

ASX Release | 18 February 2021

QuickFee announces H1 FY21 results

Continued growth and further foundation building, despite volatile conditions

QuickFee Limited (ASX:QFE) ("QuickFee") today announces its results for the six months ended 31 December 2020 ("H1 FY21").

QuickFee CEO Bruce Coombes said:

“ The half-year ended 31 December 2020 was another period of strong progress for QuickFee, despite operating in a challenging environment with massive government stimulus programs in both of our key markets. Strong growth has continued across platform transactions, lending and new clients in the United States (US), and a major new product, QuickFee Instalments, was successfully launched in both the US and Australian markets. ”

Key financial information (A\$M)	H1 FY21	H1 FY20	Movement %
Revenue	4.5	3.7	↑ 22%
Gross profit	3.2	2.3	↑ 39%
Operating loss	(2.8)	(0.9)	↓ 85%
NPAT	(2.9)	(1.8)	↓ 58%
EPS	(1.4)	(1.3)	↓ 8%
Cash	30.5	15.0	↑ 104%

Key highlights in H1 FY21

- Continued growth in US lending and transaction volumes resulted in revenue growing 22% on the prior period to A\$4.5 million and gross profit 39% to A\$3.2 million;
- 182% growth in US pay in full TTV (total transaction values), with an annualised run rate of over US\$0.7 billion;
- Successful completion of an A\$17.5 million share placement and purchase plan in October 2020 which has enabled QuickFee to add significant bench strength to its senior management, US payments expertise and customer acquisition team, to invest in further product development and fund the anticipated growth of the loan book.

QuickFee is continuing to achieve rapid growth in the US as it leverages its first mover advantage in the massive US market for professional services, with its US revenues up 93% to A\$2.2 million and US gross profit up 101% to A\$1.7 million.

The structural shifts in the US banking and payments industry towards digital banking and online payments, accelerated by the COVID-19 pandemic, continued in H1 FY21 despite substantial government stimulus measures, with US pay in full total transaction values (TTV) up 182% to US\$285 million.

Lending in Australia was impacted in a similar way to the US by government stimulus measures, down 45% to A\$13.3 million; November and December showed early stages of improvement in Australia after difficult trading conditions in Q1, and QuickFee expects this improvement to continue as stimulus measures unwind.

The successful completion of an A\$17.5 million share placement and purchase plan in October 2020 has enabled QuickFee to add significant scale to its management, US payments expertise and customer acquisition team, invest in further product development and fund the anticipated growth of the loan book. These investments have resulted in operating expenses increasing on the prior year, which resulted in an after-tax group loss for the period of A\$2.9 million (2019: loss of A\$1.8 million).

Significant investment in US expertise

In order to support our growth and to build on our existing knowledge and relationships in the US market, QuickFee has made several critical new senior executive appointments required to scale the US operations. These include our new CFO, Simon Yeandle; newly appointed US President, Eric Lookhoff; US Chief Experience Officer, Sue Torgerson; and US Chief Marketing Officer, Jay Alsup. All have deep expertise in payments and professional services. In addition, we also filled seven new sales and marketing roles.

QuickFee Instalments successfully launched; 277 firms signed up so far

The QuickFee Instalments product was officially launched late in Q2 in both Australia and the US. The new interest free, non-recourse product will substantially increase QuickFee's addressable market, while at the same time allowing QuickFee to provide low credit risk payment solutions to customers using pre-authorised client credit. This is a significant milestone for QuickFee.

Having launched in December, the early progress has been very promising, with a total of 277 firms already signed onto the service (149 in US and 128 in Australia).

FY21 outlook

Following critical investment during the half in product development, US senior executive expertise and additional depth to our customer acquisition team, we are well placed to execute on the significant addressable market opportunity available to us.

The growing level of adoption of online payments within the US professional services market continues to provide tail winds for our growth, and our new QuickFee Instalments platform provides access to a wide range of new service verticals outside of professional services. We are actively testing the QuickFee Instalments platform across multiple new service industry verticals, with QuickFee now able help customers access the advice and services they need from any service provider.

Whilst massive government stimulus programs in both of our key markets created challenging operating conditions for lending, these conditions are expected to abate in the near term as stimulus measures unwind and business activity returns to more normal levels.

Commenting on the outlook, Mr Coombes said:

“ The first half was a pivotal period of investment in the QuickFee business. We have broadened our product suite and addressable market, we have strengthened our team, and we are seeing encouraging signs for the remainder of the year, with growth in our lending pipeline activity. ”

This announcement has been authorised for release by the directors.

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All things payments, all things receivables for professional service firms.

Founded in 2009 and operating in both Australia and the United States, QuickFee offers payment and financing solutions to professional service firms.

QuickFee's fully integrated online payment platform and financing solutions enable clients to securely pay invoices in full or by instalment. We are developing payments and receivables solutions for the services industry, helping customers access the advice and services they need, with the ability to pay over time.



QuickFee PayNow

Online payments made simple. Clients of professional firms can pay by credit card, EFT or monthly payment plans.



QuickFee Financing

Give clients the flexibility to pay invoices over 3 to 12 months. Firms use this solution as a friendly collections alternative or as a sales tool.



QuickFee Instalments

Clients pay in 4 interest-free monthly instalments. No risk and no recourse to the firm.



QuickFee ConnectAR

A fully integrated accounts receivable (AR) management and payment system that integrates with major practice management systems.

QuickFee.