

# ASX Announcement

8 May 2024

## IPH non-binding proposal to acquire QANTM Intellectual Property

IPH Limited (IPH) today announces that it has submitted the attached non-binding indicative proposal to QANTM Intellectual Property (QANTM) to acquire 100% of its shares via a scheme of arrangement for 0.291 IPH shares and a fully franked special dividend of up to \$0.11 cash for each QANTM share held (Proposal).

Based on IPH's last closing price, the Proposal implies a value per share of \$1.90 which represents a significant premium to QANTM's share price prior to the approaches from Rouse and Adamantem. IPH believes the Proposal represents a superior proposal to Adamantem's indicative proposal given the attractive value offered, the ongoing ability for QANTM shareholders to participate in the benefits from the combination (including synergies), and the enhanced liquidity of IPH shares compared to QANTM and unlisted shares in the Adamantem acquisition entity (being the form of scrip consideration offered under the Adamantem indicative proposal).

The Proposal is subject to approval from the ACCC and NZCC as well as the satisfaction of other customary conditions.

Chief Executive Officer, Dr Andrew Blattman, said: "Pursuing strategic and financially accretive M&A has long been a core pillar of IPH's growth strategy and we are regularly assessing a range of potential transactions across the regions in which we operate. We believe that the time is right for a combination of QANTM and IPH and we see a compelling strategic rationale to the acquisition which will support a range of benefits to shareholders, employees, and clients."

"If successful, we look forward to pursuing a range of growth initiatives in partnership with the QANTM team, particularly in relation to continuing to invest in our ANZ service offering and leveraging our combined platform across Asia to increase our market penetration."

"Our Proposal represents compelling value to QANTM shareholders and we have proposed an accelerated timetable to ensure timely execution of binding transaction documentation. We look forward to further engagement with QANTM and progressing our Proposal."

IPH notes that the Proposal is indicative, incomplete and non-binding and there is no certainty that the Proposal will result in a transaction.

For more information, please contact:

**Martin Cole**

Capital Markets Communications

T. +61 403 332 977

E. [martin.cole@capitalmarketscommunications.com.au](mailto:martin.cole@capitalmarketscommunications.com.au)

**Authorised for release to ASX by:**

The Board of Directors of IPH

**About IPH Limited**

IPH is an international intellectual property services group, comprising a network of member firms working in ten IP jurisdictions and servicing more than 25 countries. The group includes leading IP firms AJ Park, Griffith Hack, Pizzeys, ROBIC, Smart & Biggar, Spruson & Ferguson and online IP services provider Applied Marks. IPH employs more than 1,600 people working in Australia, Canada, China, Hong Kong SAR, Indonesia, Malaysia, New Zealand, Philippines, Singapore and Thailand.





7 May 2024

Sonia Petering  
Chair of the Board of Directors  
QANTM Intellectual Property Limited  
1 Nicholson Street  
Melbourne, Victoria, 3002

ABN 49 169 015 838  
Level 24, Tower 2  
Darling Park, 201 Sussex Street  
Sydney NSW 2000, Australia  
Mail to: GPO Box 3325  
Sydney NSW 2001, Australia  
Phone: +61 2 9393 0301  
Fax: +61 2 9261 5486  
info@iphltd.com.au  
www.iphltd.com.au

By email: [REDACTED]

Dear Sonia,

## **NON-BINDING INDICATIVE PROPOSAL TO ACQUIRE QANTM INTELLECTUAL PROPERTY LIMITED**

IPH Limited (**we** or **IPH**) is pleased to submit this non-binding, indicative proposal to acquire 100% of the shares in QANTM Intellectual Property Limited (**QANTM**) via a scheme of arrangement for 0.291 IPH shares and a fully franked special dividend of up to \$0.11 cash for each QANTM share held (**Proposal**).

Based on IPH's last closing price, the Proposal implies a value per share of \$1.90 which represents a premium of 4.6% to Adamantem's indicative proposal to acquire all of the shares of QANTM (as first announced by QANTM on 12 March 2024) (**Adamantem Proposal**), and a premium of 65.9% to QANTM's undisturbed price of \$1.145 (close price on 26 February 2024).

### **1. Strategic rationale**

We believe QANTM and IPH are a clear strategic fit and complementary in terms of our reputation and leadership, service offering, heritage, client focussed cultures and focus on innovation and growth. The combination of QANTM and IPH is compelling, with significant benefits accruing to both sets of shareholders, the industry and other stakeholders.

The key benefits of this Proposal are summarised below.

- Enables both QANTM and IPH shareholders to participate in a larger scale platform and potential synergy benefits
- Fully franked special dividend provides immediate benefit to QANTM shareholders and offers an additional \$0.047 per share of franking credits to QANTM shareholders depending on their personal tax circumstances
- Complementary member firms' key service offerings
- Combining the two portfolios provides greater diversification of clients geographically and in relation to industry exposure
- Enhanced combined platform across the Asia Pacific with over 20 years' experience in the region providing significant opportunities for further expansion and assessment of other strategic beachheads
- Broadens the service offering for clients

- Materially improves liquidity for QANTM shareholders (through receiving IPH shares as consideration), especially when compared to the scrip consideration offered under the Adamantem Proposal (being shares in an unlisted private equity controlled acquisition vehicle)
- Greater combined capital strength to exploit future growth opportunities
- Enhances career opportunities for professional staff

IPH has a track record of successful acquisitions and integrations with operations in ten IP jurisdictions and across multiple businesses implementing a vision to be the leading IP services group in secondary IP markets and adjacent areas of IP.

We see the combination of QANTM and IPH as creating a leading IP services firm in the APAC region which will position both businesses for success over the long-term.

## 2. Indicative Proposal

### Consideration

IPH's Proposal is to acquire 100% of the shares in QANTM<sup>1</sup> for 0.291 IPH shares for each QANTM share held and a special dividend of \$0.11 cash for each QANTM share held (**Offer Price**) subject to the assumptions and conditions outlined in this letter. The special dividend enables eligible QANTM shareholders to receive approximately \$0.047 in additional benefit from franking credits, for those QANTM shareholders who are able to realise the full benefit of franking credits.

The Offer Price will be adjusted for any other dividends declared by either party prior to implementation.

### Conditions

IPH has received necessary board approvals to submit this Proposal.

Implementation of the Proposal will be subject to the terms of a binding Scheme Implementation Deed, which would set out the terms of an agreed transaction to effect the Proposal and provide for co-operation between IPH and QANTM.

Entry into the Scheme Implementation Deed by IPH will be subject to the following conditions being met in the period commencing on the date of this letter and ending on the date that the Scheme Implementation Deed is executed:

- (a) Satisfactory completion by IPH of confirmatory due diligence on QANTM and its business and operations (as outlined below);
- (b) The parties agreeing the terms of an ASX announcement which includes a unanimous QANTM Board recommendation in favour of the proposed transaction and a statement of intention by all QANTM Directors to vote in favour, and / or to otherwise support, of the proposed transaction (each in the absence of a superior proposal and subject to an Independent Expert concluding that the proposed transaction is in the best interests of QANTM shareholders); and
- (c) IPH receiving final board approval to execute the Scheme Implementation Deed.

In addition to the above conditions, implementation of the Proposal would be subject to customary conditions, including approval from the Australian Competition and Consumer Commission, the New Zealand Commerce Commission, QANTM Directors and QANTM shareholders.

### Superior Proposal

IPH believes the Proposal is superior to the Adamantem Proposal for the following reasons:

- Offer Price of \$1.90 per QANTM share represents a 4.5% premium to the price offered in the Adamantem Proposal, excluding any additional franking credit benefits to eligible QANTM shareholders associated with the payment of a special dividend

---

<sup>1</sup> Assumes 142,238,270 fully diluted shares outstanding (140,050,855 ordinary shares as disclosed in QANTM's Application for Quotation of Securities (released 19 December 2023) and 2,187,415 performance rights as disclosed in QANTM's 1H24 Half Year Report (released 19 February 2024).

- QANTM shareholders will participate in the ongoing benefits of the combination (including synergies), particularly as both businesses continue to deliver growth across its diverse regional operations, particularly in the Asia Pacific
- IPH shares offer improved liquidity when compared with QANTM shares and especially when compared with the form of scrip consideration offered under the Adamantem Proposal (being shares in an unlisted private equity controlled acquisition vehicle)

### 3. Financing

The Proposal will not be conditional on financing.

### 4. Due Diligence

IPH has deep knowledge of the markets in which QANTM operates and has already conducted significant due diligence based on publicly available information about QANTM. Given this, we believe that our confirmatory due diligence can be completed within two weeks (following entry into an appropriate confidentiality agreement).

### 5. Post Implementation Intentions

We recognise that IPH and QANTM have complementary cultures. As part of due diligence IPH would look to develop (in consultation with QANTM) a view of the optimal management structure for the combined company and the roles for QANTM management in the combined structure. Similarly, IPH intends to review the role, characteristics, positioning and strengths of the brands of the combined group.

### 6. Advisers

IPH has engaged Macquarie Capital as financial adviser and Bird & Bird and Webb Henderson as legal advisers to assist with the transaction.

### 7. Indicative Timetable

We envisage the following indicative timetable:

Step	Timing
Commencement of due diligence	As soon as practicable
Completion of due diligence	Late May 2024
Execution and announcement of binding transaction	Late May / Mid June 2024
Distribution of Scheme Booklet and any other material necessary to implement the proposed transaction	Q3 2024
Scheme meeting and Completion	Q3 / Q4 2024 (depending on regulatory approval timing)

### 8. Next steps

IPH is excited to pursue this opportunity and we believe it is in the interests of all parties to progress this Proposal in an expedient manner which minimises undue disruption to the business. We have committed significant internal and external resources to this opportunity and can commence due diligence immediately.

We look forward to commencing this process with you and will work to agree binding transaction documents as quickly as possible.

## 9. Nature of the Proposal

The Proposal set out in this letter is indicative, incomplete and non-binding. It is not an offer capable of acceptance, nor does it give rise to a binding contract. Any legally binding obligations would be subject to, among other things, the execution of definitive documentation and final board approvals.

Unless and until a binding Scheme Implementation Deed is entered into, IPH will not be under any obligation to QANTM with respect to the Proposal or anything set out in this letter. We reserve the right to terminate discussions immediately at any time and not to pursue the Proposal (for any reason or for no reason), without any obligation on our part.

For the avoidance of doubt, this letter is not, and cannot be considered to be, notification or a public announcement of an intention to make a takeover offer pursuant to section 631 of the Corporations Act.

We look forward to your response.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Peter Warne', with a long horizontal stroke extending to the right.

**Peter Warne**  
Chair of the Board of Directors  
IPH Limited