

QUICKFEE Q1 FY25 BUSINESS UPDATE

21 October 2024

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

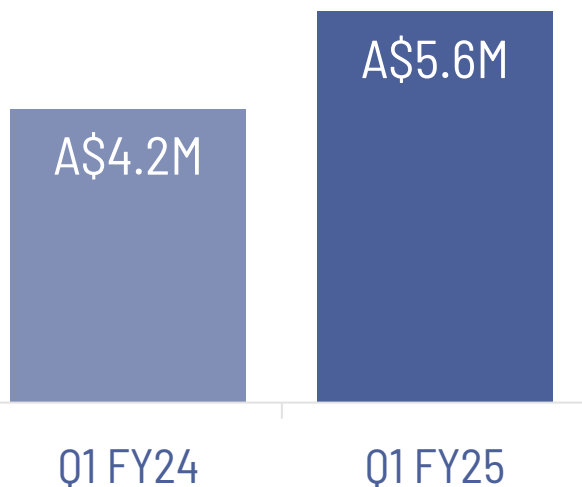


QuickFee helps professional services firms accelerate and automate accounts receivable and grow their business.



Q1 FY25 summary: Strong growth continues

+ REVENUE UP 33% ON PCP



Q1 FY25 PERFORMANCE¹

| | Q1 FY25 | Q1 FY24 | MOVEMENT |
|---------------------------------------|--------------------|------------|----------|
| REVENUE | | | |
| US FINANCE (PAY OVER TIME) | US\$ 659k | US\$ 561k | +17% |
| US PAY NOW (ACH & CARD) | US\$ 1,015k | US\$ 934k | +9% |
| AU FINANCE (PAY OVER TIME) | A\$ 2,651k | A\$ 1,693k | +57% |
| TOTAL TRANSACTION VALUES (TTV) | | | |
| US FINANCE (PAY OVER TIME) | US\$ 6.7m | US\$ 5.9m | +14% |
| US PAY NOW (ACH & CARD) | US\$ 309m | US\$ 268m | +15% |
| AU FINANCE (PAY OVER TIME) | A\$ 15.6m | A\$ 11.0m | +42% |

FY25 EARNINGS GUIDANCE CONFIRMED

Expected FY25 EBTDA in the range of \$1.5 - \$2.5 million, weighted to the second half

¹Figures shown are unaudited, from management accounts

Q1 FY25 Highlights

Quarterly revenue of A\$5.6m, up 33% on pcp

- + Driven by strong growth in the core Finance product in both Australia and the US

New Connect integration launched with Thomson Reuters Practice CS

- + Practice CS is the most widely used practice management solution used by QuickFee firms

Continued firm acquisition and strong Connect adoption

- + 23 firms signed in the US in Q1, 15 of these taking the Finance product. 69 firms now signed up for Connect.

Substantial pipeline of activity

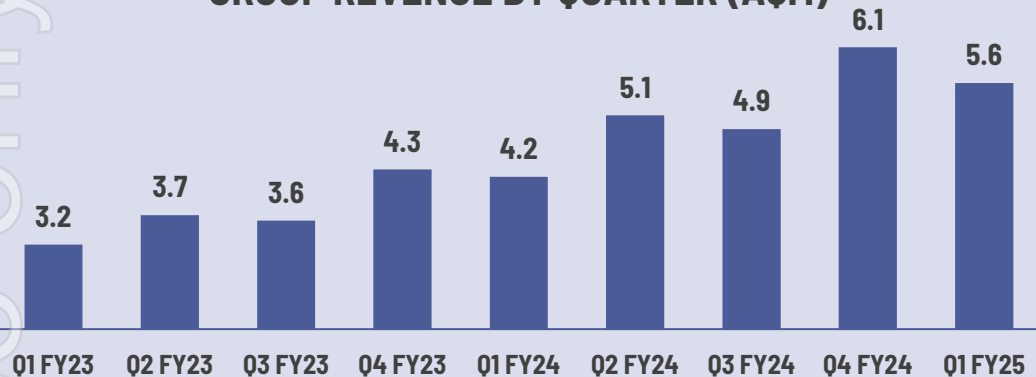
- + Increase in product demonstrations of Connect and sales activity
- + Onboarding of multiple large firms to Connect, continued work on a fifth Connect integration, ongoing development work on new payment portal – all with 'go-live' expected in Q2 FY25

Strategic partnerships with IRIS and Knuula progressing well

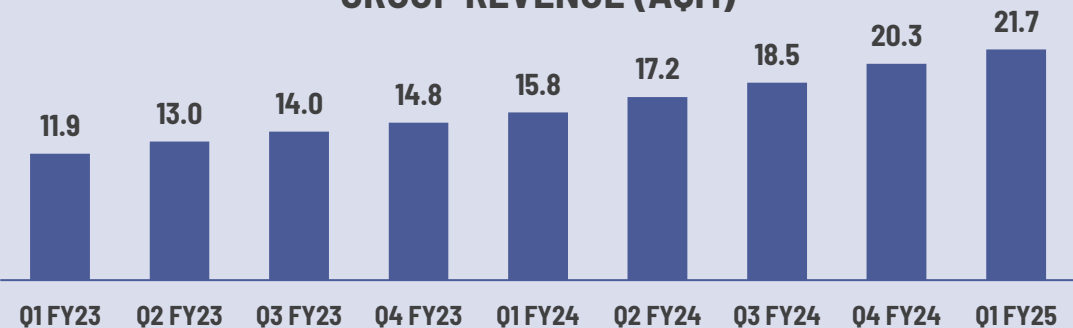
Confirm guidance: Expected FY25 EBTDA in the range of \$1.5-\$2.5 million, with a stronger second half

Strong revenue growth expected to continue

GROUP REVENUE BY QUARTER (A\$M)

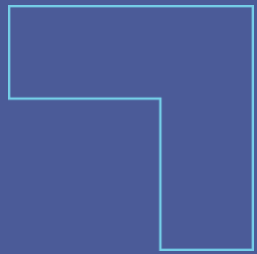


'LAST 12 MONTHS' ROLLING GROUP REVENUE (A\$M)



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



UNITED STATES:

**CONTINUED FOCUS ON FINANCE
PRODUCT AND CONNECT**



QuickFee Connect: integrations with an 'automate everything' mindset

Building our platform to enable easier, more scalable integrations with new strategic partners

Overview

- + QuickFee Connect offers a scalable A/R solution that is designed specifically for accounting firms starting at \$1m in annual revenue, with a competitive subscription pricing model
- + Connect drives both new subscription revenue streams and increases total transaction volume
- + Building ecosystem for firms that want to build their own tech stack – want deep functionality with lots of customisation

Current Integrations



Q1 FY25 Update

- + Integration with Thomson Reuters Practice CS launch
- + Current development work on fifth Connect integration for launch in Q2 FY25
- + Strategic partnerships with IRIS and Knuula progressing well

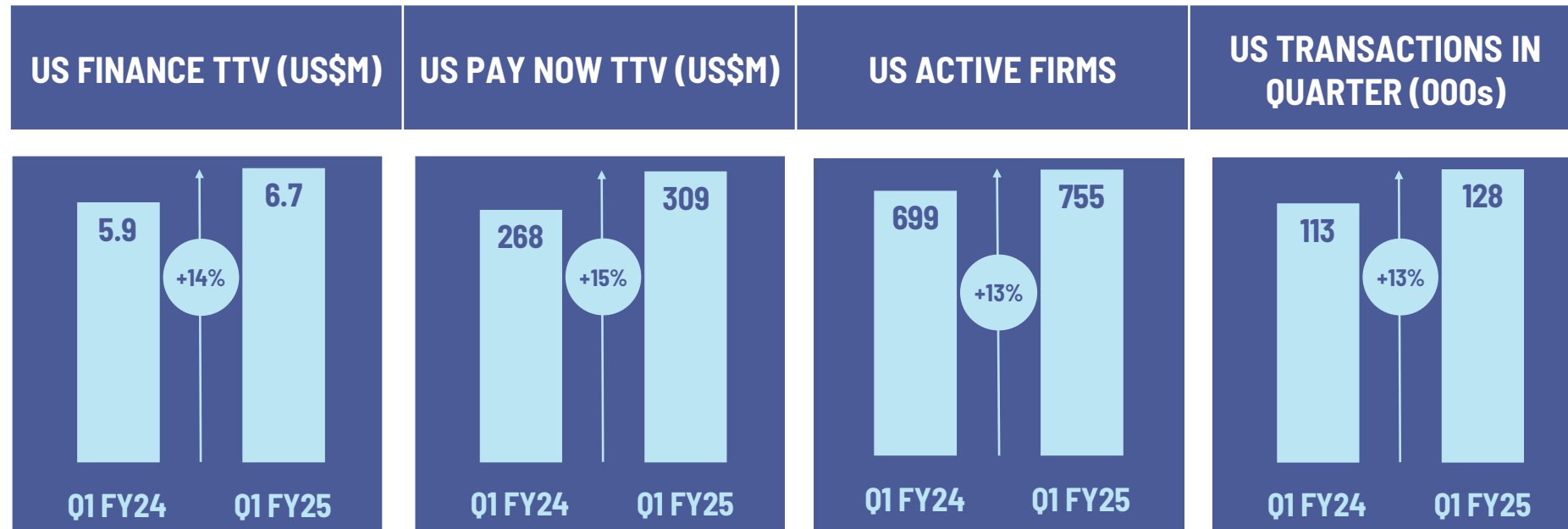
Q1 FY25 activity and performance

+ New customer acquisition:

- + Strong growth in active firm numbers (up 13% to 755); 23 firms signed in Q1 FY25, 16 to Connect
- + Connect firms signed up now at 69, 30 active and 39 in implementation. Annual revenue of these 69 firms is US\$ 0.9 bn

+ Ongoing product innovation and development:

- + Launch of new Connect integration with Thomson Reuters Practice CS
- + Development work on fifth Connect integration – launch Q2 FY25
- + Nearing completion of development work on new payment portal – launch Q2 FY25



US growth across all products

Finance

- + US Finance TTV up 14% on pcp; revenue up 17% on pcp to A\$ 0.7 million (Q1 FY24: A\$ 0.6 million); revenue yield up 30 bps on pcp
- + US Finance revenue adversely affected by cancellation of ~\$40k of interest revenue, due to clients defaulting on their payment plans.

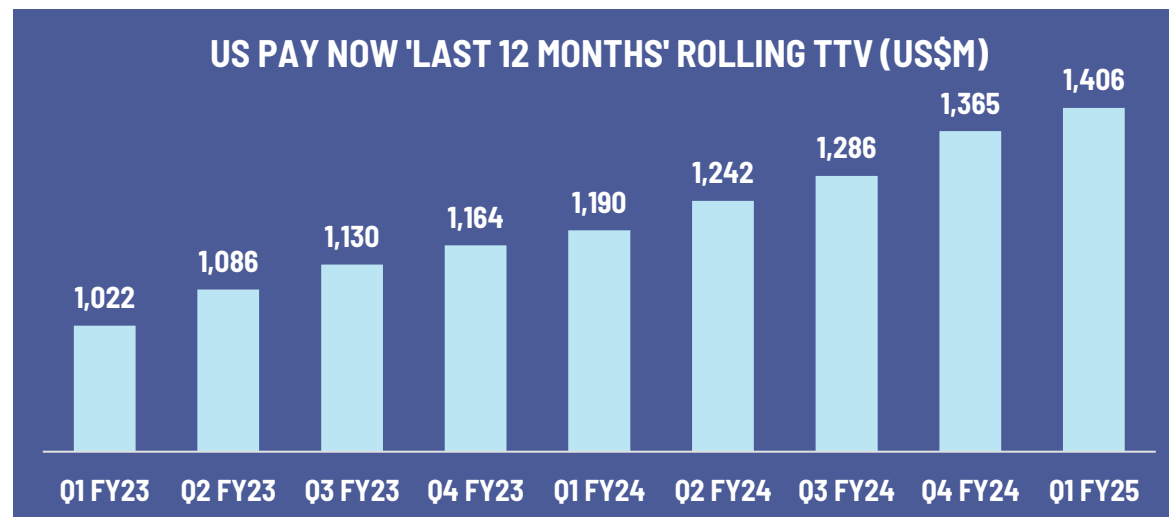
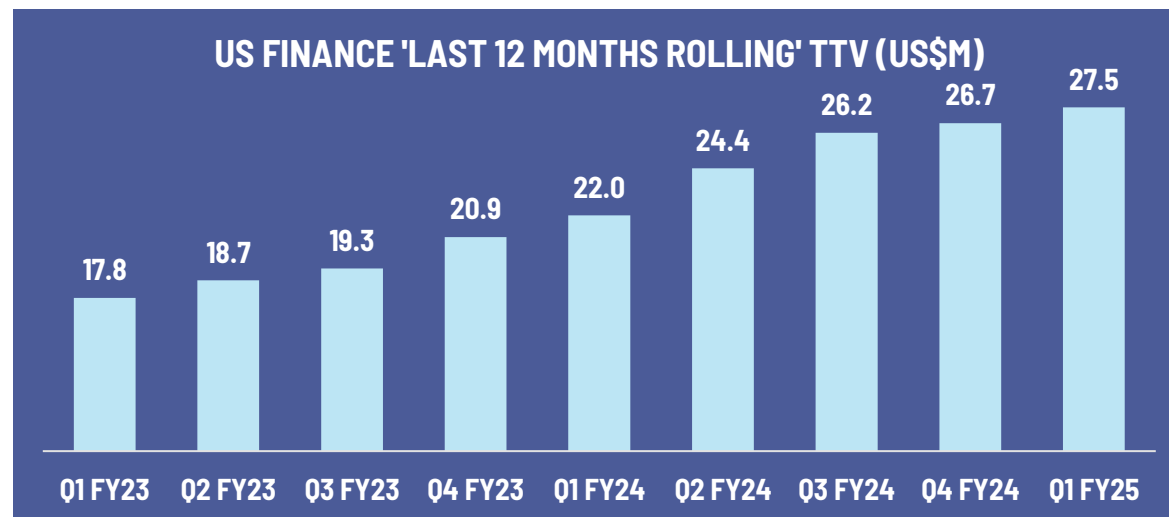
Connect

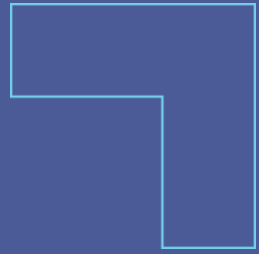
- + In September 2024, Connect delivered 4,500 invoices to firms' clients and was the highest volume month since Connect's launch, outside April 2024 (which is a seasonal high due to the 15 April 'end of tax season' billing)

Pay Now

- + US Pay Now TTV up 15 on pcp; revenue up 9% to US\$ 1.0 million (Q1 FY24: 0.9 million) on slightly lower revenue yields

No credit losses in quarter





AUSTRALIA:

POSITIVE MOMENTUM CONTINUES



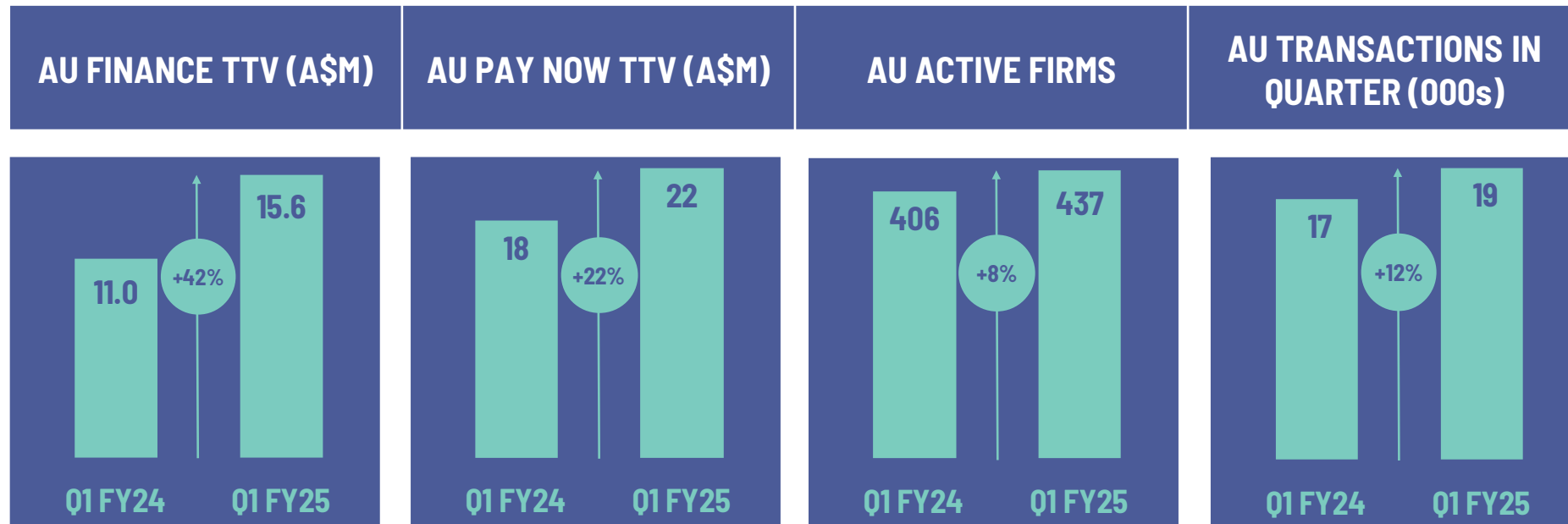
Continued strong growth in AU

+ TTV growth:

- + AU Finance TTV up 42% to A\$ 15.6 million (Q1 FY24: A\$ 11.0 million)
- + AU PayNow TTV up 22% to A\$ 22 million (Q1 FY24: A\$ 18 million)
- + BNPL TTV up 100% to A\$ 1.2 million (Q1 FY24: A\$0.6 million)

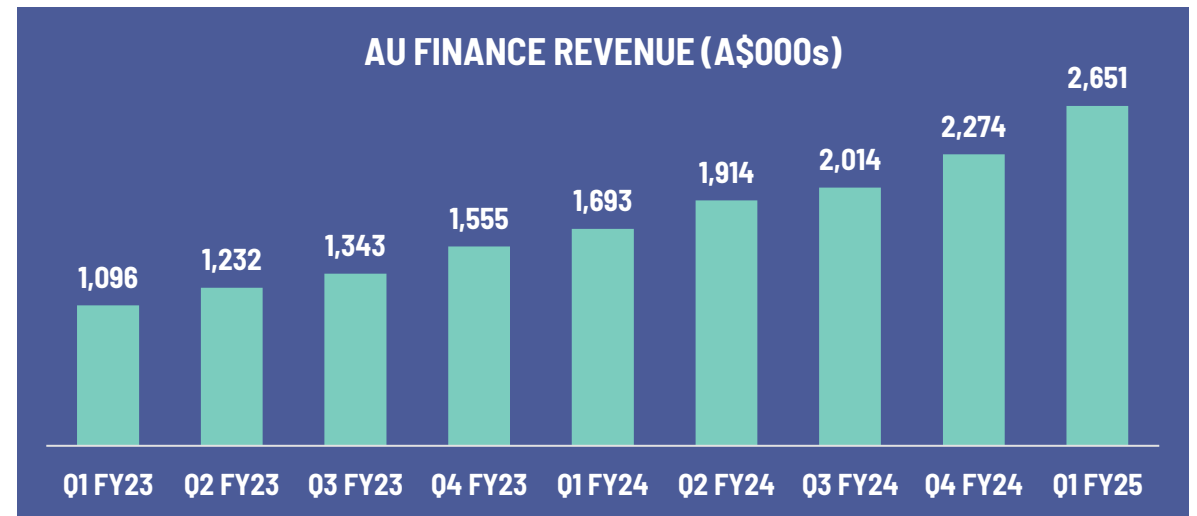
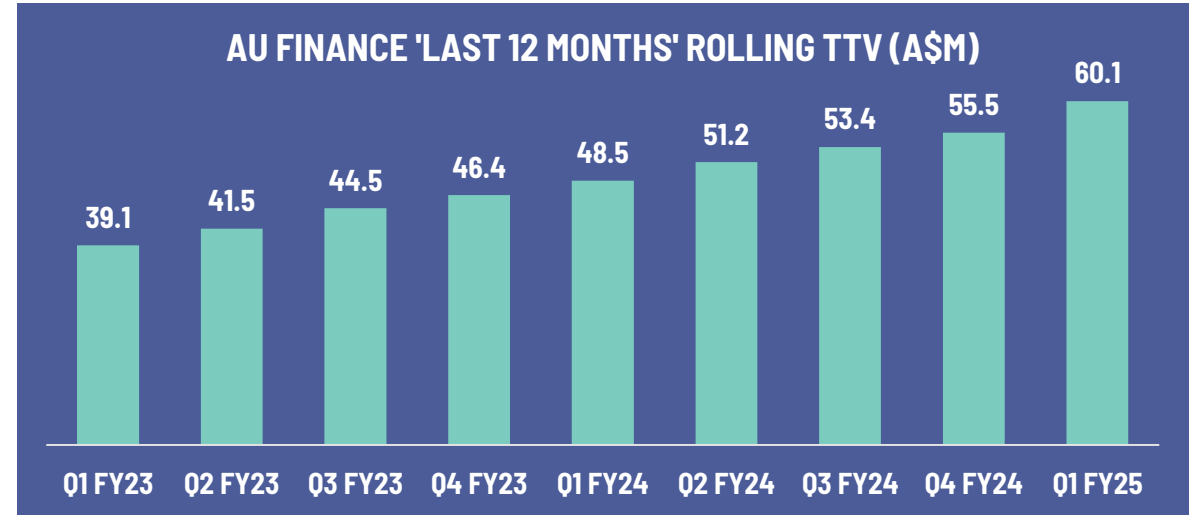
+ New customer acquisition:

- + Active firm numbers up 8% to 437 (Q1 FY24: 406); the second highest quarter on record (after Q4 FY24)
- + Focus on reactivating firms who have not processed payment plans in the last 12 months



Strong performance in Q1

- + AU Finance TTV up 42% on pcp; AU Finance revenue up 57% on pcp to A\$ 2.7 million (Q1 FY24: A\$ 1.7 million); revenue yield up 160 bps on pcp
- + Legal disbursement funding product showing continued growth with loan book at 35% of total AU book.
- + Decline in total number of payment plans vs. pcp due to strong prior year quarter with new disbursement funding firm sign-ups in Q1 FY24
- + No credit losses in quarter



| | Q1 FY24 | Q1 FY25 | % |
|----------------------------|---------|---------|-----|
| # of Finance payment plans | 1,967 | 1,908 | -3% |



Liquidity and funding update

Liquidity

- + At 30 September 2024, the Company had A\$ 4.6 million unrestricted cash on hand, with borrowing growth capacity of a further A\$ 16.5 million from existing facilities available to fund future loan book growth

Funding update

- + In advanced discussions with various potential lenders to secure financing to replace the Northleaf facility in full prior to 31 March 2025

Credit facilities

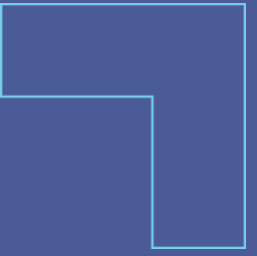
Northleaf credit facility

- + US\$40 million (A\$57.7 million) facility
- + Currently drawn to US\$9.5 million + A\$30.5 million (A\$44.2 million in total)
- + Interest margin of 6.25% plus SOFR/BBSW
- + Secured against US & AU loan receivables
- + Advance rate 90%
- + Maturity November 2025; draw period to March 2025

Wingate credit facility

- + A\$10 million facility
- + Currently drawn to A\$7.0 million
- + Interest margin of 9% plus BBSW
- + Secured against AU disbursement funding receivables
- + Advance rate 85%
- + Maturity June 2027; draw period to June 2025

QuickFee has a strengthened balance sheet to achieve sustainable profitability within its existing cash and borrowings facilities.



FY25 OUTLOOK



FY25 Outlook



Our focus remains unchanged: reaching sustained profitability

- Focus on fastest path to profit: QuickFee Finance and QuickFee Connect
- Continue to manage cost base carefully
- Continued investment in Connect integrations and launch of Connect subscription model
- Build and execute strategic partnerships to enable exponential growth
- Scalable technology foundation with product modernisation and enhanced systems redundancy
- Expected FY25 EBTDA in the range of A\$1.5 - \$2.5 million, weighted to the second half



Why QuickFee, why now



Top tier management team in place with owner mentality



\$84B in Serviceable Addressable Accountant Market in the US Alone



Winning, differentiated value proposition: Finance, Connect, Pricing



Proven track record of delivering 30%+ YoY revenue growth



Ability to substantially increase revenue through Connect integrations



Growing customer base of 1,250+ firms worldwide

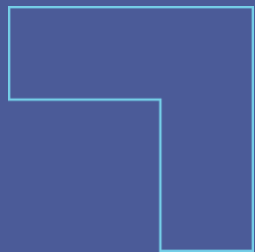
To learn more about QuickFee, our business and strategy, please see our 'About Us' video located on our investor hub here: investorhub.quickfee.com/activity-updates/quickfee-about-us



QUESTIONS

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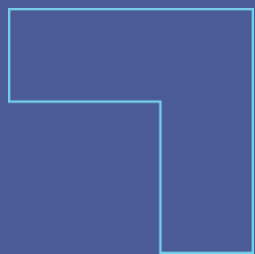
CONTACT DETAILS

Simon Yeandle, CFO

p: +61 2 8090 7700
e: simon.yeandle@quickfee.com

Katie Mackenzie, Investor Relations

p: +61 455 502 197
e: kmackenzie@bellevueir.com.au



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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. | |
| Transactions in quarter | The aggregate number of completed Pay Now transactions and new Finance loans (payment plans) originated in the relevant quarter. | |
| 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 2023 quarter is the December 2022 quarter |