

ASX Release | 19 April 2024

Q3 FY24 Quarterly Business Update

Strong revenue growth continues, up 36% on pcp

QuickFee Limited (ASX: QFE) ("QuickFee", "Company") today announced a business update for the quarter ended 31 March 2024 (Q3 FY24).

Q3 FY24 HIGHLIGHTS

- **Strong revenue growth:** Successful execution of core Finance product strategies is driving strong revenue growth of 36% on the prior corresponding period (pcp)
- **Improved new firm onboarding processes:** Delivering a 200% increase in new US firms utilising Finance in Q3 FY24 on pcp
- **Finance revenue growing as proportion of total revenue:** US Finance revenue up 54% on pcp and AU Finance revenue up 50% on pcp; Finance product now 63% of total group revenue
- **Completed transition to 'direct to bank' model:** Provides internal control for ACH processing and full redundancy via multiple banks as well as reducing third party processing costs
- **Continuing to track towards operating profitability:** March 2024 EBTDA at break-even; Q4 FY24 expected to be stronger than Q3; and H2 FY24 expected to be stronger than H1 FY24

Q3 FY24 PERFORMANCE ¹	Q3 FY24	Q3 FY23	YEAR-ON-YEAR MOVEMENT
REVENUE			
US Finance (Pay Over Time)	US\$ 709k	US\$ 459k	+54%
US Pay Now (ACH & Card)	US\$ 1,051k	US\$ 916k	+15%
AU Finance (Pay Over Time)	A\$ 2,014k	A\$ 1,343k	+50%
GROUP REVENUE INCLUDING ANCILLARY PRODUCTS	A\$ 4.9M	A\$ 3.6M	+36%
TOTAL TRANSACTION VALUES (TTV)			
US Finance (Pay Over Time)	US\$ 6.8m	US\$ 5.0m	+36%
US Pay Now (ACH & Card)	US\$ 307m	US\$ 263m	+17%
AU Finance (Pay Over Time)	A\$ 13.1m	A\$ 10.9m	+20%

¹ Figures shown are unaudited, from management accounts.

North America President Jennifer Warawa said:

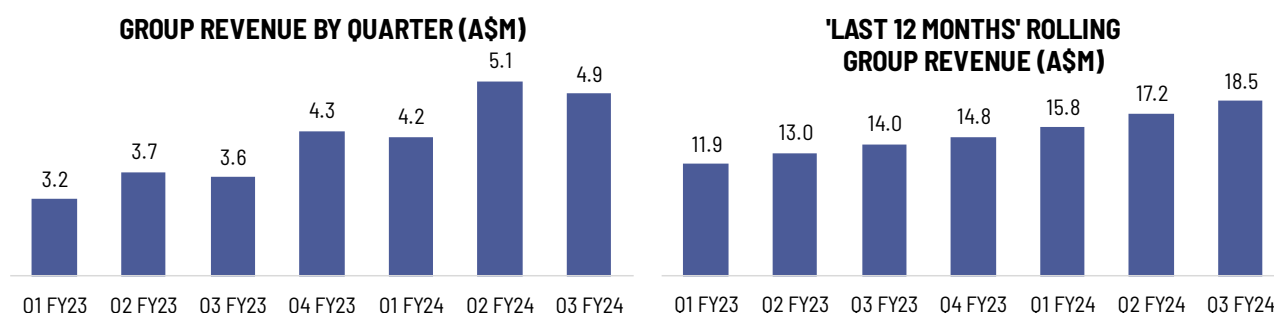
"We are continuing to make significant progress on our strategy to unlock transformational growth in the US. We have clarity around the execution of this strategy, and we are laser focused on activities that will deliver the highest return on investment. Our 'automate everything' mindset ensures we are building our systems and processes with the capacity to scale over time.

We are very pleased to deliver 54% revenue growth on pcp in our US Finance product, which reflects the updated value proposition of Finance within our sales and customer onboarding cycle. In Q3, there was a 200% increase in new firms utilising our Finance product, compared to the prior year. Our focus on onboarding larger firms, with higher revenue, and capturing more of our customer's payment flow is also delivering results.

We are engaging with firms outside our key focus verticals in accounting and legal, including recruiting firms and, management consultants and we continue to explore new revenue models to capture the value of our Connect product.”

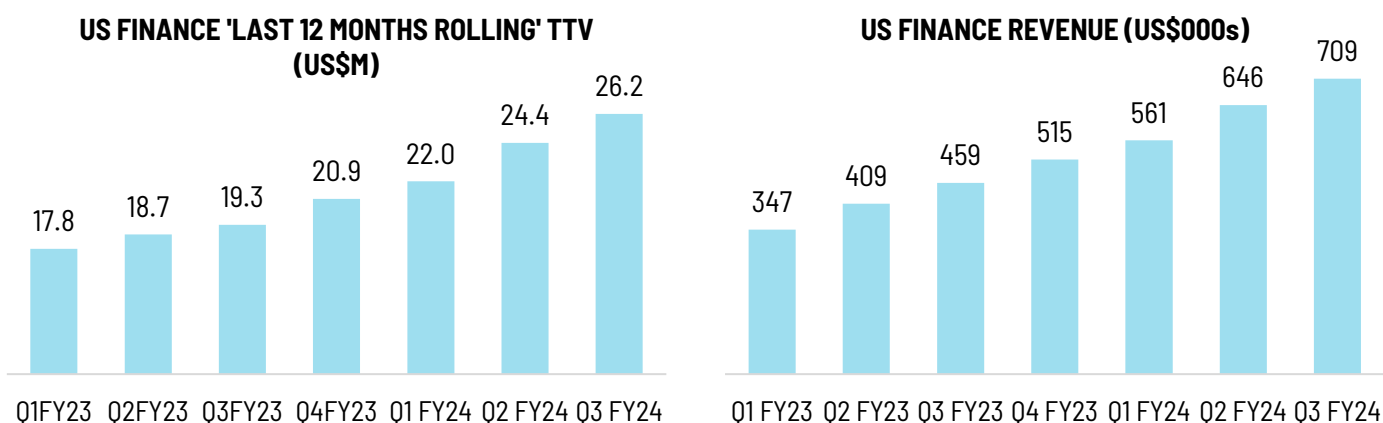
REVENUE COMMENTARY

QuickFee group revenue by quarter is trending upwards over time, with revenue seasonally stronger in Q2 and Q4 each fiscal year, shown below left. The “last 12-months” rolling revenue by quarter, shown below right, demonstrates the steady revenue growth over time.



US COMMENTARY

The US business generated strong results in Q3 FY24 with US Finance (Pay Over Time) revenue up 54% on pcp to US\$ 709,000 (Q3 FY23: US\$ 459,000) and US Finance Total Transaction Value (TTV) up 36% on pcp to US\$ 6.8 million (Q3 FY23: US\$ 5.0 million). Finance revenue yield (revenue divided by TTV) improved 120 bps on pcp. These strong results reflect the revitalised Finance strategy which was implemented in early FY24.



QUICKFEE FINANCE

The Finance product allows clients to pay over 3, 6, 9 or 12 months while the firm gets paid in full within three business days at no cost to the firm, usually with no credit approval process for the client. Revenue is generated from the interest paid by the clients of professional services firms when they take out a payment plan to pay the fee invoices they receive. The Finance product has revenue yields that are ~25x greater than the Pay Now product.

As revenue is recognised over the life of the loan term (the US average loan term in H1 FY24 was 9.5 months), TTV growth in any quarter will positively impact revenue in both current and future quarters.

US Pay Now revenue (including both ACH and Card) was up 15% to US\$ 1.1 million (Q3 FY23: US\$ 916,000). Pay Now TTV increased 17% to US\$ 307 million (Q3 FY23: US\$ 263 million) on stable revenue yields.

In Q3 FY24, Active Customers in the US were up 14% on pcp to 97,000 and US Active Firms were up 3% to 689. This highlights the increased penetration of QuickFee’s solutions within existing firms and their clients.

The strategic partnership with IRIS is progressing well. In May, QuickFee will be attending the IRIS User Conference as a Gold-Sponsor which will enable the Company to engage with over 450 IRIS customers as an exhibitor and includes Kathleen Grant, QuickFee head of Product Management, conducting a presentation to provide an overview of the benefits of QuickFee Connect integration with IRIS Practice Engine.

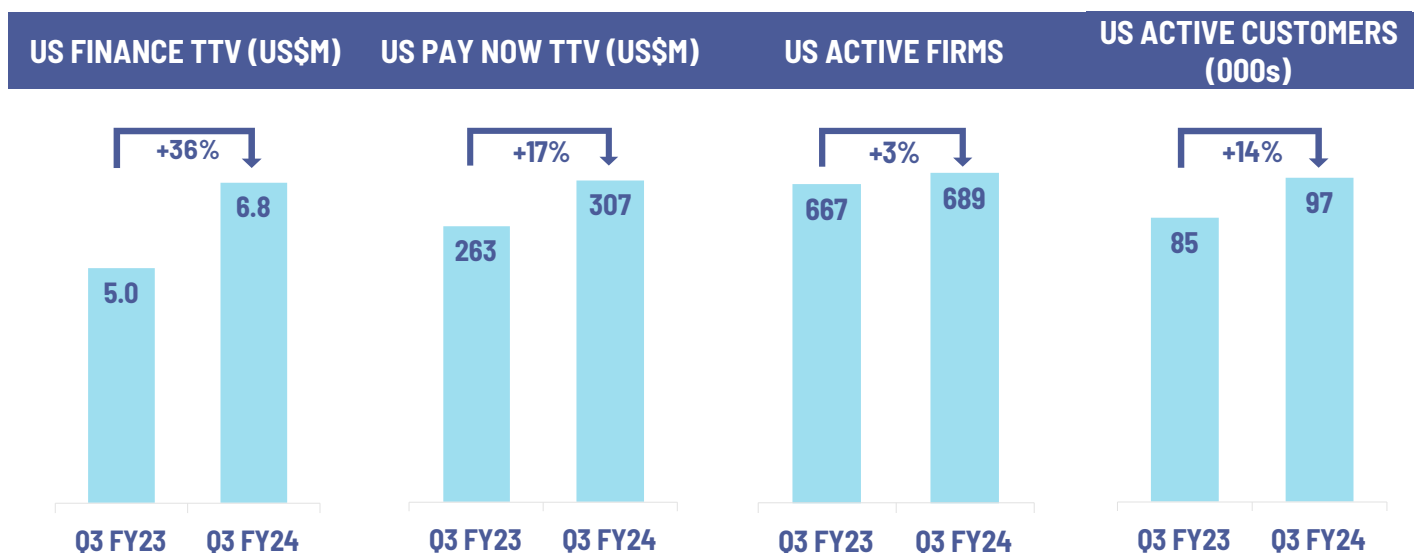
In May, QuickFee will be launching a partnership with Knuula to provide QuickFee customers with best-in-class engagement letter functionality to complement QuickFee’s best-in-class flexible payment options. The integration with Knuula extends QuickFee’s reach to the beginning of the firm’s client workflow and incorporates additional payments such as retainers and on account fees by providing a payment link on the engagement letter.

Connect product development and firm adoption is a key focus in Q4 FY24 and additional integrations with practice management systems continue to be executed.

Over the last nine months, the Development and Operations team have been working on transitioning QuickFee’s ACH processing to a ‘direct to bank’ model versus transacting through a third party. This project is now complete and as of 31 March 2024, all ACH Pay Now transactions are processed through the new model using two separate banks for processing, which will deliver more internal control over core processes, reduced ACH processing costs and provide full ACH processing redundancy.

(This new model increases reported cash on hand and corresponding firm settlement liabilities; at 31 March 2024 a total of A\$8.2 million was held in this manner as ‘cash in transit’).

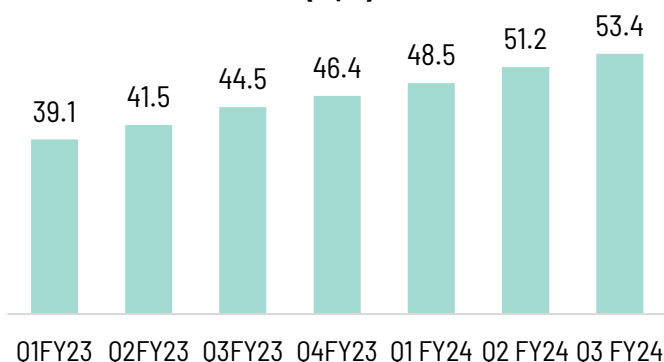
Q3 FY24 OPERATIONAL METRICS – UNITED STATES



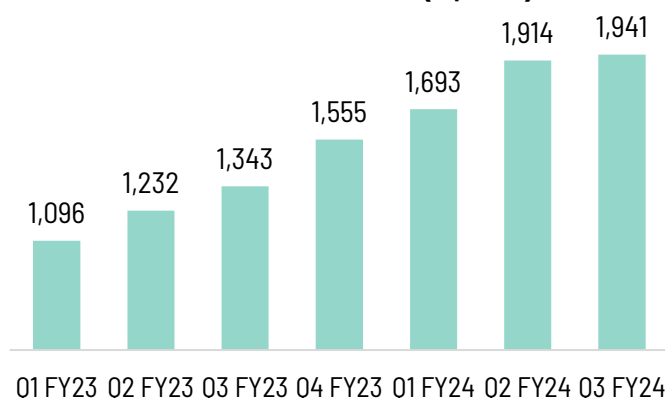
AUSTRALIA COMMENTARY

The Australian business had another solid quarter in Q3 FY24, with AU Finance revenue up 50% to A\$ 2.0 million (Q3 FY23: A\$ 1.3 million), driven by a 20% increase in AU Finance transaction volume to A\$ 13.1 million (Q3 FY23: A\$ 10.9 million) and revenue yield improvement of 310 bps on pcp.

AU FINANCE 'LAST 12 MONTHS' ROLLING TTV (A\$M)



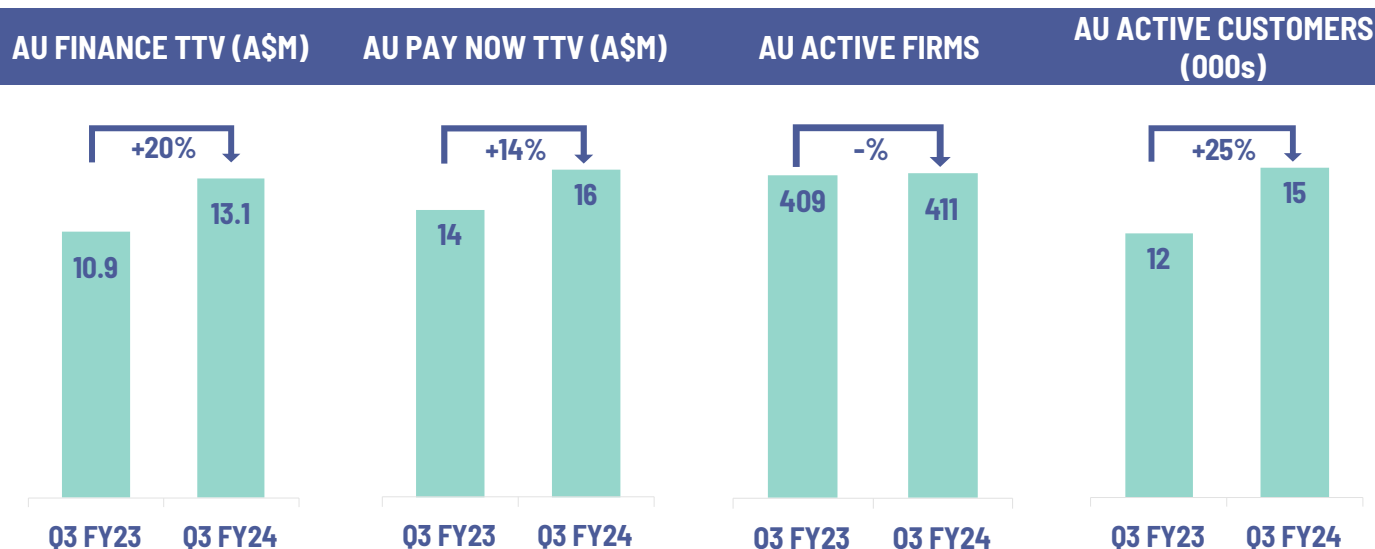
AU FINANCE REVENUE (A\$000s)



Active Customers grew 25% on pcp to 15,000 (Q3 FY23: 12,000) and the number of Active Firms transacting in the quarter was steady at 411 (Q3 FY23: 409), which reflects the strong organic growth through existing firms. In a mature market, favourable economic conditions continue to drive demand for QuickFee solutions.

The 'Q Pay Plan' product, which provides finance to the homeowner services market and includes the Jim's Group Franchise agreement, grew strongly with Q3 FY24 TTV up 80% to A\$0.9 million on pcp (Q3 FY23: A\$0.5 million).

Q3 FY24 OPERATIONAL METRICS – AUSTRALIA



LIQUIDITY

At 31 March 2024, the Company had A\$3.2 million available cash on hand, with borrowing growth capacity of a further \$23.2 million from existing facilities available to fund future loan book growth. QuickFee has adequate headroom to achieve sustainable profitability within its existing cash and borrowings facilities. The Company contributes 10% - 15% of loan book growth out of cash reserves; therefore the rate of loan book growth will determine the capital required to grow its loan books in both markets, as a supplement to cash generated from operations.

OUTLOOK

Non-executive Chairman Dale Smorgon said:

"We are really pleased to deliver these impressive top line growth numbers in Q3 which continue the trend from H1 2024. This provides early validation of our growth strategy, and we believe that the growth potential for our solutions in the US market remains substantial. With our experienced leadership team executing on the strategy, we remain focused on delivering continued improvement in operating profitability. We expect revenue to continue to trend upwards and costs to stay relatively flat, which gives us confidence in a stronger second half of FY24."

This announcement has been authorised for release by the directors.

– END –

¹ All figures shown are unaudited, from management accounts.

For further information please contact:

Corporate: Simon Yeandle, CFO
p : +61 2 8090 7700
e : simon.yeandle@quickfee.com

Investors: Katie Mackenzie
p : +61 455 502 197
e : kmackenzie@bellevueir.com.au

About QuickFee

QuickFee (ASX: QFE) is a fast-growing financial technology company. Our mission is to help professional service firms accelerate their accounts receivables and get paid faster. With multiple online payment options and powerful e-invoicing integrations for practice management systems, the QuickFee platform speeds up the bill-to-cash cycle for firms.

Through the QuickFee portal, clients can pay their professional service provider with a credit or debit card, EFT or ACH transfer, or a payment plan over 3-12 months. It allows the client to set their own pace for payments while the firm gets paid upfront and in full.

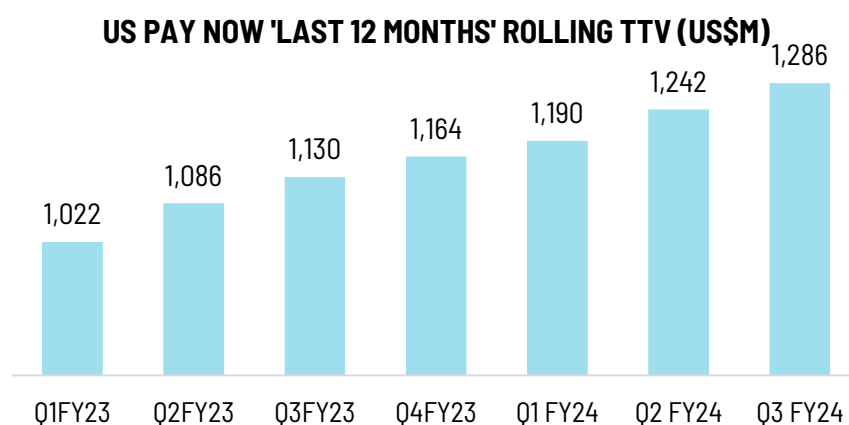
QuickFee operates in the United States and Australia and focuses on serving the accounting and legal professions. For more information, please visit quickfee.com.

APPENDIX OPERATIONAL METRICS – US

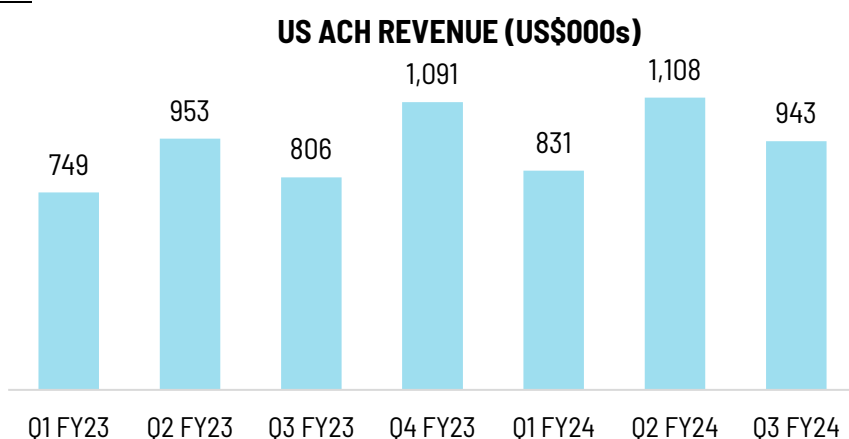
US FINANCE REVENUE

TTV IN US\$M REVENUE IN US\$000s	Q3 FY24	Q3 FY23	% +/-
TTV	6.8	5.0	+36%
Financing revenue (interest)	671	434	55%
Payments and other revenue	38	25	52%
Total revenue	709	459	+54%
<i>Total revenue/volume yield %</i>	<i>10.4%</i>	<i>9.2%</i>	<i>+120 bps</i>

US PAY NOW TTV



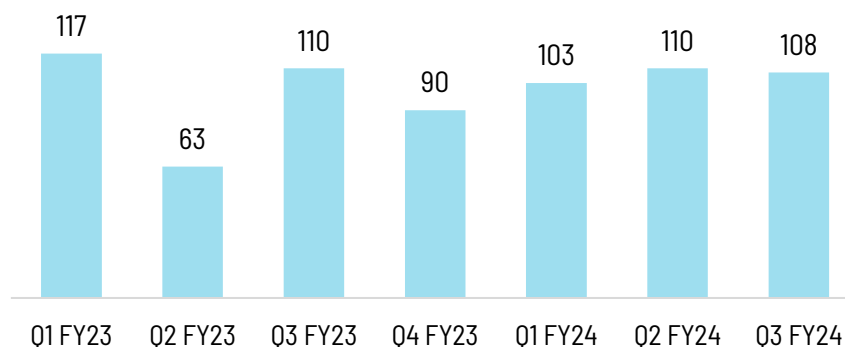
US ACH REVENUE



TTV IN US\$M REVENUE IN US\$000s	Q3 FY24	Q3 FY23	% +/-
TTV	251	212	+18%
Total revenue	943	806	+17%
<i>Total revenue/volume yield %</i>	<i>0.38%</i>	<i>0.38%</i>	<i>-</i>

US CARD REVENUE

US CARD REVENUE (US\$000s)



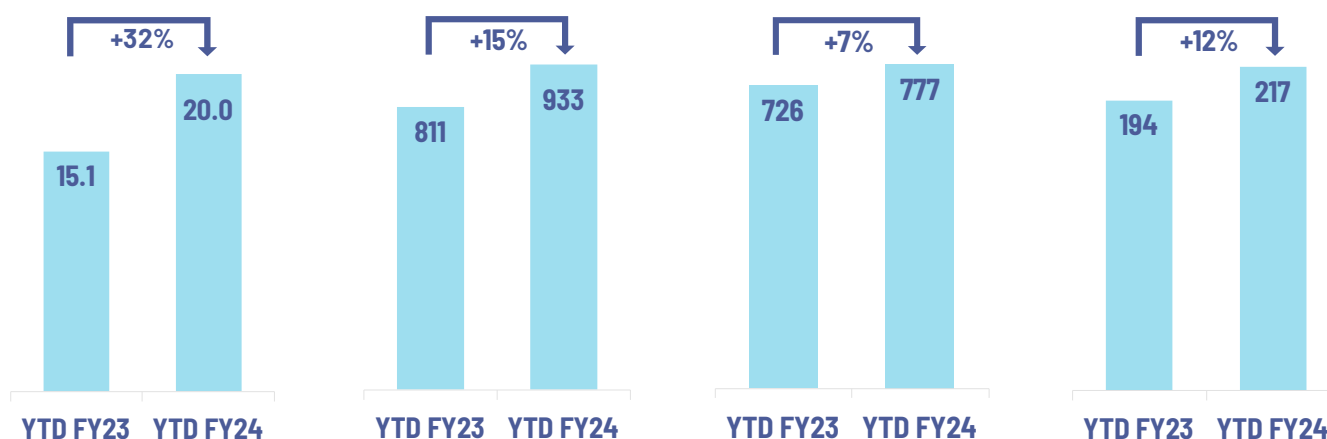
From Q4 FY22 to Q3 FY23, card surcharges increased from 3% to 3.5%, then reverted to 3% when Visa/Mastercard capped the permitted surcharge rate at 3%.

TTV IN US\$M REVENUE IN US\$000s	Q3 FY24	Q3 FY23	% +/-
TTV	56	51	+10%
Total revenue	108	110	-2%
<i>Total revenue/volume yield %</i>	<i>0.19%</i>	<i>0.22%</i>	<i>-3 bps</i>

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

YEAR-TO-DATE FY24 US METRICS

US FINANCE TTV (US\$M) US PAY NOW TTV (US\$M) US ACTIVE FIRMS US ACTIVE CUSTOMERS (000s)



OPERATIONAL METRICS - AUSTRALIA

AU FINANCE REVENUE

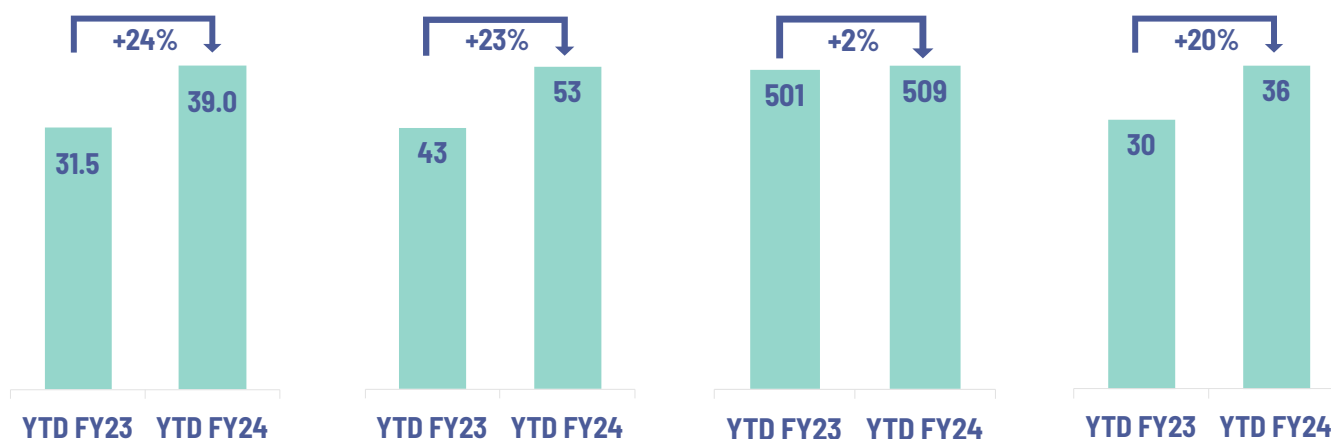
TTV IN A\$M REVENUE IN A\$000s	Q3 FY24	Q3 FY23	% +/-
TTV	13.1	10.9	+20%
Financing revenue (interest)	1,829	1,204	+52%
Payments and other revenue	185	139	+33%
Total revenue	2,014	1,343	+50%
<i>Total revenue/volume yield % *</i>	15.4%	12.3%	+310 bps

YEAR-TO-DATE FY24 AU METRICS

AU FINANCE TTV (A\$M)

AU PAY NOW TTV (A\$M)

AU ACTIVE FIRMS

AU ACTIVE CUSTOMERS
(000s)

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 FIRM	Any firm that has had a transaction with QuickFee in the relevant period	
APR	Annual percentage rate	The annual rate of interest on payment plans or loans
BNPL OR Q PAY PLAN	BNPL powered by QuickFee	QuickFee's 'Buy Now, Pay Later' product to enable a customer to pay their invoice in 3-12 instalments using the unused balance of their credit card
CARD / CC	Debit / Credit card	
CONNECT	QuickFee's product name for its point-of-payment integration, e-invoicing, automated collections and receivables management product	
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	Typically used to describe a professional services firm (e.g. an accounting or law firm)	
KYC	Know your customer	Practice to verify the identity of customers in compliance with laws and regulations
MERCHANT	A firm.	
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	
QUICKFEE FINANCING/ FINANCE/ LENDING/ PAY OVER TIME	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	
REVENUE YIELD	Revenue recognised in accordance with QuickFee's accounting standards, divided by TTV, for the relevant product(s)	
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.	
PCP	Previous corresponding period	For example, the pcp for the December 2023 quarter is the December 2022 quarter
TTV	Total transaction value	The total value of all transactions for the relevant product(s)