



Novatti Group Limited

(ASX:NOV)

March Quarter FY24 – Activities Update

30 April 2024

Novatti



Disclaimer

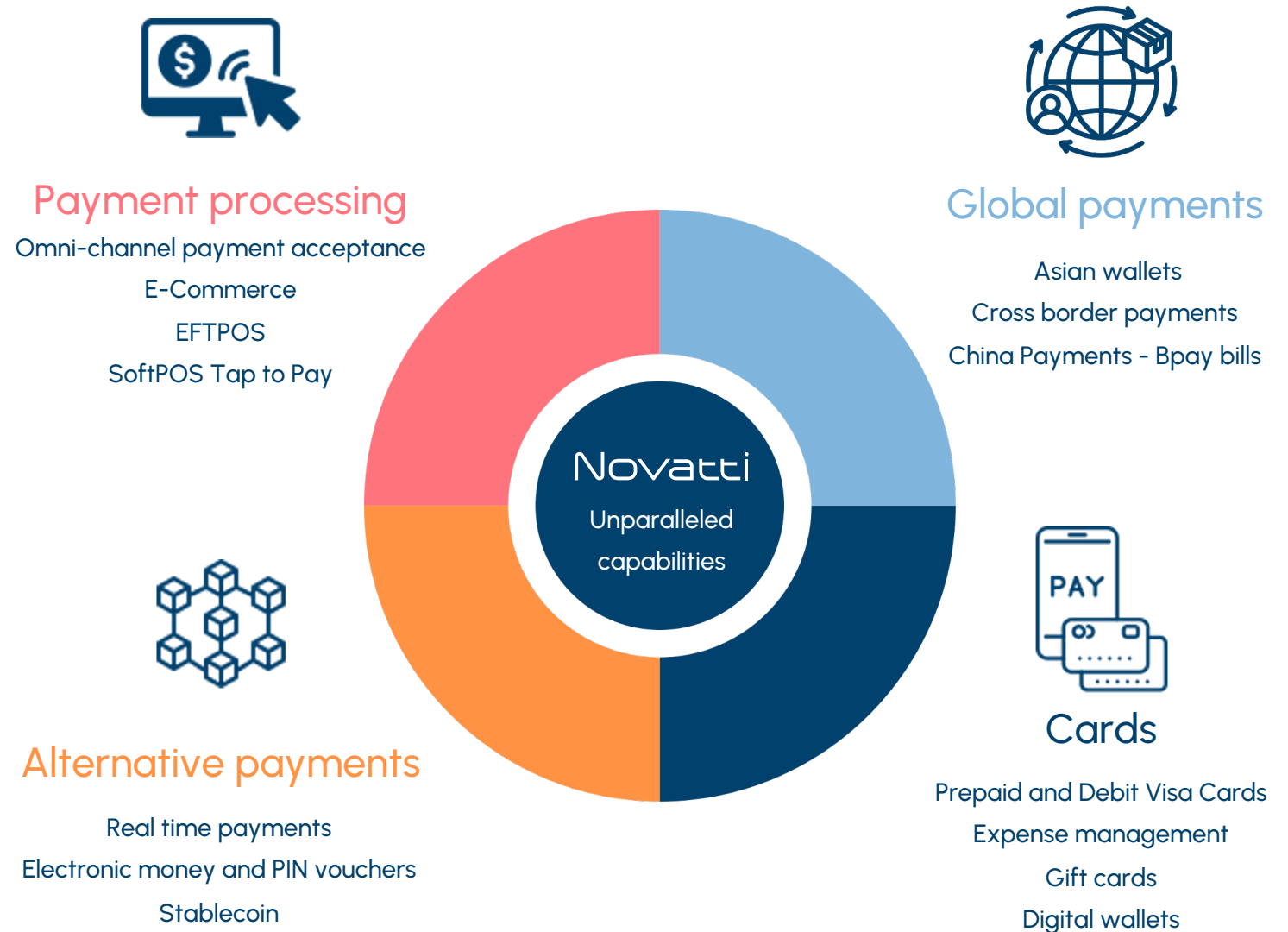
The material contained in this document is a presentation of general information about Novatti Group Limited's activities, current as at 30 April 2024.

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.

To the extent permitted by law, no responsibility for any loss arising in any way (including by way of negligence) from anyone acting or refraining from acting as a result of this material is accepted by Novatti Group Limited or any of its related bodies corporate.

Our purpose

We enable
businesses to
pay and be
paid



Our strategy

Transformation underway from a group of independent businesses into a focused Payment Solutions business, underpinned by **positive cashflow target** and **3 year 70%+ margin target**.



Simplify
the Business



Market and
Customer-Led



Lift Financial
Performance

A new payments team executing the strategy



Mark Healy
CEO

Experienced global payments and software executive with prior senior roles in Global Payments Inc, Neteller, Paysafe Group, Ezidebit and eWAY delivering organic and inorganic growth.



Beth Moylan
Head of Marketing

Strategic and creative marketing leader with 20+ years experience in financial services and fintech brands, including Lloyds TSB, Travelex and Payble.



Jason Turnbull
Executive GM
Payments AU/NZ

C level executive with a history of leading growth strategies for businesses in several vertical markets. A passion for people and a relentless focus on innovation to build high performing teams and cultures.



Stephen Leeds
Head of Business
Development (Payments)

A payments sales professional with a history of building sales teams, processes and partnerships to success. International experience with Afterpay, Network International and Paypal.

FY24 - quarter by quarter progress



FY24 – Transformation in action

Simplify the Business



- Business portfolio re-organised
- Payments as core
- Streamlined payments sales process
- Strategic review of all business areas

Market Led, Customer Focus



- New marketing and sales leaders
- Streamlined access to multiple products
- Identified target verticals and customer types
- Commenced brand repositioning

Lift Financial Performance

- 3 year 70%+ margin target
- \$4m+ annual cost savings program implemented in Q3, FY24
- 12% workforce reduction
- Early wins from customer-led approach
- External funding for key initiatives

Simplified business overview



Payments AU/NZ

Issuing
Cross Border
Acquiring
Bill Payments



Payments International

Alternate
Payments

ATX



Technology Solutions

Basis 2

Emersion

Enterprise
Software



Investments

International
Bank of Australia

AUDD

TTM Revenue

(Jan 23 - Dec 23)

\$12.8m

\$19.5m

\$6.5m

Rev Growth Rate

(TTM vs PCP)

75%

3%

11%

Market capitalisation at 6c is ~\$21m

Novatti

Impact – increasing growth off a lower cost base*

\$12.4m

Record Q3 FY24
Group Revenue

+21%

Increase in quarterly
revenue through FY24

\$4m+

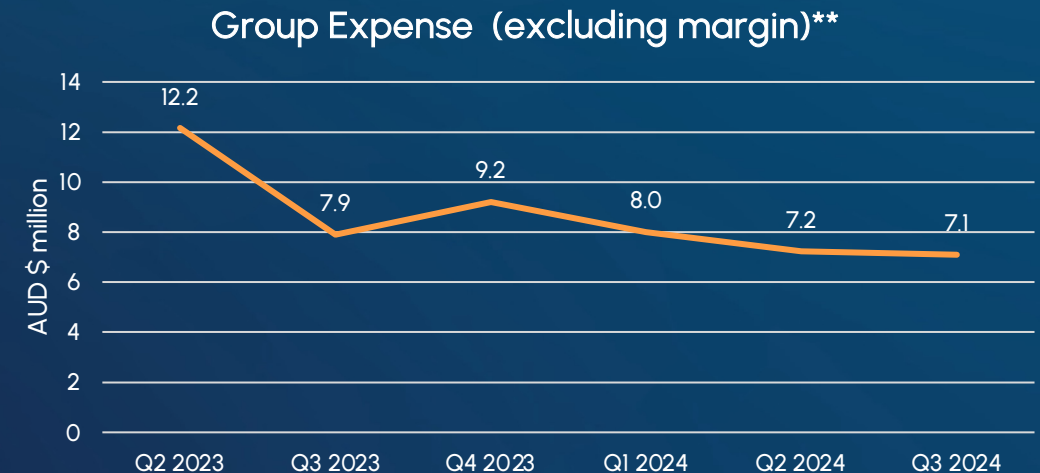
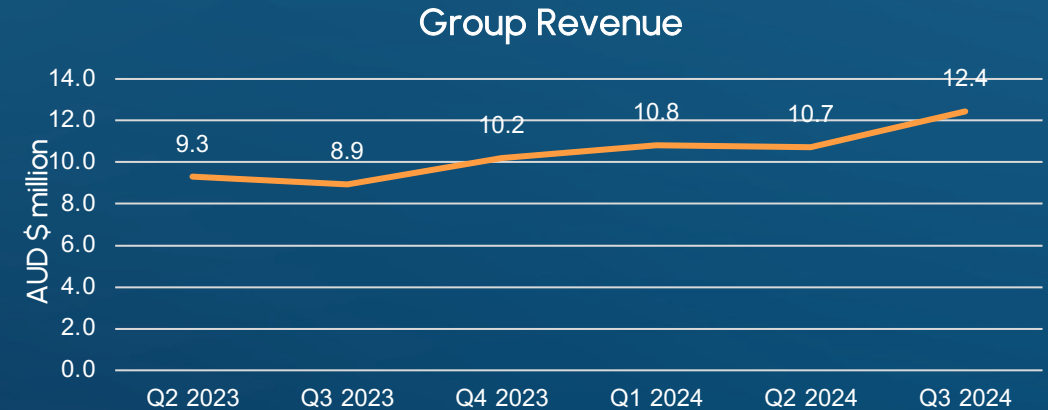
Annualised cost saving
implemented to take
effect from April 2024

-23%

Decrease in
quarterly expenses
through FY24

~\$9.5m

Cash at end
of Q3 FY24



*All figures throughout this presentation relating to Q3 FY24 remain unaudited unless stated otherwise.

** Excluding International Bank of Australia

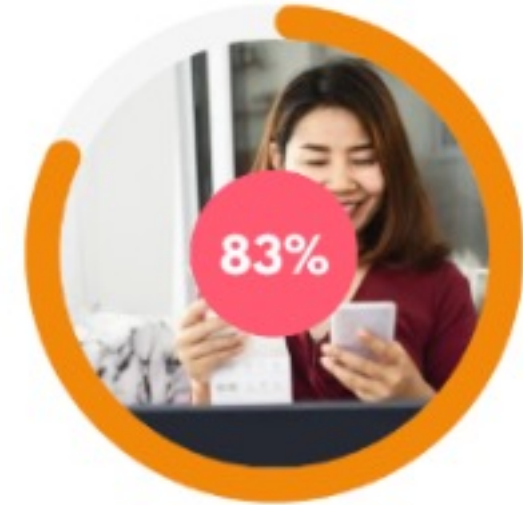
The Payments AU/NZ opportunity



Australian businesses believe they need to improve their payment systems



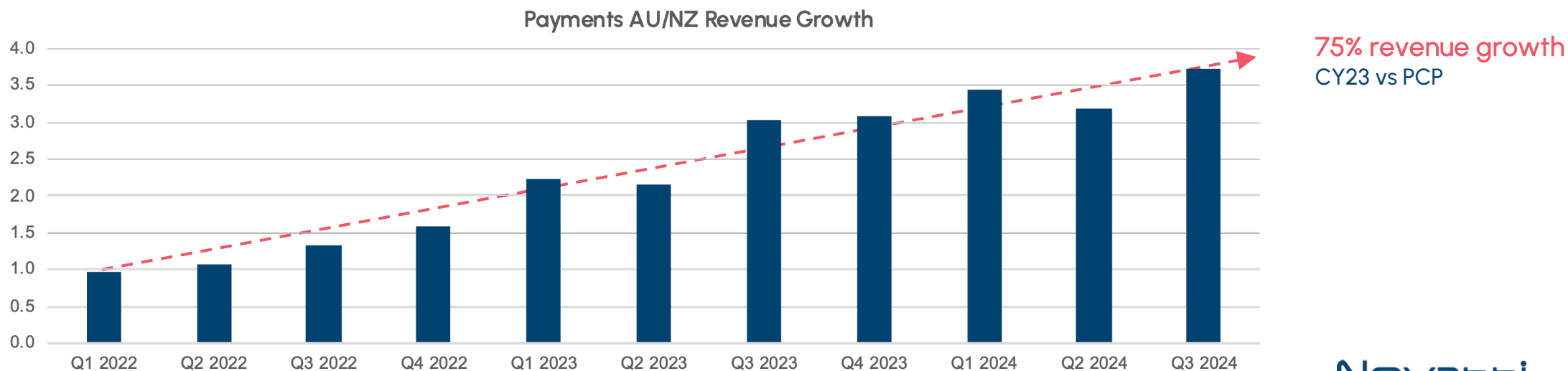
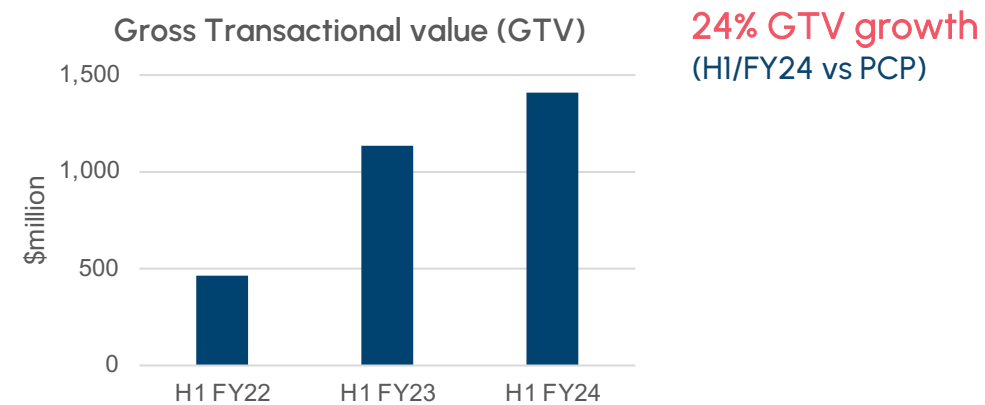
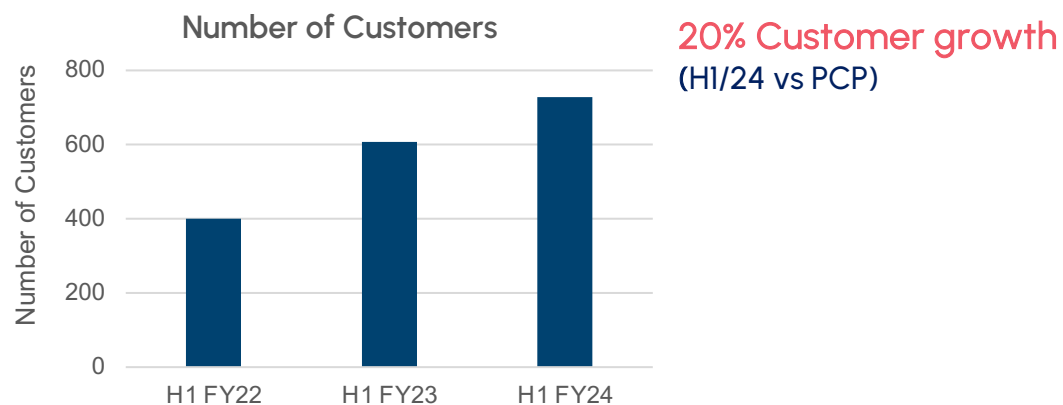
Medium and large businesses said payments are critical for their digital transformation



Businesses that invested in digital payments reported improved revenue or customer relationships

Novatti

Seeing this in Payments AU/NZ performance



Targeting high-margin revenue

In line with positive cashflow target, pursuing higher-margin revenue through a market led and customer focused approach. Already having positive impact with new and expanded engagements emerging.



Target Customers



Medium sized companies

- Growth ambitions and want a high trust relationship
- Require tailored payment solution
- Need support to manage their business risk
- Desire to increase revenue through Asian Payments
- International entering AU/NZ market



Software Distributors

- Distributor with integration to key verticals
- See payments as a revenue generator
- Desire partnership with opportunity to scale together
- Require credible and trusted experts
- Broad payments capabilities

Payments AU/NZ Driver 1 - Acquiring

Provide solutions for businesses to accept, process and manage all forms of payments from their customers

- Omni-channel experience across online, offline and in-app payments.
- Acquiring licenses with Visa, Mastercard, American Express, Asian Wallets; direct bank transfers and real time A2A payments.
- Mobile solutions, digital onboarding and fraud chargeback protection.



VISA



Apple Pay

PayPal



Novatti

Payments AU/NZ Driver 2 – Issuing

B2B digital transformation and enabling consumer payment choice drive our solutions.

Principal license with Visa for AU + NZ:

- Prepaid and Debit Cards, including multi-currency
- General Purpose Reloadable Cards
- Gift & Incentive Cards

A diverse range of use cases for Fintechs, SMB and Corporates:

- Rewards programs
- Expense payments
- Distribution of funding
- Digital wallets
- BNPL providers



Novatti

The path forward

Mid-2024 cash positive target increasingly challenging. Will be implementing the costs and revenue measures necessary to achieve positive operating cashflow late in CY24.

- Every business area subject to ongoing strategic review and benchmarked against financial targets
- Strategic review optimisation and divestment decisions
- Target verticals for high-margin revenue - 3 year target 70%+
- Build on Q3 cost reduction and take further measures necessary to achieve positive operating cash flow



Novatti