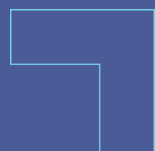


# QUICKFEE Q1 FY24 BUSINESS UPDATE

**2 November 2023**

Non-executive Chairman, **Dale Smorgon**  
President, North America, **Jennifer Warawa**  
Chief Financial Officer, **Simon Yeandle**



# Q1 FY24 Results Overview



## **Group revenue up 31% on the prior corresponding period (pcp) to \$4.2 million:**

- + US Finance revenue up 62% on pcp: Total Transaction Values (TTV) up 23% and revenue yield up 230 bps to 9.5%
- + Australia Finance revenue up 54% on pcp: TTV up 24% and revenue yield up 310 bps to 15.4%
- + US Pay Now TTV up 11% to US\$268 million



## **New US sales strategy delivering early results**

- + 44 new US firm sign-ups, of which half have adopted QuickFee Finance
- + New strategic partnerships with Allinial Global and IRIS Software Group



## **Expanded funding facilities to support growing Australian legal disbursement funding business**

- + A new A\$10 million funding facility, which will provide immediate additional liquidity of A\$4.3 million cash
- + Cash plus liquidity available at 30 September 2023 is A\$6.6 million on a pro forma basis



## **Continue tracking towards operating profitability, with H2 FY24 expected to be stronger than H1 FY24**

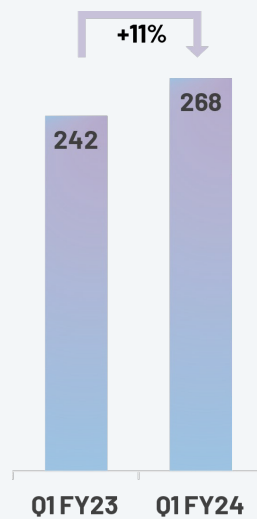
# Q1 FY24 Operational metrics in the US

- + US Active Customers up 8% to 79,000 and US Active Firms up 8% to 699. The implementation of a new territory-based sales model and updated remuneration structure is driving new customer acquisition, with 44 new firm sign-ups in Q1 FY24
- + 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 23% on pcip to \$5.9 million

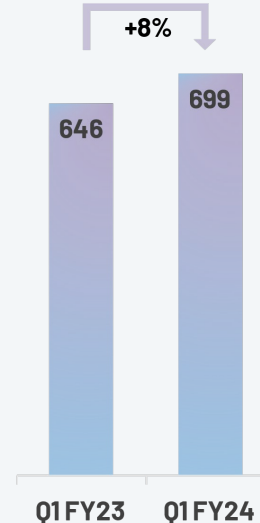
**US Finance  
TTV (US\$M)**



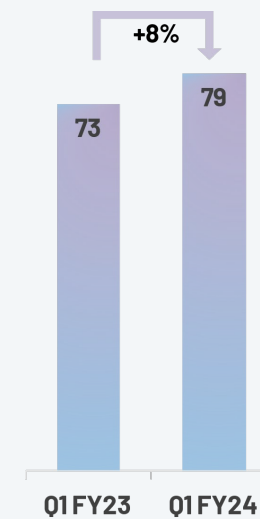
**US Pay Now  
TTV (US\$M)**



**US Active  
Firms**



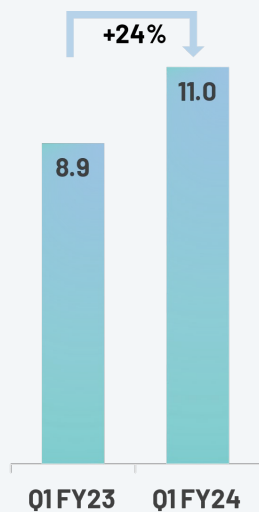
**US Active  
Customers (000s)<sup>2</sup>**



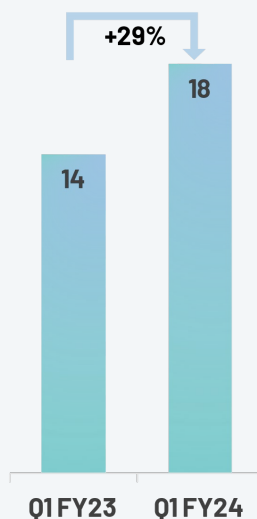
# Q1 FY24 Operational metrics in Australia

- + Demand remains robust in a rising interest rate environment, as professional services firms and their clients seek to improve their working capital. AU Finance TTV up 24% on pcp to \$11.0 million
- + AU Active Customers up by 21% on pcp to 17,000, AU Active Firms up by 2% to 406
- + Legal disbursement funding TTV (included within Finance TTV) continues to be a growing component of the AU business

**AU Finance  
TTV (A\$M)**



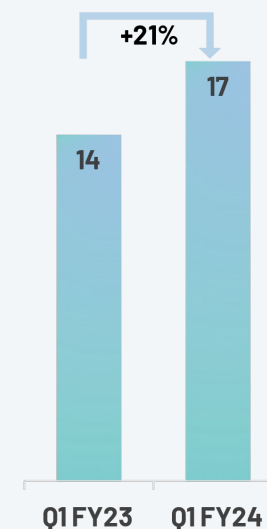
**AU Pay Now  
TTV (A\$M)**



**AU Active  
Firms**



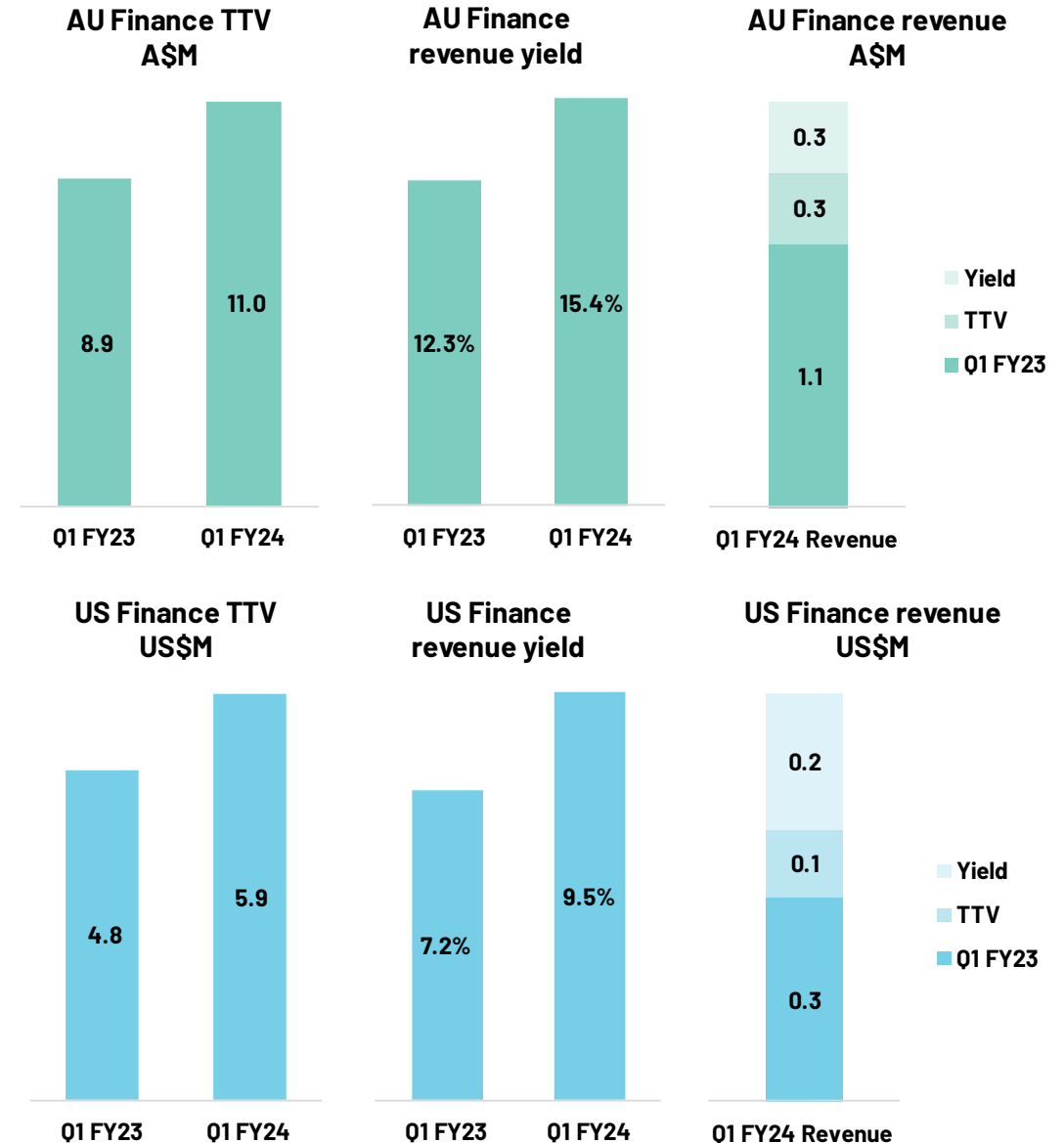
**AU Active  
Customers (000s)**



# QuickFee Pay Over Time (Finance)

## Revenue growth driven by both volume & yield

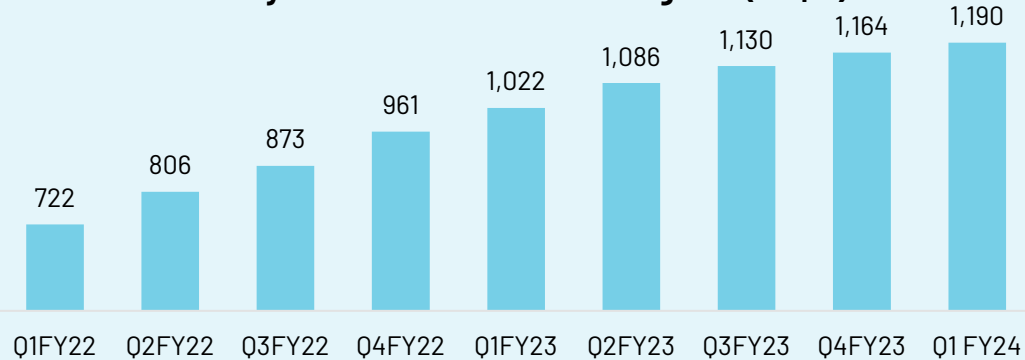
- + In both markets, revenue growth has come from both TTV growth and yield improvements
- + Yield improvements are driven primarily by increases in interest rates charged to clients of firms
- + Interest rate increases were made in October 2022 and July 2023
- + Interest revenue on loans is recognised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



# QuickFee Pay Now (ACH/EFT + Card)

## Transaction volume growth in US and AU

US Pay Now 'Last 12 Months' rolling TTV (US\$M)



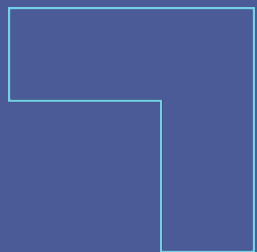
- + Q1 FY24 US Pay Now TTV up 11% on pcp to US\$268 million at stable revenue yields of 0.38% for US ACH and 0.21% for US Card
- + Transaction volumes starting to increase through QuickFee Connect integrations with practice management systems, as well as new firm sign-ups
- + Pay Now is an important component of the payments package to drive growth in higher margin Financing

AU Pay Now 'Last 12 Months' rolling TTV (A\$M)



- + Q1 FY24 Pay Now AU TTV up 24% to A\$11.0 million
- + QuickFee makes a small gross margin on EFT and Card products in Australia on the payment portal, in contrast to the US
- + Transaction volumes driven by new customer acquisition and cross-selling the complete payments solution to existing Finance customers

# WHAT WE DO



# The QuickFee Platform

QuickFee offers multiple easy ways for clients to pay the firm. The firm is paid upfront within three business days – boosting cash flow and reducing aging A/R.

## PAY NOW



### ACH/EFT + CARD

Traditional method of payments with transparency of fees

- + 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

Proprietary solution offered by QuickFee (a unique offering in the US)

- + Get paid upfront 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
- + Guaranteed by the firm

## CONNECT (US only)




### INTEGRATION + 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 personalized invoice links so they can pay in 1 click
- + Integrations with leading practice management solutions



# QuickFee payment portal

**Lally & Co.**  
CPAs and Business Advisors

412.367.8190 Client Portal Login \$ Make a Payment

Home About Us ▾ Our Services ▾ Focus Areas ▾ Contact Us

Lally & Co. offers three easy and quick  
online payment options

### Electronic Funds Transfer

Pay your Lally & Co. invoice online with our bank-transfer payment option. Transfer funds directly from your bank with no additional fees.

[Pay Now](#)

### Credit Card

Pay your invoice online with our credit card payment option. A 3% processing fee will be applied to all credit card transactions. Debit Cards are not accepted.

[Pay Now](#)

### Payment Plan

QuickFee offers an easy, no-hassle way for you to spread the cost of your invoice(s) totaling \$2,000 or more over 12 monthly payments\*.

[Pay Now](#)

How QuickFee Payment Plans Help:

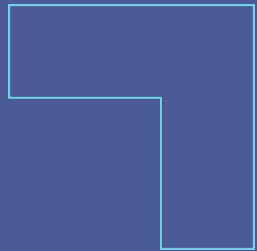
- ⦿ Smooths your cash flow.
- ⦿ Keeps working capital in your business for other purposes.

# QuickFee Finance: A Game Changer for Firms

## Benefits to the Firm

- ✓ Unique solution combining Pay Now (ACH and Card) with Pay Over Time (Finance)
- ✓ Firms get paid 100% upfront whilst end clients can choose to pay in full or over time
- ✓ Firms maintain total control over clients' access to payment plans and term options
- ✓ Frees up clients' cash to access more of the firm's services
- ✓ Reduces overdue receivables
- ✓ Reduces admin hours on collection calls
- ✓ Zero cost to the firm - interest paid by clients and is usually tax deductible
- ✓ Creates a better client experience with multiple payment options

# EXECUTING ON THE PLAN FOR SCALABLE GROWTH IN THE US



# Executing on the plan for scalable growth in the US



## Improve and optimise sales and customer success teams

- + New remuneration structure implemented in August to align commissions with company sales targets
- + Refreshed digital marketing strategy to strengthen brand awareness and pipeline
- + Improved cross-sell outcomes with over half of new sign-ups in Q1 FY24 also having QuickFee Finance



## Exponential growth through 'one to many' relationships

- + Rafael Casas joined as Director Strategic Alliances & Partnerships in June 2023
- + Established strategic partnerships with Allinial Global and Iris Software Group to drive customer acquisition
- + Early results with increase in inbound enquires and qualified leads



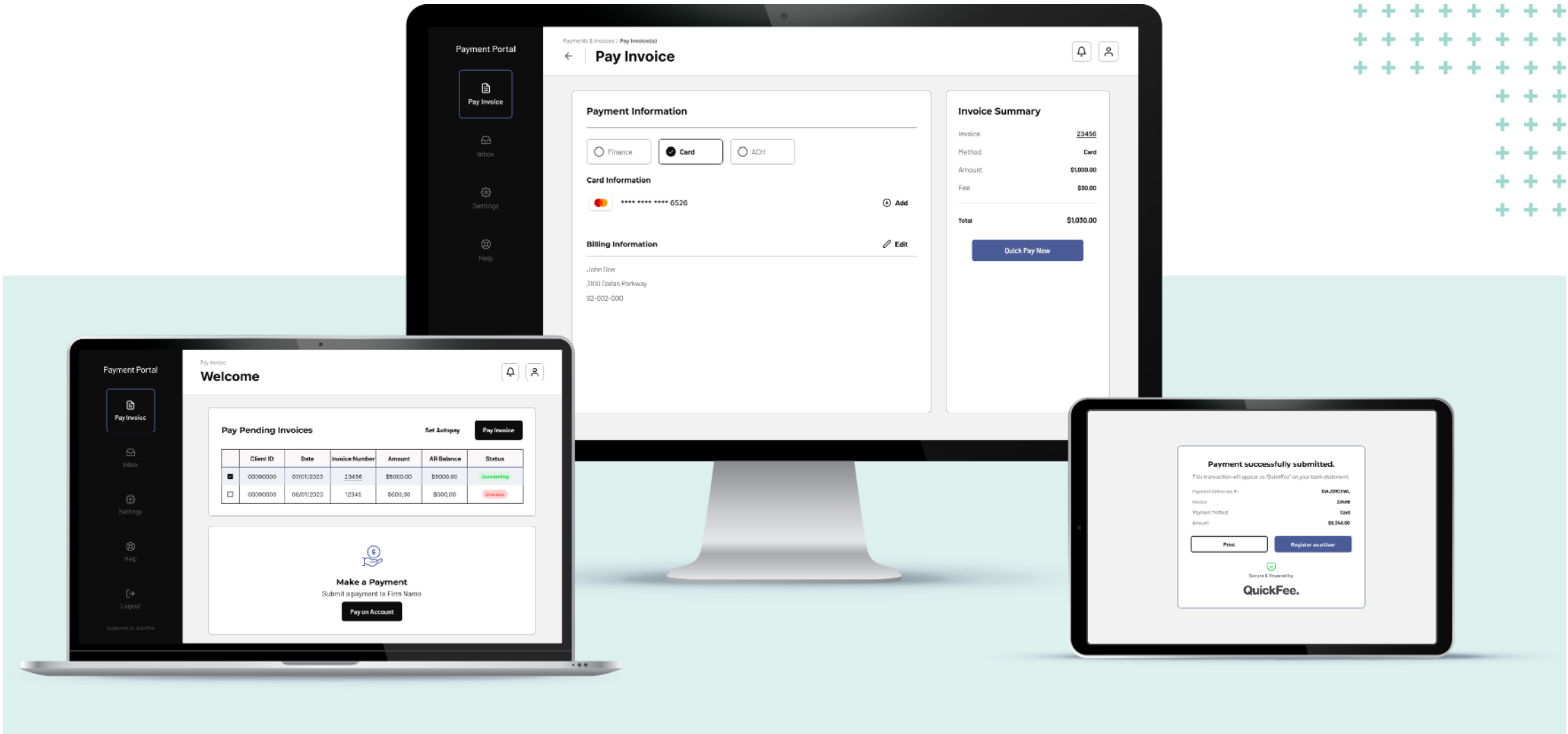
## New Chief Technology Officer, Dave Moore

- + Experienced technology leader in strategy, product development, cloud computing, big data and machine learning
- + Strengthens position as leader in financial technology industry
- + Recognised as being one of the most accomplished CIOs in central Texas, as finalist in ORBIE Awards in 2023



## Opening of US Head Office in Plano, Texas

# QuickFee is streamlining the user experience by offering richer functionality across our platform



# US Practice Management integrations

- + Broaden our firm relationships
- + Create greater lifetime value
- + Expand our current 12% penetration level (% of firm revenue captured)

## Current Integrations



## Planned Integrations



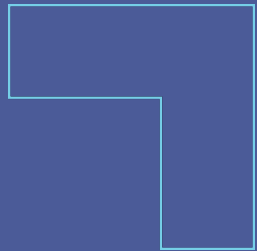
THOMSON REUTERS



Star Practice Management



# AUSTRALIA: STRONG LENDING AND GROWING DISBURSEMENT BUSINESS



# Australia: Strong fee funding and growing disbursement funding business



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



AU is profitable and economic conditions are driving increasing demand



Revenue and yields continue to grow as borrowing demand improves



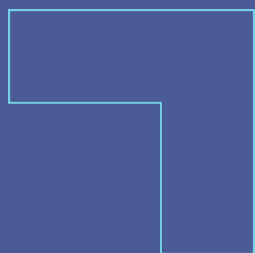
QuickFee's growing legal disbursement funding business for personal injury law firms is contributing to lending growth

- + A new A\$10 million asset-backed funding facility
- + The current disbursement funding (DF) loan book is around A\$8 million at 30 September 2023
- + The new facility will provide an advance rate of 85% of Australian DF receivables, net of the amounts already financed by Northleaf, this will provide immediate additional liquidity of A\$4.3 million cash and up to A\$10 million as the DF book grows
- + Cash plus liquidity available at 30 September 2023 is A\$6.6 million on a pro forma basis with the new facility





# STRATEGY AND OUTLOOK



# FY24 Strategic priorities: unchanged



## **Focus on reaching profitability**

- + Continue to manage cash burn / cost base
- + Focus on fastest path to profit: QuickFee Finance and Connect products
- + Accelerate disciplined and cost-effective product development with a narrow focus



## **Leverage our most valuable assets – our firms**

- + New leadership has identified many new opportunities within our core markets
- + Build and execute strategic partnerships to enable exponential growth



## **Enhance systems redundancy and business continuity into our services**

- + Multiple banking and payments processing partners

# Outlook

## At an inflection point and well positioned for growth



Growth in both the US and Australia expected to continue, buoyed by economic tailwinds



Strong start to FY24 and strengthened management team provides confidence in ability to execute on growth strategy; Finance TTV for October 2023 in line with Q1 FY24 growth



Focus on reducing cash burn in FY24, with a narrower focus on cost-effective product development

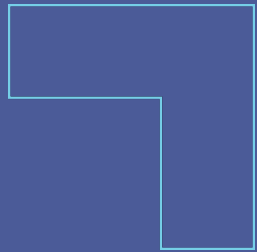


Strengthened capacity for growth through expanded funding facilities, taking 30 September 2023 pro forma liquidity headroom to A\$6.6 million



Tracking towards operating profitability, with H2 FY24 expected to be stronger than H1 FY24

# QUESTIONS



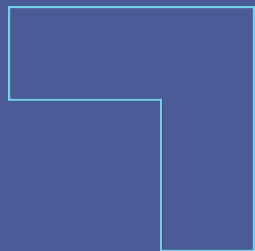
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# Glossary

<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>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 2022 quarter is the December 2021 quarter

