



Novatti Group Limited (ASX:NOV)

Investor Update

31 August 2023

Novatti



Disclaimer

The material contained in this document is a presentation of general information about Novatti Group Limited's activities, current as at 31 August 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.

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.

A Snapshot

Novatti is an end-to-end payments provider with a growing international presence with operations across Asia-Pacific, Europe, UK, US, Middle-East and Latin America.

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.

+\$39m*
Group Revenue

20%
Annual growth rate

+\$4.2b
Transaction Value

160
Employees

~\$40m
Market cap

*All figures throughout this document relating to FY23 performance remain unaudited unless stated otherwise

Novatti



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.

A unique end-to-end payments capability

Acquiring

Omni-channel payment acceptance for merchants, eCommerce, embedded and in-store payments.

Issuing

Visa prepaid, debit and gift cards, digital wallets and end-to-end program management.

Cross Border Payments

International transfer payments network for businesses in 20+ currencies.

Novatti BillPay

B2C bill payment solution heavily utilised by international students.

International Payments

Services and products to drive success for international payments.

With a deep and inter-connected ecosystem

Our assets, regulatory coverage and relationships are hard to replicate

Technology

High barriers to entry to digital and mobile platforms



Digital Wallets



Fintech



Payments



Billing

Licenses

Opens jurisdictions, generates trust and builds opportunities across regions



Partnerships

Strong global associations



Novatti

The key pillars of our business



Payments AU/NZ

Issuing
Cross Border
Acquiring
Novatti BillPay



Payments International

Alternate
Payments
ATX



Technology Solutions

Basis 2
Enterprise
Software
Emersion



Investments

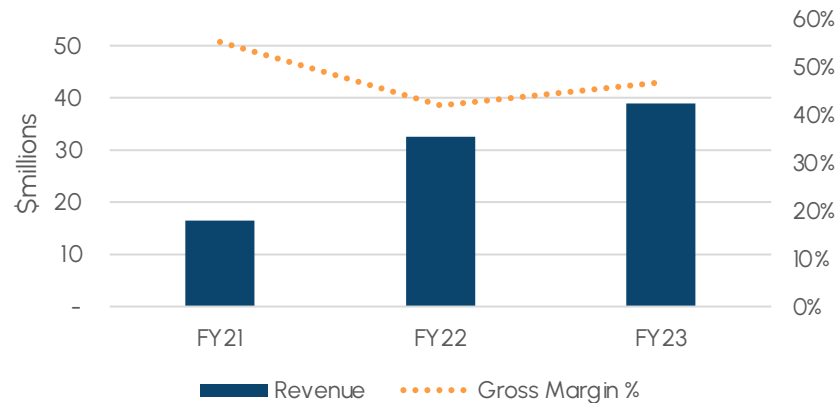
Reckon
International
Bank of Australia
AUDD
Inovapay

Support

- Corporate
- Finance
- People Experience
- Legal, Compliance & Risk
- Marketing
- Payment Operations
- Technology
- Information Security

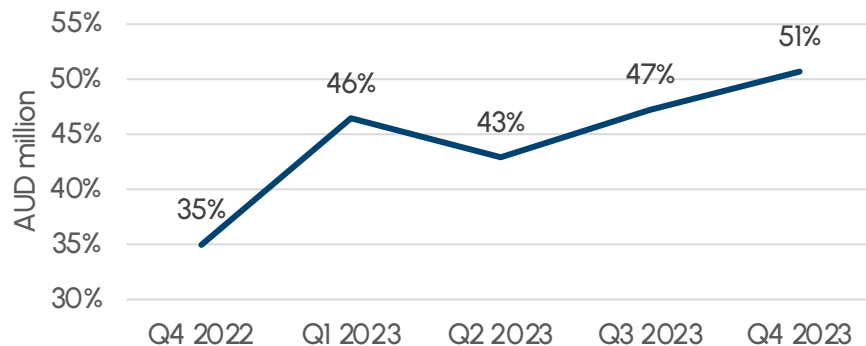
Growth maintained in FY23 with a drive for margin

YoY Revenue and Margin



FY22 reduction in margin YoY was impacted by the acquisition of ATX

Quarterly Gross Margin %



- FY23 revenue growth to \$39m, an increase of 20%
- Continued FY23 gross margin improvement to 51% for the Q4 period
- Highlights substantial progress being made in business performance
- Focused on increasing margin going forward to drive profitability, balancing the needs of growth and mature business areas

The path forward



Simplify the Business

- Portfolio pillar focus
- Capital discipline

Market & Customer Led

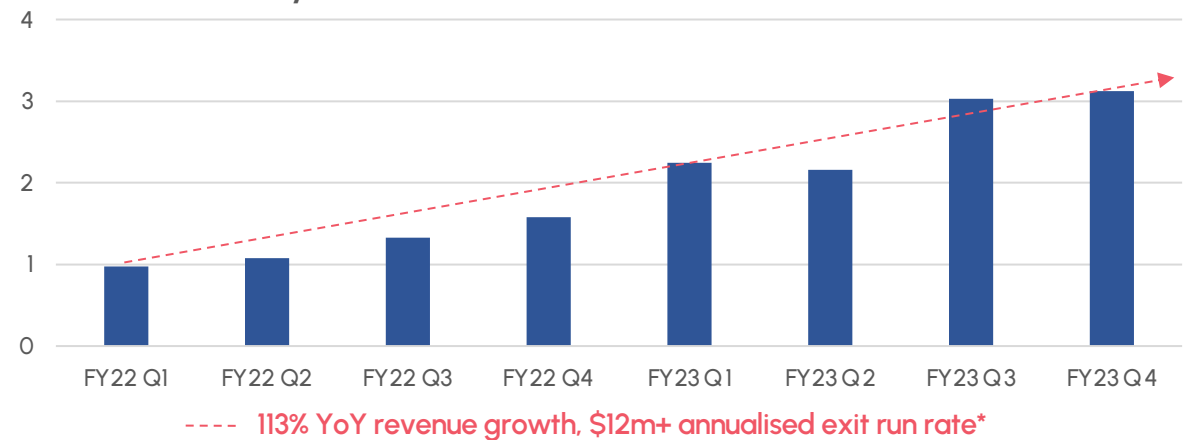
- Ecosystem cross selling
- Integrate the go to market

Lift Financial Performance

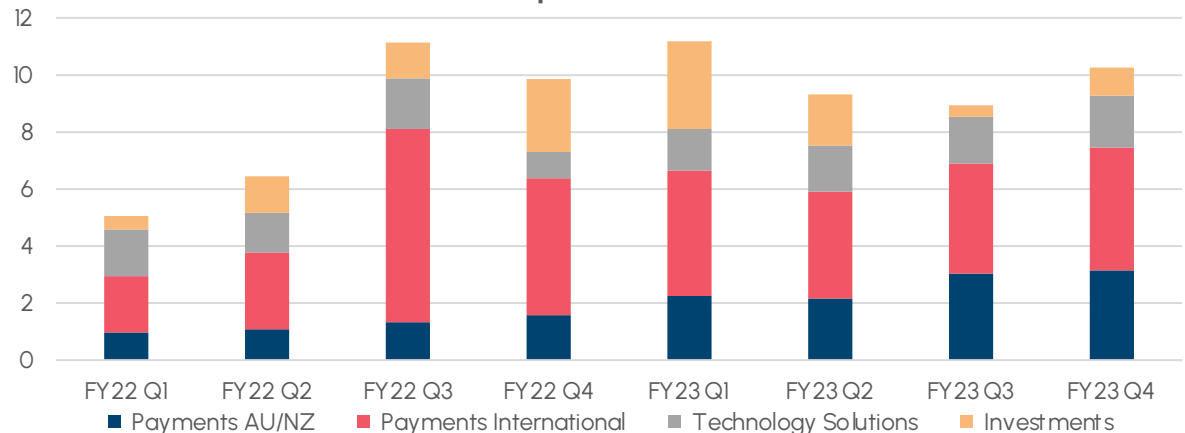
- Strong revenue growth
- Improving profitability

Payments AU/NZ the Future Growth Engine

Payments AU/NZ Revenue Growth (\$ million)



Novatti Group Revenue (\$ million)*



*Unaudited estimate per 4E

Growth Driver 1 - Acquiring

Payment acceptance innovation driving our solutions

- Omni-channel experience across online, offline and in-app payments.
- Acquiring of all scheme cards, Asia wallets, New Payments Platform.
- Mobile solutions, digital onboarding and fraud chargeback protection.



VISA



Apple Pay

PayPal



Novatti

The Acquiring Landscape

Market Size & Growth



Notable Customers



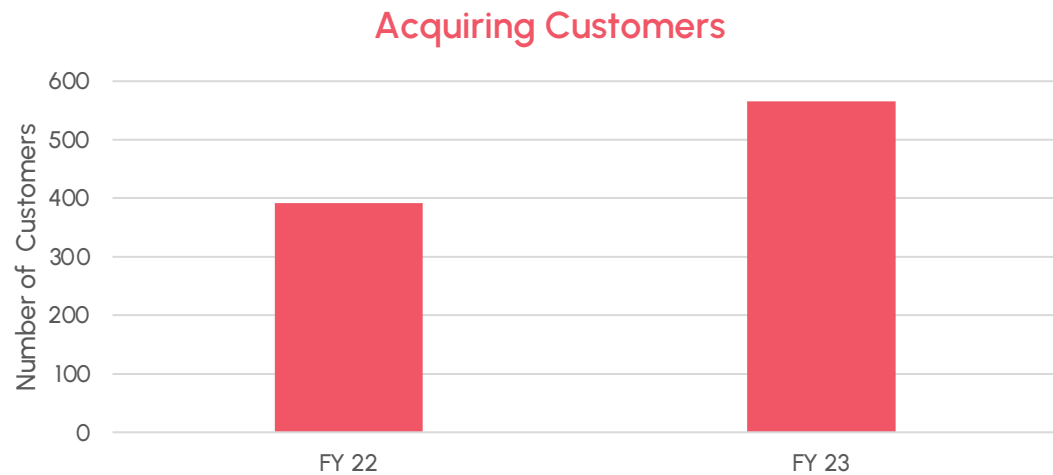
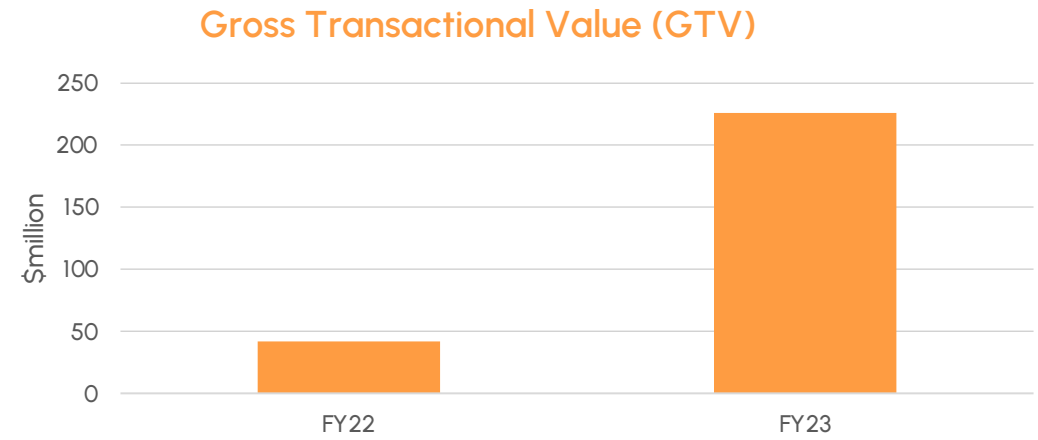
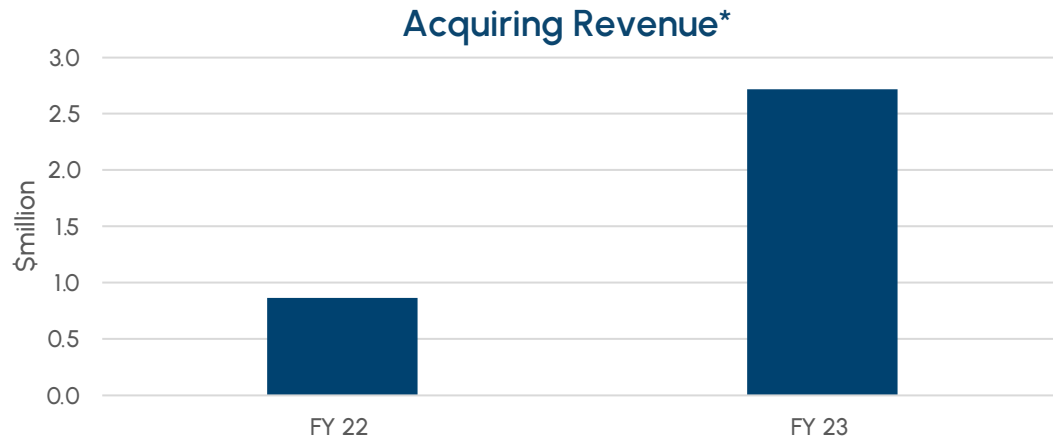
Comparable Services



Our Growth Plan



FY23 - Break out year for Acquiring



+198% revenue growth
delivering ~\$1.7m
incremental revenue

Annualised \$3.1m exiting run
rate revenue

Strong GTV growth of 435%
(\$182m)

44% growth in customers

+191k (189%) margin increase
YoY

3 Year target margin growth
to 70%

*Unaudited estimate per 4E

Growth Driver 2 – Issuing

Digital transformation across businesses driving our solutions

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

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

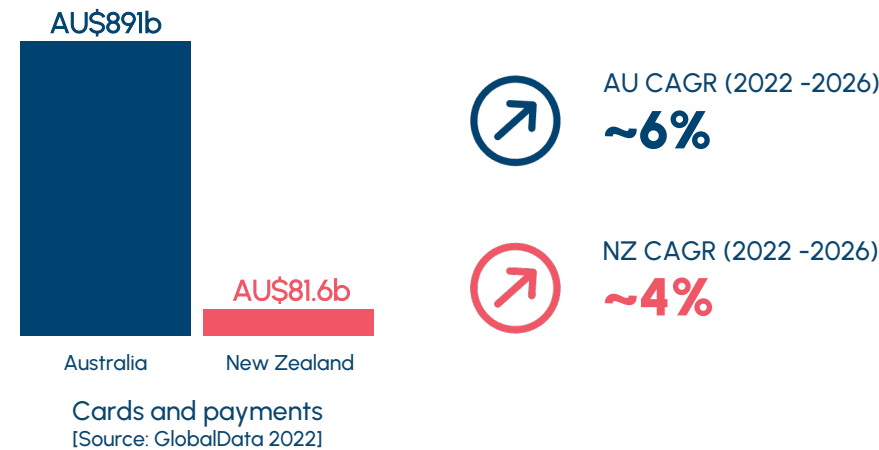
- Rewards programs
- Embedded finance
- Expense payments
- Distribution of funding
- BNPL providers
- Digital wallets



Novatti

The Issuing Landscape

Market Size & Growth



Notable Customers



Comparable Services

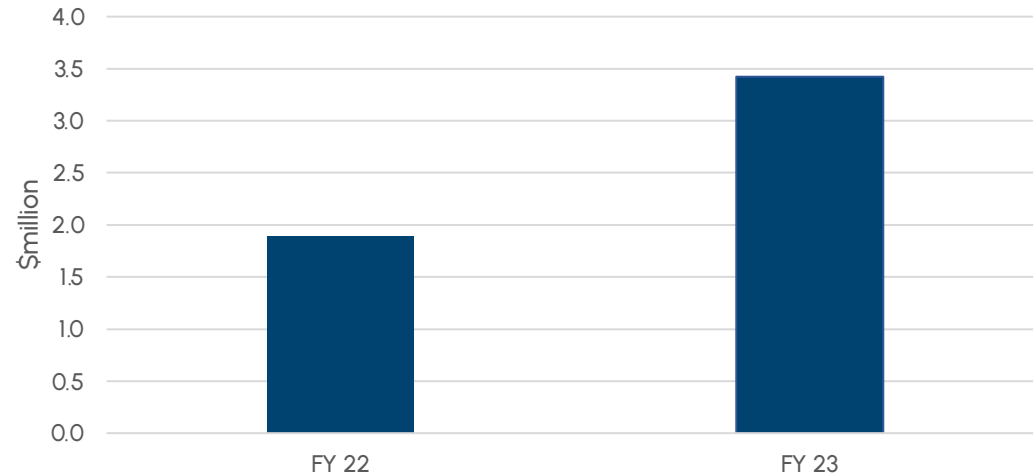


Our Growth Plan

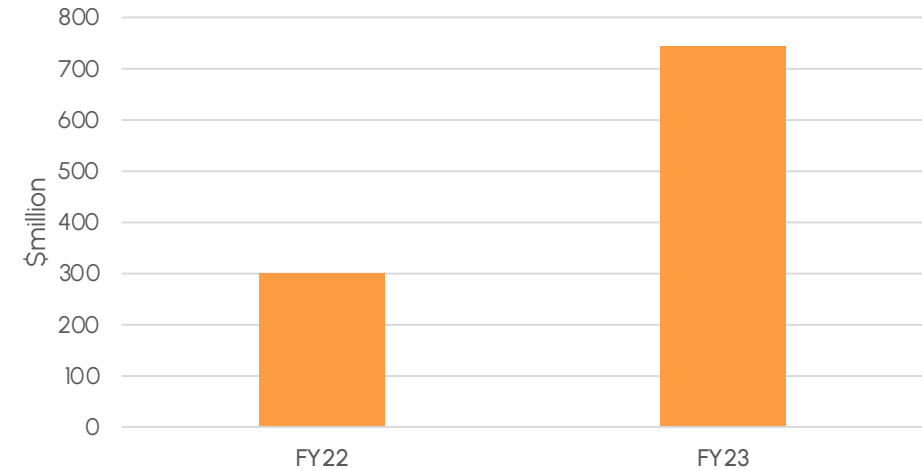


FY23 - Delivering on Issuing growth objectives

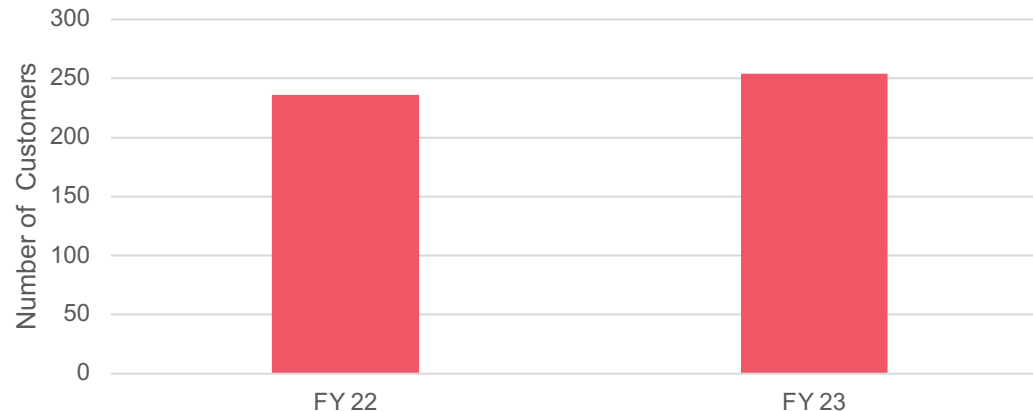
Issuing Revenue*



Gross Transaction Value (GTV)



Issuing Customers



+81% revenue growth
delivering ~\$1.5m
incremental revenue

Annualised \$3.6m exiting run
rate revenue

Strong GTV growth of 147%
(\$442m)

8% growth in customers

+635k (81%) margin increase
YoY

3 Year target margin growth
to 70%

*Unaudited estimate per 4E

Growth Driver 3 – Cross Border

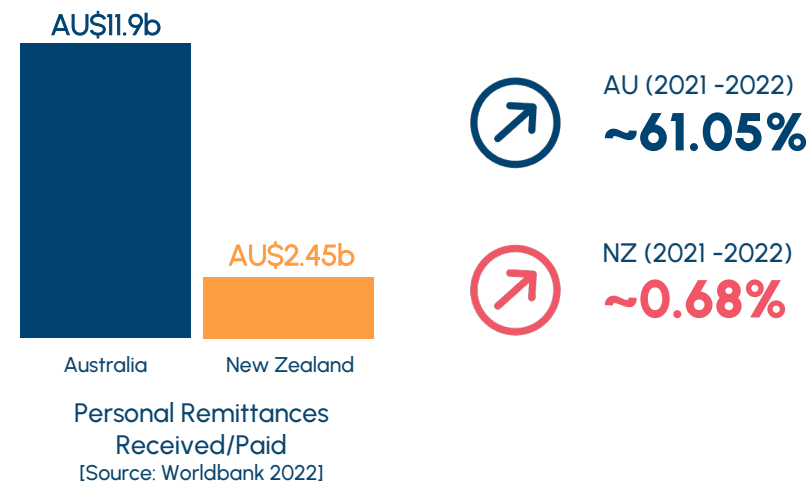
International Trade driving our B2B solutions

- Australian and New Zealand businesses can send and collect funds globally without the need to open a foreign bank account.
- The Novatti Global Currency Account allows customers to collect, convert and pay in 35 currencies and receive in 20+ currencies globally.
- As a licensed remittance network provider, we allow other Fintechs and Money Service Businesses to send and collect funds globally.



The Cross Border Landscape

Market Size & Growth



Notable Customers



Comparable Services

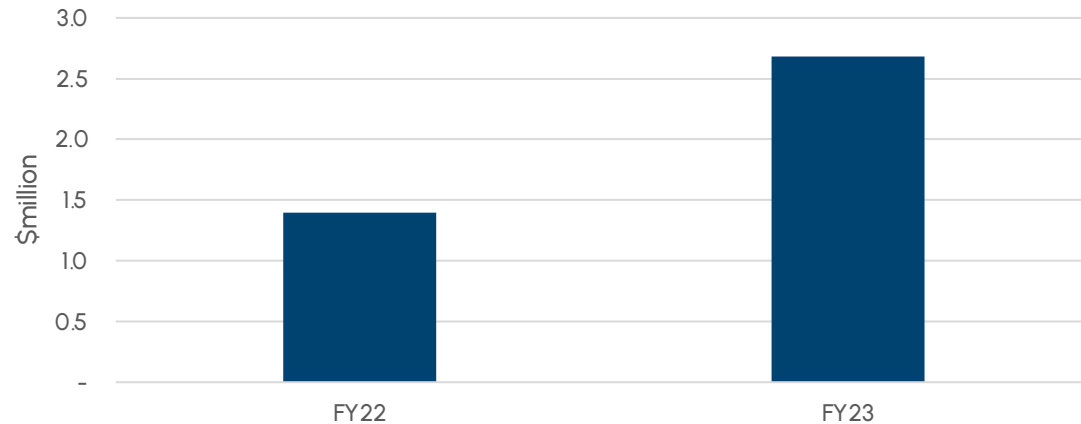


Our Growth Plan

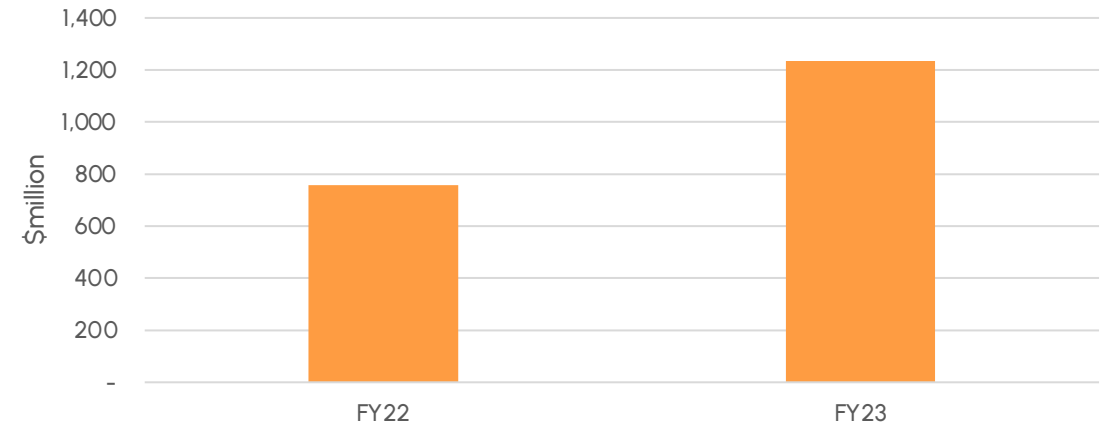


FY23 - building share with Cross Border customers

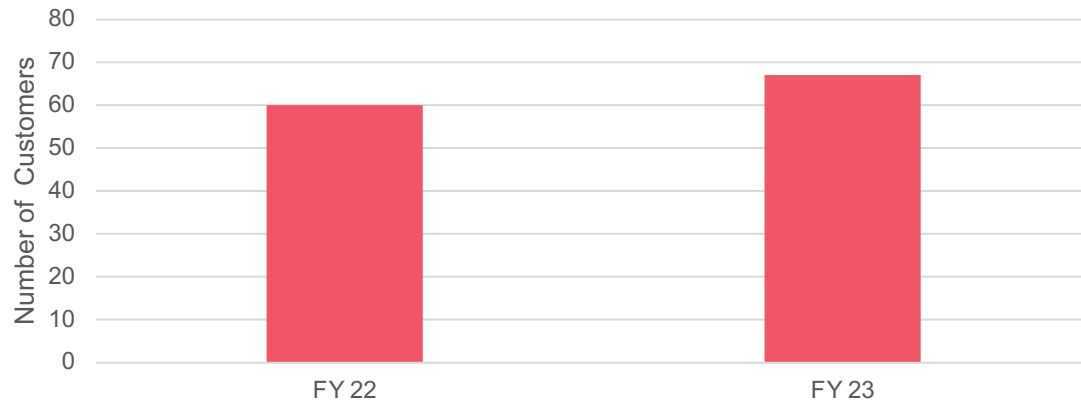
Cross Border Revenue*



Cross Border GTV



Cross Border Customers



+92% revenue growth
~\$1.3m incremental revenue

12% growth in customers

Annualised \$2.5m exiting
run rate revenue

+\$1.6m (286 %) margin
increase YoY

Strong GTV growth of 63%
(\$479m)

3 Year target margin growth
to 70%

*Unaudited estimate per 4E

Novatti

Outlook

- New leadership team with scaling expertise
- Digital transformation tailwinds
- Business simplification
- Payments AU/NZ as future growth engine
- Improved financial performance
- Target operating cash flow positive in Q4, FY24
(excluding International Bank of Australia)





Thank you

This presentation has been approved for release to the ASX by:

Peter Cook, Executive Director

Mark Healy, CEO

www.novatti.com

Novatti