



FinTech Solutions Ltd

QUARTERLY ACTIVITIES  
REPORT AND APPENDIX 4C

24 OCTOBER 2022





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) companies (Stockbrokers and Financial Planners) and their licensed user centric workflows for compliance, capital raising and operational needs plus a global Trading Platform for securities in unlisted companies and funds and now supplemented by the addition of registry services for listed and unlisted companies and funds - is pleased to provide its Quarterly Activities Report and Appendix 4C for the period ending 30 September 2022 (Q1 FY23 or September Quarter).



# Q1 FY23 Highlights

Albeit in a continued weak market, particularly in the FinTech sector, Complii has delivered another solid quarter, consolidation and Cash from Operations.

- Group receipts from customers of \$2,216k in Q1 FY23, a 205% increase from the previous corresponding period (pcp) (Q1 FY22: \$698k), this includes only one month of customer receipts from Registry Direct
- Cash at Bank as at 30 September 2022 of \$6,486k an increase of 98% from the pcp (Q1 FY22: \$3,273k) with no debt and no new capital raisings since Q4 FY20

## registry direct

On 30 August 2022 Complii announced it reached 91.04% of acceptances and subsequently proceeded to compulsory acquisition for its all scrip off-market Takeover Offer for Registry Direct Limited (ASX: RD1)

- Registry Direct provides share and unit registry software and services. Registry Direct is highly complementary to Complii as it will provide access and engagement to ~100,000+ holdings with investors, advisers and companies.
- Registry Direct has ~700+ listed and unlisted companies and trusts, which compliments Complii's PrimaryMarkets with providing stockholders with future liquidity and Private Trading Hub opportunities when these companies look to stay private longer whilst still offering liquidity for shareholders, raise new capital, undertake sell downs and/or progress towards an ASX listing.
- Acquisition of Registry Direct enhances Complii's aim to facilitate T+0 execution and settlement of secondary trading of securities in unlisted companies and funds.
- Registry Direct has completed all development work and is ready to commence the process to be certified to connect to the ASX new DLT CHES system.

## Complii Group

- Maintained Trading Volumes and Numbers of Trades Executed for the third consecutive quarter (Q3 FY22, Q4 FY22 and Q1 FY23). Continued strong in both **recurring revenue and transactional revenue**.
- \$2.725B of new capital funds raised across 829 unique offerings from numerous AFSL client firms using Complii's proprietary Capital Raising System (Adviser Bid) during Q1 FY23
- Signed **6 new clients** bringing the current total to 127 AFSL firms (including market leading local and overseas owned 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.
- **Increased** Complii's presence to now **servicing 25.4%** of the addressable AFSL target market.

Business development focus on **major projects commenced and delivered in Q1 FY23** including:

- **Compliance**
  - 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.
  - Completion of PrimaryMarkets integration into the Complii platform, which will now allow Advisers seamless trading activities for their clients of securities in unlisted companies and funds in a compliant and efficient manner for all 127 client firms.
- **Capital Raising Deal Flow**
  - Completion of Phase 3 of Complii's Corporate Highway, the proprietary online platform allowing Complii's AFSL firms the optionality of sharing and accessing greater new capital raising deal flow as well as major and final enhancements on process flow based upon client feedback
- **PrimaryMarkets**
  - Further trading enhancements to platform
  - Expansion of unicorn offerings from US partner
  - Roll out of extensive marketing strategy and branding
- **Corporate Highway**
  - Development roll-out underway for integration of PrimaryMarkets into Complii's Corporate Highway project to permit the sharing of services across AFSL client firms for new capital raisings, secondary trading of unlisted securities and other related opportunities.

# Outlook

## Operations

The continued weak market conditions have not been a deterrent for Complii FinTech Solutions, which has seen the completion of the latest acquisition of RegistryDirect to the group as well as another strong result for the quarter.

This acquisition will further increase Complii's footprint in the financial services sector and determination to be the backbone provider for corporate activity from inception of a Company, pre-IPO trading/liquidity, new capital raising efficiencies through to registry services and which delivers additional Annual Recurring Revenue to the Group. Extra resources to the Registry Direct business including sales and client services have already been implemented to accelerate growth in this business line.

Additionally across the Group, a new sales initiative has been implemented with further Group resources joining to form a new Sales team that will provide seamless, "whole of company" sales support at Group level. Alongside the new sales team, the Group is growing its internal marketing team, which has been primarily outsourced to date, to work in collaboration with the sales team in order to optimise brand awareness, marketing of all Group services and ultimately boost sales to the Group.

With PrimaryMarkets now fully integrated into the Complii system, Complii will also focus on gaining awareness of the new feature to Complii platforms growing customer base. The Group is now focusing on seeking to offer new Private Trading Hubs for unlisted companies and funds on the PrimaryMarkets platform into Complii's broker client community to offer its Trading Platform for unlisted securities within Complii's core compliance platform.

From a development point of view, all projects have been assembled to deliver operational related efficiencies and tools to assist Complii's AFSL clients in managing new and changing compliance obligations. Complii continues to focus resources on enhancements of these existing modules and the creation of new modules, with projects designed to deliver new or improved client experience, and with the ultimate aim to support the current and growth of annual recurring revenue for the Group.

## Growth

In addition to the normal Group revenue activities, Complii anticipates receiving R&D Grants for FY22 activities of \$2.383m in Q2 FY23.

During Q2 FY23 implementation work will be undertaken to integrate the Registry Direct business into the Group offering and online presence.

As Complii continues to explore synergistic business opportunities, with completion in the past 12 months of both the PrimaryMarkets and RegistryDirect businesses drawing growth and strength to the corporate and capital raising side of the business, Complii is now pleased to continue to explore other acquisitions to further solidify Complii's stronghold in the ASFL market.

As such, Complii remains committed to continually look for synergistic, complimentary group acquisition opportunities which focuses on the success of the Group's organic growth strategy – further enhancing its position as the backbone to the Equity Capital Markets industry.

# Outlook continued

## Summary Q1 FY23

- Complii Group achieved another strong quarter of cash flow from operations.
- Complii retains \$6,486k cash and \$274k on Term Deposit, with no debt, at the end of Q1 FY23, and is expecting to receive \$2.383m in Q2 FY23.
- 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 Managing Director Alison Sarich commented:

*As our vision of Complii remains clear, it is exciting to see the operational and system integration of the Group's recent acquisitions taking shape, as we move into a position to further capitalise on our vision delivering improved shareholder value and longevity across all our products.*

*It is also wonderful to see that the integral culture of the Group is also being maintained in the process of the growth of the firm.*

### Complii Executive Chairman Craig Mason commented:

*We are delighted that Complii is on its path to become the Number 1 provider of equity capital markets for the Australian listed and unlisted market. Our aggregation of Registry Direct during this Quarter supplements and enhances our synergetic services and offerings to all our 127 AFSL firms with over 3,600 active registered users of our products. We are excited with the opportunity to continue to provide services to our clients and continuing to develop and enhance our online presence of suitable products for our client.*

## Q1 FY23 Financials

Cash at bank as at 30 September 2022 was \$6,486k, an increase of 13% from the pcp (Q4 FY22: \$5,744k).

Notable operating cash flow items for Q1 FY23 included:

- \$2,216k receipts from customers (Q4 FY22: \$2,558k) (noting receipts from customers from the Registry Direct acquisition commenced for the Group as from 31 August 2022).
- In addition to the normal Group revenue activities, Complii anticipates receiving R&D Grants for FY22 activities of \$2.383m in Q2 FY23.
- \$1,505k of staff costs (Q4 FY22: \$966k). The Group commenced an expansion of its sales and marketing staffing during the Q1 FY23 quarter to service growth across all business lines.
- \$117k of once off annual costs paid in Q1 FY23 relating to corporate and audit costs and ASX Annual listing fees. Removing these one-off costs net outflow from operating activities is \$342k.

Net cash inflows from investing activities were \$1,325k for Q1 FY23, with \$327k outflow being one-off costs directly relating to the acquisition of RegistryDirect including, broker, legal, ASX, ASIC and company secretarial costs, all which were on normal commercial terms offset by \$1,936k being the cash balance received upon the purchase of Registry Direct.

Directors, being related parties of the Company, were paid remuneration in the amount of \$184k during the September quarter. No other related party payments were made.

Further details of the cash flows of the Company are set out in the attached **Appendix 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 Q1 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) under 2020 Prospectus	Actual Q1 FY23 Expenditure	Comments on Expenditure stated in 2020 Prospectus compared to Q1 FY23 Actuals
Complii product development and integration	\$1,580,000	\$611,000	Exceeded
Marketing of Complii Platform	\$1,000,000	\$280,000	Exceeded
Strategic and acquisition opportunities <sup>1</sup>	\$690,000	\$96,000	On track
Business expansion costs <sup>2</sup>	\$2,000,000	\$327,000	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 <sup>3</sup>	\$759,000	\$1,716,000	Exceeded
<b>Total Use of Funds</b>	<b>\$7,000,000</b>	<b>\$3,030,000</b>	

### Notes

- 1 Complii continues to explore synergistic business opportunities, with completion in the past 12 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 year-end audit, accounting, secretarial, legal and other payments for the group's business operations. Further this includes working capital costs related to Primary Markets and RegistryDirect which were not budgeted at the time of the estimating expenditure for the Use of Funds statement in the 2020 Prospectus.

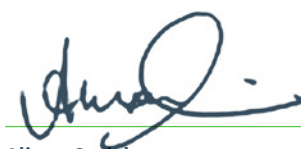
This announcement was authorised to be given to ASX by the Board of Directors of Complii FinTech Solutions Ltd.

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FinTech Solutions Ltd

[www.compli.com.au](http://www.compli.com.au)



FinTech Solutions Ltd

APPENDIX 4C

24 OCTOBER 2022





# 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")	30 September 2022

## Consolidated statement of cash flows

	Current quarter	Year to date (3 months)
	\$A'000	\$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	2,216	2,216
a research and development	-	-
b product manufacturing and operating costs	-	-
1.2 Payments for		
c advertising and marketing	(113)	(113)
d leased assets	(100)	(100)
e staff costs	(1,505)	(1,505)
f administration and corporate costs	(863)	(863)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid	(4)	(4)
1.7 Government grants and tax incentives	-	-
1.8 Other	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(459)</b>	<b>(459)</b>

ASX Listing Rules Appendix 4C (17/07/20). See chapter 19 of the ASX Listing Rules for defined terms.

## Appendix 4C continued

<b>2. Cash flows from investing activities</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
	a entities	-	-
	b businesses	(327)	(327)
2.1	Payments to acquire or for		
	c property, plant and equipment	(13)	(13)
	d investments	(8)	(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	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)	-	-
	Other (Term Deposits with maturity of 3 months or greater)	(269)	(269)
2.5	Cash Balance from purchase of Registry Direct	1,936	1,936
2.6	<b>Net cash from / (used in) investing activities</b>	<b>1,325</b>	<b>1,325</b>

<b>3. Cash flows from financing activities</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
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	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(1)	(1)
3.5	Proceeds from borrowings	(100)	(100)
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	(3)	(3)
3.8	Dividends paid	-	-
3.9	Other		
	Opening Cash Balance adjustment	(7)	(7)
	Share Buy-Back	(12)	(12)
3.10	<b>Net cash from / (used in) financing activities</b>	<b>(123)</b>	<b>(123)</b>

## Appendix 4C continued

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.1 Cash and cash equivalents at beginning of period	5,744	5,744
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(459)	(459)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	1,325	1,325
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(123)	(123)
4.5 Effect of movement in exchange rates on cash held	(1)	(1)
4.6 Cash and cash equivalents at end of period	6,486	6,486

<b>5. Reconciliation of cash and cash equivalents <sup>1</sup></b>	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	6,486	5,466
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (Security Deposit)	-	278
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	6,486	5,744

<sup>1</sup> At the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts

<b>6. Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to related parties and their associates included in item 1	184
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

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<b>7. Financing facilities <sup>1</sup></b>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (Security Deposit)	155	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end	155	
7.6 Include in the box below a description of each facility above <sup>2</sup>		

Facility	\$A	Interest rate	Maturity date
<b>Westpac Term Deposit</b>			
This Term Deposit is a bank guarantee against the Sydney office rental lease.	\$150,201	0.50% p.a.	26/04/2023
<b>Macquarie Bank Term Deposit</b>			
This Term Deposit is a bank guarantee against the Melbourne office rental lease.	\$4,813	0.01%	

- 1 Note:** the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.
- 2** 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.

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(459)
8.2 Cash and cash equivalents at quarter end (item 4.6)	6,486
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	6,486
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1) <sup>1</sup>	14.13
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
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?	Answer: 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?	Answer: 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?	Answer: N/A

- 1** 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.

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Date	24 October 2022
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Authorised by	By the Board
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(Name of body or officer authorising release – see note 4)

## Notes

- 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 – eg 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.