of death in childhood. Events like STEPtember ensure we can help babies, children, teenagers and adults living with CP reach their full potential and lead the most independent and inclusive lives possible."

Rob White
CEO
Cerebral Palsy Alliance

Employee engagement and motivation

Engagement surveys

We are committed to offering the best possible employee experience for our people. In 2020, we launched a partnership with Culture Amp to facilitate regular employee engagement surveys and to track engagement within each of our member firms. Annual surveys are conducted both at a group level and within each member firm, providing insights on staff satisfaction and importantly highlighting areas which we can focus on to enhance our employee experience.

Based on results and feedback from our 2021 surveys, we introduced several initiatives to drive employee engagement and satisfaction. Our FY22 employee engagement survey highlights the positive impacts of these, specifically group-wide improvements across the following key themes:

Leadership – confidence in leadership, transparency and clear communication and commitment to people as fundamental to the organisation's success. Results demonstrated an uplift in staff satisfaction relating to leaders providing useful feedback regarding performance, acting as a great role model for employees, and showing genuine interest in the career aspirations of their staff.

Work / life blend – genuine support for flexible work arrangements and a balanced work/life approach. Results demonstrated an uplift in staff satisfaction relating to staff feeling genuinely supported when making use of flexible working arrangements, and confidence in their ability to take time out from work when needed.

Management - commitment to employee wellbeing and providing open lines of feedback and communication. Results demonstrated an uplift in staff satisfaction relating to senior leaders keeping people informed about what's happening across the business.

Looking to FY23, we have identified three pillars as focus areas for addressing feedback provided in our latest engagement surveys, which were conducted in March 2022:

IPH Engagement Pillars

What IPH will be focussed upon to improve the Employee Experience:

Employee Value Proposition

Work with our employees to develop a shared vision that is motivating and relatable.

Recognition Program

Roll out a platform that enables us to reward employees for their efforts and celebrate successes big and small.

Remuneration and Benefits

Align employee remuneration and benefits to the extensive benchmark data we have collected to ensure role responsibility, remuneration and benefits are aligned.

14 Principal appointments

6 Female **8** Male

Professional development

Professional development initiatives in FY22 have included further investment in developing our talent and organisational capability, supporting our objectives to be an employer of choice. This material references Disclosure 404-2 from *GRI 403: Training and Education 2016*.

Group Professional Development Program – The program supports a group-wide approach to delivering training content, collateral and shared knowledge to professionals across our member firms. A working group consisting of representatives from each firm collaborates to identify development sessions that align with priority areas including across legal and jurisdiction frameworks, process and case laws, developments across Practice Groups, and more general areas such as communication and time management. Since launching in May 2022, we have delivered over 1,100 hours of continuous professional education to nearly 300 staff working in our member firms.

Leadership Excellence Program – In FY22, we have put an additional 75 leaders through our bespoke People Leadership Excellence Program. Since launching the program in FY21, more than 140 leaders have completed the course. Due to the success of this program, in FY22 we launched a Principal Excellence Program, specifically tailored for our most senior leaders. Already, 16 Principals from across our member firms have completed the program and we look forward to continuing to roll this out to our Principal cohort, in particular targeting newly appointed Principals.

Capability Framework – IPH's capability framework was launched in February 2022 and provides a defined career pathway for those entering the profession as a trainee all the way through to Practice Group Leader. The framework is already being used to support recruitment, talent and succession planning, and the design and delivery of development programs for our Practice Group Leaders, Principals and Senior Associates.

140 leaders participated in the People Leadership Excellence Program since FY21

GRIFFITH HACK

IPH People Leadership Excellence Program

Dr Toby Thompson is a Principal at Griffith Hack working in Patents within the ChemLife group and one of our Principals who participated in our Principal Excellence Program (PEP), launched in FY22.

Designed to help upskill our Principals, the PEP supports collaboration and drives greater consistency in our leadership capability across the group.

The PEP also helps reinforces areas our Principals need to focus on to strengthen the business and achieve wider group objectives. In talking about his experience and the highlights of the PEP, Toby said, "I really enjoyed having the opportunity to take part in the program. The guidance from Mark Priede and the other speakers was extremely helpful, as was having the opportunity to reflect on the ways in which I work, and to get views from other Principals on the program, particularly those from other practice groups and other firms within the IPH group."

"Rather than being an off-the-shelf program, the Principal Excellence Program was very much tailored to the needs of people at my level and took a holistic approach in giving guidance on all aspects of the role. Having a mixture of articles designed to get us thinking, coupled with worked scenarios to go through in teams during the sessions was a good way to maximise what we got out of the experience."

Dr Toby Thompson
Principal, Griffith Hack

Learning & Development Academies – Our member firms have also invested in local training initiatives, facilitated by their Learning and Development academies. Member firms have also invested in developing senior practitioners to coach and mentor those in more junior roles to support their professional development.

Financial support for study – Across the group, member firms invested a combined total of over AU$260,000 supporting around 40 trainees to complete their Masters in Intellectual Property, enabling them to become registered attorneys.

The Hub - The Hub was rolled out at the end of FY21, enabling all employees to complete a self-assessment as part of our annual performance review process. People Leaders use The Hub to capture the outcomes of end of year performance conversations and set objectives for employees. Employees can then view feedback in the months following review and track progress throughout the year.

The Dome - Launched in July 2021, the Intranet provides our employees access to training resources, learning and development resources, opportunities across the group, and latest group news and information.

Promotions and Employee Incentive Plan (EIP) participation

IPH announced 31 promotions across member firms AJ Park, Griffith Hack, Pizzeys and Spruson & Ferguson in FY22. This included 14 Principal appointments; a record number for the group in recent years and three more than appointed off the back of a record year in 2021. Of these, six of the Principals promoted were women, a 50% increase on FY21.

In FY22, 178 eligible staff participated in our (EIP), and we were able to achieve 55.2% of awards, or approximately A$4.5million in cash incentives and shares of the same value, through the program. In addition to the cash elements of the incentive plan, our EIP enables eligible employees receiving awards in the plan to become shareholders in IPH, thereby sharing in its success.

Employee referral program

Our group-wide employee referral program provides an attractive benefit to staff within our Australian businesses who refer potential candidates who are then successfully recruited into that business. Since we introduced the program in September 2021, 12 employees have participated, and we have made AU$37,000 in payments. Eight employees have received payment to date and the four outstanding payments will be made post 1 July 2022.

12 employee referrals via our new Employee Referral Program

AUD$260k+ to support more than 40 staff to complete their Master of IP

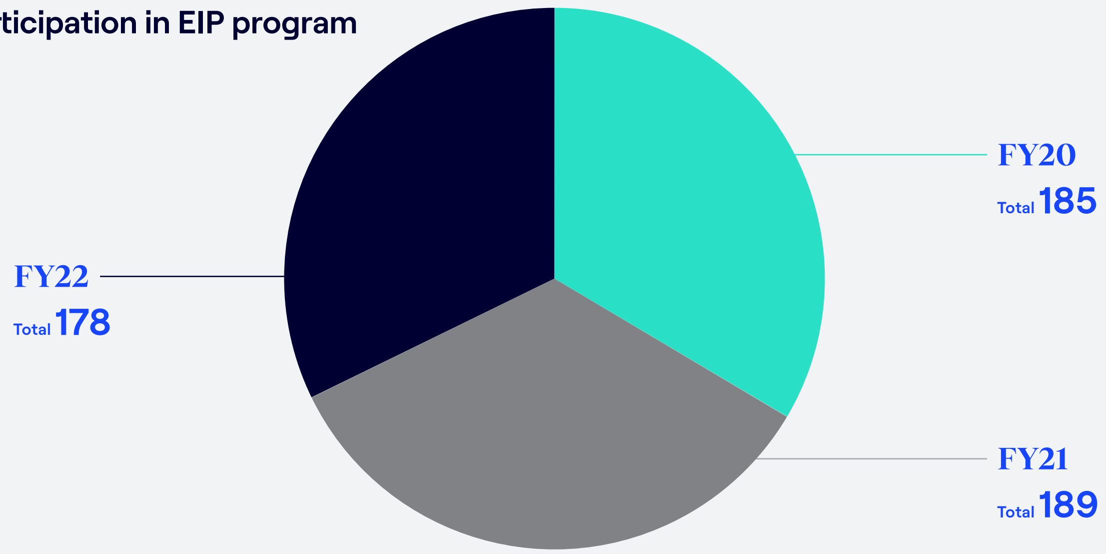
Diversity

Inclusion and diversity remain fundamental to building a strong culture and attracting key talent. We also aim to support the communities in which we operate through activity such as our participation in Wear It Purple Day in August 2021. Wear It Purple is a youth-led initiative to raise awareness and support safe, empowering and inclusive environments for rainbow young people.

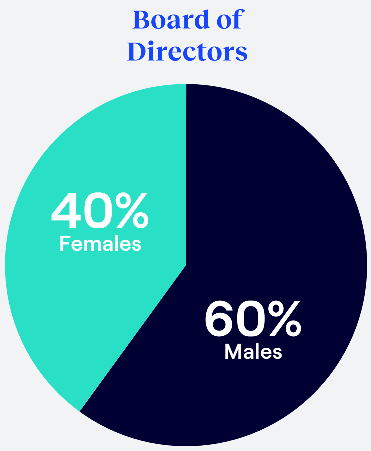
In FY22, the Board adopted a measurable objective of at least 30% representation of women for IPH directors, and in Senior Executive/Principal roles. This target was in line with our FY21 objective of 30% female representation. As highlighted in the table below we (exceeded our target across each category).

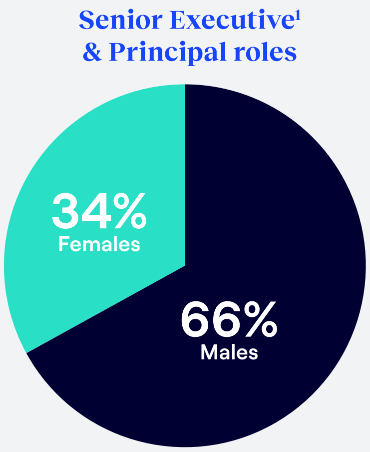
This material references Disclosure 405-1 from *GRI 405: Diversity and Equal Opportunity 2016*.

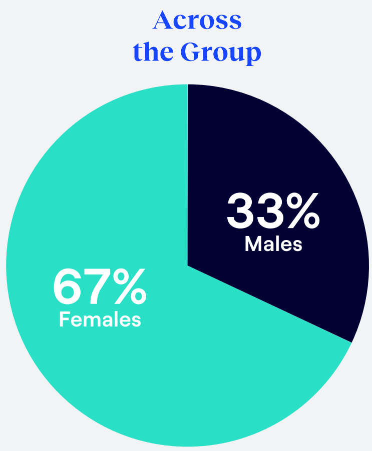
Participation in EIP program



The following table shows the representation of women across the IPH Group. This material references Disclosure 405-1 of *GRI 405: Diversity and Equal Opportunity 2016*.







1) A senior executive is a person who is a member of the Company's group leadership team, comprising the Company's senior executive team and leaders of the group's principal business units.

Our Diversity Policy outlines other strategies in place to cultivate a diverse workforce. We are pleased to provide a recap on what we introduced and achieved against some of these strategies in FY22.

Diversity strategy (as outlined in our Diversity Policy)	What we have done in FY22
Taking steps to attract, retain and motivate well qualified employees, Senior Executives and Board members from a diverse pool of candidates	» Establishing a careers page on the group intranet » Launching a group recruitment policy that requires all roles to be advertised internally before going to third party providers » Launching an employee referral program rewarding staff with a cash bonus when they refer a new employee to the group (payable on successful completion of probation) » Continuing to embed hybrid working through the group and rolling out in Asia » Developing and launching a new Principal Excellence Program to support the transition to leadership for newly appointed Principals » Continuing to enhance our offering of online programs to support the roll out of technology and onboard new employees
Develop a broader pool of skilled and experienced employees, Senior Executives and Board candidates, including workplace development programs	» Continuing to roll out the IPH People Leadership Excellence Program » Launch of People Leader Connect sessions for People Leadership excellence alumni to practice and apply their learning on a quarterly basis » Development and launch of the Business Development Excellence Program » Launch of the Smiling Mind Mindfulness Program and various other employee mental health awareness sessions » Launch of a professional development curriculum for fee earning staff » Continued opportunities for knowledge sharing sessions and in-house tutorials through our learning academies » Continued financial support of our Trainee Attorneys across our member firms through the completion of the Masters in Intellectual Property to enable them to become registered attorneys
Taking action against inappropriate workplace behaviours including discrimination, harassment, vilification and victimisation	» Deployment of risk and compliance training for all new starters across the group
Recognising that employees (female and male) may have domestic responsibilities and providing workplace flexibility that will assist them to meet those responsibilities	» Revising the Hybrid Working Policy to provide greater flexibility to support them balancing workplace and domestic responsibilities

Parental leave

Our Paid Parental Leave Policy was introduced for Australian staff in 2021, supporting primary care givers with 12 weeks paid leave and secondary care givers with two weeks paid leave. The policy is available to birth parents and adoptive parents and covers special leave for pregnancy related illness and birth related complications. In New Zealand, a similar policy is in place which allows for 12 weeks paid parental leave for primary care givers, while in Asia the policy provides for eight weeks paid parental leave.

As at 1 July 2022, the policy was updated to support primary care givers with up to 18 weeks of paid parental or adoption leave and secondary caregivers with up to three weeks of paid parental or adoption leave. In addition to this, the policy now recognises employees who have been with the group for a minimum of one year (and less than 2 years), who will now be entitled to eight weeks of paid leave. In recognising that the path to parenthood is not always straightforward, we have also introduced additional paid leave entitlements for miscarriage or loss of a child on top of existing leave entitlements mandated by the government.

The following table shows the uptake of parental leave within our group businesses for the period 1 July 2021 to 30 June 2022. This material references Disclosure 401-3 from *GRI 401: Employment 2016*.

	Parental leave taken		Return to work when leave ends	
	Male	Female	Male	Female*
AJ Park	0	6	0	3
IPH	1	4	1	2
Griffith Hack	1	4	1	2
Pizzeys	0	1	0	1
Spruson & Ferguson (Australia)	1	8	1	2
Spruson & Ferguson (Asia)	2	6	2	5

* Excludes those not yet returned from leave.

Governance, risk, privacy and data protection

Corporate Governance Framework

IPH remains committed to high standards of corporate governance to ensure the long-term sustainability of its business, including to deliver value to its stakeholders. Our corporate governance framework includes policies and practices which help to ensure that IPH manages risk effectively, maintains appropriate transparency of its operations and drives successful outcomes across the group. This summary should be read in conjunction with our Corporate Governance Statement, which has been lodged with the ASX and is available on our website.

The IPH Board

The IPH Board is responsible for establishing a corporate governance structure aimed at creating and protecting shareholder value.

The Board is also responsible for setting the strategic direction of the group and monitoring the implementation of that strategy by IPH management.

Board Committees

The IPH Board has established the following committees to assist in managing its various responsibilities:

» Audit Committee

» Nominations and Remuneration Committee

» Risk Committee

The members of each of these committees are listed in the Directors' Report and the charter for each committee is available on the IPH website.

Governance Policies

IPH seeks to maintain the highest standards of governance in the conduct of its activities and continually seeks out ways to strengthen its governance of the group.

The success of the group is underpinned by a number of core values, which are set out in IPH's Statement of Values, available on the IPH website. The values set out in the Statement of Values are inculcated across the group and supported by the standards and behaviours set out in IPH's Code of Ethics and Professional Conduct, also available on the IPH website.

These policies assist IPH to maintain its reputation and standing in the community as an ethical business, which is important to IPH's ongoing success.

In addition to the Statement of Values and Code of Ethics and Professional Conduct, IPH has a number of other corporate policies, which further strengthen its corporate governance framework.

IPH's suite of corporate governance policies are available on the IPH website and listed below:

» Statement of Values

» Code of Ethics and Professional Conduct

» Continuous Disclosure and Investor Relations Policy

» Share Trading Policy

» Diversity Policy

» Hedging and Margin Loan Policy

» Risk Management Policy

» Whistleblower Policy

» Anti-Bribery Policy

» Sanctions Policy

» Supplier Code of Conduct

» Privacy Policy

During FY21 and FY22, IPH has been pleased to comply with all recommendations of the 4th Edition of the Corporate Governance Principles and Recommendations.

Training

During FY21, IPH delivered online training courses covering key corporate governance policies to staff across the group. A number of online training courses were provided to all officers and employees across the group, including with respect to the following policies:

- Statement of Values
- Code of Ethics and Professional Conduct
- Whistleblower Policy
- Anti-Bribery Policy

During FY22, online training courses were made available to all new officers and employees across the group.

Online training was also provided to relevant officers and employees across the group on the following policies:

- Share Trading Policy
- Sanctions Policy

IPH intends to provide regular "refresher" training on all of all these policies regularly.

Anti-Corruption

IPH and its member firms are committed to doing business in an ethical and honest manner and we take a zero-tolerance approach to bribery and corruption. IPH is committed to acting professionally, fairly and with integrity in all its business dealings and relationships and strives to implement and enforce effective systems to counter corruption.

As noted above, IPH has implemented an Anti-Bribery Policy, which applies across the group. During FY21, an online training course covering the IPH Anti-Bribery Policy was rolled out to all officers and employees across the group. During FY22, this same training course was made available to all new officers and employees across the group. This material references Disclosure 205-2 from *GRI 205: Anti-Corruption 2016.*

IPH did not record any incidents of corruption in the 2022 financial year. This material references Disclosure 205-3 of *GRI 205: Anti- Corruption 2016.*

Anti-Competitive Behaviour

IPH supports fair and vigorous competition and operates in a manner consistent with relevant anti-competition, anti-trust and monopoly legislation. During FY22, IPH was not identified as a participant in any pending or completed legal actions regarding anti-competitive behaviour or violations of anti-trust and monopoly legislation. This material references Disclosure 206-1 of *GRI 206: Anti-Competitive Behaviour 2016.*

Modern Slavery and the Supplier Code of Conduct

In FY22, IPH continued to undertake activities to address and remediate modern slavery risks within its business and supply chains in compliance with the Australian *Modern Slavery Act 2018* (Cth). IPH published its first Modern Slavery Statement in December 2020, its second Modern Slavery Statement in December 2021 and will publish its Modern Slavery Statement for FY22 later this year.

During FY21, IPH introduced the IPH Group Supplier Code of Conduct to IPH and its member firms. The Supplier Code of Conduct outlines the standards and behaviours IPH and its group businesses expect from their suppliers when conducting business with the group. The Supplier Code of Conduct is an important element in the group's commitment to ethical and socially responsible procurement and has been adhered to in FY22.

Risk

Risk Management

We recognise that a robust risk management framework is critical for the effective management of our business. During FY21, IPH undertook a detailed review of its risk management framework as part of its internal audit program and, as a result, adopted an updated risk management framework.

Implementation of the updated risk management framework across the group commenced in FY21 and was completed during FY22. The updated risk management framework aims to identify and manage potential risks in a continuous, proactive and systematic way through high quality risk management policies and processes across the group. IPH's revised Risk Management Policy is available on the IPH website.

As part of the updated risk management framework, the Board reviewed and approved a Risk Appetite Statement. The Risk Appetite Statement is designed to support and inform Board and management decision-making and will be reviewed at least annually to ensure ongoing alignment with strategic objectives.

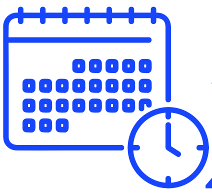
In addition to this review and receiving regular reports on these and other key financial, operational and compliance risks, the Board reviews IPH's risk management framework annually. The Board's annual review of IPH's risk management framework in FY22 concluded that the framework is sound and IPH continues to operate with due regard to the risk appetite set by the Board.

IPH's Risk Committee comprises of at least three independent non-executive directors and is chaired by an independent non-executive director who is not Chairman of IPH. The Committee's Charter is available on the IPH website.

During FY22, as part of the implementation of the revised risk management framework, IPH engaged KPMG to onboard the group onto KPMG's IBM Open Pages enterprise governance risk and compliance (GRC) management software solution known as "Risk Hub". The Risk Hub software solution went live in the first half of 2022, which now enables the group to manage risk via a customised GRC online solution.

Material Risks

The Operating and Financial Review (OFR) section of the Directors' Report includes a summary of material risks faced by IPH which may have an impact on IPH's ability to achieve its operational, financial and strategic targets. This summary also contains details regarding our approach to the management of such risks. IPH's approach to identifying the Material Topics reported on in this Sustainability Report is set out in the section titled "Materiality and Stakeholder Engagement".



24/7 system & network monitoring

Privacy and data protection

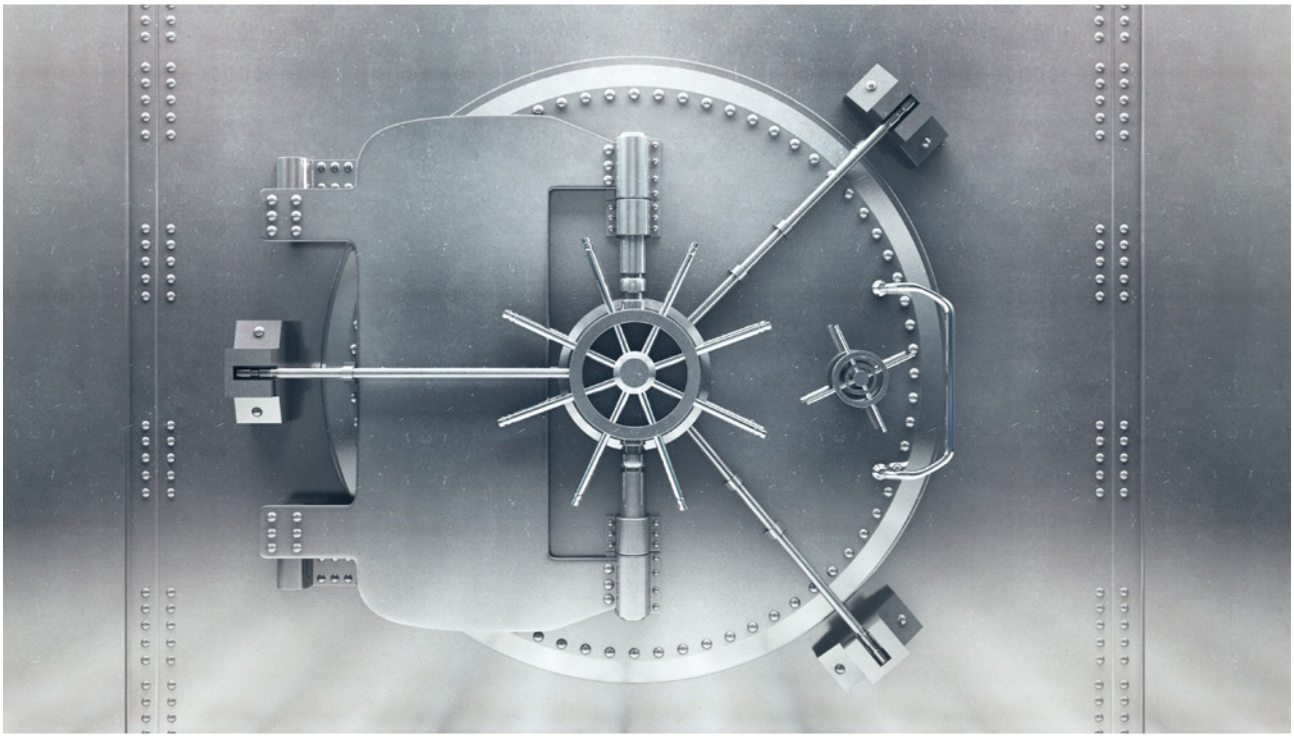
Overview

IPH provides services to a significant number of clients and interacts with a range of external contractors, suppliers and private and public sector companies, as well as having a large number of employees. We therefore take IT security and the protection of data and information very seriously.

IPH has developed a multi-year roadmap with a program of work focusing on information and systems security and continues to invest in system and security enhancements. We have also introduced a series of security awareness training modules to educate our staff on the threat of cyber security. IPH also undertook a review of cybersecurity as part of its internal audit program. We have measured our security posture using industry standard NIST framework and we have set targets to continuously raise the bar every year.

During FY22, we have continued to improve and add new security measures. Some of the initiatives include:

- Our systems and network are subject to enhanced monitoring 24/7 for any suspicious events and alerts are generated to notify of any such events
- All data in motion is encrypted using the industry standard encryption protocol
- We have implemented strict and improved systems access control to prevent unauthorised access to our systems and data (with clear segregation of duties)
- We have implemented an improved change control process to ensure our live/ production environment is protected
- All firewalls and servers are subject to frequent patching with the latest updates
- Multi-factor authentication has been implemented for all staff



- Intrusion detection and alerts have been configured on our Microsoft 365 tenancy
- All major systems access has been reviewed regularly
- A security incident response process has been established
- We have established zero trust posture (i.e. all external network traffic is not trusted by default)
- We have performed regular penetration tests on a yearly basis
- Additional group security policies have been published to govern new security measures and protocols
- We have performed regular vulnerability scans on our network to identify potential threats
- Critical system patches are applied promptly to protect our systems from the latest threats

We recognise security is a key building block of the IPH future systems architecture and we continually seek to improve and optimise our system security in the ever-changing cyber security environment.

Privacy

Our approach to privacy and how we collect, use, manage, and disclose personal information is outlined in our Privacy Policy, available on the IPH website. This policy was updated in December 2020 to further enhance our approach to privacy. We also have an established internal data breach policy and procedure in place across the group. During the 2021 and 2022 financial years, an online training course covering the IPH Group Notifiable Data Breaches Policy was rolled out to relevant officers and employees.

In FY22, IPH did not receive any substantiated complaints concerning breaches of customer privacy and did not record any notifiable leaks, thefts or losses of customer data. This material references Disclosure 418-1 of *GRI 418: Customer Privacy 2016*.

Client and customer experience satisfaction

IPH is Asia Pacific's leading IP services group, comprising a network of member firms of leading IP professionals and support staff. We pride ourselves on the expertise of our people and the high-quality service and advice we provide our clients.

In FY22, 95+ staff received industry recognition for their expertise.

Our member firms also continue to receive global industry accolades, including:

- AJ Park was named as Tier 1 for trade mark prosecution and contentious in the *Managing IP Stars* 2022
- AJ Park was named New Zealand Firm of the Year at the *Managing IP Awards* for 2022
- AJ Park was named a top-tier IP firm by *The Legal 500* Asia Pacific guide for 2022 and earned a band one ranking for IP in *Chambers Asia-Pacific* 2022
- Griffith Hack recognised in *The Legal 500 Asia-Pacific* 2022 as a leading intellectual property law firm – Tier 2
- Griffith Hack received recognition in *Managing IP Stars* 2022 including Tier 1 for trade mark prosecution and patent prosecution, and Tier 3 for trade mark contentious and patent contentious
- Spruson & Ferguson Australia received recognition in *Managing IP Stars* 2022 including Tier 1 for trade mark prosecution and patent prosecution, and Tier 3 for patent contentious and trade mark contentious
- Spruson & Ferguson Asia received recognition in *Managing IP Stars* 2022 including regional recognition for China - trade mark (foreign firms), Hong Kong - trade mark prosecution, and Thailand - trade mark prosecution

Global and notable recognition for individuals include:

- One AJ Park Principal was named in the *Top 250 Women in IP*, two staff were named trade mark stars, four as patent stars, and six as notable practitioners in *Managing IP Stars* 2022
- Five AJ Park recommended individuals were highlighted in the *WTR 1000* 2022 directory; four leading individuals and one next generation partner named in *The Legal 500* 2022 directory; and 19 staff selected by their peers for in inclusion in the list of the 2022 *Best Lawyers in New Zealand*
- Four Griffith Hack recommended individuals listed in *IAM Patent 1000* 2022
- Five Griffith Hack Principals recognised in *Managing IP Stars* 2022 including two trade mark stars and three patent stars
- Nine Spruson & Ferguson Australia Principals recognised in *Managing IP Stars* 2022, including six as stars and three as notable practitioners

Strengthening our marketing & client service capability

Delivering unparalleled service to our clients is core to our success. In FY22 we increased our focus on identifying initiatives that support the highest quality service delivery.

The centralisation of our Business Development and Marketing function in 2022, led by a newly appointed Chief Commercial Officer, enabled our team of marketing and business development experts to become strategic partners, whilst recognising the independence and difference of our member firms. Our team has worked to develop best practice systems to support client and market analysis, relationship development, and opportunity assessments.

This approach has supported the efficiency of our business development and marketing activity from an operational and strategic perspective to best capitalise on future opportunities.

Initiatives to further support the delivery of best practice client experience include:

- Introduction of a group-wide Outreach Program, including client feedback tools and regular communications.
- Development of a new CRM for use by each member firm, which will provide a 360-client view, including the ability to build in touchpoints such as onboarding and case management.
- Implementation of a sales framework and conducting business development training

Client feedback

We actively solicit feedback from our clients to better optimise our client experience and make ongoing business improvements. Client feedback mechanisms work at group and member firm level and include, but are not limited to:

- Annual client surveys utilising a newly developed central bank of questions to establish baseline benchmarks. This allows us to compare and contrast results and identify opportunities for client initiatives that can be managed at group and member firm levels.
- Individualised feedback programs run at member firm level and specific to their business and market requirements.
- Processes to ensure regular client touchpoints for top clients including our ongoing client visitation conducted by the Managing Directors of our firms.

95+ professional staff received industry recognition for their expertise

Acting responsibly

Climate-related issues and environmental initiatives

Throughout FY22, the IPH group took steps to identify, assess and manage risks in accordance with its risk management framework.

Environmental risks, including climate change, were assessed as part of this process.

In our assessment of environmental risks, we referenced the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) and noted that IPH conducts low energy intensive business activities, is a relatively low emitter of greenhouse gas emissions compared to other businesses and other industries, and is not materially exposed to industries or regulatory frameworks likely to be materially exposed to climate change risks. As a result, the IPH group did not identify material exposure to climate change risk.

While we currently consider that the IPH group does not have a material exposure to the actual and potential impacts of climate-related risks, we will continue to monitor such risks closely. We will also continue to monitor climate-related opportunities for the IPH group.

Scope 2 emissions

Although as a professional services business the IPH group has minimal carbon or energy- intensive business activities, we recognise the importance of disclosing information on key sustainability metrics.

In FY22, our Australian and New Zealand IP firms' Scope 2 emissions were 607 tonnes of CO_2e[3]. This was an 18% reduction on emissions reported in FY21. We don't currently capture Scope 2 emissions in our Asia IP firms. However, this is something we will look to report on in the future.

The IPH Limited corporate team offset their domestic and international flights in FY22 by making an equivalent donation towards sustainability projects through myclimate.org. This equated to an offset of 58.77 metric tonnes of CO_2e[4] emissions.

The IPH group continues to work on initiatives at a group and member level to reduce our impact on the environment.

All our offices are primarily paper-light and utilise digital filing to reduce paper use. Our offices provide paper, glass and plastic recycling and the majority of our Australian and New Zealand IP firms operate in buildings with above market standard NABERS energy ratings.

In addition, our member firms run their own initiatives, for example AJ Park collects and return plastic lids to the Sustainability Trust.

Office NABERS Energy ratings across Australian offices:

Griffith Hack	
Melbourne	★★★★
Perth	★★★★½
Sydney	★★★★
IPH Limited	
Sydney	★★★★★½
Pizzeys	
Brisbane	★★★
Canberra	★★★★
Spruson & Ferguson	
Brisbane	★★★★★★
Sydney	★★★★★½

Office NABERS Energy ratings for our New Zealand office[1]:

AJ Park	
Auckland	★★★½

1. Data for our Wellington office was not available at the time of publication.

Partnering with clients to address climate change

ecostore + AJPark

Better products for people and the planet

Since 2015, AJ Park has worked closely with ecostore, a New Zealand born organisation producing cruelty-free home, body and baby care products made from naturally derived ingredients, to secure brand protection in over 40 countries.

ecostore works to reduce impacts on the planet at every step - from ingredient sourcing, producing products from a net carbonzero certified factory and improving processes to save energy and resources, and reduce waste. Products are produced using biodegradable plant and mineral-based ingredients over petrochemicals and are also compatible with septic tanks and greywater systems.

All plastic packaging is recyclable and made from sugarcane, a renewable source that removes carbon from the atmosphere as it grows. Since moving to sugar plastic in 2014, ecostore has saved over 7,676 tonnes (and counting) of carbon from being released into the air.

ecostore is a Certified B Corporation®, a certification standard that recognises companies globally for their high standard of social corporate responsibility and commitment to solving the world's social and environmental problems.

Working with clients like ecostore is core to IPH's group-wide focus on supporting sustainable practices on a global scale.

"Our goal is to be the world's most trusted and sustainable home and body care brand through producing products that are better for people and the planet. It's important to us that the companies we choose to work with, like the team at AJ Park, align with our ethos."

Pablo Kraus
CEO, ecostore

Community impact

We are proud to support the communities in which we operate and continue to work with charities to support causes that are important to our people and business and that help in driving positive social change. In FY22, we introduced our Group Community Program initiative to increase collaboration among our member firms and maximise our impact in support of identified UNSDGs. The program is governed by our Group Community Working Committee, with representation from IPH and each of our member firms.

Beacon Foundation Partnership

IPH is proud to report on our flagship community partnership with Australian not-for-profit organisation Beacon Foundation. We have committed $500,000 over a five-year period to support Beacon Foundation in fulfilling its mission of improving educational and employment outcomes for young Australians.

Staff in our Australian businesses will have the opportunity to volunteer as a mentor and work with disadvantaged students through programs run by Beacon and hosted within our offices. In support of this, we introduced a Volunteering Policy stating all maximum term and permanent employees are entitled to access up to a maximum of one day per annum to engage in workplace volunteering with Beacon Foundation during working hours.

"The Beacon Program mentoring day was a wonderful opportunity to meet with a class of motivated and interested students and provide them with a snapshot of what they might experience if they were to work at a company like IPH. We also ran some sessions to help the students with skills such as interviewing, conflict resolution and resumé writing."

Sarah McKeith
Senior Legal Counsel at IPH Limited and Volunteer at the High Impact Program

"I found it really rewarding volunteering to assist the students in exploring a career that may be the perfect fit for them by discussing the endless career opportunities that exist in IP."

Connie Land
Patent Attorney, Spruson & Ferguson

Already in the first year of the partnership, we've participated in a number of Beacon Foundation initiatives, including:

- Hosting High Impact Programs in our IPH Sydney, Griffith Hack Melbourne and Spruson & Ferguson Brisbane offices. These programs introduced high school students to the world of work. To date more than 20 people from across the group have volunteered as mentors at Beacon programs.
- Women in STEM Industry Live webinar event, aimed at inspiring young people to think about a career in STEM (science, technology, engineering and mathematics). During the webinar, IPH panelists shared details of their roles, and the varied career paths that led them there. They also offered advice and encouragement to the students, as well as addressing the issue of gender imbalance in STEM.

We want to support community disadvantage and equitable access to education on a regional scale and are exploring similar opportunities to support communities in New Zealand and Asia.

Cerebral Palsy Alliance

IPH participated in STEPtember, Australia's leading virtual health and wellness fundraising challenge dedicated to raising funds for people living with cerebral palsy. 233 employees participated in STEPtember 2021, taking a combined 65 million steps and raising over $29,070, placing IPH 38th overall for fundraising out of over 2,500 organisations. IPH matched this, making an equivalent donation to the Cerebral Palsy Alliance, contributing a total of $57,871 for people with cerebral palsy.

AUD$500k

committed to a 5-year partnership with Beacon Foundation

Beacon Foundation events

High imact program
hosted in the IPH
Sydney office

High imact program
hosted in the Griffith
Hack Melbourne office

Member firm community, charity and probono participation

- IPH and member firms participated in Wear It Purple Day, a youth led initiative to raise awareness and support safe, empowering and inclusive environments for rainbow young people.
- AJ Park contributed to The Foodbank Project and Gumboot Friday
- AJ Park staff frequently volunteer in the community, including for: Earthlink, Kai Upcycle Urban Farm, Hutt Valley Women's Refuge Collection, Cats Protection League and Innermost Garden
- Griffith Hack assisted the Activ Foundation, Soap Aid and the Robin Boyd Foundation on various trade mark issues
- Griffith Hack provide ongoing support to the Arts Law Centre of Australia in the provision of advice on arts-related legal and business matters
- Spruson & Ferguson Australia participated in the City2Surf run
- Spruson & Ferguson Australia sponsored the Spruson & Ferguson IP Award for the SHAPE Exhibition
- Spruson & Ferguson Asia contribute to the Asia World Vision Sponsorship Program

Contribution to IP community

Involvement in and contribution to the development of the IP profession through involvement in events not only builds our internal talent, it raises our profile as a market leader within the industry. We regularly contribute to various events, examples include:

- A Spruson & Ferguson Asia Principal works with the patent office (IPOS) to provide IP Clinics for half a day, four times a year, free-of-charge including counselling sessions on IP questions/ matters for individuals, start-ups and SMEs
- A Spruson & Ferguson Asia Principal presented to the Hong Kong University of Science and Technology (HKUST) in September on "Patent Landscaping: The Tool for Harnessing Creative Effort for Enhanced Inventive Research", the kickoff presentation in their 2021-22 seminar series for Addressing Challenges in Innovation and Technology
- Griffith Hack Principals regularly guest lecture at seminars and universities
- IPH Strategic Advisor, Francis Gurry, former head of the World Intellectual Property Organisation, presented to IPH employees, providing insights on the latest IP global trends and opportunities.

Global conference participation further provides a forum to network with peers and share knowledge with other IP professionals. In FY22, staff have attended or presented at local and international conferences, including, but not limited to:

- National Cleantech Conference 2022
- QLD BioCheers 2022
- AmCham - Coming to America Event 2022
- Singapore IP Week
- IPTA 2022 Annual Conference
- BIO International Convention 2022
- APAA (Asian Patent Attorneys Association) Council Meeting
- CIPA Life Sciences Conference

IPH employees also hold positions on professional associations, including but not limited to, the New Zealand Institute of Patent Attorneys and the Institute of Patent and Trade Mark Attorneys of Australia.

National Cleantech Conference

Spruson & Ferguson's Doug Horton leading a session on IP for Innovators at the National Cleantech Conference

AusBiotech event

Spruson & Ferguson Australia at AusBioTech drinks in Queensland

BIO 2022

Spruson & Ferguson Australia at BIO 2022

Imnis

Griffith Hack's Karen Sinclair appearing as a guest panellist for Industry Mentoring Network In STEM

Partnering with clients to address climate change

GRAINSTONE + SPRUSON & FERGUSON INTELLECTUAL PROPERTY

Commercialising sustainable alternative protein solutions

Spruson & Ferguson is working with Grainstone, an award winning Australian agri-food tech company to commericalise cutting-edge automated bio-processing technology developed with CSIRO and Queensland University of Technology.

Grainstone uses renewable-powered processes to take under utilised grain byproducts and produce advanced food ingredients.

Grainstone Founder and CEO Matthew Kronborg, says they're working to help solve the sustainability challenges of our generation through improving the efficiency of our global food system by recovering food waste and feeding humanity simultaneously at an industrial advanced manufacturing scale.

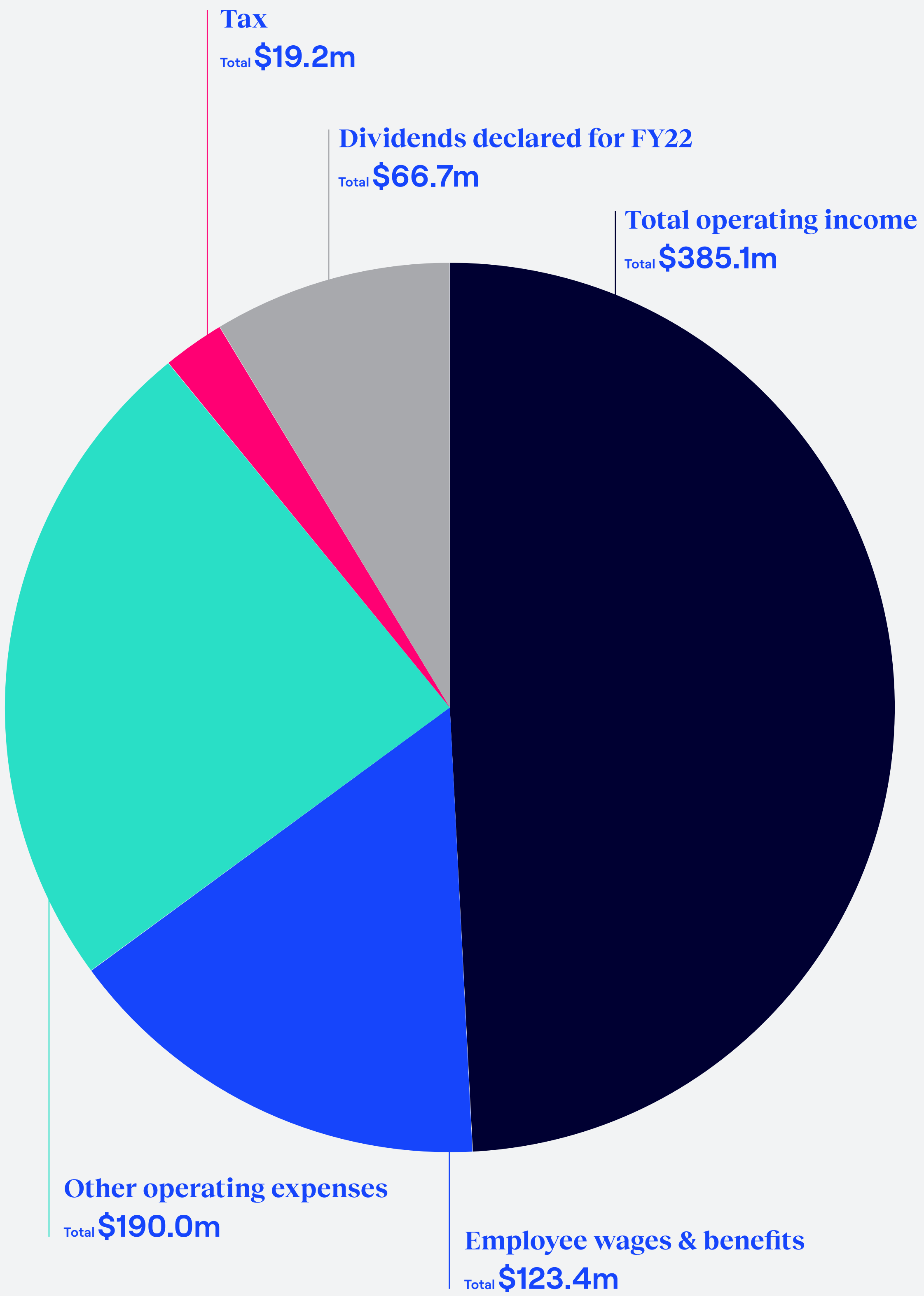
The Spruson & Ferguson team, led by Principal Dr. Michael Christie, has been working with Grainstone for a number of months helping Grainstone to capture its intellectual property. Spruson & Ferguson work with a number of innovative clients to support a more sustainable future.

"Over 1.3 billion tonnes of food waste is produced each year, whilst simultaneously over 700 million people are undernourished. We bio-prospect and mine traditional food waste streams using our advanced foodtech and biotech to help create the most valuable products possible, prioritising food creation, and displacing unsustainable alternatives."

Matthew Kronborg
CEO and Founder, Grainstone

Our Financial contribution in FY22

IPH makes a significant financial contribution to our communities through economic activity with suppliers and clients, employment, value to shareholders, income and payroll tax. Our total operating income in FY22 was $385.1m.



Looking ahead to FY23

As part of our ongoing commitment to sustainability and ESG, in FY22 we engaged sustainability and impact specialists, Republic of Everyone (RoE), to help us review and update the group's ESG strategy. This program of work is expected to complete in Q1 FY23 and provide a refreshed and aligned approach to sustainability across the group in FY23 and into the future.

To date, our work with RoE has focused on further engaging with key internal and external stakeholders to understand what is most important to them when it comes to ESG. This engagement has further shaped our materiality assessment and priority topics, which will be the focus of our future ESG activity and reporting.

We are now in the process of considering targets and programs against our material topics with a focus on our employee experience and engagement as well as elevating our bigger purpose and impact. In particular, as a business at the forefront of innovation, we look to identify opportunities to partner with clients to drive further sustainable innovation.

With a new strategy and direction in place, we look forward to sharing our progress in this space and strengthening our reporting against key metrics and relevant indices.

We might not have all the answers yet, but we are pleased to present our progress on sustainable practices and look forward to strengthening our sustainability activity in FY23 and into the future, off the back of investment in updating our ESG strategy.

Directors' **Report**

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 year ended 30 June 2022.

IPH is the leading intellectual property ("IP") services group in the Asia Pacific offering a wide range of IP services and products to a diverse client base including some of the world's leading companies, multi-nationals, universities, public sector research organisations, foreign associates and other corporate and individual clients. IPH was the first IP services group to list on the Australian Securities Exchange.

1. Directors

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

Name	Office
Mr Peter Warne	Non-executive Director (appointed 18th November 2021) and Chairman (appointed 28th February 2022)
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
Mr Richard Grellman	Non-executive Director and Chairman (retired 28th February 2022)

1.1 Information on Directors

The skills, experience, and expertise of each person who is a director of the Company at the end of the financial year is provided below, together with details of the company secretary as at year end.

Name:	Peter Warne
Title:	Non-executive Director and Chairman (appointed 14 October 2021)
Qualifications:	BA (Actuarial Studies), FAICD
Experience and expertise:	Peter has extensive knowledge of, and experience in, financial services and investment banking, gained through a number of senior roles at Bankers Trust Australia Limited, including as head of its Global Financial Markets Group from 1988 to 1999. Peter was a director of the Sydney Futures Exchange (SFE) from 1990 to 1999, and from 2000 to 2006, and served as its Deputy Chairman from 1995 to 1999.
Other current directorships:	Peter is Non-executive Chairman of St Andrews Cathedral School Foundation, a board member of international law firm Allens and NSW Net Zero Emissions and Clean Economy Board, and a member of the ASIC Corporate Governance Consultative Panel.
Former directorships (last 3 years)	Director of Macquarie Group Limited and Macquarie Bank Limited (2007 to 2022), Chairman (2016 to 2022), Director of ASX Limited (2006-2020)
Interests in shares:	Nil
Special responsibilities:	Chairman. Member – Nominations and Remuneration Committee

Name:	Dr Andrew Blattman
Title:	Managing Director and Chief Executive Officer (appointed 20 November 2017)
Qualifications:	BScAgr (Hons 1), PhD, GraDipIP
Experience and expertise:	Andrew has nearly 30 years' experience in the intellectual property profession, having joined IPH Group member firm Spruson & Ferguson in 1995. He was appointed as a Principal in 1999 and served as CEO from 2015 to 2017, during which time the firm significantly expanded its footprint in both the Australian and Asian IP markets, opening new offices in Melbourne, Beijing, Hong Kong SAR, Jakarta and Bangkok. Since Spruson & Ferguson's incorporation and the listing of IPH on the ASX in 2014, Andrew has played a key role in the development and growth of the IPH Group. He has a deep knowledge and understanding of the IPH business and the environment in which the company operates.
Memberships of Professional Associations:	FIPTA, APAA, AIPPI, FICPI and IPSANZ
Other current directorships:	St Paul's College Foundation
Interests in shares:	2,449,314
Interest in rights:	516,686
Special responsibilities:	CEO

Name:	John Atkin
Title:	Non-executive Director (appointed 23 September 2014)
Qualifications:	LLB (1st Class Hons), BA (Pure Mathematics) (1st Class Hons), FAICD
Experience and expertise:	John was CEO & Managing Director of The Trust Company Limited from 2009–2013 prior to its successful merger with Perpetual Limited. A former lawyer, he was Managing Partner and Chief Executive of Blake Dawson from 2002–2008 and also practised at Mallesons Stephen Jaques (as it was then known) as a Mergers & Acquisitions Partner for 15 years from 1987–2002.
Other current directorships:	John is Chairman of the Australian Institute of Company Directors, and Qantas Superannuation Limited, as well as a Non-executive director of Integral Diagnostics Limited. He served as Chairman of Outward Bound Australia for over 12 years and has been the Vice Chairman of Outward Bound International since 2017.
Former directorships (last 3 years)	Commonwealth Bank Officers Superannuation Corporation Pty Limited
Interests in shares:	125,247
Special responsibilities:	Chairman - Nominations and Remuneration Committee. Member - Audit Committee, Risk Committee

Name:	Robin Low
Title:	Non-executive Director (appointed 23 September 2014)
Qualifications:	BCom, FCA, GAICD
Experience and expertise:	Robin was with PricewaterhouseCoopers for 28 years and was a Partner from 1996 to 2013, specialising in audit and risk.
Other current directorships:	Robin is a Director of ASX listed companies: AUB Group Limited, Appen Limited and Marley Spoon AG. She is also on the boards of Australian Reinsurance Pool Corporation, Gordian Runoff Limited/Enstar Australia Holdings Pty Ltd (part of the NASDAQ listed Enstar Group), Guide Dogs NSW/ACT and the Sax Institute. Robin is a member of the University of New South Wales audit committee.
Former directorships (last 3 years)	CSG Limited
Interests in shares:	74,214
Special responsibilities:	Chairman - Audit Committee. Member - Nominations and Remuneration Committee, Risk Committee

Name:	Jingmin Qian
Title:	Non-executive Director (appointed 1 April 2019)
Qualifications:	BEc, MBA, CFA, FAICD
Experience and expertise:	Jingmin previously held senior roles with L.E.K. Consulting, Boral Limited, and Leighton Holdings. She brings a broad range of commercial experience covering strategy, mergers and acquisitions, capital planning, investment review and Asian expansion.
Other current directorships:	Jingmin is a Director of Abacus Property Group and Club Plus Super, a member of Macquarie University Council, a Director of the Australia China Business Council and Chairwoman of the Foundation for Australian Studies in China. She is also a senior advisor to leading global and Australian organisations and Director of Jing Meridian Advisory Pty Ltd.
Interests in shares:	Nil
Special responsibilities:	Chairman - Risk Committee. Member – Audit Committee, Nominations and Remuneration Committee

The non-executive directors hold no interest in options, performance rights or contractual rights to the securities of IPH Limited as at the date of this report.

1.2 Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2022, and the number of meetings attended by each Director were:

Name	Board of Directors		Nominations and Remuneration Committee		Audit Committee		Risk Committee	
	Attended	Held	Attended	Held	Attended	Held	Attended	Held
Peter Warne	4	4	3	3	–	–	–	–
Andrew Blattman	9	9	–	–		–	–	–
John Atkin	9	9	5	5	4	4	3	3
Robin Low	9	9	5	5	4	4	3	3
Jingmin Qian	9	9	5	5	4	4	3	3
Richard Grellman	5	5	2	2	–	–	–	–

Held: represents the number of meetings held during the time the Director held office. Whilst not a member of the committees Andrew Blattman was in attendance except in circumstances of a conflict of interest.

2. Company secretary

Philip Heuzenroeder, BEc, LLB, LLM, GAICD (Order of Merit). Philip was appointed Group General Counsel and Company Secretary on 29 April 2016.

Philip has nearly 30 years' experience as a solicitor and governance professional, both in private practice and in-house. His expertise covers a broad range of areas of law including commercial law, competition law, ICT, intellectual property and litigation. Philip is a former Director of the Cure Brain Cancer Foundation.

3. Principal activities

During the year the principal activities of the Group consisted of:

- IP services related to provision of filing, prosecution, enforcement and management of patents, designs, trademarks and other IP in Australia, New Zealand, Asia and other countries;
- the development of autonomous timekeeping software under a subscription licence model whereby the software is licensed and paid for on a recurring basis.

There were no significant changes in the nature of activities of the Group during that period.

4. Operational and Financial Review

4.1 Operations and financial performance

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

The Directors believe it is important to include the financial information on an underlying basis as this reflects the ongoing or underlying activities of the Group and excludes items that are not expected to occur frequently and do not form part of the core activities of the Group.

The FY22 underlying earnings of the Group have been determined by adjusting statutory earnings amounts to eliminate the effect of amortisation of intangible assets, business acquisition costs, restructuring expenses, non-cash share based payments expenses, impairments and IT SaaS implementations costs. A summary of adjustments is outlined below.

Revenue of $385.1m increased by 6% on the prior year, reflecting organic growth, revenue from new businesses and foreign currency benefits.

Statutory EBITDA increased by 2% to $115.9m

Statutory Net Profit After Tax (NPAT) was $52.6 million compared to $53.6 million for the prior year.

	Revenue FY22	Revenue FY21	Chg%	EBITDA FY22	EBITDA FY21	Chg%
Australian & New Zealand IP	286,016	275,666	4%	103,519	93,255	11%
Asian IP	110,208	96,113	15%	51,479	43,410	19%
	396,224	371,779	7%	154,998	136,665	13%
Adjacent Businesses	638	409		(493)	(369)	
Corporate Office	9,744	5,601		(17,124)	(11,835)	
Eliminations	(21,519)	(14,335)		39	(183)	
Underlying Revenue / EBITDA	**385,087**	**363,454**	6%	**137,420**	**124,278**	11%
Business acquisition costs				(3,747)	(3,618)	
Divestment of Practice Insight				(2,170)	-	
Restructuring expenses				(4,201)	(2,189)	
Share based payments				(4,850)	(3,578)	
Impairment of intangible assets				(4,654)	(463)	
IT SaaS implementation costs				(1,858)	(1,164)	
Statutory Revenue / EBITDA	**385,087**	**363,454**	6%	**115,940**	**113,266**	2%
Interest Income				46	60	
Interest Expense				(4,709)	(5,977)	
Depreciation and amortisation				(39,563)	(37,470)	
Net Profit Before Tax				71,714	69,879	3%
Tax				(19,150)	(16,279)	
Net Profit After Tax				**52,564**	**53,600**	(2%)

Per the table above, underlying results exclude the impact of one-off costs not considered as recurring or being core to the activities of the Group.

- costs relating to business acquisitions of $3.7m.
- divestment of Practice Insight $2.2m. This is a write down of the carrying value of the Wisetime Asset to the amount recoverable from the sale to Anaqua Inc.
- restructuring costs of $4.2m include costs arising on the merger of Spruson & Ferguson Australia and Shelston IP including costs associated with exiting the lease for the former Shelston premise (2.4m), redundancy expenses ($900k) and other costs ($540k).
- accounting charges for share based payments for staff incentive plans of $4.9m
- impairment of the carrying value of the Shelston brand name intangible asset of $4.6m
- IT SaaS implementation costs (previously capitalised but now expensed under the change in accounting standards) of $1.9m

Excluding these one-off items, Underlying EBITDA increased by 11% to $137.4 million while Underlying NPAT, which also excludes the amortisation of the acquired intangibles, increased by 14% to $86.7 million.

Australia and New Zealand IP

The Australian & New Zealand IP segment delivered revenue growth of 4% to $286.0m.

The integration of Spruson & Ferguson Australia and Shelston IP, plus significantly reduced filings by the largest filer in the Australian market, impacted IPH group's total patent filings in FY22. IPH Group filings in Australia (ex innovation patents) declined by 0.6% for FY22. If filings from this client were removed from IPH and the market, IPH filings increased 1.7% compared to a market increase of 7.0%.

Underlying EBITDA increased by 11% to $103.5m at a margin of 36%. The increase reflects organic growth, continued delivery of cost synergies and a foreign exchange benefit compared to a foreign exchange loss in the prior year.

On a like-for-like basis, removing the effects of acquisitions and currency, EBITDA increased by 1% with an increase in Underlying like-for-like EBITDA margin from 33.8% to 34.5%.

Asian IP

Asian IP segment revenue increased by 15% to $110.2m, reflecting strong organic growth across the IPH network.

The Group continues to leverage its presence across the region, while client referrals from acquired IPH businesses to its Asian business increased by 4.5% for the year.

Like-for-like EBITDA improved by 10% with EBITDA margin slightly lower than the prior year.

IPH experienced patent filing growth of 9.4% across its Asian jurisdictions (outside of Singapore) in FY22, with growth across all key jurisdictions (except Hong Kong). IPH continues to deliver double-digit filing growth in China with filings increasing by 15.3%.

In Singapore, IPH Group maintained our number one patent market share of 21.9% for the 3 months ending 31 March 2022.

Adjacent Businesses

Adjacent businesses in FY22 include the autonomous time keeping software tool, WiseTime. The business was divested on 19th July 2022.

Corporate Office

The corporate office includes $481k of foreign exchange losses in FY22 compared to a gain of $1.9m in FY21. FY22 includes ongoing investment in the marketing and business development and IT functions and increased insurance costs.

Movements in FX Rates

Foreign exchange rates used to translate earnings throughout the period were:

	AUD/USD		AUD/EUR		AUD/SGD	
	Year End	Average	Year End	Average	Year End	Average
FY20	0.6877	0.6712	0.6124	0.6069	0.9591	0.9283
FY21	0.7507	0.7472	0.6320	0.6262	1.0095	1.0055
Movement		(11.3%)		(3.2%)		(8.3%)
FY22	0.6892	0.7256	0.6595	0.6441	0.9588	0.9865
Movement		2.9%		(2.9%)		1.9%

The average exchange rates incurred in FY22 had a beneficial effect on the reported results compared to those incurred during FY21. A one cent movement in the AUD/USD equates to a c$1.9m movement in service charges (revenue), the majority of which falls to the EBITDA line.

4.2 Business model, strategy and outlook

4.2.1 Business model

IPH Limited is an intellectual property group operating a number of professional services businesses providing intellectual property services ("IP Services"). In FY22 it also operated the WiseTime business, an autonomous time-keeping software application. WiseTime was divested to Anaqua Inc. in July 2022.

In IPH's IP Services businesses in Australia, New Zealand and Asia, revenue is derived from fees charged for the provision of professional IP Services by each firm as related to securing, enforcing and managing IP rights in the country (directly or through an agent) in which registration is sought by the client. The business model allows IPH to generate recurring revenue streams throughout all stages of the IP lifecycle from its long-standing and diverse client base.

Factors that affect the performance of the business include, amongst others, the performance of the global and Australian economies, client activity levels, competitor activity, and the regulatory environment in which the services are provided.

4.2.2 Strategy and outlook

More information on the Company's strategy and outlook is included in the "About IPH" and "FY22 Year in Review" section of the 2022 IPH Annual Report.

4.3 Risks

During FY22 the Company took steps to identify, assess and manage risks in accordance with its risk management framework. This section provides a summary of the material risks identified by the Company which may have an impact on the Company's ability to achieve its operational, financial and strategic targets and the Company's approach to the management of such risks.

Risk	Description	Management of risk
Strategic planning and implementation	The Company conducts its operations in a market that has undergone significant changes with the development of corporatised service providers, which the market continues to adjust to. This provides the Group with both opportunities and risks requiring development and communication of a clear strategic vision and objectives.	The Board is closely involved in identifying, reviewing and confirming strategic objectives and reviewing implementation, including assessing opportunities and risks, and in providing direction to management.
Competition and changing market conditions	The sectors in which the Company operates are subject to vigorous competition, based on factors including price, service, innovation and the ability to provide the customer with an appropriate range of IP services in a timely manner. Scope exists for market conditions to change over time reflecting economic, political or other circumstances.	Effective client service, comprising a high level of expertise at competitive prices delivered in a timely manner. The IPH Group continues to implement leading IT systems to support client services. Regular marketing visits or, where travel is not possible, virtual meetings or other forms of communication, to maintain and develop client relationships and understand potential changes in client needs, and internal and external pressures. IPH also provides a broad range of IP services and its operations are geographically widespread, reducing exposure to any one form of IP country or jurisdiction in which it operates.
Regulatory environment	The Company is subject to significant regulatory and legal oversight.	Senior executives ensure that all regulatory and legal issues affecting IPH's business are monitored and that any changes to the business operations necessary to comply with regulatory and legal changes are undertaken in a timely manner. Careful management and oversight of the Group's internal case management system. Compliance with a professional work approval process for outgoing work. The approval process is correlated to the complexity and level of potential risk associated with the work. Internal audit programme for periodic review of compliance in areas of identified risk.

Risk	Description	Management of risk
Regulatory reforms	The Group's service offerings are subject to changes to government legislation, regulation and practices including particularly, if implemented, proposals to streamline multi-jurisdictional patent filing and examination processes.	The Company is proactive in any review or evaluation of regulations likely to affect its operations materially, and works with regulators or review authorities to ensure a clear understanding of facts and circumstances, and consideration of all stakeholder perspectives. The Company seeks to offer its services in a range of secondary markets. Many of these markets have less developed IP regulations and systems, and require translations into languages other than English, and are therefore less likely to be affected by such proposals if they were to be implemented than developed or primary markets. Other factors which help safeguard the Company's role are effective technology, excellent client service and efficient operations and the likely need for IP applicants to continue to be required to record a local address for service of documents with the local IP office for examination and prosecution purposes. The Company also continues to consider the development of revenue streams from adjacent markets.
Personnel	The Company depends on the talent and experience of its personnel. The loss of any key personnel, or a significant number of personnel generally may have an adverse effect on the Company including loss of knowledge and relationships. Employee costs represent a significant component of the Group's total cost base.	Retention practices including conducting regular employee surveys and implementing initiatives to improve the employee experience, appropriate remuneration, incentive programmes (both short and long term having regard to appropriate key performance indicators), retention awards, working environment and rewarding work. Learning and development programs are in place to attract, develop and build the capability of our workforce to meet our current and future needs of clients. Remove single point of failure by, where practicable, maintaining relationships with clients through multiple contact points. Dilute the dependency on personnel by providing value-add services through technology. Careful management of staff numbers and salary levels and consideration of resourcing requirements as the Company grows.
Disintermediation, adjacent service providers and third party aggregation	The Group acts as an intermediary agent between its clients and IP offices. The removal of intermediaries in the IP application and registration process would have an adverse impact on the Group. It is possible that third party service providers that currently only provide services with respect to limited aspects of IP protection may seek to extend their relationships with clients into other aspects of the provision of IP services	IPH's intermediary role is safeguarded by clients' reliance on the Group's expertise (both general IP expertise and local expertise) and regulatory barriers such as exclusive rights of patent attorneys to provide various IP related services and requirements for IP applicants to record a local address for service of documents with the local IP office. Other factors which help safeguard the Company's intermediary role are effective technology, excellent client service and efficient operations. The Company also seeks to offer its services in a range of secondary markets. Many of these markets have less developed IP regulations and systems and require

Risk	Description	Management of risk
	that the Group currently services causing a diminution of relationships with clients. Third party aggregators, such as third parties offering IP provider "brokerage"-like services may have an adverse impact on the Group's relationships with clients.	translations into languages other than English and are therefore less likely to be affected by disintermediation or expansion by other providers. The "network effect" provided by the Group in bringing together a portfolio of member firms supported by leading infrastructure and providing services across multiple jurisdictions may reduce the risk of disintermediation and third party aggregation and may provide an opportunity for the Group to secure its own additional clients.
Case management and technology systems	The Group's internally customised systems represent an important part of its operations upon which the Group is reliant.	The Company has established business continuity plans and procedures and maintains system back up and maintenance processes. The Company conducts appropriate reviews of its information technology systems, operations and human resourcing, and its management of cyber risk (including as part of its internal audit programme). The Company continually invests in system enhancements and engages quality third party suppliers to assist with its systems development and maintenance. The Company's transition of its IT systems to offsite 'cloud-based' systems enables centralised oversight and standardisation of processes. Standardisation, removal of technical debts and the introduction of IT change control stabilises the systems and improves reliability.
Technology disruption	The increasing use of electronic systems and processes and technology by regulatory authorities in some markets may provide opportunities for technology disruption in the industry.	The need for the Company's services is safeguarded by the reliance of target clients on the Group's expertise (both general IP expertise and local expertise) and regulatory barriers such as exclusive rights of patent attorneys to provide various IP related services, and requirements for IP applicants to record a local address for service of documents with the local IP office. Targeted acquisitions of new technologies also increase the services offered by the Group. Other factors which help safeguard the Company against technology disruption include its own investment in and awareness of effective technology development, and in efficiency in operations. The Company also seeks to offer its services in a range of secondary markets. Many of these markets have less developed IP regulations and electronic systems, are less advanced technologically and require technical translations into languages other than English.
Foreign exchange risk	The Group's financial reports are prepared in Australian dollars. However, a substantial proportion of the Group's sales revenue, expenditure and cash flows are generated in, and assets and	The Company monitors the foreign currency exposures that arise from its foreign currency revenue, expenditure and cash flows and from the foreign currency assets and liabilities held on its balance sheet. The Company undertakes regular sensitivity analyses of these exposures. The Company has foreign currency hedging facilities available as

Risk	Description	Management of risk
	liabilities are denominated in, US dollars, Euros and Singapore dollars.	part of its bank facilities and has engaged in appropriate use of foreign currency denominated finance facilities to reduce exposure. The Chief Financial Officer regularly reports to the Board in respect of the Company's foreign currency exposures. The Board reviews its hedging policy in respect of the foreign currency exposures from time to time. Currently the Group does not directly hedge against its foreign currency exchange risk.
Conflict of duties	Australian and New Zealand patent and trademark attorneys are required to abide by the Code of Conduct for Trans-Tasman Patent and Trade Marks Attorneys 2018 (Code of Conduct) that requires them to act in accordance with the law, in the best interests of their client, in the public interest, and in the interests of the registered attorney's profession as a whole. There may be circumstances in with the Company is required to act in accordance with these duties contrary to other corporate responsibilities and against the interests of shareholders and the short term profitability of IPH. An amendment to the Code of Conduct may affect the manner in which the Group conducts its activities, particularly with the expansion of the Group to include additional member firms.	The Company has been proactive in any review or evaluation of regulations likely to affect its operations materially and works with regulators or review authorities to ensure a clear understanding of facts and circumstances, and consideration of all stakeholder perspectives. The Company has sought detailed advice on issues of conflict of interest and compliance with related professional obligations. The Company actively assists its member firms to implement appropriate processes and procedures for compliance, including relevant professional standards bodies' Codes of Conduct and Professional Rules. Compliance with the Code of Conduct has been the subject of an internal audit programme review.
Professional liability and uninsured risks	The provision of patent and trademark services and legal services by the Company gives rise to the risk of potential liability for negligence or other similar client or third party claims.	The Company maintains file management processes which are highly automated, safeguarded, controlled and regularly reviewed. The Company has comprehensive quality assurance processes to ensure appropriate standards of professional work are maintained. The Group has in place a comprehensive insurance programme which includes professional indemnity insurance, which is reviewed each year. To support its professional indemnity insurance arrangements, the Group has internal processes to ensure timely notification to the underwriters of any potential claim arising from its business activities.
Acquisitions	The Company's growth strategy may include the acquisition of other IP businesses. Risks arise in ensuring that potential acquisitions are appropriately selected and issues affecting the value of individual acquisitions are identified and reflected in the purchase considerations.	The Company assesses potential acquisition opportunities against the Company's strategic objectives, values and culture. Where an appropriate potential acquisition is identified the Company undertakes an extensive due diligence process and, where appropriate, engages competent professional experts to assist with the due diligence process and appropriate documentation of the transaction. The Company's Board is involved in the review of, and approves, all corporate acquisitions.

Risk	Description	Management of risk
Integration of acquired businesses	Following the acquisition of new businesses, risks arise in ensuring the acquired business is properly integrated into the IPH Group, that people and culture issues that may arise are addressed, key staff retained and value maintained.	The Company seeks to identify potential post-acquisition risks when assessing potential acquisitions including for cultural fit and matching of expectations, and to mitigate such risks by appropriate transaction and post-acquisition management structures. Steps are taken following acquisition to review and ensure appropriate on-boarding of new acquisitions with IPH governance, policies, processes and practices and levels of financial control and reporting, and to integrate Company and Group approaches to retention of key staff and utilisation of appropriate information technology platforms. The integration of new acquisitions is regularly reviewed by the Company's Board and relevant Board Committees and has been the subject of an internal audit programme review.
Management of an expanded group	With the expansion of the Group to include new businesses with multiple offices and across multiple jurisdictions risk may arise with respect to ensuring the appropriate structuring and resourcing of key management and shared services functions and appropriate reporting and oversight of Group operations.	As the Group expands, with the oversight of the Board, the Company reviews and adapts existing management structures to ensure appropriate oversight, reporting requirements, support and resourcing is in place, and that the Company is attracting, retaining and motivating appropriate skilled personnel.
Global or regional economic, health or physical events	Risk may arise as a result of global or regional events in the nature of natural disasters or other physical events, global or regional health events, including the global Covid-19 Pandemic, or global or regional economic shocks or downturns which may impact on the level of demand for IP services by clients and their ability to provide or confirm instructions, the capability and timing for IP regulatory authorities to accept, review and progress the prosecution of IP rights, and the ability of the Group to provide its services.	The nature of the Group's customer base means that it receives revenue from a large number of customers located in a range of jurisdictions such that no one customer accounts for more than a small percentage of the overall revenue of the Group. Further, much of the demand for patent related services arises from research and development programmes conducted over longer periods that are likely to be less susceptible to economic impacts in the short term. The IP prosecution process also generally extends over longer timeframes and is usually subject to certain fixed milestone steps which are known in advance and required to be met to preserve rights, providing a degree of protection against short term decisions to cease or delay prosecution. The Company has established business continuity plans and procedures. The Company's transition of its IT systems to offsite 'cloud-based' systems enables remote conduct of its business by employees, where required. Similarly, the ability of many customers and IP offices to continue their core operations in a remote environment facilitates ongoing provision of instructions and responses. As part of its COVID-19 pandemic response, the Company has implemented comprehensive COVID-19 response and safety plans across all offices to

Risk	Description	Management of risk
		ensure the ongoing safety and wellbeing of our people, our clients and our communities. Member firms have implemented a range of initiatives to ensure continued connectivity and interaction with their clients, and the Company and member firms monitor the impact of the pandemic on business activity so that appropriate responses can be implemented.

5. Remuneration Report (Audited)

Introduction from the Nominations and Remuneration Committee Chair

Dear Shareholders,

On behalf of the Board, I am pleased to present the Remuneration Report for the 2022 financial year.

During the year a comprehensive report on the remuneration provided to the CEO, CFO and other members of the IPH Executive Leadership Team was undertaken by Aon Hewitt. In addition to benchmarking the remuneration provided for particular roles, the report also considered the mix between fixed remuneration and short term and longer term incentive payments, the calibration of the short term payments relative to performance and the potential addition of Long Term Incentive Payment ("**LTIP**") performance measures.

The Board then reviewed both the quantum and mix of the remuneration provided to the CEO, CFO and other members of the IPH Executive Leadership Team taking into account the findings of this report. Given the longer term, annuity like nature of the Group's businesses, the ability of the IPH Executive Leadership Team to drive out-performance in the short term is limited. Rather, they create value by focussing on implementation of the Group's strategic priorities with the value being realised over the medium to longer term. Accordingly, the Board decided to strengthen the current emphasis on long term valuation creation in the remuneration mix by increasing the LTIP potential payout and maintain the restricted short term incentive payout. This results in a maximum short term incentive significantly below the median of our peer group offset by fixed remuneration and long-term incentive above median. The FY23 LTIP potential payout as a percentage of fixed remuneration has been increased for both the CEO and CFO, consistent with this view.

The Board was satisfied that the current narrow banding of payout for short term financial performance was appropriate given the nature of the Group's business. A number of additional measures of LTIP performance were evaluated, however compound annual growth ("**CAGR**") of earnings per share ("**EPS**") was maintained as the sole measure as being most aligned with the Group's strategy to create sustained shareholder value and the simplest and most transparent to implement.

Over the last two financial years owing to the uncertain economic outlook, annual pay increases across the group have been modest. For FY23, the fixed remuneration adjustments across the Group have been higher reflecting accelerating market pressures on remuneration. The fixed remuneration for the CEO and CFO were increased in line with increases across the business.

While the reported financial outcome for FY22 was satisfactory, it did not reach a level at which the financial component of the Short Term Incentive Payment ("**STIP**") was achieved. However, both the CEO and the CFO received an STIP referable to the achievement of their Strategic (including People and Culture) KPIs. The 3-year EPS CAGR for FY20-22 was 7.7%. The LTIP payout ratio was 53.2% as outlined in the report.

As the Company continues to grow and mature, we will continue to review the remuneration framework and settings for all executives and professional staff, including KMP, to ensure its ability to attract, motivate and retain the talent necessary to run the business, and simultaneously drive behaviour that aligns with the creation of sustainable shareholder value.

We look forward to your support and welcome your feedback on our Remuneration Report.

Yours sincerely,

John Atkin
Nominations and Remuneration Committee Chair

The Remuneration Report details the key management personnel ('KMP') remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including all Directors.

The Remuneration Report is set out under the following main topics:

- Overview of Executive Remuneration Framework and Guiding Principles
- Overview of Executive Remuneration
- 2022 Remuneration Outcomes
- Overview of Non-Executive Director Remuneration
- Details of Remuneration of Key Management Personnel
- Service Agreements
- Additional Disclosures Relating to Key Management Personnel

5.1 Overview of Executive Remuneration Framework and Guiding Principles

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders. The Board of Directors (the Board) ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness, fairness and reasonableness;
- acceptability to shareholders and other stakeholders;
- performance linkage and alignment of executive compensation with remuneration provided across the Group; and
- transparency.

The Nominations and Remuneration Committee ('NRC') is responsible for reviewing and making recommendations to the Board on remuneration packages and policies related to the Directors and other KMP and to ensure that the remuneration policies and practices are consistent with the Group's strategic goals and people objectives. The performance of the Group depends on the quality of its directors and other KMP. The remuneration philosophy is to attract and retain high quality people and motivate high performance.

The NRC has structured an executive remuneration framework that is market competitive and complementary to the strategy of the Group.

a) Alignment to shareholders' interests:

- focuses on sustained growth in earnings per share as well as focusing the executive on key non-financial drivers of value; and
- attracts and retains high calibre executives.

b) Alignment to participants' interests:

- rewards capability, experience and performance;
- reflects competitive reward for contribution to growth in shareholder wealth; and
- provides a clear structure for earning rewards.

Aon Hewitt was engaged by the NRC to provide remuneration advice in relation to the KMP and shared services divisions, but did not provide the NRC with remuneration recommendations as defined under Division 1, Part 1.2, 9B(1) of the Corporations Act 2001 (Cth). The Board was satisfied that advice received was free from any undue influence by KMP to whom the advice may relate because strict protocols were observed and complied with regarding any interaction between Aon Hewitt and management, and because all remuneration advice was provided directly to the NRC Chair.

5.2 Overview of Executive Remuneration

The Group aims to reward executives with a level and mix of remuneration based on their position and responsibility, which has both fixed and variable components.

The executive remuneration and reward framework for executive KMP for FY22 had the following components:

- base salary, short and long-term incentives and non-monetary benefits; and
- other remuneration such as superannuation and long service leave.

The combination of these comprises the executive KMP's total remuneration.

In broad terms, fixed remuneration is set at or above median market levels compared to peers with similar revenues and market capitalisation and having regard to performance in role, while the short-term incentive component is set significantly below median levels. After review of the analysis conducted by Aon Hewitt, the Board reaffirmed their commitment to the "at-risk" component being weighted towards long-term incentives, to align with long-term value creation for shareholders.

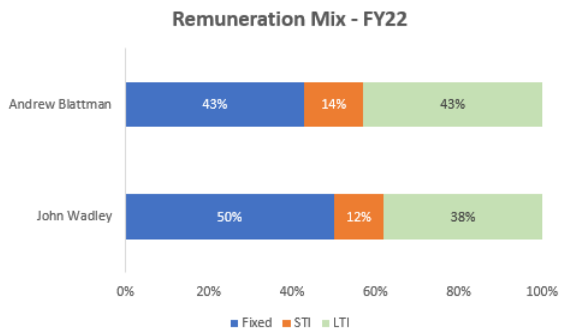
Fixed Remuneration

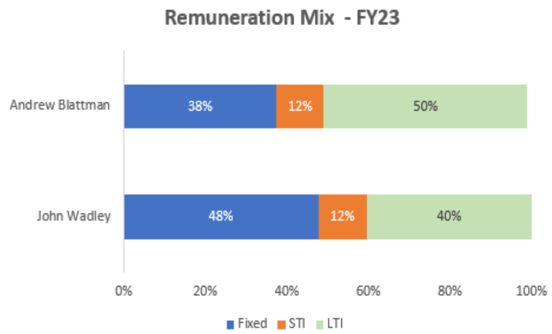
Fixed remuneration, consisting of base salary, superannuation and any non-monetary benefits, are reviewed annually by the NRC, based on individual performance, the overall performance of the Group and comparable market remuneration. Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example, motor vehicle benefits) where any additional costs to the Group are included in the calculation of the fixed remuneration.

Following the review of the CEO and executive KMP remuneration against available benchmarks for like businesses identified by Aon Hewitt, the Directors increased the executive KMP's fixed remuneration by 5.0%, inclusive of the increase in the Superannuation Guarantee Contribution.

Variable Remuneration

The maximum short incentive remains constant at 33% for the CEO and 25% for the CFO for both FY22 and FY23. However, as explained above, the maximum long-term incentive has been increased for FY23 with the FY23 LTIP for the CEO increasing to 133% from 100% in FY22, and to 85% from 75% for the CFO. The change in mix of remuneration is illustrated below:





Long term incentive

Under the long-term incentive plan, the CEO and CFO are issued Performance Rights which entitle the holder at the Vesting Date to an equivalent number of Shares subject to satisfying defined vesting conditions.

Performance Rights will vest on the Vesting Date subject to the Company's achievement of a minimum compound annual growth rate (CAGR) in Earnings Per Share over the Performance Period. EPS performance will be assessed on the basis of the Company's EPS performance during the relevant Performance Period compared to the EPS targets for that period as determined by the Board.

The Board will determine a target for EPS for the Performance Period (EPS Target) and a minimum target for EPS for the Performance Period (Minimum EPS Target) prior to any issue from year to year. For vesting to occur, EPS for the Performance Period must be at least equal to the Minimum EPS Target.

As noted earlier, the Board also considered the possible inclusion of additional performance conditions based on alternative measures including those based upon capital returns however assessed they were not appropriate for inclusion. The Board will ensure that management continues to apply a disciplined approach to investing the Group's capital when evaluating acquisitions, other investment opportunities and transformation projects.

The table below outlines how Performance Rights issued in calendar 2021 (the FY22 Plan) will vest based on the Company's EPS performance over the Performance Period (measured by calculating the CAGR between EPS for FY21 and EPS for FY24.

EPS in FY24	Percentage of Performance Rights that Vest
Less than 5% CAGR in EPS over the Performance Period	Nil vesting
Equal to 5% CAGR in EPS over the Performance Period	25% vesting
CAGR in EPS greater than 5%, up to and including 12.5% CAGR in EPS over the Performance Period	Pro-rated vesting on a straight-line basis
At or above 12.5% CAGR in EPS over the Performance Period	100% vesting

The Board has maintained the same targets and vesting principles for the FY23 LTIP. Dividends are not paid on Performance Rights.

5.3 2022 Remuneration Outcomes

The Group aims to align its Executive remuneration to its strategic objectives and the creation of sustainable shareholder value. The alignment of the Group's remuneration policy with the improvement in the business over the last five financial years can be seen in the table below:

	2018	2019	2020	2021	2022
NPAT ('000)	40,673	53,112	54,752	53,600	52,564
EPS (cents per share)	20.8	26.9	25.9	24.8	24.0
Underlying EPS (cents per share)	26.4	31.7	36.6	35.0	39.5
Dividends Paid ('000)	42,823	51,360	61,015	62,432	65,401
Total Dividends (cents per share)	22.5	25.0	28.5	29.5	30.5
Share Price (30 June closing price)	$4.45	$7.46	$7.46	$7.80	$8.16
Return of Capital ('000)	2,727	-	-	-	-

2022 STIP Outcomes – Summary of plan design

Financial KPI – The KMP (maximum 50% of STIP Opportunity) have the attainment of the Group Underlying EBITDA budget (on an FX adjusted or constant currency basis) as their financial target. Group Underlying EBITDA was selected as it is the most common measure used to assess the group's financial performance.

Strategic KPI's – The KMP (maximum 50% of STIP Opportunity) have the attainment of a number of individual objectives in line with the Board approved strategy of:

- Consolidation of acquisitions; organic growth; and growth step-outs. (30%)
- People and culture (20%)

2022 STIP Outcomes – Performance commentary

The Group achieved an Underlying EBITDA of $137.4m which included FX tailwinds. The average AUD/USD rate in FY22 was 0.726c versus a rate of 0.747c in the prior year. A 1c movement in this rate impacts service charges by approximately $1.9M on an annualised basis. Whilst the result was acceptable, when adjusted for FX compared to the budget, the performance did not meet the minimum financial KPI target threshold.

The result continued to show strong organic EBITDA growth from the Asian businesses. Dividends to shareholders increased by 3%.

Financial KPI

The financial KPI is calculated on a constant currency basis and has a base, target and a stretch, as outlined in the table below.

Achievement	Payout Ratio
97.5%	50%
100%	75%
102.5%	100%

The purpose of a constant currency calculation is to remove the impact of the difference between actual exchange rates incurred and the budgeted rate. The key exposure of the Group is to the USD. The budgeted AUD:USD for FY22 was 0.76c. The actual average rate incurred was 72.6c.

The table below outlines the calculation of the constant currency EBITDA for comparison to budget EBITDA:

- the base is the "underlying" EBITDA;
- the first adjustment removes FX gains and losses recorded in the financial accounts while the second reflects the difference in exchange rates at which revenue and expense items were recorded versus the budgeted rate; and
- this is then compared to the Group budget.

Reported Group Underlying EBITDA	137.4
Accounting FX adjustment	(6.0)
Budgetary FX adjustment	(6.7)
Constant Currency Underlying EBITDA	124.7
IPH Group EBITDA Budget	**129.8**
Financial KPI Budget Achievement	**96.1%**

Strategic KPI

An award was made to each executive KMP member on the basis of their achievement of individual objectives in line with the Board approved strategic objectives of: consolidating acquisitions; organic growth; and growth step outs (acquisitive growth), as well as People and Culture. The CEO and CFO were awarded 90% and 80% respectively of their STIP potential amount related to the Strategic KPI. Notable progress included:

Consolidating acquisitions – During the year Shelston IP merged with Spruson & Ferguson Australia. Significant cost synergies were achieved as a result of the consolidation of this business. The margins of the Griffith Hack and AJ Park businesses continue to improve as a result of prior year consolidations and margin improvement initiatives.

Organic growth – The Group has invested further in Marketing and Business Development (BD) through the restructuring and centralisation of these functions. This included the appointment of BD representatives in North America and Europe for the first time. The Group maintained organic growth in Asia, as a result of growth in filings in China and SE Asian nations outside of Singapore, as well as further case inflow through the network effect of files directed by IPH entities. On 1 July 2021 the group announced the acquisition of Applied Marks Pty Limited. Work has begun to leverage this asset through internal process improvements and accelerating our digital enablement strategy.

Growth step-outs – On 18 August 2022 it was announced that Smart & Biggar, Canada's largest IP services provider would join the Group. This has been the culmination of three years' work with the due diligence assessment and negotiation of the opportunity being made more challenging with the restrictions on travel through COVID-19 over the last two and a half years.

People and Culture - In 2022, the KMP were assessed as having met the majority of the people and culture key performance indicators. This included the emphasis on building capability with the roll out of the leadership excellence programs, more robust approach to driving employee engagement and movement towards driving greater organisational performance through the improvements in key performance indicator setting and monitoring.

Finally, in recognition of the sustained commitment of the CEO and CFO over the last three years to secure the Smart & Biggar acquisition, the Board has exercised its discretion to award an amount of 10% of the STIP potential payout to the executive KMP as part of this year's STIP award.

2022 STIP Outcomes – Individual KMP outcome

	2022			2021		
Executive	STI Forgone %	STI Paid (%)	STI Payment ($)	STI Forgone %	STI Paid (%)	STI Payment ($)
Andrew Blattman	45	55	231,776	5	95	391,875
John Wadley	50	50	76,750	10	90	135,000

2020 LTIP Grant Outcomes – tested at the conclusion of the 2022 financial year

The performance period for the 2020 LTIP commenced on 1 July 2019 and concluded on 30 June 2022. Performance was assessed at the end of the 2022 financial year and as a result of performance over the period, there was a partial vesting.

In determining the calculation of the Underlying EPS, adjustments are made to statutory profit after tax. The outcome for FY22 is as follows:

Statutory Net Profit after tax ($M)	**52.6**
Net amount of non-cash amortisation expenses of acquired intangibles	16.2
Net amount of non-cash share based payments as part of the share incentive plan	4.0
Net amount of adjustment to statutory results as disclosed in the Operational and Financial Review	13.9
Underlying Net Profit after tax	**86.7**
Underlying EPS (cents per share)	**39.5**

Grant	Performance Period	Measure	Minimum	Maximum	Performance Achieved
2020	1 July 19 – 30 June 22	Underlying EPS CAGR	5%	12.5%	7.7% per annum

On the basis of the underlying EPS achieved, the Underlying EPS CAGR equated to 7.7%, which led to a pay-out of 50.5% of the maximum award. The basis for calculation of the proportion of the award is detailed in note 33 of the financial statements.

In making this assessment, the Board did note the significant impact of the adjustments for non-underlying items. However, the quantum of each of the items included was objectively determined and the calculation made consistent with the principles applied in past years. Except as noted below, the Board did not exercise any discretion in determining the level of achievement.

The Board gave particular consideration to the impact of the sale of the WiseTime business on 19 July 2022. WiseTime was the last remaining product of the Practice Insight product suite. The other products were sold in FY19 for a profit of $2.85M. The LTIP outcome in FY19 excluded this profit on sale which is consistent with the treatment of the loss incurred in FY22.

The Board noted that in the base year of FY19 the amortisation charge of the Practice Insight business was abnormally low due to the sale of the product suite in that year (and associated transfer of the asset cost base). The Board exercised its discretion to normalise the amortisation charge in the base year resulting in a further 2.7% of LTIP award, bringing the total achievement to 53.2%. In exercising this discretion the Board also wanted to acknowledge the efforts of the executive KMP in securing the disposal on satisfactory terms of the last of the Practice Insight businesses that were first acquired in FY15, shortly after the Group's IPO.

Executive	Maximum Award[1] ($)	Rights	% Vested	% Forfeited	Vested ($)[2]	Expensed ($)[3]
Andrew Blattman	$1,250,000	175,809	53	47	$763,205	$688,384
John Wadley	$600,000	63,292	53	47	$274,755	$247,821

1. Maximum remuneration attributable to rights
2. Value of shares vesting at 30 June 2022 share price
3. Expensed in the IPH Group P&L account over the life of the award

5.4 Overview of Non-Executive Director Remuneration

Fees and payments to non-executive Directors reflect the demands and responsibilities of their role. Non-executive Directors' fees and payments are reviewed periodically by the NRC. The NRC may, from time to time, receive advice from independent remuneration consultants to ensure Non-executive Directors' fees and payments are appropriate and in line with the market.

The Chairman's fees are determined independently from the fees of other non-executive Directors based on comparative roles in the external market. Non-executive Directors do not receive share options or other incentives and their remuneration must not include a commission on, or a percentage of, operating revenue.

Non-executive Director fees paid (Directors' fees and committee fees) (inclusive of superannuation) for the year ended 30 June 2022 are summarised as follows:

Name - Position	FY2022 Fees ($)
Richard Grellman AM – Chairman (retired 28th February 2022)	218,946
Peter Warne – Director (appointed 18th November 2021), Chairman (appointed (28th February 2022)	156,875
John Atkin - Director	165,000
Robin Low - Director	165,000
Jingmin Qian - Director	165,000
	870,821

The non-executive Directors are not entitled to participate in any employee incentive scheme (including the LTIP).

Directors may also be reimbursed for expenses reasonably incurred in attending to the Company's affairs.

5.5 Details of Remuneration of Key Management Personnel

Amounts of remuneration

The key management personnel of the Group consisted of the following directors of IPH Limited:

- Richard Grellman, AM – Non-executive Chairman (retired 28th February 2022)
- Peter Warne – Non-executive Director (appointed 18 November 2021). Chairman (appointed 28th February 2022)
- Andrew Blattman – Managing Director and Chief Executive Officer
- John Atkin – Non-executive Director
- Robin Low – Non-executive Director
- Jingmin Qian – Non-executive Director

and the following persons:

- John Wadley – Chief Financial Officer

		Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
Non-executive Directors		Cash salary and fees $	Cash bonus $	Non-Monetary[1] $	Super annuation $	Employee Leave[2] $	Equity-Settled[3] $	Total $
Richard Grellman[4]	2022	198,855	-	-	20,091	-	-	218,946
	2021	301,644	-	-	28,356	-	-	330,000
Peter Warne[5]	2022	144,758	-	-	12,117	-	-	156,875
John Atkin	2022	150,000	-	-	15,000	-	-	165,000
	2021	150,685	-	-	14,315	-	-	165,000
Robin Low	2022	150,000	-	-	15,000	-	-	165,000
	2021	150,685	-	-	14,315	-	-	165,000
Jingmin Qian	2022	150,000	-	-	15,000	-	-	165,000
	2021	150,685	-	-	14,315	-	-	165,000
Executive Directors:								
Andrew Blattman	2022	1,249,350	231,776	50,657	23,568	(96,223)	540,429	1,999,557
	2021	1,228,945	391,875	66,171	28,755	23,861	709,307	2,448,914
Other Key Management Personnel:								
John Wadley	2022	588,516	76,750	(18,674)	23,568	(7,073)	192,791	855,878
	2021	578,945	135,000	35,711	22,446	35,684	255,315	1,063,101

1. Non-monetary benefits represent the movement in the accrued annual leave balance during the year.
2. Employee Leave balances represent the movement in accrued long service leave balances during the year. Negative movements reflect a remeasurement of Long Service Leave discount rates during FY22.
3. Accounting charge based on the fair value of the award at date of grant. Total number of rights are included in the performance rights holding table at the end of this report.
4. Richard Grellman ceased to be a Non-executive director on 28th February 2022. Balances represent remuneration to that date
5. Peter Warne commenced as a Non-Executive director on 18th November 2021. Balances represent remuneration from that date.

5.6 Service Agreements

Remuneration and other terms of employment for KMP are formalised in service or employment agreements. Details of these agreements are as follows:

Dr Andrew Blattman, Managing Director and Chief Executive Officer.

- Remuneration package (inclusive of superannuation) for the year ended 30 June 2022 of $1,277,000. Annual superior performance bonus of up to 33% of remuneration and a long-term incentive opportunity of 100% of remuneration.
- Remuneration package (inclusive of superannuation) for the year ended 30 June 2023 of $1,340,850. Annual superior performance bonus of up to 33% of remuneration and a long-term incentive opportunity of 133% of remuneration.

John Wadley, Chief Financial Officer.

- Remuneration package (inclusive of superannuation) for the year ended 30 June 2022 of $614,000. Annual superior performance bonus of up to 25% of remuneration and a long-term incentive opportunity of 75% of remuneration.
- Remuneration package (inclusive of superannuation) for the year ended 30 June 2023 of $644,700. Annual superior performance bonus of up to 25% of remuneration and a long-term incentive opportunity of 85% of remuneration.

Executive KMP may terminate their employment contract by giving six months' notice in writing. Contracts may be terminated by the Company with six months' notice. In the event of serious misconduct or other specific circumstances warranting summary dismissal, the Company may terminate the employment contract immediately and without notice or payment in lieu of notice. Upon termination of the employment contract, the KMP will be subject to a restraint of trade period of 12 months throughout Australia, New Zealand and Singapore. The enforceability of the restraint is subject to all usual legal requirements. KMP have no entitlement to termination payments in the event of removal for misconduct. Andrew Blattman receives five weeks annual leave.

5.7 Additional Disclosures Relating to Key Management Personnel

The following disclosures relate only to equity instruments in the Company or its subsidiaries.

Shareholding

The number of shares in the Company held during the financial year by each Director and other members of key management personnel of the Group, including their personally related parties, is set out below:

30 June 2022	Balance at the start of the year	Additions	Disposals	Balance at the end of the year
Ordinary shares				
Richard Grellman[1]	54,108	902	(55,010)	–
Peter Warne	–	–	–	–
Andrew Blattman	2,323,751	125,563	–	2,449,314
John Atkin	121,053	4,194	–	125,247
Robin Low	74,214	–	–	74,214
Jingmin Qian	–	–	–	–
John Wadley	36,165	37,669	–	73,834
	2,609,291	168,328	(55,010)	2,722,609

[1]Richard Grellman ceased to be a Director on 28 February 2022. Disposal represents no longer being designated as a Director, not necessarily a disposal of holding

30 June 2021	Balance at the start of the year	Additions	Disposals	Balance at the end of the year
Ordinary shares				
Richard Grellman	51,773	2,335	–	54,108
Andrew Blattman	2,206,166	117,585	–	2,323,751
John Atkin	115,829	5,224	–	121,053
Robin Low	74,214	–	–	74,214
Jingmin Qian	–	–	–	–
John Wadley	413	35,752	–	36,165
	2,448,395	160,896	–	2,609,291

Option holding

No options over ordinary shares in the Company were held during the financial year by each Director and other members of key management personnel of the Group, including their personally related parties.

Performance rights holding

The number of performance rights issued to KMPs is set out below:

Executive	Plan[1]	Balance at Start of Year	Granted During Year	Vested		Forfeited		FY22 Expense[3]	Unvested at end of year	Future P&L Expense
				No	%[2]	No	%			
Andrew Blattman	2019	125,563	–	(125,563)	63	–	–	31,942	–	–
	2020	175,809	–	–	–	(82,279)	47	(137,444)	93,530	37,419
	2021	163,613	–	–	–	–	–	301,172	163,613	353,155
	2022	–	177,264	–	–	–	–	344,759	177,264	690,463
John Wadley	2019	37,669	–	(37,669)	63	–	–	9,583	–	–
	2020	63,292	–	–	–	(29,621)	47	(49,480)	29,621	13,471
	2021	58,901	–	–	–	–	–	108,423	58,901	127,137
	2022	–	63,893	–	–	–	–	124,265	63,893	248,870
		624,847	241,157	(163,232)	–	(95,641)	–	733,220	586,822	1,470,575

1. Financial year in which the award is granted.

2. % of maximum award

3. Expense for the 2020 award includes an adjustment for the forfeited award expensed in prior years.

This concludes the remuneration report, which has been audited.

6. Shares under performance rights

Details of unissued shares or interests under performance rights across all incentive plans of the Group at the date of this report are:

Issuing Entity	Type	Number of Shares	Class	Exercise Price	Expiry Date
IPH Limited	Performance	1,556,550	Ordinary	0.00	Up to Sept 2024

7. Shares under option

There were no unissued ordinary shares of IPH Limited under option at the date of this report.

8. Dividends

Dividends paid during the financial year were as follows:

Final dividend of 15.5 cents per share for the year ended 30 June 2021, paid on 17 September 2021 (40% Franked) (A$'000s)	33,720
Interim dividend of 14.5 cents per share for the year ended 30 June 2022, paid on 18 March 2022 (40% Franked) (A$'000s)	31,681

9. Significant changes in the state of affairs

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

10. Matters subsequent to the end of the financial year

The sale of Practice Insight to Anaqua Inc was completed on 19th July 2022. The agreed sales price was $1m. The Group had recognised write downs of $2.2m in relation to this transaction in the Financial Report to 30 June 2022.

On 18th August 2022, IPH Limited signed an agreement to acquire the IP agency practice of Smart & Biggar, Canada's leading intellectual property services firm.

The transaction consideration of approximately C$348m will be funded by debt facilities, cash and the issuance of IPH shares to the vendors.

The consideration comprises upfront cash consideration of C$241m; initial issue of 5.3m new IPH shares with a value of C$41m (escrowed for 2 years) and deferred issue of new IPH shares up to value of C$66m (escrowed for 2 years)

IPH has agreed amended debt facilities with its existing bank financiers as part of the transaction.

11. Environmental regulation

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

12. Indemnity and insurance of officers

The Company has indemnified the Directors and executives of the Company for costs incurred, in their capacity as a Director or executive, for which they may be held personally liable, except where there is a lack of good faith.

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

13. Indemnity and insurance of auditor

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

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

14. Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

15. Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 24 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in note 24 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

16. Officers of the Company who are former partners of Deloitte Touche Tohmatsu

There are no officers of the Company who are former partners of Deloitte Touche Tohmatsu.

17. 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 annual financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

18. 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.

19. Auditor

Deloitte Touche Tohmatsu continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2) (a) of the Corporations Act 2001.

Dr Andrew Blattman
CEO and Managing Director

18 August 2022
Sydney

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Grosvenor Place
225 George Street
Sydney NSW 2000

Tel: +61 2 9322 7000
www.deloitte.com.au

18 August 2022

The Board of Directors
IPH Limited
Level 22, Tower 2, Darling Park
201 Sussex, Sydney

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 audit of the financial report of IPH Limited for the year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

H Fortescue
Partner
Chartered Accountants

Financial **Statements**

Statement of Profit or Loss and Other Comprehensive Income

		Consolidated	
	Note	30 Jun 2022	30 Jun 2021
		$'000	$'000
Revenue	5	374,330	359,684
Other income	6	10,803	3,830
Expenses			
Employee benefits expense		(123,412)	(115,124)
Agent fee expenses		(103,440)	(104,493)
Amortisation of acquired intangibles	7	(22,891)	(21,607)
Depreciation of right-of-use assets	7	(8,671)	(8,588)
Depreciation and amortisation of fixed assets and intangibles	7	(8,001)	(7,275)
Insurance expenses		(2,682)	(2,265)
Travel expenses		(1,057)	(358)
Occupancy expenses		(1,756)	(1,981)
Other expenses	7	(36,800)	(25,967)
Finance costs	7	(4,709)	(5,977)
Profit before income tax expense		**71,714**	**69,879**
Income tax expense	8	(19,150)	(16,279)
Profit after income tax expense for the year		**52,564**	**53,600**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		2,492	(5,301)
Fair value gain on hedging instruments		684	282
Other comprehensive income for the year, net of tax		3,176	(5,019)
Total comprehensive income for the year		**55,740**	**48,581**
Profit for the year is attributable to:			
Owners of IPH Limited		52,564	53,600
		52,564	**53,600**
Total comprehensive income for the year is attributable to:			
Owners of IPH Limited		55,740	48,581
		55,740	**48,581**
Earnings per share			
From continuing operations			
Basic earnings (cents per share)	31	24.09	24.80
Diluted earnings (cents per share)	31	23.99	24.74

These statements should be read in conjunction with the following notes.

Statement of Financial Position

		Consolidated	
	Note	30 Jun 2022	30 Jun 2021
		$'000	$'000
Current assets			
Cash and cash equivalents	9	88,399	71,152
Trade and other receivables	10	92,760	83,366
Contract assets		6,765	6,329
Income tax receivable		3,211	-
Other financial assets	22	472	-
Other assets	11	5,436	4,045
Total current assets		**197,043**	**164,892**
Non-current assets			
Property, plant and equipment	12(a)	8,622	10,178
Right-of-use assets	12(b)	30,920	30,639
Intangibles	12(c)	447,643	468,088
Deferred tax	13	2,974	34
Other assets		1,215	856
Total non-current assets		**491,374**	**509,795**
Total assets		**688,417**	**674,687**
Current liabilities			
Trade and other payables	14	29,348	24,021
Income tax payable		7,653	2,631
Provisions	15	17,825	21,821
Interest bearing lease liabilities	12(b)	11,621	10,012
Other financial liabilities		200	200
Contract liabilities		3,495	1,972
Total current liabilities		**70,142**	**60,657**
Non-current liabilities			
Borrowings	16	118,477	116,159
Deferred tax	13	33,024	36,300
Interest bearing lease liabilities	12(b)	31,122	33,223
Other financial liabilities		2,038	503
Provisions	17	3,903	1,053
Total non-current liabilities		**188,564**	**187,238**
Total liabilities		**258,706**	**247,895**
Net assets		**429,711**	**426,792**
Equity			
Issued capital	18	424,809	417,079
Reserves	19	6,526	(1,500)
(Accumulated losses)/retained profits	20	(1,624)	11,213
Total equity attributable to owners of IPH Limited		**429,711**	**426,792**

These statements should be read in conjunction with the following notes.

Statement of Cashflows

	Note	Consolidated 30 Jun 2022 $'000	Consolidated 30 Jun 2021 $'000
Cash flows from operating activities			
Receipts from customers		417,887	404,664
Payments to suppliers and employees		(294,306)	(285,672)
Interest received	6	46	60
Interest and other finance costs paid	7	(4,709)	(5,977)
Income taxes paid		(24,039)	(20,426)
Net cash from operating activities	**32**	**94,879**	**92,649**
Cash flows from investing activities			
Payments for purchase of subsidiaries, net of cash acquired	28	(4,992)	(4,659)
Payments for property, plant and equipment	12(a)	(4,784)	(1,814)
Payments for internally developed software	12(c)	(2,406)	(4,364)
Net cash used in investing activities		**(12,182)**	**(10,837)**
Cash flows from financing activities			
Dividends paid	21	(57,671)	(49,949)
Proceeds of borrowings		-	116,159
Repayment of borrowings		-	(148,601)
Payment of lease liabilities		(11,007)	(11,162)
Net cash used in financing activities		**(68,678)**	**(93,553)**
Net increase/(decrease) in cash and cash equivalents		14,019	(11,741)
Cash and cash equivalents at the beginning of the financial year		71,152	82,910
Effects of exchange rate changes on cash and cash equivalents		3,228	(17)
Cash and cash equivalents at the end of the financial year	**9**	**88,399**	**71,152**

These statements should be read in conjunction with the following notes.

Statement of Changes in Equity

Consolidated	Issued Capital	Foreign Currency Translation Reserve	Minority Interest Acquisition Reserve	Equity Settled Employee Benefits Reserve	Other Reserve	Retained Profits	Total Equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance as at 1 July 2020	**402,149**	**3,342**	**(14,814)**	**7,149**	**4,791**	**20,045**	**422,662**
Profit after income tax expense for the year	-	-	-	-	-	53,600	53,600
Effect of foreign exchange differences	-	(5,301)	-	-	-	-	(5,301)
Hedge revaluation net of tax (note 22)	-	-	-	-	282	-	282
Total comprehensive income for the year	**-**	**(5,301)**	**-**	**-**	**282**	**53,600**	**48,581**
Transactions with owners in their capacity as owners:							
Issue of ordinary shares as consideration for a business combination, net of transaction costs	2,447	-	-	-	-	-	2,447
Dividend Reinvestment Plan (note 21)	12,483	-	-	-	-	-	12,483
Share-based payments charge	-	-	-	3,051	-	-	3,051
Dividends paid (note 21)	-	-	-	-	-	(62,432)	(62,432)
Balance as at 30 June 2021	**417,079**	**(1,959)**	**(14,814)**	**10,200**	**5,073**	**11,213**	**426,792**
Balance as at 1 July 2021	**417,079**	**(1,959)**	**(14,814)**	**10,200**	**5,073**	**11,213**	**426,792**
Profit after income tax expense for the year	-	-	-	-	-	52,564	52,564
Effect of foreign exchange differences	-	2,492	-	-	-	-	2,492
Hedge revaluation net of tax (note 22)	-	-	-	-	684	-	684
Total comprehensive income for the year	**-**	**2,492**	**-**	**-**	**684**	**52,564**	**55,740**
Transactions with owners in their capacity as owners:							
Dividend Reinvestment Plan (note 21)	7,730	-	-	-	-	-	7,730
Share-based payments charge	-	-	-	4,850	-	-	4,850
Dividends paid (note 21)	-	-	-	-	-	(65,401)	(65,401)
Balance as at 30 June 2022	**424,809**	**533**	**(14,814)**	**15,050**	**5,757**	**(1,624)**	**429,711**

These statements should be read in conjunction with the following notes.

Note 1. General information

The financial statements cover IPH Limited as a Group consisting of IPH Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is IPH Limited's functional and presentation currency.

IPH Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 22, Darling Park Tower 2, 201 Sussex Street, Sydney NSW 2000

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 18 August 2022.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Statement of compliance

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the AASB and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Basis of preparation

The financial statements have been prepared under the historical cost convention except for certain financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets.

Critical accounting estimates

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

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 27.

Note 2. Significant accounting policies (continued)

Principles of consolidation

The consolidated financial statements are those of the consolidated entity ("the Group"), comprising the financial statements of the parent entity and all of the entities the parent controls. The Company controls an entity when it has power over the investee and the Group is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

External non-controlling interests are allocated their share of total comprehensive income and are presented within equity in the consolidated Statement of Financial Position, separately from the equity of shareholders.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Foreign currency translation

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group entity are expressed in Australian dollars ('$'), which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on transactions entered into in order to hedge certain foreign currency risks which are recognised in reserves; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment.

Note 2. Significant accounting policies (continued)

For the purpose of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Australian dollars as follows:

- Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used;
- Assets and liabilities for each Statement of Financial Position presented are translated at the closing rate at the balance date; and
- All resulting exchange differences are recognised in other comprehensive income, in the foreign currency translation reserve.

Goodwill and fair value accounting adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

IP services

The Group provides professional services in relation to the protection, commercialisation, enforcement and management of all forms of intellectual property. Delivery of these services represent performance obligations. Upon completion of each performance obligation, which is satisfied at a point in time, the Group is entitled to payment for the services performed. Fees for completion of each performance obligation are determined by reference to a scale of charges and revenue is recognised.

Legal services

Legal services revenue received has performance obligations that are satisfied over time. Upon completion of these performance obligations, the Group is entitled to payment for services performed. Revenue arising from services that relate to performance obligations satisfied over time are recognised on a progressive basis using the input method. The input method is used by assessing the time and costs incurred on an engagement.

Other revenue, including commission revenue, is recognised when it is received or when the right to receive payment is established.

All revenue is stated net of the amount of goods and services tax (GST).

Other Income

Dividend revenue is recognised when the right to receive a dividend has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income is recognised on an accruals basis.

Government Grants

Grants from governments are recognised at their fair value where there is reasonable assurance that the grant will be received and the Group will comply with any specified requirements. All government grants are recognised in the Statement of Profit or Loss and Other Comprehensive Income on a systematic basis over the periods in which the Group recognises the related costs.

Note 2. Significant accounting policies (continued)

Contract assets

Contract assets represent costs incurred and profit recognised on client assignments and services that are in progress at balance date. Contract assets are valued at net realisable value after providing for any foreseeable losses. Contract assets are subsequently assessed for impairment using the expected credit loss under AASB 9 *Financial Instruments*.

Disbursements recoverable

Recoverable client disbursements recorded in contract assets are recognised when services are provided. The amount recognised is net of any GST payable. Internally generated disbursements are credited directly to the profit & loss as they are charged to a client matter.

Disbursements recoverable are subsequently assessed for impairment using the expected credit loss under AASB9.

Income Tax

The income tax expense or benefit is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Note 2. Significant accounting policies (continued)

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the Statement of Profit or Loss and Other Comprehensive Income, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity.

The Company and its wholly owned Australian resident entities are part of a tax-consolidated group which was formed on 3 September 2014. As a consequence, all members of the tax-consolidated group are taxed as a single entity. The head entity within the tax consolidated group is IPH Limited.

Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax consolidated group using the "separate taxpayer within group" approach.

Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax-consolidated group are recognised by the Company (as head entity in the tax-consolidated group).

Due to the existence of a tax funding arrangement between the entities in the tax-consolidated group, amounts are recognised as payable to or receivable by the Company and each member of the group in relation to the tax contribution amounts paid or payable between the parent entity and the other members of the tax consolidated group in accordance with the arrangement. Where the tax contribution amount recognised by each member of the tax consolidated group for a particular period is different to the aggregate of the current tax liability or asset and any deferred tax asset arising from unused tax losses and tax credits in respect of that period, the difference is recognised as a contribution from (or distribution to) equity participants.

Financial instruments

Financial assets

Financial assets are classified as either financial assets at amortised cost, at fair value through other comprehensive income (FVTOCI) or at fair value through profit or loss (FVTPL). Financial assets are initially recognised at fair value on the trade date, including, in the case of instruments not recorded at fair value through profit or loss, directly attributable transaction costs. Subsequently, financial assets are carried at fair value (equity investments and derivatives) or amortised cost adjusted for any loss allowance (loans, trade receivables and other receivables).

Derivative financial instruments

A derivative is a type of financial instrument typically used to manage risk. A derivative's value changes over time in response to underlying variables including interest rates or exchange rates and is entered into for a fixed period. A hedge is where a derivative is used to manage an underlying exposure and the Group uses derivatives to manage its exposure to interest rates and foreign exchange risk accordingly.

All derivatives are measured through the Statement of Profit and Loss and Other Comprehensive Income unless designated and effective as a hedge where the hedge accounting provisions apply.

Impairment of financial assets

The impairment approach is based on lifetime expected credit losses (ECL model) for financial assets held at amortised cost. Therefore, it is not necessary for a loss event to have occurred before credit losses are recognised. Instead, a loss allowance is always recognised for ECL and is re-measured at each reporting date for changes in those expected credit losses. The expected credit losses are estimated via a provision matrix based on the Group's historical credit loss experience. This is then adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecasted direction of conditions at the reporting date, including time value of money where appropriate.

For financial assets, a credit loss is the present value of the difference between: (i) the contractual cash flows that are due under the contract; and (ii) the cash flows expected to be received.

Note 2. Significant accounting policies (continued)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, short term deposits with an original maturity of three months or less held at call with financial institutions, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated Statement of Financial Position.

Trade and other receivables

Trade and other receivables include amounts due from customers for services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are measured at amortised cost using the effective interest method.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

The carrying amount of financial assets is reviewed annually by the directors' to assess whether there is any objective evidence that a financial asset is impaired.

Where such objective evidence exists, the Group recognises impairment losses.

Financial liabilities

Financial liabilities include trade payables, other creditors and loans from third parties including intra group balances.

Non derivative financial liabilities are recognised at amortised cost using the effective interest method.

Trade accounts payable comprise the original debt less principal payments plus where applicable any accrued interest.

Financial liabilities are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

Trade and other payables

Trade and other payables represent the liabilities for goods and services received that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 90 days of recognition of the liability.

Contract Liabilities

Contract liabilities represent billing made to clients where revenue recognition criteria has not yet been fully met to merit recording revenue as at the balance date.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Note 2. Significant accounting policies (continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Item	Years
Leasehold improvements	6-15 years
Plant and equipment	2-20 years
Furniture, fixtures and fittings	5-20 years
Computer equipment	2-5 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are measured at their fair value at the date of the acquisition.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently of events or changes in circumstances indicate that it might be impaired and it is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit and loss and not subsequently reversed.

Intangible assets acquired separately

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses.

Customer Relationships

Customer relationships are the assessed value of the supply of goods and services that exist at the date of acquisition. In valuing customer relationships, consideration is given to historic customer retention and decay statistics, projected future cash flows and appropriate capital charges.

Customer relationships are amortised over a period of 10 years. The estimated useful lives, residual values and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Trademarks

Trademarks are intangible assets with indefinite useful lives that are acquired separately and are carried at cost less accumulated impairment losses.

Software acquired

Software acquired through a business combination is assessed as the identifiable value of that software at the date of acquisition. Acquired software is amortised over a period of 4 years.

Internally generated intangible assets

Note 2. Significant accounting policies (continued)

Internally generated intangible assets, including software, arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

The useful lives of internally generated intangible assets are as follows:

Software	3 years

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit or loss when the asset is derecognised.

Sofware-as-a-Service (SaaS) arrangements

SaaS arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received.

Impairment of assets

Goodwill and other assets that have an indefinite useful life are not amortised but are tested annually for impairment in accordance with AASB 136 'Impairment of Assets'. Assets subject to annual depreciation or amortisation are reviewed for impairment whenever events or circumstances arise that indicates that the carrying amount of the asset may be impaired.

An impairment loss is recognised where the carrying amount of the asset exceeds its fair value less costs of disposal. The recoverable amount of an asset is defined as the higher of its fair value less costs of disposal and value in use.

For the purposes of impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

For the purpose of impairment testing, goodwill acquired in a business combination shall, from the acquisition date, be allocated to each of the acquirer's cash-generating units, or groups of cash-generating units, that is expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

Note 2. Significant accounting policies (continued)

Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Leases

The Group recognises a right-of use-asset and a lease liability at the lease commencement date. The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Group applies AASB 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Impairment of assets' policy.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under AASB137. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset.

As a practical expedient, AASB 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable; and
- Lease payments that depend on an index rate, initially measured using the index or rate at the commencement date.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate; or
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Note 2. Significant accounting policies (continued)

To determine the incremental borrowing rate, the Group makes adjustments specific to the lease including factors such as lease term, country, currency and security. The weighted average incremental borrowing rate applied to lease liabilities was 3.31% (2021: 4.49%).

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are disclosed in note 12(b).

Employee benefits

Short and long-term employee benefit

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Liabilities recognised in respect of long term employee benefits are measured at the present value of the estimated future cash outflows to be made by the Group in respect of services provided by the employees up to reporting date.

Retirement benefit costs

Payments to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Borrowing costs

Borrowing costs can include interest, amortisation of discounts or premiums relating to borrowings, ancillary costs incurred in connection with arrangement of borrowings, foreign exchange losses net of hedged amounts on borrowings. Borrowings are initially recognised at fair value, net of transaction costs and subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the consolidated Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Share based payments

Equity settled share based compensation benefits are provided to employees. Equity settled transactions are awards of shares, options or rights, which are provided in exchange for the rendering of services. Equity settled share based payments are measured at the fair value of the equity instruments at the grant date.

The fair value at the grant date of the equity settled share based payments is expensed on a straight line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity settled employee benefits reserve.

Note 2. Significant accounting policies (continued)

Fair value measurement

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

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

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements (note 22). Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

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

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends

Dividends are recognised when declared during the financial year and are no longer at the discretion of the Company.

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Note 2. Significant accounting policies (continued)

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss. Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase, the difference is recognised as a gain directly in profit or loss on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and any previously held equity interest.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. Contingent consideration is classified either as equity or a financial liability. Amounts classified as financial liability are subsequently remeasured to fair value with changes to fair value recognised in profit or loss.

Business combinations are initially accounted for on a provisional basis. The Group retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the Group receives all the information possible to determine fair value.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of IPH Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

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

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 annual financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Adoption of new accounting standards

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 its operations and effective for an accounting period that begins on or after 1 July 2021.

Note 3. Critical accounting judgements, estimates and assumptions

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

Goodwill and other indefinite life intangible assets

The Group tests annually, or more frequently if events of changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2.

Customer relationships are finite intangible assets and are amortised over their expected life. Assets subject to amortisation are reviewed for impairment whenever events or circumstances arise that indicates that the carrying amount of the asset may be impaired.

Note 4. 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 includes the operations of Wisetime[1]. 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.

Segment	Activity
Intellectual Property Services Australia & New Zealand	Related to the provision of filing, prosecution, enforcement and management of patents, designs, trademarks and other IP in Australia and New Zealand.
Intellectual Property Services Asia	Related to the provision of filing, prosecution, enforcement and management of patents, designs, trademarks and other IP in Asia.
Adjacent Businesses	Adjacent businesses include Wisetime[1] the autonomous time-keeping tool.

1. IPH Ltd's investment in Practice Insight Pty Limited which included the Wisetime application was divested after the FY22 financial period. Refer to note 29.

The CODM reviews profit before interest, income 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 reported to the CODM is 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.

Reliance on major customers

Maximum revenue from any customer is less than 3% of overall revenue of the Group.

Note 4. Operating Segments (continued)

Consolidated	Intellectual Property Services				Adjacent Businesses		Corporate		Intersegment eliminations / unallocated		Total	
	Australia & NZ		Asia									
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Revenue												
Sales to external customers	271,789	267,739	102,541	91,945	-	-	-	-	-	-	374,330	359,684
Intersegment sales	1,079	948	6,256	5,280	-	-	-	-	(7,335)	(6,228)	-	-
Total sales revenue	272,868	268,687	108,797	97,225	-	-	-	-	(7,335)	(6,228)	374,330	359,684
Other revenue	13,148	6,979	1,411	(1,112)	638	409	9,744	5,601	(14,184)	(8,107)	10,757	3,770
Total revenue	**286,016**	**275,666**	**110,208**	**96,113**	**638**	**409**	**9,744**	**5,601**	**(21,519)**	**(14,335)**	**385,087**	**363,454**
Less: Overheads	(182,497)	(182,411)	(58,729)	(52,703)	(1,131)	(778)	(26,868)	(17,436)	21,558	14,152	(247,667)	(239,176)
Earnings before interest, tax, depreciation and amortisation (EBITDA), before adjustments	**103,519**	**93,255**	**51,479**	**43,410**	**(493)**	**(369)**	**(17,124)**	**(11,835)**	**39**	**(183)**	**137,420**	**124,278**
Less: Depreciation	(9,702)	(9,680)	(2,422)	(2,469)	(23)	(56)	(832)	(256)	-	-	(12,979)	(12,461)
Less: Amortisation	(22,375)	(21,055)	(1,271)	(1,290)	(1,727)	(1,698)	(1,211)	(988)	-	22	(26,584)	(25,009)
Less: Management Charges	3,365	4,853	(11,373)	(10,523)	-	-	7,990	5,564	18	106	-	-
Segment result: (Profit before interest, tax and adjustments)	**74,807**	**67,373**	**36,413**	**29,128**	**(2,243)**	**(2,123)**	**(11,177)**	**(7,515)**	**57**	**(55)**	**97,857**	**86,808**

	2022	2021
Reconciliation of segment result		
Segment result	97,857	86,808
Adjustments to statutory result:		
Business acquisition costs	(3,747)	(3,616)
Restructuring expenses	(1,814)	(2,190)
Divestment of Practice Insight	(2,170)	-
Impairment of intangible assets	(4,654)	-
Impairment of right-of-use assets and fixed assets	(2,387)	(464)
Share based payments	(4,850)	(3,578)
IT SaaS Implementation Costs	(1,858)	(1,164)
Total adjustments	**(21,480)**	**(11,012)**
Interest income	46	60
Finance Costs	(4,709)	(5,977)
Profit for the period before income tax expense	**71,714**	**69,879**
Reconciliation of segment revenue		
Segment revenue	385,087	363,454
Interest income	46	60
Total revenue	**385,133**	**363,514**

Note 5. Sales revenue

	Consolidated	
	30 Jun 2022	30 Jun 2021
	$'000	$'000
IP Services	358,231	342,151
Legal Services	16,099	17,533
	374,330	**359,684**

Note 6. Other income

	Consolidated	
	30 Jun 2022	30 Jun 2021
	$'000	$'000
Net realised foreign exchange gain/(loss)	4,413	(6,338)
Net unrealised foreign exchange gain/(loss)	1,539	6,151
Other income	1,673	1,430
Commission	3,132	2,527
Interest	46	60
	10,803	**3,830**

Note 7. Expenses

Profit before income tax includes the following specific expenses:

	Consolidated	
	30 Jun 2022	30 Jun 2021
	$'000	$'000
Depreciation and amortisation:		
Depreciation - Property, plant and equipment	4,308	3,873
Amortisation - Software development	3,693	3,402
	8,001	7,275
Depreciation - Right-of-use asset	8,671	8,588
Amortisation - Acquired Intangibles	22,891	21,607
Total depreciation and amortisation	39,563	37,470
Employee benefits expense:		
Share based payments	4,850	3,578
Superannuation expense	7,064	6,351
Government Covid-19 stimulus grants[1]	-	(1,273)
Other expenses:		
Advertising and marketing	1,071	1,182
Business acquisition costs	3,747	3,616
Impairment of right-of-use assets and revaluation of lease liabilities arising from onerous leases	514	(13)
Impairment and loss on disposal of fixed assets	1,964	876
Impairment of intangibles	6,284	-
IT and communication	8,325	6,876
Office expenses	2,142	1,780
Professional fees	3,177	2,746
Staff welfare and training	1,454	1,009
Other	8,122	7,895
	36,800	25,967
Finance costs		
Interest on bank facilities - Loan	2,243	2,592
Other finance costs - Facility fees	822	1,444
	3,065	4,036
Interest on lease contracts	1,644	1,941
Total finance costs	**4,709**	**5,977**

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

Note 8. Income tax expense

	Consolidated	
	30 Jun 2022	30 Jun 2021
	$'000	$'000
Income tax expense		
Current tax	25,596	20,683
Deferred tax	(6,508)	(3,395)
Over provided in prior years	62	(1,009)
Aggregate income tax expense	**19,150**	**16,279**
Deferred tax included in income tax expense comprises:		
Increase in deferred tax assets	839	854
Decreases in deferred tax liabilities	(7,347)	(4,249)
	(6,508)	(3,395)
Reconciliation of invoice tax expense and tax at the statutory rate		
Profit before income tax expense	71,714	69,879
Tax at the statutory rate of 30%	21,514	20,964
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Permanent differences	(84)	48
Equity settled share based payments	294	(1,098)
Acquisition costs	1,648	1,424
Difference in overseas tax rates	(4,720)	(3,831)
Under/(Over) provision with respect to current tax in prior years	62	(1,009)
Under/(Over) provision with respect to deferred tax in prior years	(146)	(219)
Practice Insight deferred tax write off	582	-
Income tax expense	**19,150**	**16,279**

Note 9. Current assets - cash and cash equivalents

	Consolidated	
	30 Jun 2022	30 Jun 2021
	$'000	$'000
Cash on hand	43	62
Cash at bank	88,356	71,070
Term deposit[1]	-	20
	88,399	**71,152**

1. Restricted cash cover for bank facilities.

Note 10. Current assets - trade and other receivables

	Consolidated	
	30 Jun 2022	30 Jun 2021
	$'000	$'000
Trade receivables from contracts with customers	95,702	86,236
Less: Loss allowance	(2,942)	(2,870)
	92,760	83,366

Impairment of receivables

The Group has recognised a loss of $806,000 (2021: $1,447,000) in profit or loss in respect of the loss allowance for the year ended 30 June 2022.

The Group measures the loss allowance for trade receivables at an amount equal to the lifetime expected credit loss (ECL). The expected credit losses are estimated via a provision matrix based on the Group's historical credit loss experience. This is then adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecasted direction of conditions at the reporting date, including time value of money where appropriate.

Expected credit losses for ageing categories[1]

	Consolidated	
	30 Jun 2022	30 Jun 2021
	$'000	$'000
Loss allowance for trade receivables past due more than 91 days	2,795	2,549

1. Ageing brackets not covered are deemed immaterial.

Note 10. Current assets - trade and other receivables (continued)

Movements in the loss allowance for impairment of receivables are as follows:

	Consolidated	
	30 Jun 2022	30 Jun 2021
	$'000	$'000
Opening balance	2,870	2,754
Additional provisions recognised	806	1,447
Receivables written off during the year as uncollectable	(734)	(1,331)
Closing Balance	**2,942**	**2,870**

Trade receivable ageing

The ageing of trade receivables are as follows:

	Consolidated	
	30 Jun 2022	30 Jun 2021
	$'000	$'000
Current	71,617	58,388
0 to 60 days overdue	7,114	9,657
61 to 90 days overdue	5,129	4,646
Past due more than 91 days	8,900	10,675
Closing Balance	**92,760**	**83,366**

Ageing has been calculated with reference to the trading terms of local clients (30 days) and international clients (90 days). No interest is charged on outstanding trade receivables.

Note 11. Current assets - other

	Consolidated	
	30 Jun 2022	30 Jun 2021
	$'000	$'000
Prepayments	3,287	2,888
Net investment in sub-lease	482	307
Other current assets	1,667	850
	5,436	**4,045**

Note 12. Non-current assets

(a) Property, plant and equipment

	Consolidated	
	30 Jun 2022	30 Jun 2021
	$'000	$'000
Leasehold improvements - at cost	18,624	15,180
Less: Accumulated depreciation	(12,862)	(9,401)
	5,762	**5,779**
Plant and equipment - at cost	1,425	1,659
Less: Accumulated depreciation	(1,240)	(1,413)
	185	**246**
Furniture, fixtures and fittings - at cost	3,351	5,000
Less: Accumulated depreciation	(2,984)	(3,910)
	367	**1,090**
Computer equipment - at cost	21,466	27,255
Less: Accumulated depreciation	(19,158)	(24,192)
	2,308	**3,063**
	8,622	**10,178**

Note 12. Non-current assets (continued)

Reconciliations

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

	Leasehold improvements	Plant and equipment	Furniture, fixtures and fittings	Computer equipment	Total
	$'000	$'000	$'000	$'000	$'000
Balance as at 1 July 2020	**6,808**	**230**	**2,053**	**4,182**	**13,273**
Additions	269	36	86	1,423	1,814
Additions through business combinations (note 28)	139	-	13	39	191
Disposals / Transfers	(180)	83	(810)	357	(550)
Impairment	-	-	-	(479)	(479)
Exchange differences	145	252	(175)	(420)	(198)
Depreciation expense	(1,402)	(355)	(77)	(2,039)	(3,873)
Balance as at 30 June 2021	**5,779**	**246**	**1,090**	**3,063**	**10,178**
Additions	3,592	38	-	1,154	4,784
Reclasses	-	-	-	(51)	(51)
Impairment	(1,422)	-	(451)	-	(1,873)
Disposals	(51)	(3)	(8)	(29)	(91)
Exchange differences	(3)	2	(4)	(12)	(17)
Depreciation expense	(2,133)	(98)	(260)	(1,817)	(4,308)
Balance as at 30 June 2022	**5,762**	**185**	**367**	**2,308**	**8,622**

(b) Leases

The Group enters leases in relation to office space and office equipment.

The Statement of Financial Position shows the following amounts relating to leases:

	Premises	Equipment	Total
	$'000	$'000	$'000
Balance as at 1 July 2020	**38,540**	**268**	**38,808**
Additions	526	71	597
Additions through business combinations	1,186	-	1,186
Remeasurements	-	9	9
Depreciation expense	(8,446)	(142)	(8,588)
Disposals / reclasses	(927)	-	(927)
Exchange gains / (losses)	(439)	(7)	(446)
Balance as at 30 June 2021	**30,440**	**199**	**30,639**
Additions	14,035	141	14,176
Depreciation expense	(8,545)	(126)	(8,671)
Impairment expense	(514)	-	(514)
Remeasurements	(212)	-	(212)
Disposals	(4,713)	-	(4,713)
Exchange gains / (losses)	210	5	215
Balance as at 30 June 2022	**30,701**	**219**	**30,920**

	Consolidated	
	30 Jun 2022	30 Jun 2021
	$'000	$'000
Lease liabilities		
Current	11,621	10,012
Non-current	31,122	33,223
Closing Balance	**42,743**	**43,235**

The Statement of Profit or Loss and Other Comprehensive Income shows the following amounts relating to leases:

	Consolidated	
	30 Jun 2022	30 Jun 2021
	$'000	$'000
Depreciation charge - Right-of-use assets	8,671	8,588
Interest expense (included in finance costs)	1,644	1,941
Expense relating to variable lease payments not included in lease liabilities (included in occupancy expenses)	1,756	1,856
Income from subleasing of right-of-use assets (included in other income)	(71)	(386)
Impairment of right-of-use assets and remeasurement of lease liability	514	(13)

Total cash outflow for leases in 2022 was $12,561,000 (2021: $13,103,000).

Note 12. Non-current assets (continued)

(c) Intangibles

	Consolidated	
	30 Jun 2022	30 Jun 2021
	$'000	$'000
Goodwill - at cost	299,954	296,434
Patents and trade marks - at cost	12,608	17,293
Less: Accumulated amortisation	(9)	(5)
	312,553	**313,722**
Capitalised software development - at cost	12,814	15,067
Less: Accumulated amortisation	(8,587)	(9,370)
	4,227	**5,697**
Software acquired - at cost	5,241	-
Less: Accumulated amortisation	(1,048)	-
	4,193	**-**
Customer Relationships	217,446	218,284
Less: Accumulated amortisation	(89,815)	(68,654)
Less: Impairment	(961)	(961)
	126,670	**148,669**
	447,643	**468,088**

Reconciliations

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

	Goodwill	Patents and trade marks	Customer relationships	Capitalised software development	Software acquired	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Balance as at 1 July 2020	**298,038**	**17,232**	**163,219**	**4,770**	**-**	**483,259**
Additions	-	-	-	4,364	-	4,364
Additions through business combinations	1,986	-	6,756	-	-	8,742
Exchange differences	(3,590)	61	296	(35)	-	(3,268)
Amortisation expense	-	(5)	(21,602)	(3,402)	-	(25,009)
Balance as at 30 June 2021	**296,434**	**17,288**	**148,669**	**5,697**	**-**	**468,088**
Additions	-	-	-	2,406	-	2,406
Additions through business combinations (note 28)	1,797	-	-	-	5,241	7,038
Reclasses	-	-	-	51	-	51
Impairment[1,2]	-	(4,600)	-	(1,684)	-	(6,284)
Exchange differences	1,723	(86)	(159)	1,450	-	2,928
Amortisation expense	-	(3)	(21,840)	(3,693)	(1,048)	(26,584)
Balance as at 30 June 2022	**299,954**	**12,599**	**126,670**	**4,227**	**4,193**	**447,643**

1. Patent and trade mark impairment relates to assets previously under the Shelston IP brand which merged with Spruson & Ferguson during HY22.
2. Capitalised software development impairment relates to assets under Practice Insight which were assessed as part of the divestment completed after the reporting period

Impairment testing

For the purposes of impairment testing, goodwill is allocated to cash generating units (CGUs) that are an identifiable group of assets that generate cash associated with the goodwill.

A summary of the goodwill by CGU is set out below:

		Consolidated	
		30 Jun 2022	30 Jun 2021
CGU	Segment	$'000	$'000
Spruson & Ferguson Australia	Australia & NZ	90,484	52,958
Pizzeys	Australia & NZ	68,263	68,158
AJ Park	Australia & NZ	42,305	43,278
Spruson & Ferguson (Hong Kong)	Asia	34,460	31,828
Griffith Hack	Australia & NZ	54,362	54,006
Shelston[1]	Australia & NZ	-	36,992
Spruson & Ferguson Asia	Asia	9,715	8,888
Other	Asia	365	326
Closing Balance		**299,954**	**296,434**

1. Goodwill under Shelston has in the current period been transferred to the Spruson & Ferguson Australia CGU

Note 12. Non-current assets (continued)

The recoverable amount of a CGU is determined primarily utilising a value-in-use calculation and secondly based on estimated net selling prices. Value-in-use calculations use cash flow projections based on financial budgets prepared by management and approved by the Board. Cashflows for future years are extrapolated using the estimated growth rates stated below. After five years a terminal growth rate is assumed and terminal value-in-use calculated. The terminal growth rates do not exceed the average growth rates that the business has experienced and are generally lower than the short term growth rates assumed.

	5 yr EBITDA CAGR		Terminal growth rates		Discount Rates[1]			
					Pre-Tax	Pre-Tax	Post-Tax	Post-Tax
CGU	2022	2021	2022	2021	2022	2021	2022	2021
	%	%	%	%	%	%	%	%
Spruson & Ferguson Australia	4.4	4.2	2.5	2.0	14.3	13.6	10.0	9.5
Spruson & Ferguson Asia	8.0	8.0	2.5	2.0	13.3	12.6	11.0	10.5
Pizzeys	5.4	5.1	2.5	2.0	14.3	13.6	10.0	9.5
AJ Park	3.3	3.4	2.5	2.0	13.9	13.2	10.0	9.5
Spruson & Ferguson Hong Kong	12.8	13.2	2.5	2.0	14.4	13.8	12.0	11.5
Griffith Hack	5.2	5.5	2.5	2.0	14.3	13.6	10.0	9.5
Shelston	-	5.7	-	2.0	-	13.6	-	9.5

1. The post-tax discount rate has been applied to discount the future attributable post-tax cash flows.

At 30 June 2022, the assessed value-in-use for each CGU exceeded the carrying amounts of the CGU and no impairment loss was recognised. It has been determined that a reasonably possible change in key assumptions would not result in an impairment loss for any CGU.

Note 13. Deferred tax assets/liabilities

	Opening balance	Recognised in profit or loss	Recognised in equity	Closing Balance
	$'000	$'000	$'000	$'000
The net deferred tax liability comprises the following balances:				
Loss allowance	475	164	-	639
Property, plant and equipment	(608)	659	-	51
Provisions	5,287	(196)	-	5,091
Accrued expenses	616	(87)	-	529
Unbilled revenue	(1,176)	(467)	-	(1,643)
Prepayments	(42)	39	-	(3)
Foreign exchange	(599)	220	-	(379)
Transaction costs	2,405	236	-	2,641
Leased assets	3,418	(484)	-	2,934
Software	695	(269)	-	426
Intangible assets - Customer Relationships	(44,607)	6,732	-	(37,875)
Intangible assets - Trademarks	(4,305)	1,380	-	(2,925)
Sundry	1,468	(862)	-	606
Financial Instruments	150	-	(292)	(142)
Tax losses	557	(557)	-	-
	(36,266)	**6,508**	**(292)**	**(30,050)**

	Consolidated	
	30 Jun 2022	30 Jun 2021
	$'000	$'000
Disclosed as:		
Deferred tax asset	2,974	34
Deferred tax liability	(33,024)	(36,300)
Closing Balance	**(30,050)**	**(36,266)**

Note 14. Current liabilities - trade and other payables

	Consolidated	
	30 Jun 2022	30 Jun 2021
	$'000	$'000
Trade payables	18,102	15,227
Sundry creditors and accruals	11,246	8,794
Closing Balance	**29,348**	**24,021**

Note 15. Current liabilities - provisions

	Consolidated	
	30 Jun 2022	30 Jun 2021
	$'000	$'000
Employee benefits	17,689	21,451
Provision for onerous contracts	136	370
Closing Balance	**17,825**	**21,821**

Movement in provision for onerous contracts

	Consolidated	
	30 Jun 2022	30 Jun 2021
	$'000	$'000
Opening balance at beginning of financial year	370	523
Additions	-	169
Current / non-current reclasses	135	348
Payment of onerous contracts	(369)	(670)
Closing Balance	**136**	**370**

Note 16. Non-current liabilities - borrowings

	Consolidated	
	30 Jun 2022	30 Jun 2021
	$'000	$'000
Non Current		
Multicurrency loan facility	118,477	116,159
	118,477	**116,159**

On 28 June 2021, the Group entered into a facilities agreement ('Agreement') with HSBC, Westpac, ANZ and CBA which refinanced the facilities previously outstanding with HSBC and Westpac. The facilities under the Agreement comprise:

- A $115m multicurrency revolving loan facility

- A $70m acquisition term loan facility: and

- A $25m revolving credit facility for the general corporate purposes of the Group.

The Agreement matures on 4 July 2024.

Assets pledged as security

The bank facility made available by HSBC, ANZ, CBA and Westpac is secured against assets from IPH Limited and a number of its wholly owned subsidiaries.

Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated	
	30 Jun 2022	30 Jun 2021
	$'000	$'000
Total facilities		
Loan facilities	185,000	185,000
Working capital facility	25,000	25,000
	210,000	**210,000**
Used at the reporting date		
Loan facilities	118,477	116,159
	118,477	**116,159**
Bank guarantees drawn under working capital facility	10,008	8,760
Unused at reporting date		
Loan facilities	66,523	68,841
Working capital facility	14,992	16,240
	81,515	**85,081**

Note 17. Non-current liabilities - provisions

	Consolidated	
	30 Jun 2022	30 Jun 2021
	$'000	$'000
Employee benefits	2,998	730
Provision for onerous contracts	-	135
Other provisions	905	188
Closing Balance	**3,903**	**1,053**

Movement in provision for onerous contracts

	Consolidated	
	30 Jun 2022	30 Jun 2021
	$'000	$'000
Opening balance at beginning of financial year	135	643
Additions	-	-
Current / non-current reclasses	(135)	(348)
Payment of onerous contracts	-	(160)
Closing Balance	**-**	**135**

Note 18. Equity - issued capital

			Consolidated	
			30 Jun 2022	30 Jun 2021
			$'000	$'000
Ordinary Class shares - fully paid	218,819,232	217,203,866	424,809	417,079
	218,819,232	**217,203,866**	**424,809**	**417,079**

Movements in ordinary share capital

	Date	Shares	$'000
Opening balance	1 July 2020	214,396,164	402,149
Performance and retention rights exercised	11 September 2020	553,071	-
Dividend reinvestment - final dividend (note 21)	18 September 2020	950,862	6,462
Acquisition of Baldwins Intellectual Property	16 October 2020	335,016	2,447
Dividend reinvestment - interim dividend	19 March 2021	968,753	6,021
Balance as at 30 June 2021		**217,203,866**	**417,079**
Performance and retention rights exercised	23 August 2021	615,061	-
Performance and retention rights exercised	15 September 2021	125,563	-
Dividend reinvestment - final dividend (note 21)	17 September 2021	546,902	5,052
Dividend reinvestment - final dividend (note 21)	18 March 2022	327,840	2,678
Balance as at 30 June 2022		**218,819,232**	**424,809**

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.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each shall have one vote.

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 30 June 2022, the number of shares held by the trust was 1,308,672 (30 June 2021: 866,186). 740,624 shares were issued to the trust during the year.

Share buy-back

There were no shares bought back during the year ended 30 June 2022.

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

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

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment.

The Group is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

Dividend reinvestment plan

The group operates a dividend reinvestment plan. The issue price is the average of the daily volume weighted average market price of all shares sold by normal trade during the 10 trading days commencing on the second trading day following the dividend record date.

Note 19. Equity - reserves

	Consolidated	
	30 Jun 2022	30 Jun 2021
	$'000	$'000
Foreign currency reserve	533	(1,959)
Equity settled employee benefits reserve	15,050	10,200
Minority interest acquisition reserve	(14,814)	(14,814)
Other reserve	5,757	5,073
	6,526	**(1,500)**

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Equity settled employee benefits reserve

The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services. Specifically the reserve relates to performance rights issued by the Company to its employees under its LTIP.

Minority interest acquisition reserve

This reserve represents the difference between the amount by which non-controlling interests are adjusted and the fair value of the consideration paid or received, where there is no change in control and arose on the initial listing of IPH.

Other reserve

This reserve includes the following items:

- fair value gains or losses in investments in equity instruments designated as FVTOCI; and

- revaluation of hedging instruments.

Movements in reserves

Movements in each class of reserve during the current and previous financial year are presented in the Statement of Changes in Equity.

Note 20. Equity - retained profits

	Consolidated	
	30 Jun 2022	30 Jun 2021
	$'000	$'000
Retained profits at the beginning of the financial year	11,213	20,045
Profit after income tax expense for the year attributable to owners of IPH Limited	52,564	53,600
Dividends paid	(65,401)	(62,432)
Closing Balance	**(1,624)**	**11,213**

Note 21. Equity - dividends

		Consolidated	
		30 Jun 2022	30 Jun 2021
	Cents per share	$'000	$'000
Interim dividend			
December 2020 - paid 19 March 2021	14.0	-	30,273
December 2021 - paid 18 March 2022	14.5	31,681	-
Final dividend			
June 2020 - paid 18 September 2020	15.0	-	32,159
June 2021 - paid 17 September 2021	15.5	33,720	-

On 18 August 2022, the Company declared an ordinary dividend of 16 cents per share (franked at 50%) to be paid on 16 September 2022. The dividend value is $35,011,189. No provision for this dividend has been recognised in the Statement of Financial Position as at 30 June 2022, as it was declared after the end of the financial year.

Dividend Reinvestment Plan

The Dividend Reinvestment Plan was active during the financial year. 874,742 (2021: 1,919,615) shares were issued to participants totalling $7,730,000 (2021: $12,483,000).

Franking Credits

	Consolidated	
	30 Jun 2022	30 Jun 2021
	$'000	$'000
Franking credits available for subsequent financial years based on a tax rate of 30%	3,145	2,050

Note 22. Financial instruments

Financial risk management objectives

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group's principal financial instruments, other than derivatives, comprise of cash and bank loan facilities. The main purpose of financial instruments is to manage liquidity and hedge the Group's exposure to financial risks, namely:

- foreign currency risk;
- interest rate risk;
- liquidity risk; and
- credit risk.

The Group uses derivatives to reduce the Group's exposure to fluctuations in interest rates . These derivatives create an obligation or a right that effectively transfers one or more of the risks associated with an underlying financial instrument, asset or obligation. Derivative financial instruments that the Group uses to hedge its risks include:

- interest rate swaps; and
- foreign exchange contracts

The Group does not trade in derivative instruments for speculative purposes. The Group uses different methods to measure the different types of risks to which it is exposed, including sensitivity analysis in the case of interest rate and foreign exchange and ageing analysis for credit risk.

i) Market risk

Foreign currency risk

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

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting. The focus is on minimising exposure to fluctuations in the rate of the United States Dollar ("USD") and the European Union's Euro ("EUR") which represent most of the Group's foreign currency exposure.

The Group's net asset exposure at the reporting date was as follows:

	A$'000	US$'000	€'000	S$000	NZD$000	Other[1]
30 June 2022						
Net asset exposure (Local Currency)	349,280	39,030	3,740	8,279	7,076	3,104
30 June 2021						
Net asset exposure (Local Currency)	362,272	37,093	3,126	7,959	7,850	1,271

1. Australian dollar equivalent.

The sensitivity of the Group's Australian dollar denominated Profit or Loss account and Statement of Financial Position to foreign currency movements is based on a 10% fluctuation (2021: 10% fluctuation) on the average rates during the financial year. This analysis assumes that all other variables including interest rates remain constant. A 10% movement in the average foreign exchange rates would have impacted the Group's profit after tax and equity as follows:

	Consolidated		Consolidated	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	$'000	$'000	$'000	$'000
USD	5,148	4,492	(5,663)	(4,941)
Euro	516	450	(567)	(495)
SGD	785	717	(864)	(788)
NZD	581	664	(640)	(731)
Other currencies	282	116	(310)	(127)
	7,312	**6,439**	**(8,044)**	**(7,082)**

Interest rate risk

The Group's main interest rate risk arises from its borrowings. Borrowings issued at variable rates expose the Group to interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group's policy is to seek to reduce its interest rate exposure using interest rate swaps. Instruments in place at year end are summarised in the table below:

	Carrying amount	Notional amount	Hedge ranges	Average maturity
	($'000's)	($'000's)	% p.a.	profile years
as at 30 June 2022				
Interest rate swaps	472	50,000	0.79-0.92	<5
as at 30 June 2021				
Interest rate swaps	(503)	50,000	0.79-0.92	<5

As at the reporting date, the Group had the following variable rate borrowings outstanding:

	30 Jun 2022		30 Jun 2021	
	Weighted average interest rate	Balance	Weighted average interest rate	Balance
	%	$'000	%	$'000
Multicurrency loan facility	2.83	118,477	1.49	116,159
		118,477		**116,159**

Note 22. Financial instruments (continued)

ii) Liquidity risk

Liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Refer to the Remaining Contractual Maturities section in this note for a breakdown of future cash commitments of the Group.

iii) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group may obtain payment in advance or restrict the services offered where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Statement of Financial Position and notes to the financial statements. The Group does not have any material credit risk exposure to any single debtor or group of debtors and does not hold any collateral.

iv) Price risk

The Group is not exposed to any significant price risk.

Offsetting financial assets and financial liabilities

The Group presents its derivative assets and liabilities on a gross basis.

Derivative financial instruments

Fair value hedge

A fair value hedge is a hedge of the exposure to changes in fair value of an asset or liability that is attributable to a particular risk and could affect the Statement of Comprehensive Income. Changes in the fair value of derivatives (hedging instruments) that are designated as fair value hedges are recorded in profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk (hedged item).

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to profit or loss over the period to maturity using a recalculated effective interest rate.

Cashflow hedge

A cash flow hedge is a hedge of the exposure to variability in cash flows attributable to a particular risk of a highly probable forecast transaction or a recognised asset or liability. The effective portion of changes in the fair value of derivatives that are designated as cash flow hedges is recognised in other comprehensive income in equity via the cash flow hedge reserve. Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss. Any gain or loss related to ineffectiveness is recognised in profit or loss immediately.

At inception of a hedge relationship the Group formally designates and documents the relationship between the hedging instrument and the hedged item, along with the risk management objectives and strategy for undertaking the hedge transaction. Both at inception and on an ongoing basis the hedging instrument is effective in offsetting changes in cash flows and fair values of the hedged item attributable to the hedged risk, which is when the hedging relationship meets all of the following hedge effectiveness requirements:

- an economic relationship between the hedged item and the hedging instrument;
- effect of credit risk does not dominate the value changes that result from that economic relationship; and
- hedge ratio of the designated hedge is the same; that is the Group hedges the same quantity of the hedging instrument and the hedged item.

Hedge accounting is discontinued when the hedging instrument expires, is terminated, is no longer in an effective hedge relationship, or the forecast transaction is no longer expected to occur. The fair value gain or loss of derivatives recorded in equity is recognised in profit or loss over the period that the forecast transaction is recorded in profit or loss. If the forecast transaction is no longer expected to occur, the cumulative gain or loss in equity is recognised in profit or loss immediately.

Effects of hedge accounting on the financial position and performance

The effects of the interest rate swaps on the Group's financial position and performance are as follows:

	Consolidated	
	30 Jun 2022	30 Jun 2021
	$'000	$'000
Carrying amount	472	(503)
Notional amount	50,000	50,000
Maturity date	2023	2023
Hedge ratio	1:1	1:1
Change in fair value of outstanding hedging instruments since inception of hedge	472	(503)
Change in value of hedged item used to determine hedge effectiveness	(472)	503
Weighted average hedged rate for the year	-0.94%	1.01%

The group has the following derivative financial instruments in the following line items in the Statement of Financial Position:

	Consolidated	
	30 Jun 2022	30 Jun 2021
	$'000	$'000
Current assets		
Interest rate swaps - cash flow hedges	(472)	-
	(472)	-
Non-current liabilities		
Interest rate swaps - cash flow hedges	-	503
	-	503

Note 22. Financial instruments (continued)

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

The cash flows in the maturity analysis below are not expected to occur significantly earlier than contractually disclosed below:

Consolidated - 30 June 2022	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
					$'000	$'000
Non-derivatives						
Non-interest bearing						
Trade payables	0.00%	18,102	-	-	-	18,102
Sundry creditors and accruals	0.00%	11,246	-	-	-	11,246
Deferred consideration	0.00%	-	2,100	-	-	2,100
Interest-bearing - variable						
Lease liabilities	3.31%	12,933	7,691	17,388	10,103	48,115
Multi-option facility	2.83%	3,357	3,357	121,834	-	128,548
		45,638	**13,148**	**139,222**	**10,103**	**208,111**

Consolidated - 30 June 2021	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
					$'000	$'000
Non-derivatives						
Non-interest bearing						
Trade payables	0.00%	15,227	-	-	-	15,227
Sundry creditors and accruals	0.00%	8,794	-	-	-	8,794
Interest-bearing - variable						
Lease liabilities	4.49%	11,546	8,863	17,541	10,366	48,316
Multi-option facility	1.49%	1,731	1,731	117,890	-	121,352
		37,298	**10,594**	**135,431**	**10,366**	**193,689**

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 Unobservable inputs for the asset or liability.

The Board considers that the carrying amount of financial assets and financial liabilities recognised in the financial statements approximate their fair value.

The table below shows the assigned level for each asset and liability held at fair value by the Group:

Consolidated - 30 June 2022	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000
Financial assets measured at fair value				
Interest rate swaps - cashflow hedges	-	(472)	-	(472)
Total current assets	**-**	**(472)**	**-**	**(472)**

Consolidated - 30 June 2021	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000
Financial liabilities measured at fair value				
Interest rate swaps - cashflow hedges	-	503	-	503
Total non-current liabilities	**-**	**503**	**-**	**503**

Note 23. Key management personnel disclosures

Compensation

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

	Consolidated	
	30 Jun 2022	30 Jun 2021
	$	$
Short-term employee benefits	2,971,988	3,190,346
Post-employment benefits	124,344	122,502
Long-term benefits	(103,296)	59,545
Share-based payments	733,220	964,622
	3,726,256	**4,337,015**

Note 24. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Deloitte Touche Tohmatsu, the auditor of the Company, and unrelated firms:

	Consolidated	
	30 Jun 2022	30 Jun 2021
	$	$
Audit services - Deloitte Touche Tohmatsu (Australia)		
Audit or review of the financial statements	539,400	491,400
Other assurance services	18,000	17,850
	557,400	**509,250**
Deloitte Touche Tohmatsu (Singapore)		
Audit or review of the financial statements	66,472	66,800
	66,472	**66,800**
Audit services - unrelated firms		
Audit or review of the financial statements	39,406	42,452
Other services - unrelated firms		
Corporate and taxation services	78,177	79,126
	117,583	**121,578**

Note 25. Contingent liabilities

The Group has given bank guarantees in respect of leased office premises as at 30 June 2022 of $10,008,110 (2021: $8,760,000).

From time to time failures or defects in the lodgement or prosecution of intellectual property rights by Group businesses or their associates may occur. Whilst in most cases the failure or defect is able to be remedied with the relevant intellectual property offices, the Group maintains professional indemnity insurances to insure against loss arising from such events. Any material matters which could result in a possible outflow to the Group are disclosed with appropriate provisions made for probable outflows.

Note 26. Related party transactions

Parent entity

IPH Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 30.

Key management personnel

Disclosures relating to key management personnel are set out in note 23 and the remuneration report in the Directors' report.

Transactions with related parties

There were no additional transactions with related parties.

Note 27. Parent entity information

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

	Parent	
	30 Jun 2022	30 Jun 2021
	$'000	$'000
Statement of profit or loss and other comprehensive income		
Profit after income tax	59,568	79,828
Other comprehensive income	684	-
	60,252	**79,828**
Statement of financial position		
Total current assets	140,705	123,948
Total assets	585,476	571,827
Total current liabilities	6,688	5,037
Total liabilities	130,553	121,850
Equity		
Issued capital	424,809	417,079
Equity settled employee benefits reserve	13,816	11,406
Other Reserves	5,741	5,059
Retained earnings	10,557	16,433
	454,923	**449,977**

Note 27. Parent entity information (continued)

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

Other than the security provided for the debt facility agreement as disclosed in note 16, the parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2022 apart from being party to the deed of cross guarantee as detailed in Note 34.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2022.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2022.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2.

Note 28. Business combinations

On 1 July 2021 the Group completed the acquisition of Applied Marks Pty Ltd (Applied Marks). The final agreed purchase price was cash consideration of $5,000,000 and an additional contingent consideration estimated to be $2,037,987 at reporting date.

Founded in 2008, Applied Marks is a leading Australian online automated trade mark application platform, also providing automated registration and intelligence services relating to companies and domain names, both directly to customers and through channel partners.

The accounting for the acquisition was finalised during the financial year.

Consideration transferred

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

	$'000
Cash	5,000
Deferred contingent consideration	2,038
Total purchase consideration	**7,038**

The Group incurred acquisition costs of $26,500. 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.

	1 Jul 2021
	$'000
Cash	8
Other Assets	13
Intangible assets - software acquired	5,241
Other Liabilities	(21)
Net assets acquired	5,241
Goodwill	1,797
Acquisition-date fair value of total consideration transferred	**7,038**
Cash used to acquire business, net of cash acquired:	
Acquisition-date fair value of total consideration transferred	7,038
Less: acquired cash	(8)
Less: deferred contingent consideration	(2,038)
Net cash used	**4,992**

Balwdins Intellectual Property

On 16 October 2020, the Group completed the acquisition of New Zealand intellectual property firm Baldwins Intellectual Property (Baldwins).

The final accounting for the acquisition was finalised during the previous financial year.

Note 29. Events after the reporting period

The sale of Practice Insight to Anaqua Inc was completed on 19th July 2022 for $1m. The Group had recognised write downs of $2.2m in relation to this transaction in the Financial Report to 30 June 2022.

On 18th August 2022, IPH Limited signed an agreement to acquire the IP agency practice of Smart & Biggar, Canada's leading intellectual property services firm.

The transaction consideration of approximately C$348m will be funded by debt facilities, cash and the issuance of IPH shares to the vendors.

The consideration comprises upfront cash consideration of C$241m; initial issue of 5.3m new IPH shares with a value of C$41m (escrowed for 2 years) and deferred issue of new IPH shares up to value of C$66m (escrowed for 2 years)

IPH has agreed amended debt facilities with its existing bank financiers as part of the transaction.

The fair value assessment of the assets and liabilities acquired is yet to be assessed due to the proximity of the date of acquisition to the date of this financial report.

Note 30. Interest in subsidiaries

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

Name	Principal place of business/Country of incorporation	Principal activities	Ownership Interest	Ownership Interest
			30 Jun 2022	30 Jun 2021
AJ Park IP Ltd	New Zealand	Patent attorneys	100%	100%
AJ Park IP Pty Ltd	Australia	Patent attorneys	100%	100%
AJ Park Law Ltd[5]	New Zealand	Lawyers	0%	0%
Applied Marks Pty Ltd[2,3,6]	Australia	Patent attorneys	100%	0%
IPH US Inc.[6]	United States of America	Support services	100%	0%
IPH Holdings (Asia) Pte Ltd	Singapore	Non trading entity	100%	100%
IPH (Thailand) Ltd[4]	Thailand	Non trading entity	49%	49%
Spruson & Ferguson Ltd	Thailand	Patent attorneys	100%	100%
Pizzeys Pte Ltd	Singapore	Patent attorneys	100%	100%
PT Spruson Ferguson Indonesia	Indonesia	Patent attorneys	100%	100%
IPH Services Pty Ltd[2,3]	Australia	Support services	100%	100%
Pizzeys Patent & Trade Mark Attorneys Pty Ltd[2,3]	Australia	Patent attorneys	100%	100%
Practice Insight Pty Limited[2,3]	Australia	Data analysis and software	100%	100%
WiseTime LLC	United States of America	Data analysis and software	100%	100%
Spruson & Ferguson (Hong Kong) Ltd	Hong Kong	Patent attorneys	100%	100%
Beijing Pat SF Intellectual Property Agency Co Ltd[5]	China	Patent attorneys	0%	0%
Spruson & Ferguson Intellectual Property Agency (Beijing) Co	China	Patent attorneys	100%	100%
Spruson & Ferguson Limited	Hong Kong	Non trading entity	100%	100%
Spruson & Ferguson Pty Limited[2,3]	Australia	Patent attorneys	100%	100%
Spruson & Ferguson (Asia) Pte Limited	Singapore	Patent attorneys	100%	100%
Spruson & Ferguson Lawyers Pty Limited[2,3]	Australia	Lawyers	100%	100%
Spruson & Ferguson (M) SDN BHD	Malaysia	Patent attorneys	100%	100%
Spruson & Ferguson (NSW) Pty Limited[2,3]	Australia	Non trading entity	100%	100%
WiseTime GmbH	Germany	Data analysis and software	100%	100%
Xenith IP Group Pty Ltd[2,3]	Australia	Non trading entity	100%	100%
Griffith Hack Holdings Pty Ltd[2,3]	Australia	Non trading entity	100%	100%
GH PTM Pty Ltd[2,3]	Australia	Patent attorneys	100%	100%
GH Law Pty Ltd[2,3]	Australia	Lawyers	100%	100%
Intellectual Property Management Pty Ltd[2,3]	Australia	Non trading entity	100%	100%
Glasshouse Advisory Pty Ltd[2,3]	Australia	Non trading entity	100%	100%
Shelston IP Lawyers Pty Ltd[2,3]	Australia	Lawyers	100%	100%
Shelston IP Pty Ltd[2,3]	Australia	Patent attorneys	100%	100%
Watermark Holdings Pty Ltd[2,3]	Australia	Non trading entity	100%	100%
Watermark Advisory Services Pty Ltd[2,3]	Australia	Non trading entity	100%	100%
Watermark Australasia Pty Ltd[2,3,6]	Australia	Non trading entity	100%	100%
Watermark Intellectual Property Lawyers Pty Ltd[2,3]	Australia	Lawyers	100%	100%
Watermark Intellectual Property Pty Ltd[2,3]	Australia	Patent attorneys	100%	100%
Xenith IP Services Pty Ltd[2,3]	Australia	Support services	100%	100%

1. IPH Limited is the head entity within the tax consolidated group.
2. These companies are members of the tax consolidated group.
3. These wholly owned subsidiaries entered into a deed of cross guarantee with IPH limited pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 and are relieved from the requirements to prepare and lodge an audited financial report (note 34).
4. The Group holds 90.6% of the voting rights and thus has control of this entity.
5. These entities have Alliance Agreements with Group entities which results in consolidation in the IPH Group for Accounting purposes.
6. These entites were acquired or incorporated by IPH Group in the financial year ended 30 June 2022.

Note 31. Earnings per share

	Consolidated	
	30 Jun 2022	30 Jun 2021
	$'000	$'000
Profit after income tax	52,564	53,600
Profit after income tax attributable to the owners of IPH Limited	**52,564**	**53,600**

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share[1]	218,169,060	216,090,337
Options over ordinary shares	954,781	555,135
Weighted average number of ordinary shares used in calculating diluted earnings per share	219,123,841	216,645,472

	Cents	Cents
Basic earnings per share	24.09	24.80
Diluted earnings per share	23.99	24.74

1. Treasury shares of 179,889 held by the employee share trust have been excluded from the weighted average number of shares in accordance with *AASB 133 Earnings Per Share* .

Note 32. Reconciliation of profit after income tax to net cash from operating activities

	Consolidated	
	30 Jun 2022	30 Jun 2021
	$'000	$'000
Profit after income tax	52,564	53,600
Statement of profit or loss and other comprehensive income		
Depreciation and amortisation	39,563	37,470
Impairment of Intangible assets	6,284	-
Lease liability revaluations and loss on disposal of fixed assets	2,478	308
Unrealised foreign exchange	(1,539)	(4,070)
Share-based payments	4,850	3,578
Statement of profit or loss and other comprehensive income		
Decrease/(Increase) in trade and other receivables	(8,340)	7,121
(Decrease) in deferred tax liabilities	(6,216)	(3,314)
Decrease/(Increase) in other assets	(1,652)	(1,101)
Increase/(Decrease) in trade and other payables	4,109	(2,703)
Increase/(Decrease) in provision for income tax	1,299	(1,153)
Increase/(Decrease) in deferred revenue	1,516	169
Increase in provisions	(37)	2,744
	94,879	**92,649**

Note 33. Share-based payments

On 24 October 2014, the Long Term Incentive Plan ('LTIP') was adopted by the Board of Directors and was established to attract, motivate and retain key staff. Participation in the LTIP is at the Board's discretion and no individual has a contracted right to participate in the LTIP or to recieve any guaranteed benefits.

Revised IPH Limited Employee Incentive Plan - November 2016

A new incentive plan, the IPH limited Employee Incentive Plan (the "Incentive Plan"), was approved at the AGM on 16 November 2016. This plan replaced the existing Long Term Incentive Plan and Retention Rights Plan. Each performance right issued under the Incentive Plan converts into one ordinary share of IPH Limited on exercise. No amounts are paid or payable by the recipient of the performance right, and the performance rights carry neither rights to dividends nor voting rights. The performance rights are treated as in substance options and accounted for as share-based payments.

The conditions attached to rights issued under the Incentive Plan can be in the form of a retention requirement or other Key Performance Indicator (KPI) metric for the Group, business unit and individual.

Movement in Performance Rights issued under the new Incentive Plan during the financial year were:

Grant Date	Final vesting date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forefeited/ other	Balance at the end of the year
KPI - FY21 - 16 Sept 20	31 Aug 2021	$0.00	527,860	-	(527,860)	-	-
KPI - FY22 - 15 Sept 21	31 Aug 2022[1]	$0.00	-	1,056,104	-	(515,145)	540,959
KPI - FY22 - 15 Sept 21	15 Sept 2023[1]	$0.00	-	6,943	-	-	6,943
Total performance rights			**527,860**	**1,063,047**	**(527,860)**	**(515,145)**	**547,902**

1. Vesting at Boards discretion prior to this date

The performance rights that vest are converted into shares and held on behalf of the employee in the IPH Employee Share Trust for a further three years. The employees receive dividends whilst the shares are in trust but are unable to trade the shares. Shares are forfeited should the employee cease to be an employee during the three year holding period. A share based payment charge is recognised in the profit and loss account during this period of restriction.

IPH Executives - Long Term Incentive

An executive long term incentive was introduced during FY18. Performance rights vest subject to achievement of a minimum compound annual growth rate in EPS over the period. The Board will determine a target for EPS for the performance period. For vesting to occur, EPS for the performance period must be at least equal to the Minimum EPS target.

EPS Targets for the FY19 plan are:
- Minimum EPS Target: 7% CAGR in EPS over the three year performance period ending on 30 June; and
- EPS Target: 15% CAGR in EPS over the three year performance period ending on 30 June.

Vesting of Rights is as follows:
- Less than 7% CAGR in EPS over the performance period - nil vesting
- Equal to 7% CAGR in EPS over the performance period - 20% vesting
- Greater than 7% CAGR in EPS up to and including 10% - straight line vesting between 20% and 65%
- Greater than 10% CAGR in EPS up to and including 15% CAGR - straight line vesting between 65% and 100%
- At or above 15% CAGR in EPS over the performance period - 100% vesting

EPS Targets for the FY20, FY21 and FY22 plans are:
- Minimum EPS Target: 5% CAGR in EPS over the three year performance period ending on 30 June; and
- EPS Target: 12.5% CAGR in EPS over the three year performance period ending on 30 June.

Vesting of Rights is as follows:
- Less than 5% CAGR in EPS over the performance period - nil vesting
- Equal to 5% CAGR in EPS over the performance period - 25% vesting
- Greater than 5% CAGR in EPS up to and including 12.5% - pro-rated vesting on a straight line basis
- At or above 12.5% CAGR in EPS over the performance period - 100% vesting

Note 33. Share-based payments (continued)

Grant Date	Final vesting date[1]	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forefeited/ other	Balance at the end of the year
LTI - 26 Nov 18	1 Sept 2021	$0.00	212,789	-	(212,789)	-	-
LTI - 22 Nov 19	1 Sept 2022	$0.00	377,044	-	-	(176,457)	200,587
LTI - 7 Dec 20	1 Sept 2023	$0.00	369,768	-	-	-	369,768
LTI - 15 Sep 21	30 Jun 2024	$0.00	-	261,029	-	-	261,029
LTI - 19 Nov 21	30 Jun 2024	$0.00	-	177,264	-	-	177,264
Total performance rights			**959,601**	**438,293**	**(212,789)**	**(176,457)**	**1,008,648**

1. Vesting at Boards discretion prior to this date

Fair value of retention and performance rights granted

The weighted average share price during the financial year was $8.33 (2021: $6.94).
The weighted average remaining contractual life of rights outstanding at the end of the financial year was 0.9 years (2021: 0.9 years)
The weighted fair value of the rights granted during the year is $8.82 (2021: $6.58)

Valutation model inputs used to determine the fair value of rights at grant date, are as follows:

Revised IPH Limited Incentive Plan - November 2016

Professional Staff and Senior Management

Grant Date	Vesting date	Share price at grant date	Exercise price	Dividend yield	Risk-free interest rate	Fair value at grant date
KPI FY20 - 16 Sept 20	31 Aug 2021	$7.12	$0.00	4.20%	0.16%	$6.84
KPI FY22 - 15 Sep 21	31 Aug 2022	$9.35	$0.00	3.90%	-0.02%	$9.02
KPI FY22 - 15 Sep 21	15 Sept 2023	$9.35	$0.00	3.90%	0.03%	$8.65

IPH Executives - Long Term Incentive

Grant Date	Vesting date	Share price at grant date	Exercise price	Dividend yield	Risk-free interest rate	Fair value at grant date
LTI - 26 Nov 2018	1 Sep 2021	$5.40	$0.00	5.20%	2.07%	$4.68
LTI - 22 Nov 2019	1 Sep 2022	$8.20	$0.00	3.90%	0.74%	$7.36
LTI - 7 Dec 2020	1 Sep 2023	$6.62	$0.00	4.60%	0.12%	$5.84
LTI - 15 Sep 21	30 Jun 2024	$9.35	$0.00	3.90%	0.17%	$8.34
LTI - 19 Nov 21	30 Jun 2024	$9.30	$0.00	3.90%	0.88%	$8.36

Note 34. Deed of cross guarantee

	30 Jun 2022 $'000	30 Jun 2021 $'000
Revenue	205,664	209,640
Other income	65,082	54,500
Expenses		
Employee benefits expense	(76,550)	(74,971)
Depreciation of right-of-use assets	(5,387)	(5,284)
Depreciation and amortisation of fixed assets and intangibles	(29,703)	(24,318)
Occupancy expenses	(1,277)	(1,412)
Business acquisition costs	(4,495)	(3,467)
Agent fee expenses	(59,722)	(63,306)
Insurance expenses	(2,316)	(1,902)
Travel expenses	(842)	(207)
Other expenses	(21,622)	(16,173)
Finance costs	(3,919)	(4,967)
Profit before income tax expense	**64,913**	**68,133**
Income tax expense	(10,200)	(9,405)
Profit after income tax expense for the year	**54,713**	**58,728**
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Other comprehensive income for the year, net of tax	684	282
Total comprehensive income for the year	**55,397**	**59,010**
Profit for the year is attibutable to:		
Owners of IPH Limited	54,713	58,728
Profit after income tax expense for the year	**54,713**	**58,728**
Total comprehensive income for the year is attibutable to:		
Owners of IPH Limited	55,397	59,010
Profit after income tax expense for the year	**55,397**	**59,010**

Note 34. Deed of cross guarantee (continued)

	30 Jun 2022 $'000	30 Jun 2021 $'000
Current assets		
Cash and cash equivalents	57,701	49,964
Trade and other receivables	61,159	52,813
Income tax receivable	2,889	3,045
Other financial assets	472	-
Other assets	7,899	6,919
Total current assets	**130,120**	**112,741**
Non-current assets		
Property, plant and equipment	4,249	7,018
Right-of-use assets	22,202	22,781
Intangibles	260,298	278,846
Investments in subsidiaries	128,239	118,627
Deferred tax	12,355	14,246
Total non-current assets	**427,343**	**441,518**
Total assets	**557,463**	**554,259**
Current liabilities		
Trade and other payables	15,825	12,822
Provisions	13,223	16,880
Interest bearing lease liabilities	6,053	6,521
Deferred revenue	14,206	8,306
Total current liabilities	**49,307**	**44,529**
Non-current liabilities		
Borrowings	118,477	116,159
Deferred tax liability	27,015	33,880
Interest bearing lease liabilities	25,694	26,915
Other financial liabilities	-	503
Provisions	3,800	1,022
Total non-current liabilities	**174,986**	**178,479**
Total liabilities	**224,293**	**223,008**
Net assets	**333,170**	**331,251**
Equity		
Issued capital	312,232	304,503
Reserves	13,961	9,630
Retained profits	6,977	17,118
Total equity	**333,170**	**331,251**

Directors Declaration

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;

- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

At the date of this declaration, the company is within the class of companies affected by ASIC Corporations (Wholly-owned Companies) Instrument 2016/785. The nature of the deed of cross guarantee is such that each company which is party to the deed guarantees to each creditor payment in full of any debt in accordance with the deed of cross guarantee.

In the directors' opinion, there are reasonable grounds to believe that the company and the companies to which the ASIC Corporations Instrument applies, as detailed in note 34 to the financial statements, 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.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

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

On behalf of the Directors

Dr Andrew Blattman
Managing Director
18 August 2022
Sydney

Independent Auditor's **Report**

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Grosvenor Place
225 George Street
Sydney NSW 2000

Tel: +61 2 9322 7000
www.deloitte.com.au

Independent Auditor's Report to the Members of IPH Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of IPH Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & 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 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 report.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter

Recoverability of goodwill and intangible assets
 	
At 30 June 2022, goodwill and intangible assets totalled $300 million and $148 million respectively, as disclosed in note 12(c).
 	
The determination of the recoverable amount of goodwill and intangible assets is complex and requires management to exercise significant judgement, in particular in determining the key assumptions used in cash flow projections such as:
 	
• short term forecast revenue and costs, particularly in light of the current economic uncertainty caused by broader economic conditions;
• long term growth rates;
• terminal values; and
• discount rates.
 	
The value of goodwill and intangible assets is a key audit matter due to the significance of this amount in the consolidated statement of financial position.
	Our procedures performed included, but were not limited to:
	
	o obtaining an understanding of management's process to assess the recoverable amount of goodwill and intangible assets including the budgeting and forecast process and the preparation of discounted cash flow models;
	
	o agreeing the inputs used in the discounted cash flow model to Board approved forecasts;
	
	o consideration of the impact of broader economic conditions on future forecast cash flows, with specific focus on revenue and cost forecasts;
	
	o assessing the historical accuracy of management's forecasting by comparing actual results to budgeted results for preceding years;
	
	o in conjunction with our valuation specialists,
	
	  • assessing the appropriateness of management's discounted cash flow ("DCF") l methodology; and
	
	  • challenging the key assumptions and estimates used by management in their DCF models, including:
	
	    ▪ analysis of long term growth rates and terminal values by reference to industry data and external economic outlook; and
	    ▪ determining our independent expectation of an appropriate discount rate range;
	
	o challenging and evaluating the appropriateness of management's sensitivity analysis; and
	
	o evaluating the appropriateness of disclosures made in the financial report against the relevant accounting standards.

Deloitte.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022 but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

Deloitte.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in Section 5 of the Directors' Report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of IPH Limited for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

H Fortescue
Partner
Chartered Accountants

Sydney, 18 August 2022

Shareholder **Information**

Shareholder Information

The shareholder information set out below was applicable as at 1 August 2022.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

Range	Securities	%	No. of holders
100,001 and Over	195,495,271	89.34	55
10,001 to 100,000	9,315,874	4.26	401
5,001 to 10,000	5,010,825	2.29	692
1,001 to 5,000	7,583,199	3.47	2,960
1 to 1,000	1,414,063	0.65	3,165
Total	**218,819,232**	**100.00**	**7,273**

Geographic distribution

Range	Securities	%	No. of holders	%
AUSTRALIA	218,000,031	99.63	7,179	98.64
AUST CAPITAL TERRITORY	437,181	0.20	128	1.76
NEW SOUTH WALES	158,329,500	72.36	2,565	35.24
NORTHERN TERRITORY	72,621	0.03	35	0.48
QUEENSLAND	7,072,240	3.23	1,784	24.51
SOUTH AUSTRALIA	1,487,852	0.68	467	6.42
TASMANIA	225,597	0.10	79	1.09
VICTORIA	48,850,347	22.32	1,622	22.29
WESTERN AUSTRALIA	1,524,693	0.70	499	6.86
CHINA	3,440	0.00	1	0.01
HONG KONG	5,332	0.00	1	0.01
INDONESIA	2,982	0.00	1	0.01
JAPAN	974	0.00	1	0.01
MALAYSIA	3,500	0.00	2	0.03
NEW ZEALAND	686,112	0.31	71	0.98
PAPUA NEW GUINEA	1,000	0.00	1	0.01
PHILIPPINES	1,320	0.00	1	0.01
SINGAPORE	50,020	0.02	8	0.11
SWEDEN	1,657	0.00	1	0.01
THAILAND	8,000	0.00	1	0.01
UNITED KINGDOM	44,707	0.02	5	0.07
UNITED STATES	8,257	0.00	4	0.05
VANUATU	1,900	0.00	1	0.01
Total	**218,819,232**	**100.00**	**7,278**	**100.00**

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest registered holders of quoted equity securities as at 1 August 2022 are listed below:

Rank	Name	A/C designation	1 Aug 2022	%IC
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED		78,032,398	35.66
2	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED		35,614,787	16.28
3	CITICORP NOMINEES PTY LIMITED		25,887,615	11.83
4	NATIONAL NOMINEES LIMITED		14,845,444	6.78
5	BNP PARIBAS NOMS PTY LTD	<DRP>	9,989,991	4.57
6	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	<GSCO CUSTOMERS A/C>	8,139,647	3.72
7	SETDOR PTY LIMITED		2,100,000	0.96
8	TALABAH PTY LIMITED		1,767,175	0.81
9	BNP PARIBAS NOMINEES PTY LTD	<AGENCY LENDING DRP A/C>	1,575,867	0.72
10	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2		1,339,451	0.61
11	PACIFIC CUSTODIANS PTY LIMITED	IPH EMP SHARE TST	1,308,672	0.60
12	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	<NT-COMNWLTH SUPER CORP A/C>	1,157,008	0.53
13	CITICORP NOMINEES PTY LIMITED	<COLONIAL FIRST STATE INV A/C>	1,145,631	0.52
14	WOMBEE PTY LTD	<IRANI FAMILY A/C>	1,000,654	0.46
15	UBS NOMINEES PTY LTD		854,856	0.39
16	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD	<DRP A/C>	804,199	0.37
17	BKI INVESTMENT COMPANY LIMITED		665,000	0.30
18	NATIONAL NOMINEES LIMITED	<DB A/C>	569,123	0.26
19	WILLIAM STACE LLOYD		547,131	0.25
20	O'BRIEN TRUST PTY LIMITED		514,814	0.24
		Total	**187,859,463**	**85.85**
		Balance of register	**30,959,769**	**14.15**
		Grand total	**218,819,232**	**100.00**

Unquoted equity securities

	No. on Issue	No. of holders
Performance Rights	1,556,550	162

Substantial holders

The names of substantial shareholders of the Company's ordinary shares as at 1 August 2022 (holding no less than 5%) who have notified the Company in accordance with section 671B of the *Corporations Act 2001* are:

Holder	Date of last notice received	No. of securities	Percentage of issued capital[1]
Invesco Australia Ltd	11 Dec 2020	13,288,298	6.09%

1) Percentage of issued securities at 31 July 2022

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

Restricted securities

There are no restricted securities.

Class	Expiry date	No. of securities
Ordinary	16 Oct 2022	335,016

Annual General Meeting (AGM)

IPH will hold its 2022 Annual General Meeting on Thursday 17 November 2022. Details of the meeting will be included with the Notice of Annual General meeting which will be distributed to shareholders.

IPH Limited is listed on the Australian Securities Exchange (ASX) and its ordinary shares are quoted under the ASX code 'IPH'.

Annual report

Amendments to the *Corporations Act 2001* have changed the obligations of companies regarding the provision of annual reports to shareholders. The default option for receiving annual reports has changed from a printed copy to an electronic copy via IPH's website at www.iphltd.com.au.

Verification process

IPH has in place processes to verify the periodic corporate reports it has prepared and released during FY22, where those reports were not subject to audit or review by an external auditor, to satisfy itself that each report was materially accurate and balanced and provided investors with appropriate information to make investment decisions. This verification process was applied to the sections of this Annual Report not audited or reviewed by an external auditor. The verification processes used included documenting the sources of information and undertaking consultation within IPH or with external parties. The Board or, where appropriate, Board Committees, have reviewed and approved each periodic corporate report prepared and released by IPH during FY22.

Online voting

Shareholders can lodge voting instructions electronically either as a direct vote or by appointing a proxy for the 2022 Annual General Meeting. The information required to log on and use online voting will be shown on the voting form which will be distributed to shareholders with the Notice of Annual General meeting.

Voting rights

At a general meeting, a shareholder present in person or by proxy, attorney or representative has one vote on a show of hands and on a poll has one vote for each fully paid share held.

Consistent with the ASX Corporate Governance Principles and Recommendations, the Chairman will demand a poll in relation to all substantive resolutions at a meeting of shareholders. If there are two or more joint holders of a share and more than one of them is present at a general meeting, in person or by proxy, attorney or representative, and tenders a vote in respect of the share, the Company will count only the vote cast by, or on behalf of, the shareholder by the joint holder whose name appears first in the Company's register of shareholder.

The quorum required for a meeting of members is the lesser (by number) of: five shareholders present in person; or shareholders present in person representing at least 10 per cent of the voting shares.

Shareholder questions

Shareholders can submit a written question to the Company or the Company's auditor in regard to the AGM or any of the proposed resolutions to be considered at the AGM, using the form supplied which will accompany the Notice of Annual General Meeting to be distributed to shareholders.

Information about IPH

Information about IPH Group Limited including company announcements, presentations and reports can be accessed at www.iphltd.com.au.

IPH Limited

Level 22
Tower 2, Darling Park
201 Sussex Street,
Sydney, NSW 2000
Australia

P +61 2 9393 0301
E info@iphltd.com.au