

ASX Announcement

11 August 2020

Update on APRA Bank Licence Issuing

Novatti Group Limited (ASX:NOV) (Novatti or Company), a leading digital banking services and payments company, has been advised by the Australian Prudential Regulation Authority (APRA), the regulator of Australia's banking sector, that it will now recommence the issuing of banking licences.

Novatti submitted its final Restricted Authorised Deposit Taking Institution (RADI) licence application to APRA in November 2019. In April this year, APRA advised all licence applicants that it would be placing a temporary hold on the issuing of new banking licences during COVID-19. This advice was reflected in Novatti's ASX release on 9 April 2020.

Novatti has now received updated guidance from APRA noting that it will recommence issuing banking licences in two phases, with licencing of new operations, such as Novatti's, to begin from March 2021. APRA has again advised that Novatti's application will continue to be assessed during this time, minimising any potential delays.

A copy of APRA's new guidance can be seen at: <https://www.apra.gov.au/news-and-publications/apra-to-recommence-prudential-policy-program-and-issuing-of-new-licences>.

Managing Director of Novatti, Peter Cook said, "We thank APRA for the updated guidance and welcome their decision to recommence issuing banking licences. While Novatti's banking licence application is assessed, we have made great progress in developing a customer and partner base for our banking business, putting us in a strong position for launch. Our banking business remains a key part of our long-term growth strategy."

While this application process takes place, Novatti continues to grow strongly, including:

- FY20 total revenue increasing more than 33% on the previous financial year.
- Processing revenue for the June quarter up more than 86% year-on-year.
- Annual total revenue growth now averaging approximately 50% each year across the past three years.

Novatti invites investors to keep up to date with company news, events and industry research by joining the Novatti mailing list at: <https://www.novattigroup.com/subscribe>

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This ASX release has been approved for release to ASX by Peter Cook, Managing Director.

About Novatti Group Limited (ASX:NOV)

Novatti is a leading digital banking and payments company. Through innovative technology, Novatti positions its customers to thrive in the growing cashless economy. Novatti's 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 for the issue of reloadable Visa cards. Novatti subsidiary Flexewallet Pty Ltd holds an Australian Financial Services Licence No 448066 and is registered with AUSTRAC as a Remittance Network Provider. Novatti subsidiary Novatti IBA Pty Ltd has applied to APRA for a RADI licence. Novatti's software solutions include Consumer Digital Wallets, Branchless Banking, Mobile Money, Bill Payments, Remittance Services and Voucher Management Systems.