

QUARTERLY ACTIVITIES REPORT AND APPENDIX 4C
31 December 2021

Complii FinTech Solutions Ltd (**ASX: CF1**) (**Complii** or the **Company**) - an innovative ASX listed fintech group specialising in SaaS based technology that digitises compliance, capital raising and operational functions, assisting AFSL holders to meet their regulatory obligations which has recently acquired PrimaryMarkets Limited (**PrimaryMarkets**) - a trading platform for unlisted securities - is pleased to provide its Quarterly Activities Report and Appendix 4C for the period ending 31 December 2021 (**Q2 FY22 or December Quarter**).

Q2 FY22 Highlights

During the December Quarter Complii:

- Successfully achieved a **cash flow positive (profitable)** quarter **excluding R&D receipts**.
- Completed the acquisition of PrimaryMarkets on 3 November 2021, Australia's leading online share trading, capital raising and share registry platform for unlisted companies and funds.
- Supplemented revenue streams by adding **transactional revenue plus new recurring revenue categories to the company's existing recurring revenue** model.
- Group Gross Revenue increased to **\$2.58m in Q2 FY22 (Q1 FY22 \$0.70m)** representing a **370% increase** from the previous quarter with PrimaryMarkets business only contributing revenue from 3 November 2021. Note - (i) Gross Revenue of PrimaryMarkets for October 2021 of \$455,285 (i.e pre the Complii Takeover) is not included in the Company's Q2 FY22 Gross Revenue figure and (ii) the PrimaryMarkets October 2021 to December 2021 gross revenue figures do not include any R&D grants.
- Operations delivered a **\$1.48m increase** in cash at bank to **\$4.75m (a 45% increase from Q1 FY22)**.

Complii FinTech Solutions Ltd

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- Signed **4 ASFL holders as new clients**, bringing the current total to 107 AFSL firms, who use at least one or multiple services provided by Complii and represent over 3,500 registered users of the Complii platform.
- Generated a **\$106,000 increase to Group Annual Recurring Revenue (ARR)** from new clients and additional functionality to existing clients in Q2 FY22.
- PrimaryMarkets has relocated all of its operations to combine with Complii's headquarters in Sydney, representing a **saving of \$170,000** annual rent to the combined entity.
- Business development focus on major projects **delivered in Q2 FY22** included:
 - ❖ Compliance
 - Initial release of the next generation Statement of Advice (SOA3000) automation and Adviser workflow efficiency.
 - Complaint's module.
 - ❖ Capital Raising
 - Corporate Highway (Broker Distribution Platform) release to enhance placement distribution capability.
 - Adviser Bid (electronic bidding/allocation system) enhancements to improve performance and support future growth.

**370% increase in
gross revenue
for Q2 FY22
(including only
less than 2
months from
PrimaryMarkets)**



Cash flow
positive
(profitable)
Quarter -
Excluding R&D



22 New clients
signed since
ASX re-listing on
17 December
2020 & 4 New
AFSL clients in
Q2 FY22,
bringing total
client base to
107 AFSL firms



Supplemented
revenue
streams to
include
transactional
revenue and
new ARR
streams whilst
continuing to
increase ARR



Increase in cash
at bank to
\$4.75m up 45%
on Q1 FY22

Outlook

During Q2 FY22 Complii completed the acquisition of PrimaryMarkets. This acquisition has provided an opportunity for growth to Complii's footprint by acquiring a business which has no significant existing competitor in Australasia. Founded in 2016, PrimaryMarkets is an independent global platform focused on providing liquidity by enabling the trading of securities and shares in unlisted and private companies.

Complii's existing core platform enables its AFSL customers to raise new capital in both listed and unlisted securities, and is now positioned to offer a platform to facilitate trading of shares specifically in those unlisted companies, which should deliver transactional revenue for the group.

The acquisition of PrimaryMarkets has delivered a significant increase in the combined group's revenue in Q2 FY22 both from a transactional stream but also from ARR streams.

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Integration of the PrimaryMarkets trading platform into the Complii Platform is scheduled to be completed in Q3 FY22. This will allow Complii's network of AFSL clients and their advisers to seamlessly trade unlisted securities all within the core compliance framework that Complii offers.

In addition, during Q3 FY22 Complii will be releasing a new staff trading module for AFSL clients, designed specifically across all relevant compliance necessities including staff order pre-approval, tracking and post trade workflow management and review.

Complii continues to focus development resources on core platform architecture and projects designed to deliver compliance related efficiencies to our clients and onboarding new clients to the platform. These projects are expected to result in ARR growth as Complii's service offering continues expansion across the financial services sector primarily in Australasia and also in the future into other jurisdictions such as Singapore and Hong Kong.

With the completed PrimaryMarkets transaction, and platform integration underway, Complii will continue to explore appropriate and complementary business aggregation/expansion opportunities, whilst remaining focused on the execution of the Group's organic growth strategy, developing and delivering new products and services to existing AFSL clients and grow the customer and investor network base.

Summary

- Complii Group successfully achieved its first profitable quarter (excluding R&D)
- Complii received an R&D tax incentive rebate of \$942,000 in Q2 FY22 relating solely to activities in FY21
- Complii retains \$4,753,000 cash, with no debt, at the end of Q2 FY22.
- 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, coupled with strong ARR and transactional revenue streams.

Complii Executive Chairman Craig Mason commented:

The December 2021 Quarter saw the completion of the transformational acquisition of PrimaryMarkets - being our 3rd acquisition since 2019. We are already witnessing the outstanding financial outcomes associated with the consolidated Group with an extremely pleasing profitability for the December Quarter, a 370% uplift in Gross Revenue and a circa \$1.5m increase in cash at bank from the September 2021 Quarter - all attributed to the integration of PrimaryMarkets, R&D and organic growth within the pre-existing Complii business.

Complii welcomes PrimaryMarkets founder Gavin Solomon to the board of directors and looks forward to rewarding all shareholders with future revenue growth to be delivered from its FinTech business founded upon an already substantial footprint within the Australasian financial advice sector.

Lastly, Complii continues to explore aggregation and synergistic mergers and acquisitions opportunities as was stated clearly in our December 2020 Prospectus as being a core future undertaking.”

Q2 FY22 Financials

Cash at bank as at 31 December 2021 was \$4,753,000 (Q1 FY22 \$3,273,000).

Notable operating cash flow items included:

- \$2,583,000 receipts from customers (1H FY22: \$3,282,000).
- \$826,000 of staff costs (1H FY22: \$1,323,000).
- \$1,115,000 of administration and corporate costs (1H FY22: \$1,803,000).
- Payments to related parties in Q2 FY22 were \$170,000 (1H FY22: \$300,000). These payments represent director fees and director consulting fees. All transactions involving directors and their associates were on normal commercial terms.

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

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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 FY22 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 (\$7.0 m)	Actual Q2 FY22 Spend	Comments on Spend from Prospectus to Q2 FY22 Actuals
Complii product development and integration	\$1,580,000	\$410,000	<i>On track</i>
Marketing of Complii Platform	\$1,000,000	\$109,000	<i>On track</i>
Strategic and acquisition opportunities	\$690,000	\$90,000	<i>On track</i>
Business expansion costs ¹	\$2,000,000	\$293,000	<i>Seeking additional & appropriate opportunities</i>
Costs of the Public Offer	\$721,000	-	<i>Completed</i>
Other costs associated with the Proposed Acquisition of Complii	\$250,000	-	<i>Completed</i>
Working capital following Public Offer ²	\$759,000	\$1,143,000	<i>Exceeded</i>
Total Use of Funds	\$7,000,000	\$2,045,000	

Notes:

- Includes payments related to the acquisition of PrimaryMarkets, including relevant ASX, legal, broker, secretarial and corporate advisory expenses.*
- This includes costs that were higher than budgeted for year-end audit, accounting, secretarial and other payments for the group's business operations. Further this includes working capital costs related to PrimaryMarkets which were not budgeted at the time of the estimating expenditure for the Use of Funds statement in the 2020 Prospectus.*

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Corporate

Effective 3 November 2021 upon completion of the PrimaryMarkets acquisition, Gavin Solomon joined the Complii Board as an Executive Director. Gavin is the Founder of PrimaryMarkets Limited. Gavin has over 35 years' experience in the Australian and Asian Equity Capital Markets. Gavin was previously the Founder and Managing Director of Helmsec Global Capital, a pan-Asian ECM house which participated in new capital raisings of over \$1.7B from 2008 to 2015. Gavin holds degrees in Commerce and Law, is a Notary Public and is a Fellow of the Australian Institute of Company Directors. Gavin was previously a Non-Executive Director of the Bradman Foundation and International Cricket Hall of Fame.

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

- ENDS -

For more information please contact:



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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: CF1)

ABN

71 098 238 585

Quarter ended ("current quarter")

31 December 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	2,583	3,282
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(22)	(100)
(d) leased assets	-	-
(e) staff costs	(826)	(1,323)
(f) administration and corporate costs	(1,115)	(1,803)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives (R&D)	942	942
1.8 Other (GST and Other ATO related receipts and payments)	(445)	(596)
1.9 Net cash from / (used in) operating activities	1,117	402
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses**	(291)	(291)
(c) property, plant and equipment	(2)	(11)
** Costs related to the acquisition of PrimaryMarkets		

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	(d) investments	-	-
	(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	-	-
	(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 (Deposit Refund/ (Deposit Paid))	-	-
2.6	Net cash from / (used in) investing activities	(293)	(302)

3.	Cash flows from financing activities		
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	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Opening Cash Balance – PrimaryMarkets at 3 November 2021)	658	658
3.10	Net cash from / (used in) financing activities	658	658

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,273	3,998
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1,117	402
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(293)	(302)

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

4.4	Net cash from / (used in) financing activities (item 3.10 above)	658	658
4.5	Effect of movement in exchange rates on cash held	(2)	(3)
4.6	Cash and cash equivalents at end of period	4,753	4,753

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	4,630	3,150
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Security Deposit)	123	123
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,753	3,273

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	170
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>These payments represent Director fees, Director consulting fees and reimbursements of expenses. All transactions involving Directors and associates were on normal commercial terms.</i>		

7.	Financing facilities <i>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.</i>	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 (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
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.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	1,117
8.2 Cash and cash equivalents at quarter end (item 4.6)	4,753
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	4,753
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
<i>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.</i>	
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	
<i>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.</i>	

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:**10 January 2021**.....

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.

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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.