

NOVATTI GROUP LIMITED
ACN 606 556 183

NOTICE OF GENERAL MEETING EXPLANATORY STATEMENT AND PROXY FORM

Date: 14 February 2024

Time: 3.00pm (AEDT)

Place: The meeting is a **hybrid meeting**

Virtually: Online via a web-based meeting portal

Physically: William Buck | Spring & Exhibition Rooms,
Level 20, 181 William Street
Melbourne Vic. 3000

This Notice of General Meeting, Explanatory Statement and Proxy Form should be read in their entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their independent professional advisers prior to voting.

**SEE OVERLEAF FOR IMPORTANT INFORMATION
REGARDING MEETING ATTENDANCE AND VOTING**

Shareholders are strongly encouraged to either vote via proxy prior to the Meeting or appoint the Chair as their proxy.

IMPORTANT INFORMATION REGARDING MEETING ATTENDANCE AND VOTING

Attending and voting in person at the Meeting

To vote in person, attend the Meeting at the time, date and place set out above.

Attending virtually at the Meeting

The Company is pleased to also provide Shareholders with the opportunity to attend and participate in the Meeting as a virtual meeting through an online meeting platform powered by Automic.

Shareholders that have an existing account with Automic will be able to watch, listen, and vote online.

Shareholders who do not have an account with Automic are strongly encouraged to register for an account **as soon as possible and well in advance of the Meeting** to avoid any delays on the day of the Meeting. An account can be created via the following link investor.automic.com.au and then clicking on "Register" and following the prompts. Shareholders will require their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) to create an account with Automic.

To access the virtual meeting on the day:

1. Open your internet browser and go to investor.automic.com.au
2. Login with your username and password or click "Register" if you haven't already created an account. **Shareholders are encouraged to create an account prior to the start of the meeting to ensure there is no delay in attending the virtual meeting.**
3. After logging in, a banner will display at the bottom of your screen to indicate that the meeting is open for registration, click on "Register" when this appears. Alternatively, click on "Meetings" on the left-hand menu bar to access registration.
4. Click on "Register" and follow the steps.
5. Click on the URL to join the webcast where you can view and listen to the virtual meeting. Note that the webcast will open in a separate window.

Shareholders will be able to vote (see "Voting virtually at the Meeting" below) and ask questions at the virtual meeting.

Shareholders are also encouraged to submit questions to the Company in advance of the Meeting.

Questions must be submitted in writing to the Company Secretary, Steven Stamboultgis, at least 48 hours before the Meeting to steven.stamboultgis@novatti.com.

The Company will also provide Shareholders with the opportunity to ask questions during the Meeting for the formal items of business as well as general questions in respect to the Company and its business.

Voting virtually at the Meeting

Shareholders who wish to vote virtually on the day of the Meeting may do so through the online meeting platform powered by Automic.

Once the Chair of the Meeting has declared the poll open for voting click on "Refresh" to be taken to the voting screen.

Select your voting direction and click "confirm" to submit your vote. Note that you cannot amend your vote after it has been submitted.

For further information on the live voting process please see the Registration and Voting Guide at <https://www.automicgroup.com.au/virtual-agms/>

Voting by proxy

To vote by proxy, please use one of the following methods:

Online	Lodge the Proxy Form online at https://investor.automic.com.au/#/loginsah by following the instructions: Login to the Automic website using the holding details as shown on the Proxy Form. Click on 'View Meetings' – 'Vote'. To use the online lodgement facility, Shareholders will need their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) as shown on the front of the Proxy Form. For further information on the online proxy lodgement process please see the Online Proxy Lodgement Guide at https://www.automicgroup.com.au/virtual-agms/
By post	Automic, GPO Box 5193, Sydney NSW 2001
By hand	Automic, Level 5, 126 Phillip Street, Sydney NSW 2000
By email	Completing the enclosed Proxy Form and emailing it to: meetings@automicgroup.com.au

Your Proxy instruction must be received not later than 48 hours before the commencement of the Meeting. **Proxy Forms received later than this time will be invalid.**

Power of Attorney

If the proxy form is signed under a power of attorney on behalf of a shareholder, then the attorney must make sure that either the original power of attorney or a certified copy is sent with the proxy form, unless the power of attorney has already provided it to the Share Registry.

Corporate Representatives

If a representative of a corporate shareholder or a corporate proxy will be attending the Meeting, the representative should provide the Share Registry with adequate evidence of their appointment, unless this has previously been provided to the Share Registry.

Chair's voting intentions

If the Chair is your proxy, either by appointment or by default, and you have not indicated your voting intention, you expressly authorise the Chair to exercise the proxy in respect of the Resolution even though the Resolution is connected directly or indirectly with the remuneration of the Company's Key Management Personnel.

Subject to the following paragraph, the Chair intends to exercise all available proxies in favour of all Resolutions, unless the Shareholder has expressly indicated a different voting intention.

If the Chair is a person referred to in the voting prohibition statement applicable to a Resolution under section 224 of the Corporations Act, the Chair will only be able to cast a vote as proxy for you on the relevant Resolution if you are entitled to vote and have specified your voting intention in the Proxy Form for that Resolution.

Technical difficulties

Technical difficulties may arise during the course of the Meeting. The Chair has discretion as to whether and how the Meeting should proceed in the event that a technical difficulty arises. In exercising his discretion, the Chair will have regard to the number of Shareholders impacted and the extent to which participation in the business of the Meeting is affected. Where he considers it appropriate, the Chair may continue to hold the Meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions. For this reason, Shareholders are encouraged to lodge a proxy not later than 48 hours before the commencement of the Meeting.

Voting eligibility

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7.00pm (AEDT) on 12 February 2024.

Enquiries

Shareholders are requested to contact the Company Secretary, Steven Stamboultgis, at steven.stamboultgis@novatti.com if they have any queries in respect of the matters set out in this Notice of General Meeting or the Explanatory Statement.

NOVATTI GROUP LIMITED
ACN 606 556 183

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of the shareholders of Novatti Group Limited (**Company**) will be held at 3.00pm (AEDT) on 14 February 2024 at William Buck | Spring & Exhibition Rooms, Level 20, 181 William Street, Melbourne Vic. 3000 and virtually via a web-based portal (**Meeting**).

The Explanatory Statement to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Statement and the Proxy Form form part of this Notice.

AGENDA

1. Ratification of prior issue of Secured Convertible Notes (Tranche 1) – Listing Rule 7.4

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

"That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the prior issue under Listing Rule 7.1 by the Company of 1,460,000 Secured Convertible Notes, and any and all Securities issued on conversion of those Secured Convertible Notes, to the parties and on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion:

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who received convertible notes or an associate of that person. However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

2. Approval for issue of Secured Convertible Notes (Tranche 2) – Listing Rule 7.1

To consider, and if thought fit, to pass the following as an ordinary resolution:

"That, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue by the Company of 1,290,000 Secured Convertible Notes, and any and all Securities issued on conversion of those Secured Convertible Notes, to the parties and on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion:

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of that person. However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or

- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

3. Approval for issue of Options to Secured Convertible Note recipients – Listing Rule 7.1

To consider, and if thought fit, to pass the following as an ordinary resolution:

“That, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue by the Company of 22,916,666 Options to the recipients of Secured Convertible Notes on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion:

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of that person. However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

4. Approval for issue of Unsecured Convertible Notes and Options (Peter Pawlowitsch) – Listing Rule 10.11

To consider, and if thought fit, to pass the following as an ordinary resolution:

“That, for the purpose of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue by the Company to Peter Pawlowitsch (or his nominee) of:

- (a) *500,000 Unsecured Convertible Notes and any and all Securities issued on conversion of those Unsecured Convertible Notes; and*
- (b) *4,166,667 Options,*

on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion:

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolution by or on behalf of Peter Pawlowitsch and any person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of that person. However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or

- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

5. Approval for issue of Unsecured Convertible Notes and Options (Peter Cook) – Listing Rule 10.11

To consider, and if thought fit, to pass the following as an ordinary resolution:

“That, for the purpose of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue by the Company to Peter Cook (or his nominee) of:

- (a) *125,000 Unsecured Convertible Notes and any and all Securities issued on conversion of those Unsecured Convertible Notes; and*
 - (b) *1,041,667 Options,*
- on the terms and conditions set out in the Explanatory Statement.”*

Voting Exclusion:

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolution by or on behalf of Peter Cook and any person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of that person. However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

6. Approval for issue of Unsecured Convertible Notes and Options (Mark Healy) – Listing Rule 7.1

To consider, and if thought fit, to pass the following as an ordinary resolution:

“That, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue by the Company to Mark Healy (or his nominee) of:

- (a) *125,000 Unsecured Convertible Notes and any and all Securities issued on conversion of those Unsecured Convertible Notes; and*
 - (b) *1,041,667 Options,*
- on the terms and conditions set out in the Explanatory Statement.”*

Voting Exclusion:

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolution by or on behalf of Mark Healy and any person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of that person. However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

7. Approval for issue of SPP Securities – Listing Rule 7.1

To consider, and if thought fit, to pass the following as an ordinary resolution:

“That, for the purpose of Listing Rule 7.1 and all other purposes, Shareholders approve the issue of up to 33,333,333 Shares and 16,666,667 Options under the SPP, including any SPP Shortfall, on the terms and conditions set out in the Explanatory Statement.”

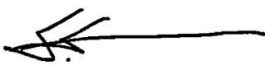
Voting Exclusion:

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the SPP Shortfall (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of that person.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

The Company has sought and obtained a waiver from ASX in respect of Listing Rule 7.3.9 to the extent necessary to permit the Company not to include a voting exclusion statement with this Resolution that excludes the votes of persons who may participate in the SPP. However, any Shareholders casting votes on the Resolution will be excluded from participating in the SPP Shortfall.

BY ORDER OF THE BOARD


Steven Stamboultgis
Company Secretary

15 January 2024

NOVATTI GROUP LIMITED
ACN 606 556 183

EXPLANATORY STATEMENT

1. Introduction

This Explanatory Statement has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at 3.00pm (AEDT) on 14 February 2024.

This Explanatory Statement should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Statement is to provide information to Shareholders in deciding whether or not to pass the Resolutions in the Notice.

2. Resolution 1: Ratification of prior issue of Secured Convertible Notes (Tranche 1) – Listing Rule 7.4

2.1 Background

On 2 January 2024 the Company announced to ASX that it had received binding commitments for the issue of convertible notes in the amount of \$3.5 million, comprising \$2.75 million for secured notes (**Secured Convertible Notes**) from professional and sophisticated investors and an additional \$750,000 for unsecured notes (**Unsecured Convertible Notes**) from directors and management. The Company also announced a \$2 million SPP to eligible shareholders, for a combined fundraising of up to \$5.5 million (**Capital Raising**).

The Convertible Notes have a \$1 face value, a coupon of 10% per annum and a maturity date of 22 December 2026. They are convertible into Shares at a conversion price of the lower of \$0.06 and the next equity capital raising price, subject to a floor price of \$0.04. Noteholders may also elect to capitalise interest in lieu of payment in cash. The approvals sought under this Notice assume a conversion price of \$0.04 and that all interest will be capitalised.

The Secured Convertible Notes are secured by way of a general security agreement with the Company and share mortgages over three operating subsidiary companies in the Novatti group. The Unsecured Convertible Notes will be unsecured but otherwise will be on the same terms as the Secured Convertible Notes.

A summary of the terms and conditions of issue of the Convertible Notes is set out in Schedule 2.

The issue of the Secured Convertible Notes is occurring over two tranches.

Tranche 1 comprises binding commitments from professional and sophisticated investors to raise \$1.46 million (before costs of the offer) and 1.46 million Unsecured Convertible Notes were issued on 8 January 2024 (**Tranche 1 Notes**). The issue of the Tranche 1 Notes was made within the Company's placement capacity under Listing Rule 7.1. The Company is seeking Shareholder approval pursuant to Listing Rule 7.4 for the prior issue of the Tranche 1 Notes under Resolution 1.

Tranche 2 comprises binding commitments from professional and sophisticated investors to raise a further \$1.29 million (before costs of the offer) by way of the issue of 1.29 million Secured Convertible Notes (**Tranche 2 Notes**) subject to shareholder approval being obtained for the purpose of Listing Rules 7.1. The Company does not have sufficient placement capacity to issue the Tranche 2 Notes and is seeking Shareholder approval pursuant to Listing Rule 7.1 for their issue under Resolution 2 (see Section 3).

Directors Peter Pawlowitsch and Peter Cook, and CEO Mark Healy, have entered into binding commitments to subscribe for an aggregate of 750,000 Unsecured Convertible Notes to raise \$750,000, subject to shareholder approval under Listing Rule 10.11 (for Mr Pawlowitsch and Mr Cook) and Listing Rule 7.1 (for Mr Healy). The issue of the Unsecured Convertible Notes is the subject of Resolutions 4, 5 and 6 (see Sections 5 and 6).

The terms of the Convertible Notes provide for an issue to recipients of 25 free-attaching Options to be issued for every three Convertible Notes issued. The issue of the Options in connection with the Secured Convertible Notes is the subject

of Resolution 3 (see Section 4) and for the Unsecured Convertible Notes is the subject of Resolutions 4, 5 and 6 (see Sections 5 and 6).

The terms of the Convertible Notes also provide that if Shareholders do not approve the issue of the Tranche 2 Notes, the issue of Options to noteholders and the issue of the Unsecured Notes to Directors and management, then the Tranche 2 Notes and the Unsecured Notes will not be issued and the Company will be in default of the terms of issue of the Tranche 1 Notes, in which case noteholders may request immediate redemption of the Tranche 1 Notes and repayment of the outstanding principal together with accrued interest.

MST Financial Services and Baker Young acted as joint lead managers to the Capital Raising. The Capital Raising is not underwritten.

As the Tranche 1 Notes were issued within the Company's 15% placement capacity, by issuing the Convertible Notes the Company's capacity to issue further Equity Securities without Shareholder approval within that limit was accordingly reduced.

Resolution 1 seeks Shareholder approval for the prior issue of the Tranche 1 Notes. It is proposed as an ordinary resolution and will be passed if more than 50% of the votes cast by Shareholders entitled to vote are in favour of the Resolution. Shareholders' attention is drawn to the voting exclusion statement in relation to the Resolution.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 1.

2.2 Listing Rules 7.1 and 7.4

Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue or agree to issue more equity securities in any 12 month period other than the amount which is equal to 15% of its fully paid ordinary securities on issue at the start of that 12 month period (**15% placement capacity**). Listing Rule 7.4 provides that an issue of securities made without approval under Listing Rule 7.1 will be treated as having been made with shareholder approval for the purposes of those Listing Rules if shareholders subsequently ratify it and the issue did not breach Listing Rule 7.1.

Without Shareholder approval pursuant to Listing Rule 7.4, the issue will be counted towards the Company's 15% placement capacity and will therefore reduce the Company's capacity to issue securities in the future without obtaining Shareholder approval.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under Listing Rule 7.1.

Accordingly, Resolution 1 seeks shareholder approval to under and for the purposes of Listing Rule 7.4, allowing the Company to substantially refresh its 15% placement capacity.

If Resolution 1 is passed, the issue will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the date of issue.

If Resolution 1 is not passed, the issue will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the date of issue.

2.3 Specific Information Required by Listing Rule 7.5

In accordance with the requirements of Listing Rule 7.5 the following information is provided:

- (a) The Tranche 1 Notes were issued to professional and sophisticated investors identified by the Company including clients of joint lead managers MST Financial Services and Baker Young. None of the recipients are a related party of the Company; a member of the Company's key management personnel; a substantial holder in the Company; or an associate of any thereof.

- (b) 1,460,000 Secured Convertible Notes were issued. Up to 49,034,942 Shares may be issued on conversion of those Secured Convertible Notes (including any capitalised and accrued interest), based on the floor price for conversion of \$0.04 each.
- (c) A summary of the terms and conditions of issue of the Secured Convertible Notes is set out in Schedule 2.
- (d) The Secured Convertible Notes were issued on 8 January 2024.
- (e) The Secured Convertible Notes were issued at an issue price and face value of \$1.00 each. An aggregate of \$1,460,000 was raised from the issue of the Secured Convertible Notes.
- (f) The purpose of the issue of the Secured Convertible Notes was to raise funds for application to additional collateral for growing Novatti's Payments Solutions division and supporting working capital.
- (g) A summary of the terms and conditions of the agreement for the issue of the Secured Convertible Notes is set out in Schedule 2.

3. Resolution 2: Approval for issue of Secured Convertible Notes (Tranche 2) – Listing Rule 7.1

3.1 Background

On 2 January 2024 the Company announced to ASX that it had received binding commitments for the issue of convertible notes in the amount of \$3.5 million and an SPP of \$2 million.

Shareholder ratification of the issue of the Tranche 1 Notes under Listing Rule 7.4 is being sought under Resolution 1 and approval for issue of the Tranche 2 Notes is being sought under Resolution 2. Approval for the issue of the Unsecured Convertible Notes is being sought under Resolutions 4, 5 and 6.

Further details of the Capital Raising are set out in Section 2.1.

Resolution 2 is an ordinary resolution and will be passed if more than 50% of the votes cast by Shareholders entitled to vote are in favour of the Resolution. Shareholders' attention is drawn to the voting exclusion statement in relation to the Resolution.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 2.

3.2 Listing Rule 7.1

Information on Listing Rule 7.1 is set out in Section 2.2.

The Company has no additional 15% placement capacity to issue the Tranche 2 Notes.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under Listing Rule 7.1.

Resolution 2 seeks Shareholder approval under and for the purposes of Listing Rule 7.1 to allow the Company to issue the Tranche 2 Notes without utilising its 15% placement capacity, which as at the date of this Notice has been exhausted.

If Resolution 2 is passed, the Company will be able to proceed with the issue of the Tranche 2 Notes.

If Resolution 2 is not passed, as the issue of the Tranche 2 Notes was conditional on Shareholder approval under Listing Rule 7.2, exception 17, the Company will not be able to issue the Tranche 2 Notes. In addition, a failure to obtain Shareholder approval is a default event under the terms of the Convertible Notes and the Company will be in default of the terms of issue of the Tranche 1 Notes, in which case noteholders may request immediate redemption of the Tranche 1 Notes and repayment of the outstanding principal together with accrued interest. Further details are set out in Section 2.1.

3.3 Specific Information Required by Listing Rule 7.3

In accordance with the requirements of Listing Rule 7.3 the following information is provided:

- (a) The Tranche 2 Notes will be issued to professional and sophisticated investors identified by the Company including clients of joint lead managers MST Financial Services and Baker Young. None of the recipients are a related party of the Company; a member of the Company's key management personnel; a substantial holder in the Company; or an associate of any thereof.
- (b) 1,290,000 Secured Convertible Notes will be issued. In addition, up to 42,866,951 Shares may be issued on conversion of those Secured Convertible Notes (including any capitalised and accrued interest), based on the floor price for conversion of \$0.04 each.
- (c) A summary of the terms and conditions of issue of the Secured Convertible Notes is set out in Schedule 2.
- (d) The Secured Convertible Notes will be issued as soon as reasonably practicable and, in any event, within three months after the date of the Meeting.
- (e) The Secured Convertible Notes will be issued at an issue price and face value of \$1.00 each. An aggregate of \$1,290,000 will be raised from the issue of the Secured Convertible Notes.
- (f) The purpose of the issue of the Secured Convertible Notes is to raise funds for application to additional collateral for growing Novatti's Payments Solutions division and supporting working capital.
- (g) A summary of the terms and conditions of the agreement for the issue of the Secured Convertible Notes is set out in Schedule 2.

4. Resolution 3: Approval for issue of Options to Secured Convertible Note recipients – Listing Rule 7.1

4.1 Background

On 2 January 2024 the Company announced to ASX that it had received binding commitments for the issue of convertible notes in the amount of \$3.5 million and an SPP of \$2 million.

Shareholder ratification of the issue of the Tranche 1 Notes under Listing Rule 7.4 is being sought under Resolution 1 and approval for issue of the Tranche 2 Notes is being sought under Resolution 2. Approval for the issue of the Unsecured Convertible Notes is being sought under Resolutions 4, 5 and 6.

The terms of the Convertible Notes also provide for an issue to recipients of 25 free-attaching Options to be issued for every three Convertible Notes issued. The Company intends to apply for quotation of the Options on ASX, subject to compliance with the Listing Rules. The Options will be offered under a transaction-specific prospectus. The issue of the Options in connection with the Secured Convertible Notes is the subject of Resolution 3 and for the Unsecured Convertible Notes is the subject of Resolutions 4, 5 and 6 (see Sections 5 and 6).

Further details of the Capital Raising are set out in Section 2.1.

Resolution 3 is an ordinary resolution and will be passed if more than 50% of the votes cast by Shareholders entitled to vote are in favour of the Resolution. Shareholders' attention is drawn to the voting exclusion statement in relation to the Resolution.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 3.

4.2 Listing Rule 7.1

Information on Listing Rule 7.1 is set out in Section 2.2.

The Company has no additional 15% placement capacity to issue the Options.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under Listing Rule 7.1.

Resolution 3 seeks Shareholder approval under and for the purposes of Listing Rule 7.1 to allow the Company to issue the Options to holders of the Secured Convertible Notes without utilising its 15% placement capacity, which as at the date of this Notice has been exhausted.

If Resolution 3 is passed, the Company will be able to proceed with the issue of the Options.

If Resolution 3 is not passed, as the issue of the Options was conditional on Shareholder approval under Listing Rule 7.2, exception 17, the Company will not be able to issue the Options. In addition, a failure to obtain Shareholder approval is a default event under the terms of the Convertible Notes and the Company will be in default of the terms of issue of the Tranche 1 Notes, in which case noteholders may request immediate redemption of the Tranche 1 Notes and repayment of the outstanding principal together with accrued interest. Also the Tranche 2 Notes will not be issued. Further details are set out in Section 2.1.

4.3 Specific Information Required by Listing Rule 7.3

In accordance with the requirements of Listing Rule 7.3 the following information is provided:

- (a) The Options will be issued to the recipients of Secured Convertible Notes, being professional and sophisticated investors identified by the Company including clients of joint lead managers MST Financial Services and Baker Young. None of the recipients are a related party of the Company; a member of the Company's key management personnel; a substantial holder in the Company; or an associate of any thereof.
- (b) 22,916,666 Options will be issued.
- (c) A summary of the terms and conditions of issue of the Options is set out in Schedule 3.
- (d) The Options will be issued as soon as reasonably practicable and, in any event, within three months after the date of the Meeting.
- (e) The Options will be issued as free-attaching to the Convertible Notes on the basis of 25 Options for every three Convertible Notes issued (rounded up to the nearest whole number). No funds will be raised from their issue.
- (f) The purpose of the issue of the Options was to provide an incentive for investors to apply for Convertible Notes. The purpose of the issue of the Secured Convertible Notes is to raise funds for application to additional collateral for growing Novatti's Payments Solutions division and supporting working capital.
- (g) A summary of the terms and conditions of the agreement for the issue of the Secured Convertible Notes, which sets out the basis for the issue of the Options, is set out in Schedule 2.

5. Resolutions 4 and 5: Approval for issue of Unsecured Convertible Notes and Options to Peter Pawlowitsch and Peter Cook – Listing Rule 10.11

5.1 Background

On 2 January 2024 the Company announced to ASX that it had received binding commitments for the issue of convertible notes in the amount of \$3.5 million and an SPP of \$2 million. These commitments included \$750,000 from Directors Peter Pawlowitsch and Peter Cook, and CEO Mark Healy, in each case subject to Shareholder approval. The Convertible Notes to be issued to these parties are unsecured.

Shareholder ratification of the issue of the Tranche 1 Notes under Listing Rule 7.4 to unrelated parties is being sought under Resolution 1 and approval for issue of the Tranche 2 Notes to unrelated parties is being sought under Resolution 2. Approval for the issue of the Unsecured Convertible Notes pursuant to Listing Rule 10.11 to Mr Pawlowitsch and Mr Cook is being sought under Resolutions 4 and 5 and pursuant to Listing Rule 7.1 to Mr Healy under Resolution 6.

The terms of the Convertible Notes also provide for an issue to recipients of 25 free-attaching Options to be issued for every three Convertible Notes issued. The Company intends to apply for quotation of the Options on ASX, subject to compliance with the Listing Rules. The Options will be offered under a transaction-specific prospectus. The issue of the Options in connection with the Secured Convertible Notes is the subject of Resolution 3 (see Section 4) and for the Unsecured Convertible Notes is the subject of Resolutions 4, 5 and 6.

Further details of the Capital Raising are set out in Section 2.1.

Resolutions 4 and 5 are ordinary resolutions and will be passed if more than 50% of the votes cast by Shareholders entitled to vote are in favour of the Resolutions. Shareholders' attention is drawn to the voting exclusion statement in relation to the Resolutions. They are separate and independent resolutions.

The Directors (except Mr Pawlowitsch and Mr Cook) recommend that Shareholders vote in favour of Resolutions 4 and 5.

5.2 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to certain categories of recipients, including a related party of the company and their associates, unless it obtains the approval of shareholders.

The proposed issues of the Unsecured Convertible Notes and the attaching Options to each of Mr Pawlowitsch and Mr Cook fall within Listing Rule 10.11.1 as they are each a related party of the Company and they do not fall within any of the exceptions in Listing Rule 10.12. The issues therefore require the approval of Shareholders under Listing Rule 10.11.

Resolutions 4 and 5 seek Shareholder approval pursuant to Listing Rule 10.11 for the issue of the Unsecured Convertible Notes and the attaching Options.

If the Resolutions are passed, the Company will be able to proceed with the issue of the Unsecured Convertible Notes and the attaching Options to Mr Pawlowitsch and Mr Cook (and/or nominees). In addition, as Shareholder approval is not required under Listing Rule 7.1 where an approval is given under Listing Rule 10.11, the issue of these Securities will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the date of issue.

If either or both of Resolutions 4 and 5 are not passed, the Company will not be able to proceed with the issue of the Unsecured Convertible Notes and the attaching Options to Mr Pawlowitsch and Mr Cook (as the case may be) and accordingly they will not be required to subscribe for the Unsecured Convertible Notes and the attaching Options despite their commitment in connection with the Capital Raising. In addition, a failure to obtain Shareholder approval is a default event under the terms of the Convertible Notes and the Company will be in default of the terms of issue of the Tranche 1 Notes, in which case noteholders may request immediate redemption of the Tranche 1 Notes and repayment of the outstanding principal together with accrued interest. Also the Tranche 2 Notes will not be issued. Further details are set out in Section 2.1.

5.3 Specific Information Required by Listing Rule 10.13

In accordance with the requirements of Listing Rule 10.13 the following information is provided:

- (a) The recipients of the Unsecured Convertible Notes and the attaching Options will be Mr Pawlowitsch and Mr Cook (and/or nominees).
- (b) Listing Rule 10.11.1 applies as Mr Pawlowitsch and Mr Cook are each a related party of the Company in their capacity as a Director.
- (c) The maximum number of securities to be issued to each Director (and/or nominees) is as follows:
 - Mr Pawlowitsch: 500,000 Unsecured Convertible Notes and 4,166,667 Options
 - Mr Cook: 125,000 Unsecured Convertible Notes and 1,041,667 Options

In addition up to 16,615,106 Shares may be issued to Mr Pawlowitsch and up to 4,153,790 Shares may be issued to Mr Cook on conversion of those Unsecured Convertible Notes (including any capitalised and accrued interest), based on the floor price for conversion of \$0.04 each.

- (d) A summary of the terms and conditions of issue of the Unsecured Convertible Notes is set out in Schedule 2. A summary of the terms and conditions of issue of the Options is set out in Schedule 3.
- (e) The issue of the Unsecured Convertible Notes and Options will occur no later than one month after the date of the Meeting.
- (f) The Unsecured Convertible Notes will be issued at an issue price and face value of \$1.00 each. An aggregate of \$500,000 will be raised from the issue of the Unsecured Convertible Notes to the Directors. The Options will be issued as free-attaching to the Convertible Notes on the basis of 25 Options for every three Convertible Notes issued (rounded up to the nearest whole number). No funds will be raised from their issue.
- (g) The purpose of the issue of the Unsecured Convertible Notes is to raise funds for application to additional collateral for growing Novatti's Payments Solutions division and supporting working capital. The purpose of the issue of the Options was to provide an incentive for investors to apply for Convertible Notes.
- (h) The issue of these Securities forms part of the Capital Raising and is not intended to remunerate or incentivise the recipients as part of their remuneration packages.
- (i) A summary of the terms and conditions of the agreement for the issue of the Unsecured Convertible Notes, which also sets out the basis for the issue of the Options, is set out in Schedule 2.

6. Resolution 6: Approval for issue of Unsecured Convertible Notes and Options (Mark Healy) – Listing Rule 7.1

6.1 Background

On 2 January 2024 the Company announced to ASX that it had received binding commitments for the issue of convertible notes in the amount of \$3.5 million and an SPP of \$2 million. These commitments included \$750,000 from Directors Peter Pawlowitsch and Peter Cook, and CEO Mark Healy, in each case subject to Shareholder approval. The Convertible Notes to be issued to these parties are unsecured.

Shareholder ratification of the issue of the Tranche 1 Notes under Listing Rule 7.4 to unrelated parties is being sought under Resolution 1 and approval for issue of the Tranche 2 Notes to unrelated parties is being sought under Resolution 2. Approval for the issue of the Unsecured Convertible Notes pursuant to Listing Rule 10.11 to Mr Pawlowitsch and Mr Cook is being sought under Resolutions 4 and 5 and pursuant to Listing Rule 7.1 to Mr Healy under Resolution 6.

The terms of the Convertible Notes also provide for an issue to recipients of 25 free-attaching Options to be issued for every three Convertible Notes issued. The Company intends to apply for quotation of the Options on ASX, subject to compliance with the Listing Rules. The Options will be offered under a transaction-specific prospectus. The issue of the Options in connection with the Secured Convertible Notes is the subject of Resolution 3 (see Section 4) and for the Unsecured Convertible Notes is the subject of Resolutions 4, 5 and 6.

Further details of the Capital Raising are set out in Section 2.1.

Resolution 6 is an ordinary resolution and will be passed if more than 50% of the votes cast by Shareholders entitled to vote are in favour of the Resolution. Shareholders' attention is drawn to the voting exclusion statement in relation to the Resolution.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 6.

6.2 Listing Rule 7.1

Information on Listing Rule 7.1 is set out in Section 2.2.

The Company has no additional 15% placement capacity to issue the Unsecured Convertible Notes and Options to Mr Healy.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under Listing Rule 7.1.

Resolution 6 seeks Shareholder approval under and for the purposes of Listing Rule 7.1 to allow the Company to issue the Unsecured Convertible Notes and Options without utilising its 15% placement capacity, which as at the date of this Notice has been exhausted.

If Resolution 6 is passed, the Company will be able to proceed with the issue of the Unsecured Convertible Notes and Options to Mr Healy.

If Resolution 6 is not passed, as the issue of the Unsecured Convertible Notes and Options was conditional on Shareholder approval under Listing Rule 7.2, exception 17, the Company will not be able to issue the Unsecured Convertible Notes and Options. In addition, a failure to obtain Shareholder approval is a default event under the terms of the Convertible Notes and the Company will be in default of the terms of issue of the Tranche 1 Notes, in which case noteholders may request immediate redemption of the Tranche 1 Notes and repayment of the outstanding principal together with accrued interest. Also the Tranche 2 Notes will not be issued. Further details are set out in Section 2.1.

6.3 Specific Information Required by Listing Rule 7.3

In accordance with the requirements of Listing Rule 7.3 the following information is provided:

- (a) The Unsecured Convertible Notes and Options will be issued to the Company's CEO, Mark Healy.
- (b) 125,000 Unsecured Convertible Notes and 1,041,667 Options will be issued. In addition up to 4,153,790 Shares may be issued on conversion of those Unsecured Convertible Notes (including any capitalised and accrued interest), based on the floor price for conversion of \$0.04 each.
- (c) A summary of the terms and conditions of issue of the Unsecured Convertible Notes is set out in Schedule 2. A summary of the terms and conditions of issue of the Options is set out in Schedule 3.
- (d) The Unsecured Convertible Notes and Options will be issued as soon as reasonably practicable and, in any event, within three months after the date of the Meeting.
- (e) The Unsecured Convertible Notes and Options will be issued at an issue price and face value of \$1.00 each. An aggregate of \$125,000 will be raised from the issue of the Unsecured Convertible Notes to Mr Healy. The Options will be issued as free-attaching to the Convertible Notes on the basis of 25 Options for every three Convertible Notes issued (rounded up to the nearest whole number). No funds will be raised from their issue.
- (f) The purpose of the issue of the Unsecured Convertible Notes is to raise funds for application to additional collateral for growing Novatti's Payments Solutions division and supporting working capital. The purpose of the issue of the Options was to provide an incentive for investors to apply for Convertible Notes.
- (g) A summary of the terms and conditions of the agreement for the issue of the Unsecured Convertible Notes, which also sets out the basis for the issue of the Options, is set out in Schedule 2.

7. Resolution 7: Approval for issue of SPP Securities – Listing Rule 7.1

7.1 Background

On 2 January 2024 the Company announced to ASX that it had received binding commitments for the issue of convertible notes in the amount of \$3.5 million and a \$2 million share purchase plan offer to Shareholders as at the record date of 7:00pm (AEDT) on 29 December 2023 with a registered address in Australia and New Zealand (**SPP**)

Further details of the Capital Raising are set out in Section 2.1.

The SPP enables eligible shareholders to apply for up to \$30,000 worth of Shares at an offer price of \$0.06 per Share.

Participants in the SPP will also be entitled to subscribe for free-attaching Options. These Options will be on the same terms as those proposed to be issued to holders of Convertible Notes, with an exercise price of \$0.095 each and expiring on 31 January 2027. The offer comprises one free-attaching Option for every two Shares issued under the SPP. The Company intends to apply for quotation of the Options on ASX, subject to compliance with the Listing Rules. The Options will be offered under a transaction-specific prospectus.

The issue of Securities under the SPP is subject to shareholder approval under Listing Rule 7.1 because the offer price for the Shares is less than 80% of the 5-day VWAP before the trading day on which the SPP was announced (see Section 7.2 for further details).

By the date of the Meeting, the Company expects to have despatched to eligible shareholders the SPP offer booklet for the Shares and and a prospectus for the SPP Options. The SPP offer is expected to open on 5 February 2024 and close on 22 February 2024, though the Company reserves the right to vary these dates.

ASX has granted to the Company a waiver from Listing Rule 7.3.9 to the extent necessary to permit the Company to not include in Resolution 7 a voting exclusion statement that excludes the votes of persons who may participate in the SPP, on the condition that the SPP is not underwritten, or if it is underwritten, the Company excludes any votes cast in favour of that resolution by any proposed underwriter or sub-underwriter of the SPP.

The SPP is not underwritten, however the Company has reserved the right to place any shortfall in the subscription for Shares and Options under the SPP (**SPP Shortfall**). Any Shareholders casting votes on Resolution 7 will be excluded from participating in the SPP Shortfall and a voting exclusion statement to that effect is included in the Notice.

Resolution 7 is an ordinary resolution and will be passed if more than 50% of the votes cast by Shareholders entitled to vote are in favour of the Resolution.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 7. The Directors will not participate in the SPP and, therefore, no Shareholder approval under Listing Rule 10.11 is sought by the Company.

7.2 Listing Rule 7.1

Information on Listing Rule 7.1 is set out in Section 2.2.

Listing Rule 7.2 exception 5 provides an exception to Listing Rule 7.1 for certain share purchase plans. However, this exception is only available if, among other things, the issue price of the shares under the plan is greater than 80% of the 5-day VWAP of shares recorded the day before the plan was announced. The offer price of \$0.06 per Share is less than 80% of that 5-day VWAP. Accordingly, exception 5 of Listing Rule 7.2 does not apply to the issue of the SPP Shares.

The Company has no additional 15% placement capacity to issue the SPP Shares and Options.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under Listing Rule 7.1.

Resolution 7 seeks Shareholder approval under and for the purposes of Listing Rule 7.1 to allow the Company to issue the Shares and Options under the SPP without utilising its 15% placement capacity, which as at the date of this Notice has been exhausted.

If Resolution 7 is passed, the Company will be able to proceed with the issue of the Shares and Options under the SPP.

If Resolution 7 is not passed, the Company will not be able to issue the Shares and Options under the SPP.

7.3 Specific Information Required by Listing Rule 7.3

In accordance with the requirements of Listing Rule 7.3 the following information is provided:

- (a) The placees under the SPP will be eligible shareholders who subscribe for securities under the SPP. To the extent there is a SPP Shortfall, the Company has reserved the right to place the SPP Shortfall at its discretion to professional and sophisticated investors. None of the placees will be a related party of the Company or an associate thereof.
- (b) Up to 33,333,333 Shares and 16,666,667 Options will be issued under the SPP (including under any SPP Shortfall).
- (c) The Shares will be fully paid ordinary shares that rank equally with other fully paid ordinary shares on issue. A summary of the terms and conditions of issue of the Options is set out in Schedule 3.
- (d) The Shares and Options subscribed for by eligible shareholders under the SPP offer are expected to be issued on 27 February 2024, however the Company reserves the right to vary this date. In any event these securities and any Shares and Options issued under the SPP Shortfall will be issued within three months after the date of the Meeting.
- (e) The Shares will be issued at \$0.06 per Share. The Options will be issued for nil cash consideration, being free attaching to the Shares on a one-for-two basis and fractional entitlements rounded up.
- (f) The purpose of the issue of the Shares is to raise funds for application to additional collateral for growing Novatti's Payments Solutions division and supporting working capital. No funds will be raised from the issue of the Options.

Schedule 1 - Definitions

In this Notice and the Explanatory Statement:

15% placement capacity is defined in Section 2.2.

\$ means Australian Dollars.

5-day VWAP means the VWAP over a period of 5 consecutive trading days.

AEDT means Australian Eastern Daylight-Savings Time.

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

Baker Young means Baker Young Limited ABN 92 006 690 320 (AFSL 246735).

Board means the board of Directors.

Capital Raising is defined in Section 2.1.

Chair or Chairman means the person appointed to chair the Meeting convened by this Notice.

Closely Related Party means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

Company means Novatti Group Ltd (ACN 606 556 183).

Convertible Notes means Secured Convertible Notes and/or Unsecured Convertible Notes (as the context requires).

Constitution means the constitution of the Company as at the commencement of the Meeting.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Equity Securities has the same meaning as in the Listing Rules.

Explanatory Statement means the explanatory statement attached to the Notice.

Key Management Personnel means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Listing Rules means the listing rules of ASX.

Meeting has the meaning in the introductory paragraph of the Notice:

MST Financial Services means MST Financial Services Pty Limited.

Notice means this notice of meeting.

Option means an option to acquire a Share.

Proxy Form means the proxy form attached to the Notice.

Resolution means a resolution contained in the Notice.

Schedule means a schedule to this Notice.

Secured Convertible Notes is defined in Section 2.1.

Securities means Shares and/or Options (as the context requires).

Section means a section contained in this Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

SPP is defined in Section 7.1.

SPP Shortfall is defined in Section 7.1.

Tranche 1 Notes is defined in Section 2.1.

Tranche 2 Notes is defined in Section 2.1.

Unsecured Convertible Notes is defined in Section 2.1.

VWAP means volume weighted average price of Shares traded on ASX.

In this Notice and the Explanatory Statement words importing the singular include the plural and vice versa.

Schedule 2 – Summary of the terms and conditions of issue of the Convertible Notes

Issuer	Novatti Group Limited ACN 606 556 183
Face Value	\$1.00 per Note
Maturity Date	22 December 2026
Coupon Rate	10% per annum coupon rate, accrued from the issue date. Interest is payable either in cash or, at the Noteholder's election (made at the time of application for the Notes) may be capitalised at the end of each calendar month. Interest capitalisation for related party noteholders is subject to compliance with, or appropriate waiver from, ASX listing rules.
Interest Payment Dates	Interest is payable quarterly, in arrears, within seven days of the end of each calendar quarter (unless capitalised) until the maturity date.
Conversion	Each Note (including any capitalised and accrued interest) is convertible at the Noteholder's election into fully paid ordinary shares of the Issuer (Shares) at a price equal to the lesser of: (a) \$0.06 each; and (b) the issue price for Shares issued by the Issuer under the next equity capital raising (excluding the SPP), subject to a floor price of \$0.04 (Floor Price). A Noteholder may exercise conversion rights in relation to some, or all, of their Notes at any time.
Options	Subject to the Issuer obtaining shareholder approval, Noteholders will be issued options to subscribe for Shares exercisable at \$0.095 each and expiring on 31 January 2027 (Options) on the basis of 25 Options for every three Notes issued (rounded up to the nearest whole number). The Company intends to apply for quotation of the Options on ASX, subject to compliance with the Listing Rules. The Options will be offered under a transaction-specific prospectus. If shareholders do not approve the issue, then this shall be deemed an Event of Default and, as a consequence, Noteholders may request immediate redemption of the Notes and repayment of the outstanding principal sum together with accrued interest.
Security and Ranking/Status	Notes for non-directors and management are secured by way of a general security agreement with the Company and a share mortgage granted over shares in the following subsidiary companies of the Issuer: (a) Novatti Pty Ltd ACN 100 681 758; (b) Novatti Acquiring Holdings Pty Ltd ACN 647 518 447; and (c) Novatti Global Services Pty Ltd ACN 644 643 069. Notes are senior secured obligations of the Issuer and ranks for payment in a winding up of the Issuer: (a) equally and proportionally with each Note; and (b) ahead of all subordinated debts of the Issuer and ordinary shareholders. The security is held by a security trustee (not related to the Company) on trust for the Noteholders. Notes issued to Issuer directors and management are unsecured.
Transferability	Notes are freely transferable subject to compliance with all applicable laws in any relevant jurisdiction.

Redemption	<p>Repayment of the principal sum (being the Face Value of each Note and any capitalised interest) and any unpaid interest must be made on the Maturity Date or sooner if the Issuer commits an Event of Default and Noteholders request immediate redemption.</p> <p>The Company has no right of early redemption of the Notes.</p>
Covenants, Representations, Warranties and Undertakings	<p>Covenants, representations, warranties and undertakings customary for securities of this nature are given by the Issuer, including capacity and power, continued compliance with continuous disclosure obligations and maintenance of all regulatory filings. The Issuer will indemnify and keep indemnified each noteholder in relation to each Note against all liabilities, costs and expenses incurred by the Noteholder, arising from a breach thereof.</p>
Events of Default	<p>An Event of Default will occur if the Issuer's shareholders do not approve the issues of: (i) the Tranche 2 Notes, (ii) Options to Noteholders, and (iii) the issue of unsecured Notes and Options to Issuer directors/management. Other Events of Default are customary events for securities of this nature, including but not limited to payment, redemption or conversion breaches, breaches of covenants, representations, warranties and undertakings, and insolvency events.</p>
Voting Rights	<p>Notes do not give a Noteholder shareholder meeting attendance rights, voting rights or dividend rights.</p>
Conversion Protections	<p>Notes are subject to standard anti-dilution for re-organisation or reconstruction of capital.</p>
Transaction Documents	<p>The definitive agreements for the Notes are:</p> <ul style="list-style-type: none"> (a) Convertible Note Deed Poll; (b) Security Trust Deed; (c) General Security Agreement; and (d) Share Mortgage.

Schedule 3 – Terms and Conditions of Options

The following details the terms and conditions attaching to the options (**Options**) to acquire fully paid shares (**Shares**) in Novatti Group Limited (ACN 606 556 183) (**Company**).

(a) Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) Exercise Price

The amount payable upon exercise of each Option is \$0.095 (**Exercise Price**)

(c) Expiry Date

Each Option will expire at 5:00 pm (AEDT) on 31 January 2027 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**). The Options are exercisable on any business day during the Option Exercise Period. An Option holder may only exercise Options in multiples of 100,000, unless the Option holder exercises all of their Options.

(e) Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the holding statement for the Options (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) Timing of issue of Shares on exercise

Within 10 Business Days (as that term is defined in the ASX Listing Rules) after the Exercise Date (or such lesser time as required by the ASX Listing Rules), the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company; and
- (ii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

(h) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued Shares.

(i) Quotation of Options

The Company will apply to ASX for quotation of the Options once the Company is reasonably satisfied that the application will qualify under the ASX Listing Rules.

(j) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(k) Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(l) Bonus Issue

If before the expiry of any Options, the Company makes a pro rata issue of Shares to Shareholders for no consideration (**Bonus Issue**), the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the Option had been exercised before the record date for the Bonus Issue.

(m) No change in exercise price or number of underlying securities

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised in the event of the Company making a pro rata issue of Shares or other securities to shareholders (other than a Bonus Issue).

(n) Transferability

If the Options are not quoted on ASX, the Options are transferable subject to the prior approval of the Company's board of directors. If the Options become quoted on ASX, the Options are freely transferable subject to any restrictions imposed by ASX or under applicable Australian securities laws.

Novatti

Your proxy voting instruction must be received by **03.00pm (AEDT) on Monday, 12 February 2024**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBSITE:

<https://automicgroup.com.au/>

PHONE:

1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)

STEP 1 - How to vote

APPOINT A PROXY:

I/We being a Shareholder entitled to attend and vote at the General Meeting of Novatti Group Limited, to be held virtually at **03.00pm (AEDT) on Wednesday, 14 February 2024 and physically at William Buck, Spring & Exhibition Rooms, Level 20, 181 William Street, Melbourne VIC 3000** hereby:

Appoint the Chair of the Meeting (Chair) OR if you are not appointing the Chair of the Meeting as your proxy, please write in the box provided below the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.

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The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.

Unless indicated otherwise by ticking the "for," against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.

VIRTUAL PARTICIPATION AT THE MEETING:

The company is pleased to provide shareholders with the opportunity to attend and participate in a virtual Meeting through an online meeting platform powered by Automic, where shareholders will be able to watch, listen, and vote online.

To access the virtual meeting:

1. Open your internet browser and go to **investor.automic.com.au**
2. Login with your username and password or click "**register**" if you haven't already created an account. **Shareholders are encouraged to create an account prior to the start of the meeting to ensure there is no delay in attending the virtual meeting**

Further information on how to do this is set out in the Notice of Meeting. The Explanatory Notes that accompany and form part of the Notice of Meeting describe the various matters to be considered.

STEP 2 - Your voting direction

Resolutions	For	Against	Abstain
1 Ratification of prior issue of Secured Convertible Notes (Tranche 1) – Listing Rule 7.4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Approval for issue of Secured Convertible Notes (Tranche 2) – Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval for issue of Options to Secured Convertible Note recipients – Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval for issue of Unsecured Convertible Notes and Options (Peter Pawlowitsch) – Listing Rule 10.11	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Approval for issue of Unsecured Convertible Notes and Options (Peter Cook) – Listing Rule 10.11	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Approval for issue of Unsecured Convertible Notes and Options (Mark Healy) – Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Approval for issue of SPP Securities – Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3 – Signatures and contact details

<p>Individual or Securityholder 1</p> <input type="text"/> Sole Director and Sole Company Secretary	<p>Securityholder 2</p> <input type="text"/> Director	<p>Securityholder 3</p> <input type="text"/> Director / Company Secretary
Contact Name:		
<input type="text"/>		
Email Address:		
<input type="text"/>		
Contact Daytime Telephone	Date (DD/MM/YY)	
<input type="text"/>	<input type="text"/> / <input type="text"/> / <input type="text"/>	

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible).