

ASX Release | 20 January 2025

## Q2 FY25 Quarterly business update

Continued growth trajectory with Q2 FY25 revenue up 22%

**QuickFee Limited (ASX: QFE)** ("QuickFee", "Company") today announced a business update for the quarter ended 31 December 2024 (Q2 FY25).

### Q2 FY25 HIGHLIGHTS

- **Record quarterly revenue of A\$ 6.2m, up 22% on the prior corresponding period (pcp):** Reflecting continued strong growth in the core Finance product in both Australia and the US
- **Increasing adoption of Connect:** Total firm invoices delivered via Connect up 42% quarter-on-quarter and 95 firms signed up for Connect at 31 December 2024, up 38% quarter-on-quarter
  - **New Connect integration with PracticeERP:** Launched in December 2024 with strong onboarding pipeline to Connect in 2025 through a large private equity accounting firm consolidator<sup>1</sup>
- **Gaining traction in secondary verticals:** Positive momentum in QuickFee Finance loan volume in secondary verticals including legal, government contracting, executive search and other professional service businesses
- **On track for profitability:**
  - EBTDA positive in Q2 FY25;
  - FY25 earnings guidance unchanged: FY25 EBTDA in the range of A\$1.5 - A\$2.5 million, with a stronger second half

**Quarterly business update presentation:** To watch an accompanying presentation of the quarterly business update and ask any questions, please visit the QuickFee investor hub here:

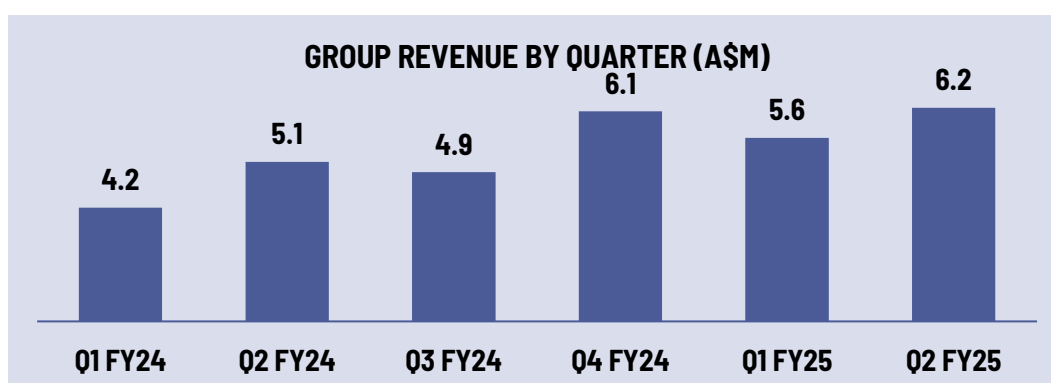
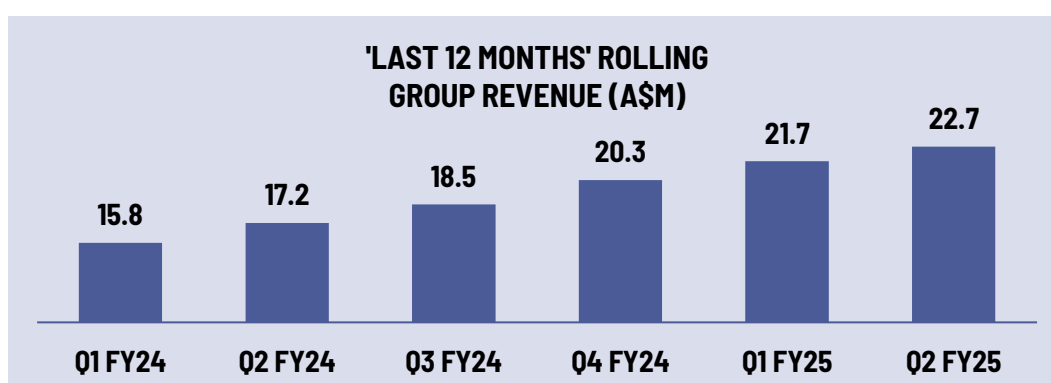
[investorhub.quickfee.com/business-updates](https://investorhub.quickfee.com/business-updates)

Q2 FY25 PERFORMANCE <sup>2</sup>	Q2 FY25	Q2 FY24	YEAR-ON-YEAR MOVEMENT
<b>REVENUE</b>			
US Finance (Pay Over Time)	<b>US\$ 0.7 M</b>	US\$ 0.6 M	+17%
US Pay Now (ACH & Card)	<b>US\$ 1.3 M</b>	US\$ 1.2 M	+8%
AU Finance (Pay Over Time)	<b>A\$ 2.7 M</b>	A\$ 1.9 M	+42%
<b>GROUP REVENUE INCLUDING ANCILLARY PRODUCTS</b>	<b>A\$ 6.2 M</b>	<b>A\$ 5.1 M</b>	<b>+22%</b>
<b>TOTAL TRANSACTION VALUES (TTV)</b>			
US Finance (Pay Over Time)	<b>US\$ 10.0 M</b>	US\$ 7.7 M	+30%
US Pay Now (ACH & Card)	<b>US\$ 396 M</b>	US\$ 358 M	+11%
AU Finance (Pay Over Time)	<b>A\$ 16.1 M</b>	A\$ 14.4 M	+12%

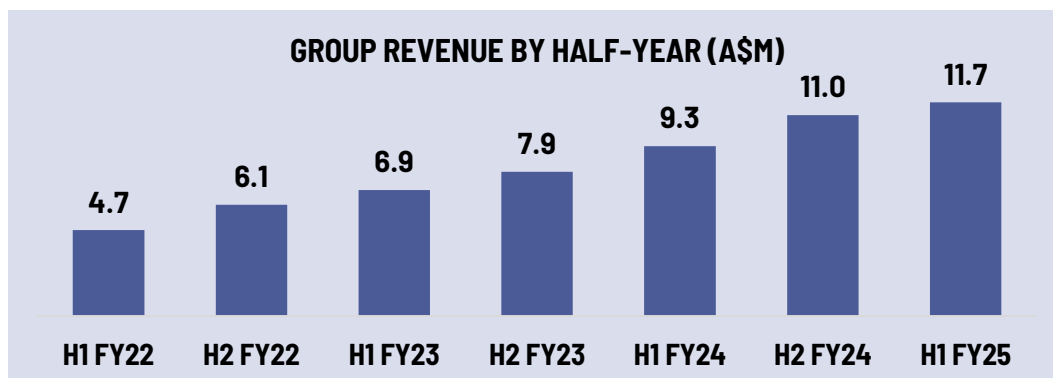
H1 FY25 PERFORMANCE <sup>2</sup>	H1 FY25	H1 FY24	YEAR-ON-YEAR MOVEMENT
<b>REVENUE</b>			
US Finance (Pay Over Time)	<b>US\$ 1.4 M</b>	US\$ 1.2 M	+17%
US Pay Now (ACH & Card)	<b>US\$ 2.3 M</b>	US\$ 2.2 M	+5%
AU Finance (Pay Over Time)	<b>A\$ 5.4k</b>	A\$ 3.6 M	+50%
<b>GROUP REVENUE INCLUDING ANCILLARY PRODUCTS</b>	<b>A\$ 11.7M</b>	<b>A\$ 9.3M</b>	<b>+26%</b>
<b>TOTAL TRANSACTION VALUES (TTV)</b>			
US Finance (Pay Over Time)	<b>US\$ 16.7 M</b>	US\$ 13.6 M	+23%
US Pay Now (ACH & Card)	<b>US\$ 705 M</b>	US\$ 626 M	+13%
AU Finance (Pay Over Time)	<b>A\$ 31.7 M</b>	A\$ 25.4 M	+25%

## GROUP REVENUE COMMENTARY

In Q2 FY25, quarterly revenue was A\$ 6.2 million, up 22% on pcp. QuickFee group revenue by quarter is steadily trending upwards over time, with the 'last 12 months' rolling group revenue of A\$22.7 million in Q2 FY25, up 32% on pcp. Revenue is seasonally stronger in Q2 and Q4 each fiscal year.



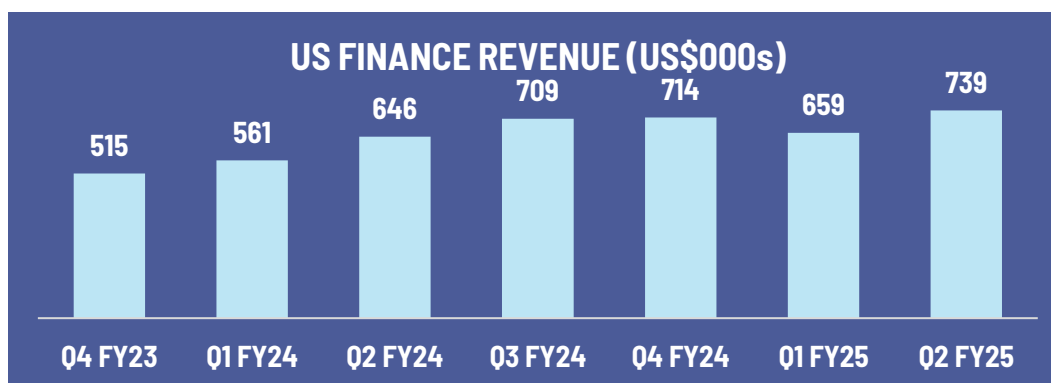
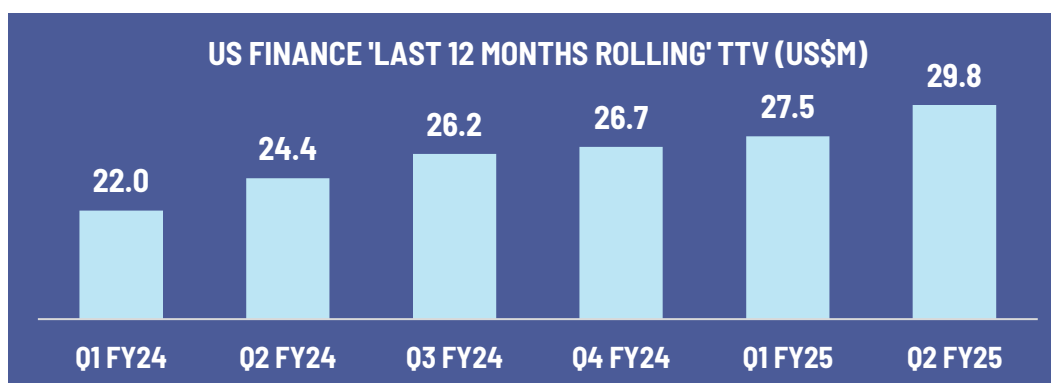
Importantly, revenue growth of 26% on pcp to A\$11.7 million in H1 FY25 (H1 FY24: A\$9.3 million), together with a continued focus on cost management, has delivered positive EBTDA in Q2 FY25 and provides confidence that QuickFee is on track to deliver FY25 EBTDA in the range of \$1.5 –\$2.5 million, with H2 traditionally being the stronger half of any fiscal year.



## US COMMENTARY

The US business continued to grow in Q2 FY25 with US Finance (Pay Over Time) revenue up 17% on pcp to US\$ 0.7 million (Q2 FY24: US\$ 0.6 million) and US Finance TTV up 30% on pcp to a record US\$ 10.0 million (Q2 FY24: US\$ 7.7 million).

## QUICKFEE FINANCE



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## QUICKFEE FINANCE

The Finance product allows clients to pay over 3, 6, 9 or 12 months while the firm gets paid in full within three business days at no cost to the firm, usually with no credit approval process for the client. Revenue is generated from the interest paid by the clients of professional services firms when they take out a payment plan to pay the fee invoices they receive. The Finance product has revenue yields that are ~25x greater than the Pay Now product.

As revenue is recognised over the life of the loan term (the US weighted average loan term in H1 FY25 was 9.6 months), TTV growth in any quarter will positively impact revenue in both current and future quarters.

In Q2 FY25, US Pay Now revenue (including both ACH and Card) was up 8% on pcp to US\$ 1.3 million (Q2 FY24: US\$ 1.2 million). US Pay Now TTV increased 11% on pcp to US\$ 396 million (Q2 FY24: US\$ 358 million) on slightly lower revenue yields.

### Increasing adoption of Connect

In the past quarter, QuickFee US has focused on increasing the adoption of Connect, through cross-selling to the existing customer base, attracting new firms and expanding through strategic partnerships. QuickFee now has five Connect integrations with the major practice management solutions, including Thomson Reuters Practice CS and PracticeERP, which launched in December 2024.

## QUICKFEE CONNECT (US only)

QuickFee Connect offers a scalable Accounts Receivable solution that is designed specifically for accounting firms with a competitive subscription pricing model. It delivers an ecosystem for firms that want to build their own tech stack with deep functionality.

Connect automatically emails firms' invoices to their clients with a link to the QuickFee portal to enable all e-invoice recipients to pay over time with QuickFee's Finance product or pay in full via EFT/Card. By delivering up to 100% of firms' invoices electronically and directing more of firms' clients to pay online rather than by check, Connect drives both new subscription revenue streams and increases all products' TTV.

In Q2 FY25, QuickFee delivered 17,000 firm invoices via Connect, up 42% on Q1 FY25 (12,000). As at 31 December 2024, QuickFee has 95 firms signed up for the Connect platform, up 38% quarter-on-quarter. This includes 47 live customers and a further 48 in the implementation phase and expected to go-live in Q3 FY25. Around half of the firms in the implementation phase were signed up through the Thomson Reuters integration, which launched in Q1 FY25. Thomson Reuters Practice CS is the most widely used practice management system used by QuickFee's firms.

In addition, QuickFee has a strong onboarding pipeline with a large private equity accounting firm consolidator, who is standardising the use of QuickFee Connect across its portfolio companies over the next year.<sup>1</sup>

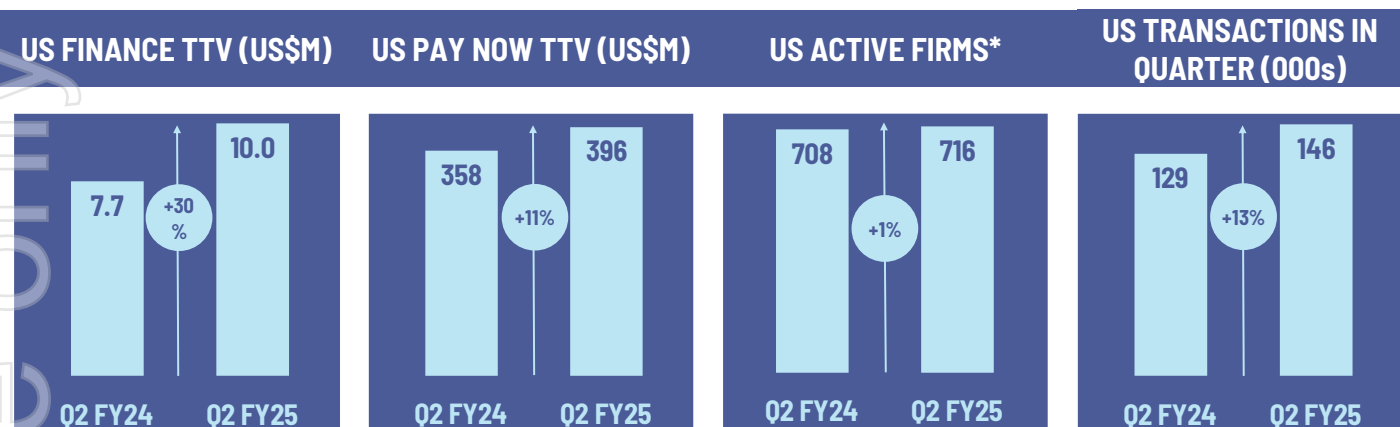
### New payment portal launched

QuickFee has launched a new payment portal which offers expanded functionality beyond the traditional payment landing page. The portal will allow customers to store their ACH and Card information, set up recurring payment plans, access historical invoices, set up autopay for future invoices and easily pay multiple invoices.

### Gaining traction in secondary verticals

In Q2 FY25, QuickFee acquired several large new customers in the legal vertical. In Q3 FY25, QuickFee will be working on gaining further traction in secondary verticals where QuickFee has proven success, including legal, government contracting, executive search and CFO advisory. The diversification of revenue across multiple verticals, significantly expands the addressable market for QuickFee's unique payment product suite for professional services firms.

## US OPERATIONAL METRICS



\*Prior year restated downwards by 17 firms, refer to Appendix for details.

US Active firms grew to 716 (Q2 FY24: 708) and US Transaction numbers grew 13% on pcp. Over the past year, QuickFee's strategy has been to attract larger firms, which have the potential to deliver higher transaction volumes through its payments platform and are better resourced to modernise their internal processes.

North America President, Jennifer Warawa said:

*"In the past quarter, we have further invested in new Connect integrations, and we now have five integrations with the leading accounting practice management solutions in the US. This enables us to further drive transaction volume growth on our platform across our product suite and establish new recurring, high-margin revenue streams.*

*We are very pleased with the strong increase in the number of invoices delivered via Connect and new firm sign-ups to Connect in Q2 and our onboarding pipeline remains very strong.*

*Our continued investment in Connect as a key driver of future growth led to a streamlining of the leadership team in Q2 FY25. We continue to maintain disciplined cost control across the business as we transition to operating profitability in H2 FY25.*

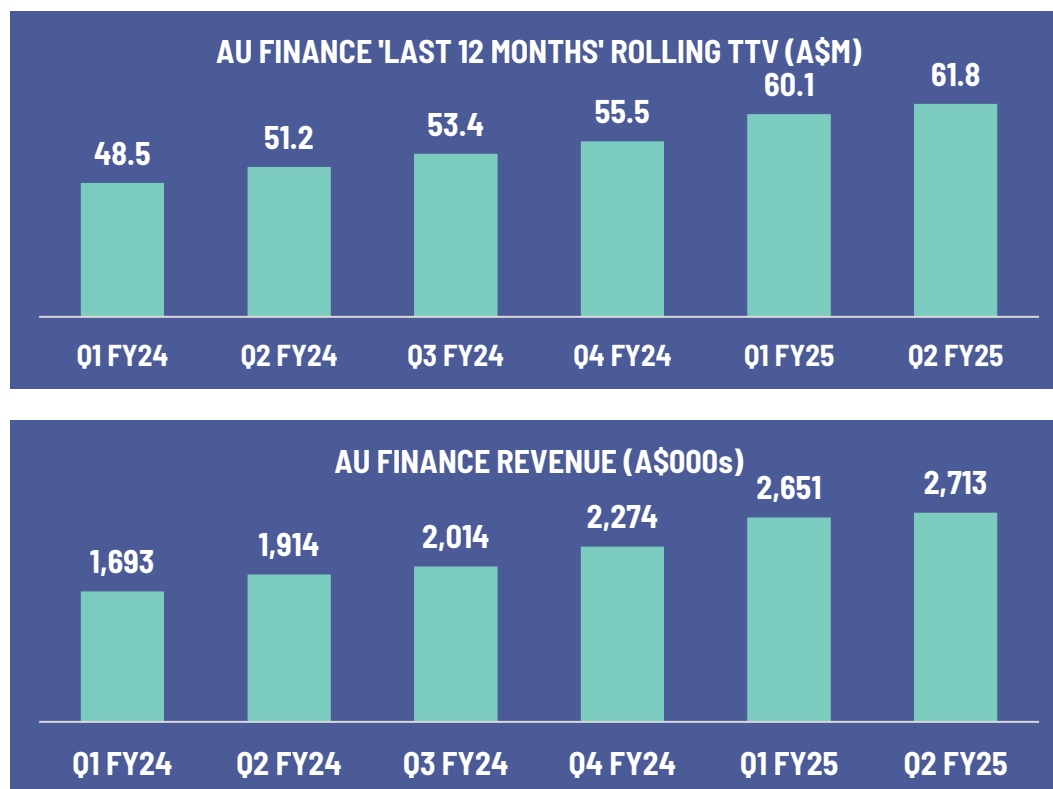
*The acquisition of new customers in the legal vertical demonstrates the appeal of our Finance solution across a broader target market of professional services firms and we expect to continue this diversification of revenue in H2 FY25.*

*We have a strong pipeline of partnership opportunities and demand remains strong, giving us confidence in our continued growth in H2 FY25."*

## AUSTRALIA (AU) COMMENTARY

The Australian business continued to perform well in Q2 FY25, with AU Finance revenue up 42% on pcp to A\$ 2.7 million (Q2 FY24: A\$ 1.9 million), driven by a 12% increase in AU Finance transaction volume to A\$ 16.1 million (Q2 FY24: A\$ 14.4 million).

### QUICKFEE FINANCE

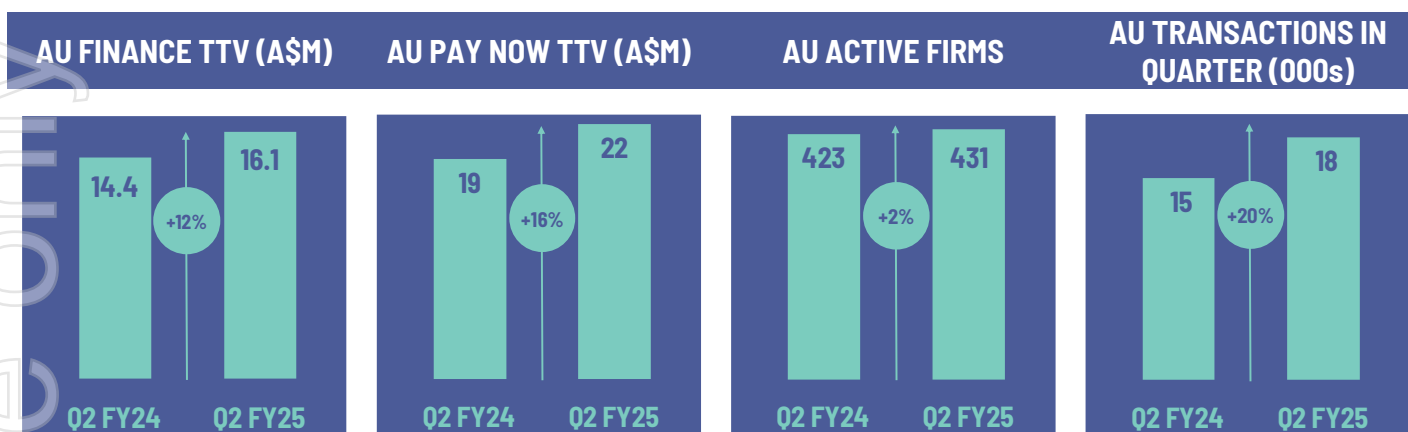


The fee funding Finance product and the legal disbursement funding Finance product ("DF") both saw strong TTV growth in Australia in the quarter. The DF product has a compounding interest model and now comprises approximately 35% of the total AU book; yields are higher on this product than fee funding, as there are no instalments paid and as interest revenue compounds, revenue is recognised on existing loans as well as new originations. The revenue yield improvement in Q2 FY25 of 360 bps on pcp primarily reflects the continued growth in the legal disbursement funding book.

Transactions in Q2 FY25 increased 20% on pcp to 18,000 and the number of Active Firms transacting in the quarter increased by 2% on pcp to 431 (Q2 FY24: 423).

The 'Q Pay Plan' BNPL product also continued to grow strongly with Q2 FY25 TTV up 100% to a record A\$ 1.6 million on pcp (Q2 FY24: A\$ 0.8 million).

## AU OPERATIONAL METRICS



## FUNDING UPDATE AND LIQUIDITY

At 31 December 2024, the Company had A\$ 3.5 million unrestricted cash on hand, with borrowing growth capacity of a further A\$ 21.5 million from existing facilities available to fund future loan book growth. The Company keeps cash on hand to the minimum required to run the business, in order to minimise borrowing costs.

As previously reported to the market, QuickFee's existing receivables-backed debt facility with Northleaf Capital Partners Limited ("Northleaf") matures on 17 November 2025. Discussions are well progressed with potential lenders to secure financing, expected to replace the Northleaf facility in H2 FY25 at equal or lower funding costs.

With the A\$ 4.4 million capital raise completed last year and an EBTDA positive Q2 FY25, QuickFee's balance sheet remains strong. With FY25 EBDTA expected to be in the range of A\$ 1.5 - A\$ 2.5 million, QuickFee is funded sufficiently to achieve sustainable profitability.

## OUTLOOK

Non-executive Chairman Dale Smorgon said:

*"Our growth trajectory remains on track with quarterly revenue up 22% year-on-year and half-year revenue up 26% year-on-year. Our investment in the Connect product and integrations over the past year is starting to deliver results, with 95 firms now signed up for the platform and our strong onboarding pipeline indicates that our transaction volumes will increase further in Q3 FY25. Demand for our solutions remains strong and we are encouraged by the opportunity to further diversify our US revenue across secondary target verticals in 2025. We remain committed to disciplined cost control and confirm guidance for an expected FY25 EBTDA in the range of \$1.5 - \$2.5 million, weighted to the second half."*

This announcement has been authorised for release by the directors.

— END —

<sup>1</sup> Except where previously disclosed to the market under ASX Listing Rule 3.1, the strategic partnership(s) mentioned in this release, do not alone or together constitute material agreements, material contracts with customers or market sensitive information under ASX Listing Rule 3.1.

<sup>2</sup> All figures shown are unaudited, from management accounts.

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## ABOUT QUICKFEE

QuickFee (ASX: QFE) is a fast-growing financial technology company. Our mission is to help professional service firms accelerate their accounts receivables and get paid faster. With multiple online payment options and powerful e-invoicing integrations for practice management systems, the QuickFee platform speeds up the bill-to-cash cycle for firms.

Through the QuickFee portal, clients can pay their professional service provider with a credit or debit card, EFT or ACH transfer, or a payment plan over 3-12 months. It allows the client to set their own pace for payments while the firm gets paid upfront and in full.

QuickFee operates in the United States and Australia and focuses on serving the accounting and legal professions. For more information, please visit [quickfee.com](https://quickfee.com) or the QuickFee investor hub at [investorhub.quickfee.com](https://investorhub.quickfee.com).

## QUICKFEE INVESTOR HUB

To stay up to date with the latest news and announcements, access investor-related resources including ASX releases, video updates, educational material and insights into the QuickFee's activities, people and strategic direction, and interact with QuickFee by posting questions and feedback, we encourage investors to sign up to the QuickFee investor hub.

- Visit the QuickFee investor hub at [investorhub.quickfee.com](https://investorhub.quickfee.com) or scan the QR code here:



- Sign up for a QuickFee investor hub account at [investorhub.quickfee.com/auth/signup](https://investorhub.quickfee.com/auth/signup)
- Post questions and feedback in the Q&A section.



## APPENDIX

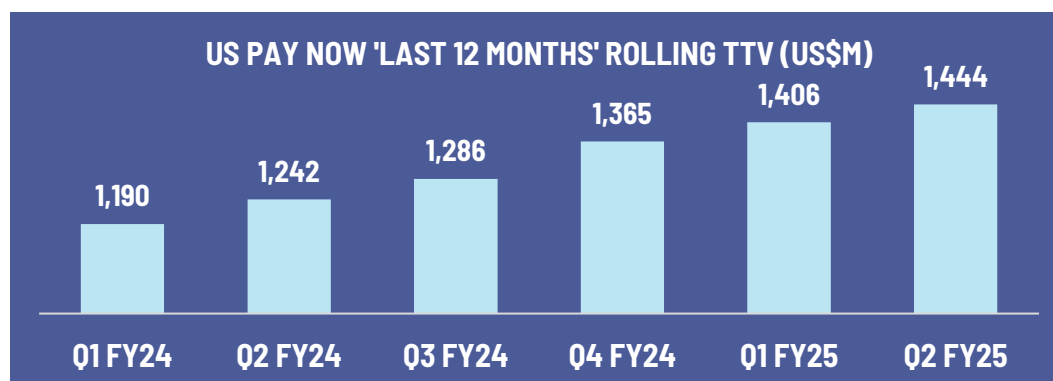
## DETAILED OPERATIONAL &amp; FINANCIAL METRICS

## US FINANCE

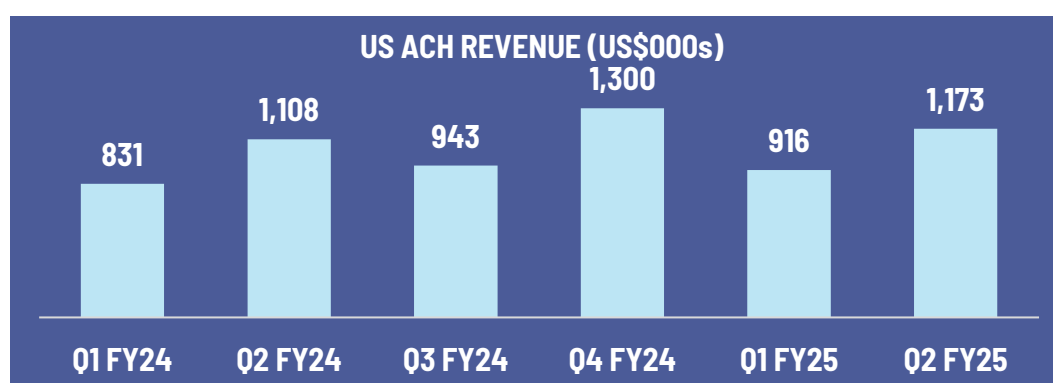
TTV IN US\$M REVENUE IN US\$000s	Q2 FY25	Q2 FY24	% +/-	H1 FY25	H1 FY24	% +/-
<b>TTV</b>	<b>10.0</b>	<b>7.7</b>	<b>+30%</b>	<b>16.7</b>	<b>13.6</b>	<b>+23%</b>
Financing revenue (interest)	689	600	+15%	1,313	1,131	+16%
Payments and other revenue	50	46	+9%	85	76	+12%
<b>Total revenue</b>	<b>739</b>	<b>646</b>	<b>+14%</b>	<b>1,398</b>	<b>1,207</b>	<b>+16%</b>
<i>Total revenue/volume yield %</i>	<i>7.4%</i>	<i>8.4%</i>	<i>-100 bps</i>	<i>8.4%</i>	<i>8.9%</i>	<i>-50 bps</i>

In Q2 FY25, the US Finance revenue yield (revenue divided by TTV) decreased 100 bps on pcp, as several large loan originations were completed towards the end of the quarter, thus contributing one month's revenue in Q2 FY25, while 100% of lending volume counts towards the quarter's TTV.

## US PAY NOW

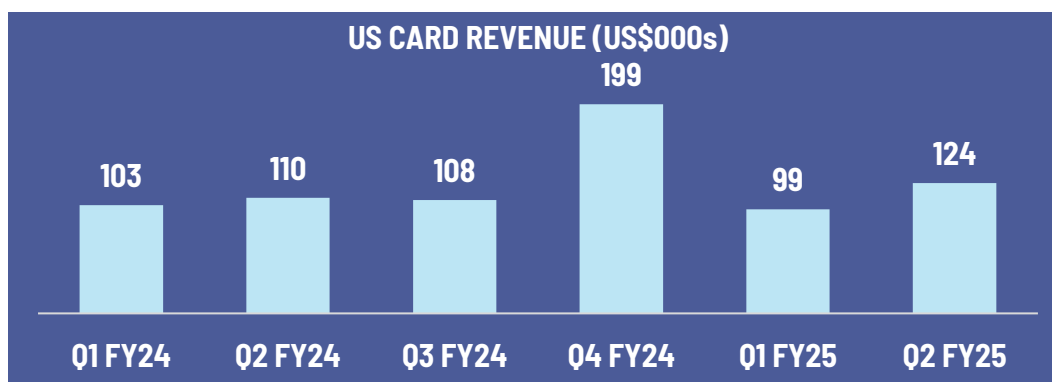


## US ACH



TTV IN US\$M REVENUE IN US\$000s	Q2 FY25	Q2 FY24	% +/-	H1 FY25	H1 FY24	% +/-
TTV	325	298	+9%	579	517	+12%
Total revenue	1,173	1,108	+6%	2,089	1,939	+8%
Total revenue/volume yield %	0.36%	0.37%	-1 bps	0.36%	0.38%	-2 bps

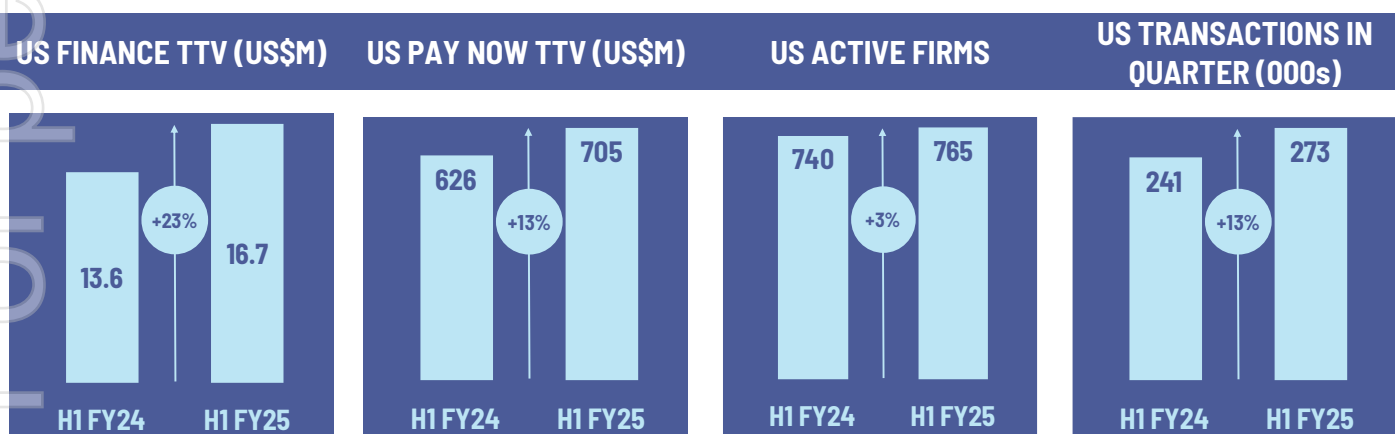
## US CARD



TTV IN US\$M REVENUE IN US\$000s	Q2 FY25	Q2 FY24	% +/-	H1 FY25	H1 FY24	% +/-
TTV	71	60	+18%	126	109	+16%
Total revenue	124	110	+13%	223	213	+37%
Total revenue/volume yield %	0.17%	0.18%	-1 bps	0.18%	0.20%	-2 bps

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

## H1 FY25 US OPERATIONAL METRICS



## REVISED ACTIVE FIRM NUMBERS

### Correction to previously reported active firm numbers

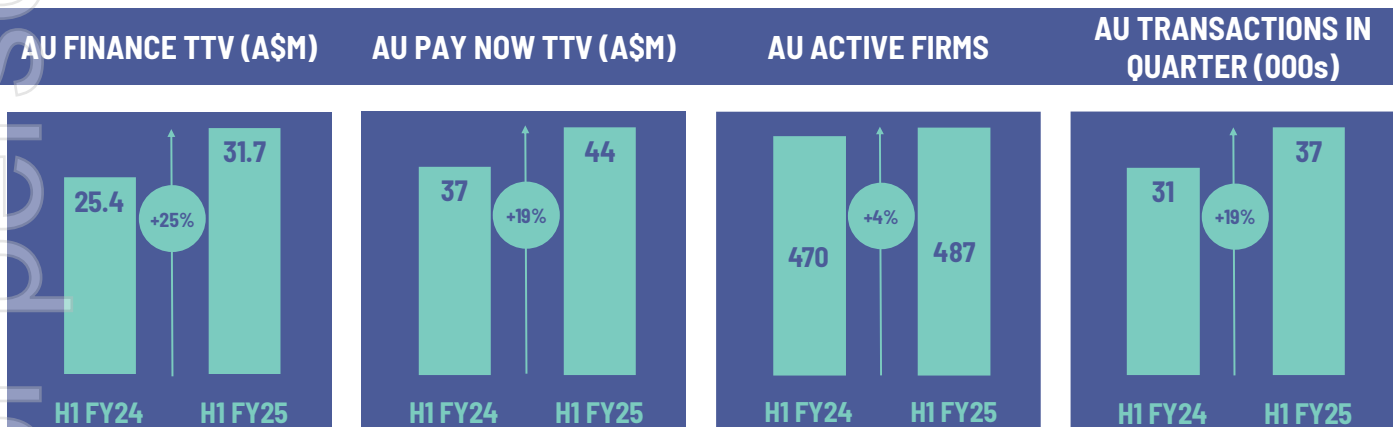
Figures for active firms from Q1 FY23 to Q1 FY25 have been revised downwards; for these periods, several firms were included twice due to systems recording different credit card merchant IDs. Revised active firm numbers are set out below.

US ACTIVE FIRMS	FY23							FY24							FY25
	Q1	Q2	H1	Q3	Q4	H2	FY23	Q1	Q2	H1	Q3	Q4	H2	FY24	Q1
Previously reported	646	657	693	667	699	717	756	699	725	757	689	705	717	794	755
Revised	629	640	676	650	682	700	739	682	708	740	672	688	700	777	738

## AU FINANCE

TTV IN A\$M REVENUE IN A\$000s	Q2 FY25	Q2 FY24	% +/-	H1 FY25	H1 FY24	% +/-
<b>TTV</b>	<b>16.1</b>	<b>14.4</b>	<b>+12%</b>	<b>31.7</b>	<b>25.4</b>	<b>+25%</b>
Financing revenue (interest)	2,506	1,732	+45%	4,954	3,262	+52%
Payments and other revenue	207	182	+14%	410	345	+19%
<b>Total revenue</b>	<b>2,713</b>	<b>1,914</b>	<b>+42%</b>	<b>5,364</b>	<b>3,607</b>	<b>+49%</b>
<i>Total revenue/volume yield %</i>	<i>16.9%</i>	<i>13.3%</i>	<i>+360 bps</i>	<i>16.9%</i>	<i>14.2%</i>	<i>+270 bps</i>

## H1 FY25 AU OPERATIONAL METRICS



## GLOSSARY OF TERMS

<b>ACH</b>	Automated Clearing House	A type of electronic bank-to-bank payment in the US, equivalent to EFT in Australia
<b>ACTIVE FIRM</b>	Any firm that has had a transaction with QuickFee in the relevant period	
<b>APR</b>	Annual percentage rate	The annual rate of interest on payment plans or loans
<b>BNPL OR Q PAY PLAN</b>	BNPL powered by QuickFee	QuickFee's 'Buy Now, Pay Later' product to enable a customer to pay their invoice in 3-12 instalments using the unused balance of their credit card
<b>CARD / CC</b>	Debit / Credit card	
<b>CONNECT</b>	QuickFee's product name for its point-of-payment integration, e-invoicing, automated collections and receivables management product	
<b>CUSTOMER</b>	The customer of a merchant, who will use one of QuickFee's payment options to pay their invoice	
<b>EFT</b>	Electronic funds transfer	An Australian domestic payments network that facilitates the transfer of funds electronically
<b>FIRM</b>	Typically used to describe a professional services firm (e.g. an accounting or law firm)	
<b>KYC</b>	Know your customer	Practice to verify the identity of customers in compliance with laws and regulations
<b>MERCHANT</b>	A firm.	
<b>QUICKFEE PAY NOW</b>	QuickFee's payment gateway that enables customers to pay their invoice in full to the merchant with or without taking out a payment plan	
<b>QUICKFEE FINANCING/ FINANCE/ LENDING/ PAY OVER TIME</b>	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	
<b>REVENUE YIELD</b>	Revenue recognised in accordance with QuickFee's accounting standards, divided by TTV, for the relevant product(s)	
<b>TOTAL LIQUIDITY</b>	Cash and cash equivalents held, plus undrawn borrowings that are available to be drawn from QuickFee's asset-backed credit facility based on the quantum of eligible loan receivables.	
<b>TRANSACTIONS IN QUARTER</b>	The aggregate number of completed Pay Now transactions and new Finance loans (payment plans) originated in the relevant quarter.	
<b>PCP</b>	Previous corresponding period	For example, the pcp for the December 2024 quarter is the December 2023 quarter
<b>TTV</b>	Total transaction value	The total value of all transactions for the relevant product(s)