

Creating Australia's leading migrant bank

FOCUSSED ON MIGRANTS

BACKED BY EXPERIENCE

DRIVEN BY TECHNOLOGY

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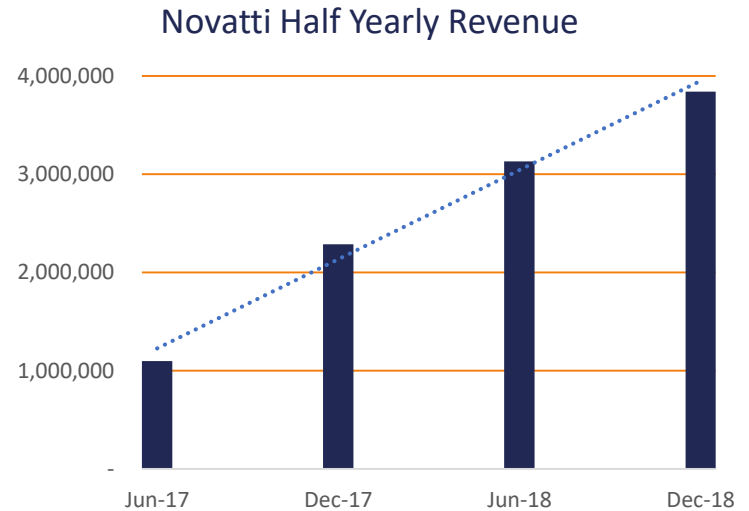
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NOVATTI GROUP

- PROVEN, ROBUST, FINANCIAL TECHNOLOGY
- STRONG GROWTH PROFILE
- SUCCESSFUL FINANCIAL PROCESSING BUSINESS



EXPOSURE TO OPPORTUNITY

SIMPLE EQUATION

- NOVATTI TECHNOLOGY
- + FINANCIAL PROCESSING
- + LICENSES & COMPLIANCE
- + CUSTOMERS

PERFECT POSITIONING



DIGITAL TECHNOLOGY



Royal Commission

into Misconduct in the Banking, Superannuation
and Financial Services Industry

MARKET DISRUPTION



Australian Prudential Regulation Authority

APPLICATION PENDING

ACCESS TO A MEGATREND

- DIGITAL BANKING
- NEW SERVICES
- LOWER COST OF OPERATIONS
- REGULATORY CHANGE
- GLOBAL BANKING NEEDS
- SERVICING MIGRANTS

**“WE SAW THE
OPPORTUNITY
AND WE JUMPED”**

BUILDING OUR CUSTOMERS NOW

- MIGRANT FOCUSED FINANCIAL SERVICES
- CONTINUE TO GROW OUR CUSTOMER BASE
- CROSS BORDER PAYMENTS
- COMMERCIAL NETWORKS



MIGRANT FOCUSED

- FOCUSED ON ASPIRATIONAL MIGRANT MARKET
- MARKET SEGMENT OVERLOOKED BY OTHERS
- NON-CORE FOCUS FOR THE MAJOR BANKS
- BUILDING COMMERCIAL RELATIONSHIPS INTO THE SEGMENT NOW

~200,000
new migrants each year

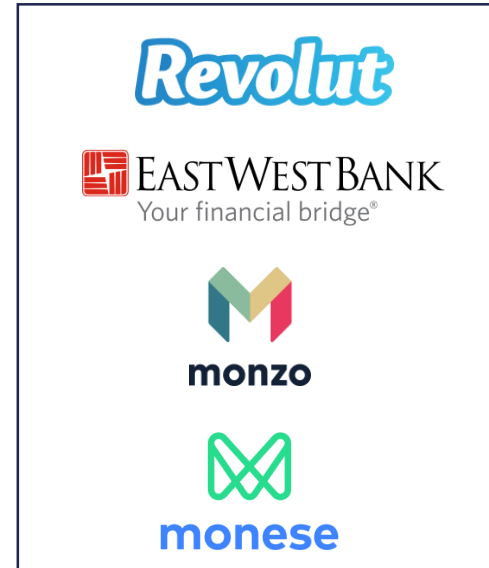
~7 million
migrants in Australia

~\$9 billion
per year sent overseas

~\$7 billion
of this to China and India

ESTABLISHED MARKET TRENDS

- DIGITAL BANKS ACHIEVING HIGH MARKET VALUATIONS
- NUMEROUS SUCCESS STORIES
- SUPPORTIVE REGULATION
- LEVERAGING NEW TECHNOLOGY
- MOBILE FIRST, DIGITAL, LOW COST OF OPERATIONS



INVESTMENT OPPORTUNITY

- EXISTING FINTECH BUSINESS WITH REVENUE GROWTH
- BUILDING OUR CUSTOMER BASE NOW
- HIGH GROWTH
- SUCCESSFUL FINANCIAL PROCESSING OPERATIONS IN PLACE
- STRONG COMPLIANCE EXPERIENCE
- PROVEN, ROBUST, FINANCIAL TECHNOLOGY
- RESTRICTED ADI APPLICATION UNDERWAY
- ASX LISTED OPPORTUNITY



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ABOUT NOVATTI GROUP LIMITED

Novatti is an award-winning global software technology, utility billing and payment services provider. Both through technology and services, Novatti helps economies, corporations and consumers digitise cash transactions.

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

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 for Chinese consumers and Vasco Pay a prepaid reloadable Visa card.

HIGHLIGHTS

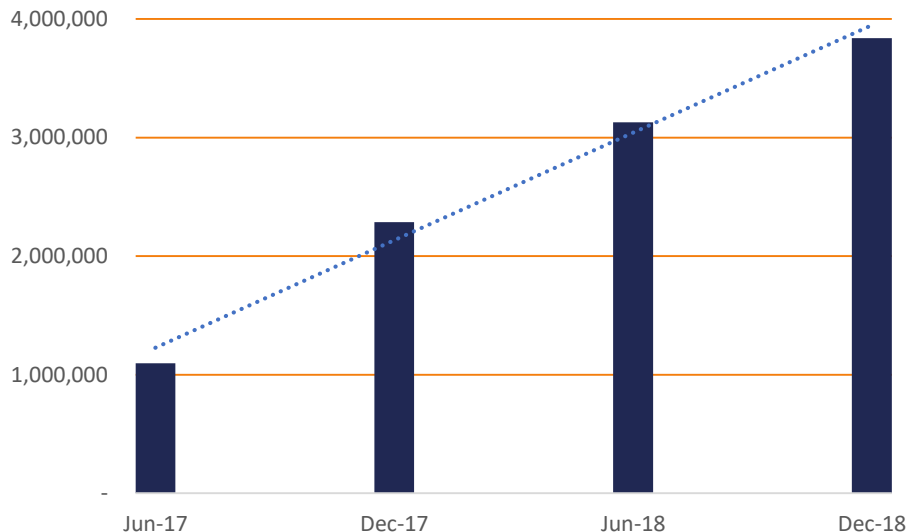
- Record half year revenue
- Revenue of \$3.84m (unaudited) for the half including \$1.86m for the December quarter, a 81% increase from the corresponding quarter last year.
- Continued growth in transaction processing revenue, up 21% from \$881k in Q1 FY2019 to \$1.06m
- Cash balance as at 31 Dec 2018 of circa \$3.1 million
- Application for restricted Authorised Deposit Taking Institution (ADI) banking licence submitted in November 2018
- Continued revenue and operational growth expected in the coming quarters

FINANCIAL UPDATE

Growth from multiple lines of business

Revenue for the quarter of \$1.86m and revenue for the half of \$3.84m, excluding the R & D rebate.

Novatti Half Yearly Revenue



FINANCIAL UPDATE

Over the quarter, transactional revenue growth increased 21% from \$881k to \$1.06m (unaudited) as a result of continued growth in Flexepin, remittance services and China payments. The increase in transaction processing revenues comes from a mix of increased sales to existing customers and new B2B processing customers.

From the December 2017 quarter until the December 2018 quarter, transactional revenue grew 196%.

The balance sheet at 31 Dec 2018 included \$3.06m cash at bank and nil debt.

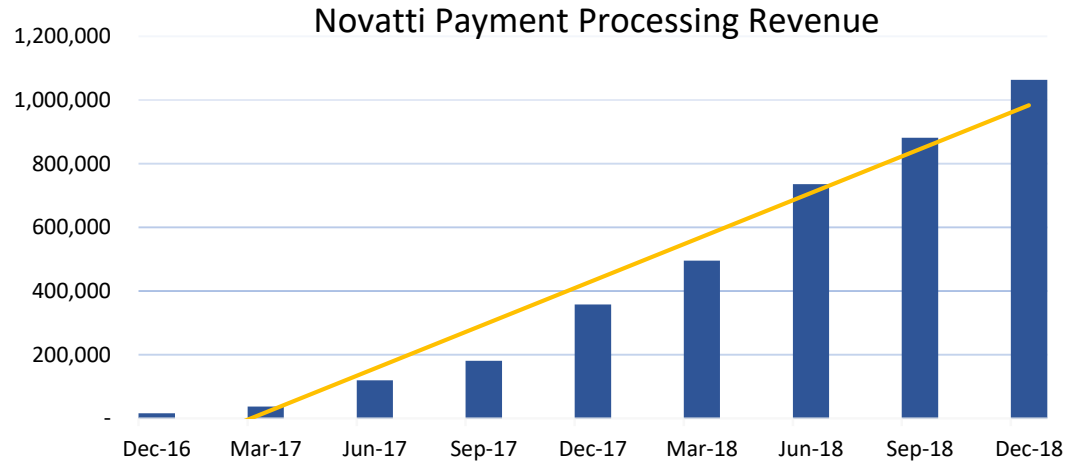
Corporate Overview

Key Metrics	
ASX Ticker	NOV
Market cap @ \$0.21 (as at 08 Feb 2019)	\$32.9m
Ordinary shares on issue	157.51m
FY18 sales revenue	\$6.3m
Cash (as at 31 Dec 18)	\$3.1m
52 week high-low	\$0.34 - \$0.17
Debt	Nil
Top 20 Shareholders	81.27%

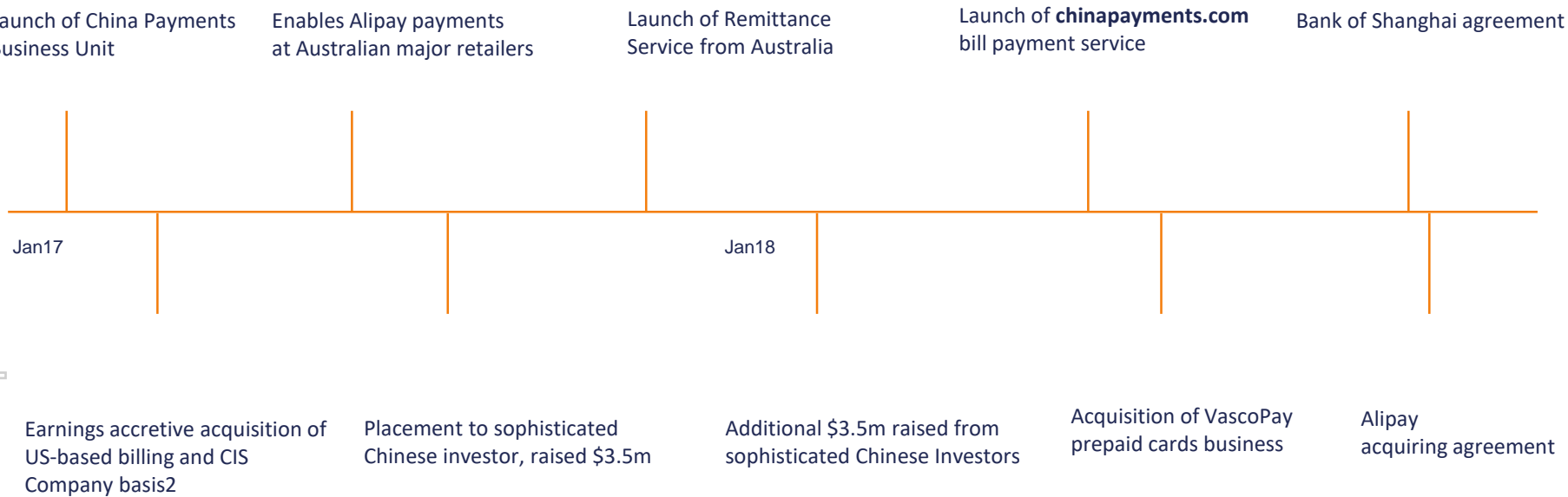


FINANCIAL UPDATE

Payment processing revenues with 8 successive quarters of strong growth



2 YEARS IN REVIEW:



CHINA ACTIVITIES IN 2018:

Launch of China Payments Consumer portal

Acquire Vasco Pay prepaid cards

Bank of Shanghai agreement

Marketplace payments with Payzero

Apply for Restricted Bank Licence

Direct acquiring with Alipay

January

April

June

August

November

December



NEW TRANSACTION PROCESSING AGREEMENTS

During the quarter, Novatti executed agreements with 12 processing partners that should continue to drive additional transaction processing growth in future quarters. This includes agreements with:

- Incentiapay Limited (ASX:INP) for Alipay processing,
- Alipay for direct merchant acquiring
- Freight Lounge (a freight forwarders network) for digital wallet and payment processing
- Bank of Shanghai for the payment of Australian bills
- Multiple Chinese payment processors for collection of online marketplace payments
- Multiple remittance companies for provision of remittance compliance and processing services

APRA BANKING LICENCE

Novatti lodged its application to APRA for a Restricted Authorised Deposit-Taking Institution (RADI) or banking licence in November 2018. The focus of such a banking licence is to offer new banking services to Australian customers with a focus on migrants. Novatti is currently building future banking services customers by way of its remittance services, Vasco prepaid card services and its China Payments bill payment services. In line with its growth strategy, the Company intend to apply for a full non-restricted ADI in due course.

OUTLOOK

Novatti continues to execute a broad range of B2B financial transaction processing agreements on a regular basis. These agreements help build a high growth revenue business. Novatti aims to maintain its recent rate of signing 8 - 12 agreements per quarter that support the ongoing growth in the transaction volume and related fees.

Novatti expects continued engagement with APRA during the current quarter and potentially into the April-June Quarter as APRA reviews Novatti's bank licence application. In parallel, Novatti's banking services team is continuing to prepare for launch assuming a successful application.

OUTLOOK



Banking Services

Customers + Licences + Technology

B2B Customers

Strategic relationships with other financial processors

B2C Customers

ChinaPayments
Remittances
Reloadable Cards

Licences

AFSL License
Austrac registration
Appointed Representative of an E-money Issuing License

INTRODUCING PROJECT INTERNATIONAL

Novatti through Project International will offer ground-up exposure to a revolution in the banking sector that has an exceptional low risk factor.

- A new regulatory environment aimed at increasing competition and customer choice
- Reduced capital requirements for a restricted licence
- Ability for digital banks to be much more profitable than legacy banks

SUCCESS IN A NEW ENVIRONMENT

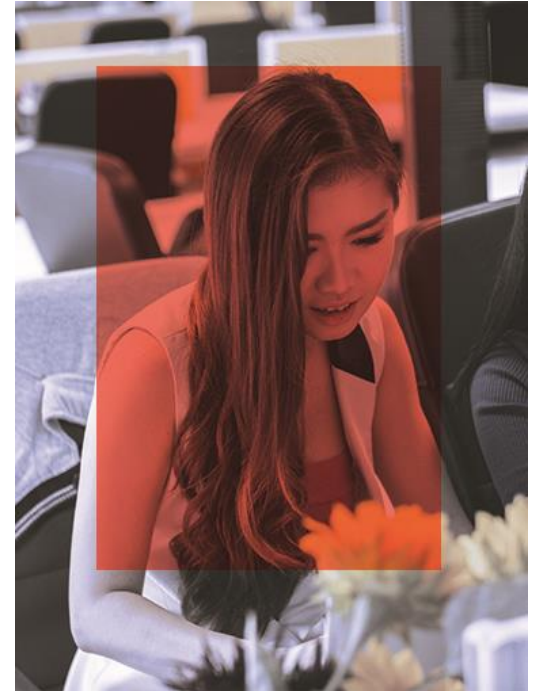
- Project International has the factors to be successful in this new environment by leveraging off Novatti's experience
- Novatti has strong payments experience. We process 3 million payments per day from all over the world
- Novatti has experience with the development of digital payment platforms
- Experienced executive and operating team
- Project International is seeking to tap into a different and substantial market. While many "neo banks" are chasing millennials and people disillusioned with the traditional banking system, we are targeting new migrants



OPPORTUNITY

“Project International” is our code name for our goal to launch the leading migrant bank in Australia.

Our primary focus will be on migrants from China and the Indian sub-continent with an innovative suite of digital first solutions and a culturally appropriate customer centric approach that is like no other.

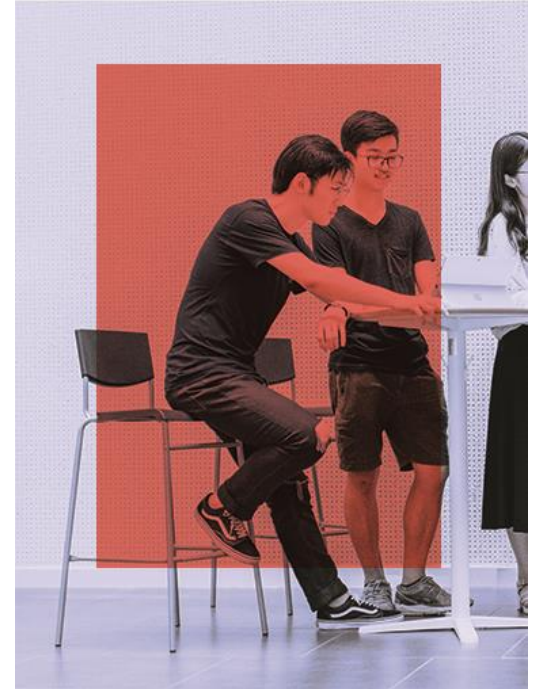


WHY BE A BANK?

A banking licence provides the ultimate legitimacy to offer financial services and engenders maximum trust from consumers.

Non-bank financial service providers, although generally regulated through other licences, do not hold the same consumer trust.

Since Novatti has experience operating under an Australian Financial Services Licence and a remittance services registration, a bank licence is a further step for the group to broaden its licence profile.



MIGRANTS

The new migrant group is skilled and strongly aspirational. Of 220,000 new migrants each year 69% are skilled and 26% come to a job.

They are strongly aspirational and ready to play a part in the Australian economy and we will offer them a partnership to support them through every stage of their financial life.



SIGNIFICANT PROFIT OPPORTUNITY

Big-4 bank ROEs average around 14% - and that's with staffed branches, multiple legacy technology platforms, massive process inefficiencies, product-centric operations and expensive staff costs.

Global experience of new digital bank entrants (Neo-banks) sees ROEs up to 3 times greater than legacy market incumbents.



EXISTING MARKET EXPOSURE

Novatti already deals with 100,000 remittance and payments customers via our partners.

Novatti also owns Vasco Pay which is already established and offers a prepaid card and remittance service to the student market.

