



O V A T O

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31 March 2020

Company Announcements Office
ASX Limited
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COVID-19 and Covenant Testing

Ovato Limited ("OVT") noted in its 31 December 2019 half year financial accounts that it had commenced discussions with financiers to adjust existing covenants with the expectation of agreement before 31 March. Ovato is pleased to confirm the ongoing support from its financiers (ANZ Bank Ltd and Assetsecure Pty Ltd.)

For the 31 March 2020 test date, ANZ and Assetsecure have agreed to waive the testing of the financial covenant ratios. OVT is now seeking similar waivers and covenant relief from noteholders of the A\$40,000,000 Secured Subordinated notes due November 2022. The resolution was issued to the Note Trustee yesterday with the two major noteholders representing approximately one third of the face value of notes required for a two third majority vote already confirming their support.

Kevin Slaven, CEO & Managing Director of Ovato said "We continue to enjoy the support of our financiers, customers, suppliers and employees. We acted swiftly in the outset of COVID-19 to ensure our staff were as safe as possible and our customers could continue to be well served. While this uncertainty continues, Ovato remains confident in its ability to maintain our service standards with plants operating in all Australian states, albeit at reduced capacity. We are seeking to ensure that we match our expenses to our revenues, and I would like to thank our financiers, customers, suppliers and employees for their support and understanding."

Michael Hannan, Chairman said "Ovato is facing this unprecedented crisis with the most experienced management team in the industry. We have acted early and are adapting to the daily changes. We have managed capacity by shutting down equipment at all sites, while retaining the flexibility required to ramp up or down quickly. I am proud to say that we have had good co-operation from our entire workforce which will see an effective 40% pay reduction for most of our staff, including all executives and board members. In the interests of our staff, our customers and our shareholders no one should underestimate our resolve to get through this crisis."

This announcement has been authorised for release by the Ovato Board.

FOR FURTHER INFORMATION CONTACT:

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