

25 August 2022

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# FY22 Results

Executive Director, Dale Smorgon  
Chief Financial Officer, Simon Yeandle

## QuickFee on track to achieve run-rate profitability by the end of FY23 within existing cash and borrowing facilities

- **Revenue up 23%**
- **Record volumes in the US**
- **Industry-leading low bad debt levels**
- **Technology starting to deliver higher margins in the US**
- **Strong recovery in Australia**
- **Well-funded**
- **Another strong year in the US for Pay Now and Financing**
  - + Pay Now total transaction values (TTV) up 44% to US\$961 million (FY21: US\$668 million)
  - + Financing up 11% to US\$16.8 million (FY21: US\$15.1 million)
- **Lending in Australia continues its recovery, up 24% vs FY21 to A\$38.1 million in FY22**
- **Solid growth in BNPL offering and go-to-market channel**
  - + BNPL TTV of US\$ 3.5million in the US and \$0.9 million in AU
  - + Annualised volume backlog up to A\$11.4 million (30 June 2021: A\$4.6 million).
- **Jim's Group BNPL and card services agreement signed, providing access to ~4,500 franchise merchants in AU home services to offer payment plans**
- **Northleaf credit facility increases borrowing capacity to fund loan book growth by 250%**
- **Successful A\$4.4million capital raise putting QuickFee on a solid footing entering FY23**
- **Known path to profitability**

## We delivered against our strategy

### Effective go-to-market strategy

- + Renewed focus on core Professional Services market
- + Connect integration tool launched in market

### Scalable processing platform

- + Launched payments platform QUBE
- + Launched automated merchant onboarding platform

### Improved economic model

- + US ACH automation with Bluesnap partnership
- + US card margins negotiated as high as 3x with Payroc partnership
- + Financing price increases implemented well ahead of inflation/interest rate rises
- + Enhanced and automated fraud and risk management delivered another year of minimal bad debts

### Engaged and experience payments talent

- + Transition of management as technology build completed
- + Existing team assuming management responsibilities



# FY22 Highlights – Financials

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## Transitioning from investment to profitability

- Financing revenue up 9%
- Total revenue up 23%
- Margin improvement already being seen in H2 FY22
- Operating expenses were up 43% vs FY21, however investment in sales and technology talent has peaked and has been reduced
- Loan book growth of 27%
- Monthly cash burn down from \$974k average in H1 FY22, to \$677k in H2 FY22
- Monthly cash burn to reduce further in FY23
- The business has sufficient liquidity to reach run-rate profitability within existing reserves

## Financial performance

A\$M	FY20	FY21	FY22	%+/-
Financing revenue	5.7	4.7	<b>5.1</b>	<b>+9%</b>
Payments & other revenue	2.8	4.1	<b>5.7</b>	<b>+39%</b>
<b>Total revenue</b>	8.5	8.8	<b>10.8</b>	<b>+23%</b>
<b>Gross profit</b>	5.7	6.3	<b>7.6</b>	<b>+21%</b>
Gross margin%	67%	72%	<b>70%</b>	
<b>Adjusted EBITDA*</b>	(3.5)	(7.9)	<b>(12.6)</b>	<b>-59%</b>
<b>NPAT</b>	(3.8)	(8.5)	<b>(13.5)</b>	<b>-59%</b>

## Loan book & Liquidity

A\$M	30 June 2022	30 June 2021	%+/-
<b>Loan book</b>	<b>32.9</b>	<b>26.0</b>	<b>+27%</b>
			<b>\$+/-</b>
Cash and cash equivalents (A)	<b>8.2</b>	21.3	-13.1
Available undrawn borrowings based on loan book (B)	<b>8.1</b>	1.3	+6.8
<b>Total Liquidity (A) + (B) **</b>	<b>16.3</b>	<b>22.6</b>	<b>-6.3</b>
Growth Capacity (borrowings facility headroom)	<b>27.7</b>	10.4	+17.3
<b>Total Liquidity plus Growth Capacity</b>	<b>44.0</b>	<b>33.0</b>	<b>+11.0</b>



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# Professional Services

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## Cash flow improvement

Get paid upfront every time when customers can choose low-interest financing.

## Spend less on collections

It shouldn't take months to get paid for your work. Cut down on collections with payment plans.

## Close faster with prospects

With access to funding, customers are more likely to buy all the services they need.

## Secure, reliable funding

All payment plans go through a secure payment portal where you can review and approve.

### Sax LLP

"Our clients have options and the access to pay through portal 24/7. I have noticed that because of the link we provide on their emailed invoice, clients are paying right away, as soon as they receive it."

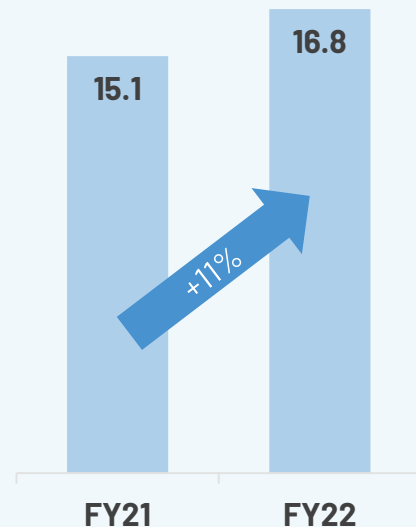
Carolyn C.

AR Collections Specialist

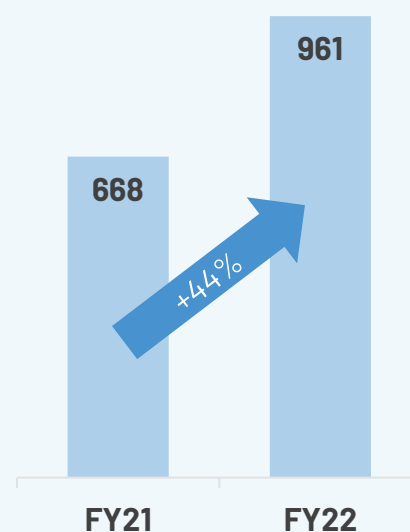
## Fast-growing volumes and profitability within a low credit risk business model

- More and more accounting and law firms, and their clients, are embracing e-invoicing and online payments
- This structural shift has led to new merchant growth, with active merchants up 39% to 700, and 30% growth in active customers vs FY21
- Merchants' usage grows rapidly over time the longer they are using the QuickFee platform
- Pricing changes have started to trigger improved margins:
  - + ACH pricing moved from legacy fixed fees, to a percentage of volume
  - + Card surcharge increased from 3% to 3.5% with QuickFee retaining the full 0.5% increase
  - + Financing interest charges increased in H1 FY22 and are being reviewed currently for FY23

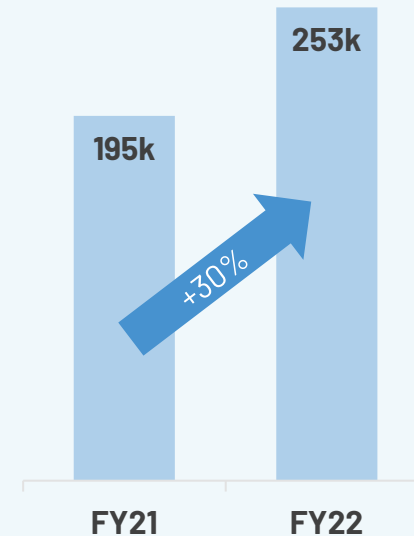
US Financing (US\$'M)



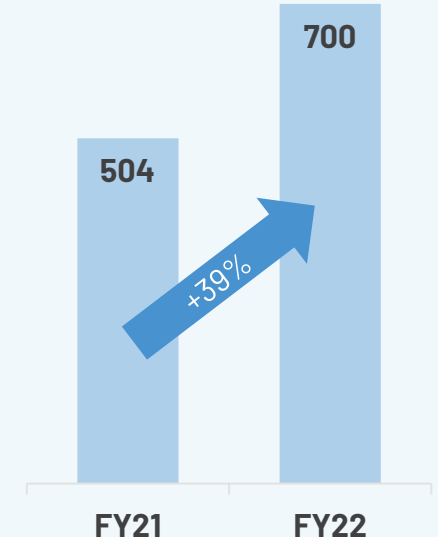
US Pay Now (US\$'M)



US Active Customers



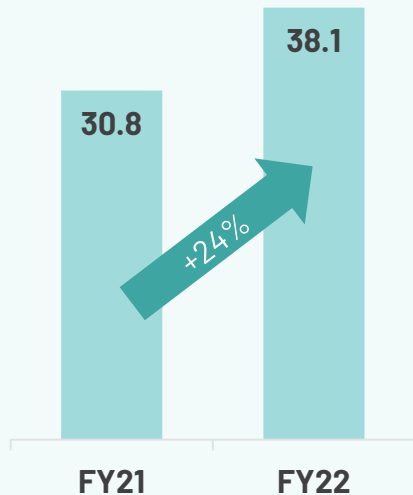
US Active Merchants



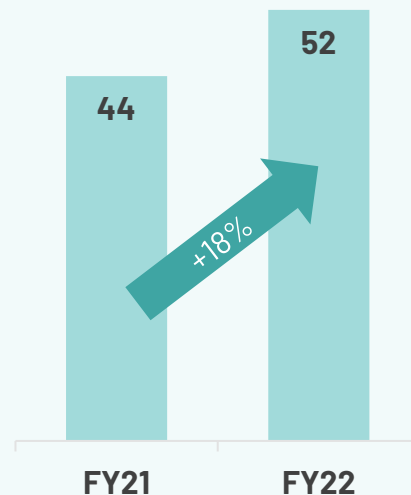
## Strong recovery in lending

- There was a strong recovery in client demand for borrowing in FY22, as seen by the 17% increase in active customers to 35,000 vs FY21 and an even higher growth in Financing TTV of 24% to A\$38.1 million (FY21 A\$30.8 million)
- The active merchant numbers reflects the maturity of the business and the 'stickiness' of our customers in Australia, even when demand for borrowing decreased in FY21
  - + Merchant numbers: FY20: 513, FY21: 491, FY22: 495.

AU Financing (A\$'M)



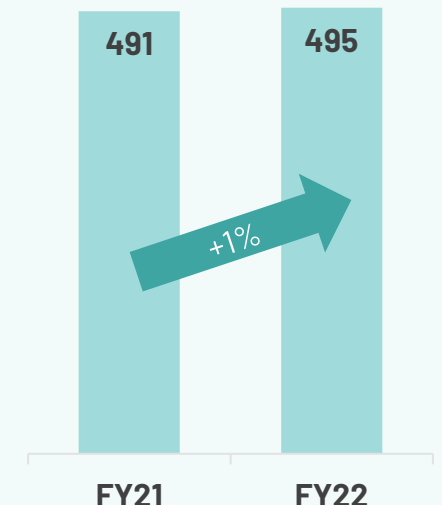
AU Pay Now (A\$'M)



AU Active Customers



AU Active Merchants







# Buy Now, Pay Later

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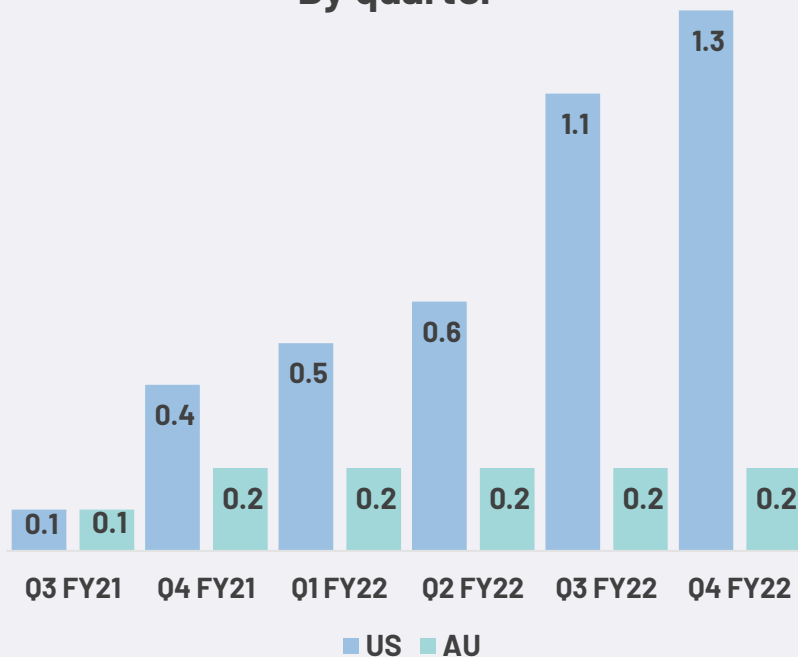


## Demand from larger US merchants

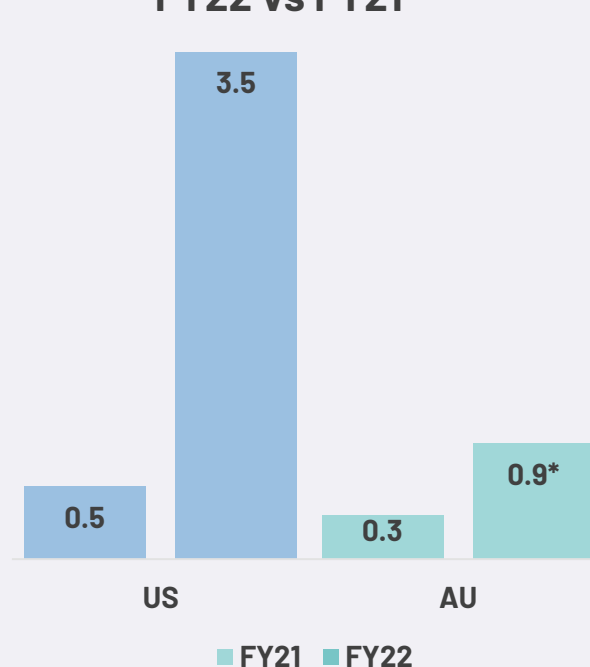
- BNPL growth of 600% in the US and 200% in Australia\* vs FY21
- Merchant growth of 91% in the US and 103% in AU; total signed merchants now at 1,103 (US) and 476 (AU) (30 June 2021: 577 and 234 respectively)
- 217 independent sales organisations (ISOs) signed as at 30 June 2022.

BNPL TTV (US\$M / A\$M)

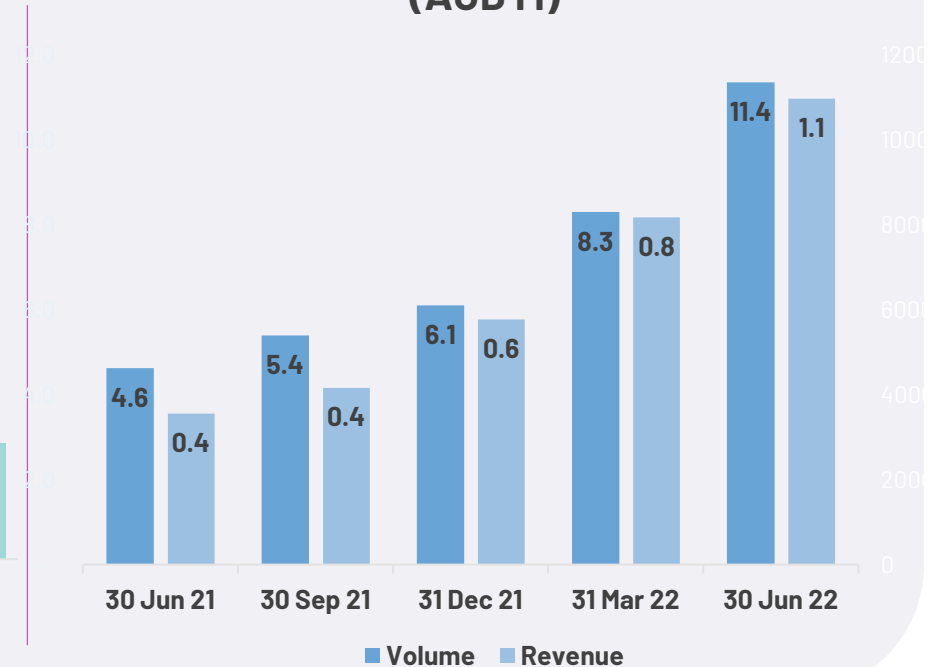
By quarter



FY22 vs FY21



Global BNPL Annualised run-rate (AUD M)





# FY22 Financial Highlights

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# Group Profit and Loss

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## Realising growth and benefits from investment

- Total revenue (interest revenue + revenue from contracts) up 23% to A\$10.8 million; driven by growth in all products
- Gross profit up 21% to A\$7.6 million; cost of sales has increased A\$0.7 million due to scaling up our processing platforms
- Continued investment in achieving profitability saw costs peak during the year and then reduce in H2 FY22; further cost reductions expected in FY23
- Adjusted EBITDA\* down 59% to A\$(12.6) million: net revenue growth of 26% offset by hiring of payments talent in the US and technology investment
- Net loss after tax of A\$(13.5) million
- Continued low credit risk models across all business lines:
  - + Bad debt write-offs in the year of \$40,187 (0.06% of lending)
  - + FY18 – FY22 5-year average is 0.20% of lending
- FTEs at 30 June 2022: 51 (31 December 2021: 60, 30 June 2021: 70).

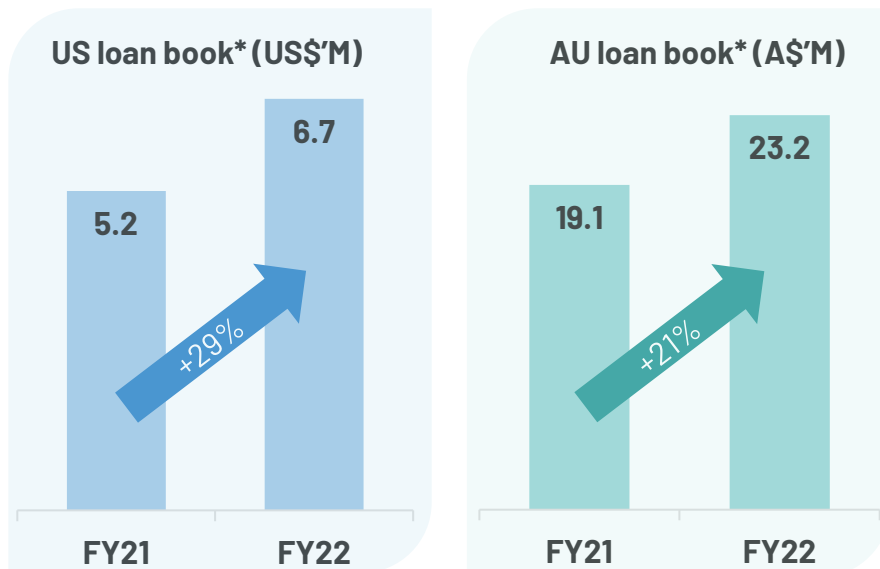
A\$'M	FY22	FY21	\$+/-	%+/-
Interest revenue	5.1	4.7	0.4	9%
Interest expense	(1.0)	(1.0)	0.0	-
<b>Net interest revenue</b>	<b>4.1</b>	<b>3.7</b>	<b>0.4</b>	<b>11%</b>
Revenue from contracts with customers	5.7	4.1	1.6	39%
<b>Net revenue</b>	<b>9.8</b>	<b>7.8</b>	<b>2.0</b>	<b>26%</b>
Less: cost of sales	(2.2)	(1.5)	(0.7)	(47)%
<b>Gross profit</b>	<b>7.6</b>	<b>6.3</b>	<b>1.3</b>	<b>21%</b>
Other income	-	0.1	(0.1)	(100)%
General and administrative expenses	(6.6)	(5.1)	(1.5)	(29)%
Selling and marketing expenses	(2.7)	(1.2)	(1.5)	(125)%
<b>Adjusted EBITDA* before growth expenses and significant items</b>	<b>(1.7)</b>	<b>0.1</b>	<b>(1.8)</b>	<b>(1800)%</b>
Customer acquisition costs	(4.8)	(4.0)	(0.8)	(20)%
Product development expenses	(5.2)	(3.7)	(1.5)	(41)%
Share-based payments expense	(0.9)	(0.3)	(0.6)	(200)%
<b>Adjusted EBITDA*</b>	<b>(12.6)</b>	<b>(7.9)</b>	<b>(4.7)</b>	<b>(59)%</b>
Depreciation and amortisation	(0.8)	(0.4)	(0.4)	(100)%
Net finance costs	(0.1)	(0.2)	0.1	50%
<b>NPAT</b>	<b>(13.5)</b>	<b>(8.5)</b>	<b>(5.0)</b>	<b>(59)%</b>

# Group Balance Sheet

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## Focus on liquidity and profit

- Balance sheet remains strong and well-funded. Expanded funding facilities with Northleaf Capital Partners takes cash to A\$8.2 million and Total Liquidity A\$16.3 million (see next slide)
- Loan book growth of 27% to A\$32.7 million (current and non-current receivables) reflects strong recovery in Australia and improving traction within professional services firms in the US.
- Reduction in merchant settlements outstanding reduced cash balance as ACH processing was moved off-balance sheet to Bluesnap in H2 FY22.



A\$'M	30 June 2022	30 June 2021	\$+/-	%+/-
Cash and cash equivalents	8.2	21.3	(13.1)	(62)%
Loan receivables (current)	32.7	25.8	6.9	27%
Payment processing receivables	-	0.9	(0.9)	(100)%
Trade and other current assets	1.3	1.1	0.2	18%
<b>Total current assets</b>	<b>42.2</b>	<b>49.1</b>	<b>(6.9)</b>	<b>(14)%</b>
Loan receivables (non-current)	0.2	0.1	0.1	100%
Fixed assets and other non-current assets	0.7	1.1	(0.4)	(36)%
<b>Total assets</b>	<b>43.1</b>	<b>50.3</b>	<b>(7.2)</b>	<b>(14)%</b>
Borrowings	19.7	13.3	6.4	48%
Merchant settlements outstanding	3.1	10.0	(6.9)	(69)%
Trade and other current liabilities	3.7	2.1	1.6	76%
<b>Total current liabilities</b>	<b>26.5</b>	<b>25.4</b>	<b>1.1</b>	<b>4%</b>
Total non-current liabilities	0.3	0.5	(0.2)	(40)%
<b>Total liabilities</b>	<b>26.8</b>	<b>25.9</b>	<b>0.9</b>	<b>3%</b>
<b>Net assets</b>	<b>16.3</b>	<b>24.4</b>	<b>(8.1)</b>	<b>(33)%</b>
Contributed equity	46.7	42.6	4.1	10%
Other reserves	0.9	(3.6)	4.5	125%
Accumulated losses	(31.3)	(14.6)	(16.7)	(114)%
<b>Total equity</b>	<b>16.3</b>	<b>24.4</b>	<b>(8.1)</b>	<b>(33)%</b>



## Well funded with adequate liquidity and growth capacity

- In FY22, QuickFee partnered with Northleaf Capital Partners, a global private markets investment firm, for a new US\$70 million-equivalent multi-currency receivables facility to fund QuickFee's future growth across the US and Australia. The facility consists of a US\$40 million committed first lien facility with an additional optional US\$30 million accordion feature, subject to Northleaf's approval.
- The Company maintains its borrowings at a minimum in order to reduce interest expense. This also means it minimises the amount of cash it holds. Total Liquidity is a liquidity measure that sums cash that is currently available to be drawn from facilities, plus actual cash held.
- Total Liquidity has decreased by A\$6.3 million to A\$16.3 million over the same period.
- Total Liquidity plus Growth Capacity increased to A\$44.0 million at 30 June 2022 (30 June 2021: A\$33.0 million)
- **QuickFee has sufficient liquidity to achieve run-rate profitability by the end of FY23 within existing cash and borrowing facilities.**

A\$M	30 June 2022	30 June 2021	\$+/-
Cash and cash equivalents	8.2	21.3	-13.1
Current loan receivables and other net current assets	27.2	15.7	+11.5
Borrowings	(19.7)	(13.3)	-6.4
<b>Net working capital (current assets less current liabilities)</b>	<b>15.7</b>	<b>23.7</b>	<b>-8.0</b>
Cash and cash equivalents (A)	8.2	21.3	-13.1
Available undrawn borrowings based on loan book (B)	8.1	1.3	+6.8
<b>Total Liquidity (A) + (B)</b>	<b>16.3</b>	<b>22.6</b>	<b>-6.3</b>
Growth capacity (further borrowings facility headroom)	27.7	10.4	+17.3
<b>Total Liquidity plus Growth Capacity</b>	<b>44.0</b>	<b>33.0</b>	<b>+11.0</b>

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# Technology and Operations

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## A transformational year

- **Improved automation**
- **Low-cost scalability**
- **Higher margins**
- **Better merchant and customer UX**
- **Robust infrastructure**
- **Automated underwriting drives low bad debts**

- **Completion of our proprietary processing platform QUBE**
  - + QuickFee's merchants with a branded point-of-purchase check out gateway, connected to multiple back-end processors and sponsor banks
  - + Merchants benefit by having a single interface to accept and manage payments while providing their customers with multiple easy-to-use secure payment options
- **Launch in market of Connect**
  - + First integration with CCH ProSystem fx Practice Management, the most widely used invoice management software in the US enterprise accounting market, opening up 65% of the US accounting market
  - + Further Connect integrations and sales focus a priority for FY23 to drive both payments and lending in CPA firms services
- **Launch of Kepler: our new 'merchant direct' application platform, which enables fully automated merchant underwriting and onboarding**
  - + Efficient workflow to bring low-cost scalability to QuickFee's merchant acquisition program
  - + This is delivering increased lead conversion rates and lower merchant credit check, underwriting and acquisition times and costs
  - + To be launched for Jim's Group in Australia in Q1 FY23
- **Build and launch of 'Recurring ACH' for the US**
  - + A more predictable revenue stream for merchants and convenience for their customers
  - + Capitalises on modernising US accounting profession and a trend to fixed monthly billing by firms

## Integrations deepen merchant relationships and create greater lifetime value



- Connects to the systems our customers already use
- Provides higher processing volumes of existing customers
- Gives us a strong proposition against competition
- Demonstrates product innovation
- Delivers an additional offering to lending prospects
- Is a ready-made platform to enable merchants to allow their customers to pay how and when they want
- We now have integrations with: CCH Practice Manager, Xero, Greatsoft (part of MYOB)



# Outlook and Priorities

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- **Leverage our most valuable assets – our firms**
- **Further penetration in accounting vertical**
- **Drive increased payments volume in the US**
- **Greater focus on US lending growth**
- **AU recovery in borrowing demand**

- **Continued momentum in US professional services**
  - + Catalyst for shift to digital invoicing and payments
  - + Increase US market share through further penetration of Top 400 accounting firm alliances and associations
  - + Return to active CPA conference circuit post-COVID
  - + Increase share of total firm volume through deeper practice management systems integrations
  - + Greater focus on selling Financing in the US, capitalising on economic conditions
- **Expand AU merchant base in law as well as accounting**
  - + Grow well-established family law and disbursement funding books
- **Expand the Jim's Group product to additional homeowner services in Australia**

- **Search for new CEO**
  - **Focus on reaching profitability**
  - **Reduce cash burn**
  - **Review all products and strategies**
  - **Scalable model = higher margins**
- **Greater focus on Financing growth in both US and Australia**
    - + Economic conditions create additional demand from existing customer base
    - + Target new merchant signings in AU law firms as well as US CPAs
  - **Realise improved unit economics across all products**
    - + ACH yield move to % pricing
    - + Increased card surcharge
    - + Flexible interest pricing
    - + Contract terms
  - **Steady reduction in cash burn for FY23**
    - + Continued volume and margin growth
    - + Completed technology investment and reduced opex
    - + Discipline in investment and execution
  - **Known path to profitability**
    - + A singular measure of success, coupled with continued growth ambition
    - + Run rate profitability by the end of FY23

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# Questions



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# Appendix

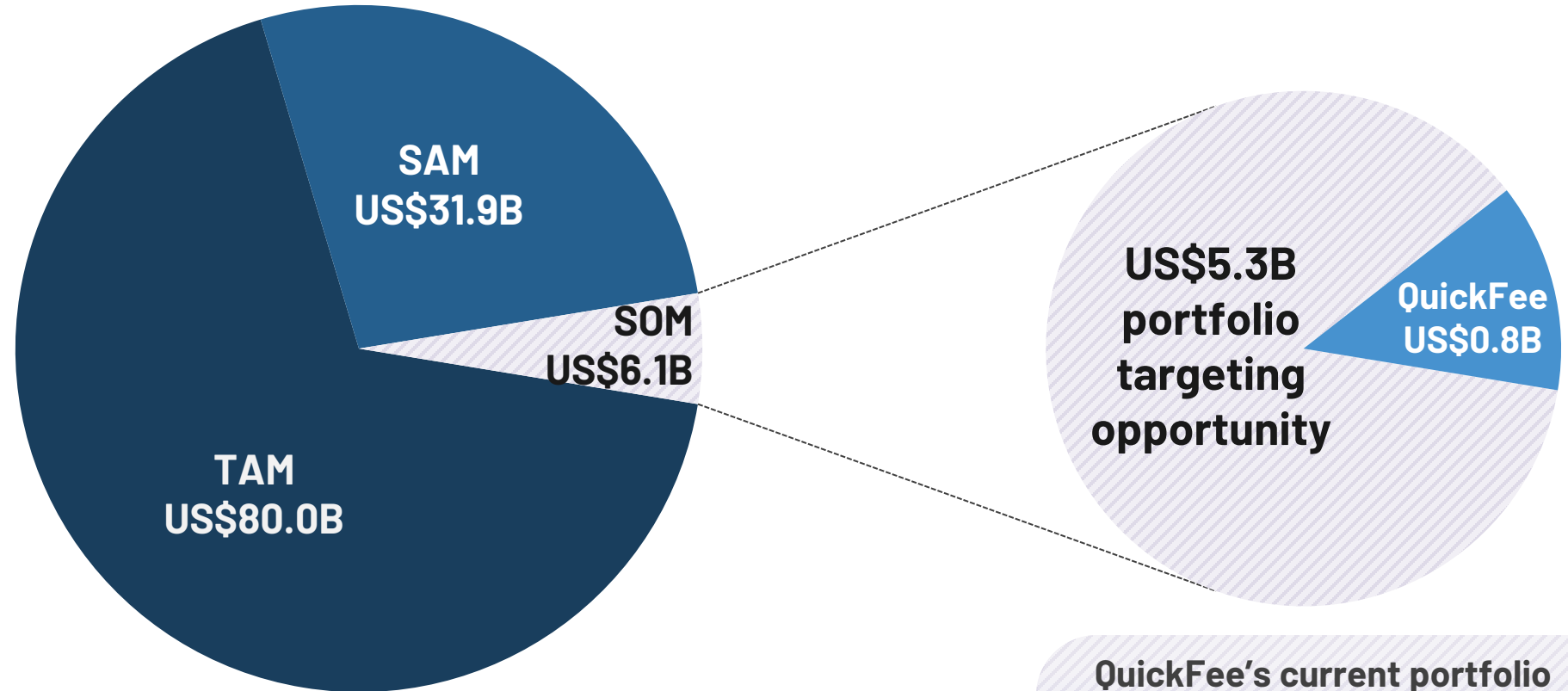
# Glossary

<b>ACH</b>	Automated Clearing House	A type of electronic bank-to-bank payment in the US, equivalent to EFT in Australia
<b>Active customer</b>	Any customer who has transacted with QuickFee in the relevant period	
<b>Active merchant</b>	Any merchant that has had a transaction with QuickFee in the relevant period	
<b>APR</b>	Annual percentage rate	The annual rate of interest on payment plans or loans
<b>BNPL or QFI</b>	BNPL powered by QuickFee	QuickFee's 'Buy Now, Pay Later' product using Splitit's technology to enable a customer to pay their invoice in four instalments using the unused balance of their credit card
<b>CC</b>	Credit card	
<b>Connect</b>	QuickFee's product name for its point-of-payment integration, e-invoicing, automated collections and receivables management product	
<b>Customer</b>	The customer of a merchant, who will use one of QuickFee's payment options to pay their invoice	
<b>EFT</b>	Electronic funds transfer	An Australian domestic payments network that facilitates the transfer of funds electronically
<b>Firm</b>	A merchant. Typically used to describe a professional services firm (e.g. an accounting or law firm)	
<b>Gross Trading Margin (GTM)</b>	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)	
<b>Kepler</b>	QuickFee's 'merchant direct' application platform, which enables fully automated merchant underwriting and onboarding	
<b>KYC</b>	Know your customer	Practice to verify the identity of customers in compliance with laws and regulations
<b>Life-to-date activation rate</b>	The cumulative number of BNPL merchants who have transacted at least once, divided by the cumulative number of signed up BNPL merchants who have not terminated/cancelled	
<b>Life-to-date engagement rate</b>	The aggregate of the number of BNPL merchants who have transacted in all months, divided by the aggregate number of activated BNPL merchants in all months. This represents how often active BNPL merchants transact.	
<b>Life-to-date transaction velocity</b>	The cumulative number of BNPL transactions completed since inception divided by the aggregate of the number of BNPL merchants who have transacted in all months	
<b>Life-to-date average transaction value</b>	Total BNPL volume since inception divided by the number of BNPL transactions completed since inception	
<b>Merchant</b>	Term to describe QuickFee's primary customer who is the service provider, who signs up to use QuickFee's platforms and issues invoices	
<b>Net Transaction Margin (NTM)</b>	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.	
<b>QuickFee Financing</b>	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	
<b>QuickFee Pay Now</b>	QuickFee's payment gateway that enables customers to pay their invoice in full to the merchant with or without taking out a payment plan	
<b>Retention rate</b>	$1 - (\text{life-to-date activation rate} \times \text{life-to-date engagement rate})$	
<b>Revenue yield</b>	Revenue recognised in accordance with QuickFee's accounting standards, divided by TTV, for the relevant product(s)	
<b>Run-rate volume backlog</b>	Signed merchants $\times$ life-to-date activation rate $\times$ life-to-date engagement rate $\times$ life-to-date transaction velocity $\times$ 12. This represents the average life-to-date annualised BNPL volume per signed-up BNPL merchant $\times$ number of signed-up BNPL merchants	
<b>Total Liquidity</b>	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.	
<b>TTV</b>	Total transaction value	The total value of all transactions for the relevant product(s)
<b>pcp</b>	Previous corresponding period	For example, the pcp for the December 2021 quarter is the December 2020 quarter

# Strategic Opportunity in US Accounting Market

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The total US accounting market revenue is ~US\$118B. QuickFee estimates US\$38B is our core target market relevant to our current product suite.<sup>1</sup>



TAM – Total Addressable Market of US accounting firms – US\$80B remaining. QuickFee has historically not focused on this group, includes firms below the Top 400 and single attorney practices.

SAM – Serviceable Addressable Market – US\$31.9B remaining. This is our core merchant base and where our products have the best fit, includes Top 400 firms. QuickFee holds a 16% market share of this segment.

SOM – Serviceable Obtainable Market – US\$6.1B. This is our existing merchant base, we see ~ 13% of total firm revenue of our merchants.

<sup>1</sup>Vertical IQ and managements' estimates & QuickFee CSAT survey, February 2020

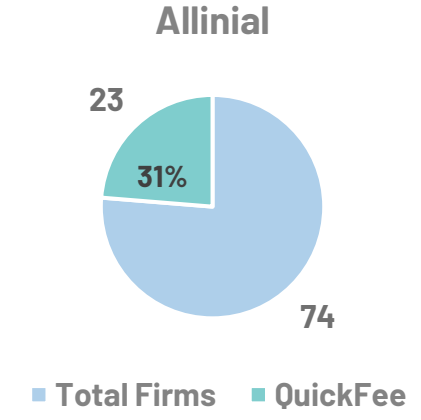
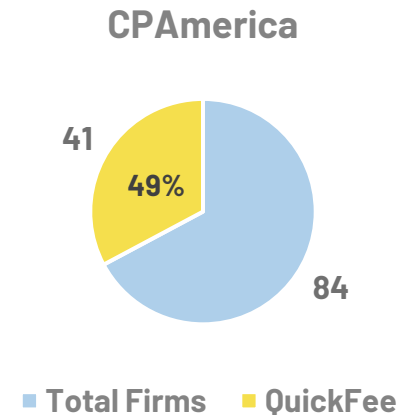
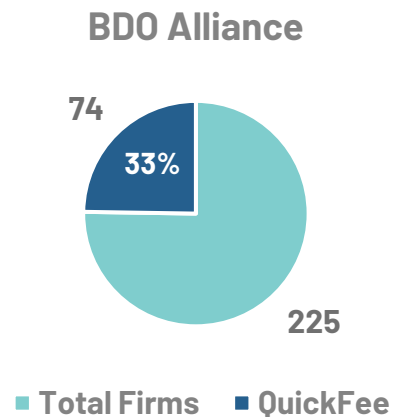
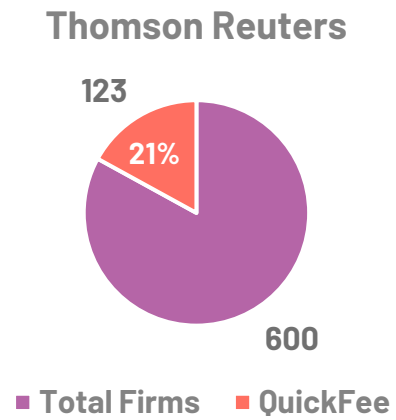
QuickFee's current portfolio of accounting firms generates ~US\$6.1B revenue.

QuickFee currently captures ~13% of this in ACH/CC payments, which presents huge growth opportunity.

# Increasing US Accounting Firm Penetration

QuickFee.

Increasing the Serviceable Addressable Market (SAM) of additional US\$31.9B of volume requires penetrating firm affiliation groups



- US conferences and business travel returning



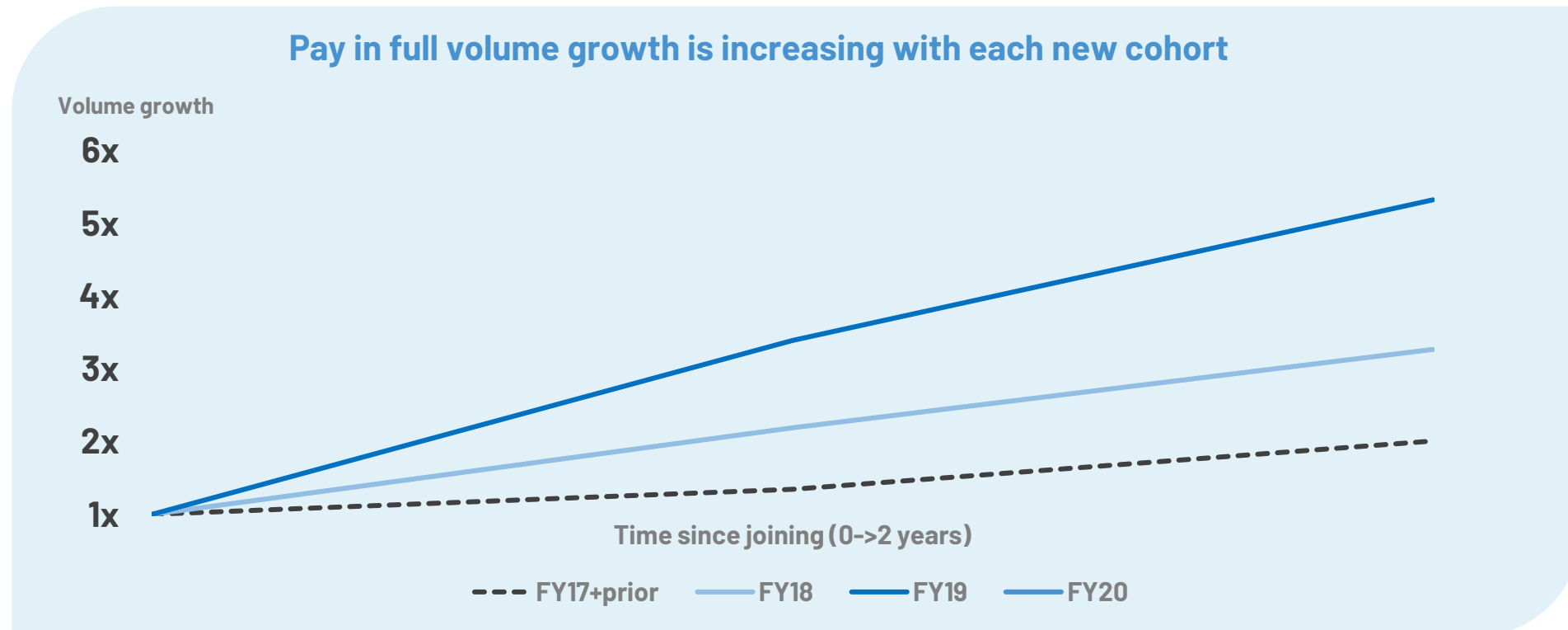
## Firm adoption grows YOY due to repeat clientele and increased adoption

On average, a firm joining QuickFee in...

- FY17 processed ~ 201% more in FY21...four years later
- FY18 processed ~ 327% more in FY21...three years later

On average, a firm joining QuickFee in...

- FY19 processed ~ 532% more in FY21...two years later
- FY20 processed ~ 379% more in FY21...one year later







# FY22 Financial supplementary information

PAY NOW



PAY LATER



BNPL



# Group Cash Flow

QuickFee.

## Results reflect commitment to invest in future growth

- Operating cashflow was negative A\$23.0 million, due to three main factors:
  - + Cash outflow from operations of -A\$9.9million;
  - + Cash outflow from loan book growth funding of -A\$6.9million; and
  - + Cash outflow from a reduction in merchant settlements outstanding due to the migration of US ACH processing away from QuickFee's own bank accounts to be processed by BlueSnap: -\$6.2 million.

A\$'M	FY22	FY21
<b>Loss for the period</b>	<b>(13.5)</b>	(8.5)
Non-cash expenses	<b>1.8</b>	0.5
(Decrease)/increase in lending working capital	<b>(5.4)</b>	9.3
(Decrease) in payments processing working capital	<b>(7.6)</b>	0.9
Movement in other operating assets and liabilities	<b>1.7</b>	(0.1)
<b>Net operating cashflow</b>	<b>(23.0)</b>	<b>2.1</b>

A\$'M	FY22	FY21	\$+/-	%+/-
Interest, fees and charges from customers (inclusive of GST)	10.7	8.7	2.0	23%
Payments to suppliers and employees (inclusive of GST)	(19.7)	(15.7)	(4.0)	(25)%
Interest paid	(0.9)	(1.0)	0.1	10%
<b>Net cash (outflow) from operating activities before changes in processing assets and liabilities</b>	<b>(9.9)</b>	(8.0)	(1.9)	(24)%
Payments to merchants to settle loans	<b>(74.3)</b>	(50.2)	(24.1)	(48)%
Receipts from merchants' customers in respect of loan repayments	<b>61.2</b>	60.3	(0.9)	(1)%
Changes in processing assets and liabilities	<b>(13.1)</b>	10.1	(23.2)	(230)%
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(23.0)</b>	2.1	<b>(25.1)</b>	<b>(1,195)%</b>
<b>Net cash (outflow) from investing activities</b>	<b>(0.1)</b>	(0.2)	<b>0.1</b>	<b>50%</b>
Proceeds from issues of shares, net of transaction costs	<b>3.8</b>	17.5	(13.7)	(78)%
Proceeds of receivables facility borrowings, net of repayments	<b>8.5</b>	(11.4)	19.9	175%
Payments for establishment of borrowings facility	<b>(2.7)</b>	(0.2)	(2.5)	(1,250)%
Principal elements of lease payments	<b>(0.3)</b>	(0.3)	-	-
<b>Net cash inflow from financing activities</b>	<b>9.3</b>	5.6	<b>(3.7)</b>	<b>66%</b>
<b>Net increase in cash and cash equivalents*</b>	<b>(13.8)</b>	7.5	<b>(21.3)</b>	<b>(284)%</b>

## Results reflect commitment to invest in future growth

- Interest revenue was up 18%, consistent with Financing TTV up 11% and BNPL up US\$3.0million, vs FY21.
- No interest expense was incurred until January 2022 when Northleaf facility was first drawn upon; hence interest expense decreased vs FY21.
- Revenue from contracts up 54%, also broadly mirroring PayNow TTV growth of 44%.
- Cost of sales up A\$616k due to TTV growth and higher infrastructure costs as volumes have grown.
- Expenses reflect increased headcount and capability across all areas of the US operation that began in earnest in H2 FY21. Customer acquisition costs in particular have been scaled back in H2 FY22.
- Moderate 'reduction in force' made in December to pivot to ISO BNPL strategy from direct sales, and April 2022 once QUBE was substantially complete.
- Staff numbers @ 30 June:
  - FTEs located in US: 33 (30 June 2021: 48)
  - FTEs charged to US business unit: 20 (30 June 2021: 37).

A\$'000s	FY22	FY21	\$+/-	%+/-
Interest revenue	1,681	1,423	258	18%
Interest expense	(191)	(521)	330	63%
<b>Net interest revenue</b>	<b>1,490</b>	<b>902</b>	<b>588</b>	<b>65%</b>
Revenue from contracts with customers	4,711	3,061	1,650	54%
<b>Net income</b>	<b>6,201</b>	<b>3,963</b>	<b>2,238</b>	<b>56%</b>
Less: cost of sales	(1,230)	(614)	(616)	(100)%
<b>Gross profit</b>	<b>4,971</b>	<b>3,349</b>	<b>1,622</b>	<b>48%</b>
Other income	45	3	42	1400%
Operating expenses	(5,464)	(3,278)	(2,186)	(67)%
<b>Adjusted segment EBITDA before customer acquisition costs</b>	<b>(448)</b>	<b>74</b>	<b>(522)</b>	<b>(705)%</b>
Customer acquisition costs	(4,144)	(3,180)	(964)	(30)%
<b>Adjusted segment EBITDA</b>	<b>(4,592)</b>	<b>(3,106)</b>	<b>(1,486)</b>	<b>(48)%</b>

## Lending recovery still to show in revenue

- Interest income up 4% vs FY21 as the impact of the recovery in lending in FY22 starts to be reflected in interest revenue recognition.
- Interest expense up A\$379k (83%) due to higher borrowing as cash balances decreased.
- Cost of sales underwriting and processing costs increased 15% as volumes in payments and lending increased.
- Expenses increase was driven by:
  - + a larger direct sales team for the BNPL product, reduced in December 2021 and re-focussed on Jim's Group and other franchise opportunities.
- Staff numbers @ 30 June 2022:
- FTEs located in AU: 18 (30 June 2021: 22)
  - FTEs charged to AU business unit: 11 (30 June 2021: 17)
  - FTEs charged to corporate, incl. product development: 20 (30 June 2021: 16).

A\$'000s	FY22	FY21	\$+/-	%+/-
Interest revenue	3,452	3,324	128	4%
Interest expense	(834)	(455)	(379)	(83)%
<b>Net interest revenue</b>	<b>2,618</b>	<b>2,869</b>	<b>(251)</b>	<b>(9)%</b>
Revenue from contracts with customers	1,017	981	36	4%
<b>Net income</b>	<b>3,635</b>	<b>3,850</b>	<b>(215)</b>	<b>(6)%</b>
Less: cost of sales	(992)	(866)	(126)	(15)%
<b>Gross profit</b>	<b>2,643</b>	<b>2,984</b>	<b>(341)</b>	<b>(11)%</b>
Other income	16	70	(54)	(77)%
Operating expenses	(2,274)	(1,639)	(635)	(39)%
<b>Adjusted segment EBITDA before customer acquisition costs and significant items</b>	<b>385</b>	<b>1,415</b>	<b>(1,030)</b>	<b>(73)%</b>
Customer acquisition costs	(676)	(833)	157	19%
<b>Adjusted segment EBITDA</b>	<b>(291)</b>	<b>582</b>	<b>(873)</b>	<b>(150)%</b>

# Reconciliation from Adjusted EBITDA to Operating Loss QuickFee.

A\$	FY22	FY21
Adjusted EBITDA* per slide 14	(12,572,019)	(7,916,672)
Depreciation and amortisation included in general and administrative expenses in Appendix 4E	(785,946)	(451,414)
<b>Operating loss for the period per Appendix 4E</b>	<b>(13,357,965)</b>	<b>(8,368,086)</b>



# Historical metrics – US

QuickFee.

	FY20							FY21							FY22						
	Q1	Q2	H1	Q3	Q4	H2	FY20	Q1	Q2	H1	Q3	Q4	H2	FY21	Q1	Q2	H1	Q3	Q4	H2	FY22
<b>Total Transaction Volumes (TTV)</b>																					
<b>Professional Services</b>	US\$M	US\$M	US\$M	US\$M	US\$M	US\$M	US\$M	US\$M	US\$M	US\$M	US\$M	US\$M	US\$M	US\$M	US\$M	US\$M	US\$M	US\$M	US\$M	US\$M	US\$M
<b>Pay Now</b>																					
ACH	29.1	43.9	73.0	48.9	106.8	155.7	228.7	100.1	126.7	226.8	123.4	187.3	310.7	537.5	145.6	196.7	342.3	175	261	436	778
Card	11.5	16.3	27.8	17.8	30.3	48.1	75.9	27.1	30.7	57.8	28.8	44.3	73.1	130.9	34.5	46.2	80.7	44	57	102	183
<b>Total Pay Now volume</b>	40.6	60.2	100.8	66.7	137.1	203.8	304.6	127.2	157.4	284.6	152.2	231.6	383.8	668.4	180.1	242.9	423.0	219	319	538	961
Financing 'Pay Later' volume	2.2	3.4	5.6	3.6	3.9	7.4	13.0	4.1	3.7	7.9	3.3	3.9	7.2	15.1	3.8	4.4	8.2	4.4	4.2	8.6	16.8
<b>Average Transaction size / Average Order Value</b>	US\$	US\$		US\$	US\$		US\$	US\$	US\$		US\$	US\$		US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
ACH AOV	2,149	2,362		2,033	2,095		2,134	2,191	2,593		2,269	2,142		2,274	2,398	2,803	2,601	2,396	2,307	2,351	2,569
Card AOV	1,668	1,887		1,497	1,512		1,599	1,593	1,848		1,453	1,430		1,551	1,667	2,036	1,852	1,618	1,556	1,587	1,792
Financing AOV	11,088	11,489		11,620	8,103		9,312	11,152	7,615		9,676	9,599		10,061	10,457	10,484	10,464	10,610	8,530	9,570	9,944
<b>Total Transaction Volumes (TTV)</b>																					
Active customers in period (#000s)	16.3	21.0	32.9	27.4	51.8	70.6	91.0	46.6	48.4	83.9	56.4	94.1	135.5	194.8	62.1	68.6	115.6	71	118	174	253
Active merchants in period (#s)	223	262	271	307	354	364	383	402	451	456	476	485	494	504	507	550	564	576	621	674	700
<b>Professional Services Financing metrics</b>	FY17	FY18	FY19	FY20	FY21	FY22	<b>BNPL metrics at period end</b>							FY21		FY22					
														Q3	Q4	Q1	Q2	Q3	Q4		
Average loan term (months)	12.5	11.1	10.9	9.8	8.9	8.2	BNPL TTV US\$M							0.1	0.4	0.5	0.6	1.1	1.3		
Average flat interest rate on new loans	9.2%	7.5%	8.3%	8.0%	6.40%	7.4%	Cumulative ISOs signed up							2	8	57	136	190	217		
Average APR on new loans in period	16.9%	15.6%	17.8%	18.2%	16.6%	19.9%	Life to date signed merchants							370	577	736	923	1064	1,103		
							Life-to-date Activation rate							10%	16%	19%	20%	21%	29%		
							Life-to-date Engagement rate							63%	52%	42%	35%	31%	27%		
							Life-to-date Transaction velocity							1.3	1.6	1.8	1.9	2.2	2.5		
							Life-to-date Average Transaction Value							2,594	2,754	2,458	2,388	2,548	2,624		
							Run rate Volume Backlog US\$000s							1,059	2,758	3,188	3,605	4,659	6,799		
							LTD weighted average merchant fee / yield							4.99%	4.99%	5.00%	5.05%	5.03%	5.03%		
							Total BNPL Run Rate Gross Revenue US\$000s							85	220	255	356	479	669		

# US product profitability

QuickFee.

US\$000s except volume	FY22					FY21				
	ACH	Card	Financing	BNPL	Total	ACH	Card	Financing	BNPL	Total
Volume US\$ M	778	183	16.8	3.5	981.3	537	131	15.1	0.5	683.6
Financing revenue (interest)	-	-	1,060	162	1,222	-	-	1,046	17	1,063
Payments and other revenue	2,871	353	79	117	3,420	1,964	232	79	8	2,283
<b>Total revenue</b>	<b>2,871</b>	<b>353</b>	<b>1,139</b>	<b>279</b>	<b>4,642</b>	<b>1,964</b>	<b>232</b>	<b>1,125</b>	<b>25</b>	<b>3,346</b>
Total revenue/volume yield %	0.37%	0.19%	6.8%	8.0%	0.47%	0.37%	0.18%	7.5%	5.0%	0.49%
Direct processing costs	(149)	-	(2)	(115)	(266)	(88)	-	(2)	(11)	(101)
Transaction losses and bad debt charge-offs	(14)	-	-	(15)	(29)	-	-	(43)	-	(43)
<b>Net Transaction Margin (NTM)</b>	<b>2,708</b>	<b>353</b>	<b>1,137</b>	<b>149</b>	<b>4,347</b>	<b>1,876</b>	<b>232</b>	<b>1,080</b>	<b>14</b>	<b>3,202</b>
NTM/Revenue %	94.3%	100.0%	99.8%	53.4%	93.6%	95.5%	100.0%	96.0%	56.0%	95.7%
Platform, credit check and credit staff costs	(122)	(17)	(184)	(304)	(627)	(76)	(8)	(161)	(125)	(370)
Interest expense	-	-	(124)	(15)	(139)	-	-	(385)	(3)	(388)
<b>Gross Margin</b>	<b>2,586</b>	<b>336</b>	<b>829</b>	<b>(170)</b>	<b>3,581</b>	<b>1,800</b>	<b>224</b>	<b>534</b>	<b>(114)</b>	<b>2,444</b>
Gross Margin/Revenue %	90.1%	95.2%	72.8%	(60.9)%	77.1%	91.6%	96.6%	47.5%	(456.0)%	73.0%

# Historical metrics – AU

QuickFee.

	FY20							FY21							FY22						
Total Transaction Volumes (TTV)	Q1	Q2	H1	Q3	Q4	H2	FY20	Q1	Q2	H1	Q3	Q4	H2	FY21	Q1	Q2	H1	Q3	Q4	H2	FY22
Professional Services	A\$M	A\$M	A\$M	A\$M	A\$M	A\$M	A\$M	A\$M	A\$M	A\$M	A\$M	A\$M	A\$M	A\$M	A\$M	A\$M	A\$M	A\$M	A\$M	A\$M	A\$M
Pay Now																					
EFT	3.1	3.4	6.5	2.8	4.0	6.8	13.3	3.5	3.5	7.0	2.8	4.0	6.8	13.8	4.4	4.2	8.6	3.7	4.8	8.5	17.1
Card	6.8	7.6	14.4	7.1	9.6	16.7	31.1	8.4	7.5	15.9	6.5	8.2	14.7	30.6	8.8	8.7	17.5	7.6	9.6	17.2	34.7
Total Pay Now volume	9.9	11.0	20.9	9.9	13.6	23.5	44.4	11.9	11.0	22.9	9.3	12.2	21.5	44.4	13.2	12.9	26.1	11.3	14.4	25.7	51.8
Financing 'Pay Later' volume	10.9	13.3	24.2	11.6	13.6	25.1	49.3	6.4	6.9	13.3	6.6	10.9	17.5	30.8	8.1	9.3	17.3	7.9	13.0	20.9	38.3
Average Transaction size / Average Order Value	A\$	A\$		A\$	A\$		A\$	A\$	A\$		A\$	A\$		A\$	A\$	A\$	A\$	A\$	A\$	A\$	A\$
EFT AOV	902	1,072		1,047	1,124		1,036	784	928		969	1,126		941	890	1,036	963	1,148	1,164	1,158	1,047
Card AOV	1,251	1,456		1,641	1,628		1,490	1,237	1,335		1,387	1,456		1,347	1,237	1,433	1,335	1,612	1,624	1,618	1,457
Financing AOV	11,798	12,095		12,393	12,931		12,928	10,010	10,330		10,557	12,379		12,315	10,056	9,315	9,823	8,863	8,141	8,502	8,921
Total Transaction Volumes (TTV)																					
Active customers in period (#000s)	11.0	10.7	18.0	9.3	11.2	16.5	29.7	12.5	10.9	19.4	9.1	10.2	15.8	30.3	13.2	11.7	21.4	10	12	18	35
Active merchants in period (#s)	358	366	432	384	398	460	513	358	360	422	369	397	448	491	390	394	442	388	421	459	495
Professional Services Financing metrics	FY17	FY18	FY19	FY20	FY21	FY22	BNPL metrics at period end							FY21		FY22					
														Q3	Q4	Q1	Q2	Q3	Q4		
Average loan term (months)	10.6	10.9	10.7	10.7	10.4	9.0	BNPL TTV A\$M							0.1	0.2	0.2	0.2	0.2	0.2		
Average flat interest rate on new loans	9.2%	9.2%	9.1%	8.5%	8.6%	8.7%	Life to date signed merchants							161	234	258	295	377	476		
Average APR on new loans in period	20.2%	19.3%	19.6%	18.1%	18.8%	21.8%	Life-to-date Activation rate							25%	24%	27%	26%	30%	34%		
							Life-to-date Engagement rate							54%	33%	27%	22%	30%	25%		
							Life-to-date Transaction velocity							1.4	1.3	1.3	1.3	1.3	1.3		
							Life-to-date Average Transaction Value							2,507	3,198	3,408	3,734	3,535	3,294		
							Run rate Volume Backlog A\$000s							951	961	1,020	983	1,871	2,079		
Loan book balance (gross receivables less expected credit losses and future unearned interest) A\$M	25.3	27.0	18.7	19.1	20.2	23.2	LTD weighted average merchant fee / yield							4.99%	4.99%	4.99%	4.99%	7.04%	6.92%		
							Total BNPL Run Rate Gross Revenue A\$000s							62	62	66	64	160	175		

# AU product profitability

QuickFee.

AU\$000s except volume	FY22				FY21			
	EFT & card	Financing	BNPL	Total	EFT & card	Financing	BNPL	Total
<b>Volume AU\$ M</b>	<b>52</b>	<b>38.1</b>	<b>0.9</b>	<b>91.0</b>	<b>44</b>	<b>30.8</b>	<b>0.3</b>	<b>75.1</b>
Financing revenue (interest)	-	3,415	37	<b>3,452</b>	-	3,314	10	<b>3,324</b>
Payments and other revenue	621	385	10	<b>1,016</b>	543	401	37	<b>981</b>
<b>Total revenue</b>	<b>621</b>	<b>3,800</b>	<b>47</b>	<b>4,468</b>	<b>543</b>	<b>3,715</b>	<b>47</b>	<b>4,305</b>
Total revenue/volume yield %	1.2%	10.0%	5.2%	<b>4.9%</b>	1.2%	12.1%	15.7%	<b>5.7%</b>
Direct processing costs	(528)	(14)	(16)	<b>(558)</b>	(432)	(18)	(4)	<b>(454)</b>
Transaction losses and bad debt charge-offs	-	-	-	-	-	(408)	-	<b>(408)</b>
<b>Net Transaction Margin (NTM)</b>	<b>93</b>	<b>3,786</b>	<b>31</b>	<b>3,910</b>	<b>111</b>	<b>3,289</b>	<b>43</b>	<b>3,443</b>
NTM/Revenue %	15.0%	99.6%	66.0%	<b>87.5%</b>	20.4%	88.5%	91.5%	<b>80.0%</b>
Platform, credit check and credit staff costs	-	(424)	(10)	<b>(434)</b>	-	(412)	-	<b>(412)</b>
Interest expense	-	(834)	-	<b>(834)</b>	-	(454)	-	<b>(454)</b>
<b>Gross Margin</b>	<b>93</b>	<b>2,528</b>	<b>21</b>	<b>2,642</b>	<b>111</b>	<b>2,423</b>	<b>43</b>	<b>2,577</b>
Gross Margin/Revenue %	15.0%	66.5%	44.7%	<b>59.1%</b>	20.4%	65.2%	91.5%	<b>59.9%</b>