



ASX Release | 6 April 2020

QuickFee Limited – Q3 FY20 Quarterly Business Update

Key Highlights

- **Resilience of our business model with strong adoption and record lending**
- **Limited impact from COVID-19**
- **Lending in Q3 in the US up 61% to a record US\$3.6 million and lending in Australia up 19% to A\$11.6 million**
- **Increased demand for payment plans from large professional services firms for their clients, given business disruption**
- **Continued growth in US online transactions, with Q3 value of transactions up 118% to a record US\$66.7 million for the quarter**
- **Continued availability of senior credit lines**
- **Major national law firm signed in Australia**

QuickFee Limited (ASX:QFE) (“QuickFee”) is pleased to provide the following business update for the quarter ending 31 March 2020 (Q3 FY20).

Update on COVID-19 conditions

While the impacts of the COVID-19 pandemic continue to be felt across the globe, QuickFee has seen limited adverse effects on its business. A modest increase in arrears on payment plans has been exhibited during the past 3 weeks, however QuickFee payment plans with clients of professional service firms are guaranteed by each respective professional services firm.

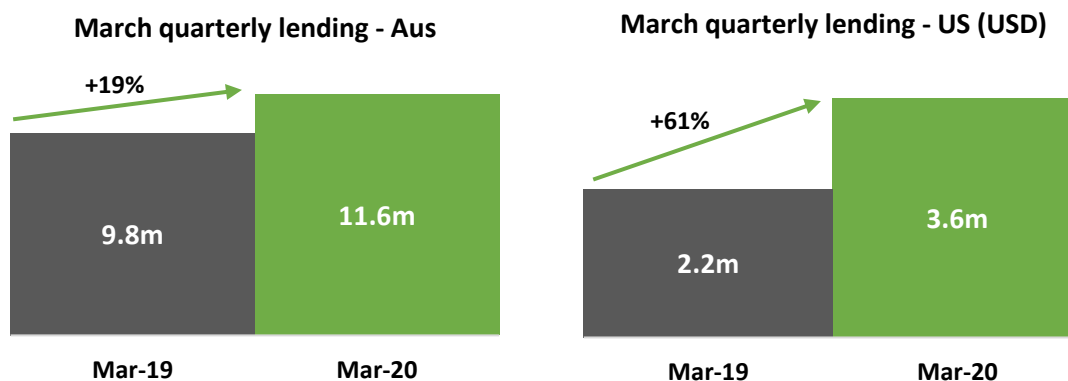
QuickFee has always been vigilant in assessing both the creditworthiness of any new firm and major exposures to existing firms to maintain strong credit quality. In addition, QuickFee holds a policy of credit insurance protecting it from default by Australian professional services firms, and a review of the terms of the policy has confirmed that no claims exclusion exists for the specific impact of a pandemic. QuickFee is taking steps to reduce exposure to some smaller firms as a precautionary measure.

Credit lines remain fully open, with key lenders in Australia and the United States (US) confirming continued availability of their respective secured senior credit lines. QuickFee continues to have a very healthy financial position with sufficient cash reserves for the growth profile it is currently experiencing.

QuickFee remains absolutely committed to the health and safety of its staff through the COVID-19 pandemic, with all staff continuing to work from home. Given all QuickFee software products are cloud-based, this has created minimal disruption to operations.

Record quarterly lending in the US; strong growth in lending in Australia; growing interest in payment plans

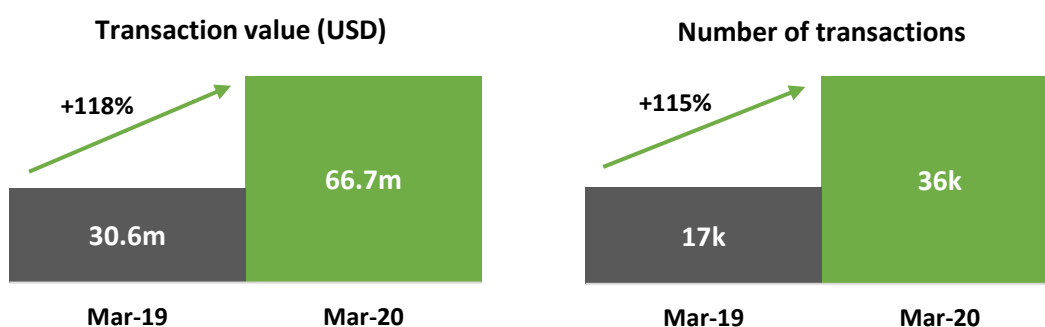
For the quarter ending 31 March 2020, QuickFee again continued to produce strong growth in lending across both the US and Australian businesses, with another record quarter of lending being achieved in the US. The graphs below show lending in Australia of A\$11.6 million, up 19% on the prior corresponding period (pcp), and US lending of US\$3.6 million, up 61% on pcp.



QuickFee has also seen an increased level of enquiry for payment plans from professional services firms for their clients, particularly in the United States, as firms identify the need to offer payment plans in response to the significant business disruptions many of their clients are experiencing from the COVID-19 pandemic. This will create further tailwinds for QuickFee in addition to the already strong demand for QuickFee's payment solutions.

US transaction volumes continue to increase

Transaction volumes and values through the US payment platform continue to show steep increases. The number of transactions in the March quarter were up 115% on pcp to 35,930, with the value of transactions growing to US\$66.7 million, up 118% on pcp.



There are several factors that are driving the increases in transactions:

1. Seasonal factors, with many taxpayers filing tax returns through an accountant at this time of year;
2. Increased acceptance of online payments by firms and their clients as cheque usage declines in the US;
3. Increased numbers of firms signed up to the QuickFee platform, and
4. Office closures and lockdowns due to COVID-19 forcing clients to use online payments.

The annualised payment portal revenue run rate is now approximately A\$1.7 million at current exchange rates. This income is in addition to interest revenue. With structural changes in the US

pushing clients to further embrace online payments, this continues to represent a very large opportunity for QuickFee.

Major firm signings

The QuickFee US business now has 21 of the top 100 USA accounting firms signed to the QuickFee platform, providing further evidence of the need for QuickFee's offering in the US. In Australia, QuickFee is pleased to announce that a significant national law firm with annual billings of approximately A\$100 million signed onto the QuickFee platform during the quarter demonstrating further growth in the use of QuickFee in the legal sector in Australia.

Given the current environment, adoption of payment plans by major accounting firms in the US has increased as they look to balance increased client service needs with client and firm cashflow preservation. In addition, QuickFee is also seeing an increased number of requests to utilise QuickFee funding directly from clients of major firms.

In both Australia and the US, the top quartile of firms by revenue generate around 75% of lending. It is expected that going forward much of the continued growth will be driven by the larger firms.

Commenting on another strong quarter, Bruce Coombes, CEO of QuickFee, said: *"I am pleased that the resilience of QuickFee's business model has shown through in these challenging operating conditions. We have been able to continue growing our business across all key metrics, whilst also seeing heightened levels of interest in our offering."*

"With a resilient business model, access to funding, continued negligible bad debts, and a strong balance sheet, we remain well placed to continue growing our business."

This announcement has been authorised for release by the Board.

-- END --

For further information please contact:

Corporate: **Bruce Coombes, CEO**
P: +61 418 286 842 or +1 310 584 1173
E: bruce@quickfee.com

Investors: **Eric Kuret, Market Eye**
P: +61 3 9591 8904
E: eric.kuret@marketeye.com.au

About QuickFee Limited

QuickFee Australia was founded in March 2009 and developed a unique payment gateway for Australian accounting and law firms allowing them to accept monthly payment plans where clients of professional services firms obtain finance online from QuickFee to facilitate payments to the firm in full.

Following the success of QuickFee Australia, QuickFee was established in the US in 2016 as a separate operating entity to pursue opportunities in the much larger market in the USA where no direct competitor exists.

In July 2019, QuickFee Australia and QuickFee US became wholly owned by QuickFee Limited and completed an IPO on the ASX.