



Novatti Group Limited (ASX:NOV)

AGM Presentation

28 November 2023

Novatti



Disclaimer

The material contained in this document is a presentation of general information about Novatti Group Limited's activities, current as at the date of this presentation on 28 November 2023.

It is provided in summary and does not purport to be complete. You should not rely upon it as advice for investment purposes as it does not take into account your investment objectives, financial position or needs. These factors should be considered with or without professional advice when deciding if an investment is appropriate.

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Our Mission

Novatti enables businesses to **pay and be paid** from any device, anywhere.

From corner stores and start-ups to global organisations, our solutions will unlock your ambitions.

FY23 - Key numbers

+\$39m

FY23 Group Revenue

20%

FY23 Revenue Growth Rate

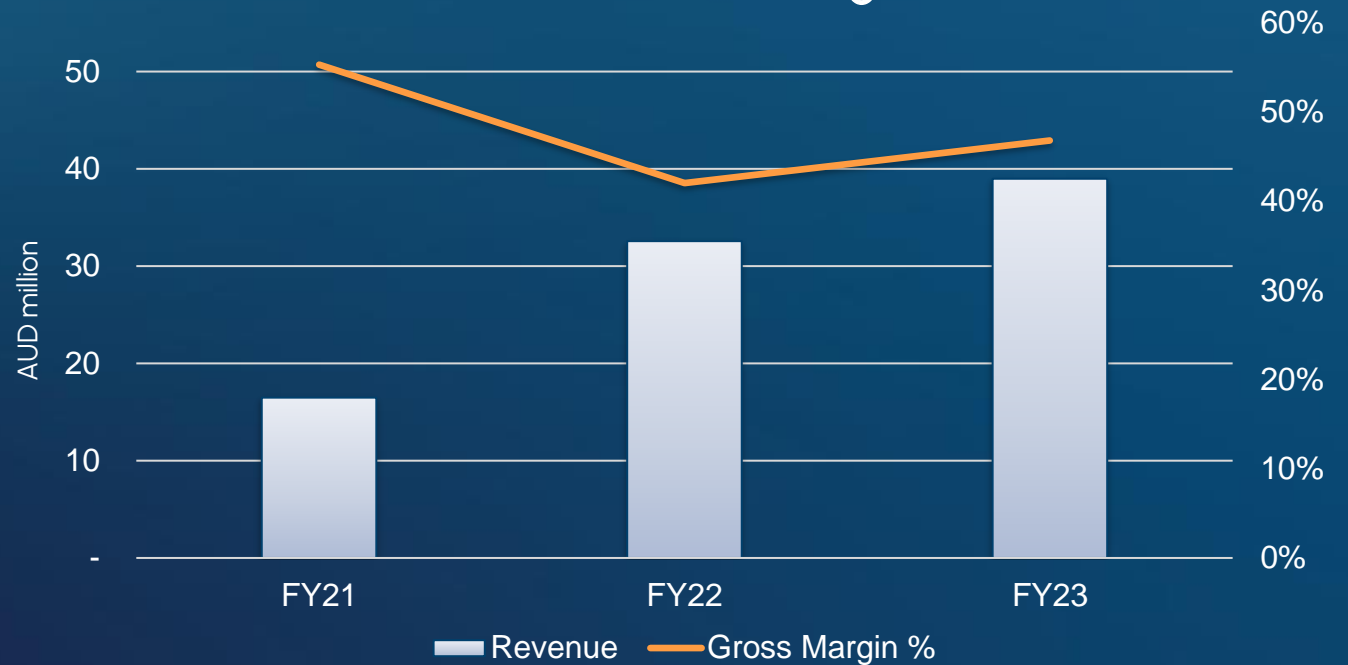
-\$14.5m

FY23 Underlying EBITDA*

\$14.7m

Cash at end of Q1 FY24

Revenue and Margin



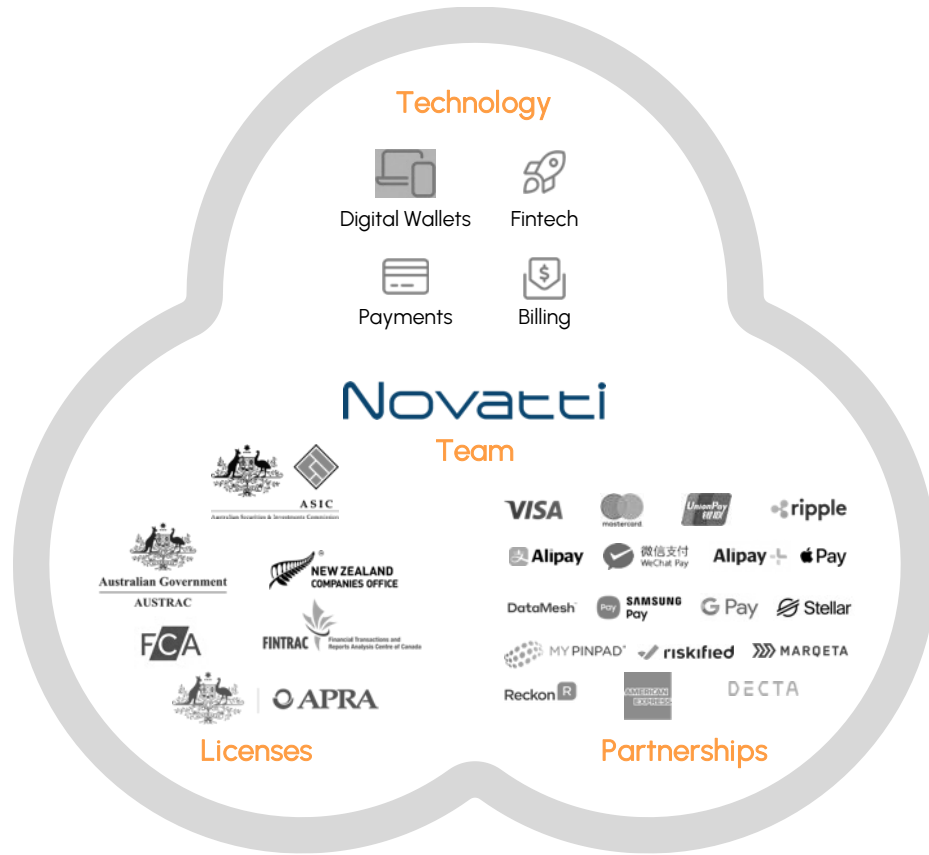
All figures throughout this presentation relating to FY24 remain unaudited unless stated otherwise.

*Underlying EBITDA is a non-IFRS measure calculated as profit before income tax, and before depreciation and amortisation, share based payments, net finance costs, due diligence costs, gain on embedded derivative and impairment of capitalised bank licensing costs and the banking business. The Company believes this non-IFRS and operational measure is useful in monitoring and understanding the Group's business and they should not be considered in isolation nor as a substitute for IFRS measures.

FY24 - Landscape

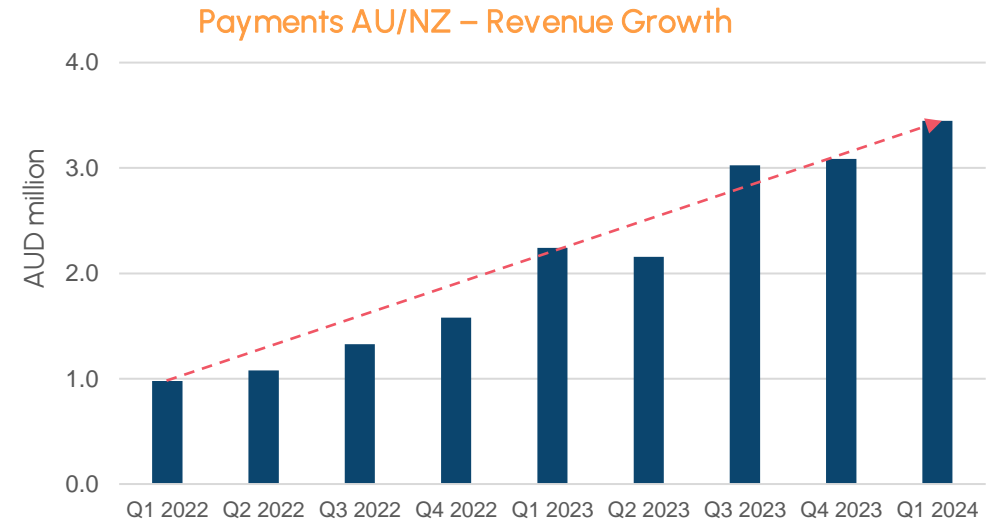
Deep and inter-connected ecosystem

Assets, regulatory coverage and relationships hard to replicate



Payments AU/NZ growth engine

Continue to see strong demand for Novatti's services in the core AU/NZ payments market



FY24 - New leadership



Mark Healy
CEO

Experienced global payments and software executive with prior senior roles in Global Payments Inc, Optimal Payments (UK), Ezidebit and eWAY delivering organic and inorganic growth.



Dharsh Mendez
CFO

Strategically and commercially focused leader having driven organisational growth and transformation in complex organisational settings across multiple industries.



Peter Pawlowitsch
Non-Executive Chair

Experienced Board Chairman with extensive ASX listed experience.

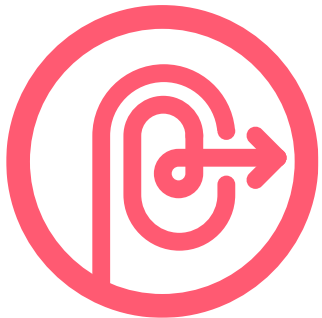


Peter Cook
Executive Director

Experienced technology entrepreneur and founder, having built telecommunications and payments companies in Australia, Canada, Africa and Asia.

FY24 – Simplify and focus

Pivot underway from a diversified portfolio of independent businesses into a streamlined Payment Solutions company



**Simplify
the Business**



**Market and
Customer-Led**



**Lift Financial
Performance**

Simplify the business

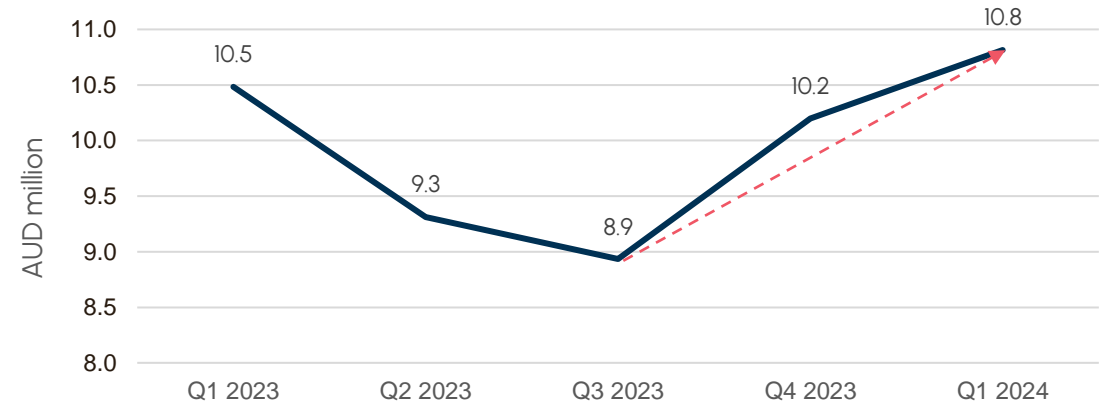
Actions completed post July

- ✓ Business portfolio re-organised
- ✓ Internal restructure - new talent into key roles
- ✓ Streamlined sales process and access to multiple products
- ✓ Established 3 year 70%+ margin target

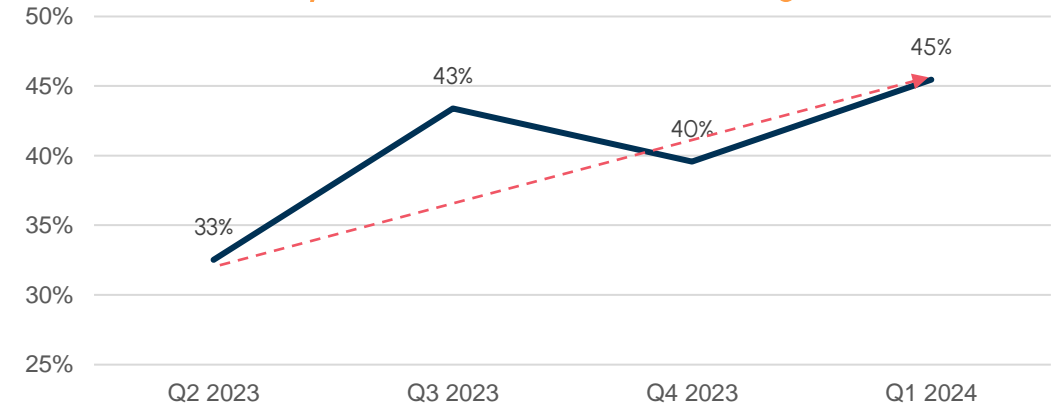
Results so far

- ✓ Restored positive revenue growth: \$10.8m Q1 FY24
- ✓ Expense reduction: 74% of revenue in Q1 FY24 vs 90% prior quarter (excluding IBoA)
- ✓ Gross margin increasing in core Payments AU/NZ
- ✓ Positive customer feedback

Group Revenue



Payments AU/NZ – Gross Margin



Strategic review initiated

Overview

- ✓ Review underway of all business areas against strategic and financial goals
- ✓ Opportunities for portfolio optimisation and divestment

Divestment of Reckon Shares

- ✓ 19.9% stake divested
- ✓ \$10.5m corporate bond repaid in full
- ✓ \$1.5m net gain delivered
- ✓ \$4m+ saving in future interest payments – reinforcing positive operating cashflow focus
- ✓ Reckon commercial partnership remains in place



Market and customer led

Growth and margin expansion driven by:



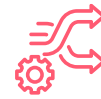
Aggregated multiple products



Vertical market/segment specialisation



Deeper experiential demands



Digital transition/transformation

Example

B2C Retailer

Business activity

Online and in store specialist retailer with multiple points of presence

Requirements

Serve local and international customers, online and in store, using local and international payment methods, and pay overseas suppliers.

Novatti products

- ✓ Card payment terminals
- ✓ eCommerce gateway
- ✓ Merchant account
- ✓ International wallet acceptance
- ✓ Cross border payments and FX



Novatti

The path forward

Simplify and focus

- Complete strategic review
- Streamline the portfolio, solidifying around payments
- Uplift in marketing from awareness to advocacy
- Integrated sales with a focus on cross selling
- Integration and inter-operability of products & platforms
- Continue to improve margins - 3 year target 70%+
- Cost control
- Target is operating cash flow positive mid 2024

