

Appendix 4E

Preliminary Final Report – Results for Announcement to the Market

Name of entity

NOVATTI GROUP LIMITED

ABN: 98 606 556 183

1. Reporting period:

Report for the financial year ended: 30 June 2018

Previous corresponding period is the financial year ended: 30 June 2017

2. Results for announcement to the market, (Item 2):

Revenue from ordinary activities (item 2.1) up 80% to	\$6,363,684
Net Loss before income tax expense down 56% to	(\$2,069,034)
Loss from ordinary activities after tax attributable to members (item 2.2) down 56% to	(\$2,069,034)
Net Loss for the period attributable to members (item 2.3)	(\$2,069,034)

Dividends (<i>item 2.4</i>)	Amount per security	Franked amount per
Interim dividend	- cents	- cents
Final dividend	- cents	- cents
Record date for determining entitlements to the dividend (<i>item 2.5</i>)		

There have been no dividends paid nor provided for as at 30 June 2018 (*item 2.6*).

3. Consolidated Statement of Profit or Loss and Other Comprehensive Income

Refer attached audited Financial Report

4. Consolidated Statement of Financial Position

Refer attached audited Financial Report

5. Consolidated Statement of Changes in Equity

Refer attached audited Financial Report

6. Consolidated Statement of Cash Flows

Refer attached audited Financial Report

7. Dividends (item 7):

	Date of payment	Total amount of dividend
Interim dividend-year ended 30 June 2018	N/A	\$0.00
Final dividend-year ended 30 June 2018	N/A	\$0.00

Amount per security

	Amount per security	Franked amount per security	Amount per security of foreign sourced dividend
Total dividend: Current Year	- cents	- cents	- cents
Total dividend: Previous Year	- cents	- cents	- cents

8. Details of dividend or distribution reinvestment plans in operation are described below (item 8):

Not applicable.

The last date(s) for receipt of election notices for participation in the dividend or distribution reinvestment plan

Not applicable.

9. Statement of retained earnings (item 9)

Consolidated Entity	2018	2017
Balance at the beginning of the year	(\$13,108,885)	(\$8,391,156)
Net profit (loss) attributable to members of the parent entity	(\$2,069,034)	(\$4,717,729)
Adjustment on introduction to Australian Equivalent to IFRS	-	-
Total available for appropriation	-	-
Dividends paid	-	-
Lapsing of Options	-	-
Balance at end of year	(\$15,177,919)	(\$13,108,885)

10. Net tangible assets per security (item 10)

	2018	2017
Net tangible asset backing per ordinary security	\$0.06	\$0.02

11. Details of entities over which control has been gained or lost during the period: (item 11)

Control gained over entities/acquisitions

Name of entities	Date(s) of gain of control
Name of entities (or group of entities)	Vasco Pay Pty Ltd
Date control gained	8 June 2018
Contribution of the entity to the reporting entity's profit from ordinary activities before income tax during the period	(\$53,064)
Profit from ordinary activities before income tax of the controlled entity (or group of entities) for the whole of the previous period	Nil

Loss of control of entities/Disposals

Name of entities	Date(s) of gain of control
Not applicable	

12. Details of associates and joint venture entities (item 12)

Name of associate or joint venture entity (item 12.1)	Reporting entity's percentage holding		Contribution to profit/(loss) (where material)	
	%	%	Reporting Period	Previous Period
High Impact	50%	50%	\$0	\$0
ATX Malaysia	50%	50%	(\$224)	(\$8,511)
Group's aggregate share of associates and joint venture entities' loss where material – (Item 12.2)			(\$224)	(\$8,511)

Results:

The consolidated Net Loss After Tax (NLAT) attributable to members of the company was (\$2,069,034). The prior year NLAT was (\$4,717,729).

The Group's net asset position was \$8,749,151, (30 June 2017, \$2,272,260). Novatti Group had \$4,509,142 in cash and cash equivalents, (30 June 2017, \$654,146). The Group is debt free.

Significant Change in the State of Affairs:

Share Placements.

On 11 October 2017, Novatti Group Limited announced the placement of 25,000,000 shares to a sophisticated investor. This raised \$3.5M.

On 28 February 2018, Novatti Group Limited announced the placement of 18,204,041 shares to sophisticated investors. This raised a further \$3.5M.

Acquisition of Vasco Pay Pty Ltd

Novatti Group Limited acquired 100% of Vasco Pay Pty Ltd, a reloadable Visa card provider that targets multiple market segments. Completion of the acquisition occurred 8 June 2018.

Upfront consideration for the acquisition was \$150,000 plus 1.6 million Novatti Group Ltd shares. In addition, the vendors have the right to participate in earn outs which are based on EBITDA multiples of 1.225 on the 30 June 2020 EBITDA and 1.1025 of 30 June 2021 EBITDA. The earn outs may be taken in cash or shares at an issue price of 90% of an agreed to 90 day VWAP. The 1.6 million shares are escrowed, 50% released in 12 months and the balance released in 24 months from completion.

There are no other significant changes in the state of affairs of the Company.

After Balance Date Events:

The Group received its FY2017 Research and Development rebate of \$923,660 on 17 July 2018.

No other matters or circumstances have arisen since end of the financial year which significantly affect or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Dividend Recommended, Declared or Paid:

The Company has not recommended, declared or paid a dividend in respect of the financial year.

Details significant information relating to the entity's financial performance and financial position.

13. This item relates to foreign entities and is not applicable to the company (item 13)

14. Commentary on the results for the period (item 14).

The Company and its controlled entities made a full year net loss of \$2,069,034 after tax. Total consolidated revenue and other income for this period is \$6,363,684.

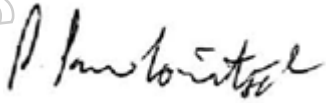
Basic earnings/(loss) per share for this period is (1.53) and (30 June 2017, (5.03)).

15. Audit of the financial report (item 15)

Refer attached audited Financial Report.

16. Are the audited accounts subject to review and are subject to dispute or qualification? (Item 16)
No.

Sign here: Date: 30 August 2018

A handwritten signature in black ink, appearing to read "P. Pawlowitsch".

Print name: Peter Pawlowitsch
 Chairman

For personal use only