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# Complii

FinTech Solutions Ltd

QUARTERLY ACTIVITIES  
REPORT AND  
APPENDIX 4C **Q2 FY24**

ABN 71 098 238 585

22 JANUARY 2024



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Complii  
FinTech Solutions Ltd  
(**ASX: CF1**) (**Complii, Group** or  
**the Company**) – a leading end-to-  
end compliance and risk management  
**SaaS (Software as a Service)** platform for  
equity capital markets participants, from  
dealers / brokers, financial advisers, financial  
planners, wealth advisers, to listed and  
unlisted companies and investors - is pleased  
to provide its Quarterly Activities Report  
and Appendix 4C for the period ending  
31 December 2023 (**Q2 FY24** or  
**December Quarter**).

# Q2 FY24 Highlights

The Complii Group is pleased to advise the market of the Group's continued successes during Q2 FY24:

- › Cash at Bank (including Term Deposits) is \$3.484m as at 31 December 2023.
- › Complii received R&D rebate for FY23 activities of \$1.340m in Q2 FY24.
- › Complii also received \$294k in Q2 FY24 from a strategic investment trade done in Q1 FY24.
- › Complii Group had \$1.906m receipts from customers Q2 FY24 (Q1 FY24: \$1.594m), a +20% increase vs previous quarter. Current quarter includes \$396k of receipts from the MIntegrity business acquired in the prior quarter.
- › Total Group Revenue and Other Income Q2 FY24 of \$3.437m (includes R&D rebate of \$1.340m) (Q1 FY24: \$1.821m).
- › Complii has outstanding receipts from customers of \$0.737m at 31 December 2023.
- › The Group is debt free.
- › As a SaaS business, ARR is a key metric for us and a key focus through sales and marketing efforts as well as integration of the businesses acquired and cross-selling to the expanded customer base:

Group ARR up 3% on prior quarter and up 12% year on year (vs Q2 FY23), with:

- › Complii up 3.7% on Q1 FY24 and up 5.7% on Q2 FY23
- › PrimaryMarkets up 10.5% on Q1 FY24 and up 11.7% on Q2 FY23
- › Registry Direct down 6.0% on Q1 FY24 but up 9.2% on Q2 FY23
- › ThinkCaddie down 10.2% on Q1 FY24 but up 3.2% on Q2 FY23
- › Advisor Solutions Group up 24.2% on Q1 FY24 and up 73.2% on Q2 FY23

Having strongly reduced our underlying cost basis, our focus is back on growing revenue and ARR through both cross-selling to our expanded client base and customer acquisition, further cost reduction, and integration of the businesses we have acquired.

In addition, regarding our main business units:



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- › Complii has achieved ISO/IEC 27001:2022 certification in December 2023. These international standards address growing global cybersecurity challenges and improve digital trust. The world's best-known standard on information security management helps organisations secure their information assets – which is vital in today's increasingly digital world. Our core security principle is to ensure the confidentiality, integrity and availability of the information we manage on behalf of our customers and business partners, as well as our own information. This “stamp of quality” is the proof of our commitment to customer service, attention to detail and our ongoing focus on security and compliance. This major milestone will help attract larger customers, both in Australia and internationally.
- › During Q2 FY24, c. \$1.97B new capital funds were raised on the Complii platform across 817 unique offerings from numerous AFSL client firms using Complii's proprietary Capital Raising System (“Adviser Bid/Corporate Highway”).
- › Complii signed 3 new AFSL clients over the quarter, including Bell Potter, and 2 more AFSL's in January 2024 alone. We also had existing customers taking additional modules, as we see increased demand for our products and services.
- › Complii continued work on several enhancements and product updates over the quarter, further increasing the customer and user experience.
  - › Staff Trading module enhancements and broad launch to existing customer base and into new industries.
  - › Account Opening and Rescreening Enhancements.
  - › Model Portfolio and Rebalancing Developments, making the solution suitable for all stockbroking firms. This is another step forward in expanding our reach.
  - › Canadian Capital Raising capabilities now live.



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# Q1 FY24 Highlights continued



## PrimaryMarkets

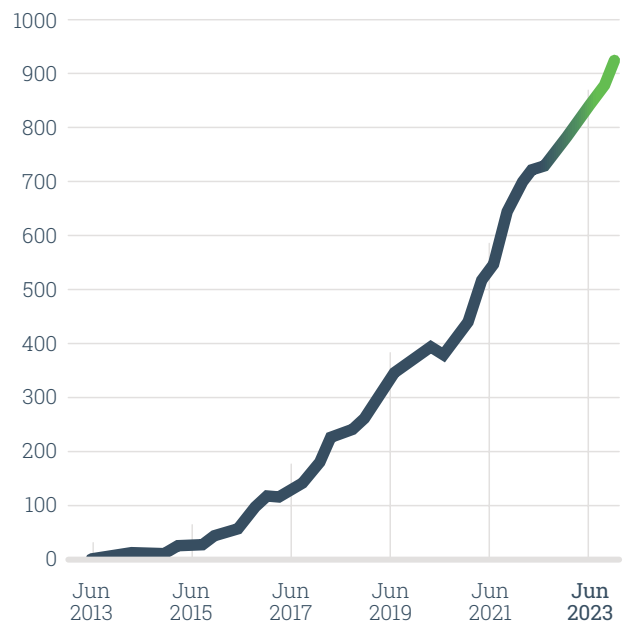
- ▶ PrimaryMarkets currently has 92 open investment opportunities on the platform, comprising a mixture of secondary trading, trading hubs, unicorns, capital raises and investor centres.
- ▶ Capital Raising continues to be an important part of the PrimaryMarkets ecosystem with 30 live capital raisings this quarter (vs 23 in Q1 FY24) including 7 new initiatives, and 16 trading hubs with 2 new initiatives.
  - ▶ The trading volume for Q2 FY24 was \$3.3M, reflecting a decrease attributed to the end of the year period, which historically sees reduced trading activity.
  - ▶ Two new trading hubs: Splitit expected to open in February 2024 and another one later in Q3 FY24.
  - ▶ Q2 FY24 witnessed the execution of 103 trades.
- ▶ PrimaryMarkets also has 44 secondary trading opportunities, with 4 new initiatives.
  - ▶ There was notable growth in new accounts, with a total of 300 new trading entities being onboarded and verified in Q2 FY24, compared to 229 in Q1 FY24.
  - ▶ The total number of sophisticated investors is increasing steadily, gaining another 37% vs Q1 FY24.
- ▶ The total number of contacts on the platform is over 120k contacts across the world, showing significant reach for our investment and trading opportunities. PrimaryMarkets had over 75,000 website visitors during the quarter, driving trading and on-boarding activities.
- ▶ PrimaryMarkets is gearing up for its inaugural webinar on 21 February 2024, aiming to showcase several innovative companies on a monthly basis.
- ▶ PrimaryMarkets' international presence is strengthened by their cross-referral agreement with Forge Securities, a leading global private securities marketplace based in the USA. This partnership gives PrimaryMarkets' investors the potential to transact in investment opportunities through the Forge Platform.



## Registry Direct

- ▶ Registry Direct's continued their positive growth rate, reaching 927 paying registers end of December. In Q2 FY24, Registry Direct had 50 new fee-paying registers. This is their strongest quarter since September 2021.

Fee paying registers



- ▶ Registry Direct achieved ISO/IEC 27001:2022 certification, the world's leading standard for information security management systems (ISMS).
- ▶ Registry Direct supported The Australian Wealth Advisors Group Limited on their IPO to list on the ASX. The capital for the IPO was exclusively raised using Registry Direct's proprietary technology from over 300 investors.



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# Q1 FY24 Highlights continued

## MIntegrity

- The MIntegrity integration to Complii was completed during Q2 FY24. MIntegrity staff have been fully onboarded and all existing client novation agreements were sent out.
- Client sentiment has been positive after the acquisition and all staff have opted to remain with MIntegrity.
- MIntegrity saw good results for Q2 FY24. MIntegrity revenue was up 90% on the previous quarter and increased by 61.5% for the same period last year. Note that previous quarter and prior year were pre-acquisition (acquisition date: September 2023).
- MIntegrity has gained 2 new clients this quarter and work continues for existing clients.

## ThinkCaddie

- Caddie gained 1 more significant AFSL business account and 8 new self-licensed accounts, expanding Complii's cross-selling opportunities.
- Caddie also had 4 trial AFSL clients who committed for a start in Q3 FY24.
- Caddie is further integrating MIntegrity's MIWize into their platform, adding valuable content through MIntegrity's library of specialised eLearning modules.

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# Outlook

## Operations

### Complii

Complii was ISO/IEC 27001:2022 certified in December 2023, showing Complii's strong commitment to quality and compliance, particularly on information security, cybersecurity and privacy protection.

This certification is an important step forward, both operationally and commercially, as these international standards will help gain the trust of large Australian and international customers. While the expense for this certification is behind us, the recognition of its importance and increased revenue will be seen in H2 FY24 and beyond.

Complii continued work on new modules and current product improvements. Complii is also continuing custom work with our larger customers on future major enhancements and developments, which will then be standardised and offered to our broader customer base.

Product updates include Staff Trading, Account Opening and rescreening, Canadian account opening and capital raising as well as work on integration of MIntegrity's RegsWeb and the PrimaryMarkets' Platform.

We are nearing completion and deployment of the next generation of our Corporate Highway offer and a new portfolio modelling and rebalancing tool, scheduled for release in Q3 FY24.

The roadmap also includes new products to be launched, such as a specialised CRM.

### PrimaryMarkets

PrimaryMarkets continues to cement itself as an industry defining leader in unlisted trading with the development of the new technological enhancements for the platform.

Several important milestone improvements to trading settlements, management, and overall user experience are currently in development and expected to be rolled out towards the beginning of Q4 FY24.

Several other new technical enhancements to support the current and future onboarding of trading hubs pivotal to PrimaryMarkets growth strategy have taken priority and expected to be complete within Q3 FY24.

PrimaryMarkets is also in discussion with share registries on how to better streamline and improve the overall experience for customers and will be making this an important initiative over the current year.

PrimaryMarkets' focus continues to be the direct asset ownership for their customers.

### Complii Group

Across the Group we are focused on cross-selling opportunities and leveraging our unique ecosystem of solutions.

The cross-sell continues to produce ARR growth across our product suite, endorsing our acquisition and growth strategy to date.

Integrating our other business units' solutions, the Complii group offers the only end-to-end platform for managing 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 resources to realise this opportunity.

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# Outlook continued

## Growth

- Complii signed 3 new AFSL clients over the quarter, including Bell Potter, and 2 more AFSL's in January 2024 alone. Complii has a strong pipeline of opportunities for H2 FY24.
- Complii entered into a strategic partnership with Praemium (ASX:PPS), including a new cross-referral agreement. This partnership is gaining traction, supported by strong collaboration between the firms.
- PrimaryMarkets has signed a mandate with Splitit which has been announced in their ASX delisting announcements. Splitit delisted from the ASX in December 2023 and are setting up a Trading Hub with PrimaryMarkets in February 2024.

The Group remains committed to looking for partnership opportunities which complement the Group's organic growth strategy.

Overall, the Complii group has been continuing to invest behind building a differentiated, end-to-end ecosystem and the required go-to-market capabilities, positioning itself for more cross-selling opportunities. Following a strong reduction in costs, the Group will focus on further decreasing the cost of acquisition (CAC) whilst increasing customer ARR and lifetime value through cross-selling, to accelerate organic growth and reach profitability.

We have steadily been growing our total addressable market (TAM) as well as increasing the potential share of wallet through cross-selling of our solutions, as most companies want to work with end-to-end vendors instead of a roster, as it is both simpler and more cost-effective. This makes our offer both differentiated and sticky.

We continue to build on the group's ambition to become the backbone for equity capital markets, with a unique offering covering cost-effective capital raising, absolute compliance assurance, operating risk mitigation and customer servicing efficiency.

## Summary Q2 FY24

- Complii Group saw a net outflow of (\$536k) of cash from operations for the quarter vs (\$1,656k) for Q1 FY24, a 68% improvement.
- As at 31st December 2023, Complii has total funds of \$3.484m, being \$3.306m cash at bank and \$0.178m on term deposit, with the Group having no debt and no new equity placements since December 2020.
- Complii has outstanding customer receipts of \$0.737m at 31 December 2023.
- Strong Group ARR growth 3% vs Q1 FY24 and 12% vs Q2 FY23, supported by strong sales and marketing efforts and further integration of acquired businesses.
- The Group focus remains on client acquisition, cross-selling, cost reduction and broader operational efficiency.
- The Complii Group remains well-funded and well-resourced to deliver on its vision of becoming the financial services industry standard in operational risk, financial services compliance and business technology firm as well as offer investment and trading opportunities.

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# Outlook continued

Complii Executive Chairman Craig Mason commented:

“ We are pleased to report on the Group’s Q2 FY24 activities. We continue to build a unique ecosystem delivering incremental ARR growth and strong cash flow, supported by solid cash at bank.

Having invested to build a unique ecosystem, we will continue to drive organic growth through new products, cross-selling and partnerships such as the agreement with Praemium, increasing our share of our addressable market.

Our Group’s cross-selling capabilities continue to provide an expected upside for organic growth within our Group.

We are also focused on further improving efficiency in our operations, particularly our cost structure and our commercial capabilities, aiming to improve profitability.

With many new or improved products, a strong roadmap and a strong pipeline, I am confident we have started to turn the corner and will see our results improve further in Q3 FY24.

Complii is well positioned to give our shareholders a strong trajectory into the rest of FY24 and beyond. ”

## Q2 FY24 Financials

Cash at bank as at 31 December 2023 was \$3.306m. Cash on term deposit is at \$178k. Total cash at bank and on Term Deposit as at 31 December 2023 is \$3.484m.

Notable operating cash flow items for Q2 FY24 included:

- \$1.906m receipts from customers (Q1 FY24: \$1.594m). Current quarter includes \$396k of receipts from the MIntegrity business acquired in the prior quarter, this has been offset by the seasonality of PrimaryMarkets trading windows which resulted in reduced transactional revenue in the quarter.
- \$1.340m R&D rebate for FY23 activities was received in the quarter.
- \$2.528m of staff costs (Q1 FY24: \$2.345m). Current quarter includes three months of costs for MIntegrity staff (prior quarter had one month of costs), 13th month payment for overseas staff and payouts for staff redundancies and resignations during the quarter.
- \$0.989m administration and corporate costs (Q1 FY24: \$0.714m). As noted below this includes one-off costs paid in the quarter.
- \$0.020m interest earned on term deposits that matured in Q2 FY24.
- \$263k of one-off costs paid in Q2 FY23 relating to corporate and audit costs, staff costs, legal fees and ISO accreditation fees. Removing these one-off costs, net outflow from operating activities during Q2 FY24 was (\$273k).

Cash flows from investing activities included:

- \$30k of costs for acquisition of MIntegrity.
- \$294k received from a strategic investment in an ASX listed entity.

Directors, being related parties of the Company, were paid remuneration in the amount of \$209k during the December 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.

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

For more information please contact:

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# Complii

FinTech Solutions Ltd

APPENDIX 4C Q2 FY24

22 JANUARY 2024



# Appendix 4C

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

Name of entity	Complii Fintech Solutions Limited
ASX Code	ASX: CF1
ABN	71 098 238 585
Quarter ended ("current quarter")	31 December 2023

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,906	3,500
1.2 Payments for		
a research and development	-	-
b product manufacturing and operating costs	(11)	(27)
c advertising and marketing	(161)	(285)
d leased assets	(105)	(181)
e staff costs	(2,528)	(4,873)
f administration and corporate costs	(989)	(1,703)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	20	50
1.5 Interest and other costs of finance paid	(5)	(7)
1.6 Income taxes paid	(3)	(6)
1.7 Government grants and tax incentives	1,340	1,340
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(536)</b>	<b>(2,192)</b>

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## Appendix 4C continued

	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>2. Cash flows from investing activities</b>		
<b>2.1 Payments to acquire or for</b>		
<b>a</b> entities	-	-
<b>b</b> businesses	(30)	(180)
<b>c</b> property, plant and equipment	(6)	(5)
<b>d</b> investments	-	(295)
<b>e</b> intellectual property	-	-
<b>f</b> other non-current assets	-	-
<b>2.2 Proceeds from disposal of:</b>		
<b>a</b> entities	-	-
<b>b</b> businesses	-	-
<b>c</b> property, plant and equipment	-	-
<b>d</b> investments	294	294
<b>e</b> intellectual property	-	-
<b>f</b> other non-current assets	-	-
<b>2.3</b> Cash flows from loans to other entities	-	-
<b>2.4</b> Dividends received (see note 3)	-	-
<b>2.5</b> Other (provide details if material)	-	-
<b>2.6</b> Net cash from / (used in) investing activities	258	(186)

	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>3. Cash flows from financing activities</b>		
<b>3.1</b> Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
<b>3.2</b> Proceeds from issue of convertible debt securities	-	-
<b>3.3</b> Proceeds from exercise of options	-	-
<b>3.4</b> Transaction costs related to issues of equity securities or convertible debt securities	-	-
<b>3.5</b> Proceeds from borrowings	-	-
<b>3.6</b> Repayment of borrowings	(64)	(106)
<b>3.7</b> Transaction costs related to loans and borrowings	(2)	(4)
<b>3.8</b> Dividends paid	-	-
<b>3.9</b> Other (provide details if material)	(1)	(1)
<b>3.10</b> Net cash from / (used in) financing activities	(67)	(111)

## 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	3,654	5,798
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(536)	(2,192)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	258	(186)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(67)	(111)
4.5 Effect of movement in exchange rates on cash held	(3)	(3)
4.6 Cash and cash equivalents at end of period	3,306	3,306

5. Reconciliation of cash and cash equivalents <sup>1</sup>	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	3,306	3,654
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (Term Deposits maturing within 3 months of quarter end)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,306	3,654

<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

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	209
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.

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# Appendix 4C continued

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<b>7. Financing facilities<sup>2</sup></b>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (Security Deposits)	178	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		178

Include in the box below a description of each facility above<sup>3</sup>

Facility	\$A'000	Interest rate
<b>7.6 Westpac Term Deposit</b>		
Maturing 26 April 2024. This Term Deposit is a bank guarantee against the Sydney office rental lease.	150.2	4.35%
<b>Macquarie Bank Term Deposit</b>		
This Term Deposit is a bank guarantee against the Melbourne office rental lease.	4.8	0.01%
<b>Macquarie Bank Security Deposit</b>		
This Term Deposit is a bank guarantee against the RegistryDirect Melbourne office rental lease.	23.1	

<sup>2</sup> 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.

<sup>3</sup> 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.

	\$A'000
<b>8. Estimated cash available for future operating activities</b>	
8.1 Net cash from / (used in) operating activities (item 1.9)	(536)
8.2 Cash and cash equivalents at quarter end (item 4.6)	3,306
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	3,263
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1) <sup>4</sup>	6.2

If item 8.5 is less than 2 quarters, please provide answers to the following questions:<sup>5</sup>

	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

<sup>4</sup> 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.

<sup>5</sup> 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.

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# 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	22 January 2024
Authorised by	Board of Directors

(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.

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