

ASX Announcement

22 November 2022

## \$12.8m special dividend received further strengthening balance sheet

### Highlights

- \$12.8m special dividend received from Reckon Limited
- Total of \$14.6m in dividends received since acquisition of strategic stake
- Novatti's 19.9% interest in Reckon Limited remains in place

**Novatti Group Limited (ASX:NOV) (Novatti or Company)**, a leading fintech that enables businesses to pay and be paid, is pleased to announce that it has now received a \$12.8m special dividend from its 19.9% strategic stake in Reckon Limited (ASX: RKN).

The special dividend of \$0.57 per share, 60% franked, was announced by Reckon Limited on 27 October 2022 and has been distributed from the \$100m sale of its Accountants Practice Management Group (**APMG**).

Since acquiring its strategic stake in Reckon Limited in July 2021, Novatti has now received a total of \$14.6m in dividends while its 19.9% interest remains in place. In addition, Novatti and Reckon have also formed a strategic business partnership to offer payment services to Reckon's 117k+ cloud-based users, with this partnership not impacted by the APMG sale.

Novatti's Managing Director, Peter Cook, said: "Novatti and Reckon have built a strong partnership since we acquired our strategic stake last year. This partnership continues to be supported by clear synergies between our respective accounting and payments solutions. Importantly, our joint marketing efforts for this partnership are gaining traction, bringing through new prospects and customers."

"The \$12.8m special dividend from Reckon further strengthens Novatti's balance sheet. It comes at the same time that Novatti has shifted its focus to delivering positive cashflow."

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

- Launch of International Bank of Australia, holding a 91% shareholding
- 98% year-on-year increase in September quarter sales revenue
- 53% reduction in cash used in operations across past two quarters

**Ends**



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>

Investors can view all Novatti announcements and join the discussion at Novatti's Investor Community Hub at: <https://announcements.novatti.com/>

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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 start-ups to global organisations, our solutions will unlock your ambitions. Solutions include issuing, acquiring, processing, and billing, while Novatti also holds a restricted banking licence through its 91% owned subsidiary International Bank of Australia Pty Limited.