

Novatti

FY21 Results Presentation

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31 August 2021



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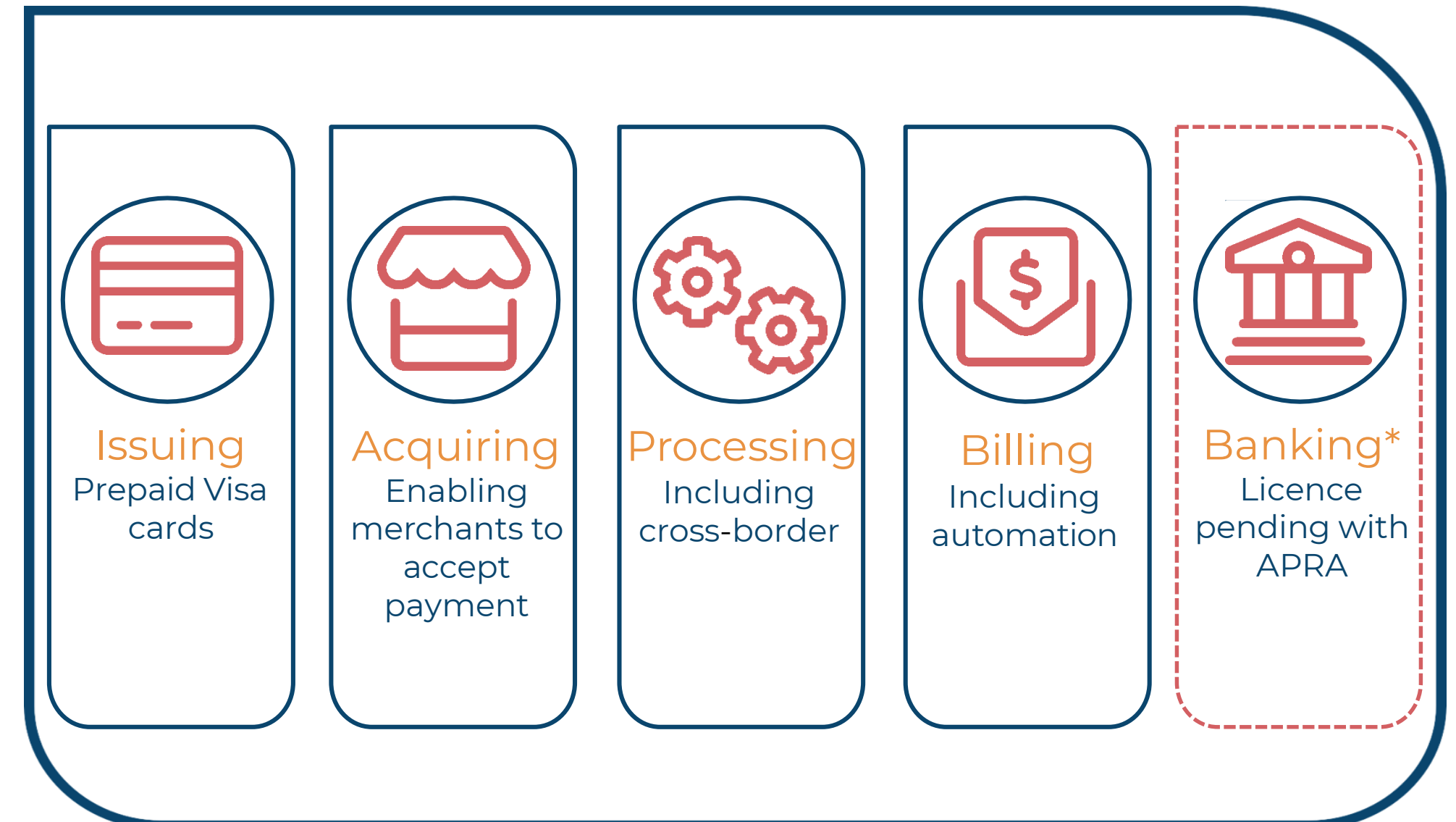


Novatti enables businesses to **pay and be paid**, from any device, anywhere. From corner stores and startups to global organisations, our solutions will unlock your ambitions.

Business Overview

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- Novatti provides businesses with everything they need to **pay and be paid**
- Focus on mobility through technology – using any device, anywhere
- Cover the complete payments value chain – from issuing payment cards to banking services*

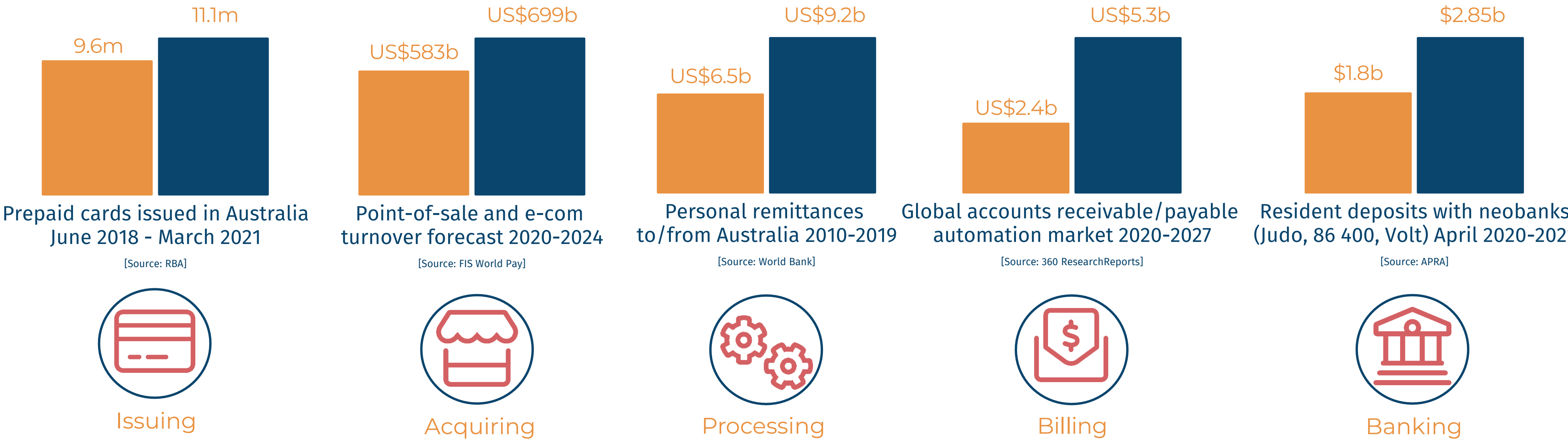


*Licence pending with APRA

Structural change driving growth in
all market segments

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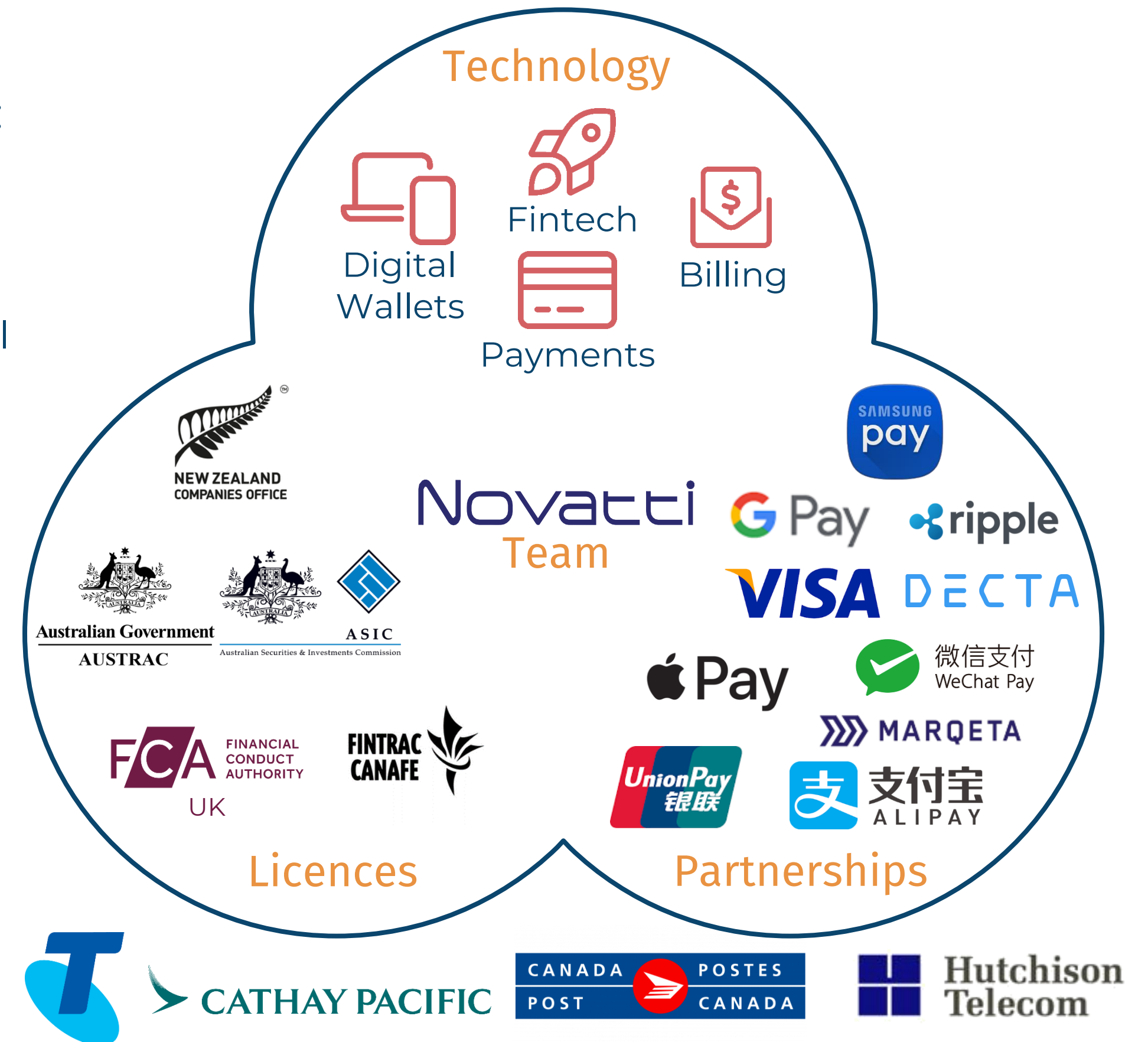
Novatti’s business is focused on capturing key growth markets:



Strategy

- Leveraging our leading B2B ecosystem combining:
 - **Technology** – digital and mobile platforms
 - **Licences** – opening jurisdictions and highlighting trust
 - **Partnerships** – providing scale without substantial capital
 - **Team** – leading in-house expertise
- Ecosystem now being monetised as fintechs and businesses utilise Novatti's capabilities
- Focus now on accelerating expansion

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FY21 – growth achievements

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- FY21 started with a \$10m capital raising
- These funds were applied to deliver a new growth strategy
- The achievements that flowed from this in FY21 highlight Novatti's commitment to use funds raised to deliver growth:



New partnerships
extending scale



New Zealand
licence and
Afterpay
partnership



Team growth
– from 65 to 128



New acquiring
business
launched



Ripple
partnership
generating
revenue in the
Philippines



Emersion
launched
in US



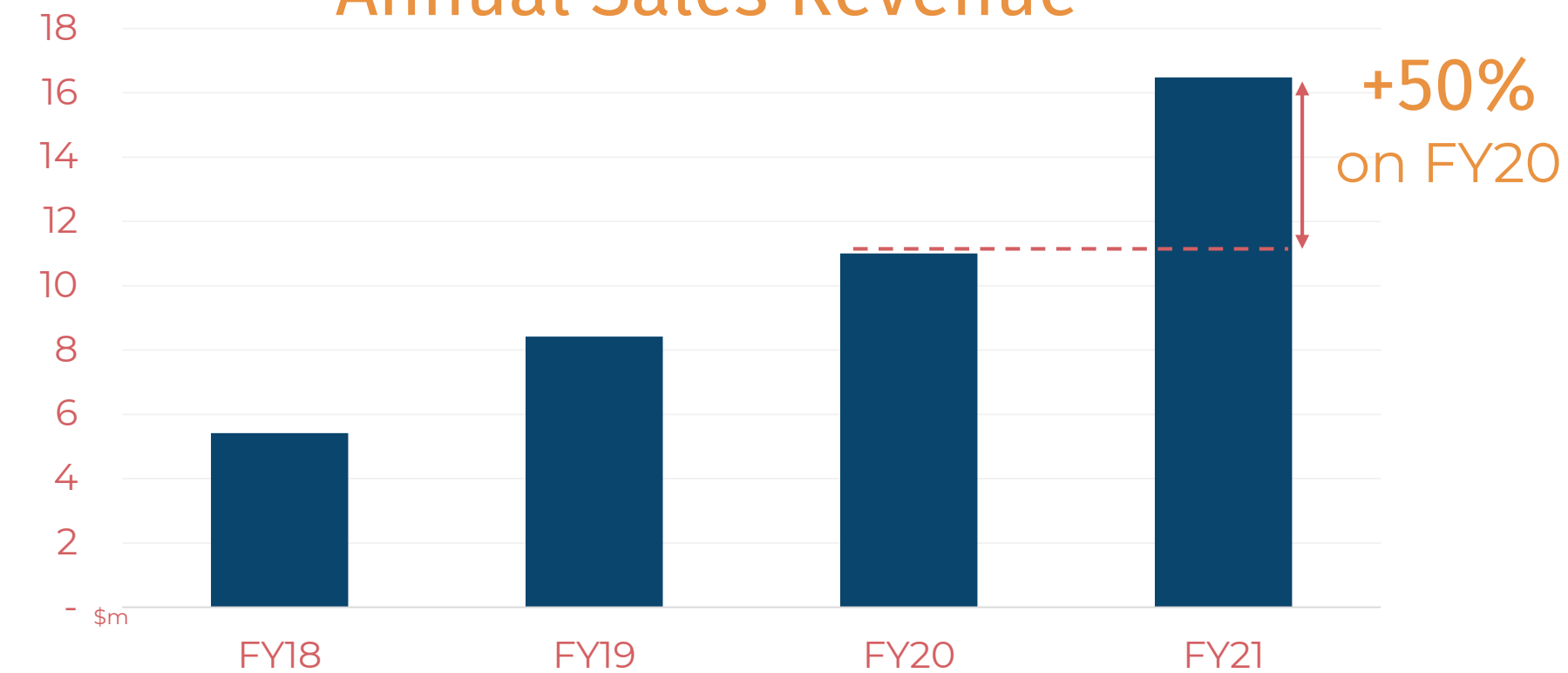
Funding
commitments
for banking
business

Record annual revenue

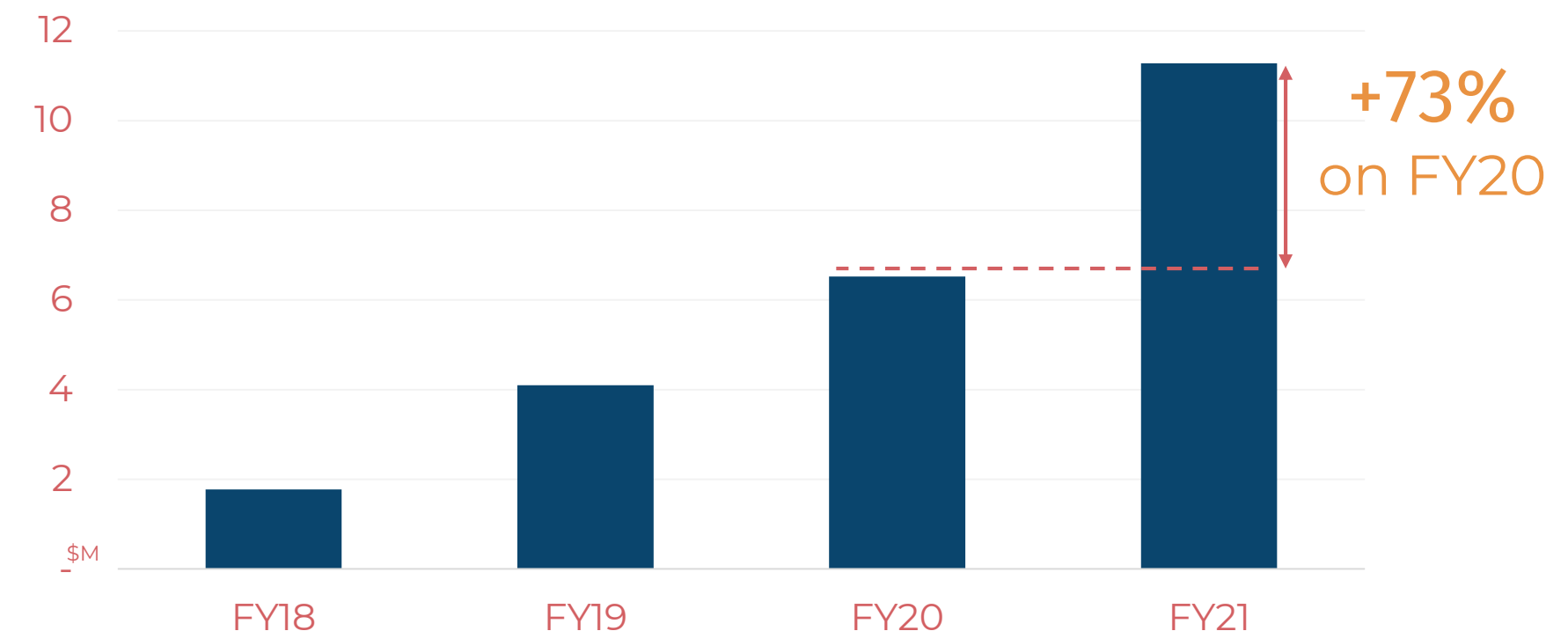
- These achievements flowed into Novatti's **strongest ever** annual revenue results
- Annual sales revenue grew 50% to \$16.5m
- Annual processing sales revenue grew 73% to nearly \$11.3m
- Total annual revenue grew 55% to \$18.4m
- Growth in annual sales revenue now averaged 45% across past 3 years, highlighting consistent growth

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Annual Sales Revenue



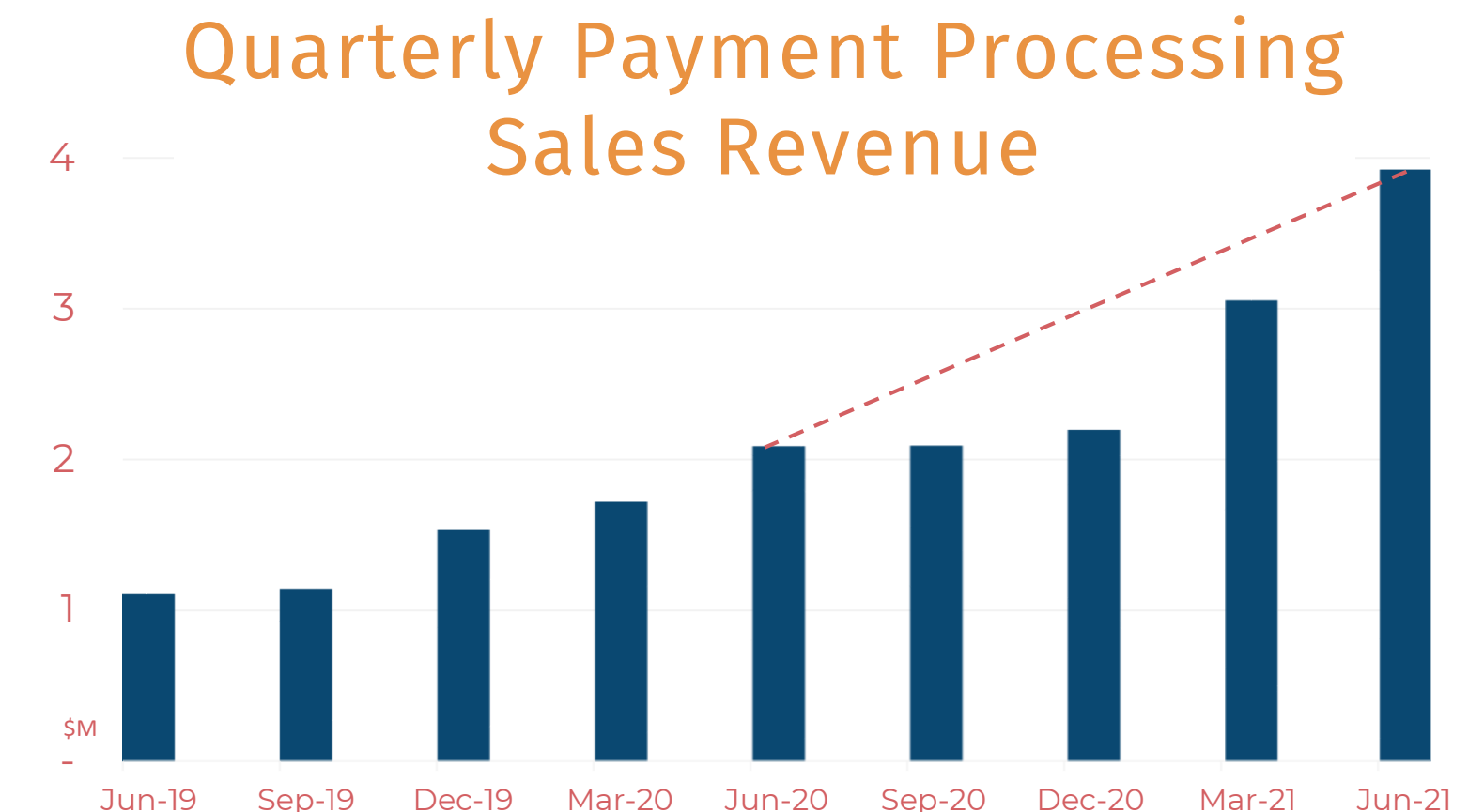
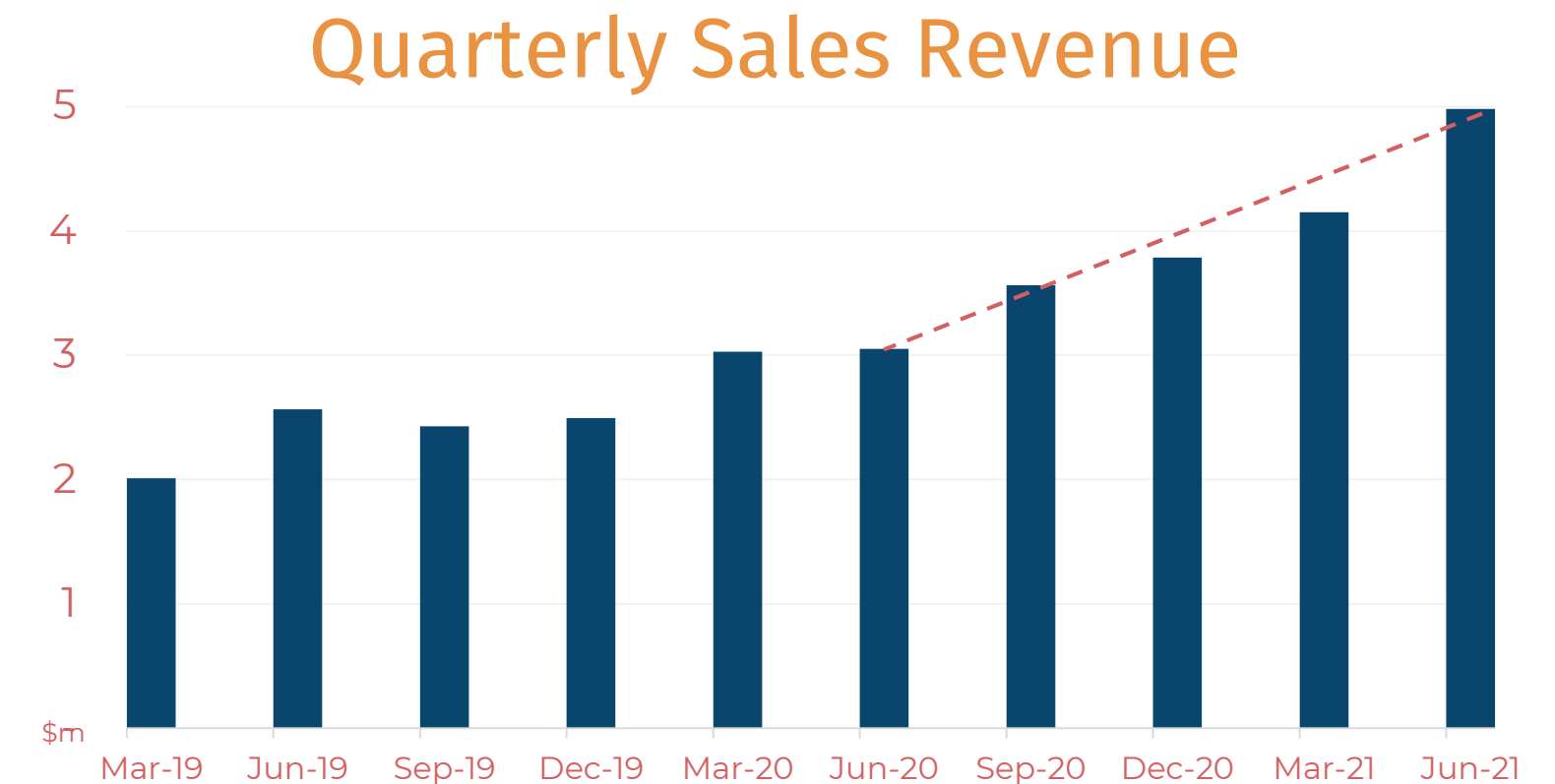
Annual Processing Sales Revenue



Consistent growth across the year

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- Importantly, Novatti delivered strong growth across the year
- June quarter sales revenue \$4.9m - highest-ever and up 63% year-on-year
- Payment processing now delivered 9 straight quarters of record sales revenue
- Carrying strong momentum into FY22



Increased investment in growth

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- Novatti invested heavily in the expansion of its ecosystem in FY21 to drive further growth
- Targeted increased growth expenditure included:
 - Employee benefits – up 41% on FY20
 - Security deposits – up \$1.8m on FY20
- Contributed to FY21 loss after income tax expense of \$11.8m – a 7.8% increase on FY20
- Underlying EBITDA of (\$4.28m)
- Outside of growth expenditure, continued focus on driving efficiency
- End FY21 with \$8.8m in cash

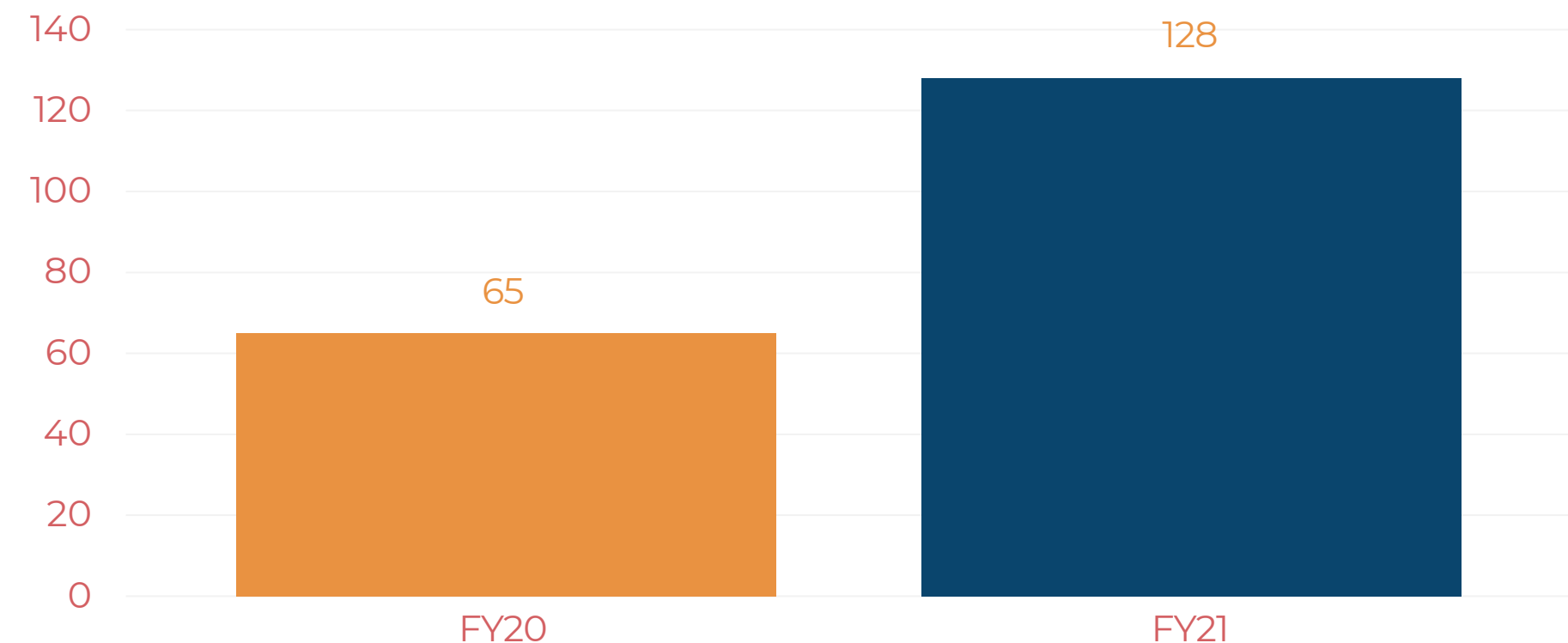
	FY2021 \$000	FY2020 \$000
Revenue	16,482	11,004
Other income	1,947	854
Expenses		
Administrative and corporate costs	(2,227)	(1,904)
Client hosting fees and other direct services	(4,979)	(3,137)
Employee benefits	(15,888)	(11,234)
Foreign currency translation (losses)/gains	(116)	(179)
Marketing and selling expenses	(57)	126
Data management expenses	(454)	(257)
Gain on investments at fair value through profit or loss	366	-
Share based payment on investor and broker options	(1,085)	(190)
Share of net profit of joint ventures accounted for using the equity method	33	17
Loss on embedded derivative - convertible note facility into Novatti Group Ltd the parent entity	(2,860)	(727)
Impairment of capitalised bank licensing costs	-	(3,013)
Depreciation and amortisation expense	(1,481)	(906)
Finance costs	(1,507)	(1,367)
Loss before income tax expense	(11,826)	(10,913)
Income tax expense	(17)	(47)
Loss after income tax expense for the year	(11,843)	(10,960)

We're hiring!

- Key focus of FY21 growth investment was the Novatti team
- Team grew from 65 to 128
- Enables Novatti to:
 - Develop new solutions
 - Open new markets
 - Facilitate long-term growth
- Even in a very competitive market, best fintech talent is choosing Novatti!

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Growth in Novatti's team FY20-FY21



What to expect in FY22

- Main ambition – grow top line revenue
- \$40m+ capital raising enables Novatti to expand its growth strategy:
 - Increase presence in existing markets
 - Enter new markets (and replicate ecosystem model)
 - Pursue a range of acquisition opportunities
- Open opportunities to explore synergies with Reckon
- Aiming for Visa and Mastercard Acquiring Licences before end of September 2021
- Aiming to achieve restricted banking licence approval before end of November 2021

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