

Ovanti Limited
(Formerly known as IOU Pay Limited)
Appendix 4D
Half-year report

1. Company details

Name of entity: Ovanti Limited
ABN: 11 091 192 871
Reporting period: For the half-year ended 31 December 2023
Previous period: For the half-year ended 31 December 2022

2. Results for announcement to the market

			\$
Revenues from ordinary activities	down	30.6% to	3,291,393
Loss from ordinary activities after tax attributable to the owners of Ovanti Limited	up	38.9% to	(2,883,152)
Loss for the half-year attributable to the owners of Ovanti Limited	up	38.9% to	(2,883,152)

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 \$2,883,152 (31 December 2022: \$2,076,080).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>1.17</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 financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

11. Attachments

Details of attachments (if any):

The Interim Report of Ovanti Limited for the half-year ended 31 December 2023 is attached.

12. Signed



Signed _____

Date: 29 February 2024

David Halliday
Non-Executive Chairman

Ovanti Limited

(Formerly known as IOU Pay Limited)

ABN 11 091 192 871

Interim Report - 31 December 2023

Ovanti Limited
(Formerly known as IOU Pay Limited)
Chairman's letter
31 December 2023

Dear Shareholders,

It has again been a busy half year for your company, where as a board we continue to actively progress against our 4 stated strategic pillars – those being;

- **Funding.** To ensure the business is appropriately funded
- **Control.** To review, implement controls and “right-size” the business operations in Malaysia
- **Recover.** To vigorously pursue any alleged misappropriation of shareholder funds prior to the appointment of the current board
- **Reinstatement.** Undertake all activities required to ensure compliance with regulatory obligations and moreover the ultimate re-quotatation of the company's shares on the ASX

Aside from the various activities involved in execution of the above, as outlined in various parts of this report, the board has also been bolstered over the period by the very welcome additions of Mr Daler Faizev and Mr Joshua Quinn. Mr Faizev has extensive corporate experience and also represents the very significant commitment and financial contribution made by one of the company's largest shareholders, Finran. Mr Quinn brings to the board extensive knowledge in accounting and finance as well as general business experience. I welcome them both warmly.

Over the past six months the company, ably assisted by its corporate advisor Clee Capital, have raised \$2,530,000 in additional capital to fund and support its ongoing activities. I would like to thank Clee Capital for their continued support while also thanking existing shareholders who have participated in these raisings. I also welcome those new shareholders who have come to the company by way of these capital raisings and thank you for your support.

During the period significant progress was made towards the ultimate re-quotatation of the company's securities on the ASX. An Extraordinary General Meeting of shareholders was held to, amongst other things, remove the company's existing auditor and successfully replace them with Connect National Audit. This gave rise to the company preparing and lodging its audited Annual Financial Statements for the period ending 30 June 2023. Much work was also done in the preparation for lodgement of historic Quarterly Activity Reports and associated Appendix 4C's for the March, June and September quarters.

Along with this, in late December notice was given of an Annual General Meeting of Shareholders set for the 24th of January 2024.

These activities have allowed the company, in the latter part of the half, to actively engage with the ASX in relation to the re-quotatation of its shares. Discussions are ongoing and we look forward to the prospect of re-quotatation as early as possible in 2024.

During the half year, the board resolved to appoint Herbert Smith Freehills, an internationally recognised law firm with deep experience in litigation to spearhead the company's recovery efforts. This also came with a recommendation by Herbert Smith Freehills to appoint Cecil Abraham & Partners to represent the company on the ground in Malaysia. Significant work in the half year has been undertaken by both firms to synthesise information and prepare files and cases against those individuals and companies suspected of misappropriating or mishandling company funds.

In Malaysia our iSentirc business continues to perform well and most recently the business has undertaken a strategy to aggressively pursue collaborations with large corporations to enhance and expand its fintech solutions to provide a more robust offering. These offerings include the introduction of new and innovative services such as Electronic Direct Mail (EDM) and WhatsApp which are expected to enhance and diversify the iSentirc revenue streams.

On behalf of your board, we would like to thank you for your continued loyalty and support of the company. We have come a long way since the company was passed back to directors on the 23rd of May but there is still much to be done. As a board we look forward to updating you as we continue to progress our four strategic pillars in 2024 and continue to redefine important goals and milestones as we achieve the current ones and set new ones along the way.

Personally, I would like to extend my gratitude to my fellow board members as well as all IOU Pay staff and consultants for their hard work and dedication in a very demanding period for the company.

Kind regards,

David Halliday

Chairman Ovanti Limited.

Ovanti Limited
(Formerly known as IOU Pay Limited)
Directors' report
31 December 2023

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Ovanti Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2023.

Directors

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

David Halliday
Greg Woszczalski
Mohammad Shahrudin

Principal activities

Ovanti Limited (ASX: OVT) specializes in providing advanced fintech and digital commerce software solutions, empowering institutional clients to securely and efficiently authenticate end-user customers while seamlessly managing banking, purchasing, and payment transactions.

Our foundational technology platform facilitates the seamless connection of extensive customer communities to end-users through various mobile devices, seamlessly integrating mobile technology into their existing business and customer product portfolios. Ovanti's operational segments include Mobile Banking, Digital Payments, and Digital Services, serving the top 20 banks in Malaysia, along with prominent telecommunications companies and corporations in Malaysia and Indonesia.

Furthermore, Ovanti collaborates with telecommunication network providers to deliver mobile Over-The-Top (OTT) services, leveraging their subscriber base to foster vibrant and engaged communities.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$2,883,152 (31 December 2022: \$2,076,080).

Refer to the Chairman's letter which precedes this Directors' report.

Significant changes in the state of affairs

There were no 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 7 February 2024, the company announced that it changed its name to Ovanti Limited (previously IOU Pay Limited). The company's ASX ticker code has also changed to "OVT".

No other matter or circumstance has arisen since 31 December 2023 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.

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



David Halliday
Non-Executive Chairman

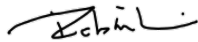
29 February 2024

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

As lead auditor for the review of Ovanti Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Ovanti Limited.



ROBIN KING HENG LI CA RCA
DIRECTOR
CONNECT NATIONAL AUDIT PTY LTD
Authorised Audit Company No. 521888
29 February 2024

Ovanti Limited
(Formerly known as IOU Pay Limited)
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31 December 2023

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General information

The financial statements cover Ovanti Limited as a consolidated entity consisting of Ovanti Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Ovanti Limited's functional and presentation currency.

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

c/- Prime Company Compliance, Level 16, 414 La Trobe
Street, MELBOURNE, VIC, AUSTRALIA, 3000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29 February 2024.

Ovanti Limited
(Formerly known as IOU Pay Limited)
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2023

	Note	Consolidated December 2023 \$	December 2022 \$
Revenue	3	3,289,976	4,744,279
Other income	4	982,830	1,267,348
Interest revenue calculated using the effective interest method		1,417	-
Expenses			
Sales direct costs		(3,313,023)	(3,080,531)
Administration expenses		(474,765)	(394,077)
Marketing expenses		(547,562)	(681,017)
Travel expenses		(123,499)	(55,083)
Employee benefits expense		(546,087)	(2,286,852)
Insurance expenses		(57,738)	(27,654)
Depreciation and amortisation expense		(6,864)	(325,490)
Impairment of receivable		(30,385)	-
Compliance and professional fees		(1,871,029)	(754,015)
Share-based payments		-	(226,551)
Other expenses		(127,699)	(231,752)
Finance costs		(58,724)	(21,758)
Loss before income tax expense		(2,883,152)	(2,073,153)
Income tax expense		-	(2,927)
Loss after income tax expense for the half-year attributable to the owners of Ovanti Limited		(2,883,152)	(2,076,080)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(384,004)	74,697
Other comprehensive income for the half-year, net of tax		(384,004)	74,697
Total comprehensive income for the half-year attributable to the owners of Ovanti Limited		(3,267,156)	(2,001,383)
		Cents	Cents
Basic earnings per share	13	(0.38)	(0.37)
Diluted earnings per share	13	(0.38)	(0.37)

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

Ovanti Limited
(Formerly known as IOU Pay Limited)
Statement of financial position
As at 31 December 2023

	Note	Consolidated December 2023 \$	June 2023 \$
Assets			
Current assets			
Cash and cash equivalents		672,530	2,042,103
Trade and other receivables	5	1,338,151	1,507,806
Contract assets		363,118	677,360
Income tax refund due		6,819	2,974
Other		19,283	61,768
Total current assets		<u>2,399,901</u>	<u>4,292,011</u>
Non-current assets			
Investments accounted for using the equity method	6	13,570,883	13,592,369
Property, plant and equipment		22,448	8,991
Right-of-use assets		237,495	240,547
Total non-current assets		<u>13,830,826</u>	<u>13,841,907</u>
Total assets		<u>16,230,727</u>	<u>18,133,918</u>
Liabilities			
Current liabilities			
Trade and other payables	7	2,544,296	3,548,386
Contract liabilities		4,853	55,445
Borrowings	8	830,000	2,362,521
Lease liabilities		164,460	244,841
Total current liabilities		<u>3,543,609</u>	<u>6,211,193</u>
Non-current liabilities			
Lease liabilities		10,188	26,360
Provisions		64,719	64,498
Total non-current liabilities		<u>74,907</u>	<u>90,858</u>
Total liabilities		<u>3,618,516</u>	<u>6,302,051</u>
Net assets		<u>12,612,211</u>	<u>11,831,867</u>
Equity			
Issued capital	9	86,608,038	82,560,538
Reserves	10	(791,068)	(407,064)
Accumulated losses		(73,204,759)	(70,321,607)
Total equity		<u>12,612,211</u>	<u>11,831,867</u>

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

Ovanti Limited
(Formerly known as IOU Pay Limited)
Statement of changes in equity
For the half-year ended 31 December 2023

Consolidated	Issued capital \$	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2022	81,126,819	909,124	(34,034,680)	48,001,263
Loss after income tax expense for the half-year	-	-	(2,076,080)	(2,076,080)
Other comprehensive income for the half-year, net of tax	-	74,697	-	74,697
Total comprehensive income for the half-year	-	74,697	(2,076,080)	(2,001,383)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	761,313	-	-	761,313
Share-based payments	-	226,551	-	226,551
Options issued	-	23,232	-	23,232
Balance at 31 December 2022	<u>81,888,132</u>	<u>1,233,604</u>	<u>(36,110,760)</u>	<u>47,010,976</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 half-year	-	-	(2,883,152)	(2,883,152)
Other comprehensive income for the half-year, net of tax	-	(384,004)	-	(384,004)
Total comprehensive income for the half-year	-	(384,004)	(2,883,152)	(3,267,156)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 9)	4,047,500	-	-	4,047,500
Balance at 31 December 2023	<u>86,608,038</u>	<u>(791,068)</u>	<u>(73,204,759)</u>	<u>12,612,211</u>

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

Ovanti Limited
(Formerly known as IOU Pay Limited)
Statement of cash flows
For the half-year ended 31 December 2023

	Consolidated	
	December	December
	2023	2022
	\$	\$
Cash flows from operating activities		
Receipts from customers	4,412,774	17,389,633
Payments to suppliers and employees	<u>(8,476,463)</u>	<u>(19,924,507)</u>
	(4,063,689)	(2,534,874)
Interest received	2,255	878
Interest and other finance costs paid	(3,585)	-
Income taxes paid	<u>-</u>	<u>(6,184)</u>
Net cash used in operating activities	<u>(4,065,019)</u>	<u>(2,540,180)</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(28,195)	(7,727)
Proceeds from disposal of property, plant and equipment	7,232	579
Dividends received	<u>465,645</u>	<u>299,974</u>
Net cash from investing activities	<u>444,682</u>	<u>292,826</u>
Cash flows from financing activities		
Proceeds from issue of shares	1,700,000	821,850
Proceeds from convertible notes	830,000	-
Share issue transaction costs	(174,000)	(30,311)
Repayment of borrowings	-	(10,042)
Repayment of lease liabilities	<u>(96,553)</u>	<u>-</u>
Net cash from financing activities	<u>2,259,447</u>	<u>781,497</u>
Net decrease in cash and cash equivalents	(1,360,890)	(1,465,857)
Cash and cash equivalents at the beginning of the financial half-year	2,042,103	5,859,768
Effects of exchange rate changes on cash and cash equivalents	<u>(8,683)</u>	<u>19,774</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>672,530</u></u>	<u><u>4,413,685</u></u>

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

Note 1. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard 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 2023 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.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

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.

Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The consolidated entity incurred a loss from ordinary activities of \$2,883,152 for the half-year ended 31 December 2023 and had negative cash from operating activities of \$4,065,019.

The directors have reviewed the cashflow forecasts and believe that there are reasonable grounds to believe that the consolidated entity will be able to continue as a going concern due to the following factors:

- At the Company's 2023 Annual General Meeting held 24 January 2024 (2023 AGM), shareholders ratified the prior issue of 138,900,000 shares, thereby refreshing the Company's 15% placement capacity under ASX Listing Rule 7.1.
- At the 2023 AGM, shareholders also approved the ASX Listing Rule 7.1A mandate, whereby an additional 10% of the Company's issued capital can be issued without prior shareholder approval.
- Since the directors resumed control of the Company on 23 May 2023 through to the date of this report, a total of \$5,530,000 (before costs) has been raised. The directors remain confident of successfully issuing further equity should additional capital be required.
- Clee Capital, the Company's corporate advisor for capital raising, has reiterated its letter of comfort whereby it has agreed to provide up to AUD \$3,000,000 of additional funding on commercial terms.
- The directors have also implemented a cost-reduction program across all operations to ensure the cost base is commensurate with operations. In addition, non-performing businesses have been put into run-off, resulting in capital being prioritised to ongoing operations and recovery activities.
- The board are aware of certain claims and allegations relating to the possible misappropriation of the Company's funds. After detailed investigations, interviews and various meetings with relevant individuals, lawyers and consultants, the Ovanti board have agreed to a framework, outlined by our advisors, to pursue and potentially recover funds on behalf of shareholders. The directors remain vigilant in ensuring that any expected recovery costs still allow for an acceptable overall return to shareholders based on the probability and likelihood of recovery against those costs.
- The directors are also intending to seek reinstatement on the ASX. Resumption in trading in the Company's shares will also open opportunities to sourcing additional funding if required from capital markets.
- Clee Capital, the Company's corporate advisor for capital raising, has reiterated its letter of comfort whereby it has agreed to provide up to AUD \$3,000,000 of additional funding on commercial terms.

Accordingly, the Directors believe that the consolidated entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

In the event that consolidated entity is unsuccessful in implementing the above-stated initiatives, a material uncertainty exists, that may cast significant doubt on the consolidated entity's ability to continue as a going concern and its ability to recover assets and discharge liabilities in normal course of business and at the amounts shown in the financial report.

Ovanti Limited
(Formerly known as IOU Pay Limited)
Notes to the financial statements
31 December 2023

Note 2. Operating segments

Identification of reportable operating segments

The consolidated entity is organised into one operating segment: provision of fintech and digital commerce software solutions in Malaysia . This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

Note 3. Revenue

	Consolidated	
	December	December
	2023	2022
	\$	\$
Sales	3,289,976	4,744,279

Note 4. Other income

	Consolidated	
	December	December
	2023	2022
	\$	\$
Net foreign exchange gain	-	807,427
Interest revenue	981	882
Other miscellaneous income	279	3,030
Share of profit of equity-accounted associate	622,157	456,009
Reversal of impairment of receivables	359,413	-
Other income	982,830	1,267,348

Note 5. Current assets - trade and other receivables

	Consolidated	
	December	June 2023
	2023	2023
	\$	\$
Trade receivables	733,312	995,648
Other receivables	604,839	512,158
	1,338,151	1,507,806

Note 6. Non-current assets - investments accounted for using the equity method

	Consolidated	
	December	June 2023
	2023	2023
	\$	\$
Investment in associate	13,570,883	13,592,369

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

Ovanti Limited
(Formerly known as IOU Pay Limited)
Notes to the financial statements
31 December 2023

Note 6. Non-current assets - investments accounted for using the equity method (continued)

	Carrying Amount
Opening carrying amount	13,592,369
Share of associate's profit	622,157
Dividends received	(465,645)
Foreign currency translation	(177,998)
	<u>13,570,883</u>
Closing carrying amount	<u>13,570,883</u>

Note 7. Current liabilities - trade and other payables

	Consolidated	
	December 2023	June 2023
	\$	\$
Trade payables	1,792,052	3,048,234
Accruals	31,165	16,802
Other payables	721,079	483,350
	<u>2,544,296</u>	<u>3,548,386</u>

Note 8. Current liabilities - borrowings

	Consolidated	
	December 2023	June 2023
	\$	\$
Loan - Finran facility	-	2,312,321
Convertible notes payable	830,000	-
Loan - other	-	50,200
	<u>830,000</u>	<u>2,362,521</u>

Convertible notes payable includes 830,000 convertible notes with a face value of \$1 per note. The notes can be converted to ordinary shares at price \$0.01 and have a 6 month term. Interest is payable at 7% per annum.

Note 9. Equity - issued capital

	Consolidated			
	December 2023	June 2023	December 2023	June 2023
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>1,068,325,484</u>	<u>642,275,484</u>	<u>86,608,038</u>	<u>82,560,538</u>

Ovanti Limited
(Formerly known as IOU Pay Limited)
Notes to the financial statements
31 December 2023

Note 9. Equity - issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2023	642,275,484		82,560,538
Issue of shares	20 October 2023	87,150,000	\$0.01	871,500
Issue of shares	3 November 2023	65,000,000	\$0.01	650,000
Issue of shares	6 November 2023	3,900,000	\$0.01	39,000
Issue of shares	28 November 2023	200,000,000	\$0.01	2,000,000
Issue of shares	6 December 2023	70,000,000	\$0.01	700,000
Less cost of capital raised		-	\$0.00	(213,000)
Balance	31 December 2023	<u>1,068,325,484</u>		<u>86,608,038</u>

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.

Note 10. Equity - reserves

	Consolidated	
	December 2023	June 2023
	\$	\$
Foreign currency reserve	(1,286,588)	(902,584)
Share-based payments reserve	495,520	495,520
	<u>(791,068)</u>	<u>(407,064)</u>

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

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.

Movements in reserves

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

Consolidated	Foreign currency \$	Share-based payments \$	Total \$
Balance at 1 July 2023	(902,584)	495,520	(407,064)
Foreign currency translation	(384,004)	-	(384,004)
Balance at 31 December 2023	<u>(1,286,588)</u>	<u>495,520</u>	<u>(791,068)</u>

Ovanti Limited
(Formerly known as IOU Pay Limited)
Notes to the financial statements
31 December 2023

Note 11. Equity - dividends

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

Note 12. Events after the reporting period

On 7 February 2024, the company announced that it changed its name to Ovanti Limited (previously IOU Pay Limited). The company's ASX ticker code has also changed to "OVT".

No other matter or circumstance has arisen since 31 December 2023 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 13. Earnings per share

	Consolidated	
	December 2023	December 2022
	\$	\$
Loss after income tax attributable to the owners of Ovanti Limited	<u>(2,883,152)</u>	<u>(2,076,080)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>751,021,679</u>	<u>554,905,384</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>751,021,679</u>	<u>554,905,384</u>
	Cents	Cents
Basic earnings per share	(0.38)	(0.37)
Diluted earnings per share	(0.38)	(0.37)

Ovanti Limited
(Formerly known as IOU Pay Limited)
Directors' declaration
31 December 2023

In the directors' opinion:

- the attached 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 financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2023 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



David Halliday
Non-Executive Chairman

29 February 2024

Independent Auditor's Review Report
To the members of Ovanti Limited
Report on the Half-year Financial Report

Conclusion

We have reviewed the accompanying Half-year Financial Report of Ovanti Limited. Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Half-year Financial Report of Ovanti Limited is not in accordance with the Corporations Act 2001, including:

- Giving a true and fair view of the company's financial position as at 31 December 2023 and of its performance for the Half-year ended on that date; and
- Complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

The Half-year Financial Report comprises:

- Statement of financial position as at 31 December 2023;
- Statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the Half-year ended on that date;
- Notes 1 to 13 comprising a summary of material accounting policies and other explanatory information; and
- The Directors' Declaration.

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 Corporations Act 2001
- For such internal control as the Directors determine is necessary to enable the preparation of the Half-year Financial Report that is free from material misstatement, whether due to fraud or error.

Emphasis of Matter - Material uncertainty related to going concern

We draw attention to Note 1 of the financial report which describes that The directors have reviewed the cashflow forecasts and believe that there are reasonable grounds to believe that the consolidated entity will be able to continue as a going concern due to the following factors:

- At the Company's 2023 Annual General Meeting held 24 January 2024 (2023 AGM), shareholders ratified the prior issue of 138,900,000 shares, thereby refreshing the Company's 15% placement capacity under ASX Listing Rule 7.1.
- At the 2023 AGM, shareholders also approved the ASX Listing Rule 7.1A mandate, whereby an additional 10% of the Company's issued capital can be issued without prior shareholder approval.

- Since the directors resumed control of the Company on 23 May 2023 through to the date of this report, a total of \$5,530,000 (before costs) has been raised. The directors remain confident of successfully issuing further equity should additional capital be required.
- Clee Capital, the Company's corporate advisor for capital raising, has reiterated its letter of comfort whereby it has agreed to provide up to AUD \$3,000,000 of additional funding on commercial terms.
- The directors have also implemented a cost-reduction program across all operations to ensure the cost base is commensurate with operations. In addition, non-performing businesses have been put into run-off, resulting in capital being prioritised to ongoing operations and recovery activities.
- The board are aware of certain claims and allegations relating to the possible misappropriation of the Company's funds. After detailed investigations, interviews and various meetings with relevant individuals, lawyers and consultants, the Ovanti board have agreed to a framework, outlined by our advisors, to pursue and potentially recover funds on behalf of shareholders. The directors remain vigilant in ensuring that any expected recovery costs still allow for an acceptable overall return to shareholders based on the probability and likelihood of recovery against those costs.
- The directors are also intending to seek reinstatement on the ASX. Resumption in trading in the Company's shares will also open opportunities to sourcing additional funding if required from capital markets.
- Clee Capital, the Company's corporate advisor for capital raising, has reiterated its letter of comfort whereby it has agreed to provide up to AUD \$3,000,000 of additional funding on commercial terms.

Accordingly, the Directors believe that the consolidated entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

In the event that consolidated entity is unsuccessful in implementing the above-stated initiatives, a material uncertainty exists, that may cast significant doubt on the consolidated entity's ability to continue as a going concern and its ability to recover assets and discharge liabilities in normal course of business and at the amounts shown in the financial report. Our opinion is unmodified in respect of this matter.

Auditor's responsibility for the review of the Half-year Financial Report

Our responsibility is to express a conclusion on the Half-year Financial Report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, 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 company's financial position as at 31 December 2023 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations

2001. As auditor of Ovanti Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

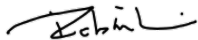
A review of a Half-year Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards 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.

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

Connect National Audit

CONNECT NATIONAL AUDIT PTY LTD

Authorised Audit Company No. 521888



ROBIN KING HENG LI CA RCA
DIRECTOR

29 February 2024