

ASX ANNOUNCEMENT

07 June 2016

**Flexepin expands into the UK market**

**Highlights:**

- Novatti's UK subsidiary Flexe Payments Limited has secured an agency under an E-money license and can now launch Flexepin electronic vouchers into the UK
- Novatti expects significant growth as the way has been cleared for the Company to finalise a number of key partnerships

**Novatti Group Limited** (ASX: NOV, "Novatti" or the "Company") is pleased to announce the expansion of Flexepin electronic vouchers in the United Kingdom and European markets after Novatti's UK subsidiary, Flexe Payments Limited was approved to be registered as an Appointed Representative of CFS-Zipp Limited by the Financial Conduct Authority (FCA) in the United Kingdom. CFS-Zipp has an EMoney Issuing Licence with the FCA and as a result of being its Authorised Representative Flexe Payments Limited can distribute E-Money products such as Flexepin.

Flexe Payments will now distribute Flexepin vouchers in the UK, with the aim in the coming months to expand this to include the European Union, allowing Novatti to accelerate Flexepin's global rollout. Flexepin vouchers are currently distributed via retail outlets in Canada and Australia, and will now expand their distribution footprint to include retail outlets in the UK. Merchants accept Flexepin for ecommerce purchases and are then settled by Flexe Payments by way of direct bank transfers.

The requirement to be registered with the FCA was a necessary precursor for many merchants to sign up to our operational systems in Canada, Australia and the UK in order to comply with their internal corporate guidelines.

Consumers can purchase a Flexepin voucher and use it to purchase goods and services online or at stores that accept the voucher. Being registered under the FCA allows Flexepin to be widely adopted, particularly in highly regulated industries in the UK and EU.

"Securing a partnership with a UK licensed entity is a significant development for our company because it opens new doors for us to grow the business. We have currently approximately 50 merchants at various stages of onboarding for sales in Canada and Australia and expect this number to increase quickly given the UK licencing. We have lined up a number of business development activities, which we now can advance, and we expect to announce a number of partnerships with distributors and merchants in Europe in the coming months," said Novatti's Chief Executive Officer, Peter Cook.

Flexepin vouchers provide customers with a secure and convenient way to make online purchases and to top-up digital wallets and accounts, reducing the threat of online fraud.

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### **About Novatti Group Limited**

Novatti, an Australian-based company, is an award-winning global software technology and payment services provider. Both through technology and services, Novatti helps economies, corporations and consumers digitize cash transactions. Novatti's robust and efficient software solutions include Consumer Digital Wallet, Electronic Top-Up, Mobile Money, Bill Payments, Remittance Services and Voucher Management Systems. Novatti's transaction processing services include Flexepin, an open loop cash voucher service and TransferBridge, a global remittance network.