

Ovanti Limited
Appendix 4E
Preliminary final report

1. Company details

Name of entity: Ovanti Limited
ABN: 11 091 192 871
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

			\$
Revenues from ordinary activities	down	36.3% to	6,043,126
Loss from ordinary activities after tax attributable to the owners of Ovanti Limited	down	83.6% to	(5,948,034)
Loss for the year attributable to the owners of Ovanti Limited	down	83.6% to	(5,948,034)

Dividends

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

Comments

The loss for the consolidated entity after providing for income tax amounted to \$5,948,034 (30 June 2023: \$36,345,472).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>0.93</u>	<u>1.85</u>

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

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:

Not applicable.

10. Audit qualification or review

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


The attached financial report has not been audited.

11. Attachments

Details of attachments (if any):

The Preliminary Financial Report of Ovanti Limited for the year ended 30 June 2024 is attached.

12. Signed

Signed  _____

Date: 30 August 2024

David Halliday
Non-Executive Chairman

Ovanti Limited

ABN 11 091 192 871

Preliminary Financial Report - 30 June 2024

Ovanti Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

	Note	Consolidated 2024 \$	2023 \$
Revenue	1	6,043,126	9,485,500
Other income	2	1,494,619	2,745,338
Expenses			
Cost of sales		(5,913,929)	(6,951,942)
Administration expenses		(748,937)	(851,593)
Marketing expenses		(945,353)	(973,413)
Travel expenses		(221,335)	(156,270)
Employee benefits expense		(961,813)	(3,955,346)
Insurance expenses		(62,416)	(54,057)
Depreciation and amortisation expense		(21,138)	(648,117)
Impairment of receivable	4	(95,997)	(20,815,475)
Impairment of property plant and equipment		-	(589,371)
Impairment of goodwill on consolidation	7	-	(3,046,539)
Compliance and professional fees		(4,026,512)	(2,805,794)
Impairment of investment in associate	5	-	(7,379,273)
Other expenses		(387,585)	(300,742)
Finance costs		(100,764)	(48,378)
Loss before income tax expense		(5,948,034)	(36,345,472)
Income tax expense		-	-
Loss after income tax expense for the year attributable to the owners of Ovanti Limited		(5,948,034)	(36,345,472)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(24,154)	(1,257,733)
Other comprehensive income for the year, net of tax		(24,154)	(1,257,733)
Total comprehensive income for the year attributable to the owners of Ovanti Limited		(5,972,188)	(37,603,205)
		Cents	Cents
Basic earnings per share	14	(0.64)	(6.45)
Diluted earnings per share	14	(0.64)	(6.45)

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

Ovanti Limited
Statement of financial position
As at 30 June 2024

	Note	Consolidated	
		2024	2023
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	3	472,666	2,042,103
Trade and other receivables	4	1,295,678	1,507,806
Contract assets		47,007	677,360
Income tax refund due		-	2,974
Other		50,958	61,768
Total current assets		<u>1,866,309</u>	<u>4,292,011</u>
Non-current assets			
Investments accounted for using the equity method	5	13,977,416	13,592,369
Property, plant and equipment		164	8,991
Right-of-use assets	6	-	240,547
Total non-current assets		<u>13,977,580</u>	<u>13,841,907</u>
Total assets		<u>15,843,889</u>	<u>18,133,918</u>
Liabilities			
Current liabilities			
Trade and other payables	8	3,276,539	3,548,386
Contract liabilities		-	55,445
Borrowings	9	1,245,171	2,362,521
Lease liabilities		-	244,841
Total current liabilities		<u>4,521,710</u>	<u>6,211,193</u>
Non-current liabilities			
Lease liabilities		-	26,360
Provisions	10	-	64,498
Total non-current liabilities		<u>-</u>	<u>90,858</u>
Total liabilities		<u>4,521,710</u>	<u>6,302,051</u>
Net assets		<u>11,322,179</u>	<u>11,831,867</u>
Equity			
Issued capital	11	87,497,725	82,560,538
Reserves	12	94,095	(407,064)
Accumulated losses		(76,269,641)	(70,321,607)
Total equity		<u>11,322,179</u>	<u>11,831,867</u>

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

Ovanti Limited
Statement of changes in equity
For the year ended 30 June 2024

Consolidated	Issued capital \$	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2022	81,126,819	909,214	(34,034,680)	48,001,353
Loss after income tax expense for the year	-	-	(36,345,472)	(36,345,472)
Other comprehensive income for the year, net of tax	-	(1,257,733)	-	(1,257,733)
Total comprehensive income for the year	-	(1,257,733)	(36,345,472)	(37,603,205)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 11)	1,433,719	-	-	1,433,719
Transfer on lapse of options	-	(58,545)	58,545	-
Balance at 30 June 2023	<u>82,560,538</u>	<u>(407,064)</u>	<u>(70,321,607)</u>	<u>11,831,867</u>
Consolidated	Issued capital \$	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2023	82,560,538	(407,064)	(70,321,607)	11,831,867
Loss after income tax expense for the year	-	-	(5,948,034)	(5,948,034)
Other comprehensive income for the year, net of tax	-	(24,154)	-	(24,154)
Total comprehensive income for the year	-	(24,154)	(5,948,034)	(5,972,188)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 11)	4,937,187	-	-	4,937,187
Share-based payments	-	525,313	-	525,313
Balance at 30 June 2024	<u>87,497,725</u>	<u>94,095</u>	<u>(76,269,641)</u>	<u>11,322,179</u>

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

Ovanti Limited
Statement of cash flows
For the year ended 30 June 2024

	Note	Consolidated	
		2024	2023
		\$	\$
Cash flows from operating activities			
Receipts from customers		7,692,324	7,381,385
Payments to suppliers and employees		(14,061,168)	(13,657,233)
Interest received		3,148	2,109
Interest and other finance costs paid		(34,049)	(36,057)
Income taxes paid		-	(32,525)
		<u> </u>	<u> </u>
Net cash used in operating activities		(6,399,745)	(6,342,321)
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired		-	(1,505,117)
Payments for property, plant and equipment		(28,196)	(248,443)
Proceeds from disposal of property, plant and equipment		7,232	-
Dividends received		840,460	763,913
		<u> </u>	<u> </u>
Net cash from/(used in) investing activities		819,496	(989,647)
Cash flows from financing activities			
Proceeds from issue of shares	11	3,320,936	1,521,850
Proceeds from convertible notes		825,000	-
Proceeds from borrowings		350,000	2,350,200
Share issue transaction costs		(264,000)	(88,131)
Repayment of lease liabilities		(215,552)	(269,616)
		<u> </u>	<u> </u>
Net cash from financing activities		4,016,384	3,514,303
Net decrease in cash and cash equivalents		(1,563,865)	(3,817,665)
Cash and cash equivalents at the beginning of the financial year		2,042,103	5,859,768
Effects of exchange rate changes on cash and cash equivalents		(5,572)	-
		<u> </u>	<u> </u>
Cash and cash equivalents at the end of the financial year	3	<u><u>472,666</u></u>	<u><u>2,042,103</u></u>

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

Ovanti Limited
Notes to the financial statements
30 June 2024

Note 1. Revenue

	Consolidated	
	2024	2023
	\$	\$
Sales	6,043,126	9,485,500

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	2024	2023
	\$	\$
<i>Geographical regions</i>		
Malaysia	6,043,126	9,485,500
<i>Timing of revenue recognition</i>		
Services transferred over time	6,043,126	9,485,500

Note 2. Other income

	Consolidated	
	2024	2023
	\$	\$
Net foreign exchange gain/(loss)	(207,410)	1,209,256
Interest revenue	3,148	2,109
Other miscellaneous income	980	62,475
Share of profit of equity-accounted associate	1,344,055	1,378,881
Net gain on loss of control of subsidiary	-	92,617
Reversal of impairment of receivables	353,846	-
Other income	1,494,619	2,745,338

Note 3. Current assets - cash and cash equivalents

	Consolidated	
	2024	2023
	\$	\$
Cash at bank	472,666	692,435
Cash in trust account	-	1,349,668
	472,666	2,042,103

Note 4. Current assets - trade and other receivables

	Consolidated	
	2024	2023
	\$	\$
Trade receivables	1,138,214	995,648
Other receivables	157,464	512,158
	1,295,678	1,507,806

Ovanti Limited
Notes to the financial statements
30 June 2024

Note 4. Current assets - trade and other receivables (continued)

During the current year, an impairment of \$95,997 has been recognised in relation to receivables. In addition, a reversal of a previous impairment of \$353,846 has been recognised in other income.

Trade and other receivables are written off where there is no reasonable expectation of recovery. For the 2023 reporting period, receivables of iSentric Sdn Bhd, IOUPay (Asia) Sdn Bhd and PT iSentric Technology were written off. There were significant indicators that there was no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments. Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item. An expense of \$20,815,475 was recognised in the prior period.

Note 5. Non-current assets - investments accounted for using the equity method

	Consolidated	
	2024	2023
	\$	\$
Investment in associate	<u>13,977,416</u>	<u>13,592,369</u>

Reconciliation

Reconciliation of the carrying amounts at the beginning and end of the current and previous financial year are set out below:

Opening carrying amount	13,592,369	20,653,297
Dividends received	(840,460)	(763,913)
Impairment of assets	-	(7,379,273)
Share of profit after tax	1,344,055	1,378,881
Effect of foreign exchange	<u>(118,548)</u>	<u>(296,623)</u>
Closing carrying amount	<u>13,977,416</u>	<u>13,592,369</u>

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investments in its associates. The Group determines at each end of the reporting period whether there is any objective evidence that the investments in the associates are impaired. For the 2023 reporting period, the Group calculated the amount of impairment as the difference between the recoverable amount of the associate, 1-Destinasi Sdn Bhd, and its carrying value. An impairment expense of \$7,379,273 was recognised in the profit or loss, in the prior year. The recoverable amount of the associate was determined based on value in use calculations which required the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management. No impairment has been recognised in the current financial year.

Interests in associates

Name	Principal place of business / Country of incorporation	Ownership interest	
		2024 %	2023 %
1-Destinasi Sdn Bhd ("IDSB"),	Malaysia	21.00%	21.00%

Note 6. Non-current assets - right-of-use assets

	Consolidated	
	2024	2023
	\$	\$
Land and buildings - right-of-use	-	779,746
Less: Accumulated depreciation	<u>-</u>	<u>(539,199)</u>
	<u>-</u>	<u>240,547</u>

Ovanti Limited
Notes to the financial statements
30 June 2024

Note 6. Non-current assets - right-of-use assets (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Land and buildings
	\$
Balance at 1 July 2022	986,056
Disposals	(58,323)
Lease modification	(416,707)
Exchange differences	(5,169)
Depreciation expense	(265,310)
	<hr/>
Balance at 30 June 2023	240,547
Disposals	(240,547)
	<hr/>
Balance at 30 June 2024	<u><u>-</u></u>

Note 7. Non-current assets - intangibles

	Consolidated	
	2024	2023
	\$	\$
Goodwill - at cost	-	17,986,155
Less: Impairment	-	(17,986,155)
	<hr/>	<hr/>
	-	-
Product development - at cost	-	629,765
Less: Accumulated amortisation	-	(629,765)
	<hr/>	<hr/>
	-	-
Intellectual property - at cost	3,856,925	3,861,646
Less: Accumulated amortisation	(3,856,925)	(3,861,646)
	<hr/>	<hr/>
	-	-
Software - at cost	-	57,162
Less: Accumulated amortisation	-	(57,162)
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
	-	-

Ovanti Limited
Notes to the financial statements
30 June 2024

Note 7. Non-current assets - intangibles (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Goodwill \$	Product development \$	Software \$	Total \$
Balance at 1 July 2022	1,563,789	4,712	32,451	1,600,952
Additions through business combinations	1,506,346	-	-	1,506,346
Exchange differences	(23,596)	-	-	(23,596)
Impairment of assets	(3,046,539)	-	-	(3,046,539)
Amortisation expense	-	(4,712)	(32,451)	(37,163)
Balance at 30 June 2023	-	-	-	-
Balance at 30 June 2024	-	-	-	-

The Group tests whether goodwill has suffered any impairment at each reporting period. Based on the management accounts of Sibu Kurnia Marine Sdn Bhd, the market value of their share capital was \$21,000 (MYR 64,000). In the absence of reliable cash flow projections to determine the recoverable amount, an impairment of goodwill of \$1,506,346 (MYR 4.5 million) was recorded during the prior year.

The Group initially recorded the goodwill of Arte Mobile Technology Pte. Ltd in 2015 and subsequently impaired \$13 million and \$855,000 in 2017 and 2019, respectively. Due to the lack of operations for the current year, no future plans from management for this entity, and the absence of any management cash flow projections to determine the recoverable amount for this entity, an impairment of \$1,504,193 was recorded for the remaining balance of the goodwill in the prior year.

Note 8. Current liabilities - trade and other payables

	Consolidated	
	2024	2023
	\$	\$
Trade payables	2,681,111	3,048,234
Accruals	-	16,802
Other payables	595,428	483,350
	<u>3,276,539</u>	<u>3,548,386</u>

Note 9. Current liabilities - borrowings

	Consolidated	
	2024	2023
	\$	\$
Loan - Finran facility	-	2,312,321
Convertible notes payable	860,384	-
Loan - other	350,000	50,200
Insurance premium funding	34,787	-
	<u>1,245,171</u>	<u>2,362,521</u>

Ovanti Limited
Notes to the financial statements
30 June 2024

Note 10. Non-current liabilities - provisions

	Consolidated	2023
	2024	2023
	\$	\$
Lease make good	-	64,498

Note 11. Equity - issued capital

	2024	2023	2024	2023
	Shares	Shares	\$	\$
	'000	'000	\$	\$
Ordinary shares - fully paid	1,222,605	642,275	87,497,725	82,560,538

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
		'000		
Balance	1 July 2022	554,012		81,126,819
Issue of shares	22 December 2022	18,263	\$0.045	821,850
Issue of shares	28 June 2024	70,000	\$0.010	700,000
Less cost of capital raised		-	\$0.000	(88,131)
Balance	30 June 2023	642,275		82,560,538
Issue of shares	20 October 2023	87,150	\$0.010	871,500
Issue of shares	3 November 2023	65,000	\$0.010	650,000
Issue of shares	6 November 2023	3,900	\$0.010	39,000
Issue of shares	28 November 2023	200,000	\$0.010	2,000,000
Issue of shares	6 December 2023	70,000	\$0.010	700,000
Issue of shares	14 March 2024	50,000	\$0.010	500,000
Issue of shares	22 April 2024	17,500	\$0.010	175,000
Issue of shares	28 June 2024	86,780	\$0.100	867,800
Less cost of capital raised		-	\$0.000	(866,113)
Balance	30 June 2024	1,222,605		87,497,725

Note 12. Equity - reserves

	Consolidated	2023
	2024	2023
	\$	\$
Foreign currency reserve	(926,738)	(902,584)
Share-based payments reserve	1,020,833	495,520
	94,095	(407,064)

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Ovanti Limited
Notes to the financial statements
30 June 2024

Note 12. Equity - reserves (continued)

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Share-based payments \$	Foreign currency \$	Total \$
Balance at 1 July 2022	554,065	355,149	909,214
Foreign currency translation	-	(1,257,733)	(1,257,733)
Transfer to retained earnings on lapse of options	(58,545)	-	(58,545)
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2023	495,520	(902,584)	(407,064)
Foreign currency translation	-	(24,154)	(24,154)
Share based payments	525,313	-	525,313
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2024	<u>1,020,833</u>	<u>(926,738)</u>	<u>94,095</u>

Note 13. Equity - dividends

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

Note 14. Earnings per share

	Consolidated	
	2024	2023
	\$	\$
Loss after income tax attributable to the owners of Ovanti Limited	<u>(5,948,034)</u>	<u>(36,345,472)</u>
	Number	Number
	'000	'000
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>927,334</u>	<u>563,903</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>927,334</u>	<u>563,903</u>
	Cents	Cents
Basic earnings per share	(0.64)	(6.45)
Diluted earnings per share	(0.64)	(6.45)