

ASX ANNOUNCEMENT

19 March 2019

IBM World Wire network foundation member

Highlights

- **Novatti joins IBM World Wire network as a foundation member**
- **IBM World Wire network built on blockchain technology for faster, cheaper and real time global payments.**
- **IBM World Wire network enables Novatti customers access to more currencies more digital assets and more services**
- **IBM World Wire network membership increases access to Novatti's AUD stablecoin**

Novatti Group Limited (ASX: NOV, "Novatti") is pleased to announce it will join IBM Blockchain World Wire¹, a real-time global payments network for regulated financial institutions such as Novatti's subsidiary Flexewallet Pty Ltd. IBM World Wire is designed to optimize and accelerate foreign exchange and remittance services through a New Cross-Border Payments Network Supporting Real Time Payments and Foreign Exchange on the Stellar Protocol.

By connecting to the World Wire network, Novatti now has access to a single unified network for foreign exchange and cross-border payments clearing and settlement built on blockchain technology and the Stellar public protocol. This will allow Novatti to offer clients the ability to conduct transactions across additional currencies and provide access to new digital assets including stable coins using Stellar Lumens (XLM) protocols. Novatti has already integrated to the Stellar network and provides the first digital Australian dollar NOV1AUD stablecoin on the Stellar network.

"World Wire enables Novatti and its clients and our investment SendFX to leverage this new network to create choice, improved pricing and speed. In particular our B2B customers appreciate this innovation and the commercial relationships with IBM." said Peter Cook, CEO of Novatti.

World Wire enables regulated financial institutions such as Flexewallet Pty Ltd with its AFSL and AUSTRAC registration to expand their business ecosystems more rapidly, while improving financial inclusion for people around the world through highly secure, point-to-point payment transactions.

World Wire provides a more straight-through model for cross border payments using the Stellar protocol that makes money transfers point-to-point in lieu of the complexities of conventional correspondent banking. It reduces intermediaries and allows users to accelerate settlement time often in seconds by transmitting monetary value in the form of digital assets, commonly known as cryptocurrencies or "stable coins." This simplified approach improves

¹ <https://www.ibm.com/blockchain/solutions/world-wire>

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operational efficiency and liquidity management, streamlining payment reconciliation and reducing overall transaction costs for financial institutions.

“Blockchain provides a transparent, technology layer for payments,” said Jesse Lund, Global Vice President, IBM Blockchain. “Using distributed ledger technology, World Wire can be used to optimize financial flows worldwide by allowing institutions such as Novatti to connect to the network APIs, see exchange rate quotes in real-time, and record transaction details onto an immutable blockchain for easy auditing and reconciliation. This reduces the need for intermediaries and long durations for clearing and settlements – which ultimately can get money into consumers’ hands faster and more efficiently.”

The World Wire network is poised to support more than 50 countries, with 20+ currencies and more than 30 banking end points with more being actively added based upon client demand.

Strategic Consideration

Novatti's growth in payments processing includes major increases in cross border payment processing and in particular cross border remittances both in and out of Australia. IBM World Wire is another network that Novatti can use to improve customer offerings and provide improvement in pricing and margins. Remittances are a core need of the migrant market segment. This will enhance Novatti's proposition for migrant banking services which would be provided if Novatti's current application to APRA for Restricted banking licence is successful.

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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 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.

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