

ASX Announcement

24 February 2020

Convertible Notes to Fund Growth Plans

Highlights

- **\$1.225m raising via Convertible Notes**
- **Funds continued growth for core payments processing business**

Novatti Group Limited (ASX: NOV) (Novatti) a leading digital banking and payments company, is pleased to advise that it has entered into binding term sheets for the issue of convertible notes for the amount of \$1.225m 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 further growth in payment processing.

Primary terms of the convertible notes are:

- Aggregate funds raised amount to \$1.225m from the issue of 1.225m 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

This brings the total Convertible Notes in this series to \$3.5m, following the earlier November 2019 issue of \$2.275m of Convertible Notes.

Peter Cook, CEO of Novatti noted, " Our payments processing business has been growing strongly quarter on quarter for over 2 years. Larger opportunities are presenting to Novatti that will lead to continued growth for our payments processing business. This funding will continue to support this growth."

Settlement is anticipated to occur on or about 24 February 2020.

Baker Young Stockbrokers acted as lead manager to the offer.

For further information, contact:

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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.