



Novatti Group Limited

(ASX:NOV)

Corporate Overview

August 2018



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It is provided in summary and does not purport to be complete. You should not rely upon it as advice for investment purposes as it does not take into account your investment objectives, financial position or needs. These factors should be considered, with or without professional advice when deciding if an investment is appropriate.

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Who we are

Novatti Group Limited (ASX:NOV) is an award-winning global software technology, utility billing and payment services provider.

Novatti's transaction processing services include Flexepin, an open-loop cash voucher service, Flexewallet for remittance and compliance services, Chinapayments.com for bill payment services and Vasco Pay a prepaid reloadable Visa card.

Novatti's robust and efficient software solutions include Utility Billing, Consumer Digital Wallets, Branchless Banking, Mobile Money, Remittance Services and Voucher Management Systems.

Corporate Overview

Key Metrics	
ASX Ticker	NOV
Market cap @ \$0.23 (as at 13 Aug 2018)	\$36.2m
Ordinary shares on issue	157.51m
FY18 sales revenue	\$6.3m (unaudited)
Cash (as at 30 June 18)	\$4.4m (unaudited)
52 week high-low	\$0.495 - \$0.125
Debt	Nil
Top 20 Shareholders	81.27%



What We Do

Technology

- Monetise our proven financial technology
 - Branchless banking
 - Remittances
 - Digital wallets
 - Vouchers
 - Prepaid cards
 - Subscriber billing

Financial processing

- Leverage our technologies
- Leverage our financial licences
- Build processing partnerships
- Digital services
- Niche high value customer bases

Subscriber Billing

- Billing for essential services

Strategic Outcome

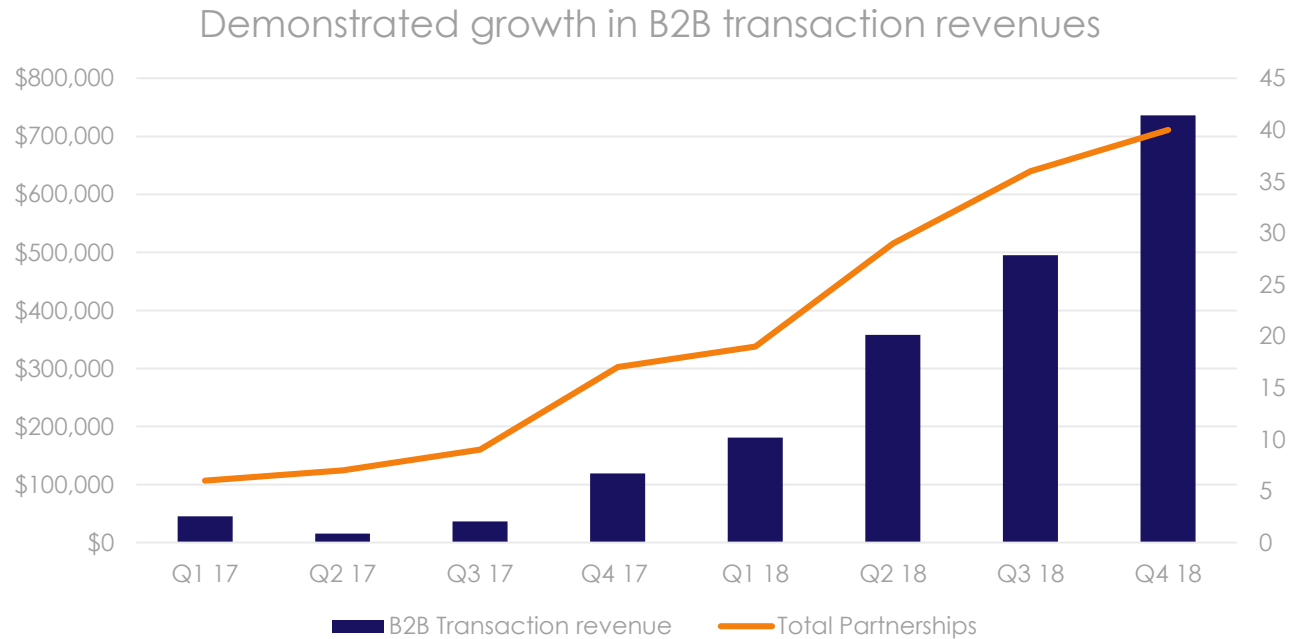
Recurring and transaction based revenues, which once at scale provide operating leverage

- Underpinned by compliance and regulatory licences
 - AFSL for Non Cash Payments
 - Austrac Remittance Network Provider
 - European eMoney Licence

- Applying for:
 - Bank license in Australia
 - Bank license in Europe

Continued high CAGR in transaction processing

B2B



- ✓ Proven sustained growth in number of transaction partners driving growth in processing revenue
- ✓ Strong pipeline of new transaction and processing partners

Segment Revenue Mix and Outlook

Financial Processing

Segment Overview

Revenue Model

Annual revenue

Markets

Growth Drivers

Payment processing

- Margin on transaction
- Fee per transaction
- Fees for compliance services
- Merchant service fees per transaction

\$0.2m (FY 2017)
\$1.8m (FY 2018)
\$3.5m (Current run rate and growing rapidly)

- Australia, Canada, Europe, Middle East and Africa
- Australian retail & online stores
- Global remittance partners

- New processing partners in;
-remittances
-inbound settlements
-prepaid cards
- Strong market acceptance and growth in Chinese payments
- Strategic acquisitions

Technology

Segment Overview

Revenue Model

Annual revenue

Markets

Growth Drivers

Financial Technology and subscriber billing solutions

- Platform development fees
- SaaS revenues
- Support and Maintenance
- License fees
- R&D Grant- Recurring fees plus professional services (utility billing business)

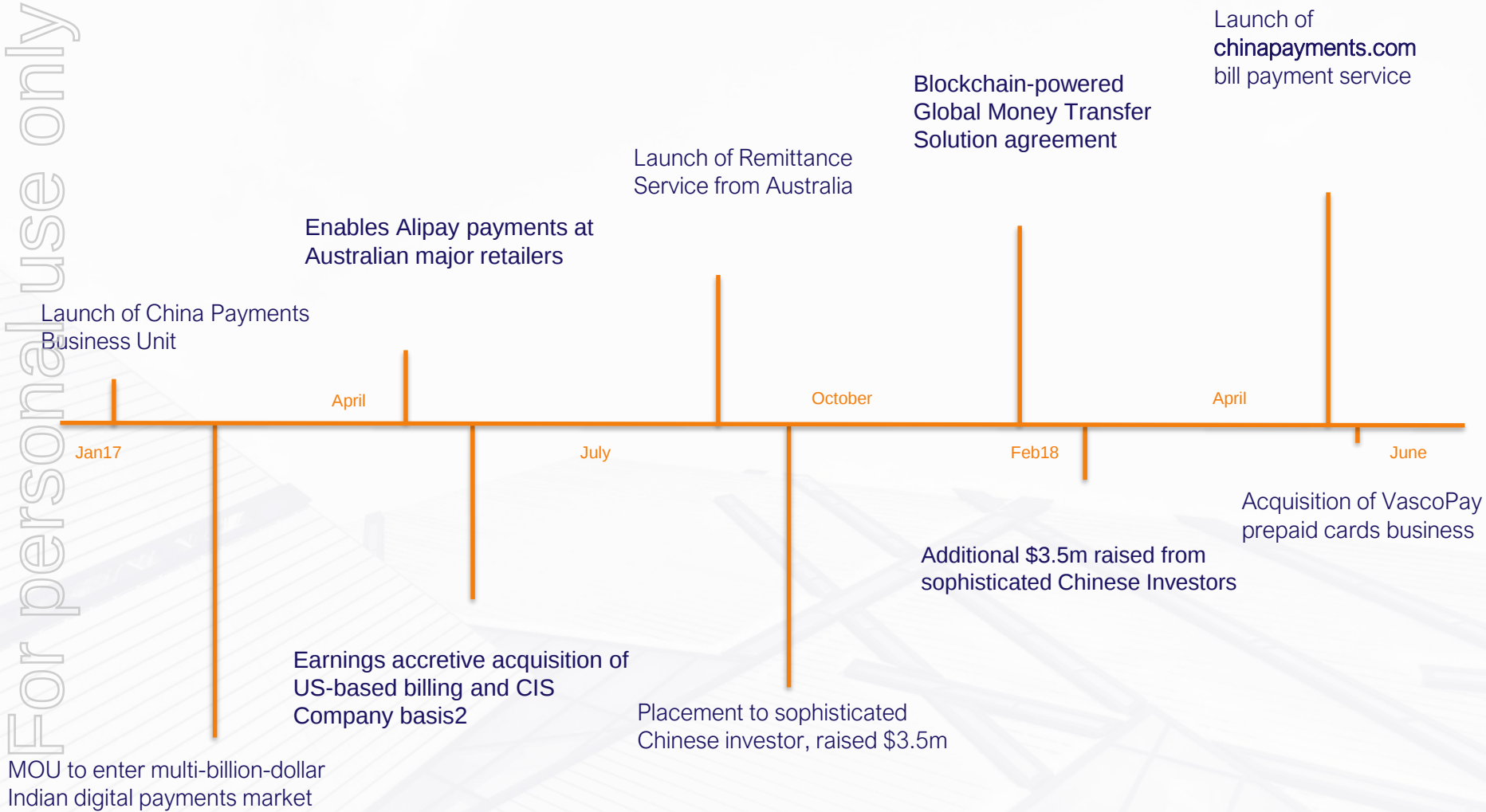
\$3.3m (FY 2017)
\$4.5m (FY 2018)

- Australia, Asia and Europe
- Emerging markets in Africa, Middle East, India and China

- Contemporary technologies for the high growth mobile and emerging markets
- Strategic acquisitions

Strategic Growth milestones 2017/18

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High Growth Financial Processing

High growth financial transaction processing:

- International remittances
- Inbound remittance settlements
- Alipay, Wechat Pay and Union Pay payments in Australia
- Prepaid Visa cards
- Prepaid debit vouchers
- Subscriber billing

Growth driven by B2B partnerships and new B2C customer acquisition

Our brands



flexepin

flexewallet

VASCO
pay



Transaction fee B2B and B2C revenues

Leveraging proven disruptive Fintech

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- Utilising our proprietary payments platform to provide white-label FinTech solutions to our customers to:
 - Extend our client's market reach
 - Reduce the cost to acquire and manage a previously underserved market segment
- Most customers require ongoing maintenance and technical support
- Platform is ready to integrate with blockchain-powered financial networks

Upfront project development fee revenue

Recurring maintenance and tech support revenues

Some of our clients



Hutchison Telecom
Hong Kong Holdings



CABLE & WIRELESS



CATHAY PACIFIC

Key Indicators

STRONG RECURRING REVENUE

- Strong, high growth recurring revenues circa 70% of revenues
- Revenue upside from new services comprising project and per-transaction fees
- Multiple payment processing lines of business

FINTECH WITH LICENCES

- Commercialised FinTech solutions
- Financial licenses and governance underpin Novatti's technology
- Highly scalable and proven payments technology

LEVERAGED TO LARGE, GROWING CHINESE MARKET

- Significant investment from major Chinese technology investors
- Broad relationships with Chinese FinTechs
- Leveraged to rapidly expanding Chinese e-commerce payments market

GLOBAL FOOTPRINT AND BLUE-CHIP CLIENTS

- Strong emerging markets presence in Africa, the Middle East, India and China
- Blue-chip clients include Telstra, Hutchinson Telecom, Cable & Wireless, Cathay Pacific, 3 Mobile and MTN

INTEGRATED TECHNOLOGY WITH BLOCKCHAIN CAPABILITY

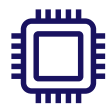
- Integrated to multiple networks and processors
- Integrated with global Stellar blockchain remittance network

INVESTING IN GROWTH

- Strong growth levers driving ongoing uplift in revenues

Leveraged to rapid growth and macroeconomic trends

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FinTech



Emerging Markets



Blockchain



Chinese &
Australian
Commerce



Banking sector
disruption

- Adoption rising dramatically across the globe
- 1 in 3 digitally active consumers using FinTech¹
- Global presence
- Exposure to emerging markets in Africa, the Indian subcontinent and China
- Exposure to the world's leading software platform for digital assets
- Chinese tourists to Australia (1.2m annual visitors)²
- Chinese students in Australia (165,000)²
- Online consumers (1.2 billion residents)
- Importers/ exporters
- Market access and new revenue streams through new bank & financial services licences in Australia and Europe

Strong revenue growth from operations

Strong balance sheet,
with significant cash
reserves

Debt Free

Access to further capital
to support strategic
growth initiatives

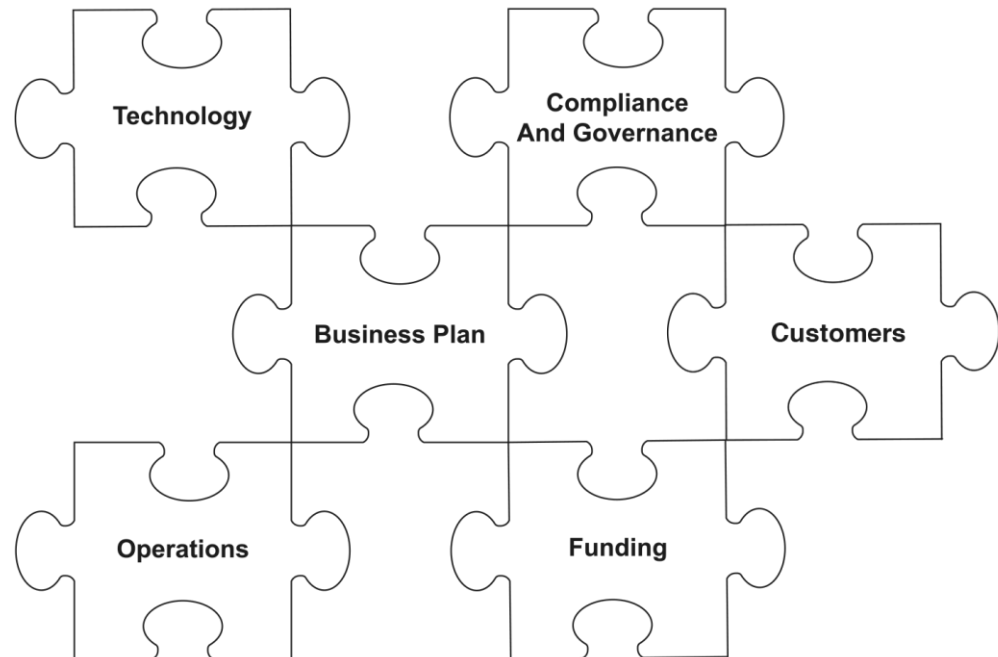
Strong recurring and
transactional revenues
which continue to
grow rapidly

Multiple lines of revenue

Strategic Focus and Outlook - Banking Licence

Targeting full Authorised Deposit-Taking Institution (ADI) licence in CY19

- Novatti will apply for a restricted authorised deposit-taking institution (ADI) licence in 3Q CY2018
- Licence will allow new services to be offered to Australian customers, focusing on new migrants
- Novatti can demonstrate its existing operations, compliance and technology capabilities and its ability to raise appropriate funds
- Long term objective is for Novatti to apply for a full ADI in CY2019



Licenses and Governance

Novatti's market access is underpinned by financial licences and strong governance



Novatti will apply for APRA's **restricted Authorised Deposit-taking Institution licence in the third quarter of CY2018** to enable new services to be offered to Australian consumers, focusing on new migrants

Our Objective

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Banking Services

Customers + Licences + Technology

B2B Customers

-Strategic relationships with other financial processors

B2C Customers

- ChinaPayments
- Remittances
- Reloadable Cards

Licences

- AFSL License
- Austrac registration
- E-money Issuing License
- New banking licences in Europe and Australia

Technology

- Novatti Payments Platform
- Stellar Blockchain integration
- Subscriber billing

Strategic Focus and Outlook

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Ongoing

Continued growth of Financial Processing networks and services

Build recurring revenue streams in subscription billing and payments processing

Bank license application

Build China e-commerce and payment processing relationships

Next 6-12 months

Leverage The Novatti Payments Platform and blockchain technologies

Build remittance businesses

Build consumer facing prepaid card business

Acquisition Opportunities

12-24 months

Increase market access with financial licences and banking capabilities

Earnings accretive acquisitions

Summary

Recurring Revenues

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

Commercially validated, scalable platform

- Highly scalable technology leveraged to growing demand for alternate (non cash) payments
- Technology and financial services underpinned by financial licences and governance

Leveraged to high growth emerging markets, including China

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

Blockchain capabilities

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

Funded, driving for strong growth

- Supported by strong, debt-free balance sheet, access to funding and growing recurring revenues

Novatti Board, strong international domain experience



Peter Cook

CEO and
Managing Director

Tech entrepreneur, FinTech and mobile payments thought leader.

Successfully executed multiple disruptive business models.
Multiple successful exits.

Non Executive Director of P2P Transport Limited (ASX:P2P).

Previously Deputy Chairman of Senetas Corporation Limited (ASX:SEN)



Peter Pawlowitsch

Chairman

Extensive business experience and expertise across business administration and project evaluations

Director of
Dubber (ASX:DUB),
Knosys (ASX:KNO),
Rewardle (ASX:RXH)

Novatti Board, strong international domain experience

Brandon Munro

Non-Executive Director

Former transactions lawyer with extensive experience in M&A and Capital Markets

Current Managing Director of ASX-listed Bannerman Resources Ltd (ASX:BMN)

Kenneth Lai

Non-Executive Director

MD of Hong Kong-based investment firm Prestige Team Limited with interests including in payment processing and IT support services

Extensive Asian investment and business experience

Successful track record acquiring and integrating several payment companies

Paul Burton

Non-Executive Director

Over 15 years of payments industry experience
Previously CFO and CEO of payment processing company Datacash Limited, which was sold to Mastercard

Former Director of UK based electronic money system Ukash

Steven Zhou

Non-Executive Director

Extensive experience in start-up financial services businesses in Australia and China

Steven is leading Novatti's interaction with China based Fintech and blockchain enterprises

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