



OVANTI LIMITED (ASX: OVT)
(ACN 091 192 871)

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31 October 2024

Company Announcements Office
Australian Securities Exchange

ACTIVITIES REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2024

The Board of **Ovanti Ltd** (“**OVT**” or the “**Company**”) provides its quarterly activities report for the period ended 30 September 2024.

OPERATIONS UPDATE:

INCREASED DIVIDEND FROM IDSB INVESTMENT

The Company notes the strong performance of the IDSB business during the quarter, which the Company maintains a 21% shareholding in. During the quarter, the monthly dividend the Company receives from IDSB increased by 57% to RM 369,000 per month (which converts to approximately AUD \$128,000 per month paid to the Company).

INTENTION TO SELL IDSB INVESTMENT – PROCEEDS TO FUND US BNPL MARKET ENTRY

Having noted the improved performance of the Company’s IDSB investment during the quarter as evidenced by the 57% increase in the monthly dividend the Company receives from IDSB, the Company in the upcoming quarter expects to finalise the sale of its 21% shareholding in IDSB in order to fund the Company’s entry into the US BNPL market.

Subsequent to the end of the quarter, on 17 October 2024 the Company announced the hire of a new Chief Executive Officer Mr Simon Keast who was the former US CFO of Zip Co Limited (ASX:ZIP), Senior Director of Zip Co Limited and Managing Director of Zip Business Capital. Prior to those roles, he was Division Director and Head of Small Business Designs & Solutions at Macquarie Bank Limited (ASX:MQG).

Although the IDSB investment is performing well, the Board has made the commercial decision to sell this non-BNPL related investment in order to strategically focus the Company’s time and capital on funding the US BNPL market entry. By selling the IDSB investment, the Company is able to allocate funding to US BNPL market entry and reduce the need for dilutionary capital raising.

iSentric (OVT’s WHOLLY OWNED SUBSIDIARY) OPERATIONS UPDATE

Contract Renewal with BSN Malaysia:

- iSentric has successfully renewed a three-year contract with Bank Simpanan Nasional (BSN) Malaysia. This renewal reflects the continued trust in iSentric’s service capabilities and reaffirms our strategic relationship with BSN.

Implementation of WhatsApp Omni-Channel Platform with TNG:

- TNG (Touch N Go) and Malaysia's national electricity provider have successfully implemented iSentric's new WhatsApp Omni-Channel platform. This deployment allows seamless communication and support for millions of customers. We expect monthly message volumes to scale into the millions as the service gains traction.

Rationalisation and Support Transition:

- As part of a company-wide rationalisation initiative, iSentric has closed its Indian Help Desk and migrated all Support and Help Desk functions in-house. This strategic move has resulted in substantial cost savings and improved the customer support experience through better alignment and response times.

Increase in SMS Volume:

- Our SMS volume has shown an upward trend, exceeding the same period last year, indicating growing demand for our messaging services across various sectors.
- Conversational AI SMS Platform – Ready for Trial
- The latest version of our SMS platform, featuring integrated Conversational AI capabilities, is near completion. We are excited to announce that the platform is ready for trial with Johor State Tourism, which will showcase its potential to enhance engagement through intelligent and responsive messaging.

Outlook and Forward Strategy for iSentric:

- These recent developments reinforce iSentric's position as a leader in omni-channel digital services across Malaysia. The company will continue focusing on product innovation, customer experience, and operational efficiency to drive sustainable growth and profitability.

LITIGATION UPDATE

The Company's Malaysian claims include numerous suits on foot. Current suits before the Courts in Malaysia include but are not limited to: Suit 137, Suit 228, Suit 125, Suit 73, Suit 489, Appeal 1646, Appeal 1647 and Suit 292. To assist these efforts, the Company has engaged global consultancy J.S. Held. Proceeds from litigation settlements, when they occur, shall be allocated to funding the Company's operations, predominantly the US BNPL market entry. The Company notes per the recent Annual Report released to the market that the Company is seeking in excess of AUD \$20,000,000 (the quantum of the Company's claims). The Company, on advice of its lawyers, continues to maintain that view.

CORPORATE

- On 25 July 2024 the Company announced to the market firm commitments to raise \$1,200,000 at \$0.004 per share for working capital and further provision for costs associated with ongoing litigation and investigations. On 29 July 2024, the Company also announced a 1 for 3 rights issue, to raise up to an additional \$2,030,000 at 0.004 per share. On 19 September 2024, the Company announced that 33,742,859 shares had been placed pursuant to the offer. Subsequent to the end of the quarter,

the total remaining 473,797,311 shortfall shares were placed and issued on 22 October 2024 as announced to the market which raised additional funds of \$1,895,189.24.

- Per the Appendix 4C, the Company's cash position as at 30 September 2024 was \$368,000. With total operating negative cash flow for the quarter was (\$1,634K). The Company notes, subsequent to the end of the quarter, \$1,895,189 was received from placing the shortfall shares which has improved the cash position of the Company.
- The Company in the upcoming quarter expects to finalise the sale of its 21% shareholding in IDSB in order to fund the Company's entry into the US BNPL market.
- Payments to related parties during the quarter amounted to A\$253k, consisting of director and consulting fees.

The release of this announcement was authorised by the Board of the Company.

ENDS

About Ovanti Limited (ASX:OVT):

Ovanti Limited (ASX:OVT) provides fintech and digital commerce software solutions and services that enable its institutional customers to securely authenticate end-user customers and process banking, purchase and payment transactions.

The Company's core technology platform enables large customer communities to connect to end user customers using any mobile device and integrate mobile technology throughout their existing business and customer product offerings. The Company's business divisions consist of Mobile Banking and Digital Payments which service leading banks in Malaysia and large telcos and corporates in Malaysia & Indonesia. Ovanti also works with telecommunication network providers to provided mobile OTT (over-the-top) services that leverage their subscriber base to build active communities.

Appendix 4C

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

Name of entity

Ovanti Limited

ABN

11 091 192 871

Quarter ended ("current quarter")

30 September 2024

Consolidated statement of cash flows	Current quarter \$AU'000	Year to date (3 months) \$AU'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,669	1,669
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(1,557)	(1,557)
(c) advertising and marketing	(114)	(114)
(d) leased assets		
(e) staff costs	(77)	(77)
(f) administration and corporate costs	(1,555)	(1,555)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(1,634)	(1,634)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment		
(d) investments		

Consolidated statement of cash flows	Current quarter \$AU'000	Year to date (3 months) \$AU'000
(e) intellectual property		
(f) other non-current assets		
2.2 Proceeds from disposal of:		
(a) entities		
(b) businesses		
(c) property, plant and equipment		
(d) investments		
(e) intellectual property		
(f) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)	328	328
2.5 Other (provide details if material)		
2.6 Net cash from / (used in) investing activities	328	328

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	1,335	1,335
3.2 Proceeds from issue of convertible debt securities		
3.3 Proceeds from exercise of options		
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(149)	(149)
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
3.10 Net cash from / (used in) financing activities	1,186	1,186

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	472	472
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,634)	(1,634)

Consolidated statement of cash flows		Current quarter \$AU'000	Year to date (3 months) \$AU'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	328	328
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,186	1,186
4.5	Effect of movement in exchange rates on cash held	16	16
4.6	Cash and cash equivalents at end of period	368	368

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$AU'000	Previous quarter \$AU'000
5.1	Bank balances	368	472
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	368	472

6.	Payments to related parties of the entity and their associates	Current quarter \$AU'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	253
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

6.1 Includes payment of wages and salaries, directors' fees totalling \$108K plus fees for other services, including rent and consulting of \$145K.

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

7. Financing facilities	Total facility amount at quarter end \$AU'000	Amount drawn at quarter end \$AU'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$AU'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,634)
8.2 Cash and cash equivalents at quarter end (item 4.6)	368
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	368
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	0.23
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Yes	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: On 22 October 2024 the Company placed the rights issue shortfall shares to raise \$1,895,189. In addition, the Company expects to receive substantial funds from the intended disposal of its IDSB investment during the December quarter in order to fund ongoing operations and the Company's US BNPL market entry.	

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: The Company successfully raised funds via a rights issue and continues to have the support of the major shareholders if funding is required. Further, as per 8.6.2, the Company is intending to sell the IDSB investment during the December quarter.

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

31 October 2024

Date:

Board of Directors

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

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