

ASX Announcement

6 August 2021

Share Purchase Plan Closes

Novatti Group Limited (ASX:NOV) (Novatti or Company), a leading fintech that enables businesses to pay and be paid, has closed its Share Purchase Plan (**SPP**), announced on 2 July 2021 as a part of a broader capital raising initiative raising over \$40 million¹ and following the Company's acquisition of a 19.9% strategic stake in Reckon Limited.

The Company received applications for 452,742 shares for a total of \$249,000 under the SPP. Shares applied for under the SPP are expected to be allotted and issued on Monday, 9 August 2021 and commence trading on ASX that same day, with holding statements to be dispatched the following day.

In addition to funding the Company's stake in Reckon Limited, funds raised under the capital raising initiative (including from the SPP) will be used to grow the Novatti business into existing and new markets, pursue further strategic acquisition opportunities and licensing for the Company's banking subsidiary, and for general working capital.

Novatti Managing Director, Peter Cook, said: "We were keen to provide existing shareholders with the opportunity to participate in Novatti's recent capital raising initiative through the Share Purchase Plan and thank those shareholders who participated in the SPP.

"We were pleased to receive strong support for our recent placement from a number of highly regarded institutional investors and welcome them as new Novatti shareholders.

"This capital raising initiative of over \$40 million will enable Novatti to drive additional growth, including continuing our investment in the bank licence and accessing M&A opportunities."

Novatti's achievements across the past 12 months highlight its track record of applying funds raised to grow its business. These achievements include:

- Forming new partnerships with global payments leaders including Apple Pay, Google Pay, Samsung Pay, and UnionPay
- Obtaining regulatory approval and then partnering with Afterpay to issue Visa prepaid cards in New Zealand
- Expanding business development resources
- Launching its new acquiring business, enabling merchants to accept payments online and through mobile
- Integrating with Ripple with transactions taking place in the Philippines
- Successfully launching Emersion in the US

¹ Subject to shareholders approving tranche 2 of the \$40m placement announced on 2 July 2021 at a general meeting convened for 20 August 2021. Tranche 1 for \$28.1m settled on 9 July 2021 with tranche 2 set to raise a further \$11.9m.

- Securing funding commitments and a strategic partner to launch and operate its new banking business, once regulatory approval is obtained

The positive impact of these achievements was seen in Novatti's June Quarter FY21 results, including 63% growth in quarterly sales revenue year-on-year, and record total annual revenue of \$18.4m, an increase of more than 50% on the previous financial year.²

As part of its expanded growth strategy, Novatti will use the year ahead to seek to:

- Achieve regulatory approval for its new banking business before the end of November 2021
- Unlock new addressable markets, such as the EU and Singapore, through new licencing, replicating the success of Novatti's recent regulatory approvals and partnership with Afterpay in New Zealand
- Obtain acquiring licences from both Visa and Mastercard by the end of September 2021, enabling Novatti to extend its acquiring services and bring through larger business opportunities.

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.novattigroup.com/subscribe>

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, and 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, and is registered with AUSTRAC as a Remittance Network Provider.

² All figures throughout this document related to FY21 and the June quarter remain unaudited unless stated otherwise. Audited figures will be provided in Novatti's full year reports.