

ASX Announcement

23 November 2020

## UnionPay Merchant Acquiring Partnership

### Highlights

- New, comprehensive partnership formed with UnionPay for Merchant Acquiring
- Provides UnionPay customers with access to Novatti's merchant and transaction services across Australia
- ChinaPayments integrated to UnionPay for bill payment services

**Novatti Group Limited (ASX:NOV) (Novatti or Company)**, a leading digital banking and payments company, has partnered with leading global card payment company, UnionPay.

UnionPay has more than 8.4b cards issued globally and a network spanning 179 countries and regions, highlighting its immense scale.<sup>1</sup> In Australia alone, UnionPay is accepted by 90% of ATMs, 85% of point of sale terminals, and by major retailers such as Coles and Target.<sup>2</sup>

The partnership with UnionPay will drive growth in Novatti's core payment processing business, with Novatti appointed as a UnionPay acquirer, providing UnionPay customers with access to Novatti's merchant and transaction services across Australia.

The partnership will benefit other Novatti businesses, including ChinaPayments, Novatti's China-focused, cross-border payments platform, which enables Chinese residents to pay Australian bills in Chinese currency. UnionPay has already been integrated into ChinaPayments, with transactions using UnionPay accounts already taking place. Further, ChinaPayments will shortly be integrated into the UnionPay app, providing eligible UnionPay users with direct access to ChinaPayments.

The partnership with UnionPay adds to Novatti's growing list of tier-one global partners, including Visa, Alipay, WeChat Pay, Google Pay, Samsung Pay, Marqeta, and Decta. Growing commercial relationships and payments processing networks with these major partners underpins a core pillar of Novatti's long-term revenue growth strategy, leveraging Novatti's existing platforms and infrastructure to deliver more services and gain a greater share of wallets with our customers.

Managing Director of Novatti, Peter Cook, said: 'We are thrilled to be partnering with UnionPay, a leading global card payment company. Through this partnership, Novatti will drive continued growth in our payment processing business, delivering further value from our existing platforms and technology.'

<sup>1</sup> UnionPay International - <https://www.unionpayintl.com/en/aboutUs/companyProfile/introductiontoUPI/> & <https://m.unionpayintl.com/wap/en/mediaCenter/newsCenter/marketUpdate/7157.shtml>

<sup>2</sup> UnionPay International - <https://m.unionpayintl.com/wap/en/mediaCenter/newsCenter/marketUpdate/6932.shtml>

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

- New record revenue of \$3.56m for the September quarter, up 46% year-on-year<sup>3</sup>
- Obtaining regulatory approval for 'issuing and managing means of payment' in New Zealand, the necessary step prior to Novatti launching any issuing services in that market<sup>4</sup>
- Launching its Digital Payments Accelerator, providing innovative fintech and financial products with a fast-track to market<sup>5</sup>

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 announcement has been approved for release to the ASX by Peter Cook, Managing Director.

## About Novatti Group Limited (ASX:NOV)

Novatti is a leading digital banking and payments company. Its fintech, billing, and business automation platforms make payments fast, simple, and secure. Payments services include card issuing, merchant acquiring, payment processing and settlements, and enable our customers to thrive as we shift to a cashless economy. Novatti holds all necessary regulatory licences, including an Australian Financial Services Licence (No 448066) through its subsidiary Flexewallet Pty Ltd, registration with the New Zealand Companies Office FSP613789 through subsidiary Flexewallet (NZ) Limited, is registered with AUSTRAC as a Remittance Network Provider, and has applied to APRA for a restricted banking licence through its subsidiary Novatti IBA Pty Ltd.

<sup>3</sup> Novatti ASX Announcement – *New record revenue and transaction volumes* – 26 October 2020

<sup>4</sup> Novatti ASX Announcement – *New licence paves the way for New Zealand expansion* – 2 October 2020

<sup>5</sup> Novatti ASX Announcement – *Digital Payments Accelerator launched to meet increasing market demand* – 29 September 2020