

ASX Announcement

07 February 2020

NEW PARTNERSHIP MOU TO STRENGTHEN TRANSACTION PROCESSING BUSINESS

Highlights

- Novatti signs MOU with Rent.com.au to redevelop rental payments platform, RentPay
- Novatti to receive \$250,000 for access to its technology with an agreement to be signed for ongoing, multi-year paid processing services
- Novatti to invest in RentPay gaining exposure to the rental payments industry while receiving an option to increase equity stake

Novatti Group Limited (ASX:NOV) (Novatti or ‘the Company’), a leading digital banking and payments company, continues to strengthen its core transaction processing business by partnering with Rent.com.au (ASX:RNT) to redevelop their innovative rental payments platform, RentPay.

RentPay was developed by Rent.com.au to provide an automated rental payments platform for both tenants and agents. In addition to administering rental payments and value added market place services for tenants, the platform also enables administrative support for agents, including automated missed-payment communications.

Novatti and Rent.com.au have currently signed a non-binding MOU with the intent to negotiate and sign binding agreements within 30 days. Primary terms include:

- Novatti will receive \$250,000 for access to its technology with an agreement to be signed for ongoing, multi-year paid processing services on commercial terms, strengthening Novatti’s core business.
- In addition, Novatti will acquire 2.5% of RentPay for \$250,000, ensuring direct exposure to the significant rental payments industry and any future platform growth.
- This potential will be furthered by Novatti receiving an option to increase this investment to 10% at a later stage.
- Novatti will receive ongoing fees for transaction services, dependent on the take up of the service, after the platform goes into service.

The partnership will also expose RentPay customers to Novatti’s full technology offering, including Alipay and WeChat payments.

This new partnership follows Novatti’s recent growth-focused achievements including:

- securing the full funding required to launch its new banking subsidiary, once its restricted banking licence is obtained;
- being awarded a Principal Issuer Licence by Visa Worldwide Pty Limited, enabling Novatti to issue Visa cards; and

- reaching record revenue for the December 2019 quarter.

CEO of Novatti, Peter Cook, said “Through its innovative technology, Novatti positions its customers to thrive in the growing cashless economy. Partnering with Rent.com.au to redevelop RentPay is a great example of this, while also providing Novatti with exposure to the enormous rental payments market. We believe we have much to offer as RentPay evolves and look forward to working closely with the Rent.com.au team as we move forward.’

CEO of Rent.com.au, Greg Bader, said ‘For high-volume payment and transaction handling for Rent.com.au it makes sense to partner with someone like Novatti who has proven itself to be a leader in payments technology and has developed some innovative solutions for unique problems in a variety of industries. They can bring these skills to the partnership along with significant scale benefits. They also bring to the table other unique capabilities, a great example of this is how they handle Alipay and WeChat pay transactions in Australia. Customers are already telling us they want to be able to choose from a variety of payment options including these newer types.’

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 ASX release has been approved for release to 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.