

Appendix 4E

Preliminary Final Report – Results for Announcement to the Market

Name of entity

NOVATTI GROUP LIMITED

ABN: 98 606 556 183

1. Reporting period:

Report for the financial year ended:

30 June 2017

Previous corresponding period is the financial year ended:

30 June 2016

2. Results for announcement to the market, (Item 2):

Revenue from ordinary activities (item 2.1) down 27.3% to	\$3,541,917
Net Loss before income tax expense down 5.3% to	(\$4,717,729)
Loss from ordinary activities after tax attributable to members (item 2.2) down 5.3% to	(\$4,717,729)
Net Loss for the period attributable to members (item 2.3)	(\$4,717,729)

Dividends (<i>item 2.4</i>)	Amount per security	Franked amount per security
Interim dividend	- cents	- cents
Final dividend	- cents	- cents
Record date for determining entitlements to the dividend (<i>item 2.5</i>)		

There have been no dividends paid nor provided for as at 30 June 2017 (item 2.6).

3. Statement of Comprehensive Income

Refer attached audited Financial Report

4. Statement of Financial Position

Refer attached audited Financial Report

5. Statement of Changes in Equity

Refer attached audited Financial Report

6. Statement of Cash Flows

Refer attached audited Financial Report

7. Dividends (item 7):

	Date of payment	Total amount of dividend	
Interim dividend-year ended 30 June 2017	N/A		\$0.00
Final dividend-year ended 30 June 2017	N/A		\$0.00

Amount per security

	Amount per security	Franked amount per security	Amount per security of foreign sourced dividend	
Total dividend: Current Year	- cents	- cents		- cents
Total dividend: Previous Year	- cents	- cents		- cents

8. Details of dividend or distribution reinvestment plans in operation are described below (item 8):

Not applicable.

The last date(s) for receipt of election notices for participation in the dividend or distribution reinvestment plan Not applicable.

9. Statement of retained earnings (item 9)

Consolidated Entity	2017	2016
Balance at the beginning of the year	(\$8,391,156)	(\$3,423,436)
Net profit (loss) attributable to members of the parent entity	(\$4,717,729)	(\$4,967,720)
Adjustment on introduction to Australian Equivalent to IFRS	-	-
Total available for appropriation	-	-
Dividends paid	-	-
Lapsing of Options	-	-
Balance at end of year	(\$13,108,885)	(\$8,391,156)

10. Net tangible assets per security (item 10)

	2017	2016
Net tangible asset backing per ordinary security	\$0.02	\$0.05

11. Details of entities over which control has been gained or lost during the period: (item 11)

Control gained over entities/acquisitions

Name of entities	Date(s) of gain of control
Name of entities (or group of entities)	basis2 assets from Prophecy International Pty Ltd (ASX:PRO)
Date control gained	26 May 2017
Contribution of the entity to the reporting entity's profit from ordinary activities before income tax during the period	(\$31,024)

Profit from ordinary activities before income tax of Nil
the controlled entity (or group of entities) for the
whole of the previous period

Loss of control of entities/Disposals

Name of entities	Date(s) of gain of control
Not applicable	

12. Details of associates and joint venture entities (item 12)

Name of associate or joint venture entity (item 12.1)	Reporting entity's percentage holding		Contribution to profit/(loss) (where material)	
	%	%	Reporting Period	Previous Period
			\$	\$
High Impact	50%	50%	(\$0)	(\$197,426)
ATX Malaysia	50%	50%	(\$8,511)	(\$1,912)
Group's aggregate share of associates and joint venture entities' loss where material – (Item 12.2)			(\$8,511)	(\$199,338)

Results:

The consolidated Net Loss After Tax (NLAT) attributable to members of the company was (\$4,717,729). The prior year NLAT was (\$4,967,720)

The Group's net asset position was \$2,272,260, (30 June 2016, \$4,263,762). Novatti Group had \$717,881 held in cash, of which \$63,735 is held on trust for clients, (30 June 2016, \$4,725,649 of which \$396,305 was held on trust for clients). The Group is debt free.

Significant Change in the State of Affairs:

Non-renounceable entitlement offer.

On 8 May 2017, Novatti Group Limited announced an accelerated 1 for 4 non-renounceable pro-rata entitlement offer of new ordinary shares in the Group at an issue price of \$0.14, the purpose of the offer was to fund the acquisition of basis2, a new business for the group.

16,628,106 ordinary shares have been issued under this entitlement raising \$2.3M.

Acquisition of basis 2

Novatti Group Limited entered into an agreement with Prophecy International Pty Ltd to acquire 100% of its basis2 billing and customer information systems (CIS) business, the acquisition settled 26 May 2017.

The consideration for the acquisition was \$2.75M. The actual cash payable being \$2.3M due to advanced payments by customers netted off against the acquisition price.

basis2 will operate under Novatti Inc, a new subsidiary that is 100% owned by the Group. Novatti Inc. was incorporated in the United States of America on 6 April 2017.

There are no other significant changes in the state of affairs of the Company.

After Balance Date Events:

No other matters or circumstances have arisen since end of the financial year which significantly affect or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Dividend Recommended, Declared or Paid:

The Company has not recommended, declared or paid a dividend in respect of the financial year.

Details significant information relating to the entity's financial performance and financial position.

13. This item relates to foreign entities and is not applicable to the company (item 13)

14. Commentary on the results for the period (item 14).

The Company and its controlled entities made a full year net loss of \$4,717,729 after tax. Total consolidated revenue and other income for this period is \$3,541,917.

Basic earnings/(loss) per share for this period is (5.03) and (30 June 2016, 9.06).

15. Audit of the financial report (item 15)

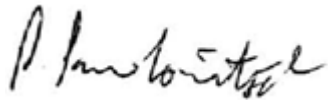
Refer attached audited Financial Report.

16. Are the audited accounts subject to review and are subject to dispute or qualification? (Item 16)

No.

Appendix 4E

Sign here: Date: 31 August 2017

A handwritten signature in black ink, appearing to read 'P. Pawlowitsch', written in a cursive style.

Print name: Peter Pawlowitsch
Chairman