

Novatti Group Limited

Appendix 4D

Half-year report

1. Company details

Name of entity	:	Novatti Group Limited
ACN	:	606 556 183
Reporting period	:	For the half-year ended 31 December 2025
Previous period	:	For the half-year ended 31 December 2024

2. Results for announcement to the market

			\$'000
Revenues from ordinary activities	down	42.1%	14,567
Profit from ordinary activities after tax attributable to the owners of Novatti Group Limited	up	290.2%	3,844
Profit for the half-year attributable to the owners of Novatti Group Limited	up	290.2%	3,844

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

Profit for the Consolidated Entity after providing for income tax and non-controlling interest amounted to \$3,743,000 (31 December 2024: restated loss of \$4,860,000). The gain from discontinued operations for the Consolidated Entity after providing for income tax amounted to \$7,000 (31 December 2024: restated gain of \$2,616,000).

The Group's revenue decreased by 42.1% to \$14,567,000 (31 December 2024: restated \$25,147,000). Underlying EBITDA¹ improved by 21.5% to a loss of \$1,481,000 compared to the corresponding prior period underlying EBITDA loss of \$2,226,000.

Net asset position improved by \$3,303,000 to \$2,424,000 as at 31 December 2025 (30 June 2024: net liabilities position of \$879,000). Cash and cash equivalent was \$3,701,000 at 31 December 2025.

	31 December 2025 \$'000	31 December 2024 \$'000	Change \$'000
Net profit/(loss) from operations	3,750	<i>Restated</i> (2,244)	5,994
Less: Interest income	(334)	(670)	336
Add back:			
Depreciation and amortisation	629	714	(85)
Finance costs	548	1,245	(697)
Indirect tax expenses	-	238	(238)
Income tax expense	-	16	(16)
EBITDA	4,593	(701)	5,294
Add back/(less):			
Vesting charge for share-based payments	1,079	824	255
Gain on loss of control over subsidiary (AUDC)	(7,967)	-	(7,967)
Loss on fair value movement on embedded derivative –			
Convertible notes facility	247	42	205
Share of loss on investment in associate	453	-	453
Termination payments	-	294	(294)
Foreign currency translation losses/(gains)	121	(69)	190
Profit after income tax expense from discontinued operations	(7)	(2,616)	2,609
Underlying EBITDA¹	(1,481)	(2,226)	745

¹ Underlying EBITDA is a non-IFRS measure calculated as profit before income tax, and before depreciation and amortisation, share-based payments, net finance costs, due diligence costs, fair value movement on embedded derivatives, restructuring costs, termination payments, gain on loss of control and discontinued operations. The Company believes this non-IFRS and operational measure is useful in monitoring and understanding the Group's business and they should not be considered in isolation nor as a substitute for IFRS measures.

Novatti Group Limited

Appendix 4D

Half-year report

During the half-year, the Consolidated Entity continued to deliver on its strategy of long-term growth in its business. The Consolidated Entity continues to invest in the ecosystem of Technology, licences, partnerships and people as we transition from the development phase to a monetisation phase, the details of which are presented in the "Significant changes in the state of affairs" in the Directors' Report.

Appendix 4D is to be read in conjunction with the 30 June 2025 Annual Report, the 31 December 2024 Half-Year Report and the accompanying announcement and presentation.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	(0.41)	(1.75)

4. Control gained over entities

Not applicable.

5. Loss of control over entities

On 12 September 2025, an independent director was appointed to the board of AUDC Pty Ltd ("AUDC"). As a result of the change in board composition, the Group no longer had the power to direct the relevant activities of AUDC and therefore ceased to control the entity. AUDC was deconsolidated from that date and the Group's retained interest was measured at fair value and recognised as an investment in associate.

During the half-year ended 31 December 2025, the Group disposed of Emersion Services Pty Ltd ("Emersion"), a wholly owned subsidiary operating within the Technology Solutions segment. Accordingly, the results of Emersion up to the date of disposal are presented as a discontinued operation.

6. Dividends

Current period: There were no dividend paid, recommended or declared during the current financial period.
Previous period: There were no dividend paid, recommended or declared during the current financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

On 12 September 2025, the Group lost the power to direct the relevant activities of AUDC and therefore ceased to control the entity. AUDC was deconsolidated from that date and the Group's retained interest was measured at fair value and recognised as an investment in associate.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

All foreign entities are in compliance with IFRS which is equivalent to Australian Accounting Standards.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements have been reviewed, and an unmodified opinion has been issued with an emphasis of matter on a material uncertainty on going concern included in the review report. The review report is attached as part of the Half-year Report.

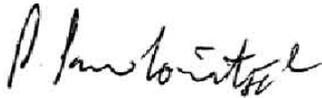
11. Attachments

Details of attachments (if any):

The Half-Year Report of Novatti Group Limited for the half-year ended 31 December 2025 is attached.

12. Signed

Signed



Date: 27 February 2026

Peter Pawlowitsch
Chairman

Novatti Group Limited

ACN 606 556 183

Half-Year Report | 31 December 2025

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Novatti Group Limited

Corporate directory

Directors	Peter Pawlowitsch (Non-Executive Chairman) Peter Cook (Executive Director) Kenneth Lai (Non-Executive Director) Tom Ng (Non-Executive Director) Christopher Ryan (Non-Executive Director)
Company Secretary	Steven Stamboultgis
Registered office and principal place of business	Level 3 461 Bourke Street Melbourne VIC 3000 +61 3 9011 8490
Share register	Automic Registry Services Level 5, 191 St Georges Terrace Perth WA 6000 +61 8 9324 2099
Auditor	William Buck Level 20 181 William Street Melbourne VIC 3000
Bankers	ANZ 388 Collins Street Melbourne VIC 3000
Stock exchange listing	Novatti Group Limited shares are listed on the Australian Securities Exchange (ASX code: NOV)
Website	www.novatti.com
Corporate Governance Statement	www.novatti.com/corporate-governance
Australian Financial Services Licence	AFSL No.448066
New Zealand Financial Services Provider	FSP613789

Novatti Group Limited

Directors' report

For the half-year ended 31 December 2025

The directors present their half-year report, together with the financial statements, on the consolidated entity (referred to hereafter as the "Consolidated Entity" or the "Group") consisting of Novatti Group Limited (referred to hereafter as the "Company", "Novatti" or "Parent Entity") and the entities it controlled at the end of, or during, the half-year ended 31 December 2025.

Directors

The following persons were directors of Novatti Group Limited during the whole of the financial half-year or up to the date of this report, unless otherwise stated:

Peter Pawlowitsch - Non-Executive Chairman

Peter Cook - Executive Director

Kenneth Lai - Non-Executive Director

Killian Murphy – Non-Executive Director (resigned on 26 November 2025)

Tom Ng - Non-Executive Director (appointed on 26 November 2025)

Christopher Ryan - Non-Executive Director (appointed on 26 November 2025)

Principal activities

Novatti Group Limited is a leading payments fintech that enables businesses to pay and be paid. Novatti provides a single destination for all payment needs in a fast-changing, digital world. From fintechs to corporates, Novatti simplifies and supports its customer payment needs through tailored online, in person, international and card solutions.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Review of operations

Profit for the Group after providing for income tax and non-controlling interest attributable to the owners of the Company amounted to \$3,844,000 for the half-year ended 31 December 2025 (31 December 2024: loss of \$2,022,000).

The Group's revenue decreased by 42.1% to \$14,567,000 for the half-year ended 31 December 2025 (31 December 2024: \$25,147,000) following the removal of a low-margin service for an overseas customer, a direct result of the strategy to lift margin and drive the Group towards a cash positive position. The Group's underlying EBITDA¹ changed from a \$2,226,000 loss in the prior half-year to a loss of \$1,481,000, representing an improvement of \$745,000.

The Group's financial position strengthened during the half-year, moving from net liabilities of \$879,000 at 30 June 2025 to net assets of \$2,424,000 at 31 December 2025. At period end, the Group held cash and cash equivalents of \$3,701,000. Following the loss of control over AUDC on 12 September 2025, the Group deconsolidated its 57% investment in AUDC from the Consolidated Entity and recognised the investment in the statement of financial position under the equity method at a fair value of \$7,000,000. As at 31 December 2025, the Group's interest in AUDC diluted to a 47% interest following the issue of shares by AUDC to external investors.

During the half-year ended 31 December 2025, the Group continued to implement its turnaround strategy focused on simplifying operations, strengthening market and customer focus, and improving the balance sheet and financial performance, including:

- Rationalisation of low-profitability services, solutions and customers, including the exit of a high revenue, low-margin service to an overseas customer.
- Continued commercial traction within the core Payments AU/NZ business, with growth in Issuing supported by targeted sales campaign conducted in the second half of the 2025 financial year that generated a strong pipeline and several executed contracts.
- Migration of Acquiring customers onto the new omni-channel platform to support improved customer functionality and operational efficiency, supporting the Group's objective of improving long-term margins.
- Securing \$1,000,000 in growth funding through a share placement to Australian Wealth Advisors Group Ltd and its subsidiary Armytage Private to accelerate the Group's growth strategy.

Novatti Group Limited

Directors' report

For the half-year ended 31 December 2025

Reconciliation of net profit/(loss) from operations to underlying EBITDA¹

	31 December 2025 \$'000	31 December 2024 \$'000	Change \$'000
Net profit/(loss) from operations	3,750	<i>Restated</i> (2,244)	5,994
Less: Interest income	(334)	(670)	336
Add back:			
Depreciation and amortisation	629	714	(85)
Finance costs	548	1,245	(697)
Indirect tax expenses	-	238	(238)
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EBITDA	4,593	(701)	5,294
Add back/(less):			
Vesting charge for share-based payments	1,079	824	255
Gain on loss of control over subsidiary (AUDC)	(7,967)	-	(7,967)
Loss on fair value movement on embedded derivative – Convertible notes facility	247	42	205
Share of loss on investment in associate	453	-	453
Termination payments	-	294	(294)
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Profit after income tax expense from discontinued operations	(7)	(2,616)	2,609
Underlying EBITDA¹	(1,481)	(2,226)	745

Significant changes in the state of affairs

On 14 August 2025, AUDC Pty Ltd ("AUDC"), successfully closed a seed equity capital raise, securing \$1.2 million in new investment. Following this round, Novatti retained a 20 million shareholding in AUDC, representing a 57% interest, valued at approximately \$7.0 million based on the seed round pricing of \$0.35 per share. On 8 December 2025, AUDC raised \$5.0m million in its Pre-Series A round at \$0.80 per share.

On 12 September 2025, an independent director not related to the Company was appointed to the Board of AUDC. As a result of the change in Board composition, the Group no longer maintains effective control of AUDC and accordingly deconsolidated the entity from that date. The Group's investment in AUDC is now recognised in the statement of financial position under the equity method at fair value. As at 31 December 2025, Novatti held 47% interest in AUDC.

On 3 September 2025, the Company announced the sale of its wholly owned subsidiary, Emersion Systems Pty Ltd ("Emersion"), the operator of the Group's Emersion business, to a wholly owned subsidiary of CGP Equity for a cash consideration of \$500,000. The transaction included customary completion adjustments, including staff retention bonuses and the retention of a minimum net cash balance of \$175,000 in the business for working capital purposes. Post-completion obligations include the novation of certain US customer contracts, as the US-based subsidiary did not form part of the sale and will be wound up in due course. The sale agreement otherwise contains provisions customary for a transaction of this nature, including warranties, representations and indemnities, confidentiality, as well as non-competition and non-solicitation arrangements.

¹ Underlying EBITDA is a non-IFRS measure calculated as profit before income tax, and before depreciation and amortisation, share based payments, net finance costs, due diligence costs, fair value movement on embedded derivative, restructuring costs and discontinued operations. The Company believes this non-IFRS and operational measure is useful in monitoring and understanding the Group's business and they should not be considered in isolation nor as a substitute for IFRS measures.

Novatti Group Limited

Directors' report

For the half-year ended 31 December 2025

Significant changes in the state of affairs (continued)

On 13 November 2025, the Company announced that Australian Wealth Advisors Group Ltd (AWAG), along with its subsidiary Armytage Private, had committed to provide \$1.0 million in growth funding via a share placement to underpin the Company's pivot back to growth strategy. The placement was completed during the half-year, with \$1.0 million received through the issue of 36,363,636 fully paid ordinary shares at an issue price of 2.75 cents per share. Recipients of the placement were also issued 18,181,818 free-attaching options to subscribe for shares at an exercise price of 2.75 cents per option, expiring on 31 March 2026, with shareholder approval received on 5 February 2026, providing the potential for a further \$500,000 capital investment if exercised. The shares were issued under the Company's existing ASX Listing Rule 7.1A placement capacity and rank equally with existing fully paid ordinary shares on issue.

There were no other significant changes in the state of affairs of the Consolidated Entity during the financial half-year.

Matters subsequent to the end of the financial half-year

On 11 February 2026, the Company announced that its 47% held associate, AUDC Pty Ltd was granted an Australian Financial Services Licence by the Australian Securities and Investments Commission to provide non-cash payment facilities.

Subsequent to the reporting period, on 20 February 2026 Novatti Group Limited was served with a Writ of Summons in the Kuala Lumpur High Court by the vendors of ATX Fintech Holding SB Malaysia, claiming approximately MYR 7.38 million (~AUD 2.67 million) plus interest and costs in relation to deferred and earn-out consideration from the January 2022 acquisition of ATX. The Company continues to dispute the claim, has sought legal advice, and intends to defend the proceedings. A provision for the majority of the potential liability has been maintained in the financial statements and is considered sufficient to cover the claim.

No other matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect, the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial periods.

Rounding of amounts

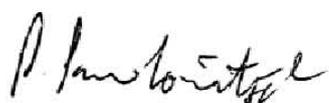
The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Peter Pawlowitsch
Chairman

27 February 2026

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the directors of Novatti Group Limited

As lead auditor for the review of Novatti Group Limited for the half-year ended 31 December 2025, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Novatti Group Limited and the entities it controlled during the period.

William Buck

William Buck Audit (Vic) Pty Ltd

ABN 59 116 151 136

A. A. Finnis

A. A. Finnis

Director

Melbourne, 27 February 2026

Novatti Group Limited

Consolidated statement of profit or loss and other comprehensive income

For the half-year ended 31 December 2025

	Note	Consolidated	
		31 December 2025	31 December 2024
		\$'000	\$'000
Revenue from continuing operations	4	14,567	25,147
Other income	5	459	947
Gain on loss of control over subsidiary (AUDC)	7(b)	7,967	-
Expenses			
Administrative and corporate costs		(1,608)	(1,792)
Client hosting fees and other direct services		(7,037)	(18,050)
Employee benefits		(5,550)	(6,745)
Foreign currency translation (losses)/gains		(121)	69
Marketing and selling expenses		(28)	(72)
Data management expenses and scheme fees		(1,950)	(1,523)
Share of loss on investment in associates		(453)	-
Vesting charge for share-based payments		(1,079)	(824)
Loss on fair value movement on embedded derivatives - convertible notes facility		(247)	(42)
Depreciation and amortisation		(629)	(714)
Finance costs		(548)	(1,245)
Profit/(loss) before income tax expense from continuing operations		3,743	(4,844)
Income tax expense		-	(16)
Profit/(loss) after income tax expense from continuing operations		3,743	(4,860)
Profit after income tax expense from discontinued operations	6(d)	7	2,616
Profit/(loss) after income tax expense for the period		3,750	(2,244)
Other comprehensive income			
<i>Items that maybe reclassified subsequently to profit or loss</i>			
Foreign currency translation		(1,701)	14
Other comprehensive income for the period, net of income tax		(1,701)	14
Total comprehensive income for the period		2,049	(2,230)
Profit/(loss) for the period is attributable to:			
Non-controlling interest		(94)	(222)
Owners of Novatti Group Limited		3,844	(2,022)
		3,750	(2,244)
Total comprehensive income for the period is attributable to:			
Continuing operations		(94)	(148)
Discontinued operations		-	(74)
Non-controlling interest		(94)	(222)
Continuing operations		2,173	(4,698)
Discontinued operations		(30)	2,690
Owners of Novatti Group Limited		2,143	(2,008)
Total comprehensive income for the period		2,049	(2,230)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

¹ The above consolidated statement of comprehensive income for the half-year ended 31 December 2024 was restated for discontinued operations. Refer to note 6 for detailed information on Discontinued operations.

Novatti Group Limited

Consolidated statement of profit or loss and other comprehensive income

For the half-year ended 31 December 2025

	Note	Consolidated	
		31 December 2025	31 December 2024
		Cents	Cents
Earnings per share for profit/(loss) from continuing operations attributable to the owners of Novatti Group Limited			<i>Restated</i>
Basic earnings/(loss) per share		0.674	(1.114)
Diluted earnings/(loss) per share		0.350	(1.114)
Earnings per share for profit from discontinued operations attributable to the owners of Novatti Group Limited			
Basic earnings per share		0.001	0.628
Diluted earnings per share		-	0.628
Earnings per share for profit/(loss) attributable to the owners of Novatti Group Limited			
Basic earnings/(loss) per share		0.675	(0.486)
Diluted earnings/(loss) per share		0.350	(0.486)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Novatti Group Limited

Consolidated statement of financial position

As at 31 December 2025

	Note	Consolidated	
		31 December 2025 \$'000	30 June 2025 \$'000
Assets			
Current assets			
Cash and cash equivalents		3,701	2,376
Trade and other receivables		7,515	8,254
Financial assets – Funds in trust	9	76,600	56,790
Other current assets		558	502
		88,374	67,922
Assets of disposal groups classified as held for sale		-	587
Total current assets		88,374	68,509
Non-current assets			
Investment in associates	8	6,547	-
Other investments at fair value through profit and loss		166	166
Plant and equipment		188	216
Right-of-use assets		414	455
Intangible assets		4,896	5,146
Security deposits		4,666	4,612
Total non-current assets		16,877	10,595
Total assets		105,251	79,104
Liabilities			
Current liabilities			
Trade and other payables		18,574	16,133
Settlement, remittance and visa funds payable	10	76,640	56,560
Borrowings		470	220
Lease liabilities		447	530
Contract liabilities		876	910
Convertible note facilities	11	2,680	2,042
Employee benefits		3,018	3,098
		102,705	79,493
Liabilities directly associated with assets classified as held for sale		-	422
Total current liabilities		102,705	79,915
Non-current liabilities			
Lease liabilities		10	10
Employee benefits		112	58
Total non-current liabilities		122	68
Total liabilities		102,827	79,983
Net assets/(liabilities)		2,424	(879)

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Novatti Group Limited

Consolidated statement of financial position

As at 31 December 2025

		Consolidated	
	Note	31 December 2025 \$'000	30 June 2025 \$'000
Equity			
Issued capital	13	99,829	97,993
Reserves		5,069	7,840
Accumulated losses		(102,474)	(107,537)
Equity attributable to the owners of Novatti Group Limited		2,424	(1,704)
Non-controlling interest		-	825
Total equity/(deficiency)		2,424	(879)

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Novatti Group Limited

Consolidated statement of changes in equity

For the half-year ended 31 December 2025

	Issued capital \$'000	Equity settled share- based payments reserve \$'000	Foreign currency translation reserve \$'000	Convertible notes reserve \$'000	Accumulated losses \$'000	Total equity attributable to owners of the Company \$'000	Non- controlling interest \$'000	Total equity \$'000
Consolidated								
Balance at 1 July 2025	97,993	6,192	967	681	(107,537)	(1,704)	825	(879)
Profit after income tax expense for the period	-	-	-	-	3,844	3,844	(94)	3,750
Other comprehensive income for the period, net of income tax	-	-	(1,701)	-	-	(1,701)	-	(1,701)
Total comprehensive income for the period	-	-	(1,701)	-	3,844	2,143	(94)	2,049
<i>Transactions with owners in their capacity as owners:</i>								
Shares issued under placement, net of transaction costs	13	950	-	-	-	950	-	950
Shares issued on exercise of share-based payments options	13	721	(721)	-	-	-	-	-
Expiry of share-based payment options	-	(1,218)	-	-	1,218	-	-	-
Vesting of share-based payments arrangements	-	1,079	-	-	-	1,079	-	1,079
Shares issued for professional services	13	165	-	-	-	165	-	165
Derecognition of AUDC share-based payments reserve	7	-	(210)	-	-	(210)	-	(210)
Contribution to non-controlling interest by external investor	-	-	-	-	-	-	1,001	1,001
Derecognition of non-controlling interest	7	-	-	-	-	-	(1,732)	(1,732)
Balance at 31 December 2025	99,829	5,122	(734)	681	(102,474)	2,424	-	2,424

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Novatti Group Limited

Consolidated statement of changes in equity

For the half-year ended 31 December 2025

	Issued capital \$'000	Equity settled share-based payments reserve \$'000	Foreign currency translation reserve \$'000	Convertible notes reserve \$'000	Accumulated losses \$'000	Total equity attributable to owners of the Company \$'000	Non-controlling interest \$'000	Total equity/(deficiency) \$'000
Consolidated								
Balance at 1 July 2024	91,806	4,723	568	681	(102,345)	(4,567)	4,808	241
Loss after income tax expense for the period	-	-	-	-	(2,022)	(2,022)	(222)	(2,244)
Other comprehensive income for the period, net of income tax	-	-	14	-	-	14	-	14
Total comprehensive income for the period	-	-	14	-	(2,022)	(2,008)	(222)	(2,230)
<i>Transactions with owners in their capacity as owners:</i>								
Shares issued under placement, net of transaction costs	3,043	688	-	-	-	3,731	-	3,731
Shares issued to underwriters and sub-underwriters	2,723	-	-	-	-	2,723	-	2,723
Shares issued on conversion of convertible notes	298	-	-	-	-	298	-	298
Expiry of share-based payment options	-	(444)	-	-	444	-	-	-
Vesting of share-based payment arrangements	-	824	-	-	-	824	-	824
Contribution to non-controlling interest by external investors	-	-	-	-	-	-	1,384	1,384
Derecognition of non-controlling interest	-	-	-	-	-	-	(5,219)	(5,219)
Balance at 31 December 2024	97,870	5,791	582	681	(103,923)	1,001	751	1,752

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Novatti Group Limited

Consolidated statement of cash flows

For the half-year ended 31 December 2025

	Note	Consolidated	
		31 December 2025 \$'000	31 December 2024 \$'000
Cash flows from operating activities			
Receipts from customers		57,297	54,168
Payments to suppliers and employees		(57,584)	(63,348)
Government grant received		51	268
Interest received		409	692
Interest and other finance costs paid		(224)	(147)
Income taxes paid		-	(16)
Net cash used in operating activities		(51)	(8,383)
Cash flows from investing activities			
Payments for plant and equipment		(3)	-
Payments for intangible assets		(203)	(48)
Cash reduction from disposal of IBOA Group Holdings Pty Limited ("IBOA")		-	(4,877)
Proceeds from disposal of IBOA		-	2,869
Cash reduction from loss of control over AUDC	6	(658)	-
Proceeds from disposal of Emersion	6	500	-
Cash reduction from disposal of Emersion	6	(233)	-
Net cash (used in) investing activities		(597)	(2,056)
Cash flows from financing activities			
Proceeds from issue of shares		1,000	7,032
Proceeds from issue of shares into IBOA		-	1,103
Proceeds from issue of equity securities into AUDC		927	200
Share issue transaction costs		(50)	(579)
Proceeds from borrowings		250	-
Repayment of borrowings		-	(641)
Repayment of lease liabilities		(142)	(154)
Net cash from financing activities		1,985	6,961
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at the beginning of the financial period ^(a)		2,542	9,469
Effects of exchange rate changes on cash and cash equivalents		(178)	259
Cash and cash equivalents at the end of the financial period		3,701	6,250

^(a) Cash and cash equivalents at the beginning of the half-year (31 December 2025) reconcile to the cash and cash equivalents reported in the statement of financial position at 30 June 2025, adjusted for amounts classified as held for sale relating to Emersion.

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Novatti Group Limited

Notes to the financial statements

For the half-year ended 31 December 2025

Note 1. General information

The consolidated financial statements cover Novatti Group Limited as a consolidated entity consisting of Novatti Group Limited ('the Company', 'Novatti' or 'Parent Entity') and the entities it controlled (collectively 'the Group' or 'the Consolidated Entity') at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Novatti Group Limited's functional and presentation currency.

Novatti Group Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 3
461 Bourke Street
Melbourne VIC 3000

Novatti Group Limited is a leading payments fintech that enables businesses to pay and be paid. Novatti provides a single destination for all payment needs in a fast-changing, digital world. From fintechs to corporates, Novatti simplifies and supports its customer payment needs through tailored online, in person, international and card solutions.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 27 February 2026.

Note 2. Material accounting policy information

The accounting policies that are material to the Consolidated Entity are set out below. The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

These general-purpose financial statements for the interim half-year reporting period ended 31 December 2025 have been prepared in accordance with Australian Accounting Standards AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general-purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2025 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

a) New or amended Accounting Standards and Interpretations adopted

The Consolidated Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Consolidated Entity.

Novatti Group Limited

Notes to the financial statements

For the half-year ended 31 December 2025

Note 2. Material accounting policy information (continued)

b) Going concern

The financial statements for the half-year ended 31 December 2025 have been prepared on a going concern basis, which assumes the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

For the half-year, the Group recorded a net cash outflow from operating activities of \$51,000 (31 December 2024: \$8,383,000; year ended 30 June 2025: \$11,307,000). The reduction in outflows reflects progress in implementing the Group's operational and financial initiatives.

Despite this improvement, the Group reported a net current liability of \$14,331,000 as at 31 December 2025 (30 June 2025: net current liability of \$11,406,000). These factors indicate a material uncertainty that may cast significant doubt on the appropriateness of the going concern basis of preparation.

The financial statements have been prepared on a going concern basis for the following reasons:

- **Commercial traction** – The Group is seeing strong traction develop within its core Payments AU/NZ operating segment, particularly within Issuing following a targeted sales strategy across the second half of the financial year ended 30 June 2025. This traction is flowing through the financial results for the Payments AU/NZ operating segment.

A number of commercial wins secured throughout the financial year ended 30 June 2025 have been initiated during the half-year ended 31 December 2025, including:

- i) A contract with a major Asian-based global airline to enhance its voucher payment offering with a new digital solution.
 - ii) A renewed multi-year agreement with a tier one Australian telecommunications provider, with an additional contract awarded for commencement in the second half of the financial year 2026.
 - iii) Expansion into the New Zealand market through its card issuing services for a global fintech client.
 - iv) Enablement of international tuition payments for a major university in New South Wales.
 - v) Launch of ChinaPayments in New Zealand.
 - vi) Extension of a card issuing program for a major accounting services firm into the New Zealand market.
- **Capital flexibility** - The Group maintains a track record of successfully raising capital when required, with \$1m secured in growth funding via a share placement to Australian Wealth Advisors Group Ltd, along with its subsidiary Armytage Private during the half-year.
 - **Asset realisation** - During the half-year end, the Group completed the divestment of its interest in Emersion Systems Pty Ltd, generating \$0.5m in cash. The Group retains investments in other non-core assets that may be divested to support funding needs, if required.
 - **Cost control** - The Group is progressing with a simplification strategy aimed at extracting greater value from existing resources and reducing discretionary expenditure, with the flexibility to scale back non-essential activities.
 - **Board support** - The Directors have indicated a willingness to defer or settle amounts owed to them in equity instruments (subject to shareholder approval where required) to preserve cash resources.

Based on the above, the Directors are of the opinion that the Group will be able to continue as a going concern and that it is appropriate to prepare the financial statements on this basis. Accordingly, no adjustments have been made to the financial statements relating to the recoverability or classification of recorded assets or liabilities that might be necessary should the Group not continue as a going concern.

Novatti Group Limited

Notes to the financial statements

For the half-year ended 31 December 2025

Note 3. Operating segments

a) Identification of reportable operating segments

The Group is organised into four operating business segments:

- 1) Payments AU/NZ incorporating Payments Acquiring, Card Issuing, Cross Border Payments and Novatti Billpay
- 2) Payments International incorporating ATX Payments (Malaysia) and Flexepin Payments (Europe)
- 3) Technology Solutions incorporating enterprise, automation and billing software
- 4) Investments incorporating several portfolio investments into internal (AUDD Stablecoin) and external businesses

These operating business segments are based on the internal reports that are reviewed and used by the Board of Directors and Management in assessing financial and operating performance and in determining the allocation of resources.

The accounting policies adopted for internal reporting are consistent with those adopted in the financial statements. The information reported to the Board and management is on at least a monthly basis.

Segment information for the half-year ended 31 December 2024 has been restated to reflect the performance of the current operating segments in the prior period.

b) Types of products and services

The principal products and services of each of these operating segments are as follows:

Payments AU/NZ	<p>Acquiring: Enables businesses to accept a wide range of payments online and offline with a focus on card and digital wallet acceptance.</p> <p>Issuing: Provides a payment system centred around digital and physical prepaid, gift and debit cards for a variety of fintechs and commercial enterprises.</p> <p>Cross Border: provision of cross border payments and global currency accounts to manage foreign exchange.</p> <p>Novatti Billpay: enables payment of Australian invoices directly from a range of Asian digital wallets.</p>
Payments International	<p>Offers customers; (1) an alternative payment method in the form of a prepaid cash voucher. Vouchers can be used for a multitude of payment methods such as prepaid account top-ups and for secure online payment of goods and services. Vouchers are available in a variety of currencies and locations globally; and (2) Provision of large, established payments network across Malaysia enabling prepaid top ups and bill payments.</p>
Technology Solutions	<p>Basis2: provides a technologically advanced billing and CIS solution to service providers in the utilities industry.</p> <p>Enterprise software provides general purpose technology supporting implementation of enterprise specific payment and billing solutions.</p>
Investments	<p>After the full divestment of shareholdings in Bank of Australia, the key remaining product investment is AUDD which is an Australian Dollar (A\$) backed stablecoin for facilitating payments, transactions and remittances between businesses and their customers. AUDD results are presented within the Investments segment up to the date of loss of control.</p>

Novatti Group Limited

Notes to the financial statements

For the half-year ended 31 December 2025

Note 3. Operating segments (continued)

c) Intersegment transactions

Intersegment transactions are recognised at market rates. Intersegment transactions are eliminated on consolidation.

d) Intersegment receivables, payables and loans

Intersegment loans are initially recognised at the consideration received or paid. Intersegment loans are eliminated on consolidation.

e) Major customers

During the half-year ended 31 December 2025, the consolidated entity did not transact with any single customer that individually represented more than 10% of revenues (31 December 2024: nil).

f) Operating segment information

For the breakdown of operating segment revenue into disaggregated revenue components, refer to note 4.

	Payments AU/NZ \$'000	Payments International \$'000	Technology Solutions \$'000	Investments \$'000	Consolidated \$'000
31 December 2025					
Revenue					
Revenue from ordinary activities	6,852	5,826	1,830	59	14,567
Other income	375	4	-	80	459
Total revenue	7,227	5,830	1,830	139	15,026
EBITDA	914	1,483	1,053	(239)	3,211
Corporate EBITDA					(4,811)
Foreign currency translation losses					(121)
Depreciation and amortisation					(629)
Finance costs					(548)
Vesting charge for share-based payments					(1,079)
Gain on loss of control over AUDC					7,967
Loss on fair value movement on embedded derivatives – convertible note facility					(247)
Profit/(loss) before income tax expense	914	1,483	1,053	(239)	3,743
Income tax expense	-	-	-	-	-
Profit/(loss) after income tax expense from continuing operations	914	1,483	1,053	(239)	3,743
Profit from discontinued operations	-	-	-	-	7
Profit after income tax expense for the period	914	1,483	1,053	(239)	3,750
Foreign currency translation	-	-	-	-	(1,701)
Total comprehensive income for the period, net of income tax	914	1,483	1,053	(239)	2,049

Novatti Group Limited

Notes to the financial statements

For the half-year ended 31 December 2025

Note 3. Operating segments (continued)

f) Operating segment information (continued)

	Payments AU/NZ \$'000	Payments International \$'000	Technology Solutions \$'000	Investments \$'000	Consolidated \$'000
			<i>Restated</i>		<i>Restated</i>
31 December 2024					
Revenue					
Revenue from ordinary activities	6,694	15,691	2,110	652	25,147
Other income	893	-	-	54	947
Total revenue	7,587	15,691	2,110	706	26,094
EBITDA					
Corporate EBITDA	449	1,019	1,241	(456)	2,253
Foreign currency translation losses					(4,341)
Depreciation and amortisation					69
Finance costs					(714)
Vesting charge for share-based payments					(1,245)
Loss on fair value movement on embedded derivatives – convertible note facility					(824)
					(42)
Profit/(loss) before income tax expense	449	1,019	1,241	(456)	(4,844)
Income tax expense	-	-	-	-	(16)
Profit/(loss) after income tax expense from continuing operations	449	1,019	1,241	(456)	(4,860)
Profit from discontinued operations	-	-	-	-	2,616
Profit/(loss) after income tax expense for the period	449	1,019	1,241	(456)	(2,244)
Foreign currency translation	-	-	-	-	14
Total comprehensive income for the period, net of income tax	449	1,019	1,241	(456)	(2,230)

A breakdown of operating segment revenue into disaggregated revenue components is presented in note 4.

Revenue by Geographical segment

	Sales to external customers		Geographical non-current assets	
	31 December 2025 \$'000	31 December 2024 \$'000	31 December 2025 \$'000	30 June 2025 \$'000
		<i>Restated</i>		
Australia and New Zealand	6,173	7,612	7,708	2,449
Malta	122	10,716	-	-
Malaysia	2,524	2,523	9,169	8,146
United States	1,875	927	-	-
Netherlands	1,124	1,774	-	-
Others	2,749	1,595	-	-
	14,567	25,147	16,877	10,595

Novatti Group Limited

Notes to the financial statements

For the half-year ended 31 December 2025

Note 4. Revenue from continuing operations

	Timing of revenue recognition		
	Services provided at a point in time	Services provided over time	Consolidated
	\$'000	\$'000	\$'000
31 December 2025			
Sales revenue			
Payments AU/NZ	6,852	-	6,852
Payments International	5,826	-	5,826
Technology Solutions	599	1,231	1,830
Investments	59	-	59
	13,336	1,231	14,567
31 December 2024			
Sales revenue			
Payments AU/NZ	6,694	-	6,694
Payments International	15,691	-	15,691
Technology Solutions	974	1,136	2,110
Investments	652	-	652
	24,011	1,136	25,147

Note 5. Other income

	Consolidated	
	31 December 2025	30 June 2025
	\$'000	\$'000
Gain on disposal of Emersion	37	-
Government grants	51	268
Interest income	334	670
Other	37	9
Other income	459	947

Novatti Group Limited

Notes to the financial statements

For the half-year ended 31 December 2025

Note 6. Discontinued operations

Description

On 3 September 2025, the Group disposed of Emersion Services Pty Ltd ("Emersion"), a wholly owned subsidiary operating within the Technology Solutions segment. Accordingly, the results of Emersion up to the date of disposal are presented as a discontinued operation.

(a) Results of discontinued operations

	31 December 2025 \$'000	31 December 2024 \$'000
		<i>Restated ^{(a)(b)}</i>
Revenue from continuing operations	302	1,092
Expenses		
Administrative and corporate costs	(19)	(35)
Client hosting fees and other direct costs	(37)	(167)
Employee benefits	(264)	(944)
Foreign currency translation (losses)/gains	(3)	34
Data management expenses and scheme fees	(9)	(51)
Depreciation and amortisation	-	(337)
Loss before income tax expense from discontinued operations	(30)	(408)
Income tax expense	-	-
Loss after income tax expense from discontinued operations	(30)	(408)

^(a) Results of discontinued operations have been restated for discontinued operations relating to Emersion.

^(b) During the half-year ended 31 December 2024, the Group disposed of its banking segment comprising IBOA Group Holdings Pty Ltd and International Bank of Australia Pty Limited (together, "IBOA"). As such, IBOA was classified as discontinued operations and the respective assets and liabilities were accounted for under assets of disposal group classified as held for sale and liabilities directly associated with assets classified as held for sale. The transaction was completed on 30 July 2024. IBOA incurred loss during the period to 30 July 2024 of \$347,000 was not considered material for disclosure in the half-year report. Consequently, the stand-alone statement of profit or loss of IBOA has not been presented in the above table for the half-year ended 31 December 2024.

(b) Carrying amounts of assets and liabilities disposed

	31 December 2025 \$'000	30 June 2025 \$'000
	<i>Emersion</i>	<i>IBOA</i>
Cash and cash equivalents	233	4,877
Trade and other receivables	262	115
Financial assets - Funds in trust	-	1
Intangible assets	43	-
Total assets	538	4,993
Trade and other payables	221	136
Employee benefits	241	140
Total liabilities	462	276
Net assets	76	4,717

Novatti Group Limited

Notes to the financial statements

For the half-year ended 31 December 2025

Note 6. Discontinued operations (continued)

(c) Details of disposal

	31 December 2025 \$'000	31 December 2025 \$'000
	<i>Emersion</i>	<i>IBOA</i>
Total sales consideration	500	2,869
Carrying amount of net assets disposed	(76)	(4,717)
Derecognition of non-controlling interest	-	5,219
Costs associated with disposal	(387)	-
Gain on disposal before income tax	37	3,371
Income tax expense	-	-
Gain on disposal after income tax	37	3,371

(d) Reconciliation of profit after income tax from discontinued operations

	31 December 2025 \$'000	31 December 2024 \$'000
Loss after income tax expense from discontinued operations – note 6(a)	(30)	(408)
Loss after income tax expense from discontinued operations (IBOA)	-	(347)
Gain on disposal of Emersion – note 6(c)	37	-
Gain on disposal of IBOA – note 6(c)	-	3,371
Profit after income tax expense from discontinued operations	7	2,616

Note 7. Loss of control over subsidiary

On 12 September 2025, an independent director was appointed to the board of AUDC Pty Ltd ("AUDC"). As a result of the change in board composition, the Group no longer had the power to direct the relevant activities of AUDC and therefore ceased to control the entity in accordance with AASB 10 'Consolidated Financial Statements'. AUDC was deconsolidated from that date and the Group's retained interest was measured at fair value and recognised as an investment in associate, and subsequently accounted for using the equity method in accordance with AASB 128 'Investments in Associates and Joint Ventures'.

(a) Carrying amounts of assets and liabilities deconsolidated

	12 September 2025 \$'000
Cash and cash equivalents	658
Trade and other receivables	821
Financial assets - Funds in trust	3,370
Other current assets	76
Total assets	4,882
Trade and other payables	544
Settlement, remittance and visa funds payable	3,367
Employee benefits	39
Total liabilities	3,907
Net assets	975

Novatti Group Limited

Notes to the financial statements

For the half-year ended 31 December 2025

Note 7. Loss of control over subsidiary (continued)

(b) Gain recognised on loss of control over subsidiary

	12 September 2025 \$'000
Fair value of interest in associate ⁽¹⁾	7,000
Carrying amount of net assets deconsolidated	(975)
Derecognition of share-based payments reserve	210
Derecognition of non-controlling interest	1,732
Gain on derecognition before income tax	7,967
Income tax expense	-
Gain on derecognition after income tax	7,967

⁽¹⁾ Fair value measurement of retained interest

The retained interest was measured at fair value on the date control was lost, based on the price per share from a recent seed equity capital raise. On 14 August 2025, AUDC completed a seed round raising A\$1.2 million, and the total equity raised by AUDC now exceeds A\$2 million at increasing valuations. Based on the seed round pricing of A\$0.35 per share, the Group's retained interest is valued at A\$7 million, which is considered a level 3 in the fair value hierarchy (unobservable inputs) per AASB 13 'Fair Value Measurement', and forms the initial carrying amount of the investment (refer to note 8).

Note 8. Investment in associate

On 12 September 2025, the Group's 57% shareholding in AUDC has been classified as an investment in associate in accordance with AASB 128 'Investments in Associates and Joint Ventures'.

The investment is initially recognised at fair value and subsequently accounted for using the equity method, whereby the carrying amount of the investment is adjusted for the Group's share of AUDC's post-deconsolidation profits or losses, dividends received, and any impairment indicators. This treatment reflects the Group's significant influence over AUDC despite no longer having control.

During the half-year ended 31 December 2025, the Group recognised a share of loss from its associate of \$453,000. As at 31 December 2025, the Group held 47% of the shareholding in AUDC.

	31 December 2025 \$'000
Carrying amount at 1 July 2025	-
Fair value of investment recognised during the period (refer to note 12)	7,000
Share of loss, net of income tax	(453)
Carrying amount at 31 December 2025	6,547

Novatti Group Limited

Notes to the financial statements

For the half-year ended 31 December 2025

Note 9. Financial assets – funds in trust

	Consolidated	
	31 December 2025	30 June 2025
	\$'000	\$'000
Current assets		
Settlement funds ^(a)	5,661	13,247
Remittance funds ^(a)	872	751
Client visa funds ^(a)	70,067	42,562
	76,600	56,790

^(a) Refer to note 10 below for settlement and remittance funds payable.

Note 10. Settlement and remittance funds payable

	Consolidated	
	31 December 2025	30 June 2025
	\$'000	\$'000
Current liabilities		
Settlement funds payable ^(a)	5,701	13,477
Remittance funds payable ^(a)	872	751
Client visa funds payable ^(a)	70,067	42,562
	76,640	56,560

^(a) Refer to note 9 above for client funds held in trust for settlement, remittance and visa funds payable.

Note 11. Convertible note facilities

	Consolidated	
	31 December 2025	30 June 2025
	\$'000	\$'000
Current liabilities		
Convertible note facility at amortised cost	2,079	1,688
Embedded derivatives – convertible note facility	601	354
	2,680	2,042

Reconciliation of movement in convertible note facilities

	31 December 2025		30 June 2025	
	Number	\$'000	Number	\$'000
Opening balance	3,118,000	2,042	3,488,000	2,146
Fair value gains on embedded derivative – convertible note facility into Novatti Group Limited	-	247	-	(564)
Amortisation of accrued interest charged on convertible notes for the period	-	391	-	758
Conversion of convertible notes into shares during the year	-	-	(370,000)	(298)
	3,118,000	2,680	3,118,000	2,042

Novatti Group Limited

Notes to the financial statements

For the half-year ended 31 December 2025

Note 11. Convertible note facilities (continued)

Recognition of movement in fair values of embedded derivatives

	Consolidated	
	31 December 2025 \$'000	30 June 2025 \$'000
Opening balance	354	918
Movement in fair value	247	(564)
Closing balance	601	354

As at 31 December 2025, the fair value of the embedded derivative is measured using significant unobservable inputs (Level 3 hierarchy). There were no change in the Group's valuation process, valuation techniques and types of inputs used in the fair value measurement at the end of the reporting period in comparison to the methodology upon inception. There were no transfers between levels of fair value hierarchy during the period ended 31 December 2025 (refer to note 12).

Sensitivity analysis

Sensitivity analysis of the significant unobservable inputs indicated that reasonably possible changes in those inputs would not have a material impact on the valuation of the embedded derivatives at 31 December 2025. The embedded derivatives is classified as a Level 3 fair value measurement and incorporates unobservable inputs including expected future volatility and risk-free rate. Expected future volatility was estimated at 80%, and a risk-free rate of 4.06% was applied.

Note 12. Fair value measurement of financial instruments

Financial instruments are measured at fair value in the statement of financial position and are grouped into three levels of fair value hierarchy:

- Level 1** - The instrument has quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2** - A valuation technique is applied using inputs other than quoted prices within Level 1 that are observable for the financial instrument, either directly (that is as process), or indirectly (that is derived from prices)
- Level 3** - A valuation technique is applied using inputs that are not based on observable market data (unobservable inputs)

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
31 December 2025				
Assets				
Investment in associates (AUDC)	-	-	6,547	6,547
	-	-	6,547	6,547
Liabilities				
Embedded derivatives – convertible note facility*	-	-	601	601
	-	-	601	601
30 June 2025				
Liabilities				
Embedded derivatives – convertible note facility*	-	-	354	354
	-	-	354	354

There were no transfers between levels during the financial half-year.

Novatti Group Limited

Notes to the financial statements

For the half-year ended 31 December 2025

Note 12. Fair value measurement of financial instruments (continued)

* *Embedded derivatives - convertible note facility*

Derivative liability relates to convertible note facility issued on 3 January 2024. The conversion feature on this arrangement has a capped conversion price and the variable price also contains a floor. The existence of these caps and floors means that this conversion feature is not considered to be an equity instrument in accordance with AASB 132, as it will not result in a fixed number of shares for fixed consideration. This conversion feature is a derivative and, as a result, changes in fair value are recognised through the profit and loss (FVTPL) in accordance with AASB 9. At initial recognition and subsequent reporting close, the derivative is required to be fair valued. The Black Scholes option pricing model assumes the option holder will exercise at expiry (i.e. the note will be converted on maturity) to predict the Group's possible future share prices to determine the Variable Conversion Price.

Note 13. Issued capital

	Consolidated			
	31 December 2025		30 June 2025	
	Number of shares	\$'000	Number of shares	\$'000
Ordinary shares – fully paid	605,304,109	99,829	544,567,108	97,993

Movements in ordinary share capital

Details	Date	Number of shares	Price	\$'000
Balance	1 July 2025	544,567,108		97,993
Transfer from option reserve on exercise of options	4 July 2025	9,038,698	\$0.0000	456
Transfer from option reserve on exercise of options	24 July 2025	6,392,579	\$0.0000	216
Transfer from option reserve on exercise of options	4 September 2025	318,897	\$0.0000	10
Issue of shares for professional services	11 September 2025	1,978,793	\$0.0227	45
Issue of shares for professional services	7 October 2025	5,317,900	\$0.0226	120
Share placement	14 November 2025	36,363,636	\$0.0275	1,000
Transfer from option reserve on exercise of options	12 December 2025	1,326,498	\$0.0000	39
Share issue costs				(50)
Balance	31 December 2025	605,304,109		99,829

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Novatti Group Limited

Notes to the financial statements

For the half-year ended 31 December 2025

Note 14. Contingent liabilities

Deposits under non-current assets are refundable collateral held on application of the Visa issuing licence and Currency Cloud float. The conditions in place for the deposits are relating to a) the Visa partnership Principal License; b) the Currency Cloud float; and c) Visa Collateral.

As a Principal License holder for Visa Prepaid/Debit Issuing, Novatti can provide services to clients for both Visa BIN Sponsorship and Visa Program Management. Visa requires the member to maintain a Collateral account which is held in trust at a Visa nominated to settle all debts to merchants and any monies owed to issuers and their Visa Prepaid cardholders.

In addition, Novatti requires BIN Sponsors and/or Program Manager mandates, as part of the client contract, that the client maintains a minimum of their 6 days Visa Settlement total in a bank account (held in Trust For the client) with the Visa Settlement Bank (Australia ANZ and NZ ASB). This assures that the Visa daily settlement process is, and can be funded by the client directly.

Alternatively, if a client does not agree to maintaining a float account Novatti will Direct Debit from the client's nominated corporate bank account to directly fund settlement daily. If this method is agreed the client is required to deposit a Security Deposit to an In-Trust-For (ITF) account with Novatti.

The Currency Cloud float enables expedient payments. Where the client does not forward the balance of the funds for cross-border payments, Novatti is at risk of the unpaid balance of that transaction.

The consolidated entity had no other contingent liabilities as at 31 December 2025 and 30 June 2025.

Note 15. Events after the reporting period

On 11 February 2026, the Company announced that its 47% held associate (AUDC Pty Ltd) was granted an Australian Financial Services Licence by the Australian Securities and Investments Commission to provide non-cash payment facilities.

Subsequent to the reporting period, on 20 February 2026 Novatti Group Limited was served with a Writ of Summons in the Kuala Lumpur High Court by the vendors of ATX Fintech Holding SB Malaysia, claiming approximately MYR 7.38 million (~AUD 2.67 million) plus interest and costs in relation to deferred and earn-out consideration from the January 2022 acquisition of ATX. The Company continues to dispute the claim, has sought legal advice, and intends to defend the proceedings. A provision for the majority of the potential liability has been maintained in the financial statements and is considered sufficient to cover the claim.

No other matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 16. Share-based payments

Options issued under employee share option plan

A share option plan has been established by the Group and approved by shareholders at a general meeting, whereby the Group may, at the discretion of the Board, grant options over ordinary shares in the Company to certain key management personnel and staff of the Group.

The Employee Share Option Plan is designed to provide long-term incentives for Senior Management (including Directors) and staff to deliver long-term shareholder returns. Options are issued for nil consideration and are granted in accordance with performance guidelines established by the Board.

At the Group's annual general meeting on 25 November 2025, the shareholders approved the issue of 28,643,901 unlisted zero exercise price options ("ZEPOs") to directors of the Company under the Plan. The options issued expire on 30 June 2029.

Novatti Group Limited

Notes to the financial statements

For the half-year ended 31 December 2025

Note 16. Share-based payments (continued)

On 27 November 2025, the Company issued another 4,020,072 unlisted ZEPOs under the Plan to its newly appointed directors as payment for their director fees. These options also expire on 30 June 2029.

The options granted during the half-year ended 31 December 2025 were calculated based on the Black-Scholes model or Binomial model method of calculation for share-based payments.

The following share-based payment arrangements were in existence during the current financial half-year:

Grant date	Expiry date	Service/ Market conditions	Exercise price (\$)	Balance at the start of the period	Granted	Exercised	Expired/ Forfeited/ other	Balance at the end of the period
20-Dec-21	30-Nov-25	Market	\$0.450	7,000,000	-	-	(7,000,000)	-
6-Jul-22	6-Jul-25	Service	\$0.250	833,333	-	-	(833,333)	-
6-Jul-22	6-Jul-25	Service	\$0.160	1,666,667	-	-	(1,666,667)	-
30-Sep-22	30-Jun-26	None	\$0.250	1,000,000	-	-	-	1,000,000
23-Nov-22	30-Nov-26	Market	\$0.200	13,000,000	-	-	-	13,000,000
13-Dec-22	30-Jun-26	None	\$0.250	250,000	-	-	-	250,000
17-Apr-23	17-Apr-26	Service	\$0.180	1,500,000	-	-	-	1,500,000
13-Jun-23	30-Jun-27	Market / Service	\$0.200	3,000,000	-	-	-	3,000,000
13-Jun-23	30-Jun-27	Service	\$0.000	318,182	-	(318,182)	-	-
28-Nov-23	30-Jun-27	Service	\$0.000	4,761,650	-	(792,615)	-	3,969,035
28-Nov-23	30-Jun-27	None	\$0.000	3,900,134	-	(2,626,651)	-	1,273,483
28-Nov-23	30-Jun-27	Market / Service	\$0.200	2,700,000	-	-	-	2,700,000
16-Dec-24	30-Jun-28	Service	\$0.000	9,136,932	-	(5,619,432)	-	3,517,500
11-Feb-25	31-Jan-28	Market / Service	\$0.000	7,379,057	-	(7,174,629)	-	204,428
25-Feb-25	30-Jun-28	Market / Service	\$0.040	20,710,928	-	-	-	20,710,928
25-Feb-25	30-Jun-28	Market / Service	\$0.040	20,710,928	-	-	-	20,710,928
25-Feb-25	30-Jun-28	Market / Service	\$0.040	20,710,928	-	-	-	20,710,928
14-Mar-25	30-Jun-28	Service	\$0.000	3,009,130	-	-	-	3,009,130
14-Mar-25	30-Jun-28	Service	\$0.000	2,109,511	-	-	-	2,109,511
14-Mar-25	30-Jun-28	Market / Service	\$0.040	23,455,448	-	-	-	23,455,448
14-Mar-25	30-Jun-28	Service	\$0.000	6,010,937	-	(545,165)	-	5,465,772
18-Jul-25	30-Jun-28	None	\$0.000	-	353,538	-	-	353,538
25-Nov-25	30-Jun-29	Service	\$0.000	-	28,290,363	-	-	28,290,363
27-Nov-25	30-Jun-29	Service	\$0.000	-	4,020,072	-	-	4,020,072
				153,163,765	32,663,973	(17,076,674)	(9,500,000)	159,251,064

These options have different tranches with different vesting periods.

Novatti Group Limited

Notes to the financial statements

For the half-year ended 31 December 2025

Note 16. Share-based payments (continued)

Set out below are the options exercisable at 31 December 2025:

Grant date	Expiry date	31 December 2025
30-Sep-22	30-Jun-26	1,000,000
23-Nov-22	30-Nov-26	13,000,000
13-Dec-22	30-Jun-26	250,000
17-Apr-23	17-Apr-26	1,500,000
13-Jun-23	30-Jun-27	3,000,000
28-Nov-23	30-Jun-27	559,944
28-Nov-23	30-Jun-27	1,273,483
16-Dec-24	30-Jun-28	3,517,500
11-Feb-25	31-Jan-28	204,428
14-Mar-25	30-Jun-28	3,009,130
14-Mar-25	30-Jun-28	2,109,511
14-Mar-25	30-Jun-28	5,465,772
18-Jul-25	30-Jun-28	353,538
25-Nov-25	30-Jun-29	20,049,224
		55,292,530

For the options granted during the current financial half-year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date \$	Exercise price \$	Expected volatility %	Dividend yield %	Risk-free interest rate %	Fair value at grant date \$
25-Nov-25	30-Jun-29	0.03	-	85%	Nil	4.34%	0.03
27-Nov-25	30-Jun-29	0.03	-	85%	Nil	4.34%	0.03

These options have different tranches with different vesting periods.

Options issued for professional services rendered

Set out below is a summary of the options granted in lieu of professional services rendered:

Grant date	Expiry date	Exercise price (\$)	Balance at the start of the period	Granted	Exercised	Expired/ Forfeited/ other	Balance at the end of the period	Vested and exercisable
18-Jul-24	31-Jan-27	\$0.095	2,750,000	-	-	-	2,750,000	2,750,000
6-Dec-24	31-Dec-27	\$0.064	55,240,020	-	-	-	55,240,020	55,240,020
1-Apr-25	31-Dec-27	\$0.064	14,465,950	-	-	-	14,465,950	14,465,950
			72,455,970	-	-	-	72,455,970	72,455,970

These options were valued using Black-Scholes valuation model.

Novatti Group Limited

Notes to the financial statements

For the half-year ended 31 December 2025

Note 16. Share-based payments (continued)

Options issued not accounted for under AASB 2 share-based payments

Other options on issue at 31 December 2025 are as follows:

Grant date	Expiry date	Exercise price (\$)	Balance at the start of the period	Granted	Exercised	Expired/ Forfeited/ other	Balance at the end of the period	Vested and exercisable
4-Jan-24	31-Jan-27	\$0.095	12,166,667	-	-	-	12,166,667	12,166,667
13-Feb-24	31-Jan-27	\$0.095	17,000,000	-	-	-	17,000,000	17,000,000
4-Mar-24	31-Jan-27	\$0.095	6,854,194	-	-	-	6,854,194	6,854,194
26-Nov-24	31-Dec-27	\$0.064	7,110,404	-	-	-	7,110,404	7,110,404
26-Nov-24	31-Dec-27	\$0.064	68,077,096	-	-	-	68,077,096	68,077,096
6-Dec-24	31-Dec-27	\$0.064	100,612,567	-	-	-	100,612,567	100,612,567
11-Dec-24	31-Dec-27	\$0.064	9,295,492	-	-	-	9,295,492	9,295,492
			221,116,420	-	-	-	221,116,420	221,116,420

Novatti Group Limited

Directors' declaration

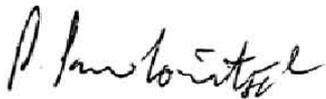
For the half-year ended 31 December 2025

In the directors' opinion:

- the attached half-year financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached half-year financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 31 December 2025 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Peter Pawlowitsch
Chairman

27 February 2026

Independent auditor's review report to the members of Novatti Group Limited

Report on the half-year financial report



Our conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Novatti Group Limited (the Company), and its subsidiaries (the Group) does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 31 December 2025 and of its financial performance for the half-year then ended; and
- complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

What was reviewed?

We have reviewed the accompanying half-year financial report of the Group, which comprises:

- the consolidated statement of financial position as at 31 December 2025,
- the consolidated statement of profit or loss and other comprehensive income for the half-year then ended,
- the consolidated statement of changes in equity for the half-year then ended,
- the consolidated statement of cash flows for the half-year then ended,
- notes to the financial statements, including material accounting policy information, and
- the directors' declaration.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 within the half-year financial report, which states that the Group incurred a net working capital deficiency of \$14,331,000 as at 31 December 2025 and net cash outflows from operating activities of \$51,000 for the half-year ended 31 December 2025. As stated in Note 2, these events and conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

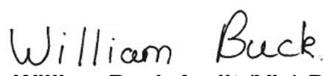
Responsibilities of the directors for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.


William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136


A. A. Finnis
Director
Melbourne, 27 February 2026