

ASX Announcement

29 November 2018

Clarification regarding IPH proposal to acquire QANTM

IPH Limited notes the ASX release by QANTM Intellectual Property Group Limited (“**QANTM**”) entitled “Response to IPH indicative proposal to acquire QANTM” released on 27 November 2018 in which QANTM announced it did not consider IPH’s proposal to combine IPH and QANTM through a scheme of arrangement was in the best interests of its shareholders.

In the interests of the market being fully informed, IPH notes the following to clarify the nature of our proposal in response to QANTM’s announcement and the proposed merger with Xenith:

- IPH believes its offer represented a superior proposal to the proposed merger between QANTM and Xenith IP Group Limited (“**Xenith**”).
- IPH believes its proposal was not “highly conditional” and did not “entail significant execution risk” as stated in QANTM’s announcement.
- IPH’s proposal was subject to reaching in-principle agreement followed by mutual confirmatory due diligence, entering into a scheme implementation agreement, a unanimous board recommendation and other standard conditions of a similar nature as agreed to by QANTM in its Scheme Implementation Deed with Xenith, including gaining all necessary regulatory approvals.
- IPH had informed QANTM it proposed a brief period of confirmatory mutual due diligence period of approximately two weeks.
- It is understood that QANTM’s proposed merger with Xenith is subject to materially the same regulatory requirements as IPH’s proposal.
- QANTM notified IPH that it would not proceed with the proposal on the basis it did not believe it was likely to be acceptable to its shareholders as the sole explanation for its decision in its letter to IPH dated 22 November 2018.
- In reference to QANTM’s announcement regarding “cultural alignment” between QANTM and Xenith in its proposed merger, IPH notes it has a strong track record of working with staff from acquired businesses, with a high retention rate and that under the IPH proposal QANTM staff would have benefited from the enlarged group’s expanded geographic reach and platform to maximise growth opportunities, opportunities for relevant staff to participate in the IPH staff incentive scheme and pathways for career development in the enlarged group.
- A Non-Executive Board position was offered, as well as DCC and FPA representatives to join the IPH Group Leadership Team.

IPH notes that QANTM shareholders are unable to vote on the proposed merger with Xenith and that the terms agreed to by QANTM and Xenith in relation to their proposed merger do not appear to allow a party to the Scheme Implementation Deed to terminate it should that party receive a superior proposal from any third party. Accordingly, IPH considers it is unclear whether QANTM shareholders will have the opportunity to receive a superior proposal from any third party, including IPH, at this stage. IPH has written to QANTM to seek its clarification of this point.

About IPH Limited

IPH Limited ("IPH", ASX:IPH), the holding company of Spruson & Ferguson, Practice Insight, Pizeys and AJ Park, is the leading intellectual property ("IP") services group in the Asia-Pacific region offering a wide range of IP services and products. These services are provided across Australia, New Zealand, Papua New Guinea, the Pacific Islands and Asia from offices in Sydney, Brisbane, Melbourne, Canberra, Auckland, Wellington, Singapore, Kuala Lumpur, Jakarta, Beijing, Hong Kong and Bangkok. The group comprises a multidisciplinary team of approximately 630 people, including some of the most highly regarded IP professionals in the Asia-Pacific region. The team services a diverse client base of Fortune Global 500 companies and other multinationals, public sector research organisations, foreign associates and local clients. IPH is the first IP services group to list on the Australian Securities Exchange.