

Advice Now. Pay Later.

QuickFee.

Appendix 4D and Interim Report
for the half-year ended
31 December 2020

QuickFee.

ABN 93 624 448 693

Appendix 4D

For the half-year ended 31 December 2020

Results for announcement to the market
Comparative period: half-year ended 31 December 2019

	A$	UP/DOWN	MOVEMENT %
Revenue from ordinary activities	4,486,810	Up	20.7%
Loss from ordinary activities after tax attributable to members	(2,864,367)	Up	59.5%
Net loss for the period attributable to members	(2,864,367)	Up	59.5%

Distributions

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

Explanation of results

The group has reported a loss for the period of A$2,864,367 (2019: A$1,795,850), with net assets amounting to A$29,930,764 as at 31 December 2020 (30 June 2020: A$16,179,220), including cash reserves of A$30,495,800 (30 June 2020: A$14,970,488).

Please refer to the 'review of operations and activities' on pages 3 to 6 or further explanation of the results.

Additional information supporting the Appendix 4D disclosure requirements can be found in the review of operations and activities and the financial statements for the half-year ended 31 December 2020.

Net tangible assets per security

	31 DECEMBER 2020 CENTS	31 DECEMBER 2019 CENTS
Net tangible asset backing (per security)	13.11	7.67

Changes in controlled entities

There have been no changes in controlled entities during the half-year ended 31 December 2020.

Interim review

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

All things payments, all things receivables for professional service firms.

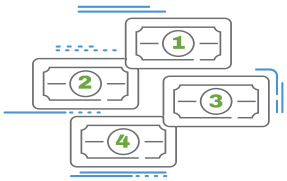
Founded in 2009 and operating in both Australia and the United States, QuickFee offers payment and financing solutions to professional service firms.

QuickFee's fully integrated online payment platform and financing solutions enable clients to securely pay invoices in full or by instalment. We are developing payments and receivables solutions for the services industry, helping customers access the advice and services they need, with the ability to pay over time.



QuickFee PayNow

Online payments made simple. Clients of professional firms can pay by credit card, EFT or monthly payment plans.



QuickFee Instalments

Clients pay in 4 interest-free monthly instalments. No risk and no recourse to the firm.



QuickFee Financing

Give clients the flexibility to pay invoices over 3 to 12 months. Firms use this solution as a friendly collections alternative or as a sales tool.



QuickFee ConnectAR

A fully integrated accounts receivable (AR) management and payment system that integrates with major practice management systems.

QuickFee.

Appendix 4D and Interim Report for the half-year ended 31 December 2020







Contents

Review of operations and activities	3
Directors' report	7
Auditor's independence declaration	8
Consolidated statement of profit or loss and other comprehensive income	10
Consolidated statement of financial position	11
Consolidated statement of changes in equity	12
Consolidated statement of cash flows	13
Notes to the financial statements	14
Directors' declaration	21
Independent auditor's review report	22
Corporate directory	24

Review of operations and activities

Continued growth and further foundation building, despite volatile conditions

The half-year ended 31 December 2020 (H1 FY21) was another period of strong progress for QuickFee, despite operating in a challenging environment with massive government stimulus programs in both of our key markets. Strong growth has continued across platform transactions, lending and new clients in the United States (US), and the launch of a major new product, QuickFee Instalments, in both the US and Australian markets.

In order to support our growth and to build on our existing knowledge and relationships in the US market, QuickFee has made several critical new senior executive appointments required to scale the US operations. These include our new CFO, Simon Yeandle; newly appointed US President, Eric Lookhoff; US Chief Experience Officer, Sue Torgerson; and US Chief Marketing Officer, Jay Alsup. All have deep expertise in payments and professional services. In addition, we also filled seven new sales and marketing roles.

Key highlights in H1 FY21 include:

- Continued growth in US lending and transaction volumes resulted in revenue growing 22% on prior year to A$4.5 million and gross profit 39% to A$3.2 million.
- 182% growth in US pay in full TTV (total transaction values), with an annualised run rate of over US$0.7 billion.
- Successful completion of an A$17.5 million share placement and purchase plan in October 2020 which has enabled QuickFee to add significant bench strength to its senior management, US payments expertise and customer acquisition team, to invest in further product development and fund the anticipated growth of the loan book.

> “We have broadened our product suite and addressable market... we have strengthened our team”
>
> — Bruce Coombes, CEO

4.5m

A$4.5 million in revenues in H1 FY21, up 22% over H1 FY20.

0.3b

US$0.3 billion in QuickFee US pay in full transactions in H1 FY21, up 182% over H1 FY20.

Review of operations and activities

Continued

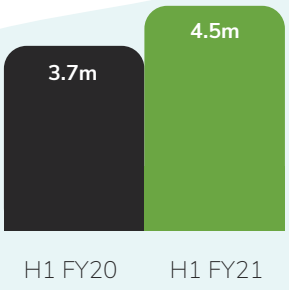
US business review

- The structural shifts in the US banking and payments industry towards digital banking and online payments, accelerated by the COVID-19 pandemic, continued in H1 FY21 despite substantial government stimulus measures, with US pay in full TTV up 182% to US$285 million.
- Lending in the US was up 41% to US$7.9 million compared to the comparative half-year, driven by continued growth in client numbers, despite US stimulus packages such as the Paycheck Protection Program (PPP) impacting lending demand.

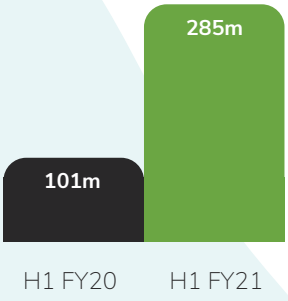
Australian business review

- Lending in Australia was impacted in a similar way to the US by government stimulus measures, down 45% to A$13.3 million.
- November and December showed early stages of improvement in Australia after difficult trading conditions in Q1.
- QuickFee continued to expand its customer base despite a decrease in Australian lending demand. With increased sales and marketing investment, the Australian operating segment signed up several new major law and professional service associations.

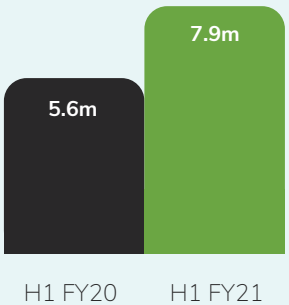
Revenue (AUD)



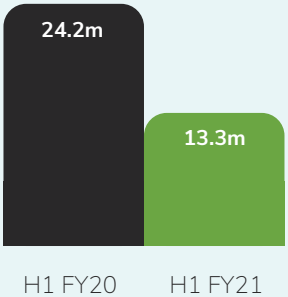
US transaction value (USD)



US lending (USD)



AU lending (AUD)



Review of operations and activities

Continued

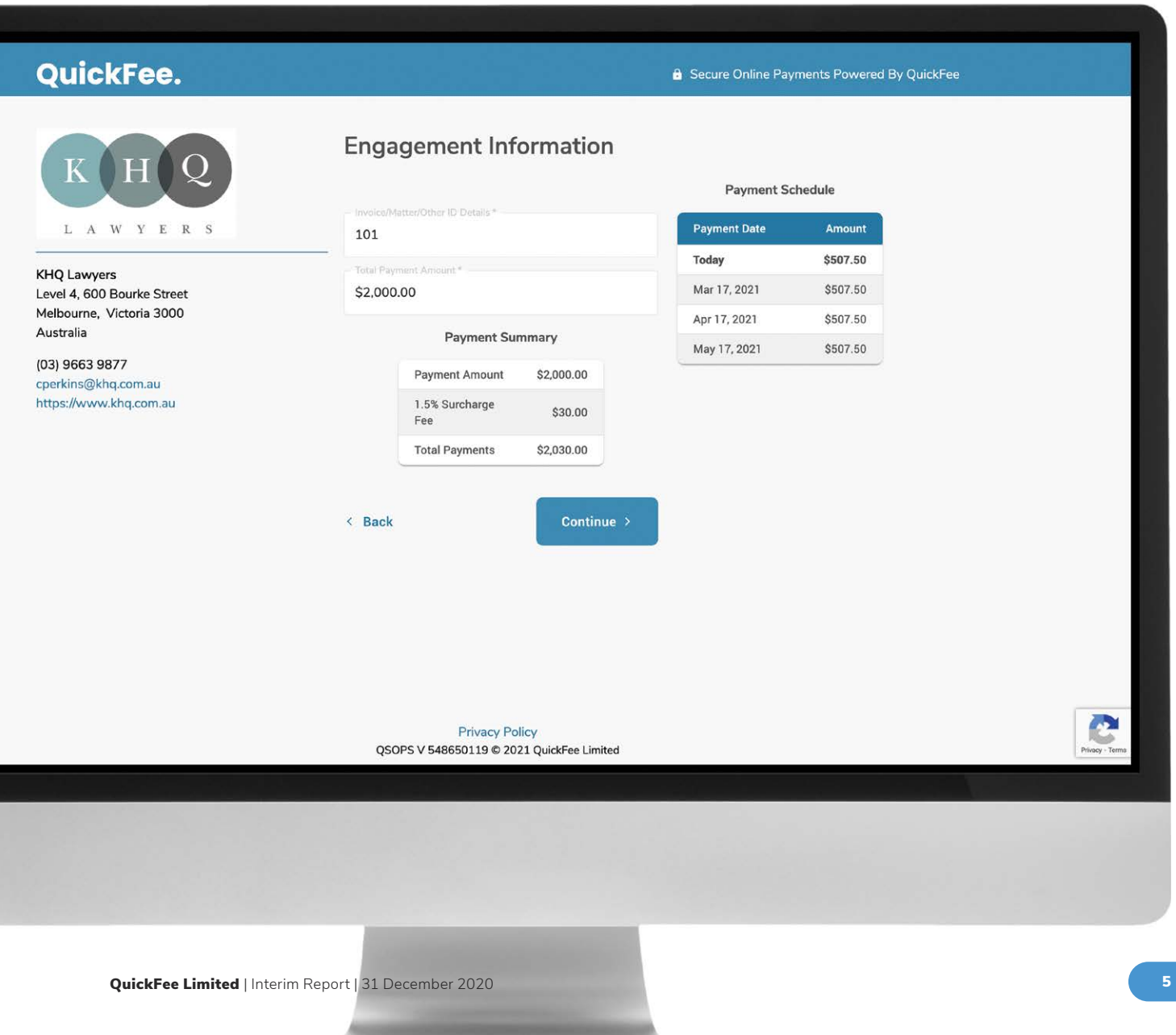
Product and technology

- Significant continued investment in building out our in house product development and technology.
- Successful launch of our QuickFee Instalments interest free product in December in Australia and the US:
  - 170 firms signed up at 31 December; 70 in US and 100 in Australia.
  - The new interest free, non recourse product will substantially increase QuickFee's addressable market, while at the same time allowing QuickFee to provide low credit risk payment solutions to customers using pre-authorised client credit. This is a significant milestone for QuickFee.

People and culture

In order to support our growth and to build on our existing knowledge and relationships in the US market, QuickFee has made several critical new senior executive appointments required to scale the US operations, including:

- our new CFO, Simon Yeandle.
- our newly appointed US President, Eric Lookhoff; US Chief Experience Officer, Sue Torgerson; and US Chief Marketing Officer, Jay Alsup.
- all have deep expertise in payments and professional services.
- we also filled seven new sales and marketing roles.



Review of operations and activities

Continued

Financial results

Continued growth in lending and transaction volumes resulted in revenue growing 22% on the prior period to A$4.5 million and gross profit 39% to A$3.2 million. The growing level of adoption of online payments within the US professional services market continues to provide tail winds for our growth, and our new QuickFee Instalments platform provides access to a wide range of new service verticals outside of professional services.

QuickFee is continuing to achieve rapid growth in the US as it leverages its first mover advantage in the massive US market for professional services, with its US revenues up 93% to A$2.2 million and US gross profit up 101% to A$1.7 million.

The group reported an adjusted EBITDA* before growth expenses and significant items of A$576k (H1 FY20: A$334k), with both the Australian and US businesses profitable at this line.

General and administrative expenses increased A$1.0 million to A$2.7 million reflecting the investment in expertise and headcount for the Australian head office and US business unit.

Customer acquisition expenses in H1 FY21 were A$1.4 million, up 44% on H1 FY20. The benefits of this investment are reflected in the growing number of new firms signing onto the QuickFee platform and is a lead indicator of future growth.

Product development (previously labelled research and development) expenditures rose 1,050% to A$1.5 million (and 107% from H2 FY20 to H1 FY21) on the back of a substantial increase in technology development spend to build the QuickFee Instalments platform 100% in house and progress the build out of QuickFee's e-invoicing tool ConnectAR.

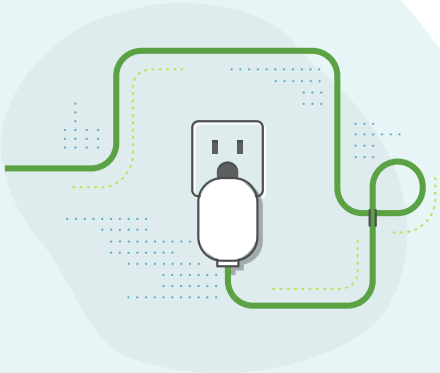
With the planned investment for future growth, operating expenses increased substantially on the prior half-year, which resulted in an after-tax group loss for the period of A$2,864,367 (H1 HY20: loss of A$1,795,850).

The Australian operating segment reported a net profit after tax of A$526k, with the US segment reporting a A$857k loss after A$1.1 million of customer acquisition expenses.

* Adjusted EBITDA (earnings before interest, taxes, depreciation and amortisation) before significant items excludes the effects of equity-settled share-based payments and net foreign exchange gains/(losses). This metric deducts interest on operating borrowings but excludes other finance costs.

Balance sheet

Net assets as at 31 December 2020 amounted to A$29.9 million (30 June 2020: A$16.2 million), including cash reserves of A$30.5 million (30 June 2020: A$15.0 million). The group raised A$17.5 million before costs in an oversubscribed share placement in September and share purchase plan (SPP) in October for loan book growth, product and technology development and aggressive sales and marketing. Lending facilities remain at US$10.0 million and A$25.0 million for funding the US and Australian loan receivables, respectively. Cash plus total headroom on facilities has increased A$21.0 million from 30 June 2020, to A$48.7 million.



Directors' report

For the half-year ended 31 December 2020

Your directors present their report on the consolidated entity consisting of QuickFee Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2020. Throughout the report, the consolidated entity is referred to as the group.

Directors

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

Barry Lewin, Non-Executive Chairman

Bruce Coombes, Managing Director and Chief Executive Officer

Dale Smorgon, Non-Executive Director

Review of operations

Information on the operations and financial position of the group and its business strategies and prospects is set out in the review of operations and activities on pages 3 to 6 of this interim report.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 8.

Rounding of amounts

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

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



Barry Lewin
Non-Executive Chairman

18 February 2021

Auditor's independence declaration

For the half-year ended 31 December 2020

William Buck

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 half-year ended 31 December 2020 there have been:

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

William Buck

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

N. S. Benbow
Director
Melbourne, 18th February 2021

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PRAXITY
Empowering business globally

Financial statements

Interim report – 31 December 2020

ABN 93 624 448 693

Contents

Consolidated statement of profit or loss and other comprehensive income	10
Consolidated statement of financial position	11
Consolidated statement of changes in equity	12
Consolidated statement of cash flows	13
Notes to the financial statements	14

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by QuickFee Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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

Consolidated statement of profit or loss and other comprehensive income

For the half-year ended 31 December 2020

	NOTES	31 DECEMBER 2020 A$	31 DECEMBER 2019 A$
Interest income calculated using the effective interest rate method	2	2,629,357	2,751,021
Interest expense	2	(588,605)	(826,282)
Net interest income		**2,040,752**	**1,924,739**
Revenue from contracts with customers	3	1,857,453	966,272
Cost of sales		(687,525)	(583,212)
Gross profit		**3,210,680**	**2,307,799**
Other income		42,033	10,904
Other losses		(446)	(49,215)
General and administrative expenses		(2,744,941)	(1,716,811)
Selling and marketing expenses		(472,911)	(328,452)
Operating profit before growth expenses		**34,415**	**224,225**
Customer acquisition expenses		(1,422,606)	(985,829)
Product development expenses		(1,456,310)	(126,605)
Operating loss		**(2,844,501)**	**(888,209)**
Net finance (costs)/income		(19,866)	724
IPO expenses		–	(759,203)
Loss before income tax		**(2,864,367)**	**(1,646,688)**
Income tax expense		–	(149,162)
Loss for the period		**(2,864,367)**	**(1,795,850)**
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		(1,136,725)	24,101
Total comprehensive loss for the period		**(4,001,092)**	**(1,771,749)**

		CENTS	CENTS
Loss per share for loss attributable to the ordinary equity holders of the company:			
Basic and diluted loss per share	8	(1.4)	(1.3)

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

Consolidated statement of financial position

As at 31 December 2020

	NOTES	31 DECEMBER 2020 A$	30 JUNE 2020 A$
ASSETS			
Current assets			
Cash and cash equivalents		30,495,800	14,970,488
Loan receivables	4(a)	26,500,876	36,345,719
Trade and other receivables		245,728	298,908
Other current assets		378,796	313,291
Total current assets		**57,621,200**	**51,928,406**
Non-current assets			
Loan receivables	4(a)	66,208	220,873
Property, plant and equipment		222,614	203,280
Right-of-use assets		809,383	1,036,352
Other non-current assets		105,272	114,350
Total non-current assets		**1,203,477**	**1,574,855**
Total assets		**58,824,677**	**53,503,261**
LIABILITIES			
Current liabilities			
Firm settlements outstanding	4(a)	6,838,496	9,638,297
Trade and other payables		762,592	695,297
Contract liabilities		123,882	145,916
Borrowings	4(b)	19,840,061	25,337,370
Lease liabilities		309,291	332,147
Employee benefit obligations		422,645	360,658
Total current liabilities		**28,296,967**	**36,509,685**
Non-current liabilities			
Borrowings	4(b)	66,024	83,803
Lease liabilities		527,515	722,997
Employee benefit obligations		3,407	7,556
Total non-current liabilities		**596,946**	**814,356**
Total liabilities		**28,893,913**	**37,324,041**
Net assets		**29,930,764**	**16,179,220**
EQUITY			
Contributed equity	5(a)	42,599,831	25,155,956
Other reserves		(3,764,245)	(2,936,281)
Accumulated losses		(8,904,822)	(6,040,455)
Total equity		**29,930,764**	**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 half-year ended 31 December 2020

	ATTRIBUTABLE TO OWNERS OF QUICKFEE LIMITED			
	CONTRIBUTED EQUITY	OTHER RESERVES	ACCUMULATED LOSSES	TOTAL EQUITY
	A$	A$	A$	A$
Balance at 1 July 2019	**2,644,252**	**43,925**	**(2,213,905)**	**474,272**
Loss for the period	–	–	(1,795,850)	(1,795,850)
Other comprehensive income	–	24,101	–	24,101
Total comprehensive income/(loss) for the period	**–**	**24,101**	**(1,795,850)**	**(1,771,749)**
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	15,740,567	–	–	15,740,567
Legal acquisition of QuickFee AU	–	(3,200,000)	–	(3,200,000)
Share-based payment expenses	375,288	82,218	–	457,506
	16,115,855	**(3,117,782)**	**–**	**12,998,073**
Balance at 31 December 2019	**18,760,107**	**(3,049,756)**	**(4,009,755)**	**11,700,596**

		ATTRIBUTABLE TO OWNERS OF QUICKFEE LIMITED			
		CONTRIBUTED EQUITY	OTHER RESERVES	ACCUMULATED LOSSES	TOTAL EQUITY
	NOTES	A$	A$	A$	A$
Balance at 1 July 2020		**25,155,956**	**(2,936,281)**	**(6,040,455)**	**16,179,220**
Loss for the period		–	–	(2,864,367)	(2,864,367)
Other comprehensive loss		–	(1,136,725)	–	(1,136,725)
Total comprehensive loss for the period		**–**	**(1,136,725)**	**(2,864,367)**	**(4,001,092)**
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs	5(a)	17,443,875	–	–	17,443,875
Share-based payment expenses		–	308,761	–	308,761
		17,443,875	**308,761**	**–**	**17,752,636**
Balance at 31 December 2020		**42,599,831**	**(3,764,245)**	**(8,904,822)**	**29,930,764**

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

Consolidated statement of cash flows

For the half-year ended 31 December 2020

	NOTES	31 DECEMBER 2020 A$	31 DECEMBER 2019 A$
Cash flows from operating activities			
Interest, fees and charges from customers (inclusive of GST)		4,452,769	3,900,828
Payments to suppliers and employees (inclusive of GST)		(6,472,717)	(4,297,688)
Interest paid		(555,945)	(1,035,860)
Income taxes paid		–	(138,457)
Net cash (outflow) from operating activities before changes in assets/liabilities		**(2,575,893)**	**(1,571,177)**
Payments to merchants to settle loans		(26,343,757)	(31,278,255)
Receipts from merchants' customers in respect of loan repayments		33,489,869	29,756,487
Net cash inflow/(outflow) from operating activities		**4,570,219**	**(3,092,945)**
Cash flows from investing activities			
Payments for property, plant and equipment		(62,519)	(119,529)
Interest received from financial assets held for cash management purposes		–	729
Net cash (outflow) from investing activities		**(62,519)**	**(118,800)**
Cash flows from financing activities			
Proceeds from issues of shares	5(a)	18,173,441	13,500,000
Share issue transaction costs		(727,452)	(676,836)
Legal acquisition of QuickFee AU		–	(3,200,000)
Repayment of receivables facility borrowings, net of proceeds		(4,844,460)	(3,343,364)
Principal elements of lease payments		(148,864)	–
Net cash inflow from financing activities		**12,452,665**	**6,279,800**
Net increase in cash and cash equivalents		**16,960,365**	**3,068,055**
Cash and cash equivalents at the beginning of the financial period		14,970,488	2,781,387
Effects of exchange rate changes on cash and cash equivalents		(1,435,053)	(27,358)
Cash and cash equivalents at end of period		**30,495,800**	**5,822,084**

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

Notes to the financial statements

For the half-year ended 31 December 2020

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 and Chief Financial Officer. Management examines the group's performance from a geographic perspective and has identified three reportable segments of its business:

- **Australia (AU):** established in 2009, this part of the business developed the QuickFee platform for Australian firms allowing them to accept monthly payment plans where clients obtain finance online from QuickFee AU to facilitate payment of invoices to the firm in full.
- **United States (US):** established in 2016, management incorporated QuickFee US as a separate operation to pursue opportunities in the United States where no direct competitor exists.
- **Product development:** expenses directly attributable to the group's software and technology development.

(b) Adjusted EBITDA

Adjusted EBITDA (earnings before interest, taxes, depreciation and amortisation) before significant items excludes the effects of equity-settled share-based payments and net foreign exchange gains/(losses). This metric deducts interest on operating borrowings but excludes other finance costs.

The table below shows adjusted EBITDA for the half-year ended 31 December 2020, which reconciles to profit/(loss) for the period:

31 DECEMBER 2020	AU A$	US A$	PRODUCT DEVELOPMENT A$	UNALLOCATED A$	TOTAL A$
Interest income	1,823,850	805,507	–	–	2,629,357
Interest expense	(319,161)	(269,444)	–	–	(588,605)
Net interest income	**1,504,689**	**536,063**	**–**	**–**	**2,040,752**
Revenue from contracts with customers	500,489	1,356,964	–	–	1,857,453
Cost of sales	(408,698)	(232,311)	–	–	(641,009)
Adjusted gross profit	**1,596,480**	**1,660,716**	**–**	**–**	**3,257,196**
Other income	40,074	1,959	–	–	42,033
General and administrative expenses	(521,197)	(960,849)	–	(768,088)	(2,250,134)
Selling and marketing expenses	(182,517)	(290,394)	–	–	(472,911)
Adjusted EBITDA before growth expenses and significant items	**932,840**	**411,432**	**–**	**(768,088)**	**576,184**
Customer acquisition expenses	(334,474)	(1,088,132)	–	–	(1,422,606)
Product development expenses	–	–	(1,456,310)	–	(1,456,310)
Adjusted EBITDA before significant items	**598,366**	**(676,700)**	**(1,456,310)**	**(768,088)**	**(2,302,732)**
Net foreign exchange losses	(446)	–	–	–	(446)
Share-based payment expenses	–	–	–	(308,761)	(308,761)
Adjusted EBITDA	**597,920**	**(676,700)**	**(1,456,310)**	**(1,076,849)**	**(2,611,939)**
Depreciation and amortisation	(64,620)	(167,942)	–	–	(232,562)
Net finance costs	(7,011)	(12,855)	–	–	(19,866)
Profit/(loss) before income tax	**526,289**	**(857,497)**	**(1,456,310)**	**(1,076,849)**	**(2,864,367)**
Income tax expense	–	–	–	–	–
Profit/(loss) for the period	**526,289**	**(857,497)**	**(1,456,310)**	**(1,076,849)**	**(2,864,367)**

Notes to the financial statements

Continued

1 Segment information (continued)

(b) Adjusted EBITDA (continued)

The table below shows adjusted EBITDA for the half-year ended 31 December 2019, which reconciles to profit/(loss) for the period:

31 DECEMBER 2019	AU A$	US A$	PRODUCT DEVELOPMENT A$	UNALLOCATED A$	TOTAL A$
Interest income	2,240,330	510,691	–	–	2,751,021
Interest expense	(600,021)	(226,261)	–	–	(826,282)
Net interest income	**1,640,309**	**284,430**	**–**	**–**	**1,924,739**
Revenue from contracts with customers	353,660	612,612	–	–	966,272
Cost of sales	(478,030)	(70,815)	–	–	(548,845)
Adjusted gross profit	**1,515,939**	**826,227**	**–**	**–**	**2,342,166**
Other income	7,844	3,060	–	–	10,904
General and administrative expenses	(517,327)	(607,229)	–	(566,036)	(1,690,592)
Selling and marketing expenses	(159,484)	(168,968)	–	–	(328,452)
Adjusted EBITDA before growth expenses and significant items	**846,972**	**53,090**	**–**	**(566,036)**	**334,026**
Customer acquisition expenses	(294,226)	(691,603)	–	–	(985,829)
Product development expenses	–	–	(126,605)	–	(126,605)
Adjusted EBITDA before significant items	**552,746**	**(638,513)**	**(126,605)**	**(566,036)**	**(778,408)**
IPO expenses	–	–	–	(759,203)	(759,203)
Net foreign exchange gains/(losses)	22,476	(52,449)	–	(19,242)	(49,215)
Adjusted EBITDA	**575,222**	**(690,962)**	**(126,605)**	**(1,344,481)**	**(1,586,826)**
Depreciation and amortisation	(17,411)	(43,175)	–	–	(60,586)
Net finance (costs)/income	(5)	–	–	729	724
Profit/(loss) before income tax	**557,806**	**(734,137)**	**(126,605)**	**(1,343,752)**	**(1,646,688)**
Income tax expense	(149,162)	–	–	–	(149,162)
Profit/(loss) for the period	**408,644**	**(734,137)**	**(126,605)**	**(1,343,752)**	**(1,795,850)**

Notes to the financial statements

Continued

1 Segment information (continued)

(c) Segment assets and liabilities

The table below shows segment assets and liabilities as at 31 December 2020:

31 DECEMBER 2020	AU A$	US A$	PRODUCT DEVELOPMENT A$	UNALLOCATED A$	TOTAL A$
Segment assets	19,307,365	8,940,727	–	30,576,585	58,824,677
Total assets	**19,307,365**	**8,940,727**	**–**	**30,576,585**	**58,824,677**
Segment liabilities	15,535,990	13,227,500	–	130,423	28,893,913
Total liabilities	**15,535,990**	**13,227,500**	**–**	**130,423**	**28,893,913**

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

30 JUNE 2020	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 income

	31 DECEMBER 2020 A$	31 DECEMBER 2019 A$
Interest income calculated using the effective interest rate method		
Payment plans in respect of loans	2,629,357	2,751,021
Interest expense		
Financial institution lenders	(588,605)	(776,873)
Other lenders	–	(49,409)
	(588,605)	**(826,282)**
Net interest income	**2,040,752**	**1,924,739**

Notes to the financial statements

Continued

3 Revenue from contracts with customers

(a) Disaggregation of revenue from contracts with customers

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

31 DECEMBER 2020	APPLICATION FEE REVENUE A$	MERCHANT FEE REVENUE A$	PLATFORM FEE REVENUE A$	TOTAL A$
Timing of revenue recognition				
At a point in time	–	1,333,358	9,000	1,342,358
Over time	196,968	–	318,127	515,095
	196,968	**1,333,358**	**327,127**	**1,857,453**

31 DECEMBER 2019				
Timing of revenue recognition				
At a point in time	–	599,687	71,240	670,927
Over time	82,998	–	212,347	295,345
	82,998	**599,687**	**283,587**	**966,272**

4 Financial assets and financial liabilities

(a) Loan receivables and firm payables

		31 DECEMBER 2020			30 JUNE 2020		
	NOTES	CURRENT A$	NON-CURRENT A$	TOTAL A$	CURRENT A$	NON-CURRENT A$	TOTAL A$
Loan receivables	(i), (ii)						
Gross loan receivables		26,741,502	66,208	26,807,710	36,918,653	220,873	37,139,526
Expected credit losses		(240,626)	–	(240,626)	(572,934)	–	(572,934)
		26,500,876	**66,208**	**26,567,084**	**36,345,719**	**220,873**	**36,566,592**
Firm payables	(iii), (iv)						
Firm settlements outstanding		6,838,496	–	6,838,496	9,638,297	–	9,638,297
		6,838,496	**–**	**6,838,496**	**9,638,297**	**–**	**9,638,297**
Net loan receivables		**19,662,380**	**66,208**	**19,728,588**	**26,707,422**	**220,873**	**26,928,295**

4 Financial assets and financial liabilities (continued)

(i) Classification of loan receivables

Gross loan receivables represent cash to be received at balance date.

(ii) Recognition and measurement of loan receivables

Gross written loans 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 and are subsequently measured at amortised cost using the effective interest method. Loan receivables are due for settlement at various times in line with the terms of their contracts.

(iii) Classification of firm settlements outstanding

Firm settlements outstanding represent the following:

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

(iv) Recognition and measurement of firm settlements outstanding

Firm settlements outstanding are non-derivative financial liabilities, with fixed and determinable payments that are not quoted in an active market. The carrying amounts of firm settlements outstanding are considered to be the same as their fair values, due to their short-term nature. Transactions awaiting settlement turnover quickly, typically within 1–7 days.

(b) Borrowings

		31 DECEMBER 2020			30 JUNE 2020		
	NOTES	CURRENT A$	NON-CURRENT A$	TOTAL A$	CURRENT A$	NON-CURRENT A$	TOTAL A$
Secured							
Global Credit Investments	4(b)(i)	5,712,802	–	5,712,802	6,192,627	–	6,192,627
Lease Collateral	4(b)(ii)	14,159,866	66,024	14,225,890	19,192,237	83,803	19,276,040
Total secured borrowings		**19,872,668**	**66,024**	**19,938,692**	**25,384,864**	**83,803**	**25,468,667**
Capitalised borrowing costs							
Unamortised borrowing costs		(32,607)	–	(32,607)	(47,494)	–	(47,494)
Total capitalised borrowing costs		**(32,607)**	**–**	**(32,607)**	**(47,494)**	**–**	**(47,494)**
Total borrowings		**19,840,061**	**66,024**	**19,906,085**	**25,337,370**	**83,803**	**25,421,173**

(i) Global Credit Investments Pty Ltd

The Global Credit Investments Pty Ltd 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 loan is secured over certain identified loan receivables of QuickFee US. The loan attracts variable interest paid monthly in arrears, 9.0% per annum for accounting firms as at 31 December 2020; legal firms loans accrue interest at 9.5% per annum. The facility as at 31 December 2020 was US$10,000,000 (30 June 2020: US$10,000,000), with further drawdowns up to the limit available subject to compliance with the lender's terms and conditions.

Notes to the financial statements

Continued

4 Financial assets and financial liabilities (continued)

(b) Borrowings (continued)

(ii) Lease Collateral Pty Ltd

The Lease Collateral Pty Ltd loan was originally entered into on 3 November 2015. As at 31 December 2020, 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 31 December 2020, 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.

5 Equity

(a) Contributed equity

	NOTES	31 DECEMBER 2020 SHARES	30 JUNE 2020 SHARES	31 DECEMBER 2020 A$	30 JUNE 2020 A$
Ordinary shares					
Fully paid		222,126,238	188,264,287	42,599,831	25,155,956
	5(a)(i)	**222,126,238**	**188,264,287**	**42,599,831**	**25,155,956**

(i) Movements in ordinary shares:

DETAILS	NUMBER OF SHARES	TOTAL A$
Balance at 1 July 2020	**188,264,287**	**25,155,956**
Issue at A$0.21 pursuant to directors' participation in May 2020 placement (2020-07-30)	3,000,000	630,000
Issue at A$0.58 pursuant to September 2020 placement (2020-09-25)	25,862,068	14,999,999
Issue at A$0.50 pursuant to October 2020 share purchase plan (2020-10-16)	4,999,883	2,499,942
Commitment to issue at A$0.58 pursuant to Barry Lewin's participation in September 2020 placement (issued on 2021-01-04)	–	43,500
Less: Transaction costs arising on share issues	–	(729,566)
Balance at 31 December 2020	**222,126,238**	**42,599,831**

6 Contingent liabilities

The group had no material contingent liabilities at 31 December 2020.

7 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.

Notes to the financial statements

Continued

8 Loss per share

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

	31 DECEMBER 2020 A$	31 DECEMBER 2019 A$
Basic and diluted loss per share		
Loss attributable to the ordinary equity holders of the company used in calculating loss per share	2,864,367	1,795,850

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

	31 DECEMBER 2020 NUMBER	31 DECEMBER 2019 NUMBER
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share	206,658,166	139,042,832

On the basis of the group's losses, the outstanding options are considered to be anti-dilutive and were therefore excluded from diluted weighted average number of ordinary shares.

9 Basis of preparation of half-year report

This consolidated interim financial report for the half-year reporting period ended 31 December 2020 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by QuickFee Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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

(a) Changes to presentation – consolidated statement of profit or loss and other comprehensive income

QuickFee Limited in its annual report for the year ended 30 June 2020 (FY20) reformatted the presentation of the consolidated statement of profit or loss and other comprehensive income, including changes to the classification of its expenses. Accordingly, the comparatives for the half-year ended 31 December 2019 have been updated to reflect the classification methodology featured in the FY20 annual report. Further details of the changes to presentation can be found in note 21(a)(iv) of the group's FY20 annual report.

Directors' declaration

For the half-year ended 31 December 2020

In the directors' opinion:

(a) the financial statements and notes set out on pages 9 to 20 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 31 December 2020 and of its performance for the half-year ended on that date, and

(b) there are reasonable grounds to believe that QuickFee Limited will be able to pay its debts as and when they become due and payable.

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



Barry Lewin
Non-Executive Chairman

18 February 2021

Independent auditor's review report

For the half-year ended 31 December 2020

William Buck

QuickFee Limited

Independent auditor's review report to members

Report on the Review of the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of QuickFee Limited (the company) and the entities it controlled at the half-year's end or from time to time during the half year (the consolidated entity), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of QuickFee Limited is not in accordance with the Corporations Act 2001 including:

a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half year ended on that date; and
b) complying with Australian Accounting Standard 134 Interim Financial Reporting and the Corporations Regulations 2001.

Responsibilities of the Directors for the Half-Year Financial Report

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

Auditor's Responsibilities for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including:

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Independent auditor's review report

Continued

- giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and its performance for the half-year ended on that date; and
- complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

As the auditor of QuickFee Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

William Buck

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

N. S. Benbow
Director

Melbourne, dated this 18th day of February, 2021

Corporate directory

Directors

Barry Lewin
Non-Executive Chairman

Bruce Coombes
Managing Director and Chief Executive Officer

Dale Smorgon
Non-Executive Director

Secretary

Jennifer James

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Share register

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Solicitors

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Bankers

Westpac Banking Corporation

Stock exchange listings

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

Website

www.quickfee.com



QuickFee.