

ASX Announcement

30 June 2021

Acquisition of Strategic Stake in Reckon Limited and Capital Raising

Novatti Group Limited (ASX:NOV) (Novatti or Company), is pleased to announce that it has entered into share purchase agreements for the acquisition, subject to completion of a capital raising, of an equity interest of at least approximately 15% in ASX-listed Reckon Limited (ASX:RKN) (**Reckon**) (**Strategic Stake**).

Reckon is a leading provider of accounting, expense management and scanning/print management software for over 100,000 SME clients globally.

The Company entered a trading halt this morning to undertake a capital raising (**Capital Raising**), part of the proceeds of which are intended to fund the acquisition of the Strategic Stake. The share purchase agreements for the acquisition of the Strategic Stake will complete after completion of the Capital Raising.

Under the share purchase agreements, Novatti will acquire the Strategic Stake at a price of \$1.00 per Reckon share from institutional investors for a total amount of approximately \$17 million (representing approximately 17 million Reckon shares).

Novatti Managing Director, Peter Cook, said, "We are delighted to have secured a strategic stake in ASX-listed Reckon.

"Reckon has a steady revenue and earnings profile, with over 100,000 customers in its business group. The business has strong cash flow generation, has significantly paid down its debt and historically paid sustainable dividends to its shareholders.

"We look forward to successfully completing the capital raising and joining the Reckon share register as a major shareholder."

Further information in relation to the Strategic Stake and Capital Raising is expected to be announced on 2 July 2021.

For further information, contact:

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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 fintech that 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. Solutions include issuing, acquiring, processing, billing, while Novatti has also applied to APRA for a restricted banking licence through its subsidiary Novatti IBA Pty Ltd. Novatti holds all necessary regulatory licences and registrations, including an Australian Financial Services Licence (No 448066) through its subsidiary Flexewallet Pty Ltd, registration in New Zealand as a Financial Services Provider (FSP613789) through subsidiary Flexewallet (NZ) Limited, is registered with AUSTRAC as a Remittance Network Provider.