

ASX Announcement

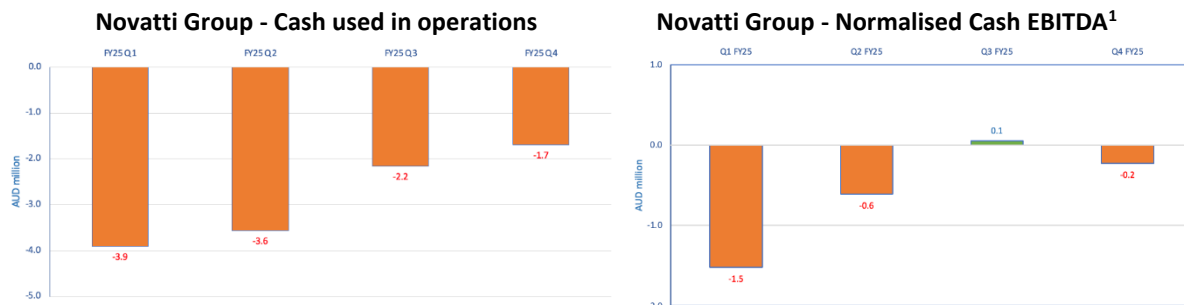
31 July 2025

June 2025 Quarter Activities Report and Appendix 4C

Pivot back to growth for a streamlined, core business

Highlights

- Q4 highlights a pivot back to growth for Novatti, with several new commercial deals
- Record \$14.3m quarterly revenue (\$52.4m FY25) ahead of shift to increased margin focus, representing a 9.1% QoQ growth
- 48% reduction in cash used in operations in H2 FY25 compared to H1, highlighting continued progress in turnaround
- Continued streamlining of business with Emersion exit from the US market and closure of multiple, non-core overseas entities
- Increased capability and margins to follow integration of new Au/NZ processing partner
- \$2.5m cash available



Novatti Group Limited (ASX:NOV) (Novatti or the Company), a leading fintech enabling businesses to pay and be paid, is pleased to release its June 2025 quarter (Q4 FY25) Activities Report and Appendix 4C.

Commenting on the Company's Q4 FY25 performance, Novatti CEO, Mark Healy, said:

"Q4 FY25 marked Novatti's pivot back to growth, following our continued efforts to streamline the business during FY24 and FY25, and the launch of our brand refresh in the prior quarter.

"Having achieved our near-term positive cash EBITDA target in the prior quarter, we elected to accelerate project investment in a payment platform upgrade including integration of a global tier-

¹ Normalised Cash EBITDA: (a) excludes FY24 adjustments, strategic project investments and IBoA & AUDD stablecoin; and (b) incorporates a non-material adjustment to revenue for the prior three quarters identified during the current FY25 audit process. See footnote 4.

one processor, which will enhance customer experience, uplift product capabilities, and enable Novatti to pursue larger scale and higher margin opportunities.

“Through our pivot back to growth, we also accelerated the pursuit of several significant, new sales opportunities, capitalising on traction gained from our recent brand refresh. This led to several new commercial deals across the quarter, including the extension of card issuing services into New Zealand for a global fintech customer and enabling international tuition payments for a major New South Wales university². These activities contributed to a slight decrease in our cash EBITDA position for Q4 FY25 to negative \$0.2m, following the positive result milestone in the prior quarter, however we continue to target positive cash EBITDA in the near term.³

“More broadly, we continue to see our turnaround shown through the reduction of cash used in operations for H2 FY25, which fell 48% on H1. This reflects the positive impacts of our previous cost reduction programs, and our continued focus on streamlining the business, flowing through to our financial results. These efforts continued during Q4 FY25, as we completed Emersion’s exit from the US market and closed several entities in Europe and Malaysia that are no longer required for our international payments services. All these efforts are enabling the business to pivot back to growth and, in particular, pursue larger-scale commercial opportunities through a leaner operating base and improving balance sheet.

“While we achieved our highest ever quarter of revenue at \$14.3m^{4 5}, moving forward we will continue to reform and adjust our revenue base by exiting high-cost, complex, or low margin business lines to align with our long term financial goals, particularly our three year, 70%+ margin target. An example of this approach from Q4 FY25 was the completion of our exit from our wholesale Cross Border services that, despite its historical revenue contribution, were high-cost and low-margin, and therefore not aligned to our long term financial targets.

“We have also invested in our leadership team, including the hiring of a new CFO, Hayden Vowell, who brings 15 years of experience in high-growth businesses across software, retail and technology sectors. Hayden joined Novatti from Culture Amp, a global SaaS leader in employee experience, where he was senior director of commercial finance. In addition to the CFO change, additional changes have also been made within the Finance function, including a new Group Financial Controller and other roles, to introduce new skills, capabilities and support the organisational shift from cost reduction, restructuring and our pivot back to growth.

“Q4 FY25 again highlights our commitment to doing what we say we will do. With the continued delivery of our turnaround strategy enabling Novatti to pivot back to growth in Q4, we expect Novatti’s financial performance to continue strengthening in the coming quarters.”

² University contract expected to be finalised in August.

³ See footnote 1.

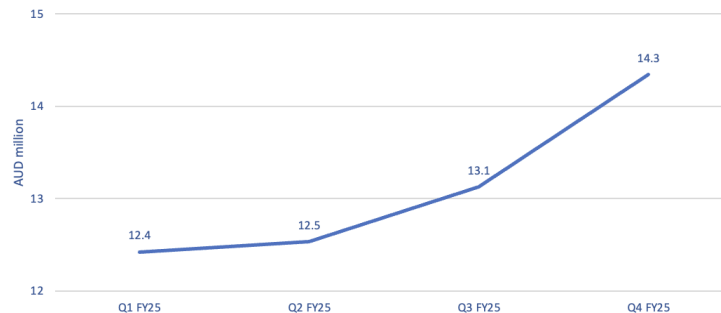
⁴ Revenue for Q1-Q3 FY25 previously stated to the market on an unaudited basis has been revised downward by approx. \$846k to reflect a restatement of revenue classification identified during the FY25 audit process currently underway. This amount represents approx. 2.2% of consolidated revenue for the Novatti group and is not considered material.

⁵ Excludes IBoA and AUDD stablecoin.

Operations Update

Business performance

Novatti Group - Revenue⁶



Novatti generated \$14.3m in revenue during Q4 FY25 and \$52.4m revenue for FY25, which represents an increase of 22%+ on FY24. While both results represent records for their respective periods, as the Company pivots back to growth, the focus is increasingly shifting to improving revenue composition, growing the Au/NZ core business and achieving higher margin revenues.

Novatti continues to reform and adjust its revenue base by exiting high-cost, complex, or low margin business lines to align with its long-term financial goals, particularly its three-year, 70%+ margin target. An example of this approach from Q4 FY25 was the completion of the exit from wholesale Cross Border services that, despite its historical revenue contribution, were high-cost and low-margin, and therefore not aligned to long term financial targets.

At the same time, Novatti used Q4 FY25 to accelerate its investment in a payment platform upgrade including the integration of a global tier-one processor, which will enhance customer experience, uplift product capabilities, and enable Novatti to pursue larger scale and again higher margin opportunities in its pivot back to growth. These positive impacts are expected to be seen from Q1 FY26, with the migration of existing customers to this new platform expected to be completed across that quarter.

Pursuing higher-margin revenues in the Company's pivot back to growth will equally contribute to the ongoing reduction in cash used in operations moving forward. Novatti continued to see strong progress here across Q4 FY25, with cash used in operations in H2 FY25 decreasing 48% compared to H1. While the pivot back to growth did see Novatti's cash EBITDA position dip slightly to -\$0.2m, after the positive result milestone in Q3 FY25, this result is considered to only be a temporary departure from Novatti's positive cash EBITDA goals.⁷

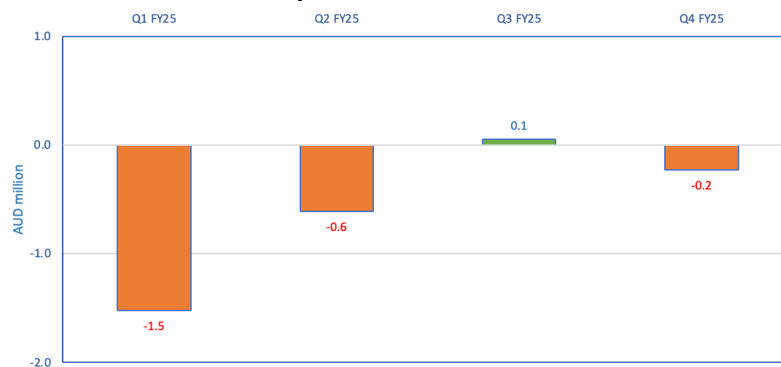
⁶ See footnotes 4 and 5

⁷ Excludes IBoA and AUDD stablecoin

Novatti Group - Cash used in operations



Novatti Group - Normalised Cash EBITDA⁸



The launch of Novatti's brand refresh and new website in the prior quarter has been received well in market and will support the Company's pivot back to growth. Despite the disruption to onboarding in Novatti's Au/NZ core business in Q4 FY25, increased sales activity led to several new commercial deals during the quarter, including the extension of card issuing services into New Zealand for a global fintech customer and integration with a major New South Wales university to enable tuition payments for international students⁹. Given the renewed focus on sales and growth, and traction seen in market so far, we expect to secure continued commercial deals of this size and scale in the coming quarters.

At the end of Q4 FY25, Novatti held \$2.5m in cash.

Investments and Business Portfolio Update

Novatti's strategic review of all business units and subsidiaries remains ongoing, with the intention to continue to simplify the business, optimising or divesting activities that do not align with Novatti's long term strategic, financial and margin goals. This includes current active communication with parties interested in acquiring non-core assets both in Australia and overseas.

As part of these efforts, during Q4 FY25, Novatti completed Emersion's exit from the US market and also closed several EU and Malaysian based entities not required for its international payments business moving forward.

AUDC Pty Ltd, Novatti's majority-owned and self-funding stablecoin business, advanced its infrastructure maturity, deepened regulatory alignment, and improved operational delivery. New

⁸ See footnote 1.

⁹ See footnote 2.

banking infrastructure was brought online, enabling the resumption of transactional activity and associated revenue. Key blockchain integrations and platform upgrades were completed, including the delivery of a grant-funded milestone. The establishment of a formal trust structure for AUDD reserves marked a material uplift in governance and compliance, unlocking access to a tier 1 banking relationship. These developments have set a solid foundation for enhanced scale and commercial activity in FY26.

To support its next phase of growth, AUDC initiated a new capital raise ahead of a planned Series A in FY26. This followed a strategic reset involving investor engagement, governance enhancements, and internal reorganisation to improve delivery. Market positioning remained strong, with AUDC showcasing its leadership at the DECA Conference, participating in four panel sessions, and expanding commercial discussions with exchanges, blockchain partners, and enterprise users. These efforts are now supported by a focused, execution-led team structure aligned to key revenue, compliance, and ecosystem growth milestones in the year ahead.

Leadership Team

Q4 FY25 saw the commencement of Novatti's new CFO, Hayden Vowell, who brings 15 years of experience in high-growth businesses across software, retail and technology sectors. Notably, Hayden joined Novatti from Culture Amp, a global SaaS leader in employee experience, where he was senior direct of commercial finance.

Outgoing CFO, Dharsh Mendez, will remain with Novatti until 12 August 2025 to ensure a smooth transition and continuity through the year end and audit period. The Novatti Board thanks Dharsh for her significant contribution over the past two years and wish her well in her future endeavours.

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 31 July 2025, at 11.00am (AEST). Investors can register at: <https://us02web.zoom.us/webinar/register>.

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

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

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

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About Novatti Group Limited (ASX:NOV)

Novatti is a leading Australian payments company. 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

98 606 556 183

Quarter ended ("current quarter")

30 June 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	33,650	116,449
1.2 Payments for		
(a) research and development	-	
(b) product manufacturing and operating costs	(30,662)	(106,621)
(c) advertising and marketing	(41)	(149)
(d) leased assets	-	-
(e) staff costs	(3,493)	(15,427)
(f) administration and corporate costs	(1,380)	(6,938)
1.3 Dividends received	-	-
1.4 Interest received	188	1,152
1.5 Interest and other costs of finance paid	(104)	(305)
1.6 Income taxes paid	15	(5)
1.7 Government grants and tax incentives	134	536
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	(1,693)	(11,308)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(13)	(13)
(d) investments	-	-
(e) intellectual property	-	(127)
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5.1	Cash reduction from disposal of IBOA Group Holdings Pty Limited ("IBOA")	-	(4,877)
2.5.2	Proceed from disposal of IBOA	-	2,869
2.6	Net cash from / (used in) investing activities	(13)	(2,148)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities	-	7,082
3.1.1	Proceeds from issues of equity securities of IBOA	-	1,103
3.1.2	Proceeds from issues of equity securities of AUDC Pty Ltd	415	584
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	-	(579)
3.5	Proceeds from borrowings	220	220
3.6	Repayment of borrowings	(9)	(880)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	(303)
3.10	Net cash from / (used in) financing activities	626	7,227

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,929	9,469
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,693)	(11,308)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(13)	(2,148)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	626	7,227
4.5	Effect of movement in exchange rates on cash held	(307)	(698)
4.6	Cash and cash equivalents at end of period	2,542	2,542

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	2,542	3,929
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)	2,542	3,929

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	-
<i>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.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	220	220
7.2	Credit standby arrangements	-	-
7.3	Other (convertible notes)	3,118	3,118
7.4	Total financing facilities	3,338	3,338
7.5	Unused financing facilities available at quarter end		-
7.6	<p>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.</p> <p>In FY24, Novatti Group Limited issued a \$3.5m convertible note facility. The first tranche of \$1.46 million was issued on 3 January 2024, followed by a second tranche of \$2.04 million on 14 February 2024. At the reporting date, \$382,000 has been converted into shares, with the current balance standing at \$3.118 million.</p> <p>The Convertible Notes have a face value of \$1.00, carry a 10% annual coupon, and mature on 22 December 2026. They are convertible into shares at the lower of \$0.06 or the next equity raising price, subject to a \$0.04 floor. No conversions occurred during the quarter ended 30 June 2025.</p> <p>As at 30 June 2025 two related parties have provided unsecured loans of \$0.22m at 12% interest per annum on the principal amount, which will accrue from day to day.</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,693)
8.2	Cash and cash equivalents at quarter end (item 4.6)	2,542
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	2,542
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.5
	<p><i>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.</i></p>	

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: No. Net operating cash outflow decreased by 22% (\$0.5 million) compared to Q3, and decreased by 48% in H2 compared to H1. The company remains focused on cost reduction and revenue growth to achieve positive operating cash flow, supported by the divestment of non-core assets.

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: No

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: Yes, refer to 8.6.1

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.

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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: 31 July 2025

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.