

Novatti Group Limited
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	Novatti Group Limited
ACN:	606 556 183
Reporting period:	For the year ended 30 June 2024
Previous period:	For the year ended 30 June 2023

2. Results for announcement to the market

			\$'000
Revenues from ordinary activities	up	10.0% to	42,899
Loss from ordinary activities after tax attributable to the owners of Novatti Group Limited	down	20.6% to	<u>(20,886)</u>
Loss for the year attributable to the owners of Novatti Group Limited	down	20.6% to	<u>(20,886)</u>

Dividends

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

Comments

The loss from continuing operations for the consolidated entity after providing for income tax amounted to \$18,208,000 (30 June 2023: \$23,206,000). The loss from discontinued operations for the consolidated entity after providing for income tax amounted to \$3,120,000 (30 June 2023: \$3,339,000).

The Group's revenue increased by 10.1% to \$42,899,000 (30 June 2023: \$38,979,000). The underlying EBITDA* increased by 16% to a loss of \$12,522,000 compared to the corresponding prior year of \$14,989,000 loss.

The net asset position decreased by \$15,869,000 to \$(394,000) as at 30 June 2024 (30 June 2023: \$15,475,000). Cash and cash equivalent excluding asset held for disposal was \$5,208,000 at 30 June 2024.

	2024	2023	Change	Change
	\$'000	\$'000	\$'000	%
Net loss from operations	(21,328)	(26,545)	5,217	(20%)
Less:				
Interest income	(1,445)	(503)	(942)	187%
Add back:				
Depreciation and amortisation	2,113	2,211	(98)	(4%)
Finance charges	1,504	1,382	122	9%
Indirect tax expenses	-	109	(109)	(100%)
EBITDA	(19,156)	(23,346)	4,190	(18%)
Add back/(less):				
Vesting of share-based payments	1,223	2,265	(1,042)	(46%)
Losses on fair value movement of investments	2,724	15,877	(13,153)	(83%)
Dividends from Reckon Limited	(563)	(13,511)	12,948	(96%)
Termination payments	953	387	566	146%
Fair value movement of embedded derivatives of convertible notes	(823)	-	(823)	-
Banking business	3,120	3,339	(219)	(7%)
Underlying EBITDA *	(12,522)	(14,989)	2,467	(16%)

*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, restricting 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.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	(1.90)	8.14

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable for the year ended 30 June 2024. On 25 July 2024, the Company announced that it has entered into a binding agreement with Eurus Capital Pty Ltd (Eurus) for the sale of 100% of its shares in IBOA Group Holdings Pty Ltd (IBOA) for \$2.87 million.

6. Dividends

Current period

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

Previous period

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

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

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 Company's audit is continuing at present. Consistent with the half year accounts to 31 December 2023 the Company expects that the audit report will include an emphasis of matter paragraph highlighting a material uncertainty relating to the Company's ability to continue as a going concern and the need to strengthen the Company's balance sheet, which may include future capital raisings, access to debt facilities, and/or sale of non-core assets.

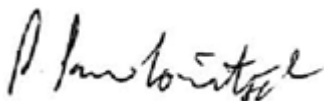
Novatti Group Limited
Auditor's independence declaration

11. Attachments

Details of attachments (if any):

The Preliminary final report – Appendix 4E is attached.

12. Signed



Signed _____

Date: 30 August 2024

Peter Pawlowitsch
Chairman

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Novatti Group Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

	Note	Consolidated 2024 \$'000	2023 \$'000
Revenue from continuing operations	2	42,899	38,979
Other income	3	2,945	16,151
Expenses			
Administrative and corporate costs		(3,422)	(5,292)
Client hosting fees and other direct services		(25,539)	(20,731)
Employee benefits		(22,744)	(25,677)
Foreign currency translation gains/(losses)		(956)	(69)
Marketing and selling expenses		(494)	(1,037)
Data management expenses		(4,225)	(3,791)
Loss on investments at fair value through profit or loss	7	(2,639)	(15,877)
Vesting charge for share-based payments		(1,223)	(2,265)
Gains on embedded derivative - convertible note facility		823	-
Depreciation and amortisation expense		(2,113)	(2,211)
Finance costs		(1,504)	(1,382)
Loss before income tax expense from continuing operations		(18,192)	(23,202)
Income tax expense		(16)	(4)
Loss after income tax expense from continuing operations		(18,208)	(23,206)
Loss after income tax expense from discontinued operations	4	(3,120)	(3,339)
Loss after income tax expense for the year		(21,328)	(26,545)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		186	(238)
Other comprehensive income for the year, net of tax		186	(238)
Total comprehensive income for the year		<u>(21,142)</u>	<u>(26,783)</u>
Loss for the year is attributable to:			
Non-controlling interest		(442)	(235)
Owners of Novatti Group Limited		(20,886)	(26,310)
		<u>(21,328)</u>	<u>(26,545)</u>
Total comprehensive income for the year is attributable to:			
Continuing operations		-	-
Discontinued operations		(399)	(235)
Non-controlling interest		(399)	(235)
Continuing operations		(18,022)	(23,444)
Discontinued operations		(2,721)	(3,104)
Owners of Novatti Group Limited		(20,743)	(26,548)
		<u>(21,142)</u>	<u>(26,783)</u>

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 profit or loss and other comprehensive income
For the year ended 30 June 2024

	Cents	Cents
Earnings per share for loss from continuing operations attributable to the owners of Novatti Group Limited		
Basic loss per share	(5.291)	(6.880)
Diluted loss per share	(5.291)	(6.880)
Earnings per share for loss from discontinued operations attributable to the owners of Novatti Group Limited		
Basic loss per share	(0.907)	(0.990)
Diluted loss per share	(0.907)	(0.990)
Earnings per share for loss attributable to the owners of Novatti Group Limited		
Basic loss per share	(6.070)	(7.800)
Diluted loss per share	(6.070)	(7.800)

* The above consolidated statement of comprehensive income for the year ended 30 June 2023 has been restated for discontinued operations. Refer to note 4 for detailed information on Discontinued operations.

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Novatti Group Limited
Consolidated statement of financial position
As at 30 June 2024

	Note	Consolidated 2024 \$'000	2023 \$'000
Assets			
Current assets			
Cash and cash equivalents *	5	5,208	18,215
Trade and other receivables		8,623	7,748
Financial assets - funds in trust	6	93,403	92,444
Other current assets		525	1,131
		<u>107,759</u>	<u>119,538</u>
Assets of disposal groups classified as held for sale		4,357	-
Total current assets		<u>112,116</u>	<u>119,538</u>
Non-current assets			
Other investments at fair value through profit and loss	7	166	11,847
Plant and equipment		295	407
Right-of-use assets		353	1,509
Intangible assets		6,390	7,904
Security deposits	13	4,537	4,429
Total non-current assets		<u>11,741</u>	<u>26,096</u>
Total assets		<u>123,857</u>	<u>145,634</u>
Liabilities			
Current liabilities			
Trade and other payables	8	23,436	22,420
Settlement, remittance and visa funds payable	9	93,390	91,629
Borrowings	10	880	-
Lease liabilities		243	271
Contract liabilities		472	286
Employee benefits		3,078	3,338
		<u>121,499</u>	<u>117,944</u>
Liabilities directly associated with assets classified as held for sale		396	-
Total current liabilities		<u>121,895</u>	<u>117,944</u>
Non-current liabilities			
Borrowings	10	-	10,500
Lease liabilities		146	1,575
Convertible note facilities	11	2,146	-
Employee benefits		64	140
Total non-current liabilities		<u>2,356</u>	<u>12,215</u>
Total liabilities		<u>124,251</u>	<u>130,159</u>
Net (liabilities)/assets		<u>(394)</u>	<u>15,475</u>
Equity			
Issued capital	12	91,806	90,686
Reserves		6,062	5,401
Accumulated losses		(103,070)	(83,477)
(Deficiency)/equity attributable to the owners of Novatti Group Limited		(5,202)	12,610
Non-controlling interest		4,808	2,865
Total (deficiency)/equity		<u>(394)</u>	<u>15,475</u>

* Cash and cash equivalent excludes cash held by International Bank of Australia, which is classified as held for sale

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 year ended 30 June 2024

Consolidated	Issued capital \$'000	Share-based payment reserve \$'000	Foreign currency translation reserve \$'000	Accumulated losses \$'000	Non- Controlling Interests \$'000	Total equity \$'000
Balance at 1 July 2022	89,336	4,361	620	(57,676)	-	36,641
Loss after income tax expense for the year	-	-	-	(26,310)	(235)	(26,545)
Other comprehensive income for the year, net of tax	-	-	(238)	-	-	(238)
Total comprehensive income for the year	-	-	(238)	(26,310)	(235)	(26,783)
<i>Transactions with owners in their capacity as owners:</i>						
Expiry of share options	-	(509)	-	509	-	-
Vesting of share-based payments arrangements	-	2,265	-	-	-	2,265
Issue of shares in lieu of consultancy fees	31	-	-	-	-	31
Issue of shares in lieu of staff remuneration	221	-	-	-	-	221
Issue of shares on exercise of options	1,098	(1,098)	-	-	-	-
Issue of shares in subsidiary to external investor	-	-	-	-	3,100	3,100
Balance at 30 June 2023	<u>90,686</u>	<u>5,019</u>	<u>382</u>	<u>(83,477)</u>	<u>2,865</u>	<u>15,475</u>

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 year ended 30 June 2024

Consolidated	Issued capital \$'000	Convertible note reserve \$'000	Share- based payment reserve \$'000	Foreign currency translation reserve \$'000	Accumulat ed losses \$'000	Non- Controlling Interests \$'000	Total deficiency in equity \$'000
Balance at 1 July 2023	90,686	-	5,019	382	(83,477)	2,865	15,475
Loss after income tax expense for the year	-	-	-	-	(20,886)	(442)	(21,328)
Other comprehensive income for the year, net of tax	-	-	-	186	-	-	186
Total comprehensive income for the year	-	-	-	186	(20,886)	(442)	(21,142)
<i>Transactions with owners in their capacity as owners:</i>							
Expiry of share-based payments	-	-	(1,293)	-	1,293	-	-
Vesting of share-based payments arrangements	-	-	1,147	-	-	-	1,147
Issue of option on inception of convertible note	-	681	-	-	-	-	681
Issue of shares in lieu of consultancy fees	233	-	-	-	-	-	233
Issue of shares (net of transaction costs)	823	-	-	-	-	-	823
Issue of shares on exercise of options	60	-	(60)	-	-	-	-
Conversion of convertible notes into shares	4	-	-	-	-	-	4
Issue of shares in subsidiary to external investor	-	-	-	-	-	2,385	2,385
Balance at 30 June 2024	<u>91,806</u>	<u>681</u>	<u>4,813</u>	<u>568</u>	<u>(103,070)</u>	<u>4,808</u>	<u>(394)</u>

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 year ended 30 June 2024

	Note	Consolidated 2024 \$'000	2023 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		94,453	78,282
Payments to suppliers and employees (inclusive of GST)		(108,638)	(91,708)
Interest received		1,260	668
Receipt of Government grants		676	1,921
Interest and other finance costs paid		(1,722)	(1,238)
Dividends received		563	13,511
Income taxes paid		(17)	(43)
		<u>(13,425)</u>	<u>1,393</u>
Cash flows from investing activities			
Payments for plant and equipment		(10)	(35)
Payments for intangible assets		(218)	(353)
Payments for security deposits		-	(1,573)
Proceeds from disposal of Reckon		8,958	-
		<u>8,730</u>	<u>(1,961)</u>
Cash flows from financing activities			
Repayment of borrowings		(11,720)	(40)
Proceeds from borrowings		2,100	10,500
Borrowings transaction costs		-	(392)
Proceeds from issue of convertible note facility		3,500	-
Repayment of lease liabilities		(354)	(256)
Proceeds from the issue of shares of the Company		823	-
Proceeds from the issue of shares of non-controlling interest		2,254	3,100
		<u>(3,397)</u>	<u>12,912</u>
Net cash (used in)/from financing activities		<u>(3,397)</u>	<u>12,912</u>
Net (decrease)/increase in cash and cash equivalents		(8,092)	12,344
Cash and cash equivalents at the beginning of the financial year		18,215	6,059
Effects of exchange rate changes on cash and cash equivalents		(654)	(188)
		<u>(8,746)</u>	<u>11,871</u>
Cash and cash equivalents at the end of the financial year *	5	<u><u>9,469</u></u>	<u><u>18,215</u></u>

* Includes cash and cash equivalents that is classified as held for sale.

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

Novatti Group Limited
Notes to the consolidated financial statements
30 June 2024

Note 1. General information

The Preliminary Final Report has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. The Preliminary Final Report also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

This Preliminary Final Report has been prepared in accordance with ASX Listing Rules as they relate to the Appendix 4E and in accordance with the recognition and measurement requirements of the Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001. As such, this preliminary final report does not include all the notes of the type included in an annual financial report and accordingly, should be read in conjunction with the annual report for the year ended 30 June 2023 and any ASX announcements made by the Company during the period.

Note 2. Revenue

	Payments AU/NZ \$'000	Payments International \$'000	Technology Solutions \$'000	Investments \$'000	Consolidated \$'000
30 June 2024					
Revenue					
Revenue from ordinary activities	13,720	18,012	5,796	5,371	42,899
30 June 2023					
Revenue					
Revenue from ordinary activities	10,500	10,060	6,535	11,884	38,979

Note 3. Other income

	Consolidated	
	2024 \$'000	2023 \$'000
Government grants	677	1,921
Dividends *	563	13,511
Gain on modification of lease	260	-
Interest	1,445	503
Other	-	216
Other income	2,945	16,151

* During the year ended 30 June 2023, the Company received dividend with franking credit rate of 60% from the investment in Reckon Limited (note 7) of \$13,511,000.

Note 4. Discontinued operations

Description

During the year ended 30 June 2024, followed a strategic review of IBOA interest finding it unlikely to contribute to the Company's long term financial goals, as such the Company accounted for Novatti B Holding Company Pty Ltd and Novatti IBA Pty Ltd were accounted for as discontinued operations and 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.

Novatti Group Limited
Notes to the consolidated financial statements
30 June 2024

Note 4. Discontinued operations (continued)

Financial performance information

	Consolidated	
	2024	2023
	\$'000	\$'000
Interest income	167	165
Administrative and corporate costs	(482)	(359)
Employee benefits	(2,363)	(2,588)
Data management expenses	(442)	(557)
Total expenses	<u>(3,287)</u>	<u>(3,504)</u>
Loss before income tax expense	(3,120)	(3,339)
Income tax expense	-	-
Loss after income tax expense from discontinued operations	<u><u>(3,120)</u></u>	<u><u>(3,339)</u></u>

Cash flow information

	Consolidated	
	2024	2023
	\$'000	\$'000
Net cash used in operating activities	(2,688)	(2,783)
Net cash from investing activities	-	-
Net cash from financing activities	<u>1,616</u>	<u>8,100</u>
Net (decrease)/increase in cash and cash equivalents from discontinued operations	<u><u>(1,072)</u></u>	<u><u>5,317</u></u>

Note 5. Cash and cash equivalents

	Consolidated	
	30 June 2024	30 June 2023
	\$'000	\$'000
<i>Current assets</i>		
Cash at bank	<u>5,208</u>	<u>18,215</u>

Reconciliation to cash and cash equivalents at the end of the financial year

The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:

Balances as above	5,208	18,215
Cash and cash equivalents - classified as held for sale	<u>4,261</u>	<u>-</u>
Balance as per statement of cash flows	<u><u>9,469</u></u>	<u><u>18,215</u></u>

Novatti Group Limited
Notes to the consolidated financial statements
30 June 2024

Note 6. Financial assets - funds in trust

	Consolidated	
	30 June 2024	30 June 2023
	\$'000	\$'000
<i>Current assets</i>		
Settlement funds*	30,906	41,800
Remittance funds*	9,958	12,644
Client visa funds*	52,539	38,000
	<u>93,403</u>	<u>92,444</u>

* Refer to note 9 Settlement, Remittance and Client visa funds payable

Note 7. Other investments at fair value through profit and loss

	Consolidated	
	30 June 2024	30 June 2023
	\$'000	\$'000
<i>Non-current assets</i>		
Investment in Rent Pay Pty Ltd	166	250
Investment in Reckon Limited	-	11,597
	<u>166</u>	<u>11,847</u>

For all of these investments, the directors consider that the Company has less than a significant influence. Accordingly, they are all held at fair value through profit or loss. The investments in Rent Pay Pty Ltd are Level 2 valuation investments as they are unlisted, with the derivation of their value from the last available public information for trading in the shares of those investments at arms-length terms. The investment in Reckon Limited is a Level 1 investment, being that it is quoted on the Australian Securities Exchange.

The Reckon Limited (ASX: RKN) ("Reckon") shares were originally acquired at \$1.00 per share. On 16 November 2023, the Company announced that it had agreed the sale of its 19.9% holding in Reckon Limited (ASX: RKN) ("Reckon") at \$0.40 per share for an aggregate price of \$8.9 million and would redeem and fully repay its \$10.5 million corporate bond facility.

Note 8. Trade and other payables

	Consolidated	
	30 June 2024	30 June 2023
	\$'000	\$'000
<i>Current liabilities</i>		
Trade payables	9,344	8,062
Sundry creditors and accrued expenses	14,092	14,358
	<u>23,436</u>	<u>22,420</u>

Novatti Group Limited
Notes to the consolidated financial statements
30 June 2024

Note 9. Settlement, remittance and visa funds payable

	Consolidated	
	30 June 2024	30 June 2023
	\$'000	\$'000
<i>Current liabilities</i>		
Settlement funds payable*	30,893	41,746
Remittance funds payable*	9,958	12,622
Client visa funds payable*	52,539	37,261
	<u>93,390</u>	<u>91,629</u>

*Client Funds held for Settlement, Remittance and Visa, refer to note 6 - Financial assets - funds in trust.

Note 10. Borrowings

	Consolidated	
	30 June 2024	30 June 2023
	\$'000	\$'000
<i>Current liabilities</i>		
Loan from related parties	880	-
<i>Non-current liabilities</i>		
Bond	-	10,500
	<u>880</u>	<u>10,500</u>

Loan from related parties

Unsecured loans from related parties at 12% interest per annum on the principal amount, which will accrue from day to day.

Bond

On 15 August 2022, the Company completed a \$10.5 million corporate bond issue to support growth in core payment processing business and capital for proposed banking business. The bonds are secured over all of the assets and undertakings of the consolidated entity other than IBOA Group Holdings Pty Ltd and its controlled subsidiaries; and are issued for a fixed term of five years from the date funds are received by Company, with interest at 90-day BBSW plus 650bps, interest settled quarterly and there are no equity conversion features with respect to this bond. It was fully repaid during the year ended 30 June 2024.

There was no breach to the terms and conditions during the year and as at 30 June 2024.

Note 11. Convertible note facilities

	Consolidated	
	30 June 2024	30 June 2023
	\$'000	\$'000
<i>Non-current liabilities</i>		
Convertible note facility	1,228	-
Embedded derivative - Convertible note facility	918	-
	<u>2,146</u>	<u>-</u>

Novatti Group Limited
Notes to the consolidated financial statements
30 June 2024

Note 11. Convertible note facilities (continued)

	30 June 2024 \$'000	30 June 2023 \$'000
Opening balance	-	-
Convertible notes issued during the year	3,500	-
Transfer to convertible notes reserve	(693)	-
Transaction costs associated with issue	(105)	-
Movement attributable to fair value of embedded derivative	(823)	-
Interest charged on convertible notes over period	271	-
Conversion of convertible notes into shares during the year	(4)	-
Additional shares issued on settlement of interest	-	-
	<u>2,146</u>	<u>-</u>
Closing balance	<u>2,146</u>	<u>-</u>

Novatti Group Limited issued a convertible note facility in the amount of \$3.50 million. The first tranche of the convertible note facility was issued on 3 January 2024 to the value of \$1.46 million and the second tranche issued on 14 February 2024 to the value of \$2.04 million and subsequently \$12,000 was converted to shares with current balance being \$3.488 million.

The Convertible Notes have a \$1.00 face value, a coupon of 10% per annum and a maturity date of 22 December 2026. They are convertible into Shares at a conversion price of the lower of \$0.06 and the next equity capital raising price, subject to a floor price of \$0.04. Current balance is \$3.488 million.

Note 12. Issued capital

	30 June 2024 Shares	Consolidated 30 June 2023 Shares	30 June 2024 \$'000	30 June 2023 \$'000
Ordinary shares - fully paid	<u>335,750,444</u>	<u>338,656,542</u>	<u>91,806</u>	<u>90,686</u>

Movements in ordinary share capital

Details	Date	Shares	\$'000
Balance	1 July 2022	335,297,521	89,336
Issue of shares to employees	30 September 2022	1,228,000	221
Issue of shares on exercise of options	30 November 2022	1,069,869	330
Issue of shares on exercise of options	13 December 2022	145,905	90
Issue of shares on exercise of options	20 December 2022	690,247	678
Issue of shares in lieu of consultancy fees	11 May 2023	<u>225,000</u>	<u>31</u>
Balance	1 July 2023	338,656,542	90,686
Issue of in lieu of consultancy fees	15 January 2024	1,435,526	174
Share purchase plan	4 March 2024	13,708,376	823
Exercise of options on convertible notes	14 March 2024	200,000	4
Issue of shares to employees	17 April 2024	1,000,000	60
Issue of in lieu of consultancy fees	15 May 2024	<u>750,000</u>	<u>59</u>
Balance	30 June 2024	<u>355,750,444</u>	<u>91,806</u>

Note 13. Contingent liabilities

Deposits under non-current assets are refundable collateral held by card processing schemes. The conditions in place for the deposits are relating to a) the Visa partnership Principal Issuing License; and b) the Mastercard, AMEX and Visa Acquiring 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 bank account 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 consolidated entity had no other contingent liabilities as at 30 June 2024 and 30 June 2023.

Note 14. Events after the reporting period

On 25 July 2024, the Company announced that it has entered into a binding agreement with Eurus Capital Pty Ltd (Eurus) for the sale of 100% of its shares in IBOA Group Holdings Pty Ltd (IBOA) for \$2.87 million.

No other matter or circumstance has arisen since 30 June 2024 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.

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