

ASX Announcement

9 April 2024

Market led, customer focus sees commercial lift in AU/NZ

Highlights

- Contract renewed with major BNPL partner for card issuing and payment services
- New partnership secured with one of Australia's largest food delivery platforms
- ChinaPayments to launch in New Zealand, leveraging the success of its Australian business and backed by customer demand in New Zealand
- New and expanded client engagements expected to increase annualised gross revenue by at least \$1.5m

Novatti Group Limited (ASX: NOV) (Novatti or Company), a leading fintech that enables businesses to pay and be paid, is pleased to provide an update on the initial results of its market led, customer focus.

The implementation of this market-led, customer focus is the second stage of Novatti's broader strategy and transformation, initiated at the beginning of FY24. This transformation began with a simplification of Novatti's business, before initiating a change to its go-to-market approach, all to ultimately lift financial performance.

The implementation of this strategy already had a positive impact on the business in H1 FY24, with revenue increasing 12.1% and expenses falling 11% (HoH)¹.

Importantly, the implementation of a market-led, customer focus has now also had a positive impact in Novatti's Payments AU/NZ division, with new and expanded commercial engagements and market expansions, including:

- **BNPL:** Novatti's long-term partnership with a major Buy Now Pay Later (BNPL) operator has been extended, with more than \$1b in transaction volume expected to be processed by the partner through Novatti in CY24, an annual increase of more than 25%.
- **Food Delivery:** Novatti has established a strong presence in Australia's hospitality industry with the initiation of payment services for one of Australia's largest food delivery platforms.
- **Accounting Services:** A leading NZ accounting services firm has launched a card issuing program, which leverages Novatti's services. In the first month of this program, Novatti has issued more than 3,000 cards for this firm.
- **ChinaPayments:** Will now launch in New Zealand, leveraging the success of its Australian business and supported by immediate customer demand in that market, including through an accommodation provider with over 100 venues across Australia and NZ.

¹ ASX announcement of 28 February 2024, *Half Year Report and Appendix 4D*

These developments are significant as they provide further validation of Novatti's strategy and business model, and are expected to provide an uplift in revenue. In aggregate, dependent on the penetration and uptake of payments processed, Novatti expects that these expanded arrangements will generate a minimum additional \$1.5 million in annualised gross revenue from their current base.

There is also rising demand for Novatti's charity point of sale (POS) solutions, which enable charities across Australia and New Zealand to accept donations via tap-to-donate.

Novatti CEO, Mark Healy, said: "Since streamlining and integrating the previously fragmented and independent business units into the Payments AU/NZ division in Q2 of FY24, it has been pleasing to see the results of our strategy reflected in new and extended commercial engagements driven by our market led, customer focused approach.

"Once operating licenses are finalised in New Zealand for a range of Asia-related payment services already offered in Australia, Novatti can leverage its existing payments technology to expand further into New Zealand with minimal additional operating expense. This is further complemented by existing Novatti clients also operating in New Zealand that can utilise more services as part of Novatti's streamlined offering and platform."

These developments follow a number of other recent achievements all previously announced to ASX, including:

- 12.1% increase in H1 FY24 revenue HoH
- 11% decrease in H1 FY24 expenses HoH
- \$4m+ annualised cost-reduction program being implemented
- External funding delivered for AUDD and IBOA

Novatti invites investors to keep up-to-date with company news, events and industry research by joining the Novatti mailing list at <https://www.novatti.com/subscribe>

Investors can view all Novatti announcements at: <https://www.novatti.com/asx-announcements>

This announcement has been approved for release by Peter Cook, Executive Director, and Mark Healy, CEO.

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About Novatti Group Limited (ASX:NOV)

Novatti is a leading fintech that 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. Solutions include acquiring, billing, issuing, processing and banking (via International Bank of Australia Pty Ltd (IBOA) under a Restricted Authorised Deposit-taking Institution licence).