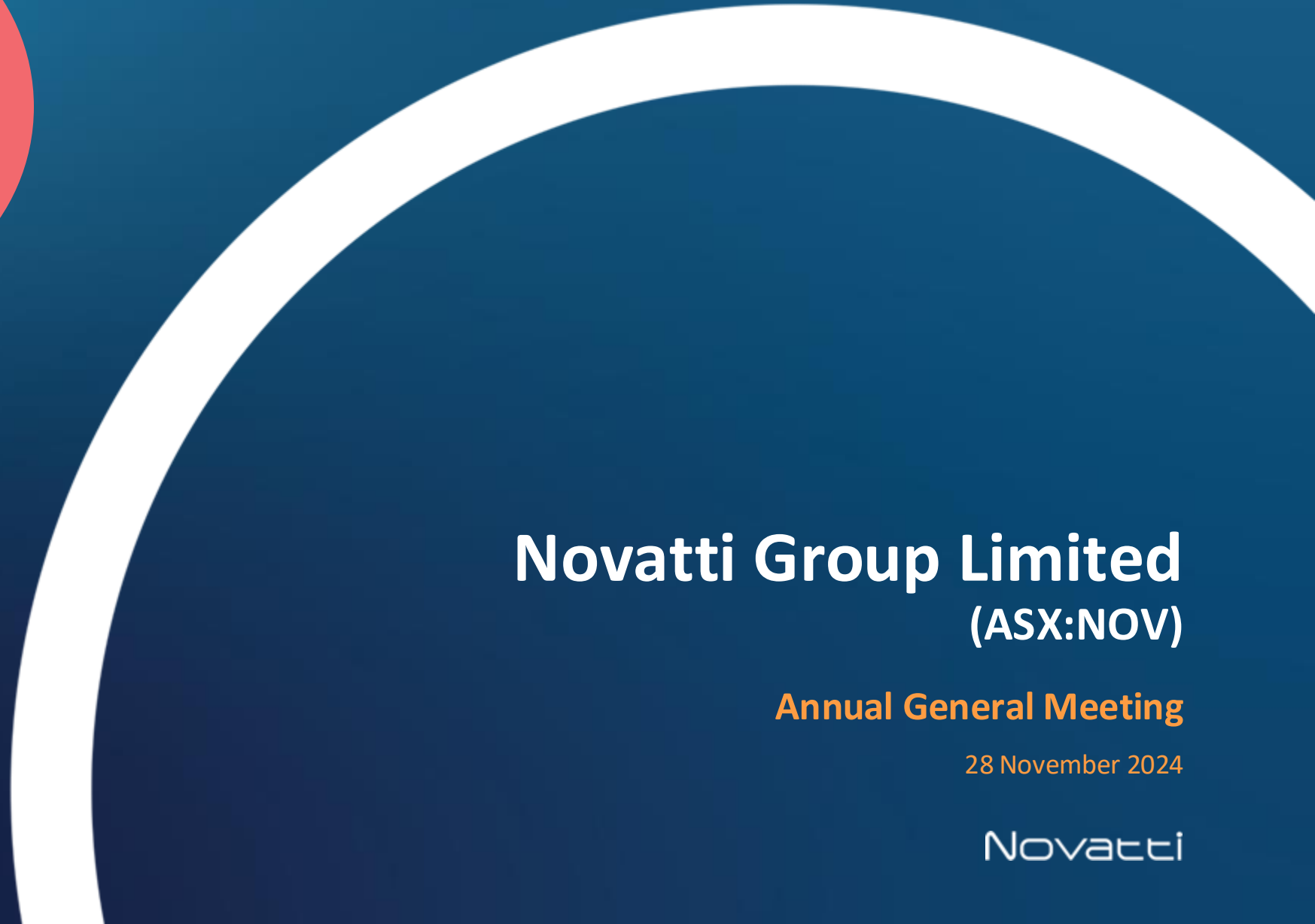


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# Novatti Group Limited

(ASX:NOV)

**Annual General Meeting**

28 November 2024

Novatti

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# Our purpose

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We enable businesses to pay and be paid, from any device, anywhere



## Payment processing

- Omni-channel acceptance
- E-commerce
- EFTPOS
- SoftPOS Tap to Pay



## Alternative payments

- Real time A2A payments
- Electronic money and PIN vouchers
- Stablecoin



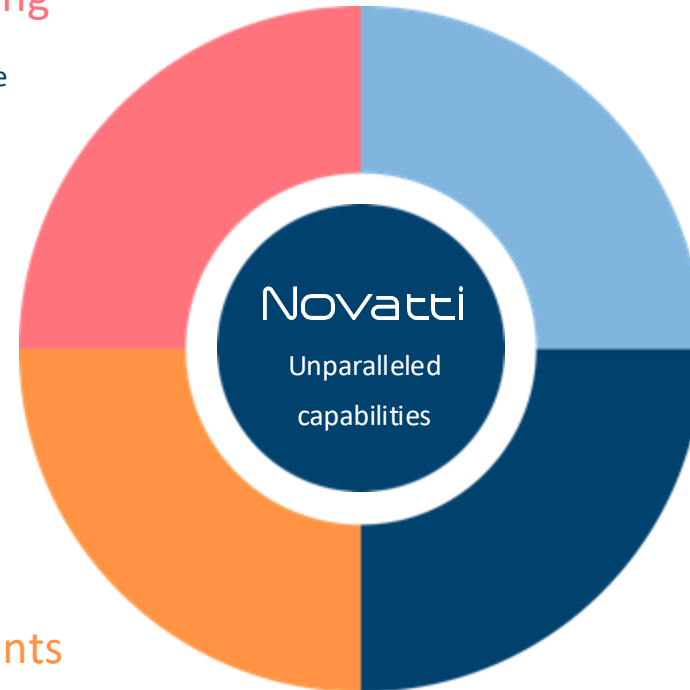
## Global payments

- Asian wallets
- Cross border payments
- China Payments - BPAY bills



## Cards

- Prepaid and Debit Visa Cards
- Gift cards
- Digital wallets



# Our strategy

Transformation into a focused **Total Payment Solutions** business focused on AU/NZ markets. Underpinned by **positive cashflow** and **3 year 70%+** margin **targets**.



**Simplify  
the Business**



**Market Led,  
Customer-Focus**



**Lift Financial Performance**

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# Transitioning to a focused **growth model**

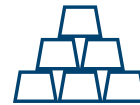
New leadership successfully implemented business streamlining, cost reductions and asset sales

## SUBSTANTIAL PROGRESS MADE IN FY24



### Leadership

- New turnaround C Suite in place
- Clear strategy established
- Execution impact evident



### Asset Sales

- November 2023 – sale of stake in Reckon Ltd (ASX: RKN) shares for \$8.9m
- July 2024 - sale of stake in International Bank of Australia (IBoA) for \$2.9m



### Streamlined Business

- Merged Australia and New Zealand payments businesses
- Exiting complex services (Cross Border Affiliates)
- Consolidating infrastructure and process



### Operating leverage

- \$9.8m annualised cost savings implemented
- Reviewed customer base for sustainable margins



# Strategy plays to our strength

Core focus on **total payment solutions in AU/NZ** with sale of non-core assets ongoing

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### Core Focus



**Payments AU/NZ**

**Issuing**

**Cross Border**

**Acquiring**

**Bill Payments**

Key growth market

### Non-Core



**Payments International**

**Alternate Payments**

**ATX**



**Technology Solutions**

**Basis 2**

**Emersion**

**Enterprise Software**



**Investments**

*International Bank of Australia*

**AUDD**

Divested

Self funding

FY24 Revenue

\$13.7m

\$22.2m

\$5.8m

FY24 Gross Margin

\$6.0m

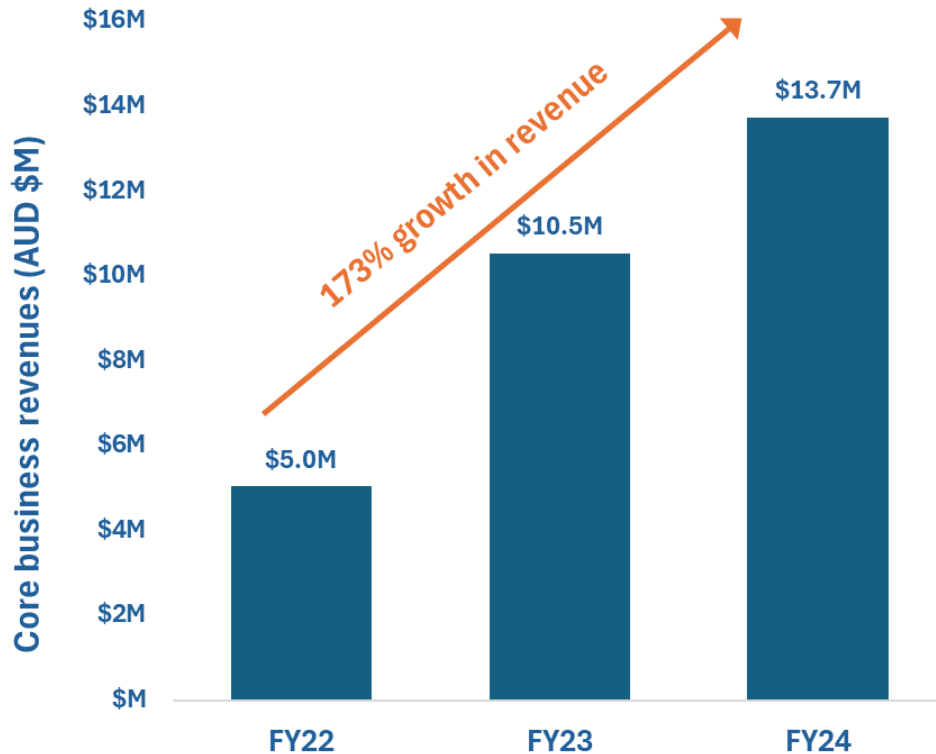
\$5.3m

\$5.5m

# Growing core business

Focus on growing core business of **total payments solutions across AU/NZ**

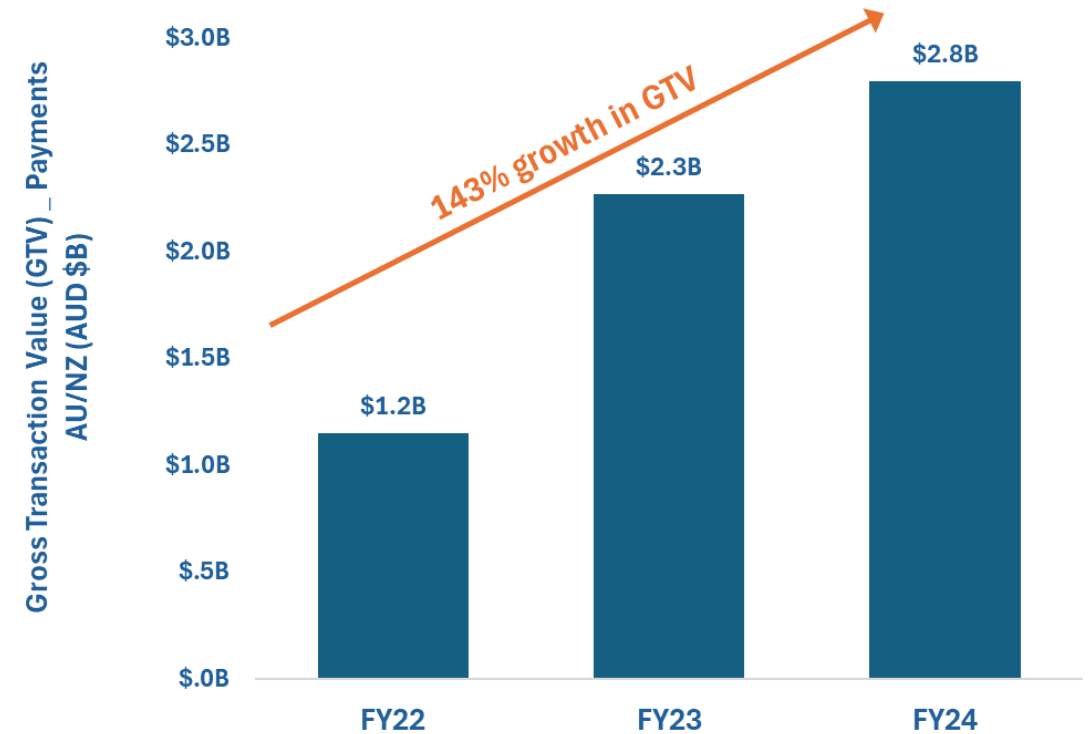
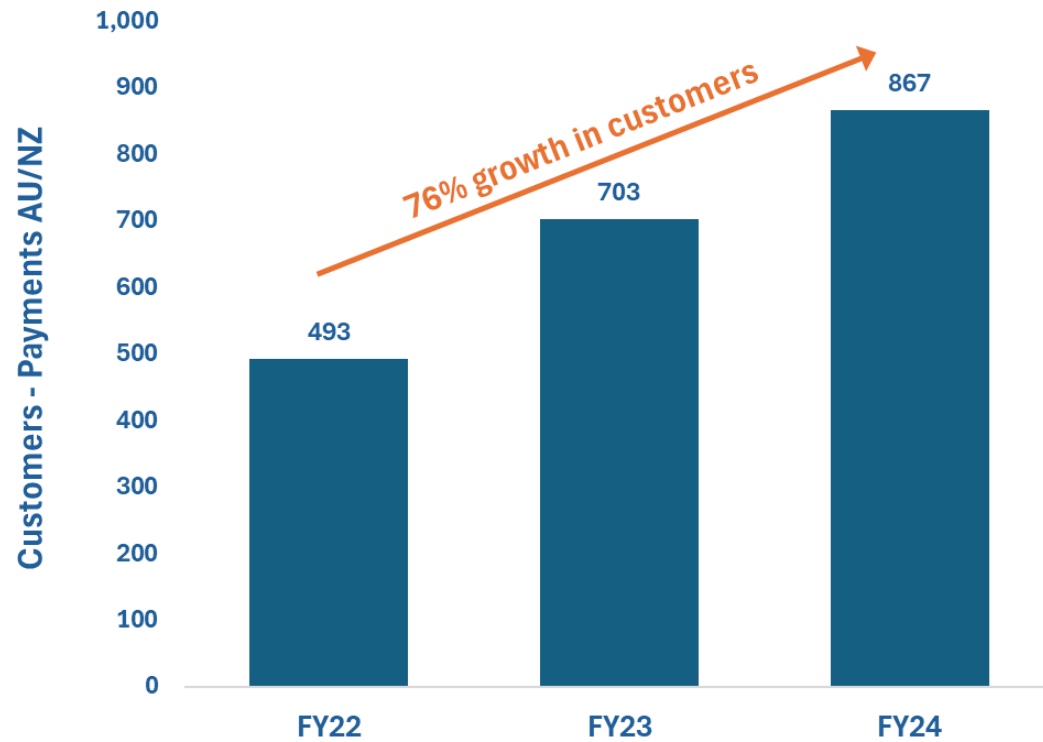
CORE BUSINESS REVENUES (\$M)



- Core business includes: Acquiring, Issuing, Cross Border, Account Based Payments, ChinaPayments, NovattiBillPay
- \$13.7m core business revenue
- 173% revenue growth in 2 years
- 65% compound annual growth rate (CAGR) FY22 – FY24

# Growing core business

Driven by strong growth in **customers and gross transaction value (GTV)**





# FY24 – Lifting financial performance\*

**\$42.9m**  
FY24  
Group Revenue  
– New record

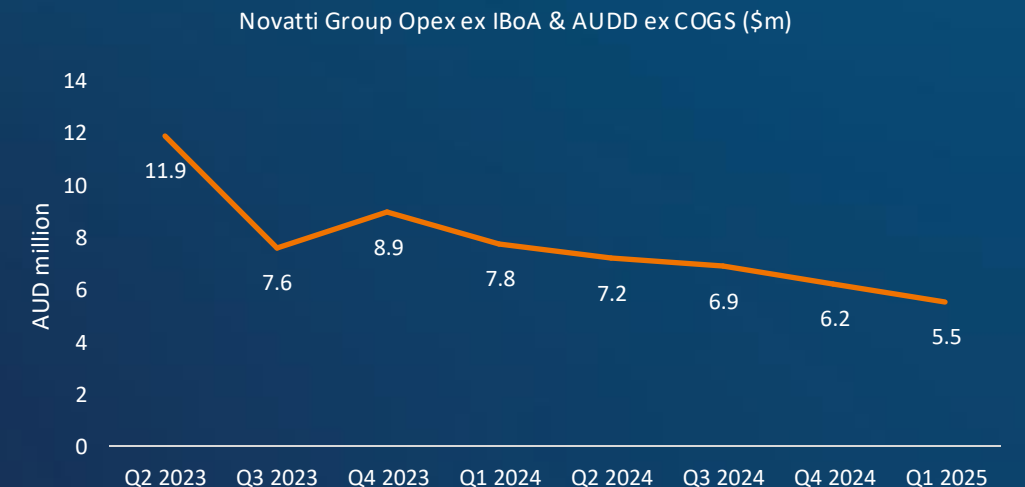
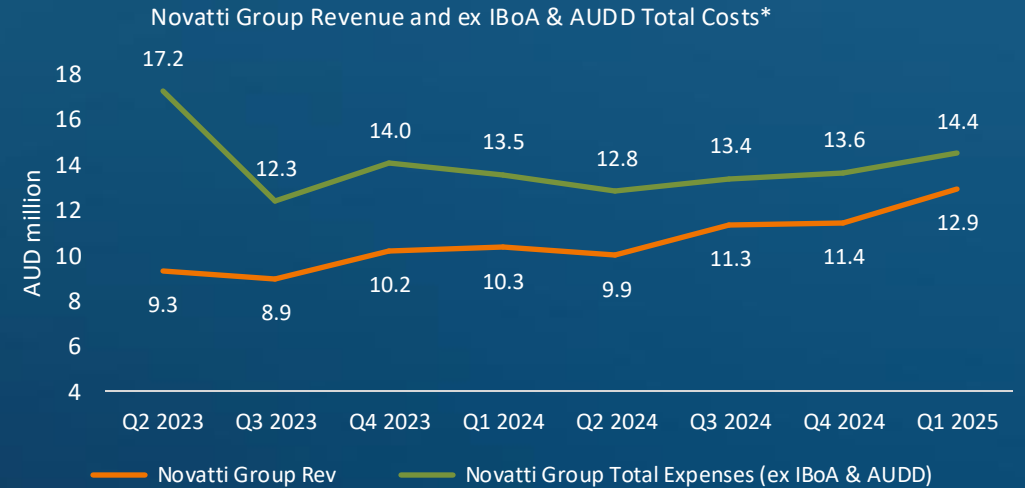
**\$9.8m+**  
Annualised cost  
reduction implemented since  
start of FY24

**+26%**  
Increase in Q1/FY25  
revenue YoY

**-29%**  
Decrease in Q1/FY25  
expenses YoY\*\*

**~\$4.6m**  
Cash at end  
of Q1 FY25

**~\$1.8m**  
Normalised net  
operating cash outflow  
in Q1 FY25



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\*All figures throughout this presentation relating to FY25 remain unaudited unless stated otherwise. References to Opex excludes cost of goods sold.

\*\* Excluding expenses associated with Investments: International Bank of Australia and AUDD Stablecoin

# FY25 – Focused on positive cashflow target

## Further cost reduction

- \$2.8m in annualised cost savings implemented:
  - Removal of wholesale Cross Border services
  - Reduction in off-shore technology
  - Reduction in office footprint/expense
- Further optimisation and divestment decisions expected following strategic review



## High margin revenue

- Target verticals – Education, Real Estate, Health
- Targeting mid-sized merchants and integrated software partners
  - Internationals entering AU and NZ
  - Operating partnership - high engagement, high trust
  - Require a tailored payment solution
- Active account management – financial performance and risk profile

# The path forward

- Novatti brand refresh and repositioning underway
- Entry and penetration of target verticals and segments
- Impact of further \$2.8m in annualised cost removal to flow through
- Payments AU/NZ supply chain restructure to improve gross margin – retain a 70%+ FY27 target
- Finalise previously announced capital raising
- Further optimisation and divestment decisions expected across portfolio
- Positive monthly operating cashflow target in Jan 2025



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