

ASX ANNOUNCEMENT
28 March 2017

Novatti expands into the Scandinavian market in partnership with PayGround AB

Highlights:

- **Partnership with eCommerce company in Scandanavia**
- **Additional financial transaction processing revenue stream**

Consistent with Novatti's strategy of actively seeking out key partners to facilitate its global expansion and capitalise on selected opportunities, the **Novatti Group Limited (ASX: NOV, "Novatti")** is pleased to announce the commencement of a partnership in the e-money and payments sector between PayGround AB , a Swedish company, and the Novatti wholly owned UK subsidiary, Flexe Payments Limited.

PayGround is an online payment provider with special focus on global mobile payments and has vast experience in e-Commerce, online games and digital payments.

The payment product leverages the strength of these two Companies to create a distinctive and tailored electronic voucher payment product for customers and merchants located in Scandinavia.

This product is being sold exclusively online to pre-approved customers and the purchase process includes the use of invoicing, e-vouchers and the customer's mobile phone. The product has been launched in Sweden, with Norway and Denmark to follow soon. Finland is to be added in a subsequent phase.

"It is very exciting to partner with a company like PayGround, who are themselves a payment platform specialist. The Flexepin voucher technology will provide customers with a secure and convenient way to make online purchases and/or to load value to their accounts, reducing the threat of online fraud. PayGround's process allows the merchant to offer a secure and simple mobile payment option to their consumers. Both companies believe they have identified an opportunity that has significant potential, and are very encouraged by the initial reaction from both merchants and customers. It is expected that this project will open further areas of cooperation in the payments market with PayGround", said Novatti's Chief Executive Officer, Peter Cook.

Flexe Payments Limited is registered as an Appointed Representative by the

Financial Conduct Authority (FCA) in the United Kingdom with CFS-Zipp Limited, an e-money Issuer with passporting of its licence to many European countries. Novatti will receive a service fee on every transaction and the revenues will be dependent on the take-up of the service.

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About Novatti Group Limited

Novatti is an award-winning global software technology and payment services provider. Both through technology and services, Novatti helps economies, corporations and consumers digitise cash transactions. Novatti's robust and efficient software solutions include Consumer Digital Wallets, Electronic Top-Ups, Mobile Money, Bill Payments, Remittance Services and Voucher Management Systems. Novatti's transaction processing services include Flexepin, an open-loop cash voucher service and TransferBridge, a global remittance network.