



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

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31 July 2024

Company Announcements Office  
Australian Securities Exchange

## **ACTIVITIES REPORT FOR THE QUARTER ENDED 30 JUNE 2024**

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

### **OPERATIONS UPDATE:**

#### **OVT's WHOLLY-OWNED SUBSIDIARY iSentric SECURES MAJOR OMNI CHANNEL DEVELOPMENT CONTRACTS WITH TOP 3 COMMERCIAL BANK IN MALAYSIA CIMB**

The Board congratulates the iSentric team on securing significant new contracts to provide Omni Channel Communications for leading commercial bank CIMB in Malaysia which is the third largest commercial bank operating in Malaysia by assets. CIMB operates consumer banking services across multiple markets including Malaysia, Indonesia, Singapore, Thailand, Cambodia, and the Philippines.

Pursuant to these agreements, iSentric will oversee SMS Broadcast and a comprehensive omnichannel marketing communication strategy for CIMB. This strategic partnership further establishes iSentric as a market leader in the sector. iSentric is now managing CIMB's digital communication efforts across multiple channels including SMS, WhatsApp, social media, and In App which are all underpinned by iSentric's advanced platform capabilities.

The combined value of these contracts with CIMB total approximately AUD \$4.8 million annually over the next three years. This milestone across multiple channels (including new emerging technologies such as WhatsApp and social media) reinforces iSentric's position as a preferred partner for leading financial institutions investing in digital transformation.

#### **IDSB – AG CODE RENEWED AND PROSPECTIVE INCREASE IN STRATEGIC INVESTMENT**

OVT has received confirmation from the Malaysian Ministry of Finance regarding the renewal of IDSB's Accountant General Salary Deduction Code (**AG Code**).

OVT holds a 21% stake in IDSB and is delighted with the renewal of the AG Code. This code allows IDSB to directly deduct salaries of civil servants at the paymaster source, facilitating IDSB's payday lending services to Malaysian civil servants. To the best of our knowledge, this AG code is a rare and valuable asset in Malaysia, underscoring the unique position of IDSB in the market.

Upon the formal granting of the AG Code, it will trigger an obligation by OVT to move from its current 21% shareholding to 34% shareholding – an increase of 13% by way of payment of RM9.5

million. We are currently engaged in close and meaningful discussions with IDSB's shareholders regarding this prospective increase and our shareholding more generally. We are confident in positive outcomes arising from these discussions.

The Board continues to closely monitor and strategically manage the Company's valuable investment in IDSB to ensure maximisation of shareholder value. We believe this development will significantly enhance our investment portfolio and contribute to the long-term growth and success of OVT.

## KOPERASI UPDATE

**Koperasi** (a premier Co-Operative) in Malaysia switched to iSentric SMS and WhatsApp messaging solution. Our specialized support and expertise in helping the company navigate the changing messaging ecosystem improved the deliverability of their communications. OVT's continued efforts to strategically position itself to enhance its digital marketing endeavours through the introduction of Omni Channel Messaging and Electronic Direct Mail (**EDM**). OVT views that Omni Channel Messaging and EDM will serve as a comprehensive platform of our suite of digital marketing communication solutions.

The Company during the quarter commenced discussions to either acquire or apply for a Labuan Investment Banking License which will expand the Company's ability to offer Wallet-as-a-Service (**WaaS**) modular platform which will open up new and existing verticals including:

- BNPL
- AI Predictive Analytics
- AI powered loan automation
- AI driven Alternative Credit Scoring
- Card issuance
- ML powered bill recognition
- P2P transfers

### Ovanti's 3 Key Strategies for Koperasi



Unlock new Merchant segments with the Koperasi (Co-Operatives)

A large, unpenetrated merchant opportunity still exists via the strength in numbers of the Koperasi.



Regain share of cart at former Merchant Partners using the Koperasi

Proven 5,000 strong merchants are still in IOUPay's database. A new playbook is required using the Koperasi.



Strengthen Distribution via Strategic Partnerships

Reach list of Merchants and Consumers at scale through emerging market segments – Cooperatives, Lending Institutions, in Malaysia and other parts of the JAPAC

## LITIGATION UPDATE

The Company continues to vigorously engage in litigation activities and investigations in Malaysia and Australia. The Australian actions are claims against former directors and auditors under continuing investigation. The Malaysian claims include numerous suits on foot and other pre-litigation negotiations 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. If existing settlement discussions break-down, more suits will be filed imminently.

## **CORPORATE**

- On 8 April 2024 the Company announced to the market the issuance of \$825,000 of convertible notes at 2 cents per share resulting in a potential 41,250,000 shares to be issued on conversion of the Notes. The term of the loan is 12 months with 18% p.a. of interest payable if the Notes are not converted to shares. A further \$175,000 was raised simultaneously by way of a placement at 1 cent per share resulting in the issue of 17,500,000 shares. In total, \$1,000,000 was raised.
- Subsequent to the period end, 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, which can raise up to an additional \$2,030,000.
- Per the Appendix 4C, the Company's cash position as at 30 June 2024 was \$472,000. With total operating negative cash flow for the quarter was (\$1,668K).
- The Company continues to incur substantial costs in relation to litigation and investigations. The Company continues to await recoveries from various litigation settlements to finalise. These recoveries will improve the cash position of the Company. Until such time, it is necessary for the Company to continue to fund the litigation efforts which has resulted in the need for further capital raising. The Company is very conscious of the dilutionary impact of capital raising on shareholders and is taking a very measured approach to capital raising on a strictly as need basis. Upon receipt of settlements from litigation, the Company anticipates these proceeds funding operations rather than further capital raising. Unfortunately, due to the nature of complicated cross-border litigation against multiple parties, despite the strength of the Company's claims there are procedural delays outside of the Company's control. The Company remains more committed than ever to see out the process and bring wrongdoers to justice.
- Payments to related parties during the quarter amounted to A\$320k, 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 June 2024

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$AU'000</b>	<b>Year to date (12 months) \$AU'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,395	7,157
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(1,638)	(7,095)
(c) advertising and marketing	(3)	(604)
(d) leased assets		(82)
(e) staff costs	(159)	(1,022)
(f) administration and corporate costs	(1,263)	(4,660)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid		2
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,668)</b>	<b>(6,304)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment		(28)
(d) investments		

Consolidated statement of cash flows	Current quarter \$AU'000	Year to date (12 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		8
(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)	225	689
2.5 Other (provide details if material)		
<b>2.6 Net cash from / (used in) investing activities</b>	<b>225</b>	<b>669</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	175	2,900
3.2 Proceeds from issue of convertible debt securities	825	1,130
3.3 Proceeds from exercise of options		
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(60)	(270)
3.5 Proceeds from borrowings	350	350
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)		
<b>3.10 Net cash from / (used in) financing activities</b>	<b>1,290</b>	<b>4,110</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	630	2,042
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,668)	(6,304)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$AU'000</b>	<b>Year to date (12 months) \$AU'000</b>
4.3	Net cash from / (used in) investing activities (item 2.6 above)	225	669
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,290	4,110
4.5	Effect of movement in exchange rates on cash held	(5)	(45)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>472</b>	<b>472</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$AU'000</b>	<b>Previous quarter \$AU'000</b>
5.1	Bank balances	472	630
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>472</b>	<b>630</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$AU'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	320
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 \$89K plus fees for other services, including rent and consulting of \$231K.*

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

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$AU'000</b>	<b>Amount drawn at quarter end \$AU'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>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 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
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.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$AU'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,668)
8.2 Cash and cash equivalents at quarter end (item 4.6)	472
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	472
8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	0.28
<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 25 July 2024 the Company announced to the market a capital raise of \$1,200,000 in conjunction with a 1 for 3 rights issue (announced on 29 July 2024) which can raise up to an additional \$2,030,000.	
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: Pursuant to the answer to 8.6.2, the Company anticipates it will have sufficient cash on hand to meet its financial obligations for the next two quarters.	
<i>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.</i>	

## 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.

Date: 31 July 2024.

Authorised by: The Board of OVT.  
(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.