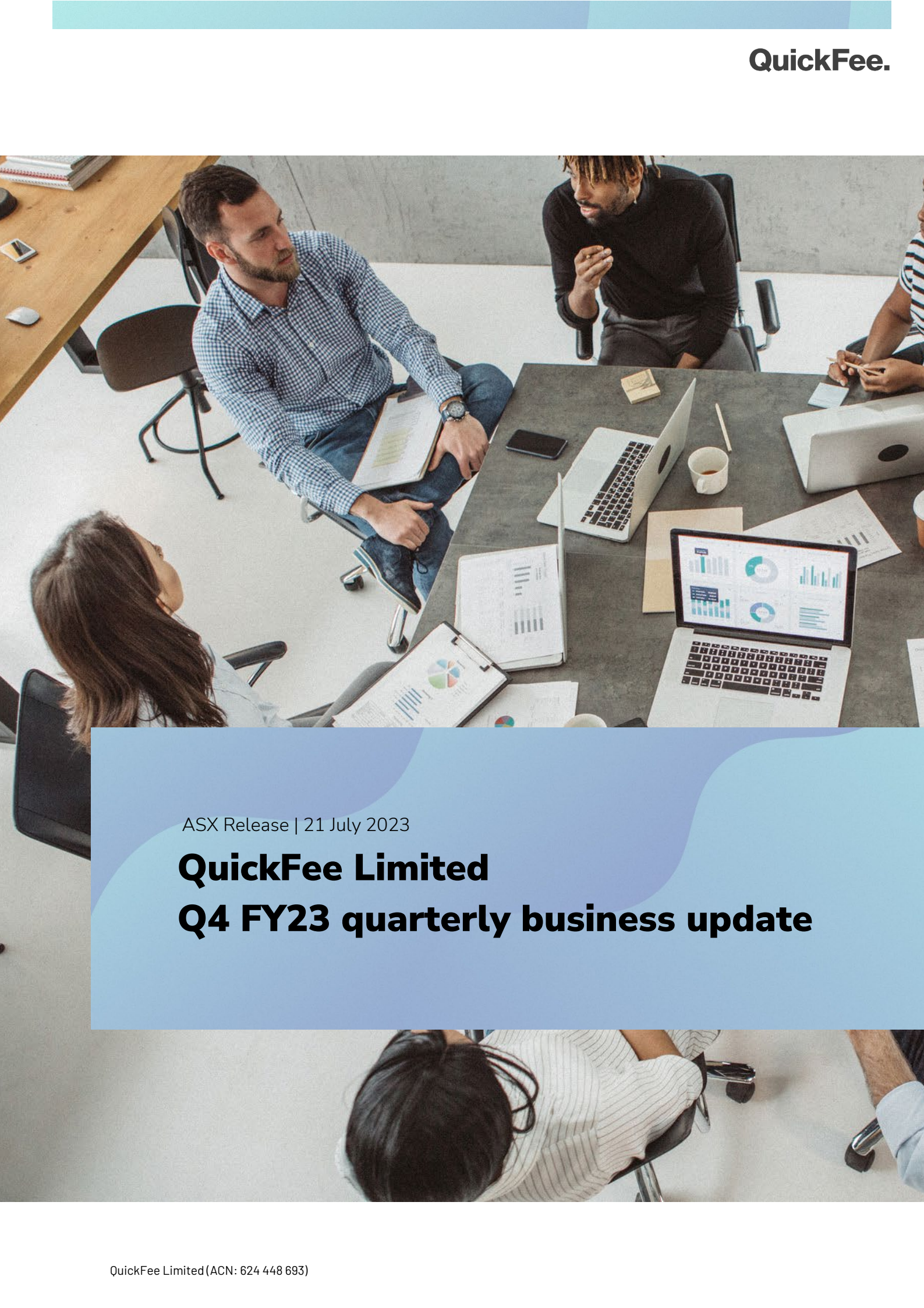


An overhead view of a modern office meeting. Four people are seated around a dark wooden table. A man in a blue checkered shirt sits on the left, looking towards the center. A man in a black turtleneck sits at the top, gesturing with his hands. A woman with long dark hair is on the bottom left, looking up. Another person is partially visible on the right. The table is cluttered with two laptops, several papers with charts and graphs, a smartphone, a coffee cup, and some sticky notes. The background is a light-colored wall and floor.

ASX Release | 21 July 2023

QuickFee Limited

Q4 FY23 quarterly business update

ASX Release | 21 July 2023

QuickFee Limited

Q4 FY23 quarterly business update

QuickFee Limited (ASX:QFE) ("QuickFee") today announced a business update for the quarter ended 30 June 2023 (Q4 FY23) and full year ended 30 June 2023 (FY23).

Key Highlights

- **Record Q4 FY23 and FY23 transaction volumes (TTV) across all products in the US and Australia**
- **Total group revenue up 23% on the prior corresponding period (pcp): Q4 FY23 revenue of A\$4.3 million (Q4 FY22 revenue of A\$3.5 million)**
 - Driven by 50%+ growth in both US and AU Financing (Pay Over Time) revenue
 - Focus on higher margin lending products delivering yield improvement in Q4 FY23 of 100bps to 8.8% on US Financing and 250bps improvement to 10.4% on AU Financing
 - US FY23 active firms up 8% on pcp
- **June 2023 underlying cash EBITDA of -A\$55,000, demonstrating significant progress on the path to operating profitability**
 - Q4 revenue and EBITDA impacted by lower than expected Pay Now growth
 - Continued reduction in operating expenses
- **New sales strategy delivering early results**
 - Higher proportion of new customer acquisitions are utilising the higher margin US Financing product: 120 US firm sign-ups in FY23, of which 49 signed up to Financing
- **Positive momentum heading into FY24**
 - Strong finish to FY23 provides confidence in ability to execute on growth strategy
 - Tracking towards operating profitability within existing cash and borrowing facilities.

Q4 FY23 performance ¹	Q4 FY23	Q4 FY22	Year-on-year movement
Total transaction values (TTV)			
US ACH (Pay Now)	US\$ 289m	US\$ 261m	+11%
US Card (Pay Now)	US\$ 64m	US\$ 58m	+10%
Total US Pay Now	US\$ 353m	US\$ 319m	+11%
US Financing (Pay Over Time)	US\$ 5.8m	US\$ 4.2m	+38%
AU Financing (Pay Over Time)	A\$ 14.9m	A\$ 13.0m	+15%
Revenue¹			
US ACH (Pay Now)	US\$ 1,091k	US\$ 1,034k	+6%
US Card (Pay Now)	US\$ 90k	US\$ 182k	-51%
US Financing (Pay Over Time)	US\$ 508k	US\$ 327k	+56%
AU Financing (Pay Over Time)	A\$ 1,555k	A\$ 1,022k	+52%
Group revenue including ancillary products	A\$ 4.3m	A\$ 3.5m	+23%

Full Year FY23 performance ¹	FY23	FY22	Year-on-year movement
Total transaction values (TTV)			
US ACH (Pay Now)	US\$ 953m	US\$ 778m	+22%
US Card (Pay Now)	US\$ 211m	US\$ 183m	+15%
Total US Pay Now	US\$ 1,164m	US\$ 961m	+21%
US Financing (Pay OverTime)	US\$ 20.9m	US\$ 16.8m	+24%
AU Financing (Pay Over Time)	A\$ 46.4m	A\$ 38.1m	+22%
Revenue			
US ACH (Pay Now)	US\$ 3,599k	US\$ 2,871k	+25%
US Card (Pay Now)	US\$ 380k	US\$ 353k	+8%
US Financing (Pay OverTime)	US\$ 1,730k	US\$ 1,139k	+52%
AU Financing (Pay Over Time)	A\$ 5,226k	A\$ 3,800k	+38%

Commenting on the Q4 FY23 quarter and FY23, North America President Jennifer Warawa said:

"We are extremely pleased with the results for the quarter. Our renewed strategic focus on our core Financing product for accounting and law firms is starting to show in the results, with record revenue from Financing in both the US and Australia in Q4 FY23, as well as substantial yield improvement."

"We continue to see tightening economies in the US and Australian markets and demand growth for our lending products. We enter FY24 optimistic about the major growth opportunities in front of us and we continue to track towards group operating breakeven."

US commentary

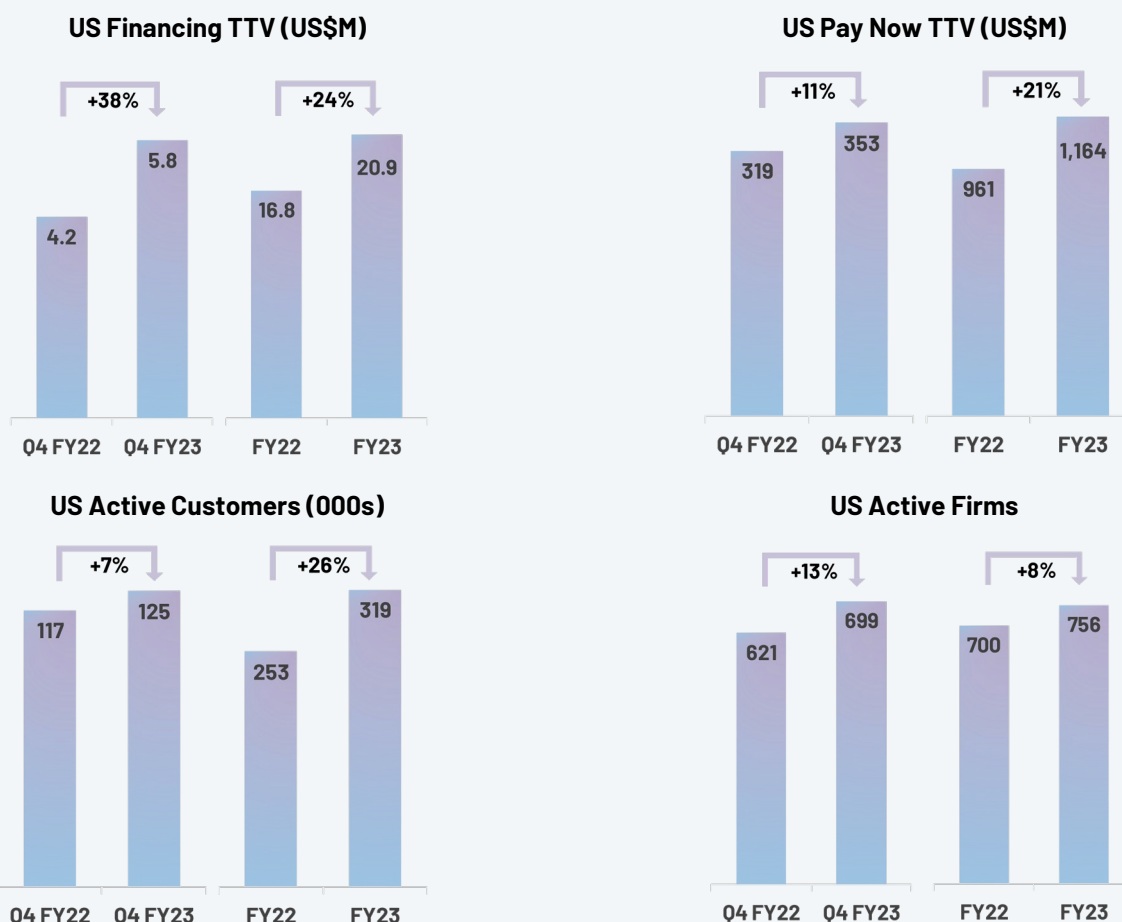
The US business continued to hit record Pay Now and Financing volumes in Q4 FY23 (Pay Now TTV US\$353 million, Financing TTV US\$5.8 million), which reflects the positive impact of the restructuring and the strategic focus on accounting and law firms. Active Customers in the US were up 26% in FY23 to 319,000 compared to the prior year and US Active Firms were up 8% to 756, highlighting greater penetration of our product suite and cross-selling within each firm.

US Financing (Pay Over Time) TTV for Q4 FY23 was up 38% on pcp to US\$5.8m and total FY23 US Financing TTV was up 24% on pcp to US\$20.9m. Pleasingly, revenue yields improved by 100bps to 8.8% in Q4 FY23 on the previous corresponding period (pcp) and by 150bps to 8.3% in FY23 on pcp, as a result of increasing interest rates charged. See the attached appendix for further financial details.

The refreshed sales strategy in the US is delivering results. In June 2023, QuickFee appointed an experienced industry leader Rafael Casas as Director of Strategic Partnerships & Alliances, who is already starting to generate new leads and business development opportunities. In addition, the implementation of a new territory-based sales model and updated remuneration structure is expected to drive new customer acquisition and increased TTV across all products.

ACH revenue yield for Q4 FY23 remained stable at 0.38% (Q4 FY22: 0.40%) and US Card revenue yield declined to 0.14% (Q4 FY22: 0.31%), due to Visa and Mastercard card rule changes capping the level of surcharge on credit cards in April 2023.

Operational metrics – United States

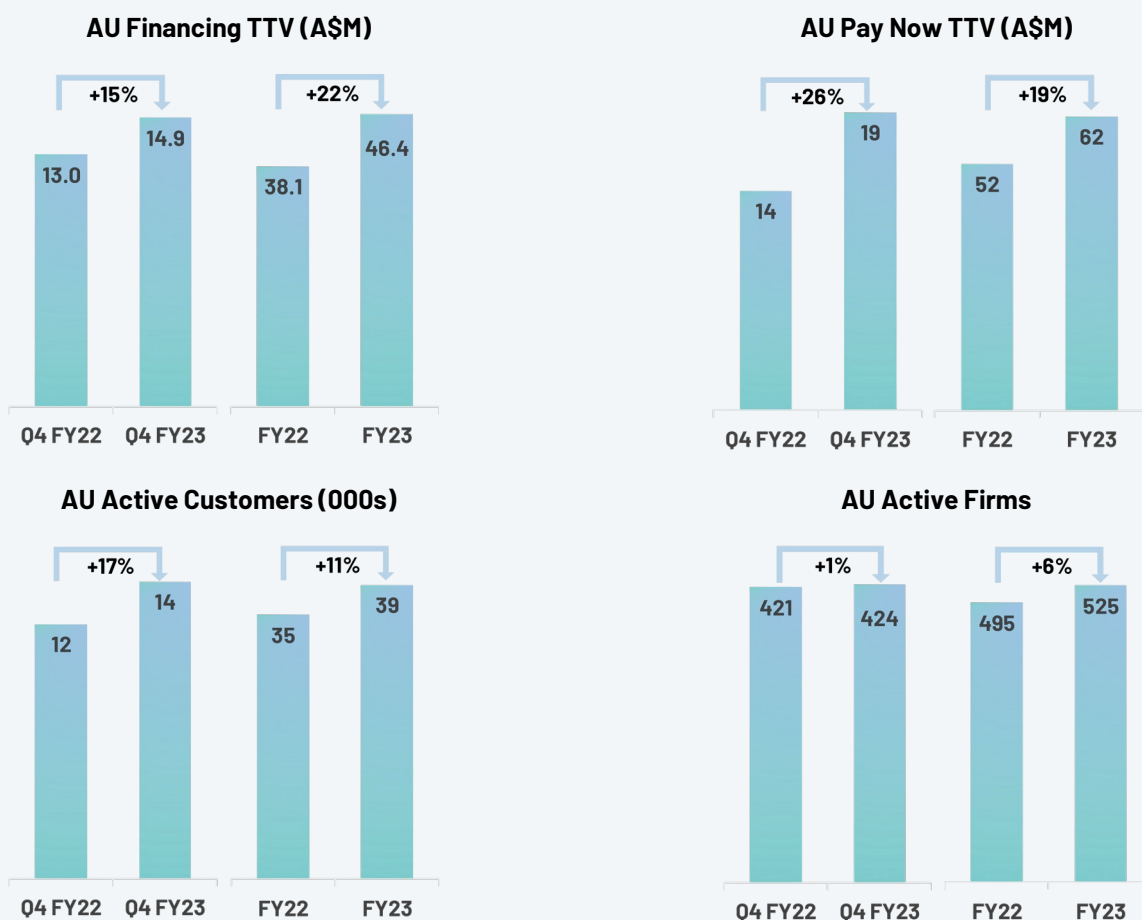


Australia commentary

The Australian business delivered an exceptionally strong Q4 FY23 result, with Financing revenue in Q4 FY23 up 52% on pcp to A\$1.6m, with an all-time record Financing TTV of A\$14.9m in Q4 FY23, up 15% on pcp. Financing revenue yield improved 250bps in Q4 FY23 on pcp to 10.4%, reflecting recent interest rate increases implemented, similar to the US. Active Customers in Australia increased by 17% in Q4 FY23 on pcp to 14,000, and up 11% in FY23 on pcp to 39,000, with demand expected to remain robust in more challenging economic conditions. There remain opportunities to sign up additional accounting and law firms, with additional prospects for QuickFee's growing legal disbursement funding product.

The Australian 'Q Pay Plan' product, which includes the Jim's Group Franchise agreement, continues to make a positive contribution to the group with Q4 FY23 TTV up 100% to A\$0.4 million (Q4 FY22: A\$0.2 million) and FY23 TTV up 113% to A\$1.7 million (FY22: A\$0.8 million).

Operational metrics – Australia



FY23 earnings guidance

QuickFee provides the following guidance on its results for the full financial year ended 30 June 2023.

A\$	FY23	FY22 reported
Revenue	14.5m to 15.0m	10.9m
Gross profit	9.0m to 9.5m	7.6m
Operating expenses ²	16.0m to 16.5m	20.3m
EBITDA after interest on borrowing facilities	(6.5) m to (7.5) m	(12.6) m
Net (loss) after tax	(8.0) m to (9.0) m	(13.5) m
Net loan receivables (30 June 2023 / 30 June 2022)	42.5m to 43.5m	32.9m

Cash and liquidity

Total Liquidity of **A\$8.2 million** at 30 June 2023 in the table below represents the amount of cash available to fund operating activities and the 10% first-loss, equity-funded growth in the loan book. The Company maintains its cash on hand and drawn borrowings at a minimum in order to reduce interest expense.

The improvement in lending in both the US and AU in Q4 FY23 has resulted in the total loan book growing A\$5.7 million from 31 March 2023 to 30 June 2023 to A\$40.6m. This has been funded by increased borrowings of A\$5.5 million and cash of A\$0.2 million.

The Northleaf debt facility is A\$60.3 million, so there is a further A\$19.7 million of borrowing facility headroom. Total Liquidity plus this growth capacity was A\$27.9 million at 30 June 2023.

A\$	30 June 2023	31 March 2023	\$+/-
Cash and cash equivalents (A) ¹	3.4m	2.9m	+0.5m
Available undrawn facility based on loan book at 30 June (B) ¹	4.8m	6.0m	-1.2m
Total Liquidity (A) + (B) ¹	8.2m	8.9m	-0.7m
Growth capacity (further borrowings facility headroom) ¹	19.7m	24.6m	-4.9m
Total Liquidity plus growth capacity ¹	27.9m	33.5m	-5.6m

Outlook

Commenting on the outlook for FY24 and beyond, Non-executive Chairman Dale Smorgon said:

"We enter FY24 with positive momentum in our key metrics, including Financing volumes, Pay Now volumes, revenue growth and margin expansion. We are fully staffed in sales and customer success and our targeted sales strategy and focus on new customer acquisition enable us to deliver continued growth in revenue and improved profitability in FY24."

This announcement has been authorised for release by the directors.

— END —

¹ 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. FY23 operating expenses in US dollars (USD) are expected to be converted to Australian dollars (AUD) at an average USD:AUD exchange rate of 0.67:1.

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About QuickFee

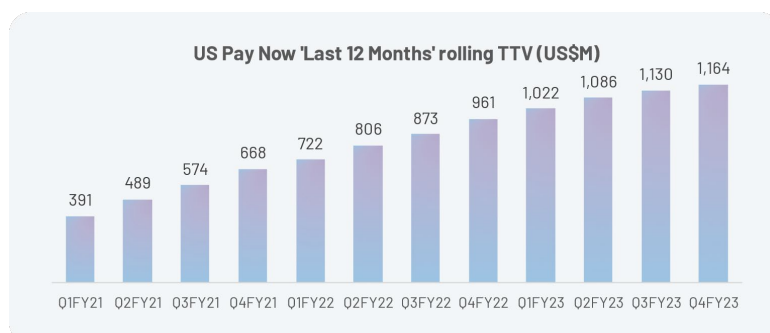
QuickFee Limited (ASX:QFE) is a fast-growing financial technology company providing an innovative suite of online payment solutions and low risk loan origination offerings to professional and commercial services providers, helping customers access the advice and services they need, with the choice to pay now or over time.

QuickFee's fully integrated online payment platform and financing solutions enable merchants to accept payments by CC, EFT/ACH or a payment plan.

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

APPENDIX

Operational metrics – US

US ACH

TTV in US\$M Revenue ² in US\$000s	Q4 FY23	Q4 FY22	% +/-		FY23	FY22	% +/-
TTV	289	261	+11%		953	778	+22%
ACH revenue	1,091	1,034	+6%		3,599	2,871	+25%
Total revenue/volume yield %	0.38%	0.40%	-0.02%		0.38%	0.37%	+0.01%

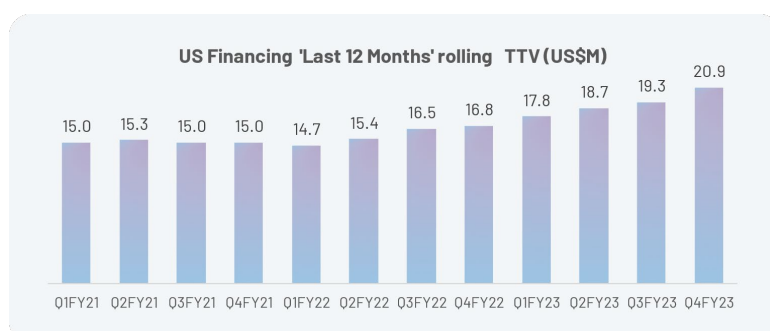
US Card

TTV in US\$M Revenue ² in US\$000s	Q4 FY23	Q4 FY22	% +/-		FY23	FY22	% +/-
TTV	64	58	+10%		211	183	+15%
Card revenue*	90	182	-51%		380	353	+8%
Total revenue/volume yield %	0.14%	0.31%	+0.17%		0.18%	0.19%	-0.01%

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

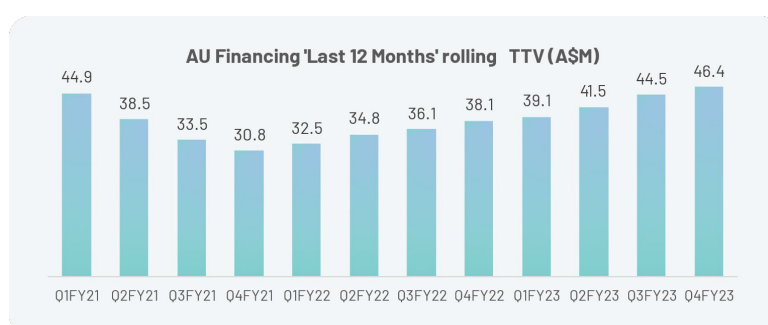
US Financing

TTV in US\$M Revenue ² in US\$000s	Q4 FY23	Q4 FY22	% +/-		FY23	FY22	% +/-
TTV	5.8	4.2	+38%		20.9	16.8	+24%
Financing revenue (interest)	487	307	+59%		1,636	1,060	+54%
Payments and other revenue	21	20	+5%		94	79	+19%
Total Financing revenue	508	327	+56%		1,730	1,139	+52%
Total revenue/volume yield %	8.8%	7.8%	+1.0%		8.3%	6.8%	+1.5%



Operational metrics – Australia

TTV in A\$M Revenue ² in A\$000s	Q4 FY23	Q4 FY22	% +/-		FY23	FY22	% +/-
TTV	14.9	13.0	+15%		46.4	38.1	+22%
Financing revenue (interest)	1,406	912	+54%		4,699	3,415	+38%
Payments and other revenue	149	110	+35%		527	385	+38%
Total Financing revenue	1,555	1,022	+52%		5,226	3,800	+38%
<i>Total revenue/volume yield %</i>	<i>10.4%</i>	<i>7.9%</i>	<i>+2.5%</i>		<i>11.3%</i>	<i>10.0%</i>	<i>+1.3%</i>



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 period referred to	
Active Firm	Any firm that has had a transaction with QuickFee in the period referred to	
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	
Customer	The customer of a merchant, who will use one of QuickFee's payment options to pay their invoice	
CY2023	Calendar Year 2023	The year ended 31 December 2023
Firm	Term to describe QuickFee's primary customer who is the service provider, who signs up to use QuickFee's platforms and issues invoices. Typically used to describe a professional services firm e.g. an accounting or law firm	
FY2023	Financial Year 2023	The year ended 30 June 2023
Merchant	A Firm.	
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	
QuickFee Pay Over Time / Pay Later	QuickFee Financing	
pcp	Previous corresponding period	For example, the pcp for the December 2021 quarter is the December 2020 quarter
TTV	Total transaction value	The total value of all transactions processed for the stated product