

ASX Release | 9 June 2021

Chief Executive Officer transition and trading update

QuickFee Limited (ASX:QFE) ("QuickFee") announces it has completed the succession of its Founder and Chief Executive Officer (CEO), Bruce Coombes. Having established the QuickFee business in both Australia and the United States, and led the significant growth in operations, Bruce will transition to the role of Managing Director, Australia, which includes responsibility for special projects.

Bruce, who will remain on the QuickFee board as an Executive Director, will be replaced as CEO by Eric Lookhoff, who was previously appointed as QuickFee's President, United States in February 2021. Eric will also join the QuickFee board as an Executive Director.

These changes will take effect on 1 July 2021.

Commenting on CEO succession, Chairman Barry Lewin said:

“ Bruce created our Australian and US businesses from a standing start and achieved significant organic growth. He will continue to be a major contributor to QuickFee in the company's next phase of growth, as a board member and in his new role overseeing Australia and other major growth projects.

We are delighted to have someone of Eric's calibre to drive the overall growth of QuickFee going forward. Eric brings a unique skillset, enormous experience, and a strong US professional network that will ensure QuickFee is best able to capitalise on major growth opportunities in QuickFee's payments business. This change in leadership positions QuickFee well for the future.

As Founder of QuickFee, Bruce led the company through several important milestones, including entry into the US market, the launch of the rapidly growing credit card and EFT/ACH products, and QuickFee's Financing and Buy Now Pay Later instalment solutions. Additionally, Bruce secured significant growth funding from a major Australian finance company, and successfully listed QuickFee on the Australian Securities Exchange in July 2019, which also included two subsequent heavily oversubscribed capital raisings. During this period, he has successfully grown the business in the US, and built a professional, dedicated team of approximately 70 employees.

As CEO, Bruce's travel commitments have been considerable, and he has undertaken these with his characteristic drive, energy, and enthusiasm. He has tirelessly conducted the QuickFee business across multiple time zones, including through the COVID-19 pandemic when travel to the US became impossible.

It is a great tribute to Bruce that the business has attracted professional management of the highest calibre who will build upon the current platform and drive significant future growth and value for QuickFee shareholders. **”**

Commenting on the transition, Bruce Coombes said:

“ It has been a delight to be the CEO of a company that metaphorically started in a basement and has grown to a point of US expansion. It is an opportunity for which I am very grateful and know that the next stage of development of our international business is in the hands of talented executives with a broad range of skills. Whilst I continue to lead our Australian business and get to apply a start-up skill set to new opportunities and markets, achieving our growth objectives is in very experienced hands.

As President of QuickFee US, Eric has very quickly achieved several key objectives with the buildout of a deeply experienced and professional payments leadership team, and new go-to-market strategy, including enterprise and national accounts, strategic channel partnerships, and merchant direct acquisition models. Additional accomplishments include an enhanced platform design which scales and expands processing margins, an automated merchant application and underwriting engine, and launching ISO 27000 certification. He has overseen the creation of enhanced demand generation architectures, brand positioning, business intelligence, and a company values project.

As an accomplished senior executive, Eric previously led scale initiatives at early and hyper-growth stage payments and fintech companies, including Freedom Financial Network (leading all payment, deposit, and settlement operations through a period of hyper-growth), National Litigation Law Group (responsible for the expansion of an alternative professional services billing model for 200,000+ clients), and Electronic Clearing House (a merchant acquirer and processor successfully acquired by Intuit in 2008). Other payments leadership roles include Intuit, Discover Financial Services, and First Data Corporation.

Commenting on his appointment, Eric Lookhoff said:

“ I am deeply honoured and incredibly excited to lead this next stage of QuickFee's growth as CEO, and to build upon the company's strong foundation. Bruce's support in developing new go-to-market, operational, and platform strategies has been immeasurable, and I look forward to executing on our plan to accelerate growth and drive increased shareholder value together.

Our payment solutions have traditionally served a growing portfolio of enterprise professional service firms. Moving forward, we will deepen our focus in this vertical up and down market and expand to other segments of the services sector, including commercial and personal services, which opens new markets and higher yielding products.

To achieve this, we are constructing four pillars of increased strategic capabilities: (1) A robust and effective go-to-market strategy underpinned by effective brand positioning, precision demand generation, and high-velocity sales conversion; (2) a highly scalable and user friendly processing platform; (3) an improved economic model which is expected to deliver greater transactional margin and higher processing yields across lending and payments; and (4) a highly engaged, experienced, motivated, and performing team of payments and lending professionals. We will share more on our strategy at our end of year results presentation.

The material terms of Eric Lookhoff's employment agreement are summarised in the appendix.

Trading update

QuickFee is pleased to report that the operating performance in May and June continues to show signs of improvement, with encouraging results achieved across Australian traditional financing, US PayNow transaction volumes and QuickFee Instalments in both markets. The company is on track to report growth across these three key areas in Q4 FY21 vs Q3 FY21. Traditional financing in the US remains broadly in line with the Q3 FY21 run rate, with US government stimulus weighing on lending growth.

This announcement has been authorised for release by the directors.

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About QuickFee Limited (ASX:QFE)

QuickFee Limited (ASX:QFE) is a fast-growing financial technology company providing an innovative suite of online payment solutions and loan origination offerings to professional, commercial, and personal services providers, helping customers access the advice and services they need, with the choice to pay now or over time.

QuickFee's fully integrated online payment platform and financing solutions enable merchants to accept payments by card, EFT/ACH, payment plan, or a Buy Now, Pay Later instalment plan.

QuickFee currently operates in the United States and Australia. For more information, visit quickfee.com.

APPENDIX

Material terms of executive employment agreement with CEO Eric Lookhoff

Commencement date	1 July 2021
Term	No fixed term
Total fixed remuneration	<p>(a) US\$300,000 plus 401k contributions and healthcare benefits, to be reviewed annually</p> <p>(b) Previously agreed sign on performance rights awarded on his joining as President:</p> <ul style="list-style-type: none"> • 700,000 performance rights • Vesting in 12 months (1 February 2022), subject to continued employment • 2-year escrow <p>(c) An additional 250,000 restricted stock units (RSU) will be awarded on his appointment as CEO, subject to vesting on 1 July 2022 and under similar escrow arrangements</p>
Short term incentive	50% of base salary based on milestones determined by the board
Long term incentive	<p>(b) Equity incentives under the company's Performance Rights and Options Plan (PROP) as follows:</p> <ol style="list-style-type: none"> 1,000,000 share options on 1 February 2021: <ul style="list-style-type: none"> • A\$0.50 strike price • 2-year vesting from 1 February 2021, subject to continuous tenure 1,000,000 share options on 1 February 2021: <ul style="list-style-type: none"> • A\$0.75 strike price • 3-year vesting from 1 February 2021, subject to continuous tenure 1,000,000 share options on 1 July 2021: <ul style="list-style-type: none"> • in 4 tranches with an exercise price at a premium to the 30-day VWAP share price on 1 July 2021 of 10%, 25%, 35% and 50%, respectively • vesting in equal tranches over 3 years on 30 June 2022, 30 June 2023 and 30 June 2024 <p>All of Eric's equity incentives are subject to acceleration upon a change of control event.</p>
Notice period	Notice period: either party can terminate the agreement with 4 months' written notice and the company may terminate the agreement at any time in the case of a material breach.