



Novatti (ASX:NOV)

Annual General Meeting Presentation, 27 November 2017

Novatti Corporate Overview

About Novatti

Novatti (ASX:NOV) is an Australian-based software technology and payment services provider.

Novatti helps economies, corporations and consumers digitise cash transactions both through technology and services.

Revenues, primarily recurring in nature are from multiple lines of business in technology sales, billing and payments processing.

(ASX:NOV)



Key Metrics	
Market cap @ \$0.33	\$37.88m
Ordinary shares on issue	114.7m
FY17 sales revenue	\$4.87m
Cash (as at 30 Sept)	\$4.034m*
52 week high-low	\$0.09 - \$0.43
Debt	Nil

***Additional \$6.5 investment to be received subject to shareholder approval**



Operational strengths

- 1** Highly scalable proven financial processing technology, leveraged to growing demand for alternate (non cash) payments
- 2** Global presence across emerging markets in Africa, Middle East, India and China
- 3** Multiple deployed new financial services
- 4** Integrated to multiple networks and processors, including global Blockchain remittance network
- 5** Technology underpinned by financial licences and governance
- 6** Experienced executives and staff in Fintech domains



Key Investment Considerations

- 1 Rapid growth in recurring revenues across both the technology and transactions divisions
- 2 Strong balance sheet (\$4m cash end Sep 2017, \$10 million placement announced in October 2017)
- 3 Multiple revenue streams
- 4 Earnings inflection point
- 5 Access to capital
- 6 Leveraging existing extensive FinTech IP portfolio
- 7 Increasing exposure to China investment communities



What We Do

Novatti (ASX:NOV) is an online financial transactions processor and financial technology developer

Technology

Novatti provides financial technology (FinTech) solutions for financial services enterprises

Generates a combination of upfront fees plus ongoing annuity revenues (support, license fees, SaaS revenues)

Transactions

Novatti processes financial transactions on a percentage of revenue basis. Transaction processing incorporates compliance capabilities including AFSL and FCA (UK) licensing

Generates recurring and per transaction revenues



Technology



- Novatti enables governments, utilities, telecoms operators and financial institutions to provide innovative financial services such as mobile money, branchless banking, remittances and digital wallets
- The Novatti Payments Platform extend our client's market reach by providing FinTech solutions that reduce the cost to acquire and manage a previously underserved market segment
- The majority of customers require ongoing maintenance and support, providing continuous, predictable revenue after the implementation of the project
- Ready for integration to blockchain powered financial networks





Financial Processing

- Novatti's transaction business processes financial transactions on a percentage of revenue basis.
- The Company's transaction business processes financial transactions in the following areas;
 - Transactions that flow through international remittance and alternate payment network
 - Processing of Chinese payment methods in Australia such as **visitors paying by digital wallets**, e-commerce networks including **online shoppers from China buying from Australian websites** and **trade payments from Chinese SME's looking to import Australian goods**
 - Prepaid debit vouchers used for online purchases and increasingly being used to purchase Cryptocurrency
- Novatti's innovative technology is enabling the Company to grow into new and more disruptive payments processing opportunities



Segment Revenue Mix and Outlook

Segment Overview	Revenue Model	Indicative annual revenue	Markets and Key Clients	Outlook
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Technology

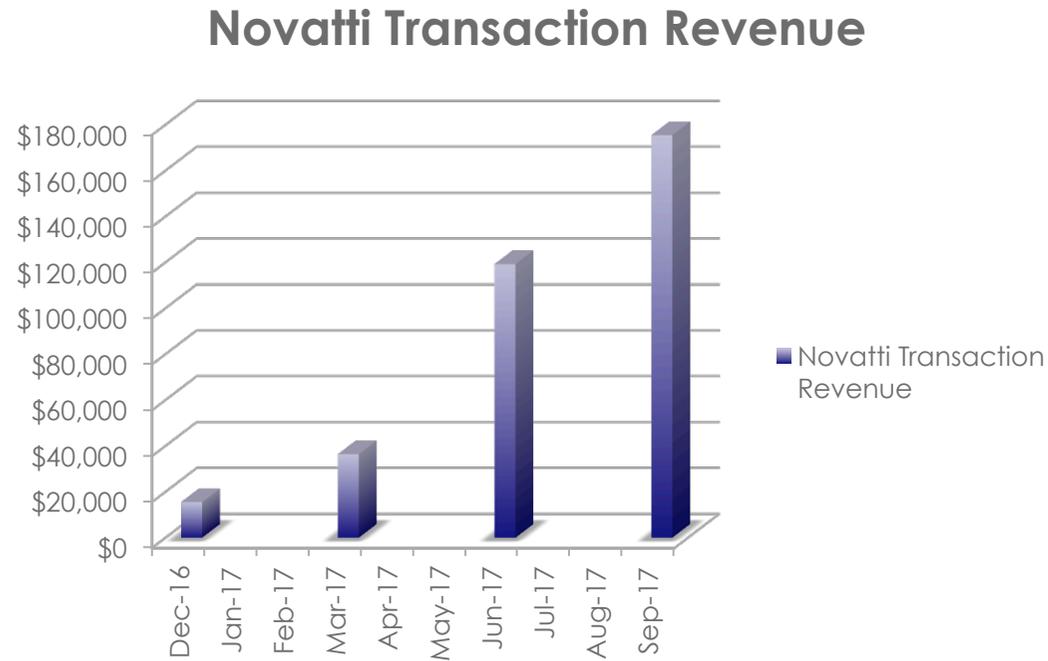
<p>Novatti provides financial technology solutions for financial services enterprises</p>	<ul style="list-style-type: none"> - Platform development fees - SaaS revenues - Support and Maintenance - License fees - R&D Grant- Recurring fees plus professional services (utility billing business) 	<p>\$5.7m</p>	<p>Markets</p> <ul style="list-style-type: none"> - Australia, Asia and Europe - Emerging markets in Africa, Middle East, India and China <p>Key Clients include;</p> <ul style="list-style-type: none"> - Telstra - Hutchison Telecom - Cable and Wireless 	<p>Contemporary technologies for the high growth mobile and emerging markets</p>
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Financial Processing

<p>Novatti processes financial transactions on a percentage of revenue basis</p>	<ul style="list-style-type: none"> - Margin on transaction - Fee per transaction - Fees for compliance services - Merchant service fees per transaction 	<p>Run rate circa \$750k and growing rapidly</p>	<p>Markets</p> <ul style="list-style-type: none"> - Australia, Canada, Europe, Middle East and Africa - Australian retail stores, Online eCommerce stores and trade exporters to accept all common Chinese payment methods <p>Key Clients/Partners include;</p> <ul style="list-style-type: none"> - Stellar.org global Blockchain remittance network participation - WeChat Wallet, Alipay, JD Pay (over 1 billion Chinese users collectively) 	<p>High-growth business in high growth sector</p> <p>Strong growth in remittances</p> <p>Strong market acceptance and growth in Chinese payments</p>
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Growing Transactional Revenues

Rapid revenue growth from recurring and and transactional businesses



Investment Thematic

Novatti is leveraged to the rapid growth in the following macroeconomic trends

	FinTech	Adoption rising dramatically across the globe with 1 in 3 digitally active consumers using FinTech*.
	Emerging Markets	Global presence with exposure to emerging markets in Africa, the Indian subcontinent and China.
	Exposure to Blockchain	The world's leading software platform for digital assets.
	Chinese and Australian commerce	Tourists (1.2m annual visitors) Students (200,000), Online consumers (1.2 billion residents), Importers.
	Disruption in banking sector	APRA to provide new restricted banking licences to FinTech start-ups.

*[http://www.ey.com/Publication/vwLUAssets/ey-fintech-key-findings-2017/\\$FILE/ey-fintech-key-findings-2017.pdf](http://www.ey.com/Publication/vwLUAssets/ey-fintech-key-findings-2017/$FILE/ey-fintech-key-findings-2017.pdf)



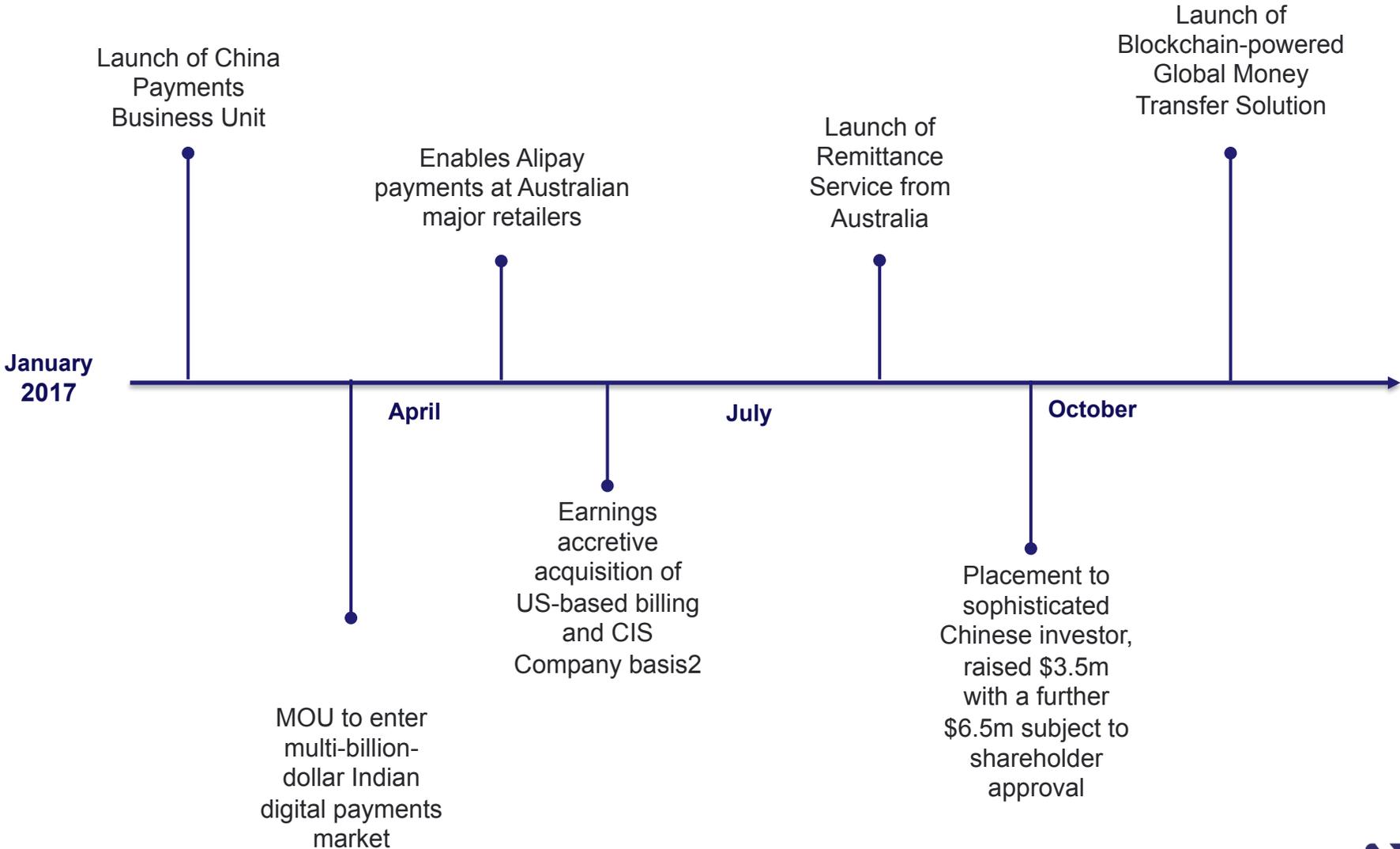
Licenses and Governance

Novatti's technology is underpinned by financial licences and strong governance

- AFSL for Non Cash Payments
- Austrac registration as Remittance Network Provider
- Registered Agent of Emoney Issuing Licence Holder in UK and Europe
- Compliance teams in UK and Australia



Key Announcements 2017



Strategic Focus and Outlook

- Continued growth of Financial Processing networks and services
- Exploitation of Novatti Payments Platform and blockchain technologies
- Increase financial licences and banking capabilities
- Build recurring revenue streams in subscription billing and payments processing
- Earnings accretive acquisitions



Experienced Board



Peter Cook – Chief Executive Officer and Managing Director

A tech entrepreneur with a strong record in the mobile payment solutions business, Peter is a FinTech industry thought leader in mobile and new banking who has successfully executed several disruptive business models and multiple successful exits including Total Tel Limited, Unidial Australia and Ezpin Australia and Canada. Deputy Chairman of Senetas Corporation Limited (ASX:SEN) from June 1999 to Feb 2006

Peter Pawlowitsch – Chairman

Peter has extensive business experience and expertise across business administration and project evaluations. He is a director of several companies including Dubber (ASX:DUB), Knosys (ASX:KNO), Rewardle (ASX:RXH) and Ventnor Resources (ASX:VRX)

Brandon Munro – Non-Executive Director

Brandon is a former lawyer with extensive experience in M&A and Capital Markets. He is currently Managing Director of Bannerman Resources Ltd (ASX:BMN)

Kenneth Lai – Non-Executive Director

Kenneth is the MD of Hong Kong-based investment firm Prestige Team Limited, which has interests in payment processing, real estate, digital marketing and information technology support services. Mr Lai has a wide range of investment and business experience in Asia and has a successful track record in acquiring and integrating a number of payment companies

Paul Burton – Non-Executive Director

Paul has more than 15 years experience in the payments industry and was the former CFO and CEO of payment processing company Datacash Limited, which was sold to Mastercard. Paul is also a former Director of UK based electronic money system Ukash

Steven Zhou – Non-Executive Director

Steven has extensive experience in start-up financial services businesses in both Australia and China. Leading Novatti's interaction with China based Fintech and blockchain enterprises.



Proven Management



Alan Munday – Chief Operating Officer

Alan has enjoyed a long and successful business career and has more than 25 years experience as a director, executive and consultant with KPMG, Senetas and as an executive director with Granite Investment and Total Tel International

Steven Stamboultgis – Chief Financial Officer

Steven is a financial expert with more than 25 years experience in commercial finance. He has held CFO positions at listing of technology companies Urbanise.com (ASX:UBN) and Praemium (ASX:PPS)

UK Management Team

Stan Rubin – Money Laundering Reporting Officer

Stan has over 30 years experience in various financial, operational and compliance roles. He was the COO and last employee of Ukash prior to their consolidation with Paysafecard

Gregory Lee – Global Distribution Manager, Flexepin

Greg has over 20 years experience in business development within the mobile payments industry. He has held VP and GM positions at technology companies Emida, FinMobile and MI-Pay



Summary

1. Recurring revenues

Rapid growth in recurring revenues across both the technology and transactions divisions

2. Funded

Strong balance sheet (\$10 million placement announced October 2017)

3. Scalable

Highly scalable technology leveraged to growing demand for alternate (non cash) payments

4. Global

Leveraged to emerging markets in Africa, Middle East, India and China

5. Blockchain

Integrated to global Blockchain remittance network. Existing technologies and infrastructure ready to leverage blockchain networks.

6. Governance

Technology and financial services underpinned by financial licences and governance



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