

QuickFee.

Market Eye's virtual conference presentation

Tech companies innovating during COVID-19

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Introduction to QuickFee



- QuickFee provides a payments processing portal with pay in full (PayNow) and payment plans with monthly instalments (PayLater) options available to clients of accountants and lawyers (professional service firms).
- High credit quality as client loans guaranteed by professional firms, often with a personal guarantee. Australian loans covered by a credit protection insurance policy.
- QuickFee has a proven business model, operating 11 years in Australia and 4 years in the US.
- A$60k lifetime bad debts from A$250 million in lending since 2009

Revenue sources

Multiple revenue sources

Source	Australian market	US market
Interest and fee income from lending	YES	YES
Platform fees	Some	YES
Transaction income	NO	YES
Credit card processing income	NO	YES
SaaS e-invoicing tool revenue	Q3 release	Q3 release

QuickFee journey post IPO

COVID-19 accelerating trend towards online payments

All things payments…

All things receivables….

…for professional services firms

From July-19 IPO to now

- Expanded leadership team
- Significantly grown the number of US firms on the platform (more than 25% of top 400) with strong continuing momentum
- Australian lending **tracking to A$50m per annum**
- US lending **up 131% pcp and annualised rate of US$18m per annum**
- Significant tech upgrade opportunities being progressed

Large opportunity to grow and capitalise on 'modernising' US market and our first mover advantage

- US transactional revenue growth at record levels and accelerating as a result of COVID-19 – doubled between February and April 2020
- Payment plans (loans) at record levels as more people move to pay online and momentum accelerating as a result of COVID-19
- Increased cash flow generated by QuickFee solutions even more important to professional firms during COVID-19 crisis
- New SaaS revenue opportunity – will further embed QuickFee solution into professional firms

QuickFee US

Growing rapidly; first mover advantage

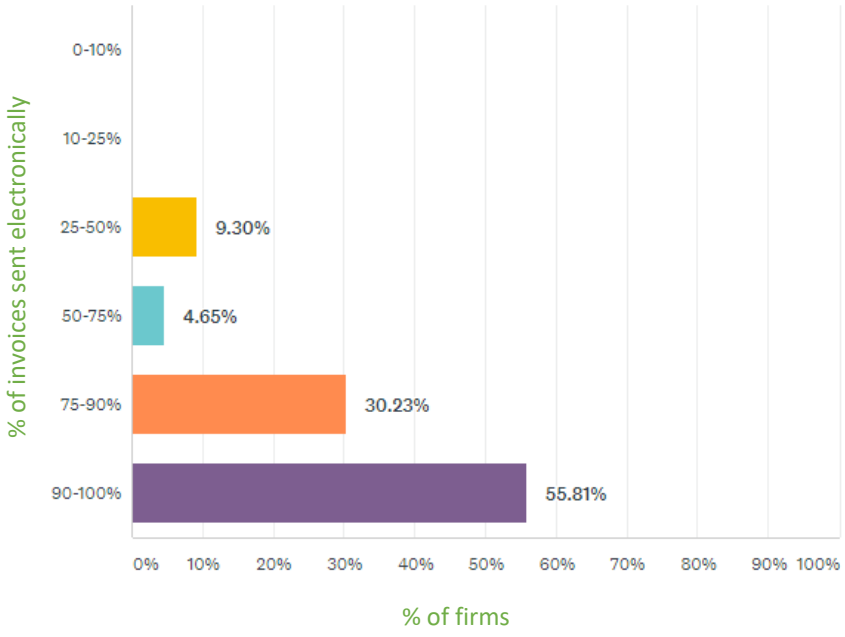
United States	IPO – 9 July 2019	March 2020	% increase
Up front (PayNow) monthly portal transaction value	US$10.7m (FY 2019 average)	US$30.1m (March) US$45.5m (April)	▲325%
Lending (PayLater) monthly transaction value	US$650k (FY 2019 average)	US$1.5m (March)	▲131%

- US business established in 2016. Its revenue is split 50-50 between loans and transaction processing
- Transaction value annual run rate US$546m (based on April 2020)
- Transaction revenue annual run rate US$1.2m (based on $99k revenue in March 2020; April transaction volumes up a further 51% over March)
- **COVID-19 accelerated shift to online payments**
  - Business owners require business survival and strategic advice
  - Take up of online payments (PayNow) drives take up of payment plans (PayLater)
- **Significant growth with major firms**
  - Top 400 US accounting firms – more than than 25% signed up
  - 23 of top 100 US accounting firms signed

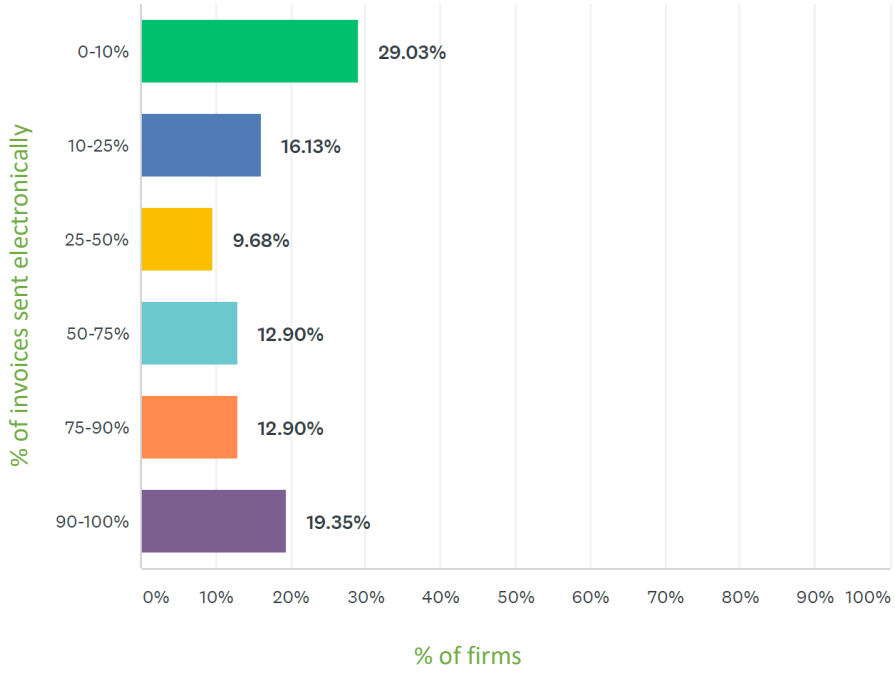
Enormous transformation opportunity in US

AU vs US – % of invoices sent electronically

AU 2020



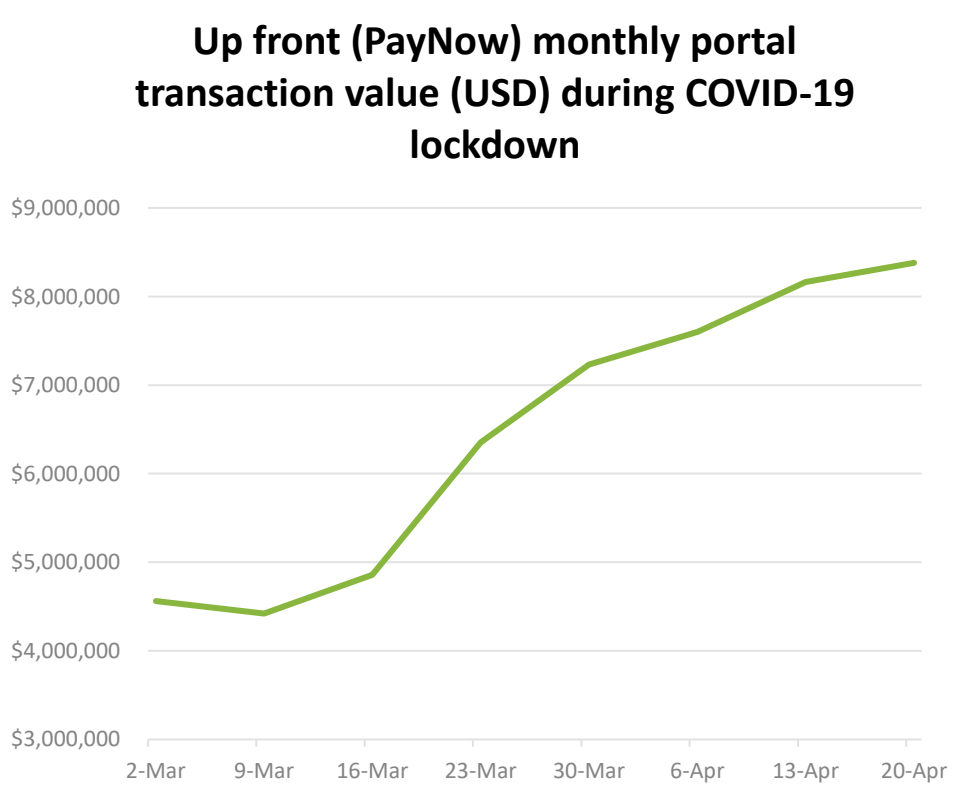
US 2020



Source: QuickFee CSAT survey (February 2020)

COVID-19 driving growth in the US

Transaction value annualised run rate now US$546 million



Value of electronic payments processed by QuickFee US (USD)	
Week commencing:	
9 March:	$4.4 million ▲
16 March:	$4.9 million ▲
23 March:	$6.4 million ▲
30 March:	$7.2 million ▲
6 April:	$7.6 million ▲
13 April:	$8.2 million ▲
20 April:	$8.4 million ▲

COVID-19 accelerated shift to online payments

QuickFee Australia

An established business showing strong growth since IPO

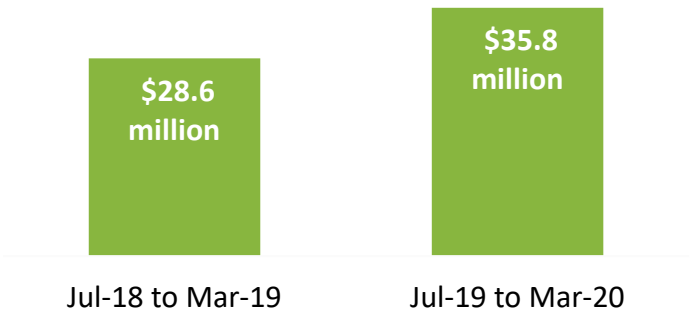
Australia	IPO – 9 July 2019	March 2020	% increase
Up front (PayNow) monthly portal transaction value	A$2.4m (FY 2019 average)	A$3.6m	▲50%
Lending (PayLater) monthly transaction value	A$3.5m (FY 2019 average)	A$4.0m (FY 2020 YTD average)	▲14%

- Established, profitable business, operating since 2009
- **Australian law firms seeing changes in demand during COVID-19, but…**
  - Increased demand for QuickFee payment plans
  - Increased enquiry and sign-up of law firms
- **Accounting segment remains resilient throughout COVID-19**
  - Proactively culled some smaller firms
  - Accounting has some counter-cyclical elements
- Limited impact of payment deferrals and arrears in COVID-19 shown to date due to professional firm guarantees, followed by personal guarantee for smaller firms, and credit protection insurance

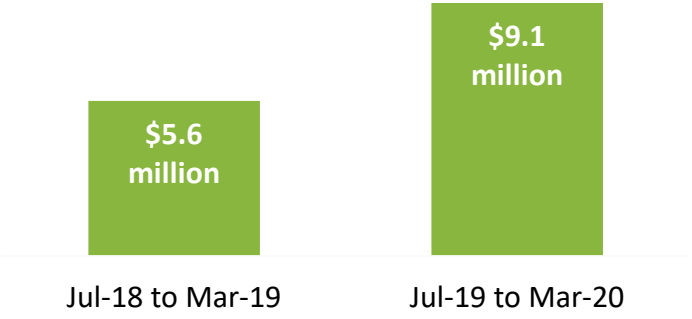
AU and US charts

Increased activity across all metrics

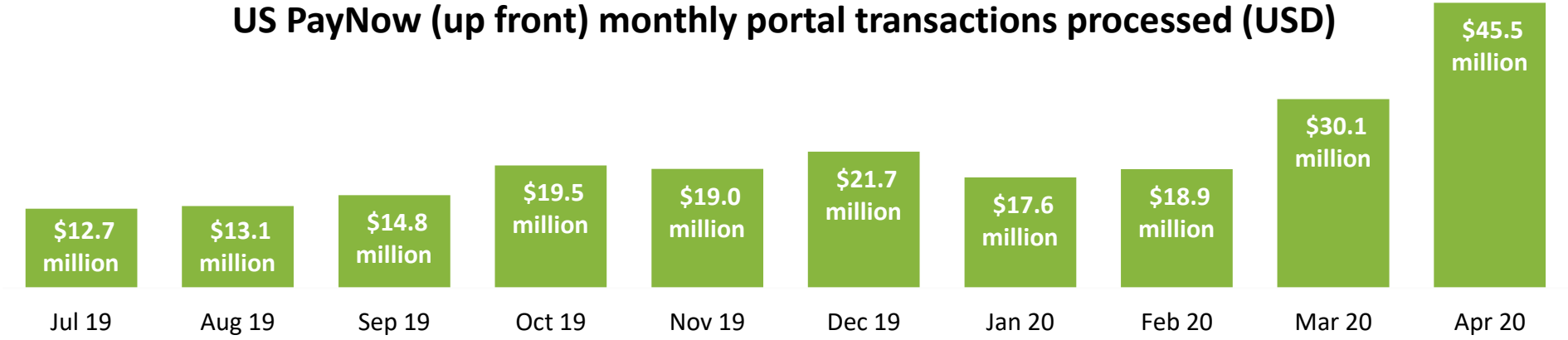
AU PayLater (lending)
9 months ended March 2020
vs March 2019 (AUD)



US PayLater (lending)
9 months ended March 2020
vs March 2019 (USD)



US PayNow (up front) monthly portal transactions processed (USD)



Successfully raised $7.5 million in May

Funding to drive continued growth in the US

Use of funds

- A$6.0 million – Fund increased loan book
  - Strong anticipated growth of lending book (equity portion of loans) as a result of the impact of COVID-19 crisis on accounting firms and their clients' cash flows
  - Reduce risk of any potential COVID-19 impact of restriction on credit availability and lower gearing levels
  - Ensuring momentum and first mover advantage is not impacted due to capital constraints
- A$1.1 million – Technology
  - New payment platform to improve capital efficiency → US revenues from payments processing now match those from US lending and represent the highest margin on capital invested for QuickFee
  - E-invoicing technology to be added to platform
- A$0.4 million – Transaction costs

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