

ASX Release | 11 November 2020

## SNN Network Australia virtual event presentation

**QuickFee Limited (ASX:QFE)** advises that today it presented at SNN Network's Australia virtual event.

Attached is the presentation that Managing Director and CEO, Bruce Coombes delivered to investors at 8:00 am (AEDT) today for this event.

— END —

This announcement has been authorised for release by the directors.

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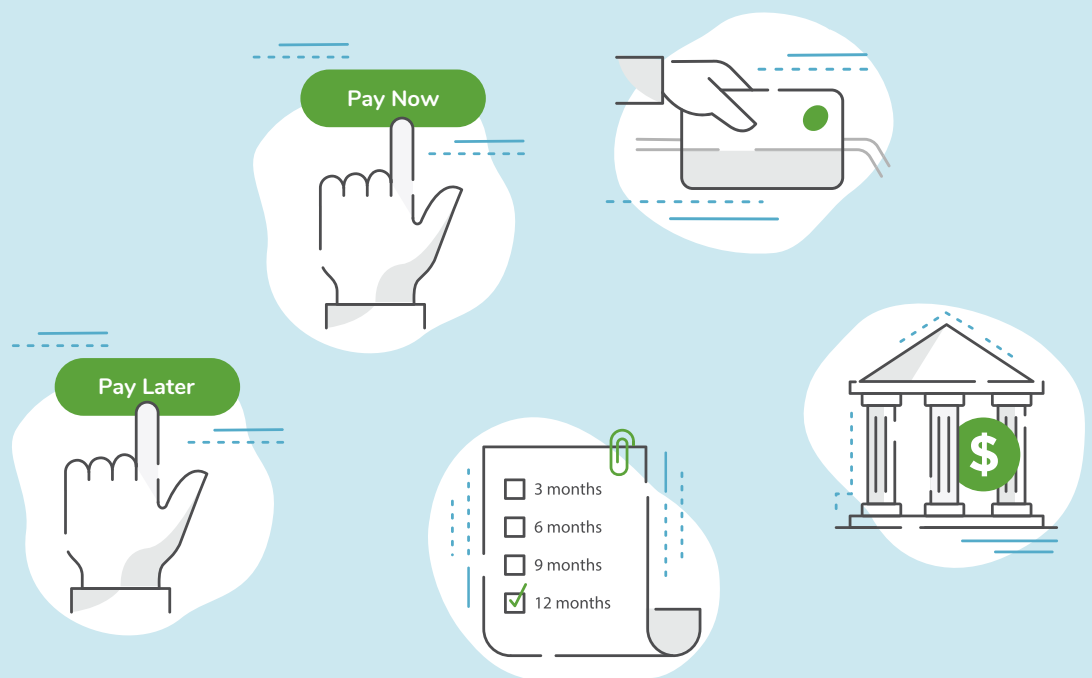
# QuickFee.

## All things payments, all things receivables for professional service firms

Founded in 2009 and operating in Australia and the United States, QuickFee offers payment and lending solutions to professional service firms.

In July 2019, QuickFee Australia and QuickFee US became wholly owned by QuickFee Limited and completed an IPO on the ASX.

QuickFee's fully integrated online payment platform and lending solution enables clients to securely pay invoices up front or over time. This ensures professional firms are paid immediately and in full, while clients enjoy the flexibility of paying by instalment.





# **SNN Network Australia Virtual Event**

Bruce Coombes, CEO

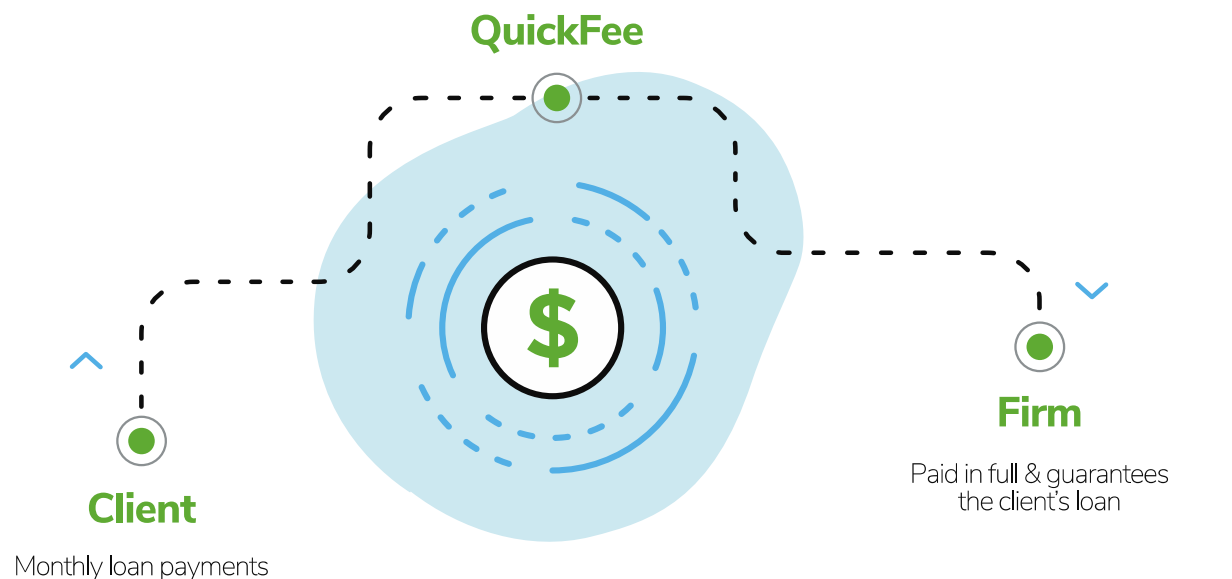
**QuickFee.**

11 November 2020

# Introduction to QuickFee

Advice Now, Pay Later...

A proven platform providing cash flow certainty



- QuickFee provides financing to clients of accountants and lawyers (professional service firms)
- QuickFee AU maintains a credit insurance policy to mitigate against the risk of default

A platform that borrowers rate highly

90%

of users found that accounting and law firms offering payment plans is very important.

92%

of users found the QuickFee payment plan application very or extremely easy.

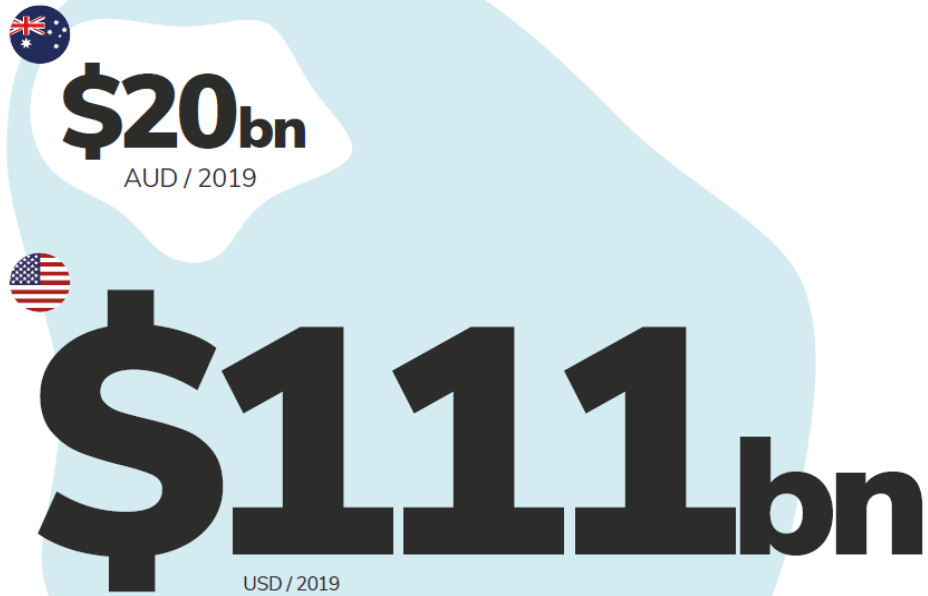
69%

of business users selected monthly payments to help with their cashflow.

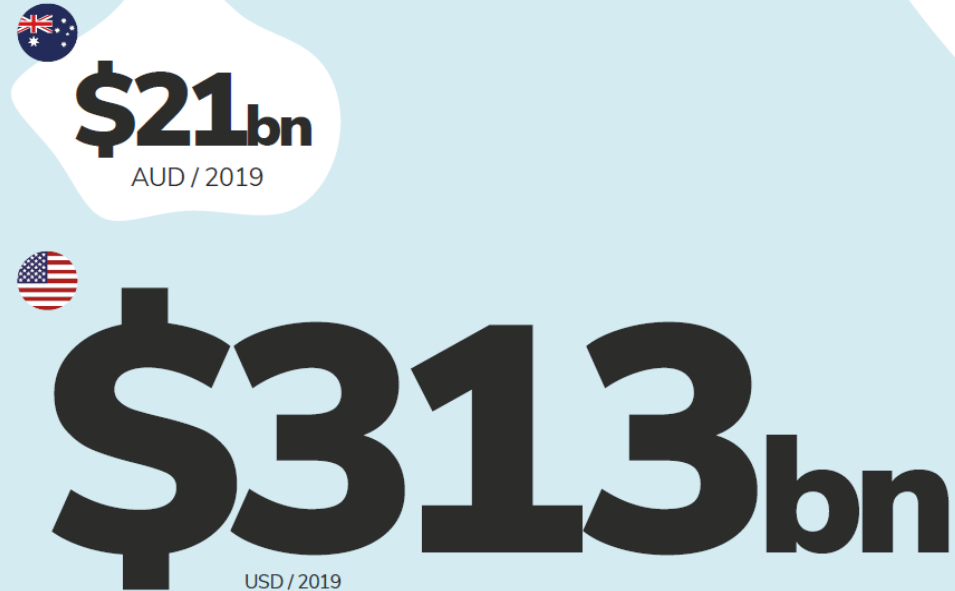
# Significant global opportunity

## Huge professional services market in the US

Accounting sector – estimated revenue



Legal sector – estimated revenue



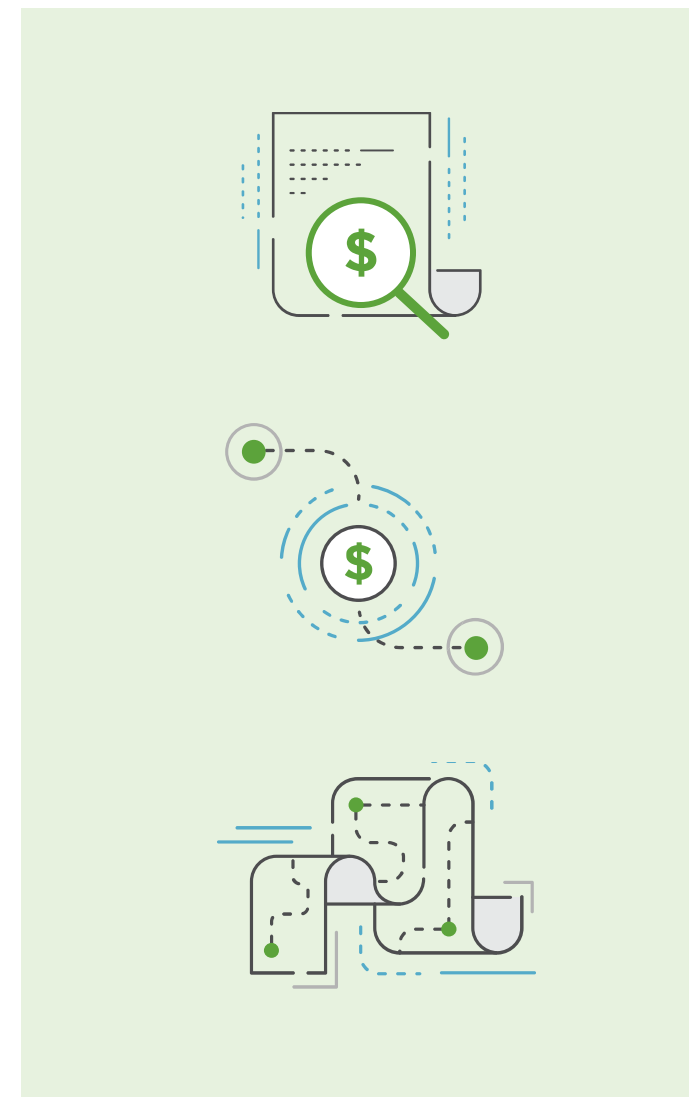
Source: IBISWorld

# Multiple revenue sources

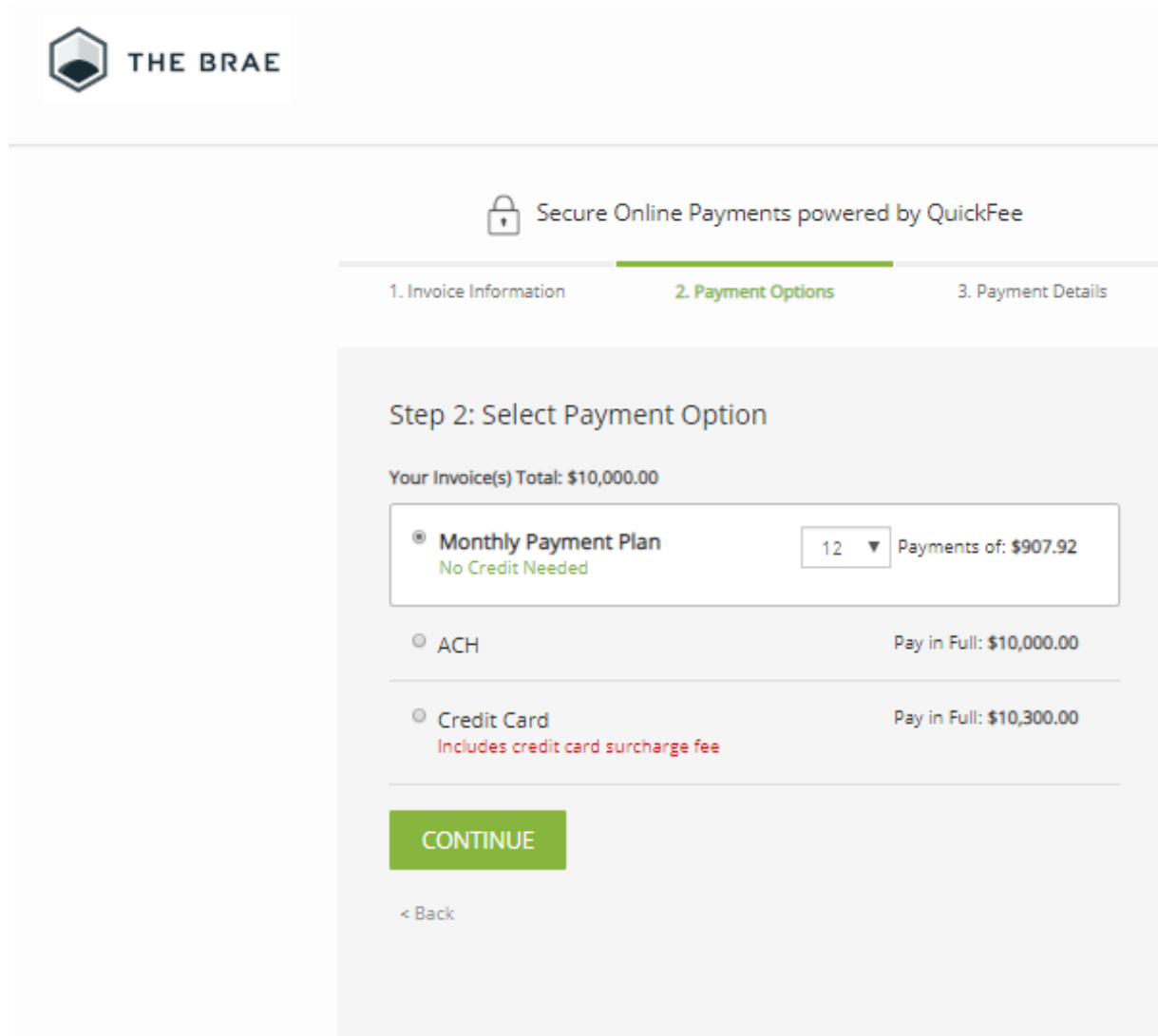
COVID-19 accelerating trend towards online payments

**All things payments,  
all things receivables  
for professional  
service firms**

Source	AU market	US market
Interest and fee income from lending	YES	YES
Platform fees	Some	YES
Transaction income	NO	YES
Net credit card processing income	NO	YES
SaaS e-invoicing tool revenue	FY21 release	FY21 release
QuickFee Instalment revenue	YES	YES



# Easy-to-use online payment portal 24/7



The screenshot displays the 'THE BRAE' online payment portal. At the top, the company logo is on the left, and a security notice 'Secure Online Payments powered by QuickFee' is on the right. Below this is a progress bar with three steps: '1. Invoice Information', '2. Payment Options' (which is highlighted with a green line), and '3. Payment Details'. The main content area is titled 'Step 2: Select Payment Option' and shows 'Your Invoice(s) Total: \$10,000.00'. There are three payment options listed: 'Monthly Payment Plan' (selected with a radio button, showing '12' payments and 'Payments of: \$907.92' with the note 'No Credit Needed'), 'ACH' (radio button, showing 'Pay in Full: \$10,000.00'), and 'Credit Card' (radio button, showing 'Pay in Full: \$10,300.00' and 'Includes credit card surcharge fee'). A green 'CONTINUE' button is at the bottom, with a '< Back' link below it.

**THE BRAE**

Secure Online Payments powered by QuickFee

1. Invoice Information    **2. Payment Options**    3. Payment Details

Step 2: Select Payment Option

Your Invoice(s) Total: \$10,000.00

☒ **Monthly Payment Plan**    12 ▼    Payments of: \$907.92  
*No Credit Needed*

☐ ACH    Pay in Full: \$10,000.00

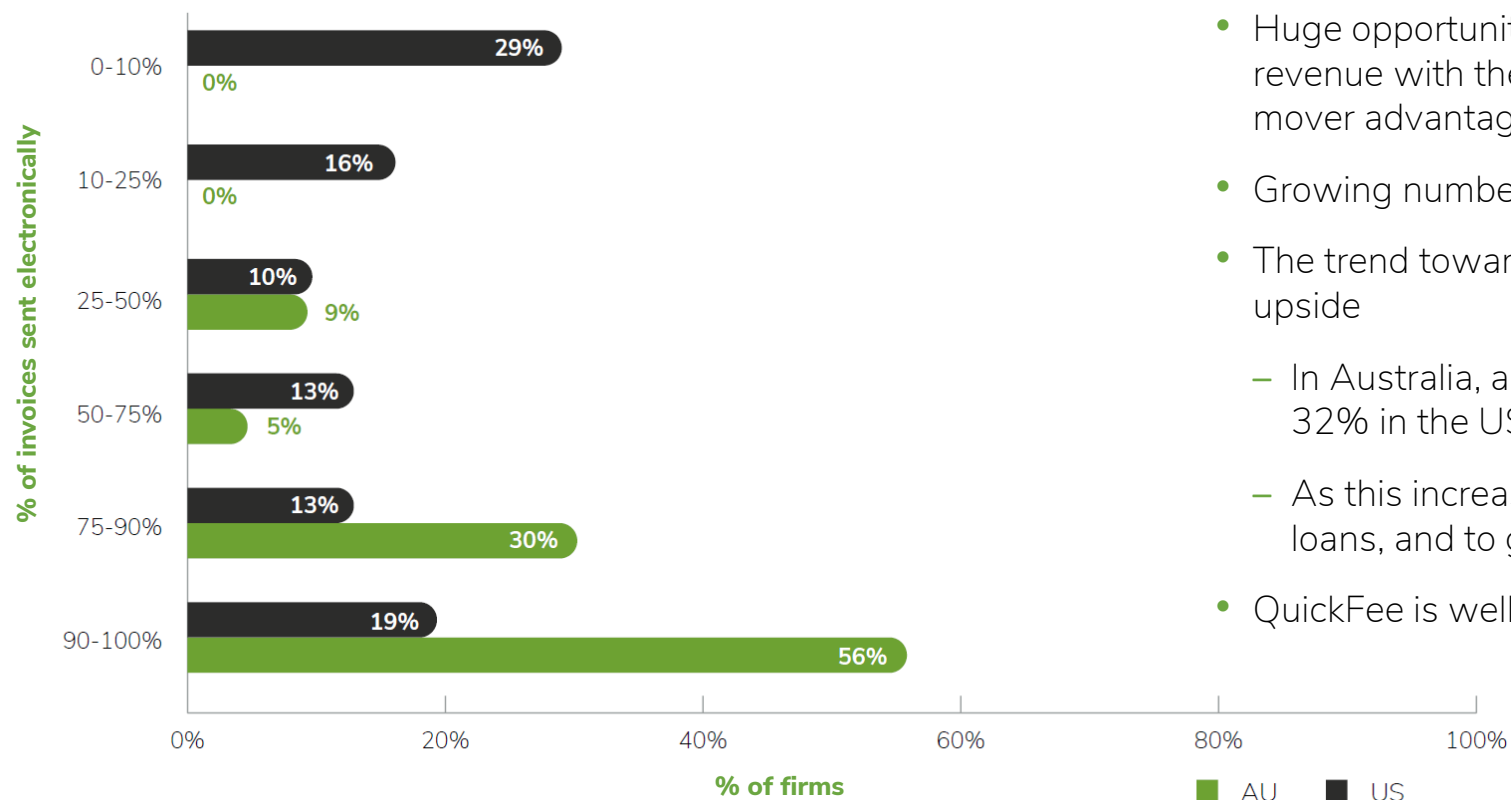
☐ Credit Card    Pay in Full: \$10,300.00  
*Includes credit card surcharge fee*

**CONTINUE**

< Back

# US market is modernising

## Creating significant opportunities for QuickFee



- Huge opportunity to grow both lending revenue and transactional revenue with the 'modernising' of the US market and our first mover advantage
- Growing numbers of new firm sign ups a leading growth indicator
- The trend towards electronic invoices represents significant upside
  - In Australia, around 84% of invoices are sent electronically vs 32% in the US
  - As this increases in the US, we expect this to lead to more loans, and to generate more transactional revenue
- QuickFee is well positioned to capitalise on this trend

Source: QuickFee CSAT survey (February 2020)





## FY20 highlights and Q1 FY21 update

**QuickFee.**

# FY20 highlights

A year of significant progress; well positioned for strong growth



**US\$13.0m**

Record growth in  
US lending

↑ 63%



**A\$49.3m**

Record growth in  
AU lending

↑ 17%



**US\$6.6m**

Record value of  
US loan book

↑ 52%



**A\$27.5m**

Record value of  
AU loan book

↑ 15%



**A\$8.5m**

Record revenue

↑ 47%



**A\$13.5m**

initial public offering

**A\$7.5m**

Secondary  
capital raise



**412**

Firms now signed  
up to QuickFee US

↑ 63%



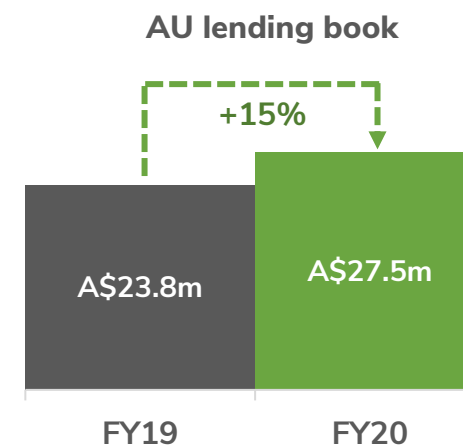
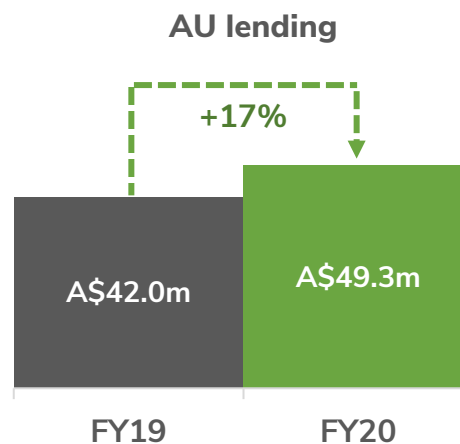
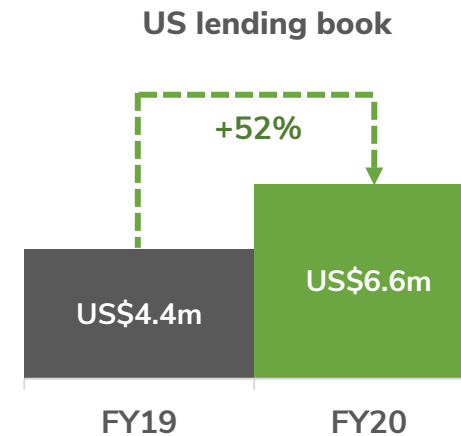
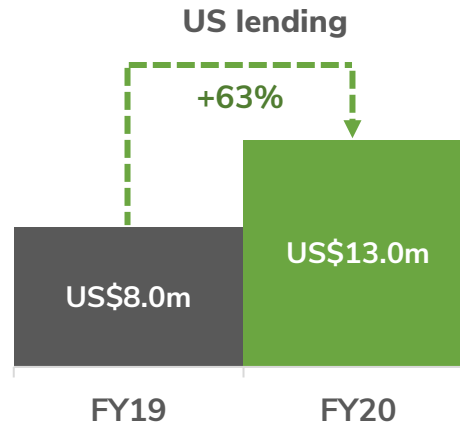
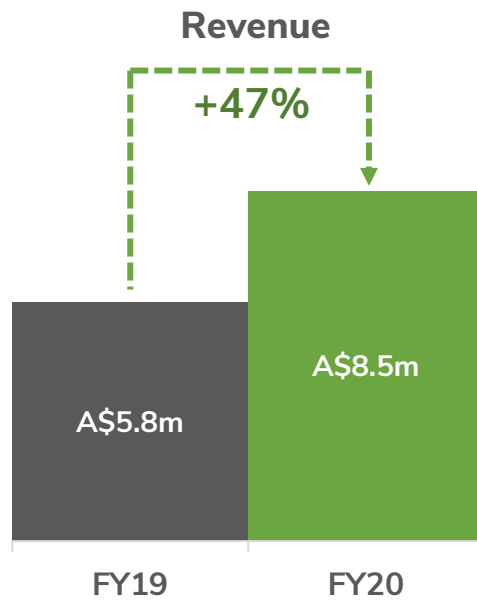
**US\$305m**

Record growth in US  
transaction volumes  
processed

↑ 137%

# FY20 financial overview

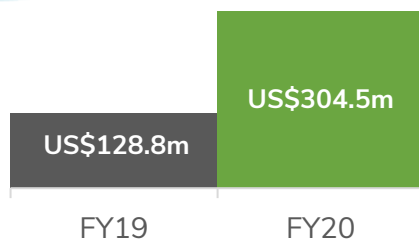
Strong growth achieved across key metrics



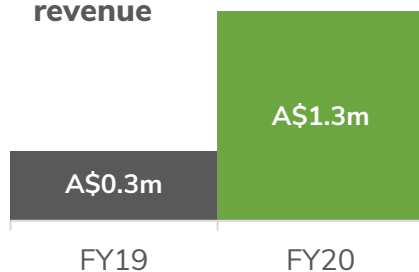
# COVID-19 accelerated shift to online payments in the US

EOFY20 transaction value annualised run rate US\$554m; annualised revenue run rate at US\$1.5m

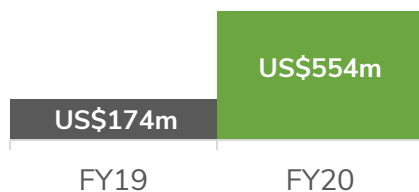
## US transaction values



## US merchant fee revenue



## Annualised transactions processed run rate



- Payment portal transaction revenue up 301% to A\$1.3m in FY20
- Annualised US merchant fee revenue run rate of US\$1.5m (based on June quarter)
- Combination of mass volume of transactions in the US professional services market and a lack of sophistication in processing online payments in the US represents a huge opportunity for QuickFee
  - COVID-19 accelerated shift to online
- The table compares pay in full (up-front payment) portal transaction values from the firms that joined earlier, compared to the more recently signed firms
  - this demonstrates the latent growth in transaction revenue available from the existing base as it matures, and as new firms are signed up and move to online payments

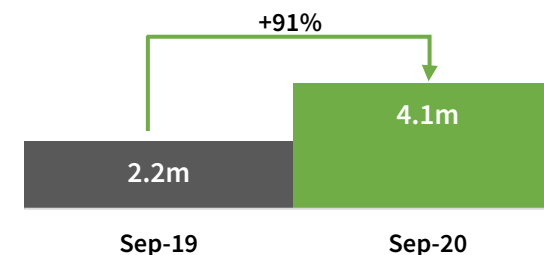
Date firm joined QuickFee US	Portal transaction values		
	FY20 US\$	FY19 US\$	Increase
Jun 2020 quarter	5.5m	-	5.5m ▲
Mar 2020 quarter	10.7m	-	10.7m ▲
Dec 2019 quarter	30.9m	-	30.9m ▲
Sep 2019 quarter	16.9m	-	16.9m ▲
Jun 2019 quarter	16.2m	0.5m	15.7m ▲
Mar 2019 quarter	26.3m	7.3m	19.0m ▲
Dec 2018 quarter	42.9m	14.0m	28.9m ▲
Sep 2018 quarter	16.7m	8.3m	8.4m ▲
Jun 2018 quarter	17.0m	10.0m	7.0m ▲
Mar 2018 quarter	14.9m	9.5m	5.4m ▲
Dec 2017 and prior	106.5m	79.2m	27.3m ▲
<b>TOTAL</b>	<b>304.5m</b>	<b>128.8m</b>	<b>175.7m ▲</b>

# Q1 FY21 quarterly update

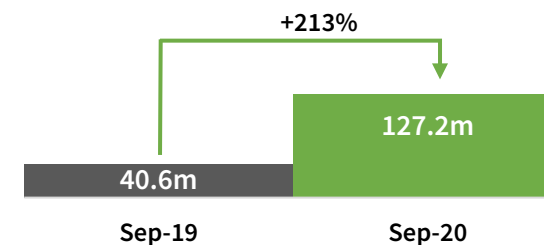
4th consecutive quarter of record lending in the US; tougher conditions being experienced in Australia

- Continued rapid growth in key US market; fourth consecutive quarter of record lending
  - up 91% to US\$4.1 million (Q1 FY20: US\$2.2 million)
- Platform transactional value benefiting from accelerated shift to online payments
  - up 213% on pcp to US\$127.2 million
- Q1 lending in Australia impacted by government stimulus measures
  - down 41% to A\$6.4 million (Q1 FY20: A\$10.9 million); this trend is expected to reverse as JobKeeper unwinds
- Continued traction in signing up new firms onto the QuickFee US platform
  - 457 active firms as at 30 September (30 June: 412); up 11% over the quarter
- New “QuickFee Instalments” product announced in partnership with Splitit (ASX:SPT) to significantly expand target market and drive lending growth
- Successful completion of A\$15 million share placement in September and A\$2.5 million SPP; will enable QuickFee to add significant scale to its customer acquisition team and fund the anticipated growth of the receivables book

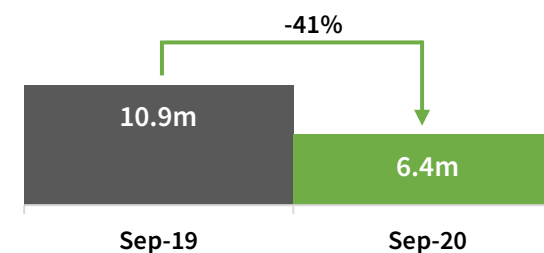
Sep quarterly lending - US (USD)



Transaction value - US (USD)



Sep quarterly lending - Aus



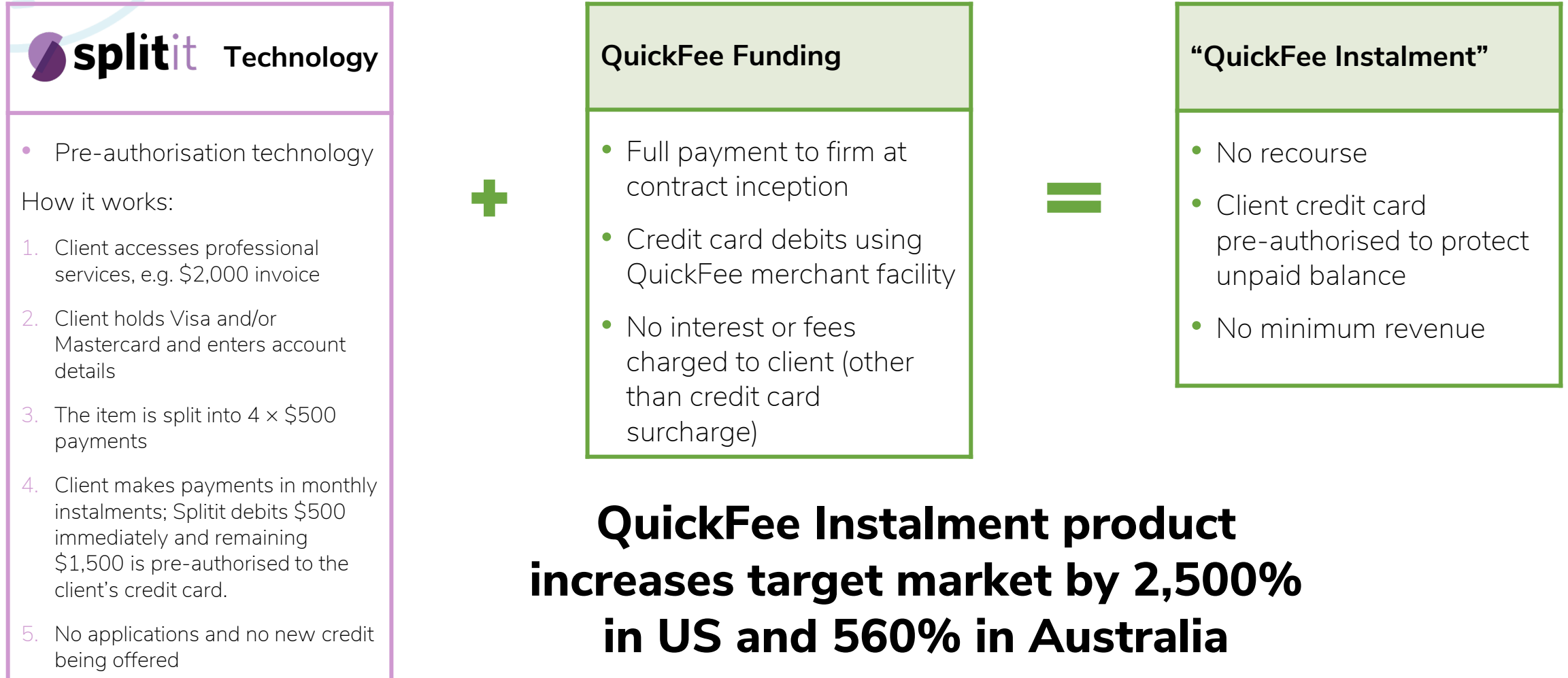


The next stage: QuickFee Instalments

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# “QuickFee Instalments” product launched in partnership with Splitit

Complements existing offerings



# Increasing the market opportunity

**“QuickFee Instalments” product will drive lending growth by opening up new market segments**

- In the US market, QuickFee currently services firms with >US\$1m in annual revenue
- QuickFee Instalments will allow QuickFee to address a further 650,000 firms in the US accounting and legal sectors alone
- QuickFee Instalments offers:
  1. Target firms below US\$1 million revenue, which make up the majority of firms, including:
    - Smaller firms
    - Consumer law services
    - Other consumer financial advice
  2. Offer payment plans to consumers for the first time – even for firms above US\$1 million revenue
  3. Offer payment plans to firms that have been reluctant to offer QuickFee’s current offering due to concerns about recourse back to the firm if the client defaults on an instalment
  4. Have greater take-up rate of payment plans as firms, not clients, pay the transaction facilitation fee
  5. **Access to new professional services markets – substantially increasing the target market**

US firm revenue	CPA firms	Law firms
Firms > \$100k	76,895	255,624
Firms > \$250k	30,351	90,532
Firms > \$500k	13,029	44,622
Firms > \$1m	5,379 (QF: 423 / 8%)	20,803
Firms > \$1.5m	3,290 (QF: 397 / 12%)	12,992
Firms > \$2m	2,369 (QF: 372 / 16%)	9,368
Firms > \$5m	904 (QF: 262 / 29%)	3,464
Firms > \$25m	202 (QF: 57 / 28%)	567
<b>Total</b>	<b>241,518</b>	<b>433,581</b>

Source: D&B Hoovers

QF = QuickFee

**Over 70 firms signed up to  
new product in just 2 weeks**



# Why are we doing this?

Helping customers access advice they need; capturing greater market share

## California as an example

- 55% of Californians experience at least one civil legal problem in their household each year, and 13% of Californians experience six or more
- Only 32% of Californians seek legal help for their legal problems
- Top problem types for which Californians sought and received legal help:
  - Wills & estates – 73%
  - Family – 58%

Source: "The California Justice Gap: Measuring the Unmet Civil Legal Needs of Californians". The State Bar of California. November 2019

Making quality legal and financial services more affordable through innovative solutions

Increase QuickFee's target market by 650,000 accounting and law firms in the US



Accelerating Tech

**QuickFee.**

# Pivoting to ‘next level’ technology

## Accelerating tech investments to capitalise on market shifts

- Structural market shift is underway – professional services firms are ‘digitising’
  - COVID-19 has accelerated this shift

## Current tech developments

- QuickFee is currently completing its e-invoicing and accounts receivable management system
  - This functionality will allow firms to automate electronic invoices through the QuickFee platform
  - Expected to receive strong demand for this functionality, particularly in the US
  - Anticipate to launch by early CY21
  - e-invoicing expected to drive further interest in payment plans

## Moving ahead

- QuickFee has ambitious plans to benefit from the market shift
  - Building out the tech team – technical leads now in place
  - Developing new technology solutions to meet specific needs of the B2B professional services market
  - Exploring other technology opportunities that can integrate with the QuickFee online platform

## “QuickFee Instalments” to address expanded market and drive significant growth and market leadership in the Advice Now, Pay Later market



## Outlook

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# Outlook: capitalising on massive US opportunity

## Becoming a global market leader as an online payment provider

- A strengthened financial position, record new firm sign ups, technology enhancements, and investment in people
- US market is modernising, creating significant opportunities
  - QuickFee is in an excellent position to continue to execute on our first mover advantage in the huge professional services market in the US and our North American growth aspirations
- Future growth to be supported by:
  - Strategic alliance partnerships
  - More accounting and law firms on the QuickFee platform
  - Structural shift to e-invoicing and online payments in the US to drive further transactional and lending revenue
  - Investment in technology advancements to capitalise on structural shifts
  - Recruiting the best talent available to assist us in executing our strategy
- Our platform is highly scalable, and readily deployable into new geographic markets where competition is low and the professional market is large





Questions

**QuickFee.**



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