

# QUICKFEE Q1 FY25 BUSINESS UPDATE

**21 October 2024**

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

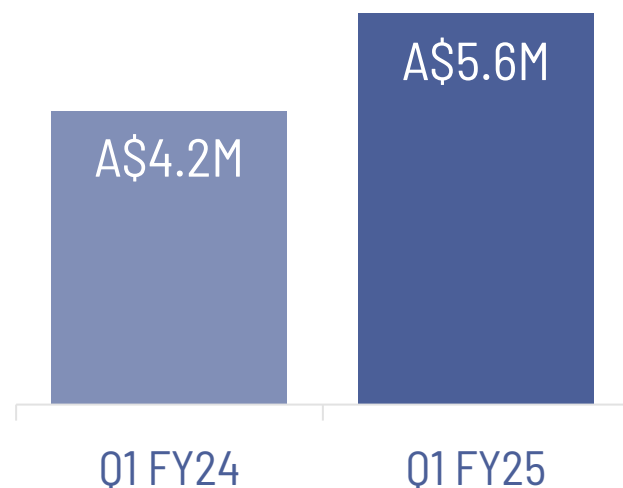


**QuickFee helps  
professional services  
firms accelerate and  
automate accounts  
receivable and grow  
their business.**



# Q1 FY25 summary: Strong growth continues

+ REVENUE UP 33% ON PCP



## Q1 FY25 PERFORMANCE<sup>1</sup>

Q1 FY25

Q1 FY24

MOVEMENT

### REVENUE

US FINANCE (PAY OVER TIME)	<b>US\$ 659k</b>	US\$ 561k	+17%
US PAY NOW (ACH & CARD)	<b>US\$ 1,015k</b>	US\$ 934k	+9%
AU FINANCE (PAY OVER TIME)	<b>A\$ 2,651k</b>	A\$ 1,693k	+57%

### TOTAL TRANSACTION VALUES (TTV)

US FINANCE (PAY OVER TIME)	<b>US\$ 6.7m</b>	US\$ 5.9m	+14%
US PAY NOW (ACH & CARD)	<b>US\$ 309m</b>	US\$ 268m	+15%
AU FINANCE (PAY OVER TIME)	<b>A\$ 15.6m</b>	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

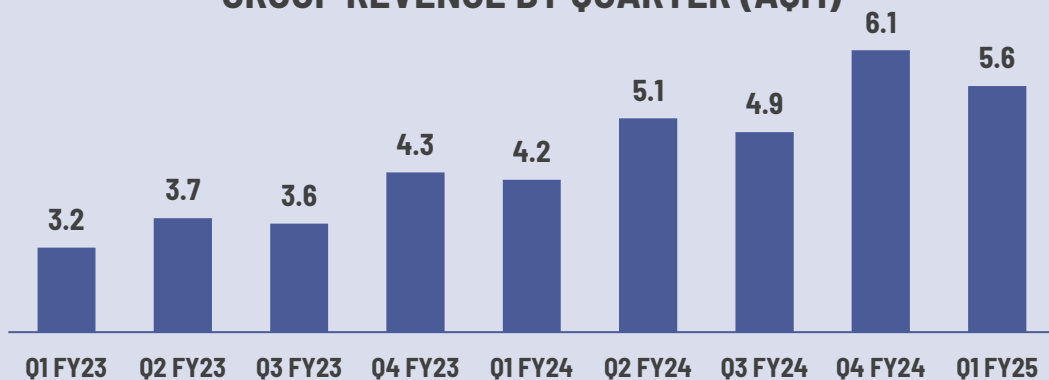
<sup>1</sup>Figures shown are unaudited, from management accounts

# Q1 FY25 Highlights

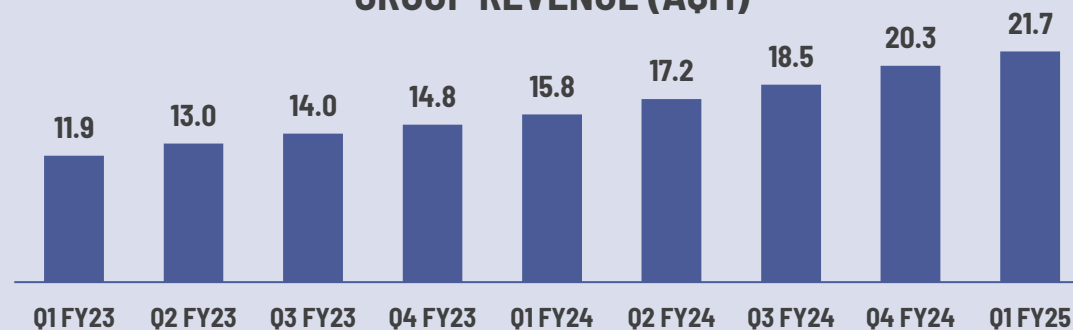
- **Quarterly revenue of A\$5.6m, up 33% on pcp**
  - + Driven by strong growth in the core Finance product in both Australia and the US
- **New Connect integration launched with Thomson Reuters Practice CS**
  - + Practice CS is the most widely used practice management solution used by QuickFee firms
- **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)

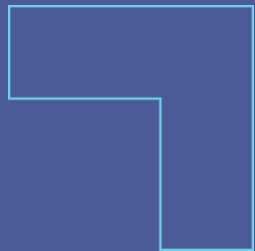


## Seasonality

- + 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

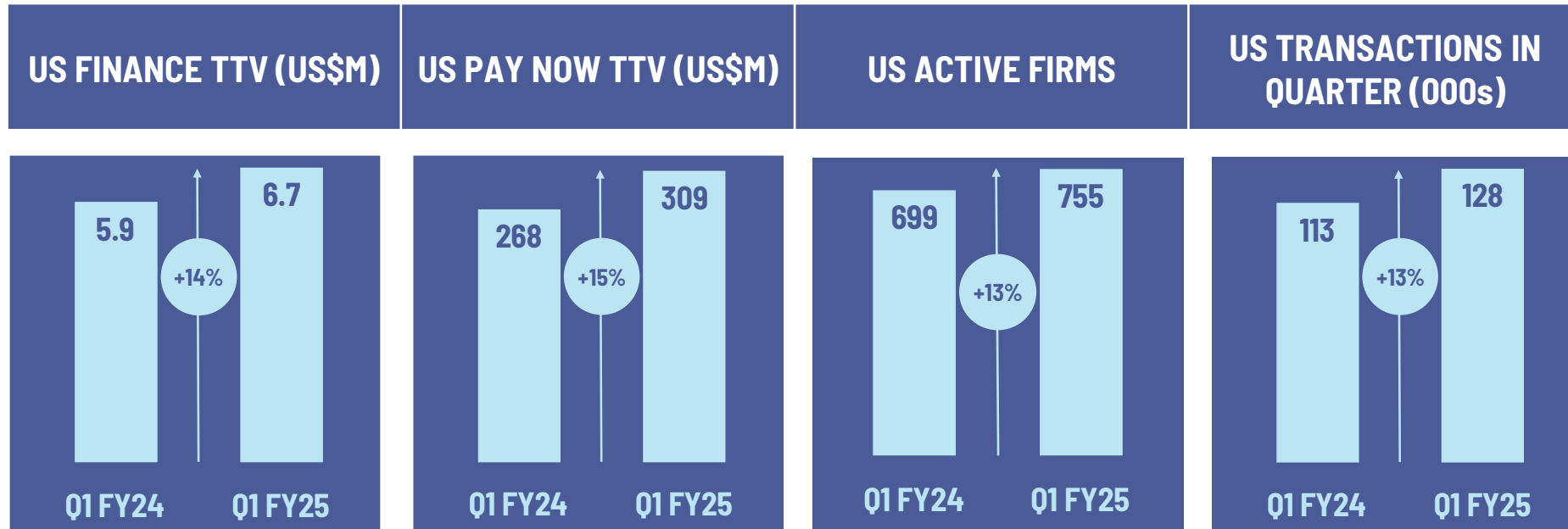
# Q1 FY25 activity and performance

## + 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

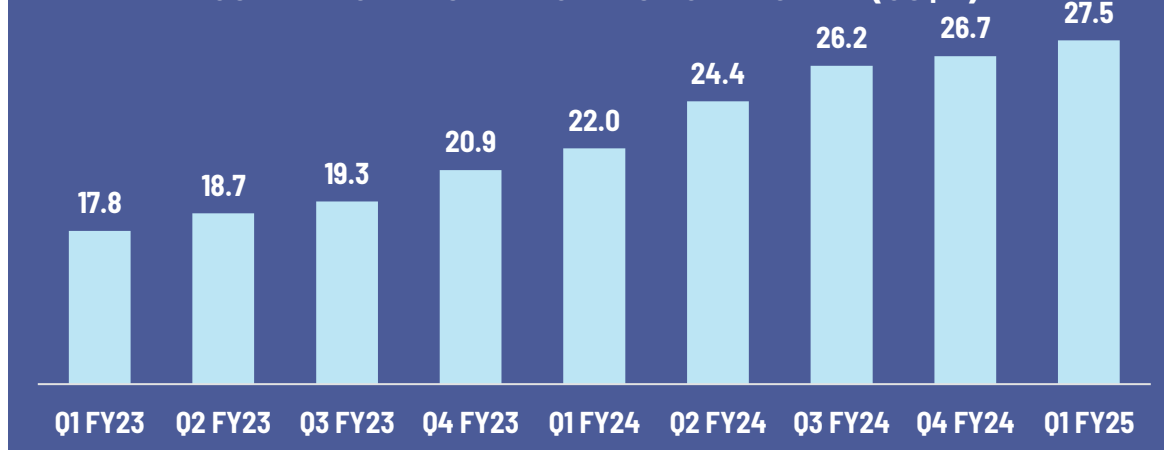
- + In September 2024, Connect delivered 4,500 invoices to firms' clients and was the highest volume month since Connect's launch, outside April 2024 (which is a seasonal high due to the 15 April 'end of tax season' billing)

## Pay Now

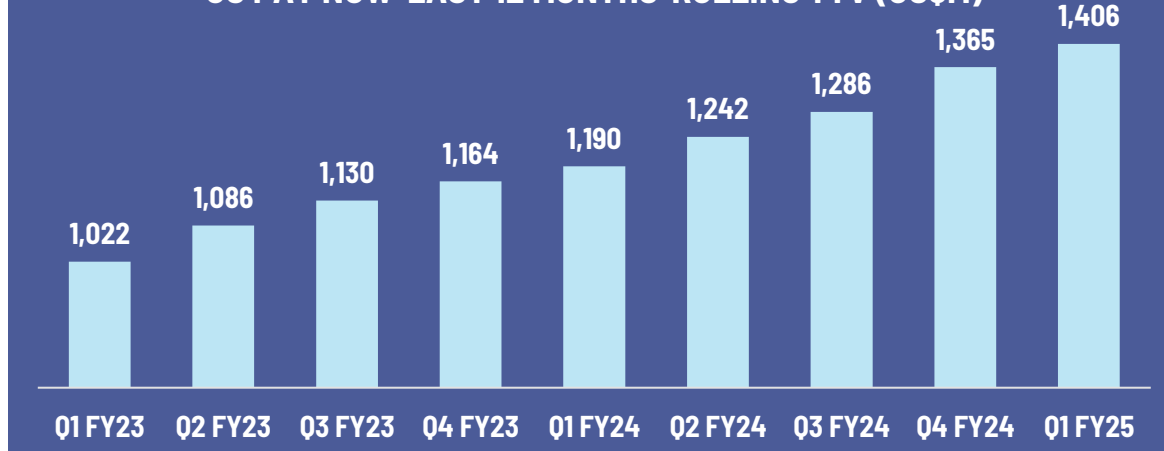
- + US Pay Now TTV up 15 on pcp; revenue up 9% to US\$ 1.0 million (Q1 FY24: 0.9 million) on slightly lower revenue yields

**No credit losses in quarter**

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

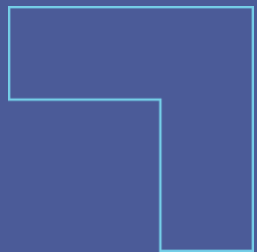


US PAY NOW 'LAST 12 MONTHS' ROLLING TTV (US\$M)



**AUSTRALIA:**

**POSITIVE MOMENTUM CONTINUES**



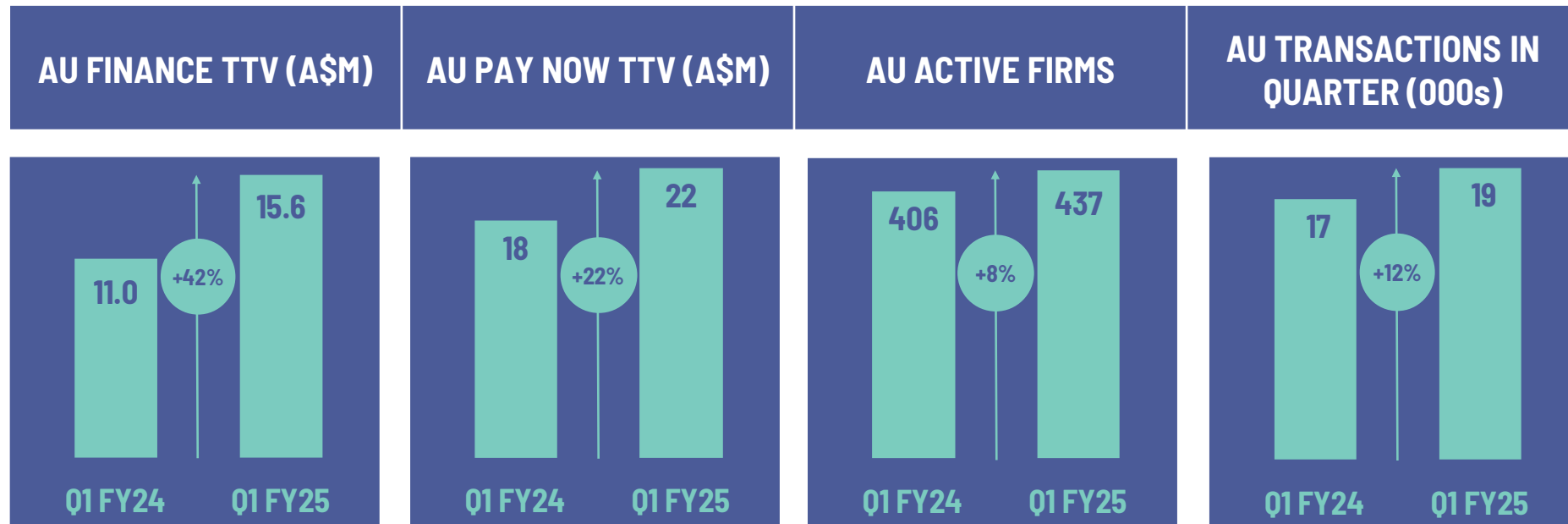
# Continued strong growth in AU

## + 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)

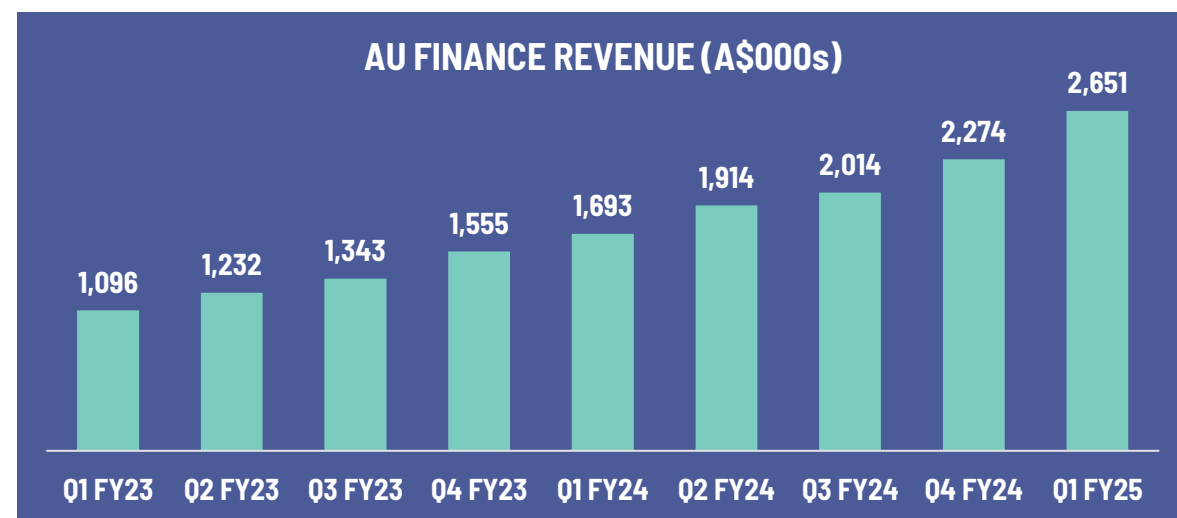
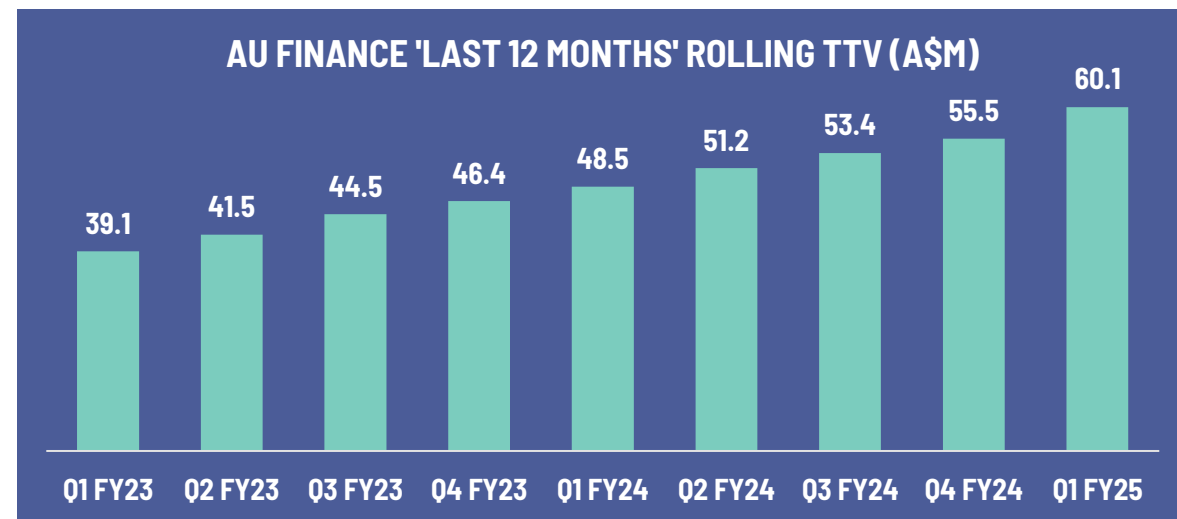
## + New customer acquisition:

- + 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

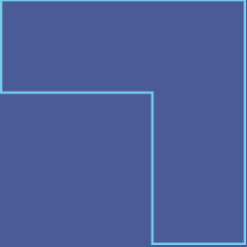
- + US\$40 million (A\$57.7 million) facility
- + Currently drawn to US\$9.5 million + A\$30.5 million (A\$44.2 million in total)
- + Interest margin of 6.25% plus SOFR/BBSW
- + Secured against US & AU loan receivables
- + Advance rate 90%
- + Maturity November 2025; draw period to March 2025

### 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

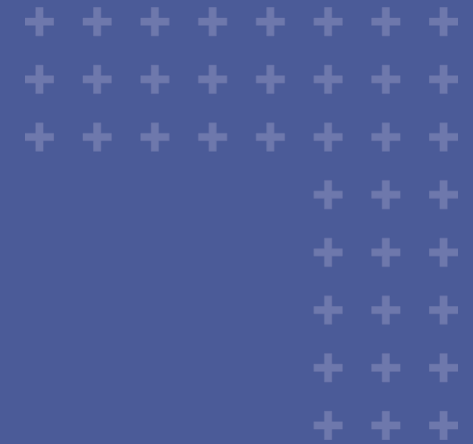
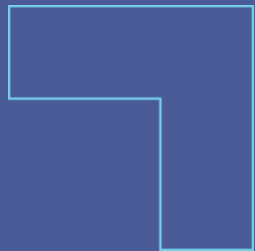
To learn more about QuickFee, our business and strategy, please see our 'About Us' video located on our investor hub here: [investorhub.quickfee.com/activity-updates/quickfee-about-us](https://investorhub.quickfee.com/activity-updates/quickfee-about-us)



# QUESTIONS

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[investorhub.quickfee.com/auth/signup](https://investorhub.quickfee.com/auth/signup)



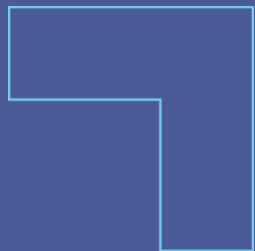
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# Glossary

<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 firm</b>	Any firm 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 Q Pay Plan</b>	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
<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>	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>KYC</b>	Know your customer	Practice to verify the identity of customers in compliance with laws and regulations
<b>Merchant</b>	A firm.	
<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/ Finance/ Lending/ Pay Over Time</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>Revenue yield</b>	Revenue recognised in accordance with QuickFee's accounting standards, divided by TTV, for the relevant product(s)	
<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>Transactions in quarter</b>	The aggregate number of completed Pay Now transactions and new Finance loans (payment plans) originated in the relevant quarter.	
<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 2023 quarter is the December 2022 quarter

