

ASX Announcement

14 June 2023

CEO succession

Highlights

- Mark Healy appointed to succeed Peter Cook as CEO
- Mark is currently EGM of Payments at Novatti and has had extensive senior executive experience in the global payments industry
- Peter to remain with Novatti as an executive director with a sales and strategic relationships focused role, ensuring smooth transition
- Appointment effective from 15 June 2023

Novatti Group Limited (ASX:NOV) (Novatti or Company), a leading fintech enabling businesses to pay and be paid, is pleased to announce the appointment of Mark Healy to succeed Peter Cook as Chief Executive Officer, effective from 15 June 2023.

Mark comes to the role with a very detailed understanding of the business, having worked for Novatti for the last 12 months in the role of Executive General Manager of Payments. He has already played a key role in managing several major projects, including the continued investment in Novatti's Acquiring business, growing the Issuing business and managing the financial year 2024 budgeting process.

Prior to joining Novatti, Mark held several key leadership roles in the payment industry, including as the Managing Director of Global Payments Australia, Chief Operating Officer at Ezidebit and eWAY and EVP and Chief Risk Officer for the Neovia Financial (*now Paysafe*) Group.

Mark's appointment further strengthens Novatti's executive team, following the recent appointment of Dharsh Mendez as Chief Financial Officer. Together this team will be responsible for delivering Novatti's key objectives, including scaling its future growth engines such as Acquiring and Issuing, executing Novatti's cost reduction program, and achieving positive cashflow.

Importantly, current CEO and Managing Director, Peter Cook, will remain with Novatti as an Executive Director and transition into a new role focused on managing Novatti's Australian investments, sales and strategic relationships. His existing shareholding in Novatti will be retained for a minimum of twelve months.

Novatti Chairman, Peter Pawlowitsch, said: "I'm delighted to announce Mark as Novatti's new CEO. Mark already has extensive experience within the business and broader payments industry, which will be invaluable as Novatti continues its growth. I would particularly like to acknowledge the structured and orderly transition delivered by Novatti's management team to complete this appointment."

“Central to this orderly transition has been outgoing CEO Peter Cook. On behalf of the Board, I want to thank Peter for his many years of tireless service since the founding of the Company. Peter has been instrumental in positioning Novatti for ongoing growth, particularly in the strategic approach he took to establishing Novatti’s ecosystem, which took many years of determination, and ultimately positions Novatti well for the future. We are delighted that Peter will continue to provide value to Novatti in his new role, particularly in driving strategic sales given his strong network within the industry.”

Outgoing CEO and Managing Director, Peter Cook said: “It has been an absolute privilege to work alongside an amazing team to build Novatti into a leading fintech. The building blocks are now in place to see Novatti scale to meet growing demand for digital payments. I believe the Company’s most exciting years lay ahead, and will only be strengthened through Mark’s appointment.”

Incoming CEO, Mark Healy said: “I’m very excited to be leading Novatti into the future. After many years of patient development, Novatti now has the ecosystem in place to achieve scalable growth. The timing is perfect as the world continues to embrace digital payments. I look forward to continuing to execute the Company’s growth strategy and to delivering for shareholders.”

Mark is employed by the Company under a customary executive service agreement. A summary of the key terms of the agreement (including remuneration) is set out in the annexure to this announcement.

Ends

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

Investors can view all Novatti announcements and join the discussion at Novatti's Investor Community Hub at <https://announcements.novatti.com/>

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This announcement has been approved for release to the ASX by the Board of Directors.

About Novatti Group Limited (ASX:NOV)

Novatti is a leading fintech that enables businesses to pay and be paid from any device, anywhere. From corner stores and start-ups to global organisations, our solutions will unlock your ambitions. Solutions include acquiring, billing, issuing, processing and banking (via International Bank of Australia Pty Ltd (IBOA) under a Restricted Authorised Deposit-taking Institution licence).

Annexure
Summary of Key Terms of Executive Service Agreement

Effective date:	15 June 2023
Base Salary:	Fixed salary of \$350,000 per annum, including statutory superannuation.
Service Bonus:	Mr Healy is eligible to receive 3,000,000 options to subscribe for fully paid ordinary shares in the Company (Options) at an exercise price of 20c and expiring on 30 June 2027, subject to continued employment as CEO for 12 months. All Options will vest immediately if the Company is subject to a change of control event.
Short Term Incentive:	Mr Healy is eligible to receive short term incentives (STIs) in the form of equity on an annual basis, subject to continued employment as CEO for 12 months, based on continued employment and achieving yearly objectives in respect of budgeted revenue and EBITDA, merchant additions and active merchants, job performance, and a positive 'personal scorecard'. For 2023/24, the STI amounts to the grant of 795,455 zero exercise price options (ZEPOs), which expire on 30 June 2027. All ZEPOs will vest immediately if the Company is subject to a change of control event.
Long Term Incentive:	Mr Healy is eligible to receive long term incentives (LTIs) in the form of 4,772,727 ZEPOs, and 3,750,000 20c Options, in each case expiring on 30 June 2027, subject to continued employment as CEO for 3 years and achievement of specified milestones. LTIs are to be set every 3 years by the Board. ZEPO milestones are achievement of targets for revenue, gross transaction value and customer satisfaction. Option milestones are set in equal amounts against 20 day VWAP share price targets of 50c, 75c and \$1.00 achieved at any time in the 3 year period. All ZEPOs and Options will vest immediately if the Company is subject to a change of control event.
Termination and Notice:	<p>Novatti or Mr Healy may terminate the agreement by providing 6 months' written notice. Novatti may, at its own election, make payment in lieu of notice or request gardening leave for up to 6 months.</p> <p>Novatti may terminate Mr Healy's employment immediately without notice or payment in lieu of notice in circumstances warranting summary dismissal at law.</p>
Other terms:	Mr Healy's agreement otherwise contains standard terms and conditions for agreements of its nature, including confidentiality, intellectual property protection, non-competition restraints and leave entitlements.