

QANTM Investor Briefing Day

QANTM
INTELLECTUAL PROPERTY

Sydney
9 May 2023

Overview



1. Welcome and introductions
2. Market and industry overview
3. The role of IP in innovation
4. Drivers of growth across our three operating businesses
5. Our approach to attracting, developing and retaining talent
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Introducing Our Panel



Craig Dower

CEO & Managing Director,
QANTM



Michael Wolnizer

Group Managing Principal,
DCC



Claire Foggo

CEO & Co-founder,
Sortify



John Dower

Managing Principal,
FPA



David Webber

Managing Principal Patents,
DCC



Krista Stewart

General Counsel &
Company Secretary,
QANTM



Brenton Lockhart

CFO & Head of M&A,
QANTM

INSIGHTS ON IP

Protection of Indigenous Knowledge

"Control, Protection, Recognition and Respect" – Potential changes to IP Australia's trade mark examination processes to improve the protection of Indigenous Knowledge.



Australian Trade Mark Application No. 1

Daisy Williams, who was first in line when IP Australia opened and, on 2 July 1906, filed Australian trade mark application No. 1. Daisy remained an employee of DCC for 60 years.



The QANTM Group

Broad services portfolio: Patents, Trade marks, Designs, Legal and Litigation Services, Platform-based services, Software-based Attorney Tools



Leading attorney practice servicing the Asia Pacific region



Leading IP law firm in Australia



One of the leading and most innovative patent firms in Australia, New Zealand and Singapore



Developer and provider of AI-powered IP systems for attorneys and leading online trade mark registration platforms



380+

employees located across five key countries, servicing major global markets

Hong Kong
Malaysia
Singapore
Australia
New Zealand

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 Values



We act with integrity, dignity and respect



We deliver with excellence



We achieve through teamwork and collaboration



We are passionate about innovation and creativity



We practise the highest standards around ethics and transparency

Our Pathways to Growth

Organic Growth

- Focus on client service 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

Focused on execution & delivering earnings growth



We are fully committed to creating value for our shareholders.



Progress over the past 12 – 24 months

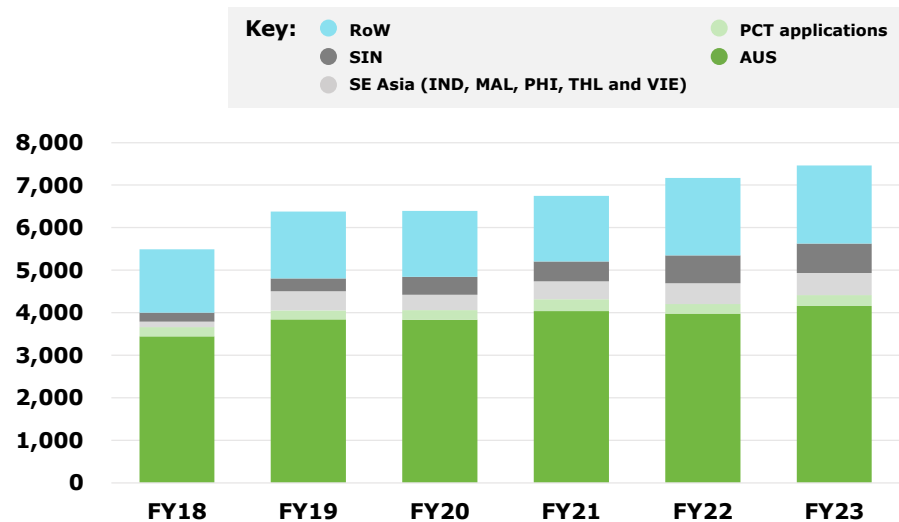
- Successful navigation through COVID
- Retention of key people across the Group
- Refresh of Board and Executive team
- Starting to deliver key technology and simplification milestones
- Growing market share through continued focus on client service excellence
- Asian expansion: DCC HK, Sortify Singapore and Malaysia; exploring further opportunities (M&A and strategic alliances)
- Margin growth in past two period results – target for EBITDA margins is low 30's in the medium term

Growing market share



QANTM Group Total New Patent Applications

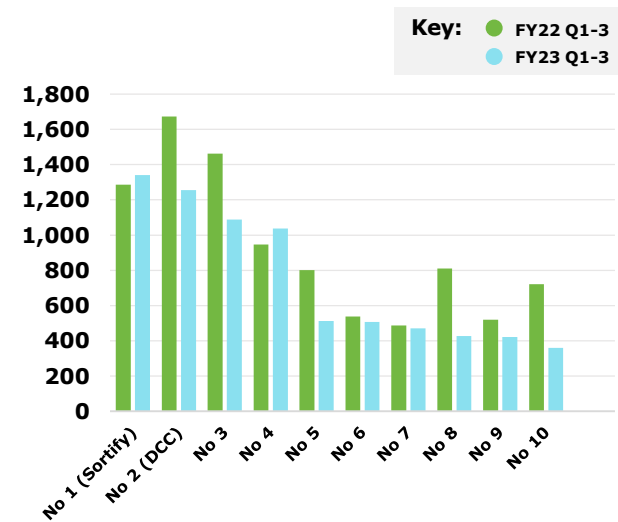
9 MONTH ACTUALS FY18-FY23 (excluding Innovation Filings)



- QANTM's AU patent market applications for 9 months to 31 Mar 2023 up 4.6% relative to pcp.
- QANTM's AU patent market share for 9 months to 31 Mar 2023 represented ~16.2% of the market (pcp: 14.6%).
- Total QANTM Asian patent applications for 9 months to 31 Mar 2023 increased 4.6%, and 21.1% for Q3FY23 compared to pcp.
- QANTM Asian patent applications represent 16.1% of Group total.

Australian Trade Mark Filings by Top 10 Firms

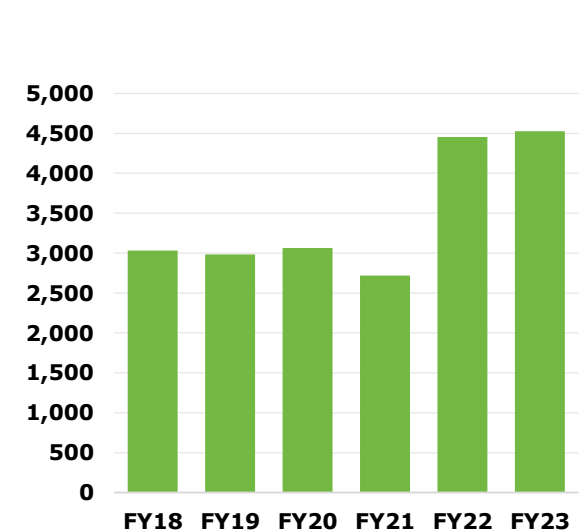
AT Q3FY23



- DCC and Sortify remain the top 2 agents in Australia for trade mark applications.
- QANTM AU applications increased by 1.4% (with Sortify applications included from 1 October 2021) (compared to a reduction of 19.8% for the top 10 agents).

QANTM Total Trade Mark Applications

9 MONTH ACTUAL FY18-FY23



- Group total trade mark applications in 1HFY23 increased by 1.6% vs the prior corresponding period (with Sortify applications included from 1 October 2021).

Market and industry overview



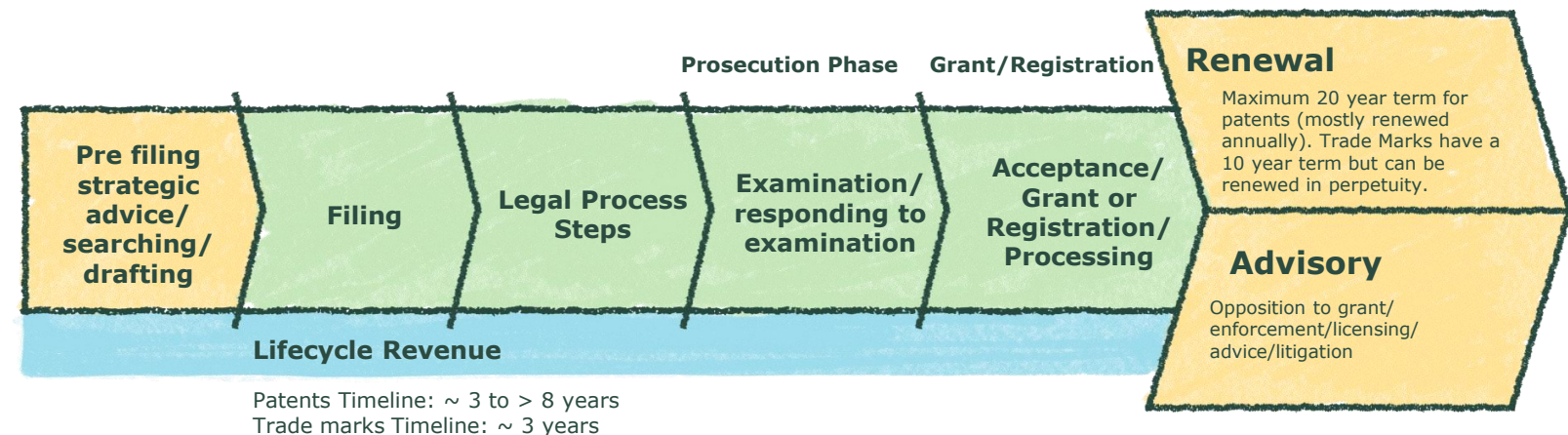
IP lifecycle revenue stages

Main revenue components of the IP Lifecycle:

- Filing, prosecution, maintenance/renewal phases, with potential for advisory, legal/litigation services.
- Originating application work for new inventions, at a pre-filing stage, also generates revenue.



National Application Lifecycle – Patents and Trade Marks



- Revenue generation at initial pre-filing stages of searching or drafting, throughout the filing, prosecution and grant/registration lifecycle, as well as later maintenance and potential advisory stages.
- Client relationships tend to be long term and stable – 20 years+.
- Client arrangements can be national, regional, multi-national.

IP lifecycle revenue stages

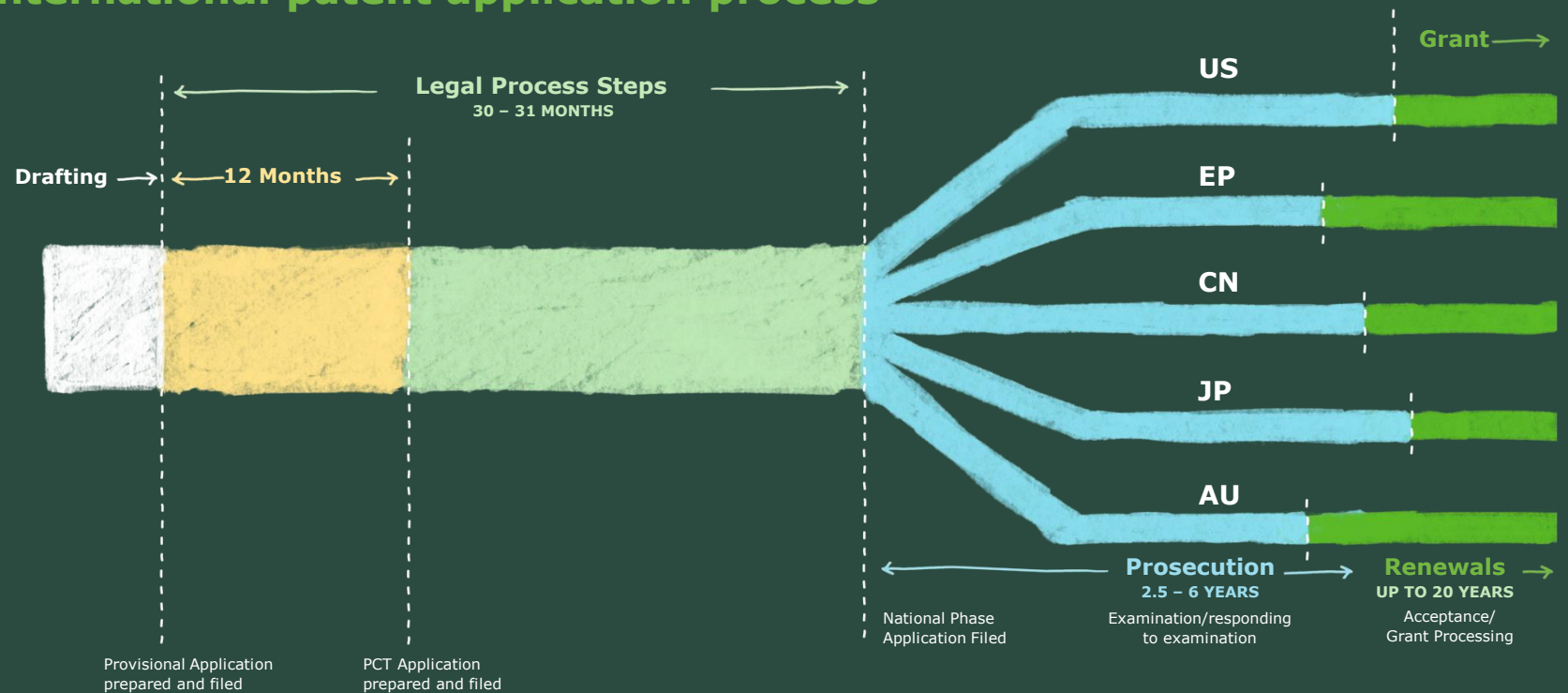
Single international application matures into separate applications in each country/region of interest.

Separate patents ultimately granted in each country/region.

Reciprocal arrangements internationally generate additional revenue streams.



International patent application process



Depth and breadth of industry coverage

~2,250 clients across the Group

No individual client accounts for >2% of revenue

Local and International clients

Longstanding relationships 5, 10, 20+ years



Agriculture, agrichemicals, food, nutrition



Arts, Marketing, Media



Biotechnology



Building & Construction



Clean Technology, Energy



Industrial Chemicals



Materials Science



Medical Devices & Technology



Mining & Resources



Nano Technology



Consumer Products & Design



Electrical & Electronic Engineering



Fashion, Architecture & Design



Food, Beverages, FMCG



ICT & Software



Pharmaceuticals & Chemistry



Physics & Engineering



Plant Breeder's Rights



University & Applied Research



DCC Law



Growth has continued to be resilient with Asia increasingly dominant



Industry Context

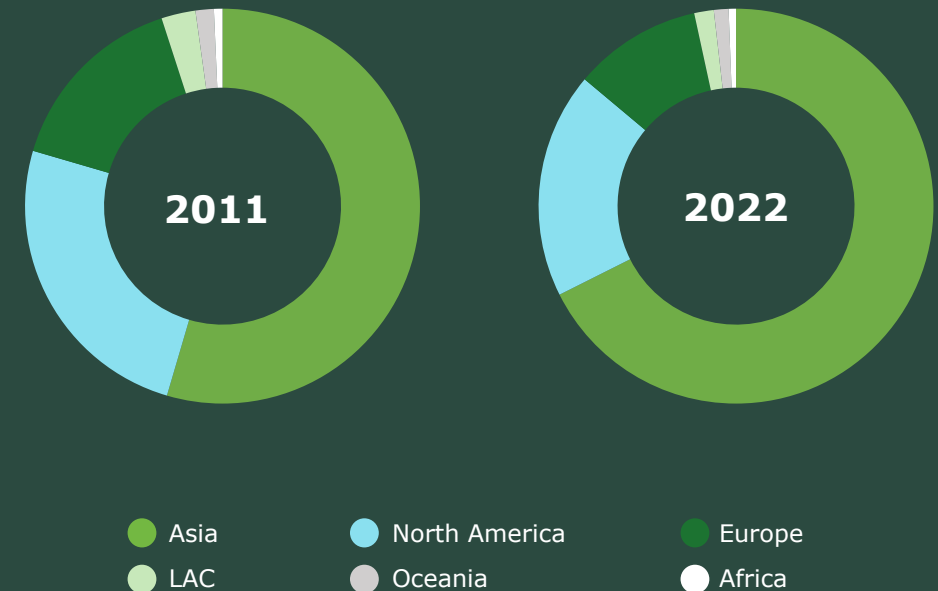
- From 1883 to 1963, the USA was the leading office for world filings.
- Japan and Korea accelerated through the 70's, 80's and 90's.
- Since 2011, China has received the most applications globally.
- Asia has grown from 54.6% of world filings in 2011 to 67.6% in 2022.
- USA and Europe remain critical markets.

QANTM Context

- DCC Singapore office opened in 2015.
- Advanz Fidelis Malaysia was acquired in 2017 (and became DCC Advanz in 2022).
- FPA Singapore office opened in 2018.
- DCC Hong Kong office opened in 2022.
- Looking to further expand in Asia (e.g. Thailand, Indonesia, India) through M&A/strategic alliances/new offices.
- DCC and FPA are highly active and well regarded firms across Asia.
- Asia now ~16% of Group filings, and expected to continue to grow rapidly.

Two-thirds of patent filings activity worldwide took place in Asia in 2022.

Patent applications by region, 2011 and 2022



The Role of IP in Innovation



IP – proven to be a highly resilient sector in difficult times



The role of IP in innovation



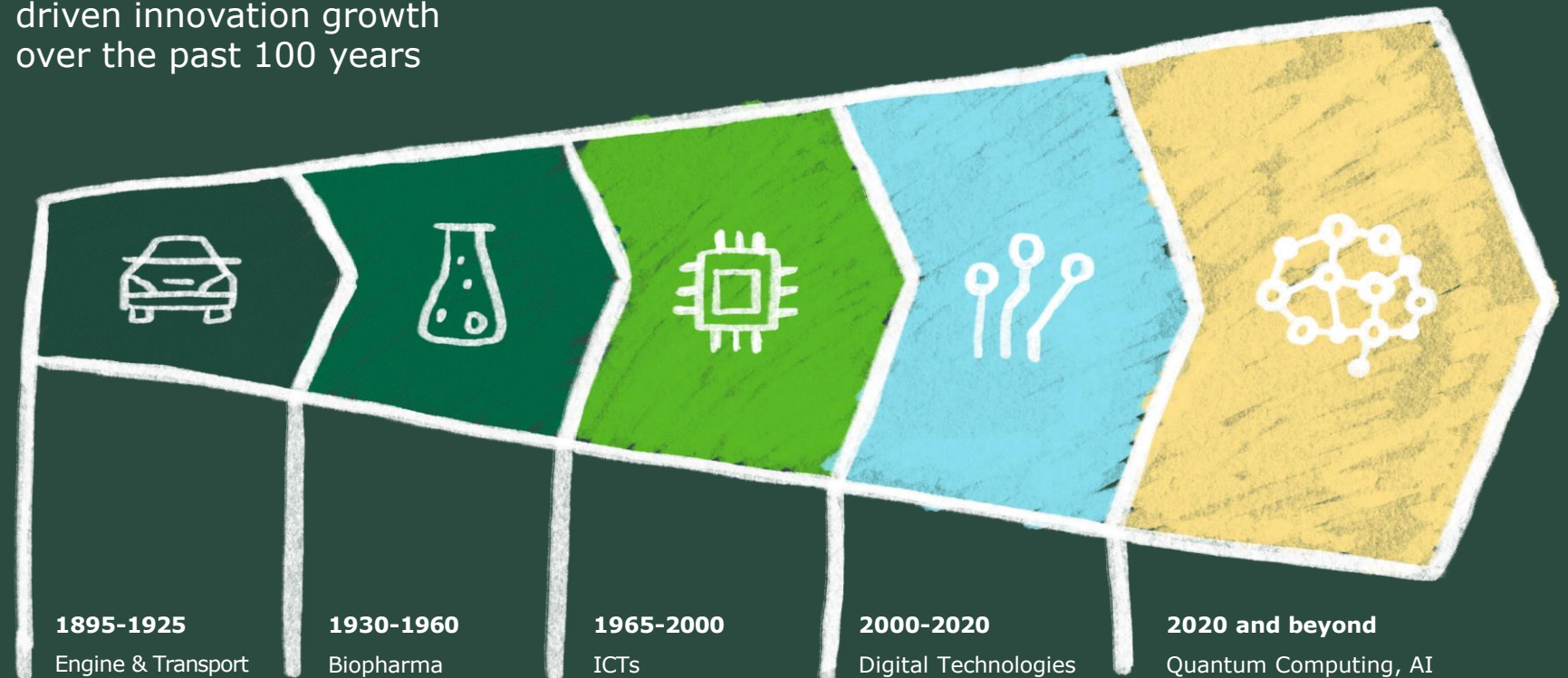
For more than a century innovation activity has grown substantially around the world.

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



Drivers of growth across our three operating businesses



Drivers for future growth at FPA



JOHN DOWER

Managing Principal,
FPA Patent Attorneys



- Growing the bottom line.
- Targeted growth into emerging technologies and markets (SEA grown from 3.4% to 10.1% of revenue in 5 years, 33% year on year growth).
- Meritocracy – performance not tenure.
- Virtuous circle: best people / best clients / best work.
- Disciplined financial monitoring and reporting, ruthless on efficiency.



Retaining and attracting talented people in targeted growth areas is key to our current and future success.

Drivers for future growth at DCC



MICHAEL WOLNIZER

Group Managing Principal,
DCC



DAVID WEBBER

Managing Principal Patents,
DCC



“ Our investments in overseas markets are driving significant growth.

- Retention and leverage of experienced Principals.
- Exporting expertise, particularly in patents, into growing markets with minimal competition.
- In Singapore, patent filings have grown at an average of 41% each year for 7 years.
- Investment in the USA and China.
- In China we have experienced 30% year on year growth in incoming work and we are on track for 40% this year.

Drivers for future growth at Sortify



CLAIRE FOGGO

CEO and Cofounder,
Sortify



- The majority of SMEs don't register their trade marks – too expensive and too complex.
- Sortify's online trade mark registration websites provide an automated, cost-efficient solution.
- Our current focus is on growing the SME market and international expansion.



Our vision is to make trade mark protection accessible for everyone.

Our approach to attracting, developing and retaining talent



The place to work for IP professionals



Low turnover rates of **<10%**
across our operating businesses during 2022¹

1. The Australasian Legal Practice Management Association (ALPMA) reported turnover rates of ~27% during the 2022 calendar year.

First in class reputation in the IP industry.

Culture of excellence (quality of training, bespoke leadership programs, and quality of career path opportunities).

Highly diversified blue chip client base.

Work from anywhere culture embraced – caring for team members well being and mental health.

Passionate about Diversity, Equity and Inclusion.

Our IP professionals are recognised through Industry Awards

FPA



50+ individual recognised
industry awards

received (2021-2022) including
MIP's Top 250 Women in IP



Patent Prosecution MIP IP
Stars – Tier 1 Firm (2017-2022);
Firm of the Year 2019 & 2021

DCC



100+ individual recognised
industry awards

received (2022-2023 FY) including
MIP's Top 250 Women in IP



**Ranked highly across 9
renowned industry awards**
including Best Lawyers
Law Firm of the Year – IP

Summary



Outlook



Expect continued organic revenue growth, on the back of current trading momentum

Expect continued strong market share in Australia, with further growth in Asia

Continue to invest in our people, our aspiration is to be the place to work for IP professionals

Expect continued margin improvement as a result of cost management and strategic initiatives

Expect cash conversion to normalise in 2H23 due to timing of receipts and one-off costs

Continue to deliver technology modernisation milestones, with several on track for 2023

Continue to explore pipeline of targeted M&A opportunities, plus strategic alliances, that meet our selection criteria

Q&A Session



Closing remarks



Thank You



Appendices



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

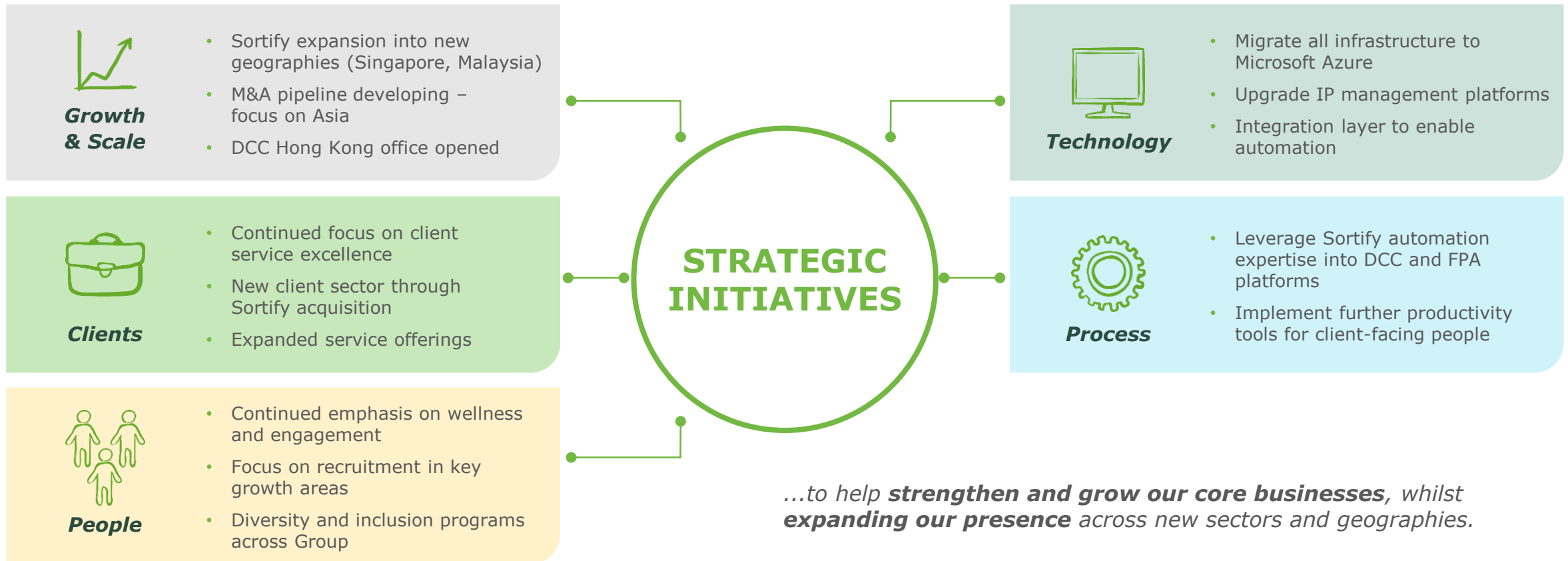
Strong dividend: 70% – 90% of NPATA (current yield at H1FY22 ~6%, fully franked)

Strategic Initiatives



INVESTING ACROSS FIVE KEY AREAS – FY23 FOCUS

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



...to help **strengthen and grow our core businesses**, whilst **expanding our presence** across new sectors and geographies.