

ASX ANNOUNCEMENT

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## Novatti Launches Remittance Service from Australia

### Highlights:

- Novatti launches new remittance service, allowing Australian-based retail consumers and small businesses to send funds overseas
- Two experienced remittance companies signed as affiliates in the first month of operation with the potential to add three more in the near term
- More than US\$16.5 billion in remittances were sent from Australia in 2015
- Provides Novatti with an additional transaction-based revenue stream and further supports the Company's path to profitability in FY18

**Novatti Group Limited** (ASX: NOV, "Novatti" or the "Company") is pleased to announce that it has launched a remittance operation to service Australian retail consumers and small businesses that need to send funds overseas.

The Company has already signed two affiliate agent networks, each with more than 1,000 consumer remittance clients, to the service since it launched in mid-July.

Novatti is currently in the process of evaluating and negotiating with three other affiliates to join the network in the near term. All consumers are managed for compliance and transaction processing through a centralised platform, which will allow the service to scale rapidly.

Novatti's revenues from the service will be directly proportional to the growth in affiliates, consumers and transactions. Net transaction fees are typically 0.3% to 1% with remittance transaction values typically ranging from A\$200 to A\$5,000.

More than US\$16.5 billion in remittances were sent from Australia to other countries in 2015, while US\$2.27 billion in remittances was sent to Australia in 2015<sup>1</sup>. The top four recipient countries in that year were China (US\$2.92bn), India (US\$1.8bn), UK (US\$1.4bn) and Vietnam (US\$1.12bn)<sup>2</sup>.

The remittance industry has undergone major change in recent years off the back of the need for increased compliance requirements from regulators and banks. This increased compliance requirement has seen many smaller traditional remittance providers leave the industry.

This transformation provides an opportunity for existing remittance providers to work with a company such as Novatti and utilise its compliance team, processes and

<sup>1</sup> <http://www.pewglobal.org/interactives/remittance-map/>

<sup>2</sup> <http://www.pewglobal.org/interactives/remittance-map/>

technology to ensure it is meeting compliance requirements and utilising more effective banking services.

“Remittance to home countries is a critical activity for many migrants living and working in Australia. The increasing regulatory and banking requirements has created an opportunity for Novatti, to utilise our licenses and compliance capability, to work with existing remittance providers to provide a service to these migrants,” said Peter Cook, Chief Executive Officer of Novatti.

"Novatti will continue to pursue opportunities in the enormous remittance market segment and this new service will further propel the Company toward its targetted maiden profit in FY2018."

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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, 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 and TransferBridge, a global remittance network.