



Complii FinTech Solutions (ASX:CF1): On track to deliver on its vision

Complii FinTech Solutions Ltd (ASX:CF1) aims to become a leading name in the financial services industry within its targeted risk, compliance and business technology domain. The company is well positioned with its current resources and funding and expects to achieve its business objectives, aided by strong annual recurring revenue (ARR) now supplemented with strong transactional revenue streams. It continues to grow its client base, which is at 107 AFSL firms with 3,500+ registered users at the end of Q2 2022, whilst providing new seamless trading services for its AFSL clients.

Cashflow positive quarter with strong cash at bank position

Complii registered a strong quarter with revenue up 370% at A\$2.6m in Q2 2022 compared with A\$0.70m in Q1 2022, excluding any R&D receipts. The growth was largely driven by the contribution from the acquisition of PrimaryMarkets, but that was only for two months in Q2. Complii's cash balance was at A\$4.8m in Q2 2022, an increase of A\$1.5m over the previous quarter. The company's strong cash position will help the company execute its organic growth strategy as well as to explore opportunities for further acquisitions and business expansion.

Integration of PrimaryMarkets to boost Complii's transactional revenue

PrimaryMarkets' trading platform will be integrated with Complii's platform in Q3 2022, enabling all AFSL clients and their advisers to trade unlisted securities within Complii's core compliance framework. This is likely to contribute significantly to the company's transactional revenue in the future. We believe the acquisition will help Complii to boost its revenues for both ARR and transactional streams while realizing cost synergies leading to net margin improvement.

Valuation reiterated at conservative A\$0.13 per share base case, \$0.28 optimistic case

There has been above expectation benefits of the PrimaryMarkets acquisition and even though this transaction did increase the diluted shares of the combined entity it did not lead to any material change in the valuation range. The upside potential of the stock continues to remain significant.