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Novatti

Acquisition of ATX

A platform for further expansion in South East Asia

20 October 2021



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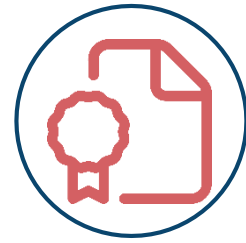
Novatti enables businesses to **pay and be paid**, from any device, anywhere. From corner stores and startups to global organisations, our solutions will unlock your ambitions.

Corporate profile

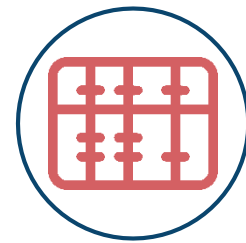
Novatti



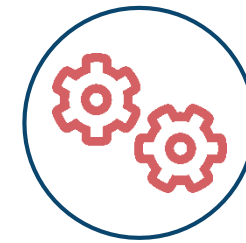
\$141.6m
Market Cap¹



323.8m
Total Shares



~\$18.3m
Cash²



\$2b+
Annual Transaction Volume³



125+
Employees



8+
Markets Globally

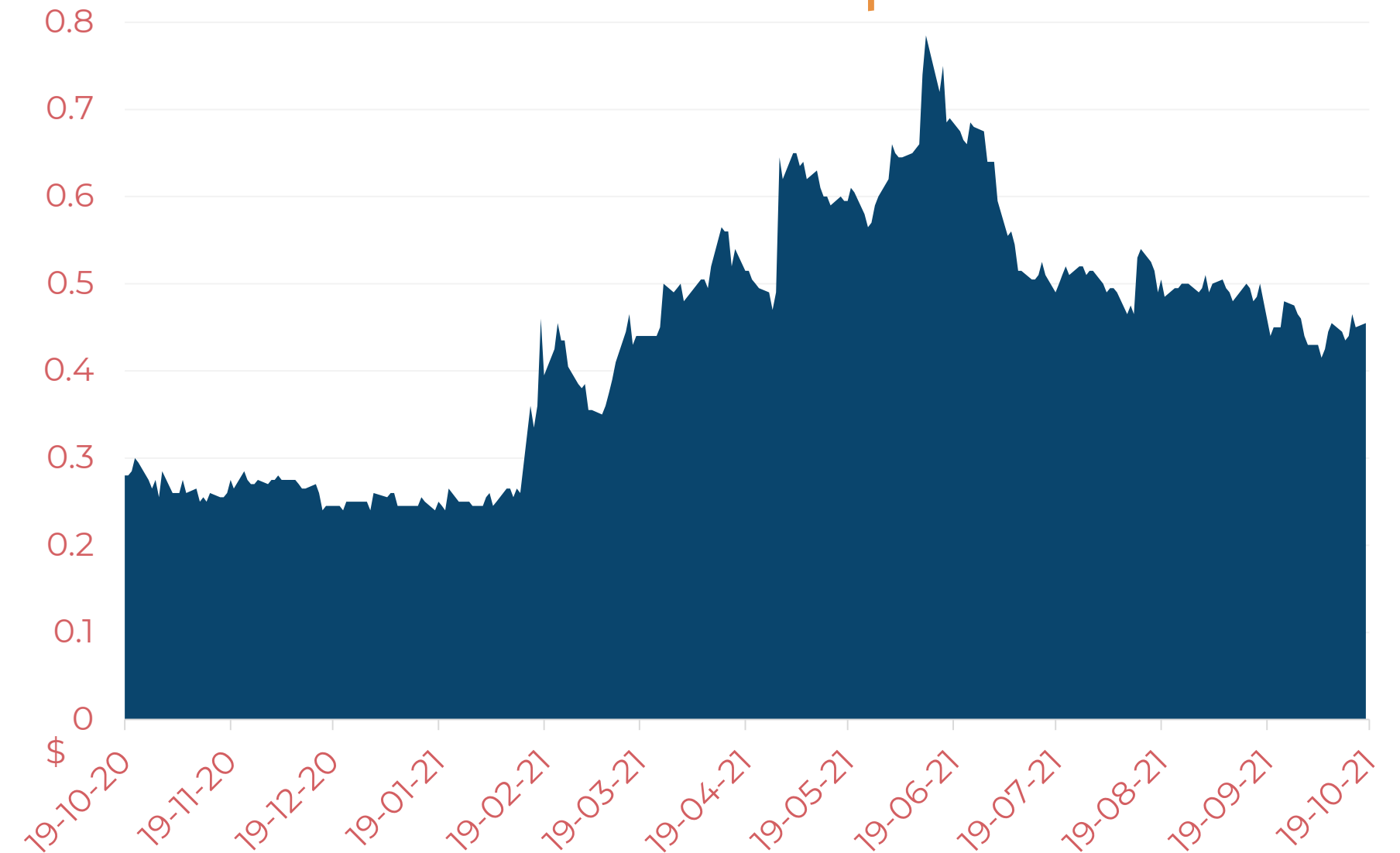


\$16.5m+
FY21 Sales Revenue



400+
B2B Customers

Twelve month share price chart



¹ Based on the closing share price of \$0.435 at 19 October 2021.

² As at 30 September 2021.

³ Based on Novatti's processed transaction volumes for FY20.

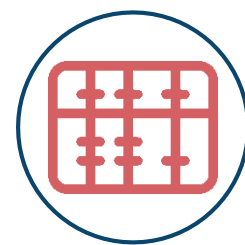
Acquisition of ATX

Novatti

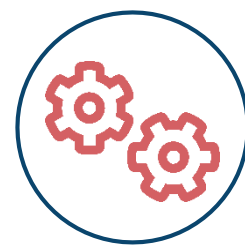
Novatti will acquire ATX – an innovative and fast-growing South-East Asian payments fintech



\$3m
FY21 Annual Revenue¹



\$0.6m
FY21 EBITDA¹



10.2m+
Annual transactions²



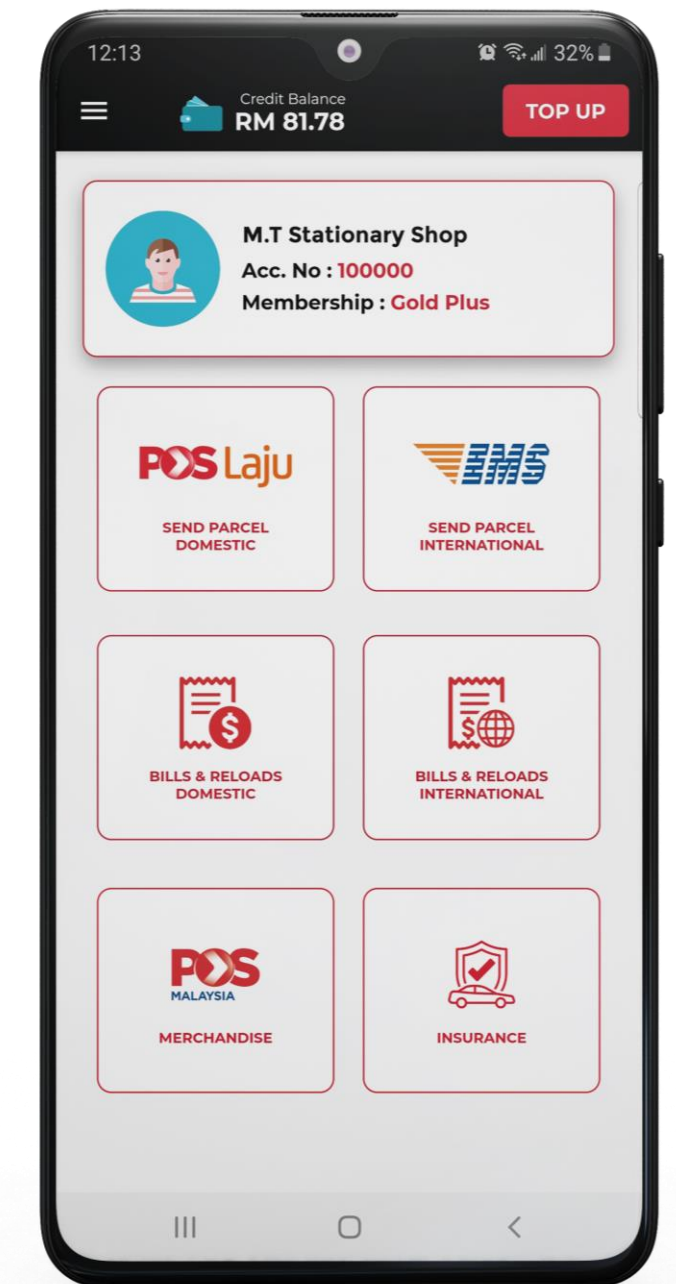
10k+
Agents²



30k+
Touch Points in Malaysia²



6 years
Existing partnership with Novatti



1. Based on Normalised Revenue, which is an estimate of Sales Revenue that best aligns with Novatti's Revenue Recognition policy. Normalised revenue and EBITDA are based on FY21 (July 20 – June 21). AUD\$ conversion based on RM:AUD0.33.
2. Data provided by ATX management and subject to final due diligence.

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ATX – overview

Novatti

- Founded in 2011 in Malaysia*
- Novatti partner since 2015
- Recognised as Top 50 rising startup in South East Asia by Tech in Asia
- Developed and monetised a B2B2C bill payments ecosystem
- Provides e-wallet partners, traditional retail stores and kiosks with digital payment services
- 30k+ touch points in Malaysia
- Program partner for 62k+ prepaid cards
- Launched 8 e-wallet platforms
- Process 10.2m+ transactions annually



Payments Aggregator (B2B)

- Distribution partner for more than 130+ products
- 60 partners with 19k+ touch points



Digital Wallet for agents (B2C)

- Digital wallet for more than 10k agents, enabling commissions
- Access to more than 100+ bill payment and reload products
- Products include utility and council bills, entertainment, and insurance



MyPOS Pay

Value add services for retailers (B2B2C)

- Provides retailers with access to value-add postal services
- Includes click and collect for online merchants, bill payments and mobile reloads
- 3k+ merchants
- 10K+ parcels monthly



RuncitHero

Online marketplace for grocers (B2B2C)

- Provides grocers with purchasing power
- 2k+ FMCG products available to sell without carrying inventory

Customers include:



*All data on this slide provided by ATX management and subject to final due diligence.

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ATX – strong leadership team

- Led by a group of strong founders and senior management
- Importantly, key leadership team, including CEO and Director – Strategy, have committed to future under Novatti ownership
- This will ensure smooth transition and ongoing continuity



Sashie Kumar
Founder & CEO

- Leads commercial, sales and marketing
- Specialist in telecoms distribution and retail operations with 25+ years of experience
- Previously VP at Scicom Bhd and GM of Sales and Distribution at e-pay for 10 years

Novatti



Kelly Koh
Founder & Director - Strategy

- Leads strategy & product acquisition
- 16+ years of experience in business development, key account management and project management
- Previously Senior Manager – Business Development & Key Accounts at a publicly listed company and 7 years with e-pay

ATX – target markets in Malaysia

Novatti

- ATX is able to serve a number of key markets across Malaysia*
- A key target is those markets currently underserved by digital payment providers, including stand-alone retailers and kiosks
- Also targeting Malaysia's growing fintech sector in a B2B strategy aligned with Novatti's existing ecosystem strategy



MyPOS Pay

Value add services for retailers (B2B2C)

- Brick and mortar, chain stores, social media platform sellers
- Potential 100k retail shops across Malaysia



GOPAY[®]
Digital Wallet for agents (B2C)

- Agent model (gig economy, aid recipients, parents, students)
- Potential 4m+ freelancers in Malaysia



PayHub
Payments Aggregator (B2B)

- Wholesale business (e-wallet, e-commerce, financial services, closed loop wallet)
- Potential 200+ fintech/e-wallet/e-commerce companies



RuncitHero

Online marketplace for grocers (B2B2C)

- Digitising small grocers (family or individual-owned shops, village grocers, kiosks)
- Potential 60k+ individual small grocers in Malaysia

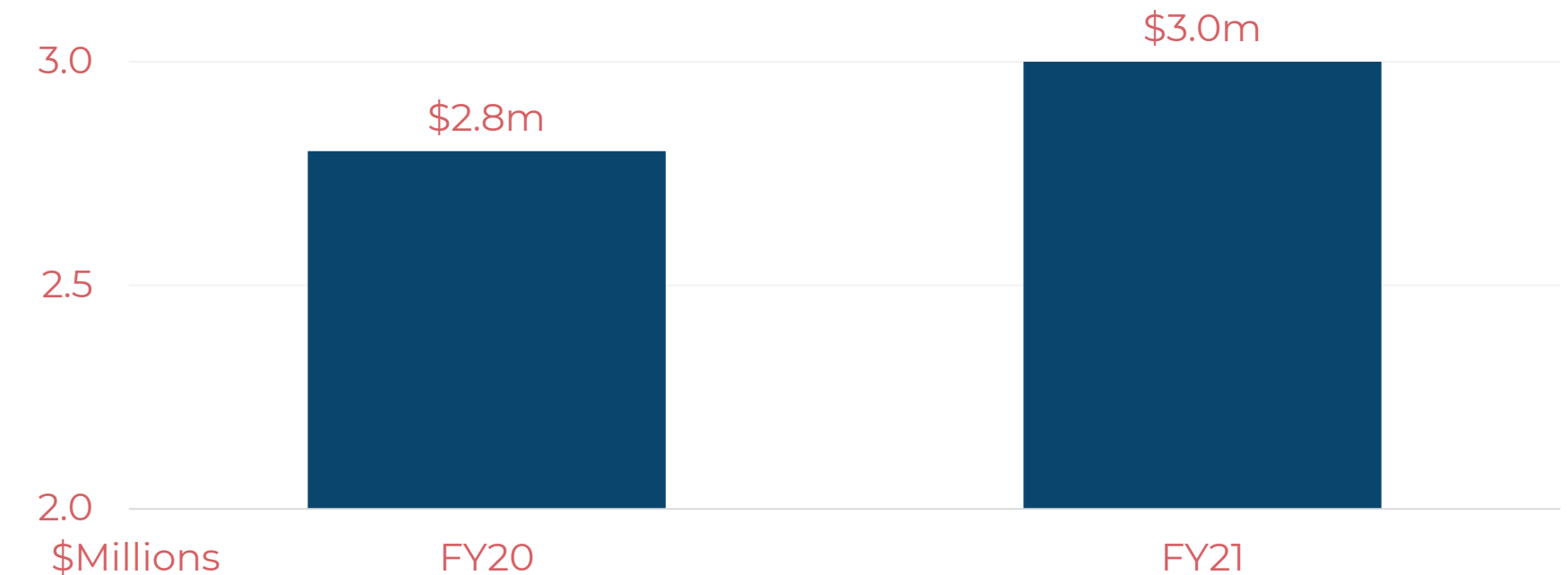
*All data on this slide provided by ATX management and subject to final due diligence.

ATX – financial performance

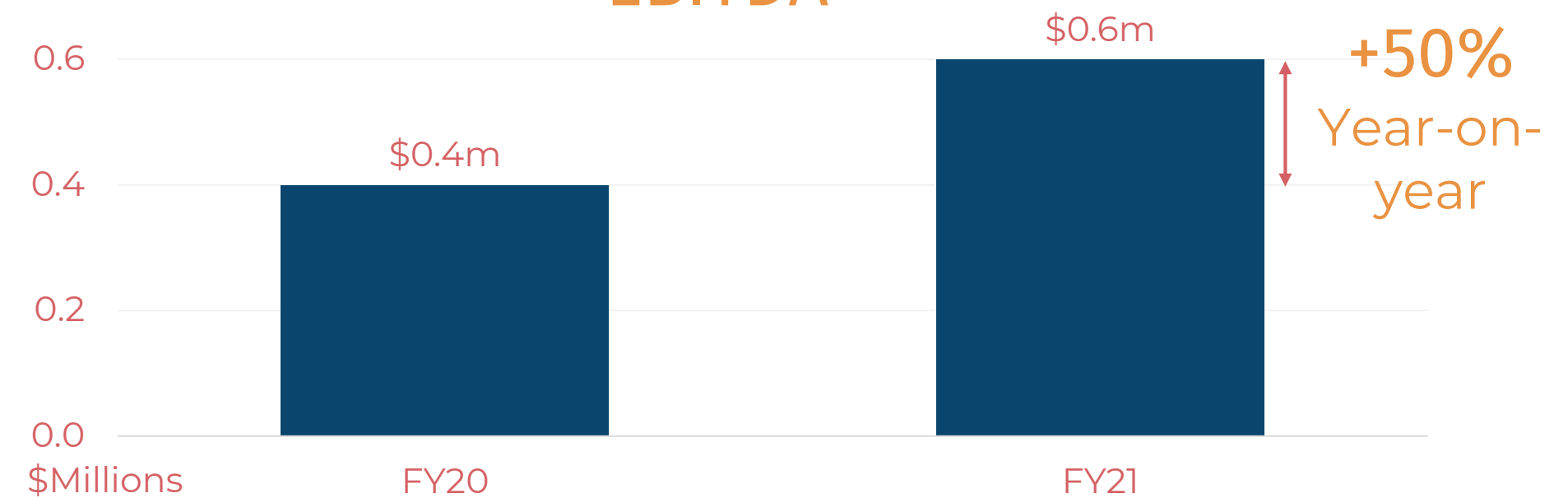
Novatti

- ATX generated normalised revenue of \$2.8m in FY20 and \$3.0m in FY21*
- Also produced EBITDA of \$0.4m in FY20 and \$0.6m in FY21, a 50% increase
- Potential for accelerated growth under Novatti ownership through introducing additional Novatti services and other value added services

Normalised Revenue



EBITDA



*All data on the slide provided by ATX management and subject to final due diligence and based on normalised revenue for FY20 (July19 – June20) and FY21 (July 20 – June21). AUD\$ conversion based on RM:AUD0.33

Acquisition value proposition

Novatti

Acquisition of ATX provides strategic value to Novatti on several fronts:



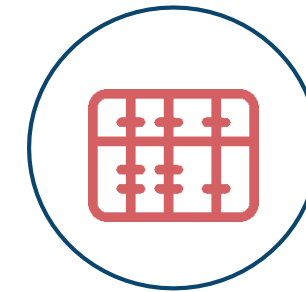
On-the-ground in South East Asia

The acquisition creates an on-the-ground presence for Novatti in South-East Asia, a key growth market going forward. This will also provide a platform for the potential expansion of other existing services, including Novatti's partnerships with Ripple



Strong team and solutions

ATX is led by a strong team who will continue post acquisition. Since 2011, they have established a number of innovative solutions and a solid customer base delivering increasing revenues



Strong deal valuation and growth potential

The acquisition price represents a valuation of 2.8x normalised annual revenue



De-risked through existing partnership

ATX has been a Novatti partner since 2015. As a result, the business is well known and understood by Novatti, de-risking the acquisition

Alignment opportunities



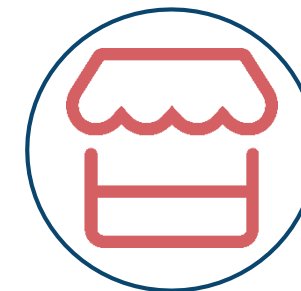
- Novatti and ATX have been partners since 2015*
- To date, ATX has focused on leveraging Novatti's ecosystem, particularly technology
- Acquisition enables Novatti to scale existing ATX businesses while looking to introduce additional Novatti services to the Malaysian market, such as billing
- In addition, Novatti will get access to ATX's leading technology, including e-wallets



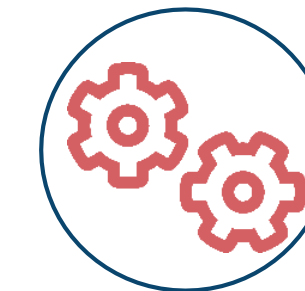
Existing business



Issuing
Prepaid Visa cards



Acquiring
Enabling merchants to accept payment



Processing
Including cross-border



Billing
Including automation



Banking
Licence pending with APRA



Existing business



Program partner for 62k+ prepaid cards



30k+ touch points in Malaysia



10.2m+ transactions annually, and 60 e-wallet integrations



No existing services



SME/Merchant financing services in development

Opportunity

Look to grow

Look to grow

Look to grow and leverage ATX e-wallet technology

Opportunity to introduce Emersion

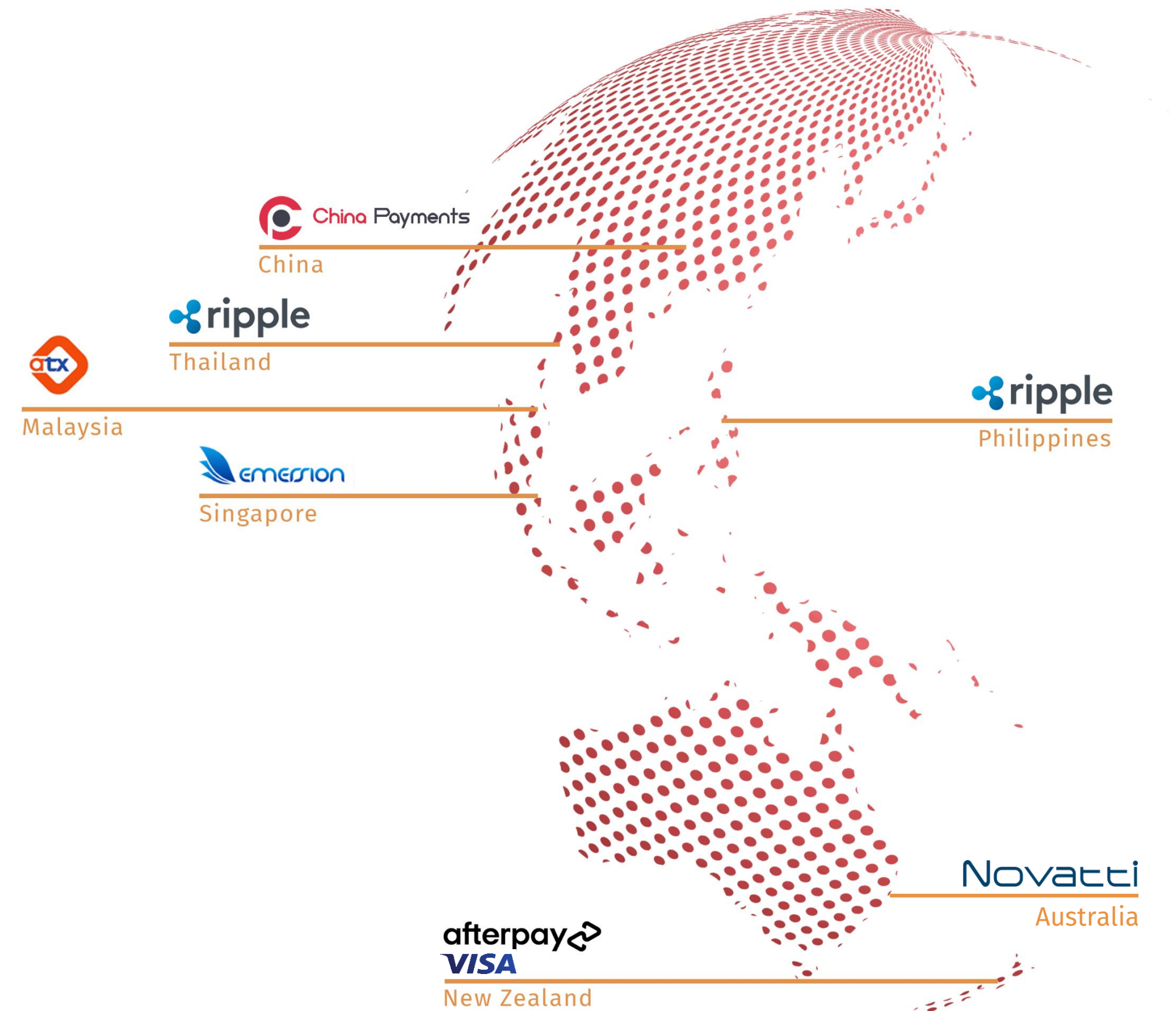
Create customer acquisition channel for new banking business

*All data on this slide provided by ATX management and subject to final due diligence.

Platform for SE Asia expansion

Novatti

- Acquisition provides Novatti with a physical presence in Malaysia
- Malaysia alone shows strong digital payments growth:
 - Population of 32m+¹
 - Digital wallets already representing 13% of point of sale payments compared to 8% in Australia²
 - Mobile commerce turnover forecast to grow 100% to 2024²
- In addition, it provides a base for further potential expansion of existing and future services into South East Asia, including Novatti's partnership with Ripple



¹ Source: World Bank 2020
² Source: FIS World Pay 2020 Report

Transaction summary

Novatti

Novatti will acquire 100% of the shares in ATX for:*

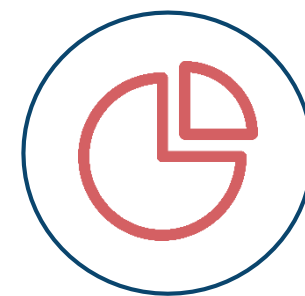
- Initial Consideration (at completion)
 - Cash: MYR12m (AUD\$3.96m)
 - Shares: 3,600,000 new fully paid ordinary Novatti shares of a value equivalent to \$1.98m at an issue price of \$0.55 per share. Shares issued to be subject to a two year escrow period and will be issued under Novatti's LR7.1 placement capacity
- Deferred Consideration (post completion)
 - MYR7.5m (AUD\$2.475m) in two equal cash instalments following the first and second calendar years post completion
 - Additional deferred consideration in cash of up to MYR4.5m (\$1.485m) by way of earn out is subject to meeting certain revenue in the first and second calendar years post completion
 - The eligibility of the ATX founders to receive deferred consideration is subject to their ongoing employment

Completion is expected to occur by the end of November 2021



\$8.4m

Acquisition price**



100%

Equity interest
acquired in ATX



2.8X

Valuation multiple
(based on normalised
annual revenue)

*All references to AUD based on a conversion rate of MYR:AUD0.33

**Up to \$9.9m if certain revenue targets are met in the two years post completion

Summary

- Novatti to acquire Malaysia payments fintech ATX - recognised as a top 50 rising startup in South East Asia
- Large established payments network, including 30k+ touch points across Malaysia
- Revenue circa \$3m and EBITDA circa \$0.6m (normalised figures)*
- Valuation multiple of 2.8X normalised annual revenue
- Minimum \$8.4m acquisition price, by way of cash and Novatti shares*
- Enables Novatti to scale the existing ATX business, introduce additional Novatti services, such as billing, and further expand across South East Asia

Novatti



*Based on a conversion rate of MYR:AUD0.33