

ASX Release | 18 July 2024

Q4 FY24 Quarterly Business Update

Revenue up 42% on pcp and EBTDA positive in Q4 FY24

QuickFee Limited (ASX: QFE) ("QuickFee", "Company") today announced a business update for the quarter ended 30 June 2024 (Q4 FY24).

Q4 FY24 HIGHLIGHTS

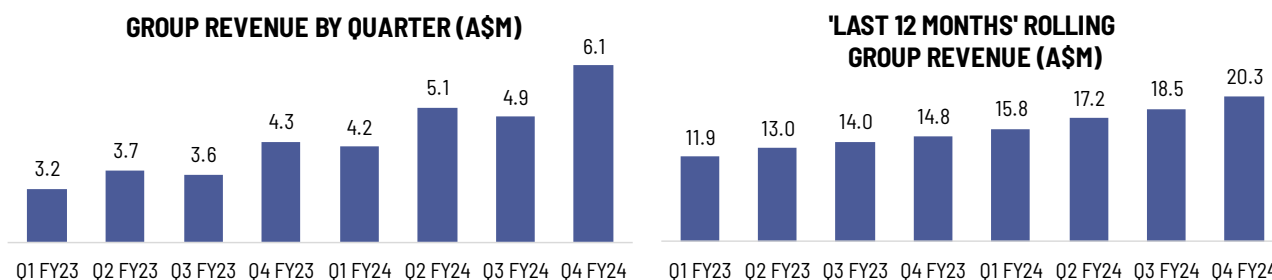
- **Record quarterly revenue of A\$ 6.1m, up 42% on the prior corresponding period (pcp):** Strong revenue growth driven by increased transaction volumes and continued margin expansion
- **EBTDA positive in Q4 FY24:** Focus on growth in higher margin Finance product and cost containment
- **Growing transaction volumes through Connect:** Invoice volumes through Connect up 120% in Q4 FY24 quarter-on-quarter; Thomson Reuters Practice CS integration go-to-market launch in Q1 FY25 to continue to drive invoice volumes through Connect
- **Built platform for scalable integrations:** The integration with Knuula was launched in May; enables easier integrations with new strategic partners moving forward
- **Strengthened balance sheet for growth:** Oversubscribed capital raise with the successful completion of share placement and Share Purchase Plan (SPP) raising A\$ 4.417m to fund further loan book growth

Q4 FY24 PERFORMANCE ¹	Q4 FY24	Q4 FY23	YEAR-ON-YEAR MOVEMENT
REVENUE			
US Finance (Pay Over Time)	US\$ 714k	US\$ 515k	+39%
US Pay Now (ACH & Card)	US\$ 1,499k	US\$ 1,181k	+27%
AU Finance (Pay Over Time)	A\$ 2,274k	A\$ 1,555k	+46%
GROUP REVENUE INCLUDING ANCILLARY PRODUCTS	A\$ 6.1M	A\$ 4.3M	+42%
TOTAL TRANSACTION VALUES (TTV)			
US Finance (Pay Over Time)	US\$ 6.3m	US\$ 5.8m	+9%
US Pay Now (ACH & Card)	US\$ 432m	US\$ 353m	+22%
AU Finance (Pay Over Time)	A\$ 17.0m	A\$ 14.9m	+14%

¹ Figures shown are unaudited, from management accounts.

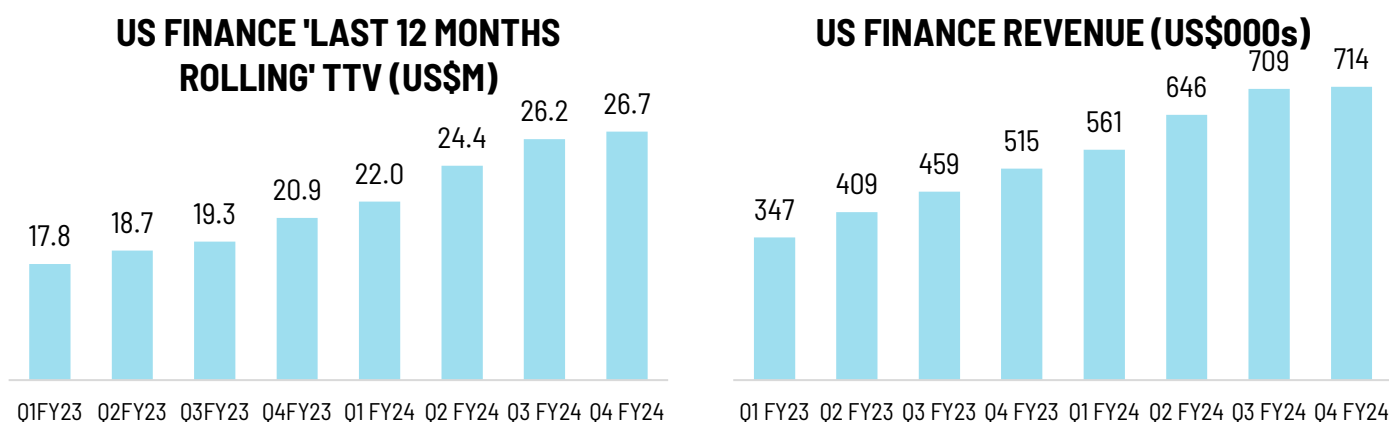
GROUP REVENUE COMMENTARY

In Q4 FY24, QuickFee achieved record quarterly revenue of A\$ 6.1 million, up 42% on pcp. 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 continued to grow in Q4 FY24 with US Finance (Pay Over Time) revenue up 39% on pcp to US\$ 714,000 (Q4 FY23: US\$ 515,000) and US Finance Total Transaction Value (TTV) up 9% on pcp to US\$ 6.3 million (Q4 FY23: US\$ 5.8 million). In Q4 FY24, the US Finance revenue yield (revenue divided by TTV) increased 240 bps on pcp.



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 FY24 was 9.8 months), TTV growth in any quarter will positively impact revenue in both current and future quarters.

In Q4 FY24, US Pay Now revenue (including both ACH and Card) was up 27% to US\$ 1.50 million (Q4 FY23: US\$ 1.18 million). US Pay Now TTV increased 22% to US\$ 432 million (Q4 FY23: US\$ 353 million) on stable revenue yields.

In Q4 FY24, Active Customers in the US were up 14% on pcp to 97,000 and US Active Firms were up 1% to 705. Over the past year, QuickFee has successfully implemented a focused sales strategy to target larger firms with higher transaction volumes. In Q4 FY24, the average revenue of new firms signed up was US\$ 19 million, compared to US\$ 4.5 million in Q4 FY23. Larger firm size gives QuickFee the potential to capture more transaction volume, to accelerate growth.

Focus on scalable strategic integrations

In May, QuickFee successfully launched a strategic integration 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.

The integration with Knuula provides a platform for scalable future integrations based on performance, security and resiliency. Future integrations will benefit from this robust architecture, which is highly scalable.

Focus on increasing adoption of QuickFee Connect

QuickFee Connect integrates with leading US practice management systems to provide an easy way for firms to send invoices and reminders to their clients via email, with a single link to access and pay their invoices 24/7. Clients can choose from multiple payment options, including card, ACH, or QuickFee Finance. QuickFee Connect also automates the payment reconciliation process and updates the firm's practice management software, eliminating manual data entry and errors.

56% of QuickFee's US customers still receive over 50% of their payments via cheque³; Connect digitises the client invoice and payment process, improves the client experience, helps firms get paid faster and increases revenue for QuickFee.

In Q4 FY24, QuickFee successfully completed a pilot of the new Connect subscription model and the launch is planned for Q1 FY25. In Q4 FY24, the number of invoices sent out through Connect was up 120% quarter-on-quarter and the total number of invoices sent through Connect in H2 FY24 was more than 10x those sent in H1 FY24.

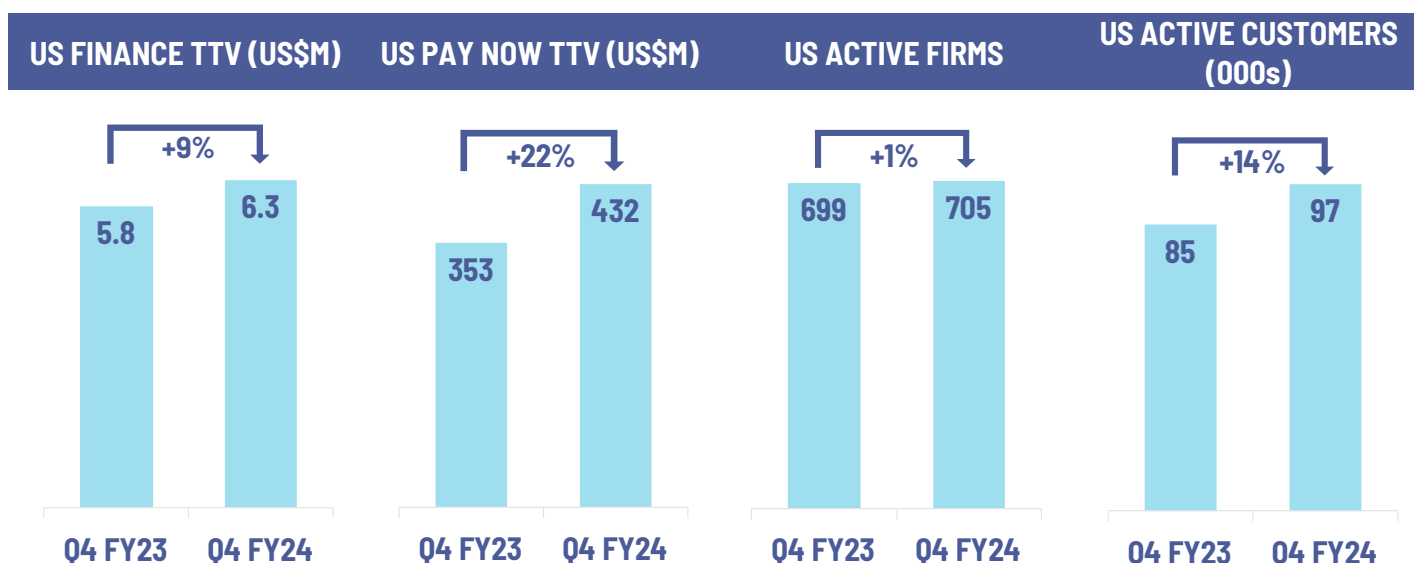
QuickFee is preparing to launch QuickFee Connect integration with Thomson Reuters Practice CS in Q1 FY25. Thomson Reuters Practice CS is the leading practice management system for accounting firms in the US and this integration is expected to drive increased transaction volumes through Connect.

North America President Jennifer Warawa said:

"Our strategy to unlock transformational growth in the US remains on track and we continue to be laser focused on processes that will scale over time. In the past quarter, we achieved several important operational milestones, including the significant increase in invoices sent through QuickFee Connect, up 120% in Q4 on the previous quarter, and the strategic integration with Knuula, which expands our product offering, and also provides a foundation for highly scalable future integrations.

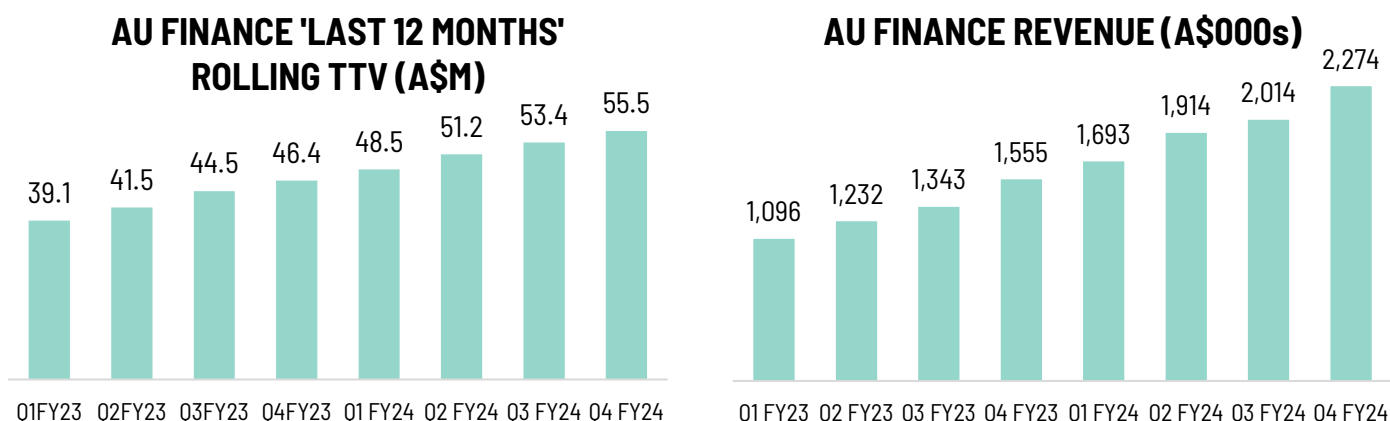
We are very pleased to deliver 52% revenue growth in FY24 on pcp in our US Finance product, and we continue to attract larger firms with higher transaction volumes which enables us to capture more of our customer's payment flow over time."

OPERATIONAL METRICS – UNITED STATES



AUSTRALIA ("AU") COMMENTARY

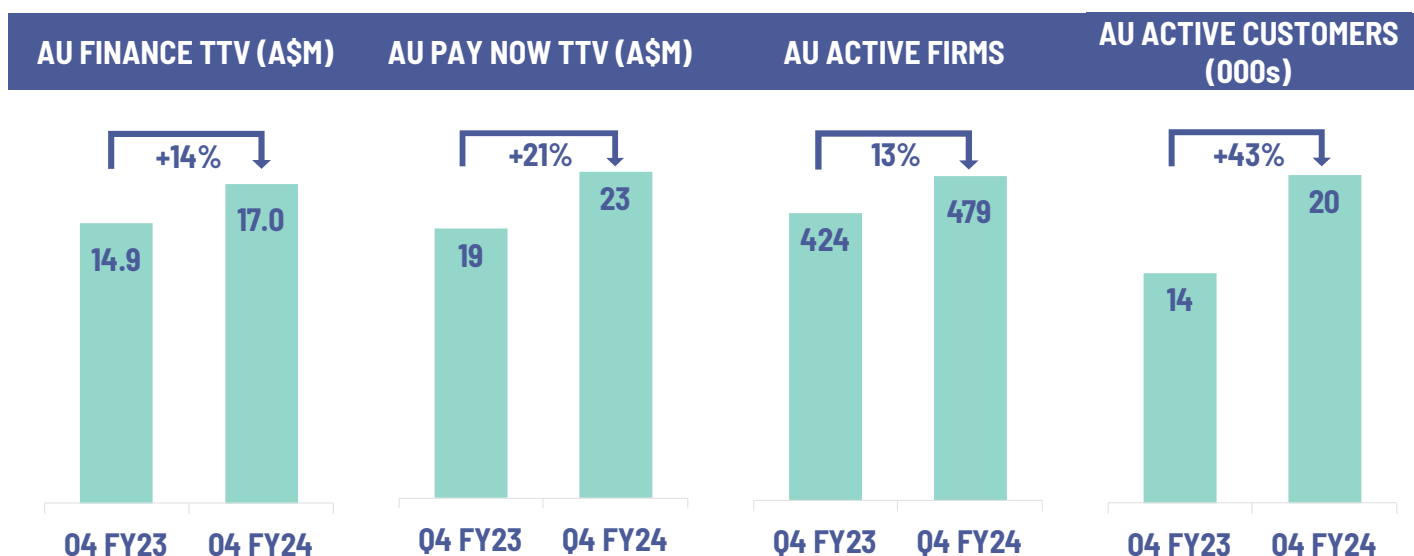
The Australian business had a very strong Q4 FY24 with a record month in June 2024, with AU Finance revenue up 46% to A\$ 2.27 million (Q4 FY23: A\$ 1.56 million), driven by a 14% increase in AU Finance transaction volume to A\$ 17.0 million (Q4 FY23: A\$ 14.9 million) and revenue yield improvement of 300 bps on pcg.



Active Customers grew 43% on pcg to 20,000 (Q4 FY23: 14,000) and the number of Active Firms transacting in the quarter increased by 13% to 479 (Q4 FY23: 424).

The 'Q Pay Plan' product, which provides finance to the homeowner services market and includes the Jim's Group Franchise agreement, grew strongly with Q4 FY24 TTV up 175% to A\$ 1.1 million on pcg (Q4 FY23: A\$ 0.4 million).

OPERATIONAL METRICS – AUSTRALIA



LIQUIDITY

In June 2024, finalised a A\$ 4.4 million capital raise, including an oversubscribed SPP of A\$ 667,400 and a well supported placement of A\$ 3.75 million. The capital raised will be used to fund further loan book growth in the US and AU, to support the positive momentum in the business. QuickFee has a strengthened balance sheet to achieve sustainable profitability within its existing cash and borrowings facilities.

At 30 June 2024, the Company had A\$ 6.9 million available cash on hand, with borrowing growth capacity of a further A\$ 19.6 million from existing facilities available to fund future loan book growth.

FY24 EARNINGS GUIDANCE

QuickFee provides the following guidance on its results for the full financial year ended 30 June 2024¹.

A\$	FY24	FY23 reported
Revenue	20.0m to 20.5m	14.8m
Gross profit	12.5m to 13.0m	9.4m
Operating expenses ²	16.0m to 16.5m	16.0m
EBTDA (after interest on borrowing facilities)	(3.0)m to (4.0)m	(6.6) m
Net (loss) after tax	(4.0)m to (5.0)m	(8.1) m
Net loan receivables (30 June 2024 / 30 June 2023)	54.0m to 55.0m	32.9m

FY24 PERFORMANCE ¹	FY24	FY23	YEAR-ON-YEAR MOVEMENT
REVENUE			
US Finance (Pay Over Time)	US\$ 2,630k	US\$ 1,730k	+52%
US Pay Now (ACH & Card)	US\$ 4,702k	US\$ 3,979k	+18%
AU Finance (Pay Over Time)	A\$ 7,895k	A\$ 5,226k	+51%
TOTAL TRANSACTION VALUES (TTV)			
US Finance (Pay Over Time)	US\$ 26.7m	US\$ 20.9m	+28%
US Pay Now (ACH & Card)	US\$ 1,365m	US\$ 1,164m	+17%
AU Finance (Pay Over Time)	A\$ 55.5m	A\$ 46.4m	+20%

¹Figures shown are unaudited, from management accounts.

OUTLOOK

Non-executive Chairman Dale Smorgon said:

"We continue to see positive momentum in the business, with strong revenue growth and the ongoing achievement of key operational and financial milestones, particularly the achievement of positive EBTDA in Q4 FY24. It was very pleasing to see endorsement of our growth strategy through the well supported capital raise and we are now funded to further grow our loan book in both Australia and the US. I would like to thank existing shareholders for their ongoing support and welcome new shareholders to the register. We continue to remain confident in the growth potential in both the US and Australia and in our achievement of sustained profitability ahead."

This announcement has been authorised for release by the directors.

— END —

¹ All figures shown are unaudited, from management accounts.

² 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. FY24 operating expenses in US dollars (USD) are expected to be converted to Australian dollars (AUD) at an average USD:AUD exchange rate of 0.656:1.

³QuickFee 2023 AR and Invoicing Report <https://quickfee.com/blog/ar-and-invoicing-report/>

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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

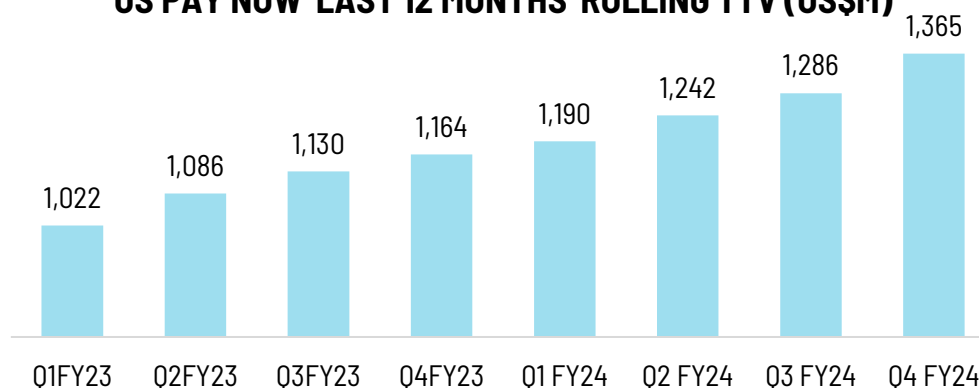
OPERATIONAL METRICS – US

US FINANCE

TTV IN US\$M REVENUE IN US\$000s	Q4 FY24	Q4 FY23	% +/-		FY24	FY23	% +/-
TTV	6.3	5.8	+9%		26.7	20.9	+28%
Financing revenue (interest)	673	487	+38%		2,475	1,636	+51%
Payments and other revenue	41	28	+46%		155	94	+65%
Total revenue	714	515	+39%		2,630	1,730	+52%
<i>Total revenue/volume yield %</i>	<i>11.3%</i>	<i>8.9%</i>	<i>+240 bps</i>		<i>9.9%</i>	<i>8.3%</i>	<i>+160 bps</i>

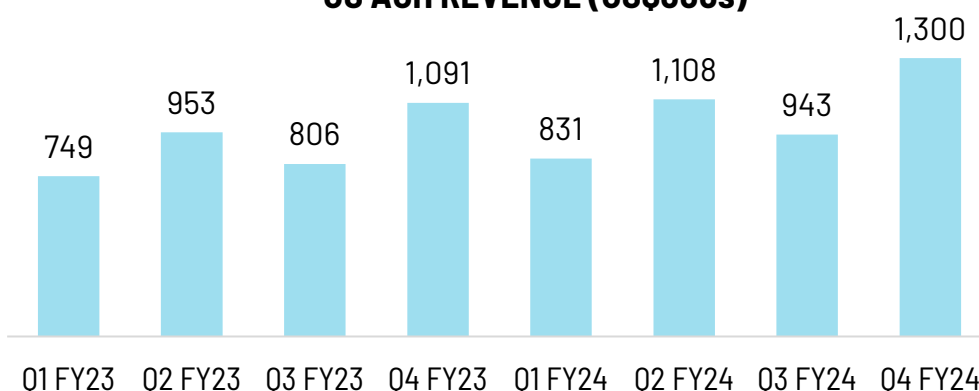
US PAY NOW

US PAY NOW 'LAST 12 MONTHS' ROLLING TTV (US\$M)



US ACH

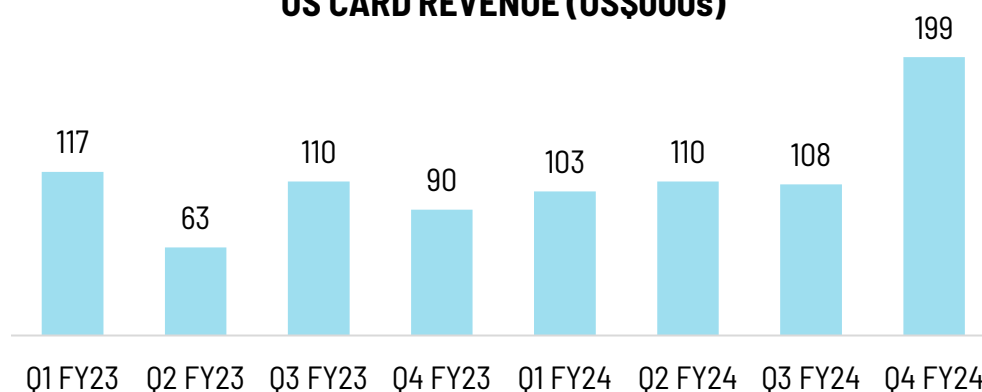
US ACH REVENUE (US\$000s)



TTV IN US\$M REVENUE IN US\$000s	Q4 FY24	Q4 FY23	% +/-		FY24	FY23	% +/-
TTV	360	289	+25%		1,128	953	+18%
Total revenue	1,300	1,091	+19%		4,182	3,599	+16%
<i>Total revenue/volume yield %</i>	<i>0.36%</i>	<i>0.38%</i>	<i>-2 bps</i>		<i>0.37%</i>	<i>0.38%</i>	<i>-1 bps</i>

US CARD

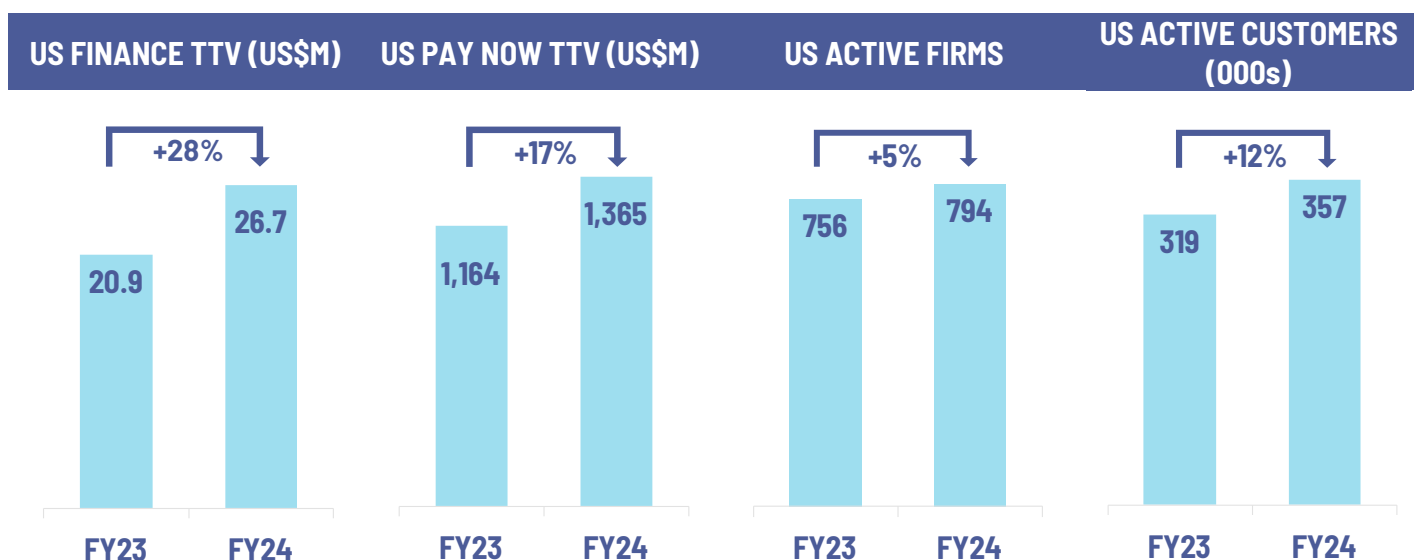
US CARD REVENUE (US\$000s)



TTV IN US\$M REVENUE IN US\$000s	Q4 FY24	Q4 FY23	% +/-		FY24	FY23	% +/-
TTV	72	68	+13%		237	211	+12%
Total revenue	199	90	+121%		520	380	+37%
Total revenue/volume yield %	0.28%	0.14%	+14 bps		0.22%	0.18%	+4 bps

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

FY24 US METRICS

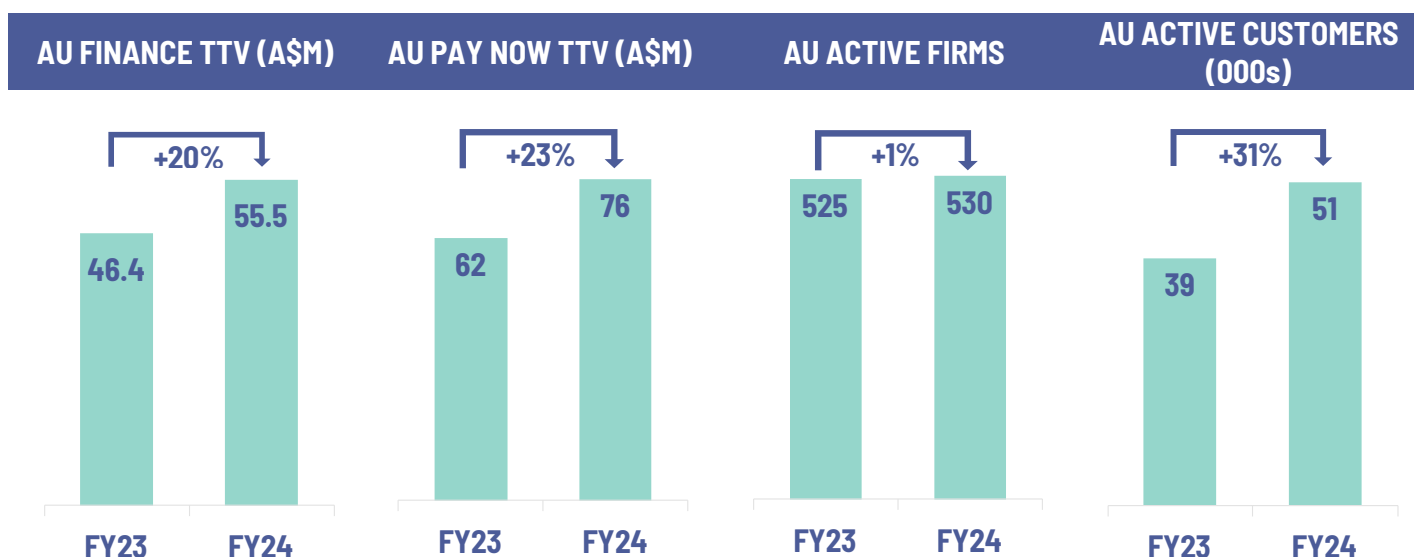


OPERATIONAL METRICS – AUSTRALIA

AU FINANCE

TTV IN A\$M REVENUE IN A\$000s	Q4 FY24	Q4 FY23	% +/-		FY24	FY23	% +/-
TTV	17.0	14.9	+14%		55.5	46.4	+20%
Financing revenue (interest)	2,087	1,406	+48%		7,178	4,699	+53%
Payments and other revenue	187	149	+26%		717	527	+36%
Total revenue	2,274	1,555	+46%		7,895	5,226	+51%
<i>Total revenue/volume yield %</i>	<i>13.4%</i>	<i>10.4%</i>	<i>+300 bps</i>		<i>14.2%</i>	<i>11.3%</i>	<i>+290 bps</i>

FY24 AU METRICS



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)