



Novatti Group Limited

(ASX:NOV)

Corporate Overview
MARCH 2018





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Corporate Overview

Novatti Group Limited (ASX:NOV) is a global software technology and payment services provider, based in Australia.

It helps economies, corporations and consumers digitise cash transactions both through its technology and services.

Compliance, financial licences and financial processing operations are managed from offices in Australia and the UK.

Revenues, primarily recurring in nature, are from multiple lines of business in technology sales, billing and payments processing.

Key Metrics

ASX Ticker	NOV
Market cap @ \$0.22 (as at 16 Mar 2018)	\$34.3m
Ordinary shares on issue	155.8m
FY17 sales revenue	\$3.54m
Cash (as at 31 Dec 17)	\$4.4m
Fundraising, Feb 2018	\$3.5m
52 week high-low	\$0.092 - \$0.495
Debt	Nil
Top 20 Shareholders	82%

Novatti Share Price



Strong board, strong international domain experience



Peter Cook

CEO and
Managing Director

Tech entrepreneur, FinTech and mobile payments thought leader.

Successfully executed multiple disruptive business models. Multiple successful exits.

Non Executive Director of P2P Transport Limited (ASX:P2P).

Previously Deputy Chairman of Senetas Corporation Limited (ASX:SEN)



Peter Pawlowitsch

Chairman

Extensive business experience and expertise across business administration and project evaluations

Non Executive Director of Dubber Corporation Limited (ASX:DUB), Knosys Limited (ASX:KNO), Rewardle Holdings Limited (ASX:RXH) and Ventnor Resources Limited (ASX: VRX)

Strong board, strong international domain experience

Brandon Munro

Non-Executive Director

Former transactions lawyer with extensive experience in M&A and Capital Markets

Current Managing Director of ASX-listed Bannerman Resources Ltd (ASX:BMN)

Kenneth Lai

Non-Executive Director

MD of Hong Kong-based investment firm Prestige Team Limited with interests including in payment processing and IT support services

Extensive Asian investment and business experience
Successful track record acquiring and integrating several payment companies

Paul Burton

Non-Executive Director

Over 15 years of payments industry experience
Previously CFO and CEO of payment processing company Datacash Limited, which was sold to Mastercard

Former Director of UK based electronic money system Ukash

Steven Zhou

Non-Executive Director

Extensive experience in start-up financial services businesses in Australia and China

Steven is leading Novatti's interaction with China based Fintech and blockchain enterprises

Investment Highlights

STRONG RECURRING REVENUE

- Strong, high growth recurring revenues
- Revenue upside from new services comprising project and per-transaction fees

FINTECH WITH LICENCES

- Commercialised FinTech solutions
- Financial licenses and governance underpin Novatti's technology
- Highly scalable and proven payments technology

LEVERAGED TO LARGE, GROWING CHINESE MARKET

- Significant investment from major Chinese technology investors
- Broad relationships with Chinese FinTechs
- Leveraged to rapidly expanding Chinese e-commerce payments market

GLOBAL FOOTPRINT AND BLUE-CHIP CLIENTS

- Strong emerging markets presence in Africa, the Middle East, India and China
- Blue-chip clients include Telstra, Hutchinson Telecom, Cable & Wireless, Cathay Pacific, 3 Mobile and MTN

INTEGRATED TECHNOLOGY WITH BLOCKCHAIN CAPABILITY

- Integrated to multiple networks and processors
- Integrated with global Blockchain remittance network

CLEAR PATH TO OPERATING PROFIT

- Clear path to profitability from operations supported by strong balance sheet, access to funding and growing recurring revenues

Clear path to profitability from operations

Strong balance sheet, with significant cash reserves

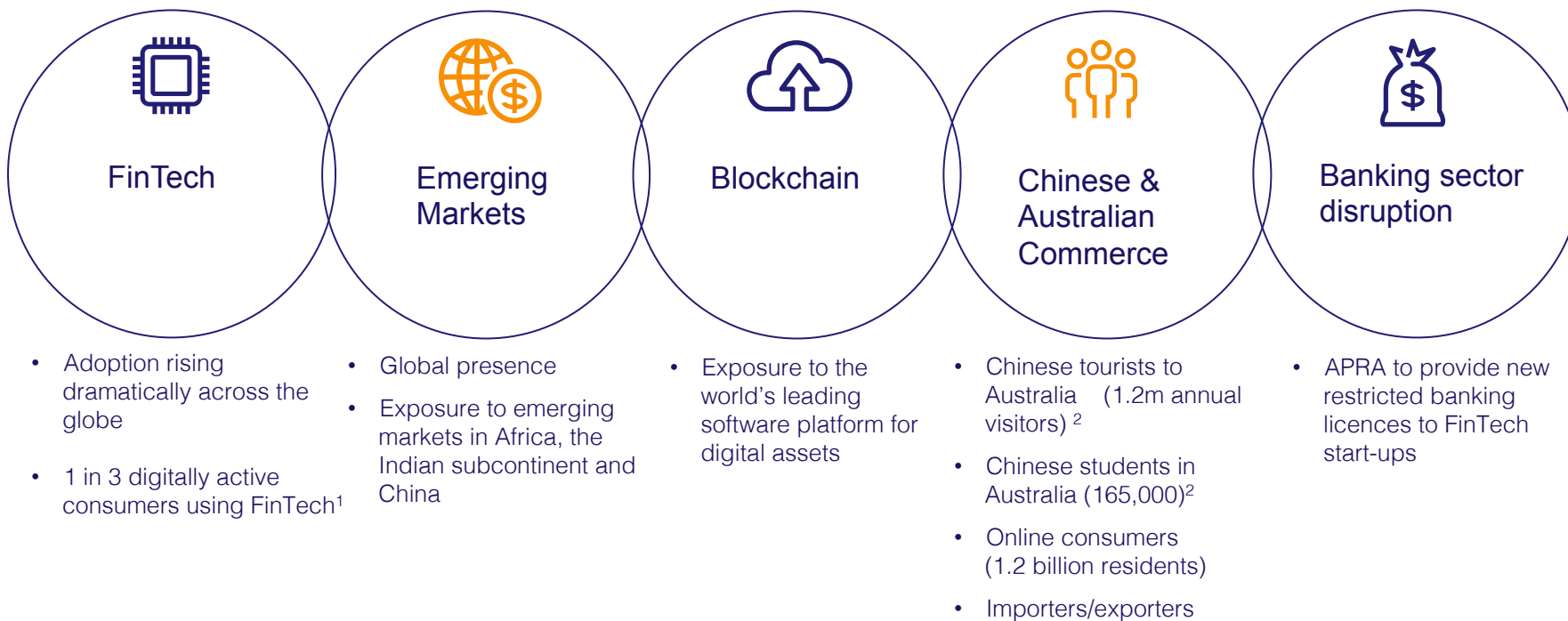
Debt Free

Access to further capital to support strategic growth initiatives

Strong recurring and transactional revenues which continue to grow rapidly

Approaching earnings inflection point

Leveraged to rapid growth and macroeconomic trends



What We Do

Novatti utilises its proprietary Novatti Platform to deliver fully-developed financial technology solutions and process financial transactions

Technology

Provides innovative white label and direct to market services including:

- Fundraising
- Mobile money
- Branchless banking
- Remittances
- Digital wallets
- Loyalty
- Vouchers

Providing solutions to governments, utilities, telecoms operators and financial institutions

Transactions

Provides transaction processing services for:

- Remittances
- Cash vouchers
- Bill Payments

Provides compliance and settlement services for other local and international financial services companies

Technology

- Utilising our proprietary payments platform to provide white-label FinTech solutions to our customers to:
 - Extend our client's market reach
 - Reduce the cost to acquire and manage a previously underserved market segment
- Most customers require ongoing maintenance and technical support
- Platform is ready to integrate with blockchain-powered financial networks

Upfront project development fee revenue

Recurring maintenance and tech support revenues

Some of our clients



Financial Processing

- Novatti's transaction business processes financial transactions such as:
 - International remittance and alternative payment network transactions
 - Chinese payments in Australia:
 - Visitors paying via digital wallet
 - E-Commerce networks
 - China based customers buying on Australian websites
 - Trade payments from Chinese SMEs importing Australian goods
- Prepaid debit vouchers used to purchase online goods and services and cryptocurrency
- US-based bill payments
- Novatti's innovative technology is enabling the Company to grow into new and more disruptive payments processing opportunities
- New and growing revenue streams from a range of services that have been incubated during previous periods

Revenue per-transaction on a % of transaction value basis

Our brands



flexepin

flexewallet

TRANSFER
BRIDGE
GLOBAL • PAYMENTS • NETWORK

N Novatti
INNOVATION FOR PAYMENTS

Segment Revenue Mix and Outlook

Technology

Segment Overview

Novatti provides financial technology solutions for financial services enterprises

Revenue Model

- Platform development fees
- SaaS revenues
- Support and Maintenance
- License fees
- R&D Grant- Recurring fees plus professional services (utility billing business)

Indicative annual revenue

\$5.0m (FY2018)

Markets

- Australia, Asia and Europe
- Emerging markets in Africa, Middle East, India and China

Outlook

Contemporary technologies for the high growth mobile and emerging markets

Financial Processing

Novatti processes financial transactions on a percentage of revenue basis

- Margin on transaction
- Fee per transaction
- Fees for compliance services
- Merchant service fees per transaction

Run rate c\$1.4m and growing rapidly (FY2018)

- Australia, Canada, Europe, Middle East and Africa
- Australian retail stores, Online eCommerce stores and trade exporters to accept all common Chinese payment methods

High-growth business in high growth sector

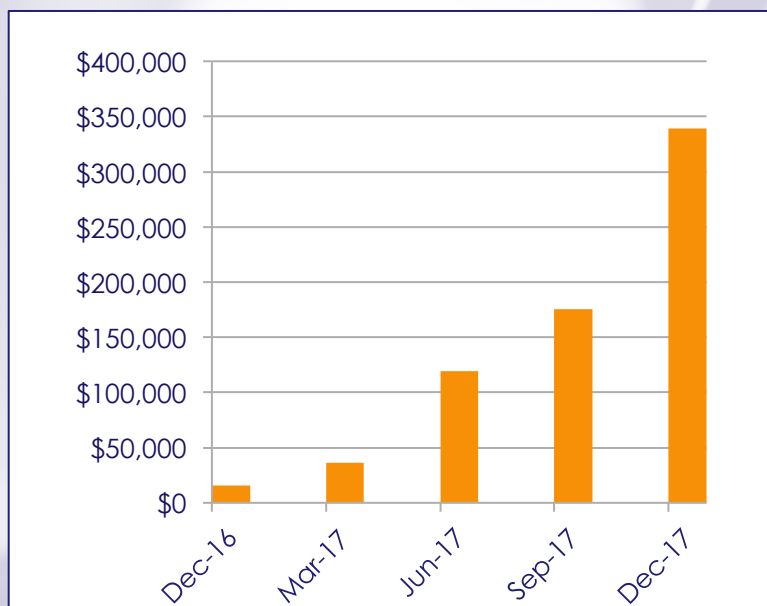
Strong growth in remittances

Strong market acceptance and growth in Chinese payments

Growing Transactional Revenues

Rapid revenue growth from recurring and transactional businesses

Novatti Transaction Revenue



1H F18 Financial Highlights

Revenue \$2.3m

Up 108% on 1H FY17

Transaction revenue \$0.51m

Up from \$0.06m in 1H FY17

Disciplined cost management delivered a 10.6% reduction in operating expenses on 1H FY17

Cash as at 31 Dec 17 of \$4.4m, with subsequent \$3.5m fundraise in Feb 2018

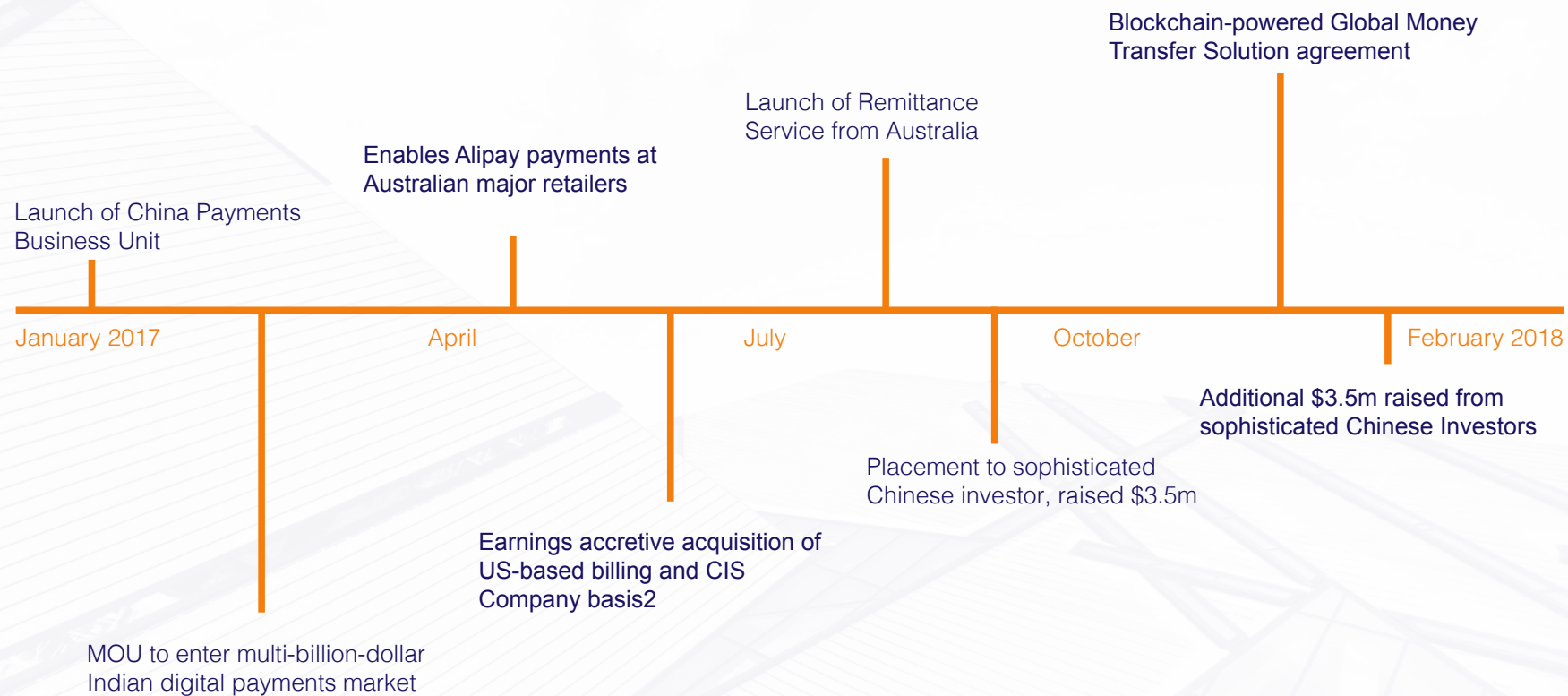
Licenses and Governance

Novatti's market access is underpinned by financial licences and strong governance



Novatti will apply for APRA's **restricted Authorised Deposit-taking Institution licence in the second quarter of CY2018** to enable new services to be offered to Australian consumers, focusing on new migrants

Key Announcements 2017/18



Strategic Focus and Outlook

12-24 months

**Increase market access
with financial licences and
banking capabilities**

Earnings accretive acquisitions

Next 6-12 months

**Leverage The Novatti Payments
Platform and blockchain technologies**

**Continued growth of remittance
businesses**

Ongoing

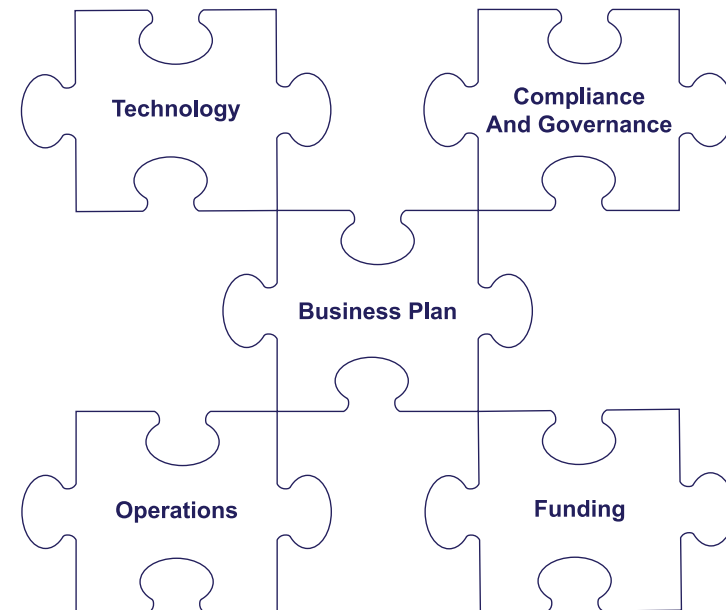
**Continued growth of Financial
Processing networks and services**

**Build recurring revenue streams
in subscription billing and
payments processing**

Strategic Focus and Outlook - Banking Licence

Targeting full Authorised Deposit-Taking Institution (ADI) licence in CY19

- Novatti will apply for a restricted authorised deposit-taking institution (ADI) licence in 2Q CY2018
- Licence will allow new services to be offered to Australian customers, focusing on new migrants
- Novatti can demonstrate its existing operations, compliance and technology capabilities and its ability to raise appropriate funds
- Long term objective is for Novatti to apply for a full ADI in CY2019





Summary

Recurring Revenues

- Rapid growth in recurring revenues across both the technology and transactions divisions

Commercially validated, scalable platform

- Highly scalable technology leveraged to growing demand for alternate (non cash) payments
- Technology and financial services underpinned by financial licences and governance

Leveraged to high growth emerging markets, including China

- Leveraged to emerging markets in Africa, Middle East, India and China

Blockchain capabilities

- Integrated to global Blockchain remittance network
- Existing technologies and infrastructure ready to leverage blockchain networks

Funded, with clear path to profitability

- Supported by strong, debt-free balance sheet, access to funding and growing recurring revenues

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