ASX Announcement

30 October 2026

September Quarter FY27 Activities Report and Appendix 4C

Novatti surpasses $1 billion in AU/NZ quarterly transaction value

Highlights

- Uplift in inbound enquiries for alternative payment acceptance products in response to the Reserve Bank of Australia's changes to card surcharging.
- Growth in underlying activity across the AU/NZ portfolio increased quarterly gross transaction value (GTV) by 23% to surpass $1 billion for the first time since streamlining the company in 2025.
- Group revenue $6.9m (-6% QoQ) and $3.5m gross margin. Q1 Cash EBITDA -$0.1m (-$0.4m QoQ)[1].

Novatti Group Limited (ASX:NOV) (**Novatti** or **the Company**), a payments leader bridging traditional payments and regulated digital finance, is pleased to release its September 2026 quarter (Q1 FY27) Activities Report and Appendix 4C.

Commenting on the Company's performance, Novatti CEO, Mark Healy, said:

"Q1 was about consolidating our return to growth. We welcomed an experienced sales leader, invested in marketing and product and deployed AI to streamline our operations.

"AU/NZ transaction value reached $1.2 billion, the first time it has passed $1 billion since our 2025 restructure. New customers are moving through implementation, and we're seeing fresh opportunities in Asian wallet acceptance, multi-currency card issuing and wholesale distribution.

"Revenue eased in the quarter as we paused international BPAY payments required by recent regulatory changes, but we are focused on relaunching early in CY2027 to resume this service.

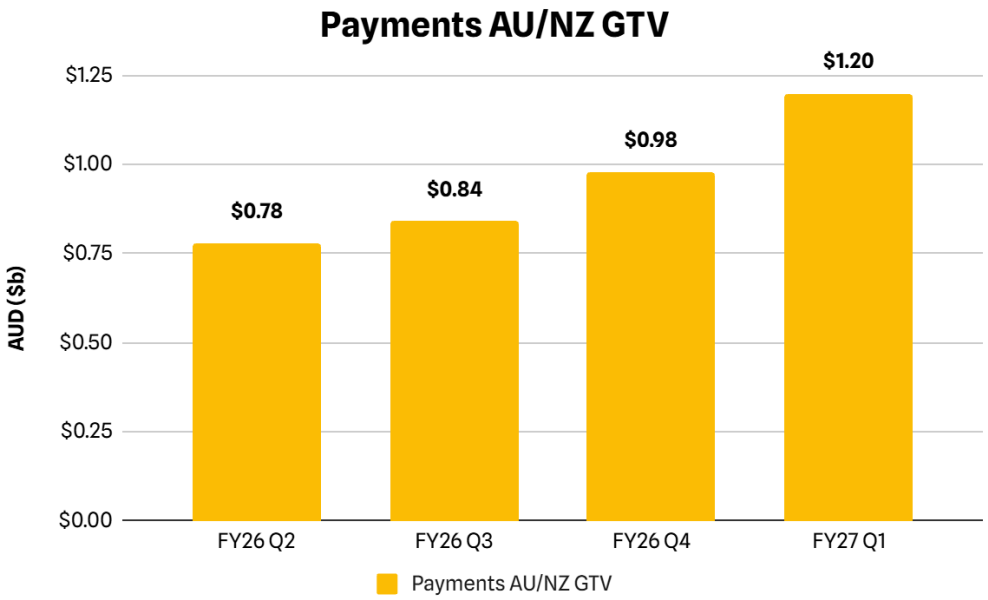
"The RBA's card surcharging changes, which took effect on 1 October 2026, are lifting inbound enquiries for Novatti's alternative payment acceptance products. Many merchants are looking for alternatives to absorbing card processing fees, and early interest is flowing to Merchant Acquiring, relaunched in FY26 following our platform migration.

"Our focus for the coming quarters is clear: convert our improved pipeline into active customers, further development of Merchant Acquiring and Cross Border solutions, and relaunch of international BPAY payments."

[1] All figures for FY27 remain unaudited unless stated otherwise. EBITDA excludes non-cash entries and historic liabilities.

Operational Update

Novatti has seen an increase in Gross Transaction Value (GTV) over the past 12 months with quarterly GTV of $1.2 billion surpassing the $1 billion milestone in Q1, a 22.6% QoQ increase (Q4 FY26: $975m) and a 47.7% YoY increase (Q1 FY26: $810m). This has been primarily driven by growth in key accounts in Issuing BIN sponsorship and Cross Border.

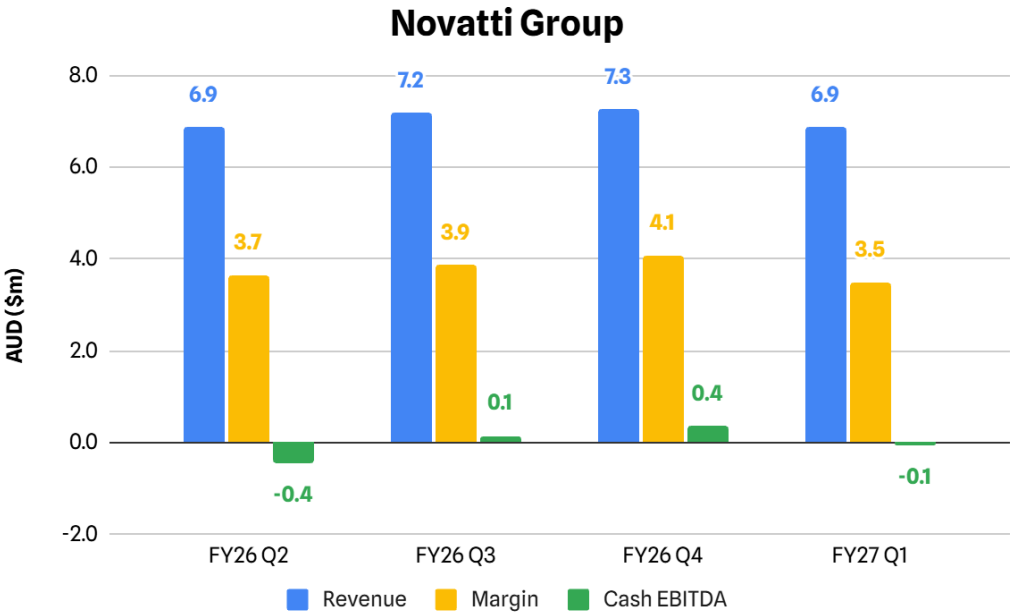


Despite the uplift in AU/NZ GTV, the Group revenue of $6.9m was a -$0.4m QoQ change from the June quarter[2]. Cash EBITDA of -$0.1m in Q1 was a -$0.4m QoQ change.

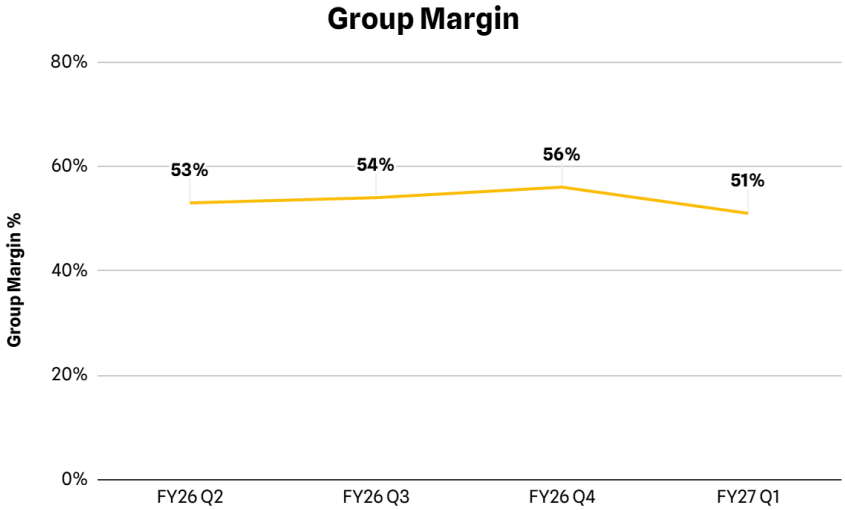
Both falls were driven by temporary regulatory headwinds impacting international bill payment services and changes in mix between Card Issuing and Acquiring. Novatti's immediate focus is to relaunch the Chinapayments BPAY product and continue improving the business mix towards higher margin product lines.

International bill payments relaunch is targeted for early in CY2027, including targeted expansion to another major Asian country. The direct acceptance of Asian Wallets for merchant acquiring continues to operate as normal.

[2] Novatti previously reported unaudited revenue of $7.6m in the June quarter, with revenue restated in Novatti's audited FY26 financials driven by changes to revenue recognition at ATX, a wholly-owned subsidiary in Malaysia. Historic comparisons of financial metrics from Q1 FY27 will be restated as like-for-like.



Group Q1 margin of 51% was down on the previous quarter (Q4 FY26: 56%). This was in line with our expectations and due to the factors noted above and also several one-off revenue items booked in the June quarter.



The Group's operating cash[3] outflow of $-1.0m in Q1 was a $0.8m QoQ improvement, but continues to reflect cash used to address historic working capital liabilities. Adjusted for the remediation of historic debts, the normalised operating cash use was -$0.2m for the quarter.

Novatti's closing cash position on 30 September 2026 was $3.3m.

[3] Reflects net cash from/used in operating activities (as measured in the Appendix 4C report)

Pipeline Update

The pivot to growth continued to build in Q1, with disciplined investment in marketing and sales. Our goal is to drive that investment and execute on new live opportunities. Novatti is currently experiencing increasing leads from international fintechs looking to enter the Australian market seeking a trusted local infrastructure provider to partner with.

New opportunities include:

- A Payment Services Provider (PSP) that processes more than $4 billion in annual GTV has recently completed Asian wallet integration;
- A hardware manufacturer has engaged Novatti for card terminal certification services, leveraging Novatti's acquiring licence and experience; and
- A foreign exchange business with 20+ years in Australia and retail locations nationwide is engaging with Novatti for a multi-currency card issuing facility.

Other significant activity with existing clients include:

- A key Card Issuing client is in pre-launch testing of agentic payments to transform how consumers manage money through an embedded AI assistant; and
- Initiation of a new wholesale acceptance channel for Novatti products and services to accelerate merchant portfolio growth.

Novatti continues to target education as a key vertical, with marketing and outbound activity increasing. Embedded payments at the University of New South Wales (UNSW) continue to gain penetration, with cumulative GTV surpassing $100 million in the September quarter.

The recent regulatory changes to card fee surcharging are starting to lift interest in Novatti's alternative payment products, with an increase in inbound leads in recent months. For many merchants, absorbing any level of processing fee on traditional card payments is difficult, driving inbound interest in Novatti's alternative payment acceptance products.

AUDC Update

AUDC Pty Ltd, issuer of the AUDD stablecoin, has surpassed A$2 billion in cumulative on-chain payment volume across nine blockchain networks. As at 30 September 2026, AUDD was backed by approximately A$12 million in segregated Australian dollar reserves, held under a bare trust with an independent professional trustee.

During the quarter, Novatti completed and received proceeds from the sale of 1,500,000 AUDC shares that was agreed in the previous quarter. Novatti retains 18.5 million AUDC shares.

Listing Rule 4.7C Disclosure

In accordance with Listing Rule 4.7C, payments made to related parties and their associates are included in item 6.1 of the Appendix 4C, which incorporates directors' fees, salaries and superannuation.

Ends

Online Investor Briefing

Novatti CEO, Mark Healy, will be hosting a shareholder webcast, including quarterly results presentation and Q&A, on 30 October 2026, at 11.00am (AEDT). Investors can register at: https://www.novatti.com/investor-centre/investor-briefing.

Novatti invites investors to keep up-to-date with company news, events and industry research by joining the Novatti mailing list at www.novatti.com/subscribe

Investors can view all Novatti announcements at: www.novatti.com/asx-announcements

This announcement has been approved for release by Mark Healy, CEO and the Board.

For further information, contact:

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About Novatti Group Limited (ASX:NOV)

Novatti is a payments leader bridging traditional payments and regulated digital finance. Established in 1995, Novatti provides a single destination for all payment needs in a fast-changing, digital world. From fintechs to corporates, Novatti simplifies and supports our customer payment needs through tailored online, in person, international and card solutions

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 to future performance or any other future matters, which will be influenced by a number of factors and subject to various uncertainties and contingencies, many of which will be outside of Novatti's control. Novatti does not undertake any obligation to update publicly or release any revisions to these forward looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions or conclusions contained in this announcement. To the maximum extent permitted by law, none of Novatti, its directors, employees, advisors or agents, nor any other person, accepts any liability for any loss arising from the use of the information contained in this announcement. You are cautioned not to place undue reliance on any forward looking statement. The forward looking statements in this announcement reflect views held only as at the date of this announcement. This announcement is not an offer, invitation or recommendation to subscribe for, or purchase, securities by Novatti. Nor does this announcement constitute investment or financial product advice (nor tax, accounting or legal advice) and is not intended to be used for the basis of making an investment decision. Investors should obtain their own advice before making any investment decision. By reviewing or retaining this announcement, you acknowledge and represent that you have read, understood and accepted the terms of this important notice.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity	
Novatti Group Ltd	
ABN	**Quarter ended ("current quarter")**
98 606 556 183	30 September 2026

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	24,523	24,523
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(21,813)	(21,813)
	(c) advertising and marketing	(4)	(4)
	(d) leased assets	-	-
	(e) staff costs	(2,698)	(2,698)
	(f) administration and corporate costs	(1,190)	(1,190)
1.3	Dividends received	-	-
1.4	Interest received	228	228
1.5	Interest and other costs of finance paid	(53)	(53)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	6	6
1.8	Other	-	-
1.9	**Net cash from / (used in) operating activities**	**(1,001)**	**(1,001)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
	(c) property, plant and equipment	-	-
	(d) investments	1,300	1,300
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**1,300**	**1,300**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (leases)	(92)	(92)
3.10	**Net cash from / (used in) financing activities**	**(92)**	**(92)**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	3,137	3,137
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,001)	(1,001)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	1,300	1,300
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(92)	(92)
4.5	Effect of movement in exchange rates on cash held	(29)	(29)
4.6	**Cash and cash equivalents at end of period**	**3,315**	**3,315**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	3,315	3,137
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**3,315**	**3,137**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	-
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.		

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	1,770	1,770
7.2	Credit standby arrangements	-	-
7.3	Other (convertible notes)	3,118	3,118
7.4	**Total financing facilities**	**4,888**	**4,888**

7.5	**Unused financing facilities available at quarter end**	-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Novatti Group Limited issued a convertible note facility in the amount of $3.50m. The first tranche of the convertible note facility was issued on 3rd January 2024 to the value of $1.46m and the second tranche issued on 14th February 2024 to the value of $2.04m and subsequently $382k was converted to shares with current balance being $3.118m.

The Convertible Notes have a $1.00 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.

In the prior year ended 30 June 2026, four related parties have provided unsecured loans of $0.77m at 12% interest per annum on the principal amount which accrues daily. The Group also entered into an agreement with an unrelated party and borrowed $1.0M (unsecured) at 15% interest per annum on the principal amount which accrues daily.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,001)
8.2	Cash and cash equivalents at quarter end (item 4.6)	3,315
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	**3,315**

8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	**3.31**

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
Answer: N/A	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
Answer: N/A	
Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.	

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 30 October 2026

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

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.