ASX Release | 15 January 2020

QuickFee Limited – Q2 FY20 Quarterly Business Update

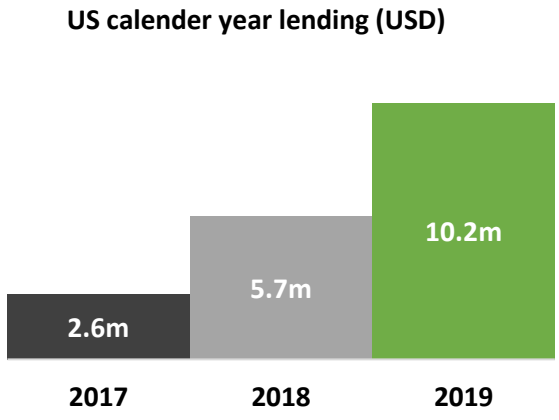
Key Highlights

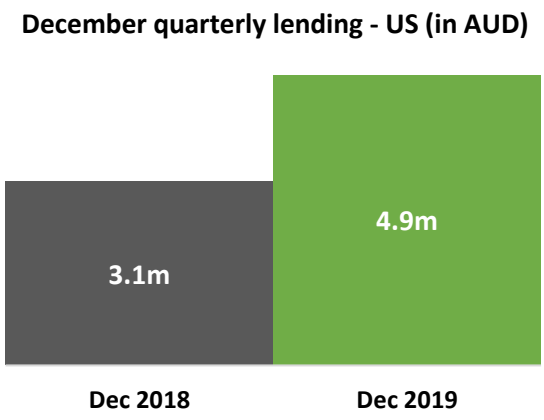
- **Record lending results achieved in the US**
- **Record lending results achieved in Australia**
- **Appointment of Chief Technology Officer to accelerate growth**
- **US "Channel Partner" program launched**

QuickFee Limited (ASX: QFE) ("QuickFee" or the "Company") is pleased to provide the following business update for the quarter ending 31 December 2019 (Q2 FY20).

QuickFee US achieves record quarter and year-on-year lending

QuickFee's US business achieved lending of US$4.9 million for the three months to 31 December 2019, which was up 58% on Q2 FY19 (pcp) and was another record quarterly result. Lending for the 12 months to 31 December 2019 was also a record result, up 79% on CY18 to US$10.2 million.





Pleasingly, transaction volumes on the US QuickFee platform continue to show rapid growth. US$185 million was transacted through the QuickFee payment portal in CY19 compared to US$81 million in CY18. This highlights the increased level of acceptance of online payments in the US market, and in particular, the acceptance of QuickFee's solution.

Fee income from payment portal transaction fees has increased from US$165,000 to US$573,000 over the last 12 months, with the current annualised run rate growing to US$805,000 per annum. These amounts are in addition to lending revenue.

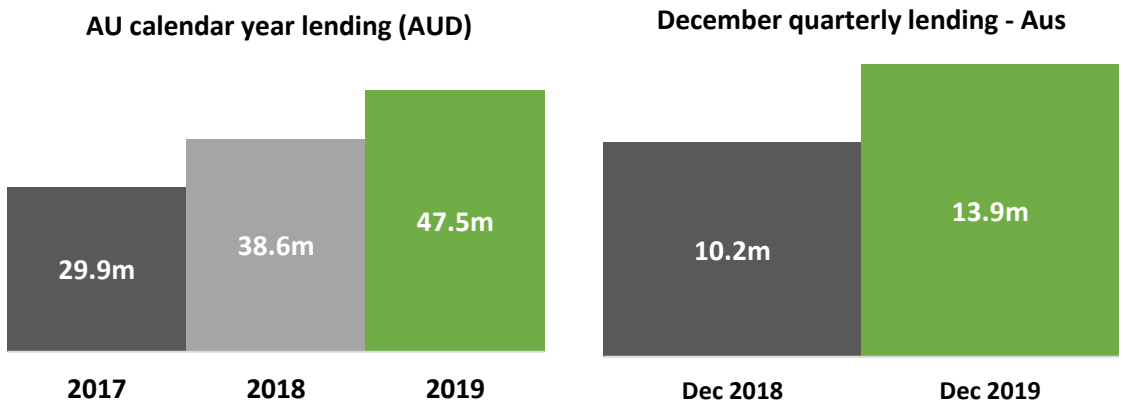
352 firms have signed up for QuickFee in the US as at 31 December 2019 and 50% have had a client take a minimum of 1 loan, with 40% of firms having a client take two or more loans from QuickFee.

With the increasing acceptance of our solution and existing acceleration of momentum, there is strong confidence our business will continue to achieve further sustained record growth in CY20.

QuickFee Australia achieves record quarter and year-on-year lending

The QuickFee Australia business achieved lending of $13.9 million for the three months to 31 December 2019, which was 36% up on pcp, and was also a record quarterly result. Lending for the 12 months to 31 December 2019 was also a record result, up 23% on CY18 to $47.5 million. This was a particularly pleasing outcome given the maturity of QuickFee's Australian business.

Growth is coming from the addition of new firms and greater utilisation of QuickFee payment plans by existing firms.



Commenting on the record results, Bruce Coombes, CEO of QuickFee, said: *"It has been a very strong quarter for the QuickFee group, and we are proud of the record results achieved. The QuickFee solution continues to gain traction in the US, where we are only beginning to scratch the surface in terms of the market opportunity, and we remain very optimistic about our first mover advantage and growth potential in this market.*

"Equally as pleasing has been the performance in Australia. Despite being a profitable and relatively mature business, we have achieved record quarterly and calendar year results, driven by increased usage of our solution by law firms and existing firms seeing their clients utilise QuickFee loans more", said Mr Coombes.

QuickFee appoints Chief Technology Officer (CTO)

The shifting payments landscape in the US is creating significant opportunities for payment solution providers like QuickFee. In order to grow QuickFee's market share and respond rapidly to these opportunities, the Company is pleased to announce that it has appointed Mr Francesco Fabbrocino as Global CTO of QuickFee.

Mr Fabbrocino is based in the Company's Los Angeles office and brings significant fintech and payment provider experience to the QuickFee team. QuickFee's vision is to be the number one

provider of payment, lending and e-invoicing solutions to professional service firms in the US and Australia. The appointment of Mr Fabbrocino will accelerate QuickFee's achievement of this ambition by allowing rapid development and deployment of solutions that are acquired or built for this purpose.

Commenting on the appointment of Mr Fabbrocino, Mr Coombes said *"Currently over 18 billion cheques are written each year in the US, with the number declining at the rate of 1.8 billion per year. As that number drops, businesses will be looking for ways to pay their advisers electronically. QuickFee has been proven to be a secure and reliable way to transact with professional firms. The appointment of Francesco will allow QuickFee to quickly build systems specifically designed for the needs of the B2B professional services market."*

QuickFee launches Channel Partner program in the US

QuickFee has officially launched its "Channel Partner" program in the US to further accelerate its growth in the US market.

Over 1 million independent sales agents (ISAs) operate in the US with many specialising in the service of professional service firms. QuickFee has built a program for ISAs, affiliates, and referral partners to become an accredited introducer of new business to QuickFee.

Since launching the program 3 weeks ago, over one hundred requests for accreditation have been received from ISAs, with the most suitable accredited once they pass QuickFee's training process. After on boarding the selected partners, the partners bring this solution to the market more quickly and solve their clients' needs.

The ISA sales approach is common practice in the US fintech market and will allow QuickFee to rapidly grow its user base and lending without significant fixed costs.

Commenting on the Channel Partner program, Mr Richard Formoe, Chief Revenue Officer of QuickFee, said: *"The Channel Partner Program provides us with strategic growth engines that represent a significant opportunity to accelerate client acquisition for QuickFee in the US. Our Channel Partner Program is designed to deliver fee financing to the US$400 billion professional service firm market across the US where we have seen a strong desire for fee financing.*

"Our Channel Program will allow us to rapidly scale, build new relationships, and further solidify our footprint as the premier fee financing solution for professional services firms in the US", said Mr Formoe.

Mr Coombes commented further, "*The US market represents a tremendous market opportunity for QuickFee, where the professional services fee financing model is largely untapped. The funds raised through the IPO have allowed us to invest in the US team, which is showing strong early signs in terms of new client acquisition. The new Channel Partner program will allow us to further accelerate the growth in this market with the addition of minimum fixed overhead"*, said Mr Coombes.

Regulation clarification

There has been some commentary in the press regarding the regulation of "Buy Now Pay Later" providers in the United States, and in particular the need for a Finance Lenders Licence in California. QuickFee advises that it has held a Finance Lenders Licence in California for over 3 years.

QuickFee expects to be reporting its first half financial results for the 2020 financial year no later than 21 February 2020.

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.