

Novatti

FY22 Results Presentation

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FY22 in numbers

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\$32.5m

FY22 annual sales
revenue
– highest ever

+97%

Increase in annual
sales revenue
on FY21

+150%

Increase in annual
processing revenue
on FY21

76%

Average growth in
annual sales revenue
across past five years

\$6.1m

End of FY22
cash balance

\$23m+

New cash expected in
near term adding to
end of FY22 balance*

\$16.6m

Loss before income
tax expense

\$36m

Net assets at
end of FY22

*Based on publicly announced dividend guidance from Reckon Limited and gross proceeds of corporate bond issue. The final amount may be lower or higher, and will be dependent upon a number of factors including the level of debt paid down by Reckon, cash retained and tax.

Novatti enables businesses to **pay and be paid**, from any device, anywhere. From corner stores and startups to global organisations, our solutions will unlock your ambitions.

Tracking long-term growth

Novatti

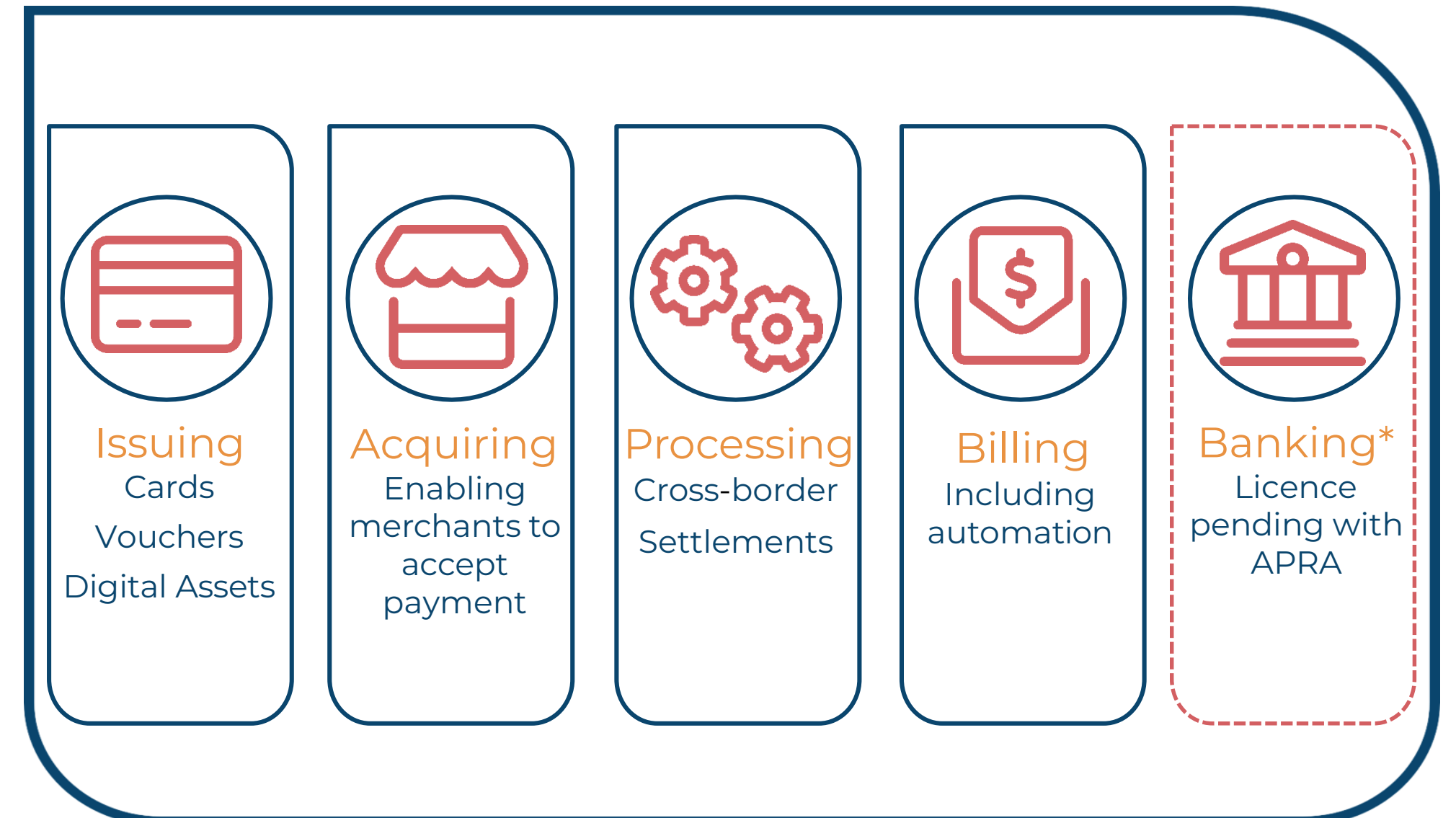
- Demand for digital payments is growing rapidly
- Can be complicated for businesses to go digital – Novatti makes this easy and cost effective
- Novatti's long term development and growth can now be tracked across multiple years:
 - FY21 – Global payments ecosystem established
 - FY22 – Proving we can leverage ecosystem for growth – revenue up 97%
 - FY23 – Seek to continue growth, improve margins, achieve break-even cash flow



Making business payments easy

Novatti

- Novatti provides businesses with everything they need to **pay and be paid**
- Focus on mobility through technology – using any device, anywhere
- Covers the complete payments value chain – from issuing payment cards to banking services*

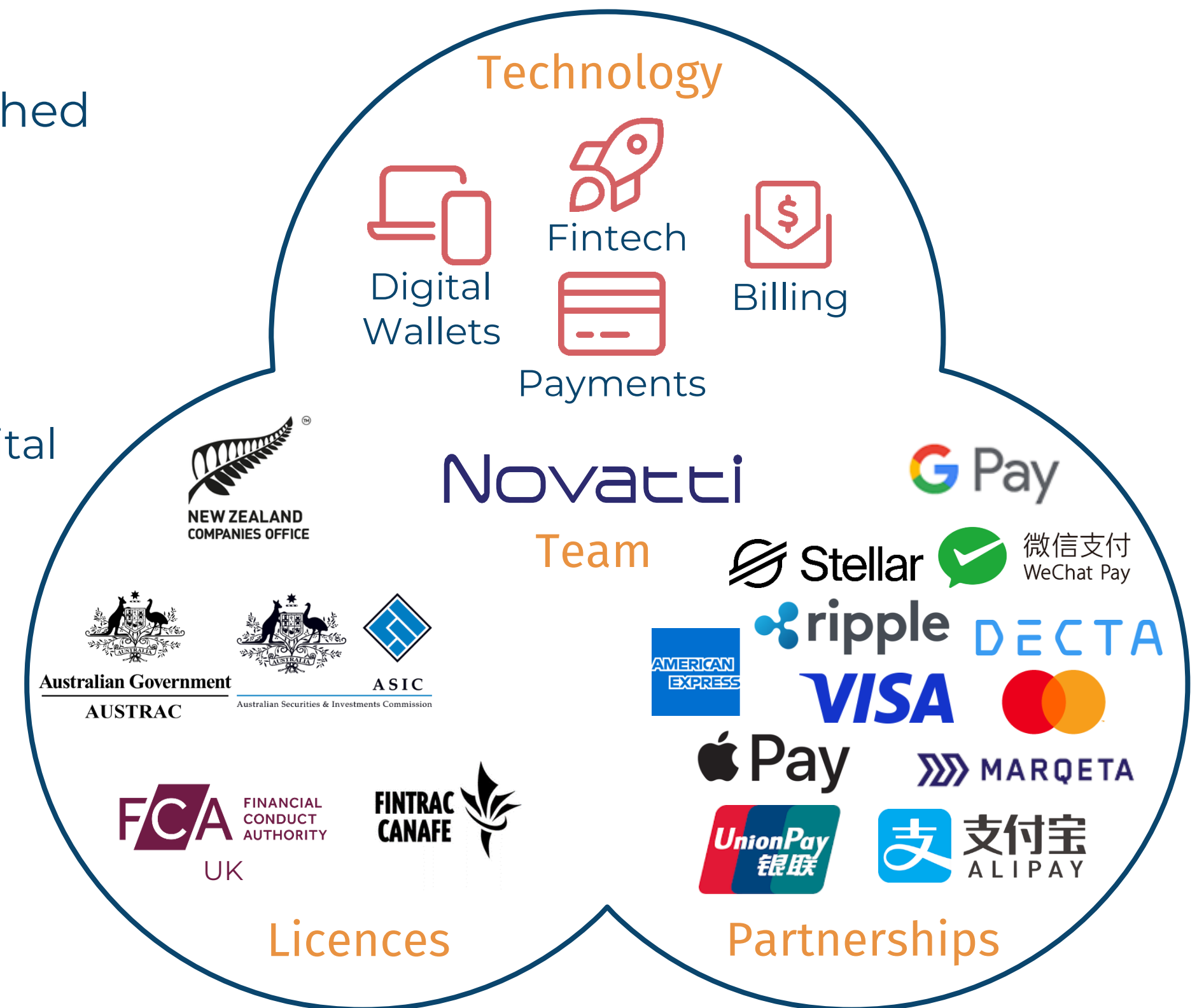


*Licence pending with APRA

Global ecosystem established

Novatti

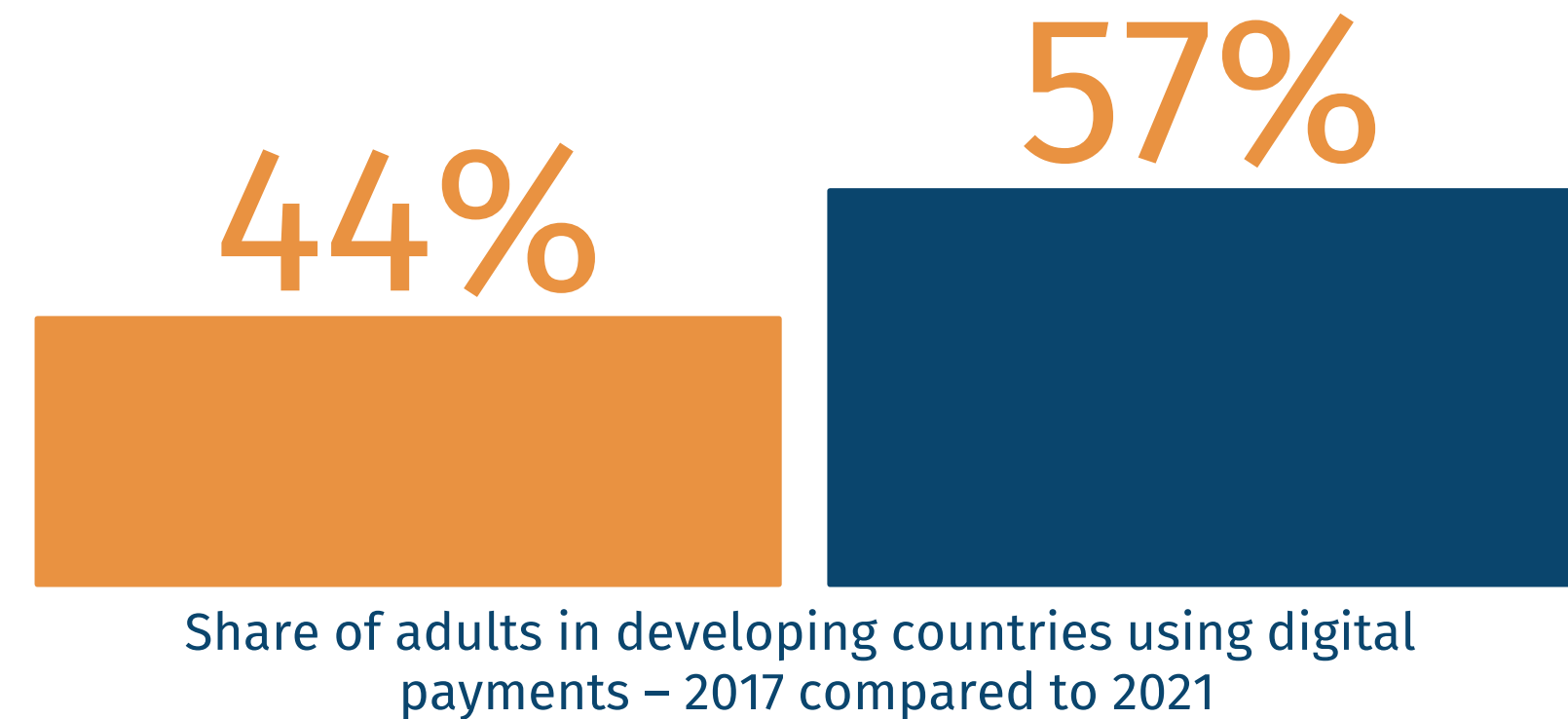
- Extensive global B2B payments ecosystem established
- This includes:
 - Technology – digital and mobile platforms
 - Licences – opening jurisdictions and highlighting trust
 - Partnerships – providing scale without substantial capital
 - Team – leading in-house expertise
- Now monetising and leveraging this hard to replicate yet scalable investment



Digital payments trend still going strong

- Recent volatility in global markets has created a lot of noise in fintech sector
- Novatti is not seeing a slowdown in global demand for its services
- Latest macro-level demand continues to suggest shift to digital payments just starting...

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[Source: WorldBank]



Number of adults in each country who made their first digital merchant payment after the start of the pandemic

[Source: WorldBank]

FY22 - Delivering on growth strategy

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- FY22 commenced with a \$40m+ capital raising
- Focused across the year on delivering on growth strategy with these funds:



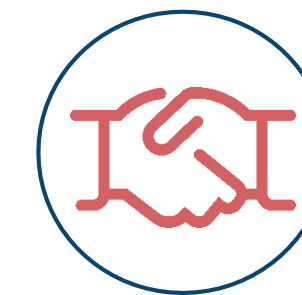
New and expanded markets

- Accelerated growth of acquiring business with new Visa and Mastercard licences
- AUD-backed stablecoin to increase payments offering
- Extended Ripple partnership into Thailand



Pursue acquisitions

- ATX acquired and successfully integrated
- Pipeline of further opportunities developed and continues to be assessed



Strategic Reckon investment

- 19.9% stake acquired
- Novatti solutions integrated into Reckon's products
- Integration generating revenue
- \$13m+ in dividends received or expected shortly*

*Based on publicly announced dividend guidance from Reckon Limited. The final amount may be lower or higher, and will be dependent upon a number of factors including the level of debt paid down by Reckon, cash retained and tax.

FY22 highlight – Reckon partnership

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- 19.9% interest acquired in leading accounting software provider Reckon Limited (ASX:RKN)
- Strong synergy between payments and accounting software customer needs
- Integrated Novatti's solutions into Reckon's products – already generating revenue
- \$13m+ in dividends received or expected shortly*

\$13m+
Dividends received or
expected shortly*

114k
Number of cloud-
based users

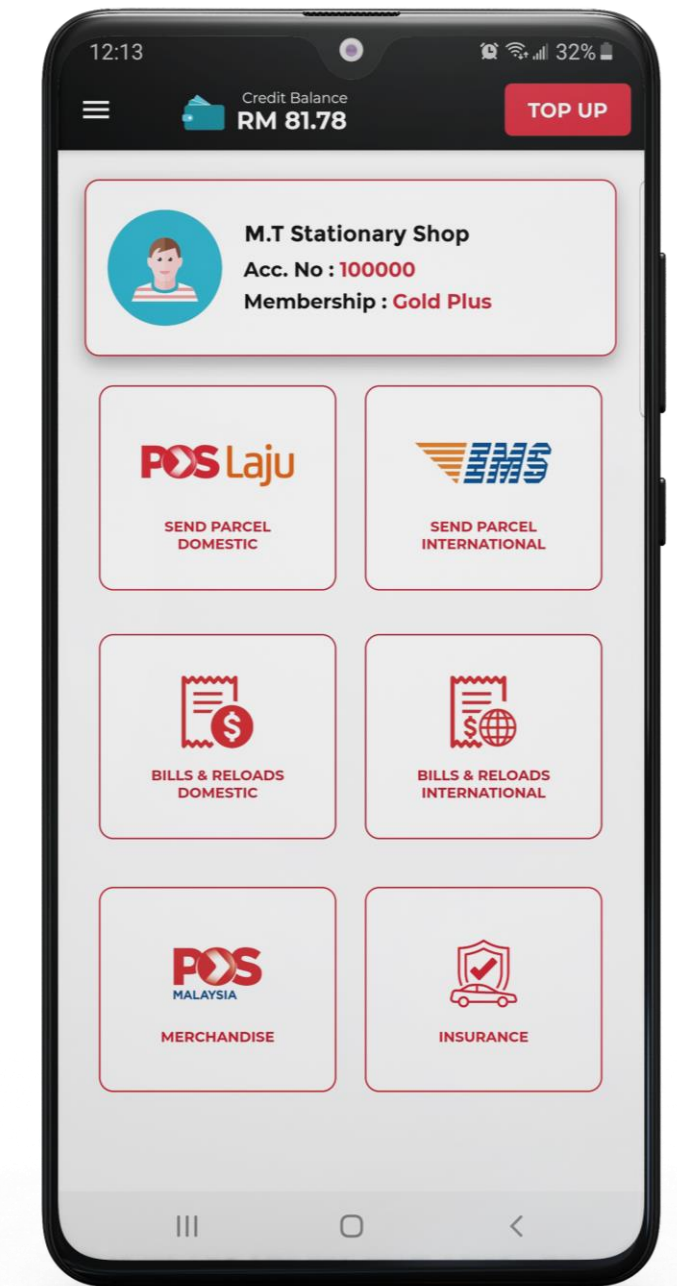


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FY22 highlight – ATX acquisition

Novatti

- Capital raising enabled acquisition and successful integration of ATX
- Rapidly growing fintech in South East Asia
- Provides e-wallet partners, traditional retail stores and kiosks with digital payment services
- Immediate contribution to Novatti's growth
- Provides operating platform in South East Asia

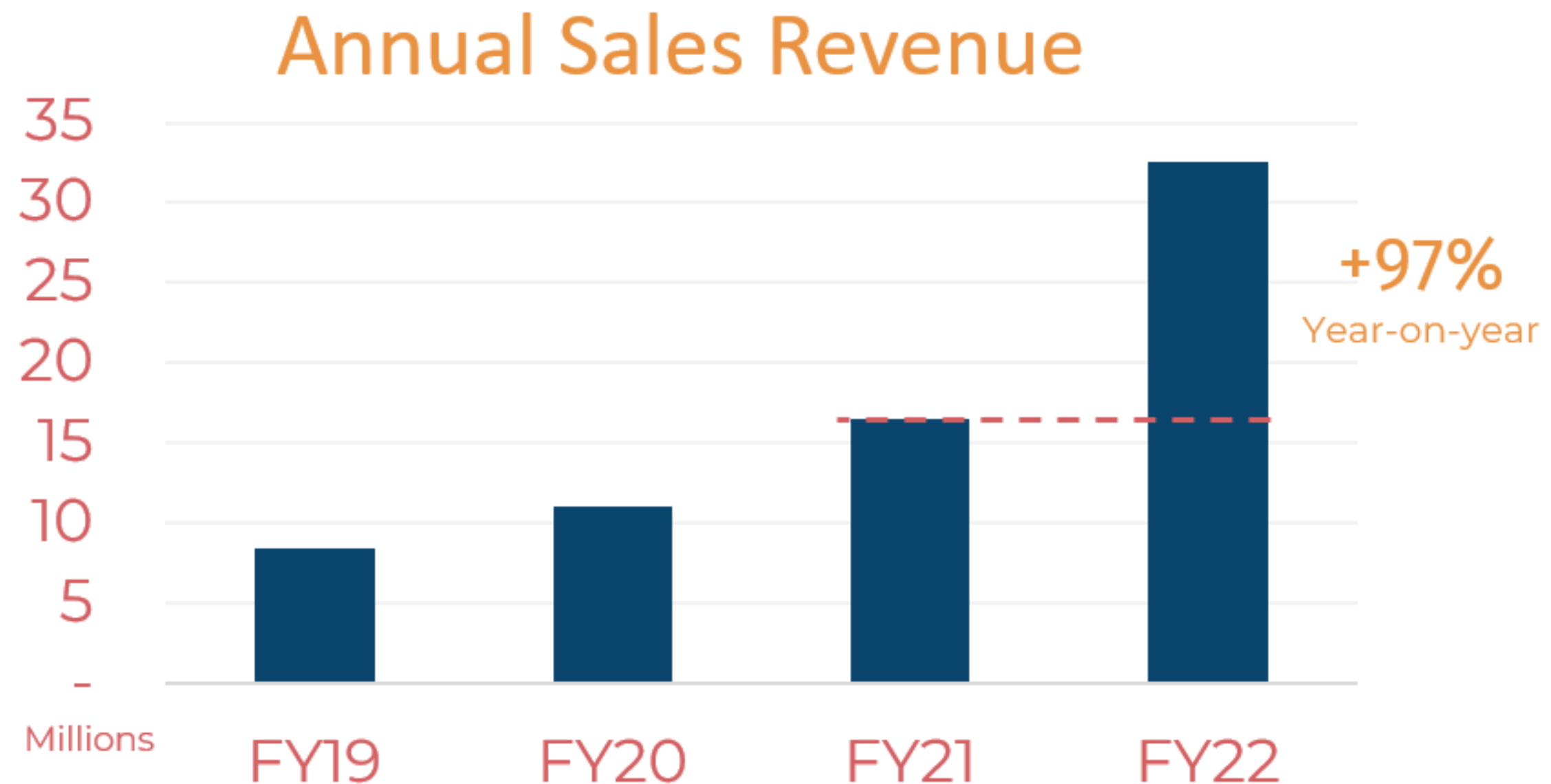


FY22 – Revenue growth

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Topline revenue growth followed from delivery on growth strategy:

- \$32.5m – annual sales revenue
 - Highest-ever result
 - 97%+ increase on FY21
- Consistent growth with four consecutive record quarters
- Strong, long term growth profile - 76% average annual revenue growth across the past five years



Shift to positive cashflow underway

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- FY22 marks a turning point as Novatti seeks increasing returns from recent investment in ecosystem
- Notably, \$16.6m loss before income tax expense in FY22 reflects substantial investment in newer lines of business, including Acquiring, Issuing, and Emersion
- Now shift to positive cashflow well underway
- June quarter saw cash used fall 48%
- Strong balance sheet maintained with \$36m in net assets at end of FY21
- Equally strong cash position with \$6.1m at end of FY21 and additional \$23m expected in the near term*

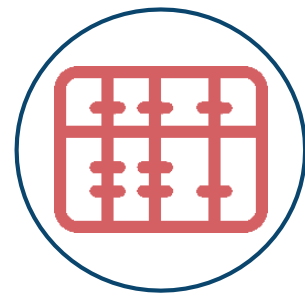
	FY22 \$000	FY21 \$000
Revenue	32,555	16,482
Other income	1,815	1,947
Expenses		
Administrative and corporate costs	(3,725)	(2,227)
Client hosting fees and other direct services	(18,928)	(4,979)
Employee benefits	(27,394)	(15,888)
Foreign currency translation gains/(losses)	403	(116)
Marketing and selling expenses	(290)	(57)
Data management expenses	(1,197)	(454)
Gain on investments at fair value through profit or loss	3,302	366
Share based payment on investor and broker options	(1,325)	(1,085)
Share of net profit of joint ventures accounted for using the equity method	23	33
Gains/(losses) on embedded derivative - convertible note facility into Novatti Group Ltd the parent entity	729	(2,860)
Depreciation and amortisation expense	(1,853)	(1,481)
Finance costs	(725)	(1,507)
Loss before income tax expense	(16,610)	(11,826)

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What to expect in FY23

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Novatti continues to be in a strong position to capture growth in global demand for digital payments. After several years of investment, focused on delivering returns:



Shift to positive cashflow

- Focus already shifted to delivering positive cashflow
- Substantial progress already made in FY22 June quarter – cash used down 48%
- Expect cash usage rate to continue to fall in coming quarters



Leveraging existing investment

- Promote and leverage ecosystem globally
- Grow acquiring business
- Secure restricted banking and other existing licence applications



Macro-level growth

- Still seeing strong macro-level growth in shift to digital
- Will continue to position Novatti to capture this growth without need for substantial capital
- Key example is offering new AUDD stablecoin