

ASX Announcement

3 June 2020

EMERSION SUCCESSFULLY INTEGRATED AND BEATING EXPECTATIONS

Highlights

- **Integration of Emersion with Novatti has been completed smoothly following acquisition in April this year.**
- **Emersion has invoiced over \$300,000 and signed six new customers for April and May, beating expectations.**
- **Continued growth expected with demand for customer engagement, integration, automation and payment services post COVID-19.**

Novatti Group Limited (ASX:NOV) (Novatti or Company), a leading digital banking and payments company, is pleased to advise that its acquisition of business process integration platform, Emersion, in April this year, has been completed smoothly and is beating expectations.

Emersion integrates diverse business applications, such as subscription billing, payments and provisioning, into existing business platforms, such as Customer Relationship Management software. By creating a one-stop-shop application, Emersion drives efficiency in business process, saving customer time and energy. Importantly, during COVID-19, its platform has also enabled teams to work effectively remotely, enabling business functions to continue uninterrupted.

In CY2019, Emersion produced revenue of more than \$1.7 million and was cash flow positive with EBITDA of \$300,000. Following Novatti's acquisition in April, and despite the challenges of COVID-19, Emersion has continued to perform strongly, with combined results for April & May including:

- Invoicing more than \$300,000 (with approximately 80 per cent recurring revenue); and
- Signing six new customers with contracted service values of more than \$250,000 across the next three years, providing stable cash flow going forward.

Emersion now integrates with more than 70 software platforms, including majors such as Salesforce, Xero, and ConnectWise, providing a strong platform for ongoing sales. FY2021 is expected to be a strong year with further plans for international expansion and ongoing demand for customer engagement, integration, automation and payment services post-COVID-19.

Managing Director of Novatti, Peter Cook, noted: "We knew that Emersion was a strong business that would provide great synergies for Novatti's digital-focused strategy. The strength of its platform has been on display during COVID-19 and will provide a sound base

for continued growth, as we expect more people to work from home and to use the communication and entertainment services of Emersion’s partners going forward.”

CEO of Emersion, Paul Dundas, noted: “Emersion helps companies to engage with their customers, integrate their systems, automate processes, and collect payment. In particular, our real time billing platform makes it easy for our customers to manage usage-based services, improving customer cash flow. With demand for voice, data, and energy services expected to increase going forward, we expect our recurring revenue to remain strong and grow.”

This successful acquisition continues Novatti’s recent growth-focused achievements including:

- Strongest ever total quarterly revenue in March 2020 quarter, reaching \$3 million for the first time.
- Launching new Visa card issuing business after being awarded a Principal Issuer Licence by Visa Worldwide Pty Limited.
- Gaining access to new revenue and the rental payments market through its partnership with Rent.com.au.

Novatti invites investors to keep up to date with company news, events and industry research by joining the Novatti mailing list at: <https://www.novattigroup.com/subscribe>

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This announcement has been approved for release to the ASX by Peter Cook, Managing Director.

About Novatti Group Limited (ASX:NOV)

Novatti is a leading digital banking and payments company. Through innovative technology, Novatti positions its customers to thrive in the growing cashless economy. 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 for the issue of reloadable Visa cards. Novatti subsidiary Flexewallet Pty Ltd holds an Australian Financial Services Licence No 448066 and is registered with AUSTRAC as a Remittance Network Provider. Novatti subsidiary Novatti IBA Pty Ltd has applied to APRA for a RADI licence. Novatti’s software solutions include Consumer Digital

Wallets, Branchless Banking, Mobile Money, Bill Payments, Remittance Services and Voucher Management Systems.

About Emersion Systems Pty Limited

Emersion is a leading provider of customer engagement, payment, provisioning and subscription billing solutions to Managed Services Providers (MSPs), Independent Software Vendors (ISVs), System Integrators (SIs), utilities and telco's in Australasia.

Emersion helps businesses engage with their customers, integrate systems and automate business processes including signup, ordering/provisioning, billing, rating usage and ultimately collect payment.

Emersion integrates diverse business systems including CRMs, professional services automation (PSA), configure, price, quote (CPQ) tools, accounting, payment gateways, suppliers, vendors and internal systems. Emersion integrates to over 70+ vendors and has 400+ supported service types.

Emersion empowers teams to work remotely and securely, helping them create efficiencies and improve profitability, while reducing the resources needed to onboard and support customers. This means that manual and time-consuming processes like subscription billing, invoicing, payment processing, collections and reporting can be automated. This increases the amount of resources available in a business to focus on customer engagement, and results in a better customer experience, as well as increased business profitability.

Emersion is a wholly owned subsidiary of Novatti Group Limited (ASX:NOV).