



FinTech Solutions Ltd

QUARTERLY ACTIVITIES
REPORT AND
APPENDIX 4C **Q2 FY23**

JANUARY 2023





Complii FinTech Solutions Ltd (**ASX: CF1**) (**Complii, Group or the Company**) – a leading end-to-end SaaS (Software as a Service) based technology solution for Australian Financial Services License (**AFSL**) company's (Stockbrokers and Financial Planners) and their licensed user centric workflows for compliance, capital raising and operational needs, as well as a global Trading Platform for securities of unlisted companies & funds and Registry Services for listed and unlisted companies & funds - is pleased to provide its Quarterly Activities Report and Appendix 4C for the period ending 31 December 2022 (**Q2 FY23 or December Quarter**).



Q2 FY23 highlights

During the December Quarter:

The Complii Group is delighted to advise the market of the Group's continued successes during Q2 FY23:

- **Cash at Bank (including Term Deposits) has increased as at 31 December 2022 to \$6.901m** an increase of 110% from the pcp (Q1 FY22: \$3.273m) with no debt.
- During Q3 FY23 and in addition to normal Group revenue activities, Complii anticipates receiving R&D Grant for FY22 activities of \$1.612m (noting Complii R&D Grant for FY22 was lodged in Q2 FY23 and is awaiting ATO approval).
- Complii Group signed **10 new AFSL clients** bringing the current total to **137 AFSL firms** who each subscribe for at least one or multiple modules/services provided by Complii, representing over **3,600 current registered users** of the Complii platform. These newly signed clients will deliver an increase in ARR during the next quarter as they are onboarded to the various Complii modules
- Complii Group has achieved another strong quarter of cash flow from operations in particular continued strong growth within Annual Recurring Revenue (ARR) streams across the Group.
- ARR for the group was \$0.975m in Q2 FY23, an **83.6% increase** from the previous corresponding period (pcp) (Q2 FY22: \$0.530m)
- Group ARR in Q2 FY23 increased as follows:
 - **Increase** in ARR from PrimaryMarkets of **45.3%** from Q1 FY23 to Q2 FY23
 - **Increase** in ARR from Registry Direct of **58.2%**, from Q1 FY23 to Q2 FY23
 - **Increase** in ARR from Complii core business modules of **5.3%**, from Q1 FY23 to Q2 FY23
 - **Increase** in ARR from Think Caddie of **27.7%** from Q1 FY23 to Q2 FY23

In addition:

- On 31st December 2022, a number of Company unlisted Options each with an exercise price of \$0.05 were exercised resulting in cash receipts of \$1,152,291 for the December Quarter.
- During Q2 FY23, **\$3.109B** of new capital funds were raised on the Complii platform across 855 unique offerings from numerous AFSL client firms using Complii's proprietary Capital Raising System (**Adviser Bid**).
- **Increased** Complii's presence to now **servicing 27.4% of the addressable AFSL target market**.

Business development focus on major projects commenced and delivered in Q2 FY23 including:

Compliance:

- As Q1 FY23 saw the completion of Staff Trading Module, an electronic management system for pre-ordering staff trading requests to check for conflicts of interests and establish Chinese walls, electronic approvals followed by post-trade reconciliation, and Q2 FY23 saw the rollout of this module with onboarding of new clients to the module.

Capital Raising

- Completion of numerous Adviser Bid enhancements designed for more complex deal types, enhanced user experience as well as enhancements of system and user efficiencies.

PrimaryMarkets:

- Completion of in-housing the development and support of the PrimaryMarkets Trading Platform.
- Further trading opportunities added to the platform.
- Expansion of unicorn offerings from US broker-dealer partner.
- Continuation of the roll out of extensive marketing strategy and branding.
- Continued development of the integration of PrimaryMarkets into the Complii Corporate Highway project whereby all trading and investment opportunities will be able to be accessed and cross promoted to all 137 AFSL firms.

Outlook

Operations

Complii completed delivery of two existing enhanced modules this quarter and has already upsold and delivered these into 3 existing AFSL client environments, in line with upselling as per Complii's ambitions. Complii also signed a number of new clients onto the platform which is seeing steady growth for this side of the business and will have increased ARR flow effect initially throughout the next two quarters, once onboarded.

Complii has also commenced work with our larger customers on future major enhancements and developments to the broader offering, which will assist them in growing their businesses in conjunction with Complii. These will be rolled out over 2023 enhancing the revenue opportunity of our clients and Complii Group.

Since welcoming Registry Direct into the Complii Group, a strong uptick by 58% in Registry Direct revenue numbers has already been achieved. A number of companies listing through IPO in the Q3 FY23 have also selected Registry Direct as their choice of registry service providers.

Complii Group will also inhouse its registry services using Registry Direct from the 4th February 2023.

The acquisition of Registry Direct has once again proven the Group's breadth in the market and solidified the growth of a company once it has the power of the Group behind it, versus being on its own. The Registry Direct revenue numbers and new business on the horizon has clearly shown this upward trend.

The Registry Direct acquisition, albeit is in its infancy is the stepping stone and another piece of the puzzle which will see Complii solidify being the backbone of the Equity Capital Markets sector by being the provider for corporate activity from inception of a Company, pre-IPO trading/liquidity, new capital raising efficiencies through to registry services, as well as providing compliance and efficiency tools along each step of the journey whether it be from the company or a broker. Complii is continuing to focus its Group marketing and resources to realise this opportunity.

Whilst ARR improved across the Group including within PrimaryMarkets, we did see a decrease in PrimaryMarkets' transactional revenue which was expected due to the poor general global financial market conditions plus seasonality of PrimaryMarkets trading.

In the first 2 quarters of FY23 PrimaryMarkets has grown the **total opportunities on its Trading Platform by 86.6%, to have 84** available compared to 45 opportunities available at the end of Q2 FY22. The 84 companies/opportunities represent a mixture of secondary trading, trading hubs, unicorns, capital raises and investor centres.

Despite financial market conditions continuing to be weak, especially in the FinTech Sector, Complii has not seen this as a disincentive for its shareholders. Complii was delighted to have positive take up of the majority of its \$0.05 options which all expired on the 31st December 2022. This shows strong commitment and support from its Board and shareholders backing the Company.

Additionally across the Group, the sales and marketing team is growing in an effort to increase brand awareness as well as sales, marketing and cross-selling of all Group products and services. FY23 will see a relaunch of the Complii group from a marketing and sales perspective, re-engaging with existing clients, potential clients, new segments, shareholders and investors.

Growth

During Q3 FY23 and in addition to normal Group revenue activities, Complii anticipates receiving a **further R&D Grant for FY22 activities of \$1.612m** (the R&D Grant for FY22 was lodged in Q2 FY23 and is awaiting ATO approval and payment) noting that both PrimaryMarkets and Registry Direct received R&D grants for FY22 activities of \$0.774m combined in October 2022.

During Q3 FY23 implementation work will be undertaken to integrate the Registry Direct business into the Group offering and online presence.

With completion of aggregation of both the PrimaryMarkets and Registry Direct businesses which adds growth and strength to the corporate and capital raising side of the Group businesses, Complii is ready and remains committed to look for synergistic, complimentary acquisition opportunities which supplements the continued success of the Group's organic growth strategy.

Summary Q2 FY23

- Complii Group achieved another strong quarter of cash flow from operations.
- As at 31 December 2022 Complii has a total funds of \$6.901m being \$1.723m in cash plus \$5.178m on Term Deposit, with the Group having no debt.
- The Complii Group remains well-funded and well-resourced to deliver on its vision of becoming the financial services industry standard in targeted risk, compliance and business technology firm as well as offer investment and trading opportunities.

Complii Executive Chairman Craig Mason commented:

We are delighted to report on the Group's Q2 FY 23 activities. We continue to build solid and growing ARR plus positive cash flow for all activities delivering solid cash at bank.

Thus Complii has grown its strong cash position without the need for debt delivering an enhanced Balance Sheet whilst at the same time continuing to build and deliver business modules that now services over 27% of our targeted AFSL market.

Complii is well positioned to give our shareholders a strong trajectory into FY23 and beyond. We continue to explore synergistic acquisitions and this will continue to be a broad focus building upon the success of our aggregations of both PrimaryMarkets and Registry Direct. Our Group's cross selling capabilities continue to provide an expected upside for organic growth within our Group.

Q2 FY23 Financials

Cash at bank as at 31 December 2022 was \$1.723m. Cash on term deposit is at \$5.178m. Total cash at bank and on Term Deposit as at 31 December 2022 is \$6.901m, up from \$6.760m as at 30 September 2022.

Notable operating cash flow items for Q2 FY23 included:

- \$1.831m receipts from customers (Q1 FY23: \$2.126m). Whilst ARR improved across the Group, the decrease was expected and reflects the poor global financial markets plus seasonality of PrimaryMarkets trading windows and resulting reduced transactional revenue.
- \$1.941m of staff costs (Q1 FY23: \$1.505m). This amount includes a full quarter of Registry Direct staff costs in compared to one month's costs in Q1 FY23. In addition this also includes the September 2022 Quarter Superannuation payment, noting that the June 2022 Quarter Superannuation was paid in the June 2022 Quarter.
- \$186k of one-off annual costs paid in Q2 FY23 relating to corporate and audit costs, compliance fees, recruitment fees, insurance and penetration testing. Removing these one-off costs, net outflow from operating activities during Q2 FY23 was \$602k.

Net Cash outflow from Group investing activities was \$5.069m for Q2 FY23 as \$5m was placed on Term Deposit for 6 months during the quarter along with a \$23k security deposit as a bank guarantee against an office rental lease. During Q2 FY23, there was also \$157k cash outflow being one off costs directly relating to the acquisition of Registry Direct including, broker, legal ASX and company secretarial costs, all which were on normal terms.

Directors being related parties of the Company were paid remuneration in the amount of \$265k during the December Quarter. No other related party payments were made.

Further Details of cash flows of the Company are set out in the attached 4C.

Outlook continued

Use of Funds Update from 2020 Prospectus

The Company was re-admitted to the official list of the Australian Securities Exchange (ASX) on 17 December 2020 (Admission) having successfully completed a \$7.0m capital raising on 10 December 2020.

The Q2 FY23 quarter is included in the period covered by a Use of Funds statement and expenditure program in the Company's prospectus dated 11 November 2020 (2020 Prospectus) under Listing Rule 1.1 condition 3.

A comparison of the Company's actual expenditure since the date of Admission against estimated expenditure in the Use of Funds statement and expenditure program contained in the 2020 Prospectus is set out in the table below:

Use of Funds	Maximum Subscription (\$7.0m)	Actual Q2 FY23 Expenditure	Comments on Expenditure stated in 2020 Prospectus compared to Q2 FY23
Complii product development and integration	\$1,580,000	\$709,000	Exceeded
Marketing of Complii Platform	\$1,000,000	\$328,000	Exceeded
Strategic and acquisition opportunities (note 1)	\$690,000	\$103,000	On track
Business expansion costs (note 2)	\$2,000,000	\$157,000	Seeking additional & appropriate opportunities
Costs of the Public Offer	\$721,000		Completed
Other costs associated with the Proposed Acquisition of Complii	\$250,000	-	Completed
Working capital following Public Offer (note 3)	\$759,000	\$2,190,000	Exceeded
Total Use of Funds	\$7,000,000	\$3,487,000	

Notes:

1. Complii continues to explore synergistic business opportunities, with completion in the past 18 months of both the PrimaryMarkets and RegistryDirect businesses. Complii continues to explore other acquisitions to further solidify Complii's stronghold in the ASFL market.
2. Includes once-off payments related to the acquisition of Registry Direct including relevant ASX, legal, broker, secretarial and corporate advisory expenses.
3. This includes costs that were higher than budgeted for audit, compliance fees, recruitment fees, insurance, penetration testing and other payments for the group's business operations. Further this includes working capital costs related to PrimaryMarkets and Registry Direct which were not budgeted at the time of the estimating expenditure for the Use of Funds statement in the 2020 Prospectus

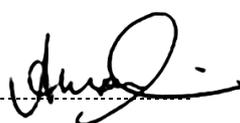
This announcement was authorised to be given to ASX by the Board of Directors of Complii FinTech Solutions Ltd.

- ENDS

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Complii

FinTech Solutions Ltd

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity	Complii Fintech Solutions Limited
ASX Code	CF1
ABN	71 098 238 585
Quarter ended ("current quarter")	31 December 2022

Consolidated statement of cash flows

1. Cash flows from operating activities		Current quarter \$A'000	Year to date (6 months) \$A'000
1.1	Receipts from customers	1,831	3,957
	a) research and development	-	-
	b) product manufacturing and operating costs	(10)	(10)
1.2	Payments for:		
	c) advertising and marketing	(138)	(251)
	d) leased assets	(57)	(157)
	e) staff costs	(1,941)	(3,446)
	f) administration and corporate costs	(1,234)	(2,097)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	2
1.5	Interest and other costs of finance paid	(6)	(7)
1.6	Income taxes paid	(7)	(10)
1.7	Government grants and tax incentives (<i>R&D</i>)	774	774
1.8	Other	-	-
1.9	Net cash from / (used in) operating activities	(788)	1,245

Appendix 4C continued

2. Cash flows from investing activities		Current quarter \$A'000	Year to date (6 months) \$A'000
	a) entities	-	-
	b) businesses**	(157)	(484)
2.2	Payments to acquire or for:		
	c) property, plant and equipment	(8)	(21)
	d) investments	-	(8)
	e) intellectual property	-	-
	f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	a) entities	-	-
	b) businesses	-	-
	c) property, plant and equipment	-	-
	d) investments	-	6
	e) intellectual property	-	-
	f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (Term Deposits with maturity of 3 months or greater)	(5,023)	(5,292)
	Other (Term Deposits maturing within 3 months of quarter end)	119	119
	Cash balance from purchases of RegistryDirect	-	1,936
2.6	Net cash from / (used in) investing activities	(5,069)	(3,744)

3. Cash flows from financing activities		Current quarter \$A'000	Year to date (6 months) \$A'000
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	1,152	1,152
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(3)	(5)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(48)	(149)
3.7	Transaction costs related to loans and borrowings	(1)	(4)
3.8	Dividends paid	-	-
3.9	Other		
	Opening Cash Balance adjustments	-	(7)
	Share Buy-Back	(4)	(16)
3.10	Net cash from / (used in) financing activities	1,096	971

Appendix 4C continued

4. Net increase / (decrease) in cash and cash equivalents for the period	Current quarter \$A'000	Year to date (6 months) \$A'000
4.1 Cash and cash equivalents at beginning of period	6,486	5,744
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(788)	(1,245)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(5,069)	(3,744)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	1,096	971
4.5 Effect of movement in exchange rates on cash held	(2)	(3)
4.6 Cash and cash equivalents at end of period	1,723	1,723

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	1,604	6,486
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (Term Deposits maturing within 3 months of quarter end)	119	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,723	6,486

6. Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	265
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-

These payments represent Director fees, Director consulting fees and reimbursements of expenses. All transactions involving Directors and associates were on normal commercial terms.

Appendix 4C continued

7. Financing facilities		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (Term Deposits maturing after 31 March 2023)	178	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		178
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	<p>Westpac Term Deposit \$150k, interest rate 0.50% p.a., maturity date 26/04/2023. This Term Deposit is a bank guarantee against the Sydney office rental lease.</p> <p>Macquarie Bank Term Deposit \$5k, interest rate 0.01%. This Term Deposit is a bank guarantee against the Melbourne office rental lease.</p> <p>Macquarie Bank Security Deposit \$23k. This Term Deposit is a bank guarantee against the Registry Direct Melbourne office rental lease.</p>		

8. Estimated cash available for future operating activities		\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(788)
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,723
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	1,723
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)*, **	2.19
	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	Answer
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	N/A
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	N/A
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	N/A

* Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

** Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Appendix 4C continued

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date	23 January 2023
Authorised by	Board of Directors

(Name of body or officer authorising release – see note 4)

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 107: Statement of Cash Flows apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – e.g. Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.