

ASX Release | 8 July 2020

QuickFee Limited – Q4 FY20 quarterly business update: record US and AU results; strong momentum moving into FY21

Key highlights

- Another strong quarter of growth in lending in key US market – Q4 up 71% to US\$3.9 million; FY20 lending up 63% to US\$13.0 million
- US transaction volume increased 154% over the June quarter to US\$136.9 million
- FY20 lending in Australia was up 17% to A\$49.3 million – another record year
- 88 new firms signed up in the US over the quarter, up 300% over the same quarter last year, including a Top 10 US accounting firm
- Well positioned for continued strong growth in both key markets heading into FY21

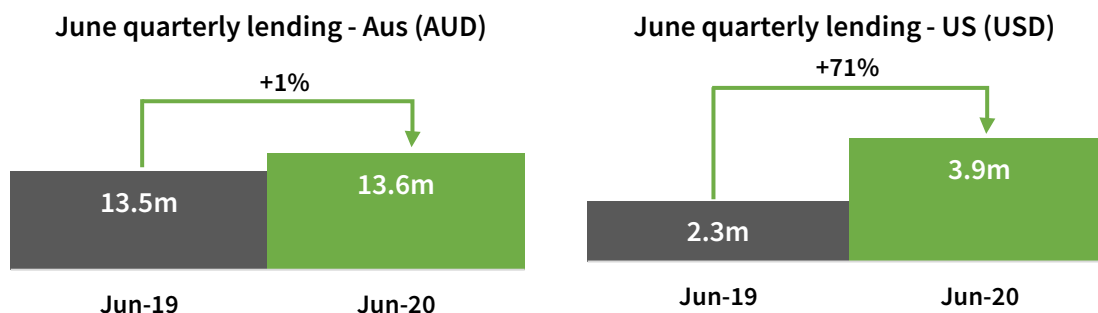
QuickFee Limited (ASX:QFE) (“QuickFee”) is pleased to provide the following business update for the quarter ended 30 June 2020 (Q4 FY20).

3rd consecutive quarter of record lending achieved in the US

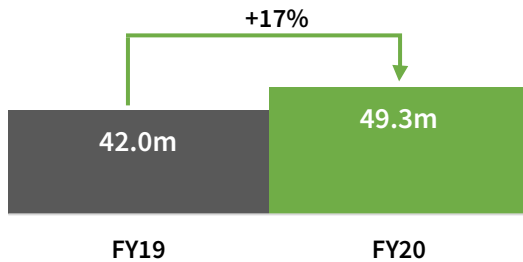
For the quarter ended 30 June 2020, QuickFee’s lending activities remained strong amid the current COVID-19 pandemic, with the United States (US) business delivering record growth in lending and the Australian operations delivering an all-time lending record for the month of June.

In the US, lending of US\$3.9 million in the June 2020 quarter represented an increase of 71% on the previous corresponding period (pcp), being the June 2019 quarter. This 71% increase represents the third consecutive quarter of record lending for QuickFee’s US operations. The US finished FY20 with US\$13.0 million in lending, up 63% on FY19.

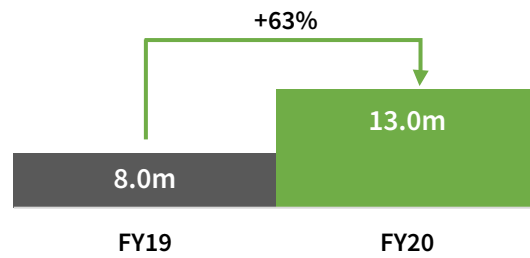
Lending in Australia for Q4 FY20 was A\$13.6 million, 1% on pcp. This modest increase reflects weaker lending in late April and May as firms reduced invoicing during the height of the COVID-19 lockdown. However, June lending reached an all-time monthly record of A\$5.4 million. Overall, Australian lending in FY20 increased 17% on the prior year to a record A\$49.3 million.



Year on year lending - Aus (AUD)



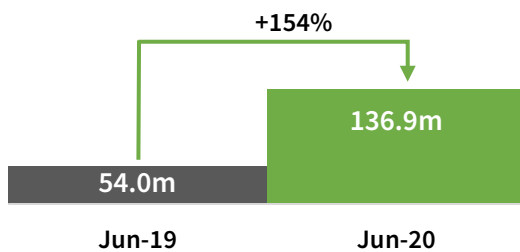
Year on year lending - US (USD)



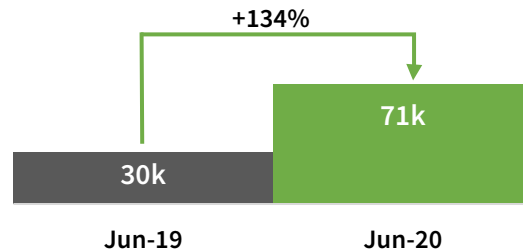
US transaction volumes continue accelerated growth

Transaction volumes and values through the US payment platform continue to accelerate sharply. The number of transactions in the June quarter were up 134% on the pcq to 70,921, with the value of these transactions growing to US\$136.9 million, up 154% on the pcq.

Transaction value - US (USD)



Number of transactions - US



The annualised payment portal transaction processing run rate is now US\$554 million (June 2019: US\$174 million).

Strong new firm growth

QuickFee continues to gain traction in the US, with 88 new firms signed by QuickFee in Q4 FY20, up 300% compared to 22 new firm sign ups in the pcq. This included the signing in June of QuickFee's first "Top 10" US accounting firm – with revenue exceeding US\$1bn – to the PayLater (payment plans only) solution.

There are now 26 "Top 100" US accounting firms signed up. New firm signups are a leading indicator of expected future growth.

The total number of firms signed up with QuickFee US as of 30 June 2020 was 412 (30 June 2019: 252).

Whilst the lending book continues to perform well with few issues, with the COVID-19 situation creating continuing challenges, QuickFee will be determining the size of an increased general provision for potentially unrecoverable receivables and will include such an amount in the FY20 financial statements. The amount is expected to be approximately 1% of loan receivables, reflective of the quality of the structured lending product and minimal levels of bad debt being experienced across the business in Australia and the US.

CEO's commentary

Commenting on the June quarter, Bruce Coombes, CEO of QuickFee, said:

“ We continue to be very encouraged by the traction we are achieving in the US. The third consecutive quarter of record lending reflects a very strong uptake of our product by US accounting and law firms, and with continued growth in new firm sign-ups, we expect this momentum to accelerate.

Transactional volumes exploded in the US over the fourth quarter, with COVID-19 benefiting QuickFee by forcing many firms and clients to embrace online payments. Our view is that this transition to online payments will continue in the US, where until now online payments for accounting firms have not been widely used. This represents an exciting area of growth for QuickFee as we look forward. ”

Outlook: new firm activations in the US and e-invoicing to drive further growth

The record growth achieved in the US, and the record year in Australia, means QuickFee heads into FY21 with strong momentum. Notwithstanding the COVID-19 challenges many businesses are facing, growth in new firm signings, new activations, and the growing adoption of online payments all represent large tailwinds for QuickFee.

With growing acceptance of our lending products, a huge addressable market, significant numbers of new firm signings and activations, our first mover advantage and the recent increase in our funding capacity, directors believe QuickFee is extremely well placed to execute on a massive US growth opportunity. We are still very early in our journey in the US, and we have a fantastic team and the capability to service this growth.

Following the successful capital raise in May, QuickFee has now completed the recruitment of the key engineering leads for the development of its core new technology. The build of our receivables management system for the US market is underway and QuickFee expects to have its first US customer using the e-invoicing and accounts receivable management system by the end of Q1 FY21. Delivering the e-invoicing functionality will be a significant milestone for QuickFee and is expected to drive additional take-up of QuickFee's lending products. Based on the early feedback received to date, QuickFee expects strong demand for its e-invoicing and receivables management system.

QuickFee is expected to release its full year financial results for the year ended 30 June 2020 in mid to late August 2020.

This announcement has been authorised for release by the directors.

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About QuickFee Limited

QuickFee Australia was founded in 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 US 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.