

QuickFee.

FY19 Results Presentation

Bruce Coombes, CEO

27 August 2019

QuickFee Limited

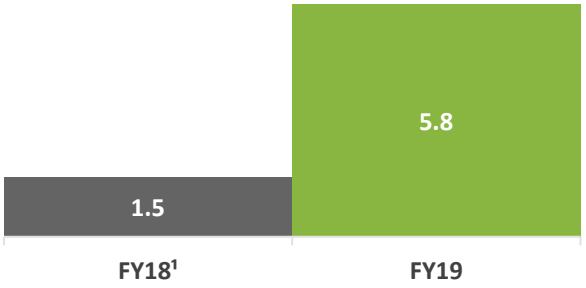
FY19 Highlights

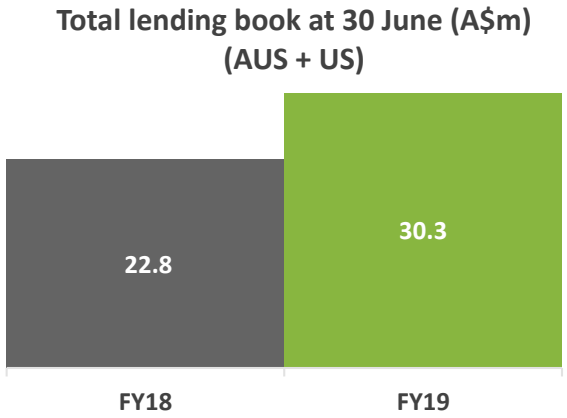
A year of strong growth for QuickFee

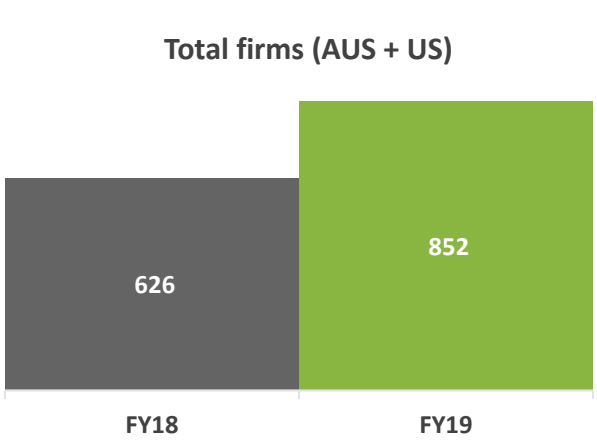
- **Achieved significant growth in lending to clients of professional firms**
  - Australia reached a record of $42 million of lending, up 15% on prior year
  - US hit a record high of US$8 million of lending, up 70% on prior year
- **Strong growth in the number of firms using the QuickFee platform**
  - 109 new firms in Australia
  - 117 new firms in the US
- **Recorded sustained growth in lending to legal firms, which now represents 24% of the total AU loan book**
- **Delivered our highest pre-tax profit of $851k in Australia**
- **Added experience and expertise to the team with a number of key hires to accelerate growth**
- **Successfully listed on the ASX on 10 July 2019, raising $13.5 million in a significantly oversubscribed IPO**

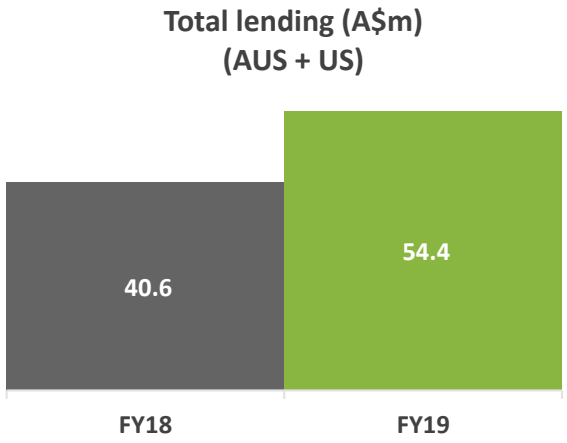
FY19 Financial Overview

Growth achieved across key metrics









1. Period from 15 February – 30 June 2018
* USD/AUD exchange rate of 0.68 used throughout presentation



FY19 Financials

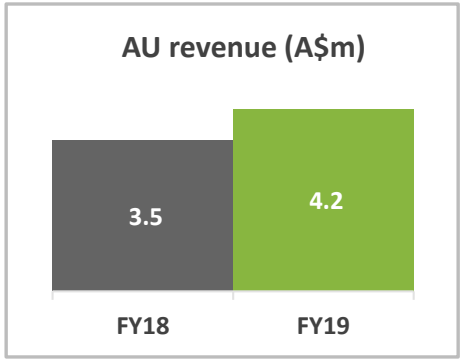
Record revenue result driven by growth in loan book

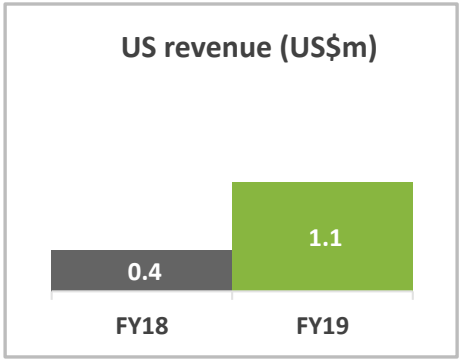
Profit & Loss

Growth in loan book driving substantial revenue growth

- Record revenue result of $5.8m, up 288% of prior year[1]
  - Comparing to FY18 management accounts, revenue was up 22% in Australia and up 164% in the US
- Cost of sales is primarily interest paid
- Operating earnings result reflects investment in the business to position it for future growth, which included
  - Costs associated with IPO
  - Increased spend on recruitment
  - Appointed US Chief Revenue Officer
- Bad debts continue to be negligible
- Record pre-tax profit achieved in Australian business of $851k, reflecting the scale benefits of the established Australian business
- US business continues to grow strongly with high levels of client satisfaction

	FY19 ($'000)	FY18[1] ($'000)	%
Revenue	**5,800**	**1,493**	**288%**
Cost of sales	*(1,982)*	*(546)*	*263%*
Gross profit	**3,818**	**947**	**303%**
Operating earnings	**(921)**	**(236)**	**290%**
Income tax expense	*(237)*	*(43)*	<<
Net Profit After Tax	**(1,158)**	**(279)**	<<





1. QuickFee was incorporated on 15 February 2018, so FY18 statutory numbers are 15 February – 30 June 2018

Balance Sheet

Fully funded for aggressive growth strategy

- Balance sheet significantly strengthened following IPO that raised $13.5 million
- Increase in receivables and borrowing reflects growth in loan book
- QFE is now well funded for its aggressive growth strategy

	FY19[1] ($'000)	FY18 ($'000)	%
Current assets			
Cash & equivalents	11,281	4,156	171%
Trade & other receivables	29,468	22,384	32%
Other	241	111	116%
Total current assets	**40,990**	**26,651**	**54%**
Total non-current assets	**4,025**	**331**	**1118%**
TOTAL ASSETS	**45,015**	**26,982**	**67%**
Current liabilities			
Borrowings	26,442	18,990	39%
Trade & other payables	4,921	3,243	52%
Other	265	99	168%
Total current liabilities	**31,628**	**22,332**	**42%**
Total non-current liabilities	**515**	**2,345**	**-78%**
TOTAL LIABILITIES	**32,143**	**24,677**	**30%**
NET ASSETS	**12,871**	**2,305**	**458%**

1. FY19 balance sheet is post-IPO as at 10 July 2019 to more accurately to represent current financial position



Operational Overview

Significant growth across all key metrics

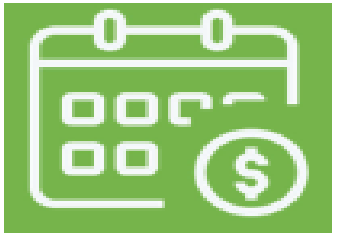
2019 client survey

QuickFee continues to increase its client loyalty base

- This year's 2019 Borrower Survey involved more than 4,000 clients of accounting and law firms providing feedback on their experience with a QuickFee loan
- Key findings from the survey included:
  - **Over 90%** of users surveyed said that the availability of payment plans was important;
  - **94%** were likely to use a QuickFee payment plan option next time they receive an invoice from their accountant or lawyer; and
  - **92%** found the application process very easy
- These findings provide further validation of the need for QuickFee's products, and for the ambitious growth strategy we have in place



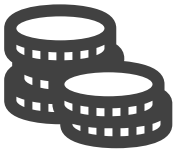




What clients have to say about QuickFee



"We knew we needed a level of accounting advice we couldn't afford whilst also investing in the product development itself; QuickFee meant we could set up the business foundations the right way because it helped us spread the cost."



"It allowed us to deal with a cashflow shortage. We required a lot of work to be carried out by our accountants which without QuickFee we would not have been able to finance."



"I could maintain the accountant of my choice and free up cashflow in my business."

Australia

Proven track record of performance

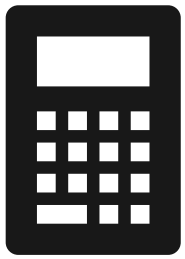
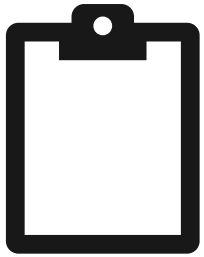
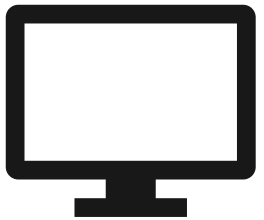
Over the last decade, QuickFee has proven its business model and market appetite for its products with strong Australian performance.



- Funded 90% by NBFI
- ~70% Pre Tax Return on Equity
- >$200M Lent
- Average $4m lending per month

AU business model

Sources of revenue

INTEREST INCOME	LOAN APPLICATION FEE	PAYMENT PORTAL HOSTING FEE
		
~19.5% YIELD ON LOAN	$40 - $300 PER LOAN	$39 PER MONTH
$3.7m of FY19 revenue	**$324k** of FY19 revenue	**$223k** of FY19 revenue[1]

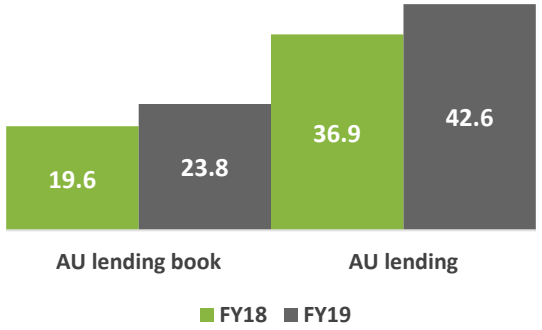
1. Includes hosting revenue

Australian update

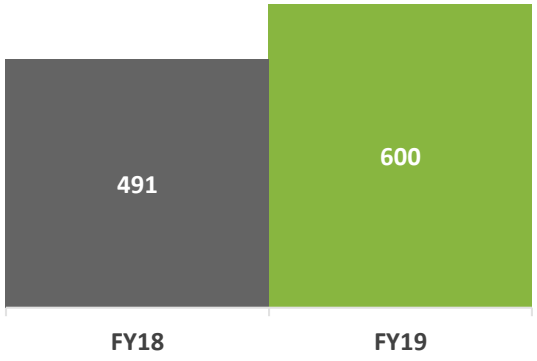
Gaining strong traction in the Legal market

- The Australian business continues to grow –reached a lending record of $42 million, up 15%
- Delivered a pre-tax profit of $851k
- Number of firms using the QuickFee platform up 109 to 600
  - 2 of the “Big 4” accounting firms on the platform
  - Average loan size has remained consistent at $15k
- Legal market now represents 24% of the loan book
- A number of key platform enhancements completed
  - Now integrated with Xero Practice Manager
  - Now integrated with Greatsoft
  - APS full data interrogation now available
- Enhanced user interface release in Q4

AU Lending (A$m)



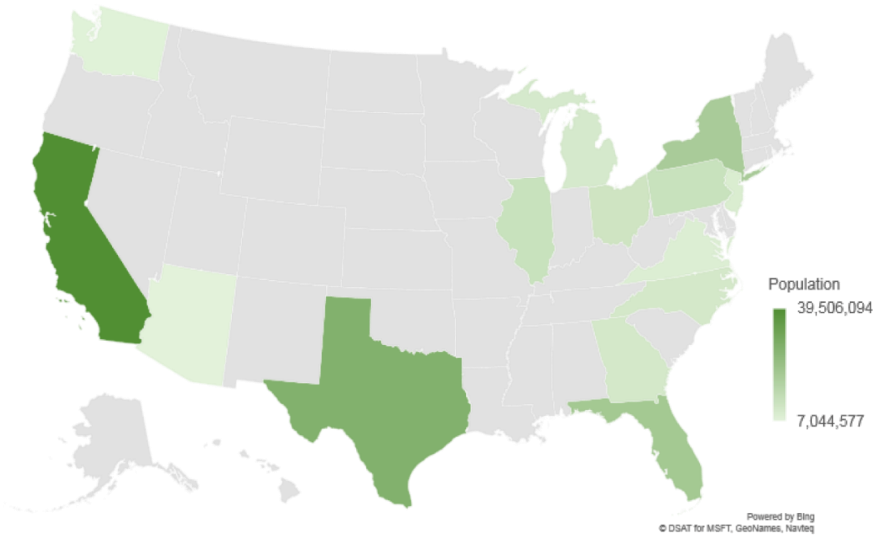
Number of AU firms signed



United States

Significant US Growth Opportunity

QuickFee is aiming to replicate its Australian success in the United States which represents the largest distributor of professional services in the world.



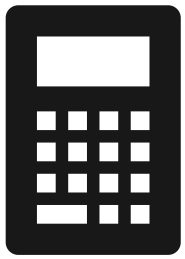
United States of America: State by state population map

- 264 firms already signed (129 firms have had clients take one or more loans)
- 80% funded by NBFI
- Estimated combined US accounting and legal firm revenues of approximately $450b p.a.
- Increased marketing and IT spend using IPO proceeds
- Commenced deploying IPO proceeds to hire additional sales reps

US business model

Additional revenue source

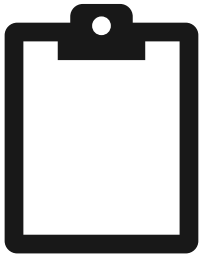
INTEREST INCOME



~17.5% YIELD ON LOAN

US$577k
of FY19 revenue

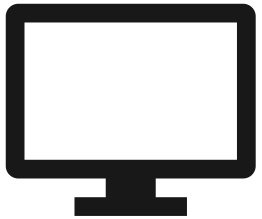
LOAN APPLICATION FEE



$100 PER LOAN

US$52k
of FY19 revenue

PAYMENT PORTAL HOSTING FEE



0.5% to 1% ON ALL NON-CREDIT CARD, NON- LOAN PAYMENTS

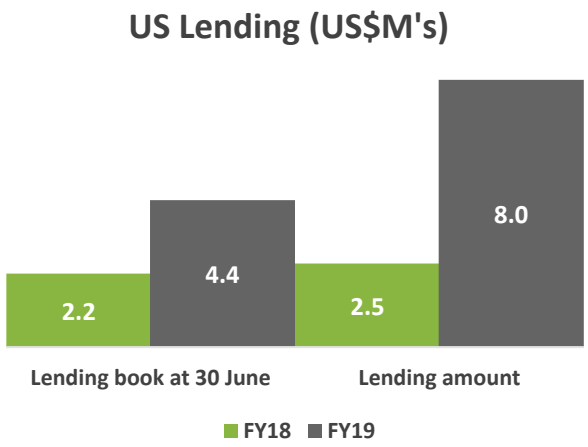
US$269k
of other FY19[1]

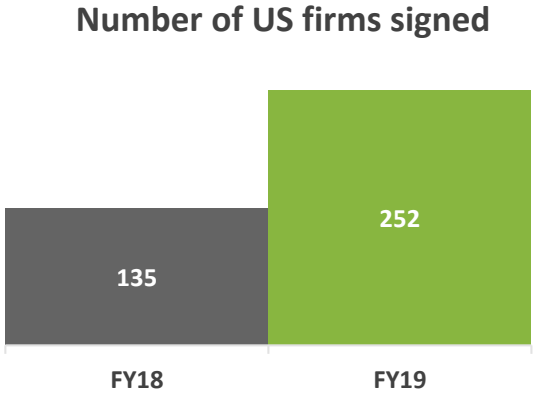
1. Includes hosting revenue

United States update

Strong sales momentum being achieved

- Best year in lending achieved – up 70% to US$8 million
- Number of firms using the QuickFee platform up 117 to 252
  - 12% of Top 100 accounting firms signed up to the QuickFee platform
  - Average loan size of $10,505
  - The number of firms “activating” has increased 95% to 127
  - This is a strong lead indicator to future loan book growth
- Added experience and expertise to the team to accelerate growth
  - Richard Formoe appointed as Chief Revenue Officer with extensive track record of building sales teams in fintech companies across the US
- Additional practice management integrations and enhanced user interface for release in Q4





Outlook



Addressing market needs

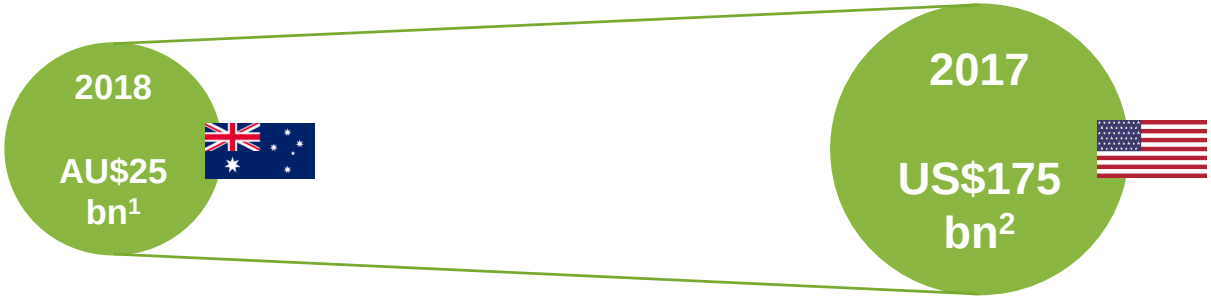
Practical solutions to common problems

Fact	Most accounting and law firms have clients paying greater than 60 days after their work has been completed
Business Problem	Most accounting and law firms pay staff on a monthly cycle thereby creating a significant working capital issue
Reach	The problem for professional services is not limited to jurisdictions – it is a global issue
Opportunity	Create a funding solution that alleviates working capital cash pressure for professional services Firms
Solution	QuickFee Products – QuickFee provides loans to clients of professional service firms
Outcome	QuickFee actively assists professional service firms reduce their average accounts receivable from 66 days outstanding by 29 days – a 56% reduction

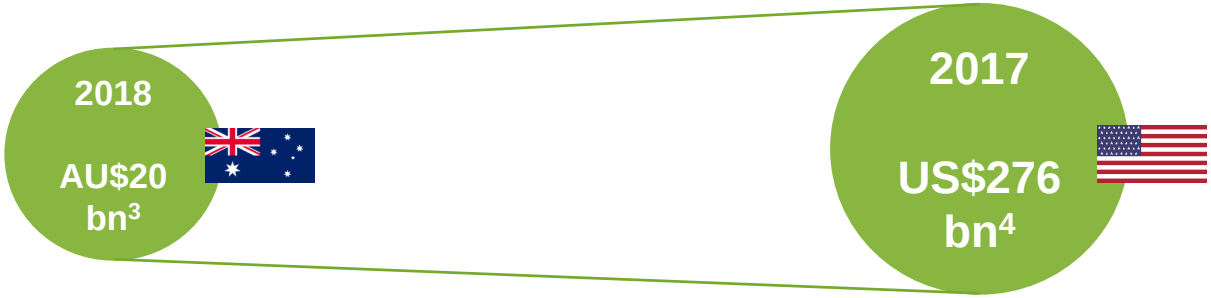


Significant market opportunity

Estimated Revenue - Accounting Sector



Estimated Revenue - Legal Sector



1. Source: https://www.afr.com/business/accounting/2018-top-100-accounting-firms-number-crunchers-follow-the-big-four-into-advisory-20181104-h17h7i
2. Source: Platt Group – Inside Public Accounting 2017: Available online at http://insidepublicaccounting.com/newsletters/ipa-100-ipa-200-ipa-300/
3. Source: https://www.ibisworld.com.au/industry-trends/market-research-reports/professional-scientific-technical-services/legal-services.html
4. Source: http://www.legalexecutiveinstitute.com/wp-content/uploads/2016/01/How-Big-is-the-US-Legal-Services-Market.pdf

QuickFee growth strategy

Capitalising on our first mover advantage in the US and consolidating our significant Australian market position



Build on it's profitable operating history and significant market position in Australia



Take advantage of the largely untapped growth opportunity identified in the much larger USA market for professional services fee funding

QuickFee aims to enhance the following growth objectives:

Increase marketing and awareness → Acquire customers cost effectively across existing and new products → Rapidly increase scale → Leverage the low overhead and highly scalable model to maximise profits

Outlook

Well positioned for strong growth in FY20

Key priorities for FY20

- Continue to grow loan book in Australia and US
  - Large professional services markets in Australia and the US represent significant growth opportunities
  - This will lead to increased revenues and scale benefits
- Increase our sales and marketing capabilities for accelerated growth in the US
- Continue to grow integration partnerships with other service providers
  - These partnerships represent a strong source of new business
- **Expect to grow our loan book and revenue strongly in the short term, and over the medium term to generate sustained, growing profitability**



Questions

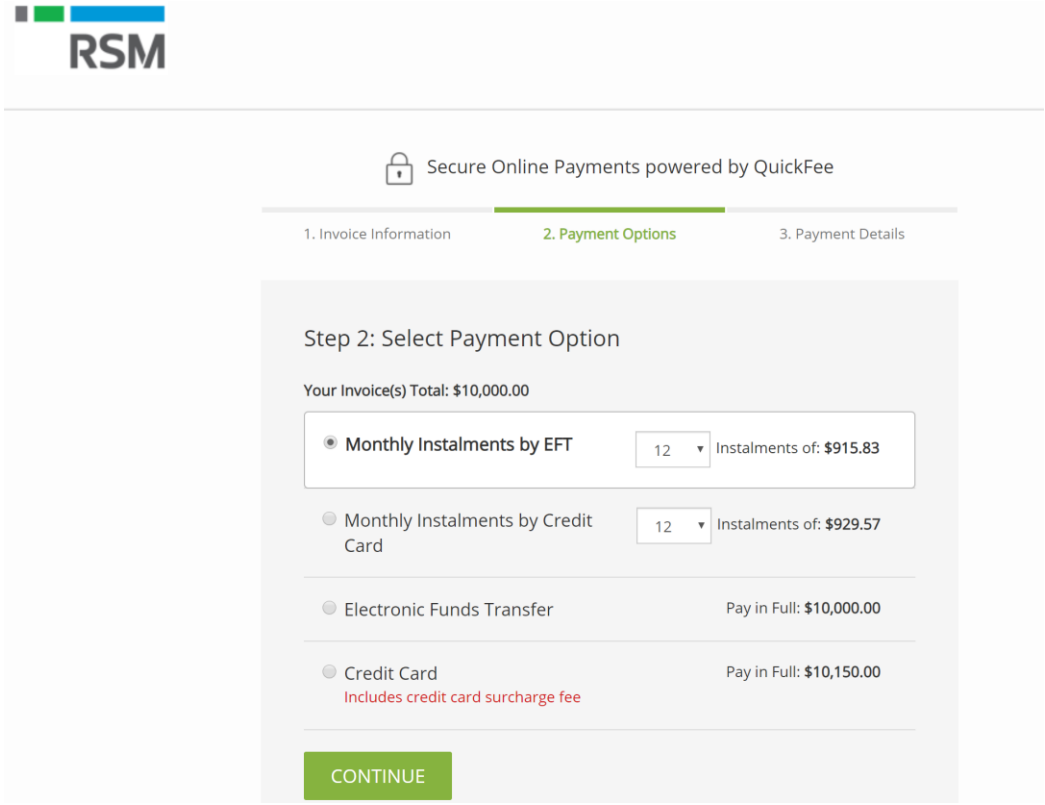
Appendix

QuickFee Overview



- QuickFee provides financing to clients of accountants and lawyers (professional service firms)
- High credit quality as loans guaranteed by professional firm
- QuickFee has a proven business model with approximately 10 years operating in Australia & 3 years in the U.S

QuickFee Platform



- The QuickFee Platform allows clients of firms utilising the platform to:
  - take on financing for invoices raised by the firm; and
  - pay those invoices by EFT or credit card.
- Firms can include a link to the platform on all invoices they issue to Clients and/or a link from the firm's website. The platform is branded with the relevant firm's logo.
- The link transports the user to the QuickFee platform. The platform requests information about the Client and the invoices they wish to pay and then presents three options:
  a) pay by the month in instalments using a loan;
  b) pay in full by EFT; or
  c) pay in full by credit card.

Team

Board of Directors



CEO & Founder

Bruce Coombes



Chairman

Barry Lewin



Non-Executive Director

Dale Smorgon

Business Development (Client Acquisition)



Bus. Dev. Team Leader (AU)

Amy Irvine



Chief Revenue Officer (US)

Richard Formoe



Marketing Manager (US)

Andreas Diwing

Client Service & Corporate Services



Client Service Team Leader (AU)

Jennifer James



COO & Group CFO (US)

James Drummond

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