

ASX Announcement

30 November 2021

Update on new banking business

Novatti Group Limited (ASX:NOV) (Novatti or Company), a leading fintech that enables businesses to pay and be paid, is pleased to provide an update on the development of its new banking business.

Novatti continues to work proactively with Australia's banking regulator for the approval of its licence. It remains in the final stages of this process, where the banking regulator completes its application assessment and makes a decision on the licence approval.

In particular, Novatti is seeking to move into the final licensing decision stage where, in accordance with latest guidance from the regulator, a licensing decision is ordinarily made within 90 days.¹

Managing Director of Novatti, Peter Cook, said: "We are excited to be moving into the final phases of this process. Our application has unfortunately coincided with disruptions to processing, including an extended pause on the approval of new applications during COVID-19. However, our plans continue to be supported by the strong momentum we are seeing from consumers and investors backing fintechs to provide new and innovative banking services."

"While we aimed to achieve regulatory approval by the end of November this year, we are advised by the regulator that the assessment of our application remains ongoing. We remain committed to working proactively with the regulator in these final assessment phases and continue to be confident of being awarded a licence."

"Alongside this approval process, we continue to push ahead with the development of this new business to ensure that we hit the ground running, as we believe it can enable Novatti to offer additional, value-add services to our customers, while also driving increased margins."

"The development of this new business continues to be supported by the strong growth in Novatti's broader business. Since the impacts of COVID-19 were first seen in Australia in the March quarter of 2020, Novatti's quarterly sales revenue has grown more than 75%. We expect the global shift to cashless and digital payments to continue to accelerate going forward, supporting Novatti's ongoing growth."

This announcement follows some of Novatti's recent growth-focused achievements, including:

- Visa and Mastercard acquiring licences
- Quarterly sales revenue breaking through \$5m for the first time in the September quarter

¹ See APRA Information Paper – ADIs: New entrants – a pathway to sustainability – August 2021

- Announcing the agreement to acquire leading South East Asian fintech, ATX
- Expanding its partnership with Ripple into Thailand

Novatti invites investors to keep up to date with company news, events and industry research by joining the Novatti mailing list at: <https://www.novatti.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 fintech that enables businesses to pay and be paid, from any device, anywhere. From corner stores and startups to global organisations, our solutions will unlock your ambitions. Solutions include issuing, acquiring, processing, and billing, while Novatti has also applied to APRA for a restricted banking licence through its subsidiary Novatti IBA Pty Ltd. Novatti holds all necessary regulatory licences and registrations, including an Australian Financial Services Licence (No 448066) through its subsidiary Flexewallet Pty Ltd, registration in New Zealand as a Financial Services Provider (FSP613789) through subsidiary Flexewallet (NZ) Limited, and is registered with AUSTRAC as a Remittance Network Provider.