

ASX Announcement



23 June 2022

INVESTOR BRIEFING HOSTED BY MACQUARIE

Attached is an investor presentation to be given today by QANTM's CEO and Managing Director, Craig Dower, at a group investor briefing hosted by Macquarie.

This announcement has been authorised by the QANTM Board for release through the ASX Market Announcements Platform.

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Chief Executive Officer and Managing Director

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www.qantmip.com

About QANTM Intellectual Property

QANTM Intellectual Property Limited (QANTM, ASX: QIP) is the owner of a group of leading intellectual property (IP) services businesses operating in Australia, New Zealand, Singapore and Malaysia under the following key brands - Davies Collison Cave, FPA Patent Attorneys, Cotters Patent and Trade Mark Attorneys, Advanz Fidelis IP and Sortify.tm Ltd (including Sortify's brands - DIY Trademarks, Trademarks Online and Trademark Planet). With more than 150 highly qualified professionals, the businesses within the QANTM Group have a strong track record in providing a comprehensive suite of services across the IP value chain to a broad range of Australian and international clients, ranging from start-up technology businesses to Fortune 500 multinationals, public research institutions and universities.



GROUP INVESTOR BRIEFING HOSTED BY MACQUARIE



Craig Dower, CEO and Managing Director
Brenton Lockhart, Chief Financial Officer
Peter Loosmore, Finance Consultant

23 June 2022

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1. Industry Overview
2. About Qantm
3. Summary



1

INDUSTRY OVERVIEW

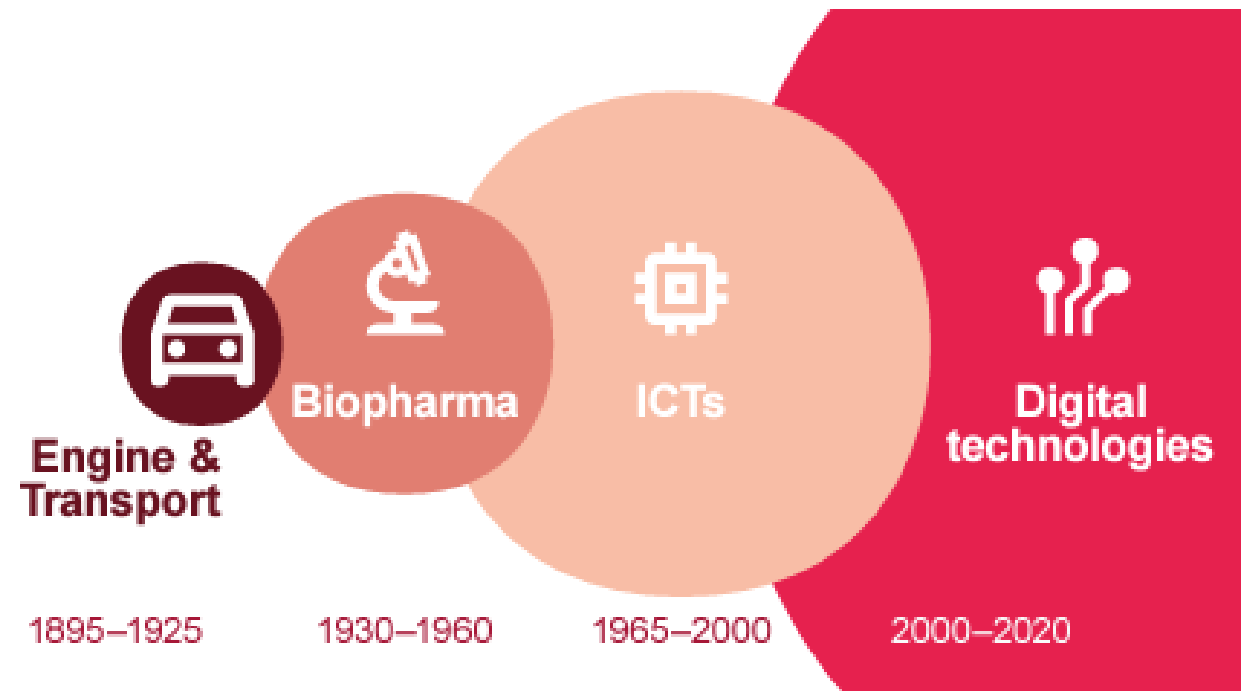
INDUSTRY OVERVIEW



For more than a century innovation activity has grown substantially around the world. Driven by a series of technological breakthroughs from the internal combustion engine, to information and communication technologies, innovation has become one of the most powerful tools at our disposal for advancing overall welfare and wellbeing.

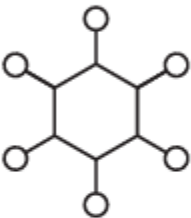
Daren Tang
Director General
World Intellectual Property Organization (WIPO)

Diverse technologies have driven innovation growth over the past 100 years



Source: World Intellectual Property Report, 2022

Global Innovation Tracker Dashboard



Science and innovation investments

		R&D expenditures			
		Total	Business	International patent filings	
Short term	Scientific publications				
		2019 → 2020	2018 → 2019	2019 → 2020	2019 → 2020
		7.6%	8.5%	7.2%	3.5%
					5.8%
Long term					
		2010 → 2020 (annual growth)	2009 → 2019 (annual growth)	2010 → 2020 (annual growth)	2010 → 2020 (annual growth)
		5.4%	4.9%	5.2%	5.3%
					3.6%

Commentary

- IP industry growth broadly correlates with global sentiment around R&D
- As economies develop, industry and regulatory policy leads to investment in technology
- This leads to investment in IP protection
- Trends, in both short and long term, are for consistent growth, with a high degree of resilience
- Whilst some industry sectors may decline, others emerge (e.g. emergence of digital technologies over past 20 years, and continued evolution within that sector)

Source: World Intellectual Property Report Global Innovation Index, 2021

2

ABOUT QANTM

ABOUT QANTM - SNAPSHOT



- Four highly successful, well-recognised and independent businesses, each with distinctive and innovative capabilities:
 - **DCC Patent and Trade Mark Attorneys** - (www.dcc.com) a leading attorney practice servicing the Asia Pacific region;
 - **DCC Law**, a leading law firm in Australia;
 - **FPA Patent Attorneys** – (www.fpapatents.com) one of the leading and most innovative patent firms in Australia, New Zealand and Singapore;
 - **Sortify.tm** – (www.sortify.tm) developer and provider of AI-powered IP systems for attorneys and leading online trade mark registration platforms: www.trademarksonline.com.au; www.trademarksonline.co.uk; www.trademarksonline.com.sg; and www.diytm.co.nz
- 350 employees across 4 countries
- Broad services portfolio: Patents, Trademarks, Designs, Legal and Litigation Services, Platform-based services, Software-based Attorney Tools



ABOUT QANTM – OUR STRATEGY



OUR VISION

To be recognised as the pre-eminent and most innovative IP services group in the Asia Pacific region

OUR MISSION

Working with the world's greatest innovators, we help develop, protect and commercialise their ideas

OUR PATHWAYS TO GROWTH

Organic Growth

- Focus on excellence
- Diverse capabilities & service offerings
- Targeted sales & marketing

M&A

- EPS accretive acquisitions
- Focus on Asia
- New beach heads

Technology enabled

- Adjacent capabilities (e.g. Sortify)
- Automation
- Productivity enhancements

ABOUT QANTM - KEY INVESTMENT HIGHLIGHTS



- Highly defensive sector - IP industry continues to show strong resilience in an increasingly uncertain world
- Growth linked to global innovation and R&D – long arc trends upwards, even through disruption
- Internationally recognised brands with a key focus on the fast growing Asia Pacific region
- A full suite of specialist IP services, across all industry sectors, providing diversified client engagement opportunities
- Long standing client base of global innovators, with high degree of client retention and repeat revenues
- Outstanding people, with high degree of retention – many employees of 10+, 15+, 20+ years of service
- Continued investment in people, clients and technology will drive sustained revenue growth as well as earnings growth
- Cash flow, balance sheet remain strong and provide support for further growth
- Strong dividend: 70% - 90% of NPATA (current yield at H1FY22 ~6%, fully franked)

ABOUT QANTM – RECENT RESULTS

(AS REPORTED FOR 1H FY22)



Strong Business Performance







- Strong underlying business performance despite the challenges of COVID
- Continued revenue growth period to period, based on the strength of DCC, FPA and Advanz Fidelis
- Very strong growth in trade marks with DCC as market leader, plus the new inclusion of Sortify business
- Patent applications show strong growth to pcp – downstream revenue benefits also expected
- Strong direct/local client base - continued growth of outbound filings, including to QANTM businesses in Asia

Investment in People, Clients and Technology

- Continued focus on our people; emphasis on flexibility and wellness - high engagement, retention and new talent attraction
- Investments in growth and business development: examples include DCC US sales office, new talent, traineeships, targeted business development program, consistent sales methodology
- Technology modernisation underway – some transition and one-off costs, plus impact of IFRIC ruling
- Positioned to deliver earnings growth as technology modernisation and productivity initiatives build momentum

STRONG BUSINESS & PORTFOLIO PERFORMANCE



GROUP PATENT APPLICATIONS  up 11.9%	TRADE MARK APPLICATIONS  up 48%	ASIAN PATENT APPLICATIONS  up 35%
SERVICE CHARGES REVENUE  up 4.9% \$48.9m (1H21: \$46.6m)	TOTAL REVENUE  up 7.0% \$62.7m (1H21: \$58.6m)	UNDERLYING EBITDA *  down 5.0% \$12.8m (1H21: \$13.5m)

* Note: There were a number of one-off accounting that impacted H1 earnings

BUSINESS OVERVIEW



PATENT SERVICE CHARGES

↑ **UP 4.8%**

\$33.5m 1H22 vs \$31.9m 1H21 ²

- Solid increase in patent applications across Australia, Asia, PCT and Rest of World applications.

TRADE MARKS SERVICE CHARGES

↑ **UP 20.7%**

\$9.5m 1H22 vs \$7.9m 1H21 ²

- Initial contribution from Sortify and a recovery in Advanz Fidelis.

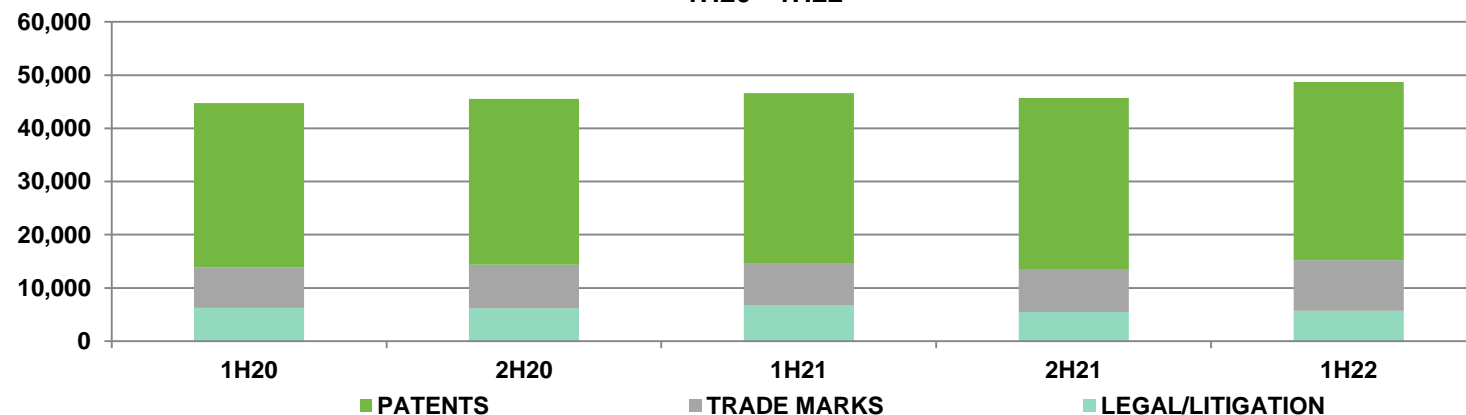
LEGAL/LITIGATION SERVICE CHARGES

↓ **DOWN 15.6%**

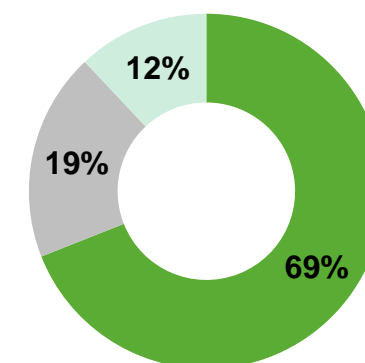
\$5.7m 1H22 vs \$6.8m 1H21 ²

- DCC has continued with a substantial case load.

**QANTM SERVICE CHARGES REVENUE
HALF YEAR TREND
1H20 - 1H22**



**PERCENTAGE OF AGGREGATE
QANTM SERVICE ¹
CHARGES 1H22**



NOTE:

^{1, 2} DCC, FPA and Advanz management analysis. Includes Cotters, acquired 22 May 2020,

STRATEGIC INITIATIVES

INVESTING ACROSS FIVE KEY AREAS



Focused investments
in **Growth and Transformation**,
with **People** at the
core of all that we do



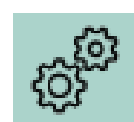
TECHNOLOGY



GROWTH AND
SCALE



PEOPLE



PROCESS



CLIENTS

Migrate to the cloud →
access to innovation

Build future capabilities (AI,
DevOps, data / analytics)

Build Agile innovation
framework

Organically grow existing
businesses

Expand footprint into Asia

Develop adjacent service
lines and technology related
plays

Invest in future skills –
technology, commercial,
leadership

Re-imagined workspaces;
greater workforce flexibility

Culture and values – *the* place
to work for IP professionals

Simplify all business
processes

Automate or eliminate
process steps wherever
possible

Reduce cost and complexity

Implement client listening
and account planning
methodologies

Drive greater collaboration
and innovation

Continued focus on
excellence



Vision: To make trademark protection accessible for everyone

The company

Sortify.tm Limited is a fast growing, New Zealand based, legal tech company which is automating the entire trademarking process

Founders

Founded by three trademark lawyers, Claire Foggo, Alan Potter and Narly Kalupahana, who combine domain expertise with a drive to shape the trademark industry

Focus

Focused on empowering brand owners, trademark lawyers and trademark registries with first in category innovative solutions

Online Registration

Sortify.tm's fully automated online trademark registration platforms enable businesses to protect their brands themselves

Sortify Attorney

Created the world's only AI-based trademark productivity software suite for trademark lawyers and registries

Ultimate aim

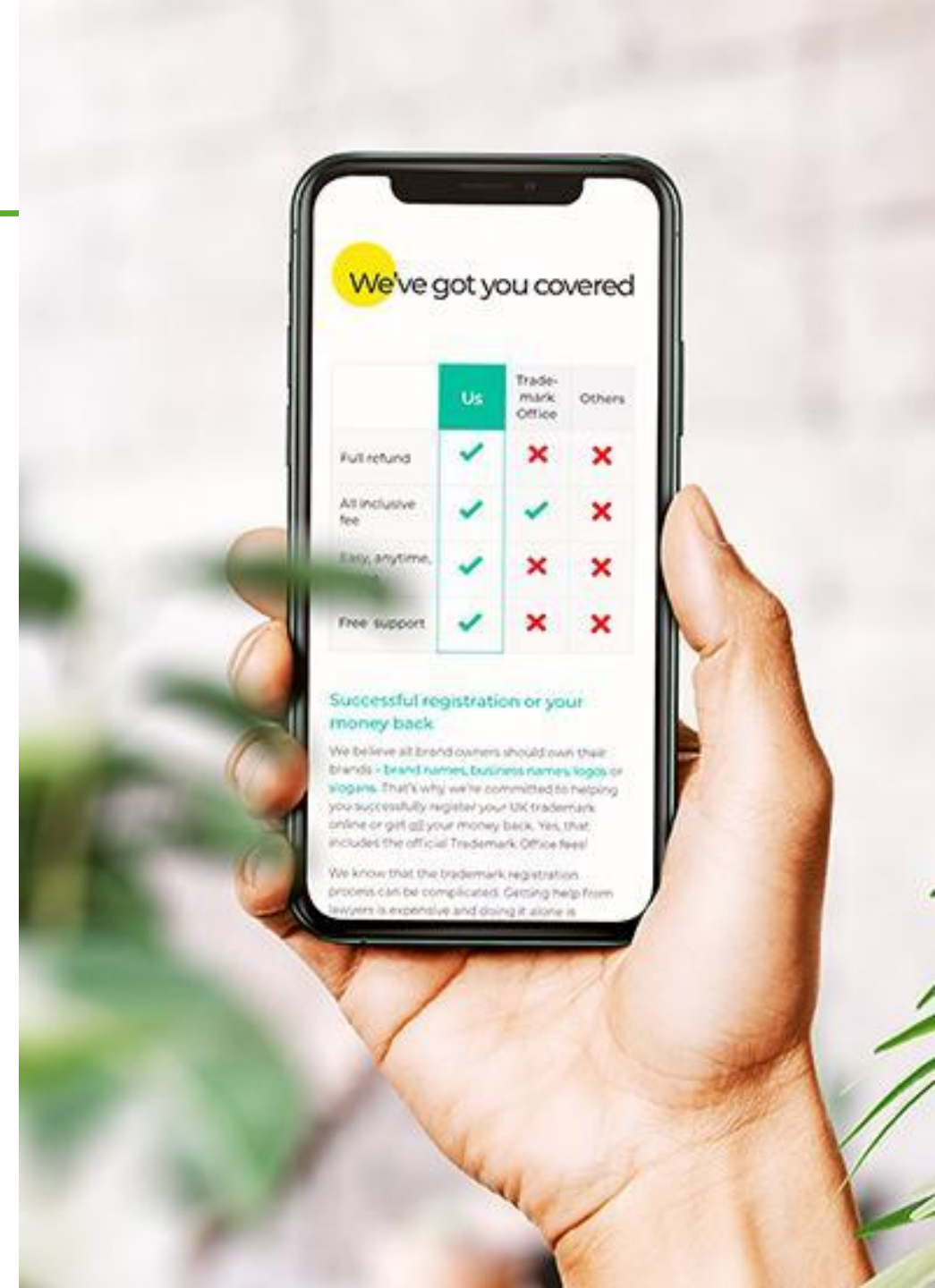
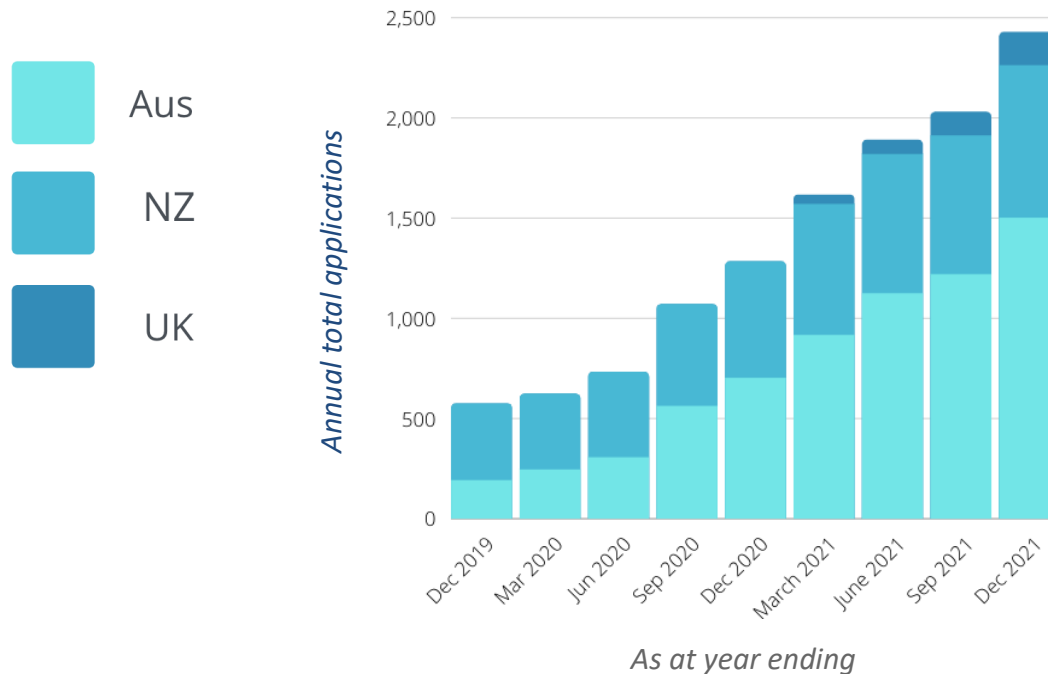
Scale online trademark registration, creating an end-to-end automated trademark protection system

ONLINE TRADEMARK REGISTRATION

Sortify.tm files more trademarks for local businesses than any other agent in Australasia.


Australia - Trademarks Online is the No. 3 filer of trademarks
New Zealand - DIY Trademarks is the No. 2 filer of trademarks

Trademark Applications - High Growth



ABOUT QANTM – LEVERAGING SORTIFY



 **Sortify.tm**

Vision: To make trademark protection accessible for everyone

The company
Sortify.tm Limited is a fast growing, New Zealand based, legal tech company which is automating the entire trademarking process

Founders
Founded by three trademark lawyers, Claire Foggo, Alan Potter and Naryl Kalupahana, who combine domain expertise with a drive to shape the trademark industry

Focus
Focused on empowering brand owners, trademark lawyers and trademark registries with first in category innovative solutions

Online Registration
Sortify.tm's fully automated online trademark registration platforms enable businesses to protect their brands themselves

Sortify Attorney
Created the world's only AI-based trademark productivity software suite for trademark lawyers and registries

Ultimate aim
Scale online trademark registration, creating an end-to-end automated trademark protection system

Business as Usual

Group Acceleration

Transformational

- Continue to deliver the Sortify vision (IP protection for everyone)
- Add resources from Qantm to accelerate and further enable
- Apply Sortify tools, platforms and skills to Qantm businesses (projects currently underway)
- Expand existing platforms into new geographies (e.g. recent Singapore launch)
- Apply combined skills, experience and assets to build new ideas and innovations
- Identify and exploit opportunities for disruption of legacy IP practices

Vision: Bring together our collective skills and resources to change and disrupt the industry and become the global market leader in intellectual property

RECENT BOARD AND EXECUTIVE CHANGES



BOARD



Sonia Petering, LLB, B.Com, FAICD
INDEPENDENT NON-EXECUTIVE CHAIR

Appointed as NED in June 2016, and Chair of the Board in May 2022 (following the retirement of Richard England)

Experienced Chair, director and lawyer.

Has served as a NED with listed and unlisted companies and government authorities across various sectors covering financial services, payments, insurance and healthcare.

Other directorships include Virtus Health Limited (ASX:VRT) and TAL Dai-Ichi Life Aust



Gavin Bell, LLB, MBA (Exec)
NON-EXECUTIVE DIRECTOR

Appointed as NED in March 2022

Experienced director, CEO and lawyer

Formerly CEO of global law firm Herbert Smith Freehills

Other directorships include IVE Group (ASX:IGL) and Smartgroup Corporation (ASX:SIQ). Previously served as NED in government and NFP sectors.

Gavin is Chair of QANTM's People, Remuneration and Culture Committee.



Kathy Gramp, BA (Acc), CA, FAICA, FAICD
NON-EXECUTIVE DIRECTOR

Appointed as NED in May 2022

Experienced, director and executive

Held executive roles at Southern Cross Austero including CFO and Co Sec

Other directorships include Codan Ltd (ASX:CDA) and Uniti Group (ASX:UWL)

Kathy is Chair of QANTM's Audit, Risk and Compliance Committee

EXECUTIVE



Brenton Lockhart, BBusCom, CA, GAICD
CHIEF FINANCIAL OFFICER

Appointed as CFO in June 2022 – an internal promotion following an external and internal search

Chartered Accountant with more than 18 years' experience

Held senior executive roles within the QANTM Group, serving as Head of Finance, and director, of FPA, and as Head of M&A for QANTM

3

SUMMARY

- IP industry continues to show strong resilience in an increasingly uncertain world – highly defensive sector linked to innovation and R&D
- Expect to see continued revenue growth across Qantm businesses and services portfolio
- Strong filings from direct/local client base – with downstream revenue benefits
- Continued investments in clients, people, technology - benefits will flow through to earnings in 2023
- M&A activity continuing → focus on Asian expansion
- Cash flow, balance sheet remain strong and provide support for further growth
- Board and executive team succession / refresh completed
- Merger of Cotters into FPA Australia and DCC Australia underway
- Merger of Advanz Fidelis into DCC Asia underway
- Recent launch of Sortify platform in Singapore
- Sortify acquisition brings: new sector growth, world-class technology capability, innovation and insights



FOR MORE INFORMATION

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CEO and Managing Director

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www.qantmip.com