# ASX Announcement

QANTM INTELLECTUAL PROPERTY

24 November 2023

## QANTM 2023 ANNUAL GENERAL MEETING ADDRESSES

QANTM Intellectual Property Limited (QANTM), in accordance with ASX Listing Rule 3.13, today releases the addresses to shareholders to be given by the Chair and the CEO and Managing Director at QANTM's Annual General Meeting to be held this morning as well as supporting presentation slides.

A webcast of the event will be available to view live via the following link:
https://meetnow.global/MVF7LZT

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

### For further information


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CEO and Managing Director

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### 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, Malaysia and Hong Kong under key brands Davies Collison Cave, DCC Advanz Malaysia, Davies Collison Cave Law, FPA Patent Attorneys, 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.

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## Sonia Petering, Chair

### Introduction

I am delighted to extend a warm welcome to all our shareholders, those present in person today and those joining through the online meeting platform.

It is now just past 10:00am, the designated time for the meeting, and I can confirm that a quorum is present[1]. The meeting has been validly constituted and I am pleased to declare the meeting open.

I would like to begin by acknowledging the Wurundjeri people who are the Traditional Custodians of this Land that I am speaking from. I would like to pay respect to the Elders both past and present of the Kulin Nation and extend that respect to other Indigenous Australians present.

Today's AGM comprises three parts.

First, for my Chairman's address, I will present a brief overview of our financial results for FY23, dividend and capital management, our progress in increasing our market share, some comments in relation to Remuneration and will conclude with comments on Board composition.

Following my address, Craig Dower, our CEO and Managing Director, will discuss the industry, highlight our business achievements for the year, provide more details on execution of our strategy, and share insights for FY24 including some comments on our trading performance for FY24 to date.

Finally, we will move to the formal agenda of the meeting, where the four resolutions outlined in the Notice of Meeting will be presented; three of those resolutions for shareholder voting.

Communications relating to the Notice of Meeting were sent to all registered shareholders within the notice period required, and the Notice of Meeting was available both on the ASX market announcements platform and on the QANTM website on the page dedicated to this year's AGM.

I now table the Notice of Meeting, and I will take the Notice of Meeting as read.

I now open the voting on all agenda items. Please note that you can change your vote until I announce the closure of voting. Towards the end of the meeting, I will notify you when voting is about to close, providing a final chance for shareholders to vote.

I would like to introduce my fellow QANTM directors participating today:

- Craig Dower - Chief Executive Officer and Managing Director
- Leon Allen – Non-Executive Director
- Kathy Gramp – Non-Executive Director and Chair of the Audit, Risk and Compliance Committee
- Gavin Bell – Non-Executive Director and Chair of the People, Remuneration and Culture Committee

[1] Clause 40 of the constitution states a quorum is 2 members

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Also present today is:

| | |
|---|---|
| Brenton Lockhart | QANTM's Chief Financial Officer |
| Krista Stewart | QANTM's General Counsel and Company Secretary, you heard from Krista at the start of today's meeting; |
| Paul McIntosh | QANTM's Director of IT and Program Delivery; |
| Michael Wolnizer | Group Managing Principal of DCC; |
| David Webber | Managing Principal of DCC Patents; |
| John Dower | Managing Principal of FPA (is participating from Sydney online); and |
| Claire Foggo | Co-Founder and CEO, Sortify.tm (is participating from NZ online) |

We also have participating in the meeting Jason Croall from our Company Auditors – RSM Australia Partners. Jason is present to answer any questions in relation to the conduct of the audit, the auditor's report, the auditor's independence and the company's relevant accounting policies.

Tim Heughan from the Company's share register, Computershare Investor Services, is also participating in today's meeting.

**The important role QANTM businesses contribute to the innovation protection industry.**

As I enter my second year as Chair of QANTM, I have made deeper connections within our company, that have clearly highlighted how our people represent our strategic advantage and are the driving force of our business.

Every day, our people draw inspiration from the world's greatest innovators.

The people in the businesses that make up the Qantm Group support these visionaries by assisting in the development and protection of their ground-breaking ideas. It is this capability that embeds us as a trusted partner to a broad range of clients. From emerging start-ups to globally recognised brands, these clients entrust us with their most critical assets: their intellectual property.

This year, we have continued our commitment to service excellence, supporting over 5,000 clients in approximately 60 countries, underscoring our increasing global influence. This is reinforced by our regional expansion, with operations now across five countries.

We have seen growth from each of our key brands - Davies Collison Cave, Davies Collison Cave Law, DCC Advanz Malaysia, FPA Patent Attorneys, and Sortify.tm. These brands represent leadership in the innovation protection industry and our results in FY23 illustrate this.

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## Qantm reported Strong FY23 Results

I would like to make some brief comments on the FY23 financial results. I do this in the context of shareholders having had access to the full year financial statements and annual report for the year ended 30 June 2023 when we announced our full year results in August.

Despite a challenging, high-inflation environment and ongoing market uncertainty, we are pleased to report strong financial results.

While recognising the share price is not at a level we would like, Qantm had a good year on most other financial measures. Qantm reported Total Revenue of $137.0 million, up 7.6% from FY22.

Importantly, we reported that Service Charge Revenues rose by 7.4% to $103.8 million, reflecting our ability to drive top-line growth across each of our businesses. Our revenue streams capture value across the whole IP value chain and have a long tail of future growth.

Significant growth was seen in each of our key service offerings. Patent Service Charges and Trade mark Service Charges grew by 7.6% and 8.3%, respectively, demonstrating the resilience of IP protection even in a challenging economic climate. Legal and Litigation Services grew by 5.7%, reflecting sustained demand for legal expertise in IP.

More importantly, we reported an underlying EBITDA increasing by 8.2% to $28.5 million and underlying NPAT increasing by 14.5% to $14.7 million. Pleasingly, our earnings growth outpaced our revenue growth. This is attributable to our effective cost management and strategic initiatives that have positively impacted our bottom line.

This marks the third consecutive period of margin improvement. Some of the cost savings we have achieved together with the investments in technology modernisation, will in turn enable us to change the way we operate as a business. The technology modernisation and business simplification efforts have contributed to our sustainable margin growth, with approximately $1 million in bottom line impact in FY23.

Pleasingly, we did see a material uplift in Earnings per Share during FY23 of 7% from FY22.

## Dividend and Capital Management

Qantm remains in a strong financial position. This strong earnings performance enabled your Board to declare a fully franked full year dividend for FY23 of 6.3cps, in line with the Board's dividend policy to pay 70% to 90% of NPATA as dividends.

Qantm's leverage ratio, as at 30 June 2023, is net debt to Underlying EBITDA of 0.85 times. QANTM has proven year after year to be a highly cash generative business, with minimal capital expenditure requirements. Shareholders are aware of the current investments in technology modernisation the Company is undertaking.

Craig will provide further context to our financial results in his address shortly.

## Growing our industry market share

We are pleased to report we have made progress in patent market share in Australia from FY22, increasing from 15.0% in FY22, to 16.5% as at 30 June 2023. This is at the highest level since listing and represents a significant achievement as we not only expanded our number of patent applications but also did so in the face of a 7% decline in the overall market.

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We also have had several new client wins which have created a strong pipeline of future work. This will contribute to future revenue and earnings as well as highlights our competitive edge – our continuous dedication to excellence. Our strategy, execution and culture position us to serve our clients effectively.

**Remuneration to KMP**

Remuneration outcomes for FY23 are detailed in the Company's Remuneration report. In FY23, the remuneration framework remained largely the same as FY22, structured so that it achieves a balance between a fixed component and a performance-based component so that a significant part of the Executive KMP's remuneration is at risk. Any bonus is conditional upon achieving certain Group financial and non-financial targets, and any short term incentive will only be considered provided the risk, compliance and conduct gateway is met.

The remuneration outcomes for the CEO and CFO reflected the achievement of exceeding the targets for the Group's financial performance during FY23 and the achievement of some of the metrics used to measure strategic KPIs. The average percentage payout of short-term incentives paid to the CEO and CFO was 52%.

For the FY23 long-term incentive, the 3 year EPS CAGR for FY21-23 did not meet the 5% performance hurdle, so no long term incentive payments vested.

Your Board approved a Non-Executive Director Fee Sacrifice Plan in May 2023, allowing directors to sacrifice some of their board fees to receive the same value in shares. This aims to increase director shareholdings in Qantm and meet the minimum shareholding requirement.

**Board composition**

Your Board consists of 5 directors, with an appropriate mix of skills, experience, industry knowledge and diversity.

Today, subject to shareholder support, we will be pleased to re-appoint Leon Allen to the Board. Leon has over 42 years' experience in the industry, starting as a patent attorney in 1981. A former managing partner of Davis Collison Cave's national board from 2011 to 2016, CEO and MD of Qantm from 2016 to 2019 and a past president of the Institute of Patent and Trade Mark Attorneys of Australia. Leon is a Fellow of the International Federation of Patent Attorneys Academy of Education, a Senior Fellow of the University of Melbourne and a Distinguished Fellow of the Institute of Patent and Trade Marks Attorneys of Australia.

You will hear from Leon directly later in the meeting. The Board values Leon's industry knowledge and looks forward to Leon's further contribution to the continued growth and success of Qantm.

**Conclusion**

Before concluding, I would like to express my appreciation to the hard-working people who make up the entire QANTM team lead by Craig, the leadership team and Managing Principals and thank you all for your dedication. I am continually inspired by our people who have continued to exceed client demands with their energy and intellect. The outcomes achieved for our clients are what make outcomes for shareholders.

Thank you too to the Qantm Board for their support and guidance.

Finally, thank you to you, our shareholders for your ongoing support.

I will now hand over to Craig.

## Craig Dower, CEO and Managing Director

Thank you Sonia. As CEO, I'm proud to report that the refresh in our Board and Executive team undertaken over the past 18 months has been instrumental in our continuously improving performance. There is a more pronounced sense of purpose and urgency in executing our strategy, and the results of FY23 are a clear testament to this.

**Industry Overview**

I wanted to start today with a brief reflection on our industry.

The resilience of the global IP sector continues to be evident. Investment in Research and Development remains the cornerstone for innovation and economic progress. Countries, companies and individuals are continually innovating and bringing new ideas to the global marketplace.

Despite the ever-changing market conditions, our clients' need to protect their intellectual property remains critical. Our extensive regional reach, coupled with our deep expertise in IP, uniquely positions us to guide our clients effectively through this dynamic landscape.

The last year has marked a significant shift globally, with artificial intelligence, or AI, emerging as a pivotal force across numerous industries. The IP sector is no different. This wave of innovation lays the groundwork for new patent and trade mark applications across various territories and sectors.

Our deep capabilities, combined with our increasingly expanded reach, positions us as a leading partner for innovators and companies seeking to make a lasting impact in their fields. As we look ahead, we remain committed to advancing our capabilities and expanding our service offering to support the ever-evolving needs of those who are shaping the future.

**Executing on our strategy**

We continue to see organic growth with both DCC and FPA experiencing strong work flows, winning new clients in several industry sectors. We've made significant strides in growing patent market share in Australia and Asia, a reflection of our team's dedication and quality.

Both DCC and FPA revenues are characterised by long lasting client relationships that build year-on-year. These relationships underpin the growth of our businesses over the coming years.

This commitment has been recognised within the industry, with DCC receiving over 100 individual industry awards this year and all FPA Principals acknowledged as leading patent professionals in IAM's Patent 1000 for 2023.

Strong growth has also been experienced by Sortify.tm. We are now two years into QANTM's ownership of Sortify, and we are very happy that they are part of the Group. This acquisition was a strategic move that has real potential to become a substantial growth driver for the Group. Whilst everybody is talking about the potential impacts of AI, the Sortify team is just getting on with delivering solutions. Their AI-enabled approach to making trade mark protection accessible to all has resonated with clients, demonstrating our adaptability and success in embracing innovative solutions.

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We remain excited about the capabilities that Sortify.tm brings to the QANTM Group. The team has developed deep AI capabilities that solve real business problems and can act as a disruptor to traditional IP business models, including our own. We are working closely with Sortify on a number of projects that have the potential to substantially improve the way we manage business processes across the Group. Sortify.tm will play an increasing role in QANTM's revenue and profitability in the years ahead.

**Our people**

This continued growth has all occurred from the efforts of our people. Our people are experts and trusted partners to a wide range of global innovators, government agencies, university research centres, innovation think tanks, and all types of businesses.

We firmly believe that our people are our greatest asset. Our focus on attracting and retaining top talent within the IP industry has been a pivotal factor in our performance. We are committed to creating an optimal working environment for our workforce, promoting diversity, inclusion, and employee well-being.

We have continued to modernise our approach to talent identification and retention and to improving employee experience. We have invested in strengthening capabilities across learning and leadership development, to ensure that we are adopting market-leading people practices. These activities are key to attracting and retaining the best talent, and to how we deliver excellence for our clients today and in the future.

Our regional footprint provides us with a distinct advantage. Our investment in new office locations for both DCC and FPA is designed to foster collaboration and innovation, while reducing cost. This investment has created an environment where professionals thrive and contribute effectively to our company's success.

**Technology Modernisation and Business Simplification**

As in previous years, our strategy of technology modernisation and business simplification continues to be a focus in year 3 of a 4 year program.

Our ambitious technology modernisation program has emerged as a critical driver of our growth and efficiency. Over the past year, we have achieved some major milestones:

- The migration of core production systems to Microsoft Azure enhances data security, stability and scalability;
- The recently completed upgrades of our IP management platforms means our most important platform is now more secure and functional, enabling us to further automate business processes and to provide access to employee productivity tools that are now able to be connected to our platforms.
- Working with Sortify, we implemented several small automation projects, aimed at streamlining operations, improving productivity, and providing better tools for both client-facing and support teams. These were proofs-of-concept that are now in production, and have paved the way for further automation projects ahead.
- We have assembled an AI working group, which is examining the potential risks and opportunities that AI presents to the QANTM Group, as well as seeking to leverage the deep expertise within the Sortify team.
- We have also made strategic investments in cyber capabilities, in terms of people, processes, and technology, to effectively integrate a culture of cyber preparedness throughout our organisation's risk framework.

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We are tapping into our capabilities that have the potential to drive further efficiencies and productivity while maintaining a workforce distributed across Australia, New Zealand, Hong Kong, Malaysia and Singapore.

**FY24 outlook**

As we look ahead to FY24, our Board and executive team are dedicated to advancing three core priorities:

- **Organic growth:** Central to our strategy is a focus on continual service excellence, utilising our best-in-market capabilities to provide diverse service offerings for our clients. For both DCC and FPA, our aim is to sustain and enhance our growth in existing territories while also exploring new market opportunities. For Sortify.tm, we plan to expand its footprint in markets that make sense, building on its success as a disruptor in the industry.
- **M&A and strategic alliances:** We remain proactive in seeking EPS accretive acquisitions, particularly in Asia. Our focus is on identifying opportunities that not only provide entry into new territories but also align with our culture and values. We will only execute opportunities that make sense, both in terms of strategic and cultural fit, as well as being earnings accretive.
- **Continued technology modernisation and business simplification:** We continue to deliver upon our planned milestones in this area. We have made further progress over the past several months, since year-end, and we have a number of key project milestones the team are focussed on achieving in the year ahead. These projects were re-prioritised during the year with input from our people and we continue to adapt our program of work to the needs of the business.

  This includes integrating AI into our business operations in a thoughtful and low-risk manner, ensuring that we stay at the forefront of technological advancements. The implementation of new technologies is expected to bring about significant operating efficiencies, improve the agility of our platforms, and equip our team with improved client and productivity tools. These advancements will streamline our operations and enhance the way we engage with our clients, ensuring we remain agile and responsive in a rapidly evolving market.

**Trading Performance in Early FY24**

We have had a positive start to this fiscal year in terms of trading performance.

We are pleased to say that our revenue and earnings to the end of October – the first four months of this financial year – are well ahead of last year, and ahead of budget. Earnings continue to grow faster than revenue, and our margins are continuing to improve, as they have over the past three reporting periods. We have previously stated that our target for margins is in the low-30's over the medium term. We are currently trading above 30% (underlying EBITDA margin), and whilst there remain a further 8 months of the year, that medium-term target is becoming more reachable.

We had a slight decline in market share of Australian patent filings in the period to end October 2023 (from 16.7% in October 2022 to 14.3% in October 2023). The market during this period was down 3%. Some of our decline during that period is a result of the Cotters integration, and the loss of some less profitable clients. We were also comparing to a period which had quite high filings volumes. As we have said on many occasions, patent and trademark filings only tell part of the story, and are only 10% -15% of revenue in any given period. Other sources of revenue make up the remaining 85% - 90%. Filings can bounce around in short periods and need to be looked at over many periods in order to show trends. We have said consistently that a 12 – 18 month period provides a better view of trends around filings and market share.

At this early stage, we would expect our financial results to be ahead of analysts' expectations for the full year. We will provide a full update of how the Group performed in our half-year results presentation in February 2024.

**In closing**

Our improved financial discipline, investment in innovation, technology and business simplification and ongoing development of our people are what enabled us to achieve our strong performance this year. We hope that shareholders gain an appreciation of these important activities that will drive our future prospects and position us to grow our revenue and margins. We look forward to another promising year ahead.

Thank you again for your time today and for your continued support.

--ENDS—

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# 2023 Annual General Meeting

QANTM INTELLECTUAL PROPERTY

RACV City Club, 501 Bourke Street, Melbourne
24 November 2023

# The QANTM Group

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Broad services portfolio: Patents, Trade Marks, Designs; Legal and Litigation services; Platform-based services; AI-powered / Software Attorney Tools

DAVIES COLLISON CAVE

One of Asia Pacific's largest and longest established patent and trade marks attorney firms

DAVIES COLLISON CAVE LAW

A leading specialist IP law firm and provides the full spectrum of IP related legal services

FPA Patent Attorneys

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

Sortify.tm

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

IP

370+

employees located across five key countries, servicing major global markets

**Hong Kong**
**Malaysia**
**Singapore**
**Australia**
**New Zealand**

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# Depth and breadth of industry coverage

Served over 5,000 clients in ~60 countries across the Group in FY2023

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

# Strong FY23 Results

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## Business Highlights

### Patents

**Patent Service Charges**
^ 7.6%
$69.9m FY23 vs $65.0m FY22[1]
Solid increase in patent applications across Australia, Asia and Rest of World applications

**Group Patent Applications**
^ 0.9%
Group patent applications have now grown by 4% over the last two years

**Australian Patent Market Share of**
16.5%
FY22: 15.0%
Highest since listing

**Asian Patent Applications of**
15.7%
FY22: 15.8%
Flat on prior year

### Trade Marks

**Trade Mark Service Charges**
^ 8.3%
$21.5m FY23 vs $19.8m FY22[1]
Full year contribution from Sortify and a solid performance in DCC

**Group Trade Mark Applications**
^ 8%
6,302 FY23 vs 5,840 FY22
#1 position in Australia, #2 in New Zealand

**Australian Trade Mark Applications**
^ 6.5%
DCC maintained #2 market share in Australia and the #4 position in New Zealand

### Legal/Litigation

**Legal/Litigation Service Charges**
^ 5.7%
$12.4m FY23 vs $11.7m FY22[1]
Increase service charge contribution from increased case loads

## Financial Highlights

**Total Revenue**
^ 7.6%
to $137m (FY22: $127.3m)

**Service Charges Revenue**
^ 7.4%
$103.8m (FY22: $96.6m)

**Earnings Per Share**
^ 7.0%
5.69 cents (FY22: 5.32 cents)

**Underlying EBITDA**
^ 8.2%
$28.5m (FY22: $26.3m)

**Underlying NPAT**
^ 14.5%
$14.7m (FY22: $12.8m)

**Cash and Cash Equivalents**
^ 8.1%
$8.0m (FY22: $7.4m)

**Full Year Dividends**
6.3 cents fully franked
(FY22: 6.5 cents)

**Net Debt as at 30 June 2023**
^ 1.7%
$24.2m (FY22: $23.8m)

# Growing our industry market share

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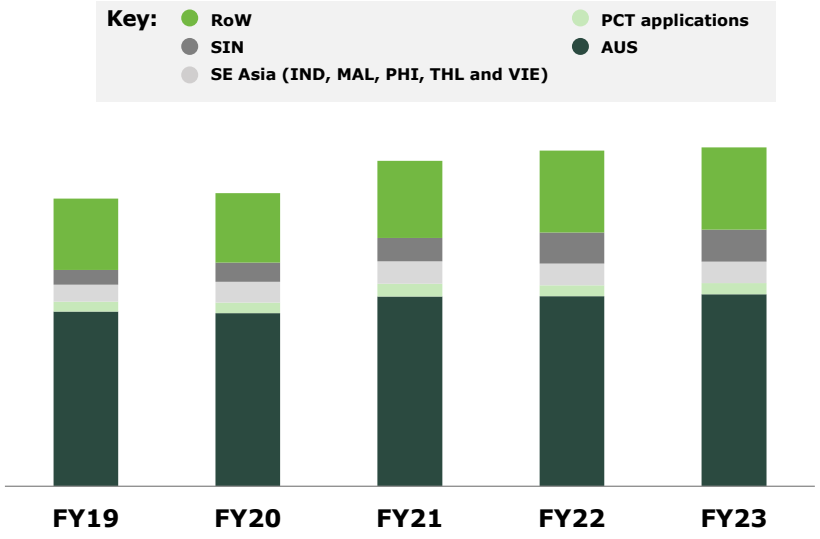
## QANTM Group Total New Patent Applications

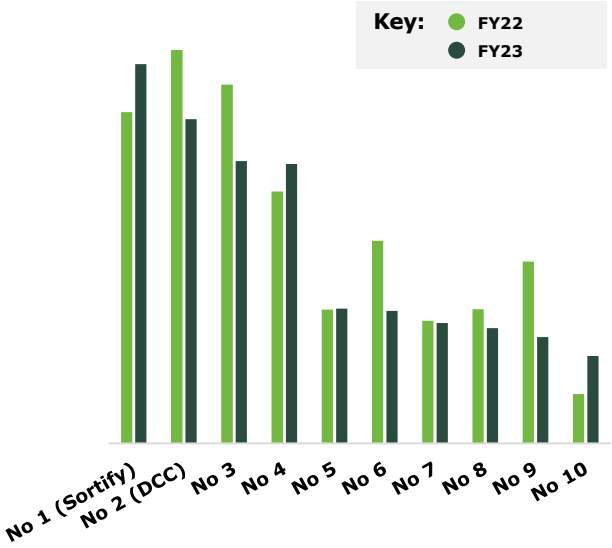
FY19-FY23 (excluding Innovation Filings)




- QANTM's AU patent market applications are up 0.9% relative to FY22
- QANTM's AU patent market share ~16.5% of the market (FY22: 15%)
- Total QANTM Asian patent applications is flat on FY22
- QANTM Asian patent applications represent 15.7% of Group total

## Australian Trade Mark Filings by Top 10 Firms

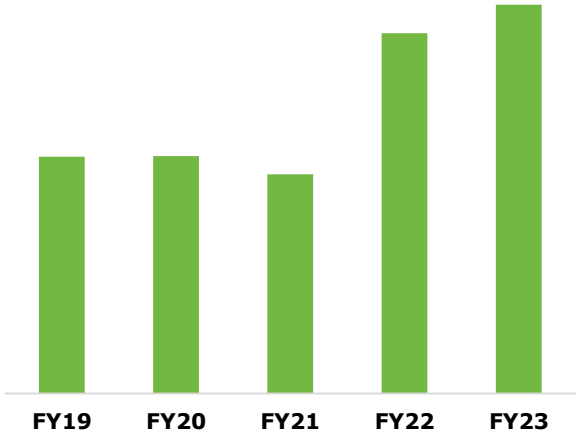
AT FY23




- Sortify.tm and DCC remain the top 2 agents in Australia for trade mark applications
- QANTM AU applications increased by 6.5% (compared to a decrease of 4.7% for the top 50 agents)

## QANTM Total Trade Mark Applications

FY19-FY23




- Group total trade mark applications in FY23 increased by 8% vs the prior corresponding period

# Board composition

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Your Board consists of five directors, with an appropriate mix of skills, experience, industry knowledge and diversity

**Sonia Petering**
Chair
Non-Executive Director

**Craig Dower**
CEO & Managing Director

**Leon Allen**
Non-Executive Director

**Kathy Gramp**
Non-Executive Director
Chair of the ARCC

**Gavin Bell**
Non-Executive Director
Chair of the PRCC

# IP Industry Overview

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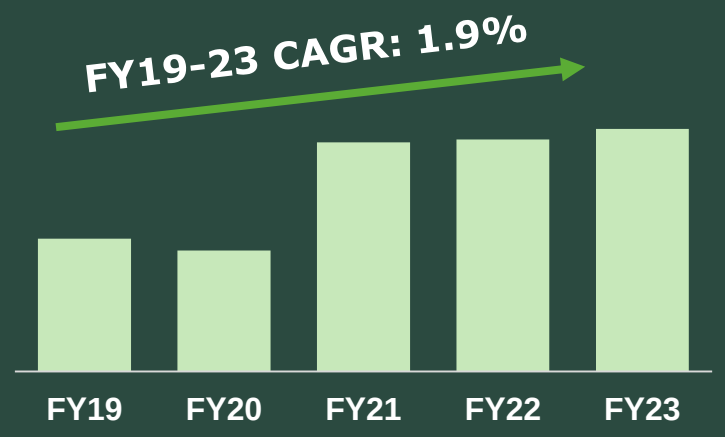
## Continued Industry Resilience

- The need for clients to continually protect their most important asset, intellectual property, persists irrespective of ongoing market conditions
- R&D budgets are often protected, or in some sectors increased, during volatile periods to seize on market opportunities
- Innovation that results from volatility also plays strongly in the favour of the IP sector
- The global IP sector has continued to show resilience, evident in the growth experienced in patents and trade marks

## Total patent applications filed in Australia (FY19-23)




**Source:** IP Australia

**Notes:**

1. Excludes innovation filings. Innovation patents are excluded from the above analysis – they were phased out from August 2021 and accelerated filings prior to the phase out had distorted the patent filings market when viewed inclusive of innovation filings.
2. Based on IP Australia data at conclusion of each filing period.
3. The FY22 market increase includes filings from applicants who may have previously utilised the innovation patent system (market otherwise remained largely flat)

## IP lifecycle supports resilience

- Revenue generation at various stages of maintaining and enforcement of IP rights
- Client relationships tend to be long term and stable – 18 months – 20 years+
- Client arrangements can be national, regional, multi-national
- Reciprocal arrangements internationally generate additional revenue streams

***In an increasingly volatile world, intellectual property remains a critical asset – the IP industry has demonstrated great resilience***

# Strategic Initiatives

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## INVESTING ACROSS FIVE KEY AREAS – FY23 PROGRESS

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

**STRATEGIC INITIATIVES**

### Growth & Scale

- Sortify expansion into new geographies (Singapore, Malaysia, Benelux and Hong Kong)
- M&A and Strategic alliance pipeline developing – focus on Asia
- DCC Hong Kong office opened

### Clients

- Continued focus on client service excellence
- New client sector through Sortify acquisition
- Several new client wins

### People

- Continued emphasis on wellness and engagement
- Focus on recruitment in key growth areas
- Diversity and inclusion programs across Group

### Technology

- Migrate all infrastructure to Microsoft Azure
- Upgrade IP management platforms
- Investments in deeper cyber capability

### Process

- Leverage Sortify automation expertise into DCC and FPA platforms
- Implement further productivity tools for client-facing people

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

# Sortify.tm acceleration

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Sortify.tm has made significant progress in FY23, and with its compelling mission of "making trade mark protection available to anyone" has the potential to be a strategic differentiator in our business.

Record volumes in Sortify.tm's main markets as the No 1 filer of trade marks in Australia, No 2 in NZ, and approaching the top 10 in the UK

Early traction in recently opened markets of Singapore, Hong Kong and Benelux[1]

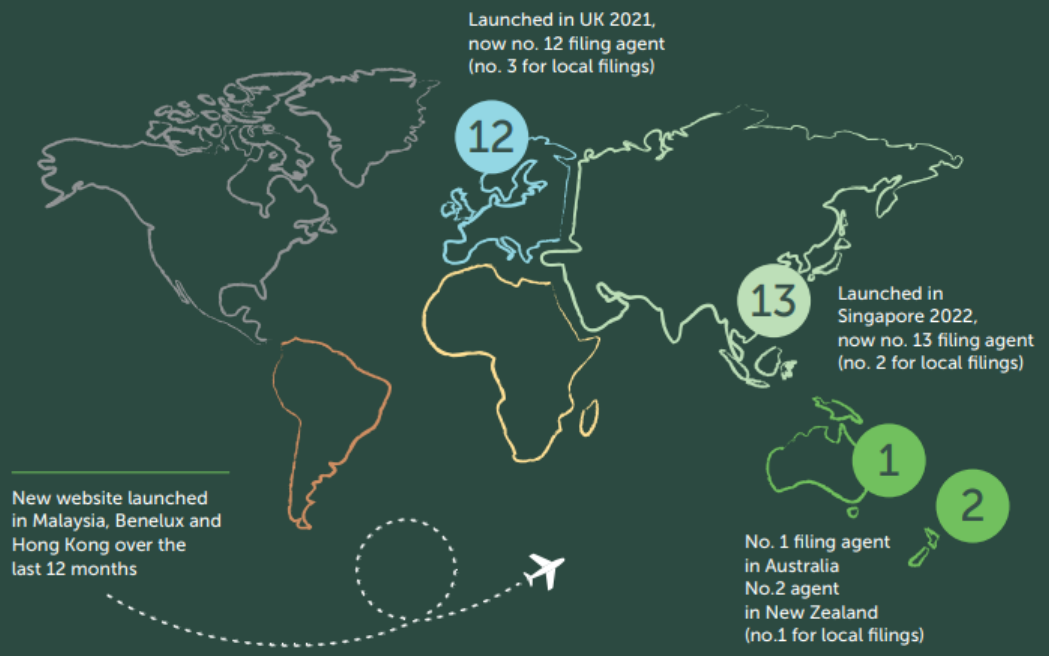
Access to trade marks for SMEs has allowed the Group to generate revenue from this large, underdeveloped segment

Continued development of SaaS products targeted at the 'Attorney' and 'Enterprise' levels to capitalise on industry tailwinds for AI-based productivity tools

Explorations of AI-based services leveraging Sortify.tm automation expertise into DCC and FPA

1 Benelux is a collective name for Belgium, the Netherlands and Luxembourg, especially with reference to their economic union.

Since 2018, Sortify.tm has built online trade mark filing platform that now span Australasia, South East Asia and Europe



# Investment into people and operations

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Multi-year investments into processes, technology and offices have continued to simplify and streamline our operations while providing an environment that allows our employees to excel.

Focus on recruitment in key growth areas, with a strong emphasis on **fostering diversity within our workforce**

New office **spaces designed to encourage collaboration** among employees and enhance client service

Migration of infrastructure to Microsoft Azure and upgraded **IP management platforms** for improved workflow and productivity

**Technology investments** have enabled a flexible work from anywhere culture promoting efficiency and agility

Ongoing commitment to professional development, well-being initiatives and employee engagement to promote employee retention

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# Technology modernisation and business simplification

We are tapping into our capabilities that have the potential to drive further efficiencies and productivity while maintaining a workforce distributed across Australia, New Zealand, Hong Kong, Malaysia and Singapore

## FY24 – year 3 of a 4 year program

- Migration of core production systems to Mircrosoft Azure enhances data security, stability and scalability
- Recently completed upgrades to our IP management platforms will enable further automation of business processes and access to attorney productivity tools
- Implemented several small automation projects aimed at streamlining operations, improving productivity and better tools for client-facility and support team
- Assembled an AI Working Group to examine the potential risks and opportunities that AI presents to the Group and develop AI Strategy
- Strategic investments in cyber capabilities to effectively integrate a culture of cyber preparedness throughout our risk framework

# FY24 outlook

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Our Board and Executive Team are dedicated to advancing three core priorities

| ORGANIC GROWTH | M&A AND STRATEGIC ALLIANCES | TECHNOLOGY AND SIMPLIFICATION |
|---|---|---|
| Focus on client service excellence | EPS accretive acquisitions | Complete modernisation |
| Diverse capabilities and service offerings | Focus on Asia | Automation / Productivity tools |
| Targeted business development | New beachheads | AI-based platforms and tools |

# Trading performance in early FY24

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- Strong start to the year
  - revenue and earnings well ahead of last year and ahead of FY24 budget
  - earnings growing faster than revenue
  - margins continuing to improve (currently above 30%)
- Slight decline in market share (Australian patent filings) to end October
  - needs to be looked at over longer term
  - filings bounce around on a monthly basis
- Whilst still 8 months to go, expect to finish ahead of analyst expectations at present

# Further Information

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