

ASX ANNOUNCEMENT

28 February 2018

Novatti finalises Chinese funding to raise a further \$3.5 million

Highlights

- **Novatti raises a further \$3.5 million to bring total raising from Chinese technology investors to \$7 million**
- **Strong balance sheet with circa \$7 million of cash on hand**

Novatti Group Limited (ASX: NOV) (Company) is pleased to announce it has finalised the previously announced investment in the Company by strategic Chinese technology investors, further enhancing its exposure to the e-commerce and payments processing industry in China and Australia.

On 11 October 2017, the Company announced an investment of \$3.5 million by a Chinese technology investor, Mr Xiadi Chen, by the issue of 25 million shares at 14 cents per share, that contemplated a further investment by Mr Chen of up to \$6.5 million at 19.217 cents per share. By mutual agreement, the Company has released Mr Chen from this commitment in lieu of a separate raising capped at \$3.5 million from other Chinese technology investors at the same issue price.

The non-associated investors are Madam Qing Li and Mr Qiang (Peter) Wei, who each have the capacity to support the strong momentum that the Company has generated in the growth of its China Payments business and development of the Company's key relationships with a number of companies including RoyalPay, epay and LatiPay. The funds raised will be used to execute the Company's strategic growth plans in the near to medium term, with a focus on expanding its cross-border and Chinese payments businesses.

A total of 18,213,041 fully paid ordinary shares will be issued under the Company's current capacity per listing rule 7.1. No options will be issued under this capital raising.

Madam Li will subscribe for 10,407,452 shares (for \$2 million), taking her total shareholding in the Company to 22,907,452 shares, representing approximately 14.71% of the Company's issued share capital. Mr Wei will subscribe for 7,805,589 shares (for \$1.5 million), representing approximately 5.01% of the Company's issued share capital.

Pursuant to the October 2017 issue of shares, Mr Chen nominated Madam Li as his 50% nominee for the placement, in consequence of which the Company informed Mr Chen and Madam Li that they were likely to be associates for the purposes of that placement and any further issues of shares. As a result of Madam Li's decision to continue investing independently of Mr Chen, the Company has sought and received confirmation that Mr Chen and Madam Li are not associated for the purposes of Chapter 6 of the Corporations Act 2001. Mr Chen continues to hold 12,500,000 shares in the Company, representing approximately 8.03% of the Company's issued share capital.

An Appendix 3B in respect of the share issues will be lodged shortly.

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About Novatti Group Limited

Novatti, an Australian-based company, is an award-winning global software technology and payment services provider. Both through technology and services, Novatti helps **economies, corporations and consumers digitize cash transactions**. **Novatti's robust and efficient software solutions include Consumer Digital Wallet, Branchless banking, Mobile Money, Bill Payments, Remittance Services and Voucher Management Systems.** **Novatti's transaction processing services include Flexepin, an open loop cash voucher service, processing of Chinese payment methods including AliPay and WeChat Pay and remittance services.**