

ASX Announcement

17 April 2018

Payments Platform Integration with Stellar Blockchain Network Complete

Highlights

- Integration of the Novatti payments platform into The Stellar Network, a global blockchain payments and asset transfer network, is now complete
- Transactions across the network expected to commence in May 2018
- Revenue will be generated on a per-transactions basis for payments made via the Stellar network, powered by Novatti's Payments Platform
- Novatti focussed on driving high growth revenue streams in the large remittance space, driven by growing transactions processing on The Stellar Network

Novatti Group Limited (ASX:NOV) (Novatti or the Company), an online financial transactions processor and financial technology developer, is pleased to announce it has successfully integrated Novatti's Payments Platform with The Stellar Network (Stellar).

Stellar is a fast-growing blockchain payments and asset transfer platform which connects banks, payment systems and people with a network of low-cost financial services providers (Partners), including financial institutions, payment aggregators and technical specialists.

First transactions across the platform are expected in May 2018. Initial transactions between Novatti and one of the major partners on the Stellar network will commence once bespoke development activity, currently in the final stages, is complete. Novatti will earn fees on a per-transaction basis, for managing the 'pay-out' of settlements for remittance transactions sent to Australia and for originating transactions in Australia that are remitted to other countries.

The integration provides Novatti with potential future high-growth revenue streams, with Stellar's Partners now able to access Novatti's integrated payments technology to process customer payments on the blockchain network. Furthermore, Novatti's existing payments technology users are now able to access Stellar's blockchain network, providing additional revenue streams to Novatti.

Peter Cook, CEO Novatti Group said: "Completing the integration of Novatti's Payments Platform into Stellar's network lays the foundations to build future high-growth revenue streams driven by transactions across the blockchain network. We are focussed on leveraging our strong relationship with Stellar to securing additional agreements with its partner network to drive high growth revenue streams in the payments and billing space, driven by growing transactions processing."

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About Novatti Group Limited

Novatti is an award-winning global software technology, utility billing 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, 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, Flexewallet for remittance and compliance services and Chinapayments.com for bill payment services for Chinese consumers.

About The Stellar Network

The Stellar Network includes financial institutions, payment aggregators, and technical specialists all committed to supporting a new and inclusive global infrastructure for payments. Stellar is growing rapidly with its own native asset being a digital currency called the Lumen with code XLM.

Stellar is an open-source protocol for exchanging money. Servers run a software implementation of the protocol, and use the Internet to connect to and communicate with other Stellar servers, forming a global value exchange network. Each server stores a record of all 'accounts' on the network. These records are stored in a database called the 'ledger'. Servers propose changes to the ledger by proposing 'transactions', which move accounts from one state to another by spending the account's balance or changing a property of the account. All the servers come to agreement on which set of transactions to apply to the current ledger through a process called 'consensus'. The consensus process happens at a regular interval, typically every 2 to 4 seconds. This keeps each server's copy of the ledger in sync and identical.