QuickFee Limited

Appendix 4E

For the year ended 30 June 2024

Results for announcement to the market

Previous corresponding period: year ended 30 June 2023

	$'000	UP/DOWN	MOVEMENT %
Revenue from ordinary activities	20,295	Up	37.4%
Loss from ordinary activities after tax attributable to members	(4,666)	Down	-42.2%
Net loss for the period attributable to members	(4,666)	Down	-42.2%

The group has reported a loss for the period of A$4,666,000 (2023: $8,076,000), with net assets amounting to A$8,508,000 as at 30 June 2024 (2023: A$8,945,000), including cash and cash equivalents of A$13,551,000 (2023: A$3,387,000).

Please refer to the 'review of operations and activities' on pages 6 to 15 for further explanation of the results.

Additional information supporting the Appendix 4E disclosure requirements can be found in the review of operations and activities and the financial statements for the year ended 30 June 2024.

Dividends

No dividends have been paid, recommended, reinvested or declared by QuickFee Limited for the current financial year. No dividends of QuickFee Limited were paid for the previous financial year. The group does not operate a dividend reinvestment plan.

Net tangible assets per ordinary share

	30 JUNE 2024 CENTS	30 JUNE 2023 CENTS
Net tangible assets per ordinary share	2.47	3.27

Changes in controlled entities

The following controlled entities were registered in the year ended 30 June 2024:

- 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 year ended 30 June 2024.

Foreign entities

All foreign entities have adopted the same accounting standards as the Australian parent entity.

Audit

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

Building on the Foundations for Transformational Growth

QuickFee Helps Professional Services firms Automate and Accelerate Accounts Receivable and Grow Their Business

QuickFee.

QuickFee Annual Report **2024**

CONTENTS

QuickFee helps professionals automate and accelerate Accounts Receivable and grow their business.

QuickFee is a market-leading payments, financing and Accounts Receivable (A/R) automation provider for professional services firms, including 40% of the INSIDE Public Accounting (IPA) Top 300 in the US.

With multiple payment options and powerful integrations that automate the engagement-to-cash workflow, QuickFee accelerates getting invoices paid in full, resulting in increased client spend, improved cash flow and reduced costs.

Through the QuickFee payment portal, clients can pay their professional service provider with a credit or debit card, ACH/EFT transfer, or leverage QuickFee's exclusive client financing solution to set up a payment plan over 3, 6, 9, or 12 months. With QuickFee Finance, the client can set their own pace for payments – and the firm gets paid in full, without incurring any costs.

QuickFee operates in the United States and Australia and focuses on serving professional services firms with affordable and scalable solutions, backed by world-class customer service.

- **QuickFee is a leading B2B payments and automated engagement-to-cash workflow solution for professional services firms, with a focus on accounting and legal.**
- **QuickFee operates in Australia and the US, with a low credit-loss business model. QuickFee has a unique product portfolio made up of flexible payment options and engagement-to-cash workflow automation.**
- **QuickFee has a strong and experienced management team and an engaged and aligned Board.**
- **With the US market representing the largest opportunity for growth, QuickFee aims to unlock transformational growth in the US by focusing on five key levers: QuickFee Finance, QuickFee Connect, Differentiated Technology, Strategic Alliances and Partnerships and Automation. We will go into more detail on these levers in the Review of Operations and Activities section.**

Letter from the Chair

Dear shareholders,

On behalf of the Board, I have pleasure in presenting QuickFee's FY24 Annual Report.

Over the past year, I am pleased to report that we delivered strong revenue growth on a stable cost base, with improved profitability and a strengthened balance sheet.

Total revenue was up 37% on pcp to A$20.3 million, revenue from our core Finance product was up 53% on pcp to A$11.9 million and the loan book grew 28% to A$55 million at 30 June 2024. Our operating expenses decreased by 1% to A$15.8 million and our net loss after tax improved substantially to $4.7 million, up from a net loss of $8.1 million in FY23. Importantly, the business recorded its first positive EBTDA result in Q4 FY24.

These strong results reflect both increased total transaction volumes (TTV) across all products and improved revenue yields. We continue to benefit from a higher interest rate environment and strong demand for our solutions, which help our clients protect and preserve their cash. We have a low credit risk business model and we continue to have minimal bad debts across the business.

In FY24, we successfully completed a series of important operational milestones, which will underpin future revenue growth and the scalability of our model. We refined the sales strategy to drive growth in our core higher-margin QuickFee Finance product, finalised new strategic partnerships and improved internal processes with an 'automate everything' mindset.

Our US leadership team further strengthened in FY24 with the addition of Dave Moore as our Chief Technology Officer to drive product innovation and efficiency in our development function. We continue to build a highly scalable technology platform, which easily integrates with a broad range of strategic partners and leading practice management systems.

With a high performing and experienced management team in place, we remain optimistic about the potential for transformational growth in the US over the years ahead. The market opportunity in the US remains significant and QuickFee is well positioned to take advantage of the industry tailwinds driving increased adoption of e-invoicing.

We continued to strengthen our balance sheet through the finalisation of a A$10m facility to support growth in the Australian legal disbursement funding product and the successful completion of a well-supported A$4.4 million capital raise to fund further loan book growth, reflecting a strong endorsement of the significant growth opportunity ahead for QuickFee.

I would like to thank our funding partners for their continued support, together with our new and existing retail and institutional shareholders. This additional funding provides the business with increased lending capacity as the company continues to expand in both Australia and the US.

I would also like to thank the entire QuickFee team across Australia and the US for their ongoing commitment and hard work through the year. We enter FY25 with positive momentum across all metrics in the business and we are focused on the delivery of a profitable FY25 and continued growth in shareholder value.

Yours sincerely,

Dale Smorgon
Non-Executive Chairman

Accounts Receivable Accelerator & Revenue Generator

QuickFee has a differentiated value proposition that covers the entire engagement-to-cash workflow and offers flexible payment options for firms and their clients.

Why firms work with QuickFee:

1. **Reduce A/R** – A/R typically runs high for firms and we can help turn that A/R into cash.
2. **Grow the Business** - There are many priorities competing for cash and we can help find more of it for firms and their clients.
3. **Automate Processes** - We increase efficiency while improving the client and employee experience.
4. **Save Money** – Firms in the US can stop spending money on credit card fees by reducing or eliminating merchant fees.

QuickFee's commercial strategy is based on three main pillars:

1. Being the accounting segment market leader for automating the engagement-to-cash workflow for firms over $1M in annual revenue
2. Expanding strategically and efficiently through partnerships and alliances
3. Creating a scalable commercial foundation

+ QuickFee has established strong partnerships in the US with industry leaders such as BDO Alliance, Allinial Global, IRIS and Knuula and is exploring opportunities to embed its Finance solution into other payments and invoicing platforms.

+ QuickFee has invested in technology and automation to enhance its sales and marketing effectiveness, improve the customer experience and reduce costs.

TRUSTED FOR PAYMENTS AND FINANCING SOLUTIONS SINCE 2009:

1,500+ SERVICE PROVIDERS WORLDWIDE

90% USERS OF QUICKFEE FINANCE LIKELY TO USE A PAYMENT PLAN OPTION AGAIN[1]

OVER $500M LOANS ORIGINATED SINCE INCEPTION

[1] QuickFee Payment Plan User Survey

Comprehensive digital payment solutions, powered by intelligent automation.

QuickFee's solutions provide a modern alternative to the outdated, time-consuming invoicing and Accounts Receivable processes at many professional service firms.

QuickFee offers payments, financing and accounts receivable (A/R) automation for professional service firms. We help firms get paid faster, improve cash flow and automate the engagement-to-cash workflow.

Our Solutions

PAY NOW: Seamless ACH/EFT and Card Payment Processing

+ Includes all the digital payment options you need, with transparent fees.
+ One payment link to securely accept online credit card, debit card, or ACH/EFT/e-Check.
+ Simple to use recurring payment schedules (US only).
+ Credit card surcharge paid by the client.

PAY OVER TIME: Enhance Cash Flow with QuickFee Finance

+ Client financing solution exclusive to QuickFee.
+ Get paid in full every time while clients get flexibility to pay over time (and manage their cash flow).
+ Generate client payment plans with 3, 6, 9, or 12-month terms.
+ No cost to the firm.
+ With more access to funding, clients are more likely to buy all the services they need.

CONNECT (US only): Effective Way to Automate the Entire Engagement-to-Cash Workflow

+ Automate your invoicing and save hours of unbillable time.
+ Set automated email reminders to help clients pay on time.
+ Clients get personalised invoice links so they can pay in one click.
+ Consolidate data, documents and delivery systems across the entire "engagement-to-cash" workflow.
+ Direct, purpose-built integrations with leading practice management solutions and innovative engagement letter provider.

QuickFee's US product strategy is centred on three main initiatives:

1. **Modernising the customer's tech stack**
2. **Optimising the engagement-to-cash workflow**
3. **Expanding the ability to capture more share of the customer's payments**

+ **QuickFee meets the customer where they are by providing the latest innovations and products that can complement their existing practice management systems without completely replacing them.**
+ **QuickFee excels at automating the engagement-to-cash workflow with Connect, which integrates with the leading practice management solutions (used by approximately 90% of target market) and delivers game-changing value at a competitive price point. It also integrates with Knuula, the leading engagement letter automation platform – giving firms an elevated end-to-end experience with personalised payment links on engagement letters and invoice reminders.**

Purpose-built integrations with an 'automate everything' mindset.

Building our platform to enable easier, more scalable integrations with new strategic partners.

QuickFee Connect rolls out new integrations in FY24.

QuickFee Connect is our cloud-based A/R automation platform that integrates with leading practice management solutions and automates the entire engagement-to-cash workflow for accounting firms, streamlining each step in the process from invoice delivery to payment processing and reconciliation.

Unlike other Accounts Receivable (A/R) automation platforms that primarily serve enterprise-size firms, QuickFee Connect offers a scalable A/R solution that is designed specifically for accounting firms starting at $1M in annual revenue, with a competitive subscription pricing model for firms of all sizes that is truly a disrupter in the market. QuickFee Connect also delivers an intuitive user experience on a consolidated platform that allows firms to manage all their digital payments and access meaningful insights to drive decisions.

Now accounting firms in the US using Thomson Reuters Practice CS, Wolters Kluwer CCH Axcess Practice and CCH ProSystem *fx* Practice Management along with IRIS Practice Engine can leverage QuickFee Connect's direct, purpose-built integrations that demonstrate our deep expertise in the accounting space. With QuickFee Connect, firms can modernise and automate their billing and payment processes, save hours of unbillable time and admin work and get paid faster by their clients.

QuickFee Connect integration with Knuula expands our footprint to include the entire engagement-to-cash workflow.

Teaming up with Knuula (the leader in customisable engagement letters at scale) created significant market and media attention at AICPA Engage in June 2024, the largest national accounting conference. It also expanded QuickFee's footprint beyond just 'bill-to-cash' processes and into more areas of the 'engagement-to-cash' workflow.

Many accounting firms are spending hours of unbillable time on tasks like engagement letters, invoices and payments, all while using multiple systems and tools to manage these important processes. The simple yet powerful combination of QuickFee and Knuula helps firms significantly reduce manual effort, get paid faster and focus on the most important parts of their client work.

The integration saves precious time by automating processes across the engagement-to-cash workflow: firstly from engagement to payment and then from payment to reconciliation within the practice management system. This means that firms can automate almost every major client touchpoint and see cash in their accounts right from the engagement letter stage.

These are the types of integrations that are purpose-built to solve real customer pain points, while leveraging our deep expertise in our core areas and partnering with other experienced providers.

HERE'S WHAT OUR CUSTOMERS SAY:

One client used to take up to 8 months to pay... but when they used QuickFee I received payment within 1 day. We are absolutely loving the invoice platform and the payment plan options.

— **Michele Eaton, Former Controller / McSoley McCoy & Co**

QuickFee's technology strategy is based on four key areas:

1. Product development centered on customer needs
2. Accelerating delivery and building for scale
3. Protecting systems and data
4. Strengthening value through tech empowerment

- QuickFee collaborates with customers on the user interface and experience of its products, tests and monitors its products rigorously and uses generative AI tools to write code faster.

- QuickFee has reduced its product delivery cadence by 25%, adopted an 'automate everything' mindset and built software with core pillars of security, performance, resiliency, manageability and scalability.

- QuickFee has focused on reducing all critical vulnerabilities in its systems, invested in market-leading tools for security and monitoring, implemented a disaster recovery plan and maintained a technology bill of materials.

- QuickFee applies creative thinking to solve problems using its own technology, reduces reliance on third parties and spends intelligently on people and resources.

Executing on the strategy for transformational growth

In FY24, QuickFee delivered strong revenue growth and improved profitability, whilst continuing to make meaningful progress on its mission to be the market leading Accounts Receivable accelerator for professional service firms in both Australia and the US.

Total revenue was up 37% on pcp to $20.3 million, the cost base stabilised and profitability improved to a net loss of A$4.7m in FY24, a significant improvement on the net loss of A$8.1 million in FY23.

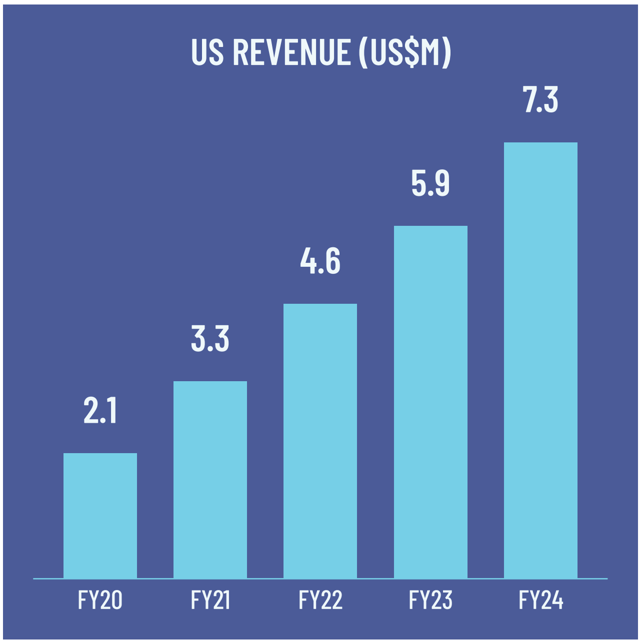
Over the past year, the focus was on expanding the core Finance product and implementing scalable systems to deliver sustainable growth and earnings over the years ahead.

Key operational highlights

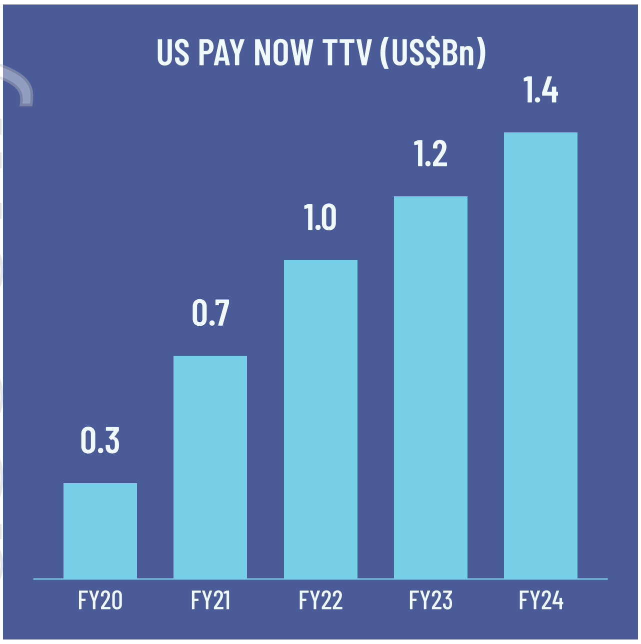
+ Signed 103 new customers across the US and increased the average firm size of new customers
+ Improved and optimised the sales and success teams, including new firm onboarding processes
+ New strategic partnerships with Allinial Global, IRIS Software Group and Knuula
+ Appointment of Dave Moore as Chief Technology Officer to drive product innovation and efficiency in the development function
+ Completed transition to 'direct to bank' ACH processing model
+ Growing transaction volumes through QuickFee Connect
+ Opened a new office, now the US headquarters, in Plano, Texas (previous headquarters in California)
+ Finalised A$10 million facility to support growth in the Australian legal disbursement funding product
+ Successful completion of A$4.4m capital raise

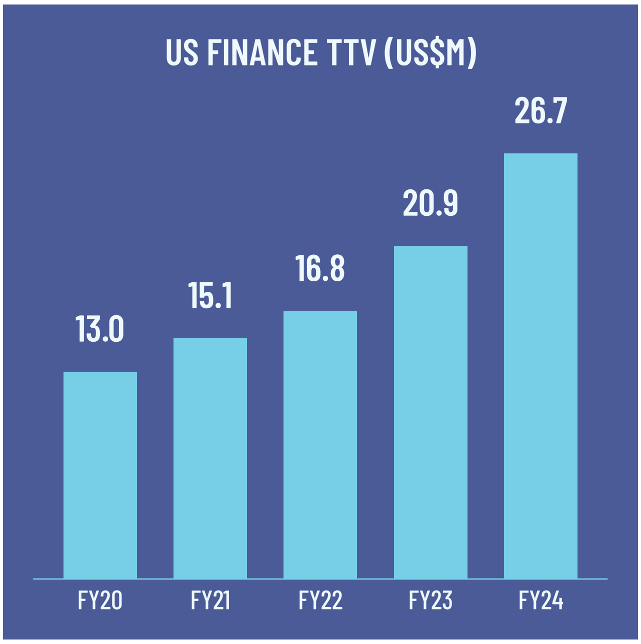
US Commentary

In FY24, the US revenue increased by 24% to US$7.3m. This was driven by growth in the high-margin Finance product, the implementation of technology-enabled sales processes, technology differentiation, improved operational efficiency and new strategic partnerships.



The US market continued to see increased demand for QuickFee Finance, particularly given the uncertainty in the market driven by the election year and economic uncertainty. Businesses want to hold on to cash and increase cash flow, while professional service firms aim to accelerate their Accounts Receivable collection and look for ways to win new business. Finance TTV in FY24 was up 28% on pcp to $26.7 million and revenue yields for QuickFee Finance were up 160 bps over pcp.





QuickFee delivered continued solid growth in ACH with TTV in FY24 up 18% to US$1,128 million. QuickFee's Card product delivered solid TTV growth in FY24, up 12% to US$237 million in FY24 while Card revenue grew at 37% over pcp to US$520,000.

The implementation of a new territory-based sales model with clear sales incentives led to signing up 103 new firms in the past year. QuickFee also successfully targeted larger firms with higher transaction volumes, which gives QuickFee the potential to capture more transaction volume over time.

The implementation of a 'technology first' strategy ensures a focus on building a scalable commercial foundation, with sales and onboarding processes that are predictable, repeatable and highly efficient and technology solutions that enable full cycle selling automation and AI assistance.

In FY24, QuickFee successfully completed the 'direct to bank' processing model and now all ACH Pay Now transactions are processed through the new model using two separate banks for processing, which will deliver more internal control over core processes, reduced ACH processing costs and provide full ACH processing redundancy.

In FY24, QuickFee announced new strategic partnerships with Allinial Global, IRIS Software Group and Knuula.

+ Allinial is an award-winning association of independent accounting and advisory firms focused on helping their members navigate the rapidly changing landscape as they adopt new technology, build out their advisory practices and ensure they are well positioned in the market. Allinial Global assists members with the identification, adoption and implementation of new technologies and they provide hands-on guidance to help firms leverage emerging technologies. By partnering with Allinial, QuickFee is a recommended part of a firm's tech stack to the 260 member firms that are part of Allinial.

+ IRIS Software Group ('IRIS') is a leading global software provider of accounting and payroll solutions to over 5,000 customers in the US. The partnership with IRIS has two components. Firstly, IRIS is a QuickFee Finance customer and offers that flexible payment option to firms seeking to buy IRIS software. Secondly, QuickFee is integrating its Connect platform with IRIS Practice Engine.

+ Knuula is a market-leading engagement letter solutions provider. QuickFee successfully launched a strategic integration with Knuula to provide QuickFee customers with best-in-class engagement letter functionality to complement QuickFee's best-in-class flexible payment options. The integration with Knuula extends QuickFee's reach to the beginning of the firm's client workflow and incorporates additional payments such as retainers and on account fees by providing a payment link on the engagement letter. The integration with Knuula provides a platform for scalable future integrations based on performance, security and resiliency.

QuickFee Connect

In Q4 FY24, QuickFee successfully completed a pilot of the new Connect subscription model, which launched in July 2024. In Q4 FY24, the number of invoices sent out through Connect was up 120% quarter-on-quarter and the total number of invoices sent through Connect in H2 FY24 was more than 10x those sent in H1 FY24.

In FY24, the majority of the work was completed around an additional practice management solution, Thomson Reuters Practice CS, which joins the three existing integrations: Wolters Kluwer CCH Axcess Practice, Wolters Kluwer CCH ProSystem *fx* Practice Management and IRIS Practice Engine.

This final integration means that we now have integrations with the practice management solutions used by 90% of accounting firms in our target market. 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 while automating the engagement-to-cash workflow. For customers that have adopted Connect, we have seen an increase of up to 60% in payment volume year-over-year, which further validates the importance of Connect in accelerating our transaction volume from both existing and new customers.

US Growth Strategy

QuickFee's strategy to unlock transformational growth in the US market is centered around five key areas, which are as follows:

+ **QuickFee Finance.** QuickFee Finance has revenue yields that are approximately 25 times those of our Pay Now offerings, all while delivering a solution to the market unmatched by any other company in the US. QuickFee Finance is instrumental in delivering transformational growth.

+ **QuickFee Connect.** QuickFee Connect is a key part of our growth strategy. By integrating QuickFee Connect with the most widely used practice management solutions in the US, firms are able to unlock automation capabilities that do not exist in the practice management solution itself. Connect is the key to unlocking firm revenue not captured by QuickFee today.

+ **Differentiated technology.** While the benefits we bring to firms are incredibly compelling, those alone won't drive transformational growth. Our goal is to turn product and development from being only a cost centre into a difference maker delivering world-class solutions, which will be critical to our strategy moving forward.

+ **Strategic alliances and partnerships.** If we want to grow QuickFee at a faster rate than ever before, acquiring firms one by one simply won't be fast enough. By building strong partnerships with other leaders in the industry and having customer champions who are excited evangelists, we can rapidly expand our reach, drive increased awareness and acquire new customers at scale on a one-to-many basis.

+ **Accelerate automation.** Given our goal is to drive cost-effective growth, we are automating every single functional area, including sales, customer success, finance, operations and product and development.

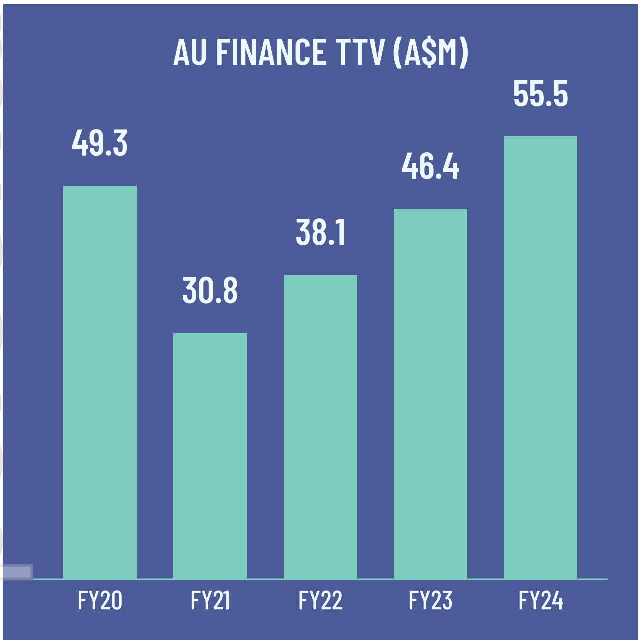
AU Commentary

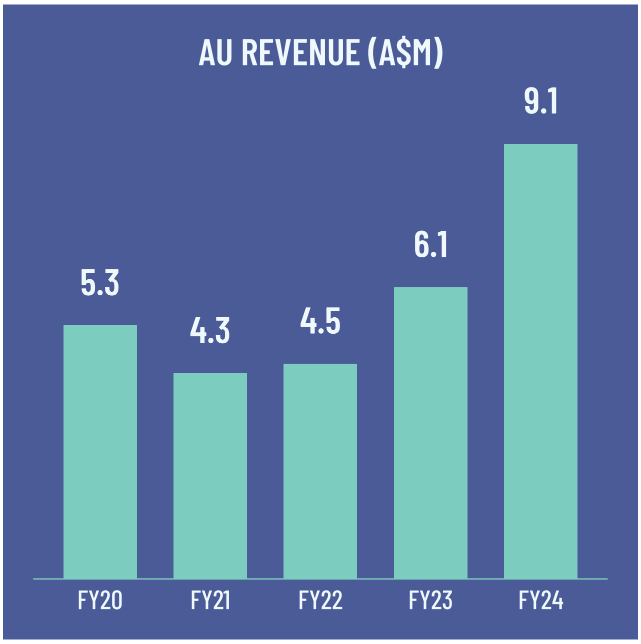
In FY24, the AU revenue increased by 49% to A$9.1m, driven by continued growth in the high-margin Finance product and increased revenue yield. Active customers grew 31% to 51,000 (FY23: 39,000) on a stable portfolio of active firms (FY24: 530, FY23: 525), showing that while the market is mature, there is plenty of growth capacity within the existing firm base as challenging economic conditions persist.

The Australian Buy Now Pay Later product 'Q Pay Plan', which provides finance to the homeowner services market and includes the Jim's Group Franchise agreement, grew strongly with FY24 TTV up 100% to A$3.4 million on pcp (FY23: A$1.7 million). This product is making small but growing positive contributions to revenue and EBTDA.

The success of the QuickFee brand in the Australian market is built upon a reputation for excellent customer service and ongoing vigorous relationship management activities, which positions the business extremely well to continue its growth.

In December 2023, QuickFee finalised the agreement with Wingate Corporate Investments for a A$10 million funding facility to support growth of the Australian legal disbursements funding product ('DF') at an advance rate of 85%. The DF business continues to grow and now comprises approximately one third of the Australian loan book at 30 June 2024.





Financial performance

Record Finance and Pay Now Total Transaction Volumes (TTV) in both the US and Australia drove revenue growth of 37% to A$20.3 million for FY24 (FY23: A$14.8 million), with revenue from the Finance product up 57% to AU$4.01 million in the US (FY23: AU$2.56 million) and up 51% to A$7.90 million in Australia (FY23: A$5.23 million).

QuickFee is tracking towards operating profitability, with EBTDA for H2 FY24 close to break-even at A$(0.5m) (H2 FY23: A$(2.8) million) and EBTDA for FY24 of A$(3.2) million (FY23: A$(6.6) million).

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$4.7 million in FY24 from A$2.6 million in 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.

Other cost of sales increased to A$3.0 million (FY23: A$2.8 million), lower than the 17% increase in US Pay Now volumes due to reduced ACH processing costs.

Detailed analysis of the profitability of each product, including revenue yield, Net Transaction Margins and Gross Margins are shown in the tables on pages 14 and 15.

A breakdown of operating expense is shown on the following page. The decrease of 1% to A$15.8 million (FY23 A$16.0 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$0.7 million and product development expenditure increased by A$0.3 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. Product development costs reduced from H1 FY24 to H2 FY24 by A$0.5 million, being the cost of the IT review and other non-recurring product development costs in H1 FY24.

REVENUE

A$'000	FY24	FY23	YEAR-ON-YEAR MOVEMENT
US ACH (PAY NOW)	6,382	5,345	19%
US CARD (PAY NOW)	795	564	41%
US FINANCE (PAY LATER)	4,011	2,558	57%
US BNPL	-	230	-100%
US REVENUE	**11,188**	**8,697**	29%
AU FINANCE (PAY LATER)	7,895	5,226	51%
AU PAY NOW	864	764	13%
AU BNPL	348	79	341%
AU REVENUE	**9,107**	**6,069**	50%
GROUP REVENUE	**20,295**	**14,766**	37%

SUMMARY PROFIT AND LOSS

A$'000	FY24	FY23	YEAR-ON-YEAR MOVEMENT
GROUP REVENUE	20,295	14,766	+37%
GROSS PROFIT	12,627	9,361	+35%
GROSS MARGIN %	62%	63%	-2%
OTHER INCOME	5	151	-97%
OPERATING EXPENSES	(15,811)	(16,042)	-1%
EBTDA	**(3,179)**	**(6,530)**	-51%
DEPRECIATION AND AMORTISATION	(1,118)	(1,127)	-1%
NET FINANCE COSTS	(369)	(419)	-12%
LOSS FOR THE PERIOD	**(4,666)**	**(8,076)**	-42%

Financial performance

Continued

Sales and marketing costs remained stable in 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.

Customer acquisition costs (which include overheads from sales management, new business sales staff, direct marketing and merchant onboarding costs) increased by A$0.1 million as the US continues to invest in accelerating revenue growth.

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 FY24 were A$134,000, 0.14% of total lending (FY23: A$78,000, 0.1%). The six year average is 0.17%. The provision for expected credit losses at 30 June 2024 was A$146,000, 0.3% of the total loan receivables (30 June 2023: A$219,000, 0.5%).

Other key results comprised:

+ Australian segment: gross profit of A$5.3 million and EBTDA of A$2.4 million;
+ US segment: gross profit of A$7.4 million and positive EBTDA of A$0.2 million, up from a loss of A$(0.7) million in FY23);
+ Group loss after tax of A$(4.7) million for the FY24 year (FY23: loss of A$(8.1) million), reflecting the revenue growth and stabilised cost base in FY24, that sees QuickFee approaching profitability.

PROFIT AND LOSS BY HALF-YEAR

A$'000	H1FY23	H2FY23	H1FY24	H2FY24
GROUP REVENUE	6,879	7,887	9,255	11,040
GROSS PROFIT	4,456	4,905	5,707	6,920
GROSS MARGIN %	65%	62%	62%	63%
OTHER INCOME	100	51	3	2
OPERATING EXPENSES	(8,246)	(7,796)	(8,385)	(7,426)
EBTDA	**(3,690)**	**(2,840)**	**(2,675)**	**(504)**
DEPRECIATION AND AMORTISATION	(567)	(560)	(516)	(602)
NET FINANCE COSTS	(157)	(262)	(173)	(196)
LOSS FOR THE PERIOD	**(4,414)**	**(3,662)**	**(3,364)**	**(1,302)**

OPERATING EXPENSES

A$'000	FY24	FY23	YEAR-ON-YEAR MOVEMENT
GENERAL AND ADMINISTRATIVE EXPENSES	**6,449**	7,116	-9%
SELLING AND MARKETING EXPENSES	**2,381**	2,389	-
CUSTOMER ACQUISITION EXPENSES	**2,783**	2,639	+5%
PRODUCT DEVELOPMENT EXPENSES	**4,198**	3,898	+8%
TOTAL OPERATING EXPENSES	**15,811**	**16,042**	**-1%**

SEGMENT RESULTS*

A$'000		FY24	FY23	YEAR-ON-YEAR MOVEMENT
AUSTRALIA	REVENUE	**9,107**	6,069	+50%
	GROSS PROFIT	**5,250**	3,251	+61%
	EBTDA	**2,418**	236	+925%
UNITED STATES	REVENUE	**11,188**	8,697	+29%
	GROSS PROFIT	**7,377**	6,110	+21%
	EBTDA	**217**	(746)	+129%

* Unallocated and product development expenses are not included in the above segment results, please see note 1 in the financial statements for the full segment analysis.

Balance sheet

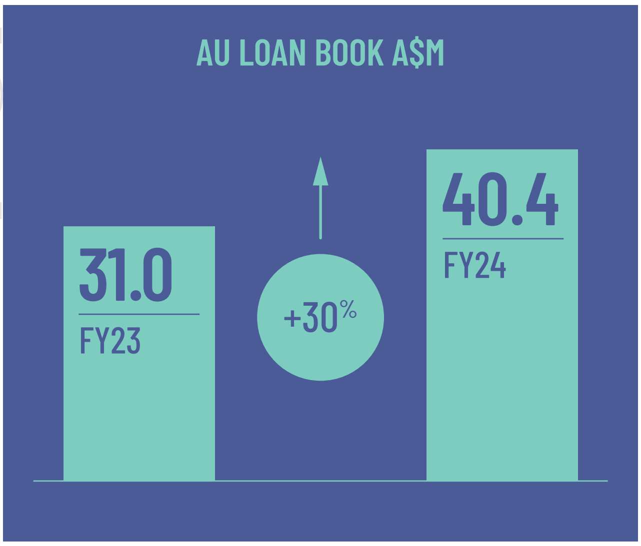
Net assets at 30 June 2024 were to A$8.5 million (30 June 2023: A$8.9 million).

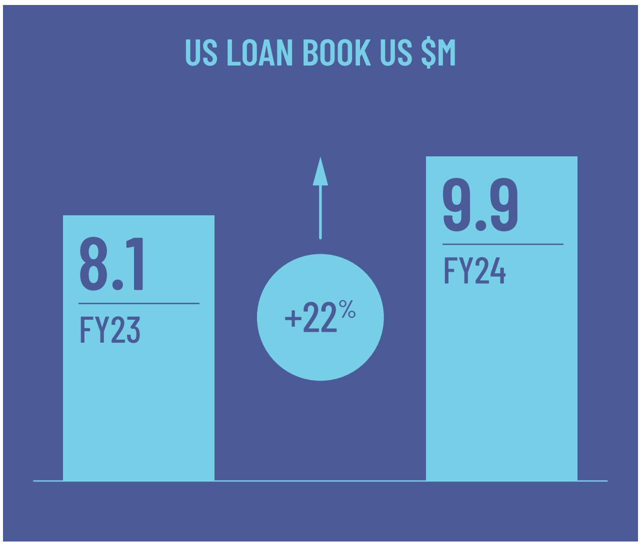
QuickFee's funds its lending business with asset-backed credit facilities with Northleaf Capital Partners (Northleaf) (up to US$40 million) and Wingate Corporate Investments (Wingate) (up to A$10 million), advancing 90% and 85% of certain loan receivables respectively. The completion of the Wingate facility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

Additionally in H2 FY24 the group successfully finalised a A$4.4 million capital raise, including an oversubscribed SPP of A$667,400 and a well supported placement of A$3.75 million. The capital raised will be used to fund further loan book growth in the US and Australia, to support the positive momentum in the business.

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

The strong growth in our lending business in both the US and Australia has led to our loan book growing 28% to A$55.2 million at 30 June 2024, from A$43.2 million at 30 June 2023.





Cash and liquidity

The Company maintains its cash on hand and drawn borrowings at a minimum in order to reduce interest expense.

Cash and cash equivalents includes $6.6 million (30 June 2023: nil) of cash balances held on behalf of the group's customers in bank accounts that are used to process the group's US ACH (Pay Now) transactions. (These amounts are also included within the firm settlements outstanding balance in current liabilities on the balance sheet.) These amounts arose for the first time in FY24 when the group commenced processing ACH transactions through its in-house 'direct to bank' platform, whereas it had previously used a third party payments organisation to process ACH transactions.

There is a further A$19.6 million of borrowing facility headroom from the Northleaf and Wingate facilities. Total available cash plus this growth capacity was A$26.5 million at 30 June 2024.

CASH AND LIQUIDITY

CASH AND LIQUIDITY	30 JUNE 2024	30 JUNE 2023
CASH AT BANK (A)	6.9	3.4
CASH HELD AT BANK REPRESENTING FIRMS' OUTSTANDING ACH SETTLEMENTS	6.6	-
TOTAL CASH AND CASH EQUIVALENTS	**13.5**	**3.4**
GROWTH CAPACITY (FURTHER BORROWINGS FACILITY HEADROOM) (B)	19.6	24.5
TOTAL AVAILABLE CASH PLUS GROWTH CAPACITY (A + B)	**26.5**	**27.9**

UNITED STATES

PRODUCT TTV PERFORMANCE

	FY24					FY23				
	Q1	Q2	Q3	Q4	FY24	Q1	Q2	Q3	Q4	FY23
TOTAL TRANSACTION VOLUMES U$M										
ACH (PAY NOW) TTV	219	298	251	360	**1,128**	200	252	212	289	**953**
GROWTH VS. PCP	10%	18%	18%	25%	**18%**	37%	29%	21%	11%	**22%**
CARD (PAY NOW) TTV	49	60	56	72	**237**	42	54	51	64	**211**
GROWTH VS. PCP	17%	11%	10%	13%	**12%**	20%	17%	16%	10%	**15%**
FINANCE (PAY LATER) TTV	5.9	7.7	6.8	6.3	**26.7**	4.8	5.3	5.0	5.8	**20.9**
GROWTH VS. PCP	23%	45%	36%	9%	**28%**	26%	20%	14%	38%	**24%**
BNPL TTV						1.1	0.1	-	-	**1.2**
GROWTH VS. PCP						120%	-83%	-100%	-100%	**-66%**
MERCHANT AND CUSTOMER NUMBERS										
ACTIVE CUSTOMERS (#000s)	79	91	97	141	**357**	73	80	85	125	**319**
GROWTH VS. PCP	8%	14%	14%	13%	**12%**	35%	36%	20%	6%	**26%**
ACTIVE MERCHANTS (#)	699	725	689	705	**794**	646	657	667	699	**756**
GROWTH VS. PCP	8%	10%	3%	1%	**5%**	27%	19%	16%	13%	**8%**

PRODUCT PROFITABILITY SUMMARY

	FY24				FY23				
US$000s EXCEPT VOLUME	**ACH**	**CARD**	**FINANCE**	**TOTAL**	**ACH**	**CARD**	**FINANCE**	**BNPL**	**TOTAL**
TOTAL TRANSACTION VOLUMES U$M	**1,128**	**237**	**26.7**	**1,391.7**	**953**	**211**	**20.9**	**1.2**	**1,186.1**
FINANCE REVENUE (INTEREST)	-	-	2,475	2,475	-	-	1,636	91	1,727
PAYMENTS AND OTHER REVENUE	4,182	520	155	4,857	3,599	380	94	64	4,137
TOTAL REVENUE	4,182	520	2,630	7,332	3,599	380	1,730	155	5,864
TOTAL REVENUE/VOLUME YIELD %	0.37%	0.22%	9.9%	0.53%	0.38%	0.18%	8.3%	12.9%	0.49%
DIRECT PROCESSING COSTS	(564)	-	-	(564)	(414)	-	(1)	(74)	(489)
TRANSACTION (LOSSES) AND BAD DEBT (CHARGE-OFFS)/WRITE-BACKS	-	-	(50)	(50)	-	-	-	34	34
NET TRANSACTION MARGIN (NTM)[1]	3,618	520	2,580	6,718	3,185	380	1,729	115	5,409
NTM/REVENUE %	86.5%	100.0%	98.1%	91.6%	88.5%	100.0%	99.9%	74.2%	92.2%
PLATFORM, CREDIT CHECK AND CREDIT STAFF COSTS	(123)	(25)	(283)	(431)	(155)	(34)	(360)	(15)	(564)
INTEREST EXPENSE	-	-	(1,502)	(1,502)	-	-	(687)	(4)	(691)
GROSS TRANSACTION MARGIN (GTM)	3,495	495	795	4,785	3,030	346	682	96	4,154
GTM/REVENUE %	83.6%	95.2%	30.2%	65.3%	84.2%	91.1%	39.4%	61.9%	70.8%

AUSTRALIA

PRODUCT TTV PERFORMANCE

	FY24					FY23				
	Q1	Q2	Q3	Q4	FY24	Q1	Q2	Q3	Q4	FY23
TOTAL TRANSACTION VOLUMES A$M										
EFT & CARD (PAY NOW) TTV	18	19	16	23	**76**	14	15	14	19	**62**
GROWTH VS. PCP	29%	27%	14%	21%	**23%**	8%	15%	17%	36%	**19%**
FINANCE (PAY LATER) TTV	11.0	14.4	13.1	17.0	**55.5**	8.9	11.7	10.9	14.9	**46.4**
GROWTH VS. PCP	24%	23%	20%	14%	**20%**	11%	26%	40%	15%	**22%**
BNPL TTV	0.6	0.8	0.9	1.1	**3.4**	0.4	0.4	0.5	0.4	**1.7**
GROWTH VS. PCP	50%	100%	80%	175%	**100%**	100%	100%	150%	100%	**113%**
MERCHANT AND CUSTOMER NUMBERS										
ACTIVE CUSTOMERS (#000s)	17	17	15	20	**51**	14	13	12	14	**39**
GROWTH VS. PCP	21%	31%	25%	43%	**31%**	8%	8%	20%	17%	**11%**
ACTIVE MERCHANTS (#)	406	423	411	479	**530**	397	410	409	424	**525**
GROWTH VS. PCP	2%	3%	0%	13%	**1%**	2%	4%	5%	1%	**6%**

PRODUCT PROFITABILITY SUMMARY

	FY24				FY23			
A$000s EXCEPT VOLUME	**EFT & CARD**	**FINANCE**	**BNPL**	**TOTAL**	**EFT & CARD**	**FINANCE**	**BNPL**	**TOTAL**
TOTAL TRANSACTION VOLUMES A$M	**76**	**55.5**	**3.4**	**134.9**	**62**	**46.4**	**1.7**	**110.1**
FINANCE REVENUE (INTEREST)	-	7,178	287	7,465	-	4,699	67	4,766
PAYMENTS AND OTHER REVENUE	864	717	61	1,642	764	527	12	1,303
TOTAL REVENUE	864	7,895	348	9,107	764	5,226	79	6,069
TOTAL REVENUE/VOLUME YIELD %	1.1%	14.2%	10.2%	6.8%	1.2%	11.3%	4.6%	5.5%
DIRECT PROCESSING COSTS	(789)	(133)	(25)	(947)	(689)	(22)	(15)	(726)
TRANSACTION LOSSES AND BAD DEBT CHARGE-OFFS	-	(35)	(26)	(61)	-	(130)	-	(130)
NET TRANSACTION MARGIN (NTM)	75	7,727	297	8,099	75	5,074	64	5,213
NTM/REVENUE %	8.7%	97.9%	85.3%	88.9%	9.8%	97.1%	81.0%	85.9%
PLATFORM, CREDIT CHECK AND CREDIT STAFF COSTS	-	(506)	(16)	(522)	-	(475)	(13)	(488)
INTEREST EXPENSE	-	(2,388)	-	(2,388)	-	(1,604)	-	(1,604)
GROSS TRANSACTION MARGIN (GTM)	75	4,833	281	5,189	75	2,995	51	3,121
GTM/REVENUE %	8.7%	61.2%	80.7%	57.0%	9.8%	57.3%	64.6%	51.4%

1. Net Transaction Margin is a non-IFRS measure that is a financial metric used by management to track QuickFee's unit economics of processing individual transactions, after deducting any transaction losses and bad debt write-offs. It excludes fixed platform and staff costs and any interest on funding facilities, as these costs are not incurred as a result of processing individual transactions.
2. Gross Trading Margin is calculated as statutory Gross Profit per QuickFee's audited financial statements, less transaction losses and bad debt write-offs (which are included in general and administrative expenses in the financial statements).

Directors' report

For the year ended 30 June 2024

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 year ended 30 June 2024. 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 30 June 2024 (FY24). The comparative period is from 1 July 2022 to 30 June 2023 (FY23).

Directors and company secretary

The following persons were directors of QuickFee Limited throughout the FY24 year and as at the date of this report:

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

The company secretary is Simon Yeandle, appointed to the position on 3 March 2021. Simon is a Chartered Accountant and joined the group on 9 October 2020 as Chief Financial Officer (CFO). He has previously held CFO roles at ASX listed companies such as oOh!media Limited (ASX:OML) and 3P Learning Limited (ASX:3PL).

Principal activities

The group has developed, and generates revenue from, a suite of payment and lending offerings via an online portal to professional and commercial services providers. These solutions help customers of service providers (the group's 'firms') access the advice and services they need, with the choice to pay immediately or over time by instalment. QuickFee's integrated online payment platform and financing solutions enable firms to accept payments by ACH/EFT or card (*QuickFee Pay Now*), payment plan/loan (*QuickFee Finance, Financing or Pay Over Time*), or a 'Buy Now, Pay Later' instalment plan in Australia (*Q Pay Plan*).

The group has established two separate operations:

- QuickFee AU for the Australian market, established in 2009; and
- QuickFee US for the United States market, established in 2016.

Dividends

No dividends were declared or paid to members for the year ended 30 June 2024. The directors do not recommend that a dividend be paid in respect of FY24.

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 6 to 15 of this annual report.

Directors' report *continued*

Significant changes in the state of affairs

Other than the information set out in the review of operations and activities on pages 6 to 15 of this annual report, there are no significant changes in the state of affairs that the group has not disclosed.

Events since the end of the financial year

On 2 July 2024, 127,830 performance rights that had vested on 1 July 2024 under the group's PROP were converted into equity and 127,830 shares were issued on 2 July 2024. No other events or circumstances have arisen since 30 June 2024 that has significantly affected the group's operations, results or state of affairs, or may do so in future years.

Likely developments and expected results of operations

Other than the information set out in the review of operations and activities on pages 6 to 15 of this annual report, there are no likely developments or details on the expected results of operations that the group has not disclosed.

Environmental regulation

The group is not affected by any significant environmental regulation in respect of its operations.

Information on directors

The following information is current as at the date of this report.

Dale Smorgon *Non-Executive Chairman* (B.Com)

Experience and expertise	Dale Smorgon has held senior executive positions in a range of companies over the past 20 years, including more than 10 years with Inmatrix, acquired in 2010 by SunGard Data Systems (now FIS). Inmatrix delivered credit risk analytics and software solutions to major financial institutions and professional firms in Australia and the United States. Dale has been a director of QuickFee AU since 1 June 2012 and provides his experience and strategic direction to the business. Dale is currently the Chief Executive Officer of Innovative Retail Pty Ltd, which delivers premium family entertainment experiences within shopping malls.
Date of appointment	15 February 2018
Other current directorships (listed)	None
Former directorships in last 3 years (listed)	None
Special responsibilities	Chair of the audit and risk committee Member of the remuneration and nomination committee
Interests in securities	Ordinary shares 27,839,541 Share options 300,000 Performance rights 1,136,364 (vested)

Directors' report *continued*

Bruce Coombes *Executive Director* (B.Bus)

Experience and expertise	Bruce Coombes qualified as a Chartered Accountant in 1985 and has spent his entire career within or providing solutions to the accounting profession. Bruce is a founder of both QuickFee AU and QuickFee US, having overseen the business from its start-up phase through to its IPO until 30 June 2022 after which Bruce transitioned to the role of Managing Director, Australia. Previously a partner in the accounting firm, Macquarie Partners (now part of Deloitte), Bruce introduced outsourcing as a solution for Australian accounting firms. The business he created, Accountants Resourcing, was ultimately acquired by a major financial institution.
Date of appointment	15 February 2018
Other current directorships (listed)	None
Former directorships in last 3 years (listed)	None
Special responsibilities	Managing Director, Australia
Interests in securities	Ordinary shares 21,226,597 Performance rights 3,237,030 (1,200,000 unvested, 2,037,030 vested)

Michael McConnell *Non-Executive Director* (B.Com)

Experience and expertise	Michael McConnell is an experienced non-executive director, having served on company boards in the US, Australia, New Zealand and Israel. He has additionally served as a CEO or executive chairman at organisations undergoing strategic or operational transformation. As a seasoned technology and financial services executive, Michael brings a wealth of experience in enterprise SaaS, cybersecurity, and business communications to the QuickFee board. For 15 years, Michael led the activist hedge fund for Shamrock, the Disney family investment company, and an alternative asset manager of private equity and hedge funds.
Date of appointment	25 March 2022
Other current directorships (listed)	Non-Executive Chairman of Adacel Technologies Limited (ASX:ADA), from May 2017 Non-Executive Director of OneSpan, Inc. (NASDAQ:OSPN), from June 2021
Former directorships in last 3 years (listed)	Non-Executive Director of SPS Commerce, Inc. (NASDAQ:SPSC), from March 2018 to July 2019 Non-Executive Director of Vonage Holdings Corp (NASDAQ:VG) from March 2019 to July 2022
Special responsibilities	Member of the audit and risk committee Chair of the remuneration and nomination committee
Interests in securities	Ordinary shares 967,262 Performance rights 1,107,955 (vested)

Directors' report *continued*

Meetings of directors

The numbers of meetings of QuickFee Limited's board of directors and of each board committee held during the year ended 30 June 2024, and the numbers of meetings attended by each director were:

	FULL MEETINGS OF DIRECTORS		MEETINGS OF COMMITTEES			
			AUDIT AND RISK		REMUNERATION AND NOMINATION	
	A	B	A	B	A	B
Bruce Coombes	12	12	–	–	–	–
Dale Smorgon	12	12	2	2	1	1
Michael McConnell	12	12	2	2	1	1

A = Number of meetings attended

B = Number of meetings held during the time the director held office or was a member of the committee during the year.

Remuneration report (audited)

The remuneration report details the director and other key management personnel (KMP) remuneration arrangements for QuickFee Limited, in accordance with the requirements of the *Corporations Act 2001* and its Regulations.

The remuneration report is set out under the following main headings:

(a) Remuneration governance

(b) Key management personnel

(c) Human resource strategy and remuneration policy

(d) Remuneration payments and link between performance and reward

(e) Remuneration of key management personnel

(f) Key terms of employment contracts

(g) Additional statutory information

Directors' report *continued*

(a) Remuneration governance

The remuneration and nomination committee is responsible for reviewing the remuneration arrangements for the group's directors and executives and making recommendations to the board. The remuneration and nomination committee has two key functions:

- The purpose of the remuneration function is to provide advice, recommendations and assistance to the board in relation to the group's remuneration policies and remuneration packages of senior executives, executive directors and non-executive directors.
- The purpose of the nomination function is to review and make recommendations to the board with respect to identifying nominees for directorships and key executive appointments; considering the composition of the board, ensuring that effective induction and education procedures exist for new board appointees, key executives and senior management; ensuring that appropriate procedures exist to assess and review the performance of the chairman, non-executive directors and senior executives. The responsibility for the group's remuneration policy rests with the full board notwithstanding the establishment of the committee.

Further information regarding the committee's responsibilities is set out in the remuneration and nomination committee charter which can be viewed at https://quickfee.com/investors/corporate-governance/corporate-governance-plan/.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the group, directly or indirectly, including all directors (non-executive and executive) of the group.

(b) Key management personnel

The directors and other key management personnel of the group covered in this report, who served in the below positions for the whole of the FY24 year, are:

NON-EXECUTIVE DIRECTORS	POSITION
Dale Smorgon	Chair of the board Chair of the audit and risk committee Member of the remuneration and nomination committee
Michael McConnell	Chair of the remuneration and nomination committee Member of the audit and risk committee

EXECUTIVE DIRECTORS	POSITION
Bruce Coombes	Managing Director, Australia

OTHER KEY MANAGEMENT PERSONNEL	POSITION
Simon Yeandle	Chief Financial Officer and Company Secretary
Jennifer Warawa	President, North America

Directors' report *continued*

(c) Human resource strategy and remuneration policy

The framework encourages executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to be based on market best practice for the delivery of reward. The board of directors ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage and alignment of executive compensation; and
- transparency.

Assessing performance

The remuneration and nomination committee is responsible for assessing performance against key performance indicators (KPIs) and determining the short-term incentives (STI) and long-term incentives (LTI) to be paid. To assist in this assessment, the committee receives data from independently run surveys, but not external remuneration consultants.

Performance is monitored on an informal basis throughout the year and a formal evaluation is performed annually.

(d) Remuneration payments and link between performance and reward

QuickFee Limited's remuneration strategy is designed to assist the group achieve its corporate objectives through appropriate fixed and performance-based remuneration as detailed below:

Executive remuneration

The group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework for the year ended 30 June 2024 included:

- cash salary;
- superannuation;
- short-term incentives; and
- long-term incentives.

The combination of these comprises the executive's total remuneration as detailed under 'key terms of employment contracts' below.

Fixed remuneration, consisting of base salary, fees and superannuation is reviewed annually by the remuneration and nomination committee based on individual and business performance, the overall performance of the group and comparable market remunerations.

Short-term incentives (STI plan)

QuickFee Limited has established a short-term incentive plan under which employees may be provided with a cash bonus for achievement against key performance metrics.

Participation in the STI plan is determined at the discretion of the board. Key performance metrics will generally relate to conditions that are within the control of the employee; for example, profit or sales targets, strategic measures or other such conditions as the group may decide as relevant to the specific executive role. The quantum of any reward is determined by the board.

STI equity sacrifice plan

Employees may elect to receive part or all of their STI awards, and directors part or all of their fees, in performance rights, with an additional 25% incentive in monetary value added. The issue price for shares awarded upon vesting of any performance rights under this component of the company's STI plan is the 7 day volume weighted average share price as at 1 July each year and was calculated to be A$0.055 per share for the year ended 30 June 2024. Participants must nominate at the beginning of the year the percentage of any remuneration for that full year that they wish to receive in rights. Performance rights will be issued in lieu of that monetary portion of their remuneration for the full year. A percentage of these rights equal to each person's STI achievement percentage, or fees, will vest after the end of that financial year and any required shareholder approval, at the stated issue price at the beginning of the year in question.

Long-term incentives (LTI plan)

QuickFee Limited has established a 'Performance Rights and Options Plan', adopted on IPO on 9 July 2019, amended and approved at the company's Annual General Meeting on 21 December 2021 and further amended on 19 September 2023.

Performance Rights and Options Plan (PROP)

Equity incentives under the PROP may be granted to employees (or such other person that the board determines is eligible to participate). Offers will be made at the discretion of the board. The terms of the incentives granted under PROP will be determined by the board at grant and may therefore vary over time. QuickFee Limited will regularly assess the appropriateness of its incentive plans and may amend or replace, suspend or cease using the PROP if considered appropriate by the board.

The PROP is intended to align the interests of the senior executives with shareholders. Awards under the PROP can be structured as an option to receive shares at a future date subject to the recipient paying the exercise price (share options) or a performance right to acquire a share, subject to satisfaction of any vesting conditions (performance rights).

Grants under the PROP are made annually and are made to the senior executive team and other employees as the board may determine from time to time. Any grants are made subject to the ASX Listing Rules, to the extent applicable.

The table below details the fixed, short- and long-term incentives in relation to executive remuneration and the link to the group's performance.

Directors' report *continued*

ELEMENT	PERFORMANCE MEASURES	STRATEGIC OBJECTIVE/ PERFORMANCE LINK
Fixed remuneration	The position description of each executive includes a set of individual performance measures which are reviewed and evaluated each financial year. Remuneration is set competitively to: • Recruit the best talent to QuickFee Limited to ensure sustainable growth; and • Retain high performance talent.	Each executives' individual performance measures are specifically designed to ensure alignment with the group's strategic plans for the year. Fixed remuneration is based on: • Role and responsibility; • Capability and competencies; and • Comparable market remuneration.
Performance-based remuneration (STIs and LTIs)	QuickFee Limited's performance pay consists of short- and long-term incentives which are designed to: • Motivate to achieve financial and non-financial corporate objectives; • Reward and recognise outstanding performance and create a performance culture; and • Retain high performance talent through the PROP and the subsequent tenure required for share options and performance rights to vest.	
Short-term incentive (STI) plan, being cash and optional equity award	The personal key performance metrics of each executive relate to conditions that are within the control of the employee which include but are not limited to revenue and expense targets, strategic initiatives and such other conditions as the group requires. STIs are cash-based or equity-based payments; • Quantum of STI = % of performance relative to an individual's key performance metrics.	Ensures each executive is held accountable for the outcomes that are under their control. These outcomes are designed to support the overall group objectives. STIs are designed to motivate individuals, create a high-performance culture, and increase employee engagement.
Long-term incentive (LTI) plan, being share options and performance rights	Participants must be employed on vesting date for the share options or performance rights to vest. Performance will be tested at the end of each vesting period.	Ensures a direct link between the LTI and the creation of shareholder value.

QuickFee Limited is committed to continue evolving the key performance indicators for executives ensuring meaningful stretch targets linked to shareholder value creation on which to be assessed.

Non-executive directors' remuneration

Each non-executive director has entered into appointment letters with QuickFee Limited, confirming the terms of their appointment and their roles and responsibilities.

Under the constitution, the board decides the total amount paid to each of the non-executive directors as remuneration for their services as a director. However, under the ASX Listing Rules, the total amount of fees paid to all directors for their services (excluding, for these purposes, the salary of any executive director) must not exceed in aggregate in any financial year the amount fixed by the company in general meeting.

Directors' report *continued*

The maximum annual aggregate non-executive directors' fee pool limit is A$400,000 (inclusive of superannuation), adopted on IPO of QuickFee Limited on 9 July 2019. Any change to that aggregated annual sum needs to be approved by shareholders. The aggregate sum does not include any special and additional remuneration for special exertions and additional services performed by a director as determined appropriate by the board.

Chair and independent non-executive director, Dale Smorgon's annual director fee for FY24 was A$100,000 (FY23: A$100,000), effective from his appointment to the position. This fee also covered his role as chair/member of the audit and risk committee and as member of the remuneration and nomination committee. Michael McConnell received an annual fee of A$65,000 for FY24 (FY23: A$65,000) for his role as a non-executive director, chair of the remuneration and nomination committee, as well as member of the audit and risk committee.

Directors may also be reimbursed for expenses properly incurred by them in connection with the affairs of the group, including travel and other expenses in attending to the group's affairs. The directors' fees do not include a commission on, or a percentage of, profits or income.

If a director renders or is called on to perform extra services or to make any special exertions in connection with the affairs of the group, the board may arrange for special remuneration to be paid to that director, either in addition to or in substitution for that director's remuneration set out above.

There are no contractual redundancy or retirement benefit schemes for non-executive directors, other than statutory superannuation contributions (where applicable).

Statutory performance indicators

We aim to align our executive remuneration to our strategic and business objectives and the creation of shareholder wealth. The table below shows measures of the group's financial performance and earnings per share information since FY20. However, these are not necessarily consistent with the measures used in determining the variable amounts of remuneration to be awarded to KMPs. Consequently, there may not always be a direct correlation between the statutory key performance measures and the variable remuneration awarded.

	FY24	FY23	FY22	FY21	FY20
Loss attributable to the ordinary equity holders of the company (A$'000)	4,666	8,076	13,500	8,546	3,827
Basic and diluted loss per share attributable to the ordinary equity holders of the company (cents)	1.7	3.0	5.9	4.0	2.5

The group's earnings have remained negative since inception due to the group investing in revenue growth and cost containment, with a significant amount being invested in customer acquisition activities and product development. No dividends have ever been declared by QuickFee Limited. The group continues to focus on both revenue growth and cost containment, to reach profitability, coupled with achieving key commercial milestones in order to generate further shareholder value.

(e) Remuneration of key management personnel

The table below details remuneration of key management personnel based on the policies previously discussed for the year ended 30 June 2024.

	SHORT-TERM BENEFITS					POST-EMPLOYMENT BENEFITS	LONG-TERM BENEFITS	SHARE-BASED PAYMENTS		
	CASH SALARY AND FEES	CASH BONUS	PERFORMANCE RIGHTS[2]	NON-MONETARY BENEFITS	ANNUAL LEAVE	SUPERANNUATION	LONG SERVICE LEAVE	SHARE OPTIONS	PERFORMANCE RIGHTS	TOTAL
FY24	A$	A$	A$	A$	A$	A$	A$	A$	A$	A$
Non-executive directors										
Dale Smorgon	50,000	–	14,200	–	–	–	–	–	–	64,200
Michael McConnell	16,250	–	13,845	–	–	–	–	–	–	30,095
Executive directors										
Bruce Coombes	368,126	141,448	25,455	–	(21,480)	25,292	8,597	–	2,005	549,443
Other KMP										
Simon Yeandle	308,896	27,908	10,528	–	15,605	25,292	5,468	–	2,781	396,478
Jennifer Warawa	533,862	93,127	–	10,715	(5,409)	12,234	–	–	9,271	653,800
Total compensation	**1,277,134**	**262,483**	**64,028**	**10,715**	**(11,284)**	**62,818**	**14,065**	**–**	**14,057**	**1,694,016**

Directors' report *continued*

The table below details remuneration of key management personnel based on the policies previously discussed for the year ended 30 June 2023.

	SHORT-TERM BENEFITS					POST-EMPLOYMENT BENEFITS	LONG-TERM BENEFITS	SHARE-BASED PAYMENTS		
	CASH SALARY AND FEES	CASH BONUS	PERFORMANCE RIGHTS[2]	NON-MONETARY BENEFITS	ANNUAL LEAVE	SUPERANNUATION	LONG SERVICE LEAVE	SHARE OPTIONS	PERFORMANCE RIGHTS	TOTAL
FY23	**A$**	**A$**	**A$**	**A$**	**A$**	**A$**	**A$**	**A$**	**A$**	**A$**
Non-executive directors										
Dale Smorgon	85,417	60,000	–	–	–	–	–	18,193	–	163,610
Michael McConnell	16,928	–	23,698	–	–	–	–	–	–	40,626
Barry Lewin[3]	41,667	–	–	–	–	–	–	(39,127)	–	2,540
Executive directors										
Bruce Coombes	368,126	97,222	32,677	–	18,671	25,292	9,219	340	8,132	559,679
Other KMP										
Eric Lookhoff[4]	138,011	–	–	1,916	(3,712)	21,161	–	–	–	157,376
Simon Yeandle	308,896	63,971	16,918	–	9,483	25,292	3,461	–	64,285	492,306
Jennifer Warawa	308,592	75,795	–	5,330	23,256	8,283	–	–	59,681	480,937
Total compensation	**1,267,637**	**296,988**	**73,293**	**7,246**	**47,698**	**80,028**	**12,680**	**(20,594)**	**132,098**	**1,897,074**

Notes:

1. Remuneration for other KMP is shown for the periods during the financial year for which each person was KMP. Refer to section (b) 'key management personnel' above for relevant dates.
2. Performance rights were paid as a short-term benefit as part of the STI equity sacrifice plan described in section (d) 'Remuneration payments and link between performance and reward' above. The amounts shown here are the fair value of rights awarded and expensed in the year. Refer to note 16 'share-based payments' in the financial report for more details.
3. Barry Lewin retired on 21 November 2022.
4. Eric Lookhoff resigned on 5 August 2022.

Directors' report *continued*

(f) Key terms of employment contracts

The tables below detail the key terms of employment contracts of key management personnel for the year ended 30 June 2024.

Name	Dale Smorgon
Title	Non-executive Chairman
Details	Base salary of A$100,000, inclusive of statutory superannuation in FY24, reviewed annually by the remuneration and nomination committee. FY24 remuneration remained the same as FY23. 50% of amounts received were compensated in performance rights at their fair value. Contract duration is unspecified.

Name	Michael McConnell
Title	Non-executive Director
Details	Base salary of A$65,000, inclusive of statutory superannuation in FY24, reviewed annually by the remuneration and nomination committee. FY24 remuneration remained the same as FY23. 75% of amounts received were compensated in performance rights at their fair value. Contract duration is unspecified.

Name	Bruce Coombes
Title	Executive Director and Managing Director, Australia
Details	Base salary of A$394,309, inclusive of statutory superannuation in FY24, STI (at 100% achievement) of A$179,259, inclusive of statutory superannuation, reviewed annually by the remuneration and nomination committee with a three-month termination notice by either party. FY24 remuneration remained the same as FY23. Contract duration is unspecified.

Name	Jennifer Warawa
Title	President, North America
Details	Base salary of US$350,000 in FY24, STI (at 100% achievement) of US$175,000, reviewed annually by the remuneration and nomination committee with a four-month termination notice by either party. FY24 remuneration remained the same as FY23. Contract duration is unspecified.

Name	Simon Yeandle
Title	Chief Financial Officer
Details	Base salary of A$336,396, inclusive of statutory superannuation in FY24, STI (at 100% achievement) of A$120,785, inclusive of statutory superannuation, reviewed annually by the remuneration and nomination committee with a three-month termination notice by either party. FY24 remuneration remained the same as FY23. Contract duration is unspecified.

(g) Additional statutory information

(i) Relative proportions of fixed vs variable remuneration expense

The following table shows the relative proportions of remuneration that are linked to performance and those that are fixed, based on the amounts disclosed as statutory remuneration expense on page 25 above:

	FIXED REMUNERATION		AT RISK STI		AT RISK LTI	
	FY24	FY23	FY24	FY23	FY24	FY23
NAME	%	%	%	%	%	%
Dale Smorgon	100	52	–	37	–	11
Bruce Coombes	69	75	31	23	–	2
Michael McConnell	100	100	–	–	–	–
Barry Lewin	–	52	–	–	–	48
Eric Lookhoff	–	100	–	–	–	–
Simon Yeandle	89	71	10	16	1	13
Jennifer Warawa	85	72	14	16	1	12

(ii) Performance based remuneration granted and forfeited during the year

The following tables show for each KMP how much of their STI bonus was awarded and how much was forfeited during the period. It also shows the value of share options and performance rights that were granted and exercised during the period. The number of share options and performance rights and percentages vested/forfeited for each grant are disclosed in sections (iii) and (iv) below.

NAME	TOTAL STI BONUS					LTI PERFORMANCE RIGHTS	
	TOTAL OPPORTUNITY AT 100%	AWARDED	FORFEITED	% ELECTED TO BE PAID IN CASH	% ELECTED TO BE PAID IN PERFORMANCE RIGHTS	PERFORMANCE RIGHTS VALUE GRANTED[1]	PERFORMANCE RIGHTS VALUE VESTED AND EXERCISED[2]
FY24	A$	%	%			A$	A$
Dale Smorgon	–	–	–	–	–	–	–
Bruce Coombes[3]	179,259	129	–	79	50	2,485	–
Michael McConnell	–	–	–	–	–	–	–
Simon Yeandle[3]	120,785	46	54	23	23	5,696	27,611
Jennifer Warawa[3]	266,923	35	65	35	–	18,987	40,500

Directors' report *continued*

NAME	TOTAL STI BONUS					LTI OPTIONS	LTI PERFORMANCE RIGHTS	
	TOTAL OPPOR-TUNITY	AWARDED	FORFEITED	% ELECTED TO BE PAID IN CASH	% ELECTED TO BE PAID IN PERFOR-MANCE RIGHTS	SHARE OPTIONS LAPSED	PERFOR-MANCE RIGHTS VALUE GRANTED[1]	PERFOR-MANCE RIGHTS VALUE VESTED AND EXERCISED[2]
FY23	A$	%	%			A$	A$	A$
Dale Smorgon	–	–	–	–	–	18,193	–	–
Bruce Coombes[3]	179,259	75	25	50	50	340	9,514	–
Michael McConnell	–	–	–	–	–	–	–	–
Barry Lewin	–	–	–	–	–	(39,127)	–	–
Eric Lookhoff[3]	–	–	100	–	–	–	–	–
Simon Yeandle[3]	120,785	56	44	50	50	–	9,608	102,264
Jennifer Warawa[3]	151,590	50	50	100	–	–	116,352	–

Notes:

1. The value at grant date calculated in accordance with AASB 2 *Share-based Payment* of share options and performance rights granted during the year as part of remuneration.
2. The value at the exercise date of performance rights that were granted as part of remuneration and were exercised during the year has been determined as the intrinsic value of the performance rights at the exercise date.
3. Bonuses were granted for meeting financial and operational targets.

(iii) Reconciliation of share options, performance rights and ordinary shares held by KMP

(a) Share options

	BALANCE AT THE START OF THE YEAR	EXPIRED/ FORFEITED	BALANCE AT END OF THE YEAR	VESTED AND EXERCISABLE AT THE END OF THE YEAR
Dale Smorgon[1]	300,000	–	300,000	300,000
Bruce Coombes[2]	3,000,000	3,000,000	–	–
Michael McConnell	–	–	–	–
Simon Yeandle	–	–	–	–
Jennifer Warawa	–	–	–	–

(b) Performance rights

	BALANCE AT THE START OF THE YEAR	GRANTED AS REMUNER-ATION	VESTED	EXPIRED/ FORFEITED	UNVESTED BALANCE AT END OF THE YEAR	VESTED AND EXER-CISABLE AT THE END OF THE YEAR[4]
Dale Smorgon[4]	–	1,136,364	(1,136,364)	–	–	1,136,364
Bruce Coombes[4, 5]	500,000	2,737,030	(2,037,030)	–	1,200,000	2,037,030
Michael McConnell[4]	–	1,107,955	(1,107,955)	–	–	1,107,955
Simon Yeandle[3, 4, 5]	1,139,150	1,972,557	(1,145,594)	(738,283)	1,227,830	634,274
Jennifer Warawa[5]	3,000,000	1,000,000	(750,000)	–	3,250,000	–

(c) Ordinary shares

	BALANCE AT THE START OF THE YEAR	CONVERSION ON VESTING AND EXERCISE OF PERFORMANCE RIGHTS	OTHER CHANGES[6]	BALANCE AT END OF THE YEAR
Dale Smorgon	27,839,451	–	–	27,839,451
Bruce Coombes	25,892,827	1,333,770	(6,000,000)	21,226,597
Michael McConnell	–	967,262	–	967,262
Simon Yeandle	1,283,600	1,185,343	49,979	2,518,922
Jennifer Warawa	500,000	750,000	–	1,250,000

Notes:

1. Dale Smorgon was granted 300,000 share options each (QFEAG), approved by shareholders at an extraordinary general meeting (EGM) of the company on 23 July 2020. These share options expire on 23 July 2025 and comprise three tranches of 100,000 share options with an exercise price of A$0.50. T1, T2 and T3 share options vested on 30 June 2021, 2022 and 2023 respectively, contingent on continued employment at each vesting date.
2. Bruce Coombes, the group's then CEO was granted 3,000,000 share options (QFEAB) on 9 July 2019. These share options expired on 9 July 2023 without exercise.
3. 511,320 performance rights granted to Simon Yeandle vested on 1 July 2023 and 8 October 2023.
4. 1,136,364, 1,107,955, 2,037,030 performance rights were issued to Dale Smorgon, Michael McConnell and Bruce Coombes respectively on 29 November 2023 and 1,372,557 to Simon Yeandle on 6 October 2023, 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 annual fees or Short Term Incentive awards in shares, issued at the 7 day VWAP as at 1 July 2023, together with a 25% incentive bonus also paid in shares at the same price. The issue price for shares awarded under this component of the company's STI plan has been calculated to be $0.055 per share. All performance rights issued to Dale Smorgon, Michael McConnell and Bruce Coombes and 634,274 issued to and Simon Yeandle vested under this scheme; these rights will convert to ordinary shares that are yet to be issued.
5. 700,000, 600,000 and 1,000,000 performance rights were granted to Bruce Coombes, Simon Yeandle and Jennifer Warawa respectively during the year, as part of their LTI remuneration. Details of terms and conditions are set out in section (v)(b) below.
6. Other changes in ordinary shares held by KMP include participation in share placements and on-market acquisitions/ disposals.

Directors' report *continued*

(iv) Share options, performance rights and ordinary shares granted as remuneration during or since the end of the year

(a) Share options

Directors and KMP

No share options were granted to directors and KMP as remuneration during or since the end of the year.

No share options were granted to officers who are among the five highest remunerated officers of the company and the group, but are not KMP and hence not disclosed in the remuneration report.

(b) Performance rights

All performance rights granted as remuneration during or since the end of the year are set out below:

Directors and KMP

HOLDER	GRANT DATE	ISSUE DATE	VESTING DATE	GRANTED	VESTED	EXPIRED/ FORFEITED	BALANCE AT END OF THE YEAR
Bruce Coombes	29 Nov 2023	29 Nov 2023	31 Jan 2024 – 30 Jun 2026	350,000	–	–	350,000
Bruce Coombes	29 Nov 2023	29 Nov 2023	31 Jan 2025 – 30 Jun 2026	350,000	–	–	350,000
Dale Smorgon	29 Nov 2023	29 Nov 2023	30 Jun 2024	1,136,364	(1,136,364)	–	–
Bruce Coombes	29 Nov 2023	29 Nov 2023	30 Jun 2024	2,037,030	(2,037,030)	–	–
Michael McConnell	29 Nov 2023	29 Nov 2023	30 Jun 2024	1,107,955	(1,107,955)	–	–
Simon Yeandle	6 Oct 2023	9 Oct 2023	31 Jan 2024 – 30 Jun 2026	300,000	–	–	300,000
Simon Yeandle	6 Oct 2023	9 Oct 2023	31 Jan 2025 – 30 Jun 2026	300,000	–	–	300,000
Simon Yeandle	6 Oct 2023	9 Oct 2023	30 Jun 2024	1,372,557	(634,274)	(738,283)	–
Jennifer Warawa	6 Oct 2023	9 Oct 2023	31 Jan 2024 – 30 Jun 2026	500,000	–	–	500,000
Jennifer Warawa	6 Oct 2023	9 Oct 2023	31 Jan 2025 – 30 Jun 2026	500,000	–	–	500,000
Total				7,953,906	(4,915,623)	(738,283)	2,300,000

For terms and conditions of each grant of performance rights see section (v) below.

Other employees

No performance rights were granted to officers who are among the five highest remunerated officers of the company and the group, but are not KMP and hence not disclosed in the remuneration report.

Directors' report *continued*

(v) Terms and conditions of share-based payment arrangements

(a) Performance rights

The terms and conditions of each grant of performance rights affecting KMP remuneration in the current or a future reporting period are as follows:

GRANT DATE (CODE QFEAM)	NAME	VESTING AND EXERCISE DATE	EXPIRY DATE	EXERCISE PRICE A$	VALUE PER PERFORMANCE RIGHT AT GRANT DATE A$	NUMBER OF PERFORMANCE RIGHTS GRANTED	VESTED AT THE END OF THE YEAR % (NUMBER)
STI grants							
1 Nov 2022	Simon Yeandle[3]	30 Jun 2024	–	0.055	0.017	1,372,557	46% (634,274)
29 Nov 2023	Dale Smorgon[3]	30 Jun 2024	–	0.055	0.013	1,136,364	100%
29 Nov 2023	Michael McConnell[3]	30 Jun 2024	–	0.055	0.013	1,107,955	100%
29 Nov 2023	Bruce Coombes[3]	30 Jun 2024	–	0.055	0.013	2,037,030	100%
LTI grants							
8 Nov 2021	Simon Yeandle	1 Jul 2023	–	–	0.20	127,830	100%
8 Nov 2021	Simon Yeandle	1 Jul 2024	–	–	0.20	127,830	–
8 Nov 2021	Simon Yeandle	8 Oct 2023	–	–	0.20	383,490	100%
1 Nov 2022	Simon Yeandle[1]	31 Jan 2023 – 30 Jun 2025	30 Jun 2025	–	0.067	250,000	–
1 Nov 2022	Simon Yeandle[2]	31 Jan 2024 – 30 Jun 2025	30 Jun 2025	–	0.067	250,000	–
21 Nov 2022	Bruce Coombes[1]	31 Jan 2023 – 30 Jun 2025	30 Jun 2025	–	0.067	250,000	–
21 Nov 2022	Bruce Coombes[2]	31 Jan 2024 – 30 Jun 2025	30 Jun 2025	–	0.067	250,000	–
28 Nov 2022	Jennifer Warawa[1]	31 Jan 2023 – 30 Jun 2025	30 Jun 2025	–	0.062	750,000	–
28 Nov 2022	Jennifer Warawa[2]	31 Jan 2024 – 30 Jun 2025	30 Jun 2025	–	0.062	750,000	–
28 Nov 2022	Jennifer Warawa	28 Nov 2023	–	–	0.062	750,000	–
28 Nov 2022	Jennifer Warawa	28 Nov 2024	–	–	0.062	750,000	–
6 Oct 2023	Simon Yeandle[4]	31 Jan 2024 – 30 Jun 2026	30 Jun 2026	–	0.012	300,000	–
6 Oct 2023	Simon Yeandle[5]	31 Jan 2025 – 30 Jun 2026	30 Jun 2026	–	0.007	300,000	–
29 Nov 2023	Bruce Coombes[4]	31 Jan 2024 – 30 Jun 2026	30 Jun 2026	–	0.010	350,000	–

Directors' report *continued*

GRANT DATE (CODE QFEAM)	NAME	VESTING AND EXERCISE DATE	EXPIRY DATE	EXERCISE PRICE A$	VALUE PER PERFORMANCE RIGHT AT GRANT DATE A$	NUMBER OF PERFORMANCE RIGHTS GRANTED	VESTED AT THE END OF THE YEAR % (NUMBER)
29 Nov 2023	Bruce Coombes[5]	31 Jan 2025 – 30 Jun 2026	30 Jun 2026	–	0.006	350,000	–
6 Oct 2023	Jennifer Warawa[4]	31 Jan 2024 – 30 Jun 2026	30 Jun 2026	–	0.012	500,000	–
6 Oct 2023	Jennifer Warawa[5]	31 Jan 2025 – 30 Jun 2026	30 Jun 2026	–	0.007	500,000	–

Notes:

All performance rights vest contingent on continued employment at the vesting date. Those performance rights with only tenure-based vesting conditions are only granted after careful consideration by the board that (a) the terms are appropriate and equitable and will satisfy ASX Listing Rules 6.1 and 12.5; (b) a grant of equity instruments rather than cash is more commonplace in the industry in which the company operates; and (c) the grant will better align the recipients' interests with that of the company and its shareholders.

Further vesting conditions for certain performance rights are set out below.

1. Vesting is contingent upon the first date after 31 January 2023 that a 30day Volume Weighted Average Price of the company's shares (ASX:QFE) (VWAP) of 15 cents is achieved.
2. Vesting is contingent upon the first date after 31 January 2024 that a 30day Volume Weighted Average Price of the company's shares (ASX:QFE) (VWAP) of 20 cents is achieved.
3. Vesting is contingent on individual fees/STI achievement under the company's Short Term Incentive (STI) Equity Sacrifice Plan (STIESP) for directors and employees. See note 4 under section g (iii) above for more details. The expected monetary amount of cash STI or fees sacrificed (deemed exercise price) is taken into account in assessing the fair value of these performance rights.
4. Vesting is contingent upon 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.
5. Vesting is contingent upon the first date after 31 January 2025 that a 30day Volume Weighted Average Price of the company's shares (ASX:QFE) (VWAP) of 20 cents is achieved.

The number of share options and performance rights over ordinary shares in the company provided as remuneration to key management personnel is shown in the section g(iii) titled 'reconciliation of share options, performance rights and ordinary shares held by KMP' above. The share options and performance rights carry no dividend or voting rights. When exercisable, each share option or performance right is convertible into one ordinary share of QuickFee Limited.

(vi) Other transactions with key management personnel

There were no other transactions with key management personnel during the course of the year.

(vii) Voting of shareholders at last year's annual general meeting

QuickFee Limited received more than 99% of 'yes' votes on its remuneration report for FY23. The company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

— This concludes the remuneration report, which has been audited —

Directors' report *continued*

Shares under option, performance rights and deferred shares

(a) Unissued ordinary shares

Unissued ordinary shares of QuickFee Limited under option at the date of this report are as follows:

Share options

GRANT DATE	CODE	EXPIRY DATE	EXERCISE PRICE	NUMBER OF UNISSUED ORDINARY SHARES UNDER OPTION
18 Mar 2020	QFEAD	30 Jun 2025	A$ 0.500	533,333
23 Jul 2020	QFEAG	23 Jul 2025	A$ 0.500	500,000
26 May 2021	QFEAH	31 Jan 2026	A$ 0.580	100,000
20 Aug 2021	QFEAI	30 Jun 2026	A$ 0.280	495,852
20 Aug 2021	QFEAJ	30 Jun 2026	A$ 0.319	495,827
20 Aug 2021	QFEAK	30 Jun 2026	A$ 0.344	495,827
20 Aug 2021	QFEAL	30 Jun 2026	A$ 0.382	495,826
27 Jun 2022	QFEAQ	30 Jun 2026	A$ 0.280	75,000
27 Jun 2022	QFEAR	30 Jun 2026	A$ 0.319	75,000
27 Jun 2022	QFEAS	30 Jun 2026	A$ 0.344	75,000
27 Jun 2022	QFEAT	30 Jun 2026	A$ 0.382	75,000
1 Nov 2022	QFEAP	30 Jun 2027	A$0.080	297,936
1 Nov 2022	QFEAU	30 Jun 2027	A$0.091	297,905
1 Nov 2022	QFEAV	30 Jun 2027	A$0.099	297,905
1 Nov 2022	QFEAW	30 Jun 2027	A$0.110	297,919
5 Sep 2023	QFEAX	30 Jun 2028	A$0.062	396,891
5 Sep 2023	QFEAY	30 Jun 2028	A$0.071	396,870
5 Sep 2023	QFEAZ	30 Jun 2028	A$0.076	396,867
5 Sep 2023	QFEAAA	30 Jun 2028	A$0.085	396,872
Total share options				6,195,830

Shares under option, performance rights and deferred shares *continued*

(a) Unissued ordinary shares *continued*

Performance rights

GRANT DATE	CODE	VESTING/ EXPIRY DATE	EXERCISE PRICE	NUMBER OF UNISSUED ORDINARY SHARES UNDER OPTION
8 Nov 2021	QFEAM	01 Jul 2024	A$–	127,830
1 Nov 2022	QFEAM	31 Jan 2023 – 30 Jun 2025	A$–	750,000
1 Nov 2022	QFEAM	31 Jan 2024 – 30 Jun 2025	A$–	750,000
21 Nov 2022	QFEAM	31 Jan 2023 – 30 Jun 2025	A$–	250,000
21 Nov 2022	QFEAM	31 Jan 2024 – 30 Jun 2025	A$–	250,000
28 Nov 2022	QFEAM	31 Jan 2023 – 30 Jun 2025	A$–	750,000
28 Nov 2022	QFEAM	31 Jan 2024 – 30 Jun 2025	A$–	750,000
28 Nov 2022	QFEAM	28 Nov 2024	A$–	750,000
6 Oct 2023	QFEAM	31 Jan 2024 – 30 Jun 2026	A$–	1,700,000
6 Oct 2023	QFEAM	31 Jan 2025 – 30 Jun 2026	A$–	1,700,000
29 Nov 2023	QFEAM	31 Jan 2024 – 30 Jun 2026	A$–	350,000
29 Nov 2023	QFEAM	31 Jan 2025 – 30 Jun 2026	A$–	350,000
6 Oct 203	QFEAM	30 June 2024	A$-	728,876
29 Nov 2023	QFEAM	30 June 2024	A$-	4,281,349
Total performance rights				13,488,055
Total				19,683,885

Notes:

Included in these were share options and performance rights granted as remuneration to the directors and other key management personnel during the year. Details of share options and performance rights granted are disclosed in sections (g) (iii) to (v) of the remuneration report above.

No share option or performance right holder has any right under the share options or performance rights to participate in any other share issue of the company or any other entity.

(b) Shares issued on the exercise of share options and performance rights

1,452,506 ordinary shares of QuickFee Limited were issued during the year ended 30 June 2024 on the exercise of share options and performance rights granted. 127,830 ordinary shares of QuickFee Limited were issued after the end of the year ended 30 June 2024 and prior to the date of this report on the exercise of share options and performance rights granted.

Directors' report *continued*

Material business risks

The group is a risk-conscious organisation with integrated risk management frameworks and policies throughout every part of the organisation. The material business risks faced by the group that are likely to have an effect on the future activities and financial prospects of the group are outlined below:

Competition risks

The group operates in a competitive industry and there is a risk of new providers or existing competitors delivering a comparatively superior product. If a larger, better funded finance provider markets or creates a comparable product at a lower price point, this could negatively impact the group's growth in the US market or could diminish the group's market share in the Australian market. This risk is mitigated by the group's unique position in the market relative to its competitors and substantial investment in its relationship management function that strengthens customers' loyalty to QuickFee.

Client and firm credit risk

There is a risk of potential failure of clients or firms to meet their obligations at the appropriate time with respect to loans granted to them. This risk is mitigated through firms guaranteeing repayment of the principal loaned in full should a client fail to meet its obligations. However, firms are also subject to repayment risk in the same manner as clients. The group continues to monitor and manage counterparty risk through internal decisioning capabilities, controls and protocols, including its credit policies, which are regularly reviewed to ensure they remain effective.

Company financing risk

A loss of, or adverse impact to the group's funding sources, could limit its ability to write new loans. This includes an inability to extend or refinance expiring facilities, an inability to set up new funding platforms to fund growth in loans, or an increase in funding costs which reduces the group's revenues or cash flow which could materially impact on the Company's business, operating and financial performance and growth. This risk is mitigated by QuickFee's management and board working with new and existing debt providers, as well as investors and investment banks (domestically and abroad) to identify the most appropriate funding solutions for the current and future business requirements. QuickFee continually monitors its existing cash, liquidity and funding position to ensure that sufficient funds are available for every day operations.

Revenue and growth risk

The group's ability to increase revenue and achieve profitability is dependent on the ability to profitably scale the business, which in turn is dependent on achieving a high level of sign-ups of new firms and growing transaction volumes from existing firms, across all its product offerings. There is no guarantee that all or any of the group's growth strategies will be successfully implemented or deliver the expected returns. Transaction volumes of its lending products might also be impacted by general economic conditions or any regulatory changes which impact its lending or payments operations.

QuickFee regularly reviews its strategies and plans that underpin them. The group plans to deliver continued market share growth in the professional services vertical through three strategic levers. Firstly, deliver organic growth through an improved sales approach and execution of comprehensive digital marketing strategy, enabling accelerated new customer acquisition, substantial growth in the Finance product, and increased penetration of existing firms through Connect adoption. Secondly, an enhanced focus on, and acceleration of, the group's strategic alliances and partnerships strategy to achieve exponential growth by leveraging 'one to many' relationships through deeper engagement with accounting firm alliances and associations. Lastly, to drive cost-effective product development with a narrow focus on expanding Connect integrations to reach more practice management systems, unlocking the US accounting market for QuickFee's payment solutions and enhancing firm experience through an improved product UX/UI.

People risk

The strategic management of the group depends substantially on its senior management and its key personnel. Failure to attract or retain existing key management personnel could have an adverse impact on the group. QuickFee rewards its employees competitively through its remuneration governance processes and is continually improving its culture through the use of enablement programs like engagement surveys, to ensure management has a holistic view on employee satisfaction and is aware of any potential risks that may arise.

Privacy and data security risks

As a technology-focused lending and payments business, the group collects and holds a range of personal and commercial information about customers and partners. There is a risk that QuickFee's systems, or those of its third-party service providers, may be impacted by external malicious attacks. Compliance with privacy and data security legislation relating to managing information security and safeguarding customer data remains a paramount key consideration and impacts the way the group approaches everything it does and the decisions it makes. The group takes the storage of this data very seriously and place the highest priority on ensuring its security, deploying extensive strategies to strengthen its systems security and uses a mix of governance, technical and procedural controls to prevent, detect and manage any cyber-attacks or unauthorised access to data it holds.

Exchange rate risk

Volatility in exchange rates can impact the group's ability to maintain or grow margins, however, to a significant extent the group's business currently enjoys natural hedges: the revenue that the group obtains in a particular foreign currency closely matches the expenses it incurs in that currency (such as US dollars). The directors believe that natural hedges presently mitigate any exchange rate volatility risk for the group to an economically acceptable level.

Regulatory risk

The group is subject to a range of laws, regulations, and industry compliance requirements in the jurisdictions in which it conducts business. The financial services sector in both Australia and the United States continues to undergo substantial political and regulatory scrutiny and potential regulatory change. Future changes to law or regulation, or potential changes to law or regulation which oblige industry participants to proactively change their business models, alter their funding arrangements or change their pricing disclosure could have a material adverse effect on the group's, financial position, operating and financial performance and/or growth. The group's legal and compliance teams proactively ensure effective management of all obligations and continuously monitor the legislative and regulatory landscape and industry bodies and regulators for relevant changes.

Directors' report *continued*

Insurance of officers and indemnities

(a) Insurance of officers

During the financial year, QuickFee Limited paid a premium of A$106,204 to insure the directors and secretaries of the company and its controlled entities. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

(b) Indemnity of auditors

QuickFee Limited has agreed to indemnify their auditors, William Buck Audit (Vic) Pty Ltd, to the extent permitted by law, against any claim by a third party arising from QuickFee Limited's breach of their agreement. The indemnity stipulates that QuickFee Limited will meet the full amount of any such liabilities including a reasonable amount of legal costs.

Proceedings on behalf of QuickFee Limited

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of QuickFee Limited, or to intervene in any proceedings to which QuickFee Limited is a party, for the purpose of taking responsibility on behalf of QuickFee Limited for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of QuickFee Limited with leave of the Court under section 237 of the *Corporations Act 2001*.

Audit and non-audit services

Details of the amounts paid or payable to the auditor (William Buck Audit (Vic) Pty Ltd) for audit and non-audit services during the year are disclosed in note 17 of the financial statements. No non-audit services were provided.

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 41.

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. Amounts in the directors' report and financial statements have been rounded off to the nearest thousand dollars, or in certain cases the nearest dollar.

Directors' report *continued*

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

Dale Smorgon
Non-Executive Chairman

27 August 2024

Auditor's independence declaration

For the year ended 30 June 2024

William Buck
ACCOUNTANTS & ADVISORS

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

To the directors of QuickFee Limited

As lead auditor for the audit of QuickFee Limited for the year ended 30 June 2024, 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 audit; and

— no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of QuickFee Limited and the entities it controlled during the year.

William Buck

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

A. A. Finnis
Director
Melbourne, 27 August 2024

Level 20, 181 William Street, Melbourne VIC 3000 +61 3 9824 8555 vic.info@williambuck.com williambuck.com.au

Corporate governance statement

For the year ended 30 June 2024

QuickFee Limited and the board are committed to achieving and demonstrating the highest standards of corporate governance. QuickFee Limited has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council.

The FY24 corporate governance statement is dated as at 30 June 2024 and reflects the corporate governance practices in place throughout FY24. The FY24 corporate governance statement was approved by the board on 27 August 2024. A description of the group's current corporate governance practices is set out in the group's corporate governance statement which can be viewed at https://quickfee.com/investors/corporate-governance/corporate-governance-statement/.

QuickFee Limited

ABN 93 624 448 693

Annual financial report — 30 June 2024

Contents

Financial statements

These financial statements are consolidated financial statements for the group consisting of QuickFee Limited and its subsidiaries. A list of major subsidiaries is included in note 12.

The financial statements are presented in the Australian currency.

QuickFee Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 4.07
10 Century Circuit
Norwest NSW 2153

Its shares are listed on the Australian Securities Exchange.

The financial statements were authorised for issue by the directors on 27 August 2024. The directors have the power to amend and reissue the financial statements.

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2024

	NOTES	FY24 $'000	FY23 $'000
Revenue	2,3	20,295	14,766
Interest expense	2(a)	(4,676)	(2,629)
Cost of sales	4(a)	(2,992)	(2,776)
Gross profit		**12,627**	**9,361**
Other income		5	151
General and administrative expenses	4(a)	(6,449)	(7,116)
Depreciation and amortisation	4(a)	(1,118)	(1,127)
Selling and marketing expenses	4(a)	(2,381)	(2,389)
Customer acquisition expenses	4(a)	(2,783)	(2,639)
Product development expenses	4(a)	(4,198)	(3,898)
Operating loss		**(4,297)**	**(7,657)**
Net finance costs	4(b)	(369)	(419)
Loss before income tax		**(4,666)**	**(8,076)**
Income tax expense	5	–	–
Loss for the period		**(4,666)**	**(8,076)**
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		(39)	168
Total comprehensive loss for the period		**(4,705)**	**(7,908)**

		CENTS	CENTS
Loss per share for loss attributable to the ordinary equity holders of the company:			
Basic and diluted loss per share	18	(1.7)	(3.0)

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 30 June 2024

	NOTES	30 JUNE 2024 $'000	30 JUNE 2023 $'000
ASSETS			
Current assets			
Cash and cash equivalents	6(a)	13,551	3,387
Loan receivables	6(a)	54,004	42,146
Trade and other receivables		761	576
Other current assets		761	667
Total current assets		69,077	46,776
Non-current assets			
Loan receivables	6(a)	1,198	1,044
Plant and equipment		97	123
Right-of-use assets		313	114
Other non-current assets		63	56
Total non-current assets		1,671	1,337
Total assets		70,748	48,113
LIABILITIES			
Current liabilities			
Firm settlements outstanding	6(a)	10,804	3,520
Trade and other payables	6(b)	1,675	2,310
Borrowings	6(c)	48,344	32,200
Lease liabilities		186	94
Employee benefit obligations		756	791
Total current liabilities		61,765	38,915
Non-current liabilities			
Borrowings	6(c)	285	199
Lease liabilities		173	43
Employee benefit obligations		17	11
Total non-current liabilities		475	253
Total liabilities		62,240	39,168
Net assets		8,508	8,945
EQUITY			
Contributed equity	7(a)	51,563	47,241
Other reserves	7(b)	956	1,049
Accumulated losses		(44,011)	(39,345)
Total equity		8,508	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 year ended 30 June 2024

	NOTES	ATTRIBUTABLE TO OWNERS OF QUICKFEE LIMITED CONTRIBUTED EQUITY $'000	OTHER RESERVES $'000	ACCUMULATED LOSSES $'000	TOTAL EQUITY $'000
Balance at 1 July 2022		46,652	913	(31,269)	16,296
Loss for the period		–	–	(8,076)	(8,076)
Other comprehensive income		–	168	–	168
Total comprehensive income/(loss) for the period		–	168	(8,076)	(7,908)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs	7(a)	345	–	–	345
Share-based payment vesting charge	7(b),16(d)	–	212	–	212
Conversion to equity upon vesting of performance rights		244	(244)	–	–
		589	(32)	–	557
Balance at 30 June 2023		47,241	1,049	(39,345)	8,945

	NOTES	ATTRIBUTABLE TO OWNERS OF QUICKFEE LIMITED CONTRIBUTED EQUITY $'000	OTHER RESERVES $'000	ACCUMULATED LOSSES $'000	TOTAL EQUITY $'000
Balance at 1 July 2023		47,241	1,049	(39,345)	8,945
Loss for the period		–	–	(4,666)	(4,666)
Other comprehensive loss		–	(39)	–	(39)
Total comprehensive loss for the period		–	(39)	(4,666)	(4,705)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs	7(a)	3,806	–	–	3,806
Share-based payment vesting charge	16(d)	–	173	–	173
Conversion to equity upon vesting of performance rights	7(b)	227	(227)	–	–
Issue of share warrants	7(b)	–	289	–	289
Conversion to equity upon exercise of share warrants	7(b)	289	(289)	–	–
		4,322	(54)	–	4,268
Balance at 30 June 2024		51,563	956	(44,011)	8,508

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

Consolidated statement of cash flows

For the year ended 30 June 2024

	NOTES	FY24 $'000	FY23 $'000
Cash flows from operating activities			
Interest, fees and charges from customers and firms (inclusive of GST)		20,389	15,241
Payments to suppliers and employees (inclusive of GST)		(19,056)	(19,354)
Interest and net finance costs paid		(5,357)	(2,747)
Net cash outflow from operating activities before changes in loan receivables and firm settlements outstanding		**(4,024)**	**(6,860)**
Payments to firms to settle loan receivables and movement in firm settlements outstanding		(92,196)	(80,423)
Receipts from firms' customers in respect of loan receivables		87,177	71,097
Net cash outflow from operating activities	8(a)	**(9,043)**	**(16,186)**
Cash flows from investing activities			
Payments for plant and equipment		(74)	(34)
Proceeds from disposal of plant and equipment		–	38
Net cash (outflow)/inflow from investing activities		**(74)**	**4**
Cash flows from financing activities			
Proceeds from issues of shares	7(a)	4,067	350
Share issue transaction costs	7(a)	(261)	(5)
Proceeds of loan receivables borrowings facility, net of repayments		16,249	11,591
Payments for establishment of borrowings facility and issue of subsequent loan notes		(625)	(299)
Principal elements of lease payments		(183)	(292)
Net cash inflow from financing activities		**19,247**	**11,345**
Net increase/(decrease) in cash and cash equivalents		**10,130**	**(4,837)**
Cash and cash equivalents at the beginning of the financial year		3,387	8,185
Effects of exchange rate changes on cash and cash equivalents		34	39
Cash and cash equivalents at end of the financial year		**13,551**	**3,387**

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

Notes to the financial statements

For the year ended 30 June 2024

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.

In addition, 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 (*'Pay Now'*); QuickFee Finance; and QuickFee Buy Now, Pay Later (*BNPL* or *Q Pay Plan*);

(ii) **In the United States:** QuickFee ACH (*'Pay Now'*); QuickFee Card (*'Pay Now'*); 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) Adjusted gross profit and EBTDA

Gross profit is equal to revenue, less cost of sales and less interest expense on borrowings that support loan receivables. EBTDA 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.

Notes to the financial statements *continued*

1 Segment information *continued*

(b) Country and product development segments *continued*

The table below shows profit/(loss) for the year ended 30 June 2024, allocated by country and product development segment which reconciles to loss for the period:

FY24	AU $'000	US $'000	PRODUCT DEVELOPMENT $'000	UNALLOCATED $'000	TOTAL $'000
Interest revenue	7,465	3,777	–	–	11,242
Interest expense	(2,388)	(2,288)	–	–	(4,676)
Net interest revenue	**5,077**	**1,489**	**–**	**–**	**6,566**
Revenue from contracts with customers	1,642	7,411	–	–	9,053
Cost of sales	(1,469)	(1,523)	–	–	(2,992)
Gross profit	**5,250**	**7,377**	**–**	**–**	**12,627**
Other income	5	–	–	–	5
General and administrative expenses	(1,651)	(3,182)	–	(1,443)	(6,276)
Selling and marketing expenses	(745)	(1,636)	–	–	(2,381)
EBTDA before customer acquisition and product development expenses and significant items	**2,859**	**2,559**	**–**	**(1,443)**	**3,975**
Customer acquisition expenses	(441)	(2,342)	–	–	(2,783)
Product development expenses	–	–	(4,198)	–	(4,198)
EBTDA before significant items	**2,418**	**217**	**(4,198)**	**(1,443)**	**(3,006)**
Share-based payment expenses	–	–	–	(173)	(173)
EBTDA	**2,418**	**217**	**(4,198)**	**(1,616)**	**(3,179)**
Depreciation and amortisation	(183)	(127)	–	(808)	(1,118)
Net finance costs	(161)	(208)	–	–	(369)
Profit/(loss) before income tax and profit/(loss) for the period	**2,074**	**(118)**	**(4,198)**	**(2,424)**	**(4,666)**

Notes to the financial statements *continued*

1 Segment information *continued*

(b) Country and product development segments *continued*

The table below shows profit/(loss) for the year ended 30 June 2023, allocated by country and product development segment which reconciles to loss for the period:

FY23	AU $'000	US $'000	PRODUCT DEVELOPMENT $'000	UNALLOCATED $'000	TOTAL $'000
Interest revenue	4,766	2,564	–	–	7,330
Interest expense	(1,604)	(1,025)	–	–	(2,629)
Net interest revenue	**3,162**	**1,539**	**–**	**–**	**4,701**
Revenue from contracts with customers	1,303	6,133	–	–	7,436
Cost of sales	(1,214)	(1,562)	–	–	(2,776)
Gross profit	**3,251**	**6,110**	**–**	**–**	**9,361**
Other income	5	146	–	–	151
General and administrative expenses	(1,785)	(3,209)	–	(1,910)	(6,904)
Selling and marketing expenses	(831)	(1,558)	–	–	(2,389)
EBTDA before customer acquisition and product development expenses and significant items	**640**	**1,489**	**–**	**(1,910)**	**219**
Customer acquisition expenses	(404)	(2,235)	–	–	(2,639)
Product development expenses	–	–	(3,898)	–	(3,898)
EBTDA before significant items	**236**	**(746)**	**(3,898)**	**(1,910)**	**(6,318)**
Share-based payment expenses	–	–	–	(212)	(212)
EBTDA	**236**	**(746)**	**(3,898)**	**(2,122)**	**(6,530)**
Depreciation and amortisation	(113)	(272)	–	(742)	(1,127)
Net finance costs	(110)	(217)	–	(92)	(419)
Profit/(loss) before income tax and profit/(loss) for the period	**13**	**(1,235)**	**(3,898)**	**(2,956)**	**(8,076)**

Notes to the financial statements *continued*

1 Segment information *continued*

(c) Segment assets and liabilities

The table below shows segment assets and liabilities as at 30 June 2024:

30 JUNE 2024	AU $'000	US $'000	PRODUCT DEVELOPMENT $'000	UNALLOCATED $'000	TOTAL $'000
Segment assets	40,808	16,157	–	13,783	70,748
Total assets	**40,808**	**16,157**	**–**	**13,783**	**70,748**
Segment liabilities	41,910	21,560	–	(1,230)	62,240
Total liabilities	**41,910**	**21,560**	**–**	**(1,230)**	**62,240**

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

30 JUNE 2023	AU $'000	US $'000	PRODUCT DEVELOPMENT $'000	UNALLOCATED $'000	TOTAL $'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**

Notes to the financial statements *continued*

1 Segment information *continued*

(d) Product profitability segments

The table below shows adjusted gross profit for the year ended 30 June 2024 allocated by product profitability segment, which reconciles to gross profit for the period:

FY24	EFT AND CARD $'000	FINANCE $'000	BNPL $'000	TOTAL $'000
Australia				
Interest revenue	–	7,178	287	7,465
Revenue from contracts with customers	864	717	61	1,642
Total gross revenue	864	7,895	348	9,107
Direct processing costs	(789)	(133)	(25)	(947)
Platform, credit check and credit staff costs	–	(506)	(16)	(522)
Cost of sales	(789)	(639)	(41)	(1,469)
Interest expense	–	(2,388)	–	(2,388)
Gross profit for the period	75	4,868	307	5,250

	ACH $'000	CARD $'000	FINANCE $'000	BNPL $'000	TOTAL $'000
United States					
Interest revenue	–	–	3,777	–	3,777
Revenue from contracts with customers	6,382	795	234	–	7,411
Total gross revenue	6,382	795	4,011	–	11,188
Direct processing costs	(860)	–	–	–	(860)
Platform, credit check and credit staff costs	(188)	(40)	(435)	–	(663)
Cost of sales	(1,048)	(40)	(435)	–	(1,523)
Interest expense	–	–	(2,288)	–	(2,288)
Gross profit for the period	5,334	755	1,288	–	7,377
Total gross profit for the period					12,627

Notes to the financial statements *continued*

1 Segment information *continued*

(d) Product profitability segments *continued*

The table below shows adjusted gross profit for the year ended 30 June 2023 allocated by product profitability segment, which reconciles to gross profit for the period:

FY23	EFT AND CARD $'000	FINANCE $'000	BNPL $'000	TOTAL $'000
Australia				
Interest revenue	–	4,699	67	4,766
Revenue from contracts with customers	764	527	12	1,303
Total gross revenue	**764**	**5,226**	**79**	**6,069**
Direct processing costs	(689)	(22)	(15)	(726)
Platform, credit check and credit staff costs	–	(475)	(13)	(488)
Cost of sales	**(689)**	**(497)**	**(28)**	**(1,214)**
Interest expense	–	(1,604)	–	(1,604)
Gross profit for the period	**75**	**3,125**	**51**	**3,251**

	ACH $'000	CARD $'000	FINANCE $'000	BNPL $'000	TOTAL $'000
United States					
Interest revenue	–	–	2,429	135	2,564
Revenue from contracts with customers	5,345	564	129	95	6,133
Total gross revenue	**5,345**	**564**	**2,558**	**230**	**8,697**
Direct processing costs	(615)	–	(1)	(110)	(726)
Platform, credit check and credit staff costs	(230)	(50)	(534)	(22)	(836)
Cost of sales	**(845)**	**(50)**	**(535)**	**(132)**	**(1,562)**
Interest expense	–	–	(1,020)	(5)	(1,025)
Gross profit for the period	**4,500**	**514**	**1,003**	**93**	**6,110**
Total gross profit for the period					**9,361**

Notes to the financial statements *continued*

2 Revenue

	NOTES	FY24 $'000	FY23 $'000
Interest revenue using the effective interest rate method	2(a)	11,242	7,330
Revenue from contracts with customers	3	9,053	7,436
Total revenue		20,295	14,766

(a) Net interest revenue

	FY24 $'000	FY23 $'000
Interest revenue		
Loan receivables	11,242	7,330
Interest expense		
Loan receivables – financial institution lenders	(4,676)	(2,629)
Net interest revenue	6,566	4,701

(i) Interest revenue

Interest revenue from loan receivables relate to the *QuickFee Finance* and *Buy Now, Pay Later (BNPL)* products. Interest revenue is recognised over the life of the loans granted by the group to its customers. 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.

Notes to the financial statements *continued*

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:

FY24	APPLICATION FEE REVENUE $'000	MERCHANT FEE REVENUE $'000	PLATFORM FEE REVENUE $'000	TOTAL $'000
Timing of revenue recognition				
At a point in time	–	8,253	32	8,285
Over time	612	–	156	768
	612	8,253	188	9,053
FY23				
Timing of revenue recognition				
At a point in time	–	6,808	14	6,822
Over time	424	–	190	614
	424	6,808	204	7,436

(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) Merchant fee revenue

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

- *QuickFee Finance:* 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.

Merchant 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.

Notes to the financial statements *continued*

4 Other income and expense items

(a) Breakdown of expenses by nature

	NOTES	FY24 $'000	FY23 $'000
Cost of sales			
Employee benefits[1]		399	392
Direct processing costs		1,807	1,452
Platform and credit check costs		541	694
Other		245	238
		2,992	**2,776**
General and administrative expenses			
Accounting, legal and professional fees		487	546
Employee benefits[1]		3,975	4,528
Net impairment losses on loan receivables		61	(99)
Recruitment		80	282
Share-based payment expenses (non-cash)	16(d)	173	212
Insurance		254	250
Travel		130	189
Other		1,289	1,208
		6,449	**7,116**
Depreciation and amortisation			
Depreciation		232	384
Amortisation		886	743
		1,118	**1,127**
Selling and marketing expenses			
Employee benefits[1]		2,070	2,128
Other		311	261
		2,381	**2,389**
Customer acquisition expenses			
Employee benefits[1]		1,988	1,831
Other		795	808
		2,783	**2,639**

Notes to the financial statements *continued*

4 Other income and expense items *continued*

(a) Breakdown of expenses by nature *continued*

	FY24 $'000	FY23 $'000
Product development expenses		
Employee benefits[1]	2,402	2,659
Other	1,796	1,239
	4,198	**3,898**

Notes:
1. Employee benefits from each functional expense category includes aggregate superannuation/401k of A$419,000 (2023: A$400,000).

(b) Net finance costs

	FY24 $'000	FY23 $'000
Finance costs – lease liabilities	(25)	(11)
Finance costs – borrowings facility line fee	(344)	(408)
	(369)	**(419)**

Notes to the financial statements *continued*

5 Income tax expense

(a) Numerical reconciliation of income tax expense to prima facie tax payable

	FY24 $'000	FY23 $'000
Loss before income tax	(4,666)	(8,076)
Tax at the Australian tax rate of 25% (2023: 25%)	(1,167)	(2,019)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Blackhole expenditure (Section 40-880, ITAA 1997)	(134)	(121)
Employee leave obligations	(9)	18
Expected credit losses	–	(56)
Prepayments	(2)	20
Share-based payments	43	53
Other	(43)	13
Subtotal	**(145)**	**(73)**
Difference in overseas tax rates	(204)	(63)
Tax losses and other timing differences for which no deferred tax asset is recognised	1,516	2,155
Income tax expense	**–**	**–**

(b) Tax losses

	FY24 $'000	FY23 $'000
Unused Australian tax losses for which no deferred tax asset has been recognised	22,826	22,058
Potential tax benefit at 25% (2023: 25.0%)	5,707	5,515
Unused United States tax losses for which no deferred tax asset has been recognised	16,550	12,113
Potential tax benefit at 29.84% (2023: 29.84%)	4,939	3,615
Total potential tax benefit	**10,646**	**9,130**

Tax losses for the year ended 30 June 2023 have been restated to reflect the income tax returns lodged for the same period.

The group does not recognise deferred tax assets for carried forward tax losses attributed to the QuickFee AU and QuickFee US consolidated tax groups as at 30 June 2024 and 30 June 2023. Deferred tax assets are recognised for deductible temporary differences only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

6 Financial assets and financial liabilities

(a) Cash-in-transit, loan receivables and firm settlements outstanding

Cash and cash equivalents includes $6,643,000 (30 June 2023: nil) of cash balances held on behalf's of the group's customers in bank accounts that are used to process the group's US ACH (Pay Now) transactions. These amounts are also included within the firm settlements outstanding balance shown in the table below. These amounts arose for the first time in FY24 when the group commenced processing ACH transactions 'in-house', whereas it had previously used a third party payments organistion to process ACH transactions.

		30 JUNE 2024			30 JUNE 2023		
	NOTES	CURRENT $'000	NON-CURRENT $'000	TOTAL $'000	CURRENT $'000	NON-CURRENT $'000	TOTAL $'000
Gross loan receivables	6(a)(i), (ii)	54,150	1,198	55,348	42,365	1,044	43,409
Expected credit losses	10(b)	(146)	–	(146)	(219)	–	(219)
Loan receivables		**54,004**	**1,198**	**55,202**	**42,146**	**1,044**	**43,190**
Firm settlements outstanding	6(a)(iii), (iv)	10,804	–	10,804	3,520	–	3,520

	30 JUNE 2024			30 JUNE 2023		
EXPECTED CREDIT LOSSES AGEING	< 30 DAYS PAST DUE	> 30 DAYS PAST DUE	TOTAL	< 30 DAYS PAST DUE	> 30 DAYS PAST DUE	TOTAL
Expected Loss Rate	0.11%	100%		0.24%	100%	
ECL provision	60	86	146	102	117	219
Gross Receivables	55,262	86	55,348	43,292	117	43,409

(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.

Notes to the financial statements *continued*

6 Financial assets and financial liabilities *continued*

(a) Cash-in-transit, loan receivables and firm settlements outstanding *continued*

(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.

(b) Trade and other payables

	30 JUNE 2024 CURRENT $'000	30 JUNE 2023 CURRENT $'000
Trade payables	535	874
Accrued expenses	802	1,023
Other payables	338	413
Total borrowings	**1,675**	**2,310**

Trade payables are unsecured and are usually paid within 30 days of recognition.

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

(c) Borrowings

		30 JUNE 2024			30 JUNE 2023		
	NOTES	CURRENT $'000	NON-CURRENT $'000	TOTAL $'000	CURRENT $'000	NON-CURRENT $'000	TOTAL $'000
Secured							
Northleaf Capital Partners Ltd	6(c)(i)	43,802	285	44,087	34,129	199	34,328
Wingate Corporate Investments	6(c)(ii)	6,500	–	6,500	–	–	–
Total secured borrowings		**50,302**	**285**	**50,587**	**34,129**	**199**	**34,328**
Capitalised borrowing costs							
Unamortised borrowing costs		(1,958)	–	(1,958)	(1,929)	–	(1,929)
Total capitalised borrowing costs		**(1,958)**	**–**	**(1,958)**	**(1,929)**	**–**	**(1,929)**
Total borrowings		**48,344**	**285**	**48,629**	**32,200**	**199**	**32,399**

Notes to the financial statements *continued*

6 Financial assets and financial liabilities *continued*

(c) Borrowings *continued*

(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 SOFR. 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 30 June 2024, US$5 million was drawn from the revolver and US$4 million and AU$30.5 million was drawn from the term loan facility. The facility maturity date is 30 November 2025 and the draw availability period ends on 30 September 2024. 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% per annum applies to any unused portion of the committed AU$10 million facility. At 30 June 2024, AU$6.5 million was drawn from the facility. The facility maturity date is 30 June 2028 and the draw availability period ends on 30 June 2025. 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.

(v) Risk exposures

Details of the group's exposure to risks arising from current and non-current borrowings are set out in note 10.

Notes to the financial statements *continued*

7 Equity

(a) Contributed equity

	NOTES	30 JUNE 2024 SHARES '000	30 JUNE 2023 SHARES '000	30 JUNE 2024 $'000	30 JUNE 2023 $'000
Ordinary shares	7(a)(ii)				
Fully paid		331,578	270,052	51,563	47,241
	7(a)(i)	331,578	270,052	51,563	47,241

(i) Movements in ordinary shares:

DETAILS	NUMBER OF SHARES '000	TOTAL $'000
Balance at 1 July 2022	265,600	46,652
4 July 2022: Issued at A$nil pursuant to vesting of director and employee unlisted performance rights[1]	761	–
24 November 2022: Share issue at A$0.10 pursuant to May 2022 share placement	3,500	350
2 February 2023: Issued at A$nil pursuant to vesting of director and employee unlisted performance rights[1]	191	–
Transfer from share based payments reserve on vesting of performance rights and conversion into ordinary shares	–	244
Less: Transaction costs arising on share issues	–	(5)
Balance at 30 June 2023	270,052	47,241
Balance at 1 July 2023	270,052	47,241
12 July 2023: Issued at A$nil pursuant to vesting of director and employee unlisted performance rights[1]	128	–
15 August 2023: Issued at A$nil pursuant to vesting of director and employee unlisted performance rights[1]	3,559	–
10 October 2023: Issued at A$nil pursuant to vesting of director and employee unlisted performance rights[1]	384	–
1 December 2023: Issued at A$nil pursuant to vesting of director and employee unlisted performance rights[1]	750	–
2 February 2024: Issued at A$nil pursuant to vesting of director and employee unlisted performance rights[1]	191	–
9 May 2024: Share issue at A$0.08 pursuant to May 2024 share placement	42,500	3,400
17 June 2024: Share issue at A$0.08 pursuant to May 2024 share purchase plan	8,343	667
19 June 2024: Issues at $nil pursuant to exercise of unlisted warrants and conversion to quoted shares	5,671	289
Transfer from share based payments reserve on vesting of performance rights and conversion into ordinary shares	–	227
Less: Transaction costs arising on share issues	–	(261)
Balance at 30 June 2024	331,578	51,563

1. See note 16 for details.

Notes to the financial statements *continued*

7 Equity *continued*

(a) Contributed equity *continued*

(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.

(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 year. A description of the nature and purpose of each reserve is provided below the table.

	NOTES	SHARE-BASED PAYMENT RESERVE $'000	FOREIGN CURRENCY TRANSLATION RESERVE $'000	TOTAL OTHER RESERVES $'000
Balance at 1 July 2022		989	(76)	913
Currency translation differences		–	168	168
Transactions with owners in their capacity as owners:				
Share options expensed	16(d)	34	–	34
Performance rights expensed	16(d)	178	–	178
Performance rights vested	7(a)(i), 16(b)	(244)	–	(244)
Balance at 30 June 2023		**957**	**92**	**1,049**
Balance at 1 July 2023		957	92	1,049
Currency translation differences		–	(39)	(39)
Transactions with owners in their capacity as owners:				
Share options expensed	16(d)	49	–	49
Performance rights expensed	16(d)	124	–	124
Performance rights vested	7(a)(i), 16(b)	(227)	–	(227)
Warrants issued	16(c)	289	–	289
Warrants exercised and converted to equity	16(c)	(289)	–	(289)
Balance at 30 June 2024		**903**	**53**	**956**

Notes to the financial statements *continued*

7 Equity *continued*

(b) Other reserves *continued*

(i) Nature and purpose of other reserves

Share-based payments

The share-based payment reserve records items recognised as expenses on valuation of share options, performance rights and warrants issued to key management personnel, other employees and eligible contractors and third parties.

Foreign currency translation

Exchange differences arising on translation of foreign controlled entities are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

8 Cash flow information

(a) Reconciliation of loss after income tax to net cash outflow from operating activities

	NOTES	FY24 $'000	FY23 $'000
Loss for the period		(4,666)	(8,076)
Adjustments for:			
Depreciation and amortisation	4(a)	1,118	1,127
Expected credit losses		61	(99)
Share-based payments	16(d)	173	212
Change in operating assets and liabilities:			
Movement in loan and payment processing receivables		(12,068)	(9,474)
Movement in trade and other receivables		(21)	181
Movement in other operating assets		(102)	6
Movement in firm settlements outstanding		7,284	357
Movement in trade and other payables		(577)	(371)
Movement in contract liabilities		(216)	(109)
Movement in employee benefit obligations		(29)	60
Net cash outflow from operating activities		(9,043)	(16,186)

(b) Non-cash investing and financing activities

Non-cash investing and financing activities disclosed in other notes are:

- acquisition of right-of-use assets; and
- options and performance rights issued to employees under the 'Performance Rights and Options Plan' and to service providers for no cash consideration – note 16.

9 Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included in other notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving significant estimates or judgements are:

- non-recognition of deferred tax asset for carry-forward tax losses – note 5(b);
- impairment of loan receivables – note 10(b); and
- employee benefit obligations – note 20.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

10 Financial risk management

This note explains the group's exposure to financial risks and how these risks could affect the group's future financial performance.

The group's risk management is predominantly controlled by the board. The board monitors the group's financial risk management policies and exposures and approves substantial financial transactions. It also reviews the effectiveness of internal controls relating to market risk, credit risk and liquidity risk.

(a) Market risk

(i) Foreign exchange risk

The group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations. The group is primarily exposed to changes in the United States dollar against the Australian dollar on translation into the group's presentation currency of controlled entity's financial information. However, there are no material financial assets and liabilities denominated in currencies other than the functional currency of each entity. Therefore, management has concluded that market risk from foreign exchange fluctuation is not material.

(ii) Interest rate risk

Borrowings from Northleaf and Wingate incur variable interest rates based on the 3 month USD SOFR and AUD BBSW rates. If these rates moved by 1.00% it would change the annualised interest expense (based on the level of borrowings at the end of the period) by A$503,000 (FY23: A$343,000). The group is not exposed to interest rate risk on interest received as income from customers are set at fixed interest rates.

Notes to the financial statements *continued*

10 Financial risk management *continued*

(b) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the group.

(i) Risk management

The group's counterparties comprise firms signed up to the QuickFee platform and these firms' customers that transact through this platform.

For the *QuickFee Finance* product, the firms are primarily professional service firms that are generally long established businesses. Credit risk is managed through the maintenance of procedures, ensuring to the extent possible that firms and their customers (the borrowers) that are counterparties to loans are of sound credit worthiness. Both QuickFee AU and QuickFee US apply the group's credit policy prior to granting any loans in order to ensure sound and prudent lending practices are applied. The policy sets out:

- limits for the value of loans granted to borrowers with respect to a firm's annual revenue to limit risks related to a firm's ability to repay loans on behalf of their customer, if required;
- limits for the value of loans guaranteed to any one particular firm to limit concentration of its loan book;
- annual reviews undertaken in respect of all customer loans and firms; and
- undertaking credit checks on borrowers above thresholds prior to granting loans.

To further protect the group from credit risk, firms usually grant to QuickFee Limited the irrevocable right to require the firm to purchase a *QuickFee Finance* loan for the outstanding amount in the event that a customer defaults on an instalment payment.

Accordingly, the group is not exposed to any significant credit risk on *QuickFee Finance* loan receivables due to the fact that the group usually has recourse against its firms to recover amounts in respect of unpaid invoices used as collateral for any loan granted. This recourse from firms is typically backed by a direct debit authority for bank accounts of each firm. Historically the risk of default has been low due to the underlying firms being low risk and the absence of significant risk concentration. The credit insurance policy held by QuickFee AU further mitigates against the risk of default on *QuickFee Finance* 'Fee Funding' loan receivables.

Notes to the financial statements *continued*

10 Financial risk management *continued*

(b) Credit risk *continued*

(i) Risk management *continued*

For the loan receivables relating to the *QuickFee BNPL* product, the group's primary credit risk mitigation strategies comprise:

- a direct debit authority held for the bank account of each merchant to protect against chargeback risk;
- merchant eligibility criteria that excludes higher risk businesses;
- borrower eligibility criteria that in most cases requires the borrower to own the property that any homeowner services are being performed at;
- a comprehensive refund and chargeback policy that requires merchants to repay QuickFee in the event of a refund or chargeback; and
- individual transaction size limits.

In terms of trade receivables on merchant fee revenue collected in arrears, the group has direct debit authority for bank accounts of each firm using the QuickFee Pay Now portal, which reduces risk.

For both loan and trade receivables, the group can divert inbound funds for pay in full transactions processed via the payments portal to cover any amounts owing by a given firm to the group, providing an additional level of recourse.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating.

(ii) Security

For some *QuickFee Finance* loan receivables, particularly for professional service firms with fewer than three partners, the group obtains security in the form of personal guarantees, which can be called upon if the borrower is in default under the terms of the agreement.

(iii) Impairment of financial assets

The group has two types of financial assets that are subject to the expected credit loss model:

- loan receivables; and
- trade receivables for merchant fee revenue collected in arrears.

While cash and cash equivalents are also subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial.

Loan receivables

The group applies the AASB 9 general approach to measuring expected credit losses (ECLs) on loan receivables, which are measured at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the QuickFee terms and all the cash flows that the group expects to receive. The group uses ageing of loan receivables as the basis for ECL measurement.

Notes to the financial statements *continued*

10 Financial risk management *continued*

(b) Credit risk *continued*

(iii) Impairment of financial assets *continued*

Loan receivables *continued*

At each reporting date, the group assesses impairment risk on initial recognition of the loan receivable and movements in the ageing of outstanding loan receivables to estimate the ECL.

Under this impairment approach, AASB 9 requires the group to classify loan receivables into three stages, which measure the ECL based on migration between the stages. The group has defined these stages as follows:

STAGE	AGEING	MEASUREMENT BASIS
Stage 1	Not yet due	While these loan receivables are not yet due, the group collectively assesses ECLs on loan receivables where there has not been a significant increase in credit risk since initial recognition and that were not credit impaired upon origination. For these loan receivables, the group recognises as a collective provision the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months. The group does not conduct extensive individual assessment of exposures in stage 1 as there is generally no evidence of one or more events occurring that would have a detrimental impact on estimated future cash flows.
Stage 2	1 to 60 days past due	Although there is usually no objective evidence of impairment, when a loan receivable has not been paid by the due date, it is an indication that credit risk has increased. As a result, the loss allowance for that loan receivable is measured at an amount equal to the lifetime ECL for increased credit risk. A lifetime ECL is the expected credit losses that result from all possible default events over the expected life of the loan receivable. Like stage 1, the group does not conduct extensive individual assessment on stage 2 loan receivables as the increase in credit risk is not, of itself, an event that could have a detrimental impact on future cash flows.
Stage 3	Greater than 60 days past due	When the loan receivable is greater than 60 days past due, there is considered to be objective evidence of impairment. The group identifies, both collectively and individually, ECLs on those exposures that are assessed as credit impaired based on whether one or more events that have a detrimental impact on the estimated future cash flows of that loan receivable have occurred.

The expected loss rates are based on the payment profiles of loans over a period of 48 months before 30 June 2024 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Notes to the financial statements *continued*

10 Financial risk management *continued*

(b) Credit risk *continued*

(iii) Impairment of financial assets *continued*

Loan receivables *continued*

The loss allowances for loan receivables as at 30 June reconciles to the opening loss allowances as follows:

	FY24 $'000	FY23 $'000
Opening loss allowance as at 1 July	219	396
Increase/(decrease) in loan receivables loss allowance recognised in profit or loss during the year	61	(99)
Loan receivables written off during the year as uncollectible	(134)	(78)
Closing loss allowance as at 30 June	146	219

There were no receivables past due not impaired for the year ended 30 June 2024 (2023: nil).

Loan receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, days past due without repayment, recourse available to the group such as realisability of security, insurance payout and other related factors.

Impairment losses on loan receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Trade receivables

The culmination of the series of protections against credit risk identified in note 10(b)(i) above is that the identified loss allowance as at 30 June 2024 and 30 June 2023 was determined for trade receivables to be immaterial, resulting in the non-recognition of any expected credit losses.

(c) Liquidity risk

Liquidity risk arises from the possibility that the group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The group manages this risk through the following mechanisms:

- preparing forward looking cash flow analyses in relation to its operating, investing and financing activities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- investing cash and cash equivalents and deposits at call with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

10 Financial risk management *continued*

(c) Liquidity risk *continued*

(i) Maturities of financial liabilities

The tables below analyse the group's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows.

CONTRACTUAL MATURITIES OF FINANCIAL LIABILITIES		LESS THAN 12 MONTHS	BETWEEN 1 AND 2 YEARS	BETWEEN 2 AND 5 YEARS	OVER 5 YEARS	TOTAL CONTR-ACTUAL CASH FLOWS	CARRYING AMOUNT
As at 30 June 2024		$'000	$'000	$'000	$'000	$'000	$'000
Firm settlements outstanding	6(a)	10,804	–	–	–	10,804	10,804
Trade and other payables	6(b)	1,675	–	–	–	1,675	1,675
Lease liabilities		186	142	59	–	387	387
Borrowings	6(c)	50,302	285	–	–	50,587	50,587
Total		62,967	427	59	–	63,453	63,453
As at 30 June 2023							
Firm settlements outstanding	6(a)	3,520	–	–	–	3,520	3,520
Trade and other payables	6(b)	2,310	–	–	–	2,310	2,310
Lease liabilities		94	47	–	–	141	137
Borrowings	6(c)	34,129	199	–	–	34,328	34,328
Total		40,053	246	–	–	40,299	40,295

11 Capital management

(a) Risk management

The group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may issue new shares or reduce its capital, subject to the provisions of the group's constitution. The capital structure of the group consists of equity attributed to equity holders of the group, comprising contributed equity, reserves and accumulated losses. By monitoring undiscounted cash flow forecasts and actual cash flows provided to the board by the group's management, the board monitors the need to raise additional equity from the equity markets.

Notes to the financial statements *continued*

11 Capital management *continued*

(b) Dividends

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

(i) Franking credits

	FY24	FY23
Franking credits available for subsequent reporting periods based on a tax rate of 25% (2023: 25.0%)	128,399	128,399

The above amounts are calculated from the balance of the franking account as at the end of the reporting period, adjusted for franking credits and debits that will arise from the settlement of liabilities or receivables for income tax and dividends after the end of the year.

The amounts include franking credits that would be available to the parent entity if distributable profits of subsidiaries were paid as dividends.

12 Interests in other entities

(a) Material subsidiaries

The group's principal subsidiaries are set out below. They have share capital consisting solely of ordinary shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

			OWNERSHIP INTEREST %		
NAME OF ENTITY	ENTITY TYPE	PLACE OF BUSINESS/ COUNTRY OF INCORPORATION	30 JUNE 2024	30 JUNE 2023	TAX RESIDENCY
Franchise Payment Services Pty Ltd	Body corporate	Australia	100	100	Australia
QuickFee Australia Pty Ltd	Body corporate	Australia	100	100	Australia
QuickFee Finance Pty Ltd	Body corporate	Australia	100	100	Australia
QuickFee Financing Pty Ltd	Body corporate	Australia	100	100	Australia
QuickFee WG Financing Pty Ltd[1]	Body corporate	Australia	100	N/A	Australia
QuickFee Group LLC	Body corporate	United States	100	100	United States
QuickFee Finance LLC	Body corporate	United States	100	100	United States
QuickFee GCI LLC	Body corporate	United States	100	100	United States
QuickFee NL Financing LLC	Body corporate	United States	100	100	United States
QuickFee NL Holding LLC	Body corporate	United States	100	100	United States
QuickFee, Inc.	Body corporate	United States	100	100	United States

Notes:

1. Incorporated on 3 November 2023.

QuickFee Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime.

Notes to the financial statements *continued*

13 Contingent liabilities

The group had no material contingent liabilities at 30 June 2024 (2023: nil).

14 Events occurring after the reporting period

On 2 July 2024, 127,830 performance rights that had vested on 1 July 2024 under the group's PROP were converted into equity and 127,830 shares were issued on 2 July 2024.

No other events or circumstances have arisen since 30 June 2024 that has significantly affected the group's operations, results or state of affairs, or may do so in future years.

15 Related party transactions

(a) Subsidiaries

Interests in subsidiaries are set out in note 12(a).

(b) Key management personnel compensation

	FY24 $	FY23 $
Short-term employee benefits	1,603,076	1,692,862
Post-employment benefits	62,818	80,028
Long-term long service leave benefits	14,065	12,680
Long-term share-based payments	14,057	111,504
	1,694,016	**1,897,074**

Detailed remuneration disclosures are provided in the remuneration report on pages 19 to 34.

(c) Transactions with other related parties

None.

16 Share-based payments

An updated 'Performance Rights and Options Plan' (PROP) was approved by shareholders at the 2021 Annual General Meeting and further updated for certain minor legislative changes on 19 September 2023. 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:

	FY24		FY23	
	AVERAGE EXERCISE PRICE PER SHARE OPTION $	NUMBER OF OPTIONS	AVERAGE EXERCISE PRICE PER SHARE OPTION $	NUMBER OF OPTIONS
As at 1 July	0.369	8,658,332	0.388	10,983,333
Granted during the period:	0.073	2,212,500	0.095	1,975,000
Forfeited/lapsed during the period	0.383	(4,675,002)	0.291	(4,300,001)
As at 30 June	**0.252**	**6,195,830**	**0.369**	**8,658,332**
Vested and exercisable at 30 June	0.302	4,804,165	0.375	6,441,662

16 Share-based payments *continued*

(a) Share options *continued*

Share options outstanding at the start and end of the period have the following expiry dates and exercise prices:

						NUMBER OF SHARE OPTIONS			
GRANT DATE	HOLDER	CODE	ISSUE DATE	EXPIRY DATE	EXERCISE PRICE	1 JULY 2023	GRANTED	LAPSED/ EXPIRED	30 JUNE 2024
22 Jan 2019	Bruce Coombes	QFEAB	09 Jul 2020	09 Jul 2023	A$0.300	1,000,000	–	(1,000,000)	–
22 Jan 2019	Bruce Coombes	QFEAB (T2)	09 Jul 2021	09 Jul 2023	A$0.400	1,000,000	–	(1,000,000)	–
22 Jan 2019	Bruce Coombes	QFEAB (T3)	09 Jul 2022	09 Jul 2023	A$0.500	1,000,000	–	(1,000,000)	–
18 Mar 2020	Various employees	QFEAD	30 Jun 2020	30 Jun 2025	A$0.500	533,333	–	–	533,333
23 Jul 2020	Barry Lewin	QFEAG	30 Jun 2021	23 Jul 2025	A$0.500	200,000	–	–	200,000
23 Jul 2020	Dale Smorgon	QFEAG	30 Jun 2021	23 Jul 2025	A$0.500	300,000	–	–	300,000
26 May 2021	Corey Struve	QFEAH	01 Sep 2021	31 Jan 2026	A$0.580	100,000	–	–	100,000
20 Aug 2021	Various employees	QFEAI	30 Jun 2024	30 Jun 2026	A$0.280	537,519	–	(41,667)	495,852
20 Aug 2021	Various employees	QFEAJ	30 Jun 2024	30 Jun 2026	A$0.319	537,494	–	(41,667)	495,827
20 Aug 2021	Various employees	QFEAK	30 Jun 2024	30 Jun 2026	A$0.344	537,494	–	(41,667)	495,827
20 Aug 2021	Various employees	QFEAL	30 Jun 2024	30 Jun 2026	A$0.382	537,492	–	(41,666)	495,826
21 Dec 2021	Neu Capital Australia Pty Ltd	QFEAN	02 Dec 2023	02 Dec 2025	A$0.840	250,000	–	(250,000)	–
21 Dec 2021	Neu Capital Australia Pty Ltd	QFEAO	02 Dec 2023	02 Dec 2025	A$0.980	250,000	–	(250,000)	–
27 Jun 2022	Don Singer	QFEAQ	30 Sep 2022	30 Jun 2026	A$0.280	25,000	–	–	25,000
27 Jun 2022	Don Singer	QFEAR	30 Sep 2022	30 Jun 2026	A$0.319	25,000	–	–	25,000
27 Jun 2022	Don Singer	QFEAS	30 Sep 2022	30 Jun 2026	A$0.344	25,000	–	–	25,000
27 Jun 2022	Don Singer	QFEAT	30 Sep 2022	30 Jun 2026	A$0.382	25,000	–	–	25,000
27 Jun 2022	Sharat Shankar	QFEAQ	30 Sep 2022	30 Jun 2026	A$0.280	25,000	–	–	25,000
27 Jun 2022	Sharat Shankar	QFEAR	30 Sep 2022	30 Jun 2026	A$0.319	25,000	–	–	25,000
27 Jun 2022	Sharat Shankar	QFEAS	30 Sep 2022	30 Jun 2026	A$0.344	25,000	–	–	25,000
27 Jun 2022	Sharat Shankar	QFEAT	30 Sep 2022	30 Jun 2026	A$0.382	25,000	–	–	25,000
27 Jun 2022	Francesco Fabbrocino	QFEAQ	30 Apr 2023	30 Jun 2026	A$0.280	25,000	–	–	25,000

16 Share-based payments *continued*

(a) Share options *continued*

GRANT DATE	HOLDER	CODE	ISSUE DATE	EXPIRY DATE	EXERCISE PRICE	NUMBER OF SHARE OPTIONS 1 JULY 2023	GRANTED	LAPSED/ EXPIRED	30 JUNE 2024
27 Jun 2022	Francesco Fabbrocino	QFEAR	30 Apr 2023	30 Jun 2026	A$0.319	25,000	–	–	25,000
27 Jun 2022	Francesco Fabbrocino	QFEAS	30 Apr 2023	30 Jun 2026	A$0.344	25,000	–	–	25,000
27 Jun 2022	Francesco Fabbrocino	QFEAT	30 Apr 2023	30 Jun 2026	A$0.382	25,000	–	–	25,000
1 Nov 2022	Various employees	QFEAP	30 Jun 2023	30 Jun 2027	A$0.080	393,771	–	(95,835)	297,936
1 Nov 2022	Various employees	QFEAU	30 Jun 2023	30 Jun 2027	A$0.091	393,735	–	(95,830)	297,905
1 Nov 2022	Various employees	QFEAV	30 Jun 2023	30 Jun 2027	A$0.099	393,735	–	(95,830)	297,905
1 Nov 2022	Various employees	QFEAW	30 Jun 2023	30 Jun 2027	A$0.110	393,759	–	(95,840)	297,919
5 Sep 2023	Various employees	QFEAX	30 Jun 2024	30 Jun 2028	A$0.062	–	553,148	(156,257)	396,891
5 Sep 2023	Various employees	QFEAY	30 Jun 2024	30 Jun 2028	A$0.071	–	553,116	(156,246)	396,870
5 Sep 2023	Various employees	QFEAZ	30 Jun 2024	30 Jun 2028	A$0.076	–	553,113	(156,246)	396,867
5 Sep 2023	Various employees	QFEAA	30 Jun 2024	30 Jun 2028	A$0.085	–	553,123	(156,251)	396,872
Total						8,658,332	2,212,500	(4,675,002)	6,195,830

	30 JUNE 2024	30 JUNE 2023
Weighted average remaining contractual life of share options outstanding at end of period	2.54 years	2.00 years

The grant of 3,000,000 executive share options (QFEAB) to Bruce Coombes was contingent on the IPO occurring. These share options expired on 9 July 2023 without exercise.

The grant of share options QFEAD on 18 March 2020 (533,333 outstanding as at 30 June 2023) vested on 30 June 2023.

Notes to the financial statements *continued*

16 Share-based payments *continued*

(a) Share options *continued*

The 600,000 director share options (QFEAG) granted to Barry Lewin and Dale Smorgon on 23 July 2020 vested in three equal tranches at 30 June 2021, 2022 and 2023 (for Dale Smorgon), respectively. These share options expire on 23 July 2025. The valuation inputs reflect the 23 July 2020 grant date fair value.

The grant of 100,000 employee share options (QFEAH) on 26 May 2021 vested on 1 September 2021.

The grant of 4,250,000 employee share options (QFEAI, QFEAJ, QFEAK and QFEAL) on 20 August 2021 and 27 June 2022 vested at various dates from 30 June 2022 to 30 June 2024 contingent on continued employment through to each vesting date. These share options expire on 30 June 2026. As the grant dates of 20 August 2021 and 27 June 2022 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 2021 and 1 January 2022 respectively. The valuation inputs reflect the 20 August 2021 and 27 June 2022 respective grant date fair values. 1,983,332 of these share options were outstanding at the end of the period, all of which are vested and fully exercisable.

The grant of 500,000 share options to Neu Capital Australia Pty Ltd (QFEAN and QFEAO) on 21 December 2021 lapsed on 2 December 2023 without meeting the vesting conditions attached to them (which were based on the volume of BNPL transactions processed through the channel partnership with Splitit Payments Ltd during the first three years from the date of the first funds flow).

The grant of 100,000 share options each to Don Singer and Sharat Shankar (QFEAP, QFEAQ, QFEAR and QFEAS) on 30 September 2021 vested on 30 September 2022. These share options expire on 31 January 2026. As the grant date of 27 June 2022 occurred after the recipients began rendering services in respect of that grant, 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 September 2021. The valuation inputs reflects 27 June 2022 grant date fair value.

The grant of 100,000 share options to Francesco Fabbrocino (QFEAP, QFEAQ, QFEAR and QFEAS) on 1 May 2022 vested on 30 April 2023. These share options expire on 31 January 2026. As the grant date of 27 June 2022 occurred after the recipient began rendering services in respect of that grant, 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 May 2022. The valuation inputs reflects 27 June 2022 grant date fair value.

The grant of 1,975,000 employee share options (QFEAP, QFEAU, QFEAV and QFEAW) on 1 November 2022 vest at various dates from 30 June 2023 to 30 June 2025 contingent on continued employment through to each vesting date. These share options expire on 30 June 2027. As the grant dats of 1 November 2022 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 2022. The valuation inputs reflect the 1 November 2022 grant date fair values. 1,191,665 of these share options were outstanding at the end of the period, of which 858,335 are vested and fully exercisable.

Notes to the financial statements *continued*

16 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 from 30 June 2024 to 30 June 2026 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. 1,587,500 of these share options were outstanding at the end of the period, of which 529,165 are vested and fully exercisable.

(i) Fair value of options granted

The assessed fair value at grant date of share options was determined using the binomial pricing model that takes into account the exercise price, the term of the share 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 share option and certain probability assumptions.

The model inputs for share options granted during the year ended 30 June 2024 included:

CODE	GRANT DATE	EXERCISE PRICE	SHARE PRICE AT GRANT DATE	EXPECTED VOLATILITY	DIVIDEND YIELD	RISK-FREE INTEREST RATE	FAIR VALUE AT GRANT DATE PER SHARE OPTION
QFEAX	5 Sep 2023	A$0.062	A$0.051	76.3%	0.0%	3.85%	A$0.0404
QFEAY	5 Sep 2023	A$0.071	A$0.051	76.3%	0.0%	3.85%	A$0.0387
QFEAZ	5 Sep 2023	A$0.076	A$0.051	76.3%	0.0%	3.85%	A$0.0379
QFEAA	5 Sep 2023	A$0.085	A$0.051	76.3%	0.0%	3.85%	A$0.0365

(b) Performance rights

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

		FY24	FY23
	NOTES	NUMBER OF PERFORMANCE RIGHTS	
As at 1 July		6,330,336	3,479,034
Granted during the period:		10,820,758	10,734,639
Vested and converted to ordinary shares during the period:	7(a)(i)	(6,462,731)	(4,511,948)
Forfeited/lapsed during the period		(2,210,533)	(3,371,389)
As at 30 June		8,477,830	6,330,336

16 Share-based payments *continued*

(b) Performance rights *continued*

Details of grants of performance rights outstanding at the end of the period are set out below:

					NUMBER OF PERFORMANCE RIGHTS					
GRANT DATE	HOLDER	CODE	ISSUE DATE	VESTING DATE	1 JULY 2023	GRANTED	LAPSED/ EXPIRED	VESTED, EXERCISED AND CONVERTED TO ISSUED SHARES	VESTED, EXERCISED AND YET TO BE CONVERTED TO ISSUED SHARES	30 JUNE 2024
8 Nov 2021	Various employees	QFEAM	21 Jan 2022	01 Jul 2023	127,830	–	–	(127,830)		–
8 Nov 2021	Various employees	QFEAM	21 Jan 2022	01 Jul 2024	127,830	–	–	–		127,830
8 Nov 2021	Various employees	QFEAM	21 Jan 2022	08 Oct 2023	383,490	–	–	(383,490)		–
1 Nov 2022	Various employees	QFEAM	05 Dec 2022	31 Jan 2023 – 30 Jun 2025	1,000,000	–	(250,000)	–		750,000
1 Nov 2022	Various employees	QFEAM	05 Dec 2022	31 Jan 2024 – 30 Jun 2025	1,000,000	–	(250,000)	–		750,000
1 Nov 2022	Various employees	QFEAM	1 Nov 2022	31 Jan 2024	191,186	–	–	(191,186)		–
21 Nov 2022	Bruce Coombes	QFEAM	05 Dec 2022	31 Jan 2023 – 30 Jun 2025	250,000	–	–	–		250,000
21 Nov 2022	Bruce Coombes	QFEAM	05 Dec 2022	31 Jan 2024 – 30 Jun 2025	250,000	–	–	–		250,000
28 Nov 2022	Various employees	QFEAM	13 Apr 2023	28 Nov 2023	750,000	–	–	(750,000)		–
28 Nov 2022	Various employees	QFEAM	13 Apr 2023	28 Nov 2024	750,000	–	–	–		750,000
28 Nov 2022	Various employees	QFEAM	13 Apr 2023	31 Jan 2024 – 30 Jun 2025	750,000	–	–	–		750,000
28 Nov 2022	Various employees	QFEAM	13 Apr 2023	31 Jan 2024 – 30 Jun 2025	750,000	–	–	–		750,000
6 Oct 2023	Various employees	QFEAM	9 Oct 2023	31 Jan 2024 – 30 Jun 2026	–	1,950,000	(250,000)	–		1,700,000
6 Oct 2023	Various employees	QFEAM	9 Oct 2023	31 Jan 2025 – 30 Jun 2026	–	1,950,000	(250,000)	–		1,700,000

16 Share-based payments *continued*

(b) Performance rights *continued*

					NUMBER OF PERFORMANCE RIGHTS					
GRANT DATE	HOLDER	CODE	ISSUE DATE	VESTING DATE	1 JULY 2023	GRANTED	LAPSED/ EXPIRED	VESTED, EXERCISED AND CONVERTED TO ISSUED SHARES	VESTED, EXERCISED AND YET TO BE CONVERTED TO ISSUED SHARES	30 JUNE 2024
29 Nov 2023	Bruce Coombes	QFEAM	29 Nov 2023	31 Jan 2024 – 30 Jun 2026	–	350,000	–	–		350,000
29 Nov 2023	Bruce Coombes	QFEAM	29 Nov 2023	31 Jan 2025 – 30 Jun 2026	–	350,000	–	–		350,000
6 Oct 2023	Various employees	QFEAM	9 Oct 2023	30 Jun 2024	–	1,939,409	(1,210,533)	–	(728,876)	–
29 Nov 2023	Dale Smorgon	QFEAM	29 Nov 2023	30 Jun 2024	–	1,136,364	–	–	(1,136,364)	–
29 Nov 2023	Michael McConnell	QFEAM	29 Nov 2023	30 Jun 2024	–	1,107,955	–	–	(1,107,955)	–
29 Nov 2023	Bruce Coombes	QFEAM	29 Nov 2023	30 Jun 2024	–	2,037,030	–	–	(2,037,030)	–
Total					6,330,336	10,820,758	(2,210,533)	(1,452,506)	(5,010,225)	8,477,830

The grant of 639,150 performance rights to various employees on 8 November 2021 vest at various dates contingent on continued employment at the vesting date. As the grant date of 8 November 2021 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 2021. The valuation inputs reflect the 8 November 2021 grant date fair values. 127,830 of these performance rights were outstanding at the end of the period.

The grant of 2,191,186 performance rights to various employees on 1 November 2022 and 500,000 to Bruce Coombes on 21 November 2022, and 3,000,000 to various employees on 28 November 2022, vest at various dates contingent on continued employment at the vesting date.

Notes to the financial statements *continued*

16 Share-based payments *continued*

(b) Performance rights *continued*

2,000,000 of the performance rights granted to various employees on 1 November 2022 and 500,000 to Bruce Coombes on 21 November 2022 and 1,500,000 granted to various employees on 28 November 2022 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 2023 that a 30 day 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 2024 that a 30 day VWAP of the Company's shares (ASX:QFE) WAP of 20 cents is achieved.

Tranche 1 and Tranche 2 expire on 30 June 2025.

The remaining 191,186 of the performance rights granted to various employees on 1 November 2022 and 1,500,000 granted to various employees on 28 November 2022, vest at various dates contingent on continued employment only. As the grant date of these performance rights 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 2022 (for rights granted on 1 November 2022) and 28 November 2022 (for rights granted on 28 November 2022). The valuation inputs reflect the respective grant date fair values. 4,250,000 of these performance rights were outstanding at the end of the period.

The grant of 3,900,000 performance rights to various employees on 6 October 2023 and 700,000 to Bruce Coombes on 29 November 2023 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 30 day 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 30 day VWAP of the Company's shares (ASX:QFE) WAP 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 5 December 2022, 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 annual fees or Short Term Incentive awards in shares, issued at the 7 day VWAP as at 1 July 2023, together with a 25% incentive bonus also paid in shares at the same price. The issue price for shares awarded under this component of the company's STI plan 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. The number of performance rights vested and lapsed under this scheme is shown in the table above.

Notes to the financial statements *continued*

16 Share-based payments *continued*

(b) Performance rights *continued*

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 shares at grant date was determined using the binomial pricing model that takes into account the term of the performance right, 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 performance right and certain probability assumptions.

For performance rights granted as part of the company's FY24 Short Term Incentive Equity Sacrifice Plan to directors and employees, the expected monetary amount of cash STI or fees sacrificed (deemed exercise price) is taken into account in assessing the fair value of these performance rights.

The model inputs for performance rights granted during the year ended 30 June 2024 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
6 Oct 2023	QFEAM	A$–	A$0.051	76.3%	0.0%	4.00%	A$0.005
29 Nov 2023	QFEAM	A$–	A$0.047	76.3%	0.0%	3.95%	A$0.003
Short Term Incentive Equity Sacrifice Plan:							
6 Oct 2023	QFEAM	A$0.0550	A$0.051	76.3%	0.0%	4.04%	A$0.017
29 Nov 2023	QFEAM	A$0.0550	A$0.047	76.3%	0.0%	4.00%	A$0.012

Notes to the financial statements *continued*

16 Share-based payments *continued*

(c) Share warrants

As part of the consideration for the establishment of the Wingate credit facility (refer note 6(c)), 5,671,351 share warrants were issued on 22 December 2023 to Wingate entity 'Win Finance No. 506 Pty Ltd'. These warrants were exercised for nil consideration and converted into 5,567,351 ordinary shares of the Company, issued on 19 June 2024.

(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 year ended 30 June 2024 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 arising from share-based payment transactions

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

		FY24 $'000	FY23 $'000
Share options issued or to be issued under the PROP		49	34
Performance rights issued or to be issued under the PROP		124	178
		173	212
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	16(c)	289	–

Notes to the financial statements *continued*

17 Remuneration of auditors

During the period the following fees were paid or payable for services provided by William Buck Audit (Vic) Pty Ltd (William Buck) as the auditor of the parent entity, QuickFee Limited, by William Buck's related network firms and non-related audit firms:

(a) Auditors of the group – William Buck and related network firms

	FY24 $	FY23 $
Audit and review of financial reports		
Group	85,000	77,000
Total services provided by William Buck	**85,000**	**77,000**

(b) Other auditors and their related network firms

Nil.

18 Loss per share

(a) Basic loss per share

	FY24 CENTS	FY23 CENTS
Basic and diluted loss per share		
Total basic and diluted loss per share attributable to the ordinary equity holders of the company	(1.7)	(3.0)

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

	FY24 $'000	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	4,666	8,076

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

	FY24 000s	FY23 000s
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share	280,750	268,533

Notes to the financial statements *continued*

18 Loss per share *continued*

(d) 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 years ended 30 June 2024 and 30 June 2023. 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 16(a) and 16(b), respectively.

19 Parent entity financial information

(a) Summary financial information

The individual financial statements for the parent entity, QuickFee Limited, show the following aggregate amounts:

	30 JUNE 2024 $'000	30 JUNE 2023 $'000
Statement of financial position		
Current assets	322	257
Non-current assets	26,809	25,235
Total assets	27,131	25,492
Current liabilities	266	471
Total liabilities	266	471
Shareholders' equity		
Contributed equity	51,563	47,241
Other reserves	903	957
Accumulated losses	(25,601)	(23,177)
	26,865	25,021
Loss for the period	2,424	6,730
Total comprehensive loss	2,424	6,730

Notes to the financial statements *continued*

19 Parent entity financial information *continued*

(b) Guarantees entered into by the parent entity

The parent entity has not entered into any guarantees in relation to debts of its controlled entities in the year ended 30 June 2024 (2023: nil)

(c) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2024 or 30 June 2023.

(d) Contractual commitments for the acquisition of plant or equipment

The parent entity has not entered into any contractual commitments for the acquisition of plant or equipment in the year ended 30 June 2024 (2023: nil).

(e) Determining the parent entity financial information

The financial information for the parent entity has been prepared on the same basis as the consolidated financial statements.

(i) Investments in subsidiaries

Investments in subsidiaries are accounted for at cost in the financial statements of QuickFee Limited.

(ii) Tax consolidation legislation

QuickFee Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation.

The head entity, QuickFee Limited, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right.

Notes to the financial statements *continued*

20 Material accounting policy information

The accounting policies that are material to the group are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The impact of these standards we not considered material.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The impact of these standards is not expected to have a material impact on the group.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 9.

Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the group only. Supplementary information about the parent entity is disclosed in note 19.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of QuickFee Limited ('company' or 'parent entity') as at 30 June 2024 and the results of all subsidiaries for the year then ended. QuickFee Limited and its subsidiaries together are referred to in these financial statements as the 'group'.

Subsidiaries are all those entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Notes to the financial statements *continued*

20 Material accounting policy information *continued*

Principles of consolidation *continued*

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the group. Losses incurred by the group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Going concern basis

The financial report has been prepared on the going concern basis which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. In the opinion of management and the directors, there are reasonable grounds to believe that the group will be able to pay its debts as and when they become due and payable. This opinion has been formed based on the following information:

- The group's lending business model is to make payments to professional services firms in advance of the group receiving the funds for those payments over time from the customers of those firms (its 'Pay Over time' product). This business model requires external debt and equity funding to support the growth in loan receivables, the group's continued investment in platform capability and its operational expenditure until it reaches profitability. The group also operates a 'PayNow' business which generates cash receipts in the month services are provided. This business greatly supports the equity funding requirement of the lending business, with $9.0 million being generated from revenue from contracts with customers in the current financial year.
- At 30 June 2024, the group had available cash on hand of $6.9 million. Furthermore under the facilities a further $19.7 million is available to draw to fund further loan book growth. At 30 June 2024 the group had net assets of $8.6 million and several avenues for additional funding are available to it, in both the debt and equity markets.
- Management has prepared and the Directors have reviewed and approved detailed financial forecasts for the 12 months ending 30 June 2025. This process has included applying appropriate sensitivities to the group's sales and cash forecasts and assessing the resultant impact on funding headroom, debt and working capital requirements and the group's ability to work within the requirements of its funding facilities. The range of impacts has been appropriately considered and reflected within the group's forecasts and the directors' assessment of going concern.

Notes to the financial statements *continued*

20 Material accounting policy information *continued*

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. This has been identified as the President, North America, Chief Financial Officer and Managing Director, Australia.

Foreign currency translation

The financial statements are presented in Australian dollars, which is QuickFee Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition

The accounting policies for the group's revenue from contracts with customers are explained in notes 2 and 3.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Notes to the financial statements *continued*

20 Material accounting policy information *continued*

Income tax *continued*

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

QuickFee Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Notes to the financial statements *continued*

20 Material accounting policy information *continued*

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

Loan receivables and firm settlements outstanding

The accounting policies for the group's loan receivables, payment processing receivables and firm settlements outstanding are explained in note 6(a).

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

Notes to the financial statements *continued*

20 Material accounting policy information *continued*

Employee benefits *continued*

Share-based payments *continued*

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Notes to the financial statements *continued*

20 Material accounting policy information *continued*

Fair value measurement *continued*

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of QuickFee Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Notes to the financial statements *continued*

20 Material accounting policy information *continued*

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the group for the annual reporting period ended 30 June 2024. The group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Consolidated entity disclosure statement

as at 30 June 2024

NAME OF ENTITY	ENTITY TYPE	PRINCIPAL ACTIVITIES	PLACE OF BUSINESS/ COUNTRY OF INCORPORATION	OWNERSHIP INTEREST %	TAX RESIDENCY
QuickFee Limited	Body corporate	Holding company	Australia	N/A	Australia
Franchise Payment Services Pty Ltd	Body corporate	Sales and marketing	Australia	100	Australia
QuickFee Australia Pty Ltd	Body corporate	Sales and marketing	Australia	100	Australia
QuickFee Finance Pty Ltd	Body corporate	Sales and marketing	Australia	100	Australia
QuickFee Financing Pty Ltd	Body corporate	Sales and marketing	Australia	100	Australia
QuickFee WG Financing Pty Ltd	Body corporate	Sales and marketing	Australia	100	Australia
QuickFee Group LLC	Body corporate	Holding company	United States	100	United States
QuickFee Finance LLC	Body corporate	Sales and marketing	United States	100	United States
QuickFee GCI LLC	Body corporate	Sales and marketing	United States	100	United States
QuickFee NL Financing LLC	Body corporate	Sales and marketing	United States	100	United States
QuickFee NL Holding LLC	Body corporate	Holding company	United States	100	United States
QuickFee, Inc.	Body corporate	Sales and marketing	United States	100	United States

Basis of preparation

This Consolidated entity disclosure statement (CEDS) has been prepared in accordance with the *Corporations Act 2001* and includes information for each entity that was part of the Group as at the end of the financial year in accordance with AASB 10 *Consolidated Financial Statements*.

Determination of tax residency

Section 295 (3A)(vi) of the *Corporation Act 2001* defines tax residency as having the meaning in the *Income Tax Assessment Act 1997*. The determination of tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the Group has applied the following interpretations:

Australian tax residency

The Group has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

Foreign tax residency

Where necessary, the Group has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with (see section 295(3A)(vii) of the *Corporations Act 2001*).

QuickFee Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime.

Partnerships and Trusts

None of the entities noted above were trustees of trusts within the Group, partners in a partnership within the Group or participants in a joint venture within the group.

Directors' declaration

For the year ended 30 June 2024

In the directors' opinion:

(a) the financial statements and notes set out on pages 44 to 93 are in accordance with the *Corporations Act 2001*, including:

  (i) complying with Accounting Standards, 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 30 June 2024 and of its performance for the 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.

(c) The information disclosed in the attached consolidated entity disclosure statement is true and correct.

Note 20 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations by the Managing Director, Australia and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

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

D. Smorgon

Dale Smorgon
Non-Executive Chairman

27 August 2024

Independent auditor's report to the members

For the year ended 30 June 2024

William Buck
ACCOUNTANTS & ADVISORS

Independent auditor's report to the members of QuickFee Limited

Report on the audit of the financial report

Our opinion on the financial report

In our opinion, the accompanying financial report of QuickFee Limited (the Company) and its subsidiaries (the Group) is in accordance with the Corporations *Act 2001*, including:

— giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and

— complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What was audited?

We have audited the financial report of the Group, which comprises:

— the consolidated statement of financial position as at 30 June 2024,

— the consolidated statement of profit or loss and other comprehensive income for the year then ended,

— the consolidated statement of changes in equity for the year then ended,

— the consolidated statement of cash flows for the year then ended,

— notes to the financial statements, including material accounting policy information,

— the consolidated entity disclosure statement, and

— the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit 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 & 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Independent auditor's report to the members *continued*

WilliamBuck
ACCOUNTANTS & ADVISORS

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition	Area of focus (refer also to notes 2, 3 & 20)	How our audit addressed the key audit matter
	As disclosed in Notes 2 and 3 to the financial statements, the Group has three distinct non-interest revenue streams material to the audit, being a) its loan-related fee revenue; b) its merchant fee revenue; and c) its platform fee revenue. These revenues are measured both at a point in time and over time as the performance condition is satisfied under the contract. This is a key audit matter due to the financial significance and the risk that revenues are recognised in-advance of the performance condition being satisfied.	Our audit procedures included: — Examining the revenue policies for the individual non-interest-bearing revenue streams and tracing to underlying documentation to determine if those revenue streams are satisfied at a point in time or over time; — For those revenues earned at a point in time, performing a sample of cut off testing to ensure that revenues are earned in-accordance with the underlying transaction; and — For those revenues earned over time, tracing through to the underlying performance condition (being typically the underlying loan agreement) and ensuring that revenues are released to the profit in loss in line with the pro-rata satisfaction of that condition. We also considered the adequacy of the Group's disclosures in the notes to the financial report.

WilliamBuck
ACCOUNTANTS & ADVISORS

Share based payments	Area of focus (refer also to notes 7, 16 & 20)	How our audit addressed the key audit matter
	During the financial year, the Group issued options and performance rights over common shares to employees of the Group, of which includes key management personnel, in order to provide them with long term incentives. This is a key audit matter as the valuation of share-based payments is complex and subject to significant management estimates and judgements.	Our audit procedures included: — Verifying the key terms of equity settled share-based payments in respect of the award of options over common shares for rendering of services by employees; — Assessing the fair value calculation of options granted by checking the accuracy of the inputs to the Binomial option pricing model adopted for that purpose; — Verifying for share based payments with market conditions that the independent valuer engaged by the Group had appropriate qualifications to complete the valuation; and — Testing the accuracy of the share-based payments amortisation over the vesting periods and recording of expense in the profit or loss statement and increment to share based payment reserve. We also considered the adequacy of the Group's disclosures in the notes to the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent auditor's report to the members *continued*

William Buck
ACCOUNTANTS & ADVISORS

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of:

- the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001,* and

for such internal control as the directors determine is necessary to enable the preparation of:

- the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Independent auditor's report to the members *continued*

William Buck
ACCOUNTANTS & ADVISORS

Report on the Remuneration Report

Our opinion on the Remuneration Report

In our opinion, the Remuneration Report of QuickFee Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

What was audited?

We have audited the Remuneration Report included in of the directors' report for the year ended 30 June 2024

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

William Buck

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

A. A. Finnis
Director
Melbourne, 27 August 2024

Shareholder information

The shareholder information set out below was applicable as at 12 August 2024.

A. Distribution of equity securities

Analysis of numbers of shareholders by size of holding:

NUMBER OF SHARES HELD	NUMBER OF HOLDERS	NUMBER OF SHARES	% OF SHARES
1 to 1,000	300	183,995	0.06
1,001 to 5,000	906	2,475,167	0.75
5,001 to 10,000	381	3,025,641	0.91
10,001 to 100,000	739	24,505,787	7.39
100,001 and over	230	301,515,943	90.89
Total	2,556	331,706,533	100.00

There were 84 holders of less than a marketable parcel of ordinary shares.

Analysis of numbers of option holders by size of holding:

NUMBER OF OPTIONS HELD	NUMBER OF HOLDERS	NUMBER OF OPTIONS	% OF OPTIONS
1 to 1,000	–	–	–
1,001 to 5,000	–	–	–
5,001 to 10,000	5	41,665	0.67
10,001 to 100,000	35	2,170,832	35.04
100,001 and over	15	3,983,333	64.29
Total	55	6,195,830	100.00

Analysis of numbers of performance right holders by size of holding:

NUMBER OF PERFORMANCE RIGHTS HELD	NUMBER OF HOLDERS	NUMBER OF PERFORMANCE RIGHTS	% OF PERFORMANCE RIGHTS
1 to 1,000	–	–	–
1,001 to 5,000	–	–	–
5,001 to 10,000	–	–	–
10,001 to 100,000	1	94,602	0.67
100,001 and over	10	14,003,906	99.33
Total	11	14,098,508	100.00

Shareholder information *continued*

B. Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest holders of quoted equity securities are listed below:

	ORDINARY SHARES	
NAME	NUMBER HELD	PERCENTAGE OF ISSUED SHARES
UBS Nominees Pty Ltd	69,311,583	20.90
Derida Pty Ltd	23,680,000	7.14
Jamada Holdings Pty Limited	16,862,863	5.08
HSBC Custody Nominees (Australia) Limited – A/C 2	12,500,347	3.77
Citicorp Nominees Pty Limited	12,358,992	3.73
HSBC Custody Nominees (Australia) Limited	10,994,521	3.31
Payroc World Access LLC	10,000,000	3.01
Mr Kenneth Archie Gray & Mrs Julianne Gray	9,996,753	3.01
HTI Management Pty Ltd	9,794,013	2.95
Rubino Group Pty Ltd	8,513,916	2.57
J P Morgan Nominees Australia Pty Limited	5,433,189	1.64
Wingate Direct Investments Pty Ltd	4,680,000	1.41
Bonec Pty Limited	4,363,734	1.32
Mr James Ashley Drummond	3,499,241	1.05
HTT Management Pty Limited	3,251,084	0.98
Mr Alistair Ian Swain	3,025,349	0.91
B&E Lewin Investments Pty Limited	2,893,000	0.87
Half Full Pty Ltd	2,782,187	0.84
Wingate Investment Partners 3 Pty Ltd	2,722,249	0.82
Yeandle Superannuation Pty Ltd	2,646,752	0.80
Total	**219,309,773**	**66.11**
Add: remaining holders	112,396,760	33.89
Total quoted ordinary shares on issue	**331,706,533**	**100.00**

Shareholder information *continued*

B. Equity security holders *continued*

Unquoted equity securities

CLASS	NUMBER ON ISSUE	NUMBER OF HOLDERS
Options	6,195,830	55
Performance rights	14,098,508	11

The following holders have unquoted securities representing more than 20% of each class:

- **Options:** none; and
- **Performance rights:** Jennifer Warawa (3,250,000)
  Bruce Coombes and associated entities (3,237,030)

C. Substantial holders

QuickFee Limited has received the following substantial shareholder notifications:

	NUMBER HELD	PERCENTAGE AS AT EFFECTIVE DATE
Thorney Investment Group and associated entities, effective as at 23 May 2023	54,192,958	20.07
Dale Smorgon (non-executive Chairman) – direct and indirect holdings, effective as at 9 May 2024	27,839,451	8.78
HTI Management Pty Limited and associated entities, effective as at 9 May 2024	23,041,850	7.26
Bruce Coombes (executive director) – direct and indirect holdings, effective as at 19 June 2024	21,226,597	6.40
Acorn Capital Limited, effective as at 19 June 2024	18,700,000	5.64

The above substantial holder details are in accordance with the most recent notification received by QuickFee Limited (or in the case of directors, the company's share register) as at the preparation date of this shareholder information report. Substantial holders are only required to provide notification for each 1% or more change in holdings. Accordingly, the information disclosed above does not necessarily represent the holding position as at the preparation date of this shareholder information report.

Shareholder information *continued*

D. Voting rights

The voting rights attaching to each class of equity securities are set out below:

(a) Ordinary shares: on a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

(b) Options: no voting rights.

(c) Performance rights: no voting rights.

E. Other information

QuickFee Limited used the cash and assets in a form readily convertible to cash that it had at the time of admission to ASX in a way consistent with its business objectives.

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

Suite 4.07, 10 Century Circuit
Norwest NSW 2153 Australia

Telephone: +61 (0)2 8090 7700

Principal place of business

Suite 4.07, 10 Century Circuit
Norwest NSW 2153 Australia

Telephone: +61 (0)2 8090 7700

5601 Democracy Drive, Suite 205
Plano Texas 75024 United States

Telephone: +1 (844) 968 4387

Share register

Boardroom Pty Limited

Level 8, 210 George Street
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

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QuickFee.