

QUICKFEE Q3 FY24 BUSINESS UPDATE

24 April 2024

President, North America, **Jennifer Warawa**
Chief Financial Officer, **Simon Yeandle**



Strong revenue growth continues, up 36% on pcp



Strong revenue growth:

- + Driven by successful execution of core Finance product strategies
- + US Finance revenue up 54% on pcp: Total Transaction Volume (TTV) up 36% and revenue yield up 120 bps
- + Australia Finance revenue up 50% on pcp: TTV up 20% and revenue yield up 310 bps
- + Total Finance revenue now 63% of total group revenue



200% increase in new US firms utilising Finance in Q3 FY24 on pcp

- + Improved firm onboarding process launched last year are delivering tangible results



Completed transition to 'direct to bank' model

- + Provides internal control for ACH processing and full redundancy via multiple banks
- + Reduced third party processing costs



Continue tracking towards operating profitability

- + March EBTDA at break-even
- + Q4 FY24 expected to be stronger than Q3 FY24
- + H2 FY24 expected to be stronger than H1 FY24

Key metrics in Q3 FY24

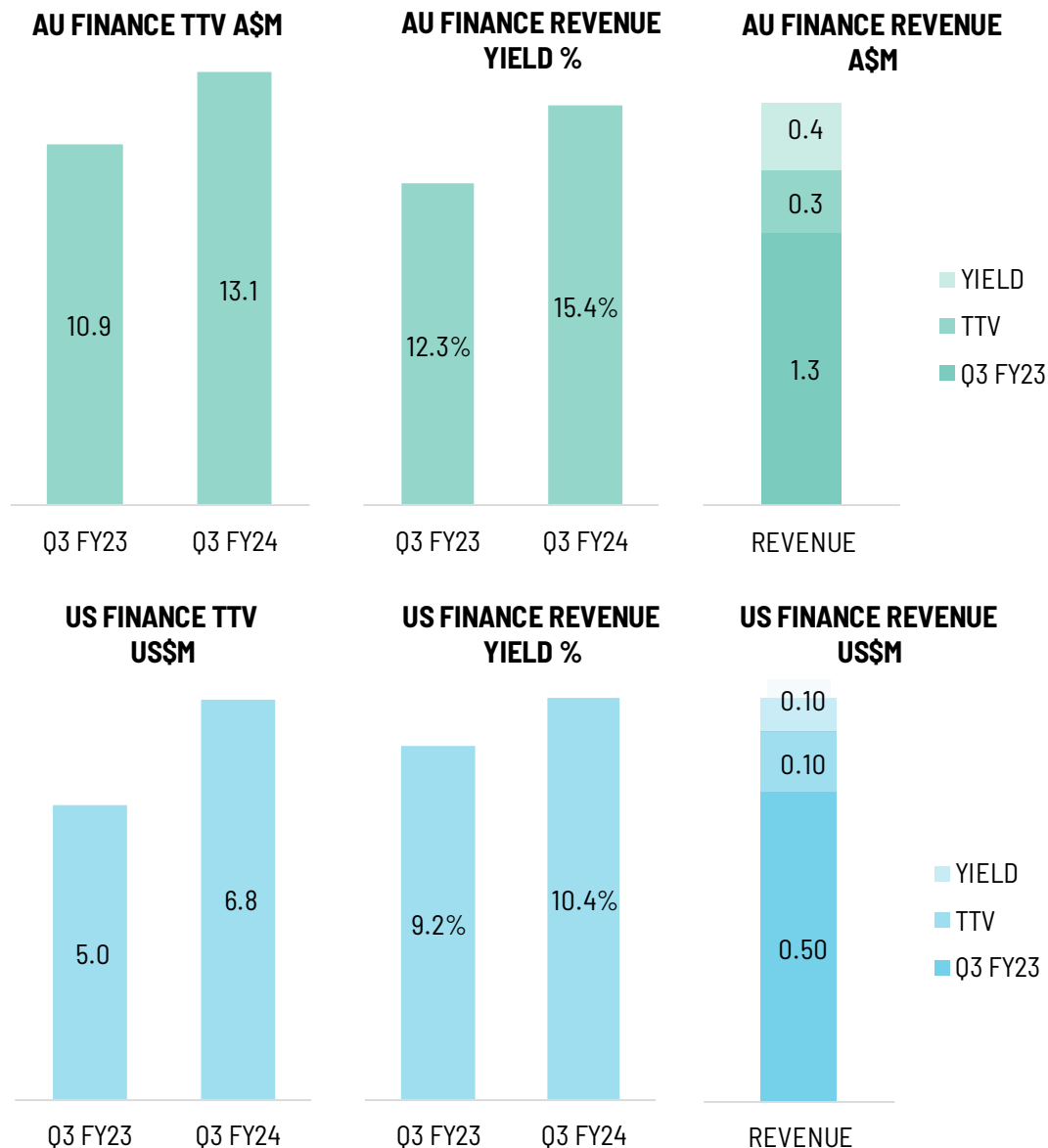
Q3 FY24 PERFORMANCE ¹	Q3 FY24	Q3 FY23	YEAR-ON-YEAR MOVEMENT
REVENUE			
US Finance (Pay Over Time)	US\$ 709k	US\$ 459k	+54%
US Pay Now (ACH & Card)	US\$ 1,051k	US\$ 916k	+15%
AU Finance (Pay Over Time)	A\$ 2,014k	A\$ 1,343k	+50%
GROUP REVENUE INCLUDING ANCILLARY PRODUCTS	A\$ 4.9M	A\$ 3.6M	+36%
TOTAL TRANSACTION VALUES (TTV)			
US Finance (Pay Over Time)	US\$ 6.8m	US\$ 5.0m	+36%
US Pay Now	US\$ 307m	US\$ 263m	+17%
AU Finance (Pay Over Time)	A\$ 13.1m	A\$ 10.9m	+20%

¹Figures shown are unaudited, from management accounts

QuickFee Pay Over Time (Finance)

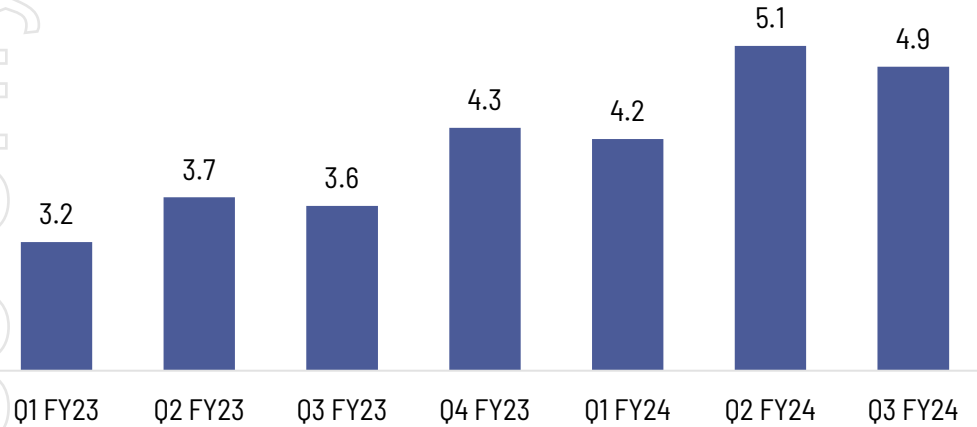
Revenue growth driven by both volume and yield

- + In both markets, revenue growth has come from both TTV growth and yield improvements
- + Yield improvements are driven primarily by increases in interest rates charged to clients of firms
- + Interest rate increases were made in October 2022 and July 2023
- + Interest revenue on loans is recognised over the life of the loans, so the effect of recent rate increases will be seen well into FY24

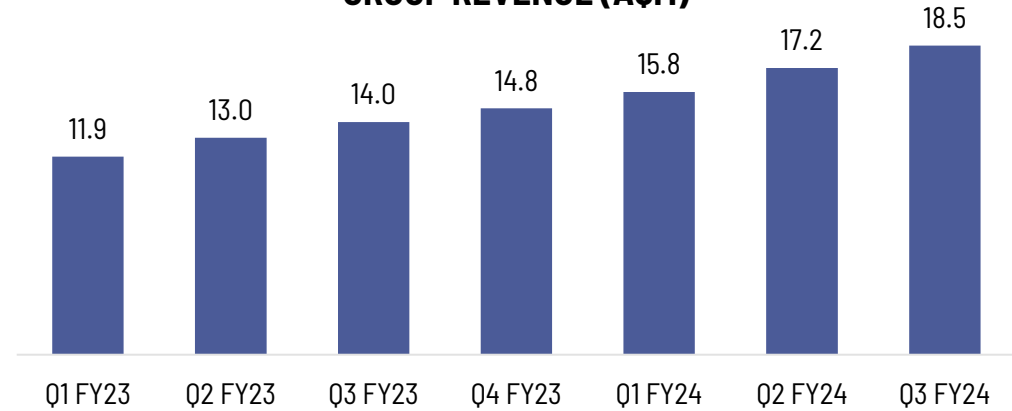


Strong revenue growth expected to continue

GROUP REVENUE BY QUARTER (A\$M)

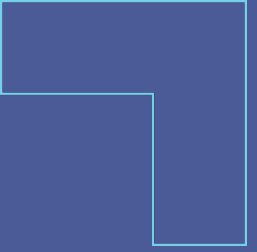


'LAST 12 MONTHS' ROLLING
GROUP REVENUE (A\$M)

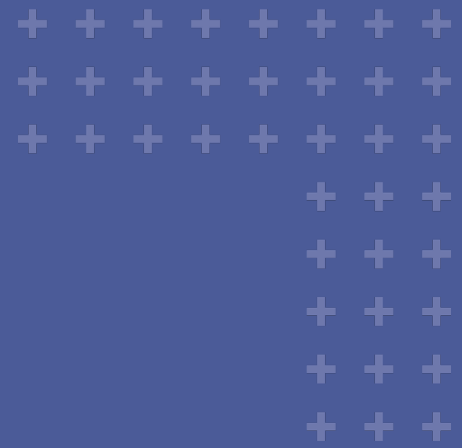


Seasonality

- + Revenue stronger in Q2 and Q4, due to Pay Now seasonal volumes; Q4 traditionally stronger than Q2
- + **Q1:** US northern hemisphere summer, AU start of financial year
- + **Q2:** US lead-up to 1 January tax season start, AU lead up to summer break
- + **Q3:** US tax season runs 1 January – 15 April, AU summer break
- + **Q4:** US out of tax season and billing backlog, AU lead up to EOFY



WHAT WE DO



Unique product and payments portfolio

Our customers benefit from increased revenue, improved cashflow, reduction in accounts receivable, improved operational efficiency and reduced cost base.

PAY NOW | ACH/EFT + CARD

Traditional digital payment methods.

- + One payment link to securely accept online credit card, debit card, or ACH/eCheck
- + No caps on ACH processing or maximums on invoicing
- + Credit card surcharge paid by the client

PAY OVER TIME | FINANCE

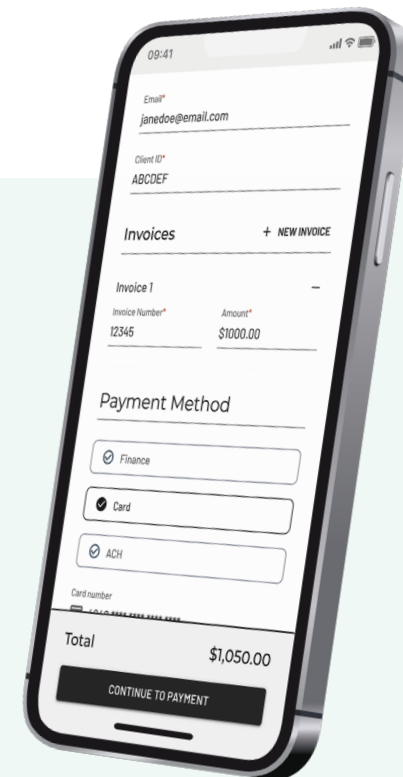
Invoice and fee financing for clients of professional services firms.

- + Get paid in full every time and give extra breathing room for good clients who fall behind
- + Generate client payment plans with 3, 6, 9, or 12-month terms
- + No cost to the Firm
- + No credit checks or lengthy applications for clients

QUICKFEE CONNECT | AUTOMATION

An easy way to automate the entire bill-to-cash workflow.

- + Save hours of unbillable time and make the switch to e-invoicing
- + Set automated email reminders to help clients pay on time
- + Clients get personalised invoice links so they can pay in 1 click
- + Integrations with leading practice management solutions



Winning with a unique customer value proposition

Traditional ACH and card processors

No integration with practice management solutions, manual workflow for firms

Credit card surcharges are not able to be passed on to their clients

Other 'Pay Over Time' Finance providers

Consumer focused, low invoice maximum (typically \$17,500)

Hard credit check required for every customer

Other A/R automation platforms

Only serve top tier, very large firms, and are too highly priced for most of the market

QuickFee.

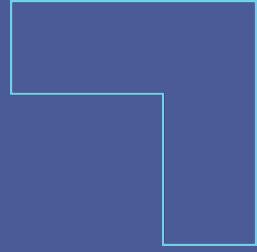
Designed specifically for professional service firms

No invoice maximum for QuickFee Finance

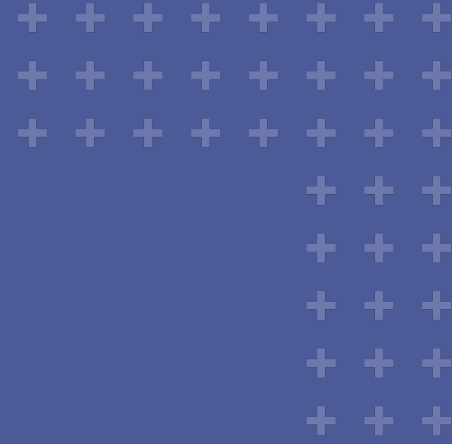
No hard credit checks for clients of firms

Integration with the leading practice management solutions

Pricing that works for all sizes of firms



EXECUTING ON THE US GROWTH STRATEGY



Unlocking transformational growth in the US

Drive Cost Effective Growth Through Automation

Leverage automation across all functional areas to ensure we are driving growth in the most efficient, cost-effective, scalable way possible.

QuickFee Finance

Revenue yields on the Finance product are approximately 25x those of Pay Now.

Connect Adoption

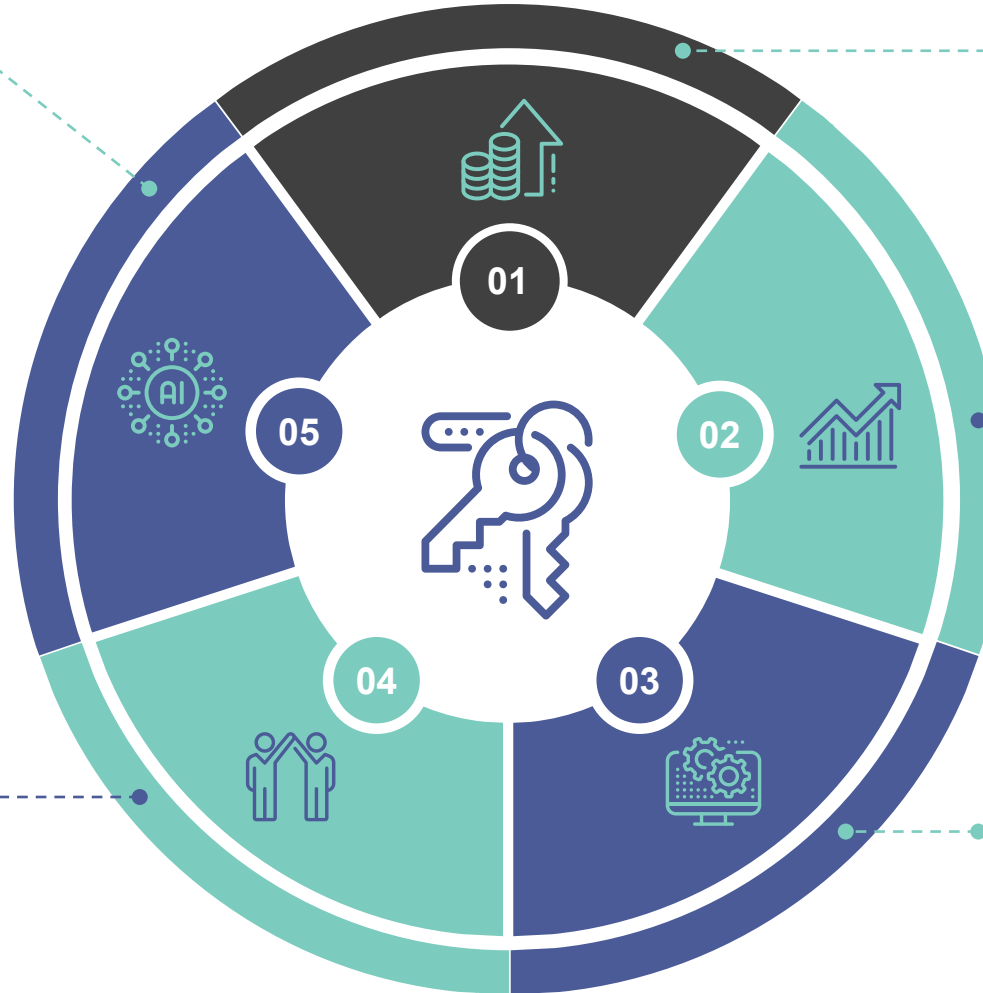
Early results show that firms that adopt Connect can see double transaction volume over pcp.

Differentiated Technology

Shift Product Development from a cost center to a difference maker, delivering world-class solutions that provide a significant competitive advantage.

Strategic Alliances + Partnerships

Leverage strategic partnerships to bring new customers to QuickFee at scale.



US Finance revenue up 54% in Q3 FY24 on pcp

QuickFee Finance is a key differentiator in competitive payments market

Revenue yields on the Finance product are approximately 25x those of Pay Now

200% increase in new US firms utilising Finance in Q3 FY24 on pcp

- + Improved onboarding processes for new firms
- + Focus on onboarding larger firms with higher revenue
- + Strategies to capture more of our customer's payment flow

Strategic partnership with IRIS is progressing well

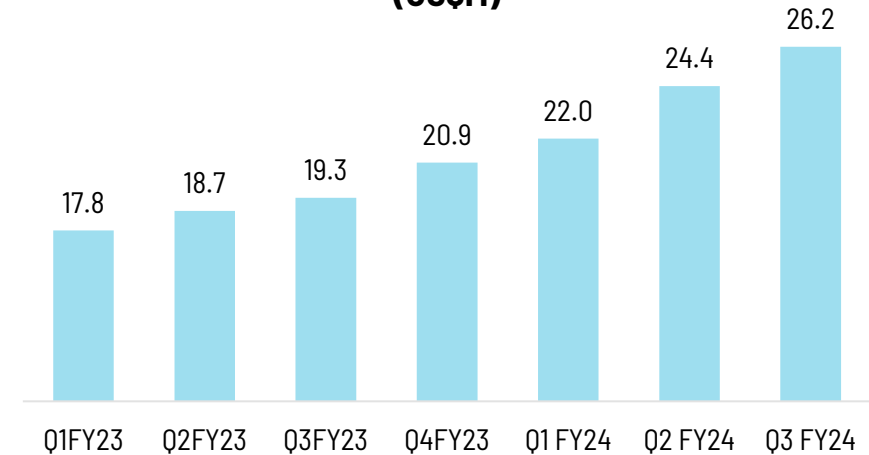
- + QuickFee to attend, and present at, IRIS User Conference as a gold sponsor in May

New integration partnership with Knuula

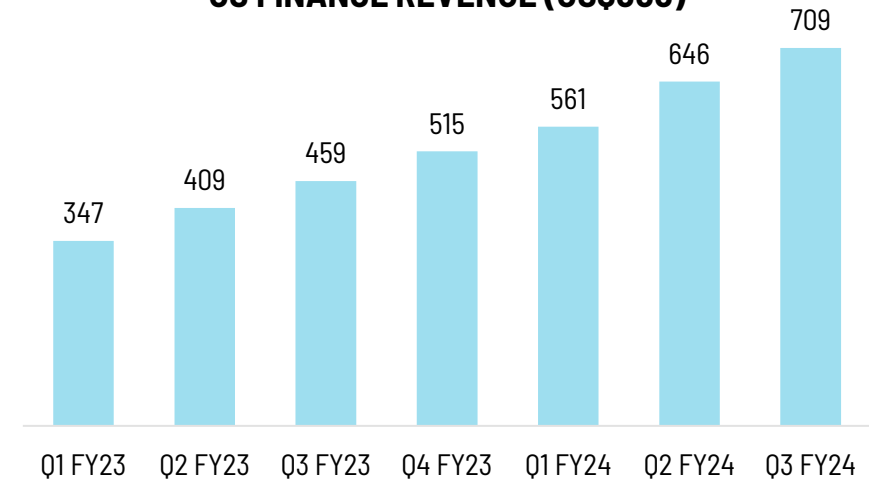
- + Provides QuickFee customers with best-in-class engagement letter functionality

Completed transition to 'direct to bank' ACH model

US FINANCE 'LAST 12 MONTHS ROLLING' TTV (US\$M)

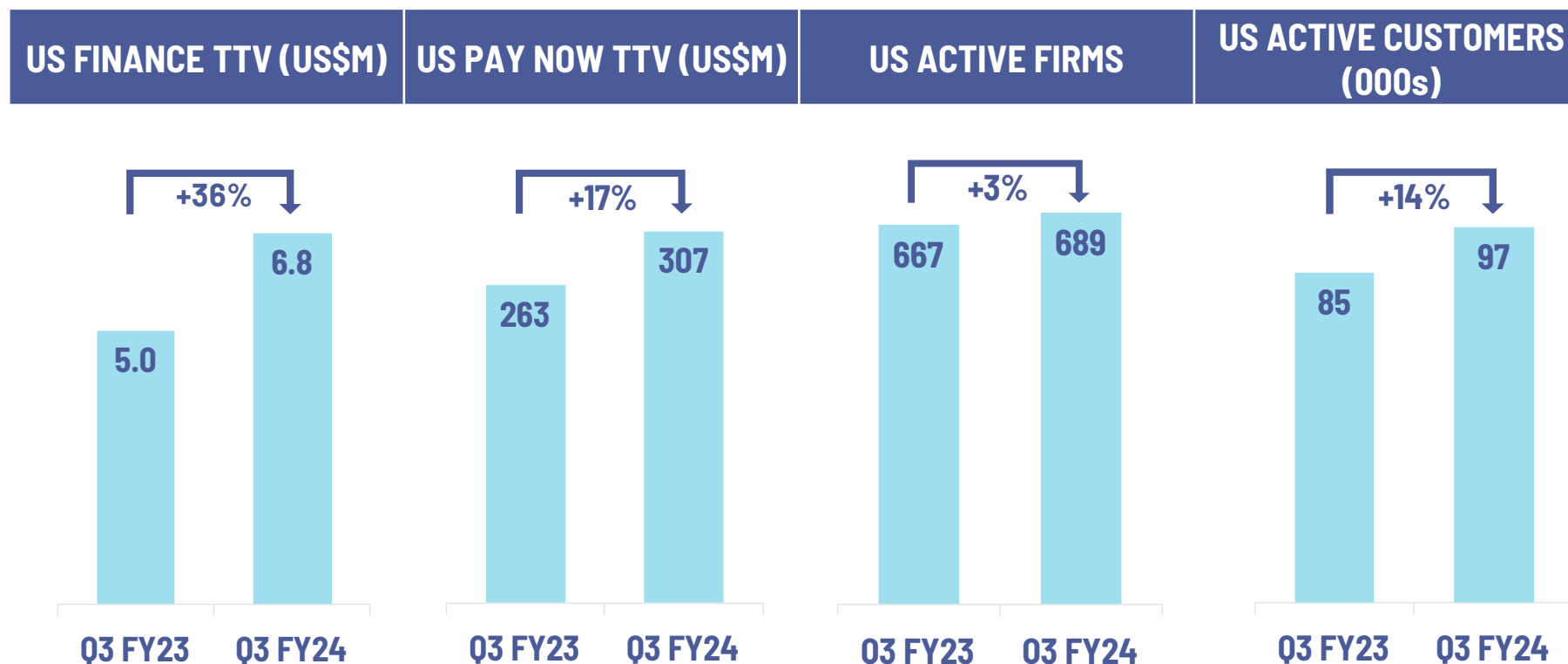


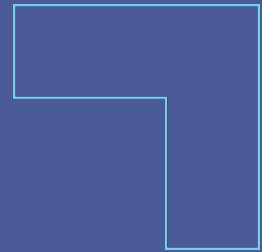
US FINANCE REVENUE (US\$000)



Q3 FY24 Operational metrics in the US

- + US Active Customers up 14% to 97,000 and US Active Firms up 3% to 689 on pcip
- + The strategic decision to focus on the core, higher-margin Finance product, in conjunction with a refreshed sales strategy with incentive alignment on commissions, has driven stronger Finance TTV, up 36% on pcip to \$6.8 million
- + Continued negligible credit losses





AUSTRALIA:

**CONTINUED STRONG ORGANIC
GROWTH**



Australia: Continued strong organic growth

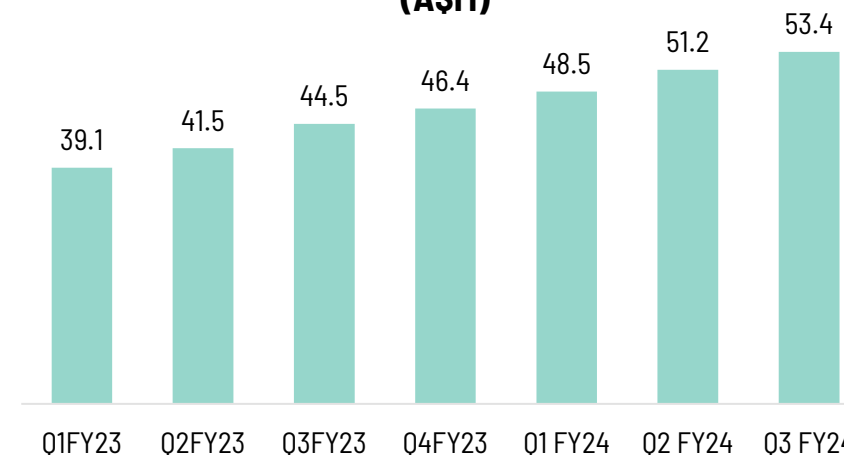


QuickFee well established as a market leader, with ~40% of the AU market for fee funding

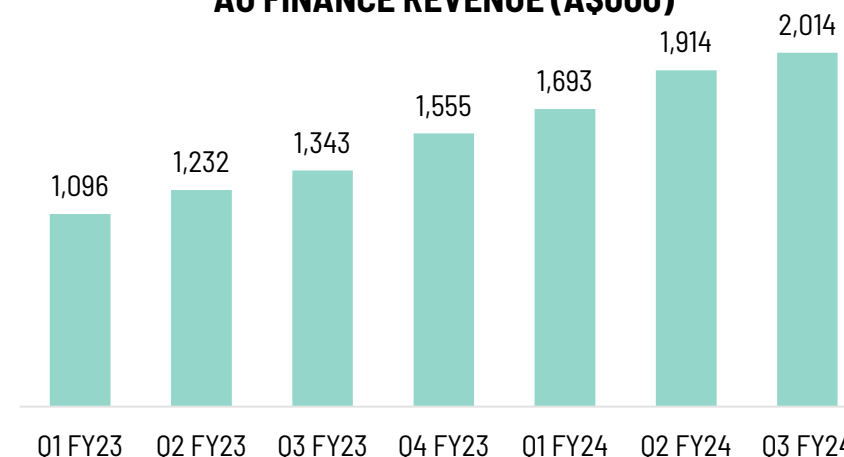
- + AU Finance revenue up 50% on pcp
- + Strong organic growth through existing firms
- + In a mature market, favourable economic conditions continue to drive demand
- + Low credit losses



AU FINANCE 'LAST 12 MONTHS' ROLLING TTV (A\$M)

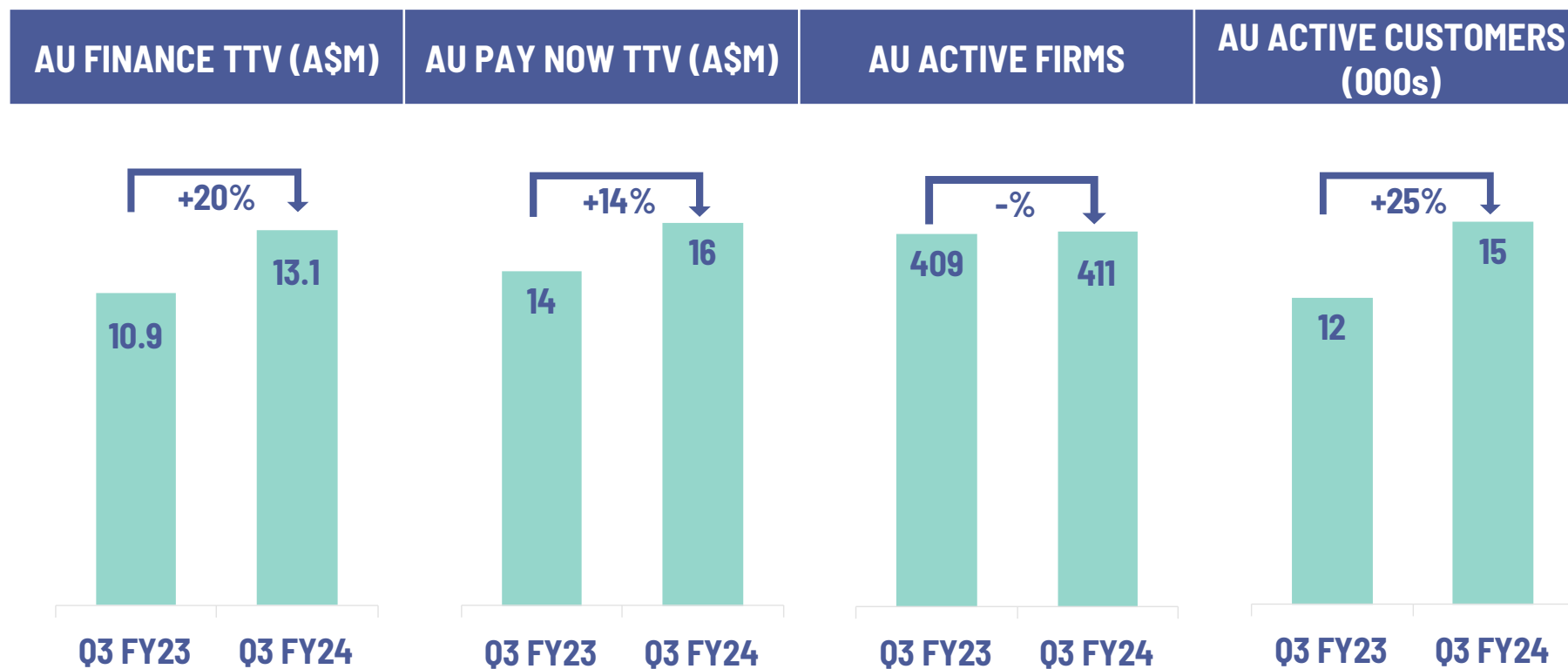


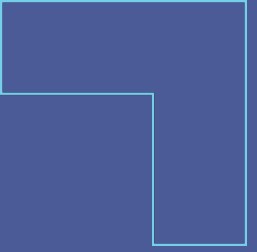
AU FINANCE REVENUE (A\$000)



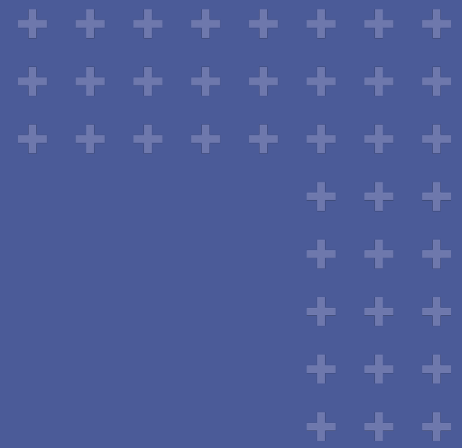
Q3 FY24 Operational metrics in Australia

- + AU Finance TTV up 20% on pcp to \$13.1 million
- + AU Active Customers up 25% on pcp to 15,000, AU Active Firms stable on pcp at 411
- + Legal disbursement funding TTV (included within Finance TTV) continues to be a growing component of the AU business





OUTLOOK



On the path to profitability

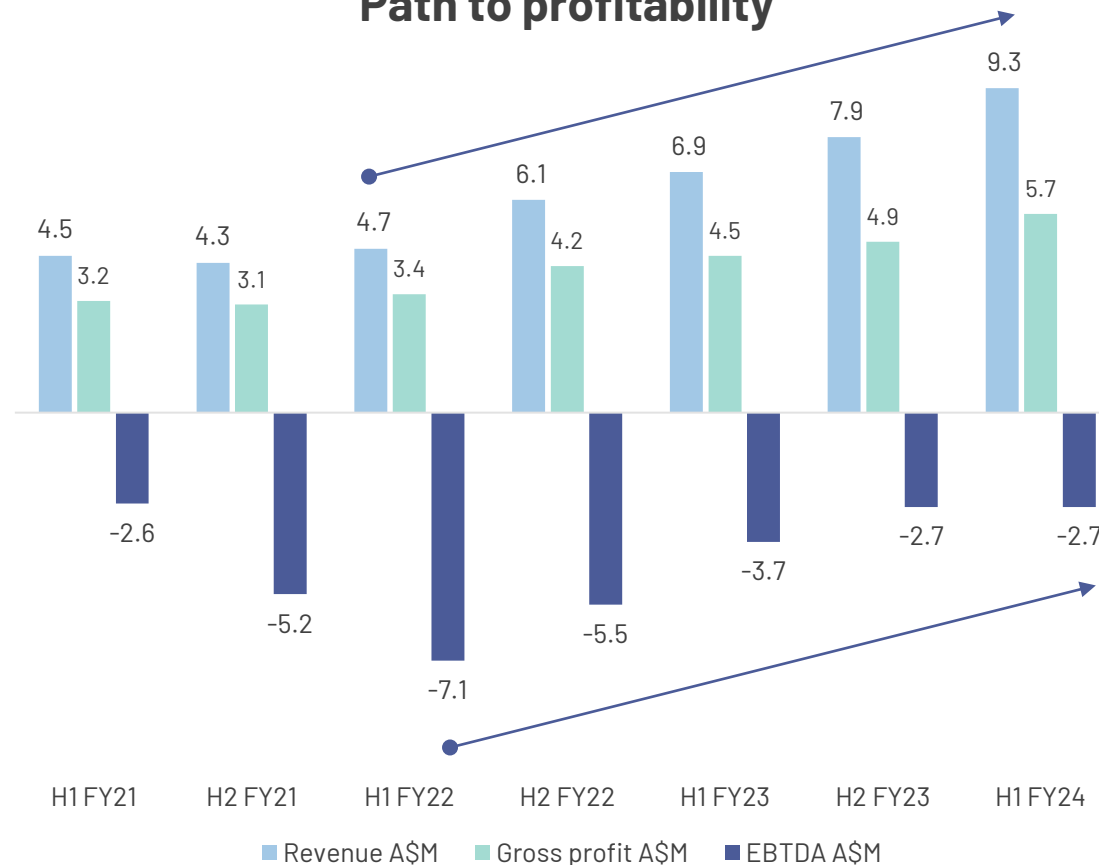
+ Track record of revenue growth

+ Track record of gross profit growth

+ Cost base stable

+ Year-on-year EBTDA growth expected to continue for H2 FY24

Path to profitability



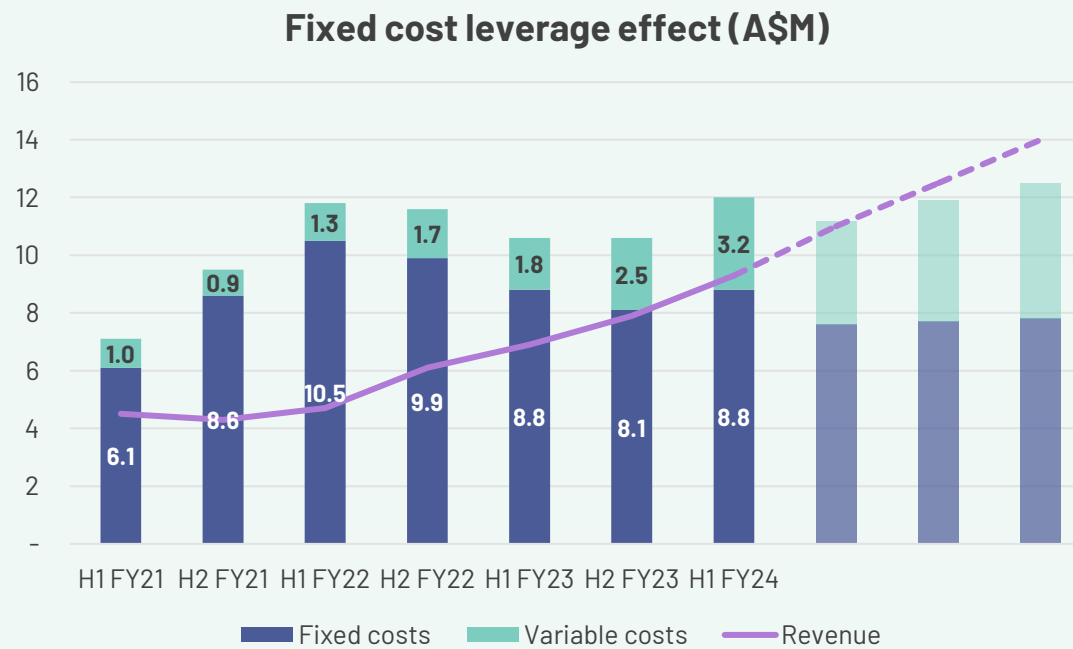
Fixed cost leverage effect

Variable costs:

- + Mainly comprise AU card processing and US ACH processing costs and interest.
- + Are approximately 30% - 35% of revenue.
- + Are 30% - 40% of total costs (which include cost of sales and interest).

Fixed costs are expected to grow at a slower rate than variable costs.

Indicative impact of fixed cost leverage on hypothetical future half-yearly year-on-year revenue growth of 30-40%



Cash and loan book growth funding



Cash and liquidity

- + A\$3.2 million cash on hand, with borrowing capacity of a further A\$23.2 million from existing facilities available to fund future loan book growth, as at 31 March 2024
- + QuickFee has adequate headroom to achieve sustainable profitability within its existing cash and borrowings facilities



QuickFee loan book growth funding

- + QuickFee funds 10-15% of loan book growth from cash reserves
- + Rate of loan book growth determines the capital required to fund loan book growth in both markets

Outlook



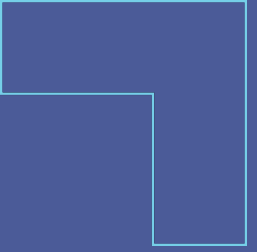
Focus on reaching profitability

- + Positive momentum in key metrics
- + Continue to manage cost base carefully
- + Focus on fastest path to profit: QuickFee Finance and Connect solutions
- + Expect stronger H2 FY24 than H1 FY24



Focus on unlocking transformational growth in the US

- + Experienced team executing on the growth strategy
- + Engaging with firms outside of key verticals in accounting and legal
- + Building scalable technology foundation with enhanced systems redundancy
- + Build and execute strategic partnerships to enable exponential growth
- + Focus on Connect product development and firm adoption in Q4 FY24, and additional integrations with practice management systems continue to be executed



QUESTIONS



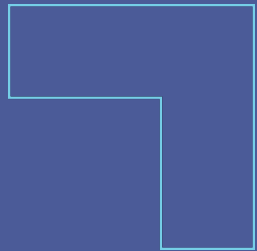
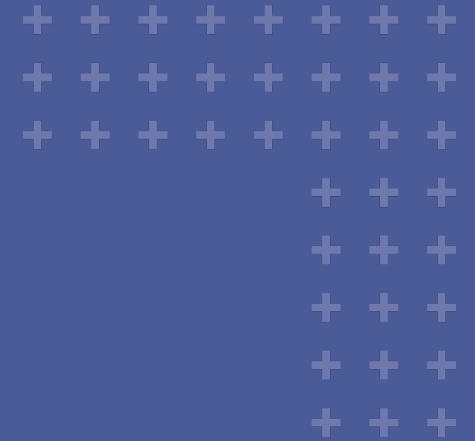
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Glossary

ACH	Automated Clearing House	A type of electronic bank-to-bank payment in the US, equivalent to EFT in Australia
Active customer	Any customer who has transacted with QuickFee in the relevant period	
Active firm	Any firm that has had a transaction with QuickFee in the relevant period	
APR	Annual percentage rate	The annual rate of interest on payment plans or loans
BNPL or Q Pay Plan	BNPL powered by QuickFee	QuickFee's 'Buy Now, Pay Later' product to enable a customer to pay their invoice in 3-12 instalments using the unused balance of their credit card
CC	Credit card	
Connect	QuickFee's product name for its point-of-payment integration, e-invoicing, automated collections and receivables management product	
Customer	The customer of a merchant, who will use one of QuickFee's payment options to pay their invoice	
EFT	Electronic funds transfer	An Australian domestic payments network that facilitates the transfer of funds electronically
Firm	Typically used to describe a professional services firm (e.g. an accounting or law firm)	
Gross Trading Margin (GTM)	Gross Trading Margin is calculated as Gross Profit per QuickFee's audited financial statements, less bad debt write-offs (which are included in general and administrative expenses)	
KYC	Know your customer	Practice to verify the identity of customers in compliance with laws and regulations
Merchant	A firm.	
Net Transaction Margin (NTM)	Net Transaction Margin is a non-IFRS measure that is not audited but is derived from audited figures and is a financial metric used by management to track QuickFee's unit economics of processing individual transactions, after deducting any bad debt write-offs. It excludes fixed platform and staff costs and any interest on funding facilities, as these costs are not incurred as a result of processing individual transactions.	
QuickFee Financing/ Finance/ Lending/ Pay Over Time	QuickFee's traditional merchant-guaranteed fee funding product that enable customers to take out a payment plan to pay their invoice, while QuickFee settle to the merchant immediately	
QuickFee Pay Now	QuickFee's payment gateway that enables customers to pay their invoice in full to the merchant with or without taking out a payment plan	
Revenue yield	Revenue recognised in accordance with QuickFee's accounting standards, divided by TTV, for the relevant product(s)	
Total Liquidity	Cash and cash equivalents held, plus undrawn borrowings that are available to be drawn from QuickFee's asset-backed credit facility based on the quantum of eligible loan receivables.	
TTV	Total transaction value	The total value of all transactions for the relevant product(s)
pcp	Previous corresponding period	For example, the pcp for the December 2022 quarter is the December 2021 quarter