

ASX Announcement

09 September 2019

## **Novatti Achieves Visa Principal Status**

### **Highlights**

- **Granted an Australian Principal Issuing Licence with Visa**
- **Revenue generating contracts already signed**
- **Circa \$300k of additional transaction processing revenue already confirmed for this FY**
- **Large target market**
- **Complementary to Novatti future banking services**

**Novatti Group Limited (ASX:NOV), ("Novatti" or "The Company")**, an online financial transactions processor and financial technology developer, is pleased to advise the market that it has applied to become, and has been granted, a Principal Issuer licence ("Visa Issuer") of Visa Worldwide Pty Limited, a subsidiary company of Visa Inc. ("**Visa**").

This marks a milestone in Novatti's growth, which the company expects to continue to accelerate driven by strong partnerships and commercial relationships.

The initial Visa cards issued will be prepaid – a product experiencing rapid growth, with the Australian prepaid card market expected to increase from \$29 billion in 2019 to \$46 billion in 2023<sup>1</sup>. Novatti's prepaid cardholders will benefit from being able to effectively budget and manage their funds, refraining from spending more than they have. Businesses can use prepaid cards for travel expense management, promotional offers, retail cashback, and employee rewards and incentives.

Noting the large size of the market, Novatti already has two B2B clients for the commencement of the service with a third potential client agreeing to test the card and a strong sales pipeline of additional opportunities. Revenues for Novatti from being a Visa Issuer are largely B2B revenue streams, whereby Novatti receives program management fees to setup an issuing program and then ongoing transaction fees from a client for the use of the cards in their program. These initial revenues from the first four clients for this Financial Year are expected to add circa \$300k to Novatti's revenues with ongoing strong growth modelled in the following years.

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<sup>1</sup> Research & Markets: <https://www.researchandmarkets.com/research/9qxbh4/australian?w=4>

**Relationship with Visa**

Visa is a global payments technology company that enables fast, secure and reliable electronic payments, with more than 3.3 billion cards worldwide across 200 countries and territories, and capacity to process more than 65,000 transaction messages per second. Visa's mission is to connect the world through the most innovative, reliable and secure digital payment network that enables individuals, businesses and economies to thrive. By partnering with Visa, Novatti will be able to create and sponsor payment solutions that will drive new innovation in Australia and overseas.

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**About Novatti Group Limited (ASX:NOV)**

Novatti is an award-winning global software technology, utility billing and payment services provider. 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, Visa card issuing and Vasco Pay a prepaid reloadable Visa card. Novatti subsidiary Flexewallet Pty Ltd holds an Australian Financial Services Licence No 448066 and is registered with AUSTRAC as a Remittance Network Provider. Novatti applied to APRA for a Restricted Authorised Deposit Institution (RADI) licence in November 2018.

[www.novattigroup.com](http://www.novattigroup.com)