# Building Momentum

QuickFee.

Annual Report 2021

QuickFee.

ABN 93 624 448 693

# Appendix 4E

For the year ended 30 June 2021

## Results for announcement to the market

**Previous corresponding period:** year ended 30 June 2020

| | A$ | UP/DOWN | MOVEMENT % |
|---|---|---|---|
| Revenue from ordinary activities | 8,790,322 | Up | 3.6% |
| Loss from ordinary activities after tax attributable to members | (8,546,086) | Up | 123.3% |
| Net loss for the period attributable to members | (8,546,086) | Up | 123.3% |

The group has reported a loss for the period of A$8,546,086 (2020: $3,826,550), with net assets amounting to A$24,392,797 as at 30 June 2021 (2020: A$16,179,220), including cash reserves of A$21,305,963 (2020: A$14,970,488).

Please refer to the 'review of operations and activities' on pages 10 to 14 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 2021.

## 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.

## Net tangible assets per ordinary share

| | 30 JUNE 2021 CENTS | 30 JUNE 2020 CENTS |
|---|---|---|
| Net tangible assets per ordinary share | 10.68 | 8.04 |

## Changes in controlled entities

QuickFee GCI Pty Limited was deregistered on 3 January 2021. There have been no other changes in controlled entities during the year ended 30 June 2021.

## Audit

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

# There's an easier way to get paid.

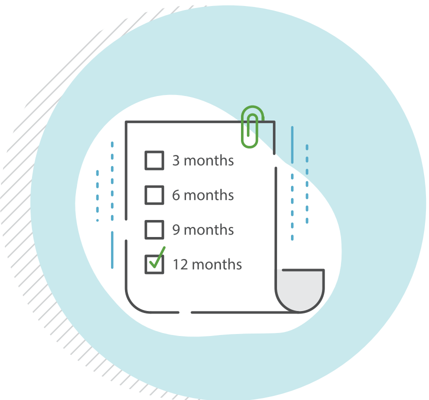
Since 2009, QuickFee has offered online payment and financing solutions that help professionals overcome challenges in accepting payments.

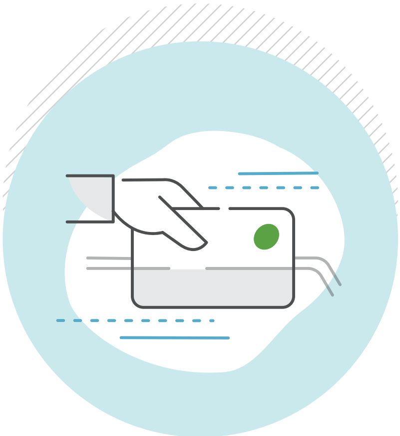
Serving thousands of professional service firms across the United States (US) and Australia, QuickFee is now bringing its proven payments model to a wider range of businesses than ever before, from personal and home services to the commercial space.

QuickFee aims to deliver a fully integrated and personalised online payment experience for each merchant. As a trusted payments solution provider, it's our goal to help merchants get paid anytime, anywhere – while their customers get all the payment flexibility they need.

Simply put? **We're on a mission to make the payment process easier for everyone.**

## We empower customers to pay how and when they want, so businesses can focus on what they do best.



# Contents

# Letter from the Chair

## Dear shareholders,

I am delighted to present to you QuickFee's Annual Report for the year ended 30 June 2021 (FY21), after another busy year for all at QuickFee.

QuickFee has provided online payment and flexible financing solutions for the clients of professional services firms in Australia since 2009, and in the US since 2016.

QuickFee grew across all key business drivers in the US, which is the market that represents the largest growth opportunity for the business. Growth was achieved across all products, merchants, and customer numbers, with PayNow transactions totalling US$668 million, up 119% on prior year. Lending in the US was up 20% to US$15.6 million, a solid result during a period in which government stimulus measures reduced demand for lending.

Our Australian business faced a challenging year, with lending down on the prior year due to government COVID-19 stimulus measures reducing the demand for lending. Pleasingly, there was a marked improvement in lending levels in the last quarter of the year, coinciding with the tapering of the JobKeeper stimulus program. This uptick in lending has continued into FY22 and gives us confidence for a return to pre-COVID-19 lending levels.

QuickFee completed a strongly supported share placement and purchase plan of A$17.5 million in October 2020, for further investment in the business.

We've invested heavily in technology and in our team to provide additional expertise, and with a number of key roles now filled by highly experienced executives across sales and marketing, payments, and technology, we enter FY22 with a team and the talent that is well equipped to take advantage of the many growth opportunities we see in front of us.

Recognising the US growth opportunity, the board appointed Eric Lookhoff, a deeply experienced US payments executive, as President of the US business in February 2021, and in July Eric was promoted to Managing Director and Chief Executive Officer. This marked the completion of an orderly transition from our founder Bruce Coombes. Bruce will continue in the important role of overseeing our Australian operations with a remit that includes responsibility for special projects, and as an Executive Director. We thank Bruce for his vision and entrepreneurship and for the enormous contribution he has made to date, and look forward to his valuable contribution to the business well into the future.

Adding to the senior team, Simon Yeandle was appointed in October as the new Chief Financial Officer and he has brought with him significant experience and a steady hand as we continue to review a number of opportunities and projects, in a rapidly consolidating sector.

I would like to thank the wider QuickFee team for their dedicated efforts in what was a challenging year and in an unprecedented working environment. The work they have performed to build the company's foundation for a strong future, is sincerely appreciated.

My fellow directors and I also wish to express our gratitude to all shareholders, both new and existing, for your support. We are confident you will prosper from your investment in QuickFee in the years to come.

We look ahead with a great deal of optimism. The combination of structural tailwinds, significant investments in our team and technology, and a very large market opportunity, mean we are well positioned for what lies ahead.

Yours sincerely,

**Barry Lewin**
Non-Executive Chairman

Our business model

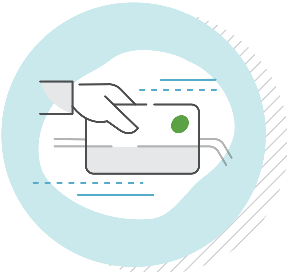
# A proven payments platform, built to scale.

## Driving revenue and customer satisfaction with flexible payment options

Customers everywhere are asking for more flexible payment options. In 2020, more than 55% of all consumers said they had used 'buy now, pay later' services and alternative financing methods, representing a 50% increase in new users by March 2021.

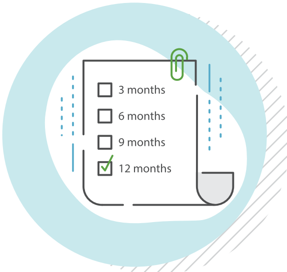
At QuickFee, we've focused on making it simple for merchants to accept payment with ACH/EFT, credit card, financing, or in four monthly instalments, all through one secure online portal. This portal provides a seamless payment and billing experience, helping merchants stay on top of receivables – and keeping customers happy for the long term.

# Our online payment and financing solutions suite:



**Pay in full:**

Simple online payments. Accept credits cards as well as ACH/EFT to reduce or eliminate manual paper cheque processes.




**Pay over time:**

Payment financing flexibility for professional services clients; gives customers 3 to 12 months to pay.


**Pay in 4:**

'Buy now, pay later' option that allows customers to make 4 interest-free monthly payments, using the credit card they already have.

**Connect:**

Streamline the entire customer experience with integrated payment functionality. Personalised invoice links, automated reminders, easy reconciliation.

# Loved by customers:

**95%**

of QuickFee users said they would be more likely to use a service provider who offered a payment or instalment plan

**81%**

of QuickFee users found QuickFee's platform and solutions 'easy to use'

**73%**

of QuickFee users said they would prefer to use a payment or instalment plan for a large or emergency purchase

**Results from a March 2021 survey sent to 1,400 QuickFee end users*

Our competitive advantage

# Payments for professionals, made simple.

## Building on our track record of innovation in professional services

QuickFee continues to execute on its advantages within the professional services industry in the US and Australia. Expanding on our 11-year history working with top accounting and legal firms, professional associations, and state societies, QuickFee has access to a large and highly targeted audience for our integrated payments suite.

We've also combined 'buy now, pay later' instalments and financing offerings for the professional services market, where in-house payment plans and third-party financing still dominate much of the landscape. This allows us to provide much-needed financing flexibility for firms and their clients.

***QuickFee's long-term strategy is underpinned by these four pillars:***

1. Robust and effective go-to-market strategy
2. Scalable and user-friendly payment processing platform
3. Improved economic model, expected to deliver greater transactional margin and higher processing yields across lending and payments
4. Highly engaged and experienced team of payments and lending professionals

# Connecting professionals with their clients

By giving professional service providers the integrated payment experiences they need, we're helping firms to re-think and re-frame terms like 'client experience'.

That means partnering with leading software companies in accounting, legal, and other professional service fields to create a true end-to-end platform for billing and payments. It also means taking advantage of new opportunities to integrate and expand our platform in the coming year.

## We've seized on the chance to partner with:

**Xero:**
One of the fastest-growing cloud-based accounting software companies globally. QuickFee integrated with Xero in 2021, adding our payments application to the Xero marketplace.

**BlueSnap:**
BlueSnap is a global payments technology company. This year, we expanded on a strategic partnership with BlueSnap to further scale the QuickFee payments ecosystem.

**SafeSend:**
QuickFee teamed up with accounting software provider SafeSend on workflow and collaboration solutions for certified public accountants (CPAs) and tax preparers.

**GreatSoft:**
An integration with GreatSoft Australia, a cloud practice management provider, allows professional services clients to pay 24/7 through a QuickFee link on their online invoices.

# Letter from the CEO

## Dear shareholders,

Greetings, I hope this message finds you and your families healthy and successfully navigating the COVID-19 pandemic. I am pleased to provide QuickFee's FY21 annual report, and to present our strategy as we build upon the solid foundation achieved to date.

During the past financial year, QuickFee accomplished several important milestones which support our vision for QuickFee's immediate future and position us strongly for creating near and longer-term enterprise value.

Beyond the well supported share placement in October 2020, these include the development of our proprietary payment technology platform in Q1, the initial launch of our 'buy now, pay later' instalment product in partnership with SplitIt in Q2, attracting a deeply experienced team of payment professionals across the enterprise during Q3 and Q4, and significant growth in our US payments business eclipsing the US$1 billion lifetime total transaction value (TTV) mark in April 2021.

As has occurred in so many industries, the COVID-19 pandemic catalysed a shift for QuickFee as well. As the Australian and US governments responded with a flood of stimulus, our customers responded by shifting their spend from longer-term financing options to shorter-term payments. Though this temporarily depressed volume in our lending product (we began seeing a rebound during Q4 beginning with the Australian business) it sparked a significant increase in demand for our ACH and card payment solutions, particularly in the US. The result has been the rapid evolution of QuickFee from merchant-backed loan originator to merchant acquirer and full-service payments company.

This evolutionary change and the exciting opportunities created, is what attracted me to join QuickFee in February and to build upon a great legacy by succeeding our founder Bruce Coombes, as Chief Executive Officer in July. I am honoured to lead QuickFee into this exciting and opportunity-filled next stage of growth.

These important milestones and shifting dynamics underscore and help define who we are and how we serve moving forward.

## Who we are

Since our founding in 2009, QuickFee has primarily served the professional service firm, earning a leading position both in Australia and the US. Indeed, 29% of the top 100 and 34% of the top 400 accounting firms in the US rely on QuickFee's suite of payment solutions every day to serve their clients.

As we move forward in this key vertical, we have developed capacity to expand beyond the largest firms, and capture market share across the entire industry. In the US, the continued shift to digital invoicing which was accelerated by the COVID-19 pandemic favours our unique offering, and our developing integration capabilities will help to ensure we reap the benefits of this digital shift, not only in the fields of accounting and law, but also in commercial services including home and automotive repair, education, and health and wellness.

## Talent first. Location second.

In response to the challenges of the COVID-19 pandemic, we took the opportunity of becoming a truly talent first, location second organisation, particularly in our US business where the evolution from lender to payments company is most pronounced. This included investments in attracting highly skilled and deeply experienced professionals from some of the largest and most successful financial technology, payments, and lending businesses in the country. Key additions were made across the enterprise in product, sales, operations, risk management, and technology all bringing substantial experience to QuickFee. To our original US office based in Los Angeles, California we have added talented payments professionals working remotely across more than ten states and four time zones further supporting our clients on a nationwide level.

As our team has developed, so too has our culture, and we are pleased to have partnered across the QuickFee organisation to establish our core shared values. These foundational and distinctive behaviours underpin our diversity, inclusion, and community give back programs. Our values are our essence and describe not only who we are on our best days, but how we choose to support our customers every day.

- Humanity – we bring our humanity to every conversation with an open heart and an open mind
- Care – we care for our people and the communities in which we serve
- Serve – we are in service to our customers, stakeholders, and to each other
- Solve – we solve before we sell because persistent curiosity delivers stronger outcomes
- Evolve – we rise, fall, fix, and learn together

# How we serve

Leveraging our accomplishments over the past financial year, our leading position in professional services, and expanded team of talented payments professionals, QuickFee moves forward on a solid foundation to continue delivering across four key capabilities:

**‘Execute a robust and effective go-to-market strategy underpinned by clear brand positioning, precision demand generation, and high-velocity sales conversion’**

To penetrate the large and growing professional services space in the US, QuickFee has relied predominantly on a direct sales model, which has proven effective in building our strong portfolio of top 100 and top 400 accounting firms. As the largest merchant-backed lender to accounting firms in the US, we will continue to build upon our market leading position.

The growth and scale we experienced over the past financial year, however, has brought increased capabilities which we will deploy aggressively across an expanded go-to-market strategy. Augmenting our traditional direct sales model, we have developed additional channels including independent sales organisations (ISOs), strategic partnerships, independent software vendors (ISVs), and value-added resellers (VARs). These additional channels are supported by our improved technology, new demand generation architectures and brand strategy, and led by industry experts attracted to the QuickFee team over the past two quarters. Together, this expanded go-to-market strategy amplifies our marketing investments, creates greater scale, and improves operating efficiency.

**‘Build a highly scalable and user-friendly processing platform’**

Technology development remains a cornerstone of QuickFee’s success and is crucial to maintaining its advantage over competitors. In FY21, QuickFee continued to build on previous technology projects while integrating many new enhancements and innovations across all revenue streams.

Among the significant developments over the financial year, *Connect* is expected to be a key innovation. Initially launched at the end of FY21, this integration and e-invoicing tool automates electronic invoices through the QuickFee platform and is expected to capture higher processing volumes of existing customers while further cementing relationships. *Connect* is just one example of the many integrations we are bringing to market, all necessary to deepen our merchant relationships and create greater lifetime value.

There have also been key developments across many of QuickFee’s products, including completion of our proprietary payment and processing platform QUBE, first leveraged with the initial launch of our ‘buy now, pay later’ instalment solution. Through the recently announced BlueSnap partnership, QUBE will expand to support our ACH/EFT product creating greater processing capacity, and to our branded card solution augmenting a current third-party referral model.

**‘Develop an improved economic model which is expected to deliver greater transactional margin and higher processing yields across lending and payments’**

Underpinning the improved unit economics are additional integrations that further expand existing card, ACH/EFT, and merchant processing capabilities. The added functionality, tailored to meet growing demand in the broader services sector for flexible payment options, will drive greater platform scalability across the QuickFee portfolio.

This modern platform enables seamless API connectivity with QuickFee’s new technology suite and provides greater and more rapid product development. Our QUBE technology developments, combined with the BlueSnap partnership, deliver the following benefits which collectively expand transactional margin and yield across our product suite:

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

**‘Attract a highly engaged, experienced, motivated and high-performing team of payments and lending professionals’**

QuickFee has a strong focus on attracting and retaining the right people to ensure the future success of the business. To our existing depth of professional service firm knowledge, we added payments expertise across the enterprise, focused predominantly on driving growth in the US market.

We are proud of our team and culture and know that our people have always been and will always be the significant driver of our progress. We are grateful for their many sacrifices, flexibility during the global COVID-19 pandemic, and for the hearts and souls they bring each day to QuickFee.

Our accomplishments during FY21 combined with development across our four guiding principles above position QuickFee strongly as we enter FY22 – able to execute on our strategy and drive growth into the future.

I would like to thank our founder Bruce Coombes and the entire QuickFee team for welcoming me so warmly in February, and for their openness to the many changes and accelerated pace over the past six months. I would also like to thank the board of directors for their support and confidence in appointing me Managing Director and Chief Executive Officer in July. Finally, and ultimately, I am honoured to serve our shareholders and look forward to delivering on the trust you have placed in QuickFee.

Sincerely,

**Eric Lookhoff**
Managing Director and Chief Executive Officer

# Another year, another leap forward.

QuickFee continues to build out its suite of payment solutions and loan origination offerings to be a significant provider of online payments and lending, helping service businesses grow and get paid. During COVID-19 we diversified and expanded into a multi-revenue payments and lending business positioned for growth.

## Profit & loss: results reflect investment in future growth

The group reported revenue growth of 4% to A$8.8 million, with a major contributor being growth in the payments and processing platform in the US market which continues to benefit from the structural shift to online invoicing and payments, which has been accelerated by COVID-19.

Costs of our new merchant and customer acquisition function continued to increase, up 60% to A$4.0 million, as the group invests in its sales teams to grow the number of merchants using the QuickFee platform. Over 1,500 merchants are now using the platform, representing a 20–25% increase in the US, which is the key growth market for the group.

Product and development expenditure was up 430% to A$3.7 million. We continue to build out our current technology platforms and product offerings with a core focus on integration: how we can integrate our platform with other software providers and merchants' platforms. New innovations such as Connect are just one example of this.

After customer acquisition and product development expenses, the group reported an adjusted EBITDA before significant items of A$(7.7) million. Other key results comprised:

- Australian segment: adjusted EBITDA before significant items of A$0.6 million;
- US segment: adjusted EBITDA before significant items of A$(3.1) million; and
- Product development and unallocated costs were A$5.1 million.

Gross profit margins saw a marked improvement on the previous financial year with an increase of A$0.6 million (or 9.7%) to A$6.3 million (FY20: A$5.7 million), as a result of surplus cash reducing interest expense in Australia and the positive impact of fixed cost leverage on our payments platforms.

Minimal levels of bad debts have been incurred across the business, and provision for expected credit losses in FY21 was 0.26% of total lending, with a five-year average of 0.31% of total lending. This demonstrates well the low credit risk nature of QuickFee's lending products and rigorous credit processes; when coupled with the launch of the low credit risk *QuickFee Instalments* product, bad debts from these products are expected to remain at this very low level.

The group reported a loss of A$8.5 million for the 12 months to 30 June 2021 (2020: loss of A$3.8 million), reflecting the continued investment in people and technology to position QuickFee for future growth.

## Balance sheet: well funded

Net assets as of 30 June 2021 amounted to A$24.4 million (2020: A$16.2 million), including cash reserves of A$21.3 million (2020: A$15.0 million).

QuickFee raised A$17.5 million in a share placement and purchase plan in October 2020 to further fund its growth path through investments in the continued innovation of its technology, strengthening of its teams within both the US and Australian markets and funding the launch of its *QuickFee Instalments* product. The group remains well funded with adequate liquidity and growth capacity. The decline in the loan book to A$25.8m (30 June 2020: A$35.3m) reflects the weak demand for lending in Australia throughout the majority of FY21; only in Q4 did we see the beginnings of demand improvement.

Discussions are well advanced with a leading global finance company to secure expanded funding lines to support the expected growth in QuickFee's loan book.

**8.8m**

A$8.8 million in revenues in FY21, up 4% over FY20

**21m**

A$21.3 million in cash reserves at balance date

## United States: benefiting from structural shifts to online payments, growth across all products, merchant and customer numbers

The US is the market that represents the largest growth opportunity to the business and growth was achieved across all key metrics – product volumes, merchants, and customer numbers – which was a very pleasing result.

The modernising of the US market and shift to electronic invoices and payments is accelerating in the US, which has benefited QuickFee in terms of the number and value of transactions being processed on its platform, which in turn provides opportunities for lending growth in the US.

Lending to clients of US merchants was up 20% to US$15.6 million (FY20: US$13.0 million). There was a minor year-on-year reduction in the lending rates in the final two quarters of FY21 due to the US government Paycheck Protection Program and the recently approved US$1.9 trillion stimulus package measures as a result of the COVID-19 pandemic.

Over FY21, there was a 119% increase in QuickFee's PayNow transaction volume, up to US$668.4 million (FY20: US$304.6 million), driven by QuickFee's growing merchant base and the structural shift to online payments. This was a pleasing outcome for what is a highly scalable revenue stream and represents substantial upside opportunity to the business as QuickFee continues to grow and the adoption of online invoicing and payments increases. The launch of *Connect* is expected to also drive increased volumes through the QuickFee platform.

The US business continued to experience strong growth in both active customers (up 114% on FY20 to 195k users) and new merchant sign-ups, with 579 active merchants signed to the QuickFee platform as of 30 June 2021, representing a 51% increase on the previous financial year (FY20: 383).

## Australia: reduced demand for lending, green shoots of return to pre-COVID-19 levels with a stronger finish to the year

Demand for QuickFee's lending products in Australia was impacted by government stimulus measures which reduced the demand for lending products, with lending down 37% to A$31.2 million (FY20: A$49.3 million). However, there was a notable improvement in lending levels in the last quarter of the year, with the last three months of FY21 being the three highest of the financial year in terms of lending volume. This is reflective of the cessation of JobKeeper payments, and positions QuickFee well for a stronger FY22.

QuickFee's Australian business recorded 533 active merchants using QuickFee's AU platform in FY21, up 4% (FY20: 513). The number of active customers using QuickFee's platform also rose 2% to 30.3k (FY20: 29.7k). This is an encouraging result given the impact of the pandemic stimulus and the relatively mature market in which QuickFee Australia operates, emphasising the sustainable nature of the QuickFee business model.

## Launch of QuickFee Instalments

QuickFee Instalments (QFI) was launched in late Q2 in both the Australian and US markets and has substantially increased the addressable market available to QuickFee, whilst also granting access to new service industry verticals. Furthermore, this new product has given QuickFee the ability to provide payment solutions to lower credit risk customers using the existing unused balance of their credit cards and pre-authorisation technology, to further maintain very low rates of bad debts. With a shorter three-month payment plan, compared to the traditional lending product terms which range from 3 to 12 months, QFI recycles capital at a greater velocity, delivering lower loan book growth but more efficient use of capital.

Since its launch there have been 577 and 234 merchants signed up in the US and Australia, respectively, with these numbers expected to increase into FY22 as the product continues to gain traction.

## Key leadership hires

On 1 July 2021, Eric Lookhoff became the new Chief Executive Officer, an appointment indicative of the increasing importance of the US market with founder Bruce Coombes now overseeing the Australian operations and adopting responsibility for special projects.

Eric has 25 years of payments experience, leading scale initiatives at early and hyper-growth stage payments and lending fintech companies. His recent senior executive roles include Chief Operating Officer at National Litigation Law Group and Freedom Financial Network as VP, Enterprise Payment Operations and Continuous Improvement. Other senior roles include those at Intuit, Discover Financial Services, and First Data Corporation.

QuickFee saw notable transitions and changes made to expedite growth and cement our position within the market. Key executive hires include, Simon Yeandle appointed to the role of Chief Financial Officer in October due to his significant experience in senior financial roles, and Jay Alsup appointed as Chief Marketing Officer in February bringing significant senior level experience in marketing.

## Board of directors and leadership team

**Barry Lewin**

Non-Executive Chairman

**Eric Lookhoff**

Managing Director and Chief Executive Officer

**Bruce Coombes**

Executive Director and Managing Director, Australia

**Dale Smorgon**

Non-Executive Director

**Simon Yeandle**

Chief Financial Officer

**James Drummond**

Chief Operating Officer

**Jay Alsup**

Chief Marketing Officer

**Francesco Fabbrocino**

Chief Technology Officer

## Outlook: well-positioned for growth

The ongoing adoption of online payments and invoices will drive more payments on the QuickFee platform. The strengthened technology and sales and marketing team will drive further merchant growth, and there is an expectation to see improved lending conditions.

QuickFee's payment solutions have traditionally served a growing portfolio of enterprise professional service merchants. Moving forward, we will deepen our focus in the enterprise professional services vertical and expand to other segments of the services sector, including commercial and personal services, which opens new markets and higher yielding products.

**'For the commercial and professional service provider who demands flexible payment options for their customers, QuickFee delivers a personalised payment experience that enables your business to grow and stay competitive. As your trusted payments partner, we empower your customers to pay how and when they want, so you can focus on what you do best.'**

# Directors' report

For the year ended 30 June 2021

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 2021. 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 2020 to 30 June 2021 (FY21). The comparative period is from 1 July 2019 to 30 June 2020 (FY20).

## Directors and company secretary

The following persons were directors of QuickFee Limited as at the date of this report:

- Barry Lewin, Non-Executive Chairman;
- Eric Lookhoff, Managing Director and Chief Executive Officer;
- Bruce Coombes, Executive Director and Managing Director, Australia; and
- Dale Smorgon, Non-Executive Director.

The directors listed above each held office as a director throughout the period and until the date of this report, other than:

- Eric Lookhoff, who was appointed Managing Director and Chief Executive Officer on 1 July 2021; and
- Bruce Coombes, who on 1 July 2021 transitioned from Managing Director and Chief Executive Officer to Executive Director and Managing Director of the group's Australian operations.

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).

Jennifer James was company secretary from the beginning of the financial year until 3 March 2021.

## Principal activities

The group has developed and generates revenue from a suite of payment and lending offerings via an online portal to professional, commercial, and personal services providers. These solutions help customers of service providers (the group's merchants) 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 merchants to accept payments by card or ACH/EFT (*QuickFee PayNow*), payment plan/loan (*QuickFee Financing*), or a 'buy now, pay later' instalment plan (*QuickFee Instalments*).

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 – QuickFee Limited

No dividends were declared or paid to members for the year ended 30 June 2021. The directors do not recommend that a dividend be paid in respect of FY21.

## 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 10 to 14 of this annual report.

## Significant changes in the state of affairs

Other than the information set out in the review of operations and activities on pages 10 to 14 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

No matter or circumstance has arisen since 30 June 2021 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 10 to 14 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.

**Barry Lewin** *Non-Executive Chairman* (MBA, B.Com, LLB)

| | |
|---|---|
| Experience and expertise | Barry Lewin is the founder and Managing Director of Melbourne based corporate advisory firm SLM Corporate, and has significant experience advising public and private companies on transaction structuring, debt and equity issues, mergers, acquisitions, business sales and all aspects of corporate governance. Prior to establishing SLM Corporate in 1999, Barry spent 12 years as an in-house counsel to a number of ASX listed companies. |
| Date of appointment | 1 May 2019 |
| Other current directorships (listed) | Non-Executive Chairman of ELMO Software Limited (ASX:ELO), since 10 October 2018<br>Non-Executive Chairman of Praemium Limited (ASX:PPS), since 12 May 2017 |
| Former directorships in last 3 years (listed) | None |
| Special responsibilities | Chair of the board<br>Chair of the audit and risk committee<br>Member of the remuneration and nomination committee |
| Interests in securities | Ordinary shares 2,143,000<br>Options 300,000 |

**Eric Lookhoff** *Managing Director and Chief Executive Officer* (B.Fin)

| | |
|---|---|
| Experience and expertise | Eric Lookhoff is a financial technology and payments senior executive and strategic advisor with a 25+ year successful record creating organisational readiness for emerging and legacy payment businesses, and third-party lenders.<br><br>Eric previously led payments scale initiatives across the business cycle from private equity backed growth-stage fintechs (Freedom Financial, Electronic Clearing House, Beyond Finance, and Currency Capital) to large-scale organisations (Intuit, Discover, First Data, and AIG).<br><br>Additionally, Eric has unique experience in scaling alternative professional services billing models with subscription-based prepaid legal services as chief operating officer of National Litigation Law Group. Eric's payments and lending expertise is comprehensive across all parties—including capital markets, syndication, channel acquisition, loan origination, marketing and analytics, risk, operations, and settlement for consumer and commercial, issuers and acquirers, and processors and networks. |
| Date of appointment | 1 July 2021 |
| Other current directorships (listed) | None |
| Former directorships in last 3 years (listed) | None |
| Special responsibilities | Chief Executive Officer |
| Interests in securities | Ordinary shares –<br>Performance rights 950,000<br>Options 3,000,000 |

**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 2021 after which Bruce transitioned to the role of Managing Director, Australia.<br><br>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<br>Member of the audit and risk committee<br>Member of the remuneration and nomination committee |
| Interests in securities | Ordinary shares 25,239,453<br>Options 3,000,000 |

**Dale Smorgon** *Non-Executive Director* (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 important strategic direction to the business.<br><br>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 | Member of the audit and risk committee<br>Chair of the remuneration and nomination committee |
| Interests in securities | Ordinary shares 23,839,451<br>Options 300,000 |

## 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 2021, 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 |
| Barry Lewin | 12 | 12 | 2 | 2 | 1 | 1 |
| Bruce Coombes | 12 | 12 | 2 | 2 | 1 | 1 |
| Dale Smorgon | 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

### (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 during or since the end of the financial year were:

| NON-EXECUTIVE DIRECTORS | POSITION |
|---|---|
| Barry Lewin | Chair of the board<br>Chair of the audit and risk committee<br>Member of the remuneration and nomination committee |
| Dale Smorgon | Member of the audit and risk committee<br>Chair of the remuneration and nomination committee |

| EXECUTIVE DIRECTORS | POSITION |
|---|---|
| Eric Lookhoff | President, US (1 February 2021 to 30 June 2021)<br>Chief Executive Officer (since 1 July 2021) |
| Bruce Coombes | Chief Executive Officer (until 30 June 2021)<br>Managing Director, Australia (since 1 July 2021)<br>Member of the audit and risk committee<br>Member of the remuneration and nomination committee |

| OTHER KEY MANAGEMENT PERSONNEL | POSITION |
|---|---|
| James Drummond | Chief Operating Officer (COO; KMP until 31 January 2021) |
| Richard Formoe | Chief Revenue Officer (CRO; KMP until 31 January 2021) |
| Simon Yeandle | Chief Financial Officer (CFO; KMP since 9 October 2020) |

## (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 2021 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.

### Long-term incentives (LTI plan)

QuickFee Limited has established a 'Performance Rights and Options Plan', adopted on IPO on 9 July 2019.

### 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 (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 such other executives as the board may determine from time to time. Any grants are made subject to the ASX Listing Rules, to the extent applicable.

Bruce Coombes, the group's then CEO was entitled to 3,000,000 executive options (QFEAB) granted on 9 July 2019. These options expire on 9 July 2023 and comprise three tranches of 1,000,000 options (T1, T2 and T3) with exercise prices of A$0.30, A$0.40 and A$0.50, respectively. T1 and T2 options vested on 9 July 2020 and 2021, respectively; T3 vest on 9 July 2022, contingent on continued employment at the vesting date.

The group's COO was entitled to 1,000,000 options (QFEAD) granted on 18 March 2020. These options expire on 30 June 2025 and comprise three tranches of options with exercise prices of A$0.50:

- Tranche 1 – 333,333 options, vested on 30 June 2020;
- Tranche 2 – 333,333 options, vest on satisfaction of an internal milestone condition;
- Tranche 3 – 333,334 options, vest on satisfaction of an internal milestone condition;

Each of the above unvested tranches will only be exercisable by the COO contingent on continued employment at each vesting date.

The group's CRO was entitled to 2,000,000 options, with 1,000,000 of these on the same terms and quantities as QFEAD T1, T2 and T3 detailed above. On 30 June 2021, T2 and T3 options were forfeited on resignation, along with 500,000 each of QFEAE and QFEAF options as described in the remuneration report for the year ended 30 June 2020.

The group's CFO was entitled to 1,500,000 options granted on 26 May 2021 (not yet issued). These options expire on 31 January 2026 and comprise two tranches of options, contingent on continued employment at each vesting date:

- Tranche 1 – 750,000 options, vest on 8 October 2023, exercisable at A$0.50; and
- Tranche 2 – 750,000 options, vest on 8 April 2022, exercisable at A$0.75.

Eric Lookhoff, the group's then President of US operations was entitled to 700,000 performance rights issued on 26 May 2021. These performance rights vest on 31 January 2022, contingent on continued employment at the vesting date. Eric Lookhoff was further entitled to 2,000,000 options granted on 26 May 2021 (not yet issued). These options expire on 31 January 2026 and comprise two tranches of options, contingent on continued employment at each vesting date:

- Tranche 1 – 1,000,000 options, vest on 31 January 2023, exercisable at A$0.50; and
- Tranche 2 – 1,000,000 options, vest on 31 January 2024, exercisable at A$0.75.

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

| ELEMENT | PERFORMANCE MEASURES | STRATEGIC OBJECTIVE/<br>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.<br>Remuneration is set competitively to:<br>• Recruit the best talent to QuickFee Limited to ensure sustainable growth; and<br>• Retain high performance talent. | Each executives' individual performance measures are specifically designed to ensure alignment with the group's strategic plans for the year.<br>Fixed remuneration is based on:<br>• Role and responsibility;<br>• Capability and competencies; and<br>• 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:<br>• Motivate to achieve financial and non-financial corporate objectives;<br>• Reward and recognise outstanding performance and create a performance culture; and<br>• Retain high performance talent through the PROP and the subsequent tenure required for options and performance rights to vest. | |

| ELEMENT | PERFORMANCE MEASURES | STRATEGIC OBJECTIVE/ PERFORMANCE LINK |
|---|---|---|
| Short-term incentive (STI) plan, being cash 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.<br>STIs are cash-based payments;<br>• 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.<br>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 options or performance rights to vest.<br>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.

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, Barry Lewin's annual director fee is A$100,000, effective from his appointment to the position on 1 May 2019. This fee also covers his role as chair of the audit and risk committee and as member of the remuneration and nomination committee. Dale Smorgon receives an annual fee of A$65,000 per annum for his role as a non-executive director, chair of the remuneration and nomination committee, as well as membership 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.

Barry Lewin and Dale Smorgon were granted 300,000 options each (QFEAG), approved by shareholders at an extraordinary general meeting (EGM) of the company on 23 July 2020. These options expire on 23 July 2025 and comprise three tranches of 100,000 options with an exercise price of A$0.50. T1 options vested on 30 June 2021; T2 and T3 vest on 30 June 2022 and 2023, respectively, contingent on continued employment at each vesting date. As the grant date of 23 July 2020 occurred after the directors 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 of the share-based payment expense on 6 May 2020 as detailed in the EGM notice of meeting. The valuation inputs reflect the 23 July 2020 grant date fair value.

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 since inception (as the business has been established for less than five years as required by the *Corporations Act 2001*). 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.

| | FY21 | FY20 | FY19[1] | FY18[1, 2] |
|---|---|---|---|---|
| Loss for the period attributable to owners (A$) | 8,546,086 | 3,826,550 | 1,154,932 | 278,973 |
| Basic loss per share (cents) | 4.0 | 2.5 | 42.6 | 10.3 |

Notes:

1. Due to the conversion of QuickFee AU and QuickFee US shares to QuickFee Limited shares on 9 July 2019, basic loss per share calculated for FY18 and FY19 is not directly comparable with the results presented for FY20 onwards. For further details, refer to note 8(a) of the financial statements in the FY20 annual report.
2. FY18 represents a reduced financial period, being 15 February 2018 to 30 June 2018.

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 revenue growth with the objective of 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 2021.

| | SHORT-TERM BENEFITS | | | | POST-EMPLOYMENT BENEFITS | LONG-TERM BENEFITS | SHARE-BASED PAYMENTS | | |
|---|---|---|---|---|---|---|---|---|---|
| | CASH SALARY AND FEES | CASH BONUS | NON-MONETARY BENEFITS | ANNUAL LEAVE | SUPER-ANNUATION | LONG SERVICE LEAVE | OPTIONS | PERFORMANCE RIGHTS | TOTAL |
| FY21 | A$ | A$ | A$ | A$ | A$ | A$ | A$ | A$ | A$ |
| Non-executive directors | | | | | | | | | |
| Barry Lewin | 100,000 | – | – | – | – | – | 94,659 | – | 194,659 |
| Dale Smorgon | 65,000 | – | – | – | – | – | 94,659 | – | 159,659 |
| Executive directors | | | | | | | | | |
| Bruce Coombes | 350,000 | 60,000 | – | (10,559) | 21,694 | 4,745 | 25,590 | – | 451,470 |
| Other KMP | | | | | | | | | |
| Eric Lookhoff[1] | 139,492 | 69,746 | 8,731 | 6,867 | 2,232 | – | 11,269 | 23,520 | 261,857 |
| James Drummond[1] | 156,231 | 20,087 | 4,913 | 15,450 | – | – | (2,010) | – | 194,671 |
| Richard Formoe[1] | 159,021 | – | 4,752 | (20,610) | – | – | (9,885) | – | 133,278 |
| Simon Yeandle[1] | 218,182 | 45,000 | – | 11,903 | 15,778 | 189 | 13,042 | – | 304,094 |
| Total compensation | 1,187,926 | 194,833 | 18,396 | 3,051 | 39,704 | 4,934 | 227,324 | 23,520 | 1,699,688 |

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.

The table below details remuneration of key management personnel based on the policies previously discussed for the year ended 30 June 2020.

| | SHORT-TERM BENEFITS | | | | POST-EMPLOYMENT BENEFITS | LONG-TERM BENEFITS | SHARE-BASED PAYMENTS | | |
|---|---|---|---|---|---|---|---|---|---|
| FY20 | CASH SALARY AND FEES A$ | CASH BONUS A$ | NON-MONETARY BENEFITS A$ | ANNUAL LEAVE A$ | SUPERANNUATION A$ | LONG SERVICE LEAVE A$ | OPTIONS A$ | PERFORMANCE RIGHTS A$ | TOTAL A$ |
| Non-executive directors | | | | | | | | | |
| Barry Lewin | 100,000 | – | – | – | – | – | 14,264 | – | 114,264 |
| Dale Smorgon | 65,000 | – | – | – | – | – | 14,264 | – | 79,264 |
| Executive directors | | | | | | | | | |
| Bruce Coombes | 350,000 | 80,000 | – | 68,392 | 21,003 | 9,281 | 102,961 | – | 631,637 |
| Other KMP | | | | | | | | | |
| James Drummond | 260,668 | 44,686 | 7,802 | 24,057 | – | – | 20,160 | 146,284 | 503,657 |
| Richard Formoe | 260,668 | 103,671 | 7,354 | 22,924 | – | – | 24,585 | – | 419,202 |
| Total compensation | 1,036,336 | 228,357 | 15,156 | 115,373 | 21,003 | 9,281 | 176,234 | 146,284 | 1,748,024 |

## (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 2021.

| Name | Bruce Coombes |
|---|---|
| Title | Managing Director and Chief Executive Officer (until 30 June 2021); Executive Director and Managing Director, Australia (since 1 July 2021) |
| Details | Base salary of A$350,000, plus statutory superannuation, reviewed annually by the remuneration and nomination committee with a three-month termination notice by either party. Contract duration is unspecified. |

| Name | Eric Lookhoff |
|---|---|
| Title | President, US (until 30 June 2021); Managing Director and Chief Executive Officer (since 1 July 2021) |
| Details | Base salary of US$250,000 in FY21 (FY22: US$300,000), reviewed annually by the remuneration and nomination committee with a four-month termination notice by either party. Contract duration is unspecified. |

| Name | James Drummond |
|---|---|
| Title | Chief Operating Officer |
| Details | Base salary of US$200,000, reviewed annually by the remuneration and nomination committee with immediate termination by either party. Contract duration is unspecified. |

| | |
|---|---|
| Name | Richard Formoe |
| Title | Chief Revenue Officer |
| Details | Base salary of US$200,000 until 31 December 2020 (increased to US$225,000 on 1 January 2021), reviewed annually by the remuneration and nomination committee with immediate termination by either party. Contract duration is unspecified. |

| | |
|---|---|
| Name | Simon Yeandle |
| Title | Chief Financial Officer |
| Details | Base salary of A$300,000 in FY21 (FY22: A$303,030), plus statutory superannuation, reviewed annually by the remuneration and nomination committee with a three-month termination notice by either party. Contract duration is unspecified. |

## (g) Additional statutory information

### 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 pages 25 to 26 above:

| | FIXED REMUNERATION | | AT RISK STI | | AT RISK LTI | |
|---|---|---|---|---|---|---|
| | FY21 | FY20 | FY21 | FY20 | FY21 | FY20 |
| NAME | % | % | % | % | % | % |
| Barry Lewin | 51 | 88 | – | – | 49 | 12 |
| Eric Lookhoff | 60 | N/A | 27 | N/A | 13 | N/A |
| Bruce Coombes | 81 | 71 | 13 | 13 | 6 | 16 |
| Dale Smorgon | 41 | 82 | – | – | 59 | 18 |
| James Drummond | 91 | 58 | 10 | 9 | (1) | 33 |
| Richard Formoe | 107 | 69 | – | 25 | (7) | 6 |
| Simon Yeandle | 81 | N/A | 15 | N/A | 4 | N/A |

### Performance based remuneration granted and forfeited during the year

The following table shows for each KMP how much of their STI cash bonus was awarded and how much was forfeited during FY21.

| NAME | TOTAL STI CASH BONUS | | | LTI OPTIONS AND PERFORMANCE RIGHTS | |
|---|---|---|---|---|---|
| | TOTAL OPPORTUNITY | AWARDED | FORFEITED | VALUE GRANTED[1] | VALUE EXERCISED |
| FY21 | A$ | % | % | A$ | A$ |
| Barry Lewin | – | – | – | 171,960 | – |
| Eric Lookhoff[2] | 69,746 | 100 | – | 407,100 | – |
| Bruce Coombes[3] | 200,000 | 30 | 70 | – | – |
| Dale Smorgon | – | – | – | 171,960 | – |
| James Drummond[4] | 44,686 | 100 | – | – | – |
| Richard Formoe[5] | 93,739 | – | 100 | – | – |
| Simon Yeandle[6] | 45,000 | 100 | – | 179,325 | – |

Notes:
1. The value at grant date calculated in accordance with AASB 2 *Share-based Payment* of options granted during the year as part of remuneration.
2. Bonuses to Eric Lookhoff were granted for meeting operational targets.
3. Bonuses to Bruce Coombes were granted for meeting internal product development and staff hiring milestones.
4. Bonuses to James Drummond were granted for meeting internal operational milestones.
5. Bonuses available to Richard Formoe related to lending targets.
6. Bonuses to Simon Yeandle were granted for meeting financial and operational targets.

## Terms and conditions of share-based payment arrangements

### Options

| GRANT DATE | VESTING AND EXERCISE DATE | EXPIRY DATE | EXERCISE PRICE A$ | VALUE PER OPTION AT GRANT DATE A$ | VESTED % |
|---|---|---|---|---|---|
| 2019-01-22 (QFEAB T1) | 2020-07-09 | 2023-07-09 | 0.300 | 0.0522 | 100 |
| 2019-01-22 (QFEAB T2) | 2021-07-09 | 2023-07-09 | 0.400 | 0.0446 | – |
| 2019-01-22 (QFEAB T3) | 2022-07-09 | 2023-07-09 | 0.500 | 0.0391 | – |
| 2020-03-18 (QFEAD T1) | 2020-06-30 | 2025-06-30 | 0.500 | 0.0441 | 100 |
| 2020-03-18 (QFEAD T2) | Milestone[1] | 2025-06-30 | 0.500 | 0.0441 | – |
| 2020-03-18 (QFEAD T3) | Milestone[1] | 2025-06-30 | 0.500 | 0.0441 | – |
| 2020-07-23 (QFEAG T1) | 2021-06-30 | 2025-07-23 | 0.500 | 0.5732 | 100 |
| 2020-07-23 (QFEAG T2) | 2022-06-30 | 2025-07-23 | 0.500 | 0.5732 | – |
| 2020-07-23 (QFEAG T3) | 2023-06-30 | 2025-07-23 | 0.500 | 0.5732 | – |
| 2021-05-26 (not yet issued) | 2023-10-08 | 2026-01-31 | 0.500 | 0.1288 | – |
| 2021-05-26 (not yet issued) | 2022-04-08 | 2026-01-31 | 0.750 | 0.1103 | – |
| 2021-05-26 (not yet issued) | 2023-01-31 | 2026-01-31 | 0.500 | 0.1288 | – |
| 2021-05-26 (not yet issued) | 2024-01-31 | 2026-01-31 | 0.750 | 0.1103 | – |

Notes:
1. Vesting occurs on satisfaction of internal milestone conditions.

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

## Performance rights

In January 2017, James Drummond agreed to relinquish US$160,000 of salary over the 18 months ended 30 June 2018 in exchange for the grant of performance rights contingent on the IPO of QuickFee Limited. These performance rights vested on QuickFee US having successfully contracted more than 300 firms (by number) within 24 months following the issue date. Accordingly, 2,925,685 performance rights were issued on 9 July 2019. On 8 November 2019, these performance rights vested and 2,925,685 ordinary shares were issued.

The grant of 700,000 performance rights on 26 May 2021 to Eric Lookhoff (President, QuickFee US at grant date) vest on 31 January 2022, contingent on continued employment at the vesting date.

## Reconciliation of options and ordinary shares held by KMP

### Options

| | BALANCE AT THE START OF THE PERIOD | GRANTED AS REMUNER-ATION | EXERCISED | OTHER CHANGES[1] | BALANCE AT END OF THE PERIOD | VESTED AND EXERCISABLE |
|---|---|---|---|---|---|---|
| Barry Lewin | – | 300,000 | – | – | 300,000 | 100,000 |
| Eric Lookhoff | – | 2,000,000 | – | – | 2,000,000 | – |
| Bruce Coombes | 3,000,000 | – | – | – | 3,000,000 | 1,000,000 |
| Dale Smorgon | – | 300,000 | – | – | 300,000 | 100,000 |
| James Drummond | 1,000,000 | – | – | – | 1,000,000 | 333,333 |
| Richard Formoe | 2,000,000 | – | – | (1,666,667) | 333,333 | 333,333 |
| Simon Yeandle | – | 1,500,000 | – | – | 1,500,000 | – |

Notes:
1. Reduction comprises forfeited options.

### Ordinary shares

| | BALANCE AT THE START OF THE PERIOD | GRANTED AS REMUNER-ATION | OTHER CHANGES[1] | BALANCE AT END OF THE PERIOD |
|---|---|---|---|---|
| Barry Lewin | 968,000 | – | 1,175,000 | 2,143,000 |
| Eric Lookhoff | – | – | – | – |
| Bruce Coombes | 23,939,453 | – | 1,300,000 | 25,239,453 |
| Dale Smorgon | 23,839,451 | – | – | 23,839,451 |
| James Drummond[1] | 2,925,685 | – | (2,925,685) | – |
| Richard Formoe[1] | 6,000 | – | (6,000) | – |
| Simon Yeandle | – | – | 60,000 | 60,000 |

Notes:
1. Balance incorporates: (i) participation in share placements, (ii) on-market acquisitions, and (iii) reductions due to employees ceasing to be KMP (note: that James Drummond and Richard Formoe retained their shareholdings of 2,925,685 and 6,000, respectively as at the date of this report; the reduction shown in the table above accounts for them ceasing to be KMP).

### Other transactions with key management personnel

A former employee of QuickFee AU, also the son of Bruce Coombes, was engaged to provide software development consulting services to QuickFee AU during FY20 and FY21. This arrangement was undertaken due to the substantial knowledge of QuickFee's lending platform held by the former employee that was required for the software development. These services were based on normal commercial terms and conditions and were at market rates.

Aggregate amounts of other transactions with key management personnel of QuickFee Limited:

| | FY21<br>A$ | FY20<br>A$ |
|---|---|---|
| *Amounts recognised as expense* | | |
| Consulting services rendered by Bruce Coombes' son | 10,000 | 26,500 |

### Voting of shareholders at last year's annual general meeting

QuickFee Limited received more than 99% of 'yes' votes on its remuneration report for FY20. 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 —**

## 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:

| | EXPIRY DATE | EXERCISE PRICE (A$) | NUMBER UNISSUED |
|---|---|---|---|
| 2019-07-09 (QFEAB T1 options) | 2023-07-09 | 0.300 | 1,000,000 |
| 2019-07-09 (QFEAB T2 options) | 2023-07-09 | 0.400 | 1,000,000 |
| 2019-07-09 (QFEAB T3 options) | 2023-07-09 | 0.500 | 1,000,000 |
| 2019-07-09 (QFEAB T4 options) | 2022-07-09 | 0.200 | 1,000,000 |
| 2019-07-09 (QFEAB T5 options) | 2022-07-09 | 0.300 | 1,000,000 |
| 2019-07-09 (QFEAB T6 options) | 2022-07-09 | 0.400 | 1,000,000 |
| 2020-03-18 (QFEAD T1 options) | 2025-06-30 | 0.500 | 866,666 |
| 2020-03-18 (QFEAD T2 options) | 2025-06-30 | 0.500 | 333,333 |
| 2020-03-18 (QFEAD T3 options) | 2025-06-30 | 0.500 | 333,334 |
| 2020-07-23 (QFEAG T1 options)[1] | 2025-07-23 | 0.500 | 200,000 |
| 2020-07-23 (QFEAG T2 options)[1] | 2025-07-23 | 0.500 | 200,000 |
| 2020-07-23 (QFEAG T3 options)[1] | 2025-07-23 | 0.500 | 200,000 |
| 2021-05-26 (unissued options)[1] | 2026-01-31 | 0.580 | 100,000 |
| 2021-05-26 (unissued options)[1] | 2026-01-31 | 0.500 | 750,000 |
| 2021-05-26 (unissued options)[1] | 2026-01-31 | 0.750 | 750,000 |
| 2021-05-26 (unissued performance rights)[1] | N/A | 0.000 | 700,000 |
| 2021-05-26 (unissued options)[1] | 2026-01-31 | 0.500 | 1,000,000 |
| 2021-05-26 (unissued options)[1] | 2026-01-31 | 0.750 | 1,000,000 |
| 2021-07-01 (unissued options) | 2026-06-30 | 0.280 | 2,525,037 |
| 2021-07-01 (unissued options) | 2026-06-30 | 0.319 | 2,524,989 |
| 2021-07-01 (unissued options) | 2026-06-30 | 0.344 | 2,524,989 |
| 2021-07-01 (unissued options) | 2026-06-30 | 0.382 | 2,524,985 |
| 2021-07-01 (unissued performance rights) | N/A | 0.000 | 250,000 |
| Total | | | 22,783,333 |

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

Notes:
1. Included in these were options and performance rights granted as remuneration to the directors and other key management personnel during the year. Details of options and performance rights granted are disclosed on pages 21 to 30 above.

### (b) Shares issued on the exercise of options

No ordinary shares of QuickFee Limited were issued during the year ended 30 June 2021 on the exercise of options granted.

## Insurance of officers and indemnities

### (a) Insurance of officers

During the financial year, QuickFee Limited paid a premium of A$122,996 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.

## 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 34.

## 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 have been rounded off in accordance with the instrument to the nearest dollar.

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

**Barry Lewin**
Non-Executive Chairman

26 August 2021

# Auditor's independence declaration

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF QUICKFEE LIMITED**

I declare that, to the best of my knowledge and belief during the year ended 30 June 2021 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.

William Buck

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

**N. S. Benbow**
Director

Dated this 26th day of August 2021

ACCOUNTANTS & ADVISORS
Level 20, 181 William Street
Melbourne VIC 3000
Telephone: +61 3 9824 8555
**williambuck.com**

# Corporate governance statement

For the year ended 30 June 2021

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 FY21 corporate governance statement is dated as at 30 June 2021 and reflects the corporate governance practices in place throughout FY21. The FY21 corporate governance statement was approved by the board on 26 August 2021. 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**

ABN 93 624 448 693

## Annual financial report – 30 June 2021

# 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 26 August 2021. 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 2021

| | NOTES | FY21 A$ | FY20 A$ |
|---|---|---|---|
| Interest revenue | 2 | 4,748,151 | 5,727,800 |
| Interest expense | 2 | (976,085) | (1,634,986) |
| Net interest revenue | | 3,772,066 | 4,092,814 |
| Revenue from contracts with customers | 3 | 4,042,171 | 2,759,781 |
| Cost of sales | 4(c) | (1,559,065) | (1,150,512) |
| Gross profit | | 6,255,172 | 5,702,083 |
| Other income | 4(a) | 72,205 | 77,941 |
| Other losses | 4(b) | (89) | (257,723) |
| General and administrative expenses | 4(c) | (5,751,509) | (4,493,700) |
| Selling and marketing expenses | 4(c) | (1,201,020) | (827,997) |
| Operating (loss)/profit before growth expenses | | (625,241) | 200,604 |
| Customer acquisition expenses | 4(c) | (4,013,236) | (2,478,210) |
| Product development expenses | 4(c) | (3,729,609) | (703,746) |
| Operating loss | | (8,368,086) | (2,981,352) |
| IPO expenses | 4(c) | – | (812,885) |
| Net finance costs | 4(d) | (186,159) | (15,952) |
| Loss before income tax | | (8,554,245) | (3,810,189) |
| Income tax benefit/(expense) | 5 | 8,159 | (16,361) |
| Loss for the period | | (8,546,086) | (3,826,550) |
| **Other comprehensive income** | | | |
| *Items that may be reclassified to profit or loss:* | | | |
| Exchange differences on translation of foreign operations | | (937,299) | 34,741 |
| Total comprehensive loss for the period | | (9,483,385) | (3,791,809) |

| | | CENTS | CENTS |
|---|---|---|---|
| Loss per share for loss attributable to the ordinary equity holders of the company: | | | |
| Basic and diluted loss per share | 18 | (4.0) | (2.5) |

*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 2021

| | NOTES | FY21 A$ | FY20 A$ |
|---|---|---|---|
| **ASSETS** | | | |
| **Current assets** | | | |
| Cash and cash equivalents | | 21,305,963 | 14,970,488 |
| Loan receivables | 6(a) | 25,842,632 | 35,320,527 |
| Payment processing receivables | 6(a) | 887,948 | 1,025,192 |
| Trade and other receivables | | 313,632 | 298,908 |
| Other current assets | | 757,597 | 313,291 |
| Total current assets | | 49,107,772 | 51,928,406 |
| **Non-current assets** | | | |
| Loan receivables | 6(a) | 140,485 | 220,873 |
| Property, plant and equipment | | 303,065 | 203,280 |
| Right-of-use assets | 6(b) | 669,529 | 1,036,352 |
| Other non-current assets | | 95,242 | 114,350 |
| Total non-current assets | | 1,208,321 | 1,574,855 |
| Total assets | | 50,316,093 | 53,503,261 |
| **LIABILITIES** | | | |
| **Current liabilities** | | | |
| Merchant settlements outstanding | 6(a) | 10,032,343 | 9,638,297 |
| Trade and other payables | 6(c) | 962,151 | 695,297 |
| Contract liabilities | 3(b) | 106,642 | 145,916 |
| Borrowings | 6(d) | 13,342,018 | 25,337,370 |
| Lease liabilities | 6(b) | 340,592 | 332,147 |
| Employee benefit obligations | | 613,732 | 360,658 |
| Total current liabilities | | 25,397,478 | 36,509,685 |
| **Non-current liabilities** | | | |
| Borrowings | 6(d) | 140,849 | 83,803 |
| Lease liabilities | 6(b) | 378,897 | 722,997 |
| Employee benefit obligations | | 6,072 | 7,556 |
| Total non-current liabilities | | 525,818 | 814,356 |
| Total liabilities | | 25,923,296 | 37,324,041 |
| Net assets | | 24,392,797 | 16,179,220 |
| **EQUITY** | | | |
| Contributed equity | 7(a) | 42,597,713 | 25,155,956 |
| Other reserves | 7(b) | (3,618,375) | (2,936,281) |
| Accumulated losses | | (14,586,541) | (6,040,455) |
| Total equity | | 24,392,797 | 16,179,220 |

*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 2021

| | NOTES | CONTRIBUTED EQUITY A$ | OTHER RESERVES A$ | ACCUMULATED LOSSES A$ | TOTAL EQUITY A$ |
|---|---|---|---|---|---|
| | | ATTRIBUTABLE TO OWNERS OF QUICKFEE LIMITED | | | |
| Balance at 1 July 2019 | | 2,644,252 | 43,925 | (2,213,905) | 474,272 |
| Loss for the period | | – | – | (3,826,550) | (3,826,550) |
| Other comprehensive income | | – | 34,741 | – | 34,741 |
| Total comprehensive income/(loss) for the period | | – | 34,741 | (3,826,550) | (3,791,809) |
| **Transactions with owners in their capacity as owners:** | | | | | |
| Contributions of equity, net of transaction costs | 7(a) | 22,136,416 | – | – | 22,136,416 |
| Legal acquisition of QuickFee AU | 7(b) | – | (3,200,000) | – | (3,200,000) |
| Share-based payment expenses | 7(b), 16(c) | 375,288 | 185,053 | – | 560,341 |
| | | 22,511,704 | (3,014,947) | – | 19,496,757 |
| Balance at 30 June 2020 | | 25,155,956 | (2,936,281) | (6,040,455) | 16,179,220 |

| | NOTES | CONTRIBUTED EQUITY A$ | OTHER RESERVES A$ | ACCUMULATED LOSSES A$ | TOTAL EQUITY A$ |
|---|---|---|---|---|---|
| | | ATTRIBUTABLE TO OWNERS OF QUICKFEE LIMITED | | | |
| Balance at 1 July 2020 | | 25,155,956 | (2,936,281) | (6,040,455) | 16,179,220 |
| Loss for the period | | – | – | (8,546,086) | (8,546,086) |
| Other comprehensive loss | | – | (937,299) | – | (937,299) |
| Total comprehensive loss for the period | | – | (937,299) | (8,546,086) | (9,483,385) |
| **Transactions with owners in their capacity as owners:** | | | | | |
| Contributions of equity, net of transaction costs | 7(a) | 17,441,757 | – | – | 17,441,757 |
| Share-based payment expenses | 7(b), 16(c) | – | 255,205 | – | 255,205 |
| | | 17,441,757 | 255,205 | – | 17,696,962 |
| Balance at 30 June 2021 | | 42,597,713 | (3,618,375) | (14,586,541) | 24,392,797 |

*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 2021

| | NOTES | FY21 A$ | FY20 A$ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Interest, fees and charges from customers and merchants (inclusive of GST) | | 8,736,100 | 8,527,463 |
| Payments to suppliers and employees (inclusive of GST) | | (15,731,596) | (8,740,629) |
| Interest paid | | (988,427) | (1,652,565) |
| Income taxes refunded/(paid) | 5 | 8,159 | (133,891) |
| Net cash (outflow) from operating activities before changes in assets/liabilities | | (7,975,764) | (1,999,622) |
| Payments to merchants to settle loan receivables | | (50,206,235) | (63,351,084) |
| Receipts from merchants' customers in respect of loan receivables | | 60,334,818 | 61,541,972 |
| Net cash inflow/(outflow) from operating activities | 8(a) | 2,152,819 | (3,808,734) |
| **Cash flows from investing activities** | | | |
| Payments for property, plant and equipment | | (173,994) | (226,190) |
| Interest received from financial assets held for cash management purposes | | 24 | 1,319 |
| Net cash (outflow) from investing activities | | (173,970) | (224,871) |
| **Cash flows from financing activities** | | | |
| Proceeds from issues of shares | 7(a) | 18,173,441 | 23,170,000 |
| Share issue transaction costs | 7(a) | (731,684) | (1,150,987) |
| Legal acquisition of QuickFee AU | 7(b) | – | (3,200,000) |
| Repayment of loan receivables borrowings facility, net of proceeds | | (11,446,272) | (260,225) |
| Loan receivables borrowings facility transaction costs | | (184,661) | – |
| Repayment of related party borrowings | | – | (2,000,000) |
| Principal elements of lease payments | | (277,987) | (122,568) |
| Net cash inflow from financing activities | | 5,532,837 | 16,436,220 |
| Net increase in cash and cash equivalents | | 7,511,686 | 12,402,615 |
| Cash and cash equivalents at the beginning of the financial year | | 14,970,488 | 2,781,387 |
| Effects of exchange rate changes on cash and cash equivalents | | (1,176,211) | (213,514) |
| Cash and cash equivalents at end of year | | 21,305,963 | 14,970,488 |

*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 2021

## 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 Chief Executive Officer, Chief Financial Officer and Managing Director, Australia. Management examines the group's performance from both a geographic and product development perspective and has identified three reportable segments of its business:

- **Segments 1 and 2 – payment and lending operations in Australia (AU) and the United States (US):** this part of the business operates a suite of payment and lending offerings via an online portal to professional, commercial and personal services providers in Australia and the US. These solutions help customers of service providers (the group's merchants) 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.
- **Segment 3 – product development:** this part of the business undertakes the research and development of the group's software and technology solutions.

### (b) Adjusted EBITDA

Adjusted EBITDA (earnings before interest, taxes, depreciation and amortisation) is equal to statutory EBITDA less interest expense on borrowings that support loan receivables.

Significant items are equity-settled share-based payments, net foreign exchange gains/(losses) and IPO expenses.

## 1 Segment information (continued)

### (b) Adjusted EBITDA (continued)

The table below shows adjusted EBITDA for the year ended 30 June 2021, which reconciles to profit/(loss) for the period:

| FY21 | AU A$ | US A$ | PRODUCT DEVELOPMENT A$ | UNALLOCATED A$ | TOTAL A$ |
|---|---|---|---|---|---|
| Interest revenue | 3,324,328 | 1,423,823 | – | – | 4,748,151 |
| Interest expense | (454,600) | (521,485) | – | – | (976,085) |
| **Net interest revenue** | **2,869,728** | **902,338** | **–** | **–** | **3,772,066** |
| Revenue from contracts with customers | 980,690 | 3,061,481 | – | – | 4,042,171 |
| Cost of sales | (866,294) | (613,759) | – | – | (1,480,053) |
| **Adjusted gross profit** | **2,984,124** | **3,350,060** | **–** | **–** | **6,334,184** |
| Other income | 69,555 | 2,650 | – | – | 72,205 |
| General and administrative expenses | (1,207,326) | (2,509,121) | – | (1,407,455) | (5,123,902) |
| Selling and marketing expenses | (431,649) | (769,371) | – | – | (1,201,020) |
| **Adjusted EBITDA before growth expenses and significant items** | **1,414,704** | **74,218** | **–** | **(1,407,455)** | **81,467** |
| Customer acquisition expenses | (832,797) | (3,180,439) | – | – | (4,013,236) |
| Product development expenses | – | – | (3,729,609) | – | (3,729,609) |
| **Adjusted EBITDA before significant items** | **581,907** | **(3,106,221)** | **(3,729,609)** | **(1,407,455)** | **(7,661,378)** |
| Net foreign exchange losses | (89) | – | – | – | (89) |
| Share-based payment expenses | – | – | – | (255,205) | (255,205) |
| **Adjusted EBITDA** | **581,818** | **(3,106,221)** | **(3,729,609)** | **(1,662,660)** | **(7,916,672)** |
| Depreciation and amortisation | (121,841) | (329,573) | – | – | (451,414) |
| Net finance costs | (13,302) | (172,857) | – | – | (186,159) |
| **Profit/(loss) before income tax** | **446,675** | **(3,608,651)** | **(3,729,609)** | **(1,662,660)** | **(8,554,245)** |
| Income tax benefit | 8,159 | – | – | – | 8,159 |
| **Profit/(loss) for the period** | **454,834** | **(3,608,651)** | **(3,729,609)** | **(1,662,660)** | **(8,546,086)** |

## 1 Segment information (continued)

### (b) Adjusted EBITDA (continued)

The table below shows adjusted EBITDA for the year ended 30 June 2020, which reconciles to profit/(loss) for the period:

| FY20 | AU A$ | US A$ | PRODUCT DEVELOPMENT A$ | UNALLOCATED A$ | TOTAL A$ |
|---|---|---|---|---|---|
| Interest revenue | 4,468,758 | 1,259,042 | – | – | 5,727,800 |
| Interest expense | (1,116,923) | (518,063) | – | – | (1,634,986) |
| **Net interest revenue** | **3,351,835** | **740,979** | **–** | **–** | **4,092,814** |
| Revenue from contracts with customers | 865,363 | 1,894,418 | – | – | 2,759,781 |
| Cost of sales | (859,117) | (186,298) | – | – | (1,045,415) |
| **Adjusted gross profit** | **3,358,081** | **2,449,099** | **–** | **–** | **5,807,180** |
| Other income | 75,174 | 2,767 | – | – | 77,941 |
| General and administrative expenses | (1,499,764) | (1,546,403) | – | (1,206,214) | (4,252,381) |
| Selling and marketing expenses | (361,751) | (466,246) | – | – | (827,997) |
| **Adjusted EBITDA before growth expenses and significant items** | **1,571,740** | **439,217** | **–** | **(1,206,214)** | **804,743** |
| Customer acquisition expenses | (607,022) | (1,871,188) | – | – | (2,478,210) |
| Product development expenses | – | – | (703,746) | – | (703,746) |
| **Adjusted EBITDA before significant items** | **964,718** | **(1,431,971)** | **(703,746)** | **(1,206,214)** | **(2,377,213)** |
| IPO expenses[1] | – | – | – | (812,885) | (812,885) |
| Net foreign exchange gains/(losses) | 1,902 | (259,625) | – | – | (257,723) |
| Share-based payment expenses | – | – | – | (49,153) | (49,153) |
| **Adjusted EBITDA** | **966,620** | **(1,691,596)** | **(703,746)** | **(2,068,252)** | **(3,496,974)** |
| Depreciation and amortisation | (79,367) | (217,896) | – | – | (297,263) |
| Net finance income/(costs) | (6,036) | (10,645) | – | 729 | (15,952) |
| **Profit/(loss) before income tax** | **881,217** | **(1,920,137)** | **(703,746)** | **(2,067,523)** | **(3,810,189)** |
| Income tax expense | (16,361) | – | – | – | (16,361) |
| **Profit/(loss) for the period** | **864,856** | **(1,920,137)** | **(703,746)** | **(2,067,523)** | **(3,826,550)** |

Notes:
1. IPO expenses are inclusive of share-based payment expenses contingent on IPO amounting to A$511,188 as disclosed in notes 4(c) and 16(c).

## 1 Segment information (continued)

### (c) Segment assets and liabilities

The table below shows segment assets and liabilities as at 30 June 2021:

| FY21 | AU A$ | US A$ | PRODUCT DEVELOPMENT A$ | UNALLOCATED A$ | TOTAL A$ |
|---|---|---|---|---|---|
| Segment assets | 19,809,682 | 8,776,789 | – | 21,729,622 | 50,316,093 |
| **Total assets** | **19,809,682** | **8,776,789** | **–** | **21,729,622** | **50,316,093** |
| Segment liabilities | 16,884,485 | 8,900,700 | – | 138,111 | 25,923,296 |
| **Total liabilities** | **16,884,485** | **8,900,700** | **–** | **138,111** | **25,923,296** |

The table below shows segment assets and liabilities as at 30 June 2020:

| FY20 | AU A$ | US A$ | PRODUCT DEVELOPMENT A$ | UNALLOCATED A$ | TOTAL A$ |
|---|---|---|---|---|---|
| Segment assets | 27,763,210 | 10,630,969 | – | 15,109,082 | 53,503,261 |
| **Total assets** | **27,763,210** | **10,630,969** | **–** | **15,109,082** | **53,503,261** |
| Segment liabilities | 23,807,057 | 13,377,757 | – | 139,227 | 37,324,041 |
| **Total liabilities** | **23,807,057** | **13,377,757** | **–** | **139,227** | **37,324,041** |

## 2 Net interest revenue

| | FY21 A$ | FY20 A$ |
|---|---|---|
| Interest revenue | | |
| Loan receivables | 4,748,151 | 5,727,800 |
| Interest expense | | |
| Loan receivables – financial institution lenders | (976,085) | (1,557,388) |
| Loan receivables – other lenders | – | (77,598) |
| | (976,085) | (1,634,986) |
| Net interest revenue | 3,772,066 | 4,092,814 |

### (a) Accounting policies

#### (i) Interest revenue

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

## 3 Revenue from contracts with customers

### (a) Disaggregation of revenue from contracts with customers

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

| FY21 | APPLICATION FEE REVENUE A$ | MERCHANT FEE REVENUE A$ | PLATFORM FEE REVENUE A$ | TOTAL A$ |
|---|---|---|---|---|
| Timing of revenue recognition | | | | |
| At a point in time | – | 2,965,697 | 47,959 | 3,013,656 |
| Over time | 356,586 | – | 671,929 | 1,028,515 |
| | 356,586 | 2,965,697 | 719,888 | 4,042,171 |
| FY20 | | | | |
| Timing of revenue recognition | | | | |
| At a point in time | – | 1,892,250 | 107,670 | 1,999,920 |
| Over time | 190,976 | – | 568,885 | 759,861 |
| | 190,976 | 1,892,250 | 676,555 | 2,759,781 |

### (b) Liabilities related to contracts with customers

| | FY21 A$ | FY20 A$ |
|---|---|---|
| Contract liabilities – deferred revenue | 106,642 | 145,916 |
| Total current contract liabilities | 106,642 | 145,916 |

#### (i) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in a prior period.

| | FY21 A$ | FY20 A$ |
|---|---|---|
| Revenue recognised that was included in the contract liability balance at the beginning of the period | | |
| Deferred revenue | 145,916 | 150,773 |

## 3 Revenue from contracts with customers (continued)

### (c) Accounting policies

#### (i) Application fee revenue

Revenue from application fees relate to the *QuickFee Financing* 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 Financing:* instalment deferral fees, instalment dishonour fees and credit card processing fees on instalments;
- *QuickFee Instalments:* credit card processing fees on instalments; and
- *QuickFee PayNow:* bank transfer (ACH/EFT) and credit card processing fees on pay in full transactions.

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 merchants. Joining/set up fee revenue is recognised at a point in time once the single performance obligation of establishing the customer (merchant) onto the platform is satisfied. Recurring monthly subscription fee revenue is recognised on a straight-line basis over the subscription term.

## 4 Other income and expense items

### (a) Other income

| | FY21<br>A$ | FY20<br>A$ |
|---|---:|---:|
| Government grants | 64,407 | 62,500 |
| Other | 7,798 | 15,441 |
| | 72,205 | 77,941 |

### (b) Other losses

| | FY21<br>A$ | FY20<br>A$ |
|---|---:|---:|
| Net foreign exchange losses | (89) | (257,723) |

## 4 Other income and expense items (continued)

### (c) Breakdown of expenses by nature

| | NOTES | FY21 A$ | FY20 A$ |
|---|---|---|---|
| Cost of sales | | | |
| Amortisation of borrowing costs | | 79,012 | 105,097 |
| Employee benefits[1] | | 327,013 | 129,234 |
| Other | | 1,153,040 | 916,181 |
| | | 1,559,065 | 1,150,512 |
| General and administrative expenses | | | |
| Accounting, legal and professional fees | | 760,353 | 497,145 |
| Depreciation | | 372,402 | 190,746 |
| Employee benefits[1] | | 2,661,937 | 1,774,641 |
| Net impairment losses on loan receivables | | 131,491 | 570,818 |
| Recruitment | | 641,489 | 323,116 |
| Share-based payment expenses (non-cash) | 16(c) | 255,205 | 49,153 |
| Other | | 928,632 | 1,088,081 |
| | | 5,751,509 | 4,493,700 |
| Selling and marketing expenses | | | |
| Employee benefits[1] | | 1,155,482 | 681,223 |
| Other | | 45,538 | 146,774 |
| | | 1,201,020 | 827,997 |
| Customer acquisition expenses | | | |
| Employee benefits[1] | | 3,046,716 | 1,920,341 |
| Other | | 966,520 | 557,869 |
| | | 4,013,236 | 2,478,210 |
| Product development expenses | | | |
| Employee benefits[1] | | 2,590,525 | 199,768 |
| Other | | 1,139,084 | 503,978 |
| | | 3,729,609 | 703,746 |
| IPO expenses | | | |
| Share-based payment expenses contingent on IPO (non-cash) | 16(c) | – | 511,188 |
| Other IPO expenses | | – | 301,697 |
| | | – | 812,885 |

Notes:

1. Employee benefits from each functional expense category includes aggregate superannuation/401k of A$245,345 (2020: A$124,772).

## 4 Other income and expense items (continued)

### (d) Net finance costs

| | FY21 A$ | FY20 A$ |
|---|---|---|
| Finance income | 24 | 1,627 |
| Finance costs – lease liabilities | (36,191) | (16,985) |
| Finance costs – borrowings facility termination costs | (149,982) | – |
| Finance costs – other | (10) | (594) |
| | (186,159) | (15,952) |

## 5 Income tax expense

### (a) Income tax expense

| | FY21 A$ | FY20 A$ |
|---|---|---|
| Current tax | | |
| Current tax on profits for the year | – | – |
| Adjustments for current tax of prior periods | (8,159) | (23,155) |
| Total current tax (benefit)/expense | (8,159) | (23,155) |
| Deferred income tax | | |
| Decrease/(increase) in deferred tax assets | – | 39,516 |
| Total deferred tax expense | – | 39,516 |
| Income tax (benefit)/expense | (8,159) | 16,361 |

## 5 Income tax expense (continued)

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

| | FY21 A$ | FY20 RESTATED A$ |
|---|---|---|
| Loss before income tax | (8,554,245) | (3,810,189) |
| Tax at the Australian tax rate of 26% (2020: 27.5%) | (2,224,103) | (1,047,802) |
| Tax effect of amounts which are not deductible (taxable) in calculating taxable income: | | |
| Blackhole expenditure (Section 40-880, ITAA 1997) | (113,587) | (79,897) |
| Employee leave obligations | 72,752 | 61,414 |
| Expected credit losses | (87,824) | 159,745 |
| Government grants | (16,746) | (17,188) |
| IPO | – | 82,967 |
| Prepayments | (39,698) | (39,737) |
| Share-based payments | 66,353 | 154,094 |
| Unrealised currency (gains)/losses | 36 | 76,949 |
| Other | (10,402) | 14,676 |
| Subtotal | (129,116) | 413,023 |
| Difference in overseas tax rates | (145,776) | (49,768) |
| Adjustments for current tax in respect of prior periods | (8,159) | (23,155) |
| Tax losses and other timing differences for which no deferred tax asset is recognised | 2,498,995 | 724,063 |
| Income tax (benefit)/expense | (8,159) | 16,361 |

The numerical reconciliation of income tax expense to prima facie tax payable for the year ended 30 June 2020 has been restated to reflect the income tax returns lodged for the same period.

### (c) Tax losses

| | FY21 A$ | FY20 RESTATED A$ |
|---|---|---|
| Unused Australian tax losses for which no deferred tax asset has been recognised | 7,114,210 | 1,714,806 |
| Potential tax benefit at 26% (2020: 27.5%) | 1,849,695 | 471,572 |
| Unused United States tax losses for which no deferred tax asset has been recognised | 5,922,322 | 2,467,201 |
| Potential tax benefit at 29.84% (2020: 29.84%) | 1,767,221 | 736,213 |
| Total potential tax benefit | 3,616,916 | 1,207,785 |

Tax losses for the year ended 30 June 2020 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 2021 and 30 June 2020. 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) Loan receivables, payment processing receivables and merchant settlements outstanding

| | | FY21 | | | FY20 | | |
|---|---|---|---|---|---|---|---|
| | NOTES | CURRENT A$ | NON-CURRENT A$ | TOTAL A$ | CURRENT A$ | NON-CURRENT A$ | TOTAL A$ |
| Gross loan receivables | 6(a)(i), (ii) | 26,067,912 | 140,485 | 26,208,397 | 35,893,461 | 220,873 | 36,114,334 |
| Expected credit losses | 10(b) | (225,280) | – | (225,280) | (572,934) | – | (572,934) |
| **Loan receivables** | | **25,842,632** | **140,485** | **25,983,117** | **35,320,527** | **220,873** | **35,541,400** |
| Payment processing receivables | 6(a)(iii), (iv) | 887,948 | – | 887,948 | 1,025,192 | – | 1,025,192 |
| Merchant settlements outstanding | 6(a)(v), (vi) | 10,032,343 | – | 10,032,343 | 9,638,297 | – | 9,638,297 |

#### (i) Classification of gross loan receivables

Gross loan receivables are amounts due from customers of merchants for payment plans (loans) entered into in the ordinary course of business from the *QuickFee Financing* and *QuickFee Instalments* 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 payment processing receivables

Payment processing receivables are amounts due from customers of merchants for pay in full transactions made in the ordinary course of business through the QuickFee payment portal from the *QuickFee PayNow* product.

#### (iv) Recognition and measurement of payment processing receivables

Payment processing receivables are non-derivative financial assets, with fixed and determinable payments that are not quoted in an active market. The carrying amounts of payment processing receivables are considered to be the same as their fair values, due to their short-term nature. Transactions awaiting settlement to QuickFee turnover quickly, typically within 1–3 days, in line with bank processing timeframes.

#### (v) Classification of merchant settlements outstanding

Merchant settlements outstanding represent the following:

- payment plans (loans) approved but yet to be settled by the group to merchants, 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 merchants.

#### (vi) Recognition and measurement of merchant settlements outstanding

Merchant settlements outstanding are non-derivative financial liabilities, with fixed and determinable payments that are not quoted in an active market. The carrying amounts of merchant 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 1–7 days.

## 6 Financial assets and financial liabilities (continued)

### (a) Loan receivables, payment processing receivables and merchant settlements outstanding (continued)

#### (vii) Impairment and risk exposure

Information about the impairment of loan receivables and the group's exposure to credit risk, foreign currency risk and interest rate risk can be found in note 10.

### (b) Leases

This note provides information for leases where the group is a lessee.

#### (i) Amounts recognised in the statement of financial position

| | FY21 A$ | FY20 A$ |
|---|---|---|
| Right-of-use assets | | |
| Buildings | | |
| Opening net book amount | 1,036,352 | – |
| Exchange differences | (57,211) | 2,360 |
| Additions | – | 1,179,769 |
| Depreciation charge | (309,612) | (145,777) |
| | 669,529 | 1,036,352 |
| Lease liabilities | | |
| Current | 340,592 | 332,147 |
| Non-current | 378,897 | 722,997 |
| | 719,489 | 1,055,144 |

#### (ii) Amounts recognised in the statement of profit or loss and other comprehensive income

| | FY21 A$ | FY20 A$ |
|---|---|---|
| Depreciation charge on right-of-use assets | | |
| Buildings | 309,612 | 145,777 |
| | 309,612 | 145,777 |
| Lease liabilities | | |
| Interest expense (included in net finance costs) | 36,191 | 16,985 |
| Expense relating to short-term leases (included in general and administrative expenses) | – | 161,055 |
| | 36,191 | 178,040 |

The total cash outflow for leases in FY21 was A$314,148 (FY20: A$139,553).

## 6 Financial assets and financial liabilities (continued)

### (b) Leases (continued)

#### (iii) The group's leasing activities and how these are accounted for

The group leases various office suites. Rental contracts are typically made for fixed periods of three to five years.

Contracts may contain both lease and non-lease components. The group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by QuickFee Limited; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the group entities use that rate as a starting point to determine the incremental borrowing rate.

The group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

## 6 Financial assets and financial liabilities (continued)

### (b) Leases (continued)

#### (iii) The group's leasing activities and how these are accounted for (continued)

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

### (c) Trade and other payables

| | FY21 | | | FY20 | | |
|---|---|---|---|---|---|---|
| | CURRENT A$ | NON-CURRENT A$ | TOTAL A$ | CURRENT A$ | NON-CURRENT A$ | TOTAL A$ |
| Trade payables | 283,802 | – | 283,802 | 266,019 | – | 266,019 |
| Accrued expenses | 498,846 | – | 498,846 | 404,333 | – | 404,333 |
| Other payables | 179,503 | – | 179,503 | 24,945 | – | 24,945 |
| Total borrowings | 962,151 | – | 962,151 | 695,297 | – | 695,297 |

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.

### (d) Borrowings

| | | FY21 | | | FY20 | | |
|---|---|---|---|---|---|---|---|
| | NOTES | CURRENT A$ | NON-CURRENT A$ | TOTAL A$ | CURRENT A$ | NON-CURRENT A$ | TOTAL A$ |
| Secured | | | | | | | |
| Global Credit Investments | 6(d)(i) | – | – | – | 6,192,627 | – | 6,192,627 |
| Lease Collateral Pty Ltd | 6(d)(ii) | 13,342,018 | 140,849 | 13,482,867 | 19,192,237 | 83,803 | 19,276,040 |
| Total secured borrowings | | 13,342,018 | 140,849 | 13,482,867 | 25,384,864 | 83,803 | 25,468,667 |
| Capitalised borrowing costs | | | | | | | |
| Unamortised borrowing costs | | – | – | – | (47,494) | – | (47,494) |
| Total capitalised borrowing costs | | – | – | – | (47,494) | – | (47,494) |
| Total borrowings | | 13,342,018 | 140,849 | 13,482,867 | 25,337,370 | 83,803 | 25,421,173 |

## 6 Financial assets and financial liabilities (continued)

### (d) Borrowings (continued)

#### (i) Global Credit Investments

The Global Credit Investments loan was originally entered into on 1 September 2017 and matured on 31 August 2019, with the group negotiating a roll over until 31 August 2020. On 26 June 2020, the group renegotiated the facility for a further 12 months. The group terminated the facility on 26 June 2021 on repayment of the outstanding balance. During the drawdown period, the loan was secured over certain identified loan receivables of QuickFee US. The loan attracted variable interest paid monthly in arrears, 9.0% per annum for accounting firms; legal firms loans accrued interest at 9.5% per annum. The facility limit as at 30 June 2021 was nil (30 June 2020: US$10,000,000).

#### (ii) Lease Collateral Pty Ltd

The Lease Collateral Pty Ltd loan was originally entered into on 3 November 2015. As at 30 June 2021, the facility limit was A$25,000,000 (30 June 2020: A$25,000,000), secured over certain identified loan receivables of QuickFee AU. As at 30 June 2021, the loan attracted interest at 4.1% per annum plus the base rate as published by the Reserve Bank of Australia (30 June 2020: 4.1%). In addition, a line fee of 1.25% per annum applies, along with a scalable surcharge up to 1.0% per annum for drawdowns over A$20,000,000 derived from the average reference bank credit default swap.

The loan matures 12 months after the date that a termination notice is sent by either party. As at the date of this report, a termination notice had not been provided by either party.

#### (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) Risk exposures

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

## 7 Equity

### (a) Contributed equity

| | NOTES | FY21 SHARES | FY20 SHARES | FY21 A$ | FY20 A$ |
|---|---|---|---|---|---|
| Ordinary shares | | | | | |
| Fully paid | 7(a)(i) | 222,201,238 | 188,264,287 | 42,597,713 | 25,155,956 |
| | | 222,201,238 | 188,264,287 | 42,597,713 | 25,155,956 |

#### (i) Movements in ordinary shares:

| DETAILS | NUMBER OF SHARES | TOTAL A$ |
|---|---|---|
| Balance at 1 July 2019 | 2,729,167 | 2,644,252 |
| 2019-07-09: Conversion of existing QuickFee AU and QuickFee US class shares to QuickFee | | |
| Limited class shares pursuant to IPO[1] | 47,520,834 | – |
| 2019-07-09: Issue at A$0.10 on conversion of QuickFee Limited seed loan agreements | 16,000,000 | 1,600,000 |
| 2019-07-09: Issue at A$0.20 on conversion of QuickFee US shareholder loan agreements | 6,000,000 | 1,200,000 |
| 2019-07-09: Issue at A$0.20 pursuant to IPO | 67,500,000 | 13,500,000 |
| 2019-07-09: Issue at A$0.20 as consideration to broker on IPO[2] | 800,000 | 160,000 |
| 2019-09-10: Issue at A$nil on vesting of QuickFee US deferred consideration shares[3, 4] | 3,049,543 | – |
| 2019-11-08: Issue at A$nil on vesting of QuickFee US deferred consideration shares[3, 5] | 3,049,543 | – |
| 2019-11-08: Issue at A$nil on vesting of performance rights[5, 6] | 5,851,370 | – |
| 2019-11-08: Transfer from 'share-based payment reserve' on vesting of performance rights[6] | – | 292,568 |
| 2020-05-15: Issue at A$0.21 pursuant to placement | 32,714,286 | 6,870,000 |
| 2020-05-15: Issue at A$nil on vesting of QuickFee US deferred consideration shares[3, 7] | 3,049,544 | – |
| Less: Transaction costs arising on share issues[8] | – | (1,110,864) |
| Balance at 30 June 2020 | 188,264,287 | 25,155,956 |
| 2020-07-30: Issue at A$0.21 pursuant to directors' participation in May 2020 placement | 3,000,000 | 630,000 |
| 2020-09-25: Issue at A$0.58 pursuant to September 2020 placement | 25,862,068 | 14,999,999 |
| 2020-10-16: Issue at A$0.50 pursuant to October 2020 share purchase plan | 4,999,883 | 2,499,942 |
| 2021-01-04: Issue at A$0.58 pursuant to directors' participation in September 2020 placement | 75,000 | 43,500 |
| Less: Transaction costs arising on share issues | – | (731,684) |
| Balance at 30 June 2021 | 222,201,238 | 42,597,713 |

## 7 Equity (continued)

### (a) Contributed equity (continued)

#### (i) Movements in ordinary shares: (continued)

Notes:

1. Conversion of QuickFee AU and QuickFee US shares to QuickFee Limited shares incorporates the 24,000,000 ordinary shares issued as partial consideration for the acquisition of QuickFee AU and the 26,250,000 ordinary shares issued as full consideration (excluding deferred consideration shares) for the acquisition of QuickFee US on the 9 July 2019 IPO (i.e. 50,250,000 shares in total). This 50,250,000 shares comprises the following line items in 'movements in ordinary shares' above: (a) 2,729,167 shares as at 1 July 2019, less the original single share on incorporation of QuickFee Limited on 15 February 2018; and (c) the conversion figure of 47,250,834.
2. The accounting entry to take up the broker shares valued at A$160,000 offset between 'transaction costs arising on share issues' (A$77,280) and 'share-based payment expenses' (A$82,720). This split was prorated according to the ratio of new shares (relative to the overall capital structure) issued on IPO.
3. No monetary value was ascribed to the deferred consideration shares issued to pre-IPO shareholders of QuickFee US on fulfilment of each performance milestone. The deferred consideration shares were accounted for as part of the common control transaction on 15 February 2018. As such, no further amount is recognised as contributed equity.
4. Performance milestone comprised the aggregate value of loans made by QuickFee US from the commencement of QuickFee US's operations exceeding US$15,000,000 within 24 months.
5. Performance milestone comprised QuickFee US having successfully contracted more than 300 firms (by number) within 24 months of IPO.
6. Refer to note 7(b) and 16(b) for further details.
7. Performance milestone comprised QuickFee US achieving an aggregate value of currently held loans in excess of US$6,000,000 within 24 months.
8. Transaction costs recognised in FY20 were those contingent on the IPO occurring only; those costs that would have occurred regardless of the IPO proceeding were recognised in FY19. Such costs were prorated between 'IPO expenses' in profit or loss and as a deduction to equity according to the ratio of new shares (relative to the overall capital structure) issued on IPO. Transaction costs recognised on IPO comprise those arising contingent on the successful completion of the IPO, principally broker underwriting and management fees.

#### (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.

## 7 Equity (continued)

### (b) Other reserves

The following table shows a breakdown of the statement of financial position line item 'other reserves' and the movements in these reserves during the year. A description of the nature and purpose of each reserve is provided below the table.

| | NOTES | COMMON CONTROL RESERVE A$ | SHARE-BASED PAYMENT RESERVE A$ | FOREIGN CURRENCY TRANSLATION RESERVE A$ | TOTAL OTHER RESERVES A$ |
|---|---|---|---|---|---|
| Balance at 1 July 2019 | | – | – | 43,925 | 43,925 |
| Legal acquisition of QuickFee AU | | (3,200,000) | – | – | (3,200,000) |
| Currency translation differences | | – | – | 34,741 | 34,741 |
| Transactions with owners in their capacity as owners: | | | | | |
| Options expensed | 16(c) | – | 185,053 | – | 185,053 |
| Performance rights expensed | 7(a)(i), 16(c) | – | 292,568 | – | 292,568 |
| Performance rights vested | 7(a)(i) | – | (292,568) | – | (292,568) |
| As at 30 June 2020 | | (3,200,000) | 185,053 | 78,666 | (2,936,281) |
| Currency translation differences | | – | – | (937,299) | (937,299) |
| Transactions with owners in their capacity as owners: | | | | | |
| Options expensed | 16(c) | – | 231,685 | – | 231,685 |
| Performance rights expensed | 16(c) | – | 23,520 | – | 23,520 |
| As at 30 June 2021 | | (3,200,000) | 440,258 | (858,633) | (3,618,375) |

#### (i) Nature and purpose of other reserves

*Common control*

The common control reserve recognises differences arising from the 15 February 2018 common control business combination between QuickFee Limited and QuickFee AU under the 'pooling method'. The 9 July 2019 legal acquisition was contingent on the IPO of QuickFee Limited and included cash settlement of A$3,200,000 as consideration. This payment was made equally and proportionately to all shareholders of QuickFee AU.

*Share-based payments*

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

*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 | FY21 A$ | FY20 A$ |
|---|---|---|---|
| Loss for the period | | (8,546,086) | (3,826,550) |
| Adjustments for: | | | |
| Borrowings facility termination costs | 4(d) | 149,982 | – |
| Depreciation and amortisation | 4(c) | 451,414 | 295,843 |
| Expected credit losses | | (333,529) | 562,934 |
| Interest receivable from financial assets held for cash management purposes | 4(d) | (24) | (1,627) |
| Share-based payments | 16(c) | 255,205 | 560,341 |
| Net unrealised foreign exchange losses | | 138 | 257,723 |
| Change in operating assets and liabilities: | | | |
| Movement in loan and payment processing receivables | | 9,349,662 | (6,939,127) |
| Movement in trade and other receivables | | (33,993) | (197,925) |
| Movement in deferred tax assets | | – | 39,516 |
| Movement in other operating assets | | (435,139) | (99,343) |
| Movement in merchant settlements outstanding | | 924,837 | 5,280,788 |
| Movement in trade and other payables | | 293,022 | 206,457 |
| Movement in contract liabilities | | (183,663) | (4,857) |
| Movement in employee benefit obligations | | 260,993 | 214,139 |
| Movement in income taxes payable | | – | (157,046) |
| Net cash inflow/(outflow) from operating activities | | 2,152,819 | (3,808,734) |

### (b) Non-cash investing and financing activities

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

- acquisition of right-of-use assets – note 6(b); and
- options and performance rights issued to employees under the 'Performance Rights and Options Plan' for no cash consideration – note 16(a).

## 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(c);
- impairment of loan receivables – note 10(b).

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

The group is not exposed to interest rate risk on the vast majority of its financial instruments as loans and borrowings and interest received as income from customers are set at fixed interest rates. The exception to this is the borrowing with Lease Collateral Pty Ltd which has a variable component being the base rate stipulated by the Reserve Bank of Australia (RBA). If the RBA rate moved by 0.25% it would increase/decrease the interest expense by A$33,707 (2020: A$48,190).

### (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 merchants signed up to the QuickFee platform and these merchants' customers that transact through this platform.

## 10 Financial risk management (continued)

### (b) Credit risk (continued)

#### (i) Risk management (continued)

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

To further protect the group from credit risk, merchants usually grant to QuickFee Limited the irrevocable right to require the merchant to purchase a QuickFee Financing 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 Financing* loan receivables due to the fact that the group usually has recourse against its merchants to recover amounts in respect of unpaid invoices used as collateral for any loan granted. This recourse from merchants is typically backed by a direct debit authority for bank accounts of each merchant. Historically the risk of default has been low due to the underlying merchants 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 Financing* 'Fee Funding' loan receivables.

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

- credit card pre-authorisation for the full invoice amount against which each instalment is captured from;
- 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;
- 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 merchant using the pay in full (*PayNow*) 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 merchant 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 Financing* 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.

## 10 Financial risk management (continued)

### (b) Credit risk (continued)

#### (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.

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 2021 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, primarily the COVID-19 pandemic, affecting the ability of the customers to settle the receivables.

## 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:

| | FY21 A$ | FY20 A$ |
|---|---|---|
| Opening loss allowance as at 1 July | 572,934 | 10,730 |
| Increase in loan receivables loss allowance recognised in profit or loss during the year | 117,366 | 570,452 |
| Loan receivables written off during the year as uncollectible | (465,020) | (8,248) |
| Closing loss allowance as at 30 June | 225,280 | 572,934 |

There were no receivables past due not impaired for the year ended 30 June 2021 (2020: 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 2021 and 30 June 2020 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 | NOTES | LESS THAN 12 MONTHS A$ | BETWEEN 1 AND 2 YEARS A$ | BETWEEN 2 AND 5 YEARS A$ | OVER 5 YEARS A$ | TOTAL CON-TRACTUAL CASH FLOWS A$ | CARRYING AMOUNT A$ |
|---|---|---|---|---|---|---|---|
| As at 30 June 2021 | | | | | | | |
| Merchant settlements outstanding | 6(a) | 10,032,343 | – | – | – | 10,032,343 | 10,032,343 |
| Trade and other payables | 6(c) | 962,151 | – | – | – | 962,151 | 962,151 |
| Lease liabilities | | 340,592 | 283,147 | 134,586 | – | 758,325 | 758,325 |
| Borrowings | 6(d) | 13,342,018 | 140,849 | – | – | 13,482,867 | 13,482,867 |
| Total | | 24,677,104 | 423,996 | 134,586 | – | 25,235,686 | 25,235,686 |
| As at 30 June 2020 | | | | | | | |
| Merchant settlements outstanding | 6(a) | 9,638,297 | – | – | – | 9,638,297 | 9,638,297 |
| Trade and other payables | 6(c) | 695,297 | – | – | – | 695,297 | 695,297 |
| Lease liabilities | | 332,147 | 365,065 | 436,484 | – | 1,133,696 | 1,133,696 |
| Borrowings | 6(d) | 25,384,864 | 83,803 | – | – | 25,468,667 | 25,468,667 |
| Total | | 36,050,605 | 448,868 | 436,484 | – | 36,935,957 | 36,935,957 |

## 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.

## 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

| | FY21 A$ | FY20 A$ |
|---|---|---|
| Franking credits available for subsequent reporting periods based on a tax rate of 26% (2020: 27.5%) | 133,535 | 141,239 |

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 at 30 June 2021 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 HELD BY THE GROUP | |
|---|---|---|---|
| NAME OF ENTITY | PLACE OF BUSINESS/ COUNTRY OF INCORPORATION | FY21 % | FY20 % |
| QuickFee Australia Pty Ltd | Australia | 100 | 100 |
| QuickFee Finance Pty Ltd | Australia | 100 | 100 |
| QuickFee GCI Pty Limited | Australia | – | 100 |
| QuickFee Group LLC | United States | 100 | 100 |
| QuickFee Finance LLC | United States | 100 | 100 |
| QuickFee GCI LLC | United States | 100 | 100 |
| QuickFee, Inc. | United States | 100 | 100 |

## 13 Contingent liabilities

The group had no material contingent liabilities at 30 June 2021.

## 14 Events occurring after the reporting period

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

## 15 Related party transactions

### (a) Subsidiaries

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

### (b) Key management personnel compensation

| | FY21 A$ | FY20 A$ |
|---|---|---|
| Short-term employee benefits | 1,404,206 | 1,395,222 |
| Post-employment benefits | 39,704 | 21,003 |
| Long-term benefits | 4,934 | 9,281 |
| Share-based payments | 250,844 | 322,518 |
| | 1,699,688 | 1,748,024 |

Detailed remuneration disclosures are provided in the remuneration report on pages 19 to 31.

### (c) Transactions with other related parties

| | FY21 A$ | FY20 A$ |
|---|---|---|
| Sales and purchases of goods and services | | |
| Purchases of various goods and services from entities controlled by key management personnel (i) | 10,000 | 26,500 |
| | 10,000 | 26,500 |

#### (i) Purchases from entities controlled by key management personnel

The group acquired the following services from entities that are controlled by members of the group's key management personnel:

- Consultancy fees

For detailed disclosures please refer to the remuneration report on pages 19 to 31.

## 16 Share-based payments

### (a) Options

The establishment of the 'Performance Rights and Options Plan' (PROP) was adopted on IPO of QuickFee Limited on 9 July 2019. 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.

Set out below are summaries of options granted under the PROP:

| | FY21 | | FY20 | |
|---|---|---|---|---|
| | AVERAGE EXERCISE PRICE PER SHARE OPTION A$ | NUMBER OF OPTIONS | AVERAGE EXERCISE PRICE PER SHARE OPTION A$ | NUMBER OF OPTIONS |
| As at 1 July | 0.426 | 9,800,000 | – | – |
| Granted during the period: | 0.624 | 3,600,000 | 0.426 | 9,800,000 |
| Forfeited/lapsed during the period | 0.605 | (1,666,667) | – | – |
| As at 30 June | 0.461 | 11,733,333 | 0.426 | 9,800,000 |
| Vested and exercisable at 30 June | 0.342 | 5,066,666 | 0.336 | 4,866,666 |

## 16 Share-based payments (continued)

### (a) Options (continued)

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

| GRANT DATE | HOLDER | CODE | ISSUE DATE | EXPIRY DATE | EXERCISE PRICE | FY21 NUMBER OF OPTIONS | FY20 NUMBER OF OPTIONS |
|---|---|---|---|---|---|---|---|
| 2019-01-22 | Bruce Coombes | QFEAB (T1) | 2019-07-09 | 2023-07-09 | A$ 0.300 | 1,000,000 | 1,000,000 |
| 2019-01-22 | Bruce Coombes | QFEAB (T2) | 2019-07-09 | 2023-07-09 | A$ 0.400 | 1,000,000 | 1,000,000 |
| 2019-01-22 | Bruce Coombes | QFEAB (T3) | 2019-07-09 | 2023-07-09 | A$ 0.500 | 1,000,000 | 1,000,000 |
| 2019-01-22 | EverBlu Capital | QFEAB (T4) | 2019-07-09 | 2022-07-09 | A$ 0.200 | 1,000,000 | 1,000,000 |
| 2019-01-22 | EverBlu Capital | QFEAB (T5) | 2019-07-09 | 2022-07-09 | A$ 0.300 | 1,000,000 | 1,000,000 |
| 2019-01-22 | EverBlu Capital | QFEAB (T6) | 2019-07-09 | 2022-07-09 | A$ 0.400 | 1,000,000 | 1,000,000 |
| 2020-03-18 | Various employees | QFEAD (T1) | 2020-07-30 | 2025-06-30 | A$ 0.500 | 866,666 | 866,666 |
| 2020-03-18 | Various employees | QFEAD (T2) | 2020-07-30 | 2025-06-30 | A$ 0.500 | 333,333 | 666,666 |
| 2020-03-18 | Various employees | QFEAD (T3) | 2020-07-30 | 2025-06-30 | A$ 0.500 | 333,334 | 666,668 |
| 2020-03-18 | Various employees | QFEAE | 2020-07-30 | 2025-06-30 | A$ 0.600 | – | 500,000 |
| 2020-03-18 | Various employees | QFEAF | 2020-07-30 | 2025-06-30 | A$ 0.750 | – | 500,000 |
| 2020-07-23 | Barry Lewin | QFEAG (T1) | 2020-07-30 | 2025-07-23 | A$ 0.500 | 100,000 | 100,000 |
| 2020-07-23 | Barry Lewin | QFEAG (T2) | 2020-07-30 | 2025-07-23 | A$ 0.500 | 100,000 | 100,000 |
| 2020-07-23 | Barry Lewin | QFEAG (T3) | 2020-07-30 | 2025-07-23 | A$ 0.500 | 100,000 | 100,000 |
| 2020-07-23 | Dale Smorgon | QFEAG (T1) | 2020-07-30 | 2025-07-23 | A$ 0.500 | 100,000 | 100,000 |
| 2020-07-23 | Dale Smorgon | QFEAG (T2) | 2020-07-30 | 2025-07-23 | A$ 0.500 | 100,000 | 100,000 |
| 2020-07-23 | Dale Smorgon | QFEAG (T3) | 2020-07-30 | 2025-07-23 | A$ 0.500 | 100,000 | 100,000 |
| 2021-05-26 | Various employees | Not issued | Not issued | 2026-01-31 | A$ 0.580 | 100,000 | – |
| 2021-05-26 | Simon Yeandle | Not issued | Not issued | 2026-01-31 | A$ 0.500 | 750,000 | – |
| 2021-05-26 | Simon Yeandle | Not issued | Not issued | 2026-01-31 | A$ 0.750 | 750,000 | – |
| 2021-05-26 | Eric Lookhoff | Not issued | Not issued | 2026-01-31 | A$ 0.500 | 1,000,000 | – |
| 2021-05-26 | Eric Lookhoff | Not issued | Not issued | 2026-01-31 | A$ 0.750 | 1,000,000 | – |
| Total | | | | | | 11,733,333 | 9,800,000 |

| | FY21 | FY20 |
|---|---|---|
| Weighted average remaining contractual life of options outstanding at end of period | 2.92 years | 3.49 years |

The grant of 3,000,000 executive options (QFEAB) to Bruce Coombes was contingent on the IPO occurring. These options expire on 9 July 2023 and comprise three tranches of 1,000,000 options (T1, T2 and T3) with exercise prices of A$0.30, A$0.40 and A$0.50, respectively. T1 and T2 options vested on 9 July 2020 and 2021, respectively; T3 vest on 9 July 2022, contingent on continued employment at the vesting date.

The grant of 3,200,000 employee options (QFEAD/QFEAE/QFEAF) across five tranches on 18 March 2020 (1,666,667 outstanding as at 30 June 2021) vest at various dates contingent on continued employment through to each vesting date. The second (T2) and third tranches (T3) also contain milestone conditions. These options expire on 30 June 2025.

The 600,000 director options (QFEAG) granted to Barry Lewin and Dale Smorgon on 23 July 2020 vest in three equal tranches at 30 June 2021 (T1), 2022 (T2) and 2023 (T3), respectively, contingent on continued employment through to each vesting date. These options expire on 23 July 2025. As the grant date of 23 July 2020 occurred after the directors 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 of the share-based payment expense on 6 May 2020 as detailed in the EGM notice of meeting. The valuation inputs reflect the 23 July 2020 grant date fair value.

The grant of 3,600,000 employee options (not yet issued) across five tranches on 26 May 2021 vest at various dates contingent on continued employment through to each vesting date. These options expire on 31 January 2026.

## 16 Share-based payments (continued)

### (a) Options (continued)

#### (i) Fair value of options granted

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

The model inputs for options granted during the year ended 30 June 2021 included:

| CODE | GRANT DATE | EXERCISE PRICE | NO. OF OPTIONS | SHARE PRICE AT GRANT DATE | EXPECTED VOLATILITY | DIVIDEND YIELD | RISK-FREE INTEREST RATE | FAIR VALUE AT GRANT DATE PER OPTION |
|---|---|---|---|---|---|---|---|---|
| QFEAG (T1) | 2020-07-23 | A$ 0.500 | 100,000 | A$ 0.770 | 88.0% | 0.0% | 0.43% | A$ 0.5732 |
| QFEAG (T2) | 2020-07-23 | A$ 0.500 | 100,000 | A$ 0.770 | 88.0% | 0.0% | 0.43% | A$ 0.5732 |
| QFEAG (T3) | 2020-07-23 | A$ 0.500 | 100,000 | A$ 0.770 | 88.0% | 0.0% | 0.43% | A$ 0.5732 |
| QFEAG (T1) | 2020-07-23 | A$ 0.500 | 100,000 | A$ 0.770 | 88.0% | 0.0% | 0.43% | A$ 0.5732 |
| QFEAG (T2) | 2020-07-23 | A$ 0.500 | 100,000 | A$ 0.770 | 88.0% | 0.0% | 0.43% | A$ 0.5732 |
| QFEAG (T3) | 2020-07-23 | A$ 0.500 | 100,000 | A$ 0.770 | 88.0% | 0.0% | 0.43% | A$ 0.5732 |
| Not issued | 2021-05-26 | A$ 0.580 | 100,000 | A$ 0.240 | 88.6% | 0.0% | 0.67% | A$ 0.1221 |
| Not issued | 2021-05-26 | A$ 0.500 | 750,000 | A$ 0.240 | 88.6% | 0.0% | 0.67% | A$ 0.1288 |
| Not issued | 2021-05-26 | A$ 0.750 | 750,000 | A$ 0.240 | 88.6% | 0.0% | 0.67% | A$ 0.1103 |
| Not issued | 2021-05-26 | A$ 0.500 | 1,000,000 | A$ 0.240 | 88.6% | 0.0% | 0.67% | A$ 0.1288 |
| Not issued | 2021-05-26 | A$ 0.750 | 1,000,000 | A$ 0.240 | 88.6% | 0.0% | 0.67% | A$ 0.1103 |

### (b) Performance rights

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

| | NOTES | FY21 NUMBER OF PERFORMANCE RIGHTS | FY20 NUMBER OF PERFORMANCE RIGHTS |
|---|---|---|---|
| As at 1 July | | – | – |
| Granted during the period: | | 700,000 | 5,851,370 |
| Vested during the period: | 7(a)(i) | – | (5,851,370) |
| As at 30 June | | 700,000 | – |

## 16 Share-based payments (continued)

### (b) Performance rights (continued)

In January 2017, two employees of QuickFee US agreed to each relinquish US$160,000 of salaries over an 18-month period ending in June 2018 in exchange for the grant of performance rights contingent on the IPO of QuickFee Limited. These performance rights vested on QuickFee US having successfully contracted more than 300 firms (by number) within 24 months following the issue date. Accordingly, 5,851,370 performance rights were issued on 9 July 2019, including 2,925,685 to the group's Chief Operating Officer, James Drummond. On 8 November 2019, these performance rights vested and 5,851,370 ordinary shares were issued.

The grant of 700,000 performance rights on 26 May 2021 to Eric Lookhoff (President, QuickFee US at grant date) vest on 31 January 2022, contingent on continued employment.

#### (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.

The model inputs for performance rights granted during the year ended 30 June 2021 included:

| GRANT DATE | EXERCISE PRICE | NO. OF PERF. RIGHTS | SHARE PRICE AT GRANT DATE | EXPECTED VOLATILITY | DIVIDEND YIELD | RISK-FREE INTEREST RATE | FAIR VALUE AT GRANT DATE PER PERFORMANCE RIGHT |
|---|---|---|---|---|---|---|---|
| 2021-05-26 | A$ – | 700,000 | A$ 0.240 | 88.6% | 0.0% | 0.67% | A$ 0.2400 |

### (c) Expenses arising from share-based payment transactions

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

| | NOTES | FY21 A$ | FY20 A$ |
|---|---|---|---|
| Options issued under the PROP (contingent on IPO) | | 25,590 | 135,900 |
| Other options issued under the PROP (other) | | 206,095 | 49,153 |
| Performance rights issued under the PROP (contingent on IPO) | | – | 292,568 |
| Performance rights issued under the PROP (other) | | 23,520 | – |
| Shares issued under the PROP (contingent on IPO) | 7(a)(i) | – | 160,000 |
| Less: shares issued under the PROP (contingent on IPO) transferred to share issue transaction costs | 7(a)(i) | – | (77,280) |
| | | 255,205 | 560,341 |

## 17 Remuneration of auditors

During the year 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

| | FY21 A$ | FY20 A$ |
|---|---|---|
| Audit and review of financial reports | | |
| Group | 67,000 | 77,150 |
| Total services provided by William Buck | 67,000 | 77,150 |

### (b) Other auditors and their related network firms

| | FY21 A$ | FY20 A$ |
|---|---|---|
| Other audit services – agreed upon procedure engagements | | |
| Subsidiaries | 2,000 | 14,600 |
| Total services provided by other auditors (excluding William Buck) | 2,000 | 14,600 |

## 18 Loss per share

### (a) Reconciliation of loss used in calculating loss per share

| | FY21 A$ | FY20 A$ |
|---|---|---|
| Basic and diluted loss per share | | |
| Loss attributable to the ordinary equity holders of the company used in calculating loss per share | 8,546,086 | 3,826,550 |

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

| | FY21 NUMBER | FY20 NUMBER |
|---|---|---|
| Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share | 214,365,210 | 150,242,583 |

### (c) Information concerning the classification of securities

Options and performance rights granted to employees (including directors) under the PROP are considered to be potential ordinary shares. On the basis of the group's losses, the outstanding options and performance rights are not included in the calculation of diluted earnings per share because they are antidilutive for the year ended 30 June 2021 and 30 June 2020. These securities could potentially dilute basic earnings per share in the future. Details relating to the 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:

| | FY21<br>A$ | FY20<br>A$ |
|---|---|---|
| Statement of financial position | | |
| Current assets | 434,369 | 268,023 |
| Non-current assets | 33,954,699 | 21,588,301 |
| Total assets | 34,389,068 | 21,856,324 |
| Current liabilities | 138,112 | 139,228 |
| Total liabilities | 138,112 | 139,228 |
| Shareholders' equity | | |
| Contributed equity | 42,477,713 | 25,035,956 |
| Other reserves | 440,258 | 185,053 |
| Accumulated losses | (8,667,015) | (3,503,913) |
| | 34,250,956 | 21,717,096 |
| Loss for the period | 5,163,102 | 2,457,228 |
| Total comprehensive loss | 5,163,102 | 2,457,228 |

### (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 2021 (2020: nil)

### (c) Guarantees entered into by the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2021 or 30 June 2020.

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

The parent entity has not entered into any contractual commitments for the acquisition of property, plant or equipment in the year ended 30 June 2021 (2020: 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 Summary of significant accounting policies

## 20 Summary of significant accounting policies (continued)

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the group consisting of QuickFee Limited and its subsidiaries.

### (a) 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 and the *Corporations Act 2001*. QuickFee Limited is a for-profit entity for the purpose of preparing the financial statements.

These financial statements cover the period from 1 July 2020 to 30 June 2021 (FY21). The comparative period is from 1 July 2019 to 30 June 2020 (FY20).

#### (i) Compliance with IFRS

The consolidated financial statements of the QuickFee Limited group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

#### (ii) Historical cost convention

The financial statements have been prepared on a historical cost basis.

#### (iii) New and amended standards adopted by the group

The group has applied the following standards and amendments for the first time for the annual reporting period commencing 1 July 2020:

- AASB 2018-7 *Amendments to Australian Accounting Standards – Definition of Material [AASB 101 and AASB 108]*
- AASB 2018-6 *Amendments to Australian Accounting Standards – Definition of a Business [AASB 3]*
- AASB 2019-3 *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform [AASB 9, AASB 139 and AASB 7]*
- AASB 2019-5 *Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet issued in Australia [AASB 1054]*
- *Conceptual Framework for Financial Reporting and AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework.*

The group also elected to adopt the following amendments early:

- AASB 2020-3 *Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments [AASB 1, AASB 3, AASB 9, AASB 116, AASB 137 and AASB 141].*

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

### (b) Principles of consolidation

#### (i) Subsidiaries

Subsidiaries are all entities (including structured 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 deconsolidated from the date that control ceases.

The 'pooling method' of accounting is used to account for common control business combinations by the group.

## 20 Summary of significant accounting policies (continued)

### (b) Principles of consolidation (continued)

#### (i) Subsidiaries (continued)

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

### (c) 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 Chief Executive Officer, Chief Financial Officer and Managing Director, Australia.

### (d) Foreign currency translation

#### (i) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars (A$), which is QuickFee Limited's functional and presentation currency.

#### (ii) Transactions and balances

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

Foreign exchange gains and losses are presented in the consolidated statement of profit or loss and other comprehensive income on a net basis within other losses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

#### (iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate at the date of that consolidated statement of financial position;
- income and expenses for each consolidated statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

## 20 Summary of significant accounting policies (continued)

### (e) Revenue recognition

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

### (f) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the group will comply with all attached conditions.

### (g) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

#### (i) Investment allowances and similar tax incentives

Companies within the group may be entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure (e.g. the research and development tax incentive regime in Australia or other investment allowances). Where the underlying tax consolidated group is in a taxable income position, the group accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense. Where the underlying tax consolidated group is in a taxable loss position, the group accounts for such allowances as government grants.

## 20 Summary of significant accounting policies (continued)

### (h) Leases

The group's leasing policy is described in note 6(b).

### (i) Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

### (j) Loan receivables, payment processing receivables and merchant settlements outstanding

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

#### (i) Impairment

The group assesses on a forward-looking basis, the expected credit losses associated with its loan receivables carried at amortised cost. The group applies the general approach permitted by AASB 9, which requires expected credit losses to be recognised at each reporting date across three stages, see note 10(b) for further details.

### (k) Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the group's impairment policies and the calculation of the loss allowance are provided in note 10(b).

### (l) Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Property, plant and equipment is recognised at historical cost less depreciation. Depreciation is calculated using the straight-line method to allocate the cost or revalued amounts of the assets, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements, the shorter lease term.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

## 20 Summary of significant accounting policies (continued)

### (m) Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### (n) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

The fair value of the liability portion of a convertible bond is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

### (o) Employee benefits

#### (i) Short-term benefits

Liabilities for annual leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statement of financial position.

#### (ii) Other long-term employee benefit obligations

The group also has liabilities for long service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period 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 end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the consolidated statement of financial position if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

## 20 Summary of significant accounting policies (continued)

### (o) Employee benefits (continued)

#### (iii) Share-based payments

Share-based compensation benefits are provided to employees via the 'Performance Rights and Options Plan' (PROP), an employee share scheme. Information relating to this scheme is set out in note 16.

*Employee options*

The fair value of options granted under the PROP are recognised as a share-based payment expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g. the group's share price);
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, loan growth targets and remaining an employee of the group over a specified time period); and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or hold shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

*Performance rights*

The fair value of performance rights granted to employees for nil consideration under the PROP is recognised as an expense over the relevant service period, being the year to which the bonus relates and the vesting period of the performance rights. The fair value is measured at the grant date of the performance rights and is recognised in equity in the share-based payment reserve. The number of performance rights expected to vest is estimated based on the non- market vesting conditions. The estimates are revised at the end of each reporting period and adjustments are recognised in profit or loss and the share-based payment reserve.

Where performance rights are forfeited due to a failure by the employee to satisfy the service conditions, any expenses previously recognised in relation to such performance rights are reversed effective from the date of the forfeiture.

### (p) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### (q) Loss per share

#### (i) Basic loss per share

Basic loss per share is calculated by dividing:

- the loss attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares; and
- by the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the year.

#### (ii) Diluted loss per share

Diluted loss per share adjusts the figures used in the determination of basic loss 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 additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

## 20 Summary of significant accounting policies (continued)

### (r) Rounding of amounts

The company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the instrument to the nearest dollar.

### (s) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of 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 taxation authority is included with other receivables or payables in the consolidated 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 taxation authority, are presented as operating cash flows.

# Directors' declaration

For the year ended 30 June 2021

In the directors' opinion:

(a) the financial statements and notes set out on pages 37 to 79 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 2021 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.

Note 20(a) 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 chief executive officer 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.

**Barry Lewin**
Non-Executive Chairman

26 August 2021

# Independent auditor's report

For the year ended 30 June 2021

## QuickFee Limited

Independent auditor's report to members

## Report on the Audit of the Financial Report

### Opinion

We have audited the financial report of QuickFee Limited (the Company) and its controlled entities (together, the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### 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 and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the 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.

### 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.

ACCOUNTANTS & ADVISORS
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William Buck

| REVENUE RECOGNITION | |
|---|---|
| **Area of focus** | **How our audit addressed it** |
| As disclosed in Note 3 to the financial statements, QuickFee Limited has three distinct non-interest revenue streams material to the audit, being a) its loan application fees; b) its merchant fee revenue; and c) its platform fee revenue.<br><br>These revenues are measured both at a point in time and over time as the performance condition is satisfied under the contract.<br><br>There is risk that revenues are recognised in-advance of the performance condition being satisfied. | Our audit procedures included:<br><br>— 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;<br>— 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<br>— 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.<br>We also ensured that disclosures of revenue recognition and the accounting policy thereon are appropriate in the financial statements. |

| VALUATION OF THE EXPECTED CREDIT LOSS PROVISION | |
|---|---|
| **Area of focus** | **How our audit addressed it** |
| As disclosed in Note 10 to the financial statements, expected credit losses for the year ended 30 June 2021 totalled $225,280.<br><br>As a result of the COVID-19 pandemic, the Group is exposed to an increased credit risk, notwithstanding the fact that the following key factors limit this overall exposure, being:<br><br>— Recourse arrangements against underlying unpaid invoices owed to borrowers;<br><br>— Credit insurance arrangements; and<br><br>— An overall low risk exposure to the borrowing profile of professional services firms, who have covenanted to their own professional industry bodies to trade solvently. | Our audit procedures included:<br><br>— We recalculated the value of the loan books as at period end by tracing to a sample of loan contracts to ensure that the loan book adequately aged loan balances and identified any in-arrears exposures;<br><br>— We performed an ageing analysis of the Group's loan book to identify any deterioration since the prior period;<br><br>— We examined individual firms with material outstanding loan balances and we reviewed the going concern status of these firms by performing background checks, reviewing publicly available information and ensuring sufficient credit checks were performed; |

| VALUATION OF THE EXPECTED CREDIT LOSS PROVISION (CONT.) | |
|---|---|
| **Area of focus** | **How our audit addressed it** |
| At the end of the financial period management conducted a detailed analysis and calculated a provision for expected credit losses on its loan books.<br><br>Due to the significance of the loan receivable balance and the complex nature of the expected credit loss calculation, this was considered a key audit matter. | — We performed subsequent receipt testing over individual loans to identify potential exposures for the Group; and<br><br>— Examination of the Group's insurance policy to quantify any net exposures for in-arrears loan balances.<br><br>We also examined key disclosures relevant to credit risk in the financial statements |

### Other Information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2021 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and 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.

### Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material 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 has 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.

William Buck

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

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our independent auditor's report.

## Report on the Remuneration Report

**Opinion on the Remuneration Report**
We have audited the Remuneration Report included in of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of QuickFee Limited, for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

**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

**N.S. Benbow**
Director

Melbourne, 26 August 2021

# Shareholder information

For the year ended 30 June 2021

The shareholder information set out below was applicable as at 24 August 2021.

## 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 | 399 | 281,048 | 0.13 |
| 1,001 to 5,000 | 1,495 | 4,069,078 | 1.83 |
| 5,001 to 10,000 | 681 | 5,390,581 | 2.43 |
| 10,001 to 100,000 | 1,207 | 39,857,360 | 17.94 |
| 100,001 and over | 206 | 172,603,171 | 77.67 |
| Total | 3,988 | 222,201,238 | 100.00 |

There were 70 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 | – | – | – |
| 10,001 to 100,000 | 53 | 3,250,000 | 14.89 |
| 100,001 and over | 18 | 18,583,333 | 85.11 |
| Total | 71 | 21,833,333 | 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 | – | – | – |
| 100,001 and over | 1 | 950,000 | 100.00 |
| Total | 1 | 950,000 | 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 | 29,627,070 | 13.33 |
| Derida Pty Ltd | 23,839,451 | 10.73 |
| Jamada Holdings Pty Ltd | 15,441,488 | 6.95 |
| HTI Management Pty Ltd | 9,794,013 | 4.41 |
| Bonec Pty Limited | 9,029,964 | 4.06 |
| Mr Kenneth Archie Gray & Mrs Julianne Gray | 5,996,753 | 2.70 |
| Wingate Direct Investments Pty Ltd | 4,680,000 | 2.11 |
| Rubi Holdings Pty Ltd <John Rubino S/F A/C> | 3,572,414 | 1.61 |
| Mr James Ashley Drummond | 2,925,685 | 1.32 |
| Mr Kyle Redding | 2,655,685 | 1.20 |
| J P Morgan Nominees Australia Pty Limited | 2,500,000 | 1.13 |
| HSBC Custody Nominees (Australia) Limited | 2,477,186 | 1.11 |
| B & E Lewin Investments Pty Ltd | 2,143,000 | 0.96 |
| J C O'Sullivan Pty Ltd <J C O'Sullivan P/L S/F A/C> | 2,017,925 | 0.91 |
| H T T Management Pty Limited | 1,403,863 | 0.63 |
| Fifty Second Celebration Pty Ltd <McBain Family A/C> | 1,314,828 | 0.59 |
| CitiCorp Nominees Pty Limited | 1,178,606 | 0.53 |
| DMX Capital Partners Limited | 1,081,250 | 0.49 |
| Bodhi Investment Limited | 1,040,955 | 0.47 |
| DCM Bluelake Partners Pty Ltd | 1,000,000 | 0.45 |
| Total | 123,720,136 | 55.69 |
| Add: remaining holders | 98,481,102 | 44.31 |
| Total unquoted ordinary shares on issue | 222,201,238 | 100.00 |

## B. Equity security holders (continued)

### Unquoted equity securities

| CLASS | NUMBER ON ISSUE | NUMBER OF HOLDERS |
|---|---|---|
| Options | 21,833,333 | 71 |
| Performance rights | 950,000 | 1 |

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

- **Options:** none; and
- **Performance rights:** Eric Lookhoff (950,000).

## C. Substantial holders

QuickFee Limited has received the following substantial shareholder notifications:

| NUMBER HELD | PERCENTAGE | |
|---|---|---|
| Thorney Technologies Ltd – group | 31,293,519 | 14.08 |
| Bruce Coombes – group | 24,939,453 | 11.49 |
| Derida Pty Limited | 23,839,451 | 10.98 |
| HTI Management Pty Limited – group | 16,994,629 | 7.65 |

The above substantial holder details are in accordance with the most recent notification received by QuickFee Limited 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.

## 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.

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# Corporate directory

## Directors

Barry Lewin
Non-Executive Chairman

Eric Lookhoff
Managing Director and Chief Executive Officer

Bruce Coombes
Executive Director and Managing Director, Australia

Dale Smorgon
Non-Executive Director

## 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

2046 Armacost Avenue, 1st Floor
Los Angeles CA 90025 United States

Telephone: +1 (844) 968 4387

## Share register

Boardroom Pty Limited

Grosvenor Place
Level 12, 225 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

Westpac Banking Corporation

## Stock exchange listings

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

## Website

quickfee.com

Typesetting by F-12 Pty Limited

QuickFee.