

ASX Announcement

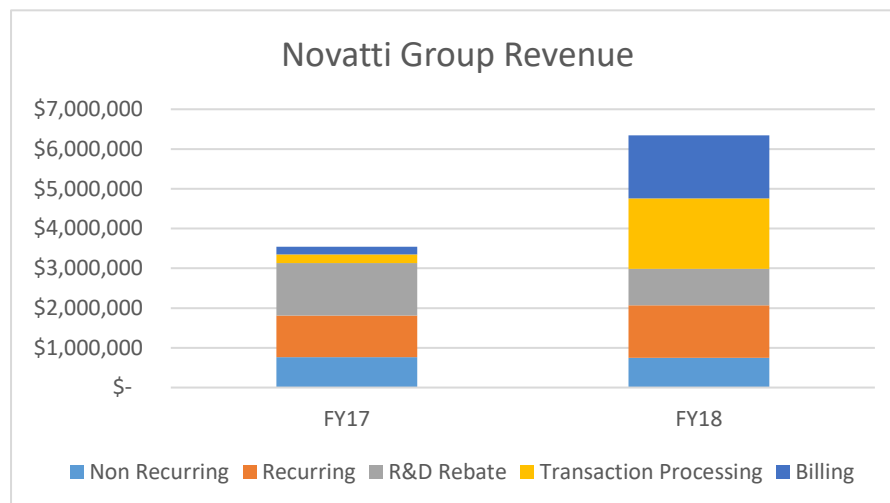
30 August 2018

Total Revenue grows 80% to \$6.36m

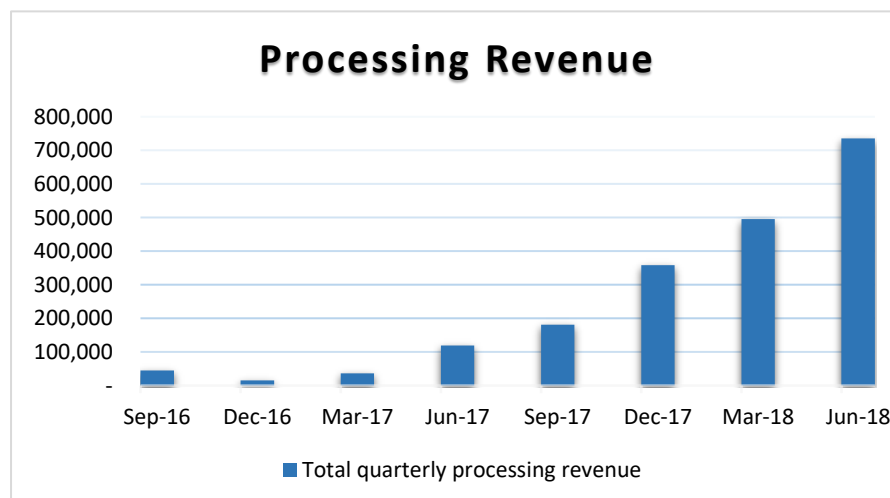
Novatti Group Limited ASX:NOV ('Novatti' or 'the Company') is pleased to release its 2018 Financial Year results, as attached to this announcement with its Annual Report.

Financial Highlights

- **Revenue** - Increased by 80% over the prior year to \$6.36m. Well over 50% of our revenues were recurring or transaction processing



- **Transaction Processing Revenue** - Increased by 800% from \$0.2m to \$1.8m



- **EBITDA** - Full year EBITDA improved 62% from (\$4.64m) to (\$1.75m) as a result of sustained growth and focus on cost management
- **Normalised EBITDA** - Which reflects the underlying normalised operations of the group was (\$583k)
- **Cash and cash equivalents** – as at 30 June 2018, \$4.5m

Acquisitions

- **Vascopey** - Effective 8 June 2018, Novatti acquired 100% of Vascopey, a prepaid reloadable Visa card business in Australia.

Organic Business Development

- **Launch of Chinapayments.com** - Innovative B2C service for payment of Australian billers by way of Chinese payment methods such as Alipay.
- **Launch of Outbound Remittance Services** - Having gained a Remittance Network Provider registration from Austrac, Novatti has provided remittance services to a number of Affiliates who service their consumers
- **Launch of Australian Pay-out Settlement Services** - Novatti has engaged with multiple overseas payment processors who partner with Novatti for the compliance and settlement of inbound payments to Australia
- **Flexepin** - Continues to expand and grow with acceptance by some 30 new merchants and distribution in additional countries in Europe and Africa. White label solutions have been taken up by other payment processors
- **Technology sales** - New clients for both enterprise solutions and transaction fee sales continue to affirm that Novatti's technology meets an increasing range of market needs. A well developed sales funnel should continue to bring new clients.
- **Stellar Network** - Novatti has integrated to the Stellar Network and has completed commercial agreements with two Stellar partners ready to commence full commercial operations.
- **Billing Services** - Basis2 has performed in line with expectations following its acquisition in May 2017. Novatti continues to seek expansion in the highly predictably billing services arena

Bank Licence Application

- Novatti's banking services team is preparing our submission of the evidentiary collateral and materials required by APRA to assess our readiness for a restricted ADI licence (RADI). We are hoping to obtain an RADI licence in the first half of 2019, both in full compliance of APRA requirements for a restricted licence holder and with a clear strategy to a full ADI licence within 24 months.

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About Novatti Group Limited

Novatti is a growth global software technology, utility billing and payment services provider. Both through technology and services, Novatti helps economies, corporations and consumers digitise cash transactions. 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 for Chinese consumers and Vasco Pay a prepaid reloadable Visa card. Novatti's subsidiary Flexewallet Pty Ltd is a holder of AFSL No 448066 and an Austrac authorised Remittance Network Provider.

www.novattigroup.com