

ASX ANNOUNCEMENT

11 March 2019

SendFX Remittance and Cross-border payments network - strategic investment & supply agreement

Highlights

- **SendFX remittance and cross-border payments network selects Novatti technology and services for long term supply agreement**
- **Novatti takes 25% investment in SendFX**
- **Novatti to earn \$360k in the first 12 months of deployment**
- **On-going revenue stream of up to \$250k per annum**
- **Affiliate-led marketing model to extend Novatti influence in cross border remittance and payments market**

Novatti Group Limited (ASX: NOV, “Novatti”) is pleased to announce an agreement to become the key supplier of technology and to be a 25% shareholder in new remittance company SendFX Pty Ltd (‘SendFX’). SendFX is launching its commercial cross-border remittance services on or around 1 April 2019.

SendFX Disrupting the cross border payments industry

SendFX is a new cross-border payments provider that intends to disrupt the industry by providing the first truly comprehensive currency service to its clients. SendFX will specialise in assisting individuals and SMEs with their cross-border bank to bank payment requirements, and provide a complete range of FX related products. This product offering will be complemented by a variety of travel and relocation services as well as exceptional concierge-style service.

SendFX has selected Novatti technology and services

SendFX is building a large scale global international payments and remittance network. Novatti, with the collaboration of the SendFX team will build the required technology needed to underpin their disruptive remittance and payments services. These services include Novatti’s dealer, banking, compliance and ledger systems, consumer portal, affiliate portal and related apps, as well as providing assistance and expertise with compliance and banking processes from day one; helping the business launch with speed and importantly, to deliver technology scaled for growth

Ongoing platform service fees

SendFX has contracted with Novatti for transaction based platform service fees for a minimum of three years with a minimum payment of \$90,000 per year and depending on the volume of transactions up to a maximum of \$250k per year.

Investment

Novatti will convert the fees due in the first year for technology and compliance services totalling \$360k to equity and invest a further \$200k to become a 25% shareholder in SendFX. Novatti will also provide a one-year loan of \$200k on commercial terms to SendFX.

Strategic Consideration

SendFX is deploying a business and marketing led model by very successful industry executives, with a track record in creating businesses in this space and with over 20 years' experience in the UK and Australian foreign exchange markets. The distribution created by SendFX will bring in many channel partners, enterprises and consumers. Novatti technology, compliance services and cross border payments networks will be utilised to provide the remittance and international payment services. Many of these customers will be suitable for future banking services and it's likely SendFX will continue to explore additional relationships within the group as they continue to grow.

“Novatti has all the signs of a successful growth fintech company, with deep technology, financial licences, strong compliance capabilities and increasingly connected payments networks. Joining with SendFX will enable Novatti to leverage all of these assets.” said Novatti Chief Executive Officer, Peter Cook.

The CEO of SendFX noted "We have looked at many technology and compliance service providers both here in Australia and overseas and have been really impressed by Novatti in all aspects of their operations. We consider this the perfect relationship to help deliver an unparalleled technology and product offering for our customers. We watched on for some time as Novatti positioned themselves at the forefront of both established and innovative markets synonymous to the payments space. We see lots of synergies and opportunities for Novatti as we both develop our international networks and grow the SendFX customer base."

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For further information, contact:

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About Novatti Group Limited (ASX:NOV)

Novatti is an award-winning global software technology, utility billing and payment services provider. 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, Chinapayments.com for bill payment services and Vasco Pay a prepaid reloadable Visa card. Novatti subsidiary Flexewallet Pty Ltd holds an Australian Financial Services Licence No 448066 and is registered with AUSTRAC as a Remittance Network Provider. Novatti applied to APRA for a Restricted Authorised Deposit Institution (RADI) licence in November 2018.

www.novattigroup.com

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Led by award-winning industry experts, SendFX aims to grow at speed, underpinned by exceptional technology and an extensive banking network. SendFX clients will have access to local banking in over 40 countries, with cross border payment settlements able to occur at minimal cost and with almost no delay, putting the SendFX product offering at the forefront of the markets from day one. SendFX will become an authorised representative of Flexewallet Pty Ltd (Australian Financial Services Licence No 448066) and has applied for its own Australian Financial Services Licence.

www.sendfx.com.au