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QuickFee Limited Q1 FY22 quarterly business update

QuickFee Limited (ASX:QFE) ("QuickFee") today announces a business update for the quarter ended 30 September 2021 (Q1 FY22).

Highlights

Total transaction values	Q1 FY22	Q1 FY21	Movement
US Pay Now (ACH and credit card)	US$180.1m	US$127.2m	+42%
US Pay Later (Financing and Instalments)	US$4.2m	US$4.1m	+2%
AU Pay Later (Financing and Instalments)	A$8.2m	US$6.4m	+28%

- **A strong quarter in the US with Pay Now transaction values up 42% to US$180.1 million (Q1 FY21: US$127.2 million)**
- **Strong recovery in lending in Australia, up 28% on pcp to A$8.2 million in Q1 FY22**
- **Substantial expansion in all our US go-to-market channels:**
  - **Direct & Enterprise Sales: active merchant numbers up 44% to 580**
  - **Independent Sales Organisations (ISO) & Channel: over 50 third party reseller sign-ups in Q1 FY22**
  - **Strategic Partnerships & Integrations: QuickFee Connect, Xero integration launched; BlueSnap partnership signed**
  - **Merchant Direct: automated merchant application platform launched in partnership with SALIX Data, increasing lead conversion and decreasing cost per lead and cost of merchant acquisition**
- **Key leadership and advisory appointments to strengthen the team**
  - **New US Chief Revenue Officer hired: Aubrey Amatelli, ex JPMorgan Chase**
  - **Key US strategic advisory appointments: Sharat Shankar (SVP Credit, FleetCor) and Don Singer (Chief Revenue Officer, VeriCheck)**

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US Q1 FY22 results in detail: Continuing solid growth

Structural tailwinds and deeper merchant engagement continued to drive QuickFee's growth in the US market in Q1 FY22. The accelerating industry shift to online invoicing and payments is being reflected in growing merchant and customer numbers: active customers in the US for Q1 FY22 were up 34% to 62,300 and active merchants increased 44% to 580.

Total transaction value (TTV) in QuickFee's Pay Now product (ACH and credit card payments) was up 42% on pcp to US$180.1 million in Q1 FY22, with QuickFee processing US$0.7 billion in transactional values in the last 12 months. QuickFee is nearing the annualised US$1 billion milestone in platform transaction values.

Lending in Q1 FY22 was up 2% on pcp to US$4.2 million (Q1 FY21: US$4.1 million), an improvement on the decline in the previous two quarters of FY21. It is expected that demand in lending will improve as the impact of government stimulus in the US economy dissipates.

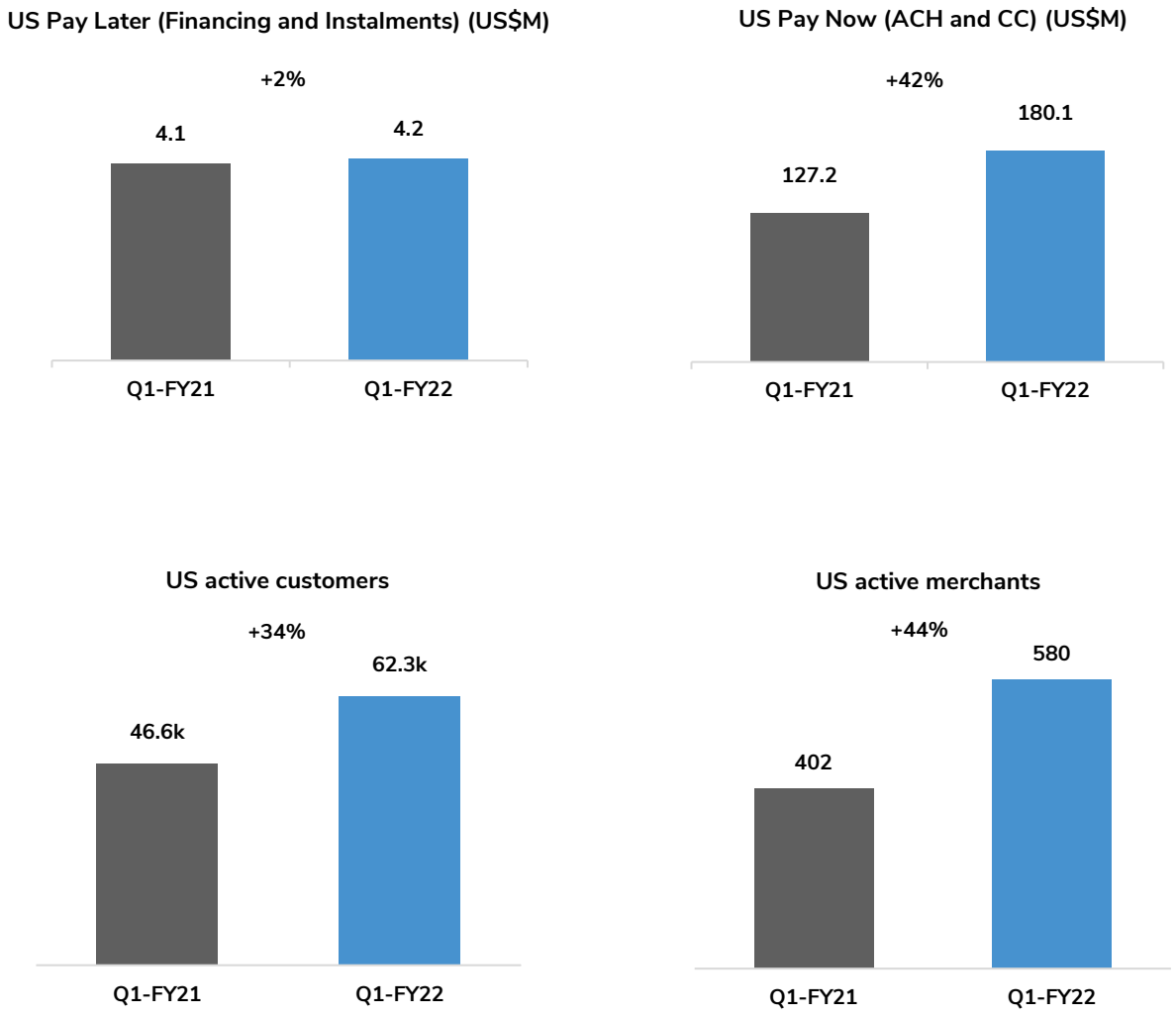


Figure 1: US performance

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AU results in detail: Strong recovery in lending

Lending in the Australian market has shown encouraging growth after FY21 was significantly impacted by government stimulus measures, with all key metrics in Q1 FY22 up. Lending in Q1 FY22 was up 28% on pcp to A$8.2 million (Q1 FY21 $6.4 million), driven by increased demand for lending. This increased demand drove a 5% increase in active customer numbers, up to 13,200 in Q1 FY22.

New merchant sign-ups and a strong start to October provide confidence that the trends seen in Q1 will continue into Q2. QuickFee is continuing to actively identify partnership opportunities to scale its lending business in Australia at a faster rate of growth.

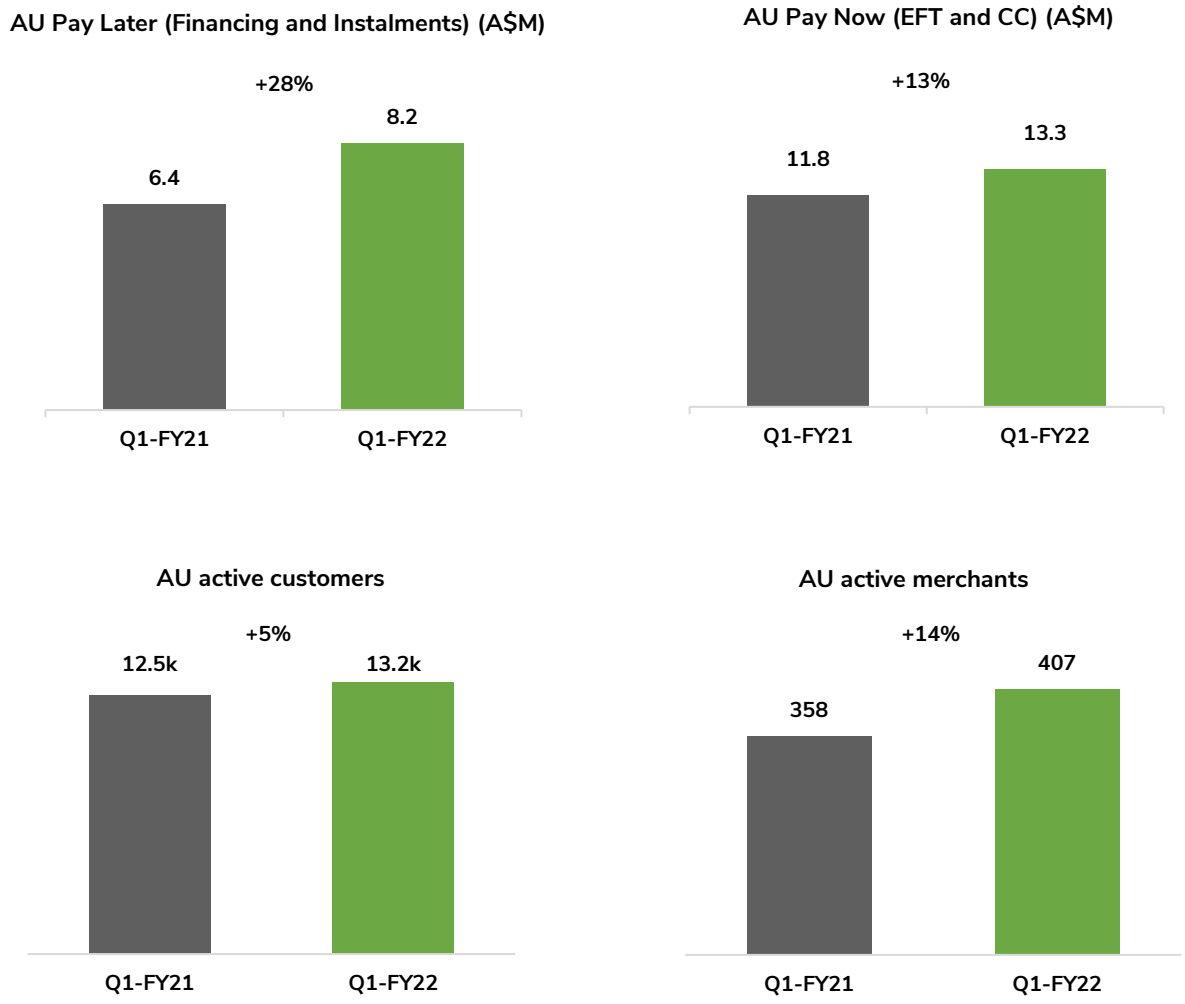


Figure 2: AU performance

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Strategy update

Go-to-market channels

QuickFee now has for go-to-market channels in the US, targeting different sectors:

1. **Direct & Enterprise Sales**, focusing on QuickFee's traditional core markets of accounting and legal, primarily offering Financing, ACH, and credit card products. This channel has been the primary vehicle for penetrating the top 400 enterprise CPA firms in the US and will continue to deepen its focus on delivering substantial wins in the professional services market.

2. **Independent Sales Organisations (ISO) & Channel**, responsible for serving the professional services and commercial services markets with the QuickFee Instalments product. This channel was launched in late Q4 FY21 and leverages specific vertically targeted, third-party sales organisations to increase scale at a lower cost of merchant acquisition.

3. **Strategic Partnerships, Independent Software Vendors (ISVs) & Integrations**, selling all QuickFee's payments and lending products to the professional services and commercial services markets. This channel was launched in early Q1 FY22 and natively integrates QuickFee's payment gateway through a variety of APIs into vertically targeted business operating software to capture the greatest share of payment traffic.

4. **Merchant Direct**, our automated merchant acquisition channel for QuickFee Instalments merchants in professional, commercial and personal service markets. This channel was launched in late Q1 FY22 and leverages search engine optimised (SEO) lead generation architectures and intuitive application flows to curate merchants from lead-to-sales-to-onboarding in a fully automated process, increasing scale and lowering cost of merchant acquisition.

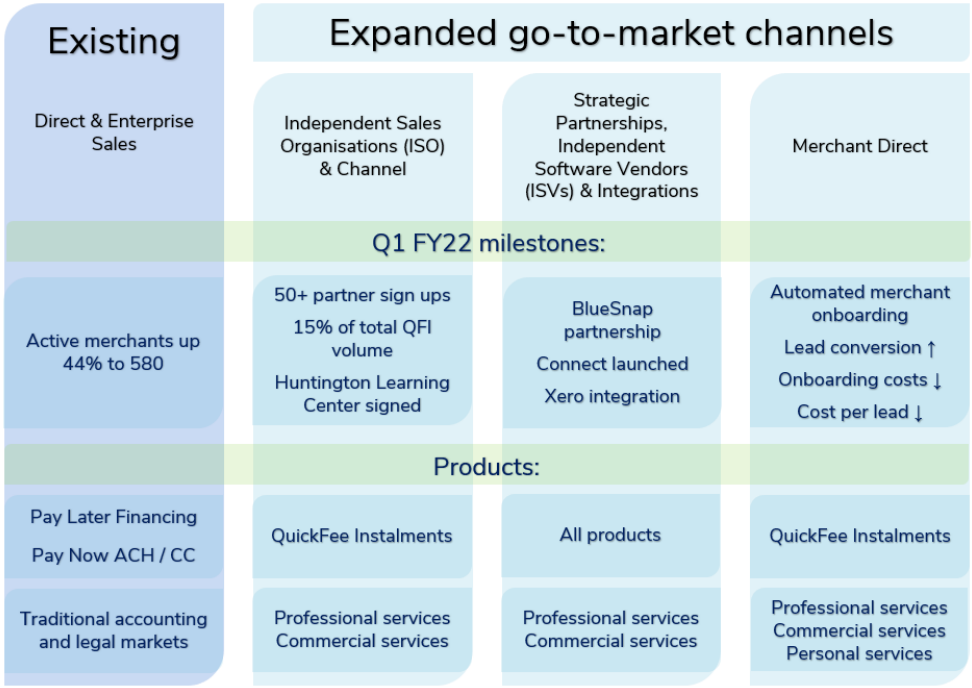


Figure 3: US go-to-market channels

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Through these channels, the QuickFee Instalments "buy now, pay later" lending product now has 994 merchants signed up (736 in the US and 258 in Australia). This product is introducing QuickFee to larger partnership opportunities where the company can provide both QuickFee's Pay Now and Pay Later options for clients of multi-site merchants in targeted commercial and personal services industries.

This combined go-to-market strategy of partnering with larger multi-merchant organisations and ISOs to acquire merchants, will deliver scale faster for QuickFee as it looks to aggressive growth. QuickFee has a well-progressed pipeline of substantial deals with ISOs and strategic partners (ISVs) which will further accelerate its growth in Australia and the US.

Major milestones achieved across these channels this quarter include:

Expanded Independent Sales Organisations (ISO) & Channel signings

The ISO & Channel teams signed up over 50 third party resellers in Q1 FY22 to drive both merchant sign-ups and volume in both Pay Now and Pay Later (Instalments), including signing an agreement to offer payment solutions with Huntington Learning Center, which operates over 300 educational learning centres in the United States[1].

Strategic partnerships, Independent Software Vendors (ISVs) & Integrations

Strategic partnership with payment processor BlueSnap partnership[1]

Deepening the partnership with BlueSnap further supports the growing demand for the QuickFee payments offering, BlueSnap's state-of-the-art processing technology will deliver the following benefits to QuickFee:

- Increased ACH processing functionality
- Personalised merchant settlement options
- Enhanced fraud monitoring and risk management
- Improved underwriting and onboarding automation
- Expanded credit card and "buy now, pay later" offerings

The added functionality, tailored to meet growing demand in the broader services sector for flexible payment options, expands QuickFee's processing margins while driving greater platform scalability across the QuickFee portfolio.

Xero software integration launched[1]

QuickFee's integration with cloud-based accounting software Xero, which went live in Q1 FY22, makes it easier for accountants to accept online payments—including credit cards, EFT and payment plans—from one place, helping solve accounting industry workflow challenges.

Customers will be able to click a link on their invoice and pay from their phone, browser or tablet, removing data entry work from both sides of the equation.

For more information on the QuickFee Xero integration, please see: https://quickfee.com.au/xero/xero-now-live/

QuickFee Connect

QuickFee Connect is now launched, integrating first with CCH ProSystem fx Practice Management, the most widely used enterprise accounting firm fee invoice management software in the US, opening 65% of the US market to QuickFee's suite of payment solutions. Connect delivers a compelling value proposition for both CPA firms and their clients. CPA firms can now easily present clients with

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QuickFee's full suite of Pay Now and Pay Later solutions, automating invoice payments, receipting and reconciliation. The natively integrated payment gateway for QuickFee Connect gives CPA firms' customers payment choice, selecting from credit card, ACH/EFT, or Financing options—increasing merchant adoption, customer retention, and payment transaction velocity.

QuickFee now has integrations with Xero, GreatSoft, Actionstep and Practice Engine, with more to be rolled out.

Merchant Direct

Launch of a fully automated merchant application process[1]

QuickFee's new Merchant Direct application platform is now live. It enables fully automated merchant underwriting and onboarding with efficient workflow to support growing demand and bringing true low-cost scalability to QuickFee's merchant acquisition program.

To achieve this, QuickFee joined forces with SALIX Data, a global leader in intelligent automation and business process outsourcing. There were three key achievements that resulted from this collaboration:

1. **Enabling a self-enrolment option**. With a self-enrolment option, merchants can receive a faster decision on their Instalments application and eliminate an extra touchpoint in many cases.

2. **Supporting an automated underwriting system**. The QuickFee Instalments application process is now streamlined so merchants can provide all the required identity and banking information for their business through a secure and user-friendly application portal.

3. **Simplifying the QuickFee onboarding system**. By increasing communication across QuickFee's systems, it is easier and faster for merchants to start offering QuickFee Instalments once their application is approved.

Key economic benefits from this platform are increased lead conversion rates and lower merchant credit check, underwriting and acquisition costs. By driving more leads directly to this application site digitally, average cost per lead decreases also.

Key leadership and advisory appointments

Chief Revenue Officer hire

QuickFee is delighted to announce the appointment of Aubrey Amatelli as Chief Revenue Officer, US. Aubrey is a highly accomplished payments sales leader who will be responsible for driving new merchant acquisition and processing volume across all QuickFee's payments solutions—ACH, credit card, Financing, and Instalments. Aubrey's responsibilities include the success of all four go-to-market strategies—Direct & Enterprise Sales, ISO & Channel, Strategic Partnerships & Integrations, along with Merchant Direct.

Aubrey has over 10 years of sales leadership experience in fintech and payments. Before joining QuickFee, Aubrey served as an Executive Director at JPMorgan Chase where she was instrumental in building, scaling and growing the sales and revenue management teams for JPMorgan's middle market payments division. Most recently she was on the technology and disruptive commerce team helping fintech companies grow from seed to initial public offering (IPO). Previous leadership roles at JPMorgan include Executive Director Merchant Services and Vice President Business Development. Aubrey

started her payments career at early-stage start-up, Bloomspot, where she was influential in their rapid growth and acquisition as a top Account Executive.

Key Strategic Advisory Board appointments

QuickFee launches Strategic Advisory Board to provide additional payments industry expertise for strategic near- and long-term planning, driving growth through expanded distribution, and to provide counsel for corporate and commercial opportunities. Initial appointments to the QuickFee Strategic Advisory Board in Q1 FY22 are Sharat Shankar and Don Singer.

Sharat Shankar possesses a uniquely valuable set of experience and skills for the fintech industry, with long-standing expertise of 20+ years in both payments (card and ACH) and lending (business and consumer). He brings to the table a growth mindset coupled with a unique blend of strategic, entrepreneurial, and operational knowledge and skills. Sharat, who currently serves as Senior Vice President of US Risk for FleetCor, a US$25 billion market cap business spend management payments company, has extensive domain experience in risk management, analytics, and business operations. He was founding Chief Risk Officer at LendingPoint and previously Chief Risk and Operations Officer at LendingUSA, both focused on merchant working capital and point-of-sale lending solutions. He has partnered with Eric Lookhoff, QuickFee's CEO previously, to drive go-to-market success across large public companies Intuit and First Data, as well as early-stage payment processor and merchant acquirer Electronic Clearing House, which was successfully acquired by Intuit.

Don Singer is a highly successful and sought-after payments industry executive with over 20 years' experience focusing on sales, marketing, and operations, including 15 years at ACH and card merchant acquirer, EZCheck as Chief Operating Officer where Don was responsible for leading the organisation through an eventual private-equity acquisition. His data-driven and pragmatic approach to building and growing payment processing companies has generated significant top line and bottom-line growth for small, medium, and large companies with both direct and independent sales organisations (ISO's). Don is currently Chief Revenue Officer at merchant acquirer VeriCheck and is considered an industry expert in driving merchant service payments volume through ISOs, particularly ACH and card processing. He too has partnered with Eric Lookhoff previously, to drive sales and regional market success while at First Data.

Upcoming investor day

QuickFee will be holding a virtual investor day on Wednesday, 20 October 2021 at 11:00 am (AEDT). The event will allow investors to gain a deeper insight into the QuickFee business with members of the leadership team across the various segments of the business, providing an update on strategy, competitive landscape, product range, business model, outlook and more.

Attendance is free; however, registration is required. Register to attend at:
https://us02web.zoom.us/webinar/register/WN_0WPmmWCuRIKLVvwJujZEFQ

Notes

1. Except where previously disclosed to the market under ASX Listing Rule 3.1, the strategic partnership with BlueSnap, the Xero software integration, the collaboration with SALIX Data and the Huntington Learning Center contract, do not alone or together constitute material agreements, material contracts with customers or market sensitive information under ASX Listing Rule 3.1.

This announcement has been authorised for release by the directors.

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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 loan origination offerings to professional, commercial, and personal 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 card, EFT/ACH, payment plan, or a "buy now, pay later" instalment plan.

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

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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 merchant	Any merchant that has had a transaction with QuickFee in the period referred to	
Connect	QuickFee's product name for its point-of-payment integration, e-invoicing and receivables management product strategy	
CC	Credit card	
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	A merchant. Typically used to describe a professional services firm (e.g. an accounting or law firm)	
Merchant	Term to describe QuickFee's primary customer who is the service provider, who signs up to use QuickFee's platforms and issues invoices	
QFI	QuickFee Instalments	QuickFee's "buy now, pay later" product using Splitit's technology to enable a customer to pay their invoice in four instalments using the unused balance of their credit card
QuickFee Financing	QuickFee's traditional 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 without taking out a payment plan	
pcp	Previous corresponding period	For example, the pcp for the September 2021 quarter is the September 2020 quarter
TTV	Total transaction value	The total value of all ACH/EFT and credit card Pay Now transactions (plus payment plans except where stated)