Appendix 4E - Preliminary Final Report

Full year ended 30 June 2024 ("FY24")

Reporting periods

Current reporting period: Financial year ended 30 June 2024
Previous corresponding period: Financial year ended 30 June 2023

Results for the announcement to the market	FY24 $'m	FY23 $'m	Change
Revenue from ordinary activities	**605.6**	482.9	25.4%
Profit from ordinary activities after tax attributable to members	**60.8**	64.5	(5.7%)
Profit for the period attributable to members	**60.8**	64.5	(5.7%)

Dividends	Amount per Share	Franking %
Current period		
Final dividend	19.0	30%
Interim dividend	16.0	35%
Previous period		
Final dividend	17.5	35%
Interim dividend	15.5	40%

Key Dates - Final Dividend	
Ex-dividend date:	27 August 2024
Record date:	28 August 2024
Payment date:	20 September 2024

Net tangibles assets	FY24	FY23
Net tangible asset backing per share	**(1.18)**	(0.96)

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 $2.73 (FY23: $2.62).

Audit status

The accounts have been audited with no qualification.

Attachments

The remainder of the information requiring disclosure to comply with listing rule 4.3 is contained in the accompanying FY24 Annual Report.

John Wadley
Chief Financial Officer
Sydney
22 August 2024

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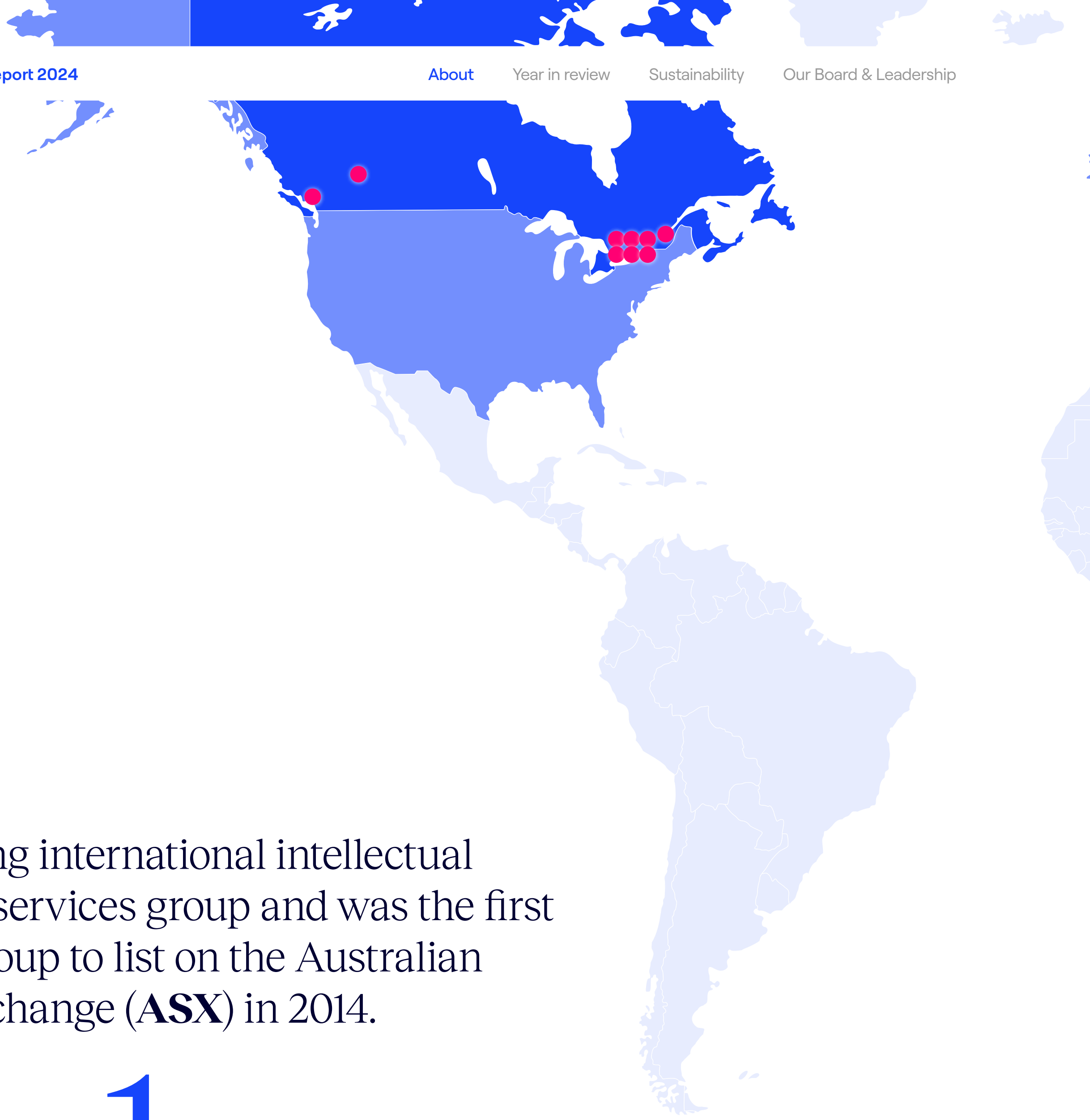
Annual Report **2024**

Contents

Our Group Network

Combined power, **smarter** working, enabling **growth.**



About IPH

IPH is a leading international intellectual property (**IP**) services group and was the first IP services group to list on the Australian Securities Exchange (**ASX**) in 2014.

No. 1

Patent group in Australia, Canada, New Zealand and Singapore[1]

Trade mark group in Australia, Canada, and New Zealand[2]

1,600+

Employees[3]

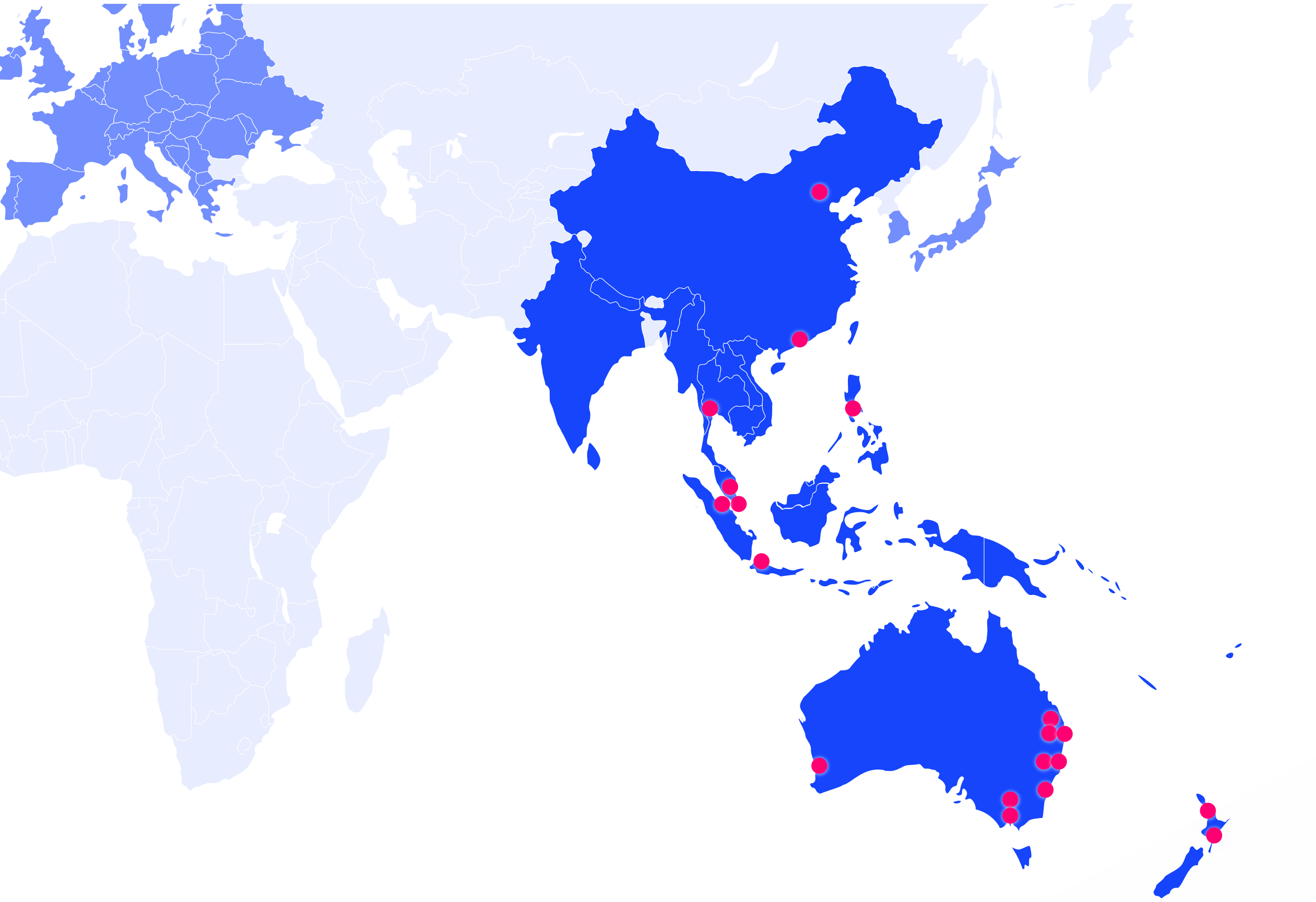
26

IP jurisdictions

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 out of 27 offices and service 26 IP jurisdictions.

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.



Our group network

35k+
Global annual patent filings[4]

13k+
Global annual trade mark filings[4]

AJPark | applied marks | GRIFFITH HACK

PIZZEYS | ROBIC 1892 | SMART & BIGGAR | SPRUSON & FERGUSON

Core values

Excellence in service delivery to our clients	Innovation in value creation	Efficiency and effectiveness in our operations	Integrity in business practices	Empowerment and engagement of our people

1. Management estimated market share based on local IP office filing data: Australia (FY24 as at 21/7/24), Singapore (CY24 YTD April as at 1/7/24), New Zealand (FY24 as at 29/7/24), Canada (CY 23 and CY 24 YTD March as at 29/07/24).
2. Management estimated market share based on local IP office filing data: Australia (FY24 as at 31/7/24), New Zealand (FY24 as at 29/7/24). Canada is management opinion and estimate based on WIPO Global Brands Database (GBD) for 2022 and 2023, noting data in the GBD may be missing records for some countries and may not be complete.
3. Approximate employee numbers across the IPH group.
4. Cases filed or instructed to be filed worldwide based on IPH internal data for FY24, including recently acquired entities from 1 July of the acquisition year.

The IPH network

As of 30 June 2024, IPH owned seven brands with over 1,600 employees working in Australia, Canada, China, Hong Kong SAR, Indonesia, Malaysia, New Zealand, The Philippines, Singapore and Thailand. The IPH group network comprises leading IP firms AJ Park, Griffith Hack, Pizzeys, ROBIC, Smart & Biggar and Spruson & Ferguson, as well as online trade mark provider Applied Marks. IPH member firms all share a rich heritage and history of providing the highest-quality IP services to clients in their local markets.

7

brands

AJPark

Year formed
1891

Locations
Auckland
Wellington

AJ Park was established in 1891 and is a premier IP firm operating in New Zealand, Australia and the Pacific Islands. With offices in Auckland and Wellington, AJ Park acts for a wide variety of clients, from international agents to government institutions, multi-nationals and major listed companies. As a full-service IP firm, AJ Park helps these clients identify, develop, protect, commercialise, manage, and enforce their IP rights in New Zealand, Australia and throughout the world.

Recent recognition and highlights

Band 1: Intellectual Property, New Zealand
Chambers Asia Pacific Guide 2024

Tier 1: Patent Prosecution and Disputes, New Zealand
IP STARS 2024

Tier 1: Trade Mark Prosecution and Disputes, New Zealand
IP STARS 2024

Winner: New Zealand Firm of the Year
Managing IP Asia Pacific Awards 2023

Gold: Prosecution and Strategy
World Trademark Review 1000 2024

Tier 1: Intellectual Property, New Zealand
The Legal 500 2024

24 Principals

84 Total Fee Earners

4 Fee earner promotions on 1 July 2024

applied marks

Year formed
2008

Locations
Australia
New Zealand

Applied Marks is a leading Australian online trade mark applications platform, directly servicing thousands of small to medium sized businesses since 2008. Trusted by its channel partners, including accountants, business advisors, and legal practitioners, Applied Marks helps its clients secure brand protection through trade mark registration in Australia and overseas. Applied Marks is consistently ranked amongst the top 4 filing firms in Australia over recent years.

Recent recognition and highlights

- Appointed new General Manager
- Consistently ranked amongst the top 4 trade mark firms in Australia in recent years
- Refreshed new marketing assets

The IPH network
continued

GRIFFITH HACK

Year formed
1904

Locations
Brisbane
Melbourne
Perth
Sydney

Griffith Hack is one of Australia's leading providers of IP services for over 120 years. With offices in Melbourne, Sydney, Brisbane and Perth, the firm is one of Australia's largest filers of patents and trade marks. Griffith Hack provides a comprehensive range of domestic and international services relating to the protection, management, commercialisation and enforcement of IP rights.

Recent recognition and highlights

Tier 1: Patent Prosecution, Australia
IP STARS 2024

Tier 1: Trade Marks – Patent & Trade Mark Firms, Australia
IP STARS 2024

Gold: Trade Mark Prosecution & Strategy, Australia
World Trademark Review 1000 2024

Gold: Prosecution
IAM Patent 1000 2024

Tier 1: Patent & Trade Mark Prosecution, Australia
Asia IP 2024

Tier 2: Intellectual Property, Australia
The Legal 500 2024

Band 3: Intellectual property
Chambers Asia Pacific Guide 2024

22 Principals
72 Total Fee Earners
4 Fee earner promotions on 1 July 2024

PIZZEYS

Year formed
1981

Locations
Brisbane
Canberra
Singapore

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, New Zealand and Singapore from overseas IP associates and direct corporate clients.

Recent recognition and highlights

Bronze: Prosecution
IAM Patent 1000 2024

Tier 3: Patent Prosecution
IP STARS 2024

8 Principals
14 Total Fee Earners
1 Fee earner promotions on 1 July 2024

ROBIC 1892

Year formed
1892

Locations
Montréal
Québec City

ROBIC was founded in Montréal in 1892 and has earned a reputation for excellence in IP in Canada. The firm has offices in Montréal and Québec City, and includes a team of over 225 support staff and highly qualified professionals specialising in IP and business law. It is one of the leading filers of patents in Canada and has earned a reputation for the quality of its services.

Recent recognition and highlights

Grade AAA: Intellectual Property Law Firms
LEXPERT's Who's Who: Montréal 2024

Silver: Litigation, Prosecution & Transactions
IAM Patent 1000 2024

Tier 2: Patent and Trade Mark Prosecution
IP STARS 2023

Excellence Awardee: IP Boutique Law Firm of the Year
Canadian Law Awards 2024

Top 10 IP Firms, Canada:
The Trademark Lawyer Magazine and The Patent Lawyer Magazine 2024

30	Principals
89	Total Fee Earners
2	Principal promotions on 1 July 2024
14	Other fee earner promotions on 1 July 2024

SMART & BIGGAR

Year formed
1890

Locations
Calgary
Montréal
Ottawa
Toronto
Vancouver

Smart & Biggar is widely recognised as Canada's leading firm for IP, providing high quality IP advisory services across four provinces. With over 110 lawyers, patent and trade mark agents, across five offices, the firm provides expert counsel and guidance to safeguard clients' competitive position and help them secure and enforce strategic IP rights that create more value for their businesses. On 29 September 2023, Canadian IP firm Ridout & Maybee joined Smart & Biggar to operate as one firm under the Smart & Biggar brand.

Recent recognition and highlights

Band 1: IP and IP Litigation
Chambers Canada Guide 2024

Tier 1: Intellectual Property, Canada
The Legal 500 2024

Gold: Trademark & Patents, Canada
World Trademark Review 1000 and IAM Patent 1000 2024

Winner: IP Boutique Firm of the Year, Canada
IP STARS 2024

Winner: Trademark Disputes Firm of the Year, Canada
IP STARS 2024

Patent Prosecution Firm of the Year, Canada
IP STARS 2024

Winner: IP Boutique Law Firm of the Year
Canadian Law Awards 2024

57	Principals
114	Total Fee Earners
1	Principal promotions on 1 July 2024
5	Other fee earner promotions on 1 July 2024

SPRUSON & FERGUSON

Year formed
1887

Locations
Beijing
Bangkok
Brisbane
Hong Kong
Jakarta
Kuala Lumpur
Manila
Melbourne
Singapore
Sydney
The Philippines

Spruson & Ferguson is a leading Asia-Pacific IP firm comprised of separately managed businesses in Australia and Asia. With 10 offices throughout the region and a combined team of over 520, the firm has filing capability in over 25 jurisdictions. The top patent filer in both Australia and Singapore over consecutive years, it provides strategic IP services across patents, designs, trade marks, copyright, and trade secrets. In Australia, Spruson & Ferguson Lawyers offer specialised services in IP litigation, commercialisation and data protection.

Recent recognition and highlights

Gold: Prosecution, Australia & Singapore
IAM Patent 1000 2024

Gold: Trade Mark Prosecution & Strategy, Australia
World Trademark Review 1000 2024

Tier 1: Patent Prosecution, Australia & Singapore and Trade Marks (Patent & Trade Mark Firms), Australia
IP STARS 2024

Tier 1: Patent Prosecution, Australia & Singapore and Trade Mark Prosecution, Australia
Asia IP 2024

Winner: Best IP Firm
APAC Singapore Business Awards 2023

Winner: Asia-Pacific IP Boutique of the Year
Managing IP Asia-Pacific Awards 2023

57	Principals
196	Total Fee Earners
2	Principal promotions on 1 July 2024
19	Other fee earner promotions on 1 July 2024

Strategic growth and global expansion

As we celebrate ten years since our listing on the ASX, we reflect on a decade of strategic growth and expansion.

Our growth strategy has been clear and consistent since we listed on the ASX in November 2014 and allows us to deliver on our vision to be the leading IP services group in secondary IP markets and adjacent areas of IP.

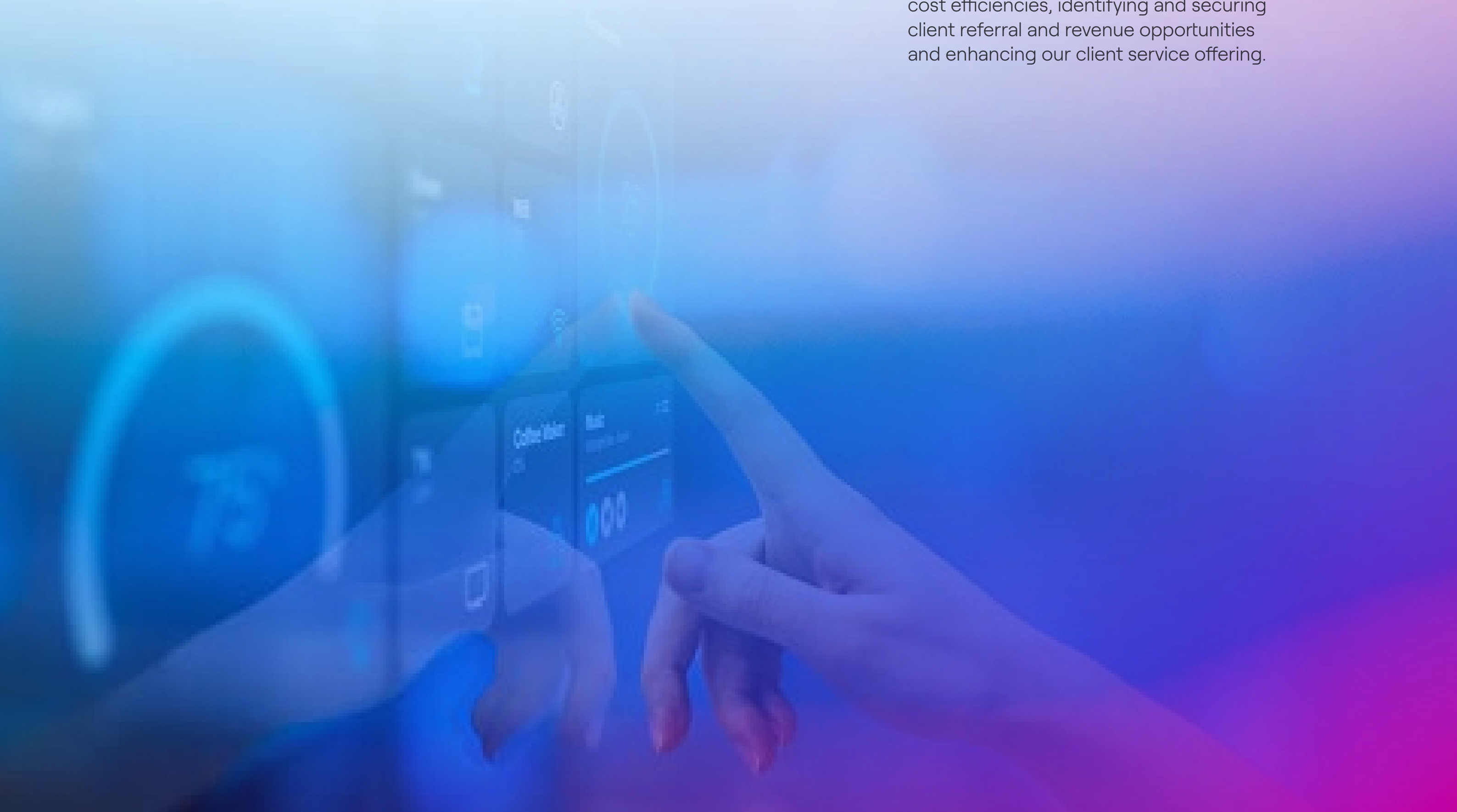
Our strategy is guided by three fundamental pillars: organic growth, consolidating acquisitions and growth step-outs. Each pillar plays a crucial role in driving our success, ensuring sustainable progress and creating value for our stakeholders.

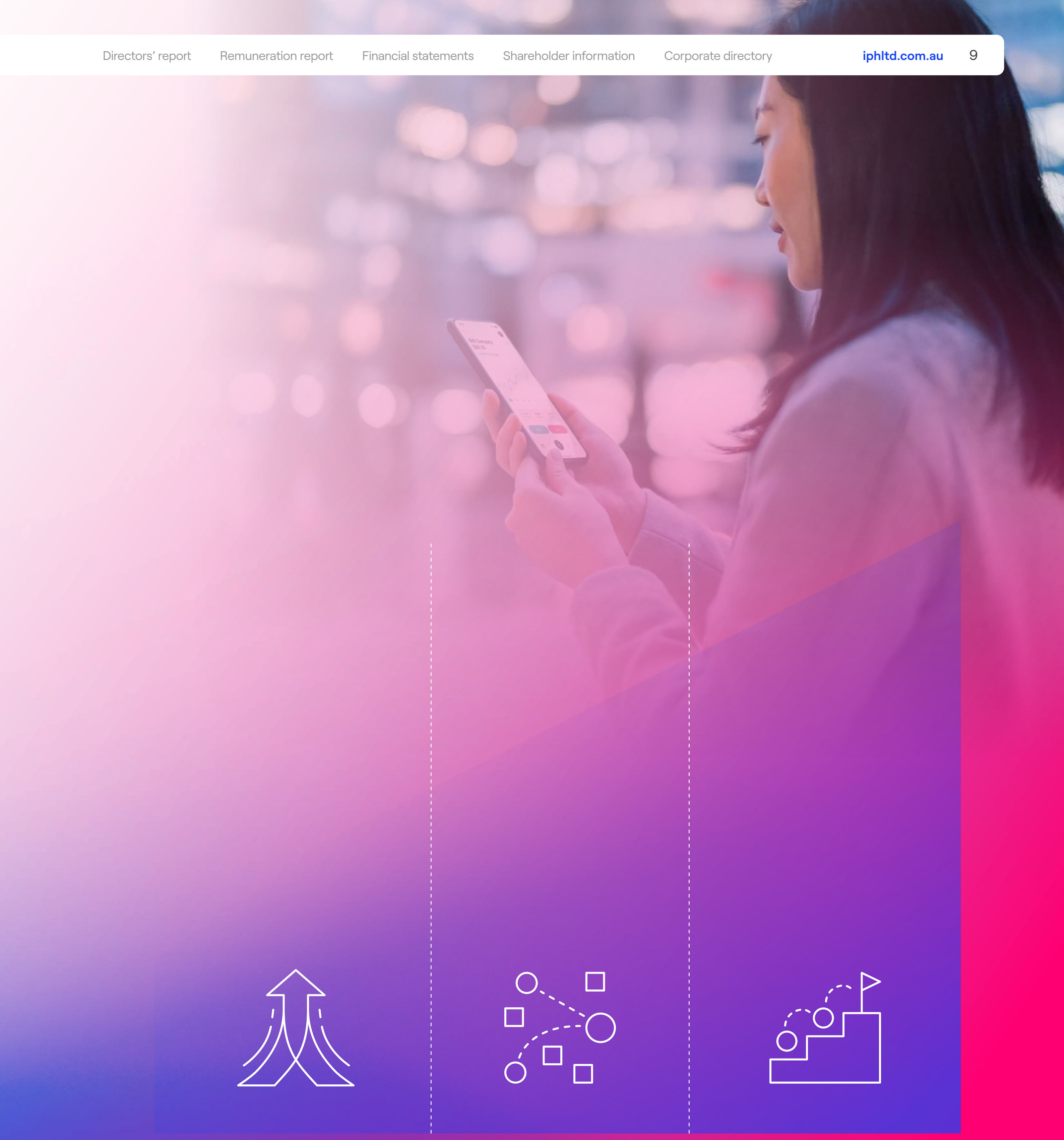
In FY24, we continued this trajectory by maintaining our focus on fostering a strong client centric culture across the IPH corporate group (**Group**) and prioritising operational efficiency and innovation to support organic growth. We also continued to pursue strategic acquisitions and growth step-outs, allowing us to tap into new revenue streams, diversify our business and expand our market reach.

Our successful acquisitions of Ridout & Maybee in September 2023, to combine with Smart & Biggar, and of ROBIC in December 2023, have seen us build the market leading IP business in Canada. This follows our successful acquisition of Canada's leading IP firm, Smart & Biggar, in October 2022, with Canada now our second largest operating segment.

These acquisitions provide further diversity and resilience to our earnings base, while also enabling us to enhance our international service offering to clients and provide greater career opportunities to our people. They have also put IPH at the forefront of consolidation in the Canadian IP market and strengthened our position as a leading international IP services group.

In FY24, we made significant progress integrating our Canadian acquisitions into the Group. These efforts will continue in FY25, with a focus on continuing to capture cost efficiencies, identifying and securing client referral and revenue opportunities and enhancing our client service offering.





Organic growth

Consolidate acquisitions

Growth step-outs

Enablers

Robust client management programs

+

Targeted service expansion across secondary IP markets

+

Focus on our people – attract, motivate and retain

+

Expand service offering to international companies

IPH Timeline

2014

NOV
IPH becomes the first IP firm to list on the ASX, with Spruson & Ferguson as the founding business

2015

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

MAY
IPH acquires Australian IP firm Fisher Adams Kelly

SEP
IPH acquires Australian IP firm Pizzeys

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

2016

MAR
Opening of Spruson & Ferguson Indonesia

MAY
Opening of Spruson & Ferguson Thailand

JUN
IPH acquires Australian IP firm Cullens

OCT
IPH acquires Ella Cheong Hong Kong and Beijing

2017

JUN
Opening of Spruson & Ferguson Melbourne

OCT
IPH acquires AJ Park in New Zealand

2018

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

2019

AUG
IPH acquires Xenith IP Group, including Griffith Hack and Shelston IP

2020

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

JUL
Integration of IPH member firms Watermark and Griffith Hack completed

OCT
IPH firm AJ Park acquires the business of New Zealand IP firm Baldwins IP

2021

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

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

2022

JUL
Divestment of Practice Insight (trading as WiseTime) to Anaqua

OCT
IPH acquires Canadian IP firm Smart & Biggar

2023

MAY
Opening of Spruson & Ferguson Philippines

SEP
IPH acquires Canadian IP firm Ridout & Maybee to combine with Smart & Biggar

DEC
IPH acquires Canadian IP firm ROBIC

Over the past decade, we have expanded the global footprint of the Group through organic growth, consolidating our acquisitions and growth step-outs. As we mark our 10th anniversary on the ASX, we remain committed to driving value for our shareholders and stakeholders by realising our long-term vision of being the **leading provider of IP services in secondary markets.**

The Network Effect

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 always 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.

As our network evolves, we will continue to invest in building the capabilities of member firms to strengthen our offering and enhance the service we provide to our clients and the career opportunities we can offer our people.

Combined power

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

Smarter working

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

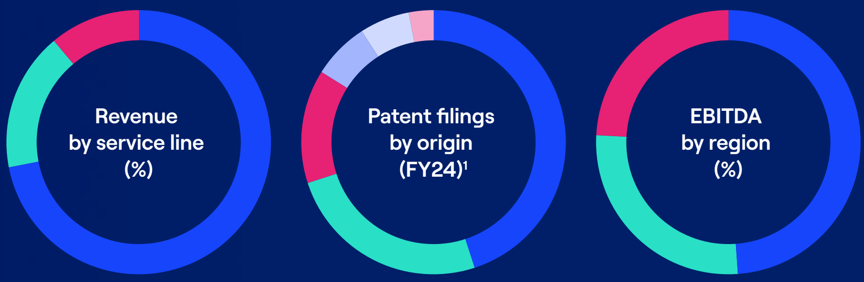
Enabling growth

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

Diverse and resilient earnings base

Our global scale provides resilience and diversity through exposure to an increasing number of IP jurisdictions. Our strategic acquisitions in Canada have further enhanced the resilience and diversity of our earnings base.

Canada now contributes 27% to our EBITDA, highlighting the impact of our recent growth in the region. Our geographic diversification not only mitigates risks associated with regional economic fluctuations but also positions us to capitalise on growth opportunities across various markets.



- Patents **72%**
- Trade marks **17%**
- Legal **11%**

- US **45%**
- Europe **25%**
- Asia **14%**
- Australia **7%**
- Canada **6%**
- New Zealand **3%**
- Rest of world **0%**

- Australia/NZ **49%**
- Canada **27%**
- Asia **24%**

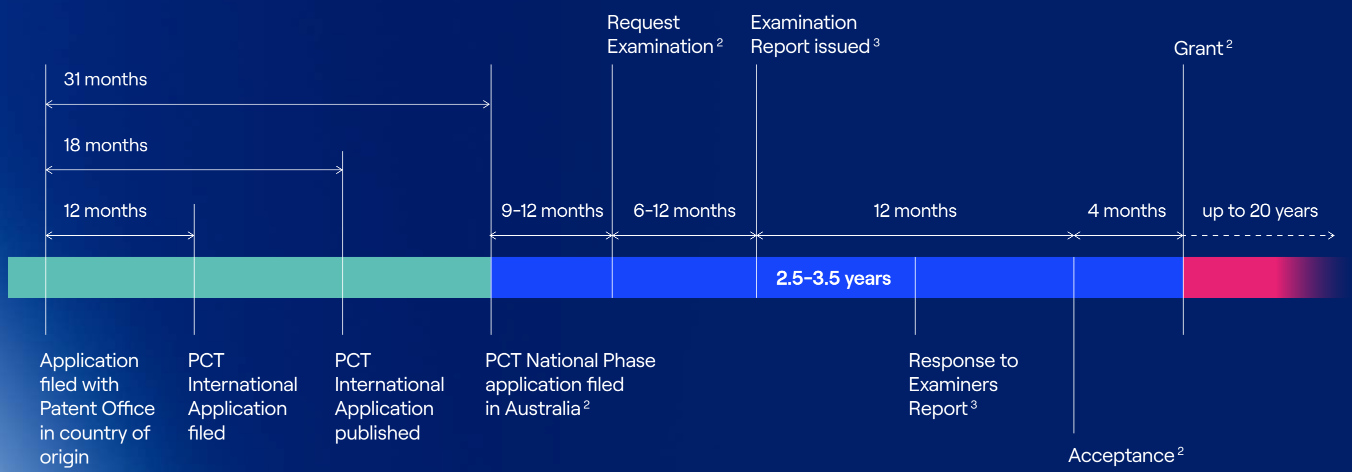
We are primarily a patents business, with just over a quarter of revenue coming from trade marks and legal services.

There are a number of revenue events associated with each patent filing, which provide recurring annuity style revenue to IPH. In any given year approximately 70% of IPH revenue comes from work already in the system.

The process from filing an application (or entering a national phase) to granting of a patent takes 2.5-3.5 years on average. The long lifecycle of patents supports consistent revenues and earnings.

Patents can be renewed by paying official renewal fees annually up until the expiry of the patent 20 years from the filing date of a PCT International Application.

Typical (indicative) foreign patent route in Australia



As an example, this timeline reflects the process for filing an application in Australia via the PCT route.

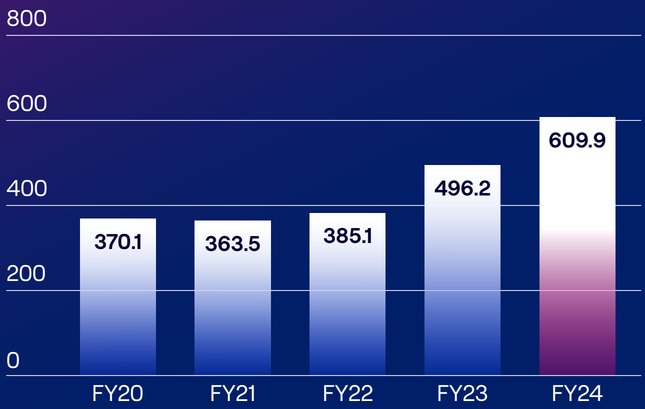
+ Management estimate based on PCT National Phase entries from IP Australia filing data FY22 to FY24.

1. IPH patent filings by client / applicant country of origin based on internal data for FY24. A small number of Ridout & Maybee filings pre-acquisition (July-September) are not included in the chart.
2. Revenue event – typically an activity based fee based on a scale of charges.
3. Revenue event – typically a combination of an activity based fee and hourly charges.

Financial highlights

Revenue[1]

$609.9m (AUD)



EBITDA[2]

$175.7m (AUD)

NPAT

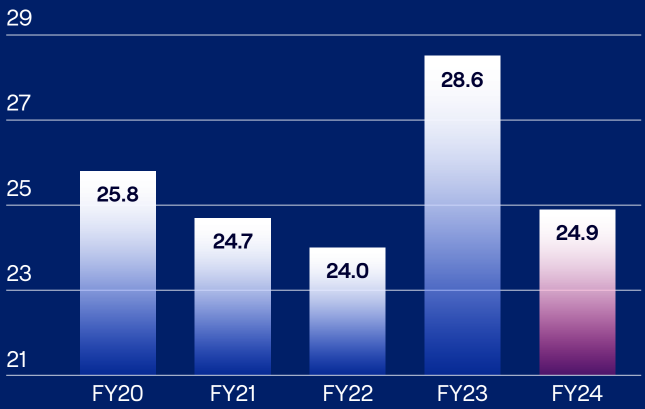
$60.8m (AUD)

Operating Cashflow

$131.9m (AUD)

Diluted Earnings Per Share

24.9c per share



Full Year Dividend

35.0c per share

1. Revenue includes other income excluding interest income.
2. Earnings before Interest, Tax, Depreciation and Amortisation.

Our achievements

42
Firm of the Year, Top Tier Firm or Gold Band Firm awards

173+
professional staff received industry awards

155
promotions across the Group in FY24

5
Principal promotions announced for FY24

47
other fee earner promotions announced for FY25

300+
People Leaders have completed IPH's People Leadership Excellence program since its launch in FY21

~1,300
hours of leadership training completed during FY24

$200k+
investment in post-graduate qualifications for trainee attorneys

~7,000
hours of employee development delivered across the Group in FY24

1,400+
hours of content delivered through our Professional Development Working Group in FY24

Chairman's report

In FY24, we delivered increased underlying profitability, highlighting our commitment to sustainable growth and long-term value creation.

This result was partly driven by improved performance in the Australasian business but also by the growth in the Canadian IP market through our acquisitions of Ridout & Maybee and ROBIC during the period. These transactions build on our initial acquisition of Smart & Biggar in October 2022, with IPH now the market leader in Canada, a key secondary IP market.

FY24 Financial Performance

IPH reported a Statutory Net Profit After Tax (NPAT) of $60.8 million compared to $64.5 million for the prior year, equating to a Diluted Earnings Per Share of 24.9 cents per share.

Underlying NPAT increased by 13.5% to $112.4 million, Underlying EBITDA improved by 15% to $195.5 million and underlying earnings per share increased 5.4% to 46.0 cents per share.

The difference between the Group's Statutory and Underlying EBITDA in FY24 of $19.8 million relates to costs associated with acquisitions and restructuring expenses and impairment of right-of-use assets.

IPH's capital management strategy remained focused on maintaining a strong balance sheet while strategically deploying capital to drive growth. The Group repaid $70.4 million of debt during the year which reduced the leverage ratio to 1.9 times. The cash conversion ratio was 107%, which is more in line with historical levels.

The Directors were pleased to declare a final dividend for FY24 of 19 cents per share, 30% franked, bringing the full year dividend to 35 cents per share, compared to 33.0 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% of cash NPAT as dividends and reflects our confidence in the group's future prospects.

Further details on IPH's financial results are contained within the CEO's Report and Operating and Financial Review in the Directors' Report.

Update on Strategy

Our growth strategy has been clear and consistent since we listed in November 2014 which supports our vision to be the leading IP services group in secondary IP markets and adjacent areas of IP.

As we reflect over the past ten years, we can be proud of the Company's progress which has resulted in the company's market capitalisation increasing from $330 million to $1.5 billion with an international network of member firms today servicing more than 25 countries and employing over 1,600 people.

Our successful acquisitions of Ridout & Maybee in September 2023 and ROBIC in December 2023 are more recent significant steps in the implementation of this strategy. These acquisitions provide further diversity and resilience to our earnings base, while also enabling us to enhance our international service offering to clients.

These acquisitions build on our successful acquisitions of Smart & Biggar in October 2022, which established a platform for IPH to participate in further growth and industry consolidation opportunities in the Canadian market.

I look forward to keeping shareholders further updated in respect of this strategy.

In recognition of the substantial change to the Group with the addition of the Canadian businesses a detailed review of the Group's operational structure, reporting lines and operating procedures was undertaken. Resulting from this review we have implemented a new operating model to improve efficiency, reduce cost and improve client service. The CEO will comment more on these changes in his report.

Remuneration Strategy

IPH's remuneration strategy is a critical component of our ability to attract, motivate, and retain the top talent. In FY24, the Board completed a thorough review of our executive remuneration framework.

Based on the review, several changes have been made to the FY25 executive remuneration framework, including increasing short term incentive opportunities to improve market competitiveness and introducing a capacity to reward outperformance.

We also introduced an element of short-term incentive deferral into equity to help build executive shareholdings, and a minimum shareholding requirement for executives to further align the interests of management with shareholders over the longer term.

These changes ensure IPH's remuneration packages are simple, flexible and differentiated to support recruitment of the best talent in the industry and drive and reward behaviour and performance consistent with our strategy and purpose.

Peter Warne
Non-executive Chairman

We also continue to maintain robust governance frameworks to ensure that our remuneration practices are market competitive, fair and transparent, and aligned with industry best practices. We are planning further enhancements from FY25, and these and further details of our FY25 remuneration framework are contained in the Remuneration Report.

Sustainability

Over the past year, we have continued to make progress in our sustainability journey. This includes GHG emissions measurement for the IPH group and a comprehensive climate risk assessment. This assessment focused on identifying and evaluating the potential physical and transition risks and opportunities of climate change on our international operations, providing crucial insights for our future planning and risk management strategies.

In FY25, we will continue to advance the initiatives under each of our six sustainability strategic priorities: Governance, Privacy and Data Security; Client Experience; Impact & Innovation; Diversity, Equity & Inclusion; Education & Training; and Wellbeing & Flexibility.

Further details on our sustainability strategic priorities and progress are contained within our Sustainability Report.

IPH Board

During the year, the Company continued to progress Board renewal with the retirement of long-time board member Robin Low and the appointment of David Wiadrowski.

Robin retired as a Non-executive Director and from the Board of IPH in April 2024. Robin was a foundation Board member, joining the Board in September 2014 just before IPH listed on the Australian Securities Exchange in November 2014.

Robin made a very valuable contribution to the Board over many years, particularly in her role as Chair of the Audit Committee, and we wish her every continued success for the future.

David Wiadrowski was elected as a Non-executive Director to the Board in November 2023. David is an experienced ASX-listed non-executive Director across international M&A work, strategy development and transformation. We are confident that David's insights will contribute significantly to our strategic initiatives.

David's appointment continues IPH's Board renewal process, with Vicki Carter appointed as a Non-executive Director to the Board in October 2022.

During the year it was decided to form a Board Projects Committee to oversee the various significant information technology and other transformation projects being undertaken by the Group. Vicki Carter assumed the role of Chair of the Committee.

During the year a comprehensive review of the Board, its Committees and their performance was undertaken. Based on the outcomes of the review certain aspects of the Board's processes were modified and enhanced and the existing Audit and Risk Committees were merged into a single Audit and Risk Committee with David Wiadrowski assuming the role as Chair in April 2024.

Conclusion

I would like to acknowledge the Company's Managing Director and CEO, Dr Andrew Blattman, his leadership team, and all our people right across the IPH Group for their hard work and contribution during FY24.

We are fortunate to have such a highly talented group of people who consistently deliver results for our clients and our shareholders.

Our continued expansion, now encompassing over 1,600 employees across 27 offices, and our commitment to delivering exceptional client service have solidified our position as one of the world's leading IP services firms.

Let me conclude by thanking all our shareholders for your continued support of the IPH Group.

Peter Warne
Non-executive Chairman

CEO's report

Ten years from our listing, we continue to strengthen our strategic platform and put the Company in a strong position to deliver sustainable earnings growth.

This year marks ten years since our listing on the ASX. In that time, we've grown from approximately 330 people to over 1,600 people, acquired and integrated 14 businesses, and added offices in Perth, Brisbane, Canberra, Melbourne, Auckland, Wellington, Beijing, Hong Kong (SAR), Jakarta, Bangkok, Manila, Toronto, Montréal, Québec, Vancouver, Calgary and Ottawa.

Ten years from our listing, we continue to strengthen our strategic platform and put the Company in a strong position to deliver sustainable earnings growth and enhanced shareholder returns for the future.

Our Canadian acquisitions have enhanced the IPH network effect. We have had over 500 client referrals between IPH Canada and IPH Asia Pacific offices since our first acquisition in Canada and we've increased referrals by 17% between FY23 and FY24 when calculating from the date of each acquisition.

FY24 Financial Performance

IPH delivered solid underlying earnings in FY24, with revenue improving by 25.4% to $605.6 million, Underlying EBITDA improving by 15% to $195.5 million, and a 13.5% increase in Underlying NPAT to $112.4 million.

The Underlying Group result included the contributions from Ridout & Maybee (which was acquired on 29 September 2023) and ROBIC (which was acquired on 15 December 2023). These transactions build on our initial acquisition of Smart & Biggar in October 2022, with IPH now the market leader in Canada, which is a key secondary IP market.

The increase in underlying revenue and EBITDA in FY24 also includes the strong return to organic growth we have experienced in our Australian/New Zealand business, with growth at both the top and bottom line and the gap between Group patent filings and the market continuing to narrow.

On a Group like-for-like basis (which removes the impact of acquisitions and the effect of foreign exchange movements) revenue increased by 4.4% while Underlying EBITDA decreased by 1.3% on the prior year.

In Australia/New Zealand, like-for-like revenue increased by 5% with an improvement in margin delivering a 7% increase in like-for-like EBITDA.

In Canada the integration of Smart & Biggar and the more recent acquisitions of Ridout & Maybee and ROBIC continue to progress as anticipated with cost synergies remaining on track. As a result, like-for-like EBITDA increased by 8% with an improvement in EBITDA margin.

In Asia, like-for-like earnings were down 6.3% at the full year compared to a 9% decline at the first half and revenue was down by 1.9% compared to 3% at the half.

Revenue and earnings in Asia continued to be impacted by a decline in filings in the Singapore patent market, with lower filings across Asia consistent with the Singapore market decline.

New Operating Model

In FY24, we completed a review of IPH's overall operating model and are now implementing a refreshed design with a regional focus and a new operating rhythm. The new operating model reflects the expansion of the Group over the past two years in several markets and time zones.

The model has been designed to ensure speedy decision-making and appropriate governance across the Group and enable us to deliver on the IPH promise to our clients of high-quality service and seamless filing in multiple jurisdictions.

In FY24, we took steps to put in place a regional model with the decision to appoint Regional CEOs.

The Managing Directors of our firms in Australasia and Canada and the Regional Heads of our functional areas, Business Development and Marketing, Finance, Human Resources and Information Technology, will now be part of Regional Executive Committees that will be led by our Regional CEOs.

IPH functions have also started to set up regional hubs, with further changes to be implemented gradually over the coming year. This is critical to standardise processes and systems across the Group, allow better specialisation of our colleagues in these areas, and improve their services to support our people in each of our firms.

We are creating something truly unique in our sector both for our clients and our people, and this new stage of development ensures the future state capability of the Group.

Strengthening Group-Level Capability

We have taken steps to strengthen Group-level capabilities in strategy, change management, risk, and compliance, with a number of senior appointments.

In October 2023, we announced the appointment of a new Chief People Officer, Fiona Darlington. Fiona brings extensive global experience to the Group and is responsible for all aspects of the human resources functions; including talent acquisition, leadership and development, remuneration and benefits, HR systems automation, as well as diversity, equity and inclusion strategies.

As part of our new operating model, we announced the appointment of a Chief Transformation Officer, Michelle Lue-Reid, who joined us in July 2024. Michelle will drive the implementation of our new operating model, co-lead major change initiatives across the Group, and be responsible for implementing large programs of systems and process improvements.

Andrew Blattman
CEO and Managing Director

We also announced the appointment of Duarte Lima as the new Managing Director of Spruson & Ferguson Asia in August 2024. Duarte has extensive experience in finance, risk management and general management across Europe and Asia and brings a wealth of knowledge and leadership to the Group.

Duarte has taken up the mantle from Kristian Robinson, who has resigned from his role as Managing Director of Spruson & Ferguson Asia. Kristian has made a significant contribution to our Group's growth and success and leaves behind a strong platform for continued growth in Asia. We wish Kristian all the best for his next endeavour.

Innovation and Technology

Innovation remains at the core of our growth strategy, and we believe generative AI presents a significant business opportunity. This year, we launched an innovation committee dedicated to driving forward-thinking initiatives and fostering a culture of creativity within the organisation. We also introduced a comprehensive AI Usage Policy, highlighting our commitment to ethical and responsible use of AI.

We see a lot of opportunities to improve efficiency in IP using generative AI, and we're developing in-house tools to allow the Group to address the specific business needs of our staff and clients. In FY24, we began piloting an internal patent drafting tool that can generate a more enriched patent draft. In addition, we are in the process of developing our AI roadmap, which will guide our efforts in harnessing AI to drive business innovation and improve client outcomes.

People and Culture

Our people remain our greatest asset, and we are committed to fostering a diverse and inclusive culture and attracting, motivating, developing and retaining our people across IPH.

We continue to invest in the development of our people to enable them to maximise their potential. FY24 has seen us enhance our learning and development curriculum and ensure that our development offering is equally accessible to all team members, with multi-lingual providers who can facilitate in both French and English.

In FY24, we also launched our first Gender, Equity and Equality Strategy aimed at promoting gender balance and ensuring equal opportunities for all employees. This includes the introduction of a 40:40:20 approach to workforce composition which aims to achieve 40% women, 40% men and 20% of any gender across all senior roles by 2030. The initiatives outlined in this strategy are integral to our mission of creating a workplace where everyone feels valued and can thrive.

During FY24, IPH had 155 promotions across all our member firms, including 15 Principal appointments. In line with our 40/40/20 strategy, 53% of the Principal promotions were women, and overall 61% of the promotions were women.

As we reported to the Workplace Gender Equality Agency in Australia, IPH's median gender pay gap was 38.9 percent for the 2023 reporting period. Over the last three years, we have reduced our median pay gap by 11 percent, but we acknowledge that we still have a lot of work to do. When comparing like-for-like roles, where men and women are performing the same or similar roles, IPH has equal pay, including for key fee earning roles such as Principal and Senior Associate.

We understand that achieving true gender equality and equity requires sustained effort and collaboration across the Group, and we are fully committed to driving positive change in this area.

Sustainability Performance

In FY24, we continued to strengthen our ability to manage sustainability risks while driving positive change for our stakeholders.

For a second year running, we worked with an external advisor to conduct Greenhouse Gas (**GHG**) emissions measurement for the Group, comprising direct and indirect emissions (Scope 1, 2, 3) of our international operations, including our member firms.

We also engaged BDO to progress our compliance with the International Sustainability Standards Board (**ISSB**) reporting standards and proposed new Australian accounting standards, planned to be phased in from 1 January 2025. This work included conducting a comprehensive climate risk assessment. Insights from this assessment will be incorporated into our risk management framework and will guide our efforts to mitigate climate-related risks and enhance our sustainability practices.

We will continue to integrate sustainability principles into our operations and decision-making processes as we work towards alignment with the ISSB standards and corresponding national legislation. Further details can be found in our Sustainability Report.

Outlook

Our global expansion efforts, combined with our focus on innovation, operational efficiency, and sustainability, position us well for continued growth and success. We remain committed to delivering value to our shareholders, customers, and communities, and we are excited about the possibilities that the next year and beyond hold.

Andrew Blattman
CEO and Managing Director

Enhancing sustainability **beyond FY25.**

Overview

We are pleased to present our annual Sustainability Report, highlighting our ongoing efforts to work towards environmental, social and governance excellence.

In FY24, we continued to make progress on our sustainability journey, including by engaging and working with an external advisor to progress our compliance with the ISSB reporting standards and proposed new Australian accounting standards, planned to be phased in from 1 January 2025. This initiative aligns with our dedication to transparency, accountability and continuous improvement in our sustainability practices.

As we progress towards ISSB reporting compliance, we remain focused on creating long-term value for our stakeholders and contributing positively to the global community. We look forward to continuing to strengthen our sustainability activities in FY25 and beyond.

Kind regards,

Andrew Blattman

Our Sustainability Report discloses the approach, past performance and future commitments of the Group on environmental, social and governance (**ESG**) matters that are significant to our business and key stakeholders.

This report covers our global operations in Australia, Canada, New Zealand and throughout Asia during FY24.

Aspects of this report have been developed with reference to the Global Reporting Initiative (**GRI**) Standards 2021. In addition, in the Operating and Financial Review section of the Directors' Report, we have set out the Group's progress against the Task Force on Climate-Related Financial Disclosures (**TCFD**).

Contents

Our approach to sustainability

At IPH, ensuring our expanding international business contributes positively to the economy, society and the environment is fundamental to how we operate.

We understand the importance of resilient and sustainable business practices to help achieve a more sustainable future.

Our approach is underpinned by our core values, in particular our commitment to:

> Integrity in business practices; and
> Empowerment and engagement of our people.

Our firms provide services to a range of industries including pharmaceutical, engineering, aerospace, healthcare, food and beverage, life sciences, agriculture, biotechnology, ICT and fintech. We work with clients to secure IP protection and commercialisation of new technologies, inventions and designs, and support a range of innovations that will create a better and more sustainable future.

We also continue to engage with the diverse range of communities in which we operate, including partnering with organisations to support causes that drive positive social change, with a particular focus on education, STEM and school mentoring.

During FY23, we introduced a refreshed Sustainability Strategy with six sustainability strategic priorities. During FY24, we continued to implement these sustainability strategic priorities, looking to strengthen our capability to manage relevant ESG risks and opportunities and progress our efforts in driving positive change for our many stakeholders.

During FY24, we partnered with an external advisor to work on the alignment of our sustainability reporting with the ISSB reporting standards and proposed new Australian accounting standards, including by conducting an assurance readiness assessment over our GHG emissions calculations and completing a climate risk assessment. During FY25, we will continue our efforts to prepare for mandatory climate reporting.

The United Nations Sustainable Development Goals (**UNSDGs**) comprise 17 goals and 169 targets aimed at addressing the world's most significant development challenges. Whilst several of the UNSDGs are relevant to the partnerships our firms have with their clients to secure IP protection and commercialisation of new technologies and innovations, we have identified six UNSDGs that reflect the areas in relation to which the Group makes a direct contribution and where we believe we can enact the greatest impact. These six UNSDGs are:

UNSDG #4

We provide inclusive and equitable education opportunities for our staff, invest in their continuing development and contribute to thought leadership in the IP profession.

UNSDG #5

We promote gender equality and support a diverse workforce and inclusive culture.

UNSDG #8

We provide productive employment for our people, value for our shareholders, and contribute to economic advancement through our participation in the IP ecosystem.

UNSDG #9

By assisting our clients to secure IP protection, we encourage research and development and help to foster innovation.

UNSDG #16

We seek to build effective and inclusive institutions by contributing to thought leadership in IP, supporting IP regulatory authorities and through donating and volunteering to support stronger communities.

UNSDG #17

We work in partnership with our clients and other stakeholders to promote knowledge sharing and the protection of IP rights which supports innovations designed to meet a range of UNSDGs.

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 governance and risk management, which helps us address material risks and opportunities for the Group.

Our key stakeholders are considered to be those that are affected by, or have the ability to affect, the Group, together with stakeholders that are interested in the 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
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.
Our People	As a network of professional services businesses, 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, Town Hall meetings, staff presentations, team meetings, the delivery of in-house learning and development programs, and performance and career development conversations.
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.
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. The Group Supplier Code of Conduct sets out the standards and behaviours expected from suppliers when conducting business with the Group. We also work with our suppliers to ensure compliance with relevant legislation, including modern slavery legislation.
Government and regulators	IPH operates in a highly regulated environment as an Australian listed entity and in the operation of our professional services businesses across our jurisdictions. 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. This includes direct dialogue and engagement with such bodies on regulatory and policy issues.
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. This 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.

Our sustainability strategic priorities

IPH has identified six key sustainability strategic priorities as areas of focus within its Sustainability Strategy.

These strategic priorities were identified by undertaking a materiality assessment in FY23 assisted by an external advisor, which included conducting stakeholder interviews and surveys.

The materiality assessment was undertaken by reference to the "materiality principle" articulated by the GRI in *GRI Standard 101: Foundation 2016*. We referred to this principle to identify material risks and opportunities for the Group which have economic, environmental and social impacts and therefore influence the assessments and decisions of our stakeholders.

In FY24, we reviewed the six sustainability strategic priorities identified in the prior financial year, with a view to key developments within our business and the operating environment. Following this review, management considered that the six sustainability strategic priorities have not changed materially from FY23.

Each of the six key sustainability strategic priorities are summarised on this page, including relevant updates with respect to our activities during FY24. Further detail on each of these priorities follows in this Sustainability Report.

Governance, Privacy & Data Security

Manage risk effectively, maintain transparency and drive successful outcomes.

> Comprehensive corporate governance framework of policies and practices
> IPH Board and Board Committees: Audit and Risk Committee; People, Remuneration and Nominations Committee; and Projects Committee
> Robust risk management framework, including ongoing staff training
> Data security 24/7 monitoring system enhanced, and next generation threat detection technologies introduced

Client Experience

Deliver exceptional client service through the expertise of our people and strength of our network.

> Leveraged Client Relationship Management (CRM) systems to enhance client interactions
> Continued Global Client Feedback Program and Net Promoter Score (**NPS**) measurement
> Continued to deliver new initiatives to foster client centric culture

Impact & Innovation

Work towards elevating sustainable innovators and minimising our own footprint.

> Reported scope 1–3 GHG emissions
> Carbon reduction roadmap by the end of FY25
> Look to develop impact program supporting climate innovators

Diversity, Equity & Inclusion

Build and support a diverse and inclusive workplace.

> Gender, Equity and Equality Strategy in place, formalising 40/40/20 gender target across the Group by 2030
> Announced 52 promotions across the Group for 1 July 2024, including five Principal appointments
> Reviewed parental leave entitlements across the Group, with updates to Australian Parental Leave Policy to expand support for parents

Education & Training

Build a culture of continuous and holistic learning and development.

> Continued to develop new tailored training opportunities at every career stage for every employee
> Built on the existing curriculum available for professional and employee development

Wellbeing & Flexibility

Create healthy, flexible and engaged teams, built on autonomy and trust.

> Strong hybrid working culture embedded across the Group
> Global mobility and secondment practices in place, with uptake in all regions
> EAP providers in all markets
> A workplace committed to psychological safety

Governance, privacy and data security

IPH remains committed to high standards of corporate governance to ensure the long-term sustainability of our business, including to deliver value to our stakeholders.

17 PARTNERSHIPS FOR THE GOALS

UNSDG #17
We work in partnership with our clients and other stakeholders to promote knowledge sharing and the protection of IP rights which supports innovations designed to meet a range of UNSDGs.

Corporate Governance Framework

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

- Audit and Risk Committee
- People, Remuneration and Nominations Committee
- Projects Committee

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

Governance, privacy and data security continued

Governance Policies

Overview

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. 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.

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 are 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 FY24, IPH has been pleased to comply with all recommendations of the 4th Edition of the Corporate Governance Principles and Recommendations.

Training

During FY24, all officers and employees across the Group who commenced employment with the Group (other than Smart & Biggar and ROBIC employees) were required to undertake online training on a number of key corporate governance policies at the commencement of their employment. During FY24, all employees of Smart & Biggar and ROBIC were issued similar online training following their recent joining of the Group. The online training courses referred to above cover Group policies, including:

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

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.

IPH has implemented an Anti-Bribery Policy which applies across the Group. As noted above, one of the online training courses rolled out to relevant staff during FY24 covered the IPH Anti-Bribery Policy. Refer Disclosure 205-2 from *GRI 205: Anti-Corruption 2016*.

Anti-Competitive Behaviour

IPH supports fair and vigorous competition and operates in a manner consistent with relevant competition, antitrust and monopoly legislation. During FY24, IPH was not identified as a participant in any pending or completed legal actions regarding anti-competitive behaviour or violations of antitrust and monopoly legislation. Refer Disclosure 206-1 of *GRI 206: Anti-Competitive Behaviour 2016*

Modern Slavery and the Supplier Code of Conduct

In FY24, IPH continued to undertake activities to address modern slavery risks within its business and supply chains in compliance with the Australian *Modern Slavery Act 2018* (Cth).

IPH will publish its fifth Modern Slavery Statement covering activities during FY24 later this year.

The IPH Group Supplier Code of Conduct has been rolled out across the Group and forms an important part of the Group's commitment to ethical and socially responsible procurement. 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.

Risk

Risk Management

We recognise that a robust risk management framework is critical for the effective management of our business. IPH's 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 Risk Management Policy is available on the IPH website and was updated in June 2023.

As part of the IPH risk management framework, the Board regularly reviews its Risk Appetite Statement, which is designed to support and inform Board and management decision-making.

The Board reviews IPH's risk management framework annually to satisfy itself that the framework continues to be sound and that the Company continues to operate with due regard to the risk appetite set by the Board. The Board's annual review of IPH's risk management framework in FY24 concluded that the framework is sound and IPH continues to operate with due regard to the risk appetite set by the Board.

IPH's Audit and Risk Committee comprises four independent Non-executive Directors and is chaired by an independent Non-executive Director who is not the Chairman of IPH. The Committee's Charter is available on the IPH website.

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 issues reported on in this Sustainability Report is set out in the section above titled "Our Sustainability Strategic Priorities".

Privacy and data protection

Overview

IPH provides services to a substantial number of clients across multiple jurisdictions, and interacts with a range of external contractors, suppliers and private and public sector companies, as well as having a large number of employees.

For this reason, we take cybersecurity and the protection of data and information very seriously. IT security is a critical part of our business, and we continue to strengthen our security posture every year, with a strong focus on cybersecurity.

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 measured our security posture using industry standard NIST framework and we have set targets to continuously improve year-on-year.

Our 24/7 monitoring system has been further enhanced in FY24, and we have introduced a number of next generation threat detection technologies including advanced end point protection which covers every single device and server. We also have a robust cyber incident response plan, and our disaster recovery and backup processes have also been reviewed and strengthened. We have further increased our security resources and other security initiatives to improve our preventative and detective controls, as well as bolstered capacity to counter the ever-changing threats.

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 last updated on 19 December 2023.

We have an established internal data breach policy and procedure in place across the Group. During FY24, relevant officers and employees across the Group were issued with online training covering the Group Notifiable Data Breaches Policy.

24/7

system & network monitoring

Client experience

Through our international network, IPH supports a diverse client base of Fortune Global 500 companies and other multinationals, public sector research organisations, SMEs, and professional services firms and provides services in over 25 countries. We pride ourselves on the expertise of our people and the high-quality service and advice we provide our clients.

UNSDG #8
We provide productive employment for our people, value for our shareholders, and contribute to economic advancement through our participation in the IP ecosystem.

UNSDG #9
By assisting our clients to secure IP protection, we encourage research and development and help to foster innovation.

In FY24, our commitment to delivering exceptional client service, coupled with strategic initiatives to drive growth, has resulted in considerable progress in our client offering.

As an expanding network of firms, we are continually evaluating opportunities to improve the IPH member firm client experience and foster a strong client-centric culture across the Group.

IPH is focused on ensuring our clients experience the full benefits of our international network.

As a client of a Group member firm, our global and multi-national clients gain connectivity to a wider and increasing range of jurisdictions, with simpler access to on-the-ground local knowledge, alongside international expertise.

Domestic clients also benefit from the scale, improved infrastructure, tools, and resources that our international network provides, in addition to the strong local expertise of our practitioners, who are well recognised as leaders in their own markets.

The initiatives outlined below, focusing on client listening, client relationship management and business development (**BD**) best practice, are all designed with the client at the centre of everything we do.

Client service and engagement initiatives

In FY24, we continued our expansion of member firm Customer Relationship Management (**CRM**) systems, launching firm CRM systems to Smart & Biggar in addition to AJ Park, Griffith Hack, Spruson & Ferguson Australia and Spruson & Ferguson Asia. Each firm's CRM continues to build incremental benefits that enhance client interactions, streamline internal processes, and improve overall client service.

The new CRM systems provide our practitioners with the right tools to better manage client relationships, capture client feedback and client needs, and improve client satisfaction.

The completion of the third year of the Global Client Feedback Program marks a significant milestone in our commitment to understanding and meeting client needs. Through this program, each member firm actively seeks feedback from their clients to identify areas of improvement and develop strategies to deliver tailored and exceptional service. Since its inception in 2021, IPH member firms have received feedback from over 3,000 clients. The valuable insights gathered from our clients enable us to make data-driven decisions and to enhance the client experience.

Overall, the Group achieved a Net Promoter Score® (**NPS**) of 52. A score over 50 is widely considered as 'Excellent' and puts IPH in the highest bracket for customer satisfaction and loyalty. This positive feedback from our clients demonstrates their satisfaction with our member firms' services and their willingness to recommend our firms to others. This latest NPS score is a testament to our commitment to client service excellence.

Business growth initiatives

As part of our business growth initiatives, we continue to implement robust and comprehensive client service and BD planning frameworks across all member firms. These frameworks provide our member firms with a structured approach to client delivery, identifying new opportunities to partner with clients and developing effective strategies to achieve sustainable business growth.

During the year, we assessed Key Performance Indicators (**KPIs**) to support business growth and monitor progress. Consistently tracking these KPIs enables us to identify areas for improvement, allocate resources according to client need, and drive continued growth across the Group.

Global Client Program

The Group and our member firms work with some of the largest companies in the world. As our clients grow and expand their businesses around the world, we grow with them across jurisdictions.

The aim, through the IPH Global Client Program, is to ensure our largest clients with multi-jurisdictional IP needs consistently receive the highest quality delivery, services, and expertise in a seamless manner.

The Global Client Program's client focused approach unlocks value for our clients and the IPH network through strengthened relationships, enhanced services, deep focus on client satisfaction, and acts as a trusted partner for our clients' IP needs across all our key markets.

Impact & innovation

Championing Sustainable Innovation, Reducing Our Impact

During FY24, we continued to work with our clients to assist them to develop sustainable innovations. We also completed our second annual calculation of the Group's greenhouse gas (**GHG**) emissions.

UNSDG #9

By assisting our clients to secure IP protection, we encourage research and development and help to foster innovation.

UNSDG #17

We work in partnership with our clients and other stakeholders to promote knowledge sharing and the protection of IP rights which supports innovations designed to meet a range of UNSDGs.

Our ongoing effort to track our GHG emission is essential for monitoring our environmental impact, identifying areas for improvement, and aligning with global standards for corporate sustainability.

For a second year running, we partnered with an external advisor, to support the development of GHG emissions measurement reporting, covering Scope 1-3 across our international operations.

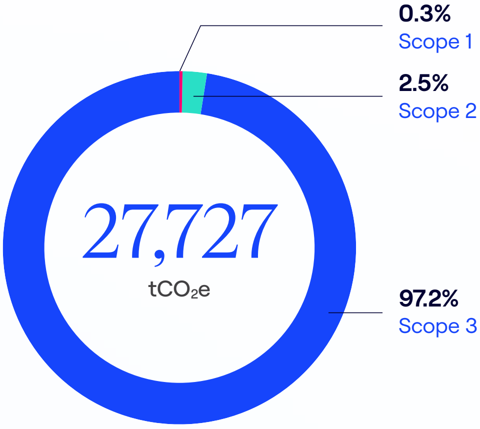
The GHG emissions data set out in this report adheres to international standards such as the International Greenhouse Gas Protocol (**GHG Protocol**), which is also the framework that underpins carbon accounting under the ISSB Climate Reporting Standard (**IFRS S2**) along with ISO 14064-1 Standard for the reporting of GHG emissions and removals.

The GHG emissions data set out in this report is derived from Group data provided to South Pole, to which assumptions, emission factors and extrapolations have been applied based on the GHG Protocol.

Impact & innovation continued

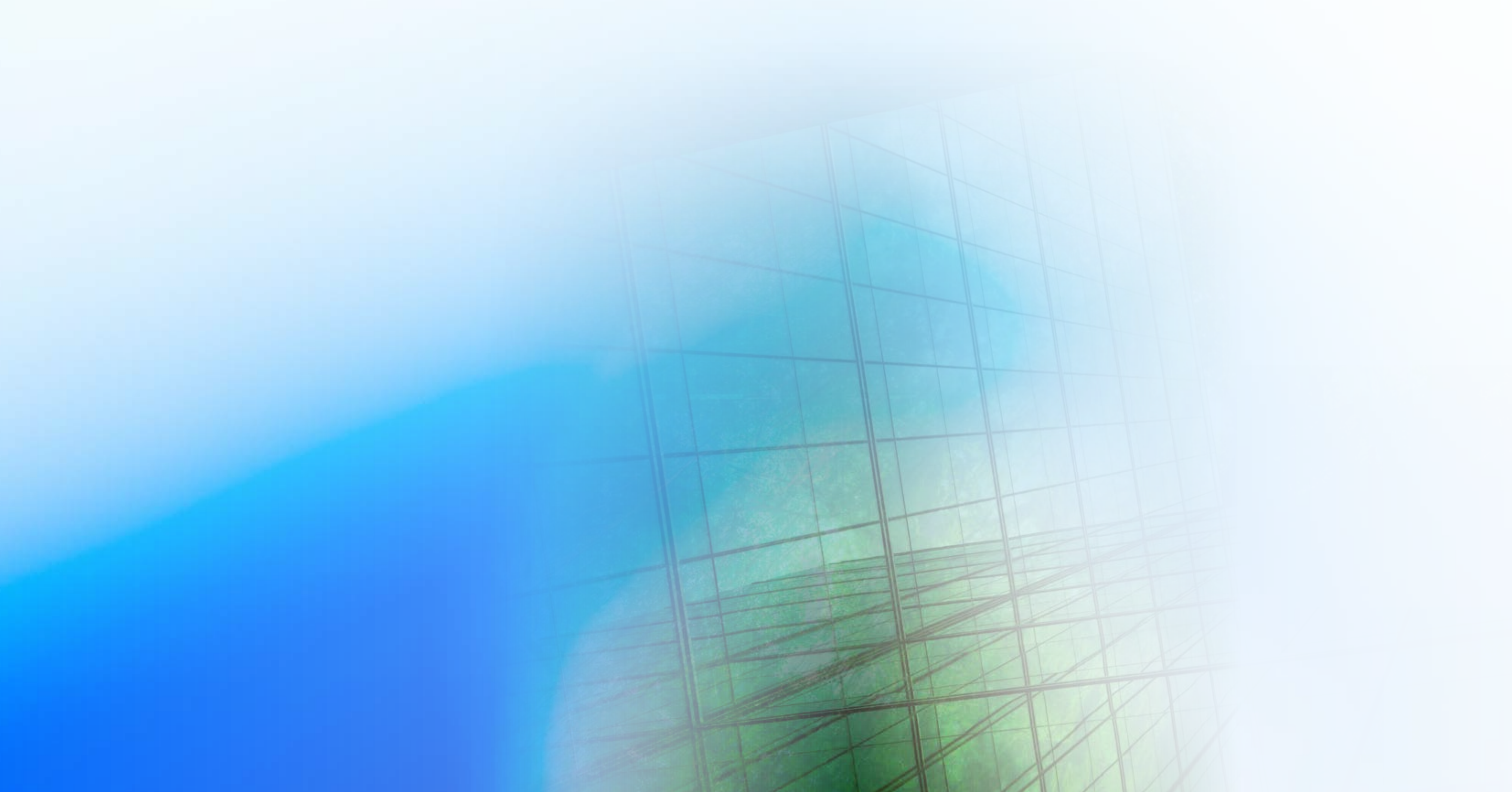
Revised GHG emissions results for FY23

Our annual review of our GHG emissions calculations identified a small number of anomalies in our GHG reporting data for FY23, including an overstatement of waste generated during operations and an understatement of emissions from employee commuting. Consequently, our total carbon footprint for FY23 has been adjusted from 31,342 tCO_2e (which was reported in our FY23 Sustainability Report) to 27,727 tCO_2e. To maintain transparency, we are presenting the revised FY23 data below.



Scope	Activity	Emissions (tCO_2e)	Emissions (%)
Scope 1	Fugitive emissions	90	0.32
Scope 2	Purchased electricity	702	2.53
Scope 3	Cat 01 – Purchased goods and services	20,535	74.06
	Cat 02 – Capital goods	4,147	14.96
	Cat 03 – Fuel- & energy-related activities	103	0.37
	Cat 05 – Waste generated in operations	357	1.29
	Cat 06 – Business travel	1,188	4.28
	Cat 07 – Employee commuting	605	2.18
Total		**27,727**	**100.00**

The term 'fugitive emissions' refers to gases or vapour leaks from a pressurised containment, including common industrial gases such as refrigerants.



Overview of GHG emissions results for FY24

On the basis of the data reported by IPH and the estimations performed by our external advisor, the total GHG emissions for the Group's operations in FY24 for Scope 1 – 3 have been calculated as 29,173 tCO_2e. Further detail follows:

> Scope 1 & 2 emissions account for approximately 2.58% of total GHG emissions, with purchased electricity the largest Scope 1 & 2 emissions source.

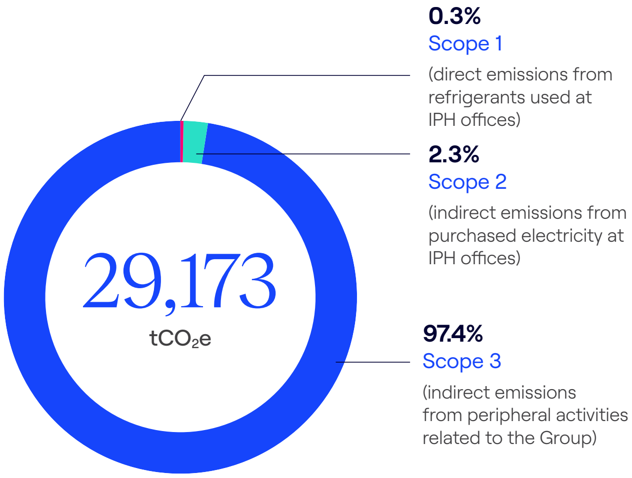
> Scope 3 emissions account for the largest component of total GHG emissions, at 97.42%.

> The three largest categories within Scope 3 are purchased goods and services (81.8% of total emissions), capital goods (7.9% of total emissions) and business travel (5.7% of total emissions).

Over the past year, IPH acquired two additional Canadian firms, which contributed to an increase in our overall emissions compared to FY23 of 1,446 tCO_2e (based on the adjusted FY23 total carbon footprint of 27,727 tCO_2e). This increase was anticipated due to the expansion of our operational footprint. Our goal is to continue to integrate these new entities into the Group and continue to pursue strategic mergers and acquisitions while maintaining our focus on reducing emissions.

By continuing to measure and report our GHG emissions, we are better positioned to set informed reduction targets, strengthen data collection quality and processes, and implement effective strategies to minimise our environmental impact while fostering sustainable growth.

GHG FY24 results by Scope 1, 2 and 3



Scope	Activity	Total emissions (tCO_2e)	Emissions (%)
Scope 1	Fugitive emissions	89.70	0.31
Scope 2	Purchased electricity	662.45	2.27
Scope 3	Cat 01 - Purchased goods and services	23,239.10	79.66
	Cat 02 - Capital goods	2,233.39	7.66
	Cat 03 - Fuel and energy related activities	81.93	0.28
	Cat 05 - Waste generated in operations	219.89	0.75
	Cat 06 - Business travel	1,629.03	5.58
	Cat 07 - Employee commuting	1,017.46	3.49
Total		**29,172.95**	**100.00**

The term 'fugitive emissions' refers to gases or vapour leaks from a pressurised containment, including common industrial gases such as refrigerants.

Impact & innovation continued

Scope 1 & 2 emissions

The Group's direct emissions in FY24 come from refrigerants used at company offices, which make up 12% of Scope 1 and 2 emissions and contribute 0.3% of the Group's total emissions.

Electricity accounts for the majority of the Group's Scope 1 and 2 emissions, at 88% and contributes 2.3% of total emissions.

The Group's Scope 1 and 2 emissions are relatively low, in line with the nature of the Group's business activities.

Extrapolations and assumptions due to data constraints may cause inaccurate representations of certain GHG categories.

Scope 3 emissions

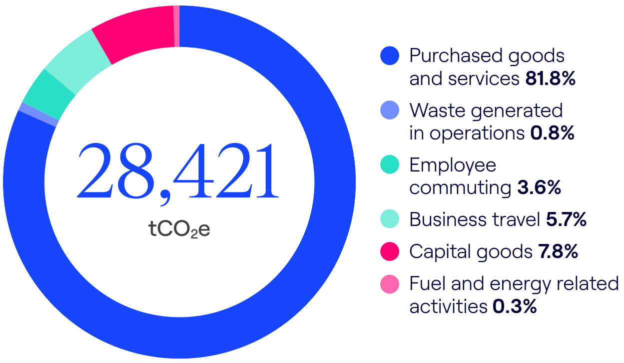
Emissions from purchased goods and services, capital goods, and business travel make up 95% of the Group's Scope 3 emissions in FY24.

The Group's purchased goods and services emissions profile is dominated by service-related expenses (100%), due to the nature of the Group's business as a network of professional services businesses. The services category includes management consulting services, other financial investment activities, equipment maintenance and other services.

Capital goods, such as emissions from equipment used for office renovations, and other equipment purchases (office furniture and IT hardware), accounted for 7.9% of Scope 3 emissions.

Business travel accounted for 5.7% of Scope 3 emissions, while employee commuting accounted for 3.6%.

Overview of scope 3 emissions



Clean Tech Innovation:

Transforming renewable electricity into reliable industrial heat

GRAPHITE ENERGY

SPRUSON & FERGUSON

With many industrial and manufacturing processes heavily reliant on steam which currently relies on non-renewable sources, decarbonising steam production is crucial for the transition to a net zero economy. However, cost effective storage systems are needed to balance supply and demand, especially during periods when renewable sources are not generating electricity.

Spruson & Ferguson client, Graphite Energy Pty Ltd (**Graphite Energy**), is helping industrial manufacturers, such as those in the food and beverage sector, to overcome this barrier with their Green Steam™ technology that enables cost effective decarbonisation.

Using Graphite Energy's technology, manufacturers can purchase extra renewable electricity when it is cheap and store it as heat that can be used 24/7 to generate Green Steam™.

Peter Lemmich, CEO of Graphite Energy, said his company's mission is to "enable a cost effective thermal energy transition for manufacturing and industrial customers, by time shift electricity for continuous steam production."

"Green Steam™ is an electro-thermal energy storage (**eTES**) system that provides clean carbon steam on demand for manufacturing processes, enabling companies to achieve significant fuel cost savings and reduce their carbon footprint," he said.

"The system takes advantage of graphite's unique properties. It has a high energy density, so you can store a lot of energy in a relatively small amount of space, and it has high thermal conductivity, so you can get the energy in quickly and get it out quickly when you need it."

In June 2023, Mars Australia became the first company in Australia to adopt and implement Graphite Energy's eTES system at its Wodonga factory, which has already reduced the gas consumption on its single serve tray line by 20 percent. Mars Australia is now looking to increase the size of the system and is also planning a multi-site rollout in Australia and overseas.

Graphite Energy is working with a number of companies to implement its Green Steam™ solution to reduce their carbon footprint and meet their Net Zero commitments.

Mr Lemmich said working with Spruson & Ferguson to develop the company's intellectual property strategy over the past five years has helped the company to commercialise its technology.

"As a business, you have to strike the right chord in the relationship with your IP provider. Gareth Dixon and his team have done a great job. They helped us to understand that protecting everything is not the answer. Once you find the answer for a customer need that is what you protect."

Dr Dixon, a Principal at Spruson & Ferguson, said he is proud to work with a company such as Graphite Energy who are contributing to meaningful decarbonisation efforts.

"Spruson & Ferguson is proud to support Graphite Energy's efforts to drive sustainable energy solutions. Their innovative green steam technology represents a significant advancement in cost effective decarbonisation of steam production and it's exciting to see its successful uptake in the market.

"Protecting IP was a crucial step in the journey, as it not only safeguards Graphite Energy's pioneering work but also ensures they can successfully commercialise their innovations, ultimately contributing to a more sustainable future."

Working alongside Dr Dixon on the Graphite Energy portfolio are Special Counsel Dr David Hvasanov, Principal Nigel Pereira, Senior Associate Fabiola Dos Santos and Associate Dr Yuchen Yao.

GREEN STEAM™
ZERO CARBON HEAT

Buy extra electricity when the price is low and store it (as heat) to use when prices are high

Diversity, equity & inclusion

Build and support a diverse and inclusive workforce

In FY24, we developed a comprehensive Gender, Equity and Equality Strategy which outlines seven focus areas intended to empower, develop and support women across the Group.

5 GENDER EQUALITY

UNSDG #5
We promote gender equality and support a diverse workforce and inclusive culture.

8 DECENT WORK AND ECONOMIC GROWTH

UNSDG #8
We provide productive employment for our people, value for our shareholders, and contribute to economic advancement through our participation in the IP ecosystem.

Our workforce in FY24

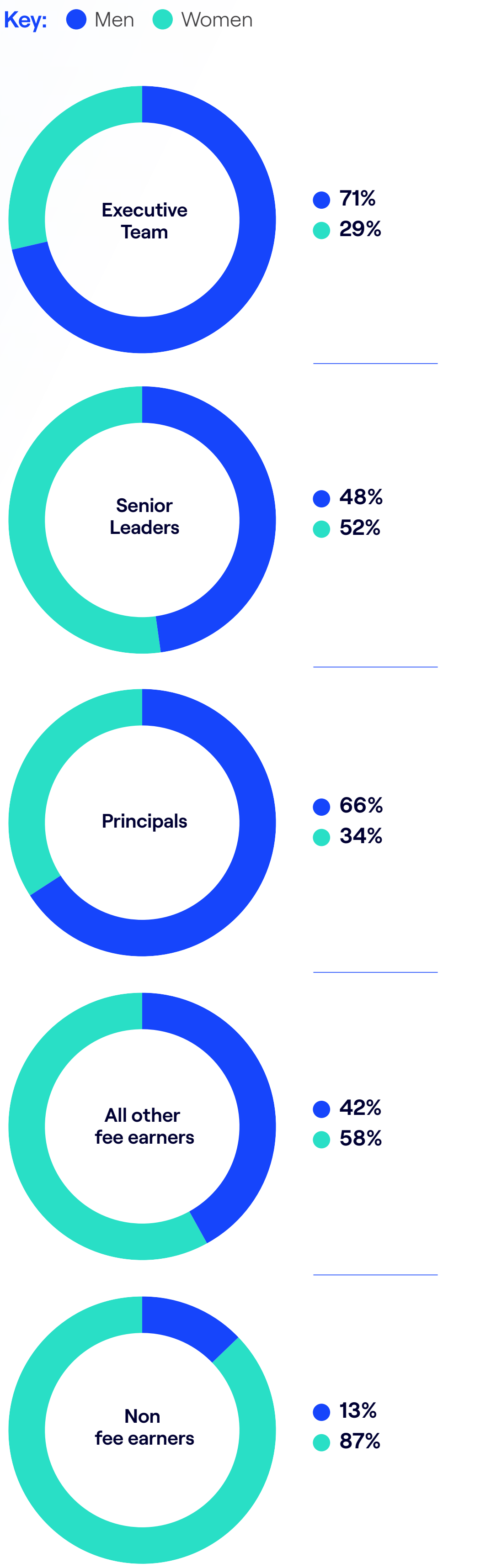
As at 30 June 2024, 1,626 people were employed across the Group, serving over 25 countries. Following a period of significant growth we now have more than 39% of Group employees based in Canada and 19% located across the Asia region. Outside of Canada, our employee numbers grew by 14% in FY24. Our Canadian operations grew significantly due to the acquisition of Ridout & Maybee and ROBIC with a total headcount of 631 employees for the region at the end of FY24. Across the group 95% of our employees are engaged on a permanent basis, with only a small number of casual and contract employees. 90% of our employees work in a full time work pattern.

As we reported to the Workplace Gender Equality Agency (**WGEA**) in Australia, IPH's median gender pay gap (**GPG**) for our Australian operations was 38.9 percent for the 2023 reporting period. Over the last three years, we have reduced our median pay gap by 11 percent, but we acknowledge that we still have a lot of work to do. When comparing like-for-like roles, where men and women are performing the same or similar roles, IPH's GPG in key fee earning roles is zero at both the Principal level and the Senior Associate level.

Our median GPG partly reflects historical trends with more men traditionally working in professional roles and women in predominantly administrative roles. This is also perpetuated by the underrepresentation of women in STEM. We understand that achieving true gender equality and equity requires sustained effort and collaboration across the Group, and we are fully committed to driving positive change in this area. At the same time, we are mindful of the importance of respecting our dedicated professional and administrative staff.

Diversity, equity and inclusion

Diversity, equity and inclusion remain fundamental to building a strong culture and attracting key talent. We focused on gender in FY24 and developed a comprehensive Gender, Equity and Equality Strategy that outlines seven focus areas to ensure IPH not only empowers, develops and supports the women in its business, but also supports women in STEM related professions through targeted community partnerships. IPH is committed to closing its GPG. The Gender, Equity and Equality Strategy sets out our target of 40:40:20 gender composition by 2030, with a specific focus on senior leadership roles. As highlighted in the tables below, women are well represented in leadership teams across the Group with 52% of our senior leaders (direct reports of the Executive Leadership Team) in IPH and IPH Services Pty Ltd identifying as women and 52% of our Member Firm leadership teams identifying as women.



Diversity, equity & inclusion continued

As a growing global business, diversity plays a critical role in our success and we have a number of strategies and polices in place to foster a culture of diversity and inclusion. We are pleased to provide a recap on our actions and activities over FY24.

Diversity strategy (as outlined in our Diversity Policy)	What we have done in FY24
Taking steps to attract, retain and motivate well qualified employees, senior staff and Board members from a diverse pool of candidates	> Launched a Group global secondment program that enables our people to work from different member firms across the Group > Launched a Global Mobility Policy which allows our people to work remotely for 90 days per annum > Continued to reward employees when they refer a new employee to a Group business (payable on successful completion of probation) > Launched a Senior Associate Excellence Program to support and develop mid-career fee earners > Developed and launched a new curriculum of learning programs for those in support and specialist shared services roles
Develop a broader pool of skilled and experienced employees, senior staff and Board candidates, including workplace development programs	> Continued to refine and deliver the IPH People Leadership Excellence program to build foundational people leadership capability > Completed the design and piloting of IPH's Leader as Coach program to build intermediate coaching capability to further develop the leadership practice among our People Excellence alumni participants > Used our talent and succession framework to identify and build capability among our high performers and those with high potential and build our talent and succession pipelines > Redesigned and delivered tailored in-house training programs to enable newly promoted Principals, Senior Associates and Special Counsels across all jurisdictions to effectively transition to their new roles > Further developed our Trainee Attorney curriculum to support those joining the Group at entry level to build the key capabilities required during the initial stages of their patent or trade mark professional career > Continued to update and add to our staff development curriculum for all employees. > Delivered a series of best practice/knowledge sharing sessions through our learning academies > Continued to design in-house development programs to build BD capability > Provided financial support for post graduate programs and other development to support personal and professional development for employees across the Group
Taking action against inappropriate workplace behaviours including discrimination, harassment, vilification and victimisation	> Developed a Respectful Workplace Policy and Complaints Procedure to address positive duty obligations > Deployed risk and compliance training for all new starters, with refresher training rolled out every two years for all staff members > Engaged consultants to review our current policies and procedures and recommend changes to ensure we meet industry best practice in our approach
Recognising that all employees may have domestic responsibilities and providing workplace flexibility that will assist them to meet those responsibilities	> Continued to support the existing flexible working policies in all markets to provide greater flexibility to support employees balancing workplace and domestic responsibilities > Committed to review flexible working polices in all markets in FY25 > Made updates to the Australian Parental Leave Policy to expand support for parents and made a commitment to review policies in other jurisdictions > Continued to provide the ability for Australian based employees to purchase an additional two weeks of annual leave per year

Parental leave

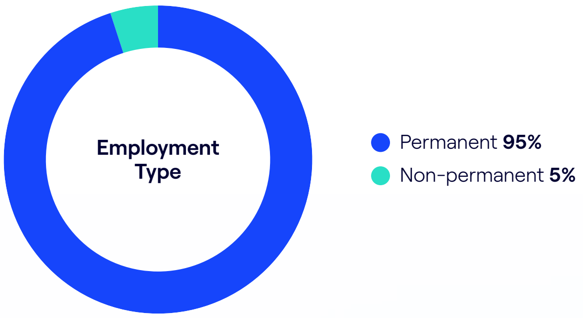
We have policies for parental leave in all markets, which ensure compliance with local laws. As part of our Gender, Equity and Equality Strategy we have committed to reviewing these policies to ensure that we meet or exceed minimum requirements and consistently provide a supportive workplace for parents.

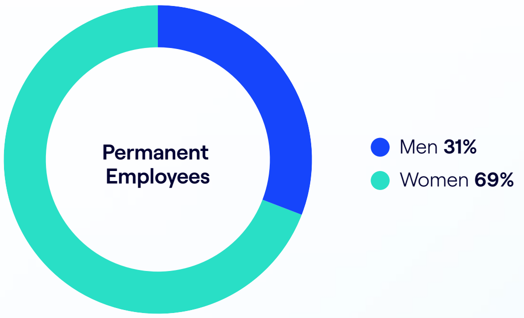
The first policy which was reviewed in late FY24 covered our Australian businesses. That policy now provides primary caregivers with 18 weeks paid leave and secondary caregivers with six weeks paid leave following the completion of probation. The policy is available to birth parents and adoptive parents and covers special leave for pregnancy related illness, miscarriage and birth related complications. The policy also provides superannuation top up for the duration of parental leave and tops up a portion of government paid parental leave.

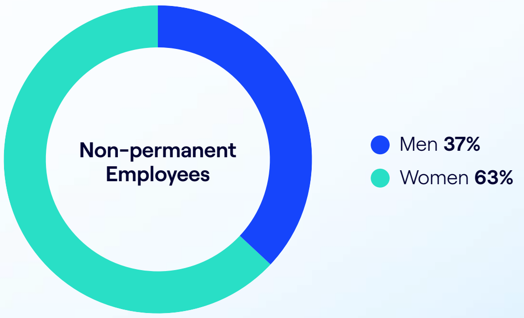
In FY25 we will review and update parental leave policies which cover New Zealand, Canada and our Asian operations.

Employment Type

With 95% of our employees engaged on a permanent basis (either full-time or part-time), we demonstrate our commitment to providing secure and stable employment opportunities, which is crucial in fostering a motivated and dedicated workforce. The similar ratio of men to women across both permanent and non-permanent roles further reflects our dedication to maintaining gender equity at all levels. By prioritising permanent contracts, we enhance job security, a key factor in employee satisfaction and retention.



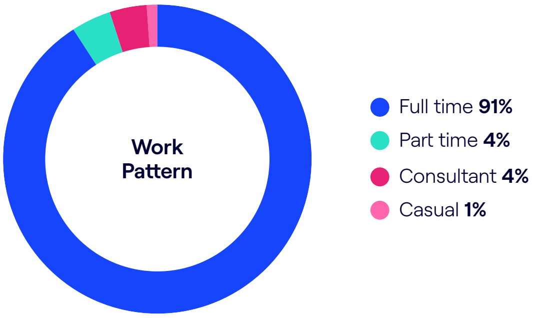


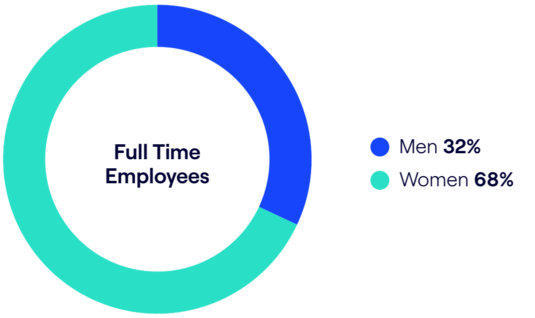


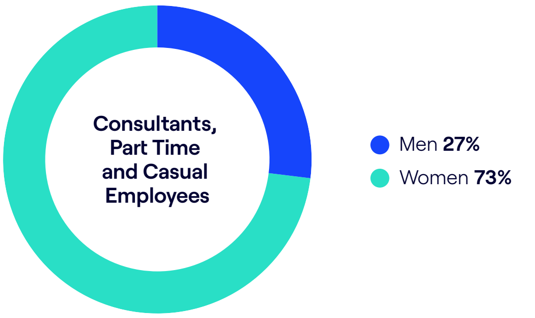
Diversity, equity & inclusion continued

Work Pattern

90% of our employees (both permanent and non-permanent) are engaged in a full-time work pattern. However, we have similar ratios of men to women in our part-time casual and consultant staff. By enabling our employees to access a work pattern that works for them, we demonstrate our commitment to fostering a balanced and inclusive work environment. Notably, 10% of our senior leaders and 9% of our principals are engaged on a part-time basis, which helps to embed flexibility from the top. By offering flexible work arrangements at all levels, we are better supporting our individuals with caring responsibilities.

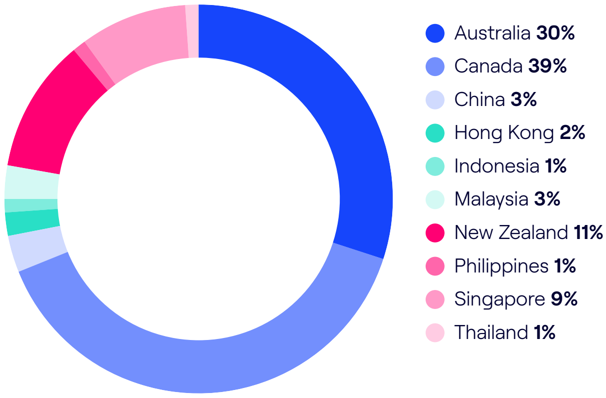






Workforce by Region

As our geographic footprint continues to expand, we are proud to offer our people enhanced global mobility through our global secondment program. This initiative not only allows our employees to gain valuable international experience but also fosters a diverse and interconnected workforce that drives innovation and growth across all regions.



Supporting flexibility through global opportunities

GRIFFITH HACK

In FY24, IPH rolled out a Group Global Secondment Program, empowering people across all IPH jurisdictions to embrace flexibility and work for a different Group entity for a defined period in a vacant role.

IPH is committed to supporting the wellbeing and flexibility of our people. By embracing global mobility through a secondment program, we can further support our people in developing their skills in a global company, and embrace experiencing different countries and cultures.

The program ensures that IPH member firms can make informed decisions when supporting employees working internationally. Placements are carried out in a cost-effective and compliant manner, with protocols in place to ensure information is not shared between firms. Since the launch of the program, the Group Global Secondment Program has been utilised across Australia, New Zealand, Asia and Canada.

Through the program, Australian-based Griffith Hack Head of Business Development, Sarah Hobson, was able to spend 90 days in Toronto, Canada assisting the Toronto-based Smart & Biggar BD Team.

"Being seconded to a leading IPH firm in a different country has been an exciting opportunity to share and learn different perspectives, gain invaluable international experience, and leverage these insights to better meet our clients' needs by taking a more global approach to business development."

Sarah Hobson
Head of Business Development, Griffith Hack

Associate Joanne Quach, initially working for New Zealand firm, AJ Park, took a 12-month secondment to Singapore, joining Spruson & Ferguson Asia's Singapore team for the period.

"The secondment has been an enlightening experience, and has given me the opportunity to expand my knowledge and connect with new working cultures. Working with a different set of clients in different technology areas has diversified my experience and enriched my understanding of the global market. Adapting to the new work environment hasn't been easy, but I am grateful to the colleagues at Spruson & Ferguson Singapore who eased my transition. I look forward to applying these new skills to my future endeavours."

Joanne Quach
Associate, AJ Park

Education & training

Build a culture of continuous and holistic learning and development

IPH continues to focus on investing in the development of its people to enable them to maximise their potential.

4 QUALITY EDUCATION

UNSDG #4

We provide inclusive and equitable education opportunities for our staff, invest in their continuing development and contribute to thought leadership in the IP profession.

8 DECENT WORK AND ECONOMIC GROWTH

UNSDG #8

We provide productive employment for our people, value for our shareholders, and contribute to economic advancement through our participation in the IP ecosystem.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

UNSDG #16

We seek to build effective and inclusive institutions by contributing to thought leadership in IP, supporting IP regulatory authorities and through donating and volunteering to support stronger communities.

FY24 has seen the Group enhance its curriculum, and also ensure that its professional development offering is equally accessible to all team members across its multiple jurisdictions as it increases its global footprint. This material references Disclosure 404-2 from *GRI 403: Training and Education 2016*.

Group Staff Development - During FY24, IPH has continued to offer a wide range of development opportunities through its staff development curriculum. The offering includes extensive training to support team members to transition to new ways of working, and multiple online courses and facilitated workshops which have been designed and are facilitated in-house to ensure their relevance to our business.

Group Professional Development Program - Our Professional Development Working Group continues to play a pivotal role in designing and facilitating a wide range of sessions to ensure that our people are up to date with legal frameworks, case law and developments across the IP sector. These sessions also provide great opportunities for colleagues to collaborate with and learn from colleagues across multiple jurisdictions and member firms.

The Group has also supported the design and roll out of a broader curriculum to develop our future patent attorneys and support their progression through our defined trainee career pathway.

Group Leadership Development – We continue to update and deliver programs established to develop foundational leadership skills among all our People Leaders and those promoted to more senior roles within the attorney career pathway. FY24 has seen a further 59 colleagues complete the People Leadership Excellence Program and all newly promoted Principals, Senior Associates and Special Counsels have had the opportunity to participate in distinct seven month development programs to help them effectively transition into their role.

The Group has also focussed on building intermediate level capabilities among our leaders. 26 senior leaders have completed our newly developed in-house Leader as Coach program which runs for four months. FY24 has also seen the Group provide bespoke development to individual leaders through our learning academies, sponsorship of external programs and the provision of coaching and mentoring.

Capability Framework - Our capability framework provides a defined career pathway for our attorneys from entry level through to the Practice Group Leader role. The framework continues to be used to help shape the end-to-end employee experience and is used to support recruitment, the design of our development offering, and work to build talent and succession pipelines. In FY25 we are planning to develop a similar framework for our colleagues working in support roles.

Learning & Development Academies – Our member firms also play a key role in providing development opportunities and their respective academies continue to deliver training locally through activity including systems training, structured education sessions and ensuring our people also develop through exposure and experience.

Financial support for study – Member firms invested in post-graduate qualifications for future patent and trade mark attorneys, enabling them to become registered attorneys in their relevant jurisdiction. Educational assistance policies across the Group provide similar levels of support for the wider workforce.

Employee referral program

The Group operates employee referral programs in all of our markets which provide an attractive benefit to staff who successfully refer potential candidates. In FY24 employee referrals were one of the largest sources of recruitment for the Group.

300+

leaders have participated in the People Leadership Excellence Program since FY21

Education & training continued

Contribution to the IP profession

Engaging in and contributing to the development of the IP profession elevates our profile as a market leader and provides important opportunities to promote our people and expertise. In FY24, we contributed to a range of industry, government and academic events and initiatives including:

Mentoring and education

During FY24, Principals and other senior staff across the Group lectured on various subjects and taught and mentored for various programs at universities and other centres of excellence, including the World Intellectual Property Organisation.

Thought leadership and advocacy

> IPH CEO and Managing Director, Dr Andrew Blattman participated in a panel discussion at the International Federation of Intellectual Property Attorneys (FICPI) 21st Open Forum on 'Partnerships – will you marry me?' about various types of partnerships among IP firms, their motivations and their main features.

> AJ Park presented two IP sessions to New Zealand Trade & Enterprise, the New Zealand government's international business development agency.

> Griffith Hack team member provided technical expertise in enzyme technology to an international project on carbon dioxide reduction, involving a consortium of university and commercial partners, mostly from Europe.

> Griffith Hack team members spoke at the Australasian Polymer Symposium, AusIMM Critical Minerals Conference and various Knowledge Commercialisation Australia events.

> Smart & Biggar Principals spoke at various events including the Canadian Institute's Annual Advertising & Marketing Law Conference, the Intellectual Property Institute of Canada and International Trademark Association joint initiative on Bill 96, and the United States Federal Circuit Bar Association's Global Series.

> ROBIC Principal spoke at the European Patent Office (EPO) and Licensing Executives Society International's (LESI) High-Growth Technology Business Forum.

Partnerships and sponsorships

- Applied Marks was an exhibitor at the Foodpreneurs Festival, an event to equip entrepreneurs with a packaged food or drink brand with the information, skills and connections they need to take their businesses to new heights.
- AJ Park partnered with the New Zealand Government's Callaghan Innovation agency to deliver webinars on innovation insights and doing business in China.
- Griffith Hack sponsored IPBC Australasia, Curtin University's Innovation Awards, Hit ID Symposium and the Western Australian Innovator of the Year Awards.
- Smart & Biggar sponsored the American Intellectual Property Law Association (AIPLA) Women in IP Networking event and the Intellectual Property Institute of Canada's Annual Meeting and participated in the Annual Harold G. Fox IP Moot as judges.
- Spruson & Ferguson (Australia) Principal was a panel member and moderator of two sessions at AusBiotech Annual Conference 2023 and the firm also sponsored and hosted BioCheer Queensland, an Ausbiotech networking event.

Industry and Government initiatives

- AJ Park hosted the German-New Zealand Chamber of Commerce Inc. at the Auckland office in November 2023 for a networking session.
- ROBIC Principal participated in an Innovation, Science and Economic Development Canada round table for the public consultation on AI and copyright
- Spruson & Ferguson (Asia) Principals took on the role of adviser at the IP Business Clinic of Intellectual Property Office of Singapore (IPOS) International and moderated an IPOS series on developments in IP Law.
- Spruson & Ferguson (Asia) were part of the examination Committee for the IPOS 2024 Patent Agent Qualifying Examination.

Memberships and official positions

IPH Principals and staff across its member firms hold memberships and official positions with a diverse range of professional organisations.

Wellbeing & flexibility

Create healthy flexible and engaged teams, built on autonomy and trust

We are committed to providing a safe work environment and flexible work options that support the diverse individual, team and geographic circumstances of our people across the Group.

5 GENDER EQUALITY

UNSDG #5
We promote gender equality and support a diverse workforce and inclusive culture.

8 DECENT WORK AND ECONOMIC GROWTH

UNSDG #8
We provide productive employment for our people, value for our shareholders, and contribute to economic advancement through our participation in the IP ecosystem.

Health, safety and security of employees

During FY24, we have maintained a strong focus on supporting flexible working arrangements for our staff, promoting mental health and wellbeing, and providing management with resources to drive staff engagement and sustainable high performance.

Health and wellbeing

IPH provides access to an Employee Assistance Provider (**EAP**) in each market, utilising Assure for Australia, New Zealand and Asia, HumanaCare for Smart & Biggar and Telus Santé for ROBIC. Each EAP provides comprehensive employee support and wellbeing services for IPH employees. In Australia, New Zealand and Asia, in addition to phone-based counselling and support services, Assure also offers support to our people through the Wellbeing Gateway mobile phone application, which provides virtual counselling services and materials.

During FY24, we delivered several initiatives to support health and wellbeing across Australia, New Zealand and Asia, including:

> **Mental health awareness** — in Australia we once again recognised R U OK? Day by distributing chocolate bars to all staff to encourage them to check in with colleagues and discuss mental health.

> **Counselling services** — as noted above, our EAP providers enabled access to free professional and confidential counselling services for employees and their immediate family members.

> **Member firm initiatives** — our member firms facilitated numerous wellbeing initiatives, including flu vaccinations programs, health insurance benefits, seminars and providing healthy food in offices.

Hybrid Working Approach

Hybrid working has been embedded across the Group since FY22 and supports our people and their diverse working arrangements. In FY24, 77% of our global workforce regularly used a hybrid work arrangement, reflecting both our commitment to hybrid working and its popularity with our people. In FY25 we are committed to reviewing flexible working policies in all markets to enhance the flexibility we provide to our employees and move towards a harmonised global approach.

IPH Engagement Pillars

We drive a highly engaged, high performing workforce through four pillars of engagement.

Embedding our Shared Services Model

Our shared services model centralises many of our shared service teams globally and drives efficiency and effectiveness through consistent ways of working.

Succession Planning

Through our capability framework we provide a formalised approach to support career growth for individuals and we future proof our business through talent mapping and succession planning.

Sustainability

We embed our key sustainability strategic pillars across the Group with inputs from member firms and shared services teams.

Employee engagement and motivation

IPH conducts annual engagement surveys through employee experience and people analytics platform Culture Amp. Engagement surveys provide essential insights into staff satisfaction and highlight areas of focus to enhance our employee experience. By conducting our annual engagement survey in March each year, IPH is able to set clear priorities and objectives, which respond to the issues raised in the survey, for the year ahead.

Our FY24 employee engagement survey, conducted in March 2024, included the entire Group and highlighted key areas of strength including:

> **Management –** staff have reported high levels of satisfaction with the quality of people leadership and the impact of support our people receive from their direct manager.

> **Teamwork and Ownership –** there is a culture of cooperation and collaboration embedded in our member firms which means our people trust and value the teams they work in.

> **Enablement –** our people have access to information, systems and processes that enable them to work effectively with high levels of autonomy.

Initiatives for FY25 are set at both a Group and individual member firm level and will continue to drive increased engagement year on year. These initiatives will focus on important areas such as innovation, which has already commenced through the formation of the IPH Innovation Committee.

Foundations for a refreshed Employee Value Proposition (**EVP**) were set in FY24 and tested in our engagement survey. In FY25 we will continue this project and embed an EVP that inspires confidence in the Group vision and assists us to attract and retain key talent in a competitive market.

Looking ahead to FY25

In FY24, we continued to pursue the six strategic priorities within our Sustainability Strategy. We continued working to strengthen our capability to manage relevant ESG risks and opportunities and progress our efforts in driving positive change for our many stakeholders.

For a second year, we engaged an external advisor to help us conduct GHG emissions measurement across the Group, comprising direct and indirect emissions sources (Scope 1, 2, 3) of our international operations, including our member firms.

In FY25, we will continue to progress our Sustainability Strategy. This will include working with external advisors on the alignment of our sustainability reporting with the ISSB reporting standards and proposed new Australian accounting standards.

We look forward to continuing to strengthen our sustainability activities in FY25 and beyond.

Board of Directors

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 served as a Non-executive Board Member of the NSW Net Zero Emissions and Clean Economy Board from 2021 to 2024. Peter 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 Director of UniSuper, Argo Investments Limited, and Allens, and Non-executive Chairman of St Andrews Cathedral School Foundation. He is also a member of the ASIC Corporate Governance Consultative Panel, and an adviser to the Board of Virgin Australia Airlines.

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 IP profession, having joined 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 overseen the expansion of the Group, which has grown through a series of strategic acquisitions and integrations. He has a deep knowledge and understanding of the IPH business and the environment in which the Company operates.

Andrew is the Vice Chairman of 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 Qantas Superannuation Limited. He served as Chairman of the Australian Institute of Company Directors for five years to June 2024 and as Chairman of Outward Bound Australia for over 4 years. He has also been the Vice Chairman of Outward Bound International since 2017, is a former Chairman of GPT Metro (REIT), is a former Director of Aurizon Limited, Integral Diagnostics Limited, and 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.

Vicki Carter

Independent Non-executive Director
BA (Social Sciences), GradDipMgmt

Vicki Carter was appointed as a Non-executive Director in October 2022.

Vicki is currently a Non-executive Director of ASX Limited and Chair of Bendigo and Adelaide Bank Limited. Vicki is also a Non-executive Director of Sandhurst Trustees Limited and was Chair until August 15th, 2024 when she retired from the role. She has over 35 years' experience in the financial and telecommunications sectors with executive roles in distribution, strategy and operations, human resources and transformation.

Vicki's former roles include Executive Director, Transformation Delivery at Telstra and senior executive roles at National Australia Bank including Executive General Manager – Retail Bank, Executive General Manager – Business Operations and General Manager – People and Culture, as well as roles at MLC, ING and Prudential Assurance Co. Ltd.

Jingmin Qian

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

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

Jingmin is also a Non-executive Director of Abacus Group, Trustee Director of HMC Capital Partners Fund, a member of Macquarie University Council, an independent Director of the CFA Society Australia, a Non-executive Director and National Vice President of the Australia China Business Council.

Jingmin is a member of Chief Executive Women (CEW).

Jingmin is a former Trustee Director of Club Plus Super, former Board Director of CFA Society of Sydney and former Non-executive Director of Golden Cross Resources. She also previously held senior roles with L.E.K. Consulting, Boral Limited, and Leighton Holdings.

Jingmin 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.

David Wiadrowski

Independent Non-executive Director
BCom, GAICD

David was appointed as a Non-executive Director in November 2023.

In addition to his role on the IPH Board, David is a Non-executive Director of CAR Group, Life360 and oOh!Media. He is also on the Board of the Cambodian Children's Fund in Australia, a Fellow of the Chartered Accountants of Australia and New Zealand and a Graduate of the Australian Institute of Company Directors.

David is a former Non-executive Director of Vocus Group Limited, the Elevacao Foundation, established to support and mentor early stage female technology entrepreneurs, and Board Member of PwC Securities and PwC Indonesia.

Prior to commencing his board career, David was with PwC for more than 35 years, including as a Partner from 1992 to 2017, and as the Chief Operating Officer of the firm's largest business unit, PwC Assurance, for five years. David's client focus was in the technology, media and telecommunications industries.

David's board experience includes M&A, capital raising, strategy development and execution, CEO and CFO recruitment and board renewal. Given David's background he has deep knowledge of financial reporting, technical accounting, auditing and risk management.

Executive Leadership Team

Philip Heuzenroeder

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

Philip was appointed Group General Counsel and Company Secretary of the Group in 2016. Philip ceased as Company Secretary on 1 March 2024 when Ms Hoff took over the role.

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. Prior to joining the IPH executive team, Philip was a Principal in member firm, Spruson & Ferguson.

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 IPH 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 professional services firm SAI Global, having previously spent seven years in audit at firms EY and Arthur Andersen.

John O'Shea

Chief Operating Officer
BEc, MBA, GAICD

John has been IPH's Chief Operating Officer since 2018. On 1 July 2024 he moved into the role of Australasia Regional CEO.

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 had responsibility for the consolidation of acquisitions into the Group and he relocated to Toronto in 2023 to ensure the successful integration of Smart & Biggar and Ridout & Maybee into the Group.

John commenced as Australasia Regional CEO as of 1 July 2024 and will be focused on implementing IPH's new regional operating model in Australasia.

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.

Fiona Darlington

Chief People Officer
BA (Hons) European Studies,
Post Grad in HR Management, GAICD

Fiona joined IPH as Chief People Officer in 2023.

In her role, Fiona is responsible for leading IPH's human resources and people operations function, driving initiatives that support the company's strategic goals, while fostering a positive culture of excellence and inclusivity.

Fiona has over 20 years' experience working in senior HR roles including senior leadership roles at Enero Group and Origin. Fiona has extensive international experience working across the US, Canada, Europe, Asia, South America and the UK. She has experience across a broad range of sectors, including Marketing Services, Energy and Financial Services.

Tee Tan

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

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

Tee is responsible for ensuring that information technology investments and operations in all Group companies are aligned with the Group's strategic business objectives. His role includes overseeing IT and digital strategy, development of AI and other innovation, 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 IPH'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.

Directors' report

The Directors present their report, together with the financial statements, of the consolidated entity (**Group**) consisting of IPH Limited (**IPH** or the **Company**) and the entities it controlled at the end of, or during, the financial year ended 30 June 2024.

IPH Limited is a leading international intellectual property (**IP**) services group 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 the Company 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 and Chairman
Dr Andrew Blattman	Managing Director and Chief Executive Officer
Mr John Atkin	Non-executive Director
Ms Vicki Carter	Non-executive Director
Ms Robin Low	Non-executive Director (retired 4 April 2024)
Ms Jingmin Qian	Non-executive Director
Mr David Wiadrowski	Non-executive Director (appointed 15 November 2023)

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 on page 54 to 55.

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 2024, and the number of meetings attended by each Director were:

		Board						
		Scheduled	Unscheduled	Audit & Risk Committee [1]	People, Remuneration and Nominations Committee	Projects Committee [2]	Previous Audit Committee [1]	Previous Risk Committee [1]
Peter Warne [3]	Attended	7	2	–	3	–	–	–
	Held [4]	7	2	–	3	–	–	–
Andrew Blattman [5]	Attended	7	2	–	–	–	–	–
	Held [4]	7	2	–	–	–	–	–
John Atkin	Attended	7	2	1	3	3	3	3
	Held [4]	7	2	1	3	3	3	3
Vicki Carter	Attended	7	2	1	3	3	3	3
	Held [4]	7	2	1	3	3	3	3
Robin Low	Attended	6	1	–	3	2	3	3
	Held [4]	6	1	–	3	2	3	3
Jingmin Qian	Attended	7	2	1	3	3	3	3
	Held [4]	7	2	1	3	3	3	3
David Wiadrowski	Attended	3	1	1	1	2	1	1
	Held [4]	3	1	1	1	2	1	1

1. The Audit Committee and the Risk Committee were merged in April 2024 to create a combined Audit & Risk Committee.
2. The Board established a Projects Committee in July 2023.
3. Peter Warne was in attendance at meetings of Committees of which he was not a member.
4. Held: represents the number of meetings held during the time the Director held office.
5. Whilst not a member of the Committees Andrew Blattman was in attendance except in circumstances of a conflict of interest.

Directors' report

2. Company Secretary

Tamsyn Hoff, LLB, BSocSc. Tamsyn is Head of Legal (Corporate) and was appointed Company Secretary on 1 March 2024, following the resignation of Philip Heuzenroeder from the position of Company Secretary on the same date. Philip continues in his role as Group General Counsel.

Tamsyn has 15 years' experience as a solicitor in New South Wales and New Zealand, both in private practice and in-house, specialising in corporate and commercial law.

3. Principal activities

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

> IP services related to filing, prosecution, enforcement and management of patents, designs, trade marks and other IP in Australia, New Zealand, Canada and the Asian region; and
> legal services related primarily to IP in Australia, New Zealand and Canada.

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

4. Operational and Financial Review

4.1 Operations and financial performance

The summary financial analysis on page 60 of this report 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.

During the year, the Group acquired the Canadian businesses Ridout & Maybee (29 September 2023) and ROBIC (15 December 2023). Consequently, the current year result includes the post-acquisition period earnings of Ridout & Maybee (9 months) and ROBIC (6.5 months), including increased amortisation charges relating to intangible assets acquired, and increased interest costs associated with the funding of the acquisitions.

Given the timing of these acquisitions, the full year earnings contribution from the acquired businesses will not be realised until FY25.

In the prior year, the Group acquired the Smart & Biggar business on 6 October 2022. Consequently, the current year result includes a full year of earnings contribution from Smart & Biggar compared with approximately 9 months earnings contribution in the period year.

Given the Company's acquisition activity, both the current and prior year result reflect significant one-off costs associated with the acquisitions and subsequent restructuring activities to integrate the businesses into the Group.

Directors' report

4. Operational and Financial Review continued

	Revenue [1]			EBITDA		
	2024 $ m	2023 $ m	Chg %	2024 $ m	2023 $ m	Chg %
Australian and New Zealand IP	**304.4**	289.9	5.0%	**109.1**	103.3	5.6%
Asian IP	**121.4**	118.8	2.2%	**53.7**	54.2	(0.9)%
Canadian IP	**196.5**	93.7	109.7%	**59.9**	31.4	90.8%
	622.3	**502.4**	**23.9%**	**222.7**	**188.9**	**17.9%**
Corporate	**16.2**	12.5	29.6%	**(25.6)**	(17.9)	(43.0)%
Eliminations	**(28.6)**	(24.8)	(15.3%)	**(1.6)**	(1.0)	(60.0)%
Underlying revenue / EBITDA [2]	**609.9**	**490.1**	**24.4%**	**195.5**	**170.0**	**15.0%**
A reconciliation of Underlying EBITDA to Statutory EBITDA is provided below [3]						
Business acquisition costs				**(11.7)**	(10.8)	(8.3)%
Restructuring expense				**(6.9)**	(2.8)	(146.4)%
Impairment expense on right-of-use asset				**(1.2)**	–	–
Change in fair value of deferred consideration				**–**	6.3	(100)%
Cost associated with cyber incident				**–**	(2.8)	100%
IT SaaS implementation cost				**–**	(0.9)	100%
Statutory EBITDA				**175.7**	**159.0**	**10.5%**
Interest income				**6.0**	2.0	200.0%
Interest expense				**(34.8)**	(20.2)	(72.3)%
Depreciation and amortisation				**(65.0)**	(53.4)	(21.7)%
Net profit before tax				**81.9**	**87.4**	**(6.3)%**
Tax expense				**(21.1)**	(22.9)	(7.9)%
Net profit after tax				**60.8**	**64.5**	**(5.7)%**

1. Revenue includes other income but excludes interest.
2. Underlying revenue/EBITDA comprises revenue recognised during the period less intercompany transactions that require elimination upon consolidation.
3. In reconciling Underlying EBITDA to Statutory EBITDA, the following adjustments are made:
   i) Business acquisition costs - costs incurred in the pursuit of acquisitions, primarily related to ROBIC and Ridout & Maybee.
   ii) Restructuring expenses predominantly relates to:
      – costs incurred in the post acquisition integration of Ridout & Maybee into Smart & Biggar;
      – provision relating to the exit of lease premises of Ridout & Maybee; and
      – project costs relating to "The IPH Way" program
   iii) Impairment charge of right-of-use assets on early exit of lease as business integrated into Smart & Biggar.
   iv) FY23 Change in fair value of deferred consideration - A non cash $6.3 million gain on the Smart & Biggar earnout arising from movement in the Company's share price and a revaluation of the Applied Marks earnout.

Directors' report

4. Operational and Financial Review continued

Statutory Results

Revenue and other income (excluding interest) of $609.9 million is $119.8 million or 24.4% up on the prior year, reflecting strong growth in the Australian/NZ business, revenue growth of 109.7% in the Canadian segment, driven by the two acquisitions in the current year, and the full year impact of the Smart & Biggar acquisition in the prior year (acquired on 6 October 2022). The acquisition strategy in Canada has resulted in the Canadian segment now being the second largest segment in the Group, contributing 32.2% of group revenue in FY24, expected to increase to 38% in FY25, given the timing of the Ridout & Maybee and ROBIC acquisitions during FY24.

Statutory EBITDA of $175.7 million is $16.7 million or 10.5% up on prior year. An increase in underlying EBITDA of the Operating Segments of $33.8 million or 17.9%, driven largely by the growth in the Canadian segment from the acquisitions, has been partially offset by a $7.8 million increase in corporate costs (refer to the corporate segment below) and an increase in one off costs of $8.8 million, largely associated with the acquisition strategy.

Net Profit Before Tax (**NPBT**) of $81.9 million is $5.5 million or 6.3% below prior year. The increase in Statutory EBITDA of $16.7 million has been offset by an increase in net interest expense of $10.6 million relating to the funding of the acquisitions, and an increase in non-cash Depreciation and Amortisation charges of $11.6 million or 22% relating to the acquired Intangible assets, largely customer relationships.

Net Profit After Tax (**NPAT**) of $60.8 million is $3.7 million or 5.7% below prior year, supported by a small reduction in the effective tax rate to 25.8% (2023: 26.2%).

Adjustments to Statutory Results

In determining underlying EBITDA, the following items have been added back to Statutory EBITDA:

	$m
Business acquisition expenses related primarily to the completion of Ridout & Maybee and ROBIC	11.7
Restructuring expenses predominantly related to: > costs incurred in the post-acquisition integration of Ridout & Maybee into Smart & Biggar; > provision relating to the planned exit of leased offices; and > project costs relating to "The IPH Way".	6.9
Impairment charge on "right of use" asset of leased premises on early exit of lease as business integrated in to Smart & Biggar	1.2

The above one-off restructuring and impairment charges incurred allowed the Group to realise synergies in line with the Ridout & Maybee acquisition business case.

Underlying Results

Underlying EBITDA increased 15% to $195.5 million (FY23: $170.0 million). The increase in EBITDA reflects the growth in the Canadian segment from the acquisitions, strong growth in the Australian/NZ segment as impacted businesses rebounded from the cyber incident impacting the prior year, partially off-set by a market decline impacting the Asian segment.

Underlying EBITDA was also supported by a net foreign exchange gain of $1.3 million (FY23: $3.3 million gain).

Directors' report

4. Operational and Financial Review continued

Segment Results

The Company has three operating segments; Australian and New Zealand IP, Canadian IP and Asian IP.

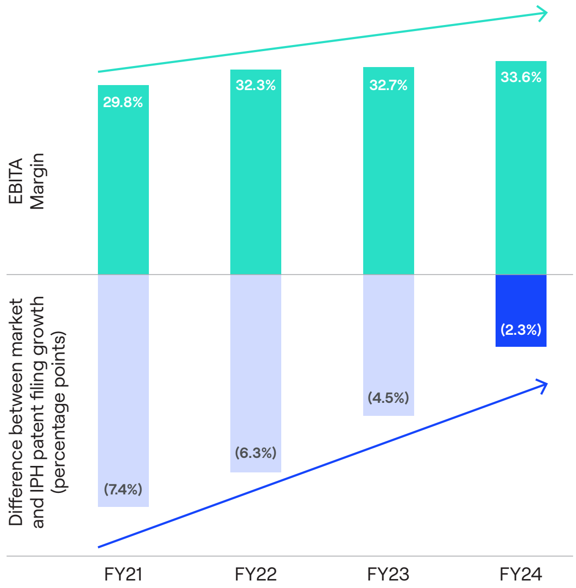
Australian & New Zealand IP

The Australian & New Zealand segment reported strong growth in revenue and Underlying EBITDA of 5% and 5.6% respectively, despite a 0.8% decline in Australian patent filings market in FY24 compared to FY23. This market decline is a significant improvement on a 3.3% market decline in FY23.

IPH Group patent filings (ex innovation patents) declined 3.1% in FY24 compared to a market decline of 0.8%, reflecting a "gap" to market movement of 2.3 percentage points. This represents an improvement from FY23 where IPH patent filings declined 7.8% compared to a market decline of 3.3%, reflecting a "gap" to market movement of 4.5 percentage points. IPH continues to narrow the gap between the Group's patent filing numbers and the market, as depicted in the chart.

US applicants make up around 35%-40% of IPH Group filings in the Australian market and were the largest decline by volume, down 4.1%. This includes the largest applicant decline in the market, an applicant who files exclusively with IPH. Excluding this one applicant, the market declined 0.3% and IPH declined 1.6%, representing a normalised "gap" of 1.3 percentage points.

IPH remains the market leader in Australia with combined group patent market share (excluding innovation patents) of 31.7% in FY24.



On a like-for-like basis, removing the effects of currency movements, the Australian/NZ segment reported strong growth in revenue of 5% and EBITDA also increased 7%, and reflecting an increase in EBITDA margin of 0.5 percentage points.

Canadian IP

Revenue increased by $102.8 million or 109.7% to $196.5 million and underlying EBITDA increased 90.8% to $59.9 million, reflecting the execution of the Group's acquisition strategy in the Canadian market. The growth in revenue and underlying EBITDA is attributed to the following:

> On 29 September 2023, Smart & Biggar acquired the Ridout & Maybee business for a purchase consideration of CAD61 million (AUD70 million) with the intention of integrating the business into the Smart & Biggar business. This integration was completed in December 2023, realising synergies in the 2H FY24 and reported in the segment performance on page 60. Consequently, the disclosure of the Ridout & Maybee contribution to group revenue and earnings is not possible.

> On 15 December 2023, the Group acquired the ROBIC business for CAD110 million (AUD123 million), representing the Group's third acquisition in the Canadian market. ROBIC is one of Canada's leading IP firms with approximately 220 staff across offices in Montréal and Québec City. The FY24 result includes revenue of $39.2 million and EBITDA of $9.9 million in relation to ROBIC for the 6.5 month period from 15 December 23 to 30 June 24. This exceeds the Group's expectation of financial performance at the time of acquisition.

> The FY24 result includes an incremental 3 months of revenue and earnings contribution over the prior year, from the Smart & Biggar business which was acquired in October 2022, and includes the Ridout & Maybee business results from the acquisition date of 29 September 2023.

On a like-for-like basis, removing the effects of foreign currency movements and the impact of the acquisitions, Canadian IP revenue increased by 10% with underlying EBITDA increasing by 8%, reflecting strong performance in the Smart & Biggar litigation business and the realisation in the 2H FY24 of cost synergies from the integration of Ridout & Maybee in December 2023.

In calculating the like-for-like financial performance, it was not possible to accurately quantify the adjustment required to remove the contribution to segment revenue and EBITDA from the Ridout & Maybee acquisition due to the integration of the business into Smart & Biggar. Instead, the financial performance of the business in the period 29 September 2022 – 30 June 2023 was used as an estimate of the current year contribution to segment performance.

Asian IP

Revenue increased $2.6 million or 2.2% and underlying EBITDA decreased 0.9% to $53.7 million.

The Asian IP segment performance has been impacted by a decline in market filings. The Singapore market accounts for a large proportion of the Asian segment filings. Latest data for calendar year 2023 indicates the Singapore patent market declined 6.7% compared to calendar year 2022 with Group filings declining 8.3% in the same period.

Directors' report

4. Operational and Financial Review continued

US applicants account for two thirds of the market decline and include one large applicant who files solely with IPH. Excluding this one applicant, Group filings declined 5.9%, slightly better than the market decline of 6.3%.

Lower Singapore market filings are expected to be consistent with lower filings across other Asian jurisdictions, although Patent Office data is not available to confirm.

The Asian segment benefited from a stronger SGD against the AUD. On a like-for-like basis, removing the impact of foreign currency movements, revenue declined 2%, while EBITDA decreased 6%. Pleasingly, the 2H FY24 revenue decline of 0.6% was significantly improved on the 1H FY24 decline of 3% on a like-for-like basis.

Corporate

Corporate Segment costs in the current year increased $7.7 million over the prior year. Removing the impact of a foreign currency gain of $1.5 million (2023: $0.7 million gain) on the revaluation of USD corporate cash and debt, corporate costs increased $8.7 million.

With the recent acquisitions in Canada, the business has become a larger and more complex organisation requiring adjustments to the Company's operating model to better align management to the geographies the Company operates in, and to increase corporate capability to appropriately manage the increase in scale and complexity. Consequently, a new regional operating model is currently being implemented which has resulted in an increase in management personnel and recruitment costs in the current year, with a further investment expected in FY25.

Additionally, the Company incurred an additional $1.5 million in share-based payments expense over the prior year, on partial vesting in FY24 of performance rights issued under the Executive Long Term Incentive Program and a further $0.6m in short term incentive expense in the current year.

Whilst evolving IPH's network internationally through acquisitions, the Group is committed to driving operational efficiencies through standardisation and automation across its business processes. To this end, the current year result reflects increased investment in "The IPH Way" with the goal of optimising and standardising "front office" processes and extracting synergies across the network. Additionally, the Company has made considerable investment in the "back office" transformation planning process, with implementation expected to commence in FY25, aligning with the appointment of a Chief Transformation Officer in July 2024.

Finally, the increase in corporate cost reflects the increased governance and compliance costs associated with the business including the ramp up, in the current year, of the three year cyber uplift program, investment in disaster recovery, in addition to further investment in the Group's sustainability strategy and reporting framework.

Impact of Foreign Exchange Movements

Foreign exchange rates used to translate balance sheet accounts and to translate earnings during the period were as outlined in the table below.

	Closing rate as at 30 June			Average rate for period ended 30 June	
	2024	**2023**	**2022**	**2024**	**2023**
AUD/USD	**0.667**	0.664	0.689	**0.656**	0.673
AUS/SGD	**0.904**	0.899	0.959	**0.884**	0.918
AUD/CAD	**0.912**	0.880	0.887	**0.888**	0.905

Directors' report

4. Operational and Financial Review continued

i) Net impact recorded in the P&L account

Group companies invoice a significant proportion of their revenue in USD reflecting the location of the client base. Accordingly, the Group carries a material amount of USD denominated cash and receivables. The Group manages the risk of volatility in its profit and loss from revaluing these USD balances using USD denominated bank loans which provide a partial "natural" hedge. Additionally, the Group further mitigates the risk by entering forward contracts to purchase USD at a future date, effectively fixing the currency rate. As disclosed in note 3.3(c)(i) "Foreign currency risk" in the financial statements, the Group's net exposure to USD after risk mitigation at 30 June 2024 is a net exposure of $11.5 million (2023: $70.4 million).

Realised foreign exchange gains of $2.9 million and unrealised foreign exchange loss of $1.6 million were recognised in the P&L account during the year, resulting in a net foreign exchange gain of $1.3 million (FY23: $3.3 million gain).

ii) P&L impact of trading in foreign currencies

Revenue is recorded at the rate of the day of the transaction. The Group invoiced 35% of its revenue in USD during the current year and has a low proportion of USD denominated expenses.

The average AUD/USD exchange rate at which this USD revenue was recorded was 0.656, while in the comparative period it was 0.673. Based on the USD profile in FY24, a 1c movement in the AUD/USD exchange rate equates to approximately $2.5 million of revenue on services charges on an annualised basis.

The Group currently does not hedge revenue or expenses denominated in foreign currency. The Group continues to monitor this position.

Balance Sheet

	2024 $ m	2023 $ m	Chg $ m	Chg %
Cash	**75.5**	103.3	(27.8)	(26.9)%
Receivables and contract assets	**187.9**	163.6	24.3	14.9%
Intangibles and Property, plant and equipment	**986.5**	854.8	131.7	15.4%
Lease assets	**49.7**	45.7	4.0	8.8%
Other assets	**13.8**	17.6	(3.8)	(21.6)%
Total assets	**1,313.4**	**1,185.0**	**128.4**	**10.8%**
Trade and other payables	**47.8**	40.5	7.3	18.0%
Lease liabilities	**57.7**	53.5	4.2	7.9%
Borrowings	**434.1**	387.7	46.4	12.0%
Deferred tax	**91.8**	84.3	7.5	8.9%
Other liabilities	**47.7**	41.9	5.8	13.8%
Total liabilities	**679.1**	**607.9**	**71.2**	**11.7%**
Net assets	**634.3**	**577.1**	**57.2**	**9.9%**
Share capital	**641.5**	558.1	83.4	14.9%
Reserves	**19.6**	26.1	(6.5)	(24.9)%
Accumulated losses	**(26.8)**	(7.1)	(19.7)	(277.5)%
Total equity	**634.3**	**577.1**	**57.2**	**9.9%**

The execution of the Company's acquisition strategy in Canada has resulted in movements in all key balance sheet accounts, including an increase in intangible assets, reflecting acquired customer relationships and brands, and an increase in receivables and contract assets (unbilled work).

Directors' report

4. Operational and Financial Review continued

The Company's net assets increased $57.2 million or 9.9% to $634.3 million. The main components of the increase were as follows:

> An increase in Share Capital of $83.4 million as a result of shares issued as consideration for business acquisitions and shares issued under the dividend reinvestment plan.

> An increase in accumulated losses of $19.7 million reflecting current year net profit after tax net of dividends paid. Dividends are calculated on cash NPAT, after adding back non-cash amortisation of intangible assets and non-cash shared-based payments expense. This gives rise to accumulated losses.

> A reduction in reserves of $6.5 million reflecting:
  - An increase in the share based payments reserve of $6.6 million reflecting the current year expense under the Executive LTIP and Employee Incentive Program; and
  - A reduction in other reserves of $13.1 million reflecting movement in the foreign currency translation reserve from the translation of foreign operations to Australian dollars, and movements in the fair value of hedging instruments.

Debt and Leverage

Interest bearing debt increased $46.4 million or 12% from the prior year to $434.1 million. This increase reflects increased borrowings of $127.9 million as a result of the refinancing of the bank facilities to fund the cash component of the purchase consideration of the acquisitions of $129.6 million. Additionally, the Company made voluntary debt repayments of $65.4 million and scheduled debt amortisation of $5 million in the current year.

Debt and Leverage ratio	30 Jun 24	31 Dec 23	30 Jun 23
Debt	445.3	520.6	400.2
Cash	(75.5)	(126.4)	(103.3)
Net Debt	**369.8**	**394.2**	**296.9**
Leverage Ratio	**1.9**	**2.2**	**1.8**

Leverage Ratio calculated as Net Debt divided by EBITDA
Calculations of EBITDA and Net Debt in accordance with definition in the Bank Facility Agreement

The leverage ratio of 1.9 (2023: 1.8) sits within the guidance range provided by the Company of 1.5 – 2 times. As foreshadowed in the investor presentation for 1H FY24 results, the Group has brought the leverage ratio below 2 times in calendar year 2024, following repayment of debt in the 2H FY24 and improvement in EBITDA as the Group cycles off the cyber incident in 2H FY23.

Performance Measures

i) Cash Conversion Ratio

In FY24, the Group achieved an operating cash flow conversion of EBITDA of 107% (FY23: 88%), a significant improvement on the prior year ratio, reflecting the impact of the cyber incident in the prior year, disrupting normal operations, including collections. As foreshadowed in the 1H FY24 results presentation, the impact of the cyber incident had resulted in an unusually high conversion ratio of 127.7% reported in 1H FY24 and that this was expected to normalise by the end of the financial year, which can be evidenced below.

	FY24	FY23
Statutory EBITDA	**175.7**	159.0
Non-operating adjustments	**5.5**	(7.5)
Operating EBITDA	**181.2**	151.5
Operating non-cash movements	**5.7**	6.2
Change in working capital	**6.3**	(24.3)
Operating cashflows excluding financing activities and tax	**193.2**	**133.4**
Cash conversion ratio	**107%**	88%

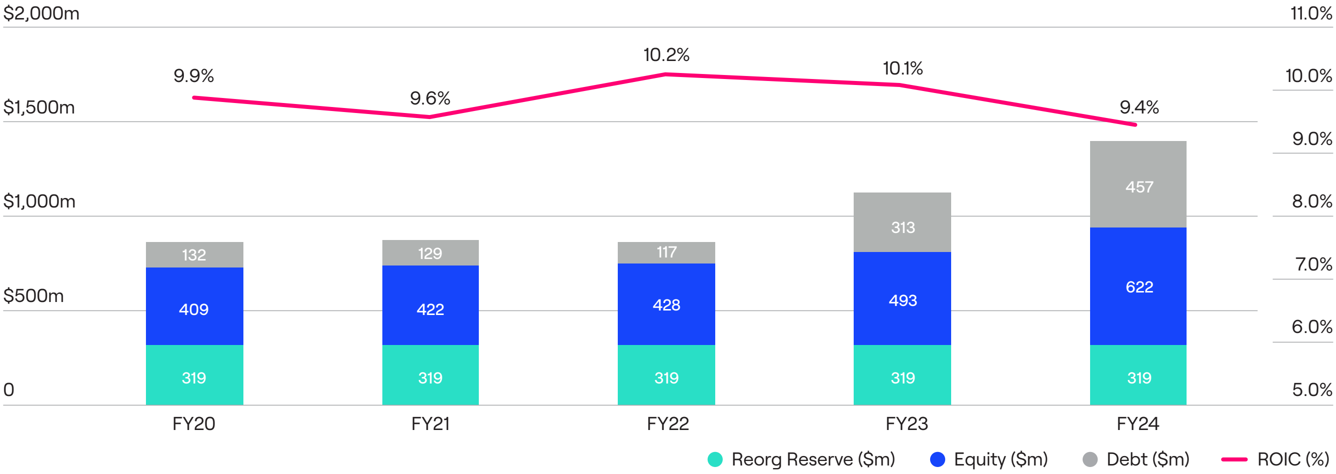
Directors' report

4. Operational and Financial Review continued

ii) Return on Invested Capital (ROIC)

The graph below outlines the Group's Return on Invested Capital (**ROIC**) over the last 5 years.

Return on Invested Capital



The ROIC measure is designed to measure how effectively the Group uses funds (borrowed and owned) invested in the Group's operations.

ROIC is calculated in any year as:

Underlying Net Operating Profit After Tax (NOPAT) / (Average Debt + Average Equity)

In calculating ROIC:

> Average debt is calculated as the simple average of monthly borrowings over the financial year.

> Underlying NOPAT is underlying NPAT adjusted to remove the non operating items of interest expense/ income and the non cash amortisation of acquired intangibles.

> Average Equity is calculated as the simple average of monthly equity over the financial year. Average equity includes the reversal of a $319 million historical adjustment to equity, which was originally recorded as a reduction of equity when the company was initially listed in 2014. The reversal of this adjustment has been made to better align reported contributed equity to the value of the equity when it was issued.

ROIC of 9.4% has declined from 10.1% in the prior year reflecting the softness in the Asian market in the current year.

A reconciliation of NPAT to underlying Net Operating Profit After Tax (**NOPAT**) is provided below.

	2024 $ m	2023 $ m
Net Profit After Tax	**60.8**	64.5
Add Back:		
Taxation	**21.1**	22.9
Net Interest Expense	**28.8**	18.2
Amortisation on acquired intangibles	**47.8**	36.9
Non underlying expenses	**19.8**	11.0
Underlying EBITA	**178.3**	**153.5**
Notional tax at effective tax rate	**(46.4)**	(39.9)
Underlying NOPAT	**131.9**	**113.6**

Directors' report

4. Operational and Financial Review continued

Dividends

Since the end of the year, the Directors have declared the payment of a final ordinary dividend of 19 cents per share, franked at 30%. This represents 83% of cash adjusted NPAT (NPAT adjusted for net acquisition intangibles amortisation, the movements in deferred consideration, net share-based payment expense and unrealised foreign currency gains and losses).

Total dividend paid during the financial year were as follows:

	Payment date	Franked	Cents	$m
Final dividend the year ended 30 June 2023	16 September 2023	35%	17.5	41.2
Interim dividend the year ended 30 June 2024	**22 March 2024**	**35%**	**16.0**	**39.3**

4.2 Business model, strategy and outlook

Business model

The Company is an IP services group operating a number of professional services businesses providing IP services.

In the Group's IP services businesses in Australia, Canada, New Zealand and Asia, revenue is derived from fees charged for the provision of IP services by each firm 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 the Group to generate revenue streams throughout all stages of the IP lifecycle from its long-standing and diverse client base. Due to the diversity of the Group's client base, there is no key dependency on any one client, with no client accounting for more than 2% of the Group's revenue.

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

Strategy and outlook

With the recent acquisitions in Canada, the Group has become a larger and more complex organisation requiring adjustments to our operating model to better align management to the geographies we operate in. Consequently, in the current financial year, the Company commenced investment in creating regional management structures in Canada, and Australasia, in addition to building out the corporate capability to better accommodate the increased compliance and regulatory complexity of running a multinational business in addition to building the company's first transformation office charged with driving margin improvement across the business. The implementation of this new operating model is estimated to increase the cost base of the Company by approximately $5 million, with most of this cost expected in FY25.

As part of the new operating model, the Company has appointed its inaugural Chief Transformation Officer, commencing in July 2024, to drive several transformation programs with the objective of driving revenue and EBITDA growth to deliver sustainable EBITDA margin improvement over the next 3-4 years.

Margin growth is expected through "The IPH Way" program which aims to optimise and standardise the way our professionals work and use relevant case management systems. The project has produced early benefits, reflected in FY24 results, with further benefits expected to take longer than initially anticipated.

In relation to driving efficiency in the back office, detailed planning to consolidate and modernise the Group's Finance function was completed in FY24, with implementation expected over the next 2 years, including integrating the Canadian businesses on to the Group's financial systems. Consequently, the Group expects to incur one off implementation costs, including SaaS systems implementation costs, over the next couple of years.

The Company will also implement a Global Client Program with expected benefits from strengthened relationships with the Group's most important clients, enhanced client satisfaction, whilst positioning the Company as the trusted partner for the Group's client's IP needs across key markets. The Company's digital strategy plays an important role in supporting the Global Client Program adding value through digital means such as an online client portal and integrations with client's systems. The client portal will focus on delivering an enhanced client experience through streamlined IP filing process in different jurisdictions.

More information on the Company's strategy and outlook is included in the "About IPH" and "FY24 Year in Review" section of this Annual Report.

Directors' report

4. Operational and Financial Review continued

4.3 Risks

During FY24 the Group 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 Group'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 Group conducts its operations in markets that continue to undergo significant changes with the development of corporatised service providers. This provides the Group with both opportunities and risks requiring development, communication and implementation 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 Group operates are subject to vigorous competition, based on factors including price, service, innovation and the ability to provide the client 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 Group continues to implement leading IT systems to support client services. Regular marketing visits, 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. The Group 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 Group is subject to significant regulatory and legal oversight.	Senior executives and the IPH Legal and Risk Team ensure that all regulatory and legal issues affecting the Group'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. Engagement of professional advisors to provide guidance on significant regulatory and legal changes. Careful management and oversight of the Group's internal case management systems. 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 program for periodic review of compliance in areas of identified 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 Group 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 Group 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. These markets are therefore less likely to be affected by such proposals than developed or primary markets. Other factors which help safeguard the Group'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 Group also continues to consider the development of revenue streams from adjacent markets.

Directors' report

4. Operational and Financial Review continued

Risk	Description	Management of risk
Personnel	The Group 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 Group 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 programs (both short and long term having regard to appropriate key performance indicators), retention awards, working environment, employee benefits 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, workforce planning and consideration of resourcing requirements as the Group 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 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.	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 Group's intermediary role are effective technology, excellent client service and efficient operations. The Group 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 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 the Group's operations, which may be interrupted or impacted, causing disruption across the Group.	The Group has in place business continuity procedures as well as a cyber response plan. A standardised disaster recovery system is currently being set up to further reduce risk. The Group conducts appropriate reviews of its information technology systems, operations and human resourcing (including as part of its internal audit program). The Group continually invests in system enhancements and engages third party suppliers to assist with its systems development and maintenance. Cloud has been the first choice for new systems implemented within the Group to build a future-proof systems architecture that integrates well with the expanding business in different parts of the world. Standardisation, ongoing documentation of IT architecture, removal of technical debts and the introduction of IT change control stabilises the systems and improves reliability. Remediation work continues to further strengthen general access controls, segregation of duties and to enforce control awareness across the Group.

Directors' report

4. Operational and Financial Review continued

Risk	Description	Management of risk
Technology disruption and leveraging of opportunities	The increasing use of electronic systems, processes and technology by regulatory authorities in some markets, as well as general developments in technology, including AI, may contribute to technology disruption in the industry. Technology development may also provide opportunities for the Group that need to be identified and assessed.	The need for the Group'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 improve the services offered by the Group. Other factors which help the Group to respond effectively to technology disruption and identify and take advantage of opportunities include investment in and awareness of effective technology development, including in the AI space, and investment in the efficiency of operations, through programs including "The IPH Way". Transformation activities, their identification, assessment and implementation across the Group are subject to oversight by the newly appointed Chief Transformation Officer. The Group also seeks to offer its services in a range of secondary markets. Many of these markets have less exposure to primary drafting, have less developed IP regulations and electronic systems, are less advanced technologically and require very technical translations into languages other than English.
Cyber security risk	The increasing reliance on technology in conducting the operations of the Group gives rise to the risk that the Group may be exposed to loss resulting from a cyber incident or data breach.	The Group has in place business continuity procedures as well as a cyber response plan. A standardised disaster recovery system is currently being implemented to further reduce risk. The Group continues to invest in enhanced cyber security measures, including an ongoing cyber uplift programme. Implementing the recommendations of a comprehensive post incident review completed in FY24 following the cyber incident which impacted a portion of the Group's IT environment in March 2023.
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 liabilities are denominated in, US dollars, Euros, Singapore dollars and Canadian dollars.	The Group 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 Group undertakes regular sensitivity analyses of these exposures. The Group has foreign currency hedging facilities available as 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 Group's foreign currency exposures. The Board reviews its hedging policy in respect of the foreign currency exposures from time to time and will hedge against its foreign currency exchange risk where it is prudent to do so.

Directors' report

4. Operational and Financial Review continued

Risk	Description	Management of 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. Similar professional codes of conduct also apply to patent and trademark attorneys located in other jurisdictions across the Group as well as lawyers across the Group. There may be circumstances in which the Group 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 the Company. An amendment to the Code of Conduct or similar codes 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 Group 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 Group has sought detailed advice on issues of conflict of interest and compliance with related professional obligations. The Group 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 program review.
Professional liability and uninsured risks	The provision of patent and trade mark services and legal services by the Group gives rise to the risk of potential liability for negligence or other similar client or third party claims.	The Group maintains file management processes which are automated where possible, safeguarded, controlled and regularly reviewed. The Group has comprehensive quality assurance processes to ensure appropriate standards of professional work are maintained. The Group has in place a comprehensive insurance program 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 Board is involved in the review of, and approves, all corporate acquisitions.
Integration of acquired businesses	Following the acquisition of new businesses, risks arise in ensuring the acquired business is properly integrated into the Group, including addressing people and culture issues that may arise and ensuring key staff are 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 Board and relevant Board Committees and has been the subject of an internal audit program review.

Directors' report

4. Operational and Financial Review continued

Risk	Description	Management of risk
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 continues to review and adapt existing management structures to ensure appropriate oversight, reporting requirements, support and resourcing is in place, and that the Group is attracting, retaining and motivating appropriately skilled personnel across an expanded Group. To ensure future state capability, the Company is in the process of rolling out a revised operating model and is enhancing its capability to implement change across the Group, including by the recent appointment of a Chief Transformation Officer.
Global or regional economic, health or physical events, including climate change	Risk may arise as a result of global or regional events in the nature of natural disasters, climate change or other physical events, global or regional health events, including the global Covid-19 Pandemic, or global or regional economic shocks or downturn. These 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 programs 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 Group has in place business continuity procedures, which are in the process of being reviewed and enhanced, including to address physical climate related risks. The Group'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 the ongoing provision of instructions and responses.

Directors' report

4. Operational and Financial Review continued

4.4 Climate-related financial disclosures

With the publication of the Australian Sustainability Reporting Exposure Draft ED SR1 in October 2023, the Company progressed work during FY24 to prepare for proposed mandatory climate-related reporting in Australia, with this work to continue into FY25 and onwards. Reporting on matters related to sustainability forms a key part of one of our sustainability strategic pillars, "Impact and Innovation", set out in more detail in the Company's FY24 Sustainability Report.

In FY24, the Company also continued its work to measure and report on climate-related matters and the progressive implementation of the Task Force on Climate-related Financial Disclosures (**TCFD**) recommendations. The Company is pleased to report progress against the TCFD recommendations, including by undertaking a climate risk assessment in FY24. The disclosures below are set out in alignment with the four-pillar framework presented in the TCFD's final publication (TCFD, 2017).

Governance

The Board is responsible for oversight of management and internal governance, strategy, risk management and compliance-related matters, including the management of sustainability and climate-related matters.

The Company's Audit and Risk Committee has oversight over risks that arise from climate-related sources, particularly transition risks, as well as the Company's reporting pursuant to proposed mandatory climate reporting legislation in Australia.

The day-to-day execution of the Company's objectives and strategies as decided by the Board is delegated to the Managing Director. This includes the execution of activities relating to climate-related matters, for which the Managing Director is supported by a cross-functional team who may, from time to time, also obtain assistance from external consultants.

Management's role in the assessment and monitoring of climate-related risks is set out and performed in accordance with the Company's risk management framework, described in further detail below.

Strategy

The TCFD recommendations presented under the strategy pillar are sequential in nature. In keeping with the example set by the ISSB in developing International Financial Reporting Standards (**IFRS**) S1 and IFRS S2, the Company has not produced separate procedures or frameworks for discrete risks or topics, to eliminate instances of duplication across the Group. This is a deliberate decision to foster the integration of climate-related considerations throughout enterprise and decision-making processes.

As noted above, during FY24, the Company undertook a climate risk assessment. As a result of this assessment and particularly following developments in the areas of likely reporting and compliance requirements, a number of risks have been identified as potentially having an elevated impact on the Company in the short term and longer term, including:

> Policy and Legal risk
> Reputational risk
> Market risk

Opportunities identified from climate change are also deemed to exist.

The Company continues to work on its climate related risk assessments, with next steps involving the further evaluation of identified risks to determine the impact on the Group's strategy, financial planning and business resilience.

Risk Management

The Company's risk management framework based on *AS ISO 31000:2018 "Risk management – Guidelines"* sets out clearly the roles and responsibilities of internal stakeholders at various levels, including the roles of managers, supervisors and employees.

Following the performance of a climate-risk assessment in FY24, the output from this risk assessment has been integrated into risk registers across the Group in accordance with the risk management framework. Climate-related opportunities have also been identified.

Metrics and Targets

In FY24, the Company continued to measure the Group's carbon footprint, which is reported in the Company's FY24 Sustainability Report forming part of this Report.

Following further work scheduled to be performed under the TCFD strategy pillar above, we believe the Company will be in a position to consider appropriate metrics beyond the Group's carbon emissions and set targets to further its climate strategy.

Remuneration report

Directors' report

5. Remuneration Report (Audited)

Introduction from the People, Remuneration & Nominations Committee Chair

Dear Shareholders,

On behalf of the Board, I am pleased to present the Remuneration Report for the 2024 financial year.

Our executive remuneration framework has always sought to achieve the key objectives of being:

> competitive, fair and equitable;
> linked to performance and consistent with the Group's values and strategy;
> aligned with the interests of shareholders and other stakeholders; and
> applied with appropriate transparency, particularly in relation to key management personnel (**KMP**), who are the employees with authority and responsibility for planning, directing and controlling the activities of the Group.

Pleasingly, the solid financial performance of the Group this financial year has resulted in an award under the financial component of the short-term incentive (**STI**) plan. The Group achieved an Underlying EBITDA of $195.5m in FY24. Excluding the impact of changes in foreign currency, the underlying EBITDA was $191.4m which represented 99.1% of budget. Consequently, both the CEO and the CFO were awarded 66% of the financial component under the STI plan. The Board assessed them as having achieved 78% and 72% of their strategic key performance indicators (**KPIs**) under the STI plan respectively (including Growth/Projects and People Engagement).

In relation to awards in FY24 under the long-term incentive (**LTI**) plan, the three year underlying compound annual growth rate (**CAGR**) in Underlying Earnings Per Share (**EPS**) was 10.9% resulting in 83.79% of the Performance Rights granted to Executives in FY22, vesting in the current year. The FY24 remuneration outcomes are explained more fully in the report.

In FY24, the Group undertook an extensive review of its operating model to reflect its growing global footprint and the need for strong leadership and management in the regions. As a result of the operating model review, the Group announced a new regional operating model, including three new roles in the IPH executive team – an Australasia Regional CEO, Canadian Regional CEO and Chief Transformation Officer, and the removal of the Chief Operating Officer role. These roles will commence in FY25 and provide skills and expertise to reflect the size and scale of the Group today and position us well to achieve its future potential.

At the same time, as foreshadowed in last year's Remuneration Report, the Board carried out a thorough review of the executive remuneration framework. The review was undertaken by remuneration consultants, SW Corporate, who were engaged by the non-executive directors and reported directly to the People, Remuneration & Nominations (**PRN**) Committee. As a result of the review, it became apparent that our fixed remuneration levels for our KMP are market competitive, if not above market, while our incentive remuneration is very heavily weighted to the LTI. Based on the review, and after consultation with a number of external stakeholders, several changes have been made to the FY25 remuneration framework, including:

> No increases to fixed remuneration for our KMP in FY25, instead increasing STI opportunities to improve market competitiveness and provide stronger rewards for achieving annual business plans and execution of strategic objectives.
> Broadening the range of payout of the financial KPI's in the STI plan and introducing a capacity to reward outperformance to encourage stretch.
> Increasing the weighting of financial KPI's in the STI plan for the CEO to 60% to align more closely with ASX 200 practice.
> Introducing a threshold EBITDA to be met ('gate') before any award under the non financial component of the STI plan is assessed.
> Introducing an element of STI deferral in equity to help build executive shareholdings. Introducing a minimum shareholding requirement (**MSR**) for executives to align with shareholders over the longer term.
> Introducing a return on invested capital (**ROIC**) gate in the LTI plan to ensure that awards vest on achievement of EPS targets, whilst maintaining a minimum acceptable level of return on invested capital. While the Board considered introducing a second LTI measure, for the reasons we explain in the Report, the decision was made to enhance the current single measure with a ROIC gateway.

More detail on each change above has been provided in section 5.4.

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

Yours sincerely,

John Atkin

People, Remuneration & Nominations Committee Chair

Remuneration report

Directors' report

The Remuneration Report details 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 (whether executive or otherwise) of that entity.

The KMP disclosed for the year ended 30 June 2024 are set out in the table below.

Name	Role	Term as KMP
Non-executive Directors		
Peter Warne	Non-executive Chairman	Full year
John Atkin	Non-executive Director	Full year
Vicki Carter	Non-executive Director	Full year
Jingmin Qian	Non-executive Director	Full year
David Wiadrowski	Non-executive Director	Commenced 15 November 2023
Former Non-executive Directors		
Robin Low	Non-executive Director	Retired 4 April 2024
Executive KMP		
Andrew Blattman	Managing Director	Full year
John Wadley	Chief Financial Officer	Full year

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

5.1 Overview of Executive Remuneration Framework and Guiding Principles
5.2 Overview of Executive Remuneration in FY24
5.3 FY24 Remuneration Outcomes
5.4 Overview of Changes to Executive Remuneration Framework for FY25
5.5 Overview of Non-Executive Director Remuneration
5.6 Details of Remuneration of Key Management Personnel
5.7 Service Agreements
5.8 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:

- competitive, fair and equitable;
- linked to performance and consistent with the Group's values and strategy;
- aligned with the interests of shareholders and other stakeholders; and
- applied with appropriate transparency, particularly in relation to KMP.

The PRN is responsible for reviewing and making recommendations to the Board on remuneration packages and policies related to the Directors and KMP and to ensuring 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 PRN 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 EPS 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.

During the year, the PRN undertook a detailed review of the executive remuneration framework. In this report we outline the framework which was applied in FY24 and then detail the remuneration outcomes achieved under that framework. We then outline the changes to the framework that have been made for STI and LTI offers in FY25.

Remuneration report

Directors' report

5.2 Overview of Executive Remuneration in FY24

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 FY24 had the following components:

> Total Fixed Remuneration (**TFR**) consisting of base salary and superannuation;

> Short-term incentive; and

> Long-term incentive.

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

Total Fixed Remuneration (TFR)

Consistent with prior years, TFR for FY24 was set at, or above, median market levels compared to peers with similar revenues and market capitalisation. TFR is reviewed annually by the PRN, 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.

Based on performance, the Board increased the executive KMP's fixed remuneration for FY24 by 5%, inclusive of the increase in the Superannuation Guarantee Contribution.

Variable Remuneration

Short term incentive (STI)

The STI is assessed against financial and strategic KPIs.

Financial KPI – KMP have the attainment of the Group Underlying EBITDA budget (on a foreign currency adjusted or constant currency basis) as their financial KPI. Group Underlying EBITDA was selected as it is the most common measure used to assess the Group's financial performance. The financial KPI is calculated on a constant currency basis to remove the impact of movements in foreign currency exchange rates against budgeted rates. The Group is exposed to fluctuations in a number of foreign currency exchange rates with the AUD, with USD and CAD being the Group's key exposures.

Strategic KPI's – KMP have the attainment of a number of individual objectives in line with the Board approved strategy of:

> Growth/Projects (35%)

> People and engagement (15%)

In FY24, the maximum STI opportunity remained constant at 33% of TFR for the CEO and 25% of TFR for the CFO. Subsequent to the PRN's review of KMP remuneration, the STI opportunity will increase in FY25 to better align with the market median level, as outlined below in section 5.4.

Financial KPI

Maximum 50% of STI opportunity

The financial KPI has a Threshold, Target and Stretch outcome, as outlined in the table below. Awards accrue on a pro rate basis between Threshold, Target and Stretch.

Outcome	Achievement	Payout Ratio
Threshold	97.5%	50%
Target	100%	75%
Stretch	102.5%	100%

Strategic KPI's

Maximum 50% of STI Opportunity

Strategic Objective	Weighting
Growth/Projects	35%
People and engagement	15%

Remuneration report

Directors' report

5.2 Overview of Executive Remuneration in FY24 continued

Long term incentive (LTI)

Under the LTI plan, the Executive Leadership team, including the KMP, are invited to participate in the plan.

LTI grants are made on an annual basis through the issue of performance rights. The number of performance rights issued is determined by dividing the maximum value of LTI opportunity by the 20-day volume weighted average price for IPH shares up to 30 June each year.

Awards vest under the LTI plan based on the extent to which the performance conditions are achieved over the three-year performance period. In FY24 the board has established Underlying EPS CAGR as the sole measure of performance under the LTI plan. Annually, and prior to the issue of awards under the LTI plan, the Board determines a target Underlying EPS CAGR for the Performance Period (**Target EPS**) and a minimum threshold of Underlying EPS CAGR before any awards will vest (**Threshold EPS**).

The table below outlines how performance rights issued in the 2023 calendar year (the **FY24 Plan**) will vest based on Underlying EPS CAGR over the performance period being the three year period from FY23 (base year) to FY26.

Underlying EPS CAGR over performance period	Percentage of Performance Rights that Vest
Less than 4%	Nil vesting
Equal to 4% (**Threshold**)	25% vesting
Between 4% and 10.0%	Pro-rated vesting on a straight-line basis
At or above 10.0% (**Target**)	100% vesting

From time to time, the PRN evaluates the impact on incentive outcomes of certain material Board approved projects, to ensure that any costs incurred are considered, as well as the benefits which ultimately are expected to improve incentive outcomes. As previously disclosed, all costs incurred in relation to "The IPH Way" program will, for the purpose of calculating Underlying EPS CAGR under the LTI plan, be excluded from the calculation of underlying earnings and be notionally amortised to underlying earnings over a four-year period commencing in FY25.

The performance rights are granted for nil monetary consideration and do not have an exercise price. Unvested performance rights do not carry an entitlement to dividends.

The performance rights will automatically vest if, and when, the Board determines the performance condition has been achieved. Entitlements are satisfied either through an allotment of new IPH shares to participants or the purchase of existing shares on market.

Summary of plan design

The strategy and framework which applied In FY24 is summarised below.

IPH Group Executive Remuneration Strategy

Aligns to shareholder's interests	Attracts and retains high calibre executives	Rewards capability, experience and performance	Provides clear and competitive rewards

IPH Group Executive Remuneration Structure

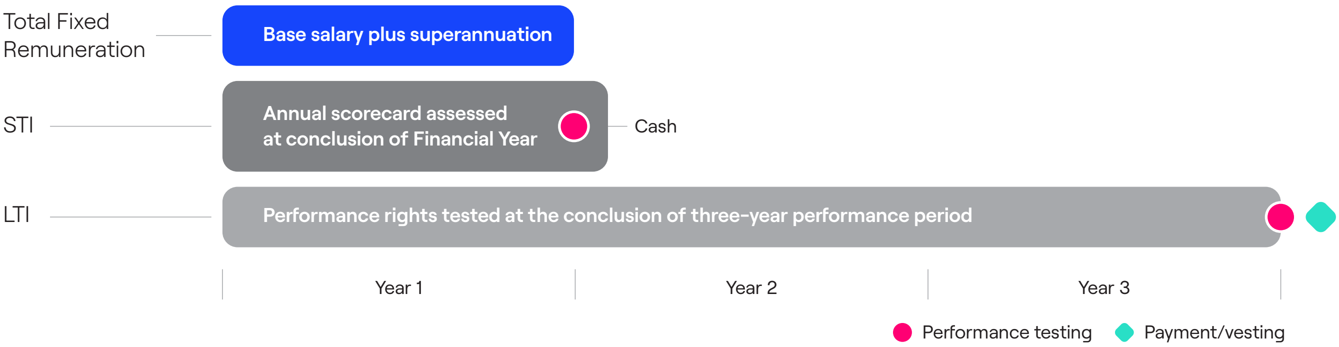
TFR	**STI**	**LTI**
CEO 38% CFO 48%	CEO: 12% CFO: 12%	CEO: 50% CFO: 40%
Cash	**Cash**	**Equity**
Annual TFR (base salary and superannuation) set in line with market comparable rates	Full STI outcome awarded in September each year based on performance	LTI performance rights are subject to performance rights over three years based on underlying EPS CAGR

Remuneration report

Directors' report

5.2 Overview of Executive Remuneration in FY24 continued

A summary of the remuneration time horizon, in the FY24 plan there are no deferred equity rights on the STI.



5.3 FY24 Remuneration Outcomes

Group financial performance

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, as measured through growth in Underlying EPS, over the last five financial years can be seen in the table below:

		2020	2021	2022	2023[1]	2024
Net profit after tax	$m	54.8	53.6	52.6	64.5	**60.8**
Earnings per share[1]	cents	25.9	24.8	24.0	28.4	**25.1**
Underlying Earnings per share[2]	cents	36.6	35.0	39.5	43.6	**46.0**
Dividends declared	$m	61.0	62.4	65.4	70.0	**80.5**
Dividends per share	cents	28.5	29.5	30.5	33.0	**35.0**
Share price (30 June closing)	$	7.46	7.80	8.16	7.83	**6.27**

1. From FY23, the Company included share based payments expense in the calculation of underlying Earnings Per Share.
2. Underlying EPS calculated for the purposes of LTI vesting is in the FY24 LTI Outcome section.

FY24 STI Outcome

Financial KPI

The Group achieved an Underlying EBITDA of $195.5 million. Excluding the impact of changes in foreign currency, the underlying EBITDA was $191.4 million which was 99.1% of budget as shown below.

The Financial KPI is assessed on a constant currency basis using budgeted foreign currency rates. The average AUD/USD rate in FY24 was 0.67c versus a rate of 0.672c in the prior year, and a budgeted rate of 0.67c. A 1c movement in this rate impacts service charges by approximately $2.5 million on an annualised basis.

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 foreign currency 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.

	$m
Reporting Group Underlying EBITDA	195.5
Accounting FX adjustment[1]	(1.3)
Budgetary FX adjustment[2]	(2.8)
Underlying EBITDA on a constant currency basis	**191.4**
IPH Group EBITDA budget	193.2
Financial KPI achievement of budgeted EBITDA	99.1%

1. Adjustment to exclude FX gains and losses recorded in the financial accounts.
2. Adjustment to restate revenue and expense items by substituting the actual foreign currency rate with the budgeted foreign currency exchange rate.

Based on achievement of 99.1% of the financial KPI, KMP were awarded 66% of the financial STI opportunity.

Remuneration report

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5.3 FY24 Remuneration Outcomes continued

Strategic KPI

In making STI decisions for the KMP, the Board set out to balance achievement with reasonable business risk and shareholder outcomes.

The Board agreed strategic plan objectives remained in two key areas: Growth/Projects and People and Engagement. Based on the Board's assessment of strategic KPIs, the KMP were awarded a portion of the strategic STI opportunity. The key outcomes supporting that assessment for the CEO and CFO were:

KMP	Outcome	Assessment
Andrew Blattman	78%	Reflecting organic growth outcomes through major client program and in 2 (of 3) key regional markets; growth through acquisitions and related synergies in Canada (Ridout & Maybee and ROBIC) and implementing the new operating model.
John Wadley	72%	Reflecting improving capital management, supporting major acquisitions and synergy capture; strengthening our finance function and implementing the new operating model.

STI Outcomes – Individual KMP outcomes

		STI forgone		STI paid	
Executive		**%**	**$**	**%**	**$**
Andrew Blattman	**2024**	**28.1%**	**130,564**	**71.9%**	**334,041**
	2023	63.0%	278,763	37.0%	163,718
John Wadley	**2024**	**31.1%**	**52,636**	**68.9%**	**116,598**
	2023	63.0%	101,541	37.0%	59,635

2022 LTI Grant Outcomes – tested at the conclusion of the 2024 financial year

The performance period for the LTI plan vesting in FY24 commenced on 1 July 2021 and concluded on 30 June 2024 (**FY22 LTIP**). Performance was assessed at the end of the 2024 financial year and as a result of performance over the performance period, there was a partial vesting of performance rights.

In determining the calculation of the Underlying EPS, adjustments are made to statutory profit after tax as shown in the table below:

		2024 $m	2021 (Base) $m
Statutory net profit after tax		**60.8**	53.6
Add back non-cash items			
Amortisation expense of acquired intangibles, net of tax [1]		**34.5**	15.3
Share based payments, net of tax [2]		**5.4**	2.1
Add back adjustments to statutory results as disclosed in the operating and financial review, net of tax [3]		**16.4**	5.2
Underlying net profit after tax		**117.1**	**76.2**
Diluted Weighted average number of shares in issue [4]	m	**244.2**	216.6
Diluted Underlying EPS	cents	**48.0**	35.2

1. Amortisation expense of acquired intangibles assets is excluded as it does not represent underlying performance of the business.
2. Since the grant of the FY22 LTIP, the Group has changed the way it reports non-cash share based payments. Previously, share based payment (SBP) expense was excluded from the calculation of Underlying EPS and in the calculation of the Threshold and Target Underlying EPS in the FY22 LTIP. To ensure consistency, SBP expense is excluded from the calculation of Underlying EPS for the purpose of the LTIP award in FY24 only (FY22 LTIP).
3. One off cost associated with the acquisitions and restructure activity assessed as non-underlying cost. See details shown in section 4.1 of the Operating and Financial Review.
4. The diluted weighted average number of shares is used and includes the weighted average performance rights on issue at the report date.

Remuneration report

Directors' report

5.3 FY24 Remuneration Outcomes continued

The Underlying EPS CAGR over the performance period was 10.9%, which resulted in the vesting 83.79% of the maximum award. The basis for calculation of the proportion of the award is detailed in note 1.8 of the financial statements.

Grant	Performance Period	Measure	Threshold	Target	Performance Achieved
2022	1 July 21 – 30 June 24	Underlying EPS CAGR	5%	12.5%	10.9%

In determining the Underlying EPS CAGR, the Board noted the significant impact of the adjustments for non-underlying items. The calculation of these adjustments was objectively determined and was consistent with the principles applied in prior years. The Board did not exercise any discretion in determining the level of achievement (Threshold and Target levels of achievement reflect those applied in the FY22 LTIP).

The amounts vested and forfeited for KMP in FY24 is shown below.

	Maximum [1]		Vested [2]			Expense [3]
Executive	$	Rights	%	$	Rights	$
Andrew Blattman	1,481,927	177,264	83.79%	931,273	148,528	1,241,697
John Wadley	532,868	63,893	83.79%	335,668	53,536	446,486

1. This is the maximum value and number of rights at the date of the award subject to the vesting outcome. The amount is based on the grant date fair value of $8.36 for Andrew Blattman and $8.34 for John Wadley.
2. The number of rights that vested is based on the actual performance achieved against the target. The amount is based on the share price at 30 June 2024 of $6.27.
3. This is the actual expense recognised in the Statement of Comprehensive income of the Group over the vesting period. The expense is based on the grant date fair value and adjusted to reflect the actual vesting outcomes noted above.

5.4 Overview of Changes to Executive Remuneration Framework for FY25

In FY24 the Board undertook a thorough review of the executive remuneration framework. As part of this review the Board reviewed comments from investors based on last year's Remuneration Report, sought advice from an external consultant and engaged in consultations with external stakeholders.

The Board engaged SW Corporate, who reported directly to the PRN, to make recommendations on amendments to the KMP remuneration framework for FY25. The fees paid for these services were $46,750. The process used to select and engage SW Corporate did not involve the KMP, as such the Board is satisfied that all remuneration recommendations by SW Corporate were free from undue influence by KMP.

The main outcome of this review was to withhold any increase in fixed remuneration and to increase the weighting of the short-term incentive. As in prior year's we particularly considered and discussed with stakeholders whether there was an additional measure based either on strategic measures (for example organic growth) or capital returns that could be introduced into the LTI plan. The Board chose not to adjust strategic measures on the basis that appropriate strategic measures will ultimately deliver an improvement in underlying earnings.

The Board recognises the importance of maintaining an appropriate return on capital. An examination of the Group's actual ROIC over the last 5 years (see discussion in section 4 of the Operational and Financial Review) shows there has been only marginal movements in ROIC which makes it hard to apply as an incentive measure. However, the Board introduced a ROIC gate to the LTI to ensure management maintain an appropriate discipline on the allocation of capital while driving improvement in Underlying Earnings.

Based on the Board's review and feedback from external stakeholders, the detailed changes which will come into effect in FY25 are summarised in the table below.

Action	FY24 Approach	FY25 Approach
Increase in short term incentive opportunity.	IPH's remuneration mix is heavily weighted towards TFR and LTI, with below-market STI.	While there will be no increases to TFR or LTI opportunity in FY25, the STI opportunity levels for KMP will increase as follows in FY25: > CEO: Increase from 33% to 45% of TFR > CFO: Increase from 25% to 35% of TFR In subsequent years we aim to progressively increase the CEO STI weighting to 60% of TFR, with other IPH Executive increasing to 50% of TFR in the same timeframe. The weighting of LTI to TFR will not change.

Remuneration report

Directors' report

5.4 Overview of Changes to Executive Remuneration Framework for FY25 continued

Action	FY24 Approach	FY25 Approach
Increased weighting of the STI financial KPI for the CEO.	CEO's STI scorecard weighted 50% on the financial KPI.	To ensure an appropriate focus on financial results in our business and align more closely with ASX 200 market practice, the weighting of financial KPI's will increase to 60% of STI opportunity for CEO.
Introduction of an STI deferral component.	Currently there is no STI deferral with 100% of STI awarded in cash.	Increasing the STI opportunity provides a pathway to introducing an STI deferral component of 25% in FY25. The deferral component will apply to both KMPs and the wider executive team in FY25. In subsequent years the level of deferral will step up to 33% as STI opportunity increases.
Broaden vesting range for financial component of STI.	At present Threshold (50% payout) is set at 97.5% of EBITDA budget with Target (75% payout) at budget and Stretch (100% payout) at 102.5% of budget.	This relatively tight band can work as a disincentive. In FY25 it has been widened so Threshold (0% payout) is set at achievement of 95% of EBITDA budget, Target (100% payout) at 100% of budget and Stretch (150% payout) at 105% of budget with the Board retaining discretion to reward outperformance up to 110% of budget.
Introduce EBITDA gate for non-financial component of STI.	General discretion.	While the Board will maintain discretion, introduce an explicit EBITDA gate for the non-financial component of STI.
Introduction of a minimum shareholding requirement (MSR) for executives.	Currently no MSR.	To further align the interests of our executives to long-term shareholder value creation, we will introduce an MSR. The value of shares executives will be required to hold is: > CEO: 100% of TFR; and > Executives (including CFO): 50% of TFR. Executives will have 5 years to achieve the MSR through STI deferrals and can still dispose of shares during that period to fund tax obligations. Value of shares held for MSRs is assessed in line with value at vesting dates and once met will not be reassessed.
Introduction of a return on invested capital (ROIC) gate in the LTI plan.	Currently no ROIC gate. LTI is awarded on achievement of Underlying EPS targets.	Underlying EPS CAGR will continue to be used as the sole measure for LTI. Threshold has been set at 4% CAGR resulting in 25% vesting with Stretch set at 10% CAGR for 100% vesting. In the Board's view Underlying EPS growth remains the most appropriate measure of long-term performance that aligns with the Group's strategy. However, for the 2024 LTI grant (in FY25) IPH will introduce a ROIC gate. This gate to achievement of LTI will address concerns on use of a single LTI metric and will ensure management are creating value through the sensible allocation of capital. ROIC will be calculated for the final year of the LTI performance period. ROIC will be calculated in the same manner as set out in the Operational and Financial Review section of the Director's Report. Over the last five financial years ROIC at IPH has ranged between 9.4% and 10.2% (when capital is measured as the average monthly capital employed over the financial year). For the grant of LTI in FY25 the gate to LTI vesting will be set at a ROIC of 9% which exceeds the Group's estimate of its weighted average cost of capital. The level of the ROIC gate will be reviewed each year and set by the Board at the beginning of the three-year performance period.
Review the list of KMP in line with the new operating model and size of the Group.	Two executive KMP (CEO and CFO) for the Group.	The Board has committed to reviewing the composition of its executive KMP in FY25 to ensure it appropriately comprises of individuals who have authority and responsibility for planning, directing and controlling the activities of the Group, particularly in the context of a larger group following a number of acquisitions. Any changes as a result of this review will be reflected in our FY25 Remuneration Report.

Remuneration report

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5.4 Overview of Changes to Executive Remuneration Framework for FY25 continued

The strategy and framework which is proposed for FY25 is summarised below.

IPH Group Executive Remuneration Strategy

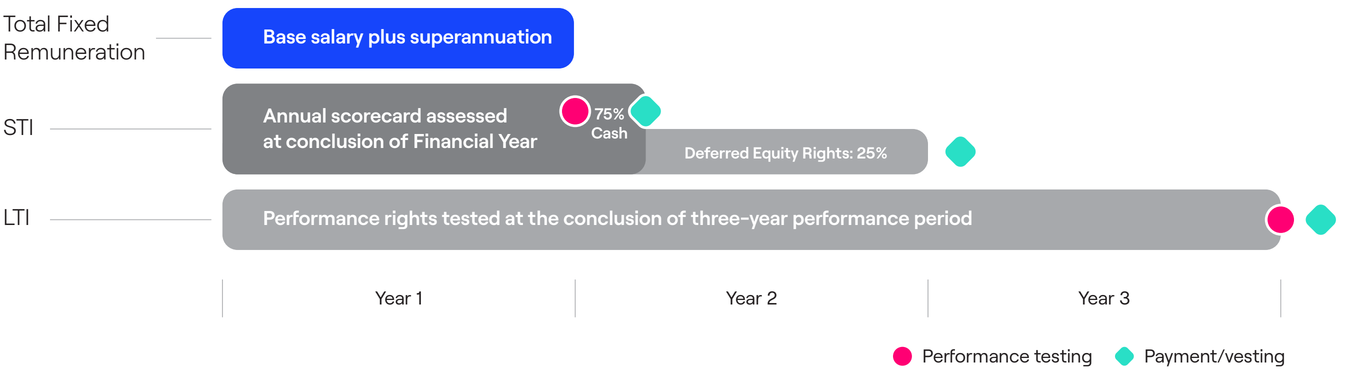
Aligns to shareholder's interests	Attracts and retains high calibre executives	Rewards capability, experience and performance	Provides clear and competitive rewards

IPH Group Executive Remuneration Structure

TFR CEO 36% CFO 45%	**STI** CEO: 16% CFO: 16%	**LTI** CEO: 48% CFO: 39%

Cash		Equity	
Annual TFR (base salary and superannuation) set in line with market comparable rates	75% of STI outcome awarded in September each year based on performance	25% of STI outcome issued as deferred equity rights which are restricted for one year	LTI Performance Rights subject to an ROIC 'gate' then awarded subject to achievement of Underlying EPS CAGR target over 3 year period

The remuneration time horizon for the proposed FY25 plan is illustrated below.



5.5 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 PRN. The PRN 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 Directors do not receive additional fees for chairing a committee or attendance at a committee.

Board members non-executive Director fees paid (Directors' fees and committee fees) (inclusive of superannuation) for the year ended 30 June 2024 are summarised as follows:

Position	2024 $	2023 $
Chair	**330,000**	330,000
Non-executive Director	**165,000**	165,000

The Non-executive Directors are not entitled to participate in any employee incentive scheme (including the LTI plan).

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

Remuneration report

Directors' report

5.6 Details of Remuneration of Key Management Personnel continued

Non-executive Directors		Short term benefits Fees $	Post-employment benefits Super $	Total $
Current Directors				
Peter Warne	**2024**	**302,601**	**27,399**	**330,000**
	2023	304,708	25,292	330,000
John Atkin	**2024**	**148,649**	**16,351**	**165,000**
	2023	149,321	15,679	165,000
Vicki Carter [1,2]	**2024**	**165,000**	**–**	**165,000**
	2023	110,806	11,635	122,440
Jingmin Qian	**2024**	**148,649**	**16,351**	**165,000**
	2023	149,321	15,679	165,000
David Wiadrowski [2,3]	**2024**	**97,556**	**6,194**	**103,750**
Former Director				
Robin Low [4]	**2024**	**113,739**	**12,511**	**126,250**
	2023	149,321	15,679	165,000
Total Non-executive Directors	**2024**	**976,194**	**78,806**	**1,055,000**
	2023	863,477	83,694	947,441

1. Vicki Carter commenced as a Non-executive Director on 5 October 2022.
2. The Company received notification of an SG exemption for part or the whole of the financial year.
3. David Wiadrowski commenced as a Non-executive Director on 15 November 2023.
4. Robin Low ceased to be a Director on 4 April 2024.

		Short term benefits			Post-employment benefits	Long term benefits	Share Based Payment		
Executive KMP		**Salaries $**	**Bonus $**	**Annual leave [1] $**	**Super $**	**Long service leave [1] $**	**Equity-setted [2] $**	**Total $**	**Performance Related**
Andrew Blattman Managing Director	**2024**	**1,369,671**	**334,041**	**(80,904)**	**27,399**	**29,527**	**1,057,982**	**2,737,715**	**51%**
	2023	1,305,203	163,718	(4,002)	25,292	52,844	228,225	1,771,281	22%
John Wadley Chief Financial Officer	**2024**	**644,515**	**116,598**	**(20,392)**	**27,399**	**15,686**	**356,486**	**1,140,292**	**41%**
	2023	614,578	59,635	(6,295)	25,292	16,685	60,867	770,763	16%
Total	**2024**	**2,014,186**	**450,639**	**(101,296)**	**54,798**	**45,213**	**1,414,468**	**3,878,007**	
	2023	1,919,782	223,353	(10,297)	50,584	69,529	289,092	2,542,043	

1. Represent the expense / expense reversal based on the movement in the employee annual leave or long service leave balances during the year.
2. Represents the accounting expense on share-based payments for the financial year.

Remuneration report

Directors' report

5.6 Details of Remuneration of Key Management Personnel continued

Actual Remuneration Outcomes Table – Executive KMP

The following table summarises the remuneration outcomes for the KMP for the year ended 30 June 2024.
The remuneration outcomes detailed in this table reflect actual value received by the participants.

		Cash salary [1] $	Cash bonus [2] $	Other benefits [3] $	LTIP vested [4] $	Total $
Andrew Blattman - Managing Director	**2024**	**1,369,671**	**334,041**	**(23,978)**	**931,273**	**2,611,006**
	2023	1,305,203	163,718	74,134	543,182	2,086,237
John Wadley - Chief Financial Officer	**2024**	**644,515**	**116,598**	**22,693**	**335,668**	**1,119,474**
	2023	614,578	59,635	35,682	195,547	905,443
Total	**2024**	**2,014,186**	**450,639**	**(1,286)**	**1,266,940**	**3,730,480**
	2023	1,919,782	223,353	109,816	738,729	2,991,680

1. Cash salary comprises of base pay only, excluding superannuation which is disclosed in Other Benefits.
2. STI payment based on outcome of FY24 performance.
3. Other benefits include superannuation and movement in long- and short-term leave balances.
4. Value of shares vesting in FY24 under the LTI plan on the IPH share price at 30 June 2024 of $6.27. (FY23: IPH Share price at 30 June 2023 of $7.83).

5.7 Service Agreements

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

Action	Andrew Blattman	John Wadley
Remuneration package – FY24	**TFR** $1,407,893 **STI** up to 33% of TFR **LTI** Up to 133% of TFR	**TFR** $676,935 **STI** up to 25% of TFR **LTI** Up to 85% of TFR
Remuneration package – FY25	**TFR** $1,407,893 **STI** up to 45% of TFR **LTI** Up to 133% of TFR	**TFR** $676,935 **STI** up to 35% of TFR **LTI** Up to 85% of TFR
Annual leave	Five weeks	Four weeks
Termination by executive or company	Six months' notice in writing	
Termination due to serious misconduct or summary dismissal	The Company may terminate the employment contract immediately and without notice or payment in lieu of notice. KMP have no entitlement to termination payments in the event of removal for misconduct.	
Restraint of trade	Upon termination of the employment contract, the KMP will be subject to a restraint of trade period of 12 months throughout Australia, Canada, New Zealand and Singapore. The enforceability of the restraint is subject to all usual legal requirements.	

Remuneration report

Directors' report

5.8 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 KMP of the Group, including their personally related parties, is set out below:

		Number of shares				
		at the start of the year	Additions	Movements Disposals	Other	at the end of the year
Current Non-executive Directors						
Peter Warne	**2024**	**40,000**	**–**	**–**	**–**	**40,000**
	2023	–	40,000	–	–	40,000
John Atkin	**2024**	**129,841**	**6,448**	**–**	**–**	**136,289**
	2023	125,247	4,594	–	–	129,841
Vicki Carter	**2024**	**–**	**15,360**	**–**	**–**	**15,360**
	2023	–	–	–	–	–
Jingmin Qian	**2024**	**8,000**	**12,200**	**–**	**–**	**20,200**
	2023	–	8,000	–	–	8,000
David Wiadrowski[1]	**2024**	**–**	**–**	**–**	**–**	**–**
Former Non-executive Directors						
Robin Low[2]	**2024**	**74,214**	**–**	**–**	**(74,214)**	**–**
	2023	74,214	–	–	–	74,214
Executive KMPs						
Andrew Blattman – Managing Director	**2024**	**2,142,844**	**69,372**	**(160,000)**	**–**	**2,052,216**
	2023	2,449,314	93,530	(400,000)	–	2,142,844
John Wadley – Chief Financial Officer	**2024**	**75,000**	**24,974**	**–**	**–**	**99,974**
	2023	73,834	33,671	(32,505)	–	75,000
Total	**2024**	**2,469,899**	**128,354**	**(160,000)**	**(74,214)**	**2,364,039**
	2023	2,722,609	179,795	(432,505)	–	2,469,899

1. David Wiadrowski commenced as a Director on 15 November 2023.
2. Robin Low ceased to be a Director on 4 April 2024. "Other" represents no longer being designated as a director and not necessarily a disposal of holding.

Remuneration report

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5.8 Additional Disclosures Relating to Key Management Personnel continued

Option holding

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

Performance rights holding	Plan [1]	Rights at start of year	Granted as compensation [2]	Vested	Forfeited	Rights at end of year
Andrew Blattman	FY22	177,264	–	(148,528)	(28,736)	–
	FY23	234,340	–	–	–	234,340
	FY24	–	241,301	–	–	241,301
		411,604	**241,301**	**(148,528)**	**(28,736)**	**475,641**
John Wadley	FY22	63,893	–	(53,536)	(10,357)	–
	FY23	72,010	–	–	–	72,010
	FY24	–	74,148	–	–	74,148
		135,903	**74,148**	**(53,536)**	**(10,357)**	**146,158**

1. Financial year in which the award is granted.
2. The number of performance rights issued is determined by dividing the maximum value of LTI opportunity by the 20-day volume weighted average price of IPH shares up to 30 June 23.

Outstanding deferred shares and performance rights for executive KMP

The following table sets out a summary of the grants that were in operation during FY24. The minimum value of all performance rights is zero.

Award	Plan	Grant date	Performance start date	Vesting date	Fair value	Maximum value of grants to be expensed
IPH Executive LTIP	FY22	15/09/2021	1/07/2021	30/06/2024	8.34	532,868
IPH Executive LTIP	FY22	19/11/2021	1/07/2021	30/06/2024	8.36	1,481,927
IPH Executive LTIP	FY23	6/12/2022	1/07/2022	30/06/2025	7.94	2,432,419
IPH Executive LTIP	FY24	4/12/2023	1/07/2023	30/06/2026	5.96	1,880,076

Loans and transactions with KMP

No loans have been made to any of the KMP or their related parties during FY24 or FY23. There were no other transactions with KMP during FY24 or FY23.

This concludes the Remuneration Report, which has been audited.

Remuneration report

Directors' report

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 rights	2,876,557	Ordinary	nil	Up to June 2026

7. Shares under option

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

8. 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.

9. Matters subsequent to the end of the financial year

Other than the dividend declared per note 1.8 (b) of the financial statements, there has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

10. Environmental regulation

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

11. 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.

12. 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.

13. 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.

Remuneration report

Directors' report

14. 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 1.7 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 1.7 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.

15. 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.

16. 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 hundred thousand dollars, unless otherwise indicated.

17. 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 page 89.

18. 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

22 August 2024
Sydney

Auditor's independence declaration

Deloitte.

Deloitte Touche Tohmatsu
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Australia

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22 August 2024

The Board of Directors
IPH Limited
Level 22, Tower 2, Darling Park
201 Sussex Street
Sydney NSW 2000

Dear Board Members,

Auditor's Independence Declaration to IPH Limited

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

As lead audit partner for the audit of the financial report of IPH Limited for the year ended 30 June 2024, 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

Delaney
X Delaney
Partner
Chartered Accountants

Financial report

IPH has revised the disclosures within this report compared to the previous year to improve the relevance and readability for users of the financial report. As a result, the following changes have been made:

> Amounts have been rounded to the nearest one hundred thousand as permitted by the ASIC guidelines,

> Certain line items within the primary financial statements have been combined and re-presented in the comparative period,

> In accordance with the amendment to AASB 101, information that was considered immaterial has been removed to ensure it does not obscure material accounting policy information; and

> The notes to the financial statements have been rearranged into sections to assist the users in navigating through the financial statements to understand the Group's financial position and financial performance.

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2024

	Note	2024 $m	2023 $m
Revenue	1.2	**605.6**	482.9
Other income	1.2	**10.3**	15.3
		615.9	**498.2**
Employee benefits expenses	1.3	**(215.8)**	(167.1)
Agent fee expenses		**(151.5)**	(120.4)
Other expenses	1.4	**(66.9)**	(49.7)
Profit before amortisation, depreciation, finance costs and income tax expense		**181.7**	**161.0**
Amortisation and depreciation	1.5	**(65.0)**	(53.4)
Finance costs	1.6	**(34.8)**	(20.2)
Profit before income tax expense		**81.9**	**87.4**
Income tax expense	4.1	**(21.1)**	(22.9)
Profit after income tax expense for the year		**60.8**	**64.5**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation		**(10.9)**	9.3
Fair value (loss)/ gain on hedging instruments		**(2.2)**	4.1
Other comprehensive income for the year, net of tax		**(13.1)**	**13.4**
Total comprehensive income for the year		**47.7**	**77.9**
Profit for the year is attributable to:			
Owners of IPH Limited		**60.8**	64.5
		60.8	**64.5**
Total comprehensive income for the year is attributable to:			
Owners of IPH Limited		**47.7**	77.9
		47.7	**77.9**

Earnings per share

	Note	2024	2023
Basic earnings (cents per share)	1.8	**25.12**	28.62
Diluted earnings (cents per share)	1.8	**24.94**	28.43

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

Consolidated statement of financial position

As at 30 June 2024

	Note	2024 $m	2023 $m
Current assets			
Cash and cash equivalents		**75.5**	103.3
Trade and other receivables	2.1	**158.2**	141.8
Contract assets	1.2	**29.7**	21.8
Income tax receivable		**1.6**	3.4
Other assets	2.5	**10.1**	7.7
Total current assets		**275.1**	**278.0**
Non-current assets			
Intangibles	2.2	**968.7**	842.0
Plant and equipment	2.3	**17.8**	12.8
Right-of-use assets	2.4	**49.7**	45.7
Other assets	2.5	**2.1**	6.5
Total non-current assets		**1,038.3**	**907.0**
Total assets		**1,313.4**	**1,185.0**
Current liabilities			
Trade and other payables	2.6	**47.8**	40.5
Income tax payable		**12.8**	12.5
Provisions	2.7	**26.1**	20.4
Lease liabilities	2.4	**9.9**	9.7
Contract liabilities		**2.6**	3.8
Total current liabilities		**99.2**	**86.9**
Non-current liabilities			
Borrowings	3.1	**434.1**	387.7
Deferred tax	4.1	**91.8**	84.3
Lease liabilities	2.4	**47.8**	43.8
Provisions	2.7	**6.2**	5.2
Total non-current liabilities		**579.9**	**521.0**
Total liabilities		**679.1**	**607.9**
Net assets		**634.3**	**577.1**
Equity			
Issued capital	3.2	**641.5**	558.1
Share based payment reserve		**27.8**	21.2
Other reserves		**(8.2)**	4.9
Accumulated losses		**(26.8)**	(7.1)
Total equity		**634.3**	**577.1**

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

Consolidated statement of changes in equity

For the year ended 30 June 2024

	Notes	Issued Capital $m	Share based payment reserve[1] $m	Other Reserves[2] $m	Retained Profits / (Accumulated losses) $m	Total Equity $m
Balance as at 1 July 2022		424.8	15.1	(8.5)	(1.6)	429.8
Profit after income tax expense for the year		–	–	–	64.5	64.5
Effect of foreign exchange differences		–	–	9.3	–	9.3
Hedge revaluation net of tax		–	–	4.1	–	4.1
Total comprehensive income for the year		**–**	**–**	**13.4**	**64.5**	**77.9**
Transactions with owners in their capacity as owners:						
Dividends paid	1.8	14.5	–	–	(70.0)	(55.5)
Share-based payments charge		–	6.1	–	–	6.1
Issue of ordinary shares as consideration for a business combination, net of transaction costs		118.8	–	–	–	118.8
Balance as at 30 June 2023		**558.1**	**21.2**	**4.9**	**(7.1)**	**577.1**
Profit after income tax expense for the year		**–**	**–**	**–**	**60.8**	**60.8**
Effect of foreign exchange differences		**–**	**–**	**(10.9)**	**–**	**(10.9)**
Hedge revaluation net of tax		**–**	**–**	**(2.2)**	**–**	**(2.2)**
Total comprehensive income for the year		**–**	**–**	**(13.1)**	**60.8**	**47.7**
Transactions with owners in their capacity as owners:						
Dividends paid	1.8	**22.0**	**–**	**–**	**(80.5)**	**(58.5)**
Share-based payments charge[1]		**–**	**6.6**	**–**	**–**	**6.6**
Issue of ordinary shares as consideration for a business combination, net of transaction costs	4.2	**61.4**	**–**	**–**	**–**	**61.4**
Balance as at 30 June 2024		**641.5**	**27.8**	**(8.2)**	**(26.8)**	**634.3**

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

1. The share-based payment reserve is used to recognise accounting expense relating to equity instruments granted to employees as part of their remuneration. Refer to note 1.3 for details of share-based payment transactions. Per Note 1.3, the total expense is $8.1m. This is higher than the amount recognised in the share based payment reserve of $6.6m due to amounts that were considered cash settled, which were statutory deductions relating to the awards that were paid directly to the taxation authorities.
2. Other reserves comprise:
   i) Foreign currency translation reserve of $(1.1m) (2023 – $9.8m) – 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 foreign currency translation changes on hedge instruments that are designated as hedges of net investments in foreign operations.
   ii) Non-controlling interest acquisition reserve of $(14.8m) (2023 – $(14.8m)) – 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. There were no changes in non-controlling interest in the year.
   iii) Fair value reserve of $7.7m ($2023 – $9.9m) – which recognises the fair value gains or losses from investments in equity instruments designated as Fair value through other comprehensive income (FVTOCI), and revaluation of hedging instruments designated as cashflow hedges.

Consolidated statement of cash flows

For the year ended 30 June 2024

	Note	2024 $m	2023 $m
Cash flows from operating activities			
Receipts from customers		**682.5**	518.6
Payments to suppliers and employees		**(489.3)**	(385.3)
Interest received		**6.0**	2.0
Interest and other finance costs paid		**(31.2)**	(21.0)
Income taxes paid		**(36.1)**	(22.5)
Net cash from operating activities	1.9	**131.9**	**91.8**
Cash flows from investing activities			
Payments for purchase of subsidiaries, net of cash acquired	4.2	**(129.6)**	(275.5)
Proceeds of sale of subsidiaries		**–**	0.8
Payments for property, plant and equipment		**(8.8)**	(4.1)
Payments for internally developed software		**(2.2)**	(2.8)
Net cash used in investing activities		**(140.6)**	**(281.6)**
Cash flows from financing activities			
Dividends paid	1.8	**(58.5)**	(55.5)
Proceeds of borrowings	3.1	**127.9**	268.5
Repayments of borrowings	3.1	**(70.4)**	–
Payment of lease liabilities		**(10.3)**	(13.5)
Net cash (used) / generated from financing activities		**(11.3)**	**199.5**
Net (decrease) / increase in cash and cash equivalents		**(20.0)**	**9.7**
Cash and cash equivalents at the beginning of the year		**103.3**	88.4
Effects of exchange rate changes on cash and cash equivalents		**(7.8)**	5.2
Cash and cash equivalents at the end of the year		**75.5**	**103.3**

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

Notes to the consolidated financial statements

General information

The financial statements cover IPH Limited as a group consisting of IPH Limited and the entities it controlled (the **Group**) at the end of, or during, the year. IPH Limited (the **Company**) is a listed public company limited by shares, incorporated and domiciled in Australia. 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.

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 accompanying notes. Historical cost is generally based on the fair values of the consideration given in exchange for assets.

The principal accounting policies adopted in the preparation of the financial statements and included within the notes have been consistently applied to all the years presented, unless otherwise stated. The presentation currency, rounding of amounts and date of authorisation is summarised below:

Presentation currency	Australian dollars
Rounding of amounts	Nearest hundred thousand dollars, presented as $m to one decimal place, unless otherwise indicated. The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors Reports) Instrument dated 24 March 2016.
Date authorised for issue	22 August 2024

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**).

New, revised or amended Accounting Standards and Interpretations adopted

The Group has adopted all the new, revised or amended 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.

Standards in issue but not yet effective

Standards in issue but not yet effective as at the reporting date are not expected to have a significant impact on the financial performance or position of the Group.

Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires the use of certain critical accounting estimates and management judgements, for areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements. During the year, these related to the following:

Contract assets	Refer Note 1.2 on page 99
Receivables	Refer Note 2.1 on page 108
Goodwill and other indefinite life intangible assets	Refer Note 2.2 on page 110
Determination of control of subsidiaries – business combinations	Refer Note 4.2 on page 124
Determination of control of subsidiaries - subsidiaries	Refer Note 4.4 on page 127

Going Concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Group has adequate resources, and the ability to extend all debt facilities, to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Notes to the consolidated financial statements

Section 1. Financial results

1.1 Segment information

Identification of reportable operating segments

The Group is organised into segments as follows:

Segment		Activity
Intellectual property services	**Australia & New Zealand (ANZ)**	Related to the provision of filing, prosecution, enforcement and management of patents, designs, trademarks, and other IP in Australia & New Zealand.
	Asia	Related to the provision of filing, prosecution, enforcement and management of patents, designs, trademarks, and other IP in Asia.
	Canada	Related to the provision of filing, prosecution, enforcement and management of patents, designs, trademarks, and other IP in Canada. Includes acquisitions in this financial period of ROBIC and Ridout & Maybee.
Corporate		Relates to the provision of Group strategy, compliance, capital management and other groupwide ancillary services.
Adjacent businesses		Comprised of Wisetime which was disposed in the prior periods. There was no contribution to the current year and the prior year contribution was negligible. Therefore, this is no longer presented in the segment note.

These operating segments are based on the internal reports that are reviewed and used by the senior executive team and Board of Directors (who are identified as the Chief Operating Decision Makers (**CODM**)) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews performance of the segments by using:

> **Underlying EBITDA** – calculated as profit before interest, income tax, depreciation and non-underlying income or expenses, and

> **Underlying EBIT** – calculated as underlying EBITDA less depreciation and amortisation.

Both measures exclude adjustments to revenue and expense such as those that may be associated with material business restructuring or individual transactions of an infrequent nature.

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 2% (2023: 2%) of overall revenue of the Group.

Notes to the consolidated financial statements

Section 1. Financial results continued

Segment results

For the year ended 30 June 2024	Intellectual Property Services ANZ $m	Intellectual Property Services Asia $m	Intellectual Property Services Canada $m	Corporate $m	Inter-segment Elimination/ Unallocated $m	Total $m
External revenue	288.8	121.0	195.8	–	–	605.6
Intersegment revenue	6.3	0.5	0.3	–	(7.1)	–
Total revenue	**295.1**	**121.5**	**196.1**	**–**	**(7.1)**	**605.6**
Other income	9.3	(0.1)	0.4	16.2	(21.5)	4.3
Total revenue and other income	**304.4**	**121.4**	**196.5**	**16.2**	**(28.6)**	**609.9**
Operating expenses	(195.3)	(67.7)	(136.6)	(41.8)	27.0	(414.4)
Underlying EBITDA	**109.1**	**53.7**	**59.9**	**(25.6)**	**(1.6)**	**195.5**
Depreciation	(6.0)	(2.9)	(4.5)	(1.2)	–	(14.6)
Amortisation	(22.3)	(1.4)	(24.9)	(1.8)	–	(50.4)
Management charges	(0.3)	(2.5)	(0.7)	3.5	–	–
Underlying EBIT	**80.5**	**46.9**	**29.8**	**(25.1)**	**(1.6)**	**130.5**

Reconciliation of underlying EBIT to statutory profit before income tax	
Underlying EBIT	**130.5**
Adjustments:	
Business acquisition costs [1, 2]	(11.7)
Restructuring expenses [2]	(6.9)
Impairment of right-of-use assets	(1.2)
Interest income	6.0
Finance costs	(34.8)
Statutory profit before income tax expense	**81.9**

1. Business acquisition costs comprise legal and advisor fees incurred on acquisition of new businesses and retention share based payment plans for employees as part of the acquisition.
2. Restructuring expenses comprise costs on restructuring acquired businesses as well as changes to the Group operating model to enhance synergies.

	2024 $m
Reconciliation of segment revenue and other income	
Segment total revenue and other income	**609.9**
Interest income	**6.0**
Total revenue and other income	**615.9**

Notes to the consolidated financial statements

Section 1. Financial results continued

Segment results

For the year ended 30 June 2023	Intellectual Property Services ANZ $m	Intellectual Property Services Asia $m	Intellectual Property Services Canada $m	Corporate $m	Inter-segment Elimination/ Unallocated $m	Total $m
External revenue	275.6	113.9	93.7	–	–	483.2
Intersegment revenue	1.0	5.9	0.2	–	(7.1)	–
Total revenue	**276.6**	**119.8**	**93.9**	**–**	**(7.1)**	**483.2**
Other income	13.3	(1.0)	(0.2)	12.5	(17.7)	6.9
Total revenue and other income	**289.9**	**118.8**	**93.7**	**12.5**	**(24.8)**	**490.1**
Operating expenses	(186.6)	(64.6)	(62.3)	(30.4)	23.8	(320.1)
Underlying EBITDA	**103.3**	**54.2**	**31.4**	**(17.9)**	**(1.0)**	**170.0**
Depreciation	(7.5)	(2.5)	(2.9)	(1.2)	–	(14.1)
Amortisation	(22.4)	(1.4)	(13.9)	(1.6)	–	(39.3)
Management charges	0.4	(10.1)	–	9.7	–	–
Underlying EBIT	**73.8**	**40.2**	**14.6**	**(11.0)**	**(1.0)**	**116.6**

Reconciliation of underlying EBIT to statutory profit before income tax	
Underlying EBIT	**116.6**
Adjustments:	
Business acquisition costs [1, 2]	(10.8)
Restructuring expenses [2]	(2.8)
Changes in deferred consideration [3]	6.3
Costs associated with cyber incident	(2.8)
IT SaaS implementation costs	(0.9)
Interest income	2.0
Finance costs	(20.2)
Statutory profit before income tax expense	**87.4**

1. Business acquisition costs comprise legal and advisor fees incurred on acquisition of new businesses and retention share based payment plans for employees as part of the acquisition.
2. Restructuring expenses comprise costs on restructuring acquired businesses as well as changes to the Group operating model to enhance synergies.
3. Change in deferred consideration expense comprises of a non cash $6.3 million gain on the Smart & Biggar earnout arising from movement in the Company's share price and a revaluation of the Applied Marks earnout.

	2023 $m
Reconciliation of segment revenue and other income	
Segment total revenue and other income	490.1
Interest income	2.0
Revenue and other income items excluded from segment result	6.1
Total revenue and other income	**498.2**

Notes to the consolidated financial statements

Section 1. Financial results continued

1.2 Revenue from contracts with customers

a) Revenue

Revenue is generated from the provision of intellectual property (**IP services**) and legal services as follows:

	Segment				
	ANZ $m	Asia $m	Canada $m	Inter-segment elimination $m	Total $m
For the year ended 30 June 2024					
IP services	**273.4**	**121.5**	**160.1**	**(6.9)**	**548.1**
Legal services	**21.7**	**—**	**36.0**	**(0.2)**	**57.5**
Total revenue	**295.1**	**121.5**	**196.1**	**(7.1)**	**605.6**
For the year ended 30 June 2023					
IP services	253.5	119.8	69.2	(6.8)	435.7
Legal services	23.0	—	24.5	(0.3)	47.2
Total revenue	**276.6**	**119.8**	**93.9**	**(7.1)**	**482.9**

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

The Group's recognition policy is summarised below:

	IP services	Legal services
Services performed	Professional services in relation to the protection, commercialisation, enforcement and management of all forms of intellectual property.	IP-related legal advice including commercialisation and litigation services which assert and protect IP assets.
Performance obligation	Delivery of individual services as directed by client.	Provision of the legal advice and services.
Satisfaction of performance obligation	Point in time. Upon completion of each performance obligation, which is satisfied at a point in time, the Group is entitled to payment for services performed.	Over time. Performance of legal services does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed.
Measurement	Fair value by reference to a scale of charges and time-based fees.	Fair value of time and materials on a progressive basis using the input method.

b) Contract assets

Contract assets relate to work that has been performed for IP services or legal services but has not yet been billed to the customer. Upon issuing of the invoice, the amount is reclassified from contract assets (Work in Progress) to trade receivables. The movement and value of contract assets is as follows:

For the year ended 30 June	Note	2024 $m	2023 $m
Opening balance		**21.8**	6.8
Contract assets from business combinations	4.2	**5.9**	5.5
Movement in contract assets [1]		**2.0**	9.5
Closing balance		**29.7**	**21.8**

1. Movement in contract assets relates to the initial recognition of WIP and conversion of WIP to trade receivables on billing.

Significant judgement and estimate

Judgement is required when estimating the value of the services carried out at balance sheet date which is based on the value of time spent to date and management's assessment of the recoverability of that value.

Contract assets are initially recognised at the net recoverable values. Contract assets are subsequently assessed for impairment using the expected credit loss under AASB 9 *Financial Instruments*, and carried at amortised cost less expected loss allowance. The expected credit loss allowance on contract assets is not material.

Notes to the consolidated financial statements

Section 1. Financial results continued

c) Other Income

Other income is as follows:

For the year ended 30 June	2024 $m	2023 $m
Interest	**6.0**	2.0
Net realised foreign exchange gain / (loss)	**2.9**	3.1
Net unrealised foreign exchange gain / (loss)	**(1.6)**	0.2
Commission	**2.3**	2.4
Other income	**0.7**	1.3
Fair value gain on deferred consideration on Smart & Biggar acquisition [1]	**–**	6.3
Total other income	**10.3**	**15.3**

1. The deferred consideration was settled in April 2023.

Interest income is recognised using the effective interest rate method.

Foreign exchange gains and losses arise from the foreign currency transactions and the translation of foreign currency financial assets and liabilities to the functional currency.

Commission income is received through the referral of clients to complementary services related to IP. All other income is recognised when performance obligations have been satisfied. All other income is stated net of the amount of goods and services tax (**GST**).

1.3 Employee benefit expenses

Employee benefits comprise salaries (basic pay and benefits), on costs (retirement contributions, payroll taxes), share-based payments, incentives and other employee-related expenses.

a) Total employee benefit expenses

Total employee benefit expenses is as follows:

For the year ended 30 June		2024 $m	2023 $m
Salaries		**180.8**	139.3
Salary on costs [1]		**5.3**	4.9
Superannuation		**10.8**	9.4
Share-based payment expense	1.3(b)	**8.1**	6.1
Other employee benefit expenses		**10.8**	7.4
Total employee benefit expenses		**215.8**	**167.1**

1. Salary on costs comprise of post-employment contributions, workers compensation and payroll taxes.

Notes to the consolidated financial statements

Section 1. Financial results continued

b) Share based payments

i) Details of share plans

KMP, including the Managing Director and the Chief Financial Officer of the Group, and other key employees receive remuneration in the form of equity instruments as consideration for services rendered. Detailed remuneration disclosures for KMP are provided in the Remuneration Report.

The following is a summary of the share-based payment arrangements for KMP and other key employees of the Group:

Plan	Terms	Performance condition	Performance restriction / exercise period	Dividends received before vesting	Service condition
IPH Limited Employee Incentive Plan (the "Incentive Plan") approved 16 Nov 2016	Eligible participants receive performance rights at no cost, exercise price is Nil	Subject to: > firm EBITDA, > practice group and individual service charge performance, > business development and people management KPIs.	1 performance right converts into 1 share after 1 year. These are held in trust and the shares are subject to a service condition for a further 2 years.	No amounts are paid or payable to the recipient of the performance right. When rights are converted into shares dividends are paid to the recipient.	If participant leaves before end of performance or service period, rights or shares are forfeited.
IPH Executives – Long term incentive		Minimum compound annual growth rate in underlying EPS over a 3-year performance period ending on 30 June. Schedule of vesting of these rights is as shown in chart A:	3 years	Nil	If participant leaves before end of performance or service period, rights are forfeited.
One-off retention award – Smart & Biggar	Eligible participants receive performance rights at no cost, exercise price is Nil	Award is vested if the recipient remains in employment at least up to 4 January 2024.	1 year 3 months	Nil	If participant left before 4 January 2024, award is forfeited.

Chart A

EPS CAGR		
Up to 2023 plan	**2024 plan**	**Vesting**
< 5%	< 4%	Nil
= 5%	= 4%	25%
5% to 12.5%	4% to 10.0%	Pro-rata to 100%
=> 12.5%	=> 10.0%	100%

Notes to the consolidated financial statements

Section 1. Financial results continued

ii) Number of instruments

The number of performance rights on issue under the Group employee incentive plans during the period is as follows:

				Number				
Plan type	**Plan year**	**Grant date**	**Vesting date[1]**	**Start of the year**	**Granted**	**Exercised**	**Expired/ forfeited**	**End of the year**
Employee Incentive Plan	FY22	15 Sep 21	15 Sep 23	6,943	—	(6,943)	—	—
	FY23	15 Sep 22	31 Aug 23	864,151	—	(309,446)	(554,705)	—
	FY23	06 Dec 22	31 Aug 23	5,148	—	(1,287)	(3,861)	—
	FY23	06 Dec 22	30 Nov 24	20,477	—	—	—	20,477
	FY23	10 Mar 23	31 Aug 25	279,991	—	—	(148,355)	131,636
	FY24	04 Dec 23	30 Jun 24	—	1,234,829	—	(26,329)	1,208,500
				1,176,710	**1,234,829**	**(317,676)**	**(733,250)**	**1,360,613**
Executives long term incentive plan	FY21	07 Dec 20	01 Sep 23	369,768	—	(156,782)	(212,986)	—
	FY22[2]	15 Sep 21	30 Jun 24	261,029	—	—	(22,697)	238,332
	FY22	19 Nov 21	30 Jun 24	177,264	—	—	—	177,264
	FY23	06 Dec 22	30 Jun 25	545,568	—	—	(33,962)	511,606
	FY24	09 Oct 23	15 Oct 24	6,840	—	—	—	6,840
	FY24	04 Dec 23	30 Jun 26	—	581,902	—	—	581,902
				1,360,469	**581,902**	**(156,782)**	**(269,645)**	**1,515,944**
Retention award[3]	FY23	06 Oct 22	02 Jan 24	—	187,354	(187,354)	—	—
Total				**2,537,179**	**2,004,085**	**(661,812)**	**(1,002,895)**	**2,876,557**

1. The Board has discretion to permit vesting to occur prior to this date.
2. Subsequent to the year end, 83.79% of the FY 22 LTIP grant vested. This includes 202,064 rights held by KMP and disclosed as "vested" during the year for the purpose of KMP remuneration disclosure in section 5.8 of the Remuneration Report.
3. The number of shares granted on vesting date is calculated as gross award, less statutory deductions for individual tax, divided by the 20-day volume weighted average price to 31 December 2023.

Notes to the consolidated financial statements

Section 1. Financial results continued

iii) Grant date fair value and expense

The grant date fair value of performance and retention rights issued under the Employee Incentive Plan and the Executive LTI plan are independently determined using a binomial option pricing model, using inputs such as the underlying share price, exercise price, expected dividends, expected risk free rates and expected share price volatility.

Key inputs are summarised below:

Plan type	Plan year	Grant date	Risk free rate	Dividend yield	Share price at grant date	Fair value at grant date	Expense for the year $m
Employee Incentive Plan	Pre FY22[1]	Various	0.16% – 0.83%	3.90% – 4.20%	$7.12 – $8.16	$6.84 – $7.88	0.8
	FY22	15 Sep 21	0.03%	3.90%	$9.35	$8.65	1.2
	FY23	15 Sep 22	3.03%	3.60%	$9.31	$9.01	0.9
	FY23	06 Dec 22	3.09%	3.60%	$8.75	$8.54	0.1
	FY23	06 Dec 22	3.04%	3.60%	$8.75	$8.15	0.1
	FY23	10 Mar 23	3.73%	3.90%	$8.40	$7.64	0.3
	FY24	04 Dec 23	4.30%	4.60%	$6.75	$6.54	1.4
Executives long term incentive plan	FY21	07 Dec 20	0.12%	4.60%	$6.62	$5.84	0.1
	FY22	15 Sep 21	0.17%	3.90%	$9.35	$8.34	0.5
	FY22	19 Nov 21	0.88%	3.90%	$9.30	$8.36	0.5
	FY23	06 Dec 22	3.06%	3.60%	$8.75	$7.94	0.5
	FY24	09 Oct 23	4.07%	4.60%	$7.31	$6.98	0.1
	FY24	04 Dec 23	4.20%	4.60%	$6.75	$5.96	0.5
Retention award	FY23	06 Oct 22	n.a[2]	n.a[2]	n.a[2]	n.a[2]	1.1
Total							**8.1**

1. These are legacy plans in place prior to FY22. The rights granted under these plans vested into shares and were held in trust until their release at the beginning of FY24.
2. The fair value of the award is based on total value granted, and is expensed over the vesting period, adjusted for any changes in expected vesting.

iv) Weighted average information

	2024	2023
Weighted average share price during the financial year	**$6.83**	$8.57
Weighted fair value of the rights granted during the year	**$7.00**	$8.69
Weighted average remaining contractual life of rights outstanding at the end of the year	**0.5 yrs**	0.7 yrs

c) Key management personnel remuneration

The KMP of the Group comprise the Chair, Non-executive Directors, the Managing Director and the Chief Financial Officer. Remuneration paid to the KMP is shown below, with the amounts rounded off to the nearest thousand.

For the year ended 30 June	2024 $000	2023 $000
Short-term employee benefits	**3,340**	2,996
Post-employment benefits	**134**	135
Long-term benefits	**45**	69
Share-based payments	**1,414**	289
Key management personnel compensation	**4,933**	**3,489**

Notes to the consolidated financial statements

Section 1. Financial results continued

1.4 Other expenses

Other expenses are as follows:

For the year ended 30 June	Note	2024 $m	2023 $m
IT communication and equipment		**12.8**	8.4
Insurance		**6.3**	5.9
Travel		**3.9**	3.2
Professional and advisory		**8.7**	6.5
Training and wellbeing		**4.0**	3.1
Occupancy		**6.7**	5.4
Expected credit loss provision / write-offs		**2.2**	1.7
Business acquisition costs		**10.6**	7.8
Restructuring costs		**6.8**	6.0
Impairment of right-of-use assets		**1.2**	–
Auditors' remuneration	1.7	**1.5**	1.2
Other		**2.2**	0.5
Total other expenses		**66.9**	**49.7**

1.5 Depreciation and amortisation

Depreciation and amortisation are recognised 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 and amortisation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Asset useful lives is as follows:

Plant and equipment	Useful life (years)
Leasehold improvements	6 to 15
Other equipment	2 to 5
Furniture, fixtures and fittings	5 to 10
Computer equipment	2 to 5

Intangible assets	Useful life (years)
Goodwill	Indefinite (not amortised)
Brand names	Indefinite (not amortised)
Customer relationships	10
Computer software	3 to 5

The depreciation and amortisation expense recognised during the year is below:

For the year ended 30 June	2024 $m	2023 $m
Depreciation of plant and equipment	**4.2**	4.5
Amortisation on lease assets	**10.4**	9.6
Amortisation on intangibles – internally generated	**2.6**	2.4
Depreciation on intangibles – acquired	**47.8**	36.9
Total depreciation and amortisation expenses	**65.0**	53.4

Notes to the consolidated financial statements

Section 1. Financial results continued

1.6 Finance costs

During the year, interest income was earned on bank balances and interest was paid on borrowings and lease liabilities as shown below. Interest income and interest expenses are recognised using the effective interest rate method.

For the year ended 30 June	2024 $m	2023 $m
Interest on borrowings	**31.1**	17.1
Interest expense on leases	**2.1**	1.8
Amortisation of borrowing costs	**1.6**	1.3
Total finance costs	**34.8**	**20.2**

1.7 Auditors' remuneration

The following fees were paid or payable by the Group for and on behalf of all Group entities for services provided by the auditor and its related practices during the financial year:

For the year ended 30 June	2024 $000	2023 $000
Audit services – Deloitte Touche Tohmatsu (Australia)		
Audit or review of the financial statements	**872.7**	735.0
Other assurance services	**80.5**	25.0
	953.2	**760.0**
Overseas Deloitte Touche Tohmatsu firms		
Audit or review of the financial statements	**461.8**	415.4
	461.8	**415.4**
Audit services – unrelated firms		
Audit or review of the financial statements	**42.7**	53.9
	42.7	**53.9**

Notes to the consolidated financial statements

Section 1. Financial results continued

1.8 Earnings per share and dividends per share

a) Earnings per share

i) 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.

ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to consider 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.

The calculation of the basic and diluted earnings per share is based on the following:

For the year ended 30 June	2024 $m	2023 $m
Profit after income tax attributable to the owners of IPH Limited	**60.8**	64.5

	2024 No. of share 000	2023 No. of share 000
Weighted average number of ordinary shares used in calculating basic earnings per share [1]	**242,421**	225,496
Potential ordinary shares [2]	**1,738**	1,493
Weighted average number of ordinary shares used in calculating diluted earnings per share	**244,159**	**226,989**

	2024 cents	2023 cents
Basic earnings per share	**25.12**	28.62
Diluted earnings per share	**24.94**	28.43

1. Unallocated treasury shares of 201,755 held by the employee share trust have been excluded from the weighted average number of shares in accordance with AASB 133 Earnings Per Share.
2. These are rights issued under the employee share plans as detailed in Note 1.3, adjusted to reflect the difference in value of rights to be vested compared to the share price as required under AASB 133 Earnings Per Share. This also includes potential shares issued as consideration for the ROBIC deferred consideration.

b) Dividends per share

The following table includes information relating to dividends recognised and paid during the financial year:

	Date paid	Cents per share	Amount $m
For the year ended 30 June 2024			
Final dividend for the year ended 30 June 2023	16 September 2023	**17.5**	**41.2**
Interim dividend for the year ended 30 June 2024	22 March 2024	**16.0**	**39.3**
Total dividends			**80.5**
For the year ended 30 June 2023			
Final dividend for the year ended 30 June 2022	16 September 2022	16.0	35.0
Interim dividend for the year ended 30 June 2023	17 March 2023	15.5	35.0
Total dividends			**70.0**

Notes to the consolidated financial statements

Section 1. Financial results continued

i) Cash paid

The Dividend Reinvestment Plan was active during the financial year. The net amount of cash paid is as follows:

For the year ended 30 June	Note	2024 $m	2023 $m
Total dividend paid		**80.5**	70.0
Dividend re-investment plan – share issued	3.2	**(22.0)**	(14.5)
Total cash paid		**58.5**	**55.5**

ii) Dividend declared after the end of the period

On 22 August 2024, the Company declared an ordinary dividend of 19.0 cents per share (franked at 30%) to be paid on 20 September 2024. The dividend value is $47.1m. No provision for this dividend has been recognised in the Statement of Financial Position as at 30 June 2024, as it was declared after the end of the financial year.

iii) Franking credits

For the year ended 30 June	2024 $m	2023 $m
Franking credits available for subsequent financial years based on a tax rate of 30%	**1.7**	**1.1**

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

> franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date,
> franking debits that will arise from the payment of dividends recognised as a liability at the reporting date, and
> franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

1.9 Notes to the consolidated statement of cash flows

The reconciliation of net profit after tax to cash generated from operating activities is as follows:

For the year ended 30 June	2024 $m	2023 $m
Profit after income tax	**60.8**	64.5
Adjustment for non-cash and non-operating cash flow items		
Depreciation and amortisation	**65.0**	53.4
Impairment of right-of-use assets	**1.2**	–
Unrealised foreign exchange	**3.6**	(0.7)
Tax on revaluation of hedges	**1.3**	(1.8)
Deferred consideration fair value adjustment	**–**	(6.3)
Share-based payments	**6.6**	6.1
Other non cash items	**0.9**	(1.4)
	139.4	**113.8**
Changes in working capital		
Decrease/(Increase) in trade and other receivables	**18.8**	(6.7)
(Decrease) in deferred tax liabilities (excl. FX mvmt)	**(17.9)**	(4.6)
(Increase) in other assets	**(3.8)**	(10.1)
(Decrease)/Increase in trade and other payables	**(11.7)**	(7.1)
Increase in provision for income tax	**2.1**	4.7
(Decrease)/Increase in deferred revenue	**(0.8)**	(0.3)
Increase/(Decrease) in provisions	**5.8**	2.1
Net cash inflow generated from operating activities	**131.9**	**91.8**

Notes to the consolidated financial statements

Section 2. Core assets and working capital

2.1 Trade and other receivables

a) Trade receivables and contract assets

The balance of trade receivables is as follows:

As at 30 June	2024 $m	2023 $m
Trade receivables from contracts with customers	**163.6**	137.9
Less: Expected credit loss allowance	**(11.3)**	(8.9)
Net receivables	**152.3**	**129.0**
Other receivable[1]	**5.9**	12.8
Closing balance	**158.2**	**141.8**

1. Other receivable comprises items such as GST, VAT, sales tax receivables, accrued interest and sundry debtors. GST, VAT, and sales tax receivables and payables are shown net to the extent that they are with the same tax authority and can be settled net.

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.

The increase in trade receivables is mainly driven by the increase in receivables from acquisition of new businesses during the year. The movement in gross trade receivables is as follows:

For the year ended 30 June	Note	2024 $m	2023 $m
Opening balance		**137.9**	85.1
Trade receivables from contracts with customers acquired as part of business combinations	4.2	**22.3**	37.9
Receivables written off during the year as uncollectable[1,2]		**(2.2)**	(0.7)
Net movement in trade receivables with customers[1]		**5.6**	15.5
Closing balance		**163.6**	**137.9**

1. These balances will also include the net effect of FX on trade receivables from contracts with customers.
2. The receivables written off during the year amounting to $2.2 million (2023: $0.7 million) largely relates to one client, which was fully provided for at the time of acquisition.

b) Ageing of receivables

The ageing of trade receivables shown below (net of the expected credit loss allowance) is based on the Group trading terms which range between 30 to 90 days depending on whether it is a local or foreign based customer. No interest is charged on outstanding trade receivables.

	2024 $m	2023 $m
Current	**99.1**	85.6
Past due but not impaired		
0 to 60 days past due	**22.6**	11.9
61 to 90 days past due	**5.8**	8.8
Over 91 days past due	**24.8**	22.7
Closing balance	**152.3**	**129.0**

The 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. The Group's ageing profile reflects the international nature of the client base with a weighting towards North America where cheque payment is still common, thus lengthening the collection cycle. It also reflects the nature of the Group's relationship with other international attorney firms, whereby they will hold payment to IPH member firms until the ultimate client has paid them.

Notes to the consolidated financial statements

Section 2. Core assets and working capital continued

c) Expected credit loss allowance

Trade and other receivables are measured at amortised cost using the effective interest method and is subject to impairment. Impairment losses are recognised in profit or loss and reflect the expected credit loss (**ECLs**) over the life the trade receivables.

ECLs are estimated using a provision matrix based on the Group's historical credit loss experience. This is then adjusted for factors that are specific to the customer, general economic conditions and an assessment of both the current and forecast conditions at the reporting date.

Significant judgement and estimate
Judgement is required when estimating the expected credit losses for receivables by using a matrix based on past loss experience of the receivables, general economic conditions, and an assessment of both the current and the forecast direction of conditions at the reporting date. Where required, an additional credit allowance or allowance release based on expected future changes in credit risk of specific customers is recognised.

Impairment losses for receivables are recognised in a separate credit loss allowance account and the carrying amount is presented net of this credit loss allowance.

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.

During the year, an impairment loss of $0.5m (2023: $1.7m) was recognised relating to amounts no longer recoverable.
The movement in the expected credit loss allowance is as follows:

For the period ended 30 June	2024 $m	2023 $m
Opening balance	**8.9**	3.0
Additional provisions recognised	**0.5**	1.7
Provisions recognised as part of business combinations	**4.1**	4.9
Receivables written off during the year	**(2.2)**	(0.7)
Closing balance	**11.3**	**8.9**

Notes to the consolidated financial statements

Section 2. Core assets and working capital continued

2.2 Intangible assets

Intangible assets for the Group comprise goodwill arising from business combinations, brand names, customer relationships, and computer software (internally generated and acquired).

a) Intangible assets

The carrying amount and movement of intangible assets is as follows:

	Goodwill $m	Brand names $m	Customer relationships $m	Capitalised software $m	Acquired software $m	Total $m
As at 30 June 2024						
Cost	**593.5**	**47.7**	**493.1**	**15.3**	**5.2**	**1,154.8**
Accumulated amortisation and impairment loss	**–**	**–**	**(171.9)**	**(11.1)**	**(3.1)**	**(186.1)**
Net carrying value	**593.5**	**47.7**	**321.2**	**4.2**	**2.1**	**968.7**
Movement during the period						
Opening balance	**508.4**	**42.7**	**283.9**	**3.9**	**3.1**	**842.0**
Additions	**–**	**–**	**–**	**2.2**	**–**	**2.2**
Additions through business combinations	**95.9**	**6.1**	**92.4**	**0.5**	**–**	**194.9**
Fx revaluation impact	**(10.8)**	**(1.1)**	**(8.3)**	**0.2**	**–**	**(20.0)**
Amortisation expense	**–**	**–**	**(46.8)**	**(2.6)**	**(1.0)**	**(50.4)**
Closing balance	**593.5**	**47.7**	**321.2**	**4.2**	**2.1**	**968.7**
As at 30 June 2023						
Cost	508.4	42.7	409.8	11.4	5.2	977.5
Accumulated amortisation and impairment loss	–	–	(125.9)	(7.5)	(2.1)	(135.5)
Net carrying value	**508.4**	**42.7**	**283.9**	**3.9**	**3.1**	**842.0**
Movement during the period						
Opening balance	300.0	12.6	126.7	4.2	4.2	447.7
Additions	–	–	–	2.8	–	2.8
Additions through business combinations	204.2	29.9	191.7	–	–	425.8
Disposals	–	(0.1)	–	(0.8)	–	(0.9)
Fx revaluation impact	4.2	0.3	1.3	0.1	–	5.9
Amortisation expense	–	–	(35.8)	(2.4)	(1.1)	(39.3)
Closing balance	**508.4**	**42.7**	**283.9**	**3.9**	**3.1**	**842.0**

Notes to the consolidated financial statements

Section 2. Core assets and working capital continued

The initial recognition and subsequent measurement policies of intangible assets are summarised below:

	Initial recognition	Subsequent measurement
Goodwill	Recognised as 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.	Not amortised. Tested for impairment annually.
Other intangibles acquired as part of business combination	At the fair value determined on the date of the acquisition.	Amortised over their useful lives as noted in note 1.5. If not amortised, tested for impairment annually. Indefinite intangibles are tested for impairment annually and whenever there is an indicator of impairment.
Internally generated intangible assets	Recognised at cost. The cost is amounts incurred during the development phase once all the asset recognition criteria have been met. Costs incurred during the research phase, or those that relate to normal operating and maintenance activities, or where the asset recognition criteria are not met are expensed when incurred.	Amortised over their useful lives as noted in note 1.6. If not amortised, tested for impairment annually.
SaaS configuration or customisation – asset controls underlying asset	Costs incurred in configuring or customising software in a cloud computing arrangement can only be recognised as an intangible asset if the activities create an intangible asset that the entity controls and the intangible asset meets the recognition criteria.	Amortised over their useful lives as noted in note 1.6. If not amortised, tested for impairment annually.

SaaS configuration or customisation costs that do not result in intangible assets are expensed as incurred, unless they are paid to the supplier of the cloud-based software to significantly customise the cloud-based software for the Group. If this is the case, the costs are recognised as a prepayment for services and amortised over the expected term of the cloud computing arrangement.

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.

Refer to note 1.5 for details of useful lives.

b) Impairment assessment

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 the recoverable amount. 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 testing, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units (**CGU**)).

A summary of the goodwill allocated to each CGU is set out below:

As at 30 June CGU	Segment	2024 $m	2023 $m
Spruson & Ferguson – AU	ANZ	**90.5**	90.5
Griffith Hack	ANZ	**54.4**	54.4
Pizzeys	ANZ	**68.3**	68.3
AJ Park	ANZ	**42.6**	43.0
Spruson & Ferguson – Asia [1]	Asia	**46.0**	46.1
Smart & Biggar [2]	Canada	**235.4**	206.1
ROBIC [3]	Canada	**56.3**	–
Total goodwill		**593.5**	**508.4**

Changes from prior year:

1. Spruson & Ferguson Hong Kong and Spruson & Ferguson Singapore CGU's were previously identified as separate CGU's. Following the reorganisation of the Asian business a majority of cash inflows have been centralised through a singular entity. In line with this the CGU's have been merged into one Spruson & Ferguson Asia CGU.
2. On 29 September 2023 Smart & Biggar acquired Ridout & Maybee in Canada. The goodwill arising from this acquisition has been fully allocated to the Smart & Biggar CGU.
3. On 15 December 2023, the Group acquired ROBIC in Canada. This is managed independently and has separate customers, and will be managed as a standalone CGU.

Notes to the consolidated financial statements

Section 2. Core assets and working capital continued

Impairment testing – significant judgements and estimates

The recoverable amount of a CGU is determined primarily utilising a value-in-use calculation (**VIU**). For acquisitions made during the year, the VIU calculation has been done with reference to the fair value, given the acquisition date occurred within the past 12 months. VIU 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.

	EBITDA annual growth rate year 2 to 5		Terminal growth rate		Pre-tax discount rate		Post-tax discount rate	
CGU	2024	2023	2024	2023	2024	2023	2024	2023
Spruson & Ferguson – AU	**3.0%**	3.0%	**2.5%**	2.5%	**14.3%**	13.6%	**10.0%**	9.5%
Griffith Hack	**3.0%**	4.0%	**2.5%**	2.5%	**14.3%**	13.6%	**10.0%**	9.5%
Pizzeys	**3.0%**	3.5%	**2.5%**	2.5%	**14.3%**	13.6%	**10.0%**	9.5%
AJ Park	**3.0%**	4.0%	**2.0%**	2.0%	**15.0%**	13.9%	**10.8%**	10.0%
Spruson & Ferguson – Asia	**5.0%**	5.0%	**2.5%**	2.5%	**12.7%**	12.6%	**10.5%**	10.5%
Smart & Biggar	**3.0%**	3.0%	**2.0%**	2.0%	**13.2%**	12.9%	**9.7%**	9.5%
Robic	**3.0%**	n/a	**2.0%**	n/a	**13.2%**	n/a	**9.7%**	n/a

Sensitivity analysis

Sensitivity analysis has been conducted on the assumptions above to assess the effect on the recoverable amount of changes in the key assumptions. A reasonably possible change in key assumptions would not result in an impairment loss for any CGU except for the following:

i) For Pizzeys a decrease of the EBITDA CAGR by 3.53% or an increase in the post-tax discount rate of 1.20% would result in the carrying value of the Pizzeys CGU equalling the recoverable amount.

ii) As ROBIC was recently acquired, its carrying value approximates its fair value. Adverse changes in macroeconomic factors or failure to achieve planned growth objectives may lead to future impairment.

Notes to the consolidated financial statements

Section 2. Core assets and working capital continued

2.3 Plant and equipment

The carrying amount and movement of plant and equipment is as follows:

	Leasehold assets $m	Other equipment $m	Furniture, fixtures and fittings $m	Computer equipment $m	Total $m
As at 30 June 2024					
Cost	**25.9**	**1.3**	**8.2**	**28.7**	**64.1**
Accumulated depreciation	**(13.6)**	**(1.2)**	**(5.9)**	**(25.6)**	**(46.3)**
Net carrying value	**12.3**	**0.1**	**2.3**	**3.1**	**17.8**
Movement during the period					
Opening balance	**8.4**	**0.2**	**0.9**	**3.3**	**12.8**
Additions	**5.9**	**–**	**1.4**	**1.5**	**8.8**
Additions through business combinations	**0.5**	**–**	**0.5**	**0.2**	**1.2**
Fx revaluation impact	**(1.1)**	**–**	**(0.3)**	**0.6**	**(0.8)**
Depreciation expense	**(1.4)**	**(0.1)**	**(0.2)**	**(2.5)**	**(4.2)**
Closing balance	**12.3**	**0.1**	**2.3**	**3.1**	**17.8**
As at 30 June 2023					
Cost	19.9	1.3	5.6	26.9	53.7
Accumulated depreciation	(11.5)	(1.1)	(4.7)	(23.6)	(40.9)
Net carrying value	**8.4**	**0.2**	**0.9**	**3.3**	**12.8**
Movement during the period					
Opening balance	5.8	0.2	0.4	2.3	8.7
Additions	2.6	–	0.1	1.4	4.1
Additions through business combinations	2.0	–	0.8	1.5	4.3
Fx revaluation impact	0.1	–	–	0.1	0.2
Depreciation expense	(2.1)	–	(0.4)	(2.0)	(4.5)
Closing balance	**8.4**	**0.2**	**0.9**	**3.3**	**12.8**

Plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Refer to note 1.5 for details of useful life.

Any gain or loss arising on the disposal or retirement of an item of 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.

Notes to the consolidated financial statements

Section 2. Core assets and working capital continued

2.4 Leases

The Group enters leases for premises and office equipment. The Group recognises a right-of use-asset and a lease liability at the lease commencement date.

a) Right of use assets.

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. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. They are subsequently measured at cost less accumulated depreciation and impairment.

The carrying value of the right of use assets, and the movement during the year is as follows:

	Premises $m	Other equipment $m	Total $m
As at 30 June 2024			
Cost	**114.4**	**2.5**	**116.9**
Accumulated depreciation	**(65.1)**	**(2.1)**	**(67.2)**
Net carrying value	**49.3**	**0.4**	**49.7**
Movement during the period			
Opening balance	**45.0**	**0.7**	**45.7**
Additions	**8.6**	**–**	**8.6**
Additions through business combinations	**7.4**	**–**	**7.4**
Impairment expense	**(1.2)**	**–**	**(1.2)**
Fx revaluation impact	**(0.4)**	**–**	**(0.4)**
Depreciation expense	**(10.1)**	**(0.3)**	**(10.4)**
Closing balance	**49.3**	**0.4**	**49.7**
As at 30 June 2023			
Cost	101.5	2.5	104.0
Accumulated depreciation	(56.5)	(1.8)	(58.3)
Net carrying value	**45.0**	**0.7**	**45.7**
Movement during the period			
Opening balance	30.7	0.2	30.9
Additions	16.9	0.1	17.0
Additions through business combinations	7.2	0.8	8.0
Disposals	(0.6)	–	(0.6)
Depreciation expense	(9.2)	(0.4)	(9.6)
Closing balance	**45.0**	**0.7**	**45.7**

b) Lease liabilities

The Group's lease liabilities related to the rights of use assets is as follows:

	2024 $m	2023 $m
Current	**9.9**	9.7
Non-current	**47.8**	43.8
Total lease liabilities	**57.7**	**53.5**

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 which was 3.95% (2023: 3.66%). 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. Refer to note 3.3 for future undiscounted lease payments table.

Notes to the consolidated financial statements

Section 2. Core assets and working capital continued

The movements in the lease liabilities balance are as follows:

For the year ended 30 June	2024 $m	2023 $m
Opening balance at 1 July	**53.5**	42.8
Additions	**8.6**	17.0
Additions through business combinations	**7.4**	8.0
Disposals	**–**	(0.6)
Fx revaluation impact	**(1.5)**	(0.2)
Payments of lease liabilities	**(10.3)**	(13.5)
Closing balance	**57.7**	**53.5**

c) Lease impact on comprehensive income and cashflows

The amounts recognised in the statement of comprehensive income and the statement of cashflows are as follows:

For the year ended 30 June	2024 $m	2023 $m
Recognised in the statement of comprehensive income		
Depreciation charge – right-of-use assets	**10.4**	9.6
Interest expense (included in finance costs)	**2.1**	1.8
Expense relating to variable lease payments not included in lease liabilities (included in occupancy expenses)	**5.3**	3.0
Recognised in the statement of cashflow		
Payment of lease liabilities	**10.3**	13.5
Payment of interest expenses on lease liabilities	**2.1**	1.8

2.5. Other assets

Other assets comprise prepayments and derivatives as shown below:

As at 30 June	2024 $m	2023 $m
Other current assets		
Prepayments	**8.6**	6.6
Interest rate swaps	**0.6**	0.3
Other current assets	**0.9**	0.8
Closing balance	**10.1**	**7.7**
Other non-current assets		
Interest rate swaps	**2.0**	6.1
Other current assets	**0.1**	0.4
Closing balance	**2.1**	**6.5**

Notes to the consolidated financial statements

Section 2. Core assets and working capital continued

2.6 Trade and other payables

The breakdown of payables and other liabilities is as follows:

As at 30 June	2024 $m	2023 $m
Trade payables	**18.2**	15.8
Accruals	**18.4**	10.2
Deferred consideration payable [1]	**6.1**	1.7
Other payables	**5.1**	12.8
Closing balance	**47.8**	**40.5**

1. The deferred consideration in 2024 relates to the purchase of ROBIC. Refer Note 4.2 for information on the acquisition. In 2023. The deferred consideration was in relation to the Applied Marks acquisition in 2021. The amount was settled during the current year through the issue of 216,496 shares.

2.7 Provisions

The breakdown of provisions is as follows:

As at 30 June	2024 $m	2023 $m
Current provisions		
Employee provisions	**26.1**	20.4
Closing balance	**26.1**	20.4
Non-current provisions		
Employee provisions [1]	**5.2**	4.2
Other provisions	**1.0**	1.0
Closing balance	**6.2**	**5.2**

1. Includes $0.8m of a post-retirement medical plan liability relating to health insurance plan for a limited number of beneficiaries over a limited period. The carrying amount is based on the actuarial valuation from an external actuary.

Section 3. Finance and capital structure

3.1 Borrowings

On 27 September 2023, the Group entered an Amendment Deed (**Deed**) to its existing debt facilities with HSBC, Westpac, ANZ and CBA. As part of the Deed, the Bank of Montreal and National Bank of Canada joined the existing banks as lenders under the debt facility. The loan facilities and amounts drawn are shown below:

			Limit		Drawn	
	Expiry	Limit Base Curr	2024 $m	2023 $m	2024 $m	2023 $m
Multicurrency revolving loan facility	27 Sep 26	AUD 115m	**115.0**	115.0	**49.2**	114.0
Acquisition term loan facility	27 Sep 26	AUD 70m	**70.0**	70.0	**70.0**	70.0
Loan facility	19 Aug 25	CAD 180m	**197.3**	204.4	**197.3**	204.4
Term loan facility	27 Sep 27	CAD 40.2m	**44.1**	–	**44.1**	–
Term loan facility	27 Sep 27	CAD 68.3m	**74.8**	–	**74.8**	–
Total			**501.2**	389.4	**435.4**	388.4
Borrowing costs					**(1.3)**	(0.7)
Closing balance			**501.2**	**389.4**	**434.1**	**387.7**

Notes to the consolidated financial statements

Section 3. Finance and capital structure continued

The proceeds and repayments of these borrowing arrangements, excluding borrowing costs, during the year are summarised below:

For the year ended 30 June	2024 $m	2023 $m
Opening balance	**388.4**	118.5
Drawdowns	**127.9**	269.0
Repayments	**(70.4)**	–
Fx revaluation impact	**(10.5)**	0.9
Closing balance	**435.4**	**388.4**

3.2 Issued capital

a) Ordinary shares

Ordinary shares are classified as equity and 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.

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.

As at 30 June	2024 shares	2023 shares	2024 $m	2023 $m
Ordinary class shares – fully paid	**247,738,121**	234,855,739	**641.5**	558.1

The movement in issued capital during the year is shown below.

For the year ended 30 June	2024 shares	2023 shares	2024 $m	2023 $m
Opening balance	**234,855,739**	218,819,232	**558.1**	424.8
Issue of shares under Employee and Executive Incentive Plans	**611,911**	745,299	**–**	–
Shares issued under the dividend re-investment plan	**3,199,782**	1,714,273	**22.0**	14.5
Shares issued on business acquisitions[1]	**9,020,689**	13,576,925	**61.4**	118.8
Closing balance	**247,738,121**	**234,855,739**	**641.5**	**558.1**

1. The shares issued during the current year relate to the acquisition of Ridout & Maybee and ROBIC (Refer Note 4.2) and 216,496 shares for the settlement of the earnout related to the Applied Marks acquisition.

b) 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. At 30 June 2024, the number of shares held by the trust was 1,319,033 (30 June 2023: 1,535,360). 611,911 shares were issued to the trust during the year (2023: 745,299).

c) Shares subject to voluntary escrow

At 30 June 2024, 22,597,624 shares were subject to voluntary escrow. The shares are held by the vendors of ROBIC, Ridout & Maybee and Smart & Biggar. At 30 June 2023, 13,576,935 shares were subject to voluntary escrow, held by the vendors of the Smart & Biggar. The company has no right to acquire these shares or to control the voting rights attaching to these shares.

Notes to the consolidated financial statements

Section 3. Finance and capital structure continued

3.3 Financial risk management

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 Groups principal financial instruments, other than derivatives, comprise of cash, receivables, payables and bank loan facilities. In accordance with the risk management policy, the Group may enter derivative transactions for the purposes of managing the Group's exposure to foreign currency or interest rate risks.

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.

a) 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.

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 loan financing 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.

b) 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 payments in advance or restrict the services offered where appropriate to mitigate credit risk. The maximum exposure to credit risk as the reporting date to recognised financial assets is th carrying amount, net of any provisions for impairment of those assets, as disclosure in the Statement of Financial Position and notes to the financial statements. The Group does not have any material credit risk exposure to any singular debtor or group of debtors and does not hold any collateral.

c) Market risk

i) Foreign currency risk

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).

To 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 the following translation principles have been applied:

Item	When	Rate applied	Gains or losses
Translation to functional currency			
Income and expense transactions	Upon recognition	At rate on date of the transaction	n/a
Monetary items	Upon recognition	At rate on date of recognition date	n/a
	At period end	Retranslated at the period end rate	Profit or loss (to reserves if monetary item designated as a hedge)
Non-monetary items	Upon recognition	At rate on date of recognition date	n/a
	At period end	Not retranslated	
Translation from functional currency to reporting currency			
Income and expense items	At period end	Average exchange rates for the period	FCTR
Assets and liabilities (including Goodwill and acquired intangible assets)	At period end	Retranslated at the period end rate	FCTR

Notes to the consolidated financial statements

Section 3. Finance and capital structure continued

Risk exposure

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

To the extent possible, the Group manages these exposures through natural hedging arrangements where foreign assets and liabilities denominated in the same foreign currency are matched. For any residual exposures that cannot naturally offset, the Group may enter forward exchange contracts to mitigate the residual exposure in line with Board approved risk management policies.

The focus is on minimising exposure to fluctuations in the rate of the United States Dollar (**USD**), Canadian Dollar (**CAD**) and the European Union's Euro (**EUR**) which represent most of the Group's foreign currency exposure. At the balance date, the material exposure to foreign currency foreign denominated financial assets and liabilities are shown below (in AUD equivalent).

	USD $m	EUR $m	CAD $m
As at 30 June 2024			
Net financial assets/(liabilities) exposure to FX	**41.4**	**6.4**	**(41.6)**
FX contracts to mitigate exposure	**(29.9)**	**–**	**–**
Net exposure	**11.5**	**6.4**	**(41.6)**
Exchange rate (AUD : Foreign currency)	**1.4993**	**1.6064**	**1.0960**
As at 30 June 2023			
Net financial assets/(liabilities) exposure to FX	70.4	5.6	(45.4)
FX contracts to mitigate exposure	–	–	–
Net exposure	**70.4**	**5.6**	**(45.4)**
Exchange rate (AUD : Foreign currency)	1.5060	1.6393	1.1366

Sensitivity

A depreciation of the AUD against the foreign currency net asset / liability exposure will results in a net loss / gain in profit or loss and equity. The table below shows the impact of a 1 cent move in the AUD against the respective currencies.

	USD		EUR		CAD	
	Net profit $m	Equity $m	Net profit $m	Equity $m	Net profit $m	Equity $m
As at 30 June 2024						
+1 cent	**(0.3)**	**(0.3)**	**(0.0)**	**(0.0)**	**(0.0)**	**0.4**
-1 cent	**0.3**	**0.3**	**0.0**	**0.0**	**0.0**	**(0.4)**
As at 30 June 2023						
+1 cent	(0.5)	(0.5)	(0.0)	(0.0)	0.0	0.4
-1 cent	0.5	0.5	0.0	0.0	(0.0)	(0.4)

The impact on net profit is the same as the impact on equity except for Canada dollar exposures. The CAD exposure includes CAD $37.3m (a portion of the external debt CAD $180m maturing in August 2025 is held in Australia), which is designated as a net investment hedge against the net assets of the Canadian business. Foreign currency translation gains or losses on this CAD debt is recognised directly in other comprehensive income to the foreign current translation reserve. The hedge ratio of the designation is 1:1, the associated foreign currency movement for the period was AU $1.6m and there was no hedge ineffectiveness.

Notes to the consolidated financial statements

Section 3. Finance and capital structure continued

ii) Interest rate risk

Interest rate risk is segregated into the nature of the risk as follows:

Type	Impact	Exposure arising from
Cashflow interest rate risk	Changes to cashflows (mainly interest expense) will result in higher interest expense or lower interest income	Variable rate instruments e.g. bank debt
Fair value interest rate risk	Changes to fair value of assets and liabilities will result in gains and losses recognised in the statement of profit or loss	Fixed rate instrument held at fair value or derivative contracts (e.g. IRS)

Cashflow interest rate risk

The group is exposed to interest rate risk on its interest-bearing assets and liabilities. Though the Group is exposed to interest rate risk on cash balances, the main cash flow interest rate risk arises from bank borrowings. The Group's policy is to seek to reduce its variable interest rate exposure using interest rate swaps, where it is appropriate to do so in accordance with the Groups risk management policies.

The exposure to cashflow interest rate risk is summarised in the table below:

As at 30 June	2024 $m	2023 $m
Borrowings at variable interest rate	**434.1**	387.7
Interest rate swap (variable to fixed)	**(341.1)**	(354.6)
Net interest rate exposure	**93.0**	**33.1**
Group weighted average interest rate	**6.52%**	**6.21%**

The Group's policy is to seek to reduce its interest rate risk exposure to using interest rate swaps. The interest rate swaps are designated as cashflow hedges and fair value gains and losses to the extent they are effective, are recognised in the cashflow hedge reserve in equity, and recycled to the profit or loss when the hedged item effects profit or loss. Any fair value gains or losses arise from ineffectiveness are recognised in profit or loss immediately. The effects of the interest rate swaps on the Group's financial position and performance shown below:

	2024 $m	2023 $m
Carrying amount		
Current	**0.6**	0.3
Non-current	**2.0**	6.1
	2.6	**6.4**
Notional amount	**341.1**	354.6
Maturity date	**2027**	2027
Hedge ratio	**1:1**	1:1
Changes in fair value of outstanding hedging instruments since inception of the hedge	**2.6**	6.4
Changes in fair value deemed effective recognised in cashflow hedge reserve	**(2.6)**	(6.4)
Weighted average hedge rate for the year	**3.92%**	3.92%

Sensitivity to cashflow interest rate risk

An increase or decrease in interest rates will result in an increase or decrease in interest expense on the net exposure of borrowings shown above. The table below shows the impact of a 100 basis point (1%) change in interest rates.

	2024		2023	
12 months from 30 June	Net profit $m	Equity $m	Net profit $m	Equity $m
+ 1%	**0.1**	**0.1**	0.3	0.3
– 1%	**(0.1)**	**(0.1)**	(0.3)	(0.3)

iii) Fair value Interest rate risk

The Group is also exposed to fair value interest rate risk arising from the fair value of the interest rate swaps. This risk is not considered material, and as the interest rate swaps are designated as cashflow hedging instruments, any gains or losses from changes in fair value emanating from interest rate movements are recognised in the cashflow hedge reserve in equity.

Notes to the consolidated financial statements

Section 3. Finance and capital structure continued

d) Liquidity risk

Liquidity risk is the risk that the Group will have insufficient funds to meet is financial commitments as and when they fall due. These arise from short term payables such as trade creditors or taxation payments, and long-term borrowings.

The table below shows the undiscounted contractual cash outflows arising from financial liabilities:

		Contractual cash outflows		
	Carrying amount $m	Less than 1 year $m	1 to 2 years $m	over 2 years $m
At 30 June 2024				
Trade payables	**18.2**	**18.2**	**–**	**–**
Sundry creditors and accruals	**19.8**	**19.8**	**–**	**–**
Deferred consideration	**6.2**	**6.2**	**–**	**–**
Lease liabilities	**57.7**	**9.7**	**11.3**	**42.7**
Borrowings – principal	**435.4**	**–**	**197.3**	**238.1**
Borrowings – interest payments	**3.7**	**29.4**	**16.1**	**16.1**
Total contractual cash outflows	**541.0**	**83.3**	**224.7**	**296.9**
At 30 June 2023				
Trade payables	15.8	15.8	–	–
Sundry creditors and accruals	20.9	20.9	–	–
Deferred consideration	1.7	1.7	–	–
Lease liabilities	53.5	11.5	10.0	38.8
Borrowings – principal	388.4	–	184.0	204.4
Borrowings – interest payments	2.1	24.1	13.3	1.1
Total contractual cash outflows	**482.4**	**74.0**	**207.3**	**244.3**

1. The fair value of interest rate swaps was $2.5m asset (2023: $6.4m asset). The derivative assets are included in note 2.5 under other assets.

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.

Interest payments would be offset by net interest receipt/payments on the interest rate swaps classified as cashflow hedges. As the interest rate swaps are in an asset position, the cashflows have not been included in the analysis above.

The Group manages liquidity risk by maintaining adequate cash reserves to meet short term obligations, as well as having access to adequate capital sources in the form of undrawn borrowing facilities.

e) Fair value measurement

The carrying value of the Group's financial assets and financial liabilities approximate fair value. The group determines the fair value of these financial assets and liabilities using valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The Group has classified the valuation technique applied in determining the fair value of financial assets and liabilities measured at fair value as follows:

Level	Valuation technique	Group financial instruments
Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.	Nil
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.	Interest rate swaps and forward exchange contracts
Level 3	Unobservable inputs for the asset or liability.	Deferred consideration

Notes to the consolidated financial statements

Section 4. Other disclosures

4.1 Taxation

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 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 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.

a) Income tax expense

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.

For the year ended 30 June	2024 $m	2023 $m
Current tax	**37.7**	28.5
Deferred tax	**(16.6)**	(5.6)
Income tax expense	**21.1**	**22.9**
Reconciliation of income tax expense and tax at the statutory rate		
Profit before income tax expense	**81.9**	87.4
Tax at the statutory rate of 30%	**24.6**	26.2
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Permanent differences[1]	**4.0**	2.3
Difference in overseas tax rates	**(6.6)**	(5.7)
Under / (Over) Provided with Respect to Current Tax in Prior Years	**(0.4)**	–
Under / (Over) Provided with Respect to Deferred Tax in Prior Years	**(0.3)**	0.4
Effect of Income That is Exempt From Tax	**(0.2)**	(0.3)
Income tax expense	**21.1**	**22.9**

1. Permanent differences are primarily attributable to non-deductible expenses such as acquisition costs and share-based payments.

Australian tax consolidated group

The Company and its wholly owned Australian resident entities are part of a tax-consolidated group which was formed on 3 September 2014. Therefore, 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.

Notes to the consolidated financial statements

Section 4. Other disclosures continued

b) Deferred tax assets and liabilities

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

As at 30 June	2024 Gross $m	2024 Right of offset $m	2024 Per Balance Sheet $m	2023 Gross $m	2023 Right of offset $m	2023 Per Balance Sheet $m
Deferred tax assets	13.0	(13.0)	–	11.6	(11.6)	–
Deferred tax liabilities	(104.8)	13.0	(91.8)	(95.9)	11.6	(84.3)
Net deferred tax liability	**(91.8)**	**–**	**(91.8)**	**(84.3)**	**–**	**(84.3)**

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.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the way the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

i) Deferred tax assets

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 as follows:

	Credit loss allowance $m	Provisions $m	Leased assets $m	Transaction costs $m	Other $m	Total $m
As at 30 June 2024						
Opening balance	1.0	4.8	2.1	2.1	1.6	11.6
Arising from business acquisitions	0.2	–	–	–	(0.1)	0.1
Movement recognised in profit or loss	(0.1)	1.2	0.2	(0.7)	0.7	1.3
Closing balance	**1.1**	**6.0**	**2.3**	**1.4**	**2.2**	**13.0**
As at 30 June 2023						
Opening balance	0.6	5.1	2.9	2.6	1.7	12.9
Arising from business acquisitions	0.2	–	0.2	–	–	0.4
Movement recognised in profit or loss	0.2	(0.3)	(1.0)	(0.5)	(0.1)	(1.7)
Closing balance	**1.0**	**4.8**	**2.1**	**2.1**	**1.6**	**11.6**

ii) Deferred tax liabilities

Deferred tax liabilities are recognised for all taxable temporary differences as shown below:

	Contract assets $m	Foreign exchange $m	Intangible assets $m	Financial instruments $m	Other $m	Total $m
As at 30 June 2024						
Opening balance	(4.1)	(0.9)	(88.6)	(1.9)	(0.4)	(95.9)
Arising from business acquisitions	0.1	–	(25.6)	–	–	(25.5)
Movement during the year recognised in:						
equity	–	–	–	1.3	–	1.3
profit or loss	–	(0.1)	15.9	–	(0.5)	15.3
Closing balance	**(4.0)**	**(1.0)**	**(98.3)**	**(0.6)**	**(0.9)**	**(104.8)**
As at 30 June 2023						
Opening balance	(1.6)	(0.4)	(40.8)	(0.1)	–	(42.9)
Arising from business acquisitions	(1.2)	–	(57.3)	–	–	(58.5)
Movement during the year recognised in:	–					
equity	–	–	–	(1.8)	–	(1.8)
profit or loss	(1.3)	(0.5)	9.5	–	(0.4)	7.3
Closing balance	**(4.1)**	**(0.9)**	**(88.6)**	**(1.9)**	**(0.4)**	**(95.9)**

Notes to the consolidated financial statements

Section 4. Other disclosures continued

c) 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.

4.2 Business combinations

The acquisition method of accounting is used to account for business combinations. During the period the Group completed two business acquisitions – being Ridout & Maybee in September 2023, and Robic in December 2023. The details of the acquisitions are shown below.

The initial accounting for the acquisitions has been provisionally determined at the end of the reporting period pending finalisation of tax positions and trade receivables as at the relevant acquisition dates.

a) Ridout & Maybee

On 29 September 2023 Smart & Biggar, by way of a share purchase agreement, acquired the businesses of the Canadian IP services firm Ridout & Maybee (**R&M**). R&M joined the existing Smart & Biggar (**S&B**) business to form one combined firm operating under the Smart & Biggar brand.

i) Purchase consideration – Ridout & Maybee

The consideration was settled by way of cash payments of CAD 42.5m (A$49.2m) funded by a drawdown on a new Canadian Dollar denominated IPH debt facility and the issuance of 2,842,488 IPH shares at the acquisition date share price of $7.40.

	$m
Cash [1]	49.0
Deferred contingent consideration	0.2
Equity Instruments	21.0
Total purchase consideration	**70.2**

1. Includes completion refund of CAD 1.6m received on 24 April 2024.

ii) Net assets acquired – Ridout & Maybee

The fair value of the assets acquired, and liabilities assumed were as follows:

	Fair value $m
Overdraft	(3.4)
Trade receivables	6.9
Contract assets	1.0
Lease assets	1.3
Other assets	0.5
Intangible assets – customer relationships	37.3
Other liabilities	(2.1)
Deferred tax liability	(10.0)
Identifiable asset and liabilities acquired	**31.5**
Goodwill recognised	38.7
Total purchase consideration	**70.2**

The purchase price accounting (PPA) was provisional at 31 December 2023, and has been updated during the period. This resulted in a decrease in the fair value of trade receivables acquired by $1.6m. The cash consideration has decreased by $1.8m following refunds received from the final working capital adjustments.

The purchase price accounting remains provisional due to the pending finalisation of tax positions and trade receivables as at acquisition date.

Notes to the consolidated financial statements

Section 4. Other disclosures continued

b) ROBIC

On 15 December 2023 the Group, by way of a share purchase agreement, acquired the businesses of the IP agency practice of ROBIC, which holds an interest in the legal practice of ROBIC as permitted by Canadian regulation. The Group acquired the IP agency practice of ROBIC LP (**ROBIC**), which holds a 49.9% interest in the ROBIC LLP law entity, as well as several other legal entities (**ROBIC Group**). The Quebec laws and regulations for lawyers and law firms requires majority ownership to reside with local individuals that are registered as a lawyer (or their professional corporations).

Significant judgement on controlling interest

The assessment of control is a significant judgement in the financial statements. The Group controls an entity where it has: the power to direct the relevant activities; exposure, or rights to, variable returns; and the ability to utilise power to affect the entity's returns. The professional code of conduct and Quebec laws and regulations for lawyers and law firms in Canada requires ownership to reside with local individuals who are registered as a lawyer.

The substance of the arrangement is that IPH has the power over the relevant activities that influence the variable returns of the ROBIC Group. While IPH only holds 49.9% of the ROBIC LLP law entity, this power is established by IPH wholly owning ROBIC that can set budgets, approve acceptance of any clients or client engagements, determine nature and pricing of services, and provision of critical intellectual property and other services which are necessary to conduct such a business. In addition, IPH is exposed to residual returns of the ROBIC Group after remunerating the managing partners (who are the holders of the remaining interest). As a result, there is no non-controlling interest that is recognised in relation to the acquisition of ROBIC Group.

i) Purchase consideration – ROBIC

The consideration was settled by way of cash payments of CAD 68.6m (A$77.9m) funded by a drawdown on a new Canadian Dollar denominated IPH debt facility, the issuance of 5,961,705 IPH shares at the acquisition date share price $6.51, and a deferred earn-out capped at CAD 5.6m, to be settled in a combination of cash and IPH shares.

The deferred contingent consideration is dependent upon ROBIC outperforming a threshold which is based broadly in-line with the earnings level that was achieved in the 12 months to 31 March 2023. The measurement period runs for one year from the date of acquisition.

The fair value is determined based on the probability that the threshold will be met, and the deferred consideration will be paid in full. As the payment will be in less than 12 months, no discount has been applied to the liability.

	$m
Cash [1]	77.9
Equity Instruments	38.8
Deferred contingent consideration	6.2
Total purchase consideration	**122.9**

1. Includes completion payment of CAD 1.4m paid on 14 May 2024.

Notes to the consolidated financial statements

Section 4. Other disclosures continued

ii) Net assets acquired – ROBIC

The fair value of the assets acquired, and liabilities assumed were as follows:

	Fair value $m
Cash	0.7
Trade receivables	15.4
Contract assets	4.9
Lease assets	6.1
Other assets	2.8
Intangible assets – customer relationships	55.1
Intangible assets – brand names	6.1
Other liabilities	(10.0)
Deferred tax liability	(15.4)
Identifiable asset and liabilities acquired	**65.7**
Goodwill recognised	57.2
Total purchase consideration	**122.9**

The provisional accounting undertaken at 31 December 2023 has been updated to reflect fair value of identifiable assets and liabilities. This results in a decrease to receivables of $0.6m, a decrease to other assets of $0.6m, a decrease to contract assets of $0.7m and a decrease to deferred tax liability of $0.9m.

The cash consideration was increased by $1.6m following additional payments to the vendor relating to the final completion working capital adjustments.

The purchase price accounting remains provisional due to the pending finalisation of tax positions and trade receivables as at acquisition date.

c) Cash used to acquire business during the year

The reconciliation of the total purchase consideration and cash used is shown below:

	Ridout & Maybee $m	ROBIC $m	Total $m
Acquisition-date fair value of total consideration transferred	49.0	77.9	**126.9**
Add overdraft assumed / (less) cash acquired	3.4	(0.7)	**2.7**
Net cash used	**52.4**	**77.2**	**129.6**

d) Contribution since acquisition date Ridout & Maybee and ROBIC

	Revenue $m	Profit before tax $m
ROBIC contribution:		
From acquisition date	39.2	4.6
If acquisition was 1 July 2023	72.4	8.5

R&M was integrated into S&B after the date of acquisition as per the acquisition business case, and the financial performance of R&M is not maintained separately. The revenues and expenses attributable to R&M are not separately identifiable from the financial results of S&B. Thus, the contribution from R&M to Group revenue and profit for the period of ownership from 29 September 2023 to 30 June 2024 has not been disclosed.

Notes to the consolidated financial statements

Section 4. Other disclosures continued

4.3 Parent entity financial information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the Group. The parent of the Group is IPH Limited, which is a for profit entity listed on the Australian Securities Exchange (**ASX**).

The summary statement of comprehensive income and summary statement of financial position are presented below:

a) Summary Statement of Comprehensive income

For the year ended 30 June	2024 $m	2023 $m
Profit after income tax	**58.3**	57.5
Other comprehensive income	**1.6**	1.8

b) Summary Statement of financial position

As at 30 June	2024 $m	2023 $m
Current assets	**326.1**	311.6
Non-current assets	**721.1**	673.0
Total assets	**1,047.2**	**984.6**
Current liabilities	**83.8**	9.3
Non-current liabilities	**320.3**	392.3
Total liabilities	**404.1**	**401.6**
Net assets	**643.1**	**583.0**
Equity		
Issued capital	**641.5**	558.1
Share based payment reserve	**16.7**	14.5
Other reserves	**6.8**	9.9
(Accumulated losses) / Retained profits	**(21.9)**	0.5
Total Equity	**643.1**	**583.0**

c) Guarantees entered by the parent entity in relation to the debts of its subsidiaries.

The parent entity has guaranteed the debts of its subsidiaries as a party of the deed of cross guarantee as detailed in Note 4.5.

The parent entity had no contingent liabilities or capital commitments as at 30 June 2024.

4.4 Subsidiaries

a) 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 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 can 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.

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.

Notes to the consolidated financial statements

Section 4. Other disclosures continued

Significant judgement on controlling interest

The Group completed the acquisition of the IP agency practice of Smart & Biggar (**S&B**), which holds a 49.9% interest in the S&B LLP Law entity as well as several other legal entities (**S&B Group**). The professional code of conduct and Quebec laws and regulations for lawyers and law firms in Canada requires ownership to reside with local individuals who are registered as a lawyer.

The substance of the arrangement is that IPH has the power over the relevant activities that influence the variable returns of the S&B Group. While IPH only holds 49.9% of the S&B LLP Law entity, this power is established by IPH holding a majority representation of the Governance Board that could set budgets, approve acceptance of any clients or client engagements, determine nature and pricing of services, provision of critical intellectual property and other services which are necessary to conduct such a business.

In addition, IPH is exposed to all residual returns of the S&B Group after remunerating the managing partners (who are the holders of the remaining interest). As a result, there is no non-controlling interest that is recognised in relation to the acquisition of S&B Group.

The consolidated financial statements incorporate the assets, liabilities and results of IPH Limited[1] and the following subsidiaries:

	Ownership	
	2024	**2023**
Australia and New Zealand		
AJ Park IP Limited	**100.0%**	100.0%
AJ Park IP Pty Ltd[2]	**0.0%**	100.0%
AJ Park Law Limited[3]	**0.0%**	0.0%
Applied Marks Pty Ltd[4,5]	**100.0%**	100.0%
GH Law Pty Ltd[4,5]	**100.0%**	100.0%
GH PTM Pty Ltd[4,5]	**100.0%**	100.0%
Glasshouse Advisory Pty Ltd[2]	**0.0%**	100.0%
Griffith Hack Holdings Pty Ltd[4,5]	**100.0%**	100.0%
Intellectual Property Management Pty Ltd[2]	**0.0%**	100.0%
IPH Employee Share Trust	**0.0%**	0.0%
IPH Services Pty Ltd[4,5]	**100.0%**	100.0%
Pizzeys Patent & Trade Mark Attorneys Pty Ltd[4,5]	**100.0%**	100.0%
Shelston IP Lawyers Pty Ltd[2]	**0.0%**	100.0%
Shelston IP Pty Ltd[2]	**0.0%**	100.0%
Spruson & Ferguson Lawyers Pty Limited[4,5]	**100.0%**	100.0%
Spruson & Ferguson Pty Limited[4,5]	**100.0%**	100.0%
Spruson & Ferguson (NSW) Pty Limited[4,5]	**100.0%**	100.0%
Watermark Advisory Services Pty Ltd[2]	**0.0%**	100.0%
Watermark Australasia Pty Ltd[2]	**0.0%**	100.0%
Watermark Holdings Pty Ltd[2]	**0.0%**	100.0%
Watermark Intellectual Property Lawyers Pty Ltd[2]	**0.0%**	100.0%
Watermark Intellectual Property Pty Ltd[2]	**0.0%**	100.0%
Xenith IP Group Pty Ltd[4,5]	**100.0%**	100.0%
Xenith IP Services Pty Ltd[4,5]	**100.0%**	100.0%
Canada		
1447704 B.C. Ltd.[6]	**100.0%**	0.0%
2545-2509 Québec Inc.[6]	**100.0%**	0.0%
88766 Canada Inc.[6]	**100.0%**	0.0%
CIPS, Canadian Intellectual Property Service Inc.[6]	**100.0%**	0.0%
IPH Canadian Holdings Limited	**100.0%**	100.0%
IPH Canadian Investments Limited[6]	**100.0%**	0.0%
IPH Canadian IP Holdings LP[7]	**75.0%**	75.0%
IPH Canadian Services Limited[6]	**100.0%**	0.0%
IPH Québec Holdings Limited[6]	**100.0%**	0.0%
ROBIC IP Agency LP[6]	**99.9%**	0.0%
ROBIC Law LLP[6,8]	**49.9%**	0.0%
Smart & Biggar Alberta LLP[9]	**0.0%**	0.0%
Smart & Biggar LLP[8]	**49.9%**	49.9%
Smart & Biggar LP	**99.9%**	99.9%
Smart & Biggar Management Limited	**99.9%**	99.9%

Notes to the consolidated financial statements

Section 4. Other disclosures continued

	Ownership 2024	Ownership 2023
Other countries		
Beijing Pat SF Intellectual Property Agency Co Ltd [3]	**0.0%**	0.0%
IPH Holdings (Asia) Pte Ltd	**100.0%**	100.0%
IPH US Inc	**100.0%**	100.0%
IPH (Thailand) Ltd [10]	**49.0%**	49.0%
Pizzeys Pte Ltd	**100.0%**	100.0%
PT Spruson Ferguson Indonesia	**100.0%**	100.0%
Spruson & Ferguson Intellectual Property Agency (Beijing) Company Ltd	**100.0%**	100.0%
Spruson & Ferguson Ltd	**100.0%**	100.0%
Spruson & Ferguson (Asia) Pte Limited	**100.0%**	100.0%
Spruson & Ferguson (Hong Kong) Ltd	**100.0%**	100.0%
Spruson & Ferguson (M) SDN BHD	**100.0%**	100.0%
Spruson & Ferguson (Philippines) Inc	**99.0%**	99.0%

1. IPH Limited is the head entity within the tax consolidated group.
2. These entities were voluntarily deregistered in the financial year ended 30 June 2024.
3. These entities have Alliance Agreements with Group entities which results in consolidation in the Group for Accounting purposes.
4. These companies are members of the tax consolidated group.
5. These wholly owned subsidiaries entered 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 4.5).
6. These entities were acquired or incorporated in the financial year ended 30 June 2024.
7. The remaining 25% is held by Smart & Biggar LLP.
8. This entity has exclusive services and licence agreements and terms of the partnership agreement which results in consolidation in the Group for Accounting purposes.
9. This entity has exclusive services and licence agreements which results in consolidation in the Group for Accounting purposes.
10. The Group holds 90.6% of the voting rights and thus has control of this entity.

4.5 Deed of cross guarantee

IPH Limited and several Australian wholly owned subsidiaries (outlined in Note 4.4) are party to a Deed of Cross Guarantee under which each company guarantees the debts of the others.

By entering the deed, the relevant, wholly owned subsidiaries have been relieved from the requirement to prepare the financial report and Directors' Report under ASIC Corporations (Wholly Owned Companies) Instrument 2016/785 issued by the Australian Securities and Investments Commission.

The amounts disclosed in the tables below represent the consolidated amounts for the entities within the closed group.

a) Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June	2024 $m	2023 $m
Total revenue	**345.6**	282.8
Total expenses	**(219.6)**	(197.9)
Profit before income tax expense	**126.0**	**84.9**
Income tax expense	**(12.4)**	(10.1)
Profit after income tax expense for the year	**113.6**	**74.8**
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Other comprehensive income for the year, net of tax	**2.9**	4.1
Total comprehensive income for the year	**116.5**	**78.9**

Notes to the consolidated financial statements

Section 4. Other disclosures continued

b) Summary of movement in consolidated retained losses

For the year ended 30 June	2024 $m	2023 $m
Opening accumulated losses	**(235.9)**	(236.8)
Profit for the period	**113.6**	74.8
Dividends paid	**(138.0)**	(73.9)
Closing accumulated losses	**(260.3)**	**(235.9)**

As at 30 June	2024 $m	2023 $m
Current assets		
Cash and cash equivalents	**20.2**	61.2
Trade and other receivables	**204.7**	232.8
Other assets	**14.0**	19.8
Total current assets	**238.9**	**313.8**
Non-current assets		
Property, plant and equipment	**3.7**	3.7
Right-of-use assets	**16.7**	20.6
Intangibles	**91.6**	92.0
Investments in subsidiaries	**406.6**	346.6
Deferred tax	**6.3**	2.9
Total non-current assets	**524.9**	**465.8**
Total assets	**763.8**	**779.6**
Current liabilities		
Trade and other payables	**16.7**	18.4
Provisions	**15.7**	12.0
Interest bearing lease liabilities	**4.1**	4.1
Deferred revenue	**1.4**	2.9
Total current liabilities	**37.9**	**37.4**
Non-current liabilities		
Borrowings	**316.5**	388.6
Interest bearing lease liabilities	**17.8**	22.0
Other liabilities	**4.1**	4.0
Total non-current liabilities	**338.4**	**414.6**
Total liabilities	**376.3**	**452.0**
Net assets	**387.5**	**327.6**
Equity		
Issued capital	**640.6**	558.1
Reserves	**7.2**	5.4
Accumulated losses	**(260.3)**	(235.9)
Total equity	**387.5**	**327.6**

Notes to the consolidated financial statements

Section 4. Other disclosures continued

4.6 Contingent liabilities

The Group has given bank guarantees in respect of leased office premises as at 30 June 2024 of $10.3m (2023: $10.0m).

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 can 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.

4.7 Events after the balance sheet date

Other than the dividend declared per note 1.8 (b), there has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Consolidated entity disclosure statement

a) Basis of Preparation

This Consolidated Entity Disclosure Statement (**CEDS**) has been prepared in accordance with the *Corporations Act 2001* and includes required information for each entity that was part of the consolidated entity as at the end of the financial year.

b) Determination of Tax Residency

Section 295 (3A) of the *Corporations Act 2001* defines tax residency as having the meaning in the *Income Tax Assessment Act 1997*. The determination of tax residency involves judgment as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

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

Australian tax residency	The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance.
Foreign tax residency	Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with.
Partnership and Trusts	Australian tax law does not contain specific residency tests for partnerships and trusts. Generally, these entities are taxed on a flow-through basis so there is no need for a general residence test. There are some provisions which treat trusts as residents for certain purposes, but this does not mean the trust itself is an entity that is subject to tax.

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

Consolidated entity disclosure statement

Entity Name	Entity type	% of share capital held	Country of incorporation	Tax residency
1447704 B.C. Ltd.[1]	Body Corporate	100.0	Canada	Foreign - Canada
2545-2509 Quebec Inc.	Body Corporate	100.0	Canada	Foreign - Canada
88766 Canada Inc.	Body Corporate	100.0	Canada	Foreign - Canada
AJ Park IP Limited	Body Corporate	100.0	New Zealand	Foreign - New Zealand
AJ Park Law Limited	Body Corporate	0.0	New Zealand	Foreign - New Zealand
Applied Marks Pty Ltd	Body Corporate	100.0	Australia	Australian
Beijing Pat SF Intellectual Property Agency Co Ltd	Body Corporate	0.0	China	Foreign - China
CIPS, Canadian Intellectual Property Service Inc.	Body Corporate	100.0	Canada	Foreign - Canada
GH Law Pty Ltd	Body Corporate	100.0	Australia	Australian
GH PTM Pty Ltd	Body Corporate	100.0	Australia	Australian
Griffith Hack Holdings Pty Ltd	Body Corporate	100.0	Australia	Australian
IPH (Thailand) Ltd	Body Corporate	49.0	Thailand	Foreign - Thailand
IPH Canadian Holdings Limited[1]	Body Corporate	100.0	Canada	Foreign - Canada
IPH Canadian Investments Limited	Body Corporate	100.0	Canada	Foreign - Canada
IPH Canadian IP Holdings LP	Partnership	n.a	n.a	Foreign - Canada
IPH Canadian Services Limited	Body Corporate	100.0	Canada	Foreign - Canada
IPH Employee Share Trust	Trust	n.a	Australia	Australian
IPH Holdings (Asia) Pte Ltd	Body Corporate	100.0	Singapore	Foreign - Singapore
IPH Limited[2]	Body Corporate	100.0	Australia	Australian
IPH Québec Holdings Limited[1]	Body Corporate	100.0	Canada	Foreign - Canada
IPH Services Pty Ltd	Body Corporate	100.0	Australia	Australian
IPH US Inc	Body Corporate	100.0	USA	Foreign - USA
Pizzeys Patent & Trade Mark Attorneys Pty Ltd	Body Corporate	100.0	Australia	Australia
Pizzeys Pte Ltd	Body Corporate	100.0	Singapore	Foreign - Singapore
PT Spruson Ferguson Indonesia	Body Corporate	100.0	Indonesia	Foreign - Indonesia
ROBIC IP Agency LP[1]	Partnership	n.a	n.a	Foreign - Canada
ROBIC Law LLP	Partnership	n.a	n.a	Foreign - Canada
Smart & Biggar Alberta LLP	Partnership	n.a	n.a	Foreign - Canada
Smart & Biggar LLP[1]	Partnership	n.a	n.a	Foreign - Canada
Smart & Biggar LP[1]	Partnership	n.a	n.a	Foreign - Canada
Smart & Biggar Management Limited	Body Corporate	99.9	Canada	Foreign - Canada
Spruson & Ferguson (Asia) Pte Limited	Body Corporate	100.0	Singapore	Foreign - Singapore
Spruson & Ferguson (Hong Kong) Ltd	Body Corporate	100.0	Hong Kong	Foreign - Hong Kong
Spruson & Ferguson (M) SDN BHD	Body Corporate	100.0	Malaysia	Foreign - Malaysia
Spruson & Ferguson (NSW) Pty Limited	Body Corporate	100.0	Australia	Australian
Spruson & Ferguson (Philippines) Inc	Body Corporate	99.0	Philippines	Foreign - Philippines
Spruson & Ferguson Intellectual Property Agency (Beijing) Company Ltd	Body Corporate	100.0	China	Foreign - China
Spruson & Ferguson Lawyers Pty Limited	Body Corporate	100.0	Australia	Australian
Spruson & Ferguson Ltd	Body Corporate	100.0	Thailand	Foreign - Thailand
Spruson & Ferguson Pty Limited	Body Corporate	100.0	Australia	Australian
Xenith IP Group Pty Ltd	Body Corporate	100.0	Australia	Australian
Xenith IP Services Pty Ltd	Body Corporate	100.0	Australia	Australian

1. These entities are partners in a partnership which is consolidated in the consolidated financial statements.
2. This entity is a trustee of a trust which is consolidated in the consolidated financial statements.

Directors' declaration

The Directors' declare that:

> In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;
> In the directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 1 to the financial statements;
> In the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity;
> The directors have been given the declarations required by s.295A of the *Corporations Act 2001*;
> In the directors' opinion, the attached consolidated entity disclosure statement is true and correct.

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 2016/785 applies, as detailed in note 4.5 to the financial statements, will as a group, be able to meet any obligations or liabilities to which they are, or may become, subject because of the deed of cross guarantee.

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
22 August 2024
Sydney

Independent auditor's report

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Quay Quarter Tower
Level 46, 50 Bridge St
Sydney, NSW, 2000
Australia

Phone: +61 2 9322 7000
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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 2024, 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 material accounting policy information and other explanatory information, the directors' declaration and the Consolidated Entity Disclosure Statement.

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 2024 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.

Independent auditor's report

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Key Audit Matter	How the scope of our audit responded to the Key Audit Matter

Accounting for the acquisition of Ridout & Maybee ("R&M") and ROBIC LP ("ROBIC")
 	
As disclosed in note 4.2 (a), IPH Limited acquired R&M on 29 September 2023. In accordance with Australian Accounting Standards, IPH Limited has recorded the fair value of the assets acquired and liabilities assumed on the acquisition date. The total consideration was $70.2 million and provisional goodwill of $38.7 million was recognised on acquisition.
 	
As disclosed in note 4.2 (b), IPH Limited acquired ROBIC on 15 December 2023. In accordance with Australian Accounting Standards, IPH Limited has recorded the fair value of the assets acquired and liabilities assumed on acquisition date. The total consideration was $122.9 million and provisional goodwill of $57.2 million was recognised on acquisition.
 	
Accounting for acquisitions is complex and requires significant judgement, requiring management to determine:
 	
• whether IPH controls all the entities acquired;
• the fair value of the consideration including any contingent amounts; and
• the fair value of the identifiable intangible assets such as customer relationships and trademarks which are recognised separately from goodwill.
 	
The acquisition of R&M and ROBIC is a key audit matter due to the complexity and judgements involved in accounting for the business combination and the fair value of the assets acquired and liabilities assumed at the date of acquisition.
	Our procedures performed included, but were not limited to:
	
	• Obtaining a detailed understanding of the terms and conditions of the related purchase agreements including the determination of the nature and the amount of any contingent consideration;
	
	• Reviewing the technical accounting position papers prepared by management's external expert, in respect of whether IPH has acquired control over all the entities acquired in accordance with Australian Accounting Standards;
	
	• Performing a detailed review of management's external expert's purchase price allocation report to understand the scope of their engagement and any limitations in their report;
	
	• Evaluating the competence, capability and objectivity of management's external experts used to determine the accounting treatment, referred to above, and those used to determine the fair value of the intangible assets acquired and the associated purchase price accounting;
	
	• Evaluating the methodology used by management to ascertain the fair value of the purchase consideration at acquisition date, including the probability of EBITDA hurdles being achieved by ROBIC and hence likelihood of the payment of the contingent consideration;
	
	• Obtaining and assessing management's position paper setting out the accounting treatment and calculation of the contingent consideration;
	
	• In conjunction with our valuation specialists, evaluating the appropriateness of the fair values attributed to the tangible and intangible assets acquired, and liabilities (including contingent liabilities) assumed as part of the business acquisition by:
	
	  • assessing the identification of customer relationships and patents and trademarks;
	
	  • performing procedures on the intangible asset valuations, including;
	
	    • analysing cash flow assumptions such as revenue growth rates, gross

Independent auditor's report

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	margin and contributory asset charges, • assessing the discount rate used; and • challenging the reasonableness of the valuation outputs. • In conjunction with our tax specialists, reviewing the work performed by management's expert in respect of the income tax cost base of assets and liabilities and any associated deferred tax assets and liabilities recognised; and • Evaluating the adequacy of disclosures made in the financial report against relevant accounting standards.
Recoverable value of Pizzeys and ROBIC cash generating units Goodwill relating to the Pizzeys cash generating unit ("CGU") and ROBIC CGU as disclosed in note 2.2 (b) was \$68.3 million and \$56.3 million, respectively. Management has applied a 'value in use' approach for impairment testing purposes to both CGUs. As set out in note 2.2 (b), for the Pizzeys CGU, a decrease of the EBITDA Compound Annual Growth Rate ("CAGR") by 3.53% or an increase in the post-tax discount rate of 1.20% would result in the carrying value of the Pizzeys CGU being equal to the recoverable amount. As set out in note 2.2 (b), for the ROBIC CGU, as it was acquired in the current financial year, the carrying value approximates its fair value. Any adverse changes in macroeconomic factors or failure to achieve planned growth objectives, may lead to future impairment. The estimate of the recoverable value of each CGU requires management to exercise significant judgement in determining the key assumptions used in the cash flow projections such as: • short-term forecast revenue and costs; • long-term growth rates; and	Our procedures performed included, but were not limited to: • Evaluating management's assessment of whether there are any impairment indicators; • Obtaining an understanding of the design and implementation of management's process to estimate the recoverable value of each CGU including the budgeting and forecast process and the preparation of discounted cash flow models; • Agreeing the assumptions used in the discounted cash flow models to Board approved budgets and forecasts; • Considering the impact of broader economic conditions on future forecast cash flows, with specific focus on forecast revenue and costs; • Assessing the historical accuracy of management's forecasting by comparing actual results to budgeted results for preceding years; • In conjunction with our valuation specialists: • assessing the appropriateness of the methodology used in management's discounted cash flow models; and • challenging the key assumptions and estimates used by management in their discounted cash flow models, including analysis of long-term growth rates with reference to industry data and external economic outlook and determining our independent expectation of an appropriate discount rate range;

Independent auditor's report

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• discount rates. Changes to these assumptions can impact the recoverable value of each CGU.	• Challenging and evaluating the appropriateness of management's sensitivity analysis; and • Evaluating the adequacy of disclosures made in the financial report against the relevant accounting standards.

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 2024 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 in accordance with the Corporations Act 2001, including giving a true and fair view of the financial position and performance of the Group in accordance with Australian Accounting Standards; and
- For such internal control as the directors determine is necessary to enable the preparation of the financial report in accordance with the Corporations Act 2001, including giving a true and fair view of the financial position and performance of the Group, 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.

Independent auditor's 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.
- 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 2024.

In our opinion, the Remuneration Report of IPH Limited for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Independent auditor's report

Deloitte.

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

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Partner
Chartered Accountants
Sydney, 22 August 2024

Shareholder information

Distribution of equitable securities

Analysis of the number of equitable security holders by size of holding:

Range	Securities	%	No. of holders
100,001 and over	217,418,987	87.76	119
10,001 to 100,000	13,582,323	5.48	543
5,001 to 10,000	6,366,531	2.57	870
1,001 to 5,000	8,863,989	3.58	3,448
1 to 1,000	1,506,291	0.61	3,385
Total	**247,738,121**	**100.00**	**8,365**

Geographic distribution

Range	Securities	%	No. of holders	%
Australia	224,880,098	90.79	8,164	97.60
Australia Capital territory	558,965	0.23	139	1.66
New South Wales	156,346,899	63.12	3,260	38.99
Northern Territory	71,819	0.03	34	0.41
Queensland	7,201,438	2.91	1,731	20.69
South Australia	2,120,188	0.86	534	6.38
Tasmania	209,020	0.08	90	1.08
Victoria	56,700,090	22.89	1,794	21.44
Western Australia	1,666,679	0.67	581	6.94
Other	5,000	0.00	1	0.01
Bahrain	450	0.00	1	0.01
Canada	22,381,128	9.03	95	1.14
China	4,105	0.00	1	0.01
Hong Kong	6,234	0.00	3	0.04
India	700	0.00	1	0.01
Indonesia	2,982	0.00	1	0.01
Italy	4,333	0.00	1	0.01
Japan	974	0.00	1	0.01
Malaysia	4,800	0.00	3	0.04
New Zealand	311,040	0.13	69	0.82
Papua New Guinea	1,000	0.00	1	0.01
Philippines	1,770	0.00	1	0.01
Singapore	52,672	0.02	9	0.11
Sweden	1,657	0.00	1	0.01
Thailand	8,000	0.00	1	0.01
United Kingdom	53,006	0.02	7	0.08
United States	23,172	0.01	6	0.07
Total	**247,738,121**	**100.00**	**8,366**	**100.00**

Shareholder information

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest registered holders of quoted equity securities as at 31 July 2024 are listed below:

Rank	Name	A/C designation	31 Jul 2024	%IC
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED		81,463,731	32.89
2	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED		40,094,309	16.18
3	CITICORP NOMINEES PTY LIMITED		37,490,160	15.13
4	NATIONAL NOMINEES PTY LIMITED		9,732,304	3.93
5	UBS NOMINEES PTY LTD		3,582,981	1.45
6	BNP PARIBAS NOMS PTY LTD		2,234,608	0.90
7	BNP PARIBAS NOMINEES PTY LTD	<AGENCY LENDING A/C>	1,790,132	0.72
8	PACIFIC CUSTODIANS PTY LIMITED	IPHEMP SHARE TST	1,520,788	0.61
9	TALABAH PTY LIMITED		1,367,175	0.55
10	CITICORP NOMINEES PTY LIMITED	<COLONIAL FIRST STATE INV A/C>	1,349,154	0.54
11	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	<NT-COMNWLTH SUPER CORP A/C>	1,116,064	0.45
12	BNP PARIBAS NOMS PTY LTD	<HUB24 CUSTODIAL SERV LTD>	1,011,578	0.41
13	WOMBEE PTY LTD	<IRANI FAMILY A/C>	1,000,654	0.40
14	SETDOR PTY LTD	<PIPPARD FAMILY NO 1 A/C>	1,000,000	0.40
15	BKI INVESTMENT COMPANY LIMITED		965,000	0.39
16	HSBC NOMINEES (AUSTRALIA) LIMITED	<GSCO CUSTOMER A/C>	935,781	0.38
17	D/CO GESTION INC		707,769	0.29
17	GESTIAN COMMERCIALE CHOPIN INC		707,769	0.29
19	15530598 CANADA INC		650,991	0.26
20	15530474 CANADA INC		636,796	0.26
Total			**189,357,744**	**76.43**
Balance of register			**58,380,377**	**23.57**
Grand total			**247,738,121**	**100.00**

Unquoted equity securities

	No. on issue	No. of holders
Performance rights	2,876,557	185

Shareholder information

Substantial holders

The names of substantial shareholders of the Company's ordinary shares as at 31 July 2024 (holding no less than 5%) who have notified the Company in accordance with section 671B of the *Corporations Act 2001* are:

Holder	Date of the last notice received	No. of securities	Percentage of issued capital
IPH Ltd and its related bodies corporate [1]	18 December 2023	24,127,996	9.81%
Perpetual Limited and its related bodies corporate	20 May 2024	21,267,571	5.86%
The Vanguard Group, Inc. and its controlled entities	21 May 2024	12,705,745	5.16%
State Street Corporation and subsidiaries	14 May 2024	12,558,827	5.07%

1. The restrictions on disposal of shares under the voluntary escrow arrangements that the Company has in place with the vendors of the businesses of ROBIC, Ridout & Maybee and Smart & Biggar give the Company a relevant interest in 22,597,624 shares. However, the company has no right to acquire these shares or to control the voting rights attaching to these shares. The remaining 1,530,372 shares are held by the IPH Limited employee share trust.

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.

Securities subject to voluntary escrow

Class	Expiry date	No. of securities
Ordinary	6 October 2024	5,317,980
Ordinary	1 January 2025	8,258,955
Ordinary	14 July 2025	216,496
Ordinary	29 September 2025	2,842,488
Ordinary	15 December 2025	5,961,705

Corporate directory

Directors

Mr Peter Warne | Chairman
Dr Andrew Blattman
Mr John Atkin
Ms Vicki Carter
Ms Jingmin Qian
Mr David Wiadrowski

Company Secretary

Ms Tamsyn Hoff

Notice of Annual General Meeting

IPH will hold its 2024 Annual General Meeting on Thursday 14 November 2024.

Registered office

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

T 02 9393 0301

F 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

T 1300 554 474

Auditor

Deloitte Touche Tohmatsu
Quay Quarter Tower, 50 Bridge Street,
Sydney NSW 2000

Solicitors

Bird & Bird
Level 22, 25 Martin Place,
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 designdavey

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