

# Novatti

*Digital banking*

27 August 2020

FY20 results presentation



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**\$2b+**

**Value of transactions  
processed annually**

**+ 60%**

**Growth in processing revenue  
on previous financial year**

**+ 50%**

**Approx average annual  
revenue growth for 3 years**

**+ 33%**

**Total revenue growth on  
previous financial year**

# About Novatti



Novatti is a leading digital banking and payments company.

Through our innovative technology, and a global network, we enable every person to transact from any device, anywhere.

In doing so, we position our customers to thrive as we shift to a digital, cashless society.



Novatti has been methodically developing and acquiring the complementary capabilities to provide consumers with a fully digital banking service.

In addition to creating a complete business based on digital banking, each of Novatti's business units operate successfully on their own, providing a sustainable and scalable growth platform.

## Digital Banking



### Transaction Processing

Leveraging our infrastructure and platforms to process the global digital payments of consumers and businesses from any device



### Card Issuing

Providing consumers with the physical platform to make digital payments through reloadable debit cards, including gifts cards



### Payment Acquiring

Enabling customers to receive funds quickly and securely through fully-digital and borderless payment acceptance solutions



We strongly believe that the shift to a cashless society will accelerate.

“The way in which Australians are making payments is changing and new payment methods are emerging, often enabled by mobile technology.”

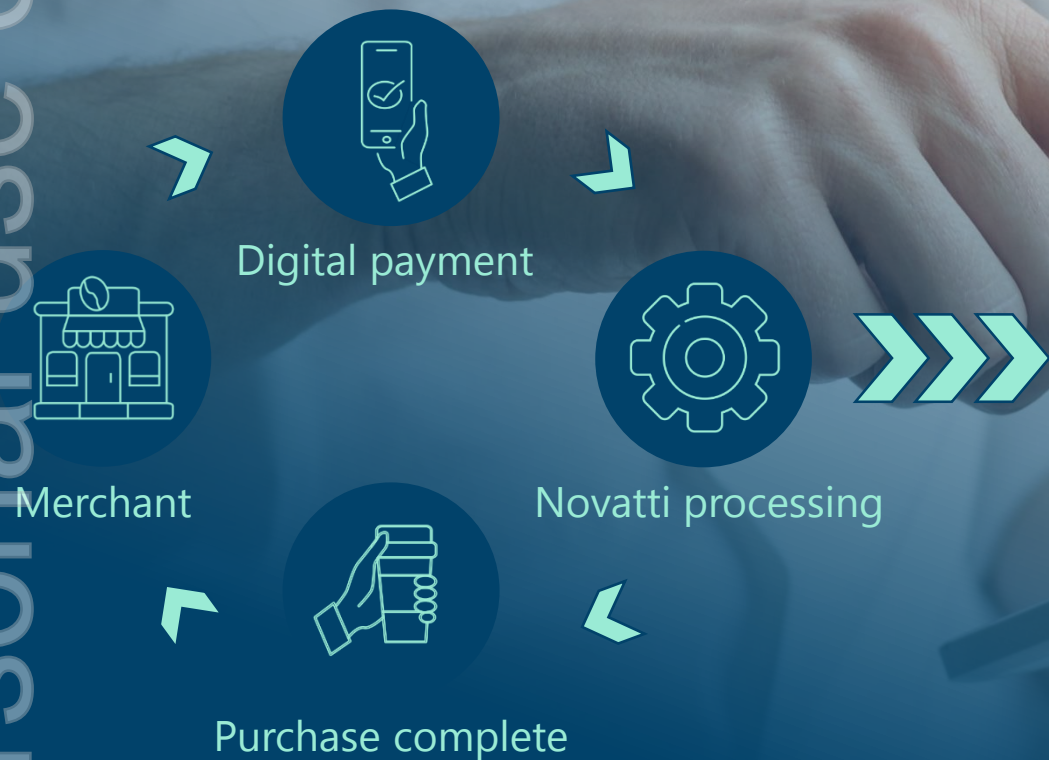
Consumer Payment Behaviour in Australia, Reserve Bank of Australia, March 2020

## Share of number of payments



Technology has enabled consumers to make purchases digitally, without cash.

Novatti provides the technology platforms and services that enable these transactions to take place, on any device.



## Revenue streams include:

- Payment card issuing
- Payment processing
- Payment acceptance
- International payments
- Technology services
- Subscription billing



# **FY20 - financial performance**

- Total annual revenue increased 33% to \$11.86 million
- Averaged approx 50% total revenue growth each of the past three years
- Underpinned by continued growth in core processing business

**+50%**  
Approx average  
annual revenue  
growth for 3 years

## Total annual revenue



- Novatti's core business revenue grew 60%
- Five consecutive quarters of record processing revenue
- Positioned for growth post-COVID-19

**\$2b+**

**Value of transactions  
processed annually**

## Quarterly processing revenue





- Cashflow continues to strengthen
- Net cash used narrowed to just \$16,000 in June quarter, down from \$543,000 in March quarter
- Focus remains on using cash for growth
- \$2.6 million available at end of June quarter and \$10.2 million share placement complete
- Current growth strategy now fully-funded

# + \$12m

**Cash available\***



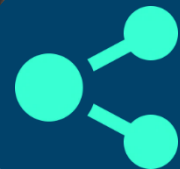
Business  
development



Acquiring  
new Visa card  
issuing programs



Global  
partnerships

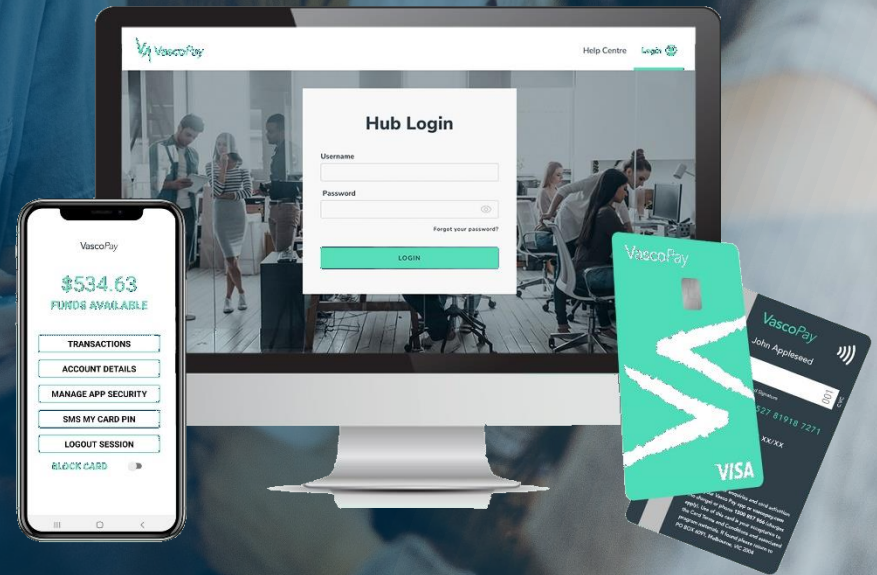


Fast-track  
network  
integration

# **FY20 - operational performance**

- Culmination of a multi-year development campaign
- In September 2019, Novatti awarded Principal Issuer Licence by Visa
- Enabled Novatti to issue and distribute both physical and digital Visa cards

# VISA





Continued Novatti's successful history of strategic partnerships with tier-one players in key markets:

**VISA**



**Alipay**



**MARQETA**

**rent.**  
com.au

**DECTA**



## Partnerships spotlight

Global payments leader Marqeta chose Novatti as its partner to launch its prepaid card business in Australia. Marqeta is a partner of Afterpay, Square, Uber, Affirm, Instacart and Doordash and has issued around 140 million payment cards globally.

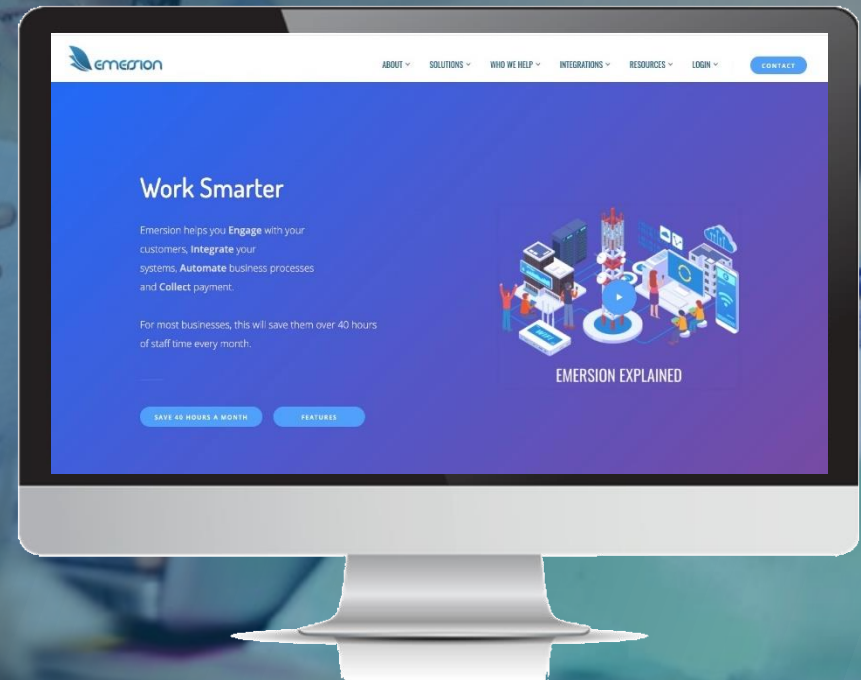
**VascoPay**

ChinaPayments enables Chinese residents to pay more than 35,000 different Australian BPAY billers using Chinese currency. In June 2020, the business was further validated with the partnership announced with Alipay.



**China Payments**

- Novatti successfully acquired and integrated Emersion, with performance beating expectations
- Emersion combines diverse applications, including subscription billing, payments and provisioning, into existing business platforms
- FY21 expected to be a strong year for Emersion with additional global partnerships and further plans for international expansion





- The culmination of all Novatti's capabilities will be a fully-digital banking service
- Novatti is developing a borderless, digital-only neobank
- Will leverage more than 100,000 customers through Novatti's partners
- Submitted final application for a Restricted Authorised Deposit Taking Institution licence to the Australian banking regulator
- Regulator paused license approvals during COVID-19 – recommencing March 2021
- In the meantime, we continue to develop a strong customer and partner base ready for launch

## 1 in 4

Banking customers either switched or seriously considering switching to a neobank\*



Already fully digital



# **FY21 - outlook**



**Drive further payments processing growth**



**Continue strong total revenue growth**



**Deliver new strategic partnerships**



**Build payments banking services**

Novatti invites investors to keep up to date with news, events and industry research by joining the Novatti mailing list at:  
<https://www.novattigroup.com/subscribe>

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## Key metrics (as at 25 August 2020)

ASX ticker	NOV
Market cap @ \$0.265	\$59.9m
Ordinary shares on issue	226,085,499
Top 20 Shareholders	63.15%

## 12 month share price history

