

Novatti

2022 AGM Presentation: Scaling for growth

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FY22 in numbers

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FY22 key numbers highlight the strength of Novatti's growth and balance sheet:

\$32.5m

FY22 annual
sales revenue

+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 received
since end of FY22

47%

Decrease in cash
used in September
quarter FY23 YoY

\$36m

Net assets at
end of FY22

Tracking long-term progress

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Novatti's development and growth can be tracked over multiple years, highlighting the significant business now established:

- **FY20** – Invested heavily in partnerships and ecosystem
- **FY21** – Global payments ecosystem established
- **FY22** – Monetising ecosystem – revenue up 97%
- **FY23** – Scale ecosystem for growth, improve margins, objective of positive cash flow



FY22 - Delivered on growth strategy

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



New and expanded markets

- Accelerated growth of acquiring business with new Visa and Mastercard licences
- European compliance and operations team in place
- Extended Ripple partnership



Pursue acquisitions

- ATX acquired in South East Asia and successfully integrated
- Pipeline of further opportunities developed and continues to be assessed



Strategic Reckon investment

- 19.9% stake acquired
- \$14.6m in dividends received so far
- Commercial partnership agreed and generating revenue

FY22 – Overarching business growth

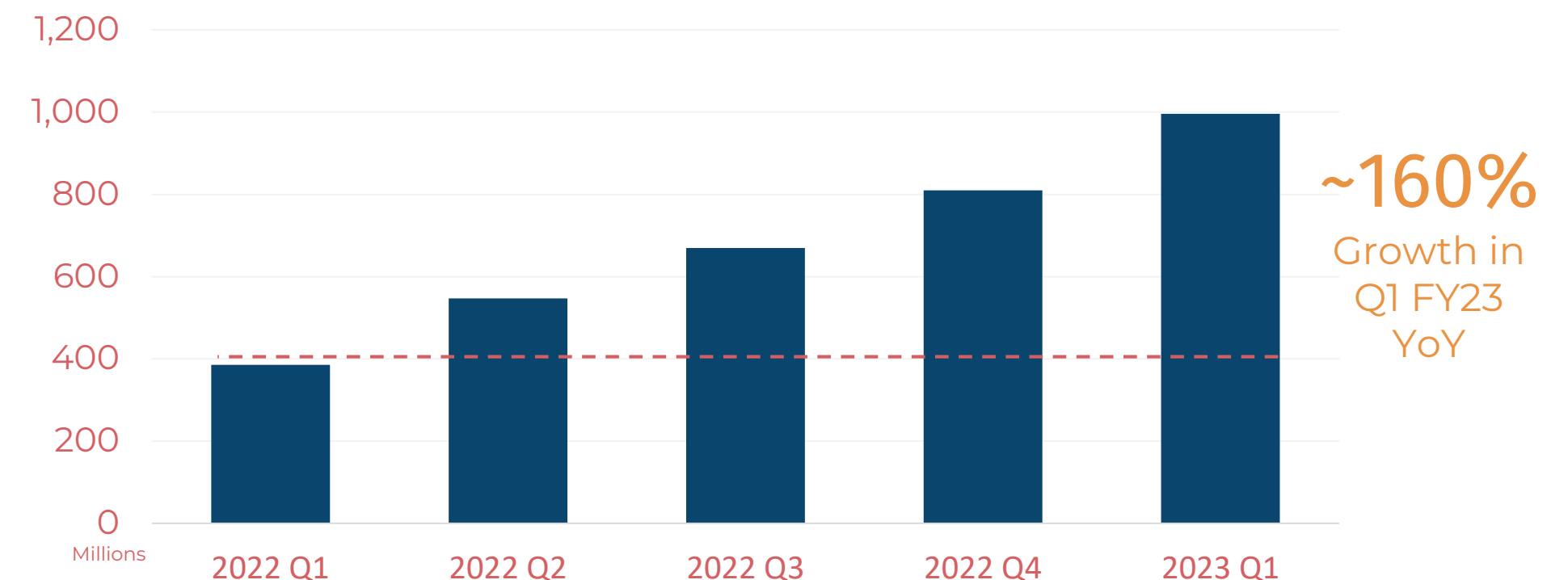
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- Continuing long term revenue growth
 - \$32.5m – FY22 sales revenue
 - 97%+ increase on FY21
 - 76% average annual revenue growth across the past five years
- Gross Transaction Value (GTV)
 - Scaling business brings larger GTV
 - ~160% growth in Q1 FY23 GTV YoY

Annual Sales Revenue



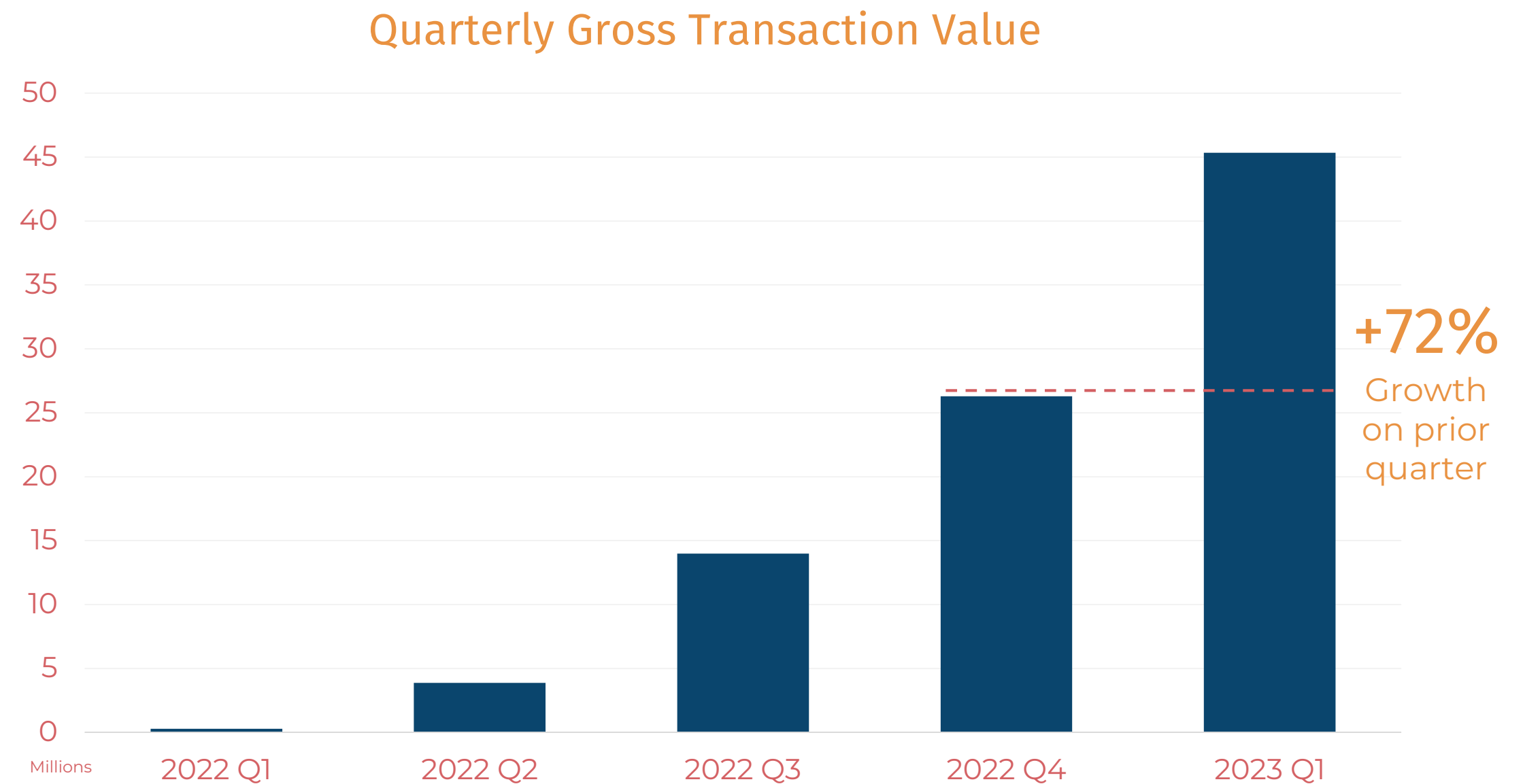
Quarterly Gross Transaction Value



FY22 – Acquiring scaling quickly

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- Enables business to be paid instore and online
- Licences with both Visa and Mastercard
- Solution is scalable
- FY22 sales traction seeing significant results:
 - \$45m+ in Q1 FY23 GTV
 - 72% growth in Q1 FY23 GTV on prior quarter



FY22 – Reckon partnership

- 19.9% interest acquired in leading accounting software provider Reckon Limited (ASX:RKN)
- \$14.6m in dividends received so far
- Integrated Novatti's solutions into Reckon's products – joint marketing bringing through new prospects and customers
- Synergy between payments and accounting software

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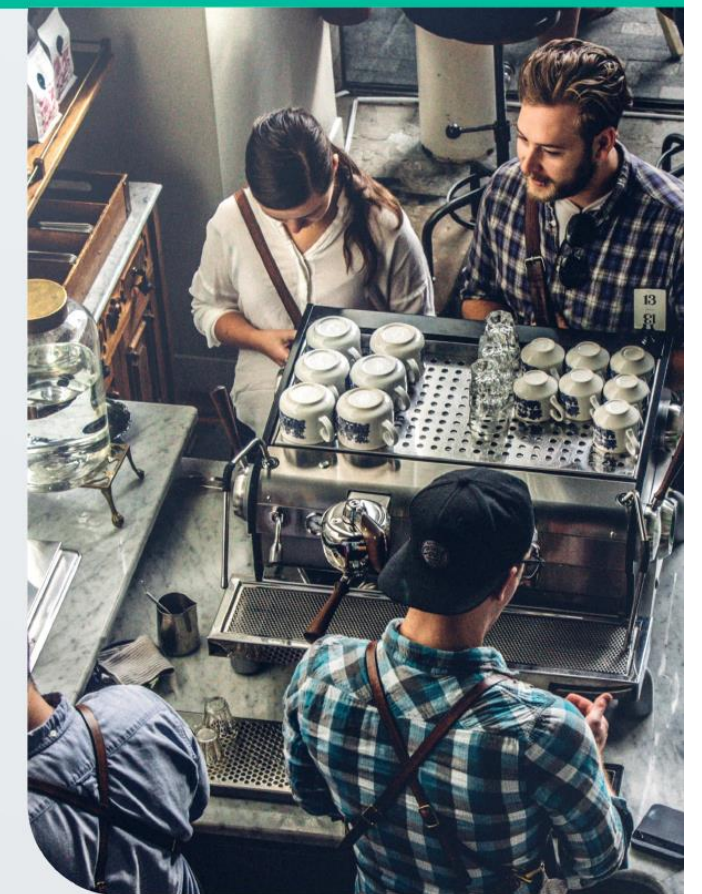
\$14.6m
Dividends received
so far

117k
Number of cloud-
based users

Reckon **R** + Novatti

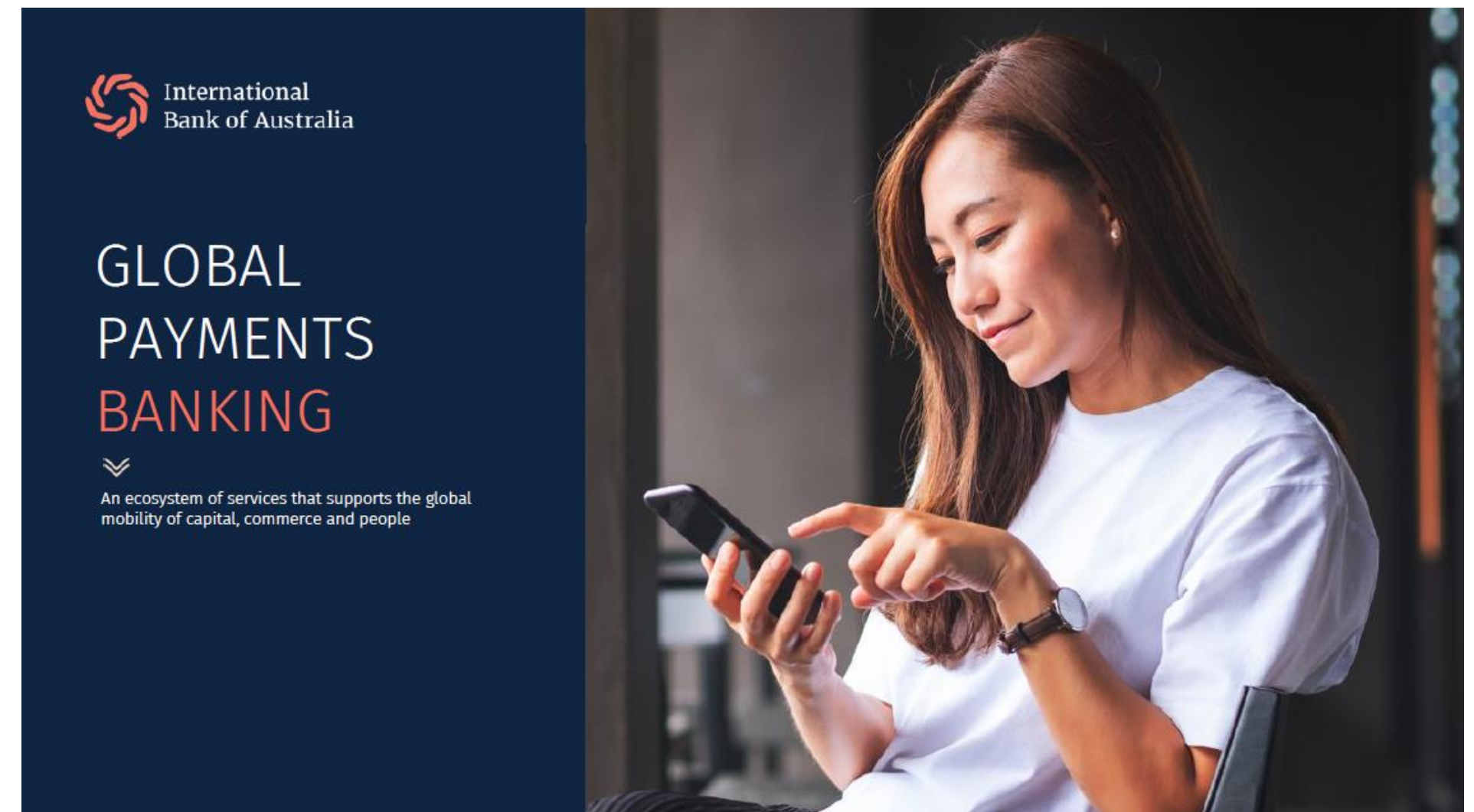
Integration of payment
solutions into Reckon products

4 April 2022



FY23 – International Bank of Australia Novatti

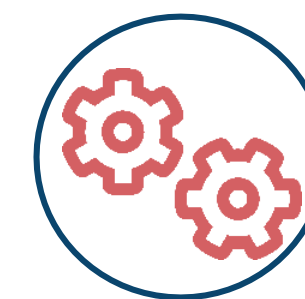
- International Bank of Australia launched
- Followed granting of restricted banking licence by APRA
- Novatti holds 91% interest
- Significant milestone in delivery of Novatti's long term strategy
- Full payments value-chain now established



Issuing



Acquiring



Processing



Billing

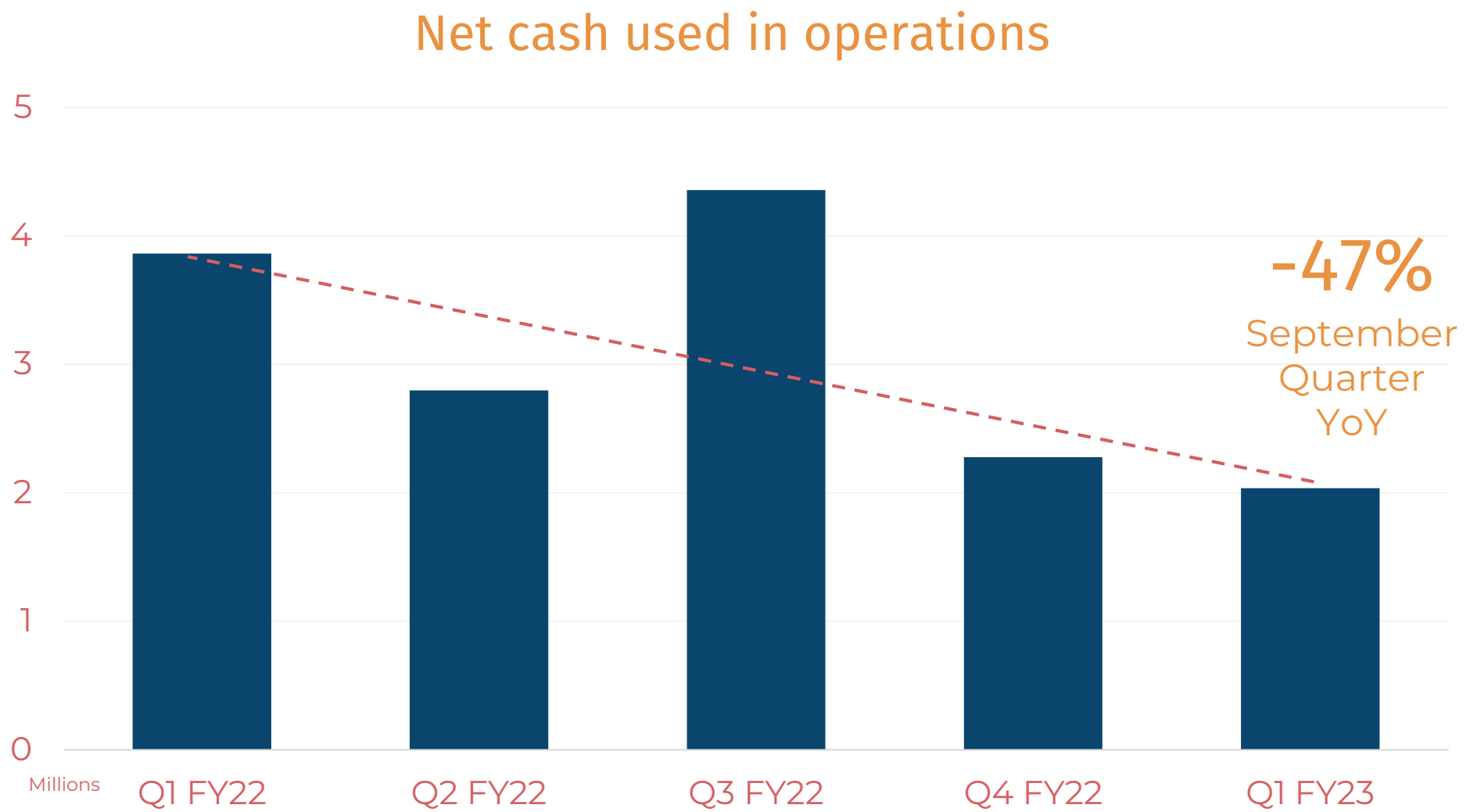


Banking

FY23 – targeting positive cashflow



- FY22 marked a turning point. Targeting positive cashflow underway
- 47% decrease in cash use in September quarter FY23 YoY
- Strong balance sheet maintained:
 - \$36m in net assets at end of FY22
 - \$14.5m end of Q1 FY23 cash balance
 - Additional \$12.8m special dividend now received from Reckon



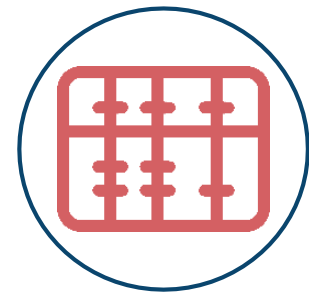
	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Q1 FY23
Net cash used in operations	3.8	2.8	4.3	2.3	2.0
Cash balance	19.9	12.9	8.3	6.0	14.5

Millions

What to expect going forward

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Novatti's business has shifted from an investment and development phase to driving increased margin. Focus on scaling for growth in FY23:



Shift to positive cashflow

- Focus already shifted to delivering positive cashflow
- 47% decrease in September quarter cash use YoY
- Objective is positive cashflow in Q4 FY23



Drive returns from existing investment

- Drive sales traction from ecosystem globally
- Leverage scalable solutions for growth – particularly Acquiring