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ASX Announcement

8 October 2020

International expansion to continue as Emersion readies for US launch

Highlights

- Novatti to continue international expansion with Emersion to launch in the US
- Emersion expansion will drive high-margin, recurring revenues with each new client, highlighting its strength as a SAAS platform
- Move capitalises on strong push to automate and digitise business processes following COVID-19 and as highlighted in the recent Federal Government Budget
- Recent capital raise continues to provide the resources to accelerate growth strategy

Novatti Group Limited (ASX:NOV) (**Novatti** or **Company**), a leading digital banking services and payments company, is pleased to announce that its business process automation platform, Emersion, is preparing to launch in the US in Q3 this financial year.

Emersion automates end-to-end business processes, including billing, collections, subscription management and embedded payments, improving customer cashflow, lowering costs, and freeing-up businesses to focus on their customers. The quality of its products and services has already seen it develop a loyal customer base including utility, telecommunications and managed service providers, across Australia, New Zealand and Singapore.

The US launch is the next step for Emersion's international expansion. As a full SAAS platform, Emersion drives high-margin, recurring revenues with each new client. Novatti is investing in the US expansion now to escalate the growth in the customer base and subsequent recurring revenues and margins.

Since being acquired by Novatti in April this year, Emersion has continued to perform strongly, with new customers on-boarded in both Australia and New Zealand and a very strong sales funnel. It was also recently cleared by customer relationship management giant, Salesforce, for launch on its global business applications marketplace, Salesforce AppExchange.[1]

Novatti's $10.2m capital raising earlier this year continues to play an important role in facilitating Emersion's growth, particularly in providing new resources. For example, in the last four weeks, Emersion has recruited six new employees in sales, customer service and engagement, finance and training, which will help accelerate its growth.

[1] Novatti ASX Announcement – *Salesforce clears Emersion for launch on global marketplace* – 4 September 2020

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Launching Emersion in the US will extend Novatti's ongoing overseas expansion and follows the regulatory approval received last week for 'issuing and managing means of payment' in New Zealand, the necessary step prior to Novatti launching any issuing services in that market.[2]

Managing Director of Novatti, Peter Cook, said: "Through COVID-19, we have seen a strong push to leverage technology to automate and digitise business processes and payments. This was even highlighted in this week's Federal Budget with the Australian Government investing nearly $800m to enable business to take advantage of digital technologies.[3] The Emersion platform has the capabilities to match the Government's vision.

"With such a strong push to digital, and with Novatti already having the platforms to deliver these outcomes, we see this as a great time to accelerate our growth strategy and international expansion, and deliver high-margin recurring revenues."

This announcement follows some of Novatti's other recent growth-focused achievements, including:

- Obtaining regulatory approval for 'issuing and managing means of payment' in New Zealand, the necessary step prior to Novatti launching any issuing services in that market[4]
- Launching its Digital Payments Accelerator, providing innovative fintech and financial products with a fast-track to market[5]
- Emersion being cleared to launch on leading global business applications marketplace, Salesforce AppExchange[6]
- Recording average annual revenue growth of approximately 50% in each of the past three years[7]

Further information on Emersion's automation capabilities can be seen at: www.emersion.com.

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

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[2] Novatti ASX Announcement – *New licence paves the way for New Zealand expansion* – 2 October 2020
[3] Australian Government media release - Digital business plan to drive Australia's economic recovery – 6 October 2020
[4] Novatti ASX Announcement – *New licence paves the way for New Zealand expansion* – 2 October 2020
[5] Novatti ASX Announcement – *Digital Payments Accelerator launched to meet increasing market demand* – 29 September 2020
[6] Novatti ASX Announcement – *Salesforce clears Emersion for launch on global marketplace* – 4 September 2020
[7] Novatti ASX Announcement - *FY20 Results Presentation* – 27 August 2020

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This announcement has been approved for release to the ASX by Peter Cook, Managing Director.

About Novatti Group Limited (ASX:NOV)

Novatti is a leading digital banking and payments company. Its fintech, billing, and business automation platforms make payments fast, simple, and secure. Payments services include card issuing, merchant acquiring, payment processing and settlements, and enable our customers to thrive as we shift to a cashless economy. Novatti holds all necessary regulatory licences, including an Australian Financial Services Licence (No 448066) through its subsidiary Flexewallet Pty Ltd, registration with the New Zealand Companies Office FSP613789 through subsidiary Flexewallet (NZ) Limited, is registered with AUSTRAC as a Remittance Network Provider, and has applied to APRA for a restricted banking licence through its subsidiary Novatti IBA Pty Ltd.