

ASX Announcement

23 October 2024

Issue of Tranche 1 Placement Shares, Cleansing Notice and Updated Timetable

Highlights

- First tranche of placement shares issued today under Novatti's capital raising of up to \$9.4 million
- Raised \$2 million (before costs) with the issue of 50.6 million new shares at \$0.04 per share
- Entitlement offer to open 1 November

Novatti Group Limited (ASX:NOV) (Novatti or Company), a leading fintech enabling businesses to pay and be paid, is pleased to announce the completion of tranche 1 of its share placement as part of the Company's capital raising of up to \$9.4 million (**Capital Raising**).

On 11 October 2024, the Company announced it would be undertaking a partially underwritten capital raising comprising a placement to professional and sophisticated investors in two tranches (**Placement**) and a pro-rata 1 for 3 non-renounceable entitlement offer to eligible Shareholders (**Entitlement Offer**). Recipients of shares under the Placement and Entitlement Offer will also receive a free-attaching 6.4 cents, 31-Dec-27 option on a 1:1 basis.

The first tranche of shares under the Placement, comprising 50,612,567 shares, were issued today within the Company's existing 15% share issue capacity pursuant to Listing Rule 7.1. The second tranche of shares under the Placement comprises an aggregate 50,000,000 Shares, with the issue subject to shareholder approval to be sought at the Company's annual general meeting, scheduled to be held on Thursday, 28 November 2024.

The Entitlement Offer is expected to open on Friday, 1 November 2024. The Entitlement Offer will be made under a transaction-specific prospectus expected to be lodged with ASIC and ASX on Thursday, 24 October 2024.

Incentive Offer to Convertible Noteholders

The Company has 3,488,000 convertible notes on issue with a \$1 face value, a coupon of 10% per annum and a maturity date of 22 December 2026. The notes are convertible into shares at a conversion price of \$0.04 (being a floor price triggered by the Capital Raising). They were issued over two tranches on 8 January 2024 and 15 February 2024.

In light of the Capital Raising, as an incentive to accelerate conversion of the convertible notes into shares, the Company will make an offer to all noteholders whereby, if the noteholder agrees to convert all of their notes on 30 November 2024 (together with all capitalised interest on the notes as at that date), then the Company will issue options to the noteholder on the same terms as the options to be issued under the Capital Raising, on the basis of one option for every one share issued to the noteholder on conversion.

A maximum of 90,118,784 options will be issued under this proposal. The offer of options will be made under the above-mentioned prospectus and will be subject to shareholder approval to be sought at the Company's annual general meeting next month.

Correction to details of director participation

In its announcement of 11 October 2024, the Company noted that Directors, Peter Pawlowitsch and Peter Cook, will be taking up their entitlements under the Entitlement Offer for \$380,000 worth of shares and sub-underwriting up to \$520,000, for an aggregate \$900,000 commitment.

While the aggregate commitment of Mr Pawlowitsch and Mr Cook is unchanged, they will be participating in the Capital Raising under tranche 2 of the Placement for \$380,000, subject to shareholder approval to be sought at the Company's annual general meeting next month, and under the sub-underwriting for the same amount, rather than the Entitlement Offer.

Updated Timetable

An updated timetable for the Capital Raising is set out below, noting updates to the issue date for the tranche 1 shares under the Placement, the Prospectus lodgement date, the "Ex" date and the Record Date. It is also updated for the new scheduled date for the Company's annual general meeting and consequential new dates for issue of the tranche 2 shares and the options.

Event	Date (2024)
Trading halt (pre-open)	Wednesday, 9 October
Announcement of Entitlement Offer and Placement Appendix 3B lodged	Friday, 11 October
Settlement of Tranche 1 Placement Shares	Wednesday, 23 October
Issue of Tranche 1 Placement Shares Appendix 2A lodged	Wednesday, 23 October
Prospectus lodged with ASIC and ASX	Thursday, 24 October
"Ex" date	Monday, 28 October
Record date for Entitlement Offer (7.00pm Melbourne time)	Tuesday, 29 October
Entitlement Offer opening date, Prospectus sent out to Eligible Shareholders and Company announces this has been completed	Friday, 1 November
Last day to extend Closing Date of the Entitlement Offer	Thursday, 14 November
Closing date for Entitlement Offer (5.00pm Melbourne time)	Tuesday, 19 November
Announcement of results of the Entitlement Offer and Shortfall	Friday, 22 November
Issue and Shares and Attaching Options under Entitlement Offer Appendix 2A lodged	Tuesday, 26 November
Annual General Meeting	Thursday, 28 November
Issue of Tranche 2 Placement Shares Issue of Placement Options Issue of Broker Options Issue of Noteholder Incentive Options Appendix 2As lodged	Friday, 6 December

*The above dates are indicative only and subject to change. The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. Accordingly, the date the Securities are expected to commence trading on ASX may vary.

Notice pursuant to Section 708(5)(e) of the Corporations Act 2001

The Company hereby gives notice under section 708A(5)(e) of the Corporations Act 2001 (Cth) (**Corporations Act**) in connection with the issue of the tranche 1 shares under the Placement that:

- (a) the Company issued the shares without disclosure to investors under Part 6D.2 of the Corporations Act;
- (b) as at the date of this notice, the Company has complied with the provisions of Chapter 2M of the Corporations Act as they apply to the Company, and sections 674 and 674A of the Corporations Act;
- (c) as at the date of this notice there is no information:
 - (i) that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
 - (ii) that investors and their professional advisers would reasonably require for the purpose of making an informed assessment; and
- (d) as at the date of this notice, there is no other information that is excluded information of the type referred to in section 708(7) and 708A(8) of the Corporations Act which is required to be disclosed pursuant to section 708A(6)(e).

This announcement has been approved for release by Chairman Peter Pawlowitsch and Mark Healy, CEO.

For further information, contact:

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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 acquiring, billing, issuing, and processing.

Important Notices

Some of the statements appearing in this announcement may be in the nature of forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industries in which Novatti operates and proposes to operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets, among other things. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement. No forward looking statement is a guarantee or representation as

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