

ASX Release | 19 July 2022

QuickFee Limited

Q4 FY22 quarterly business update

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QuickFee Limited (ASX:QFE) ("QuickFee") announces a business update for the quarter ended 30 June 2022 (Q4 FY22).

Q4 FY22 highlights

- QuickFee on track to achieve run-rate profitability by the end of FY23 within existing cash and borrowing facilities
- Another record quarter of Total Transaction Values (TTV) processed in the US
 - Q4 FY22 Pay Now TTV up 38% to US\$319 million (Q4 FY21: US\$232 million), with consecutive record volumes in April and May 2022
 - FY22 Pay Now TTV up 44% to US\$961 million (FY21: US\$668 million)
- Continued improvement in lending performance in the US
 - Q4 FY22 up 8% to US\$4.2 million (Q4 FY21: US\$3.9 million) and FY22 up 11% to US\$16.8 million (FY21: US\$15.1 million)
- Australian lending in Q4 FY22 up 19% to A\$13.0 million (Q4 FY21: A\$10.9 million); June 2022 was the highest month on record
- Continued strong growth in BNPL offering:
 - US BNPL TTV of US\$1.3 million in Q4 FY22, up 18% on Q3 FY22 (US\$1.1 million);
 - Global run-rate volume backlog up 37% to A\$11.4 million (A\$8.3 million at 30 June 2022);
 - Customer credit losses continue at negligible levels
- Recurring ACH product launched in the US in June 2022
- Strongly supported capital raise conducted in May 2022, raising A\$4.4 million for growth plans

Q4 FY22 performance

Professional services	Q4 FY22	Q4 FY21	Year-on-year movement
Total transaction values (TTV)			
US ACH (Pay Now)	US\$261m	US\$188m	+39%
US Card (Pay Now)	US\$58m	US\$44m	+32%
Total US Pay Now	US\$319m	US\$232m	+38%
US Financing (Pay Later)	US\$4.2m	US\$3.9m	+8%
AU Financing (Pay Later)	A\$13.0m	A\$10.9m	+19%
BNPL (Buy Now, Pay Later)	Q4 FY22	Q4 FY21	Year-on-year movement
BNPL TTV – US	US\$1.3m	US\$0.4m	+225%
BNPL TTV – AU	A\$0.2m	A\$0.2m	–%
	30 June 2022	31 March 2022	Quarterly movement
Run-rate volume backlog – global	A\$11.4m	A\$8.3m	+37%

FY22 performance

Professional services	FY22	FY21	Year-on-year movement
Total transaction values (TTV)			
US ACH (Pay Now)	US\$778m	US\$537m	+45%
US Card (Pay Now)	US\$183m	US\$131m	+40%
Total US Pay Now	US\$961m	US\$668m	+44%
US Financing (Pay Later)	US\$16.8m	US\$15.1m	+11%
AU Financing (Pay Later)	A\$38.1m	A\$30.8m	+24%
BNPL (Buy Now, Pay Later)	FY22	FY21	Year-on-year movement
BNPL TTV – US	US\$3.5m	US\$0.5m	+600%
BNPL TTV – AU	A\$0.9m	A\$0.3m	+200%
	30 June 2022	30 June 2021	Year-on-year movement
Run-rate volume backlog – global	A\$11.4m	A\$4.6m	+148%

Commenting on the quarter and financial year, Eric Lookhoff, QuickFee's CEO said:

"We are pleased to see that the successful execution of our strategic plans and investments made over the past two financial years are delivering results. The fourth quarter delivered record transaction volumes in the US, improved lending numbers and momentum in our credit-risk protected BNPL offering.

These results, combined with improving yields, lowered costs and continued low bad debts, have shortened QuickFee's pathway to profitability.

We continue to see a number of major tailwinds for our business, in particular the growing prevalence of online payments in the US professional services sector. Because of strategic pricing changes and cost management, QuickFee is benefiting from improved margins driven by high organic growth and increased transaction sizes due to inflation.

In order to continue executing on our growth opportunities, we successfully completed a strongly supported share placement and share purchase plan in May 2022 with A\$4.4 million raised. We would like to thank all investors, both current and new, for their support of the business and we are confident this will allow us to deliver on our strategic plans.

Following the launch of QuickFee's proprietary payments platform and a period of significant investment, QuickFee has also begun stepping down certain redundant operating and technology spends which were needed to establish the Company's payment platform technologies. The Company heads into FY23 with a solid footing and strong momentum."

Operational update

Professional services – United States

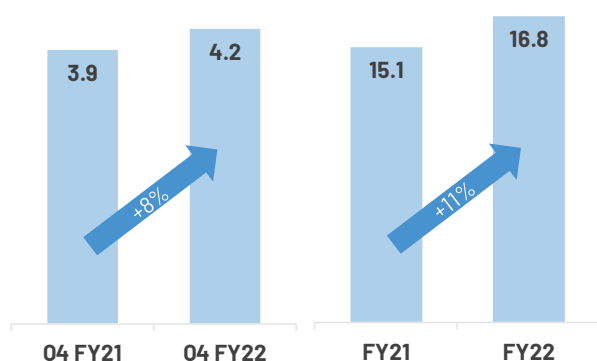
QuickFee achieved record active merchant numbers in Q4 FY22, closing the financial year strongly with consecutive record processing volumes achieved in April and May 2022. In Q4 FY22, active merchant numbers grew 28% to 621 and active customer numbers grew 26% to 118,000. The increase in active merchant and customer numbers drove the growth in TTV.

Pay Now TTV was up 38% to US\$319 million (Q4 FY21: US\$232 million), whilst Financing continued its year-on-year growth with an 8% improvement to US\$4.2 million (Q4 FY21: US\$3.9 million).

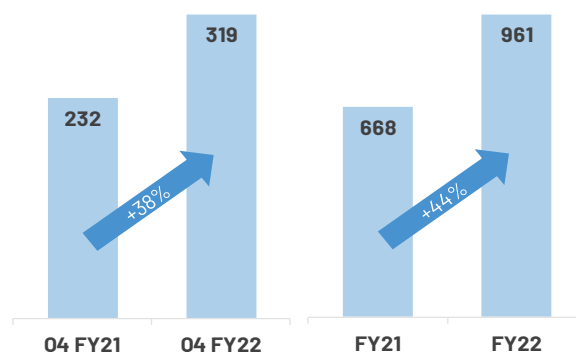
700 merchants transacted with QuickFee in FY22, up 39% from 504 in FY21, underlining the recurring demand from our merchant base. Similarly, active customers grew by 30% to 253,000.

US Q4 FY22 & FY22 TTV and trading metrics

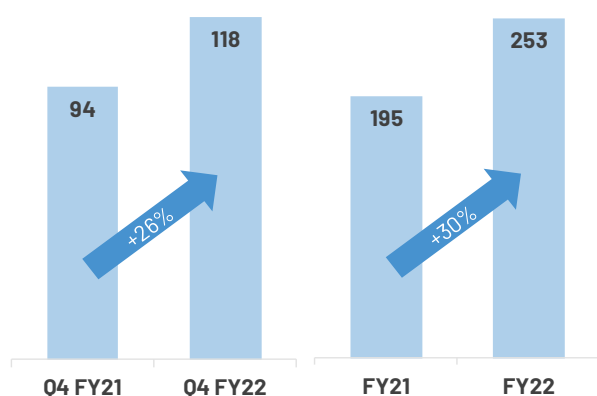
US Financing (US\$M)



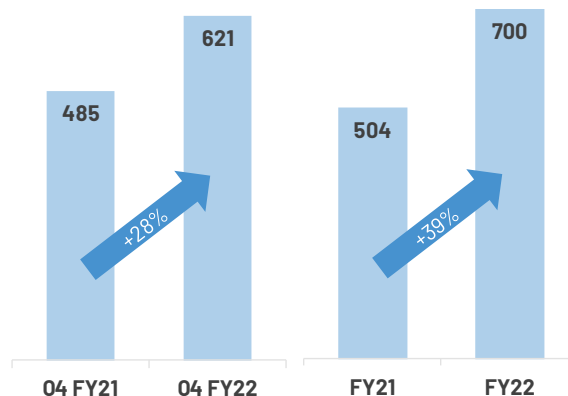
US Pay Now (US\$M)



US active customers excl. BNPL (000s)

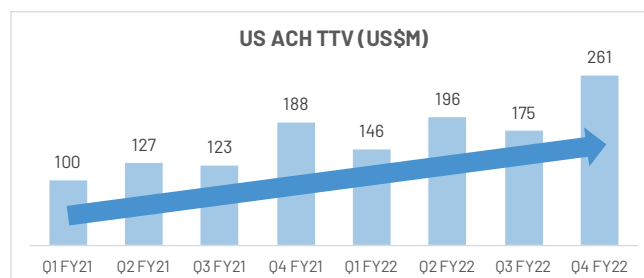


US active merchants excl. BNPL (000s)



United States ACH

QuickFee has experienced continued rapid growth in ACH TTV over the past two years, with ACH TTV in Q4 FY22 up 39% to US\$261 million; FY22 was up 45% to US\$778 million.



In June 2020, the company launched its Recurring ACH product, which is enjoying strong interest from new and existing professional services firms. Recurring ACH improves customer and merchant retention, increasing volume with no additional sales effort. This new offering, coupled with the launch of integration solution Connect this financial year, new firm sign-ups and the continued shift to digital invoicing, provides increased momentum as QuickFee enters FY23.

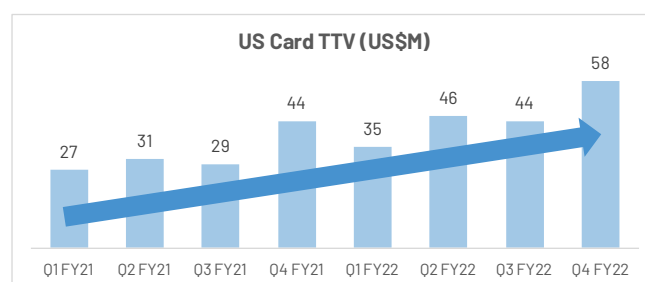
Revenue yield on ACH increased to 0.40% in Q4 FY22, driven by changes in QuickFee's ACH pricing model which shifted merchants away from legacy fixed fees, to a percentage of volume fee. As inflation increases average transaction sizes, this new model improves yield and margin, as processing costs remain fixed per transaction. As recent higher levels of inflation are anticipated to continue in the short to medium term, this is expected to deliver increased margin improvements into FY23.

United States ACH revenue yields

TTV in US\$M Revenue ² in US\$000s	Q4 FY22	Q4 FY21	% +/-		FY22	FY21	% +/-
TTV	261	188	+39%		778	537	+45%
Payments and other revenue	1,034	665	+55%		2,871	1,964	+46%
Total revenue	1,034	665	+55%		2,871	1,964	+46%
<i>Total revenue/volume yield %</i>	<i>0.40%</i>	<i>0.35%</i>	<i>+0.05%</i>		<i>0.37%</i>	<i>0.37%</i>	<i>-%</i>

United States Card

QuickFee's Card product enjoyed similar TTV growth to ACH, up 32% to US\$58 million in Q4 FY22 (Q4 FY21: US\$44 million) and up 40% to US\$183 million in FY22 (FY21: US\$131 million). Credit and debit cards continue to be a favoured payment method in the US for professional services fees.



In Q4 FY22 the Company increased its credit card surcharge for professional services fee payments from 3.0% to 3.5%, made possible due to our strategic relationship with card processor, Payroc. As a result, revenue yields are expected to increase by as much as 0.5% on the majority of card transactions. The positive effect of this pricing change can already be seen in the Q4 FY22 revenue yield below, which increased 14 basis points to 0.31% (Q4 FY21: 0.17%).

Coupled with increased transaction sizes due to inflation, this pricing change delivers improved revenue yield and margins, with further momentum into FY23 and beyond.

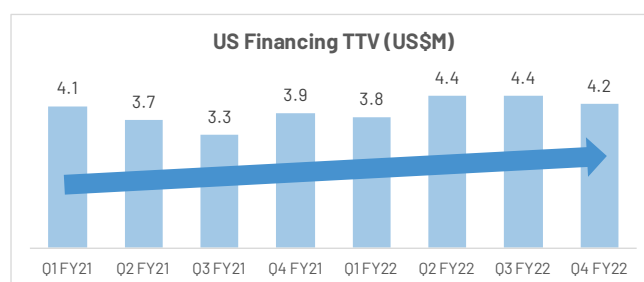
United States Card revenue yields

TTV in US\$M Revenue ² in US\$000s	Q4 FY22	Q4 FY21	% +/-		FY22	FY21	% +/-
TTV	58	44	+32%		183	131	+40%
Payments and other revenue*	182	76	+139%		353	232	+52%
Total revenue	182	76	+139%		353	232	+52%
<i>Total revenue/volume yield %</i>	<i>0.31%</i>	<i>0.17%</i>	<i>+0.14%</i>		<i>0.19%</i>	<i>0.18%</i>	<i>+0.01%</i>

*US Card revenue is the net revenue share QuickFee receives from its card processors, not the gross amount surcharged to customers.

United States Financing

Financing saw steady growth of 8% in Q4 FY22 to US\$4.2 million (Q4 FY21: US\$3.9 million) as the US economy exited its phase of Covid-19 stimulus measures and began to see increased inflation. Financing TTV in FY22 grew 11% to US\$16.8 million (FY21: US\$15.1 million). In Q2 FY22 QuickFee implemented increased borrowing interest rates well ahead of market price increases, which only recently began reflecting in revenue yields in Q4 as loans mature and interest is fully recognised.



United States Financing revenue yields

TTV in US\$M Revenue ² in US\$000s	Q4 FY22	Q4 FY21	% +/-		FY22	FY21	% +/-
TTV	4.2	3.9	+8%		16.8	15.1	+11%
Financing revenue (interest)	307	220	+40%		1,060	1,046	+1%
Payments and other revenue	20	24	-17%		79	79	-%
Total revenue	327	244	+34%		1,139	1,125	+1%
<i>Total revenue/volume yield %</i>	<i>7.8%</i>	<i>6.3%</i>	<i>+1.5%</i>		<i>6.8%</i>	<i>7.5%</i>	<i>-0.7%</i>

QuickFee's strategy to continue to grow its market share in the professional services space across all of ACH, Card and Financing remains threefold, validated by its performance throughout not only Q4 but the entire financial year:

- Increase US market share through further penetration of accounting firm alliances and associations made possible through a return to conference event travel in the US;
- Increase share of total firm volume through deeper practice management system integrations with the Connect product; and
- Facilitate and benefit from the industry-wide shift toward digital invoicing and online payments.

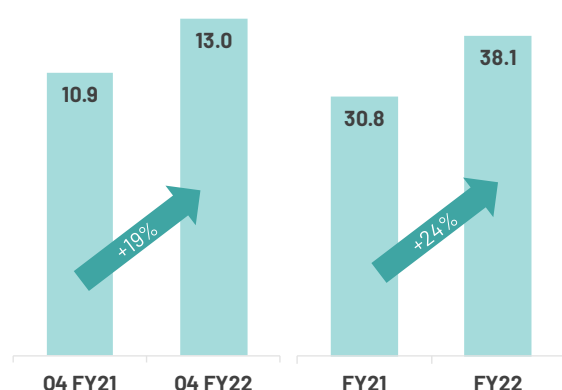
Professional Services - Australia

Lending in Australia has continued to show impressive growth with May and June being consecutively the best performing months for Financing in FY22, and June 2022 being an all-time record, eclipsing the previous highest month of June 2020.

Furthermore, the number of active customers and merchants is showing sustained signs of recovery as the Company's increased marketing and customer service focus on the Australian accounting and law markets delivers more engaged merchants. Active merchants in Q4 FY22 were 421, up 6% on Q4 FY21 (397) and Q4 FY20 (398), while active customers grew 20% in Q4 FY22 to 12,000 (Q4 FY21: 10,000). For FY22, active merchants grew 1% to 495 and active customers were up 17% to 35,000 (FY21: 30,000), again underlining the improved demand for fee funding solutions across QuickFee's accounting and law firm client base.

Australia Q4 FY22 & FY22 TTV and trading metrics

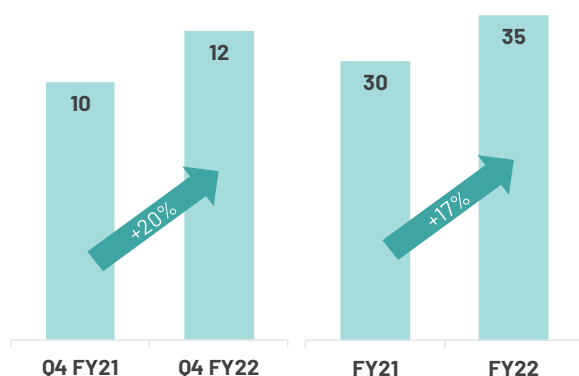
AU Financing (A\$M)



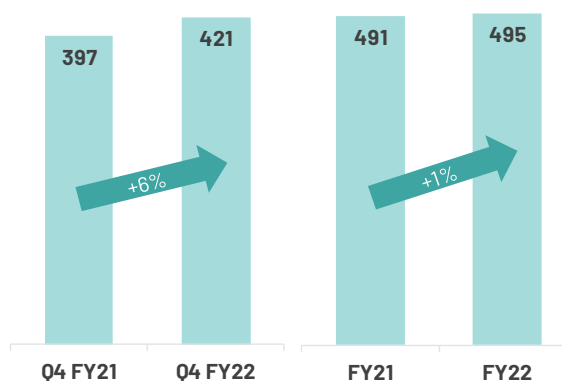
AU Pay Now (A\$M)



AU active customers excl. BNPL (000s)

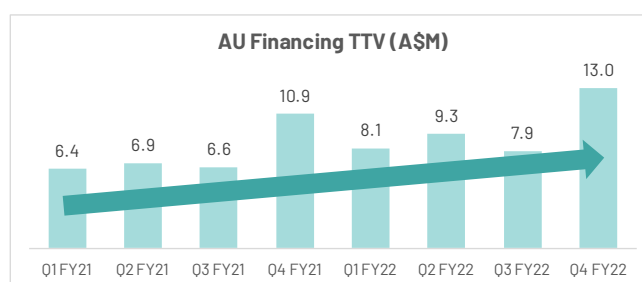


AU active merchants excl. BNPL (000s)



Australia Financing

Q4 FY22 Financing TTV was up 19% on the previous quarter to A\$13.0 million. This result was 96% of the previous record 'pre-Covid' quarter in June 2020 (Q4 FY20: A\$13.6 million). Financing TTV for FY22 was A\$38.1 million, up 24% on FY21 (A\$30.8 million). These results provide great confidence that QuickFee will see further growth in FY23 towards pre-Covid-19 levels.



Changes in Financing yields tend to lag lending volume changes, as interest is recognised over the life of loans. As such, interest revenue in FY22 has not grown as fast as TTV. However, in Q4 FY22 interest revenue growth of 20% (shown below) reflects the improvement in TTV over the whole of FY22.

Australia Financing revenue yields

TTV in A\$M Revenue ² in A\$000s	Q4 FY22	Q4 FY21	% +/-		FY22	FY21	% +/-
TTV	13.0	10.9	+19%		38.1	30.8	+24%
Financing revenue (interest)	912	763	+20%		3,415	3,314	+3%
Payments and other revenue	110	87	+26%		385	401	-4%
Total revenue	1,022	850	+20%		3,800	3,715	+2%
<i>Total revenue/volume yield %</i>	<i>7.9%</i>	<i>7.8%</i>	<i>+0.1%</i>		<i>10.0%</i>	<i>12.1%</i>	<i>-2.1%</i>

Australia EFT/Card revenue yields

TTV in A\$M Revenue ² in A\$000s	Q4 FY22	Q4 FY21	% +/-		FY22	FY21	% +/-
TTV	14	12	+17%		52	44	+18%
Payments and other revenue	171	148	+16%		621	543	14%
Total revenue	171	148	+16%		621	543	14%
<i>Total revenue/volume yield %</i>	<i>1.2%</i>	<i>1.2%</i>	<i>-%</i>		<i>1.2%</i>	<i>1.2%</i>	<i>-%</i>

Buy Now, Pay Later (BNPL)

The Company's BNPL product continues to gain traction with strong growth accelerated by improvements in volume and revenue backlog.

QuickFee's distinct US distribution strategy of providing independent sales organisations (ISOs) with a bespoke BNPL solution to increase merchant acquisition and take market share, is unique among BNPL providers in the verticals in which QuickFee operates. When paired with key larger merchant signings, this strategy provides the Company the ability to grow volume rapidly.

The continued success of this strategy is evident in the 18% growth in BNPL TTV in the US over the previous quarter (US\$1.3 million in Q4 FY22 vs US\$1.1 million in Q3 FY22). 1,103 merchants have now signed up in the US and 476 in Australia, totalling 1,579. QuickFee continues to see larger volume from individual key merchant signings, which reduces the linear relationship between merchant growth and volume growth. This allows QuickFee to isolate and manage risk better, driving best-in-class low credit losses.

BNPL TTV in Australia remained flat in Q4 FY22 at A\$0.2 million, as the primary BNPL focus in Australia is now the homeowner services market through the Jim's Group franchise agreement.

QuickFee's easy-to-use Buy Now, Pay Later solution enhances its existing high-quality loan portfolio with credit-risk fully protected by the consumers' card authorisation, and strong multi-factor underwriting ensuring robust fraud protection.

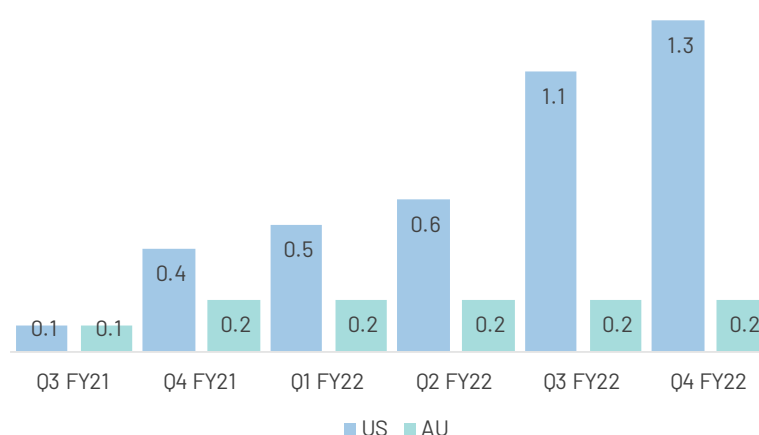
United States BNPL revenue yields

TTV in US\$Ms Revenue ² in US\$000s	Q4 FY22	Q4 FY21	% +/-		FY22	FY21	% +/-
TTV	1.3	0.4	+225%		3.5	0.5	+600%
Financing revenue (interest)	67	15	+347%		162	17	+853%
Payments and other revenue	48	6	+700%		117	8	+1,363%
Total revenue	115	21	+448%		279	25	+1,016%
<i>Total revenue/volume yield %</i>	<i>8.8%</i>	<i>5.3%</i>	<i>+3.5%</i>		<i>8.0%</i>	<i>5.0%</i>	<i>+3.0%</i>

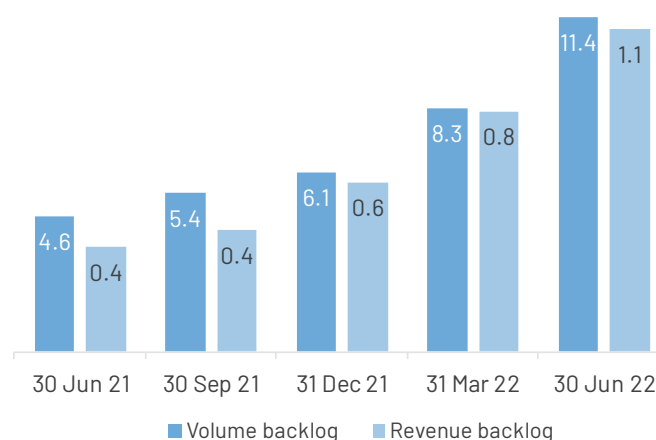
Australia BNPL revenue yields

TTV in A\$Ms Revenue ² in A\$000s	Q4 FY22	Q4 FY21	% +/-		FY22	FY21	% +/-
TTV	0.2	0.2	-%		0.9	0.3	+200%
Financing revenue (interest)	11	5	+120%		37	10	+270%
Payments and other revenue	2	17	-88%		10	37	-73%
Total revenue	13	22	-41%		47	47	-%
<i>Total revenue/volume yield %</i>	<i>6.5%</i>	<i>11.0%</i>	<i>-4.5%</i>		<i>5.2%</i>	<i>15.7%</i>	<i>-10.5%</i>

Note: in FY21 QuickFee charged a A\$400 set up fee for AU BNPL which was reduced to A\$199 in FY22; this fee is included in 'Payments and other revenue', which has decreased as fewer but higher quality merchants have been signed up in FY22.

Global BNPL TTV growth in the past six quarters (US\$M / A\$M)

A key performance metric of the growing BNPL portfolio is the global volume backlog, which grew 37% in the quarter to A\$11.4 million (31 March 2022: A\$8.3 million). Global revenue backlog grew 38% to A\$1.1 million (31 March 2022: A\$0.8 million). This represents what QuickFee's current BNPL merchant cohort is expected to generate over a future 12-month period, based on existing conversion ratios. Detailed calculations of the volume and revenue backlog are set out in the attached appendix which forms part of this announcement.

Global BNPL portfolio backlog growth in the past five quarters (A\$M)

Technology and operations

Since the launch of QuickFee's proprietary payments platform, QUBE, the Company has reduced its cost of merchant acquisition, operations, and technology. This payments platform allows QuickFee to continue improving the competitiveness of its offering through enhancements to the point-of-purchase check-out gateway and the user experiences of merchants and customers.

In Q4 FY22, the Company launched its Recurring ACH product in the US, providing merchants' clients the ability to 'set it and forget it' for payments for their regular services. With Recurring ACH, QuickFee merchants enjoy a more predictable and steady revenue stream, while customers can more efficiently pay routine monthly charges.

Management Transition

Concluding this period of significant investment in technology, in early Q4 FY22 QuickFee began stepping down certain redundant operating and technology spend needed to build and launch the QUBE platform.

In addition, changes were made with certain key management positions. Francesco Fabbrocino transitioned from CTO to the Company's strategic Advisory Board in late April and continues to provide high-level expertise across product and technology; and James Drummond transitioned from COO to a limited consultant role in early July, contributing to selected operational efficiency initiatives.

Given QuickFee's talented bench of product, technology and operations professionals built up over the financial year, these collective responsibilities will be assumed within existing resources, providing opportunities for diverse perspectives and improving organisational scale.

Capital raise & Share Purchase Plan strengthens balance sheet

On 9 May 2022, the Company successfully completed a A\$4.0 million share placement ("Placement") at an issue price of A\$0.10 per share to strategic, institutional, sophisticated and professional investors in a strongly supported capital raising. The Placement was supported by new and existing institutional, family office and sophisticated investors, including Payroc WorldAccess, LLC ("Payroc"), a global merchant acquirer, processor and payment facilitator.

In addition to the Placement, the Company also completed a Share Purchase Plan ("SPP") raising an additional A\$0.358 million before transaction costs.

The combined proceeds of the Placement and SPP provide sufficient cash to allow QuickFee to accelerate its proven go-to market strategies and leverage its completed proprietary technology stack, to target reaching run-rate profitability by June 2023. Through Payroc's participation in the Placement, QuickFee's relationship with them as a valued card processor has strengthened significantly.

FY22 earnings guidance

QuickFee is pleased to provide the following guidance on its results for the financial year ended 30 June 2022, with FY22 results expected to be within the following ranges:

	FY22	FY21
Gross interest revenue	A\$5.0 M to A\$5.5 M	A\$4.7 M
Revenue from contracts with customers	A\$5.5 M to A\$6.0 M	A\$4.0 M
Gross profit	A\$7.5 M to A\$8.0 M	A\$6.3 M
Operating expenses ¹	A\$20.0 M to A\$20.5 M	A\$14.2 M
Net (loss) after tax	A\$(13.0) M to A\$(14.0) M	A\$(8.5) M
Loan receivables (30 June 2021 / 2020)	A\$32.5 M to A\$33.5 M	A\$26.0 M

Cash and liquidity

The Company maintains its borrowings at a minimum in order to reduce interest expense. This also means it minimises the amount of cash it holds. For example, the proceeds of the recent capital raise have been used to fund growth in the loan books, rather than drawing on borrowings and paying interest unnecessarily.

Hence in order to assess QuickFee's liquidity position, it is important to look at a liquidity measure ("Total Liquidity"), rather than just a cash balance. Total Liquidity measures cash that is currently available to be drawn from facilities, plus actual cash held.

The table below summarises the movement in Total Liquidity in Q4 FY22 and at the end of Q4 FY22 and the FY22 financial year. At 30 June 2022, total working capital had increased by A\$1.5 million from 31 March 2022 and Total Liquidity has increased A\$3.0 million to A\$16.4 million over the same period.

Total Liquidity plus growth capacity was A\$44.1 million, providing the Company sufficient liquidity to achieve run-rate profitability by the end of FY23 within existing cash and borrowing facilities.

A\$M	30 June 2022	31 March 2022	\$+/-
Cash and cash equivalents ²	8.3	7.7	+0.6
Current loan receivables and other net current assets ²	27.4	24.4	+3.0
Borrowings ²	(19.9)	(17.8)	-2.1
Net working capital (current assets less current liabilities)²	15.8	14.3	+1.5
Cash and cash equivalents (A) ²	8.3	7.7	+0.6
Available undrawn borrowings based on loan book (B) ²	8.1	5.7	+2.4
Total Liquidity (A) + (B)²	16.4	13.4	+3.0
Growth capacity (further borrowings facility headroom) ²	27.7	29.4	-1.7
Total Liquidity plus growth capacity²	44.1	42.8	+1.3

Outlook

Commenting on the outlook for FY23, Eric Lookhoff said:

"We continue to add scale to our business through our go-to-market strategies, while at the same time we are significantly improving operating metrics such as revenue yield, gross profit and operating expenses.

By driving more profitable growth while also reducing operating costs, we accelerate our move to profitability in a sustainable way and provide significant operating leverage as we continue to scale.

The strongly supported share placement conducted in May provides a strong footing for us to continue to execute our growth strategy, and I am grateful for our shareholders' support.

With a continued shift to online payments and the increasing demand for more flexible payment options apparent in both the US and Australian markets, we are well placed to scale the QuickFee business further and seek new opportunities to extend our status as a market leader in professional services.

The results achieved over this last quarter of FY22 provide us with a high level of confidence in the team and the strategic growth plans that we are executing on. With improved operating economics as the company enters FY23, QuickFee is well positioned to generate profitable growth as it continues to scale."

This announcement has been authorised for release by the directors.

— END —

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About QuickFee

QuickFee Limited (ASX:QFE) is a fast-growing financial technology company providing an innovative suite of online payment solutions and low risk 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 CC, EFT/ACH, payment plan, or a Buy Now, Pay Later instalment plan.

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

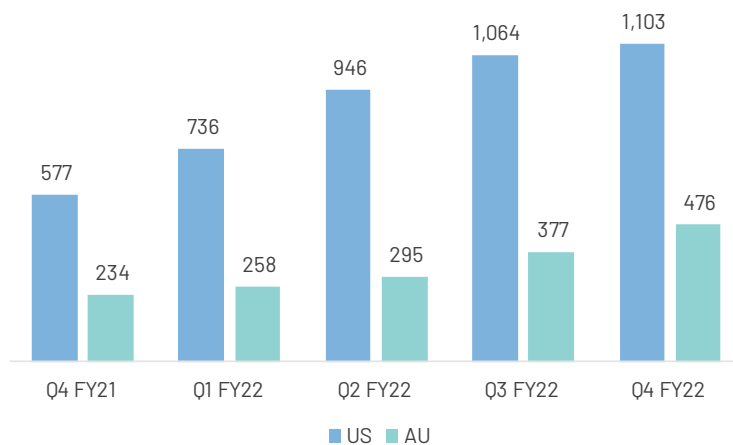
¹ Operating expenses consist of general and administrative, selling and marketing, customer acquisition and product development expenses and net operating foreign exchange gains/losses, but exclude depreciation and amortisation. FY22 and FY23 operating expenses in US dollars (USD) are expected to be converted to Australian dollars (AUD) at an average USD:AUD exchange rate of 0.72:1.

² Figures shown are unaudited, from management accounts.

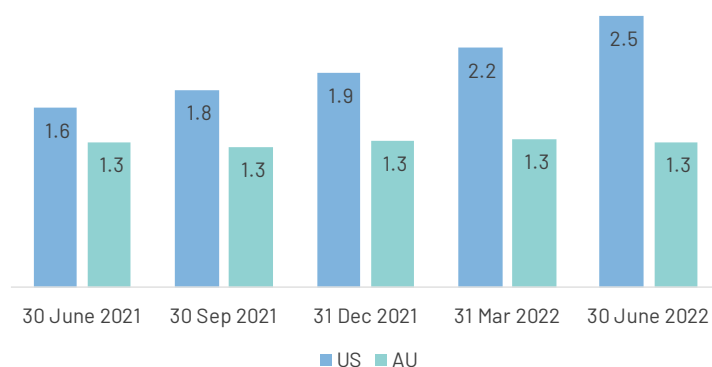
Appendix

BNPL metrics

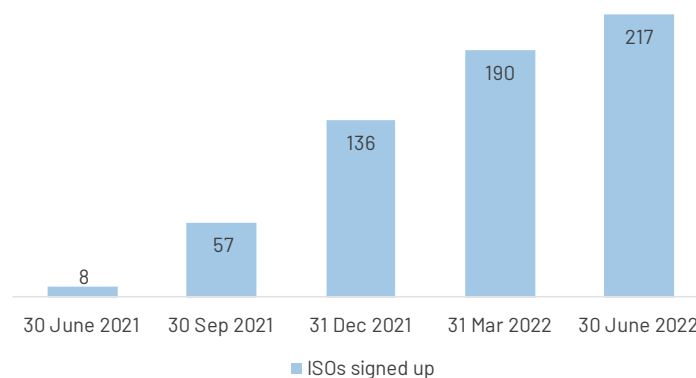
Signed BNPL merchants





Life-to-date Transaction Velocity



BNPL Independent Sales Organisations (ISOs) signed up (US only)



BNPL Portfolio Valuation calculations at 30 June 2022

Volume backlog formula	 30 June 2022, US\$		 30 June 2022, A\$	
Signed merchants at 30 June 2022	1,103		476	
Life-to-date activation rate	29%		34%	
Life-to-date engagement rate	27%		25%	
Life-to-date transaction velocity	2.5		1.3	
Life-to-date average transaction value	\$2,624		\$3,294	
x 12 = Run rate volume backlog	\$6,798,645		\$2,079,094	
Revenue backlog formula	% run rate volume backlog		% run rate volume backlog	
Run rate volume backlog	\$6,798,645		\$2,079,094	
Life-to-date weighted average merchant fee / yield (4.99% - 8.99 %)	5.03%		6.92%	
= Run rate interest revenue	\$341,972	5.0%	\$143,873	6.9%
Run rate volume backlog	\$6,798,645		\$2,079,094	
Credit card surcharge yield	3.50%		1.50%	
= Run rate processing revenue	\$237,953	3.5%	\$31,186	1.5%
Net transaction yield	8.5%		8.4%	
Signed merchants	1,103			
x Retention rate	92%			
x (1 - engagement rate)	73%			
x Monthly minimum	\$9.95			
x 12 = Run rate platform revenue	\$88,449	1.3%	-	
Total BNPL run rate revenue backlog	\$668,374	9.8%	\$175,059	8.4%

Glossary of terms

ACH	Automated Clearing House	A type of electronic bank-to-bank payment in the US, equivalent to EFT in Australia
Active customer	Any customer who has transacted with QuickFee in the relevant period	
Active merchant	Any merchant that has had a transaction with QuickFee in the relevant period	
BNPL	Buy Now, Pay Later	QuickFee's instalments product that enables a customer to pay their invoice in four instalments secured against the unused balance of their credit card
Connect	QuickFee's product name for its point-of-payment integration, e-invoicing, automated collections and receivables management product	
CC	Credit card	
Customer	The customer of a merchant, who will use one of QuickFee's payment options to pay their invoice	
EFT	Electronic funds transfer	An Australian domestic payments network that facilitates the transfer of funds electronically
Firm	A merchant. Typically a professional services firm (e.g. an accounting or law firm)	
Gross Trading Margin	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)	
Life-to-date activation rate	The cumulative number of BNPL merchants who have transacted at least once, divided by the cumulative number of signed up BNPL merchants who have not terminated/cancelled	
Life-to-date engagement rate	The aggregate of the number of BNPL merchants who have transacted in all months, divided by the aggregate number of activated BNPL merchants in all months. This represents how often active BNPL merchants transact.	
Life-to-date transaction velocity	The cumulative number of BNPL transactions completed since inception divided by the aggregate of the number of BNPL merchants who have transacted in all months	
Life-to-date average transaction value	Total BNPL volume since inception divided by the number of BNPL transactions completed since inception	
Merchant	Term to describe QuickFee's primary customer who is the service provider, who signs up to use QuickFee's platforms and issues invoices	
Net Transaction Margin (NTM)	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.	
QuickFee Financing	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	
QuickFee Pay Now	QuickFee's payment gateway that enables customers to pay their invoice in full to the merchant with or without taking out a payment plan	
pcp	Previous corresponding period	For example, the pcp for the December 2021 quarter is the December 2020 quarter
Retention rate	$1 - (\text{life-to-date activation rate} \times \text{life-to-date engagement rate})$	
Revenue yield	Revenue recognised in accordance with QuickFee's accounting standards, divided by TTV, for the relevant product(s)	
Run-rate volume backlog	Signed merchants \times life-to-date activation rate \times life-to-date engagement rate \times life-to-date transaction velocity \times 12 This represents the average life-to-date annualised BNPL volume per signed-up BNPL merchant \times number of signed-up BNPL merchants	
Total Liquidity	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.	
TTV	Total transaction value	The total value of all transactions for the relevant product(s)