



Novatti Group Limited (ASX:NOV)

GM

14 February 2024

Novatti



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GM today – why we are here

- Proposed capital raising of up to \$5.5m
 - Convertible note facility for up to \$3.5 million (subject to shareholder approvals)
 - Share purchase plan (SPP) to raise up to \$2 million
- These initiatives **support the delivery of Novatti's strategy**, particularly:
 - Optimised financing for Novatti's business
 - Increasing collateral to take on larger business
- Novatti Board and CEO have **personally committed \$750k** to this capital raising



The digital payments opportunity*

45%

Australian businesses acknowledge the need to improve their current payment systems.

83%

Businesses that invested in digital payments technologies report improved customer relationships or revenue growth

81%

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

Unparalleled capabilities in place

Acquiring

Omni-channel payment acceptance for merchants: eComm, embedded and in-store.

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.

Real Time Payments

NPP and other domestic real time payment solutions

Our strategy

We are transforming from a diverse portfolio of independent businesses into a coherent Payment Solutions company, underpinned by **positive cashflow target** and **3 year 70%+ margin target**.



**Simplify
the Business**



**Market and
Customer-Led**



**Lift Financial
Performance**

Strategy execution

Methodically implementing this strategy quarter by quarter across FY24 – early focus has been **simplifying the business and getting costs down**



Actions taken across FY24

- Established 3 year 70%+ margin target
- Strategic review assessing all business areas against financial goals
- Business portfolio re-organised
- Internal restructure - new talent into key roles
- Streamlined sales process and access to multiple products
- External funding for key growth initiatives (eg AUDD)
- Reckon stake divested – partnership remains in place
- \$4m cost-reduction program being implemented



Results are real – revenue up, expenses down

Making strong progress towards mid-2024 cashflow positive target

+12.5%

HI FY24 revenue
growth on prior half

11%

HI FY24
expense reduction

+\$0.8m

HI Payments AU/NZ
Margin growth

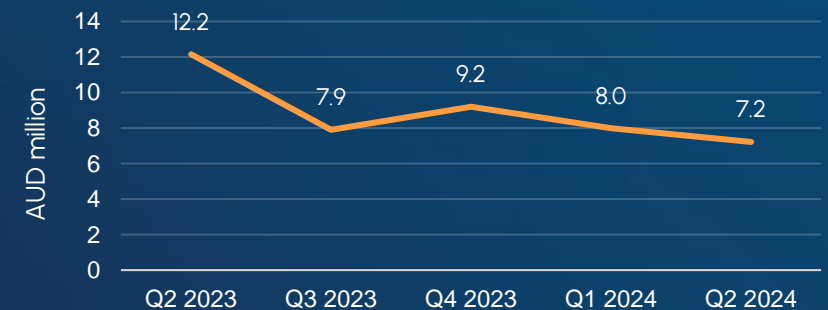
+24%

HI Payments AU/NZ
GTV

Revenue Novatti Group



Group Expense (excluding margin)*



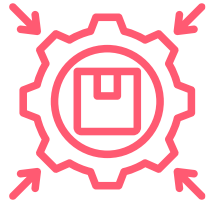
Novatti



Next stage: market led, customer focus

Payments is a competitive, complex industry dominated by specialised incumbents operating at scale. Novatti **must be market and customer led.**

Our future growth will derive from the **Fusion** of our product ecosystem, targeting opportunities requiring:



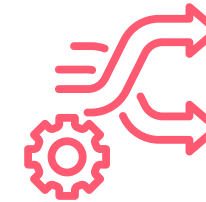
Aggregated (ie multiple) products



Vertical market/segment specialisation



Deeper experiential demands



Digital transition/transformation



Actions taken – new payments team in place



Mark Healy
CEO

Experienced global payments and software executive with prior senior roles in Global Payments Inc, Optimal Payments (Europe), Ezidebit and eWAY delivering organic and inorganic growth.



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 AU/NZ

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



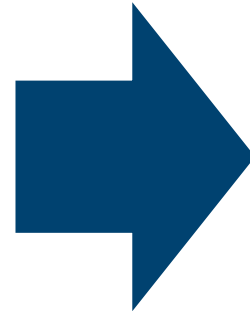
Beth Moylan
Head of Marketing
Payments AU/NZ

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

The Novatti approach

Exploit our strengths

- Tech and compliance in place
- Our AU/NZ Licenses
- Willingness to provide a tailored solution that solves problems for the client
- Agility, flexibility
- 'Partnership' model, not self serve



Targeted customers

- Customers with complex payment needs that require our tech/guidance/expertise
- Digital payment solutions provide an opportunity to grow revenue or improve their end user experience
- Medium sized customers look for a high trust relationship

Actions taken

Land and expand in vertical (repeat)

Content and campaign marketing being undertaken to grow awareness of tightly coupled solution within specific verticals where Novatti has known strengths.

First target: **Education**

Actions:

- Software channel partnerships
- Digital lead generation
- Focussed thought leadership
- Partner case studies and announcements

Cross-sell to existing customers

Novatti has **1000+ customers** that can be targeted for cross-selling products

Actions:

- Focus on increasing purchasing from one to two services
- Activation via email
- Targeted sales outreach
- Building market understanding

Unlocking value



Payments AU/NZ

Issuing
Cross Border
Acquiring
Novatti BillPay



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%

Latest pre money valuation \$27.1m

Current market capitalisation at 6c is \$23.9m

The path forward

Simplify and focus

- Operating cash flow positive target - mid 2024
- Continue to improve margins - 3 year target 70%+
- Implementing approx. \$4m cost saving program
- Finalise strategic review - focus business on payments
- Drive growth through Fusion - cross selling opportunities
- Complete capital raising to optimise financing

