

ASX Announcement

7 November 2019

Convertible Notes to Fund Payments Processing Growth Plans

Highlights

- **\$2.275m raising via Convertible Notes**
- **Enables growth of Visa Issuing business and European E-Money licence**
- **Funds growth for core payments processing business**

Novatti Group Limited (ASX: NOV) (Novatti) a payments innovator and processor, is pleased to advise that it has entered into binding term sheets for the issue of convertible notes for the amount of \$2.275m to professional and sophisticated investors.

The funds to be raised will enable Novatti to drive the continuing growth in its core payments business units and in particular fund:

- The current payment processing business growth
- The new Visa Issuing business which is due for launch in mid-December 2019
- The completion of the European E-Money licence following October 2019 application

Primary terms of the convertible notes are:

- Aggregate funds raised amount to \$2.275m from the issue of 2.275m notes
- Conversion price at lower of 25 cents or the lowest capital raising price prior to maturity
- Convertible at the election of noteholders at any time prior to maturity
- Maturing on 30 July 2021, subject to 12 months roll-over at the noteholder's election
- 9% per annum coupon, which may be capitalised at the election of noteholders
- One free-attaching option to be issued for each \$1 note with a 25 cent exercise price expiring 30 October 2022
- Secured over Novatti's share capital in its wholly-owned subsidiary, Novatti Inc, which owns the basis2 business

Peter Cook, CEO of Novatti noted, "We have high aims for both our payments processing and bank divisions. We have recently been able to access large opportunities by extending our licencing and relationships such as the Visa Issuing licence which will drive us into larger payments markets. This funding will enable this growth for the payment processing division."

Settlement is anticipated to occur on or about 15 November 2019.

Baker Young Stockbrokers acted as lead manager to the offer.

For further information, contact:

Peter Cook
Managing Director
Novatti Group Limited
peter.cook@novatti.com
+61 411 111 153

About Novatti Group Limited (ASX:NOV)

Novatti is an innovative high growth payment services provider. 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 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. Novatti's software solutions include Consumer Digital Wallets, Branchless Banking, Mobile Money, Bill Payments, Remittance Services and Voucher Management Systems.