



E-invoicing and payments for professionals.

Appendix 4D and Interim Report
for the half-year ended
31 December 2023

QuickFee.

QuickFee Limited

Appendix 4D

For the half-year ended 31 December 2023

Results for announcement to the market

Previous corresponding period: half-year ended 31 December 2022

	\$'000	UP/DOWN	MOVEMENT %
Revenue from ordinary activities	9,255	Up	34.5%
Loss from ordinary activities after tax attributable to members	(3,364)	Down	23.7%
Net loss for the period attributable to members	(3,364)	Down	23.7%

The group has reported a loss for the period of A\$3,364k (H1 FY23: A\$4,411k), with net assets amounting to A\$5,943k as at 31 December 2023 (30 June 2023: A\$8,945k), including cash reserves of A\$3,876k (30 June 2023: A\$3,387k).

Please refer to the 'review of operations and activities' on pages 4 to 12 for further explanation of the results.

Additional information supporting the Appendix 4D disclosure requirements can be found in the review of operations and activities and the financial statements for the half-year ended 31 December 2023.

Dividends

No dividends have been paid or declared by QuickFee Limited for the current financial period. No dividends of QuickFee Limited were paid for the previous financial period.

Net tangible assets per ordinary share

	31 DECEMBER 2023 CENTS	31 DECEMBER 2022 CENTS
Net tangible assets per ordinary share	2.02	4.59

Changes in controlled entities

The following controlled entities were registered in the half-year ended 31 December 2023:

- QuickFee WG Financing Pty Ltd, a special purpose entity for borrowings facility purposes, registered on 3 November 2023.

There have been no other changes in controlled entities during the half-year ended 31 December 2023.

Interim review

The financial statements have been reviewed by the group's independent auditor without any modified conclusion, disclaimer or emphasis of matter.

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The QuickFee Mission + Suite

QuickFee is a fast-growing financial technology company operating in the United States and Australia. We specialise in providing tailored payment and automated invoicing solutions for professional services firms – primarily accounting and law firms. Our core areas of focus include: streamlining client payments, speeding up the bill-to-cash cycle, and integrating with existing billing systems to eliminate manual work for the firm. The result? Firms get increased access to working capital – and can spend less time chasing down payments.

Our vision goes beyond streamlined payments. **We help busy professionals find easier ways to scale their business and increase revenue, so firms can step into their full potential with confidence.**



Pay Now (ACH/EFT + Card):

Traditional digital payment options with transparent fees. One payment link to accept online credit card, debit card, or ACH/EFT.




Pay Over Time (Finance):

Client financing solution exclusive to QuickFee. Allows the firm's clients to pay over 3-12 months.



Connect US (Automation + Integration):

Effective way to automate the bill-to-cash workflow. Clients get automated email reminders with personalised payment links.



Powering new growth by leading with our proprietary financing solution.

QuickFee Finance (Pay Over Time) is a unique financing solution for professional services clients that continues to be one of our greatest differentiators in the market.

According to Thomson Reuters*, 72% of law firms face challenges with acquiring new client business or selling more services. Accounting firms face similar challenges, and also continue to struggle with getting paid on time. QuickFee's 2023 A/R and Invoicing Report saw a 47.6-day average for Days Sales Outstanding (DSO) at professional services firms, which is supported by recent findings from Dun & Bradstreet. This is significantly higher than the 8-day average found in top-performing companies.

*Thomson Reuters, 2022 State of US Small Law Firms.

How Does Your Firm's Days Sales Outstanding (DSO) Stack Up to the Top Performers?

In the Q3 2023 Dun & Bradstreet Accounts Receivable & DSO Report:

47.8 days average DSO for all business services

vs.

8 DAYS AVERAGE

DSO for top performing companies.

QuickFee Finance allows the firm to leverage payment flexibility as a competitive advantage to win new business. The firm gets funded the full amount upfront, while clients pay over 3-12 months at a low flat-rate interest charge. It's easy to set up and there is no cost to the firm to offer this option.

Benefits of QuickFee Finance:

- + **Improves cash flow** by ensuring that the firm gets 100% of the invoice upfront, while the client pays over time.
- + **Adds convenience for clients.** Firms can present otherwise good clients with a financing option to extend flexibility, with no credit checks or long applications.
- + **Sell more services:** Having a 'pay over time' option is proven to lower cost barriers for clients.

QuickFee gains momentum: set for meaningful growth and increased traction in H2 FY24

QuickFee is making great progress on our mission is to be the market leading accounts receivable accelerator for professional service firms.

- + Adopt e-invoicing
- + Automate their bill-to-cash workflow
- + Increase revenue per client.

We empower professional service firms to:

- + Embrace digital payments
- + Reduce accounts receivables through use of our specialised finance product

As a result, our customers achieve improved efficiency in their accounts receivable process and collections, freeing them up to do higher value work while enabling them to get paid faster.

TOTAL TRANSACTION VOLUMES (TTV)	H1 FY24	H1 FY23 (PCP)	YEAR-ON-YEAR MOVEMENT
US ACH (Pay Now)	US\$ 517m	US\$ 452m	+14%
US Card (Pay Now)	US\$ 109m	US\$ 96m	+14%
Total US Pay Now	US\$ 626m	US\$ 548m	+14%
US Finance (Pay Over Time)	US\$ 13.6m	US\$ 10.1m	+35%
AU Finance (Pay Over Time)	A\$ 25.4m	A\$ 20.6m	+23%

Review of operations and activities

Continued

United States: optimised sales model, enhanced product suite, concentrated industry focus and market tailwinds

Professional services – United States

In the first half of fiscal year 2024, we witnessed a significant increase in our overall transaction volumes, underscoring the robust performance of our digital payments platforms—QuickFee Finance, ACH, and Card. Additionally, Connect's integration with top-tier practice management systems has been met with a positive reception. These platforms offer flexible, intuitive payment methods for clients, substantially improving the payment experience, while also streamlining and economising the bill-to-cash process for firms.

Moreover, ongoing market trends in the accounting sector have served as catalysts for QuickFee's offerings in the US, with the most notable being the shortage of talent. This scarcity has compelled firms to adopt greater automation and efficiency to compensate for their challenges in staffing adequately.

Further, the US payments market continued modernising and moving more payment volume online and the professional services sector was a prime example of this shift. In a June 2023 survey of professional services firm contacts, 56% said that half or more of their clients were paying with paper checks – down from 77% of respondents in 2022. Only 4% reported that their firms still relied entirely on traditional mail for invoicing, with the majority now offering e-invoicing instead (or using a combination of both methods).

QuickFee's position in the market and these industry tailwinds drove growth in all QuickFee products. In H1 FY24, Active Firm numbers grew 9% to 757 (H1 FY23: 693) and Active Customers grew 10% to 148,000 (H1 FY23: 134,000). As a result, QuickFee's ACH and Card TTV in aggregate grew 14% over H1 FY23, up to US\$626 million (H1 FY23: US\$548 million).

This outcome is promising for what constitutes a highly scalable source of revenue, offering potential for growth as QuickFee expands and the utilisation of online billing and payments rises. Furthermore, the adoption of Connect has also led to a surge in transaction volumes via the QuickFee platform.

The QuickFee team has also invested considerable resources into two strategic partnerships with Allinial Global and IRIS Software Group, both designed to increase QuickFee's reach into the accounting profession by offering Finance as a unique value-add.

On the product and development side, we have ambitious goals for bringing payment plan functionality to QuickFee's proprietary technology platform in H2 FY24 and migrate existing Finance firms out of a third-party provider. This will result in security upgrades, faster updates, and a more seamless experience for QuickFee end users.



Review of operations and activities

Continued

QuickFee Finance

H1 FY24 Finance TTV was US\$13.6 million, up 35% on pcp (US\$10.1 million) and H1 FY24 US Finance revenue was US\$1.207 million, up 60% on pcp (H1 FY23: US\$0.756 million). US Finance revenue yields increased 140 bps on pcp to 8.9% (H1 FY23: 7.5%), as a result of the interest rate increases implemented in October 2022 and July 2023. As revenue is recognised over the life of the loan terms (the average loan term in H1 FY24 was 9.5 months), TTV growth in any quarter will positively impact revenue in both current and future quarters.

The demand for QuickFee Finance remains strong and the focus on this product implemented in recent months is now starting to show in reported TTV and revenue.

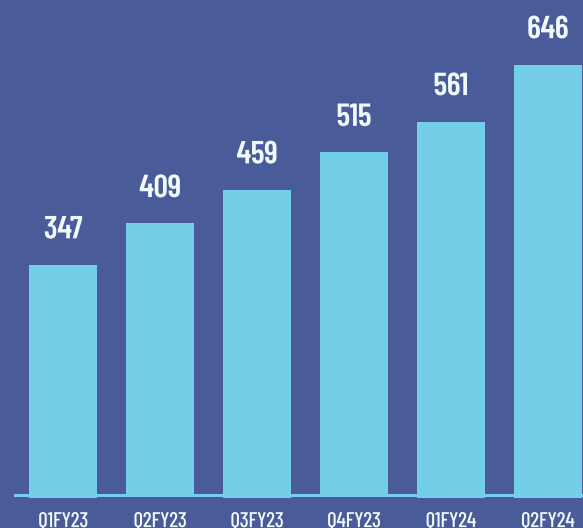
QuickFee Connect

Connect delivers a compelling value proposition for both CPA firms and their clients. CPA firms can easily present clients with QuickFee's full suite of Pay Now and Pay Over Time solutions, automating their bill-to-cash workflow. In H1 FY24, development work was done on QuickFee Connect to allow for rapid growth and stable scalability. Work commenced on integration with Thomson Reuters Practice CS, which is expected to be complete in H2 FY24, and will complement the integrations already in market (CCH Axcess and IRIS Practice Engine and CCH ProSystem fx). For customers that have adopted Connect, we have seen up to 64% in payment volume increase year-over-year, which further validates the importance of Connect in accelerating our transaction volume from both existing and new customers.

US FINANCING TTV (US\$M)



US FINANCE REVENUE (US\$000)

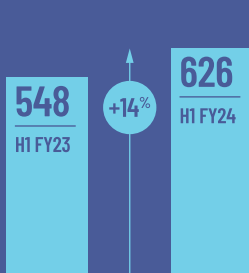


Operational metrics – United States

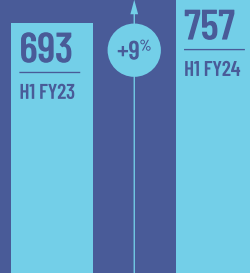
US FINANCE TTV (US\$M)



US PAY NOW (US\$M)



US ACTIVE FIRMS



US ACTIVE CUSTOMERS (000s)



Review of operations and activities

Continued

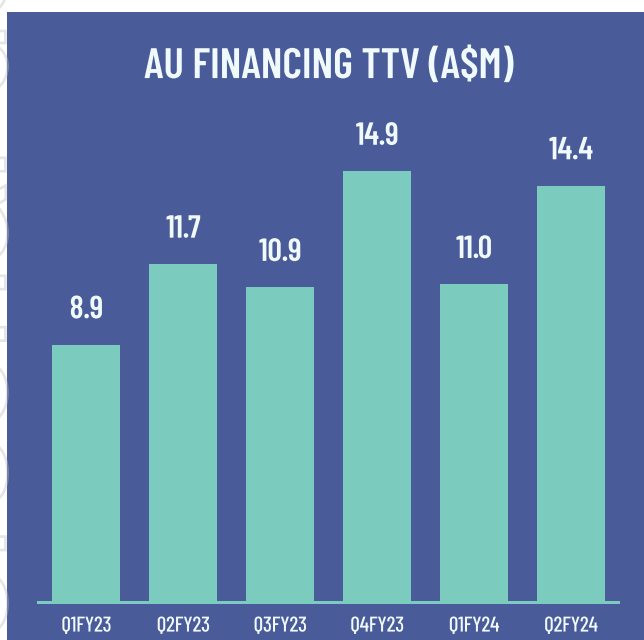
Australia: favourable economic conditions

In H1 FY24 the Australian business saw strong growth, with Finance TTV of A\$25.4 million, up 23% on H1 FY23 (A\$20.6 million). Total AU revenue was A\$4.1 million, up 52% on H1 FY23 (A\$ 2.7 million) with revenue yield on the Finance product up 290 bps to 14.2%. Active Customer numbers were up 22% to 28,000 (H1 FY23: 23,000), highlighting that demand remains robust in a rising interest rate environment, as professional services firms and their clients seek to improve their working capital.

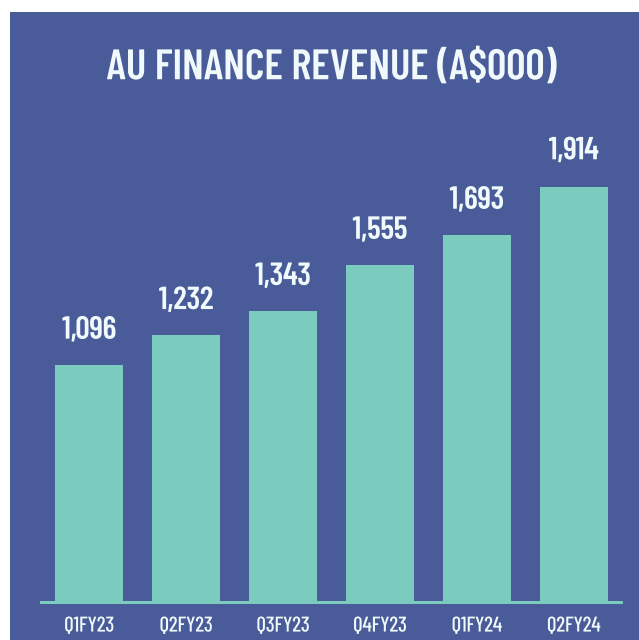
Revenue from the QuickFee Finance product grew 57% to A\$3.6 million (H1 FY23: A\$2.3 million) as a result of both the TTV growth over pcp and increases made to our interest rates in Q2 FY23 and Q1 FY24. QuickFee's legal disbursement funding product ("DF") saw robust growth, with the Australian DF loan book at A\$ 9.7 million at 31 December 2023 (30 June 2023: A\$6.5 million).

Our 'Q Pay Plan' product, which provides Finance to the homeowner services market and includes the Jim's Group Franchise agreement, grew strongly also with H1 FY24 TTV up 75% to A\$1.4 million (H1 FY23: A\$0.8 million).

AU FINANCING TTV (A\$M)

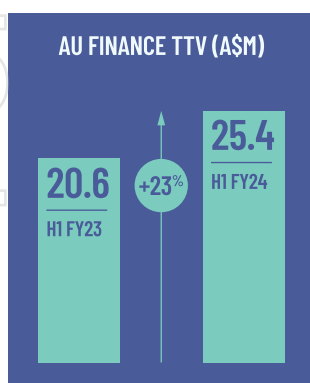


AU FINANCE REVENUE (A\$000)

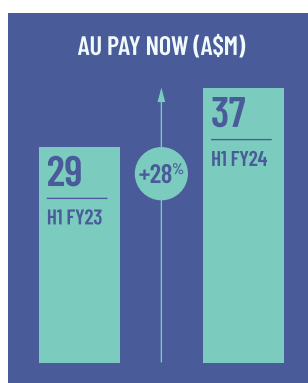


Operational metrics – Australia

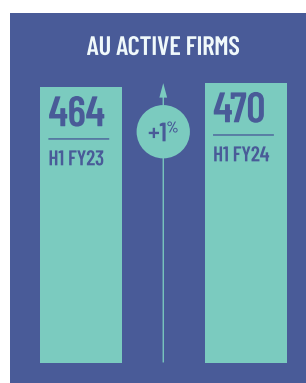
AU FINANCE TTV (A\$M)



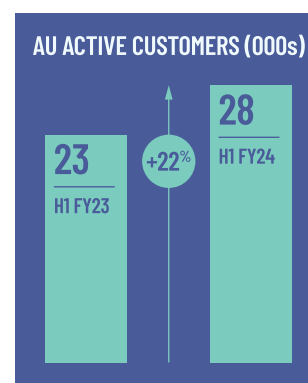
AU PAY NOW (A\$M)



AU ACTIVE FIRMS



AU ACTIVE CUSTOMERS (000s)



Financial performance

Profit & loss: Results reflect a combination of a refocus in the US on our highest margin product QuickFee Finance, a continued focus on cost containment and our low credit loss business model.

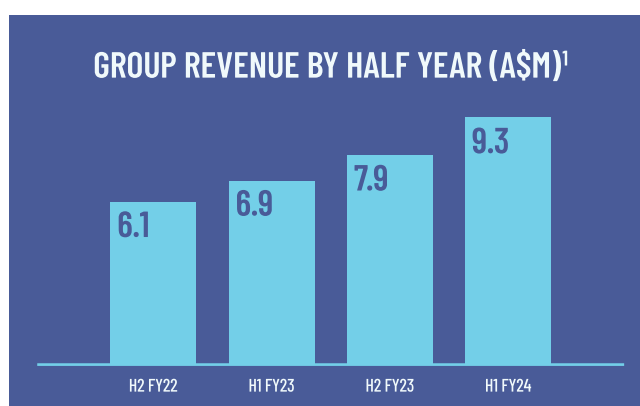
Strong growth across all products in both the US and Australia, combined with increasing revenue yields on the Finance product and steady operating expenses, drove an improved financial performance in H1 FY24.

The group reported revenue growth of 35% to A\$9.3 million for H1 FY24 (H1 FY23: A\$6.9 million), with interest revenue from Finance up 55% to A\$5.1 million (H1 FY23: A\$3.3 million) and payments and other revenue up 17% to A\$4.2 million (H1 FY23: A\$3.6 million).

As QuickFee's lending activities are funded by 85%-90% borrowings and 10%-15% own funds, a combination of growth in the loan books and the higher interest rate environment resulted in interest expense increasing to A\$2.1 million in H1 FY24 from A\$1.1 million in H1 FY23. The effects of increases in the interest rates charged to clients

of professional firms made during the year will continue to be reflected in interest revenue growth.

Cost of sales increased to A\$1.5 million (H1 FY23: A\$1.3 million), in line with the 14% increase in US Pay Now volumes.



REVENUE ANALYSIS

A\$'000	H1 FY24	H1 FY23	YEAR-ON-YEAR MOVEMENT
US ACH (Pay Now)	2,971	2,541	17%
US Card (Pay Now)	325	268	21%
US Finance (Pay Later)	1,850	1,126	64%
US BNPL	-	229	-100%
US revenue	5,146	4,164	24%
AU Finance (Pay Later)	3,607	2,328	55%
AU Pay Now	409	353	16%
AU BNPL	93	34	174%
AU revenue	4,109	2,715	51%
Group revenue	9,255	6,879	35%

SUMMARY PROFIT AND LOSS

A\$'000	H1 FY24	H1 FY23	YEAR-ON-YEAR MOVEMENT
Group revenue	9,255	6,879	+35%
Gross profit	5,707	4,456	+28%
Gross margin%	62%	65%	-300 bps
Other income	3	100	-97%
Operating expenses	(8,385)	(8,246)	+2%
Adjusted EBITDA¹	(2,675)	(3,690)	+28%
Depreciation and amortisation	(516)	(567)	-9%
Net finance costs	(173)	(154)	+12%
Loss for the period	(3,364)	(4,411)	+24%

¹ * Adjusted EBITDA = statutory EBITDA less interest expense on loan book borrowings. This metric deducts interest on operating borrowings but excludes other finance costs.

Financial performance

Continued

A breakdown of operating expense is shown below. The increase of 2% to A\$8.4 million (H1 FY23 A\$8.2 million) is a combination of further removal of non-essential costs from the business and a non-recurring lift in investment in product and technology: general and administrative costs decreased by A\$0.4 million and product development expenditure increased by A\$0.5 million.

In H1 FY24 the business engaged IT consultancy Growth Acceleration Partners for a review of our technology infrastructure, strategy and product roadmap and after completion of the review, their Chief Innovation Officer Dave Moore joined QuickFee as Chief Technology Officer. In Q2 FY24 QuickFee planned a restructure of the technology team that has resulted in reduced product development costs from January 2024. The cost of the IT review and other non-recurring product development costs in H1 FY24 totalled A\$0.5 million.

Sales and marketing and customer acquisition costs remained stable in H1 FY24. Investment in sales productivity technology and improving the onboarding

process for new firms has accelerated the 'time to value' and the changes to sales commission plans are designed to increase QuickFee Finance volumes without impacting remuneration cost levels.

The low credit risk nature of QuickFee's Finance product, which is reinforced by the professional firms' guarantee of their client's borrowings, continues to ensure minimal levels of bad debts across the business.

Net bad debt write-offs in H1 FY24 were A\$66,000, 0.14% of total lending (H1 FY23: 0.16%). The six average is 0.17%. The provision for expected credit losses at 31 December 2023 was A\$136,000, which is 0.3% of the total loan receivables at 31 December 2023 (30 June 2023: 0.5%).

The group reported an adjusted EBITDA of A\$(2.7) million. Group loss after tax of A\$3.4 million for H1 FY24 (H1 FY23: loss of A\$4.4 million).

OPERATING EXPENSES

A\$'000	H1 FY24	H1 FY23	YEAR-ON-YEAR MOVEMENT
General and administrative expenses (including share-based payments)	3,452	3,868	-11%
Selling and marketing expenses	1,200	1,195	-
Customer acquisition costs	1,374	1,371	-
Product development expenses	2,359	1,812	+30%
Total operating expenses	8,385	8,246	+2%

Financial performance

Continued

SEGMENT RESULTS

A\$'000	H1 FY24	H1 FY23	YEAR-ON-YEAR MOVEMENT (% / \$)
Australia			
Revenue	4,109	2,715	+51%
Adjusted gross profit	2,330	1,446	+61%
Adjusted EBITDA	837	(68)	+\$905,000
United States			
Revenue	5,146	4,164	24%
Adjusted gross profit	3,377	3,010	+12%
Adjusted EBITDA	(315)	(464)	+\$149,000

Balance sheet strengthened

Net assets at 31 December 2023 amounted to A\$5.9 million (30 June 2023: A\$8.9 million).

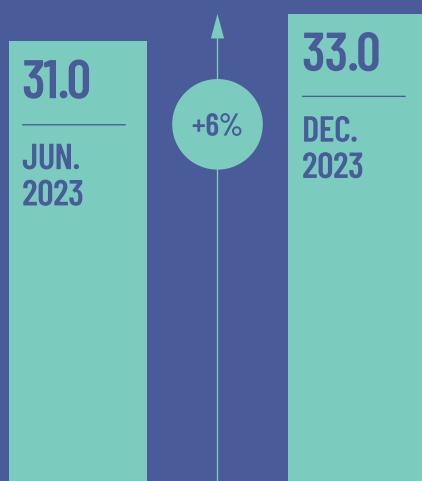
QuickFee's funds its lending business with asset-backed credit facilities with Northleaf Capital Partners (up to US\$40 million) and Wingate Corporate Investments (up to A\$10 million), advancing 90% and 85% of certain loan receivables respectively. The completion of the Wingate facility in December 2023 substantially strengthened the balance sheet with immediate additional liquidity

headroom of \$4.3 million and up to A\$10 million to fund the growing Australian disbursement funding loan book.

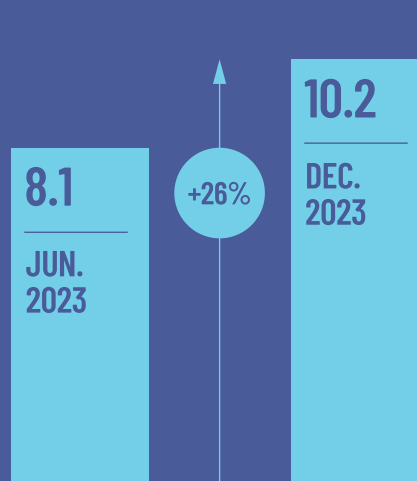
The strong growth in our lending business in both the US and Australia has led to our loan book growing 11% to A\$47.8 million at 31 December 2023, from A\$43.2 million at 30 June 2023.

The group remains well funded with adequate liquidity and growth capacity.

AU LOAN BOOK A\$M



US LOAN BOOK US\$M



Financial performance

Continued

CASH AND LIQUIDITY

A\$M	31 DECEMBER 2023	30 JUNE 2023	\$+/-
Cash at bank	3.9	3.4	0.5
Growth capacity (further borrowings facility headroom)	23.8	24.5	-0.7
Total cash plus growth capacity	27.7	27.9	-0.2

Outlook: well-positioned for substantial revenue growth and profitability

The strategic enhancements made to QuickFee's operational framework, organisational culture, talent pool, product range, and commercial tech infrastructure in the first half of FY24, have continued to build out a robust foundation for the company. When combined with the persistent market trends favouring the adoption of online payments and electronic invoicing in the US, QuickFee is well-positioned for substantial revenue acceleration and enhanced profitability in H2 FY24.

Our strategic objectives are sharply defined, bolstering our confidence in our execution capabilities to drive significant revenue enhancement and profitability. As QuickFee solidifies its leadership position in the market, we enter H2 FY24 with a team that's fully equipped, highly motivated, and committed to empowering professional service firms to expedite their receivables processes and achieve quicker payments through our innovative offerings.

Auditor's independence declaration
For the half-year ended 31 December 2023



Lead Auditor's Independence Declaration under Section 307C of
the Corporations Act 2001

To the directors of Quickfee Limited

As lead auditor for the review of Quickfee Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Quickfee Limited and the entities it controlled during the period.

William Buck
William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

A. A. Finnis
A. A. Finnis
Director
Melbourne, 22 February 2024

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William Buck is an association of firms, each trading under the name of William Buck across Australia and New Zealand with affiliated offices worldwide.
Liability limited by a scheme approved under Professional Standards Legislation.



Directors' report

For the half-year ended 31 December 2023

Your directors present their report on the consolidated entity consisting of QuickFee Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2023. Throughout the report, QuickFee Limited is referred to as the 'company', or 'group' when including its subsidiaries comprising the consolidated entity.

This directors' report covers the period from 1 July 2023 to 31 December 2023 (H1 FY24). The comparative period is from 1 July 2022 to 31 December 2022 (H1 FY23).

Directors

The following persons were directors of QuickFee Limited during the whole of the half-year and up to the date of this report:

Dale Smorgon, Non-Executive Chairman
Bruce Coombes, Executive Director and Managing Director, Australia
Michael McConnell, Non-Executive Director

Review of operations

Information on the operations and financial position of the group and its business strategies and prospects is set out in the review of operations and activities on pages 4 to 12 of this interim report.

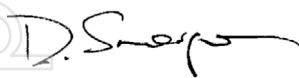
Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 13.

Rounding of amounts

The group is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the directors' report and financial statements. Amounts in the directors' report and financial statements have been rounded off to the nearest thousand dollars, or in certain cases the nearest dollar.

This report is made in accordance with a resolution of directors.



Dale Smorgon
Non-Executive Chairman

22 February 2024

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by QuickFee Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

QuickFee Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is at Suite 4.07, 10 Century Circuit, Norwest NSW 2153. Its shares are listed on the Australian Securities Exchange.

Consolidated statement of profit or loss and other comprehensive income

For the half-year ended 31 December 2023

		H1 FY24	H1 FY23
	NOTES	\$'000	\$'000
Revenue	2	9,255	6,879
Interest expense	2(a)	(2,055)	(1,102)
Cost of sales		(1,493)	(1,321)
Gross Profit		5,707	4,456
Other income		3	100
General and administrative expenses		(3,452)	(3,868)
Depreciation and amortisation		(516)	(567)
Selling and marketing expenses		(1,200)	(1,195)
Customer acquisition expenses		(1,374)	(1,371)
Product development expenses		(2,359)	(1,812)
Operating loss		(3,191)	(4,257)
Net finance costs		(173)	(154)
Loss before income tax		(3,364)	(4,411)
Income tax expense		-	-
Loss for the period		(3,364)	(4,411)
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		(89)	157
Total comprehensive loss for the period		(3,453)	(4,254)
		CENTS	CENTS
Loss per share for loss attributable to the ordinary equity holders of the company:			
Basic and diluted loss per share	9(a)	(1.2)	(1.7)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of financial position

As at 31 December 2023

		31 DECEMBER 2023	30 JUNE 2023
	NOTES	\$'000	\$'000
ASSETS			
Current assets			
Cash and cash equivalents		3,876	3,387
Loan receivables	4(a)	46,464	42,146
Trade and other receivables		642	576
Other current assets		401	667
Total current assets		51,383	46,776
Non-current assets			
Loan receivables	4(a)	1,356	1,044
Plant and equipment		116	123
Right-of-use assets		396	114
Other non-current assets		63	56
Total non-current assets		1,931	1,337
Total assets		53,314	48,113
LIABILITIES			
Current liabilities			
Firm settlements outstanding	4(a)	2,251	3,520
Trade and other payables		1,342	1,997
Contract liabilities		237	313
Borrowings	4(b)	42,102	32,200
Lease liabilities		225	94
Employee benefit obligations		735	791
Total current liabilities		46,892	38,915
Non-current liabilities			
Borrowings	4(b)	244	199
Lease liabilities		223	43
Employee benefit obligations		12	11
Total non-current liabilities		479	253
Total liabilities		47,371	39,168
Net assets		5,943	8,945
EQUITY			
Contributed equity	5(a)	47,385	47,241
Other reserves	5(b)	1,267	1,049
Accumulated losses		(42,709)	(39,345)
Total equity		5,943	8,945

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

For the half-year ended 31 December 2023

	NOTES	ATTRIBUTABLE TO OWNERS OF QUICKFEE LIMITED			
		CONTRIBUTED EQUITY	OTHER RESERVES	ACCUMULATED LOSSES	TOTAL EQUITY
		\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2022		46,652	913	(31,269)	16,296
Loss for the period		-	-	(4,411)	(4,411)
Other comprehensive income		-	157	-	157
Total comprehensive income/(loss) for the period		-	157	(4,411)	(4,254)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs		346	-	-	346
Share-based payment vesting charge	6(d)	-	210	-	210
Conversion to equity upon vesting of performance rights		140	(140)	-	-
		486	70	-	556
Balance at 31 December 2022		47,138	1,140	(35,680)	12,598

	NOTES	ATTRIBUTABLE TO OWNERS OF QUICKFEE LIMITED			
		CONTRIBUTED EQUITY	OTHER RESERVES	ACCUMULATED LOSSES	TOTAL EQUITY
		\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2023		47,241	1,049	(39,345)	8,945
Loss for the period		-	-	(3,364)	(3,364)
Other comprehensive loss		-	(89)	-	(89)
Total comprehensive loss for the period		-	(89)	(3,364)	(3,453)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs	5(a)	(5)	-	-	(5)
Share-based payment vesting charge	6(d)	-	167	-	167
Conversion to equity upon vesting of performance rights	5(b)	149	(149)	-	-
Issue of share warrants	6(d)	-	289	-	289
		144	307	-	451
Balance at 31 December 2023		47,385	1,267	(42,709)	5,943

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

For the half-year ended 31 December 2023

	NOTES	H1 FY24 \$'000	H1 FY23 \$'000
Cash flows from operating activities			
Interest, fees and charges from customers and firms (inclusive of GST)		9,200	7,044
Payments to suppliers and employees (inclusive of GST)		(10,214)	(10,691)
Interest paid		(1,946)	(1,196)
Net cash outflow from operating activities before changes in loan receivables and firm settlements outstanding		(2,960)	(4,843)
Payments to firms to settle loan receivables and movement in firm settlements outstanding		(47,353)	(39,967)
Receipts from firms' customers in respect of loan receivables		41,057	35,358
Net cash outflow from operating activities		(9,256)	(9,452)
Cash flows from investing activities			
Payments for plant and equipment		(168)	(10)
Proceeds from disposal of plant and equipment		-	38
Net cash (outflow)/inflow from investing activities		(168)	28
Cash flows from financing activities			
Proceeds from issues of shares		-	350
Share issue transaction costs		(5)	(4)
Proceeds of loan receivables borrowings facility, net of repayments		10,410	3,391
Payments for establishment of borrowings facility and issue of subsequent loan notes		(527)	(95)
Principal elements of lease payments		(79)	(174)
Net cash inflow from financing activities		9,799	3,468
Net increase/(decrease) in cash and cash equivalents		375	(5,956)
Cash and cash equivalents at the beginning of the financial period		3,387	8,185
Effects of exchange rate changes on cash and cash equivalents		114	205
Cash and cash equivalents at end of the financial period		3,876	2,434

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1 Segment information

(a) Description of segments and principal activities

The group has identified its operating segments based on the internal reports that are reviewed and used by the executive management team, consisting of the President-North America, Managing Director, Australia and Chief Financial Officer.

Management examines the group's performance from both a geographic, product development and product profitability perspective and has identified the following reportable operating segments of its business:

(i) **Payment and lending operations in Australia (AU);**

(ii) **Payment and lending operations in the United States (US);**

These parts of the business operates a suite of payment and lending offerings via an online portal to professional, commercial and homeowner services providers in Australia and the US. These solutions help customers of service providers access the advice and services they need, with the choice to pay immediately in full or over time by instalment. The executive management team monitors the performance in the Australian and US regions separately.

(iii) **Product development:** this part of the business undertakes the research and development of the group's software and technology solutions.

Management also examines the group's same performance across a different set of segments, namely 'product profitability' and has identified the following product profitability segments of its business:

(i) **In Australia:** QuickFee EFT & Card, QuickFee Finance and QuickFee Buy Now, Pay Later (BNPL or Q Pay Plan);

(ii) **In the United States:** QuickFee ACH, QuickFee Card, QuickFee Finance and QuickFee Buy Now, Pay Later (BNPL).

The group does not have any customers that make up more than 10% of group revenue.

(b) Country and product development segments

(i) **Gross profit and EBITDA**

Gross profit is equal to revenue, less cost of sales and less interest expense on borrowings that support loan receivables. Adjusted EBITDA is equal to EBITDA (earnings before interest, taxes, depreciation and amortisation) less interest expense on borrowings that support loan receivables.

(ii) **Share-based payment expenses**

In the consolidated statement of profit or loss and other comprehensive income, the line item 'general and administrative expenses' includes share-based payment expenses. In this note, these expenses are itemised separately and excluded from the 'general and administrative expenses' line item.

1 Segment information (continued)

(b) Country and product development segments (continued)

The table below shows profit/(loss) for the half-year ended 31 December 2023, allocated by country and product development segment which reconciles to profit/(loss) for the period:

	AU	US	PRODUCT DEVELOPMENT	UNALLOCATED	TOTAL
H1 FY24	\$'000	\$'000	\$'000	\$'000	\$'000
Interest revenue	3,329	1,734	–	–	5,063
Interest expense	(1,072)	(983)	–	–	(2,055)
Net interest revenue	2,257	751	–	–	3,008
Revenue from contracts with customers	780	3,412	–	–	4,192
Cost of sales	(707)	(786)	–	–	(1,493)
Gross profit	2,330	3,377	–	–	5,707
Other income	3	–	–	–	3
General and administrative expenses	(897)	(1,717)	–	(671)	(3,285)
Selling and marketing expenses	(388)	(812)	–	–	(1,200)
Adjusted EBITDA before growth expenses and significant items	1,048	848	–	(671)	1,225
Customer acquisition expenses	(211)	(1,163)	–	–	(1,374)
Product development expenses	–	–	(2,359)	–	(2,359)
Adjusted EBITDA before significant items	837	(315)	(2,359)	(671)	(2,508)
Share-based payment expenses	–	–	–	(167)	(167)
Adjusted EBITDA	837	(315)	(2,359)	(838)	(2,675)
Depreciation and amortisation	(56)	(57)	–	(403)	(516)
Net finance costs	(86)	(87)	–	–	(173)
Profit/(loss) for the period	695	(459)	(2,359)	(1,241)	(3,364)

1 Segment information (continued)

(b) Country and product development segments (continued)

The table below shows loss for the half-year ended 31 December 2022, allocated by country and product development segment which reconciles to loss for the period:

	AU	US	PRODUCT DEVELOPMENT	UNALLOCATED	TOTAL
H1 FY23	\$'000	\$'000	\$'000	\$'000	\$'000
Interest revenue	2,118	1,200	–	–	3,318
Interest expense	(679)	(423)	–	–	(1,102)
Net interest revenue	1,439	777	–	–	2,216
Revenue from contracts with customers	597	2,964	–	–	3,561
Cost of sales	(590)	(731)	–	–	(1,321)
Gross profit	1,446	3,010	–	–	4,456
Other income	3	97	–	–	100
General and administrative expenses	(918)	(1,604)	–	(1,136)	(3,658)
Selling and marketing expenses	(386)	(809)	–	–	(1,195)
Adjusted EBITDA before growth expenses and significant items	145	694	–	(1,136)	(297)
Customer acquisition expenses	(213)	(1,158)	–	–	(1,371)
Product development expenses	–	–	(1,812)	–	(1,812)
Adjusted EBITDA before significant items	(68)	(464)	(1,812)	(1,136)	(3,480)
Share-based payment expenses	–	–	–	(210)	(210)
Adjusted EBITDA	(68)	(464)	(1,812)	(1,346)	(3,690)
Depreciation and amortisation	(50)	(151)	–	(366)	(567)
Net finance costs	(57)	(97)	–	–	(154)
Loss for the period	(175)	(712)	(1,812)	(1,712)	(4,411)

1 Segment information (continued)

(c) Segment assets and liabilities

The table below shows segment assets and liabilities as at 31 December 2023:

	AU	US	PRODUCT DEVELOPMENT	UNALLOCATED	TOTAL
31 DECEMBER 2023	\$'000	\$'000	\$'000	\$'000	\$'000
Segment assets	33,364	15,952	–	3,998	53,314
Total assets	33,364	15,952	–	3,998	53,314
Segment liabilities	35,091	13,926	–	(1,646)	47,371
Total liabilities	35,091	13,926	–	(1,646)	47,371

The table below shows segment assets and liabilities as at 30 June 2023:

	AU	US	PRODUCT DEVELOPMENT	UNALLOCATED	TOTAL
30 JUNE 2023	\$'000	\$'000	\$'000	\$'000	\$'000
Segment assets	31,364	13,106	–	3,643	48,113
Total assets	31,364	13,106	–	3,643	48,113
Segment liabilities	28,637	11,990	–	(1,459)	39,168
Total liabilities	28,637	11,990	–	(1,459)	39,168

1 Segment information (continued)

(d) Product profitability segments

The table below shows adjusted gross profit for the half-year ended 31 December 2023 allocated by product profitability segment, which reconciles to gross profit for the period:

	EFT AND CARD	FINANCE	BNPL	TOTAL	
H1 FY24	\$'000	\$'000	\$'000	\$'000	
Australia					
Interest revenue	–	3,262	67	3,329	
Revenue from contracts with customers	409	345	26	780	
Total gross revenue	409	3,607	93	4,109	
Direct processing costs	(403)	(13)	(28)	(444)	
Platform, credit check and credit staff costs	–	(255)	(8)	(263)	
Cost of sales	(403)	(268)	(36)	(707)	
Interest expense	–	(1,072)	–	(1,072)	
Gross profit for the period	6	2,267	57	2,330	
	ACH	CARD	FINANCE	BNPL	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000
United States					
Interest revenue	–	–	1,734	–	1,734
Revenue from contracts with customers	2,971	325	116	–	3,412
Total gross revenue	2,971	325	1,850	–	5,146
Direct processing costs	(446)	–	(2)	–	(448)
Platform, credit check and credit staff costs	(86)	(19)	(233)	–	(338)
Cost of sales	(532)	(19)	(235)	–	(786)
Interest expense	–	–	(983)	–	(983)
Gross profit for the period	2,439	306	632	–	3,377
Total gross profit for the period					5,707

1 Segment information (continued)

(d) Product profitability segments (continued)

The table below shows adjusted gross profit for the half-year ended 31 December 2022 allocated by product profitability segment, which reconciles to gross profit for the period:

	EFT AND CARD	FINANCE	BNPL	TOTAL	
H1 FY23	\$'000	\$'000	\$'000	\$'000	
Australia					
Interest revenue	–	2,089	29	2,118	
Revenue from contracts with customers	353	239	5	597	
Total gross revenue	353	2,328	34	2,715	
Direct processing costs	(320)	(10)	(21)	(351)	
Platform, credit check and credit staff costs	–	(233)	(6)	(239)	
Cost of sales	(320)	(243)	(27)	(590)	
Interest expense	–	(679)	–	(679)	
Gross profit for the period	33	1,406	7	1,446	
	ACH	CARD	FINANCE	BNPL	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000
United States					
Interest revenue	–	–	1,066	134	1,200
Revenue from contracts with customers	2,541	268	60	95	2,964
Total gross revenue	2,541	268	1,126	229	4,164
Direct processing costs	(214)	–	–	(97)	(311)
Platform, credit check and credit staff costs	(135)	(28)	(235)	(22)	(420)
Cost of sales	(349)	(28)	(235)	(119)	(731)
Interest expense	–	–	(423)	–	(423)
Gross profit for the period	2,192	240	468	110	3,010
Total gross profit for the period					4,456

2 Revenue

	NOTES	H1 FY24 \$'000	H1 FY23 \$'000
Interest revenue using the effective interest rate method	2(a)	5,063	3,318
Revenue from contracts with customers	3(a)	4,192	3,561
Total revenue		9,255	6,879

(a) Net interest revenue

	H1 FY24 \$'000	H1 FY23 \$'000
Interest revenue		
Loan receivables	5,063	3,318
Interest expense		
Loan receivables – financial institution lenders	(2,055)	(1,102)
Net interest revenue	3,008	2,216

(b) Accounting policies

(i) Interest revenue

Interest revenue from loan receivables relates to the *QuickFee Finance (Pay Over Time)* and *Buy Now, Pay Later (BNPL)* products. Interest revenue is recognised over the life of the loans granted by the group to its customers over the period loans remain outstanding. The group recognises this interest revenue using the effective interest rate method (in accordance with AASB 9 *Financial Instruments*), based on estimated future cash receipts over the expected life of the financial asset. In making their judgement of estimated future cash flows and expected life of the loan receivables balance, management have considered historical results, taking into consideration the type of customer, the type of transaction and specifics of each arrangement and contract.

3 Revenue from contracts with customers

(a) Disaggregation of revenue from contracts with customers

The group derives revenue from the transfer of services over time and at a point in time in the following major streams:

	APPLICATION FEE REVENUE	FIRM FEE REVENUE	PLATFORM FEE REVENUE	TOTAL
H1 FY24	\$'000	\$'000	\$'000	\$'000
Timing of revenue recognition				
At a point in time	–	3,806	12	3,818
Over time	305	–	69	374
	305	3,806	81	4,192
H1 FY23				
Timing of revenue recognition				
At a point in time	–	3,270	7	3,277
Over time	194	–	90	284
	194	3,270	97	3,561

(b) Accounting policies

(i) Application fee revenue

Revenue from application fees relate to the QuickFee Finance product. Application fees are recognised over the life of the loans granted by the group to its customers as the performance obligation is satisfied over the period a loan remains outstanding.

(ii) Firm fee revenue

Revenue from firm fees relate to various product offerings, including:

- **QuickFee Finance Time:** instalment deferral fees, instalment dishonour fees and credit card processing fees on instalments;
- **QuickFee Pay Now:** bank transfer (ACH/EFT) and credit card processing fees on pay in full transactions; and
- **BNPL:** credit card processing fees on instalments.

Firm fees are recognised at a point in time when the transaction is performed and there are no unfulfilled service obligations that will restrict the entitlement to receive the consideration.

(iii) Platform fee revenue

Revenue from platform fees relate to QuickFee's payment portal and is split between joining/set up fees and recurring monthly subscription fees for firms. Joining/set up fee revenue is recognised at a point in time once the single performance obligation of establishing the customer (firm) onto the platform is satisfied. Recurring monthly subscription fee revenue is recognised on a straight-line basis over the subscription term.

4 Financial assets and financial liabilities

(a) Loan receivables and firm settlements outstanding

		31 DECEMBER 2023			30 JUNE 2023		
	NOTES	CURRENT \$'000	NON- CURRENT \$'000	TOTAL \$'000	CURRENT \$'000	NON- CURRENT \$'000	TOTAL \$'000
Gross loan receivables	4(a)(i), (ii)	46,600	1,356	47,956	42,365	1,044	43,409
Expected credit losses		(136)	-	(136)	(219)	-	(219)
Loan receivables		46,464	1,356	47,820	42,146	1,044	43,190
Firm settlements outstanding	4(a)(v), (vi)	2,251	-	2,251	3,520	-	3,520

(i) Classification of gross loan receivables

Gross loan receivables are amounts due from customers of firms for payment plans (loans) entered into in the ordinary course of business from the *QuickFee Finance* and *BNPL* products.

(ii) Recognition and measurement of gross loan receivables

Gross loan receivables are non-derivative financial assets, with fixed and determinable payments that are not quoted in an active market. Loan receivables are initially recognised at fair value. The group holds the loan receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Loan receivables are due for settlement at various times, typically up to 12 months, in line with the terms of their contracts.

(iii) Classification of firm settlements outstanding

Firm settlements outstanding represent the following:

- payment plans (loans) approved but yet to be settled by the group to firms, usually due to the first instalment having not been received as cleared funds; and
- pay in full transactions yet to be settled by the group to firms.

(iv) Recognition and measurement of firm settlements outstanding

Firm settlements outstanding are non-derivative financial liabilities, with fixed and determinable payments that are not quoted in an active market. The carrying amounts of firm settlements outstanding are considered to be the same as their fair values, due to their short-term nature. Transactions awaiting settlement turnover quickly, typically within one to seven days.

4 Financial assets and financial liabilities (continued)

(b) Borrowings

	NOTES	31 DECEMBER 2023			30 JUNE 2023		
		CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Secured							
Northleaf Capital Partners Ltd	4(b)(i)	39,452	244	39,696	34,129	199	34,328
Wingate Corporate Investments	4(b)(ii)	5,000	–	5,000	–	–	–
Total secured borrowings		44,452	244	44,696	34,129	199	34,328
Capitalised borrowing costs							
Amortised borrowing costs		(2,350)	–	(2,350)	(1,929)	–	(1,929)
Total capitalised borrowing costs		(2,350)	–	(2,350)	(1,929)	–	(1,929)
Total borrowings		42,102	244	42,346	32,200	199	32,399

(i) Northleaf Capital Partners Ltd (Northleaf)

The Northleaf credit facility consists of a US\$40 million committed first lien facility, comprising a US\$5 million revolving credit facility (denominated in US dollars) and a US\$35 term loan facility (denominated in Australian dollars). The facility is drawable in either Australian or US dollars, with an additional optional US\$30 million accordion feature, subject to Northleaf's approval. The debt is secured over certain identified loan receivables of QuickFee AU and QuickFee US. The US dollar credit facility attracts interest at 5.75% per annum plus LIBOR. The AU dollar credit facility attracts interest at 5.75% per annum plus AU BBSW. In addition, a fee of 0.25% per annum applies to any unused portion of the committed US\$40 million facility. At 31 December 2023, US\$5 million was drawn from the revolver and US\$3 million and AU\$28 million was drawn from the term loan facility. The group was in compliance with all facility agreement covenants throughout the year.

(ii) Wingate Corporate Investments (Wingate)

The Wingate credit facility was completed on 21 December 2023. The facility consists of a AU\$10 million revolving credit facility, secured over certain identified disbursement funding loan receivables of quickFee AU. The facility attracts interest at AU BBSW plus a margin of 9% per annum. In addition a fee of 2.25% per annum applies to any unused portion of the committed AU\$10 million facility. At 31 December 2023, AU\$5 million was drawn from the facility. The group was in compliance with all facility agreement covenants throughout the year.

(iii) Fair values

The fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature.

(iv) Capitalised borrowing costs

Carrying values of borrowings are offset by prepaid costs of establishment of both facilities.

5 Equity

(a) Contributed equity

		31 DECEMBER 2023	30 JUNE 2023	31 DECEMBER 2023	30 JUNE 2023
	NOTES	NUMBER OF SHARES '000	NUMBER OF SHARES '000	\$'000	\$'000
Ordinary shares					
Fully paid		274,873	270,052	47,385	47,241
	5(a)(i)	274,873	270,052	47,385	47,241

(i) Movements in ordinary shares:

DETAILS	NUMBER OF SHARES '000	TOTAL \$'000
Balance at 1 July 2023	270,052	47,241
12 July 2023: Issued at A\$nil pursuant to vesting of director and employee unlisted performance rights	128	-
15 August 2023: Issued at A\$nil pursuant to vesting of director and employee unlisted performance rights	3,559	-
10 October 2023: Issued at A\$nil pursuant to vesting of director and employee unlisted performance rights	384	-
1 December 2023: Issued at A\$nil pursuant to vesting of director and employee unlisted performance rights	750	-
Transfer from share based payments reserve on vesting of performance rights and conversion into ordinary shares	-	149
Less: Transaction costs arising on share issues		(5)
Balance at 31 December 2023	274,873	47,385

(ii) Ordinary shares

Ordinary shares entitle the holder to participate in dividends, and to share in the proceeds of winding up the company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

5 Equity (continued)

(b) Other reserves

The following table shows a breakdown of the statement of financial position line item 'other reserves' and the movements in these reserves during the period.

		SHARE-BASED PAYMENT RESERVE	FOREIGN CURRENCY TRANSLATION RESERVE	TOTAL OTHER RESERVES
	NOTES	\$'000	\$'000	\$'000
Balance at 1 July 2023		957	92	1,049
Currency translation differences		–	(89)	(89)
Transactions with owners in their capacity as owners:				
Share options expensed	6(d)	36	–	36
Performance rights expensed	6(d)	131	–	131
Performance rights vested	5a(i)	(149)	–	(149)
Share warrants issued	6(d)	289	–	289
As at 31 December 2023		1,264	3	1,267

6 Share-based payments

The group's 'Performance Rights and Options Plan' (PROP) was approved by shareholders at the 2021 annual general meeting. The plan is designed to provide long-term incentives for employees (including directors) and consultants to deliver long-term shareholder returns. Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

(a) Share options

Set out below are summaries of share options, including those granted under the PROP:

	H1 FY24	
	WEIGHTED AVERAGE EXERCISE PRICE PER SHARE OPTION \$	NUMBER OF OPTIONS
As at 1 July 2023	0.375	8,658,332
Granted during the period	0.073	2,175,000
Forfeited/lapsed during the period	0.450	(3,775,001)
As at 31 December 2023	0.353	7,058,331
Vested and exercisable at 31 December 2023	0.353	3,441,662

6 Share-based payments (continued)

(a) Share options (continued)

The grant of 2,175,000 employee share options (QFEAX, QFEAY, QFEAZ and QFEAAA) on 5 September 2023 vest at various dates contingent on continued employment through to each vesting date. These options expire on 30 June 2028. As the grant date of 5 September 2023 occurred after the employees began rendering services in respect of that grant, AASB 2 *Share-based Payment* requires the group to commence recognition of the share-based payment expense when the services are received. Consequently, the group commenced amortisation on 1 July 2023. The valuation inputs reflect the 5 September 2023 grant date fair value.

(i) Fair value of options granted

The assessed fair value at grant date of options was determined using the binomial pricing model that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk-free interest rate for the term of the option and certain probability assumptions.

The model inputs for options granted during the half-year ended 31 December 2023 included:

CODE	GRANT DATE	EXERCISE PRICE	NO. OF OPTIONS	SHARE PRICE AT GRANT DATE	EXPECTED VOLATILITY	DIVIDEND YIELD	RISK-FREE INTEREST RATE	FAIR VALUE AT GRANT DATE PER OPTION
QFEAX	5 Sep 2023	A\$0.062	543,772	A\$0.051	76.3%	0.0%	3.85%	A\$0.040
QFEAY	5 Sep 2023	A\$0.071	543,741	A\$0.051	76.3%	0.0%	3.85%	A\$0.039
QFEAZ	5 Sep 2023	A\$0.076	543,741	A\$0.051	76.3%	0.0%	3.85%	A\$0.038
QFEAAA	5 Sep 2023	A\$0.085	543,746	A\$0.051	76.3%	0.0%	3.85%	A\$0.036

(b) Performance rights

Set out below are summaries of performance rights granted under the PROP:

	H1 FY24 NUMBER OF PERFORMANCE RIGHTS
As at 1 July 2023	6,330,336
Granted during the period	10,620,758
Vested and converted to ordinary shares during the period	(1,261,320)
Forfeited/lapsed during the period	(500,000)
As at 31 December 2023	15,189,774

6 Share-based payments (continued)

(b) Performance rights (continued)

The grant of 3,700,000 performance rights to various employees on 6 October 2023 and 700,000 to Bruce Coombes on 29 November 2023 vest at various dates contingent on continued employment at the vesting date. These performance rights also contain share price performance conditions, applied in two equal tranches, as follows:

- Tranche 1 of the performance rights vests on the first date after 31 January 2024 that a 30day Volume Weighted Average Price of the Company's shares (ASX:QFE) (VWAP) of 15 cents is achieved; and
- Tranche 2 of the performance rights vests on the first date after 31 January 2025 that a 30day VWAP of 20 cents is achieved.

Tranche 1 and Tranche 2 expire on 30 June 2026.

The grant of 1,939,409 performance rights to various employees on 6 October 2023 and 1,136,364 to Dale Smorgon, 1,107,955 to Michael McConnell and 2,037,030 to Bruce Coombes on 29 November 2023 were granted under the company's Short Term Incentive (STI) Equity Sacrifice Plan (STIESP) for directors and employees. Under this plan, directors and employees may elect to receive part or all of their remuneration or Short Term Incentive awards in performance rights, issued at the 7 day VWAP as at 1 July 2023, together with a 25% incentive bonus also issued in performance rights at the same price. The issue price for shares to be subsequently issued under this component of the company's PROP has been calculated to be \$0.055 per share. Performance rights will vest at the end of the relevant financial year and shares will be issued in lieu of that monetary portion of remuneration or STI for the full year, after the end of that financial year and any required shareholder approval, and convert into ordinary shares at the stated issue price set at the beginning of the relevant year.

As the grant dates above occurred after the employees began rendering services in respect of those grants, AASB 2 requires the group to commence recognition of the share-based payment expense when the services are received. Consequently, the group commenced amortisation on 1 July 2023. The valuation inputs reflect the grant dates fair values.

All performance rights convert into one ordinary share in the company upon vesting.

(i) Fair value of performance rights granted

The assessed fair value at grant date of performance rights at grant date was determined based on the share price at grant date.

The model inputs for performance rights granted during the half-year ended 31 December 2023 included:

GRANT DATE	CODE	EXERCISE PRICE	EARLIEST VESTING DATE	SHARE PRICE AT GRANT DATE	EXPECTED VOLATILITY	DIVIDEND YIELD	RISK-FREE INTEREST RATE	FAIR VALUE AT GRANT DATE PER PERFORMANCE RIGHT
6 Oct 2023	QFEAM	A\$-	31 Jan 2024	A\$0.051	76.3%	0.0%	4.00%	A\$0.012
29 Nov 2023	QFEAM	A\$-	31 Jan 2024	A\$0.047	76.3%	0.0%	3.95%	A\$0.010
6 Oct 2023	QFEAM	A\$-	31 Jan 2025	A\$0.051	76.3%	0.0%	4.00%	A\$0.007
29 Nov 2023	QFEAM	A\$-	31 Jan 2025	A\$0.047	76.3%	0.0%	3.95%	A\$0.006
Short Term Incentive Equity Sacrifice Plan:								
6 Oct 2023	QFEAM	A\$0.0440	(deemed)	A\$0.051	76.3%	0.0%	4.04%	A\$0.017
29 Nov 2023	QFEAM	A\$0.0440	(deemed)	A\$0.047	76.3%	0.0%	4.00%	A\$0.012

6 Share-based payments (continued)

(c) Share warrants

As part of the consideration for the establishment of the Wingate credit facility (refer note 4(b)), 5,671,351 share warrants were issued on 22 December 2023 to Wingate entity 'Win Finance No. 506 Pty Ltd'. Each warrant is exercisable into one ordinary share of the Company for nil consideration. Warrants expire on 15 December 2027.

(i) Fair value of share warrants granted

The assessed fair value at grant date of share warrants at grant date was determined based on the share price at grant date and are included in capitalised borrowing costs.

The model inputs for share warrants granted during the half-year ended 31 December 2023 included:

GRANT DATE	CODE	EXERCISE PRICE	SHARE PRICE AT GRANT DATE	EXPECTED VOLATILITY	DIVIDEND YIELD	RISK-FREE INTEREST RATE	FAIR VALUE AT GRANT DATE PER PERFORMANCE RIGHT
21 Dec 2023	QFEAAB	A\$-	A\$0.051	76.3%	0.0%	3.95%	A\$0.051

(d) Expenses and other transactions arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period were as follows:

	NOTE	H1 FY24 \$'000	H1 FY23 \$'000
Share options issued or to be issued under the PROP	6(a)	36	95
Performance rights issued or to be issued under the PROP	6(b)	131	115
		167	210

Other transactions arising from share-based payment transactions recognised during the period were as follows:

Share warrants issued as part of establishment of the Wingate credit facility	4(b), 6(c)	289	-
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7 Contingent liabilities

The group had no material contingent liabilities at 31 December 2023.

8 Events occurring after the reporting period

No matter or circumstance has occurred subsequent to period end that has significantly affected, or may significantly affect, the operations of the group, the results of those operations or the state of affairs of the group or economic entity in subsequent financial periods.

9 Loss per share

(a) Basic and diluted loss per share

	H1 FY24 CENTS	H1 FY23 CENTS
Basic and diluted loss per share		
Total basic and diluted loss per share attributable to the ordinary equity holders of the company	(1.2)	(1.7)

(a) Reconciliation of loss used in calculating basic and diluted loss per share

	H1 FY24 \$'000	H1 FY23 \$'000
Basic and diluted loss per share		
Loss attributable to the ordinary equity holders of the company used in calculating basic and diluted loss per share	(3,364)	(4,411)

(b) Weighted average number of shares used as the denominator

	H1 FY24 '000	H1 FY23 '000
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share	273,161	267,072

(c) Information concerning the classification of securities

Share options and performance rights granted are considered to be potential ordinary shares. The outstanding share options and performance rights are not treated as dilutive because their conversion to ordinary shares would not increase the loss per share from continuing operations and thus they are not included in the calculation of diluted earnings per share for the half-years ended 31 December 2023 and 31 December 2022. These securities could potentially dilute basic earnings per share in the future. Details relating to the share options and performance rights are set out in note 6(a) and 6(b), respectively.

Notes to the financial statements

Continued

10 Basis of preparation of half-year report

Material Accounting Policy Information

This consolidated interim financial report for the half-year reporting period ended 31 December 2023 has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by QuickFee Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

(a) New and amended standards adopted by the group

A number of amended standards became applicable for the current reporting period. The group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

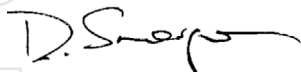
Directors' declaration

For the half-year ended 31 December 2023

In the directors' opinion:

- (a) the financial statements and notes set out on pages 16 to 36 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standard AASB 134 'Interim Financial Reporting', the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date, and
- (b) there are reasonable grounds to believe that QuickFee Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Dale Smorgon
Non-Executive Chairman

22 February 2024

WilliamBuck

ACCOUNTANTS & ADVISORS

Independent auditor's review report to the members of Quickfee Limited

Report on the half-year financial report



Our conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Quickfee Limited (the Company), and its subsidiaries (the Group) does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the half-year then ended; and
- complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

What was reviewed?

We have reviewed the accompanying half-year financial report of the Group, which comprises:

- the consolidated statement of financial position as at 31 December 2023,
- the consolidated statement of profit or loss and other comprehensive income for the half-year then ended,
- the consolidated statement of changes in equity for the half-year then ended,
- the consolidated statement of cash flows for the half-year then ended,
- notes to the financial statements, including a summary of material accounting policy information, and
- the directors' declaration.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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WilliamBuck

ACCOUNTANTS & ADVISORS

Responsibilities of the directors for the half-year financial report


The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.


William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136


A. A. Finnis
Director
Melbourne, 22 February 2024

Corporate directory

Directors

Dale Smorgon
Non-Executive Chairman

Michael McConnell
Non-Executive Director

Bruce Coombes
Executive Director and Managing Director, Australia

Secretary

Simon Yeandle

Registered office

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Telephone: +61 (0)2 8090 7700

Principal place of business

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Norwest NSW 2153 Australia

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Telephone: +1 (844) 968 4387

Share register

Boardroom Pty Limited

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Sydney NSW 2000

Telephone: +61 (0)2 9290 9600

Auditor

William Buck Audit (Vic) Pty Ltd

Level 20, 181 William Street
Melbourne VIC 3000

Telephone: +61 (0)3 9824 8555

Solicitors

Arnold Bloch Leibler

Level 24, 2 Chifley Square
Sydney NSW 2000

Telephone: +61 (0)2 9226 7100

Bankers

Banc of California

Westpac Banking Corporation

Stock exchange listings

QuickFee Limited shares are listed on the
Australian Securities Exchange (ASX code: QFE)

Website

quickfee.com

Appendix 4D and Interim Report
for the half-year ended
31 December 2023

QuickFee.