

Novatti Group Limited
ACN 606 556 183

Share Purchase Plan Booklet

This document is dated 5 February 2024.

This is an important document. Please read it carefully before making an investment decision in relation to the Share Purchase Plan.

If you have any questions in relation to how to participate in the Share Purchase Plan after reading this Booklet, please contact Automic Registry Services, the Company's share registry, from 8.30am to 7.00pm AEDT Monday to Friday on 1300 288 664 (toll free within Australia) or +61 2 9698 5414 (International).

If you have any questions in relation to whether an investment in Novatti Group Limited (**Novatti** or **Company**) through the Share Purchase Plan is appropriate for you, please contact your stockbroker, accountant or other professional adviser.

IMPORTANT NOTICE AND DISCLAIMER

This Booklet does not provide financial advice and has been prepared without taking account of any person's investment objectives, financial situation or particular needs. You should consider the appropriateness of participating in the Share Purchase Plan having regard to your investment objectives, financial situation or particular needs.

Capitalised terms used in this Booklet have the meanings given to them in the Glossary.

The offer of New Shares under the Share Purchase Plan is made in accordance with ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (**Instrument 2019/547**), which grants relief from the requirement for the Company to provide prospectus disclosure in relation to the Share Purchase Plan. This Booklet is not a prospectus under Chapter 6D of the Corporations Act.

The laws of some countries prohibit or make impracticable participation in the Share Purchase Plan by certain overseas Shareholders. Shareholders who are not resident in Australia or New Zealand will not be able to participate in the Share Purchase Plan. The Share Purchase Plan does not constitute an offer of Shares for sale in any other jurisdiction.

New Zealand

The New Shares are not being offered or sold to the public within New Zealand other than to existing Shareholders at the Record Date with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

This Booklet has not been registered, filed with or approved by any New Zealand regulatory authority. This Booklet is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

United States

This Booklet may not be released or distributed in the United States. The New Shares have not been and will not be registered under the US Securities Act of 1933 (**Securities Act**) or the securities laws of any state or other jurisdiction of the United States. The New Shares may not be offered, sold or otherwise transferred in the United States except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and the applicable securities laws of any state or other jurisdiction in the United States.

Options

Participants in the Share Purchase Plan are entitled to apply for Options that are free-attaching on a 1 for 2 basis for Shares issued under the Share Purchase Plan. The offer of these Options is being made under the Prospectus.

LETTER TO SHAREHOLDERS

Dear Shareholder

Novatti Group Limited Share Purchase Plan

On behalf of the Board, I am pleased to offer you the opportunity to apply for New Shares in the Company under a share purchase plan (**SPP**). The SPP is being conducted as part of a Capital Raising to raise up to \$5.5 million announced to ASX on 2 January 2024 that includes a convertible note facility for \$3.5 million over two tranches, with the first tranche notes issued within the Company's available 15% issue capacity under Listing Rule 7.1 and the second tranche subject to Shareholder approval.

The SPP

The SPP allows Eligible Shareholders the opportunity to subscribe for up to \$30,000 worth of New Shares without paying brokerage or other transaction costs.

The New Shares will be issued under the SPP at the Offer Price of \$0.06 (6 cents) per New Share.

The Company is seeking to raise up to \$2 million under the SPP. Applications in excess of this amount will be scaled back at the Board's discretion in accordance with the scale-back policy set out in this Booklet. In the event of a shortfall in applications, the Board has reserved the right to raise less than this amount or place some or all of the Shortfall Shares (and attaching Options – see below) under the SPP to sophisticated and professional investors as a separate placement (**SPP Shortfall Offer**).

Ordinarily, for a share purchase plan to fall within the exception to the 15% issue capacity under Listing Rule 7.1 as set out in Listing Rule 7.2 (Exception 5), the issue price of shares under the share purchase plan must be more than 80% of the average market price of the company's shares calculated over the 5 days on which sales occurred prior to the announcement of the share purchase plan. Given that the \$0.06 issue price is lower than the calculated 80% required price and the Company has no available 15% issue capacity, the SPP Offer is subject to and conditional upon the receipt of Shareholder approval for the purposes of Listing Rule 7.1 (and all other purposes) in order to allow the Company to issue New Shares under the SPP at that price. A general meeting has been convened for 14 February 2024.

The SPP is not underwritten.

The terms and conditions of the SPP are contained in this Booklet. You should read this Booklet in its entirety before deciding whether to participate in the SPP.

SPP Option Offer

Eligible Shareholders are also entitled to apply for one free attaching option (**Option**) for every two New Shares subscribed for under the SPP via the **SPP Option Offer**. The Options will be exercisable at \$0.095 (9.5 cents), expiring on 31 January 2027. The Company will apply for quotation of the Options on ASX, subject to the Options meeting the requirements of the Listing Rules and the Corporations Act.

The SPP Option Offer is being made under the Prospectus that is being made available to Eligible Shareholders.

As the Company has no available 15% issue capacity, the SPP Option Offer is also subject to and conditional upon Shareholder approval for the purposes of Listing Rule 7.1 (and all other purposes).

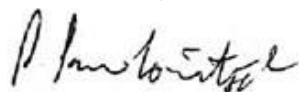
Use of Funds

The funds raised under the Capital Raising after costs will be applied to additional collateral for growing Novatti's Payments Solutions division and working capital.

Further information in respect of the SPP, including how to apply for New Shares, how many New Shares can be applied for, key SPP dates and eligibility to participate, are included in the remainder of this Booklet.

Thank you for your continued support of Novatti.

Yours sincerely



Peter Pawlowitsch
Chair

KEY DATES

Event	Date
SPP Record Date (7.00pm)	29 December 2023
Capital raising announced to ASX	2 January 2024
Issue of Tranche 1 Convertible Notes	8 January 2024
SPP Offer Booklet lodged with ASX Options Prospectus lodged with ASIC and ASX Opening Date of SPP Offer and SPP Option Offer Letters sent to Eligible Shareholders	5 February 2024
General Meeting to approve the issue of Tranche 2 Convertible Notes, SPP Shares and Options, and Noteholder Options	14 February 2024
Issue of Tranche 2 Convertible Notes	15 February 2024
Closing Date of SPP Offer and SPP Option Offer (5.00pm)	22 February 2024
Announcement of results of SPP	26 February 2024
Issue and trading of Shares under SPP (other than SPP Shortfall Shares, if any)	27 February 2024
Allotment of Options under SPP (other than in connection with the SPP Shortfall Offer, if any) and to Noteholders	27 February 2024

This timetable is indicative. Novatti reserves the right to vary these times and dates in its absolute discretion by sending a revised timetable to ASX. All times are Australian Eastern Daylight-Saving Time or AEDT.

KEY SPP INFORMATION

What is the SPP?

The SPP provides Eligible Shareholders with the opportunity to subscribe for up to \$30,000 worth of New Shares without paying any brokerage or other charges.

How much will the Company raise under the SPP?

Novatti is seeking to raise a maximum amount of \$2 million under the SPP.

What scale-back arrangements will apply?

In the event that Novatti receives applications in excess of the maximum amount sought to be raised under the SPP (of \$2 million), it will scale back the applications in such manner as the Board sees fit. Consequently, you may not receive the New Shares which you apply for pursuant to the SPP Offer. Refer to the Terms and Conditions of the SPP set out in this Booklet for further details.

What is the Offer Price of New Shares under the SPP?

The New Shares will be issued under the SPP at the Offer Price of \$0.06 per New Share, which is priced to match the maximum issue price for Shares that may be issued on conversion of convertible notes at the election of noteholders under the Facility.

On the last trading day immediately prior to the announcement date of the SPP Offer, the closing price of the Shares traded on ASX was \$0.083 per Share. The VWAP for the last 5 days of trading prior to the announcement of the SPP on 2 January 2024 was \$0.081. The Offer Price of the SPP represents a 26% discount to the 5-day VWAP.

Ordinarily, for a share purchase plan to fall within the exception to the 15% issue capacity under Listing Rule 7.1 as set out in Listing Rule 7.2 (Exception 5), the issue price of shares under the share purchase plan must be more than 80% of that 5-day VWAP. Given this is not the case and the Company has no available 15% issue capacity, the SPP Offer is subject to and conditional upon the receipt of Shareholder approval for the purposes of Listing Rule 7.1 (and all other purposes) in order to allow the Company to issue New Shares under the SPP at that price. A general meeting has been convened for 14 February 2024.

The market price of Shares in the Company may rise and fall between the date of the Offer and the date that any Shares are issued to you as a result of your application under the Offer. This means that the price you pay for the New Shares issued to you may be less than or more than the market price of Shares at the date of this Booklet or the time of issue of the New Shares.

Although the SPP Offer is condition on Shareholder approval, your application is unconditional and may not be withdrawn even if the market price of Shares is less than the Offer Price.

The current Novatti share price can be obtained from the ASX (www.asx.com.au) and is listed in the financial and business section of major daily newspapers circulating in Australia.

SPP Shortfall Offer

In the event that less than \$2 million is applied for under the SPP, the Board reserves the right to place all of the Shares representing the shortfall (**Shortfall Shares**), and attaching Options, to any sophisticated and professional investors as a separate placement (**SPP Shortfall Offer**).

As the Company has exhausted its available 15% placement capacity under Listing Rule 7.1, the Company is also seeking Shareholder approval for the purposes of Listing Rule 7.1 (and all other purposes) in order to allow the Company to issue New Shares (if any) under the SPP Shortfall Offer at that price. A general meeting has been convened for 14 February 2024.

Is the SPP underwritten?

No, the SPP will not be underwritten.

How much can I invest under the SPP?

Eligible Shareholders may apply for a parcel of New Shares under the SPP in accordance with the application amounts set out below.

The maximum investment amount under the SPP is \$30,000 or 500,000 New Shares, subject to scale back .

In the event that Novatti receives applications in excess of the maximum amount of \$2 million sought to be raised under the SPP, it will scale back the applications. Refer to the Terms and Conditions of the SPP set out in this Booklet for further details.

	SPP Offer Application Amount	No. of New Shares	No. of Free-Attaching Options*
Offer A	\$30,000	500,000	250,000
Offer B	\$25,000	416,667	208,334
Offer C	\$20,000	333,334	166,667
Offer D	\$15,000	250,000	125,000
Offer E	\$10,000	166,667	83,334
Offer F	\$7,500	125,000	62,500
Offer G	\$5,000	83,334	41,667
Offer H	\$2,000	33,334	16,667

* Free Attaching Options are offered under the Prospectus

The number of New Shares issued to an applicant will be rounded up to the nearest whole number after dividing the application monies by the Offer Price.

Am I an Eligible Shareholder?

Participation in the SPP is optional and is available exclusively to Shareholders who are registered holders of Shares at the Record Date with a registered address in Australia or New Zealand provided that such Shareholder is not in the United States, or acting for the account or benefit of a person in the United States (**Eligible Shareholder**).

The SPP is also being extended to Eligible Shareholders who are Custodians for them to participate in the SPP on behalf of certain Eligible Beneficiaries (who are Australian and New Zealand residents and not in the United States, or acting for the account or benefit of a person in the United States) on the terms and conditions provided in this Booklet.

Option holders who did not exercise their options prior to the Record Date are not eligible to participate in the SPP in relation to those options.

How do I apply and pay for New Shares?

The Company will not be accepting cheque or money order payments for the SPP.

If you wish to participate in the SPP and SPP Option Offer, please download this Booklet and Options Prospectus and follow the instructions contained within the Application Form which accompanies the Prospectus. You can access your personalised Application Form to apply for New Shares and Options by taking the following steps:

- Go to <https://investor.automic.com.au/#/home>
- Log in with your existing username and password or register for an online account
- Once logged in, click on “Documents and Statements” then “Other Documents”
- Click on the Booklet, Options Prospectus and Application Form to download

Payment will be accepted only by:

- BPAY®; or
- via Electronic Funds Transfer.

All amounts in the SPP are expressed in Australian dollars.

If you are unable to access the website to complete the online application, please contact Automic Registry Services, the Company’s share registry, from 8.30am to 7.00pm AEDT Monday to Friday on 1300 288 664 (toll free within Australia) or +61 2 9698 5414 (International), to obtain a personalised Application Form.

It is your responsibility to ensure funds are submitted correctly so they are received by the closing date of 5:00pm AEDT on Thursday, 22 February 2024. You should be aware of your financial institution’s cut-off time.

If you do not provide the exact amount of application monies as set out in the table above, the Company reserves its right to return your monies or round your application monies down to the next valid parcel. If the Company returns all of your monies, no New Shares will be issued to you.

When you make payment using BPAY® or EFT a physical Application Form does not need to be submitted to the Company. However, by making payment using BPAY® or EFT, the Eligible Shareholder will be taken to have made the declarations in clauses 3.6 and 4 of the Terms and Conditions and on the website from where the Booklet, Options Prospectus and Application Form may be accessed (see above).

Can I pay with cash, cheque, money order or card?

No, cash, cheques, money orders and card payments will not be processed and will be returned to applicants.

Do I have to participate in the SPP?

No, participation in the SPP is entirely voluntary. If you do not wish to participate in the SPP, do nothing.

Can my offer under the SPP be transferred to a third party?

No, the offer cannot be transferred.

What are the rights attached to New Shares issued under the SPP?

New Shares issued under the SPP (and any Options exercised into Shares) will rank equally with other fully paid ordinary shares of Novatti as at the date of their issue, except that New Shares issued under the SPP will have also entitled the applicant for those New Shares to apply for free-attaching Options.

What are the Options and what is my entitlement to them?

The Options are free attaching options being offered to noteholders in the Facility and participants in the SPP via the Prospectus.

Eligible Shareholders will be entitled to apply for one Option for every two New Shares subscribed for under the SPP. The Options will be issued for nil cash consideration and will be exercisable at \$0.095 (9.5 cents), expiring on 31 January 2027. Each Option gives the holder the right to subscribe for one Share upon exercise.

The offer of New Shares under the SPP is made in accordance with ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (**Instrument 2019/547**) via this Booklet. Instrument 2019/547 allows a share purchase plan to be conducted without the use of a prospectus once in every 12-month period. The Company satisfies the conditions of Instrument 2019/547 for the issue of Shares under the SPP, however the Company is unable to rely on Instrument 2019/547 for the SPP Option Offer because the Options to be issued under the SPP Option Offer are a new class of securities not currently quoted on the ASX.

Accordingly, the Company is undertaking the SPP Option Offer under the Prospectus.

In addition, as the Company has no available 15% issue capacity, the SPP Option Offer is also subject to and conditional upon Shareholder approval for the purposes of Listing Rule 7.1 (and all other purposes). A general meeting has been convened for 14 February 2024.

Scale-back under the SPP Option Offer

In the event of a scale-back, the number of Options issued to you will be scaled back in the same proportion as the number of New Shares applied for is scaled back (so that you will be still be issued Options on a one Option for two New Shares basis).

How do I apply for Options?

Refer to the Prospectus for further details. The application process under the SPP allows you to apply for both New Shares (offered under the Booklet) and attaching Options (offered under the Prospectus) however you may not apply for Options without having been provided a copy of the Prospectus in either electronic or paper form.

Will the Options be quoted on ASX?

The Company will apply for quotation of the Options on ASX, subject to the Options meeting the requirements of the Listing Rules and the Corporations Act.

Where can I get more information on the SPP?

If you have questions in relation to how to participate in the SPP, please contact Automic Registry Services, the Company's share registry, from 8.30am to 7.00pm AEDT Monday to Friday on 1300 288 664 (toll free within Australia) or +61 2 9698 5414 (International).

If you have any questions in relation to whether an investment in Novatti through the SPP is appropriate for you, please contact your stockbroker, accountant or other professional adviser.

Related party participation

As noted above, the Company is not entitled to rely on ASX Listing Rule 7.2, Exception 5 (because the discount is greater than 20% of the 5 day VWAP) and the issue will be made within the Company's existing ASX Listing Rule 7.1 (15%) share issue capacity.

Accordingly, related parties of the Company may not participate in the SPP without separate Shareholder approval under Listing Rule 10.11. As at the date of this document no related parties have indicated an intention to participate.

What do I do if I am a Custodian?

The SPP is being extended to Eligible Shareholders who are Custodians (who are not in the United States, or acting for the account or benefit of a person in the United States) and who wish to apply for New Shares on behalf of certain Eligible Beneficiaries.

The SPP is being offered to Custodians as the registered Shareholder. Custodians are not required to participate on behalf of their Eligible Beneficiaries. Custodians may choose whether or not to extend the SPP to their Eligible Beneficiaries.

If you wish to apply as a Custodian under the SPP to receive New Shares for one or more Eligible Beneficiaries, you must complete and submit an additional Custodian Certificate before your application will be accepted. Applications by Custodians that are not accompanied by a duly completed Custodian Certificate will be rejected. By applying as a Custodian on behalf of Eligible Beneficiaries to purchase New Shares, you certify (amongst other things) that each Eligible Beneficiary has not exceeded the \$30,000 limit.

TERMS AND CONDITIONS OF THE SPP

1. SPP Offer

1.1 Novatti Group Limited (**Novatti** or **Company**) offers Eligible Shareholders (defined in clause 2 below) the opportunity to purchase up to \$30,000 worth of fully paid ordinary shares in Novatti (**New Shares**) at an Offer Price per New Share as determined under clause 1.2 below, under the Share Purchase Plan (**SPP**), subject to and in accordance with the terms and conditions set out in this Booklet.

1.2 The **Offer Price** is \$0.06 per New Share. The Offer Price represents a 26% discount to the 5-day volume weighted average price (**VWAP**) of Shares on ASX as at close of trading on 21 December 2023 (the last trading day of the Shares before announcement of the SPP), being \$0.081 per Share.

1.3 The SPP Offer is subject to and conditional upon the receipt of Shareholder approval for the purposes of Listing Rule 7.1 (and all other purposes) in order to allow the Company to issue New Shares under the SPP at that price. A general meeting has been convened for 14 February 2024. If Shareholder approval is not obtained, the SPP will not proceed and the Company will refund all application monies in accordance with clauses 3.8 and 3.9.

1.4 Each person who applies to participate in the SPP accepts the risk that the market price of Shares may change between the Record Date, the date of the SPP Offer, the date on which the applicant makes a BPAY[®] or EFT payment and the date on which New Shares are issued to the applicant under the SPP. The effect of this is that the Offer Price may be higher or lower than the market price of Shares at any given time and that Shares could be bought on-market at a lower price than the Offer Price.

1.5 In these terms and conditions, the **SPP Offer** means the offer in clause 1.1.

1.6 Only persons who are Eligible Shareholders may participate in the SPP. If you are an Eligible Shareholder, your rights under the SPP Offer and the SPP are personal to you and cannot be transferred to another person.

1.7 All Eligible Shareholders may participate in the SPP, however any related parties of the Company may not participate in the SPP without separate Shareholder approval under Listing Rule 10.11. As at the date of this document no related parties have indicated an intention to participate.

1.7 All references to \$ or dollars in this booklet are references to Australian dollars unless indicated otherwise.

2. Eligible Shareholders

2.1 Subject to the remaining paragraphs of this clause 2, an **Eligible Shareholder** means a registered holder of Novatti Shares as at the **Record Date** (being 7:00 pm AEDT on Friday, 29 December 2023) whose address, as recorded in Novatti's register of members, is in Australia or New Zealand.

2.2 The SPP Offer is not made to Shareholders with registered addresses outside Australia or New Zealand. Option holders who did not exercise their options prior to the Record Date are not eligible to participate in the SPP in relation to those options.

2.3 The New Shares to be issued under the SPP have not been and will not be registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction in the United States. The New Shares may not be offered, sold or otherwise transferred in the United States except in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and the applicable securities laws of any state or other jurisdiction in the United States. Accordingly, Shareholders who are located in the United States or who are, or are acting for the account or benefit of, persons in the United States, are not Eligible Shareholders and are not entitled to participate in the SPP.

2.4 Shareholders who are joint holders of Shares are taken to be a single registered holder of Shares for the purposes of determining whether they are an Eligible Shareholder, and the certification in the Application Form by one joint holder will be taken to have been given by all joint holders.

2.5 Where a Custodian (as defined in Instrument 2019/547) is a registered holder of Shares on the Record Date and holds Shares on behalf of one or more persons with a registered address in Australia or New Zealand who is not in the United States, or acting for the account or benefit of a person in the United States (**Eligible Beneficiaries**), the SPP Offer is made to the Custodian and the Custodian has the discretion whether to extend the SPP Offer to the Eligible Beneficiaries. If you are a Custodian who wishes to apply for New Shares on behalf of an Eligible Beneficiary, Novatti will not issue New Shares unless you submit an additional Custodian Certificate that contains further certifications and details (required by the terms of Instrument 2019/547). Applications by Custodians that are not accompanied by a duly completed Custodian Certificate will be rejected.

2.6 Custodians must request a Custodian Certificate when making an application on behalf of Eligible Beneficiaries. To request a Custodian Certificate or further information about the custodian application process, please contact Automic Registry Services, the Company's share registry, from 8.30am to 7.00pm AEDT Monday to Friday on 1300 288 664 (toll free within Australia) or +61 2 9698 5414 (International).

2.7 A Shareholder or Custodian will be ineligible to participate in the SPP if their participation would be in breach of Instrument 2019/547.

3 Application to Participate

Applying for New Shares

3.1 Participation in the SPP is optional.

3.2 Eligible Shareholders may participate in the SPP by applying to purchase a parcel of New Shares in one of the following amounts, up to a maximum amount of \$30,000 per Eligible Shareholder:

	SPP Offer Application Amount	No. of New Shares	No. of Free-Attaching Options*
Offer A	\$30,000	500,000	250,000
Offer B	\$25,000	416,667	208,334
Offer C	\$20,000	333,334	166,667
Offer D	\$15,000	250,000	125,000
Offer E	\$10,000	166,667	83,334
Offer F	\$7,500	125,000	62,500
Offer G	\$5,000	83,334	41,667
Offer H	\$2,000	33,334	16,667

* Free Attaching Options are offered under the Prospectus

The number of New Shares issued to an applicant will be rounded up to the nearest whole number after dividing the application monies by the Offer Price.

3.3 If you are an Eligible Shareholder and wish to participate in the SPP, you must either:

- (a) apply online on the SPP Offer website provided by Automic Registry Services (detailed above) via your personalised Application Form and pay directly via BPAY® (for Eligible Shareholders with an eligible Australian bank account) or by EFT; or
- (b) if you are unable to access the website to download the personalised Application Form, please contact Automic Registry Services, the Company's share registry, from 8.30am to 7.00pm AEDT Monday to Friday on 1300 288 664 (toll free within Australia) or +61 2 9698 5414 (International) to obtain a paper copy of the personalised Application Form. Novatti and Automic Registry Services will not be held responsible for postal delays that may result in the form not being received in time for payment to be made by the offer close.

3.4 If an Eligible Shareholder has more than one holding, the Eligible Shareholder may not apply for New Shares with an aggregate value of more than \$30,000 under the SPP. Accordingly, an Eligible Shareholder may only make an application for the maximum amount with respect to one holding.

3.5 You should be aware that your own financial institution may implement earlier cut off times for electronic payments and you should take this into consideration when making payment of application monies via BPAY® or EFT. Your financial institution may have a set limit on the amount that you can pay via BPAY® or EFT.

It is your responsibility to ensure that the amount you wish to pay via BPAY® or EFT is received by Novatti's share registry by the closing date of 5.00pm AEDT on Thursday, 22 February 2024.

When you make a payment via BPAY® or EFT

you represent and warrant that the total of the application price for the following does not exceed \$30,000:

- (a) the New Shares the subject of your application;
- (b) any other Shares issued to you under an arrangement similar to the SPP in the 12 months before the date of your application under the SPP;
- (c) any other New Shares which you have instructed a Custodian to acquire on your behalf under the SPP; and
- (d) any other Shares issued to a Custodian under an arrangement similar to the SPP in the 12 months before the date of your application for New Shares as a result of an instruction given by you to the Custodian or another Custodian and which resulted in you holding beneficial interests in such Shares, even though you may have received more than one offer or received offers in more than one capacity.

Novatti's discretion with regard to applications

- 3.7 Novatti may accept or reject any application under the SPP, including where:
- (a) you submit an Application Form that is incorrectly completed, incomplete or your application is otherwise determined by Novatti to be invalid (if applicable);
 - (b) you make your payment by cheque or money order;
 - (c) the amount of your BPAY® or EFT payment is not equal to one of the amounts set out in the table in clause 3.2. If this occurs, Novatti may either:
 - (i) refund in full your application monies and not allot any New Shares to you; or
 - (ii) allot you the number of New Shares that would have been allotted had you applied for the highest designated amount that is less than the amount of your payment and refund to you the excess of your application monies;
 - (d) it appears that you are applying to purchase more than \$30,000 worth of New Shares in aggregate (including as a result of any Shares you hold directly, jointly or through a Custodian or nominee arrangement);
 - (e) your BPAY® or EFT payment is received after 5.00pm AEDT on Thursday, 22 February 2024;

- (f) payment of the application monies is not submitted in Australian currency; or
- (g) Novatti reasonably believes that you are not eligible to participate in the SPP (subject to compliance with any applicable ASIC or ASX requirements).

Refund

- 3.8 If you are entitled to a refund of all or any of your application monies the refund will be paid to you, without interest, as soon as is practicable:
- (a) by direct credit to your nominated bank account (as recorded by Novatti's share registry) or, if permitted, cheque; or
 - (b) by returning your Application Form (if applicable) and cheque or money order, if not processed, to your registered address as recorded in Novatti's register of members.
- 3.9 Any amount under \$5.00 will not be refunded.
- 3.10 You can provide or update your banking details by contacting Automic Registry Services, the Company's share registry, from 8.30am to 7.00pm AEDT Monday to Friday on 1300 288 664 (toll free within Australia) or +61 2 9698 5414 (International).

4. Effect of Making an Application

- If you submit a BPAY® or EFT payment you:
- (a) warrant that you are an Eligible Shareholder and are eligible to participate in the SPP;
 - (b) are deemed to have accepted the SPP Offer and you irrevocably and unconditionally acknowledge and agree to the terms and conditions of the SPP and the terms of the Application Form and agree not to do any act or thing that would be contrary to the spirit, intention or purpose of the SPP;
 - (c) acknowledge that your application will be irrevocable and unconditional;
 - (d) agree to pay the Offer Price per New Share up to the maximum of:
 - (i) the value you have selected on the Application Form; or
 - (ii) the maximum value of your BPAY® or EFT payment;
 - (e) certify and represent to Novatti that you have not directly or indirectly, including through a Custodian, applied for more than \$30,000 worth of New Shares;
 - (f) certify that the total of the application price for the following does not exceed \$30,000:
 - (i) the New Shares the subject of your application;
 - (ii) any other Shares issued to you under an arrangement similar to the SPP in the 12 months before the date of your application under the SPP;

- (iii) any other New Shares which you have instructed a Custodian to acquire on your behalf under the SPP; and
 - (iv) any other Shares issued to a Custodian under an arrangement similar to the SPP in the 12 months before the date of your application for New Shares as a result of an instruction given by you to the Custodian or another Custodian and which resulted in you holding beneficial interests in such Shares, even though you may have received more than one offer or received offers in more than one capacity;
- (g) accept the risk associated with any refund that may be sent to your address (as shown on Novatti's register of members) or to your nominated bank account (as recorded by Novatti's share registry);
 - (h) acknowledge that no interest will be paid on any application monies held pending Shareholder approval and/or the allotment of New Shares or subsequently refunded to you for any reason;
 - (i) acknowledge that neither Novatti nor its share registry has provided any investment advice or financial product advice and that neither of them has any obligation to provide this advice in relation to your consideration as to whether or not to participate in the SPP;
 - (j) acknowledge that Novatti (and each of its officers and agents) is not liable for any consequences of the exercise or non-exercise of its discretions referred to in these terms and conditions;
 - (k) acknowledge that the New Shares to be issued under the SPP have not, and will not be, registered under the U.S. Securities Act or the securities laws of any other jurisdiction outside Australia or New Zealand and, accordingly, the New Shares to be issued under the SPP may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws;
 - (l) agree not to send this Booklet or any other material relating to the SPP to any person in the United States or any other country outside Australia and New Zealand;
 - (m) agree to be bound by Novatti's constitution;
 - (n) authorise Novatti (and each of its officers and agents) to correct any error in, or omission from, the Application Form and complete the Application Form by inserting any missing details (if applicable);
- (o) acknowledge that Novatti may at any time irrevocably determine that your application is valid, in accordance with the terms and conditions of the SPP, even if the Application Form is incomplete, contains errors or is otherwise defective (if applicable); and
 - (p) are responsible for any dishonour fees or other costs Novatti may incur in presenting a cheque that is dishonoured (if applicable).
- 5. Scale-Back**
- 5.1 Novatti is seeking to raise a maximum of \$2 million under the SPP. In the event that Novatti receives applications in excess of this amount, it will scale back the applications in such manner as the Board sees fit. Consequently, you may not receive the New Shares which you apply for pursuant to the Offer. Refer clause 5.2 for further details.
- 5.2 The Board reserves the right to reject or scale back any applications in whole or in part at its absolute discretion. If there is a scale back, you may not receive all the New Shares for which you have applied. The Company intends to prioritise allocations to retail Eligible Shareholders over institutional Eligible Shareholders (as determined by the Company). However, the Company may in its absolute discretion determine to apply the scale back to the extent and in the manner it sees fit, which may include taking into account a number of factors including, but not limited to:
- (a) the size of your shareholding at the Record Date;
 - (b) the extent to which you have sold or purchased Shares since the Record Date;
 - (c) whether you have multiple registered holdings;
 - (d) the date on which your application was made; and
 - (e) the total number of applications and New Shares subscribed for by Eligible Shareholders.
- 5.3 If there is a scale back you may receive less than the parcel of New Shares for which you have applied.
- 5.4 If a scale back produces a fractional number of New Shares when applied to your parcel, the number of New Shares you will be allotted will be rounded up to the nearest whole number of New Shares.
- 5.5 If there is a scale back, the difference between the application monies received from you, and the number of New Shares allocated to you multiplied by the Offer Price, will be refunded to you in accordance with clauses 3.8 and 3.9.
- 5.6 All Board decisions in connection with a scale back or refusal of an application are final.

- 6. The New Shares**
- 6.1 New Shares issued under the SPP will rank equally in all respects with existing Shares quoted on the ASX, with the same voting rights, dividend rights and other entitlements (other than the right to subscribe for free attaching Options on a 1:2 basis).
- 6.2 Novatti will apply for the New Shares issued under the SPP to be quoted on the ASX.
- 7. No Transaction Costs**
- Eligible Shareholders who participate in the SPP will not pay any brokerage, commissions or other transaction costs in respect of the issue and allotment of New Shares.
- 8. Timetable**
- The timetable for the key events relating to the SPP is as set out in the Key Dates section of this Booklet (**Timetable**). Novatti may, at its discretion, vary any of the dates in the Timetable or in these terms and conditions by lodging a revised timetable with the ASX.
- 9. Dispute Resolution**
- Novatti may settle in any manner it thinks fit, any difficulties, anomalies or disputes that may arise in connection with or by reason of the operation of the SPP, whether generally or in relation to any participant or application. Any determinations by Novatti will be conclusive and binding on all Eligible Shareholders and other persons to whom the determination relates. Novatti's rights may be exercised by its board or any delegate of the board.
- 10. Variation, Suspension and Termination**
- 10.1 Novatti may at its discretion and at any time:
- (a) vary, suspend or terminate the SPP. If Novatti does this, it will make an announcement to the ASX. Failure to notify Shareholders of variations to or the suspension or termination of the SPP will not invalidate the variation, suspension or termination; and
- (b) to the extent permitted by law, waive compliance with any provision of the SPP or these terms and conditions.
- 10.2 Novatti reserves the right to issue no New Shares under the SPP or fewer New Shares under the SPP than applied for under the SPP at its complete discretion, including if Novatti believes the issue of those New Shares would contravene ASIC requirements or policy, any law or any ASX Listing Rule. In the event that Novatti receives applications for New Shares in excess of \$2 million, the scale-back policy in clause 5.1 of these SPP terms will apply.
- 11. Instrument 2019/547 compliance**
- 11.1 The SPP is offered in compliance with Instrument 2019/547. Instrument 2019/547 provides relief from the requirement for Novatti to provide prospectus disclosure in relation to the SPP. This booklet is not a prospectus under the Corporations Act.
- 11.2 Instrument 2019/547 also provides relief to allow clients of second or subsequent level Custodians to participate in the SPP. Any additional or varied ASIC requirements in the class order will apply to participation on behalf of such clients.
- 12. Governing Law**
- These SPP terms and conditions are governed by the laws in force in Victoria. Any dispute arising out of, or in connection with, these terms and conditions, or the SPP Offer, will be determined by the courts of Victoria. By accepting the SPP Offer, you agree to submit to the non-exclusive jurisdiction of the courts in Victoria. Other terms and conditions, rights and obligations of New Shares are contained in the constitution of the Company. The terms and conditions of the SPP prevail to the extent of any inconsistency with the Application Form.

GLOSSARY

The following terms apply throughout this Booklet unless the context requires otherwise.

Defined term	Meaning
AEDT	Australian Eastern Daylight-Saving Time.
Application Form	application form to apply for New Shares under the SPP Offer and Options under the SPP Option Offer.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited or the market operated by it, as the context requires.
ASX Listing Rules	the listing rules of ASX.
Beneficiary	a person on whose behalf a Custodian is holding Shares on the Record Date.
Board	board of directors of the Company
Booklet	this booklet, which sets out the terms of the SPP Offer.
Capital Raising	the Facility and SPP, including the offer of Options pursuant to the Prospectus.
Company or Novatti	Novatti Group Limited ACN 606 556 183.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Custodian	a custodian as defined in paragraph 4 of Instrument 2019/547.
Custodian Certificate	a certificate complying with subparagraph 8(3) of Instrument 2019/547.
EFT	electronic funds transfer.
Eligible Beneficiary	as defined in section 2.5 of the terms and conditions.
Eligible Shareholder	Shareholders who are registered holders of Shares at the Record Date with a registered address in Australia or New Zealand, provided that such Shareholder is not in the United States, or acting for the account or benefit of a person in the United States.

Defined term	Meaning
Facility	convertible note facility from sophisticated and professional investors announced by the Company on 2 January 2024 for \$3.5 million before costs, subject to Shareholder approval.
Instrument 2019/547	ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547.
New Share	a Share to be issued (at the Offer Price) to successful applications under the SPP Offer.
Offer Price	the price per New Share being \$0.06 (6 cents).
Option	a free attaching option offered to noteholders in the Facility and participants in the SPP for nil consideration, which is being made by the Company through the Prospectus (which also sets out the terms of issue of the Options).
Prospectus	the transaction-specific prospectus issued by the Company on the date of this Booklet in connection with the offer of Options.
Record Date	7.00pm AEDT on Friday, 29 December 2023.
Share	a fully paid ordinary share in Novatti.
Shareholder	a registered holder of Shares.
SPP	as defined in clause 1.1 of the terms and conditions.
SPP Offer	as defined in clause 1.4 of the terms and conditions.
SPP Option Offer	the offer of attaching Options made to SPP participants pursuant to the Prospectus, which is subject to Shareholder approval.
SPP Shortfall Offer	as defined in the Key SPP Information in this Booklet.
VWAP	volume weighted average price.

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