

ASX Announcement

6 April 2018

chinapayments.com launch enables BPAY bill payments using Alipay in an Australian first

Highlights

- Novatti launches its chinapayments.com payments platform, the first in Australia to allow consumers to pay Australian BPAY bills using Alipay
- The platform provides Chinese residents with a solution for Australian bill payments, using one of China's leading payment methods
- Novatti will earn a fee on a per-transaction basis as consumers utilise the platform to pay Australian bills
- Continues Novatti's strategic plans to create a market leading service that capitalises on the booming trade between China and Australia

Novatti Group Limited (ASX: NOV, "Novatti"), an online financial transactions processor and financial technology developer, is pleased to announce the launch of its new bill payment service chinapayments.com.

The chinapayments.com fintech platform enables consumers to pay bills via Australia's BPAY system, using funds from their Alipay wallet. The unique service will be delivered directly to Australian's local Chinese community, enabling Chinese residents, migrants, students and tourists to pay their bills with Alipay.

The launch furthers Novatti's strategic plans to deploy financial services technologies which enable it to participate in the growth of China-Australia trade and extends the Company's range of China Payments services. Novatti will receive fees on a per-transaction basis for each bill payment processed via the platform, with its overall return dependent on the take up of the service.

The chinapayments.com platform extends Novatti's reach into the large China payments market by bringing together the extensive reach of the BPAY network, the large Chinese consumer base and Alipay's large consumer network. Extensions to the platform to include WeChat Pay and China UnionPay payments are currently under business development.

Peter Cook, CEO Novatti Group said: "As a company at the forefront of innovation for new payments solutions for the global market we are delighted to announce the launch of the platform, another plank in our strategy to support the booming China

Australia market. We believe that this new platform will better benefit Chinese residents in Australia, which is a unique market full of opportunities.”

Customer Segment

The number of Chinese-born residents in Australia has reached a new high at 509,555¹, with China the most common country of birth for the more than one million new migrants who have come to Australia since 2011². In March 2017, 30% of the 480,092 international students enrolled in Australia were from China².

About BPAY

BPAY is an Australian electronic bill payment system which enables payments to be made through a financial institution's online, mobile or telephone banking facility to registered BPAY billers³. BPAY has over 45,000 billers covering various sectors. Research shows that over 60% of Australians aged between 18 and 65 think of BPAY for bill payments - well ahead of direct debit (43%) and credit cards (25%)⁴. It's also worth noting 69% of BPAY payments were made with participants' own funds – versus 43% for the whole payments universe⁵, and as per the case with digital wallets such as AliPay and WeChat Pay.

About AliPay and WeChat Pay

AliPay and WeChat are the two largest e-wallet providers in China, controlling around 90% of the market⁶. Many Chinese do not have access to Visa or MasterCard credit and debit cards, making e-wallets an attractive alternative payment method for residents, including students and new migrants. In China, bills can be paid both using WeChat Pay and AliPay.

Ends.

¹ <http://www.news.com.au/lifestyle/real-life/aussies-more-asian-than-european-news-census-data-reveals/news-story/62f4c3b4955897d944b6aa69cb1f5821>

² <https://www.sbs.com.au/news/census-2016- five-ways- australia-is- getting-more-diverse>

² <https://www.timeshighereducation.com/news/overseas-student-numbers-15-cent-australia>

³ <https://en.wikipedia.org/wiki/BPAY>

⁴ <https://www.bpay.com.au/Business/Large-Business/Industry-Insights/Industry-Insights/Results-of-the-BPAY-Annual-Usage-Attitude-Study.aspx>

⁵ <http://www.bpaybanter.com.au/news-views/bpay-consumer-usage-attitudes-survey-2016>

⁶ <https://www.dragonsocial.net/blog/the-biggest-innovation-in-wechat-pay-and-alipay-you-need-to-know-about/>