



Market Announcement

8 April 2025

Attached for the information of the market is ASX's query letter to Ovanti Limited ('OVT') dated 26 March 2025 and OVT's response dated 7 April 2025.

ASX's enquiries are ongoing.

Issued by

ASX Compliance

7 April 2025

ASX Listings Compliance

Dear sir/madam

Ovanti Limited ('OVT'): Prospective Financial Information – Query

We refer to ASX's letter dated 26 March 2025.

We respond to your queries as follows:

- 1 With regard to paragraph A above, taking OVT's view that the Prospective Financial Forecasts were "extracts referred to in the Plan", ASX considers the selective inclusion of these extracts to be an incomplete representation of the Plan under section 4.15 of Guidance Note 8 (paragraph L).**

Please prepare a standalone supplementary announcement to be released concurrently with OVT's response to this letter, providing:

- **a summary of all of the material assumptions to support OVT's view that the stated TTV metrics are achievable;**
- **a summary of all material risks contemplated by the Plan;**
- **any other information necessary to give a reasonable person adequate information to make an informed view about the impact of the Plan on the price or value of OVT's securities; and**
- **any changes to any of the above to support OVT's statements in the Second Announcement.**

Alternatively, OVT may elect to release a copy of the Plan on MAP, and provide a description and/or copy of any supporting materials in relation to the Second Announcement.

Please see **attached** a copy of the plan and associated annexures which also contains the supporting materials in respect of the Second Announcement. The Second Announcement refers to plans of the board with respect to a new CEO hire. OVT confirms these plans.

- 2 Please provide the name of the legal entity with which OVT has entered the License Agreement; the identities of the parties that were issued shares under the License Agreement; and whether OVT considers these parties or their associates to be related parties of OVT (and the basis for that view).**

BNPL Pay Holdings Foundation (a Panamanian entity) is the legal entity which has entered into the License Agreement and was issued the shares. This counterparty is a third party and is not a related party or an associate of any related party. The License Agreement is subject to Panamanian law.

- 3 In relation to the License Announcement, in order to ensure OVT's compliance with Listing Rule 3.1 and section 4.15 of Guidance Note 8, ASX asks that OVT provides:**
 - 3.1 an outline of the due diligence and considerations made by OVT in relation to BNPLPay prior to execution of the License Agreement, including how OVT was introduced to BNPLPay; and**

Simon Keast (formerly US CFO of ASX:ZIP), during his time as CEO of OVT, conducted due diligence on behalf of the Company with ongoing supervision and input from the Board of Directors including Greg Woszczalski who as Director and Co-founder of Dynamoney (formerly Grow Finance) has over 20 years of finance and lending experience, including his experience negotiating for Dynamoney a AUD \$1.3 billion debt funding facility (relevant experience to Ovanti's plans to obtain in the order of \$100 million of debt funding, which this License Agreement is pivotal part of the funding mix for OVT).

Overall, the due diligence included operational, financial and legal due diligence. Simon was given the opportunity to access a data room and raise numerous rounds of queries directly with the BNPLPay technical team on all aspects of the due diligence process with particular focus on KYC of funds and the BNPLPay Protocol's compliance with OVT's contemplated banking license arrangements in the USA pursuant to Simon Keast's USA BNPL Market Entry Plan. Simon Keast as part of the due diligence process engaged with multiple BNPL industry, blockchain and crypto experts to assist him.

The Board was confident to rely on Simon's due diligence considering during his time at ASX:ZIP, Simon was specifically in charge of investigating blockchain and crypto related opportunities for ZIP. The Board took comfort from the fact despite Simon's clear expertise he did engage with numerous other experts to work alongside him in examining key materials supplied by BNPLPay during the due diligence process. Simon's input was critical in the Company's negotiation of the consideration paid for the License Agreement. The Company relied on specific input in this regard from Simon and Greg. The Company was able to negotiate a significant reduction in the License Fee based on the strong negotiations of Simon and the Board.

3.2 a quantification of the current revenue of BNPLPay, noting that OVT has a right to half of BNPLPay's revenue under the License Agreement.

BNPLPay is currently pre-revenue and the requirement to receive half of BNPLPay's revenue under the License Agreement was insisted on by OVT on the basis of certain forecasts provided to OVT.

4 In relation to the License Agreement, in order to ensure OVT's compliance with Listing Rules 10.1 and 10.11, ASX asks OVT to confirm:

4.1 whether the License Agreement will be an asset carried on OVT's balance sheet, and if so, whether the value of the asset or the value of the consideration for the asset exceeds 5% of the equity interests of OVT, as set out in its accounts for the half year ended 31 December 2024; and

OVT intends to recognise the Licence agreement as an intangible asset. The value of the asset (at cost) is more than 5% of the equity interests of OVT as per the half year ended 31 December 2024.

4.2 whether, to OVT's knowledge, Clee Capital or any of its key management personnel maintain any commercial and/or economic interests in BNPLPay, noting Clee Capital's apparent interest in BNPLPay as a 'financial backer'.

To OVT's knowledge, none of Clee Capital and its key management personnel have any commercial and/or economic interests in BNPLPay.

OVT has clarified the position with respect to Clee Capital being a 'financial backer' of BNPLPay and confirms that Clee Capital's only involvement with BNPLPay was acting as lead manager to a capital raising conducted by BNPLPay. For the avoidance of any doubt, Clee Capital has confirmed to OVT that Clee Capital does not have any other interest in BNPLPay.

Noting that:

- **Clee Capital appears be involved with BNPLPay;**
- **Mr Terence Clee and Mr Lachlan Dykes appear under the 'Associate and Management Team' section (representing Clee Capital) on Finran's website, alongside OVT's directors Messrs Fayziev, Shahrudin and Quinn;**

- Clee Capital appears under the 'Our Partners and Associates' section of Finran's website;
- Clee Capital has an ongoing mandate with OVT as its corporate advisor for raising capital;
- Clee Capital earned a capital raising fee of 6% + GST to fund the License Agreement (with an additional 70,000,000 options subject to shareholder approval);
- Clee Capital and/or its key management personnel appear to have an existing financial interest in BNPLPay to which the Placement funds are to be applied; and
- Clee Capital and Finran both share the same business address at 481A New South Head Road, Double Bay, NSW,

and subject to OVT's response to questions 4.1 and 4.2, ASX may consider it appropriate to exercise its discretion under Listing Rules 10.1.5 and 10.11.5 to require shareholder approval for the acquisition of the license under the License Agreement and the issue of shares to Clee Capital and/or its key management personnel.

4.3 If OVT wishes to make any submissions to ASX as to why it should not exercise its discretion in this matter, please do so in response to this question.

None of the parties referred to above have any ownership interest in BNPLPay. Given BNPLPay is a third party, OVT respectfully submits that there is no basis to suggest that BNPLPay is a person of the kind that 10.1.5 and 10.11.5 would apply to.

4.4 Please confirm whether any of the parties referenced in question 4.2 were issued shares pursuant to the Placement, and if so, please outline the extent of their participation.

None of the parties referenced in question 4.2 subscribed for or were issued shares pursuant to the Placement in their personal capacities. From the Placement, 76,335,878 shares were issued to TAC Professional Services Pty Ltd (an entity controlled by Mr Terence Clee), 63,358,779 shares were issued to 006 Capital Pty Ltd (an entity controlled by Mr Lachlan Dykes) and 12,977,099 shares were issued to 042 Capital Pty Ltd (an entity controlled by Mr Lachlan Dykes).

4.5 Please confirm whether, to OVT's knowledge, any of the shares issued in connection with the License Agreement have been disposed of as at the date of this letter.

To OVT's knowledge, none of the shares issued under the License Agreement have been disposed of as at the date of ASX's letter. With respect to the Placement, OVT understands that 144,671,756 shares issued under the Placement have been sold.

5 In relation to OVT's corporate governance:

5.1 ASX notes that OVT's corporate governance page appears to be outdated, as the relevant policies are still under IOU's name and the corporate governance statements for 2023 and 2024 do not appear to have been uploaded. Please confirm whether the Code of Conduct policy on OVT's website is up-to-date and enforced by OVT.

Confirmed.

5.2 Please confirm whether the conflict-of-interest provisions in OVT's Code of Conduct policy applied to the entry into the License Agreement and if so, please explain whether a potential conflict was identified by OVT and outline what considerations and precautions OVT took to manage that potential conflict.

OVT did not identify any potential conflict of interest.

6 Please advise, in detail, the processes followed by OVT and Clee Capital as lead manager to the Placement, and any other relevant parties, in relation to its allocation policy, securing of commitments and subsequent allocation of securities to participants in the Placement.

OVT instructed Clee Capital to procure investors to participate in the Placement at the offer price. Clee Capital procured the investment at the price from professional and sophisticated investors.

7 Please provide the following documents to ASX (not for release to the market):

- **A copy of the executed License Agreement;**

See **attached**.

- **A list of participants in the Placement.**

TAC Professional Services Pty Ltd, 006 Capital Pty Ltd, 042 Capital Pty Ltd and Peter James Dykes.

8 Please confirm that OVT's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of OVT with delegated authority from the board to respond to ASX on disclosure matters.

Confirmed.



Joshua Quinn
Non-Executive Director and Company Secretary
Ovanti Limited



26 March 2025

Reference: 106249

Mr Joshua Quinn
Company Secretary and Non-Executive Director
Ovanti Limited
Level 9
505 Little Collins Street
Melbourne VIC 3000

By email

Dear Mr Quinn

Ovanti Limited ('OVT'): Query

ASX refers to the following:

- A. OVT's response dated 11 March 2025 (the 'OVT Response') to ASX's query letter (the 'ASX Letter') dated 7 March 2025, released on the ASX Market Announcements Platform ('MAP') on 13 March 2025. Capitalised terms in this letter have the same meaning as those defined in the ASX Letter and OVT Response.

"It is noted that the information that ASX refers to as Prospective Financial Forecasts in the Announcements are extracts from the Plan. These are not intended to be any form of projection or guidance to the market, but rather extracts referred to in the Plan which are directly relevant to the decision by the board to approve and endorse the Plan. The disclosure was made by OVT primarily as OVT has previously announced the KPIs that were set for Mr Keast and those relevant KPIs were measured against the plan."

- B. OVT's announcement titled "OVT Secures License Agreement with BNPLPay Protocol" (the 'License Announcement') released on MAP on 12 March 2025 which disclosed:
- (i) OVT's securing of an agreement with BNPLPay Protocol ('BNPLPay') for \$2,393,383 comprising:
 - (a) cash consideration: \$1,509,133; and
 - (b) share consideration: \$884,250 OVT shares with an issue price of \$0.00655, representing 135,000,000 shares.(the 'License Agreement');
 - (ii) a placement of 235,000,000 shares at \$0.00655 (the 'Placement'); and
 - (iii) Clee Capital Pty Ltd ('Clee Capital') acted as lead manager and would receive a capital raise fee of 6% + GST and, subject to shareholder approval, 70,000,000 broker options with an exercise price of \$0.013 and expiry date of three years from the date of issue.
- C. Mr Daler Fayziev and Mr Joshua Quinn are current directors of OVT and majority shareholder Finran Pty Ltd ('Finran').
- D. Clee Capital and Finran both share the same Australian business address at 481A New South Head Road, Double Bay, NSW.

E. Finran's 'About' website page¹ which identifies the following:

- (i) Mr Terence Clee and Mr Lachlan Dykes appear under the 'Associate and Management Team' section (representing Clee Capital), alongside OVT's directors Messrs Fayziev, Shahrudin and Quinn; and
- (ii) Clee Capital as Finran's 'Partner & Associates'.

F. An article titled "BNPL Pay, Meet the Team" published on medium.com,² created by an account named "BNPL Pay Team" which provides background information on BNPLPay and notes the following (relevantly):

- (i) *"BNPL Pay is backed primarily by TradeFi corporate advisory experts with significant understanding of, and experience in, the fintech and BNPL sector. A key backer, Australian based Clee Capital, has a history of success in funding and advising BNPL players in South East Asia over the last 12 months."*
- (ii) *"BNPL Pay Core Team:*

Financial Backing, BNPL Industry Expert, — Clee Capital, Australia

...

Named backers:

Clee Capital"

G. OVT's 'Corporate Governance' page on its website,³ which provides (relevantly):

- (i) OVT's Corporate Governance Statements for 2021 and 2022 under its former name as IOUPay Limited ('IOU'). ASX notes this page does not make OVT's Corporate Governance Statements for 2023 and 2024 available.
- (ii) OVT's Code of Conduct policy under its former name as IOU. Specifically, ASX refers to
 - (a) Section 1.2 which states (relevantly, emphasis added):

*"This Code applies to all Directors and senior management, as well as all Officers, employees, **contractors, consultants**, other persons that act on behalf of the Company, and associates of the Company."*
 - (b) Section 4.2 governing conflicts of interest.

H. ASX Listing Rule 10.1 which states that:

"An entity (or, in the case of a trust, the responsible entity of the trust) must ensure that neither the entity, nor any of its child entities, acquires or agrees to acquire a substantial asset from, or disposes of or agrees to dispose of a substantial asset to, any of the following persons without the approval of the holders of the entity's ordinary securities.

10.1.1 A related party of the entity.

10.1.2 A child entity of the entity.

10.1.3 A person who is, or was at any time in the 6 months before the transaction or agreement, a substantial (10%+) holder in the entity.

10.1.4 An associate of a person referred to in rules 10.1.1 to 10.1.3.

¹ <https://finran.com/about/>

² <https://medium.com/bnplpay/bnpl-pay-meet-the-team-cd392990d3dd>

³ <https://www.ovanti.com/governance.html>

10.1.5 A person whose relationship to the entity or a person referred to in rules 10.1.1 to 10.1.4 is such that, in ASX's opinion, the transaction should be approved by security holders.

I. ASX Listing Rule 10.2 which defines substantial asset as:

"An asset is substantial if its value or the value of the consideration being paid or received by the entity for it is, or in ASX's opinion is, 5% or more of the equity interests of the entity, as set out in the latest accounts given to ASX under the listing rules."

J. ASX Listing Rule 10.11 which states that:

"Unless one of the exceptions in rule 10.12 applies, an entity must not issue or agree to issue equity securities to any of the following persons without the approval of the holders of its ordinary securities."

10.11.1 A related party

[...]

10.11.4 An associate of a person referred to in rules 10.11.1 to 10.11.3.

10.11.5 A person whose relationship with the entity or a person referred to in rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by security holders."

K. ASX Listing Rule 19.12 which sets out the following definitions:

related party (a) in relation to a body corporate:

(i) An entity that controls the body corporate;

[...]

(iii) directors of the body corporate or of an entity that controls the body corporate;

[...]

(vi) an entity controlled by anyone referred to in (i) – (v) above unless it is also controlled by the body corporate;

[...]

(ix) anyone acting in concert with someone referred to in (i) – (viii) above...

associate save as set out below, a person (the second person) is an associate of another person (the primary person) in relation to a listed entity if, and only, one or more of the following paragraphs applies:

[...]

(c) the second person is a person with whom the primary person has, or proposes to enter into, a relevant agreement for the purpose of controlling or influencing the composition of the listed entity's board or the conduct of the listed entity's affairs;

(d) the second person is a person with whom the primary person is acting, or proposing to act, in concert in relation to the listed entity's affairs.

L. Section 4.15 of Guidance Note 8 'Continuous Disclosure: Listing Rules 3.1 – 3.1B' which states (relevantly):

"An announcement under Listing Rule 3.1 must be accurate, complete and not misleading. A listed entity cannot satisfy its obligation to disclose market sensitive information under Listing Rule 3.1 by disclosing

information that is materially inaccurate, incomplete or misleading. If it attempts to do so, that will likely trigger a separate obligation under Listing Rule 3.1 to correct the inaccurate, incomplete or misleading information, causing the entity to be in breach of that rule and section 674 of the Corporations Act until it does so. It will also likely cause a false market in its securities, empowering ASX to require the entity to give ASX any information ASX asks for to correct the false market."

Request for information

Having regard to the above, ASX asks OVT to respond separately to each of the following requests for information:

1. With regard to paragraph A above, taking OVT's view that the Prospective Financial Forecasts were "extracts referred to in the Plan", ASX considers the selective inclusion of these extracts to be an incomplete representation of the Plan under section 4.15 of Guidance Note 8 (paragraph L).

Please prepare a standalone supplementary announcement to be released concurrently with OVT's response to this letter, providing:

- a summary of all of the material assumptions to support OVT's view that the stated TTV metrics are achievable;
- a summary of all material risks contemplated by the Plan;
- any other information necessary to give a reasonable person adequate information to make an informed view about the impact of the Plan on the price or value of OVT's securities; and
- any changes to any of the above to support OVT's statements in the Second Announcement.

Alternatively, OVT may elect to release a copy of the Plan on MAP, and provide a description and/or copy of any supporting materials in relation to the Second Announcement.

2. Please provide the name of the legal entity with which OVT has entered the License Agreement; the identities of the parties that were issued shares under the License Agreement; and whether OVT considers these parties or their associates to be related parties of OVT (and the basis for that view).
3. In relation to the License Announcement, in order to ensure OVT's compliance with Listing Rule 3.1 and section 4.15 of Guidance Note 8, ASX asks that OVT provides:
 - 3.1 an outline of the due diligence and considerations made by OVT in relation to BNPLPay prior to execution of the License Agreement, including how OVT was introduced to BNPLPay; and
 - 3.2 a quantification of the current revenue of BNPLPay, noting that OVT has a right to half of BNPLPay's revenue under the License Agreement.
4. In relation to the License Agreement, in order to ensure OVT's compliance with Listing Rules 10.1 and 10.11, ASX asks OVT to confirm:
 - 4.1 whether the License Agreement will be an asset carried on OVT's balance sheet, and if so, whether the value of the asset or the value of the consideration for the asset exceeds 5% of the equity interests of OVT, as set out in its accounts for the half year ended 31 December 2024; and
 - 4.2 whether, to OVT's knowledge, Clee Capital or any of its key management personnel maintain any commercial and/or economic interests in BNPLPay, noting Clee Capital's apparent interest in BNPLPay as a 'financial backer'.

Noting that:

- Clee Capital appears to be involved with BNPLPay;

- Mr Terence Clee and Mr Lachlan Dykes appear under the 'Associate and Management Team' section (representing Clee Capital) on Finran's website, alongside OVT's directors Messrs Fayziev, Shahrudin and Quinn;
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- Clee Capital has an ongoing mandate with OVT as its corporate advisor for raising capital;
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- Clee Capital and/or its key management personnel appear to have an existing financial interest in BNPLPay to which the Placement funds are to be applied; and
- Clee Capital and Finran both share the same business address at 481A New South Head Road, Double Bay, NSW,

and subject to OVT's response to questions 4.1 and 4.2, ASX may consider it appropriate to exercise its discretion under Listing Rules 10.1.5 and 10.11.5 to require shareholder approval for the acquisition of the license under the License Agreement and the issue of shares to Clee Capital and/or its key management personnel.

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 - 4.5 Please confirm whether, to OVT's knowledge, any of the shares issued in connection with the License Agreement have been disposed of as at the date of this letter.
5. In relation to OVT's corporate governance:
 - 5.1 ASX notes that OVT's corporate governance page appears to be outdated, as the relevant policies are still under IOU's name and the corporate governance statements for 2023 and 2024 do not appear to have been uploaded. Please confirm whether the Code of Conduct policy on OVT's website is up-to-date and enforced by OVT.
 - 5.2 Please confirm whether the conflict-of-interest provisions in OVT's Code of Conduct policy applied to the entry into the License Agreement and if so, please explain whether a potential conflict was identified by OVT and outline what considerations and precautions OVT took to manage that potential conflict.
 6. Please advise, in detail, the processes followed by OVT and Clee Capital as lead manager to the Placement, and any other relevant parties, in relation to its allocation policy, securing of commitments and subsequent allocation of securities to participants in the Placement.
 7. Please provide the following documents to ASX (not for release to the market):
 - A copy of the executed License Agreement;
 - A list of participants in the Placement.
 8. Please confirm that OVT's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of OVT with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9:00 AM AEDT Tuesday, 1 April 2025**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, OVT's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out above and may require OVT to request a trading halt immediately if trading in OVT's securities is not already halted or suspended.

Your response should be sent by e-mail to **ListingsComplianceSydney@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow us to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in OVT's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to OVT's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that OVT's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A. The usual course is for the correspondence to be released to the market.

Kind regards

ASX Compliance