



**OVATO**

+61 2 9412 6100  
Level 4, 60 Union St  
Pyrmont, NSW 2009  
[ovato.com.au](http://ovato.com.au)

12 November 2020

Company Announcements Office  
ASX Limited  
20 Bridge Street  
Sydney NSW 2000

## Restructure and Recapitalisation

Ovato Limited announces its intention to shortly undertake a \$40 million rights issue to existing shareholders and that it has today filed an application for a creditor and members' Scheme of Arrangement in the New South Wales Supreme Court (Schemes) with a view to effecting a restructuring and recapitalisation of the Ovato Group.

The Hannan Family and a Mercury Capital entity, Are Media Pty Limited have agreed to underwrite \$35 million of the rights issue (subject to completion of customary due diligence, documentation being completed and receipt of all necessary regulatory approvals). The final terms and timing of the rights issue are still being considered by the Board. The raising of these funds will be a condition precedent to the operation of the Schemes.

The funds raised will be used primarily to provide for additional liquidity, repay debt and undertake operational initiatives.

An outline of the Schemes is annexed to this announcement along with a copy of the Schemes booklet and independent expert's report. The independent expert has opined, amongst other things, that with the implementation of the Schemes and the raising of additional capital the remaining Ovato group of companies will be solvent and that, of all the available alternatives, the Schemes produce significantly superior outcomes for all relevant stakeholders.

The primary purpose of the Creditors' Scheme is to seek a compromise from the major creditors of Ovato Print Pty Ltd and to bring about a reduction in the capacity and size of the workforce of the Group's printing business which has been adversely affected by structural trends in the industry and the pandemic. The Members' Scheme will also involve the restructuring of Ovato Print Pty Ltd and, amongst other things, lead to 300 redundancies upon the closure of the Clayton site in Victoria. The cost of these redundancies will be addressed through the Schemes.

The holders of the secured fixed interest notes will also be asked to agree to a compromise on the terms of their notes which will involve their debt being converted to equity in Ovato Limited. This, along with other compromises being sought from the Ovato Group's equipment financiers and landlords are conditions to the proposed rights issue.

The indicative timetable for the Schemes has the initial court application on 13 November 2020, with the Schemes booklet issued to the schemed creditors on 16 November 2020 and schemes meeting on 30 November 2020 in order for a second court hearing approving the Schemes on 18 December 2020. The final timing of the proposed rights issue is yet to be confirmed but is expected to complete approximately concurrent with the implementation of the Schemes.

CEO of the Ovato Group, Kevin Slaven:

"I am pleased that with the support of the AMWU and our staff we have been able to enter into an amended Enterprise Bargaining Agreement with new terms which has made our recapitalisation plan possible. This could also only have been achieved with the support during the Pandemic of the Australian Government through the JobKeeper scheme.

The proposed new equity, underwritten by two significant players in the printing and media sectors, together with the indicative support of our major suppliers and financiers to restructure our balance sheet, provides the foundation for a viable, sustainable and exciting future for our Group.

The proposed recapitalisation and restructure will also support the security of 900 jobs across the manufacturing sector in Australia and New Zealand.

We look forward to progressing the Schemes and proposed rights issue over the next few weeks securing the continuation of our proud history of providing innovative solutions for our clients and turning their audiences into customers".

This announcement has been authorised for release by the Board.

FOR FURTHER INFORMATION CONTACT:

Kevin Slaven  
Chief Executive Officer  
+61 (0)2 9412 6082

Geoff Stephenson  
Chief Financial Officer  
+61 (0)2 9412 6082

## Overview of Schemes

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### 1.1 *Creditors' Scheme of Arrangement*

A creditors' scheme of arrangement (Creditors' Scheme) will be proposed by:

- (a) Ovato Print Pty Ltd ACN 051 706 499 (Ovato Print);
- (b) Ovato Limited ACN 050 148 644 (Ovato Limited);
- (c) Hannanprint NSW Pty Limited ACN 100 817 623;
- (d) Hannanprint Victoria Pty Limited ACN 100 817 712; and
- (e) Inprint Pty Limited ACN 010 728 971;

(together the Creditors' Scheme Companies),

in respect of the following creditors (the Scheme Creditors):

- (a) certain creditors who have supplied goods or services to Ovato Print;
- (b) the Commissioner of Taxation (Cth) for GST liabilities owed by Ovato Print;
- (c) the Commissioner of State Revenue (Vic) and Commissioner of State Taxation (SA) for payroll liabilities owing in respect of Ovato Print; and
- (d) the Chief Commissioner of State Revenue (NSW) in relation to payroll liabilities owing in respect of Ovato Print and Hannanprint NSW Pty Limited.

The Scheme Creditors are also contingent creditors of each other Creditors' Scheme Company by virtue of a deed of cross guarantee entered into by the majority of the subsidiaries of Ovato Limited (Ovato Group Deed of Cross Guarantee).

The key terms of the Creditors' Scheme will include:

- (a) the scheme administrators paying to the Scheme Creditors 50c for each \$1.00 for the unsecured portion of their amounts owing as at 11:59 pm on 6 November 2020 (Voting Entitlement Record Date); and
- (b) the Scheme Creditors releasing the Creditor's Scheme Companies from all claims in connection with the amounts owing to the Scheme Creditors after to receiving the 50 cents in the dollar payment in respect of their unsecured portions.

The Creditors' Scheme preserves any retention of title rights of the Scheme Creditors who have supplied property to Ovato Print on retention of title terms. In broad terms, under the Creditors' Scheme, an amount equal to the cost price of any such retention of title property used or consumed in the period between the Voting Entitlement Record Date and the date the scheme administrators are appointed will be paid to the relevant Scheme Creditors from the proceeds generated by Ovato Print from using such retention of title property. If any retention of title property is not used or consumed prior to the appointment of the scheme administrators, Ovato Limited will have the option to purchase it from the relevant Scheme Creditor at its cost price or Ovato Limited may return it to the relevant Scheme Creditor.

The key conditions precedent to the Creditors' Scheme coming into effect will include:

- (a) subscribers of a certain number of newly issued shares in Ovato Limited, which will raise a minimum amount of \$40 million for Ovato Limited, having committed to buying the new shares with the only remaining condition before the subscribers are unconditionally committed to buying the new shares being the Court making the orders at the second Court hearing that the Creditors' Scheme and Member's Schemes (as defined below) are approved under s 411(4)(b) of the Corporations Act;
- (b) the Scheme Creditors voting to agree to the Creditors' Scheme;
- (c) the Member's Schemes being approved by the Court; and
- (d) at the second Court hearing to approve the Creditors' Scheme and Member's Schemes, the Court making an order under s 413(1)(g) that the Member's Schemes Companies be removed from the Ovato Group Deed of Cross Guarantee.

Once the Creditor's Scheme has become effective, the scheme administrators will be appointed and the steps to implement the Creditors' Scheme will be carried out.

## 1.2 *Member's Schemes of Arrangement*

Member's schemes of arrangement (Member's Schemes) will also be proposed between each of the following:

Member's Schemes Company	Member
Ovato Print Pty Ltd ACN 051 706 499	Ovato Limited ACN 050 148 644
Hannanprint NSW Pty Limited ACN 100 817 623	The Independent Print Media Group Pty Limited ACN 071 231 215
Hannanprint Victoria Pty Limited ACN 100 817 712	The Independent Print Media Group Pty Limited ACN 071 231 215
Inprint Pty Limited ACN 010 728 971	Woodox Pty Ltd ACN 067 150 789

Under the Member's Schemes:

- (a) Inprint Pty Limited ACN 010 728 971 will be transferring the shares it holds in:
  - (i) Ovato Creative Services Geebung Pty Ltd ACN 010 958 200 to Ovato Creative Services Pty Ltd ACN 001 098 157;
  - (ii) Ovato Packaging Pty Ltd ACN 050 411 759 to Ovato Print Cairns Pty Ltd ACN 050 487 879; and
  - (iii) Ovato Print Cairns Pty Ltd ACN 050 487 879 to Ovato Limited ACN 050 148 644;
- (b) the Member's Schemes Companies will be transferring all other assets (including the shares held by Ovato Print in all of its subsidiaries) and liabilities to Ovato Limited ACN 050 148 644 with the exception of:
  - (i) certain redundant plant and equipment;



- For personal use only
- (ii) certain redundant employees of Ovato Print, Hannanprint NSW Pty Limited, Hannanprint Victoria Pty Limited and Inprint Pty Limited; and
  - (iii) \$2,030,000 in retained funds.

The key conditions precedent to the effectiveness of the Member's Schemes will include:

- (a) the Creditors' Scheme being approved by the Court;
- (b) the Member's Schemes being approved by the Court;
- (c) the first step in the Creditors' Scheme being completed;
- (d) at the Second Court Hearing to approve the Creditors' Scheme and Member's Schemes, the Court making an order under s 413(1)(g) that the Member's Schemes Companies be removed from the Ovato Group deed of cross guarantee; and
- (e) the conditions precedent in the Creditors' Scheme being satisfied.

The effect of the conditions precedent in the Creditors' Scheme and Member's Schemes is to make them inter-conditional on one another. If one fails, both fail.

Once the conditions precedent to the Member's Schemes are satisfied, the Member's Schemes will be implemented causing the transfer of assets and liabilities. Following this, the Member's Scheme Companies will be wound up by Court order.

# Explanatory Statement

pursuant to Section 412 of the *Corporations Act 2001* (Cth)

For the **Creditors' Scheme of Arrangement** between:

Ovato Print Pty Ltd  
ACN 051 706 499

and

Ovato Limited  
ACN 050 148 644

and

The Scheme Companies  
(as defined in the Creditors' Scheme and section 16.2, and set out in Schedule 1)

and

The Scheme Creditors  
(as defined in the Creditors' Scheme and section 16.2, and set out in Schedule 2)

and

The Subordinate Claim Holders  
(as defined in the Creditors' Scheme and section 16.2)

For the **Member's Schemes of Arrangement** between:

Transferor Company	Sole Member	Transferee Companies
Ovato Print Pty Ltd ACN 051 706 499	Ovato Limited ACN 050 148 644	Ovato Limited ACN 050 148 644
Hannanprint NSW Pty Limited ACN 100 817 623	The Independent Print Media Group Pty Limited ACN 071 231 215	Ovato Limited ACN 050 148 644
Hannanprint Victoria Pty Limited ACN 100 817 712	The Independent Print Media Group Pty Limited ACN 071 231 215	Ovato Limited ACN 050 148 644
Inprint Pty Limited ACN 010 728 971	Woodox Pty Ltd ACN 067 150 789	Ovato Print Cairns Pty Ltd ACN 050 487 879, Ovato Limited ACN 050 148 644 and Ovato Creative Services Pty Ltd ACN 001 098 157

In order for the Creditors' Scheme to proceed, it must be approved by the Scheme Creditors. Approval will be sought at the Creditors' Scheme Meeting that will commence at **10:30 am** on **Monday, 30 November 2020** at Level 4, 60 Union Street Pyrmont, New South Wales 2009, Australia. Further details of the Creditors' Scheme Meeting and on how to vote at the Creditors' Scheme Meeting, as well as information about the proposed Creditors' Scheme, are set out in this Explanatory Statement.

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In addition, in order for the Member's Schemes to proceed, they must be approved by each respective Sole Member of each Transferor Company. Approval will be sought at the Member's Schemes Meetings that will commence at approximately **11:30 am** on **Monday, 30 November 2020** at Level 4, 60 Union Street Pyrmont, New South Wales 2009, Australia. Further details of the Member's Schemes Meetings and on how to vote at the Member's Schemes Meetings, as well as information about the proposed Member's Schemes, are set out in this Explanatory Statement.

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**You are encouraged to read it in its entirety, take professional advice, and consult with your professional advisers when making any decisions in connection with either the Creditors' Schemes or Member's Schemes (as applicable to you), including deciding whether or not to vote in favour of it.**



Legal adviser to Ovato Print Pty Ltd ACN 051 706 499, Ovato Limited ACN 050 148 644, Hannanprint NSW Pty Limited ACN 100 817 623, Hannanprint Victoria Pty Limited ACN 100 817 712 and Inprint Pty Limited ACN 010 728 971

**THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES. NONE OF THE SECURITIES REFERRED TO IN THIS DOCUMENT MAY BE SOLD, ISSUED OR TRANSFERRED IN ANY JURISDICTION IN CONTRAVENTION OF APPLICABLE LAW.**

Further important information is set out under the heading "IMPORTANT INFORMATION" in the enclosed Explanatory Statement.

If you are a Scheme Creditor and you have assigned, sold, or otherwise transferred, or assign, sell or otherwise transfer, your interests as a Scheme Creditor or do so before the date of the Creditors' Scheme Meeting you are requested to forward a copy of this document to the person or persons to whom you have assigned, sold or otherwise transferred, or assign, sell or otherwise transfer, your interests as a Scheme Creditor. If you are in any doubt as to the action you should take, you should consult your professional adviser without delay.

If you are a Sole Member and you have assigned, sold, or otherwise transferred, or assign, sell or otherwise transfer, your interests as a Sole Member or do so before the date of the relevant Member's Schemes Meeting you are requested to forward a copy of this document to the person or persons to whom you have assigned, sold or otherwise transferred, or assign, sell or otherwise transfer, your interests as a Sole Member. If you are in any doubt as to the action you should take, you should consult your professional adviser without delay.

## NOTICE OF CREDITORS' SCHEME MEETING

### NOTICE OF MEETING OF CREDITORS TO CONSIDER AND, IF THOUGHT FIT, AGREE TO A SCHEME OF ARRANGEMENT

Capitalised terms in this Notice of Creditors' Scheme Meeting that are not otherwise defined have the same meaning as is given to those terms in the enclosed Explanatory Statement.

**TO:** the **Scheme Creditors** in respect of:

- Ovato Print Pty Ltd ACN 051 706 499;
- Ovato Limited ACN 050 148 644;
- Hannanprint NSW Pty Limited ACN 100 817 623;
- Hannanprint Victoria Pty Limited ACN 100 817 712; and
- Inprint Pty Limited ACN 010 728 971.

Pursuant to section 411(1) of the *Corporations Act 2001* (Cth), the Supreme Court of New South Wales has ordered that a meeting of the Scheme Creditors (as defined in the Creditors' Scheme) be convened to consider and, if thought fit, agree to (with or without modification) the proposed creditors' scheme of arrangement between Ovato Print, Ovato Limited, the Scheme Companies, the Scheme Creditors and the Subordinate Claim Holders (**Creditors' Scheme**).

#### 1. Notice

**NOTICE IS HEREBY GIVEN** that a meeting of the **Scheme Creditors** will be held at Level 4, 60 Union Street, Pyrmont New South Wales 2009, Australia at **10:30 am** on **Monday, 30 November 2020** (the **Creditors' Scheme Meeting**).

Scheme Creditors who are unable to attend in person may attend the Creditors' Scheme Meeting by using the following dial in details:

**Telephone Number:** +61 2 8937 5640

**Conference code:** 7252774

The purpose of the Creditors' Scheme Meeting is for the Scheme Creditors to consider and, if thought fit:

**RESOLVE THAT** pursuant to and in accordance with section 411 of the *Corporations Act 2001* (Cth), the scheme of arrangement proposed between Ovato Print, Ovato Limited, the Scheme Companies, the Scheme Creditors and the Subordinate Claim Holders, as contained and described in the Explanatory Statement, is agreed to (with or without alterations or conditions as approved by the Court) (the "**Creditors' Scheme Resolution**").

For further information the Scheme Creditors should refer to the Explanatory Statement accompanying this Notice of Creditors' Scheme Meeting, which is required by section 412 of the *Corporations Act 2001* (Cth) in relation to the Creditors' Scheme.

#### 2. Agenda

The agenda for the Creditors' Scheme Meeting will be as follows:

- (a) the Chairperson will address those present at the Creditors' Scheme Meeting, and provide an explanation of the background to and purpose of the Creditors' Scheme Meeting;

- (b) there will be a general presentation in relation to the proposed Creditors' Scheme and attendees will be given a reasonable opportunity to ask questions in relation to the Creditors' Scheme;
- (c) the procedure for voting on the Creditors' Scheme will be explained; and
- (d) the Creditors' Scheme Resolution to agree to the Creditors' Scheme will be put to the Scheme Creditors present in person or by proxy, attorney or corporate representative at the Creditors' Scheme Meeting for discussion and vote.

### **3. Attendance and voting at the Creditors' Scheme Meeting**

To be eligible to vote at the Creditors' Scheme Meeting, you must be a Scheme Creditor as at **11:59 pm** (Australian Eastern Daylight Time) on **Friday, 6 November 2020** and must have lodged a completed Voting Proof of Debt Form with Ashurst by email or by post (using the contact details set out in the Voting Proof of Debt Form) by **4:00 pm** (Australian Eastern Daylight Time) on **Friday, 27 November 2020**.

The Chairperson will then adjudicate upon the Amount Owing as set out in the Voting Proof of Debt Form based on the information contained in or provided with the Voting Proof of Debt Form, as well the information known to the Chairperson, for voting purposes only.

Scheme Creditors may attend the meeting in person (or by corporate representative), appoint a proxy to attend in their place, or attend by attorney. Scheme Creditor's Proxy Forms must be received by Ashurst by email or by post (using the contact details set out in the Scheme Creditor's Proxy Form) by **4:00 pm** (Australian Eastern Daylight Time) on **Friday, 27 November 2020**. The Scheme Creditor's Proxy Form and Voting Proof of Debt Form are set out at Annexure G and Annexure H (respectively) to the enclosed Explanatory Statement. If any Scheme Creditors wish to vote by attorney or corporate representative, their attorney or corporate representative should bring to the meeting evidence of his or her appointment including evidence of the authority under which the appointment was made.

**SCHEME CREDITORS ARE ENCOURAGED TO READ AND CAREFULLY CONSIDER THE EXPLANATORY STATEMENT ACCOMPANYING THIS NOTICE IN ITS ENTIRETY, TAKE PROFESSIONAL ADVICE AND CONSULT WITH THEIR PROFESSIONAL ADVISERS WHEN MAKING ANY DECISION IN CONNECTION WITH THE CREDITORS' SCHEME, INCLUDING DECIDING WHETHER OR NOT TO VOTE IN FAVOUR OF THE CREDITORS' SCHEME.**

Dated

## NOTICE OF MEMBER'S SCHEMES MEETING

(1) OVATO PRINT PTY LTD ACN 051 706 499

(2) OVATO LIMITED ACN 050 148 644

### NOTICE OF MEETING OF THE SOLE MEMBER TO CONSIDER AND, IF THOUGHT FIT, AGREE TO A SCHEME OF ARRANGEMENT

Capitalised terms in this Notice of Member's Schemes Meeting that are not otherwise defined have the same meaning as is given to those terms in the enclosed Explanatory Statement.

**TO:** Ovato Limited ACN 050 148 644 as the sole member of Ovato Print Pty Ltd ACN 051 706 499.

Pursuant to section 411(1) of the *Corporations Act 2001* (Cth), the Supreme Court of New South Wales has ordered that a meeting of Ovato Limited be convened to consider and, if thought fit, agree to (with or without modification) the proposed Member's Schemes.

#### 1. Notice

**NOTICE IS HEREBY GIVEN** that a meeting of Ovato Limited will be held at Level 4, 60 Union Street, Pyrmont New South Wales 2009, Australia at approximately **11:30 am** (Australian Eastern Daylight Time) on **Monday, 30 November 2020** (the "**Member's Schemes Meeting**").

The purpose of the Member's Schemes Meeting is for Ovato Limited to consider and, if thought fit:

**RESOLVE THAT** pursuant to and in accordance with sections 411 and 413 of the *Corporations Act 2001* (Cth), the scheme of arrangement proposed between Ovato Print Pty Ltd and Ovato Limited, as its sole member, as contained and described in the Explanatory Statement, is agreed to (with or without alterations or conditions as approved by the Court) (the "**Member's Schemes Resolution**").

For further information Ovato Limited should refer to the Explanatory Statement accompanying this Notice of Member's Schemes Meeting, which is required by section 412 of the *Corporations Act 2001* (Cth) in relation to the Member's Schemes.

#### 2. Agenda

The agenda for the Member's Schemes Meeting will be as follows:

- (a) the Chairperson will address those present at the Member's Schemes Meeting, and provide an explanation of the background to and purpose of the Member's Schemes Meeting;
- (b) there will be a general presentation in relation to the proposed Member's Schemes and attendees will be given a reasonable opportunity to ask questions in relation to the Member's Schemes;
- (c) the procedure for voting on the Member's Schemes will be explained; and
- (d) the Member's Schemes Resolution to agree to the Member's Schemes will be put to Ovato Limited present by proxy, attorney or corporate representative at the Member's Schemes Meeting for discussion and vote.

**3. Attendance and voting at the Member's Schemes Meeting**

Any appointment of a proxy in respect of the Member's Schemes Meeting must be received before the time of the Member's Schemes Meeting and in a manner consistent with any notes to the Member's Proxy Form. The Member's Proxy Form is set out at Annexure I to the enclosed Explanatory Statement.

The resolution put to the vote at the Member's Schemes Meeting may be decided by Ovato Limited or its representative signing a written record of the Member's Schemes Resolution.

**OVATO LIMITED IS ENCOURAGED TO READ AND CAREFULLY CONSIDER THE EXPLANATORY STATEMENT ACCOMPANYING THIS NOTICE IN ITS ENTIRETY, TAKE PROFESSIONAL ADVICE AND CONSULT WITH THEIR PROFESSIONAL ADVISERS WHEN MAKING ANY DECISION IN CONNECTION WITH THE MEMBER'S SCHEMES, INCLUDING DECIDING WHETHER OR NOT TO VOTE IN FAVOUR OF THE MEMBER'S SCHEMES.**

Dated



## NOTICE OF MEMBER'S SCHEMES MEETING

(1) **HANNANPRINT NSW PTY LIMITED ACN 100 817 623**

(2) **THE INDEPENDENT PRINT MEDIA GROUP PTY LIMITED ACN 071 231 215**

### **NOTICE OF MEETING OF THE SOLE MEMBER TO CONSIDER AND, IF THOUGHT FIT, AGREE TO A SCHEME OF ARRANGEMENT**

Capitalised terms in this Notice of Member's Schemes Meeting that are not otherwise defined have the same meaning as is given to those terms in the enclosed Explanatory Statement.

**TO:** The Independent Print Media Group Pty Limited ACN 071 231 215 as the sole member of Hannanprint NSW Pty Limited ACN 100 817 623.

Pursuant to section 411(1) of the *Corporations Act 2001* (Cth), the Supreme Court of New South Wales has ordered that a meeting of The Independent Print Media Group Pty Limited be convened to consider and, if thought fit, agree to (with or without modification) the proposed Member's Schemes.

#### 1. **Notice**

**NOTICE IS HEREBY GIVEN** that a meeting of The Independent Print Media Group Pty Limited will be held at Level 4, 60 Union Street, Pyrmont New South Wales 2009, Australia at approximately **11:45 am** (Australian Eastern Daylight Time) on **Monday, 30 November 2020** (the "**Member's Schemes Meeting**").

The purpose of the Member's Schemes Meeting is for The Independent Print Media Group Pty Limited to consider and, if thought fit:

**RESOLVE THAT** pursuant to and in accordance with sections 411 and 413 of the *Corporations Act 2001* (Cth), the scheme of arrangement proposed between Hannanprint NSW Pty Limited and The Independent Print Media Group Pty Limited, as its sole member, as contained and described in the Explanatory Statement, is agreed to (with or without alterations or conditions as approved by the Court) (the "**Member's Schemes Resolution**").

For further information The Independent Print Media Group Pty Limited should refer to the Explanatory Statement accompanying this Notice of Member's Schemes Meeting, which is required by section 412 of the *Corporations Act 2001* (Cth) in relation to the Member's Schemes.

#### 2. **Agenda**

The agenda for the Member's Schemes Meeting will be as follows:

- (a) the Chairperson will address those present at the Member's Schemes Meeting, and provide an explanation of the background to and purpose of the Member's Schemes Meeting;
- (b) there will be a general presentation in relation to the proposed Member's Schemes and attendees will be given a reasonable opportunity to ask questions in relation to the Member's Schemes;
- (c) the procedure for voting on the Member's Schemes will be explained; and
- (d) the Member's Schemes Resolution to agree to the Member's Schemes will be put to The Independent Print Media Group Pty Limited present by proxy, attorney or corporate representative at the Member's Schemes Meeting for discussion and vote.

**3. Attendance and voting at the Member's Schemes Meeting**

Any appointment of a proxy in respect of the Member's Schemes Meeting must be received before the time of the Member's Schemes Meeting and in a manner consistent with any notes to the Member's Proxy Form. The Member's Proxy Form is set out at Annexure I to the enclosed Explanatory Statement.

The resolution put to the vote at the Member's Schemes Meeting may be decided by The Independent Print Media Group Pty Limited or its representative signing a written record of the Member's Schemes Resolution.

**THE INDEPENDENT PRINT MEDIA GROUP PTY LIMITED IS ENCOURAGED TO READ AND CAREFULLY CONSIDER THE EXPLANATORY STATEMENT ACCOMPANYING THIS NOTICE IN ITS ENTIRETY, TAKE PROFESSIONAL ADVICE AND CONSULT WITH THEIR PROFESSIONAL ADVISERS WHEN MAKING ANY DECISION IN CONNECTION WITH THE MEMBER'S SCHEMES, INCLUDING DECIDING WHETHER OR NOT TO VOTE IN FAVOUR OF THE MEMBER'S SCHEMES.**

Dated

## NOTICE OF MEMBER'S SCHEMES MEETING

(1) **HANNANPRINT VICTORIA PTY LIMITED ACN 100 817 712**

(2) **THE INDEPENDENT PRINT MEDIA GROUP PTY LIMITED ACN 071 231 215**

### **NOTICE OF MEETING OF THE SOLE MEMBER TO CONSIDER AND, IF THOUGHT FIT, AGREE TO A SCHEME OF ARRANGEMENT**

Capitalised terms in this Notice of Member's Schemes Meeting that are not otherwise defined have the same meaning as is given to those terms in the enclosed Explanatory Statement.

**TO:** The Independent Print Media Group Pty Limited ACN 071 231 215 as the sole member of Hannanprint Victoria Pty Limited ACN 100 817 712.

Pursuant to section 411(1) of the *Corporations Act 2001* (Cth), the Supreme Court of New South Wales has ordered that a meeting of The Independent Print Media Group Pty Limited be convened to consider and, if thought fit, agree to (with or without modification) the proposed Member's Schemes.

#### **1. Notice**

**NOTICE IS HEREBY GIVEN** that a meeting of The Independent Print Media Group Pty Limited will be held at Level 4, 60 Union Street, Pyrmont New South Wales 2009, Australia at approximately **12:00 pm** (Australian Eastern Daylight Time) on **Monday, 30 November 2020** (the "**Member's Schemes Meeting**").

The purpose of the Member's Schemes Meeting is for The Independent Print Media Group Pty Limited to consider and, if thought fit:

**RESOLVE THAT** pursuant to and in accordance with sections 411 and 413 of the *Corporations Act 2001* (Cth), the scheme of arrangement proposed between Hannanprint Victoria Pty Limited and The Independent Print Media Group Pty Limited, as its sole member, as contained and described in the Explanatory Statement, is agreed to (with or without alterations or conditions as approved by the Court) (the "**Member's Schemes Resolution**").

For further information The Independent Print Media Group Pty Limited should refer to the Explanatory Statement accompanying this Notice of Member's Schemes Meeting, which is required by section 412 of the *Corporations Act 2001* (Cth) in relation to the Member's Schemes.

#### **2. Agenda**

The agenda for the Member's Schemes Meeting will be as follows:

- (a) the Chairperson will address those present at the Member's Schemes Meeting, and provide an explanation of the background to and purpose of the Member's Schemes Meeting;
- (b) there will be a general presentation in relation to the proposed Member's Schemes and attendees will be given a reasonable opportunity to ask questions in relation to the Member's Schemes;
- (c) the procedure for voting on the Member's Schemes will be explained; and
- (d) the Member's Schemes Resolution to agree to the Member's Schemes will be put to The Independent Print Media Group Pty Limited present by proxy, attorney or corporate representative at the Member's Schemes Meeting for discussion and vote.

**3. Attendance and voting at the Member's Schemes Meeting**

Any appointment of a proxy in respect of the Member's Schemes Meeting must be received before the time of the Member's Schemes Meeting and in a manner consistent with any notes to the Member's Proxy Form. The Member's Proxy Form is set out at Annexure I to the enclosed Explanatory Statement.

The resolution put to the vote at the Member's Schemes Meeting may be decided by The Independent Print Media Group Pty Limited or its representative signing a written record of the Member's Schemes Resolution.

**THE INDEPENDENT PRINT MEDIA GROUP PTY LIMITED IS ENCOURAGED TO READ AND CAREFULLY CONSIDER THE EXPLANATORY STATEMENT ACCOMPANYING THIS NOTICE IN ITS ENTIRETY, TAKE PROFESSIONAL ADVICE AND CONSULT WITH THEIR PROFESSIONAL ADVISERS WHEN MAKING ANY DECISION IN CONNECTION WITH THE MEMBER'S SCHEMES, INCLUDING DECIDING WHETHER OR NOT TO VOTE IN FAVOUR OF THE MEMBER'S SCHEMES.**

Dated

## NOTICE OF MEMBER'S SCHEMES MEETING

(1) **INPRINT PTY LIMITED ACN 010 728 971**

(2) **WOODOX PTY LTD ACN 067 150 789**

### **NOTICE OF MEETING OF THE SOLE MEMBER TO CONSIDER AND, IF THOUGHT FIT, AGREE TO A SCHEME OF ARRANGEMENT**

Capitalised terms in this Notice of Member's Schemes Meeting that are not otherwise defined have the same meaning as is given to those terms in the enclosed Explanatory Statement.

**TO:** Woodox Pty Ltd ACN 067 150 789 as the sole member of Inprint Pty Limited ACN 010 728 971

Pursuant to section 411(1) of the *Corporations Act 2001* (Cth), the Supreme Court of New South Wales has ordered that a meeting of Woodox Pty Ltd be convened to consider and, if thought fit, agree to (with or without modification) the proposed Member's Schemes.

#### 1. **Notice**

**NOTICE IS HEREBY GIVEN** that a meeting of Woodox Pty Ltd will be held at Level 4, 60 Union Street, Pyrmont New South Wales 2009, Australia at approximately **12:15 pm** (Australian Eastern Daylight Time) on **Monday, 30 November 2020** (the "**Member's Schemes Meeting**").

The purpose of the Member's Schemes Meeting is for Woodox Pty Ltd to consider and, if thought fit:

**RESOLVE THAT** pursuant to and in accordance with sections 411 and 413 of the *Corporations Act 2001* (Cth), the scheme of arrangement proposed between Inprint Pty Limited and Woodox Pty Ltd, as its sole member, as contained and described in the Explanatory Statement, is agreed to (with or without alterations or conditions as approved by the Court) (the "**Member's Schemes Resolution**").

For further information Woodox Pty Ltd should refer to the Explanatory Statement accompanying this Notice of Member's Schemes Meeting, which is required by section 412 of the *Corporations Act 2001* (Cth) in relation to the Member's Schemes.

#### 2. **Agenda**

The agenda for the Member's Schemes Meeting will be as follows:

- (a) the Chairperson will address those present at the Member's Schemes Meeting, and provide an explanation of the background to and purpose of the Member's Schemes Meeting;
- (b) there will be a general presentation in relation to the proposed Member's Schemes and attendees will be given a reasonable opportunity to ask questions in relation to the Member's Schemes;
- (c) the procedure for voting on the Member's Schemes will be explained; and
- (d) the Member's Schemes Resolution to agree to the Member's Schemes will be put to Woodox Pty Ltd present by proxy, attorney or corporate representative at the Member's Schemes Meeting for discussion and vote.

3. **Attendance and voting at the Member's Schemes Meeting**

Any appointment of a proxy in respect of the Member's Schemes Meeting must be received before the time of the Member's Schemes Meeting and in a manner consistent with any notes to the Member's Proxy Form. The Member's Proxy Form is set out at Annexure I to the enclosed Explanatory Statement.

The resolution put to the vote at the Member's Schemes Meeting may be decided by Woodox Pty Ltd or its representative signing a written record of the Member's Schemes Resolution.

**WOODOX PTY LTD IS ENCOURAGED TO READ AND CAREFULLY CONSIDER THE EXPLANATORY STATEMENT ACCOMPANYING THIS NOTICE IN ITS ENTIRETY, TAKE PROFESSIONAL ADVICE AND CONSULT WITH THEIR PROFESSIONAL ADVISERS WHEN MAKING ANY DECISION IN CONNECTION WITH THE MEMBER'S SCHEMES, INCLUDING DECIDING WHETHER OR NOT TO VOTE IN FAVOUR OF THE MEMBER'S SCHEMES.**

Dated

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## 1. IMPORTANT INFORMATION REGARDING THE CREDITORS' SCHEME

**SCHEME CREDITORS SHOULD READ THIS EXPLANATORY STATEMENT IN ITS ENTIRETY BEFORE MAKING A DECISION WHETHER OR NOT TO VOTE IN FAVOUR OF THE CREDITORS' SCHEME**

### 1.1 Orders to convene the Creditors' Scheme Meeting

On [●], the Court made orders under section 411(1) of the Corporations Act directing that a meeting of the Scheme Creditors be convened to vote upon the proposed Creditors' Scheme. This Explanatory Statement has been provided to the Scheme Creditors in connection with the Creditors' Scheme Meeting for the purpose of considering and, if thought fit, agreeing to the proposed Creditors' Scheme between:

- (a) Ovato Print;
- (b) Ovato Limited;
- (c) the Scheme Companies as listed in Schedule 1 being each of Hannanprint NSW Pty Limited, Hannanprint Victoria Pty Limited and Inprint Pty Limited (the **Scheme Companies**);
- (d) the Scheme Creditors as listed in Schedule 2 (together the **Scheme Creditors** and each a **Scheme Creditor**); and
- (e) the Subordinate Claim Holders being any person who, as at immediately prior to the compromise of such Subordinate Claims pursuant to the Creditors' Scheme, has or, but for the Creditors' Scheme, would be entitled to make, a Subordinate Claim (**Subordinate Claim Holders**). A Subordinate Claim means a "subordinate claim" within the meaning of subsection 563A(2) of the Corporations Act against Ovato Limited in respect of any fact, matter, circumstance or event which has arisen or occurred at any time prior to the commencement of Step 8 (*Compromise of Subordinate Claims*) in the Creditors' Scheme (**Subordinate Claim**).

The Creditors' Scheme Meeting will commence at:

**10:30 am** (Australian Eastern Daylight Time) on **Monday, 30 November 2020**

at

**Level 4, 60 Union Street, Pyrmont, New South Wales 2009, Australia**

Further information on the Creditors' Scheme Meeting and the procedure for voting is set out in **Section 12** of this Explanatory Statement.

#### **IMPORTANT NOTICE ASSOCIATED WITH COURT ORDER UNDER SECTION 411(1) OF THE CORPORATIONS ACT 2001 (CTH)**

The fact that under section 411(1) of the *Corporations Act 2001* (Cth) the Court has ordered that a meeting be convened and has approved the Explanatory Statement required to accompany the notice of the meeting does not mean that the Court:

- (a) has formed any view as to the merits of the proposed Creditors' Scheme or as to how Scheme Creditors should vote (on this matter Scheme Creditors must reach their own decision); or
- (b) has prepared, or is responsible for the content of, the Explanatory Statement.

The Court's order under section 411(1) is not an endorsement of, or any other expression of opinion on, the Creditors' Scheme.

## 1.2 Purpose of this document in respect of the Creditors' Scheme

This document is the Explanatory Statement for the scheme of arrangement between Ovato Print, Ovato Limited, the Scheme Companies, each Scheme Creditor and the Subordinate Claim Holders.

The purpose of this Explanatory Statement is to explain to each Scheme Creditor the terms of the Creditors' Scheme, the manner in which the Creditors' Scheme will be considered by each Scheme Creditor and (if approved) implemented and to provide such information as is required by law and any other information (other than information previously disclosed to the Scheme Creditors) which is known to the Ovato Directors and which is material to the making of a decision by each Scheme Creditor whether or not to vote for or against the resolution to approve the Creditors' Scheme.

## 1.3 Prescribed information

Under section 412(1) of the Corporations Act and regulation 5.1.01 of the Corporations Regulations, this Explanatory Statement must contain certain information to assist the Scheme Creditors in deciding whether or not to vote in favour of the proposed Creditors' Scheme. The table below indicates where in this Explanatory Statement that information can be found.

Prescribed information	Section of this Explanatory Statement
An explanation of the effect of the proposed Creditors' Scheme	Section 8
The criteria and the date for determining the participants in the Creditors' Scheme, the persons entitled to vote at the Creditors' Scheme Meeting, and the persons who will be bound by the Creditors' Scheme.	Sections 5.1, 8.1, 8.6 and 12
The expected dividend that would be paid to the Scheme Creditors if Ovato Print, Ovato Limited and the Scheme Companies were wound up within 6 months of the Court's order on the date of the First Court Hearing	Section 10
The expected dividend to be paid to Scheme Creditors if the Creditors' Scheme were put into effect as proposed	Section 10
The material interests of the directors of Ovato Print, Ovato Limited and the Scheme Companies (including the effect of the Creditors' Scheme on those interests)	Section 11.1
A list of the names of all known Scheme Creditors and the debts owed to those Scheme Creditors by Ovato Print	Schedule 2

Prescribed information	Section of this Explanatory Statement
Certified copies of all financial statements to be lodged by Ovato Print, Ovato Limited and the Scheme Companies with ASIC	Annexure D
ASIC Form 507 - Reports on the affairs of each of Ovato Print, Ovato Limited and the Scheme Companies	Annexure E
The scale of charges that the Scheme Administrators propose to charge to implement the Creditors' Scheme	Annexure F

#### 1.4 **Not financial product or other advice for the Scheme Creditors**

This Explanatory Statement is not financial product advice. It has been prepared without reference to your particular investment objectives, financial situation, tax situation, needs or specific circumstances. You should not construe any statements made in this Explanatory Statement as investment, tax or legal advice. Your decision whether to vote for or against the proposed Creditors' Scheme will depend on an assessment of your own individual circumstances. As the financial, legal and taxation consequences of the Creditors' Scheme may be different for each Scheme Creditor, it is recommended that you seek your own professional financial, legal and taxation advice before making your decision.

#### 1.5 **Scheme Creditors outside Australia**

This Explanatory Statement has been prepared to reflect the applicable disclosure requirements of Australia, which may be different from the requirements applicable in other jurisdictions. The financial information included in this document is based on financial statements that have been prepared in accordance with accounting principles and practices generally accepted in Australia, which may differ from generally accepted accounting principles and practices in other jurisdictions.

The implications of the Creditors' Scheme for Scheme Creditors who are resident in, have a registered address in or are citizens of and/or are taxable in jurisdictions other than Australia may be affected by the laws of the relevant jurisdiction. Such overseas Scheme Creditors should inform themselves about and observe any applicable legal requirements.

#### 1.6 **Privacy considerations in relation to the Creditors' Scheme**

The Chairperson, Ashurst, the Scheme Administrators, Ovato Print, Ovato Limited and the Scheme Companies may collect, use and disclose personal information in the process of implementing the Creditors' Scheme. This information may include the names, contact details, bank account details or other details of Scheme Creditors and the names of persons appointed by Scheme Creditors to act as proxy, corporate representative or attorney at the Creditors' Scheme Meeting. The purposes for which this information is collected is to assist the Chairperson, Ashurst, the Scheme Administrators, Ovato Print, Ovato Limited and the Scheme Companies in the conduct of the Creditors' Scheme Meeting and to enable the Creditors' Scheme to be implemented by the Scheme Administrators. If the Creditors' Scheme is approved by the Court, Ovato Print will be required to disclose this personal information to the Scheme Administrators in implementing the Creditors' Scheme.

If this personal information is not collected, the Chairperson, Ashurst, the Scheme Administrators, Ovato Print and the Scheme Companies may be hindered in, or prevented from, conducting the Creditors' Scheme Meeting and implementing the Creditors' Scheme.

Your personal information is usually disclosed to the Court, the Chairperson, Ashurst, the Scheme Administrators, Ovato Print, Ovato Limited, the Scheme Companies, third party service providers, professional advisers, ASIC, FIRB, ASX and other regulatory authorities. Scheme Creditors have the right to access personal information that has been collected about them and seek correction of such information. Scheme Creditors should contact Ovato Print in the first instance about exercising that right.

If you have questions regarding privacy or a complaint about how your personal information is handled, contact Ovato Print, Ovato Limited and the Scheme Companies at the address below:

Attention: Alistair Clarkson  
Email: Alistair.Clarkson@ovato.com.au  
Ovato Print Pty Ltd  
Level 4, 60 Union Street  
Pyrmont, New South Wales 2009  
AUSTRALIA

It is the responsibility of Scheme Creditors who appoint a named person to act as their proxy or attorney at the Creditors' Scheme Meeting to inform their proxy or attorney of the matters outlined above.

#### 1.7 **Reason why this Explanatory Statement also outlines the Member's Schemes**

This Explanatory Statement also outlines the Member's Schemes as both the Creditors' Scheme and the Member's Schemes are interdependent on one another. The Creditors' Scheme can only proceed if the Member's Schemes are approved by the Court and become effective. The Member's Schemes can only be implemented if the Creditors' Scheme is approved by the Court, becomes effective and Step 1 (*Deed Poll and Dividend Table*) in the Creditors' Scheme is completed.

Further information on the steps required for the Creditors' Scheme to become effective are set out in **Section 8.2** of this Explanatory Statement.

**Scheme Creditors are not required to participate in the Members' Schemes.**

#### 1.8 **Questions in relation to the Creditors' Scheme**

If you have any questions in relation to the Creditors' Scheme, the lodgement of Scheme Creditor's Proxy Forms or Voting Proof of Debt Forms, you are encouraged to contact the Company Secretary of Ovato Print:

**Attention:** Alistair Clarkson

**Email:** Alistair.Clarkson@ovato.com.au

## 2. IMPORTANT INFORMATION REGARDING THE MEMBER'S SCHEMES

**EACH SOLE MEMBER SHOULD READ THIS EXPLANATORY STATEMENT IN ITS ENTIRETY BEFORE MAKING A DECISION WHETHER OR NOT TO VOTE IN FAVOUR OF THE MEMBERS' SCHEMES**

### 2.1 Orders to convene the Member's Schemes Meetings

On [●], the Court made orders under section 411(1) of the Corporations Act directing that a meeting of the Sole Member of each Transferor Company be convened to vote upon the proposed Member's Schemes. This Explanatory Statement has been provided to each Sole Member in connection with the Member's Schemes Meetings for the purpose of considering and, if thought fit, agreeing to the proposed Member's Schemes between each Transferor Company and their respective Sole Member.

The Member's Schemes Meetings will commence at:

approximately **11:30 am** (Australian Eastern Daylight Time) on **Monday, 30 November 2020**

at

**Level 4, 60 Union Street, Pyrmont, New South Wales 2009, Australia**

Further information on the Member's Schemes Meetings and the procedure for voting is set out in **Section 12** of this Explanatory Statement.

#### **IMPORTANT NOTICE ASSOCIATED WITH COURT ORDER UNDER SECTION 411(1) OF THE CORPORATIONS ACT 2001 (CTH)**

The fact that under section 411(1) of the *Corporations Act 2001* (Cth) the Court has ordered that a meeting be convened and has approved the Explanatory Statement required to accompany the notice of the meeting does not mean that the Court:

- (a) has formed any view as to the merits of the proposed Member's Schemes or as to how each Sole Member should vote (on this each Sole Member must reach its own decision); or
- (b) has prepared, or is responsible for the content of, the Explanatory Statement.

The Court's order under section 411(1) is not an endorsement of, or any other expression of opinion on, the Member's Schemes.

### 2.2 Purpose of this document in respect of the Member's Schemes

This document is the Explanatory Statement for the scheme of arrangement between the Transferor Companies, their respective Sole Members and each Transferee Company.

The purpose of this Explanatory Statement is to explain to each Sole Member the terms of the Member's Schemes, the manner in which the Member's Schemes will be considered by each Sole Member and (if approved) implemented and to provide such information as is required by law and any other information (other than information previously disclosed to that Sole Member) which is known to the Transferor Companies Director and which is material to the making of a decision by each Sole Member whether or not to vote for or against the resolution to approve the Member's Schemes.

### 3. **IMPORTANT INFORMATION IN RESPECT OF BOTH THE CREDITORS' SCHEME AND THE MEMBER'S SCHEMES**

#### 3.1 **Forward-looking statements**

Certain statements in this Explanatory Statement in respect of the Creditors' Scheme and the Member's Schemes relate to the future. The forward-looking statements in this Explanatory Statement are not based solely on historical facts, but rather reflect the current expectations of Ovato Print, Ovato Limited and the Scheme Companies as at the date of this Explanatory Statement. These statements generally may be identified by the use of forward-looking words or phrases such as "believe", "aim", "expect", "anticipate", "intend", "foresee", "likely", "should", "plan", "may", "estimate", "potential", or other similar words and phrases. Similarly, statements that describe Ovato Print, Ovato Limited and the Scheme Companies' objectives, plans, goals or expectations are or may be forward looking statements.

Forward-looking statements are based on numerous assumptions regarding present and future circumstances. As such, forward-looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual result, performance or achievement to be materially different from the future result, performance or achievement expressed or implied by those statements.

Given this, Scheme Creditors and each Sole Member are cautioned not to place undue reliance on any forward-looking statements made by Ovato Print, Ovato Limited and the Scheme Companies in this document or elsewhere.

Other than as required by law, none of Ovato Print, Ovato Limited, the Scheme Companies, their directors, or any other person gives any representation, assurance or guarantee that the occurrence of any event, outcome, performance or achievement expressed or implied in any forward-looking statement in this Explanatory Statement will actually occur. Ovato Print, Ovato Limited and the Scheme Companies have no intention of updating or revising any forward-looking statements, regardless of whether new information, future events or any other factors affect the information contained in this Explanatory Statement, except as required by law.

#### 3.2 **Responsibility statement**

Ovato Print, Ovato Limited and the Scheme Companies are responsible for all information in this Explanatory Statement (other than the McGrathNicol Information). Ovato Print, Ovato Limited and the Scheme Companies, their officers, employees, and advisers expressly disclaim and do not assume any responsibility for the accuracy or completeness of the McGrathNicol Information.

This Explanatory Statement has been prepared solely for use by the Scheme Creditors and each Sole Member for the purpose of evaluating whether or not to vote in favour of the Creditors' Scheme and Member's Schemes respectively. No other person apart from Ovato Print, Ovato Limited, the Scheme Companies and McGrathNicol (only in respect of the McGrathNicol Information) has been authorised to make any representation or warranty, express or implied, as to its accuracy or completeness. Nothing contained in this Explanatory Statement is, or should be relied on as, a representation, assurance or guarantee as to the benefits of either the Creditors' Scheme or the Member's Schemes over any alternative for the Scheme Creditors or each Sole Member respectively.

McGrathNicol has prepared the McGrathNicol Report in relation to Ovato Print, Ovato Limited, the Scheme Companies and the proposed Creditors' Scheme and Member's Schemes based, in part, on information provided by Ovato Print, Ovato Limited and the Scheme Companies. Except to the extent that Ovato Print, Ovato Limited and the Scheme

Companies are responsible for the information they have provided to McGrathNicol for the purpose of the McGrathNicol Report (and Ovato Print, Ovato Limited and the Scheme Companies take responsibility for that information), McGrathNicol takes responsibility for the McGrathNicol Information.

The McGrathNicol Information consists of the information in **Section 10** of this Explanatory Statement, the McGrathNicol Report in Annexure C and certain other information or statements in this Explanatory Statement that have been identified as being sourced from, or attributed to, McGrathNicol.

No person has been authorised to give any information or to make any representation in connection with the Creditors' Scheme or the Member's Schemes other than the representations contained in this Explanatory Statement.

### 3.3 **[Lodged with ASIC**

A copy of this Explanatory Statement has been lodged with ASIC pursuant to section 412(7) of the Corporations Act in respect of the Creditors' Scheme and lodged and registered with ASIC pursuant to s 412(6) in respect of the Member's Schemes. Neither ASIC nor any of its officers takes any responsibility for the contents of this Explanatory Statement.] **[To be lodged]**

### 3.4 **Documents available for inspection**

Documents referred to in this Explanatory Statement that are not reproduced in the annexures to this Explanatory Statement or have not otherwise been provided to Scheme Creditors or each Sole Member will be made available for inspection by Scheme Creditors or each Sole Member upon request.

To request access, contact Ovato Print at the address below:

Ovato Print Pty Ltd  
Level 4, 60 Union Street  
Pyrmont, New South Wales 2009  
AUSTRALIA

To the extent that documents referred to in this Explanatory Statement are confidential to Ovato Print, Ovato Limited, the Scheme Companies, other members of the Ovato Group or third parties, or if Ovato Print, Ovato Limited or the Scheme Companies cannot legally disclose such documents, each of Ovato Print, Ovato Limited and the Scheme Companies reserve the right:

- (a) not to make such documents available for inspection; or
- (b) to make only masked copies of, or extracts from, such documents available for inspection.

### 3.5 **Date of this Explanatory Statement**

The date of this Explanatory Statement is **[●]**.

### 3.6 **Defined terms and interpretation**

Capitalised words used in this Explanatory Statement have the meanings set out **Section 16.2**, unless the context otherwise requires or a term has been defined elsewhere in the text of the Explanatory Statement. Some of the attachments to this Explanatory Statement contain their own defined terms and should be read accordingly.



**Section 16.1** contains general guidelines for interpreting this Explanatory Statement.

**3.7 Timetable and dates**

All times and dates referred to in this Explanatory Statement are references to Australian Eastern Daylight Time, unless otherwise indicated. All times and dates relating to the implementation of the Restructuring Schemes referred to in this Explanatory Statement may change and, among other things, are subject to all the necessary approvals from regulatory authorities.

**3.8 Consents and disclaimers**

The following persons have given and have not, before the date of this Explanatory Statement, withdrawn their written consent to:

- (a) be named in this Explanatory Statement in the form and context that they are named;
- (b) the inclusion of their respective reports or of statements noted next to their names and the references to those reports or statements in the form and context in which they are included in this Explanatory Statement; and
- (c) the inclusion of other statements in this Explanatory Statement which are based on, or referable to, statements made in those reports or statements, or which are based on or referable to other statements made by those persons in the form and context in which they are included.

Name of person	Named as
Ashurst	Legal and tax advisor to the Ovato Group
McGrathNicol	Independent Expert and Scheme Administrator
333 Capital	Financial advisors to the Ovato Group

Each of the above persons:

- (a) has not authorised or caused the issue of this Explanatory Statement;
- (b) does not make, or purport to make, any statement in this Explanatory Statement or any statement on which a statement in this Explanatory Statement is based, other than those statements referred to above and as consented to by that person; and
- (c) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Explanatory Statement other than a reference to its name and the statement or report (if any) that has been included in this Explanatory Statement with the consent of that person as set out above.

#### 4. KEY DATES AND STEPS

Event	Date
Voting Entitlement Record Date for the Scheme Creditors of the Creditors' Scheme	11:59 pm on Friday, 6 November 2020
Deadline for receipt of Voting Proof of Debt Forms and Scheme Creditor's Proxy Forms in relation to the Creditors' Scheme	4:00 pm on Friday, 27 November 2020
Creditors' Scheme Meeting of all Scheme Creditors	10:30 am on Monday, 30 November 2020
Member's Schemes Meetings	Starting at approximately 11:30 am on Monday, 30 November 2020
Second Court Date	2:00 pm on Friday, 18 December 2020
Lodgement of Second Court Orders with ASIC	No later than 5:00 pm on the Business Day after the day on which the Court makes the Second Court Orders
Implementation Date of the Creditors' Scheme	<p>The earlier of:</p> <ul style="list-style-type: none"> <li>a) 1 February 2021; and</li> <li>b) if the Scheme Administrators form the opinion that Steps 1 (<i>Deed Poll and Dividend Table</i>) to 8 (<i>Compromise of Subordinate Claims</i>) cannot be completed by the date in (a) above, such later date on which, in the opinion of the Scheme Administrators, Step 8 (<i>Compromise of Subordinate Claims</i>) will be completed, being a date that is not later than the Sunset Date in the Creditors' Scheme.</li> </ul> <p>In respect of (b) above, the Scheme Administrators will notify the Scheme Creditors of the later date on which in their opinion Step 8 (<i>Compromise of Subordinate Claims</i>) of the Creditors' Scheme will be completed. Step 8 (<i>Compromise of Subordinate Claims</i>) is the final Step in implementing the Creditors' Scheme.</p>
Sunset Date of the Creditors' Scheme and the Member's Schemes	30 June 2021

#### **NOTE**

All dates and times referred to in this Explanatory Statement and the documents attached to it are to times set pursuant to Australian Eastern Daylight Time in Sydney, Australia except where otherwise stated. The dates set out in the above table are indicative only and may be subject to change. Ovato Print, Ovato Limited and the Scheme Companies reserve the right to vary the times and dates set out above, subject to the Corporations Act and the approval of any variations by the Court or ASIC where required.

Scheme Creditors and each Sole Member are encouraged to take the following steps in advance of the Creditors' Scheme Meeting and the Member's Schemes Meeting respectively:

(a) **Read this Explanatory Statement in full**

Ovato Print, Ovato Limited and the Scheme Companies encourage you to seek professional advice, and to consult with your professional advisers, when making any decisions in connection with the Creditors' Scheme or the Member's Schemes.

(b) **Consider attending and voting at the Creditors' Scheme Meeting or the Member's Schemes Meetings, as applicable**

See **Section 12** for detailed information in relation to the Creditors' Scheme Meeting.

See **Section 15** for detailed information in relation the Member's Schemes Meetings.

## 5. OVERVIEW OF EXPLANATORY STATEMENT AND RESTRUCTURING SCHEMES

### 5.1 Why you are receiving this Explanatory Statement

This Explanatory Statement contains information about the proposed Creditors' Scheme and Member's Schemes, and is required by section 412(1) of the Corporations Act to be issued together with each Notice of Creditors' Scheme Meeting issued to a Scheme Creditor and the Notice of Members' Scheme Meeting to each Sole Member.

You have been sent this Explanatory Statement because, according to the records of Ovato Print, Ovato Limited or a Scheme Company (as applicable) as at the Voting Entitlement Record Date, you are either a Scheme Creditor or a Sole Member.

Receipt of this Explanatory Statement does not amount to confirmation that you have a valid claim against or are owed any amount by Ovato Print, Ovato Limited or the Scheme Companies.

If you are a Scheme Creditor as at the Voting Entitlement Record Date (irrespective of whether or not you were a Scheme Creditor as at the date of this Explanatory Statement), you will be eligible to vote at the Creditors' Scheme Meeting provided that:

- (a) Ashurst receives a completed Voting Proof of Debt Form from you by no later than 4:00 pm (Australian Eastern Daylight Time), Friday 27 November 2020; and
- (b) if you wish to vote by proxy, Ashurst receives a Scheme Creditor's Proxy Form from you by 4:00 pm (Australian Eastern Daylight Time), Friday 27 November 2020.

Additionally, if any Scheme Creditor wishes to vote by attorney or corporate representative, such attorney or corporate representative should bring to the Creditors' Scheme Meeting evidence of his or her appointment including authority under which the appointment was made.

The Scheme Creditor's Proxy Form is set out in Annexure G and the Voting Proof of Debt Form is set out in Annexure H of this Explanatory Statement.

Further details of the Creditors' Scheme Meeting, including the procedure for voting, can be found in **Section 12** of this Explanatory Statement.

The details of the Members' Schemes are also included in this Explanatory Statement to inform Scheme Creditors of their content and effect. The Creditors' Scheme and the Members' Schemes are interdependent upon each other. If the Member's Schemes are not approved by the Court and do not become effective, then the Creditors' Scheme cannot be implemented.

Further details of the Member's Schemes Meetings, including the procedure for voting, can be found in **Section 15** of this Explanatory Statement.

### 5.2 Summary of the procedure of the Creditors' Scheme

A creditors' scheme of arrangement is a compromise or arrangement between a company or companies and its creditors (or any class of them) effected in accordance with Part 5.1 of the Corporations Act.

On [●], the Court ordered that the Creditors' Scheme Meeting be convened by the Scheme Creditors.

The resolution to agree to the Creditors' Scheme at the Creditors' Scheme Meeting must be passed by a majority in number (more than 50%) of the Scheme Creditors who are present

and voting at the Creditors' Scheme Meeting (either in person or by proxy, corporate representative or attorney) being a majority whose Admitted Claims together amount to at least 75% of the debts owing to the Scheme Creditors present and voting at the Creditors' Scheme Meeting (either in person or by proxy, corporate representative or attorney) (**Creditors' Requisite Majority**).

If the Creditors' Scheme is agreed to by the Creditors' Requisite Majority, in order to become effective, the Creditors' Scheme must then be approved by the Court on the Second Court Date. The Court may grant its approval subject to such alterations or conditions as it thinks fit.

If the Creditors' Scheme is approved by the Court, and the Second Court Orders are lodged with ASIC, then the Creditors' Scheme will become effective. Once all the conditions precedent (detailed in **Section 8.2** below) set out in the Creditors' Scheme are satisfied, the Steps to effect the Creditors' Scheme will be undertaken.

The Creditors' Scheme is interdependent on the Members' Schemes being approved by the Court and becoming effective. The Steps set out in the Creditors' Scheme will only be undertaken if the procedure set out below in **Section 5.3** for the Members' Schemes is completed.

Once the Creditors' Scheme becomes effective, it will be binding upon Ovato Print, Ovato Limited, the Scheme Companies and all Scheme Creditors, including those Scheme Creditors that did not vote in favour of the Creditors' Scheme, or those that did not attend, or vote at, the Creditors' Scheme Meeting.

If, in the opinion of the Scheme Administrators, it is not possible to give effect to the Creditors' Scheme, Ovato Print, Ovato Limited, the Scheme Companies and the Scheme Creditors are required to do all things reasonably necessary to put each other party in the position it would have been in if none of the Steps under the Creditors' Scheme had occurred.

### 5.3 **Summary of the procedure of the Member's Schemes**

A members' scheme of arrangement is a compromise or arrangement between a company and its members (or any class of them) effected in accordance with Part 5.1 of the Corporations Act.

On [●], the Court ordered that the Member's Schemes Meetings of each of the Sole Members be convened.

Before the Member's Schemes become effective, the following must occur:

- (a) a scheme meeting of the member must be held and the member must vote for the resolution to approve the Member's Schemes by the requisite majority, being:
  - (i) by a majority in number of the members in that class present and voting at the class meeting (either in person or by proxy); and
  - (ii) by at least 75% of the votes cast on the resolution by the members in that class present and voting at the class meeting (either in person or by proxy);
- (b) on the Second Court Date, the Court must make orders approving the Member's Schemes, which will include the orders sought under section 413 of the Corporations Act; and
- (c) an office copy of the Court's orders must be lodged with ASIC (upon which the Member's Schemes becomes effective).

The Member's Schemes are interdependent on the Creditors' Scheme and will only become effective if the procedure for the Creditors' Scheme set out above in **Section 5.2** is completed and the Creditors' Scheme also becomes effective on its terms.

#### 5.4 **Why are the Restructuring Schemes being proposed?**

The Ovato Group has incurred significant losses over the last few years and needs to restructure to avoid failure.

The Restructuring Schemes are being proposed as a response to the downturn in demand for the Australian operations of the Ovato Group's printing services. This reduction in demand arises from both a structural shift in the printing market towards less printing and more digital publishing and more recently, the effect of the COVID-19 pandemic on the Ovato Group's business. The pandemic has increased consumer uncertainty and led to reduced activity by Ovato Print's major customers. The Restructuring Schemes will enable the Ovato Group to reduce the size of its Australian printing operations with the goal of matching capacity to demand, restoring profitability and improving the Ovato Group's balance sheet through the raising of new equity and the compromise of debt.

#### 5.5 **Objects and purpose of the Restructuring Schemes**

The Restructuring Schemes will allow the Ovato Group to consolidate its printing production capacity, improve its operating efficiencies and reduce its cost base, making it more sustainable and permitting a return to profitability. The Restructuring Schemes are being proposed alongside the Restructuring Transactions in order to achieve this.

In summary, the Restructuring Schemes comprise:

##### (a) **The Creditors' Scheme**

The principal object and purpose of the Creditors' Scheme is to achieve a reduction in amounts payable to significant creditors of the printing business. The Creditors' Scheme, if implemented, will compromise the Unsecured Claims of Scheme Creditors, such that they receive 50% of those Unsecured Claims (as set out in **Section 8.4**) and release the Scheme Companies from the obligation to pay the remainder of those Unsecured Claims.

After receiving a payment of 50% of that Unsecured Claim, the Scheme Creditor releases any Claim that it has in connection with the Amount Owing to it.

Each Scheme Creditor will also release each person who was, as at the Implementation Date of the Creditors' Scheme, a director or officer of Ovato Print, Ovato Limited and the Scheme Companies who has signed a deed poll in respect of any Claims it has against that person.

**Section 8** of this Explanatory Statement contains detailed information on the terms of the Creditors' Scheme. The Creditors Scheme is set out at Annexure A.

##### (b) **The Member's Schemes**

The principal object and purpose of the Member's Schemes is to transfer all of the assets and liabilities of the Transferor Companies to the Transferee Companies, except for certain plant and equipment, the Non-transferring Employees and \$2,030,000 in retained funds.

**Section 13** of this Explanatory Statement contains detailed information on the terms of the Member's Schemes. The Member's Schemes are set out at Annexure B.

## 5.6 **Equity Raising Condition Precedent to the Restructuring Schemes**

The implementation of the Restructuring Schemes is contingent on Ovato Limited, which is listed on ASX, raising a minimum of \$30 million through the issue of new shares to current or new shareholders. This is a key condition precedent to the Restructuring Schemes.

The proposed equity raising will only proceed if the Restructuring Transactions also occur or are otherwise waived by the participants in the equity raising. For this reason, the equity raising and the Restructuring Transactions are explained in **Section 9.1 to 9.5**.

## 5.7 **Alternatives considered**

Ovato Print, Ovato Limited and the Scheme Companies consider that the Creditors' Scheme and the Member's Schemes, together with the Restructuring Transactions, will achieve the Ovato Group's primary objective of reducing the capacity of its Australian printing operations to better suit current trading conditions and improving its profitability.

Ovato Print, Ovato Limited and the Scheme Companies are not considering, nor are they aware of any superior alternate proposals for achieving this objective. Before pursuing the Restructuring Schemes and the Restructuring Transactions, the Ovato Group explored a range of potential options.

However, Ovato Group's existing debt and its terms, the respective rights of its creditors with respect to Ovato Print, Ovato Limited and the Scheme Companies' assets and their liabilities to employees, ultimately precluded any other options. Ovato Print, Ovato Limited and the Scheme Companies consider that the only currently executable alternative to the Restructuring Schemes and the Restructuring Transactions is insolvency for the wider Ovato Group, which would provide a significantly inferior outcome for the Scheme Creditors, shareholders of Ovato Limited, Ovato Print, Ovato Limited and the Scheme Companies' other creditors and stakeholders. The potential outcome in an insolvency scenario is addressed in more detail in the McGrathNicol Report, summarised in **Section 10** and appearing as Annexure C.

## 5.8 **Scheme Creditors and amounts owed to them**

A list which provides the names of all known Scheme Creditors as at 11:59 pm on Friday, 6 November 2020 (being the Voting Entitlement Record Date) and the debts owed to those Scheme Creditors is set out in Schedule 2 to this Explanatory Statement.

## 5.9 **Scheme Creditors should obtain advice**

Ovato Print, Ovato Limited and each of the Scheme Companies are not in a position to make an assessment of the prospects of success of any individual Scheme Creditor's Claims or the quantum of recovery which may be available to individual Scheme Creditors if the Creditors' Scheme does not proceed. These are matters for each Scheme Creditor to consider.

As the legal, financial and taxation consequences of the Creditors' Scheme may be different for each Scheme Creditor, each Scheme Creditor should seek professional legal, financial and taxation advice in relation to the Creditors' Scheme and its Claims.

## 6. OVERVIEW OF THE OPERATIONS OF OVATO

### 6.1 Background to operations

Ovato Print, Ovato Limited and the Scheme Companies are members of the Ovato Group. The ultimate holding company of the Ovato Group is Ovato Limited (ASX:OVT) which listed on ASX in 1991. In 2017, Ovato Limited (then operating under its former name as PMP Limited) acquired IPMG Pty Limited ACN 123 230 259. IPMG Pty Limited and its subsidiaries (**IPMG Group**) were a privately owned group of companies that provided printing and digital media services throughout Australia.

The Ovato Group is one of the largest integrated print and distribution businesses in both Australia and New Zealand, producing catalogues, magazines, newspapers and books. The Ovato Group also offers marketing services, commercial printing and distributions of printed media to letterboxes and retail outlets.

The Australian operations of the Ovato Group comprise the following divisions:

- (a) Print Australia: conducting commercial, catalogue, mass market and special interest magazine printing;
- (b) Residential Distribution: carrying out mass and targeted catalogue and newspaper delivery;
- (c) Retail Distribution: delivering magazines to retailers; and
- (d) Ovato Books: printing books specialising in read for pleasure books.

The New Zealand operations of the Ovato Group comprise the following divisions:

- (a) Print New Zealand: conducting commercial, catalogue, magazine, newspaper and book printing;
- (b) Distribution: completing mass and targeted catalogue delivering, newspaper distribution, and product sample and promotional material delivery; and
- (c) Retail Distribution: a magazine distributor to retail stores.

### 6.2 Corporate Structure

Ovato Limited is the ultimate holding company of the Ovato Group whose Subsidiaries include Ovato Print and each of the Scheme Companies.

Ovato Print is wholly owned by Ovato Limited, which holds 27,844,505 ordinary shares. Ovato Print is one of the main operating companies of the Ovato Group.

Hannanprint NSW Pty Limited is wholly owned by The Independent Media Group Pty Limited, which holds 4 ordinary shares.

Hannanprint Victoria Pty Limited is wholly owned by The Independent Media Group Pty Limited, which holds 4 ordinary shares.

Inprint Pty Limited is wholly owned by Woodox Pty Ltd, which holds 16,733,604 ordinary shares.



## 7. BACKGROUND TO THE RESTRUCTURING SCHEMES

### 7.1 Arrangements with the Scheme Creditors

The Scheme Creditors comprise trade creditors and the Federal and State Commissioners of Taxation.

The rights and obligations as between Ovato Print and the Scheme Creditors which are trade suppliers of goods (such as paper and ink) or services are governed by a written supply agreement where one has been entered into between them.

The key terms of the supply agreements, where documented, are similar and can be summarised as follows:

- (a) each supplier supplies goods and/or services to Ovato Print in exchange for payment;
- (b) the purchase price for the goods and/or services must be paid within a certain number days of the invoice being issued by the supplier, depending on the specific terms of each supply agreement;
- (c) for a majority of suppliers of goods, title to the goods provided by the supplier remains with the supplier and does not pass to the buyer until the purchase price has been paid in full; and
- (d) a majority of the supply agreements contain provisions whereby the buyer acknowledges that the supplier retains a security interest over the goods for the purpose of the *Personal Property Securities Act 2009* (Cth) until title passes to the buyer.

The rights and obligations of the Commissioner of Taxation (Cth) arise from the relevant Federal taxation legislation.

The rights and obligations in respect of the Chief Commissioner of State Revenue (NSW), Commissioner of State Revenue (Vic) and Commissioner of State Taxation (SA) arise from the relevant State taxation legislation governing payroll tax.

The Ovato Group Deed of Cross Guarantee also means that each primary creditor of Ovato Print, Ovato Limited or the Scheme Companies is also a contingent creditor of Ovato Print, Ovato Limited or the Scheme Companies, as applicable.

### 7.2 Non-transferring Employees and need for the Member's Schemes

The Ovato Group is obligated to meet significant employee entitlements under the recently approved *Ovato Enterprise Agreement 2020*. This enterprise agreement replaced the *PMP Print, Distribution and Digital Enterprise Agreement 2018*.

The Members' Schemes are being used to transfer certain assets and liabilities of the Transferor Companies to the Transferee Companies. As part of these transfers, certain continuing employees of the Transferor Companies will be transferred to Ovato Limited. This transfer will have no effect on and will not change the terms of the current contracts of employment of those employees. The Members' Scheme will not transfer the Non-transferring Employees and their employee entitlement liabilities.

Importantly, the effect of the Restructuring Schemes will be to preserve employment for the significant majority of employees of the Ovato Group.

Following the implementation of the Restructuring Schemes, Ovato Print and the Scheme Companies will proceed to be wound up by court order on the grounds of insolvency. All

Non-transferring Employees will be made redundant and may then seek to have any unpaid employee entitlements paid out in accordance with the requirements under the Corporations Act and the *Fair Entitlements Guarantee Act 2012* (Cth).

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## 8. THE CREDITORS' SCHEME EXPLAINED

### 8.1 Overview and purpose of the Creditors' Scheme

As noted in **Section 5.5(a)**, the principal object and purpose of the Creditors' Scheme is to achieve a reduction in amounts payable to significant creditors by Ovato Print, Ovato Limited and the Scheme Companies in respect of their Unsecured Claims. This will be achieved by:

- (a) the Scheme Creditors receiving 50 cents in the dollar in respect of their Unsecured Claims; and
- (b) the Scheme Creditors releasing Ovato Print, Ovato Limited and the Scheme Companies in connection with the Amount Owing to the Scheme Creditors after receiving the 50 cents in the dollar payment in respect of their Unsecured Claims.

In general terms, the Unsecured Claim of a Scheme Creditor will be the Amount Owing by Ovato Print, Ovato Limited or a Scheme Company (as applicable) to the relevant Scheme Creditor as at the Voting Entitlement Record Date (being 11:59 pm (Australian Eastern Daylight Time) on Friday, 6 November 2020) less the value of any ROT Stock to which they have retained title as assessed by the Scheme Administrators.

### 8.2 Steps prior to the Creditors' Scheme becoming effective

The implementation of the Creditors' Scheme is subject to the prior satisfaction of various conditions precedent. The conditions precedent include those listed in clause 3 (*Conditions Precedent*) of the Creditors' Scheme (see Annexure A).

A summary of the conditions precedent to the Creditors' Scheme being implemented is set out below:

#### (a) **Equity Raising by Ovato Limited**

Ovato Limited raising a minimum amount of \$30 million by way of a new equity issue to current or new members with the only remaining condition to be satisfied before the relevant members are unconditionally committed to buying the new equity being the Court making the Second Court Orders.

#### (b) **Scheme Creditor approval**

The Creditors' Scheme is agreed to by the Creditors' Requisite Majority of Scheme Creditors.

#### (c) **Deeds Polls**

As at 8:00 am on the Second Court Date, the Scheme Administrator Deed Poll, continues in full force and effect and the Scheme Administrator Deed Poll still benefits the beneficiaries named in it.

#### (d) **Court approval**

The Court approves the Creditors' Scheme in accordance with section 411(4)(b) of the Corporations Act, including with any alterations made or required by the Court under section 411(6) of the Corporations Act.

(e) **Other conditions**

Any other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to the Creditors' Scheme have been satisfied.

Section 411(6) of the Corporations Act allows the Court to approve the Creditors' Scheme with various alterations and variations.

(f) **Member's Schemes and Creditors' Scheme**

The Member's Schemes and the Creditors' Scheme become effective pursuant to section 411(10) of the Corporations Act.

Section 411(10) provides that the Court order approving the Member's Schemes and the Creditors' Scheme do not have any effect until an office copy of the order is lodged with ASIC, and upon being so lodged, the order takes effect, or is taken to have taken effect, on and from the date of lodgement or such earlier date as the Court determines and specifies in the orders.

(g) **Section 413(1)(g) Order**

When making orders approving the Member's Schemes, the Court makes orders under section 413(1)(g) of the Corporations Act revoking the Ovato Group Deed of Cross Guarantee in respect of Ovato Print and the Scheme Companies.

In general terms, section 413(1)(g) of the Corporations Act provides that, in approving the Member's Schemes, the Court can make orders providing for incidental, consequential and supplemental matters as are necessary to ensure that the reconstruction of the relevant companies is fully and effectively carried out.

8.3 **Standstill**

During the period on and from the Effective Date up to the completion of Step 8 (*Compromise of Subordinate Claims*) under the Creditors' Scheme (the **Standstill Period**), no Scheme Creditor may, except for the purpose of enforcing the terms of the Creditors' Scheme, or any Deed Poll or as otherwise expressly provided by the Creditors' Scheme, dispose of, transfer or exercise certain of its rights. The terms of the standstill are in clause 7.1 (*Standstill*) of the Creditors' Scheme. Its purpose is to ensure that the Creditors' Scheme can be implemented in an orderly manner in accordance with its terms.

If the Creditors' Scheme is not implemented by the Sunset Date, being 30 June 2021, the Creditors' Scheme will automatically terminate and the standstill shall cease to apply in relation to any Scheme Creditor.

8.4 **Steps to implement the Creditors' Scheme**

The Steps to the implementation of the Creditors' Scheme are set out in full in clause 6.5 (*Steps*) of the Creditors' Scheme. Scheme Creditors should review the complete Steps in the Creditors' Scheme carefully.

At a high level, the Steps provide for a process whereby the Scheme Administrators:

- (a) receive the funds required to pay each Scheme Creditor 50 cents in the dollar for their Unsecured Claim; and
- (b) must verify Ovato Print's calculation of each Scheme Creditor's Unsecured Claim.

Each Scheme Creditor will also be given the opportunity to dispute the calculation of its Unsecured Claim.

Once each Scheme Creditor's Unsecured Claim has been determined by following the Steps, each Scheme Creditor will be paid 50 cents in the dollar for their Unsecured Claim. Immediately after being paid, each Scheme Creditor provides the relevant releases in Step 7 (*Releases*), including releasing Ovato Limited, Ovato Print and the Scheme Companies from all Claims that it has against them in connection with the Amount Owing to it.

The final Step is Ovato Limited being released from any obligation to pay any amount in respect of any Subordinate Claim.

If in the opinion of the Scheme Administrators, as a result of an event failing to occur, or take effect, it is not possible to put the Creditors' Scheme into effect, the Scheme Creditors, Ovato Print, Ovato Limited, the Scheme Companies and those directors and officers who have executed deeds poll are to place each other in the positions they would have been in had any Steps already taken not been so taken.

#### 8.5 **Outcome for Ovato Print, Ovato Limited and the Scheme Companies**

If the Creditors' Scheme is implemented, the outcomes for Ovato Print, Ovato Limited and the Scheme Companies are:

- (a) The debts owed to the Scheme Creditors will be reduced;
- (b) The Scheme Creditors will release Ovato Print, Ovato Limited and the Scheme Companies from all Claims in connection with the Amount Owing; and
- (c) The Subordinate Claim Holders will release Ovato Limited from all Subordinate Claims prior to the Implementation Date.

Subject to the Court making the necessary orders, following completion of Step 1 (*Deed Poll and Dividend Table*) of the Creditors' Scheme (being the execution of the Scheme Creditors Deed Poll and Ovato Print providing the Dividend Table to Scheme Administrators) and implementation of the Member's Schemes:

- (a) Ovato Print and the Scheme Companies will be removed as a party to and released from all of its obligations under the Ovato Group Deed of Cross Guarantee; and
- (b) Subsequent to their removal from the Ovato Group Deed of Cross Guarantee, Ovato Print and the Scheme Companies will then be wound up in insolvency with Stephen Parbery and Marcus Ayres of Duff & Phelps currently intended to be appointed as joint and several liquidators.

#### 8.6 **Who will be bound by the Creditors' Scheme?**

If the Creditors' Scheme becomes effective, it will bind each Scheme Creditor, Ovato Print, Ovato Limited and each of the Scheme Companies. By operation of the Deeds Poll, provided that they are executed, they will bind the Scheme Administrators, the Scheme Creditors and any person who is or was a director or officer of any of Ovato Print, Ovato Limited or the Scheme Companies as at the Implementation Date and who has signed a Released Obligor Individual Deed Poll.

If you are a Scheme Creditor and you do not vote at the Creditors' Scheme Meeting, or you vote against the Creditors' Scheme, you will be bound by the Creditors' Scheme, provided that the Creditors' Scheme is agreed to by the Creditors' Requisite Majority and is approved by the Court, and you remain a Scheme Creditor as at the Effective Date.

## 8.7 Execution risks

Events that could prevent the Creditors' Scheme being implemented include but are not limited to:

- (a) the Creditors' Requisite Majority do not agree to the Creditors' Scheme;
- (b) the Court does not approve the Creditors' Scheme or it approves the Creditors' Scheme with alterations or conditions;
- (c) a person objecting to the Creditors' Scheme appeals against the Court's orders approving the Creditors' Scheme (and potentially seeks a stay of those orders pending resolution of that appeal) or applies for injunctive relief and the Court orders the stay or grants an injunction without requiring the person to give the usual undertaking as to damages; and
- (d) the conditions precedent to the Creditors' Scheme are not satisfied including, but not limited to, the Member's Schemes not becoming effective pursuant to section 411(10) of the Corporations Act and Ovato Limited being unable to successfully raise a minimum amount of \$30 million through the issue of new shares.

## 8.8 Modification of the Creditors' Scheme

### (a) Modifications by the Scheme Creditors

It is possible that a Scheme Creditor may propose a modification to the terms of the Creditors' Scheme at the Creditors' Scheme Meeting (prior to passing of the Creditors' Scheme Resolution to agree the Creditors' Scheme) or apply to the Court for a modification of the terms of the Creditors' Scheme.

Although it is permissible for a Scheme Creditor to propose a modification and for it to be considered at the Creditors' Scheme Meeting whether to pass the resolution to approve the modification proposed, Scheme Creditors should be aware that the consequences of modifying the terms of the Creditors' Scheme include:

- (i) if the modification is materially adverse to Ovato Print, Ovato Limited and the Scheme Companies or any particular Scheme Creditor or class of them, it may give rise to a basis, which may not otherwise exist, for the Court to refuse to approve the modified Creditors' Scheme. In such circumstances, the Creditors' Scheme will not become effective (in either the modified or original form);
- (ii) Ovato Print, Ovato Limited or the Scheme Companies may not consent to the modified Creditors' Scheme and therefore Ovato Print, Ovato Limited or the Scheme Companies may not be prepared to seek the Court's approval of the modified Creditors' Scheme; and
- (iii) depending on the nature and extent of the modifications and their impact upon the overall Creditors' Scheme, the modifications could effectively invalidate any consents previously obtained and, if so, then the consequences may be that further consents would need to be obtained.

### (b) Modifications by the Court

Under section 411(6) of the Corporations Act, the Court may approve the proposed Creditors' Scheme at the Second Court Hearing subject to alterations or conditions as it thinks just.

## 8.9 The Scheme Administrators

If the Creditors' Scheme is agreed to by the Scheme Creditors and approved by the Court, the Scheme Administrators will be appointed in accordance with the terms of the Creditors' Scheme. Shaun Fraser and Katherine Sozou of McGrathNicol have agreed to act as Scheme Administrators.

Under the Creditors' Scheme, the Scheme Administrators will, in general terms, be responsible for:

- (a) Determining the validity of Ovato Print's calculation of each Scheme Creditors' Unsecured Claim. This will include determining whether stock is ROT Stock.
- (b) Informing each Scheme Creditor of the amount of its Unsecured Claim.
- (c) Following the process in relation to a Scheme Creditor disputing the calculation of its Unsecured Claim.
- (d) Receiving and holding funds in order to pay Scheme Creditors.
- (e) Paying each Scheme Creditor 50 cents in the dollar in respect of its Unsecured Claim.

Under the terms of the Scheme Administrators Deed Poll, each Scheme Administrator:

- (a) consents to the Creditors' Scheme;
- (b) agrees to be bound by the Creditors' Scheme as if they were a party to the Creditors' Scheme; and
- (c) undertakes:
  - (i) to perform all obligations and undertake all actions attributed to him or her under the Creditors' Scheme;
  - (ii) to accept, and act in accordance with, any instructions, authorisations, directions or appointments given to him or her under the Creditors' Scheme;
  - (iii) to do all things necessary and execute all further documents necessary to give full effect to the Creditors' Scheme and all transactions contemplated by it; and
  - (iv) not to act inconsistently with any provision of the Creditors' Scheme.

The Scheme Administrators' liability in the performance or exercise of their powers, obligations and duties under the Creditors' Scheme is limited in accordance with the Creditors' Scheme.

The remuneration of the Scheme Administrators, their partners and staff will be calculated on a time basis at the hourly rates set out in Annexure F to this Explanatory Statement. The Scheme Administrators' Costs of administering the Creditors' Scheme are estimated to be \$181,500 (including GST).

## 8.10 Challenging the Scheme Administrators generally

A Scheme Creditor who is aggrieved by any act, omission or decision of the Scheme Administrators may appeal to the Court under section 599 of the Corporations Act. The Court may confirm, reverse or modify the act or decision, or remedy the omission, as the case may be, and make such orders and directions as the Court thinks fit.

## 8.11 **Reasons Scheme Creditors may consider voting for the Creditors' Scheme**

The reasons why the Scheme Creditors may consider voting in favour of the Creditors' Scheme include:

### (a) **Avoidance of uncertainties associated with insolvency**

If the Creditors' Scheme is not implemented, there is a significant risk based on the financial position of the Ovato Group (as evidenced in McGrathNicol Report at Annexure C) of an administrator, liquidator or receiver and manager being appointed to the Ovato Group.

In the event that Ovato Print, Ovato Limited or the Scheme Companies were wound up, the operation of the Ovato Group Deed of Cross Guarantee will make all other parties to that document liable in respect of the debts of Ovato Print, Ovato Limited or the Scheme Companies. Due to the financial position of the wider Ovato Group, this will likely expose all parties to the Ovato Group Deed of Cross Guarantee to external administration.

McGrathNicol have calculated the likely dividend that would be available to the Scheme Creditors of nil cents in the dollar in the event that Ovato Print, Ovato Limited and the Scheme Companies were wound up within 6 months of the First Court Hearing.

The Creditors' Scheme if implemented would mean that the Scheme Creditors receive 50 cents in the dollar for their Unsecured Claims. The implementation of both the Member's Schemes and the Creditors' Scheme would also mean that non-Scheme Creditors may receive 100 cents in the dollar for their claims from Ovato Limited as the new counterparty to their agreement.

### (b) **Avoidance of insolvency expenses**

The significant legal, administrative and funding costs associated with the administration, liquidation or receivership and management of Ovato Print, Ovato Limited or the Scheme Companies would be avoided if the Creditors' Scheme is approved and implemented.

### (c) **Transaction certainty**

Effecting a restructuring by way of a Creditors' Scheme will provide greater transaction certainty for the Scheme Creditors, Ovato Print and Ovato Limited and the Scheme Companies than could be achieved without the Creditors' Scheme.

In the event that the Court makes orders approving the Creditors' Scheme and those orders are lodged with ASIC (and subject to satisfaction of the conditions precedent), the steps that give effect to the restructure will have the force of law.

### (d) **Ovato Group continues to trade and raise additional funds**

If the Creditors' Scheme is implemented, subject to market conditions, the Ovato Group will continue to trade and operate its businesses more efficiently.

Further, the retention of the significant majority of skilled employees will allow the Ovato Group to keep trading.

The decrease in overall debt (and corresponding effect on the balance sheet of the Ovato Group) may enable the Ovato Group to take advantage of future opportunities to improve profitability over the longer term and to raise new debt and equity.



Scheme Creditors may consider that a formal insolvency process is likely to be destructive to the realisable value of the Ovato Group's business and assets, which may further diminish the recoverable value of the debts owed to them.

Additionally, successful implementation of the Creditors' Scheme will allow the Ovato Group to continue to provide strong competition in the printing market in Australia.

(e) **Limit on Subordinate Claims**

If the Creditors' Scheme is implemented, the rights of Subordinate Claim Holders to bring Subordinate Claims against Ovato Limited will be limited, reducing Ovato Limited's potential exposure to the risks associated with such claims.

These potential advantages must be considered in light of the potential disadvantages of the Creditors' Scheme, which are discussed in **Section 8.12** below.

Scheme Creditors are encouraged to obtain independent legal, financial and taxation advice in relation to their own individual circumstances.

8.12 **Reasons the Scheme Creditors may consider voting against the Creditors' Scheme**

The reasons why the Scheme Creditors may consider voting against the Creditors' Scheme include:

(a) **Insolvency return**

Scheme Creditors may consider voting against the Creditors' Scheme if they consider there is potential for a better return to them under a formal solvency process.

If the Creditors' Scheme is not implemented, it is likely that an insolvency event will occur in relation to Ovato Print, Ovato Limited and the Scheme Companies. In that circumstance, some Scheme Creditors may consider that there would be a better return to them than the return available under the Creditors' Scheme.

Scheme Creditors should have regard to the opinions in the McGrathNicol Report in relation to this matter (summarised in **Section 10**).

(b) **Release of substantial portion of debt owed to Scheme Creditors**

As a result of implementation of the Creditors' Scheme, and subject to any limitations set out in the Creditors' Scheme, the Scheme Creditors, as consideration for receipt of a dividend of 50 cents in the dollar for their Unsecured Claims, will release Ovato Print, Ovato Limited and the Scheme Companies from all Claims in connection with the Amount Owing and, following that release, will have no further right to recover the balance of their Unsecured Claims from Ovato Print, Ovato Limited and the Scheme Companies.

The release of a portion of each Scheme Creditor's Amount Owing under the Creditors' Scheme, and the loss of rights to recover that amount as a debt from Ovato Print, Ovato Limited and the Scheme Companies, should be considered in light of the conclusions set out in the McGrathNicol Report, which estimate that Scheme Creditors would recover nil for their Unsecured Claim.

(c) **Release of directors and officers of Ovato Print, Ovato Limited and the Scheme Companies**

The Creditors' Scheme provides for the Scheme Creditors to release any person who is or was a director or officer of any of Ovato Print, Ovato Limited or the Scheme

Companies as at the Implementation Date and who signs a Released Obligor Individual Deed Poll from all Claims it has against that person.

Scheme Creditors may consider that they have a potential Claim against one or more of these individuals, which would result in a recovery in favour of the Scheme Creditors and may, accordingly, wish to vote against the Creditors' Scheme and pursue that Claim (although each of Ovato Print, Ovato Limited and the Scheme Companies are not aware of any potential Claims that may be available against any of those people).

These potential disadvantages must be considered in light of the potential advantages of the Creditors' Scheme, which are discussed in **Section 8.11** above.

Scheme Creditors are encouraged to obtain independent legal, financial and taxation advice in relation to their own individual circumstances.

9. **EQUITY RAISING CONDITION PRECEDENT, OTHER RESTRUCTURING TRANSACTIONS AND WINDING UP OVATO PRINT AND THE SCHEME COMPANIES**

9.1 **Equity Raising**

The implementation of the Restructuring Schemes is contingent on Ovato Limited, as an ASX listed entity, raising a minimum of \$30 million through the issue of new shares subject only to the Court approving the Restructuring Schemes.

The equity raising will comprise an underwritten rights issue. The underwritten exposure will be supported by a third party equity broker. 333 Capital have been appointed by Ovato Limited to provide advice in relation to the equity raising.

It is a condition of the equity raising that separate arrangements be reached outside of the Restructuring Schemes. These arrangements include (unless otherwise waived by the participants in the equity raising) the following:

- (a) repayment of ANZ as the first ranking secured lender to the Ovato Group as described further in **Section 9.2**; and
- (b) a compromise with the noteholders of secured, but subordinated, notes issued by Ovato Finance and guaranteed by, among others, Ovato Print, Ovato Limited and the Scheme Companies as described further in **Section 9.3**;
- (c) Scottish Pacific Business Finance Pty Ltd ACN 008 636 388, who provides a receivables financing facility to certain members of the Ovato Group, consenting to the Restructuring Schemes;
- (d) a new financier lending additional funds to the Ovato Group as described further in **Section 9.4**;
- (e) a compromise of the debt owing to Commerzbank Aktiengesellschaft (**Commerzbank**), an equipment finance lender to the Ovato Group, as described further in **Section 9.5**; and
- (f) various landlords of members of the Ovato Group including Ovato Print agreeing to compromises to their respective leases.

It is intended that the funds from the equity raising will be used for the following purposes:

- (a) the repayment of the debt facilities provided by ANZ;
- (b) operational initiatives and restructuring costs associated with implementing the Restructuring Schemes and Restructuring Transactions including the closure of the Clayton Print Facility and certain redundancy payments;
- (c) compromising certain onerous leases held by the Ovato Group; and
- (d) providing additional working capital liquidity for the Ovato Group.

9.2 **Repayment of ANZ debt facilities**

The Ovato Group has available an overdraft facility with a current facility limit of \$9 million which will decrease to \$7 million on 30 November 2020 and a credit support facility with a facility limit of \$17 million. The facilities were offered under a multi-option facility agreement originally dated 19 November 2014 (**MOFA**) between, amongst others, ANZ as lender, Ovato Print, Ovato Limited and the Scheme Companies as guarantors, ANZ Fiduciary Services Pty Ltd ABN 91 100 709 403 and Rathdrum Properties Pty Limited ACN 123 510

001 (**Rathdrum Trustee**) as trustee of the Rathdrum Property Trust ABN 38 425 241 787 (**Rathdrum Property Trust**). Each of these facilities was recently extended by way of an amendment deed to the MOFA dated 30 September 2020. The expiry date of the facilities is now 31 January 2021.

The MOFA contains a clause which provides that if Ovato Limited issues shares, Ovato Limited will need to immediately apply the net proceeds of that issue in prepayment of the amounts owing to ANZ. In order to avoid triggering this clause, Ovato Limited is seeking to settle all amounts outstanding with ANZ under the MOFA with the funds from the equity raising. This will enable Ovato Limited to use the balance of the funds sourced from the equity raising as outlined above in **Section 9.1**.

### 9.3 **Compromise of notes with the Note Trustee on behalf of the noteholders**

On 19 November 2018, Ovato Finance Pty Ltd ACN 053 814 976 as the issuer (**Ovato Finance**) together with multiple subsidiaries of Ovato Limited entered into a note trust deed (**Note Trust Deed**) with the BNY Trust Company of Australia Limited ABN 49 050 294 052 as the note trustee (**Note Trustee**). Each of Ovato Print, Ovato Limited and the Scheme Companies is a party to the Note Trust Deed as guarantors. Under the terms of the Note Trust Deed and the terms and conditions of the notes, Ovato Finance issue secured, but subordinated, notes to the noteholders. The Note Trustee holds on trust for the noteholders the right to enforce Ovato Finance's obligation to repay noteholders and otherwise comply with its obligations under the terms and conditions of the Notes.

Ovato Print, Ovato Limited and the Scheme Companies have granted a general security deed to a security trustee who holds the security for the benefit of the Note Trustee. The collateral the subject of the general security deed comprises all assets of the Ovato Group including the securities and future securities issued by each subsidiary within the Ovato Group.

As at the date of this Explanatory Statement, notes have been issued by Ovato Finance to a total value of approximately \$40 million (**Notes**).

FIIG Securities Limited ACN 085 661 632 was the arranger of the Notes issue pursuant to a subscription agreement entered into at the time of issue of the Notes between Ovato Finance and FIIG Securities Limited ACN 085 661 632.

Ovato Finance is negotiating with the Note Trustee on behalf of the noteholders for a debt for equity conversion for the value of the Notes. The negotiated compromise is conditional on the successful implementation of the Restructuring Schemes and the proposed equity raise. The noteholders must consent to this proposal by 75% of voting noteholders voting in favour of the compromise.

### 9.4 **Additional funding provided in the form of debt or a convertible instrument**

The Ovato Group is seeking to borrow additional funds in the amount of approximately \$17 million from a new financier.

The Ovato Group is currently in negotiations with several financiers in relation to sourcing these additional funds.

### 9.5 **Compromise of debts owed to Commerzbank**

Commerzbank has provided Ovato Print, as borrower, with financing in order to fund the purchase and import of printing machinery from Germany. This financing comprises the following facilities:

- For personal use only
- (a) a loan facility documented in a loan agreement dated 8 February 2013 with an aggregate principal amount not exceeding EUR 16,998,400, which was used to fund the purchase of a printing press located at the Clayton Print Facility; and
  - (b) a loan facility documented in a loan agreement dated 30 April 2019 with an aggregate principal amount not exceeding EUR 10,190,450.00, which was used to fund the purchase of two printing presses located at the Ovato Group site at Warwick Farm, New South Wales.

Ovato Print has granted a security interest over each of these presses to secure the amounts borrowed from Commerzbank.

Ovato Print is presently negotiating with Commerzbank with respect to a compromise of the amounts outstanding under the above facilities.

#### 9.6 **Winding Up of Ovato Print and the Scheme Companies**

Ovato Print and the Scheme Companies will be wound up after Step 1 (*Deed Poll and Dividend Table*) in the Creditor's Scheme is completed, the Member's Schemes are implemented and the Ovato Group Deed of Cross Guarantee is revoked in respect of Ovato Print and the Scheme Companies by Court order. It is currently intended that Stephen Parbery and Marcus Ayres of Duff & Phelps be appointed as joint and several Liquidators. The assets which have not been transferred to the Transferee Companies under the Member's Schemes will be realised by the Liquidators and distributed to the remaining creditors of Ovato Print and the remaining creditors of each of the Scheme Companies. These assets include certain plant and equipment and \$2,030,000 in retained funds.

The remaining liabilities which are not being transferred to the Transferee Companies comprise the employee entitlements relating to the Non-transferring Employees. All Non-transferring Employees may seek to have their employee entitlements paid out in accordance with the requirements under the Corporations Act and the *Fair Entitlements Guarantee Act 2012* (Cth).

## 10. THE MCGRATHNICOL REPORT

### 10.1 Scope of the McGrathNicol Report

McGrathNicol has prepared a report addressing the following matters:

- (a) The solvency of the Transferee Companies following the implementation of the Restructuring Schemes, noting that:
  - (i) solvency is to be determined following completion of the Restructuring Schemes; and
  - (ii) "solvency" is to be determined with reference to section 95A of the Corporations Act.
- (b) The solvency of the Transferor Companies following the implementation of the Restructuring Schemes, noting that:
  - (i) solvency is to be determined following completion of the Restructuring Schemes; and
  - (ii) "solvency" is to be determined with reference to section 95A of the Corporations Act.
- (c) The likely outcome for Ovato Print, Ovato Limited and each Scheme Company should the Restructuring Schemes not be implemented having regard to Ovato Print, Ovato Limited and each Scheme Company's existing financial position, and projections.
- (d) The expected dividend that would be available to the Scheme Creditors if Ovato Print, Ovato Limited and each Scheme Company were to be wound up within 6 months of the hearing of the application for an order under section 411(1) of the Corporations Act (assuming that the Restructuring Schemes are **not** put into effect).
- (e) The expected dividend that would be available to employees of Ovato Print, Ovato Limited and each Scheme Company if Ovato Print, Ovato Limited or the relevant Scheme Company were to be wound up within 6 months of the hearing of the application for an order under section 411(1) (assuming that the Restructuring Schemes are **not** put into effect).
- (f) The expected dividend that would be paid to the Scheme Creditors if the Restructuring Schemes were put into effect.
- (g) Whether, if orders are made under ss 411 and 413 of the Corporations Act, including an order the Ovato Group Deed of Cross Guarantee be revoked to the extent it relates to the Transferor Companies and noting that the Transferee Companies are parties to the Ovato Group Deed of Cross Guarantee and will remain parties, the making and implementation of the orders will materially prejudice:
  - (i) the interests of the creditors of each Transferor Company; or
  - (ii) the ability of each Transferee Company to pay their creditors.

**Scheme Creditors should read and consider the entire McGrathNicol Report, which is at Annexure C, before deciding how to vote.**

Scheme Creditors should note that the McGrathNicol Report has also been prepared in support of the Member's Schemes. The McGrathNicol Report's analysis in the context of the Member's Schemes is also referred to in section 13.6(b).

## 10.2 Expected dividends to creditors and employees

Subject to the assumptions made in the McGrathNicol Report, McGrathNicol is of the opinion that:

- (a) If the Restructuring Schemes are put into effect as proposed, the return to the Scheme Creditors after implementation of the Restructuring Schemes would be 50 cents in the dollar in respect of their unsecured claims.
- (b) If the Restructuring Schemes are not implemented and Ovato Print, Ovato Limited and the Scheme Companies were wound up within six months of the First Court Date, then the expected dividend which would be paid to the Scheme Creditors for the unsecured amounts of their claims would be nil in the event of a winding up of Ovato Print, Ovato Limited and the Scheme Companies.
- (c) If the Restructuring Schemes are not implemented and Ovato Print, Ovato Limited and the Scheme Companies were wound up within six months of the First Court Date, the expected dividend to employees would be as follows:
  - (i) for employees of Ovato Print – nil to 7 cents in the dollar;
  - (ii) for employees of Hannaprint NSW Pty Limited – 5 cents in the dollar;
  - (iii) for employees of Hannaprint Victoria Pty Limited – 13 cents in the dollar;
  - (iv) for employees of Inprint Pty Limited – 8 cents in the dollar; and
  - (v) for employees of Ovato Limited – 6 cents in the dollar.

## 10.3 McGrathNicol's conclusions on solvency

Subject to the assumptions made in the McGrathNicol Report, McGrathNicol is of the opinion that:

- (a) the Transferee Companies will be solvent for the twelve months following the implementation of the Restructuring Schemes under both the cash flow and balance sheet tests of solvency, based on the forecast information provided.
- (b) if the Restructuring Schemes are effected, the Transferor Companies will have no ongoing business or purpose, minimal residual assets including limited cash and a liability for employee entitlements for Non-transferring Employees. The Transferor Companies will be insolvent following the implementation of the Restructuring Schemes.

## 10.4 Conclusions as to most likely outcome if the Creditors' Scheme is not implemented

Subject to the assumptions made in the McGrathNicol Report, McGrathNicol is of the opinion that:

- (a) if the Restructuring Schemes are not implemented, then Ovato Print, Ovato Limited and the Scheme Companies would become insolvent and this would lead to all entities in the Ovato Group becoming insolvent. In that case, external administrators would be appointed to all entities in the Ovato Group; and
- (b) if the Ovato Group enters external administration this would lead to a winding up of Ovato Limited, Ovato Print and the Scheme Companies.

10.5 **Conclusions on transfers of assets and liabilities under the Member's Schemes and prejudice to creditors**

Subject to the assumptions made in the McGrathNicol Report, McGrathNicol is of the opinion that there will be no material prejudice to the interests of the creditors of each of the Transferor Companies or the ability of the Transferee Companies to pay their creditors.



## 11. ADDITIONAL INFORMATION TO THE CREDITORS' SCHEME

### 11.1 Material interests of the Ovato Directors

All current directors of Ovato Print, Ovato Limited and the Scheme Companies (together, the **Ovato Directors**) are set out in the table below:

Company	Directors
Ovato Print Pty Ltd	Kevin Joseph Slaven
Ovato Limited	Kevin Joseph Slaven Dhunbai Karai Michael Ashton Hannan Andrew McMaster
Hannanprint NSW Pty Limited	Kevin Joseph Slaven
Hannanprint Victoria Pty Limited	Kevin Joseph Slaven
Inprint Pty Limited	Kevin Joseph Slaven

Michael Hannan, the current chair of the Ovato Limited board, was appointed on 18 November 2019. Mr Hannan has a direct shareholding of 50,536,320 ordinary shares and a relative interest in 342,198,235 ordinary shares of Ovato Limited as at 30 June 2020. Prior to his appointment, Mr Hannan was the chair of the IPMG Group which was acquired by the Ovato Group in 2017. Mr Hannan is also a beneficiary of the Rathdrum Property Trust and a director of the Rathdrum Trustee. There are subsidiaries of Ovato Limited which lease properties from the Rathdrum Property Trust. The properties leased are as follows:

- (a) Geebung, Queensland by Inprint Pty Limited as lessee;
- (b) Warwick Farm, New South Wales by Hannanprint NSW Pty Limited as lessee; and
- (c) Lidcombe, New South Wales by Offset Alpine Printing Pty Limited ACN 425 003 094 602 as lessee.

The surrender of the lease at Lidcombe, New South Wales may be a condition to the equity raising as part of the compromises with landlords as set out in **Section 9.1** above.

The Rathdrum Trustee as trustee of the Rathdrum Property Trust has also:

- (a) given a guarantee and indemnity for the debt owing by the Ovato Group under the MOFA provided by ANZ; and
- (b) entered into a call option deed with ANZ which gives Rathdrum Trustee the option to require ANZ to transfer the debt owed by the Ovato Group under the MOFA to the Rathdrum Trustee.

Except as disclosed above or elsewhere in this Explanatory Statement, as at the date of this Explanatory Statement, no Ovato Director of either of Ovato Print, Ovato Limited or any of the Scheme Companies has any interest, whether as an Ovato Director, member or creditor of Ovato Print, Ovato Limited or the Scheme Companies or otherwise, that is material in relation to the Creditors' Scheme, and the Creditors' Scheme has no effect on the interests of any Ovato Director that is different to the effect on the like interests of other persons.

Otherwise, the Ovato Directors are not entitled to receive any bonus, grant or other specific compensation as a consequence of the conclusion of either the Creditors' Scheme or the Member's Schemes nor any related milestone in the process.

If the Creditors' Scheme is implemented, each Scheme Creditor will release certain people who were Ovato Directors or officers of any Ovato Print, Ovato Limited or the Scheme Companies (being those Ovato Directors or other officers who sign a Released Obligor Individual Deed Poll in the form of Schedule 6 to the Creditors' Scheme) from all Claims relating to events that arose or occurred in respect of, or in connection with, any of Ovato Print, Ovato Limited or the Scheme Companies prior to the Implementation Date.

#### **11.2 Material interests of Scheme Administrators**

Scheme Administrators will be entitled to remuneration for their services as explained in **Section 8.9**. The hourly rates which will apply for the Scheme Administrators' services are set out at Annexure F.

Prior to becoming Scheme Administrators, McGrathNicol received remuneration for preparing the McGrathNicol Report.

#### **11.3 Certified copy of Financial Statements**

Certified copies of the financial statements in respect of Ovato Print, Ovato Limited and the Scheme Companies to be lodged with ASIC as required by paragraph 8203(b) of Schedule 8 of the Corporations Regulations are set out at Annexure D to this Explanatory Statement.

#### **11.4 Report as to affairs of Companies – ASIC Form 507**

The report and information in respect of the Ovato Print, Ovato Limited and the Scheme Companies required by ASIC Form 507 and paragraph 8203(a) of Schedule 8 of the Corporations Regulations is set out at Annexure E to this Explanatory Statement.

#### **11.5 The Scheme Creditors**

The relevant details of all known Scheme Creditors as required by paragraph 8201 of Schedule 8 of the Corporations Regulations is set out at Schedule 2 to this Explanatory Statement.

## 12. THE CREDITORS' SCHEME MEETING AND VOTING PROCEDURES

### 12.1 Time and place

The Creditors' Scheme Meeting will be held to consider and, if thought fit, approve the Creditors' Scheme at:

**10:30 am** (Australian Eastern Daylight Time) on **Monday, 30 November 2020**

at

**Level 4, 60 Union Street, Pyrmont, New South Wales 2009, Australia**

Scheme Creditors who are unable to attend in person may attend the Creditors' Scheme Meeting by using the following dial in details:

**Telephone Number:** +61 2 8937 5640

**Conference code:** 7252774

### 12.2 Chairperson

It is intended that the Creditors' Scheme Meeting will be chaired by Kevin Joseph Slaven or, alternatively Alistair Clarkson, or such other person as the Court may specify when making its orders under section 411(1) of the Corporations Act.

### 12.3 Agenda for the Creditors' Scheme Meeting

The proposed agenda for the Creditors' Scheme Meeting is as follows:

- (a) the Chairperson will address those present at the Creditors' Scheme Meeting, providing an explanation of the background to and purpose of the meeting;
- (b) there will be a general presentation in relation to the proposed Creditors' Scheme and attendees will be given a reasonable opportunity to ask questions in relation to the Creditors' Scheme;
- (c) the procedure for voting on the Creditors' Scheme will be explained; and
- (d) the resolution to approve the Creditors' Scheme will be put to the Scheme Creditors present in person or by proxy, attorney or corporate representative at the Creditors' Scheme Meeting for a vote.

### 12.4 Classes of Scheme Creditors

In making its orders under section 411(1) of the Corporations Act to convene the Creditors' Scheme Meeting, the Court did not order that the Scheme Creditors be divided into separate classes. As such, all Scheme Creditors will vote as one class.

### 12.5 Eligibility and entitlement to vote

Only Scheme Creditors as at the Voting Entitlement Record Date are eligible to vote at the Creditors' Scheme Meeting.

Voting is not compulsory. However, Scheme Creditors who do not vote at the Creditors' Scheme Meeting will be bound by the Creditors' Scheme, provided that the Creditors' Scheme is agreed to by the Creditors' Requisite Majority and approved by the Court.

Voting at the Creditors' Scheme Meeting will be conducted by poll.

## 12.6 **How to vote at the Creditors' Scheme Meeting**

In each case set out below, Scheme Creditors must complete a Voting Proof of Debt Form (set out in Annexure H to this Explanatory Statement) in accordance with the instructions set out in the Voting Proof of Debt Form and ensure that it is received by Ashurst by email or by post (using the contact details set out in the Voting Proof of Debt Form) by no later than 4:00 pm (Australian Eastern Daylight Time) on Friday, 27 November 2020 in order to establish the Amount Owning for voting purposes.

Scheme Creditors should also consider **Section 12.8** below in relation to the adjudication of Voting Proof of Debt Forms by the Chairperson.

### (a) **Voting in person**

A Scheme Creditor who wishes to vote in person on the Creditors' Scheme should attend the Creditors' Scheme Meeting.

Where the Scheme Creditor is a corporation, it may appoint a proxy, attorney or corporate representative to attend the meeting on its behalf. Any attorney or corporate representative should bring to the Creditors' Scheme Meeting evidence of his or her appointment including authority under which the appointment was made.

### (b) **Voting by proxy, attorney or corporate representative**

If a Scheme Creditor cannot attend the Creditors' Scheme Meeting and wishes to vote, they may vote by proxy, attorney or, in the case of a corporate Scheme Creditor, by corporate representative.

If a Scheme Creditor appoints a proxy, they will need to complete and lodge a Scheme Creditor's Proxy Form as set out in Annexure G, in accordance with the instructions on the form, so that it is received by Ashurst by email or by post (using the contact details set out in the Scheme Creditor's Proxy Form) by 4:00 pm (Australian Eastern Daylight Time) on Friday, 27 November 2020.

Any attorney or corporate representative should bring to the Creditors' Scheme Meeting evidence of his or her appointment including authority under which the appointment was made.

## 12.7 **Voting Proof of Debt Forms**

The Scheme Creditors should complete the Voting Proof of Debt Form by inserting the total Amount Owning to them by Ovato Print as at the Voting Entitlement Record Date.

Scheme Creditors should not reduce the Amount Owning by the value any alleged ROT Stock when completing their Voting Proof of Debt Forms.

## 12.8 **Adjudication of Voting Proof of Debt Forms**

The Chairperson of the Creditors' Scheme Meeting has power to admit (wholly or in part) or reject a proof of debt or Claim, for the purposes of voting at the Creditors' Scheme Meeting.

The Chairperson will adjudicate upon the Scheme Creditor's Claim as set out in a Voting Proof of Debt Form based on the information contained in or provided with the Voting Proof of Debt Form, as well the information known to the Chairperson and Ashurst. This may result in the Scheme Creditor's Claim being rejected, in whole or in part, or admitted for a higher or lower amount.

Any Scheme Creditor who is aggrieved by the Chairperson's decision to admit or reject (in whole or in part) a Voting Proof of Debt Form or Claim for voting purposes may appeal the decision in Court by application to the Court filed within 48 hours of the decision, which application is to be heard at the time and place scheduled for the Second Court Hearing.

The admission of a Scheme Creditor's Claim is for voting purposes only and does not constitute an admission of the existence or amount of the Scheme Creditor's Claim against Ovato Print, Ovato Limited or the Scheme Companies or any other person, and will not bind Ovato Print, Ovato Limited, the Scheme Companies or the Scheme Creditors concerned for any other purpose. Nor will it bind the Scheme Administrators.

In the event of voluntary administration or liquidation of Ovato Print, Ovato Limited or any of the Scheme Companies, the voluntary administrator or liquidator may adjudicate upon the Scheme Creditor's Claim, if any, on a different basis than that which is used to adjudicate on the Scheme Creditor's Claim for the purpose of voting at the Creditors' Scheme Meeting, and therefore may admit Claims for a higher or lower amount. Scheme Creditors are encouraged to obtain their own advice regarding the possible treatment of their Claims in a voluntary administration or liquidation scenario.

#### 12.9 **Modification of the Creditors' Scheme at the Creditors' Scheme Meeting**

Scheme Creditors may propose modifications to the Creditors' Scheme at the Creditors' Scheme Meeting. However, Scheme Creditors should be aware that there are risks associated with modifying the terms of the Creditors' Scheme at the Creditors' Scheme Meeting. For more detail on these risks, refer to **Section 8.8** of this Explanatory Statement.

#### 12.10 **Lodgement of documents and further queries**

Completed Voting Proof of Debt Forms and Scheme Creditor's Proxy Forms should be lodged in accordance with the instructions on those forms.

If you have any questions in relation to the Creditors' Scheme, the lodgement of Scheme Creditor's Proxy Forms or Voting Proof of Debt Forms, you are encouraged to contact the Company Secretary of Ovato Print:

**Attention:** Alistair Clarkson

**Email:** Alistair.Clarkson@ovato.com.au

## 13. THE MEMBER'S SCHEMES EXPLAINED

### 13.1 Introduction

This document is the Explanatory Statement for the scheme of arrangement between each Transferor Company and their respective Sole Member.

### 13.2 Overview and purpose of the Member's Schemes

Ovato Limited, as the ultimate holding company of the Ovato Group, is in the process of implementing various measures to consolidate its printing production capacity, improve its operating efficiencies and decrease its cost base and provide flexibility to downsize further if required.

The Members' Schemes will provide for the transfer of each Transferor Companies' assets and liabilities (other than certain plant and equipment, the Non-transferring Employees and \$2,030,000 in retained funds) to the Transferee Companies as set out in the terms of the Member's Schemes and further particularised in the Property and Liabilities Schedule. The employee entitlement liabilities in connection with the Non-transferring Employees will remain with the Transferor Companies.

Following this transfer, subject to the Court making the necessary order, the Ovato Group Deed of Cross Guarantee will be revoked to the extent it relates to each Transferor Company, and each Transferor Company will be wound up. The Non-transferring Employees may seek their entitlements in the winding up of each Transferor Company under the Corporations Act and the *Fair Entitlements Guarantee Act 2012* (Cth).

### 13.3 Summary of the Member's Schemes

The Member's Schemes provide for the following matters, which are proposed to be effected pursuant to sections 411(4)(b) and 413(1) of the Corporations Act:

- (a) **(assets)** the transfer to, and vesting in, the Transferee Companies of certain Assets of Transferor Companies, as set out in the terms of the Member's Schemes and further particularised in the Property and Liabilities Schedule, without the need for further act of deed;
- (b) **(liabilities)** the transfer to, and vesting in, the Transferee Companies of certain Liabilities of the Transferor Companies, as set out in the terms of the Member's Schemes and further particularised in the Property and Liabilities Schedule, without the need for further act of deed; and
- (c) **(legal proceedings)** the continuation by or against the Transferee Companies of all legal proceedings pending by or against each Transferor Company without the need for any further act or deed, other than an amendment of the record of the relevant court or tribunal.

A copy of the proposed Member's Schemes accompany this Explanatory Statement at Annexure B.

### 13.4 Steps to effect the Member's Schemes

The Court has ordered that a meeting of each Sole Member of the Transferor Companies be convened in order to consider and, if thought fit, pass the resolution to approve the Member's Schemes.

The Member's Schemes require the approval of each Sole Member of the Transferor Companies.

If the Member's Schemes are approved by each Sole Member, the Transferor Companies will make an application to the Court for approval of the Member's Schemes under section 411(4)(b) of the Corporations Act.

The Member's Schemes become effective immediately upon office copies of the orders of the Court approving the Member's Schemes being lodged with ASIC or from such earlier date as the Court determines and specifies in the orders. Ovato Print, on behalf of the Transferor Companies, intends to lodge the copies of the Court orders approving the Member's Schemes on or about 21 December 2020 (provided the Court makes orders approving the Member's Schemes on or before this date).

The Member's Schemes will be implemented at and following the Member's Implementation Time, the winding up of the Transferor Companies will be commenced. It is currently intended that Stephen Parbery and Marcus Ayres of Duff & Phelps be appointed as the joint and several Liquidators of the Transferor Companies.

### 13.5 **Transferor Companies Directors' recommendations**

#### (a) **Current Director of the Transferor Companies**

The director of each Transferor Company in office at the date of lodgement of this Explanatory Statement for registration by ASIC is Kevin Joseph Slaven (**Transferor Companies Director**).

#### (b) **Transferor Companies Directors' recommendation**

The Transferor Companies Director, having considered the terms of the Member's Schemes applicable to each Transferor Company of which he is a director and having regard to the benefits associated with the implementation of the Member's Schemes, believes that the Member's Schemes:

- (i) are fair and reasonable and in the best interests of each Transferor Company and its respective Sole Member; and
- (ii) will not adversely affect the interests of the creditors of the Transferor Companies.

Accordingly, the Transferor Companies Director recommends that each Sole Member vote in favour of the applicable resolutions necessary to implement the Member's Schemes.

A description of the matters considered by the Transferor Companies Director in coming to the view that the Member's Schemes are in the best interests of each Sole Member and will not adversely affect the interests of the creditors of the Transferor Companies is set out in sections 13.5(c) and 13.6.

#### (c) **Transferor Companies Director's reasons for recommendation**

The Transferor Companies Director has recommended that each Sole Member votes in favour of the resolutions necessary to implement the Member's Schemes, for the following reasons:

- (i) the Member's Schemes will assist with consolidating production capacity and improving operating efficiencies within the Ovato Group; and
- (ii) the Member's Schemes will assist with reducing the cost base and providing further flexibility for the Ovato Group to downsize its workforce.

The Transferor Companies Director believes that the benefits of proceeding with the Member's Schemes outweigh the potential disadvantages and risks referred to in **Section 13.8** below.

### 13.6 **No adverse effect on creditors**

#### (a) **No adverse effect on creditors**

If the Member's Schemes are approved and implemented, the majority of creditors of the Transferor Companies will become creditors of the Transferee Companies.

The Transferor Companies Director believes that the creditors of the Transferor Companies will not be adversely affected by the outcome of the Member's Schemes. The reasons for this opinion include:

- (i) **Solvent and positive net assets:** The Transferee Companies are solvent and in a positive net asset position. The combination of the Assets and Liabilities of each Transferor Company and each Transferee Company will result in each Transferee Company having sufficient assets, cash flows and access to credit facilities to remain solvent and be able to discharge the Liabilities of each Transferor Company which are transferred to each Transferee Company as a result of the Member's Schemes (as well as each Transferee Company's own liabilities existing immediately before implementation of the Member's Schemes).

The Transferor Companies Director considers that the financial information referred to above and set out in the McGrathNicol Report at Annexure C demonstrates that creditors of the Transferor Companies will not be adversely affected by the Member's Schemes.

- (ii) **Nature and type of creditors:** The creditors of each Transferor Company include the following types of creditors:

- (A) trade creditors;
- (B) the Commissioner of Taxation (Cth);
- (C) State tax revenue commissioners;
- (D) secured creditors;
- (E) worker's compensation providers;
- (F) landlords; and
- (G) employees.

For the trade creditors, the supply agreements that are currently are on foot with each Transferor Company will be transferred to Ovato Limited. The terms of those supply agreements will remain unchanged. With the exception of the Claims of Scheme Creditors in connection with the Amount Owing to them, the liabilities owed by each Transferor Company to each trade creditors will be transferred directly to Ovato Limited.

The tax liabilities owed to the Commissioner of Taxation (Commonwealth) and the state tax revenue commissioners will be transferred to Ovato Limited except to the extent that those liabilities are in connection with the Amount Owing as defined in the Creditors' Scheme.



With the exception of the Non-transferring Employees, all employees of the Transferor Companies will be transferred to Ovato Limited on the current terms of their employment contracts. Upon the winding up of the Transferor Companies, all Non-transferring Employees may seek to have their employee entitlements paid out in accordance with the requirements under the Corporations Act and the *Fair Entitlements Guarantee Act 2012* (Cth).

(b) **McGrathNicol's Report on position of creditors**

McGrathNicol has opined on whether the creditors of the Transferor Companies, which include the Non-transferring Employees, will be materially prejudiced as a result of the Member's Schemes (including the liquidation of the Transferor Companies).

McGrathNicol's opinion is that the creditors of the Transferor Companies will not be materially prejudiced as a result of the Member's Schemes. McGrathNicol's conclusions are as follows:

- (i) *"In [McGrathNicol's] opinion, if orders are made under section 411 and 413 of the Act, including an order the [Ovato Group Deed of Cross Guarantee] be revoked to the extent it relates to the [Transferor] Companies and noting that the Transferee Companies will be a party to the [Ovato Group] Deed of Cross Guarantee, the making and implementation of the orders will not materially prejudice the interests of the creditors of the [Transferor] Companies."*
- (ii) *"In [McGrathNicol's] opinion, the implementation of the [Restructuring] Schemes, will place the Transferee Companies in a materially stronger financial position with Management forecasting cash available immediately after the [Restructuring] Schemes implementation of \$12.9 million and forecast positive operating cash flow for at least 12 months after the Proposed Scheme implementation. By contrast, if the [Restructuring] Schemes are not implemented, in [McGrathNicol's] opinion, the Ovato Group will become insolvent and be wound up and that liquidator realisations will be insufficient to pay a dividend to the ordinary unsecured creditors of any Company in the Group."*

*Accordingly, in my opinion, if orders are made under sections 411 and 413 of the Act, including an order the [Ovato Group Deed of Cross Guarantee] be revoked to the extent it relates to [Transferor] Companies, there will be no material prejudice in relation to the Transferee Companies' ability to pay its creditors."*

A copy of the McGrathNicol Report is attached at Annexure C and will be given to each Sole Member.

13.7 **Effect of Member's Schemes on the employees of Ovato Group**

Following implementation of the Member's Schemes, approximately 225 employees being the Non-transferring Employees, will not be transferred to Ovato Limited and will remain employed by the Transferor Companies. The majority of the Non-transferring Employees are currently employed as workers at Ovato Print's Clayton Print Facility. The Clayton Print Facility will be shut down as part of the winding up of Ovato Print should the Restructuring Schemes be implemented. All Non-transferring Employees may seek to have their employee entitlements paid out in full in the winding up of each Transferor Company in accordance with statutory requirements under the Corporations Act and the *Fair Entitlements Guarantee Act 2012* (Cth). All other employees of the Transferor Companies will be transferred to Ovato Limited on the same terms and with the same entitlements as under their current contracts of employment.

### 13.8 Potential disadvantages and risks of the Member's Schemes

The Transferor Companies Director has identified the following potential disadvantages and risks of proceeding with the Member's Schemes:

- (a) **Business relationships risk:** There is a risk that some existing customers, suppliers and other stakeholders of the Transferor Companies may not support the restructure of the Ovato Group, particularly the subsequent winding up of the Transferor Companies. This may result in adverse consequences for ongoing business relationships with the Ovato Group. To mitigate against this risk, the Transferor Companies' Director has engaged with relevant customers, suppliers and stakeholders in relation to the proposed Member's Schemes.
- (b) **Failure to realise benefits:** There is a risk that the expected costs savings and efficiencies following implementation of the Member's Schemes will not be fully realised.
- (c) **Implementation costs:** The Member's Schemes are expected to result in one-off implementation and transaction costs for Ovato Print.

14. **OTHER INFORMATION RELATING TO MEMBER'S SCHEMES**

14.1 **Marketable securities held by the Transferor Companies Director**

No marketable securities in the Transferor Companies are held by or on behalf of the Transferor Companies Director, or to which that person is otherwise entitled, as at the time of lodgement of this Explanatory Statement with ASIC for registration.

The Transferor Companies Director is also the sole director, secretary and shareholder of Aragorn Arwen Pty Limited ACN 617 292 645 which holds 386,620 ordinary shares in Ovato Limited as at the time of lodgement of this Explanatory Statement with ASIC for registration.

14.2 **No payments to the Transferor Companies Director or other officers**

No payment or other benefit will be made or given to the Transferor Companies Director or any secretary or executive officer of a Transferor Company or of any related body corporate as compensation for loss of, or as consideration for or in connection with his or her retirement from office as director, secretary or executive officer of a Transferor Company or of a related body corporate, as the case may be, as a result of the Member's Schemes.

14.3 **No agreements with the Transferor Companies Director**

There is no agreement or arrangement made between the Transferor Companies Director and another person in connection with or conditional on the outcome of the Member's Schemes.

14.4 **Sales of the Transferor Companies' shares and the Transferee Companies' shares in preceding 6 months**

- (a) To the knowledge of the Transferor Companies' Director, there have been no sales of shares in any Transferor Companies in the 6 months immediately before the date on which this Explanatory Statement is lodged with ASIC for registration.
- (b) To the knowledge of the director of Ovato Cairns, there have been no sales of shares in Ovato Cairns in the 6 months immediately before the date on which this Explanatory Statement is lodged with ASIC for registration.
- (c) To the knowledge of the director of Ovato Creative, there have been no sales of shares in Ovato Creative in the 6 months immediately before the date on which this Explanatory Statement is lodged with ASIC for registration.
- (d) The shares of Ovato Limited are granted official quotation on ASX.

14.5 **No material changes in financial position of the Transferor Companies**

There has been no material change in the financial position of each Transferor Company within the knowledge of the Transferor Companies Director since the date that the certified financial statements set out at Annexure D were provided to ASX.

14.6 **No adverse income tax consequences**

No Australian income tax liability should arise for the Transferor Companies or the Transferee Companies as a consequence of the implementation of the Member's Schemes. In particular:

- the transfer of assets and the assumption of liabilities contemplated by the Member's Schemes should be disregarded transactions for income tax purposes under the tax consolidation rules; and

- the subsequent liquidation of the Transferor Companies should not give rise to any deemed assessable profits or capital gains under CGT event L5 (or otherwise).

As such, the transfer of assets and assumption of liabilities pursuant to the Member's Schemes should not result in any income tax consequences for the Transferor Companies or the Transferee Companies.

#### 14.7 **Stamp duty**

Transfer duty applies to the transfer of certain dutiable property from a Transferor Company to a Transferee Company under the Members' Schemes. Based on the information currently available, it is expected that there will be a potential liability in New South Wales, Queensland, Tasmania, Victoria and Western Australia.

For New South Wales, Queensland, Tasmania and Western Australia, the Transferee Companies may be granted corporate reconstruction duty relief in respect of these transfers, which if granted allows for the duty to be relieved in full. Corporate reconstruction relief may be subject to "clawback" in some States if certain events occur after the Members' Schemes have been implemented. Clawback involves the exemption from duty being revoked, such that the duty which would have been payable but for the relief becomes payable together with related interest and penalties. The directors of the Transferor Companies and the Transferee Companies are not aware of any presently existing circumstances which may lead to a clawback of the relief granted.

For Victoria, the Transferee Companies may be granted a corporate reconstruction concession in respect of these transfers, which if granted allows for a reduction in duty to 10% of the duty that would otherwise be payable.

The relief / concession is available on application and the relevant revenue authorities must be satisfied as to certain matters as part of granting the relief / concession. Accordingly, there is a risk that the corporate reconstruction duty relief or concession may be refused in one or more States. The Transferee Companies intend to apply for relief shortly.

Based on the information currently available, the residual duty payable by the Transferee Companies if corporate reconstruction duty reliefs and concessions are granted in all States is approximately \$90,000.

#### 14.8 **Transferor Companies Director's intentions for continuation of business**

Each Transferee Company has advised the Transferor Companies that, as at the date of this document, following the implementation of the Member's Schemes, it intends:

- to continue the conduct of the business of Transferor Companies in the same manner as it was conducted immediately prior to the lodgement of this Explanatory Statement with ASIC for registration; and
- not to make any major changes to the business of the Transferor Companies.

#### 14.9 **Relief from the need to prepare an expert report**

The Transferor Companies Director is the sole director of each Transferor Company, Ovato Cairns, Ovato Creative and also a director of Ovato Limited. Additionally, each of the Transferor Companies and, with the exception of Ovato Limited, each of the Transferee Companies have the same ultimate holding company in Ovato Limited.

Clause 8303 of Part 3 of Schedule 8 of the Corporations Regulations requires that, in these circumstances, the Explanatory Statement be accompanied by a copy of a report made by an independent expert stating whether or not, in his or her opinion, the proposed Member's

Schemes is in the best interests of the member of the transferor company and setting out his or her reasons for that opinion. [ASIC has waived compliance with this requirement.]  
[ASIC to confirm]

14.10 **No other information material to the Member's Schemes**

There is no other information material to the making of a decision in relation to the Member's Schemes, being information that is within the knowledge of the Transferor Companies Director or director of any related bodies corporate, at the time of lodging this Explanatory Statement with ASIC for registration which has not previously been disclosed to each Sole Member.

## 15. THE MEMBER'S SCHEMES MEETINGS AND VOTING PROCEDURES

### 15.1 Time and place

Each of the Member's Schemes Meetings will be held to consider and, if thought fit, approve the Member's Schemes at:

approximately **11:30 am** on **Monday, 30 November 2020**

at

**Level 4, 60 Union Street, Pyrmont, New South Wales 2009, Australia**

### 15.2 Chairperson

It is intended that each of the Member's Schemes Meetings will be chaired by Kevin Joseph Slaven or such other person as the Court may specify when making its orders under section 411(1) of the Corporations Act.

### 15.3 Agenda for the Member's Schemes Meetings

The proposed agenda for each of the Member's Schemes Meeting will be as follows:

- (a) the Chairperson will address those present at the relevant Member's Schemes Meeting, providing an explanation of the background to and purpose of the meeting;
- (b) there will be a general presentation in relation to the proposed Member's Schemes and attendees will be given a reasonable opportunity to ask questions in relation to the Member's Schemes;
- (c) the procedure for voting on the Member's Schemes will be explained; and
- (d) the resolution to approve the Member's Schemes will be put to the relevant Sole Member by proxy, attorney or corporate representative at the relevant Member's Schemes Meeting for a vote by signing a written record.

### 15.4 Eligibility and entitlement to vote

Only the Sole Member of each Transferor Company is eligible to vote at the relevant Member's Schemes Meeting.

Voting at each of the Member's Schemes Meetings will be conducted by written record.

### 15.5 How to vote at the Member's Schemes Meetings

As each Sole Member is a corporation, it may appoint a proxy, attorney or corporate representative to attend the meeting on its behalf. Any attorney or corporate representative should bring to the respective Member's Schemes Meeting evidence of his or her appointment including authority under which the appointment was made.

If a Sole Member appoints a proxy, they will need to complete and lodge a Member's Proxy Form as set out in Annexure I, in accordance with the instructions on the form, so that it is received ahead of the respective Member's Schemes Meeting.

Any attorney or corporate representative should bring to the respective Member's Schemes Meeting evidence of his or her appointment including authority under which the appointment was made.

## 16. **INTERPRETATION AND GLOSSARY**

### 16.1 **Interpretation**

The following general interpretation guidelines are included to assist Scheme Creditors and each Sole Member in understanding this document.

- (a) Unless otherwise stated, all data contained in charts, graphs and tables is based on information available as at the date of this Explanatory Statement. All numbers are rounded unless otherwise indicated.
- (b) A reference to \$, AUD or cents, is to Australian currency, unless otherwise stated.
- (c) All references to time are references to the time in Sydney, Australia.
- (d) A reference to:
  - (i) a "section" or "paragraph" is to a section or paragraph of this Explanatory Statement;
  - (ii) a legislative provision or legislation (including subordinate legislation) is to that provision or legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
  - (iii) a document (including this document) or agreement, or a provision of a document (including this document) or agreement, is to that document, agreement or provision as amended, supplemented, replaced or novated;
  - (iv) a party to an agreement includes a successor in title, permitted substitute or a permitted assign of that party;
  - (v) a person includes any type of entity or body of persons, whether or not it is incorporated or has a separate legal identity, and any executor, administrator or successor in law of the person; and
  - (vi) anything (including a right, obligation or concept) includes each part of it.
- (e) A singular word includes the plural, and vice versa.
- (f) If a word or phrase is defined, any other grammatical form of that word or phrase has a corresponding meaning.
- (g) A word which suggests one gender includes the other genders.
- (h) If an example is given of anything (including a right, obligation or concept), such as by saying that it includes something else, the example does not limit the scope of that thing.
- (i) A reference to a matter being "to the knowledge" of Ovato Print, Ovato Limited and the Scheme Companies means that the matter is to the best of the knowledge and belief of the Ovato Directors as at the date of this Explanatory Statement, after making reasonable enquiries in the circumstances.
- (j) A reference to "information" is to information of any kind in any form or medium, whether formal or informal, written or unwritten.
- (k) The word "agreement" includes an undertaking or other binding arrangement or understanding, whether or not in writing.

- (l) The expressions "**subsidiary**", "**holding company**" and "**related body corporate**" have the same meanings as is given to those expressions in the Corporations Act.

## 16.2 Glossary of terms

Capitalised terms used in this Explanatory Statement have the meanings set out below.

Scheme Creditors and each Sole Member should be aware that some of the documents in the Annexures to this Explanatory Statement have their own defined terms, which are sometimes different from those in this Glossary.

**333 Capital** means 333 Capital of Level 5 Chifley Tower, 2 Chifley Square, Sydney New South Wales 2000.

**Admitted Claim** means, in respect of a Scheme Creditor, the amount for which the Scheme Creditor's Amount Owed by Ovato Print, Ovato Limited and the Scheme Companies are admitted by the Chairperson for the purpose of voting at the Creditors' Scheme Meeting.

**Amount Owed** means

- (a) in the case of Scheme Creditors which have supplied goods or services to Ovato Print, all amounts owing (inclusive of GST) under invoices issued to Ovato Print on or prior to the Voting Entitlement Record Date in respect of goods or services delivered or supplied prior to that date;
- (b) in the case of the Commissioner of Taxation (Cth):
  - (i) all amounts owing pursuant to any payment plan entered into on or prior to the Voting Entitlement Record Date between Ovato Print and the Commissioner of Taxation (Cth); and
  - (ii) all amounts owing pursuant to the Business Activity Statement to be lodged by Ovato Print in respect of the month of October 2020;
- (c) in the case of the Commissioner of State Revenue (Vic) and Commissioner of State Taxation (SA), all amounts owing in respect of Ovato Print as at the Voting Entitlement Record Date; and
- (d) in the case of the Chief Commissioner of State Revenue (NSW), all amounts owing in respect of Ovato Print, Hannanprint NSW Pty Limited and Ovato Limited as at the Voting Entitlement Record Date.

**ANZ** means Australia and New Zealand Banking Group Limited ABN 11 005 357 522.

**ASIC** means the Australian Securities and Investments Commission.

**Assets** means real and personal property (including 'property' as defined within section 413(4) of the Corporations Act) and any interest in such property wherever located, whether tangible or intangible, present or future, fixed or unascertained, actual or contingent, and extends to:

- (a) any part of the business or undertaking of a body corporate;
- (b) things in action, including rights under any contract or other arrangement;
- (c) any Authorisation; and



(d) any other thing capable of being owned, transferred or otherwise dealt with.

**ASX** means ASX Limited or the financial market operated by ASX Limited, as the context requires.

**Authorisation** means:

- (a) an authorisation, right, consent, declaration, exemption, notarisation, permit, benefit, licence, approval, clearance or waiver, however it is described; and
- (b) in relation to anything that could be prohibited or restricted by law if a Government Agency acts in any way within a specific period, the expiry of that period without that action being taken,

including any renewal or amendment.

**Business Day** means a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Sydney, New South Wales.

**Chairperson** has the meaning given to that term in section 12.2.

**Claim** means, in relation to a person, any claim, allegation, cause of action, proceeding, debt, liability, suit or demand made against the person concerned however it arises and whether it is present or future, fixed or unascertained, actual or contingent or otherwise whether at law, in equity, under statute or otherwise.

**Clayton Print Facility** means the printing facility operated by Ovato Print in Clayton, Victoria.

**Commerzbank** means Commerzbank Aktiengesellschaft of Kaiserplatz, 60261 Frankfurt, Federal Republic of Germany.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Corporations Regulations** means the *Corporations Regulations 2001* (Cth).

**Costs** means costs, charges, fees and expenses.

**Court** means the Supreme Court of New South Wales.

**Creditors' Requisite Majority** has the meaning given to that term in section 5.2.

**Creditors' Scheme** means the compromise or arrangement under Part 5.1 of the Corporations Act between Ovato Print, Ovato Limited, the Scheme Companies, the Scheme Creditors, and the Subordinate Claim Holders, being the compromise or arrangement proposed by Ovato Print, Ovato Limited and the Scheme Companies as set out in Annexure A to this Explanatory Statement.

**Creditors' Scheme Meeting** means the meeting of Scheme Creditors ordered by the Court to be convened under section 411(1) of the Corporations Act in relation to the Creditors' Scheme, and includes any adjournment of that meeting.

**Creditors' Scheme Resolution** means the resolution contained in the Notice of Creditors' Scheme Meeting which will be put to the Scheme Creditors at the Creditors' Scheme Meeting.

**Deed Poll** means the Scheme Administrators Deed Poll, the Scheme Creditors Deeds Poll or the Released Obligor Individual Deeds Poll, as the context requires, and Deeds Poll means all of them or any combination of them, as the context requires.

**Dividend Table** has the meaning given to that term in the Creditors' Scheme.

**Duff & Phelps** means Duff & Phelps of Level 32, 85 Castlereagh Street, Sydney, New South Wales 2000.

**Effective Date** means, in respect of the Creditors' Scheme, the date on which all of the conditions precedent in the Creditors' Scheme have been satisfied.

**Explanatory Statement** means this document.

**FIRB** means Foreign Investment Review Board.

**First Court Date** means the date of the hearing of an application for the First Court Orders or, if the hearing of that application is adjourned, the date to which the hearing is adjourned.

**First Court Hearing** means the hearing of an application for the First Court Orders, including any adjourned hearing.

**First Court Orders** means the orders of the Court convening the Creditors' Scheme Meeting and the Member's Schemes Meeting under section 411(1) of the Corporations Act.

**Government Agency** means:

- (a) a government or government department or other body;
- (b) a government, semi-governmental or judicial person including a statutory corporation; or
- (c) a person (whether autonomous or not) who is charged with the administration of a law.

**Implementation Date** means the earlier of:

- (a) 1 February 2021; and
- (b) if the Scheme Administrators form the opinion that Steps 1 (*Deed Poll and Dividend Table*) to 8 (*Compromise of Subordinate Claims*) of the Creditors' Scheme cannot be completed by the date in (a) above, such later date on which, in the opinion of the Scheme Administrators, Step 8 (*Compromise of Subordinate Claims*) will be completed, being a date that is not later than the Sunset Date.

**IPMG Group** means IPMG Pty Limited and its subsidiaries.

**IPMG Pty Limited** means IPMG Pty Limited ACN 123 230 259.

**Liabilities** means all liabilities (including obligations), however arising and whether present, fixed, actual, unascertained, immediate, future or contingent, including (without limitation):

- (a) any 'liabilities' within the meaning in section 413(4) of the Corporations Act;
- (b) any liability to a Government Agency or any other person; and
- (c) any liability under any potential or future proceedings (whether civil, regulatory or otherwise).

**Liquidators** means Stephen Parbery and Marcus Ayres of Duff & Phelps.

**McGrathNicol** means McGrathNicol of Level 12, 20 Martin Place, Sydney, New South Wales 2000.

**McGrathNicol Information** means the information in **Section 10** of this Explanatory Statement, the McGrathNicol Report and certain other information in this Explanatory Statement that is identified as having been provided by or attributed to McGrathNicol.

**McGrathNicol Report** means the independent expert report dated [●] prepared by McGrathNicol, a copy of which is set out at Annexure C.

**Member's Implementation Time** means, in respect of the Member's Schemes and the transfer of Assets and Liabilities of the Transferor Companies under the Member's Schemes, the time at which the Member's Schemes and the transfer are to be implemented in accordance with clause 4.3 (*Implementation Time*) of the Member's Schemes.

**Member's Proxy Form** means the form used by the Sole Members to appoint a proxy to vote on their behalf at the Member's Schemes Meeting, substantially in the form set out at Annexure I.

**Member's Schemes** means the compromises or arrangements under Part 5.1 of the Corporations Act between Ovato Print and Ovato Limited, Hannanprint NSW Pty Limited ACN 100 817 623 and The Independent Print Media Group Pty Ltd ACN 071 231 215, Hannanprint Victoria Pty Limited ACN 100 817 712 and The Independent Print Media Group Pty Limited ACN 071 231 215, and Inprint Pty Limited ACN 010 728 971 and Woodox Pty Ltd ACN 067 150 789, being the compromises or arrangements proposed by those companies as set out in Annexure B.

**Member's Schemes Meeting** means a meeting of each Sole Member (as applicable) ordered by the Court to be convened under section 411(1) of the Corporations Act in relation to the Member's Schemes, and includes any adjournment of that meeting.

**Member's Schemes Resolution** means the resolution contained in each Notice of Member's Schemes Meeting (as applicable) which will be put to the respective Sole Member at the corresponding Member's Schemes Meeting.

**MOFA** means the multi-option facility agreement originally dated 19 November 2014 (MOFA) between, amongst others, ANZ as lender, Ovato Print, Ovato Limited and the Scheme Companies as guarantors, ANZ Fiduciary Services Pty Ltd ABN 91 100 709 403 and Rathdrum Properties Pty Limited ACN 123 510 001 as trustee of the Rathdrum Property Trust ABN 38 425 241 787.

**Non-transferring Employees** means the employees of Ovato Print, Hannanprint NSW Pty Limited, Hannanprint Victoria Pty Limited and Inprint Pty Limited who are not being transferred across to Ovato Limited under the Members' Schemes.

**Note Trust Deed** means the note trust deed dated 19 November 2018 between, amongst others, Ovato Finance Pty Ltd ACN 053 814 976 as the issuer, the Note Trustee, and Ovato Print, Ovato Limited and the Scheme Companies as guarantors.

**Note Trustee** means BNY Trust Company of Australia Limited ABN 49 050 294 052 under the Note Trust Deed.

**Notice of Creditors' Scheme Meeting** means the notice of Creditors' Scheme Meeting that is to be sent to Scheme Creditors with this Explanatory Statement.

**Notice of Members' Schemes Meeting** means the notices of Member's Schemes Meeting that is to be sent to each Sole Member with this Explanatory Statement.

**Ovato Cairns** means Ovato Print Cairns Pty Ltd ACN 050 487 879.

**Ovato Creative** means Ovato Creative Services Pty Ltd ACN 001 098 157.

**Ovato Directors** has the meaning given to that term in section 11.1.

**Ovato Finance** means Ovato Finance Pty Ltd ACN 053 814 976.

**Ovato Group** means Ovato Limited and its Subsidiaries.

**Ovato Group Deed of Cross Guarantee** means the deed of cross guarantee dated 27 June 2008 between Ovato Limited and certain of its Subsidiaries, as amended from time to time, including by the Deed of Assumption dated 11 June 2009, the Deed of Variation dated 6 June 2017 and the Deed of Assumption dated 6 June 2017.

**Ovato Limited** means Ovato Limited ACN 050 148 644.

**Ovato Print** means Ovato Print Pty Ltd ACN 051 706 499.

**Property and Liabilities Schedule** has the meaning given to that term in the Members' Scheme.

**Rathdrum Property Trust** means the Rathdrum Property Trust ABN 38 425 241 787.

**Rathdrum Trustee** means Rathdrum Properties Pty Limited ACN 123 510 001 as trustee of the Rathdrum Property Trust.

**Released Obligor Individual** means each person who was, as at the Implementation Date, a director or officer of any of Ovato Print, Ovato Limited or the Scheme Companies who has executed, or at any time executes (including by way of joinder), a Released Obligor Individual Deed Poll.

**Released Obligor Individual Deed Poll** means the deed poll substantially in the form set out in Schedule 6 of the Creditors' Scheme.

**Restructuring Schemes** means the Creditors' Scheme and the Member's Schemes.

**Restructuring Transactions** means the transactions described in sections 9.1 and 9.5.

**ROT Stock** means personal property supplied to Ovato Print by a Scheme Creditor the title to which has been retained by that Scheme Creditor in accordance with the terms of any supply agreement between Ovato Print and that Scheme Creditor and over which that Scheme Creditor has, or immediately prior to title passing to Ovato Print had, a security interest perfected in accordance with the *Personal Property Securities Act 2009* (Cth).

**Scheme Administrators** means Shaun Fraser and Katherine (Kathy) Sozou of McGrathNicol, or any other person who accepts the appointment to the role of scheme administrator of the Creditors' Scheme, subject to section 411(7) of the Corporations Act provided, in each case, they have each executed a deed poll in substantially the same form as the Scheme Administrators Deed Poll.

**Scheme Administrators Deed Poll** means the deed poll substantially in the form set out in Schedule 4 of the Creditors' Scheme.

**Scheme Companies** has the meaning given to that term in the Creditors' Scheme being each of:

- (a) Hannanprint NSW Pty Limited ACN 100 817 623;
- (b) Hannanprint Victoria Pty Limited ACN 100 817 712; and
- (c) Inprint Pty Limited ACN 010 728 971.

**Scheme Creditors Deed Poll** means the deed poll executed by a Scheme Administrator as attorney and agent for the Scheme Creditors pursuant to the Creditors' Scheme in substantially the form set out in Schedule 5 of the Creditors' Scheme.

**Scheme Creditors** means the creditors listed in Schedule 2.

and **Scheme Creditors** means each **Scheme Creditor** collectively.

**Scheme Creditors' Proxy Form** means the form used by Scheme Creditors to appoint a proxy to vote on their behalf at the Creditors' Scheme Meeting, substantially in the form set out at Annexure G.

**Second Court Date** means the first day of the hearing of an application made to the Court for the Second Court Orders or, if the hearing of such application is adjourned for any reason, means the first day to which the hearing is adjourned.

**Second Court Hearing** means the hearing of an application made to the Court for the Second Court Orders, including any adjourned hearing.

**Second Court Orders** means the orders of the Court approving the Creditors' Scheme and the Member's Schemes under section 411(4)(b) (and, if applicable, section 411(6)) of the Corporations Act.

**Sole Member** means, in respect of each Transferor Company as the context requires, either:

- (a) Ovato Limited;
- (b) The Independent Print Media Group Pty Limited ACN 071 231 215; or
- (c) Woodox Pty Ltd ACN 067 150 789.

**Standstill Period** has the meaning given in section 8.3.

**Steps** means the steps to the implementation of the Creditors' Scheme as set out in clause 6.5 (*Steps*) of the Creditors' Scheme.

**Subordinate Claim** means a "subordinate claim" within the meaning of subsection 563A(2) of the Corporations Act against Ovato Limited in respect of any fact, matter, circumstance or event which has arisen or occurred at any time prior to the commencement of Step 8 (*Compromise of Subordinate Claims*) in the Creditors' Scheme.

**Subordinate Claim Holder** means any person who, as at immediately prior to the compromise of such claims pursuant to the Creditors' Scheme, has or, but for the Creditors' Scheme, would be entitled to make, a Subordinate Claim.

**Subsidiaries** has the meaning given in the Corporations Act and, as applied to Ovato Limited.

**Sunset Date** means, in respect of the Creditors' Scheme, 30 June 2021.

**Transferee Company** means:

- (a) in the case of the Transferring Inprint Entities:
  - (i) for the shares in Ovato Creative Services Geebung Pty Ltd ACN 010 958 200, the Transferee Company is Ovato Creative Services Pty Ltd ACN 001 098 157;
  - (ii) for the shares in Ovato Packaging Pty Ltd ACN 050 411 759, the Transferee Company is Ovato Cairns; and
  - (iii) for shares in Ovato Cairns, the Transferee Company is Ovato Limited; and
- (b) in all other cases, the Transferee Company is Ovato Limited,

whose corporate details are set out in Schedule 4.

**Transferor Company** means each of the companies whose corporate details are set out in Schedule 3.

**Transferor Companies' Director** means the director appointed to each Transferor Company as at the date of this Explanatory Statement, being Kevin Joseph Slaven.

**Transferring Inprint Entities** means each of:

- (a) Ovato Creative Services Geebung Pty Ltd ACN 010 958 200;
- (b) Ovato Packaging Pty Ltd ACN 050 411 759; and
- (c) Ovato Print Cairns Pty Ltd ACN 050 487 879.

**Unsecured Claim** has the meaning given to that term in the Creditors' Scheme as set out in Annexure A to this Explanatory Statement.

**Voting Entitlement Record Date** means 11:59 pm (Australian Eastern Daylight Time) on Friday, 6 November 2020.

**Voting Proof of Debt Form** means a proof of debt form substantially in the form set out at Annexure H, which may be lodged with Ashurst by email or by post by a Scheme Creditor for the purpose of voting at the Creditors' Scheme Meeting.

## SCHEDULE 1

### The Scheme Companies

	<b><i>Company name</i></b>	<b><i>ACN</i></b>	<b><i>Directors</i></b>
1.	Hannanprint NSW Pty Limited	100 817 623	Kevin Joseph Slaven
2.	Hannanprint Victoria Pty Limited	100 817 712	Kevin Joseph Slaven
3.	Inprint Pty Limited	010 728 971	Kevin Joseph Slaven

**SCHEDULE 2**

**Scheme Creditors**



### SCHEDULE 3

#### Transferor Companies Details

Ovato Print Pty Ltd	
Date of incorporation	17 April 1991
Place of incorporation	Australian Capital Territory
Australian Company Number	051 706 499
Registered office	Level 4, 60 Union Street Pyrmont NSW 2009
Members	Ovato Limited ACN 050 148 644
Directors	Kevin Joseph Slaven

Hannanprint NSW Pty Limited	
Date of incorporation	5 June 2002
Place of incorporation	New South Wales
Australian Company Number	100 817 623
Registered office	Level 4, 60 Union Street Pyrmont NSW 2009
Members	The Independent Print Media Group Pty Limited ACN 071 231 215
Directors	Kevin Joseph Slaven

Hannanprint Victoria Pty Limited	
Date of incorporation	5 June 2002
Place of incorporation	New South Wales
Australian Company Number	100 817 712
Registered office	Level 4, 60 Union Street Pyrmont NSW 2009
Members	The Independent Print Media Group Pty Limited ACN 071 231 215
Directors	Kevin Joseph Slaven

Inprint Pty Limited	
<b>Date of incorporation</b>	17 June 1987
<b>Place of incorporation</b>	Queensland
<b>Australian Company Number</b>	010 728 971
<b>Registered office</b>	Level 4, 60 Union Street Pyrmont NSW 2009
<b>Members</b>	Woodox Pty Ltd ACN 067 150 789
<b>Directors</b>	Kevin Joseph Slaven

## SCHEDULE 4

### Transferee Companies Details

Ovato Print Cairns Pty Ltd	
Date of incorporation	5 February 1991
Place of incorporation	Queensland
Australian Company Number	050 487 879
Registered office	Level 4, 60 Union Street Pyrmont NSW 2009
Members	Inprint Pty Limited ACN 010 728 971
Directors	Kevin Joseph Slaven

Ovato Limited	
Date of incorporation	30 October 1990
Place of incorporation	Australian Capital Territory
Australian Company Number	050 148 644
Registered office	Level 4, 60 Union Street Pyrmont NSW 2009
Members	Public company trading on ASX
Directors	Dhunbai Karai Michael Ashton Hannan Kevin Joseph Slaven Andrew McMaster

Ovato Creative Services Pty Ltd	
Date of incorporation	7 March 1973
Place of incorporation	New South Wales
Australian Company Number	001 098 157
Registered office	Level 4, 60 Union Street Pyrmont NSW 2009
Members	IPMG Digital Pty Ltd ACN 122 262 819
Directors	Kevin Joseph Slaven

## **ANNEXURE A**

### **Creditors' Scheme of Arrangement**

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## Creditors' Scheme of Arrangement

**Ovato Print Pty Ltd**

ACN 051 706 499

and

**Ovato Limited**

ACN 050 148 644

and

**The Scheme Companies**

(as set out in Schedule 1)

and

**The Scheme Creditors**

(as defined in this Creditors' Scheme of Arrangement)

and

**The Subordinate Claim Holders**

(as defined in this Creditors' Scheme of Arrangement)

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**BETWEEN:**

- (1) **Ovato Print Pty Ltd** ACN 051 706 499 of Level 4, 60 Union Street, Pyrmont, New South Wales (**Ovato Print**);
- (2) **Ovato Limited** ACN 050 148 644 of Level 4, 60 Union Street, Pyrmont, New South Wales (**Ovato Limited**);
- (3) the **Scheme Companies** as set out in Schedule 1;
- (4) the **Scheme Creditors** as set out in Schedule 2; and
- (5) the **Subordinate Claim Holders**.

**RECITALS:**

- (A) This Scheme is proposed in connection with:
  - (1) certain Claims against Ovato Print, Ovato Limited and the Scheme Companies by the Scheme Creditors, including Claims arising by virtue of the operation of the Ovato Group Deed of Cross Guarantee; and
  - (2) Subordinate Claims against Ovato Limited by the Subordinate Claim Holders.
- (B) The Scheme Administrators, pursuant to the Scheme Administrators Deed Poll, have consented to act as Scheme Administrators, consented to this Scheme, agreed to be bound by this Scheme as if they were a party to this Scheme and undertaken to perform all obligations and actions attributed to the Scheme Administrators under this Scheme.
- (C) Each Scheme Creditor, pursuant to the Scheme Creditors Deed Poll, will agree to be bound by this Scheme and has undertaken to perform all obligations and actions attributed to it under this Scheme.
- (D) Each Released Obligor Individual, pursuant to the Released Obligor Individual Deed Poll, will agree to be bound by this Scheme and has undertaken to perform all obligations and actions attributed to it under this Scheme.

**THE PARTIES AGREE AS FOLLOWS:**

1. **INTERPRETATION**

1.1 **Definitions**

The following definitions apply in this document.

**Amended Dividend Table** means the Dividend Table updated by the Scheme Administrators as contemplated by clause 6.5(c)(i)(B).

**Amount Owning** means:

- (a) in the case of Scheme Creditors which have supplied goods or services to Ovato Print, all amounts owing (inclusive of GST) under invoices issued to Ovato Print on or prior to the Voting Entitlement Record Date in respect of goods or services delivered or supplied prior to that date;
- (b) in the case of the Commissioner of Taxation (Cth):



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- (i) all amounts owing pursuant to any payment plan entered into on or prior to the Voting Entitlement Record Date between Ovato Print and the Commissioner of Taxation (Cth); and
  - (ii) all amounts owing pursuant to the Business Activity Statement to be lodged by Ovato Print in respect of the month of October 2020;
  - (c) in the case of the Commissioner of State Revenue (Vic) and Commissioner of State Taxation (SA), all amounts owing in respect of Ovato Print as at the Voting Entitlement Record Date; and
  - (d) in the case of the Chief Commissioner of State Revenue (NSW), all amounts owing in respect of Ovato Print, Hannanprint NSW Pty Limited and Ovato Limited as at the Voting Entitlement Record Date.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited or the financial market operated by ASX Limited, as the context requires.

**Business Day** means a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Sydney, New South Wales.

**Claim** means, in relation to a person, any claim, allegation, cause of action, proceeding, debt, liability, suit or demand made against the person concerned however it arises and whether it is present or future, fixed or unascertained, actual or contingent or otherwise whether at law, in equity, under statute or otherwise.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Costs** means costs, charges, fees and expenses.

**Court** means the Supreme Court of New South Wales.

**Deed Poll** means the Scheme Administrators Deed Poll, Scheme Creditors Deed Poll or the Released Obligor Individual Deed Poll, as the context requires, and Deeds Poll means all of them or any combination of them, as the context requires.

**Demands** has the meaning given in clause 5.5(c).

**Dispute End Date** has the meaning given in clause 6.5(c)(ii).

**Dividend Table** means a table in the form set out in Schedule 7 completed by the Obligors and provided to the Scheme Administrators in accordance with clause 6.5(a)(ii).

**Effective** means, when used in relation to this Scheme, the coming into effect of the Second Court Orders pursuant to section 411(10) of the Corporations Act.

**Effective Date** means the date on which all of the conditions precedent in clause 3.1 have been satisfied.

**Final Dividend Table** means the Amended Dividend Table, with any further updates determined to be necessary by the Scheme Administrators, after receiving the written reasons and evidence from a Scheme Creditor as contemplated by clause 6.5(c)(ii).

**Governmental Agency** means any government or representative of a government or any governmental, semi-governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal, agency, competition authority or entity and includes any minister (including the Treasurer of the Commonwealth of Australia), ASIC,

the Australian Competition and Consumer Commission, the Australian Taxation Office, ASX and any regulatory organisation established under statute or any stock exchange.

**Implementation Date** means the earlier of:

- (a) 1 February 2021; and
- (b) if the Scheme Administrators form the opinion that Steps 1 (Deed Poll and Dividend Table) to 8 (Compromise of Subordinate Claims) cannot be completed by the date in (a) above, such later date on which, in the opinion of the Scheme Administrators, Step 8 (Compromise of Subordinate Claims) will be completed, being a date that is not later than the Sunset Date.

**Liabilities** has the meaning given in clause 5.5(a).

**Losses** has the meaning given in clause 5.5(b).

**Member's Schemes** means the compromise or arrangement under Part 5.1 of the Corporations Act between Ovato Print and Ovato Limited, Hannanprint NSW Pty Ltd ACN 100 817 623 and The Independent Print Media Group Pty Ltd ACN 071 231 215, Hannanprint Victoria Pty Limited ACN 100 817 712 and The Independent Print Media Group Pty Limited ACN 071 231 215, and Inprint Pty Limited ACN 010 728 971 and Woodox Pty Ltd ACN 067 150 789, being the compromises or arrangements proposed by those companies and approved by the Court.

**Member's Schemes Second Court Orders** means the court order pursuant to section 411(4)(b), and if applicable section 411(6), of the Corporations Act in respect of the Member's Schemes.

**Obligors** means each of:

- (a) Ovato Print;
- (b) Ovato Limited; and
- (c) each of the Scheme Companies.

**Ovato Group Deed of Cross Guarantee** means the deed of cross guarantee dated 27 June 2008 between Ovato Limited and certain of its subsidiaries, as amended from time to time, including by the Deed of Assumption dated 11 June 2009, the Deed of Variation dated 6 June 2017 and the Deed of Assumption dated 6 June 2017.

**Period** means the period commencing on the Voting Entitlement Record Date and ending on the day before the Effective Date.

**Released Obligor Individual** means each person who was, as at the Implementation Date, a director or officer of any Obligor who has executed, or at any time executes (including by way of joinder), a Released Obligor Individual Deed Poll.

**Released Obligor Individual Deed Poll** means the deed poll substantially in the form set out in Schedule 6 of this Scheme.

**ROT Stock** means personal property supplied by a Scheme Creditor to Ovato Print, the title to which has been retained by that Scheme Creditor in accordance with the terms of any supply agreement between Ovato Print and that Scheme Creditor and over which that Scheme Creditor has, or immediately prior to title passing to Ovato Print during the Period had, a security interest perfected in accordance with the *Personal Property Securities Act 2009* (Cth).

**Scheme** means the compromise or arrangement under Part 5.1 of the Corporations Act between Ovato Print, Ovato Limited, the Scheme Companies, the Scheme Creditors and the Subordinate Claim Holders as set out in this document, subject to any alterations or conditions made or required by the Court.

**Scheme Administrator** means each of Shaun Fraser and Katherine (Kathy) Sozou of McGrathNicol, or any other person who accepts the appointment to the role of scheme administrator of this Scheme, subject to section 411(7) of the Corporations Act provided, in each case, they have each executed a deed poll substantially in the form as the Scheme Administrators Deed Poll.

**Scheme Administrators' Account** means the bank account in the name of the Scheme Administrators which has been nominated by the Scheme Administrators (or their representative) as being the "Scheme Administrators' Account".

**Scheme Administrators Deed Poll** means the deed poll substantially in the form set out in Schedule 4 of this Scheme and executed by the Scheme Administrators.

**Scheme Creditors Deed Poll** means the deed poll executed by the Scheme Administrator as attorney and agent for the Scheme Creditors as contemplated by clauses 4.2 and 6.5(a)(i) of this Scheme substantially in the form set out in Schedule 5.

**Scheme Fund** means:

- (a) for so long as the Scheme Administrators have not conducted the process set out in clause 6.5(c)(iv)(B), the amount specified as such in the Dividend Table; and
- (b) once the Scheme Administrators have conducted the process set out in clause 6.5(c)(iv)(B), the amount specified as such in the Final Dividend Table.

**Scheme Meeting** means the meeting of Scheme Creditors ordered by the Court to be convened under section 411(1) of the Corporations Act in relation to this Scheme, and includes any adjournment of that meeting.

**Second Court Date** means the first day of hearing of an application made to the Court for the Second Court Orders or, if the hearing of such application is adjourned for any reason, means the first day to which the hearing is adjourned.

**Second Court Orders** means the orders of the Court approving this Scheme under section 411(4)(b) (and, if applicable, section 411(6)) of the Corporations Act.

**Stamp Duty** means any stamp, transaction or registration duty or similar charge imposed by any Governmental Agency and includes any interest, fine, penalty, charge or other amount in respect of the above.

**Standstill Period** has the meaning given in clause 7.1.

**Step** means any of Steps 1 (Deed Poll and Creditor List) to 8 (Compromise of Subordinate Claims) set out in clause 6.5 and Steps means all of them.

**Step Register** has the meaning given in clause 6.3(a) and is substantially in the form set out in Schedule 1.

**Subordinate Claim** means a "subordinate claim" within the meaning of subsection 563A(2) of the Corporations Act, against Ovato Limited in respect of any fact, matter, circumstance or event which has arisen or occurred at any time prior to the commencement of Step 8 (Compromise of Subordinate Claims).

**Subordinate Claim Holder** means any person who, as at immediately prior to the commencement of Step 8 (Compromise of Subordinate Claims), has or, but for this Scheme, would be entitled to make, a Subordinate Claim.

**Sunset Date** means 30 June 2021.

**Unsecured Claim** means, in respect of a Scheme Creditor, the amount specified in Column F of the Final Dividend Table in respect of that Scheme Creditor.

**Voting Entitlement Record Date** means 11:59 pm (Australian Eastern Daylight Time) on 6 November 2020.

## 1.2 Rules for interpreting this document

Headings are for convenience only, and do not affect interpretation. The following rules also apply in interpreting this document, except where the context makes it clear that a rule is not intended to apply.

(a) A reference to:

- (i) a legislative provision or legislation (including subordinate legislation) is to that provision or legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
- (ii) a document (including this document) or agreement, or a provision of a document (including this document) or agreement, is to that document, agreement or provision as amended, supplemented, replaced or novated;
- (iii) a party is a reference to a person who is bound by this Scheme, and any person who agrees to be bound whether by deed poll or otherwise;
- (iv) a person includes a natural person, partnership, joint venture, Government Agency, association, corporation or other body corporate;
- (v) a clause, term, schedule or attachment is a reference to a clause or term of, or, schedule or attachment to this Scheme;
- (vi) this Scheme includes all schedules and attachments to it;
- (vii) a law includes:
  - (A) any constitutional provision, treaty, decree, statute, regulation, by-law, ordinance or instrument;
  - (B) any order, direction, determination, approval requirement, licence or licence condition made, granted or imposed under any of them;
  - (C) any judgment; and
  - (D) any rule or principle of common law or equity,and is a reference to that law as amended, supplemented, consolidated, replaced, overruled or applied to new or different facts;
- (viii) an agreement other than this Scheme includes an undertaking, or legally enforceable arrangement or understanding, whether or not in writing;
- (ix) "**dollars**" or "**AU\$**" or "**\$**" is to an amount in the currency of the Commonwealth of Australia unless otherwise indicated;

- (x) a thing (including, but not limited to, a chose in action or other right) includes a part of that thing; and
- (xi) anything (including a right, obligation or concept) includes each part of it.
- (b) A singular word includes the plural, and vice versa.
- (c) A word which suggests one gender includes the other genders.
- (d) If a word or phrase is defined, any other grammatical form of that word or phrase has a corresponding meaning.
- (e) If an example is given of anything (including a right, obligation or concept), such as by saying it includes something else, the example does not limit the scope of that thing.
- (f) Unless expressly provided otherwise, an agreement on the part of two or more persons binds them severally.
- (g) Unless expressly provided otherwise, a reference to a date or time is to that date or time in Sydney, New South Wales.

### 1.3 **Non Business Days**

If the day on or by which a person must do something under this document is not a Business Day the person must do it on or by the next Business Day.

### 1.4 **The rule about "contra proferentem"**

This document is not to be interpreted against the interests of a party merely because that party proposed this document or some provision of it or because that party relies on a provision of this document to protect itself.

## 2. **THIRD PARTIES**

### 2.1 **Deeds Poll**

- (a) This Scheme attributes actions to persons other than Ovato Print, Ovato Limited, the Scheme Companies and the Subordinate Claim Holders, being each Scheme Administrator and each Released Obligor Individual.
- (b) Each Scheme Administrator and each Released Obligor Individual has agreed or will agree, by executing the Scheme Administrators Deed Poll or Released Obligor Individual Deed Poll (as applicable), to perform the actions attributed to him or her under this Scheme, and is taken to be a party to this Scheme on and subject to the provisions of the Scheme Administrators Deed Poll or Released Obligor Individual Deed Poll (as applicable).
- (c) This Scheme also contemplates:
  - (i) the Scheme Creditors entering into a deed poll as set out in clause 4.2; and
  - (ii) that any person who is entitled to become a Released Obligor Individual may enter into a Released Obligor Individual Deed Poll either on, before or after the Effective Date.

### 3. **CONDITIONS PRECEDENT**

#### 3.1 **Conditions**

This Scheme is conditional upon, and will have no force or effect until, the satisfaction of each of the following conditions precedent:

- (a) **(equity raising)** Ovato Limited raises a minimum amount of \$30 million by way of a new equity issue to current or new members with the only remaining condition to be satisfied before the relevant members are unconditionally committed to buying the new equity being the Court making the Second Court Orders and making the Member's Schemes Second Court Orders;
- (b) **(Creditor approval)** this Scheme is agreed to by a majority of the Scheme Creditors present and voting in person or by proxy at the Scheme Meeting, holding at least 75% of the debt owed by Ovato Print, Ovato Limited and the Scheme Companies (as applicable) to those Scheme Creditors, in accordance with section 411(4)(a)(i) of the Corporations Act;
- (c) **(deeds poll)** as at 8.00 am on the Second Court Date:
  - (i) the Scheme Administrators Deed Poll has been executed by the Scheme Administrators and continues to benefit the beneficiaries named in that deed poll in accordance with its terms; and
  - (ii) the Scheme Administrators Deed Poll has not been terminated;
- (d) **(Court approval)** the Court makes the Second Court Orders, including with such alterations or conditions required by the Court under section 411(6) of the Corporations Act;
- (e) **(other conditions)** any other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to this Scheme have been satisfied;
- (f) **(Effective)** this Scheme becomes Effective;
- (g) **(Member's Schemes Lodgement)** the Member's Schemes Second Court Orders become effective pursuant to section 411(10) of the Corporations Act; and
- (h) **(Section 413(1)(g) Order)** in making the Member's Schemes Second Court Orders, the Court includes an order under section 413(1)(g) of the Corporations Act revoking the Ovato Group Deed of Cross Guarantee in respect of Ovato Print, Hannanprint NSW Pty Limited ACN 100 817 623, Hannanprint Victoria Pty Limited ACN 100 817 712 and Inprint Pty Limited ACN 010 728 971.

#### 3.2 **Certificate**

- (a) On the Second Court Date, Ovato Print will provide a certificate to the Court (or such other evidence as the Court may request) confirming, in respect of matters within its knowledge, whether or not the conditions precedent set out in clauses 3.1(a) and 3.1(c) have been satisfied.
- (b) The certificate (or other evidence) given by Ovato Print constitutes conclusive evidence, as between the parties, that the conditions precedent set out in clause 3.1(a) and 3.1(c) above have (or have not) been satisfied, as the case may be.

#### **4. GRANT OF AUTHORITY IN FAVOUR OF THE SCHEME ADMINISTRATOR**

##### **4.1 General grant of authority**

- (a) Each Scheme Creditor and each Obligor irrevocably authorises each Scheme Administrator to take all steps and do all other things necessary or advisable to give effect to this Scheme.
- (b) Without limitation to the generality of clause 4.1(a) and subject to clause 6.1(c), on and from the Effective Date, each Scheme Creditor irrevocably appoints each Scheme Administrator as its agent and attorney to enter into, execute and deliver as a deed (or otherwise) any document and to take any step necessary, desirable or advisable to give effect to this Scheme.
- (c) The appointments and authorities granted under this clause 4 and clause 5 shall be treated for all purposes as being fully effective and having been granted by deed poll. The authorities granted in favour of each Scheme Administrator under this Scheme will terminate immediately on the retirement or resignation of each Scheme Administrator in accordance with clause 5 of this Scheme.

##### **4.2 Scheme Creditors Deed Poll**

Without limiting the generality of clause 4.1, on and from the Effective Date, each Scheme Creditor irrevocably authorises the Scheme Administrators to execute and deliver, as its attorney and agent, a deed poll substantially in the form of Schedule 5, and amended to include the list of Scheme Creditors.

#### **5. SCHEME ADMINISTRATORS**

##### **5.1 Appointment of the Scheme Administrators**

Each Scheme Administrator will, on and from the Effective Date, be appointed jointly and severally as a scheme administrator of this Scheme.

##### **5.2 Qualification, appointment and cessation**

- (a) A person shall only be appointed as a scheme administrator of this Scheme, or replace a Scheme Administrator who ceases to be a scheme administrator of this Scheme (except by reason of resignation as the Scheme Administrator under clause 5.8) if the person:
  - (i) is not disqualified pursuant to section 411(7) of the Corporations Act;
  - (ii) consents to act as a scheme administrator; and
  - (iii) signs and delivers a deed poll substantially in the form of the Scheme Administrators Deed Poll.
- (b) A person ceases to be a Scheme Administrator if he or she:
  - (i) is disqualified pursuant to section 411(7) of the Corporations Act;
  - (ii) resigns from the position of Scheme Administrator by not less than one month's notice in writing to Ovato Print;
  - (iii) is removed from the position of Scheme Administrator by an order of the Court;

- (iv) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental health;
- (v) becomes bankrupt; or
- (vi) dies.

### 5.3 Powers in relation to this Scheme

Subject to clause 5.8, each Scheme Administrator:

- (a) has the power to supervise, administer, implement and carry out its functions as set out in this Scheme;
- (b) has the power to do anything else that is necessary or advisable for the purposes of administering this Scheme; and
- (c) has the power to do anything that is incidental to the exercise of the powers conferred on him or her under clauses 5.3(a) and 5.3(b).

### 5.4 Exercise of Powers

- (a) Each Scheme Administrator shall be entitled to:
  - (i) employ its partners and staff to assist it in the performance or exercise of its duties, obligations, responsibilities and powers under this Scheme;
  - (ii) appoint agents to attend to any matter that the Scheme Administrators might attend to under this Scheme and which the Scheme Administrators are unable to attend to or which it is unreasonable to expect the Scheme Administrators to attend to in person; and
  - (iii) appoint a solicitor, accountant, barrister or other professionally qualified person or persons to assist or advise the Scheme Administrators.
- (b) Except as expressly provided in this Scheme, in exercising or performing any of its duties, obligations, responsibilities or powers under this Scheme, each Scheme Administrator is taken not to act as, nor to have any of the duties of, a trustee.
- (c) Except where this Scheme expressly authorises a Scheme Administrator to act as agent and attorney for a person in the execution of documents, each Scheme Administrator does not act as agent or attorney for any party to, or person bound by, this Scheme and Claims or obligations of any kind whatsoever incurred in connection with its role as a Scheme Administrator are incurred by them personally.

### 5.5 Liability

Subject to the Corporations Act, a Scheme Administrator is not, in the performance or exercise of its powers, obligations, functions and duties under this Scheme, personally liable for:

- (a) any Claims or obligations of any kind whatsoever incurred by or on behalf of the Ovato Print or Ovato Limited including, without limitation, any monies borrowed and interest thereon and any contracts adopted or otherwise agreed and any Stamp Duty payable on this Scheme and any tax liable to be remitted or otherwise paid (**Liabilities**);
- (b) any loss or damage of any kind whatsoever caused by or resulting from any act, default or omission (**Losses**); or



- (c) any actions, suits, proceedings, accounts, Claims or demands arising out of this Scheme which may be commenced, incurred by or made by any person and all Costs incurred in respect thereof (**Demands**),

whether before, during or after the Effective Date, unless attributable to fraud, wilful misconduct, reckless or gross negligence or breach of fiduciary duty.

## 5.6 **Indemnity**

- (a) Each Obligor shall indemnify each Scheme Administrator for:
- (i) all Liabilities, Losses and Demands (as defined in clause 5.5); and
  - (ii) all personal liability that the Scheme Administrators may incur in respect of his or her role as Scheme Administrator,
- unless attributable to fraud, wilful misconduct, reckless or gross negligence or breach of fiduciary duty.
- (b) The indemnity under clause 5.6(a) takes effect on and from the Effective Date and is without limitation as to time notwithstanding the removal of a Scheme Administrator and the appointment of a replacement Scheme Administrator, the resignation of a Scheme Administrator or the termination of this Scheme for any reason whatsoever.
- (c) The indemnity under clause 5.6(a) shall not:
- (i) be affected, limited or prejudiced in any way by any irregularity, defect or invalidity in the appointment of each Scheme Administrator and shall extend to all actions, suits, proceedings, accounts, Liabilities, Claims and Demands arising in any way out of any defect in the appointment of each Scheme Administrator, the approval and implementation of this Scheme or otherwise; or
  - (ii) affect or prejudice all or any rights that each Scheme Administrator may have against any other person to be indemnified against the Costs, Losses and Liabilities incurred by each Scheme Administrator in, or incidental to the exercise or performance of any of the powers or authorities conferred on each Scheme Administrator by or in connection with this Scheme.
- (d) This indemnity survives completion or termination of this Scheme.

## 5.7 **Remuneration**

Subject to the Corporations Act, each Scheme Administrator shall be entitled to remuneration for its services together with reimbursement for its Costs, from, and in accordance with the terms of their letter of engagement with, Ovato Print.

## 5.8 **Resignation of Scheme Administrators**

Immediately following the delivery of the register pursuant to clause 6.3(b) evidencing completion of the Steps, each Scheme Administrator resigns as (and is taken to have resigned as) Scheme Administrator.

## 5.9 **Directors of the Obligors remain in control**

Subject to the terms of this Scheme:

- (a) the directors of each Obligor:

- (i) remain in control of each Obligor with respect to the conduct of their respective business; and
- (ii) remain in control of all of the assets of each Obligor; and
- (b) the Scheme Administrators do not have, and cannot exercise, any power in connection with the matters reserved to the directors of each Obligor referred to in clause 5.9(a) above.

## 6. **IMPLEMENTATION STEPS**

### 6.1 **Definitions, interpretation and undertaking not to make Claims**

- (a) The parties acknowledge and agree that:
- (i) subject to clause 6.1(c), all releases and discharges in this clause 6 are irrevocable at and from the time they are expressed to take effect;
- (ii) a reference to an amount owing in this clause 6 is a reference to that amount whether actually or contingently owing;
- (iii) notwithstanding anything in clause 6.5, anything (including an issue, allotment, release or discharge) occurring under a Step is binding and effective even if there is no consideration for it; and
- (iv) solely for the purposes of determining the time at which the Steps under this Scheme have been completed or have occurred the Steps shall be deemed to have been completed or to have occurred immediately following the completion of the matters contemplated by paragraph (i) of Step 8 (Compromise of Subordinate Claims).
- (b) Subject to clause 6.1(c), each party releasing a Claim or releasing any other party from an obligation owed to it by that party under this clause 6 absolutely and irrevocably undertakes to that party, at and from the time each such release is expressed to take effect and subject to all conditions to that released Claim or released obligation (if any) having been satisfied in accordance with their terms, that it will not make any Claim in respect of the released Claim or obligation to the extent that the Claim or obligation has been released in accordance with this Scheme and this document may be pleaded as a bar to any such Claim in any jurisdiction whatsoever.
- (c) Where, in the opinion of the Scheme Administrator, acting reasonably, as a result of a release, discharge, payment or other event referred to or contemplated by a Step failing to occur or to take effect, it is not possible to give effect to the intent and purpose of this Scheme in all material respects:
- (i) no other release, discharge, payment or other event referred to or contemplated by the Steps has effect (including as a result of non-satisfaction of a condition to a released Claim or released obligation, if any), and each such release, discharge, payment or other event is deemed not to have effect; and
- (ii) the Obligors, the Released Obligor Individuals and the Scheme Creditors shall do all things reasonably necessary to put each other party in the position it would have been in if none of the Steps had occurred. This clause 6.1(c)(ii) survives and continues in effect notwithstanding the effect of clause 6.2.

## 6.2 **Sunset Date**

If all of the Steps in clause 6.5 have not been completed by 11.59 pm on the Sunset Date, then with effect from that time, this Scheme will not be capable of implementation and this Scheme will lapse, terminate and be of no further force or effect (other than clause 6.1(c)(ii)).

## 6.3 **Scheme Administrators' register and certification**

- (a) The Scheme Administrators must keep a register noting the time of completion of the Steps in the form of Schedule 3 (**Step Register**), and a Scheme Administrator must sign the Step Register where indicated on completion of each Step. A copy of the Step Register certified by a Scheme Administrator will be conclusive evidence that the Step was completed at the time noted in the Step Register.
- (b) As soon as practicable after completion of the Steps, the Scheme Administrators will give a copy of the Step Register, certified by a Scheme Administrator, to each Obligor and each Scheme Creditor.

## 6.4 **Timing of Steps**

- (a) As early as practicable on the Effective Date, the Scheme Administrators shall notify the Obligors and Scheme Creditors of the Effective Date and the anticipated Implementation Date.
- (b) If there is a change to the date notified by the Scheme Administrators pursuant to clause (a) as being the anticipated Implementation Date the Scheme Administrators must, as soon as practicable after the change, notify the Obligors and the Scheme Creditors of the details of that change.

## 6.5 **Steps**

### (a) **Step 1 (Deed Poll and Dividend Table)**

On the Effective Date, prior to any other Step commencing:

- (i) first, the Scheme Administrators must execute and deliver the Scheme Creditors Deed Poll;
- (ii) second, Ovato Print must complete and provide to the Scheme Administrators a table in the form set out in Schedule 7 showing its record of the following:
  - (A) as at the Voting Entitlement Record Date:
    - (aa) in Column A, the full name of each Scheme Creditor; and
    - (bb) in Column B, the bank account details of each Scheme Creditor;
  - (B) in Column C, the Amount Owing to each Scheme Creditor;
  - (C) in Column D, the portion of the Amount Owing, if any, which it considers may relate to ROT Stock:
    - (aa) which the Obligors have used or consumed during the Period; and
    - (bb) for which the Obligors have not paid in the Period;

- (D) in Column E, the portion of the Amount Owning, if any, which it considers may relate to ROT Stock:
  - (aa) which has not been used or consumed by the Obligors during the Period; and
  - (bb) for which the Obligors have not paid during the Period;
- (E) in Column F, the amount remaining in respect of each Scheme Creditor as a result of the following calculation:

**Unsecured Claim** = the amount recorded in Column C, less any amount recorded in Column D, less any amount recorded in Column E.

(b) **Step 2 (Funding the Scheme Administrators)**

After completion of Step 1 (*Deed Poll and Dividend Table*), Ovato Limited must pay the Scheme Fund to the Scheme Administrators by depositing it into the Scheme Administrators' Account.

(c) **Step 3 (Scheme Administrators' Determination)**

- (i) After completion of Step 2 (*Funding the Scheme Administrators*), the Scheme Administrators must:
  - (A) first, verify each of the amounts in Column D, Column E and Column F of the Dividend Table, including, but not limited to, by determining whether:
    - (aa) stock used or consumed by the Obligors during the Period is ROT Stock; and
    - (bb) stock for which the Obligors have not paid in the Period is ROT Stock;
  - (B) second, update the Dividend Table to reflect the outcome of the process conducted in accordance with 6.5(c)(i)(A); and
  - (C) third, notify each Scheme Creditor by email at its email address set out in Schedule 2, of the amounts recorded in Column D, Column E and Column F of the Amended Dividend Table for that Scheme Creditor.
- (ii) If a Scheme Creditor wishes to dispute the Scheme Administrators determination as set out in the Amended Dividend Table, it must within 10 Business Days of the date on which the Scheme Administrators sent to it the amounts recorded in Column D, Column E and Column F of the Amended Dividend Table (**Dispute End Date**) provide to the Scheme Administrators in writing the reasons for which it disputes the Scheme Administrators determination and any evidence in support of those reasons.
- (iii) Without limiting any other rights a Scheme Creditor has under any applicable law, a Scheme Creditor is not entitled to dispute the Scheme Administrators' determination of the amounts in Column D, Column E and Column F of the Amended Dividend Table after the Dispute End Date.
- (iv) After the last Dispute End Date, the Scheme Administrators must:

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- (A) consider the information supplied by any Scheme Creditor in accordance with clause 6.5(c)(ii);
  - (B) determine whether any of that information affects the outcome of the process undertaken by the Scheme Administrators in accordance with clause 6.5(c)(i)(A) and, if so, update the Amended Dividend Table;
  - (C) notify each Scheme Creditor at its email address set out in Schedule 2 of the Scheme Administrators' final determination of the amounts in Column D, Column E and Column F for that Scheme Creditor as set out in the Final Dividend Table; and
  - (D) provide a copy of the Final Dividend Table to the Obligors.
- (v) The Scheme Administrators' determination as set out in the Final Dividend Table is binding on each Scheme Creditor and the Obligors, unless a court orders otherwise.
- (vi) The Obligors must give to the Scheme Administrators all information, assistance and access to records reasonably required by the Scheme Administrators to undertake the determination contemplated by clause 6.5(c)(i)(A).
- (d) **Step 4 (ROT Stock)**
- (i) After completion of Step 3 (*Scheme Administrators' Determination*), if there is an amount recorded in Column E of the Final Dividend Table in respect of any Scheme Creditor, then Ovato Limited must either:
    - (A) pay the amount recorded in Column E to that Scheme Creditor; or
    - (B) identify and return the ROT Stock to which the amount recorded in Column E relates to the relevant Scheme Creditor.
  - (ii) Upon Ovato Limited paying the amount recorded in Column E referred to in clause 6.5(d)(i)(A), Ovato Limited will have full legal and beneficial ownership of the ROT Stock to which the amount recorded in Column E relates.
  - (iii) Upon returning the ROT Stock referred to in clause 6.5(d)(i)(B), the Obligors shall have no further liability to the relevant Scheme Creditor for the portion of the Amount Owing referable to that ROT Stock.
  - (iv) If there is an amount recorded in Column D in respect of any Scheme Creditor, Ovato Limited must pay that amount to the relevant Scheme Creditor.
- (e) **Step 5 (Adjusting the Scheme Fund)**
- (i) After completion of Step 4 (*ROT Stock*):
    - (A) first, the Scheme Administrators must calculate the difference between the Scheme Fund calculated using the Dividend Table and the Scheme Fund calculated using the Final Dividend Table;
    - (B) second, where the Scheme Fund calculated using the Dividend Table is less than Scheme Fund calculated using the Final Dividend Table, Ovato Limited must pay to the Scheme Administrators' Account the difference between those amounts such that the funds standing in credit in the Scheme Administrators' Account are equal to the amount calculated using the Final Dividend Table;

- (C) third, where the Scheme Fund calculating using the Dividend Table is greater than the Scheme Fund calculated using the Final Dividend Table, the Scheme Administrator's must pay to Ovato Limited the difference between those amounts such that the funds standing in credit in the Scheme Fund are equal to the amount calculated using the Final Dividend Table.

(f) **Step 6 (Payment to Scheme Creditors)**

- (i) After completion of Step 5 (*Adjusting the Scheme Fund*), the Scheme Administrators must, using funds credited to the Scheme Administrators' Account, pay to each Scheme Creditor an amount equal to 50% of that Scheme Creditor's Unsecured Claim.
- (ii) The Scheme Administrators will make the payment referred to in clause 6.5(f)(i) to the bank account specified for the relevant Scheme Creditor in the Final Dividend Table.

(g) **Step 7 (Release)**

- (i) Simultaneously with Step 6 (*Payment to Scheme Creditors*), subject to clause 6.5(g)(ii) below:
- (A) each Scheme Creditor:
- (aa) releases each Obligor from all Claims it has against that Obligor in connection with the Amount Owning; and
- (bb) releases each Released Obligor Individual from all Claims it has against that Release Obligor Individual; and
- (B) each Released Obligor Individual releases each Scheme Creditor from all Claims it has against that Scheme Creditor.
- (ii) Notwithstanding anything to the contrary in this Scheme, the releases given in this clause 6.5(g) shall not disentitle any Scheme Creditor, the Obligors or the Released Obligor Individuals from enforcing their rights under this Scheme and each party agrees that those releases will be limited to the extent necessary to permit each of them to enforce any such rights.

(h) **Step 8 (Compromise of Subordinate Claims)**

- (i) Immediately after completion of Step 7 (*Release*), Ovato Limited is released from any obligation to pay any amount in respect of any Subordinate Claim (including interest and costs).

6.6 **No inconsistent acts**

The parties agree to treat themselves as bound by this Scheme for all purposes and not to act otherwise than in accordance with this Scheme.

7. **STANDSTILL**

7.1 **Standstill**

During the period on and from the Effective Date up to the completion of Step 8 (*Compromise of Subordinate Claims*) (the **Standstill Period**), each Scheme Creditor agrees that it will not, except for the purpose of enforcing the terms of this Scheme, or any Deed Poll or as otherwise expressly provided by this Scheme:

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- (a) exercise any right or remedy it may have, including under or in connection with the documents or any applicable Australian law governing their respective Claims, against the Obligors;
  - (b) exercise any rights it may have under statute (including any regulations made under statute);
  - (c) commence or continue any legal action, Claim or other proceedings against any Obligor or the assets of any Obligor, including but not limited to in connection with any rights arising out of an event of default, default or default event, howsoever described, under any agreement between that Scheme Creditor and the Obligors or any of them;
  - (d) exercise any rights under any agreement between that Scheme Creditor and the Obligors or any of them;
  - (e) take any step to enforce or make any demand under any guarantee, security or other right of recourse held by the Scheme Creditors in respect of any agreement;
  - (f) take, or concur in the taking, of any step to wind up, appoint a liquidator, administrator, receiver, receiver and manager, or analogous office over, or commence any other insolvency related or attachment proceedings against, any Obligor or the assets of any Obligor;
  - (g) take any steps to demand or enforce payment of all or part of any money owing, whether actually or contingently, by any Obligor pursuant to a right under any agreement or law;
  - (h) declare any event of default, default or default event, howsoever described, under any agreement, including in respect of any circumstances subsisting as at or prior to the Effective Date;
  - (i) ask or require any Obligor under any agreement to make any payment in respect of any indebtedness, liability or obligations (in each case, including at law) of such Obligor, including under or in connection with any agreement or any transaction under, or contemplated by, any agreement;
  - (j) institute or prosecute any legal proceedings in relation to any Claim under any agreement or at law against any Obligor or any other person to be released under this Scheme to the extent that such Claim or obligation is to be released under this Scheme; or
  - (k) exercise any rights against any Obligor which they may have on the occurrence of a breach, default, event of default, potential event of default or termination event (in each case, howsoever described or arising) under any agreement.

## 8. **NOTICES**

### 8.1 **How to give a notice**

A notice, consent or other communication under this document is only effective if it is:

- (a) in writing, signed by or on behalf of the person giving it (which may be signed digitally);
- (b) addressed to the person to whom it is to be given; and
- (c) except as specifically provided otherwise under the Steps in clause 6.5, either:

- (i) sent by pre-paid mail (by airmail, if the addressee is overseas) or delivered to that person's address; or
- (ii) sent in electronic form (such as email).

## 8.2 **When a notice is given**

A notice, consent or other communication that complies with this clause is regarded as given and received:

- (a) if it is delivered, if received:
  - (i) by 5.00 pm (local time in the place of receipt) on a Business Day - on that day; or
  - (ii) after 5.00 pm (local time in the place of receipt) on a Business Day, or on a day that is not a Business Day - on the next Business Day;
- (b) if it is sent by mail:
  - (i) within Australia - three Business Days after posting; or
  - (ii) to or from a place outside Australia - seven Business Days after posting; and
- (c) if it is sent in electronic form - when the sender receives confirmation on its server that the message has been transmitted:
  - (i) if it is transmitted by 5.00 pm (Sydney time) on a Business Day - on that Business Day; or
  - (ii) if it is transmitted after 5.00 pm (Sydney time) on a Business Day, or on a day that is not a Business Day - on the next Business Day.

## 8.3 **Address for notices**

A person's mail and email address are those set out below, or as the person notifies the sender:

### (a) **Scheme Administrator**

Attention: Shaun Fraser and Kathy Sozou

Postal Address: McGrathNicol  
Level 12, 20 Martin Place  
Sydney  
New South Wales 2000  
Australia

Email: sfraser@mcgrathnicol.com / ksozou@mcgrathnicol.com

### (b) **Obligors**

Attention: Alistair Clarkson

Postal Address: Ovato  
Level 4, 60 Union Street  
Pyrmont  
New South Wales 2009  
Australia



Email: Alistair.Clarkson@ovato.com.au

With a copy to (but which will not constitute notice):

Attention: James Marshall and Alinta Kemeny

Postal Address: Ashurst Australia  
Level 11  
5 Martin Place  
Sydney NSW 2000  
Australia

Email: James.Marshall@ashurst.com / Alinta.Kemeny@ashurst.com

(c) **Scheme Creditors**

The details for each Scheme Creditor as set out in Schedule 2.

9. **GENERAL PROVISIONS**

9.1 **Further assurances**

The Scheme Administrator, each Scheme Creditor and each Obligor must do all things and execute all deeds, instruments, transfers or other documents as may be necessary or desirable (in the opinion of the Obligors, acting in good faith) to give full effect to the terms of this Scheme and the transactions contemplated by it.

9.2 **Binding effect of Scheme**

This Scheme binds each Obligor, each Scheme Creditor (including each Scheme Creditor who did not attend the Scheme Meeting, who did not vote at the Scheme Meeting or who voted against this Scheme) and each Subordinate Claim Holder (despite the fact that a meeting of those creditors has not been ordered by the Court under section 411(1) of the Corporations Act). This Scheme also binds any party who agrees to be bound by this Scheme pursuant to a Deed Poll.

9.3 **Stamp Duty**

- (a) Ovato Print is liable for, and must pay all Stamp Duty on or relating to the execution, delivery and performance of this Scheme, any instrument executed under or in connection with this Scheme or any transaction evidenced, effected or contemplated by this Scheme.
- (b) If a person other than Ovato Print pays any Stamp Duty on or relating to the execution, delivery and performance of this Scheme, any instrument executed under or in connection with this Scheme or any transaction evidenced, effected or contemplated by this Scheme, then Ovato Print must pay that amount to the paying party on demand.
- (c) This clause 9.3 survives completion of this Scheme.

9.4 **Governing Law and jurisdiction**

- (a) This Scheme is governed by the laws of the State of New South Wales.
- (b) Each party submits to the non-exclusive jurisdiction of the courts of that State and courts of appeal from them, in respect of any proceedings arising out of or in connection with the subject matter of the Scheme.

## Schedule 1

### The Scheme Companies

	Company name	ACN	Director
1.	Hannanprint NSW Pty Limited	100 817 623	Kevin Joseph Slaven
2.	Hannanprint Victoria Pty Limited	100 817 712	Kevin Joseph Slaven
3.	Inprint Pty Limited	010 728 971	Kevin Joseph Slaven

**Schedule 2**  
**Scheme Creditors**

### Schedule 3

#### Scheme Administrators' Step Register

Step	Time/Date completed	Scheme Administrator's signature
Step 1 (Deed Poll and Dividend Table)	Time: Date:	
		Name:
Step 2 (Funding the Scheme Administrators)	Time: Date:	
		Name:
Step 3 (Scheme Administrators' Determination)	Time: Date:	
		Name:
Step 4 (ROT Stock)	Time: Date:	
		Name:
Step 5 (Adjusting the Scheme Fund)	Time: Date:	
		Name:
		Name:
Step 6 (Payment to Scheme Creditors)	Time: Date:	
		Name:
Step 7 (Release)	Time: Date:	
		Name:
Step 8 (Compromise of Subordinate Claims)	Time: Date:	
		Name:

<b>Time/Date all Steps completed</b>	Time: Date:
<b>Signature of Scheme Administrator</b>	
	Name:

**Schedule 4**

**Scheme Administrators Deed Poll**

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# Scheme Administrators Deed Poll

The Scheme Administrators

2020

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THIS DEED POLL is made on

2020

**MADE BY:**

- (1) **Kathy Sozou** and **Shaun Fraser**, both of McGrathNicol, Level 12, 20 Martin Place, Sydney, New South Wales 2000 (the **Scheme Administrators**).

**IN FAVOUR OF:**

- (1) each Scheme Creditor, each Released Obligor Individual and each Obligor (each a **Recipient**).

**THE SCHEME ADMINISTRATORS DECLARE:**

1. **INTERPRETATION**

1.1 **Definitions**

The following definitions apply in this document.

- (a) **Scheme** means the scheme of arrangement under Part 5.1 of the Corporations Act in relation to, among others, Ovato Print, Ovato Limited, the Scheme Companies, the Scheme Creditors and the Subordinate Claim Holders substantially in the form set out in Schedule 1 to this deed poll, subject to any alterations made or conditions imposed by the Court pursuant to section 411(6) of the Corporations Act.
- (b) Unless the context requires otherwise, a capitalised term or expression which is defined in the Scheme has the same meaning when used in this deed poll.

1.2 **Rules for interpreting this document**

Clause 1.2 (*Rules for interpreting this document*) of the Scheme applies to the interpretation of this deed poll as if references to "this Scheme" were references to "this deed poll".

1.3 **Nature of deed poll**

This deed poll is made for the benefit of the Recipients and may be relied on and enforced against each Scheme Administrator in accordance with its terms by each Recipient on and from the date of this deed poll even though the Recipients are not party to this deed poll.

1.4 **Joint and several obligations**

This deed poll binds each Scheme Administrator jointly and severally.

1.5 **Termination**

- (a) Subject to clause 1.5(b), if the Steps are not completed by 11.59 pm on the Sunset Date this deed poll will automatically terminate and the terms of this deed poll will be of no further force or effect.
- (b) Where the Scheme has become Effective but all the Steps are not completed by 11.59 pm on the Sunset Date, the terms of this deed poll to the extent that they relate to clause 6.1(c)(ii) of the Scheme remain in full force and effect.

2. **CONDITIONS TO OBLIGATIONS**

The obligations of the Scheme Administrators under this deed poll are subject to the Scheme becoming Effective.

3. **CONSENT TO ACT**

Each Scheme Administrator:

- (a) consents to act as a scheme administrator in accordance with the terms and conditions of the Scheme;
- (b) acknowledges that another person may be appointed to act as scheme administrator under the Scheme;
- (c) represents and warrants that he or she is not disqualified from acting as a scheme administrator of the Scheme pursuant to section 411(7) of the Corporations Act; and
- (d) undertakes to notify Ovato Print, Ovato Limited, the Scheme Companies and the Scheme Creditors immediately if the representation and warranty in clause 3(c) ceases to be correct.

4. **OBLIGATIONS IN RELATION TO SCHEME**

With effect on and from the Effective Date, each Scheme Administrator irrevocably:

- (a) consents to the Scheme;
- (b) agrees to be bound by the Scheme as if he or she were a party to the Scheme; and
- (c) undertakes in favour of each Recipient:
  - (i) to perform all obligations and to undertake all actions attributed to him or her under the Scheme;
  - (ii) to accept, and act in accordance with, any instructions, authorisations, directions or appointments given to him or her under the Scheme;
  - (iii) to do all things and execute all further documents necessary to give full effect to the Scheme and the transactions contemplated by it; and
  - (iv) not to act inconsistently with any provision of the Scheme.

5. **LIMITATION OF LIABILITY**

In the performance or exercise of the Scheme Administrators' powers, obligations and duties under the Scheme, the Scheme Administrators' liability is limited in accordance with the Scheme.

6. **GENERAL**

6.1 **Notices**

The provisions of clause 8 (*Notices*) of the Scheme are incorporated into this document by reference as if set out in this document in full, mutatis mutandis.

6.2 **Governing law and jurisdiction**

- (a) This document and any dispute arising out of or in connection with this document is governed by the laws of New South Wales.
- (b) Each party submits to the non-exclusive jurisdiction of the courts of that State and courts of appeal from them in respect of any proceedings arising out of or in connection with this document.

### 6.3 **Continuing obligations**

This deed poll is irrevocable.

### 6.4 **Waiver**

The Scheme Administrators may not rely on the words or conduct of any Recipient as a waiver of any right arising under or in connection with this deed poll unless the waiver is in writing and signed by the Recipient granting the waiver.

### 6.5 **Inconsistency**

The terms of the Scheme prevail over the terms of this deed poll to the extent of any inconsistency between them.

### 6.6 **Variation**

- (a) A provision of this deed poll may be varied on or before the time of the Second Court Orders provided that:
  - (i) the variation is consistent with the Scheme;
  - (ii) the variation is agreed to in writing by the Obligors and a majority of the Scheme Creditors (by value); and
  - (iii) the Court has not indicated on or before the Second Court Date that the variation would of itself preclude approval of the Scheme.
- (b) Where the conditions set out in clause 6.6(a) are satisfied in relation to a variation, the Scheme Administrators will enter into a further deed poll in favour of each Recipient giving effect to the variation.

### 6.7 **Cumulative Rights**

Except as expressly provided in this deed poll, the rights of the Scheme Administrators and of each Recipient under this deed poll are in addition to and do not exclude or limit any other rights or remedies provided by law.

### 6.8 **Assignment and other dealings**

- (a) The rights and remedies of each Recipient under this deed poll are personal and must not be assigned or otherwise dealt with at law or in equity.
- (b) Any purported dealing in contravention of clause 6.8(a) is void.

**SCHEDULE 1**  
**Scheme**

**EXECUTED** as a deed poll.

Each person who executes this document on behalf of a party under a power of attorney declares that he or she is not aware of any fact or circumstance that might affect his or her authority to do so under that power of attorney.

**SIGNED, SEALED and DELIVERED** by  
**KATHERINE SOZOU** in the presence of:

\_\_\_\_\_  
Signature of party

\_\_\_\_\_  
Signature of witness

\_\_\_\_\_  
Name

\_\_\_\_\_  
Address of witness

**SIGNED, SEALED and DELIVERED** by  
**SHAUN FRASER** in the presence of:

\_\_\_\_\_  
Signature of party

\_\_\_\_\_  
Signature of witness

\_\_\_\_\_  
Name

\_\_\_\_\_  
Address of witness

**Schedule 5**

**Scheme Creditors Deed Poll**



## Scheme Creditors Deed Poll

The Scheme Creditors as defined the Scheme

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**THIS DEED POLL** is made on

2020

**MADE BY:**

- (1) Each **Scheme Creditor** as defined in the Scheme.

**IN FAVOUR OF:**

- (1) Each other Scheme Creditor, the Scheme Administrators, each Obligor and each Released Obligor Individual (each a **Recipient**).

**EACH SCHEME CREDITOR DECLARES:**

1. **INTERPRETATION**

1.1 **Definitions**

The following definitions apply in this document.

- (a) **Scheme** means the scheme of arrangement under Part 5.1 of the Corporations Act between, among others, Ovato Print, Ovato Limited, the Scheme Companies and certain of its creditors approved by the Court on [date] and which became Effective on [date].
- (b) Unless the context requires otherwise, a capitalised term or expression which is defined in the Scheme has the same meaning when used in this deed poll.

1.2 **Rules for interpreting this document**

Clause 1.2 (*Rules for interpreting this document*) of the Scheme applies to the interpretation of this deed poll as if references to "this Scheme" were references to "this deed poll".

1.3 **Nature of deed poll**

This deed poll is made for the benefit of the Recipients and may be relied on and enforced against each Scheme Creditor in accordance with its terms by each Recipient on and from the date of this deed poll even though the Recipients are not party to this deed poll.

1.4 **Several obligations**

This deed poll binds each Scheme Creditor severally and not jointly.

1.5 **Termination**

- (a) Subject to clause 1.5(b), if the Steps are not completed by 11.59 pm on the Sunset Date this deed poll will automatically terminate and the terms of this deed poll will be of no further force or effect.
- (b) Where the Scheme has become Effective but all the Steps are not completed by 11.59 pm on the Sunset Date, the terms of this deed poll to the extent that they relate to clause 6.1(c)(ii) of the Scheme remain in full force and effect.

2. **RELEASES**

- (a) Each Scheme Creditor:
- (i) gives each release which is to be given by it under the Scheme:
- (A) at the time that release is to be given under the Scheme; and

(B) in favour of the Recipient to whom the release is to be given under the Scheme; and

(ii) acknowledges and agrees that each Recipient may rely on this deed poll in order to enforce the releases given in its favour under the Scheme and this deed poll.

### 3. **CONSENTS AND INSTRUCTIONS**

Each Scheme Creditor gives each consent and instruction which is required to be given by it for the purposes of the Scheme in accordance with the Scheme.

### 4. **GENERAL**

#### 4.1 **Notices**

The provisions of clause 8 (*Notices*) of the Scheme are incorporated into this document by reference as if set out in this document in full, mutatis mutandis.

#### 4.2 **Governing law and jurisdiction**

- (a) This document and any dispute arising out of or in connection with this document is governed by the laws of New South Wales.
- (b) Each party submits to the non-exclusive jurisdiction of the courts of that State and courts of appeal from them in respect of any proceedings arising out of or in connection with this document.

#### 4.3 **Continuing obligations**

This deed poll is irrevocable.

#### 4.4 **Waiver**

Each Scheme Creditor may not rely on the words or conduct of any Recipient as a waiver of any right arising under or in connection with this deed poll unless the waiver is in writing and signed by the Recipient granting the waiver.

#### 4.5 **Inconsistency**

The terms of the Scheme prevail over the terms of this deed poll to the extent of any inconsistency between them.

#### 4.6 **Cumulative Rights**

Except as expressly provided in this deed poll, the rights of each Scheme Creditor and of each Recipient under this deed poll are in addition to and do not exclude or limit any other rights or remedies provided by law.

#### 4.7 **Assignment and other dealings**

- (a) The rights and remedies of each Recipient under this deed poll are personal and must not be assigned or otherwise dealt with at law or in equity.
- (b) Any purported dealing in contravention of clause 4.7(a) is void.

**EXECUTED** as a deed poll.

Each person who executes this document on behalf of a party under a power of attorney declares that he or she is not aware of any fact or circumstance that might affect his or her authority to do so under that power of attorney.

**SIGNED, SEALED and DELIVERED** by  
**[SHAUN FRASER/KATHERINE SOZOU]**  
as attorney and agent for each Scheme  
Creditor in the presence of:

\_\_\_\_\_  
Signature of attorney

\_\_\_\_\_  
Signature of witness

\_\_\_\_\_  
Name

\_\_\_\_\_  
Name

\_\_\_\_\_  
Address of witness

**Schedule 6**

**Released Obligor Individual Deed Poll**



## Released Obligor Individuals Deed Poll

Released Obligor Individuals

2020

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THIS DEED POLL is made on

2020

**MADE BY:**

- (1) **Kevin Joseph Slaven** of Level 4, 60 Union Street, Pyrmont NSW 2009;
  - (2) **Dhunbai Karai** of Level 4, 60 Union Street, Pyrmont NSW 2009;
  - (3) **Michael Ashton Hannan** of Level 4, 60 Union Street, Pyrmont NSW 2009;
  - (4) **Andrew McMaster** of Level 4, 60 Union Street, Pyrmont NSW 2009; and
  - (5) **Alistair William Thomas Clarkson** of Level 4, 60 Union Street, Pyrmont NSW 2009,
- (each a **Released Obligor Individual**).

**IN FAVOUR OF:**

- (6) Each Scheme Creditor, each Obligor and the Scheme Administrators (each a **Recipient**).

**THE RELEASED OBLIGOR INDIVIDUAL DECLARES:**

**1. INTERPRETATION**

**1.1 Definitions**

The following definitions apply in this document.

- (a) **Scheme** means the scheme of arrangement under Part 5.1 of the Corporations Act in relation to Ovato Print, Ovato Limited, the Scheme Companies, the Scheme Creditors and the Subordinate Claim Holders substantially in the form set out in Schedule 1 to this deed poll, subject to any alterations made or conditions imposed by the Court pursuant to section 411(6) of the Corporations Act.
- (b) Unless the context requires otherwise, a capitalised term or expression which is defined in the Scheme has the same meaning when used in this deed poll.

**1.2 Rules for interpreting this document**

Clause 1.2 (*Rules for interpreting this document*) of the Scheme applies to the interpretation of this deed poll as if references to "this Scheme" were references to "this deed poll".

**1.3 Nature of deed poll**

This deed poll is made for the benefit of the Recipients and may be relied on and enforced against each Released Obligor Individual in accordance with its terms by each Recipient on and from the date of this deed poll even though the Recipients are not party to this deed poll.

**1.4 Several obligations**

This deed poll binds each Released Obligor Individual severally and not jointly.

**1.5 Termination**

- (a) Subject to clause 1.5(b), if the Steps are not completed by 11.59 pm on the Sunset Date this deed poll will automatically terminate and the terms of this deed poll will be of no further force or effect.

- (b) Where the Scheme has become Effective but all the Steps are not completed by 11.59 pm on the Sunset Date, the terms of this deed poll to the extent that they relate to clause 6.1(c)(ii) of the Scheme remain in full force and effect.

## 2. **OBLIGATIONS IN RELATION TO SCHEME**

Each Released Obligor Individual irrevocably:

- (a) consents to the Scheme;
- (b) agrees to be bound by the Scheme as if it were a party to the Scheme; and
- (c) undertakes in favour of each Recipient:
  - (i) to perform all obligations and undertake all actions attributed to the Released Obligor Individual under the Scheme;
  - (ii) to do all things and execute all further documents necessary to give full effect to its obligations under the Scheme; and
  - (iii) not to act inconsistently with any provision of the Scheme.

## 3. **RELEASES**

Without limiting clause 2 above, the Released Obligor Individual:

- (a) gives each release which is to be given by it under Step 7 (*Release*) of the Scheme:
  - (i) at the time that release is to be given under the Scheme; and
  - (ii) in favour of each Recipient to whom the release is to be given under the Scheme; and
- (b) acknowledges and agrees that each Recipient may rely on this deed poll in order to enforce the releases given in its favour under the Scheme and this deed poll.

## 4. **GENERAL**

### 4.1 **Notices**

The provisions of clause 8 (*Notices*) of the Scheme are incorporated into this document by reference as if set out in this document in full, mutatis mutandis.

### 4.2 **Governing law and jurisdiction**

- (a) This document and any dispute arising out of or in connection with this document is governed by the laws of New South Wales.
- (b) Each party submits to the non-exclusive jurisdiction of the courts of that State and courts of appeal from them in respect of any proceedings arising out of or in connection with this document.

### 4.3 **Continuing obligations**

This deed poll is irrevocable.



#### 4.4 **Waiver**

Each Released Obligor Individual may not rely on the words or conduct of any Recipient as a waiver of any right arising under or in connection with this deed poll unless the waiver is in writing and signed by the Recipient granting the waiver.

#### 4.5 **Inconsistency**

The terms of the Scheme prevail over the terms of this deed poll to the extent of any inconsistency between them.

#### 4.6 **Variation**

- (a) A provision of this deed poll may be varied on or before the time of the Second Court Orders provided that:
  - (i) the variation is consistent with the Scheme;
  - (ii) the variation is agreed to in writing by Ovato Print, Ovato Limited, the Scheme Companies and a majority of the Scheme Creditors (by value); and
  - (iii) the Court has not indicated on or before the Second Court Date that the variation would of itself preclude approval of the Scheme.
- (b) Where the conditions set out in clause 4.6(a) are satisfied in relation to a variation, each Released Obligor Individual will enter into a further deed poll in favour of each Recipient giving effect to the variation.

#### 4.7 **Cumulative Rights**

Except as expressly provided in this deed poll, the rights of each Released Obligor Individual and of each Recipient under this deed poll are in addition to and do not exclude or limit any other rights or remedies provided by law.

#### 4.8 **Assignment and other dealings**

- (a) The rights and remedies of each Recipient under this deed poll are personal and must not be assigned or otherwise dealt with at law or in equity.
- (b) Any purported dealing in contravention of clause 4.8(a) is void.

**SCHEDULE 1**  
**Scheme**

**EXECUTED** as a deed poll.

Each person who executes this document on behalf of a party under a power of attorney declares that he or she is not aware of any fact or circumstance that might affect his or her authority to do so under that power of attorney.

**RELEASED OBLIGOR INDIVIDUALS**

**SIGNED, SEALED** and **DELIVERED** by  
**KEVIN JOSEPH SLAVEN** in the presence  
of:

\_\_\_\_\_  
Signature of party

\_\_\_\_\_  
Signature of witness

\_\_\_\_\_  
Name

\_\_\_\_\_  
Address of witness

**SIGNED, SEALED** and **DELIVERED** by  
**ALISTAIR WILLIAM THOMAS**  
**CLARKSON** in the presence of:

\_\_\_\_\_  
Signature of party

\_\_\_\_\_  
Signature of witness

\_\_\_\_\_  
Name

\_\_\_\_\_  
Address of witness

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**SIGNED, SEALED and DELIVERED** by  
**DHUNBAI KARAI** in the presence of:

\_\_\_\_\_  
Signature of party

\_\_\_\_\_  
Signature of witness

\_\_\_\_\_  
Name

\_\_\_\_\_  
Address of witness

**SIGNED, SEALED and DELIVERED** by  
**MICHAEL ASHTON HANNAN** in the presence of:

\_\_\_\_\_  
Signature of party

\_\_\_\_\_  
Signature of witness

\_\_\_\_\_  
Name

\_\_\_\_\_  
Address of witness

**SIGNED, SEALED and DELIVERED** by  
**ANDREW MCMASTER** in the presence of:

\_\_\_\_\_  
Signature of party

\_\_\_\_\_  
Signature of witness

\_\_\_\_\_  
Name

\_\_\_\_\_  
Address of witness

Schedule 7

Form of dividend table

Column A Scheme Creditor	Column B Bank account	Column C Amount Owing as at Voting Entitlement Record Date	Column D Portion of Amount Owing which relates to ROT Stock used or consumed in the Period	Column E Portion of Amount Owing which relates to ROT Stock which remains unused or unconsumed on the Effective Date	Column F Unsecured Claim
Total Unsecured Claims = total of all amounts listed in Column F					
Scheme Fund = Total of all amounts listed in Column F x 0.5					

**ANNEXURE B**

**Member's Schemes of Arrangement**



## Member's Schemes of Arrangement

Pursuant to sections 411 and 413 of the *Corporations Act 2001* (Cth)

Between:

<b>Scheme Company</b>	<b>Member</b>
Ovato Print Pty Ltd ACN 051 706 499	Ovato Limited ACN 050 148 644
Hannanprint NSW Pty Limited ACN 100 817 623	The Independent Print Media Group Pty Limited ACN 071 231 215
Hannanprint Victoria Pty Limited ACN 100 817 712	The Independent Print Media Group Pty Limited ACN 071 231 215
Inprint Pty Limited ACN 010 728 971	Woodox Pty Ltd ACN 067 150 789

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## MEMBER'S SCHEMES OF ARRANGEMENT

### BETWEEN:

<b>Scheme Company</b>	<b>Member</b>
Ovato Print Pty Ltd ACN 051 706 499	Ovato Limited ACN 050 148 644
Hannanprint NSW Pty Limited ACN 100 817 623	The Independent Print Media Group Pty Limited ACN 071 231 215
Hannanprint Victoria Pty Limited ACN 100 817 712	The Independent Print Media Group Pty Limited ACN 071 231 215
Inprint Pty Limited ACN 010 728 971	Woodox Pty Ltd ACN 067 150 789

### BACKGROUND

- (A) The Member of each Scheme Company holds shares in the relevant Scheme Company.
- (B) The shares of each Scheme Company held by the Member are valuable property of each Member.
- (C) Each Scheme Company proposes a compromise or arrangement with its respective Member for the purposes of or in connection with a scheme of arrangement which involves the reconstruction or amalgamation of each Scheme Company, as set out in this document.

### THE PARTIES AGREE AS FOLLOWS:

#### 1. INTERPRETATION

##### 1.1 Definitions

In this document, a term or expression starting with a capital letter:

- (a) which is defined in Schedule 1, has the meaning given to it in Schedule 1;
- (b) which is defined in the body of this document or a schedule to this document, but is not defined in Schedule 1, has the meaning given to it in the body of this document or schedule to this document (as applicable);
- (c) which is the name of each Scheme Company or each Transferee Company, has the meaning given to it in Schedule 2 or Schedule 3 (as applicable); or
- (d) which is defined in the Corporations Act, but is not defined in Schedule 1, the body of this document or a schedule to this document, has the meaning given to it in the Corporations Act.

##### 1.2 Interpretation

The interpretation clauses in Schedule 1 set out rules of interpretation applicable to this document.

## 2. **PRELIMINARY MATTERS**

### 2.1 **Scheme Companies**

Each Scheme Company is:

- (a) a member of the Ovato Group;
- (b) registered under the Corporations Act as a company; and
- (c) by virtue of being a 'company' registered under the Corporations Act, a Part 5.1 body within the meaning given to that term by section 9 of the Corporations Act.

The corporate details of each Scheme Company are set out in Schedule 2 to this document.

### 2.2 **Transferee Companies**

Each Transferee Company is:

- (a) a member of the Ovato Group;
- (b) registered under the Corporations Act as a company; and
- (c) by virtue of being a 'company' registered under the Corporations Act, a Part 5.1 body within the meaning given to that term by section 9 of the Corporations Act.

The corporate details of each Transferee Company are set out in Schedule 3 to this document.

### 2.3 **Quotation of shares**

- (a) The shares on issue in the capital of Ovato Limited are quoted on the official list of ASX.
- (b) No shares on issue in the capital of the Scheme Companies, Ovato Cairns or Ovato Creative Services Pty Ltd are quoted on the official list of the ASX or any other securities exchange.

### 2.4 **Individual schemes of arrangement**

For the purposes of sections 411(4)(b) and 413(1) of the Corporations Act, these Member's Schemes each constitute an individual and distinct member's scheme of arrangement in relation to each Scheme Company and its relevant Member as the parties the subject of each such individual and distinct scheme of arrangement (each a **Scheme**).

### 2.5 **Schemes inter-conditional**

- (a) The provisions of each Scheme apply to the relevant Scheme Company independently of any other Scheme or Scheme Company.
- (b) Each Scheme which constitutes the Member's Schemes are inter-conditional upon each other Scheme which constitutes the Member's Schemes such that, if any such Scheme is not approved by the relevant Member and the Court in accordance with the requirements of the Corporations Act, then no Scheme which constitutes the Member's Schemes will become effective or be implemented by the Scheme Companies as described in this document.

## 2.6 Conditions Precedent

The Member's Schemes are conditional upon, and will have no force or effect until, the satisfaction of following conditions precedent:

- (a) **(Creditors' Scheme Lodgement)** the court order pursuant to section 411(4)(b), and if applicable section 411(6), of the Corporations Act in respect of the Creditors' Scheme becomes effective pursuant to section 411(10) of the Corporations Act;
- (b) **(Member's Schemes Lodgement)** the court order pursuant to section 411(4)(b), and if applicable section 411(6), of the Corporations Act in respect of the Member's Schemes becomes effective pursuant to section 411(10) of the Corporations Act;
- (c) **(Step 1 of the Creditors' Scheme)** Step 1 (*Deed Poll and Dividend Table*) in clause 6.5 (*Steps*) of the Creditors' Scheme has been completed;
- (d) **(Section 413(1)(g) Order)** in granting the Second Court Orders, the Court includes an order under s 413(1)(g) of the Corporations Act revoking the Ovato Group Deed of Cross Guarantee in respect of the Scheme Companies; and
- (e) **(Creditors' Scheme Conditions Precedent)** all of the conditions precedent in clause 3.1 of the Creditors' Scheme have been satisfied.

## 3. THE MEMBER'S SCHEMES

### 3.1 The Member's Schemes

By virtue of the lodgement with ASIC in accordance with section 411(10) of the Corporations Act of an office copy of the order made by the Court pursuant to sections 411(4)(b) and 413(1) of the Corporations Act, and with effect from the Implementation Time:

- (a) the Transferring Property will be transferred by each Scheme Company to the Transferee Company;
- (b) the Transferring Liabilities will be transferred by each Scheme Company to the Transferee Company; and
- (c) the Transferring Litigation by or against each Scheme Company will be continued by or against the Transferee Company.

### 3.2 Specific enabling arrangements

To give further effect to the Member's Schemes, by virtue of the lodgement with ASIC in accordance with section 411(10) of the Corporations Act of an office copy of the order made by the Court pursuant to section 411(4)(b) and 413(1) of the Corporations Act, and with effect from the Implementation Time:

- (a) **(Transferring Funds)** the Transferring Funds will be transferred to and vested in the Transferee Company without the need for any further act or deed, and all Assets and Liabilities associated with the Transferring Funds will be Assets and Liabilities of the Transferee Company without the need for any further act or deed;
- (b) **(Transferring Contracts)** the Transferring Contracts will be transferred to and vested in the Transferee Company without the need for any further act or deed, and all Assets and Liabilities associated with those Transferring Contracts will be Assets and Liabilities of the Transferee Company without the need for any further act or deed;

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- (c) **(Transferring Employees)** the Transferring Employees will become employees of the Transferee Company on the terms and conditions of their employment applicable immediately prior to the Implementation Time, without the need for any further act or deed, and all Assets and Liabilities associated with those Transferring Employees will be Assets and Liabilities of the Transferee Company without the need for any further act or deed;
  - (d) **(Transferring Inprint Entities)** all of the issued shares of the Transferring Inprint Entities held by Inprint Pty Limited will be transferred to and vested in the Transferee Company without the need for any further act or deed;
  - (e) **(Transferring Intellectual Property)** the Transferring Intellectual Property will be transferred to and vested in the Transferee Company without the need for any further act or deed, and all Assets and Liabilities associated with that Transferring Intellectual Property will be Assets and Liabilities of the Transferee Company without the need for any further act or deed;
  - (f) **(Transferring Inventory)** the Transferring Inventory will be transferred to and vested in the Transferee Company without the need for any further act or deed, and all Assets and Liabilities associated with that Transferring Inventory will be Assets and Liabilities of the Transferee Company without the need for any further act or deed;
  - (g) **(Transferring Leases)** the Transferring Leases will be transferred to and vested in the Transferee Company without the need for any further act or deed, and all Assets and Liabilities associated with those Transferring Leases will be Assets and Liabilities of the Transferee Company without the need for any further act or deed;
  - (h) **(Transferring Litigation)** all Transferring Litigation pending by or against each Scheme Company will be continued by or against the Transferee Company without the need for any further act or deed other than an amendment of the record of the relevant court or tribunal;
  - (i) **(Transferring Ovato Print Entities)** all of the issued shares of the Transferring Ovato Print Entities held by Ovato Print will be transferred to and vested in the Transferee Company without the need for any further act or deed; and
  - (j) **(Transferring Plant and Equipment)** the interest of each Scheme Company in the Transferring Plant and Equipment will be transferred to and vested in the Transferee Company without the need for any further act or deed, and all Assets and Liabilities associated with that Transferring Plant and Equipment will be Assets and Liabilities of the Transferee Company without the need for any further act or deed.

### 3.3 **Inconsistency between clause 3.1 and clause 3.2**

- (a) To the extent that an Asset or Liability would not be transferred in accordance with clause 3.1 but would be transferred in accordance with clause 3.2, that transfer will be effective as contemplated by clause 3.2 unless the Asset or Liability (as applicable) is specifically dealt with in the Property and Liabilities Schedule as being transferred or not transferred under the Member's Schemes, in which case that specific treatment in the Property and Liabilities Schedule will prevail over the operation of clause 3.2.
- (b) To the extent that an Asset or Liability would not be transferred in accordance with clause 3.2 but would be transferred in accordance with clause 3.1, that transfer will be effective as contemplated by clause 3.1 unless the Asset or Liability (as applicable) is specifically dealt with in the Property and Liabilities Schedule as being transferred or not transferred under the Member's Schemes, in which case that

specific treatment in the Property and Liabilities Schedule will prevail over the operation of clause 3.1.

### **3.4 Period between Court order being lodged and Implementation Time**

The Transferring Property, Transferring Liabilities or Transferring Litigation will include all such Assets and Liabilities which arise or come into existence in the period between the date an office copy of an order made by the Court under section 411(4)(b) and 413(1) of the Corporations Act approving the Member's Schemes being lodged with ASIC in accordance with section 411(10) of the Corporations Act and the Implementation Time.

## **4. IMPLEMENTATION OF THE MEMBER'S SCHEMES**

### **4.1 Lodgement of Court orders with ASIC**

Ovato Print must lodge with ASIC, in accordance with section 413(3) of the Corporations Act, an office copy of the Court order approving the Member's Schemes as soon as possible after the Court approves the Member's Schemes and in any event by 5.00 pm on the third Business Day after the day on which the Court approves the Member's Schemes.

### **4.2 Effective Date**

The Member's Schemes will become effective immediately upon an office copy of an order made by the Court under section 411(4)(b) and 413(1) of the Corporations Act approving the Member's Schemes being lodged with ASIC in accordance with section 411(10) of the Corporations Act and the conditions precedent in clause 2.6 being satisfied.

### **4.3 Implementation Time**

The Member's Schemes, and the transfer of the Assets and Liabilities of each Scheme Company under the Member's Schemes, will be implemented immediately upon all of the conditions precedent in clause 2.6 being satisfied and the Member's Schemes coming into effect.

## **5. FURTHER TERMS OF THE MEMBER'S SCHEMES**

### **5.1 Member's Schemes binds parties**

- (a) The Member's Schemes will bind each Scheme Company and its Member.
- (b) Each Member of the Scheme Companies approves and consents to the Member's Schemes notwithstanding any diminution in the value of its shareholding in the relevant Scheme Company and any rights that it may have in connection with the Member's Schemes at law (including pursuant to the relevant Scheme Company's constitution) and waives any rights it may otherwise have as against the relevant Scheme Company in connection with the Member's Schemes.

### **5.2 Steps to perfect title**

As from the Implementation Time, and by virtue of the lodgement with ASIC in accordance with section 411(10) of the Corporations Act of an office copy of the order made by the Court pursuant to sections 411(4)(b) and 413(1) of the Corporations Act, each Transferee Company or any director or duly authorised signatory of a Transferee Company may sign all documents and do all things required to be done by the relevant Scheme Company to complete or perfect the transfer of the Assets and Liabilities of the relevant Scheme Company as described in this document and to complete or perfect each of the other steps comprised in the Member's Schemes.

6. **TERMINATION**

- (a) The Member's Schemes will lapse and be of no further force or effect if on or before 8.00am on the Second Court Date each Scheme Company gives each Transferee Company a notice in writing advising that each Scheme Company's board has determined that an event, fact, matter or circumstance has or may have occurred or subsists or is reasonably likely to occur or subsist that means it will not be able to or cannot or can no longer recommend the Member's Schemes to its respective Member.
- (b) The Member's Schemes will lapse and be of no further force or effect if the Effective Date does not occur on or before 30 June 2021 unless each Scheme Company and each Transferee Company otherwise agree in writing.

7. **GENERAL**

7.1 **Constitutions**

The Member's Schemes will have effect notwithstanding any provision in the constitutions of any Scheme Company, Transferee Company or any other parties which may be inconsistent with the Member's Schemes.

7.2 **Amendment**

Each Scheme Company may, by its counsel or solicitor, consent on behalf of all persons bound by the Member's Schemes to any alterations or conditions to the Member's Schemes that the Court imposes.

7.3 **Governing law**

The Member's Schemes are governed by the laws of New South Wales.

## SCHEDULE 1

### Definitions and Interpretation

#### 1. Definitions

In the Member's Schemes, the following definitions apply except where the context otherwise requires.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited or the financial market operated by ASX Limited, as the context requires.

**Assets** means real and personal property (including 'property' as defined within section 413(4) of the Corporations Act) and any interest in such property wherever located, whether tangible or intangible, present or future, fixed or unascertained, actual or contingent, and extends to:

- (a) any part of the business or undertaking of a body corporate;
- (b) things in action, including rights under any contract or other arrangement;
- (c) any Authorisation; and
- (d) any other thing capable of being owned, transferred or otherwise dealt with.

**Authorisation** means:

- (a) an authorisation, right, consent, declaration, exemption, notarisation, permit, benefit, licence, approval, clearance or waiver, however it is described; and
- (b) in relation to anything that could be prohibited or restricted by law if a Government Agency acts in any way within a specific period, the expiry of that period without that action being taken,

including any renewal or amendment.

**Business Day** means a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Sydney, New South Wales.

**Claims** means, in relation to a person, any claim, allegation, cause of action, proceeding, suit or demand made against the person concerned, however it arises and whether it is present or future, fixed or unascertained, actual or contingent.

**Corporations Act** means the *Corporations Act 2001 (Cth)*.

**Court** means the Supreme Court of New South Wales, Sydney Registry.

**Creditors' Scheme** means the compromise or arrangement under Part 5.1 of the Corporations Act between, amongst others, Ovato Print, Ovato Limited and the Scheme Creditors, being the compromise or arrangement proposed by those companies and approved by the Court.

**Director** means the director of each Scheme Company being Kevin Joseph Slaven or any successor to that office.

**Effective Date** means the date that an office copy of an order made by the Court is lodged with ASIC and the conditions precedent in clause 2.6 are satisfied as contemplated by clause 4.2 of this document.

**First Court Date** means of the hearing of an application for the First Court Orders or, if the hearing of that application is adjourned, the date to which the hearing is adjourned.

**First Court Orders** means the orders of the Court convening the meetings of each Member to vote on the Member's Schemes under section 411(1) of the Corporations Act.

**Government Agency** means:

- (a) a government or government department or other body;
- (b) a government, semi-governmental or judicial person including a statutory corporation;
- (c) the Australian Taxation Office and any other body responsible for imposing and/or collecting any Tax; or
- (d) a person (whether autonomous or not) who is charged with the administration of a law.

**Implementation Time** means, in respect of the Member's Schemes and the transfer of Assets and Liabilities of the Scheme Companies under the Member's Schemes, the time at which the Member's Schemes and the transfer are to be implemented in accordance with clause 4.3.

**Inprint Pty Limited** means Inprint Pty Limited ACN 010 728 971.

**Inventory** means the inventory (including raw materials, work in progress and finished goods) owned or held by each Scheme Company.

**Liabilities** means all liabilities (including obligations), however arising and whether present, fixed, actual, unascertained, immediate, future or contingent, including (without limitation):

- (a) any 'liabilities' within the meaning in section 413(4) of the Corporations Act;
- (b) any liability to a Government Agency or any other person; and
- (c) any liability under any potential or future proceedings (whether civil, regulatory or otherwise).

**Litigation** means any Claim, demand, legal proceedings, arbitration, or any regulatory proceeding involving a Government Agency.

**Member** means the member of each Scheme Company whose details are set out in Schedule 2.

**Member's Schemes** means the compromise and arrangement set out in this document and undertaken in accordance with Part 5.1 of the Corporations Act whereby the undertakings, Assets, Liabilities and Litigation of each Scheme Company are transferred to each Transferee Company on and in accordance with the terms of this document.

**Ovato Cairns** means Ovato Print Cairns Pty Ltd ACN 050 487 879.

**Ovato Group** means Ovato Limited and its Subsidiaries.



**Ovato Group Deed of Cross Guarantee** means the deed of cross guarantee dated 27 June 2008 between Ovato Limited and certain of its Subsidiaries, as amended from time to time, including by the Deed of Assumption dated 11 June 2009, the Deed of Variation dated 6 June 2017 and the Deed of Assumption dated 6 June 2017.

**Ovato Limited** means Ovato Limited ACN 050 148 644.

**Ovato Print** means Ovato Print Pty Ltd ACN 051 706 499.

**Plant and Equipment** means the plant, equipment, machinery, vehicles, fixtures and fittings owned by each Scheme Company.

**Property and Liabilities Schedule** means a schedule, prepared by each Scheme Company for the purposes of these Member's Schemes, specifying the following:

- (a) the Transferring Funds;
- (b) the Transferring Contracts;
- (c) the Transferring Employees;
- (d) the Transferring Inprint Entities;
- (e) the Transferring Intellectual Property;
- (f) the Transferring Inventory;
- (g) the Transferring Leases;
- (h) the Transferring Litigation;
- (i) the Transferring Ovato Print Entities; and
- (j) the Transferring Plant and Equipment,

as set out in Schedule 4.

**Released Liabilities** means the liabilities owed to the Scheme Creditors by each Scheme Company.

**Remaining Employees** means the employees of each Scheme Company which are not being transferred to the Transferee Company as listed in the Property and Liabilities Schedule.

**Remaining Employees' Liabilities** means the Liabilities owed to and the liabilities arising in connection with the Remaining Employees.

**Remaining Funds** means the amount of money held by each Scheme Company which is not being transferred to the Transferee Company as listed in the Property and Liabilities Schedule.

**Remaining Leases** means the property leases and subleases to which each Scheme Company is a party which are not being transferred to the Transferee Company as listed in the Property and Liabilities Schedule.

**Remaining Plant and Equipment** means the Plant and Equipment of each Scheme Company which is not being transferred to the Transferee Company as listed in the Property and Liabilities Schedule.

**Scheme** has the meaning given to it in clause 2.4.

**Scheme Company** means each of the companies whose corporate details are set out in Schedule 2.

**Scheme Creditors** has the meaning given to that term in the Creditors' Scheme.

**Second Court Date** means the date an application is made to the Court in accordance with section 411(4)(b) to approve the Member's Schemes.

**Second Court Orders** means the orders of the Court approving the Member's Schemes under section 411(4)(b) (and, if applicable, section 411(6)) of the Corporations Act.

**Subsidiary** of an entity means another entity which is a subsidiary of the first within the meaning of Part 1.2 Division 6 of the Corporations Act or is a subsidiary or otherwise controlled by the first within the meaning of any approved accounting standard.

**Tax** means a tax, levy, duty, excise, charge, import, deduction or withholding, however it is described, that is imposed by law or by a Government Agency, together with any related interest, penalty, fine or other charge.

**Transferee Company** means:

- (a) in the case of the Transferring Inprint Entities:
  - (i) for the shares in Ovato Creative Services Geebung Pty Ltd, the Transferee Company is Ovato Creative Services Pty Ltd;
  - (ii) for the shares in Ovato Packaging Pty Ltd, the Transferee Company is Ovato Cairns;
  - (iii) for shares in Ovato Cairns, the Transferee Company is Ovato Limited; and
- (b) in all other cases, the Transferee Company is Ovato Limited,

whose corporate details are each set out Schedule 3.

**Transferring Funds** means the money held by each Scheme Company, other than, for the avoidance of doubt, the Remaining Funds. The Property and Liabilities Schedule where specified contains further details of what is included in and what is excluded from the Transferring Funds for the purposes of the Member's Schemes.

**Transferring Contracts** means the contracts to which each Scheme Company is a party. The Property and Liabilities Schedule where specified contains further details of what is included in and what is excluded from the Transferring Contracts for the purposes of the Member's Schemes.

**Transferring Employees** means the transferring employees of each Scheme Company, other than, for the avoidance of doubt, the Remaining Employees. The Property and Liabilities Schedule where specified contains further details of who is included and excluded for the purposes of the Member's Schemes.

**Transferring Inprint Entities** means the shares in the Subsidiaries of Inprint Pty Limited as specified in the Property and Liabilities Schedule.

**Transferring Intellectual Property** means the intellectual property owned by each Scheme Company. The Property and Liabilities Schedule where specified contains further details of what is included in and what is excluded from the Transferring Intellectual Property for the purposes of the Member's Schemes.

**Transferring Inventory** means the Inventory located at the premises used solely or exclusively by each Scheme Company (including, to avoid doubt, the premises the subject of the Transferring Leases) at the Implementation Time or received at any time at those premises pursuant to orders made before the Implementation Time. The Property and Liabilities Schedule where specified contains further details of what is included in and what is excluded from the Transferring Inventory for the purposes of the Member's Schemes.

**Transferring Leases** means the property leases and subleases to which each Scheme Company is party, other than, for the avoidance of doubt, the Remaining Leases. The Property and Liabilities Schedule contains further details of what is included in and what is excluded from the Transferring Leases for the purposes of the Member's Schemes.

**Transferring Liabilities** means all Liabilities (and any part of a Liability) of each Scheme Company, other than, for the avoidance of doubt, the Released Liabilities or the Remaining Employees' Liabilities. The Property and Liabilities Schedule where specified contains further details of what is included in and excluded from the Transferring Liabilities for the purposes of the Member's Schemes.

**Transferring Litigation** means all Litigation by or against each Scheme Company. The Property and Liabilities Schedule where specified contains further details of what is included in and what is excluded from the Transferring Litigation for the purposes of the Member's Schemes.

**Transferring Ovato Print Entities** means the shares in the Subsidiaries of Ovato Print as specified in the Property and Liabilities Schedule.

**Transferring Plant and Equipment** means the Plant and Equipment located at the premises used solely or exclusively by each Scheme Company (including, to avoid doubt, the premises the subject of the Transferring Leases). The Property and Liabilities Schedule where specified contains further details of what is included in and what is excluded from the Transferring Plant and Equipment for the purposes of the Member's Schemes.

**Transferring Property** means all Assets (and any part of an Asset) of each Scheme Company, other than, for the avoidance of doubt, any Remaining Plant and Equipment and the Remaining Funds. The Property and Liabilities Schedule where specified contains further details of what is included in and excluded from the Transferring Property for the purposes of the Member's Schemes.

## 2. **Rules for interpreting this document**

Headings and catchwords are for convenience only, and do not affect interpretation. The following rules also apply in interpreting this document, except where the context makes it clear that a rule is not intended to apply.

(a) A reference to:

- (i) a legislative provision or legislation (including subordinate legislation) is to that provision or legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
- (ii) a document (including this document) or agreement, or a provision of a document (including this document) or agreement, is to that document, agreement or provision as amended, supplemented, replaced or novated;
- (iii) a party to this document or to any other document or agreement includes a permitted substitute or a permitted assign of that party;

- For personal use only
- (iv) a person includes any type of entity or body of persons, whether or not it is incorporated or has a separate legal identity, and any executor, administrator or successor in law of the person; and
  - (v) anything (including a right, obligation or concept) includes each part of it.
  - (b) A singular word includes the plural, and vice versa.
  - (c) A word which suggests one gender includes the other genders.
  - (d) If a word or phrase is defined, any other grammatical form of that word or phrase has a corresponding meaning.
  - (e) If an example is given of anything (including a right, obligation or concept), such as by saying it includes something else, the example does not limit the scope of that thing.
  - (f) The words "**associate**", "**entity**", "**officer**", "**relevant**" and "**interest**" have the same meaning as in section 9 of the Corporations Act.
  - (g) The words "**related body corporate**" have the same meaning as in section 50 of the Corporations Act.
  - (h) The word "**contract**" or "**agreement**" includes an undertaking or other binding arrangement or understanding, whether or not in writing.
  - (i) The expression "**this document**" includes the agreement, arrangement, understanding or transaction recorded in this document.
  - (j) All references to time in this document are references to that time in AEDT Time.
  - (k) A reference to "\$" or "**dollar**" is to Australian currency.
  - (l) A reference to a clause, schedule or annexure is a reference to a clause of, or schedule or annexure to, this document.
  - (m) A reference to writing includes any method of representing or reproducing words, figures, drawings or symbols in a visible and tangible form.

## SCHEDULE 2

### Company Details – Scheme Companies

1	2	3	4	5	6
Scheme Company	Date of incorporation	Place of incorporation	Australian Company Number	Registered office	Member(s)
Ovato Print Pty Ltd	17 April 1991	Australian Capital Territory	051 706 499	Level 4, 60 Union Street Pyrmont NSW 2009	Ovato Limited ACN 050 148 644
Hannanprint NSW Pty Limited	5 June 2002	New South Wales	100 817 623	Level 4, 60 Union Street Pyrmont NSW 2009	The Independent Print Media Group Pty Limited ACN 071 231 215
Hannanprint Victoria Pty Limited	5 June 2002	New South Wales	100 817 712	Level 4, 60 Union Street Pyrmont NSW 2009	The Independent Print Media Group Pty Limited ACN 071 231 215
Inprint Pty Limited	17 June 1987	Queensland	010 728 971	Level 4, 60 Union Street Pyrmont NSW 2009	Woodox Pty Ltd ACN 067 150 789

### SCHEDULE 3

#### Company Details –Transferee Companies

1	2	3	4	5	6
Transferee Company	Date of incorporation	Place of incorporation	Australian Company Number	Registered office	Member(s)
Ovato Print Cairns Pty Ltd	5 February 1991	Queensland	050 487 879	Level 4, 60 Union Street Pyrmont NSW 2009	Inprint Pty Limited ACN 010 728 971
Ovato Creative Services Pty Ltd	7 March 1973	New South Wales	001 098 157	Level 4, 60 Union Street Pyrmont NSW 2009	IPMG Digital Pty Ltd ACN 122 262 819
Ovato Limited	30 October 1990	Australian Capital Territory	050 148 644	Level 4, 60 Union Street Pyrmont NSW 2009	Registered holders of shares in Ovato Limited

## SCHEDULE 4

### Property and Liabilities Schedule

This Property and Liabilities Schedule sets out details of the specific enabling arrangements in respect of the schemes of arrangement between each Scheme Company and their respective Member, including:

1. the Transferring Contracts;
2. the Transferring Employees;
3. the Transferring Funds;
4. the Transferring Inprint Entities;
5. the Transferring Intellectual Property;
6. the Transferring Inventory;
7. the Transferring Leases;
8. the Transferring Litigation;
9. the Transferring Ovato Print Entities; and
10. the Transferring Plant and Equipment.

Unless specified otherwise, terms defined in the Member's Schemes have the same meaning when used in this document.

#### 1. TRANSFERRING CONTRACTS

##### (a) Inclusions

- (i) The Transferring Contracts include the contracts identified in Part A of Annexure A.

##### (b) Exclusions

- (i) Not Applicable.

#### 2. TRANSFERRING EMPLOYEES

##### (a) Inclusions

The Transferring Employees include the employees identified in Part A of Annexure B.

##### (b) Exclusions

The Transferring Employees exclude the employees identified in Part B of Annexure B which are the Remaining Employees.

3. **TRANSFERRING FUNDS**

(a) **Inclusions**

- (i) The Transferring Funds includes the amounts of cash identified in Part A of Annexure C.

(b) **Exclusions**

- (i) The Transferring Funds exclude the amounts of cash identified in Part B of Annexure C which is the Remaining Funds.

4. **TRANSFERRING INPRINT ENTITIES**

(a) **Inclusions**

The Transferring Inprint Entities includes the shares in the following subsidiaries of Inprint Pty Limited ACN 010 728 971:

- (i) Ovato Creative Services Geebung Pty Ltd ACN 010 958 200;
- (ii) Ovato Packaging Pty Ltd ACN 050 411 759; and
- (iii) Ovato Print Cairns Pty Ltd ACN 050 487 879.

(b) **Exclusions**

- (i) Not Applicable.

5. **TRANSFERRING INTELLECTUAL PROPERTY**

(a) **Inclusions**

- (i) The Transferring Intellectual Property includes all intellectual property identified in Part A of Annexure D.

(b) **Exclusions**

- (i) Not Applicable.

6. **TRANSFERRING INVENTORY**

(a) **Inclusions**

- (i) The Transferring Inventory includes the Inventory identified in Part A of Annexure E.

(b) **Exclusions**

- (i) Not Applicable.

7. **TRANSFERRING LEASES**

(a) **Inclusions**

- (i) The Transferring Leases include the leases identified in Part A of Annexure F.



(b) **Exclusions**

- (i) Not Applicable.

8. **TRANSFERRING LITIGATION**

(a) **Inclusions**

- (i) The Transferring Litigation includes the litigation identified in Part A of Annexure G.

(b) **Exclusions**

- (i) The Transferring Litigation excludes the litigation identified in Part A of Annexure G.

9. **TRANSFERRING OVATO PRINT ENTITIES**

(a) **Inclusions**

The Transferring Ovato Print Entities include the shares in the following subsidiaries of Ovato Print Pty Ltd ACN 051 706 499:

- (i) Shomega Pty Limited ACN 060 808 013;
- (ii) Show-Ads Pty Limited ACN 004 879 627;
- (iii) Linq Plus Pty Limited ACN 070 732 071;
- (iv) PMP Wholesale Pty Limited ACN 004 386 663;
- (v) Ovato Creative Services Clayton Pty Limited ACN 004 386 672;
- (vi) Pacific Intermedia Pty Limited ACN 004 333 439;
- (vii) Ovato Retail Distribution Pty Ltd ACN 088 251 727;
- (viii) A.C.N. 128 266 268 Pty Limited ACN 128 266 268;
- (ix) Scribo Holdings Pty Ltd ACN 128 264 988;
- (x) The Scribo Group Pty Ltd ACN ACN 091 685 086;
- (xi) Tower Books Pty Limited ACN 078 719 696;
- (xii) Gary Allen Pty Ltd ACN 002 793 160;
- (xiii) Ilovemagazines.com.au Pty Limited ACN 068 231 158;
- (xiv) PMP Property Pty Ltd ACN 051 748 246;
- (xv) PMP Advertising Solutions Pty Limited ACN 051 748 157;
- (xvi) PMP Home Media Pty Limited ACN 051 757 718;
- (xvii) The Argus & Australasian Pty Limited ACN 051 747 892;
- (xviii) PMP Directories Pty Limited ACN 006 457 503; and

(xix) PT Pac Rim Kwartanusa Printing (Indonesia).

(b) **Exclusions**

(i) Not Applicable.

10. **TRANSFERRING PLANT AND EQUIPMENT**

(a) **Inclusions**

(i) The Transferring Plant and Equipment includes the Plant and Equipment identified in Part A of Annexure H.

(b) **Exclusions**

(i) The Transferring Plant and Equipment excludes the Plant and Equipment identified in Part B of Annexure H which is the Remaining Plant and Equipment.

## **Annexure A**

### **Transferring Contracts**

#### **Part A – Transferring Contracts Inclusions**

All contracts and agreements currently on foot to which each Scheme Company is a party.

## Annexure B

### Transferring Employees

#### Part A – Transferring Employee Inclusions

All employees of the Scheme Companies other than the Remaining Employees.

#### Part B - Transferring Employee Exclusions

Employer LEGAL Entity	Employee Sequence #
HANNANPRINT NSW PTY LTD	ZZ-5410
HANNANPRINT NSW PTY LTD	ZZ-5431
HANNANPRINT NSW PTY LTD	ZZ-5448
HANNANPRINT NSW PTY LTD	ZZ-5466
HANNANPRINT NSW PTY LTD	ZZ-5471
HANNANPRINT NSW PTY LTD	ZZ-5484
HANNANPRINT NSW PTY LTD	ZZ-5497
HANNANPRINT NSW PTY LTD	ZZ-5498
HANNANPRINT NSW PTY LTD	ZZ-5501
HANNANPRINT NSW PTY LTD	ZZ-5502
HANNANPRINT NSW PTY LTD	ZZ-5513
HANNANPRINT NSW PTY LTD	ZZ-5554
HANNANPRINT NSW PTY LTD	ZZ-5568
HANNANPRINT NSW PTY LTD	ZZ-5598
HANNANPRINT NSW PTY LTD	ZZ-5603
HANNANPRINT NSW PTY LTD	ZZ-5623
HANNANPRINT NSW PTY LTD	ZZ-5640
HANNANPRINT NSW PTY LTD	ZZ-5658
HANNANPRINT NSW PTY LTD	ZZ-5669
HANNANPRINT NSW PTY LTD	ZZ-5705
HANNANPRINT NSW PTY LTD	ZZ-5721
HANNANPRINT NSW PTY LTD	ZZ-5723

Employer LEGAL Entity	Employee Sequence #
HANNANPRINT VIC PTY LTD	ZZ-5050
HANNANPRINT VIC PTY LTD	ZZ-5104
HANNANPRINT VIC PTY LTD	ZZ-5130
INPRINT PTY LTD	ZZ-5196
INPRINT PTY LTD	ZZ-5197
INPRINT PTY LTD	ZZ-5201
INPRINT PTY LTD	ZZ-5207
INPRINT PTY LTD	ZZ-5209
INPRINT PTY LTD	ZZ-5210
INPRINT PTY LTD	ZZ-5246
INPRINT PTY LTD	ZZ-5257
INPRINT PTY LTD	ZZ-5270
INPRINT PTY LTD	ZZ-5271
INPRINT PTY LTD	ZZ-5272
INPRINT PTY LTD	ZZ-5274
INPRINT PTY LTD	ZZ-5295
INPRINT PTY LTD	ZZ-5297
INPRINT PTY LTD	ZZ-5307
INPRINT PTY LTD	ZZ-5311
INPRINT PTY LTD	ZZ-5318
INPRINT PTY LTD	ZZ-5326
INPRINT PTY LTD	ZZ-5333
OVATO PRINT PTY LTD	ZZ-5001
OVATO PRINT PTY LTD	ZZ-5006
OVATO PRINT PTY LTD	ZZ-5009
OVATO PRINT PTY LTD	ZZ-5013
OVATO PRINT PTY LTD	ZZ-5015
OVATO PRINT PTY LTD	ZZ-5017

Employer LEGAL Entity	Employee Sequence #
OVATO PRINT PTY LTD	ZZ-5020
OVATO PRINT PTY LTD	ZZ-5031
OVATO PRINT PTY LTD	ZZ-5032
OVATO PRINT PTY LTD	ZZ-5038
OVATO PRINT PTY LTD	ZZ-5039
OVATO PRINT PTY LTD	ZZ-5040
OVATO PRINT PTY LTD	ZZ-5041
OVATO PRINT PTY LTD	ZZ-5042
OVATO PRINT PTY LTD	ZZ-5043
OVATO PRINT PTY LTD	ZZ-5044
OVATO PRINT PTY LTD	ZZ-5045
OVATO PRINT PTY LTD	ZZ-5046
OVATO PRINT PTY LTD	ZZ-5047
OVATO PRINT PTY LTD	ZZ-5048
OVATO PRINT PTY LTD	ZZ-5049
OVATO PRINT PTY LTD	ZZ-5051
OVATO PRINT PTY LTD	ZZ-5052
OVATO PRINT PTY LTD	ZZ-5053
OVATO PRINT PTY LTD	ZZ-5055
OVATO PRINT PTY LTD	ZZ-5056
OVATO PRINT PTY LTD	ZZ-5057
OVATO PRINT PTY LTD	ZZ-5058
OVATO PRINT PTY LTD	ZZ-5059
OVATO PRINT PTY LTD	ZZ-5060
OVATO PRINT PTY LTD	ZZ-5061
OVATO PRINT PTY LTD	ZZ-5062
OVATO PRINT PTY LTD	ZZ-5063
OVATO PRINT PTY LTD	ZZ-5064

Employer LEGAL Entity	Employee Sequence #
OVATO PRINT PTY LTD	ZZ-5065
OVATO PRINT PTY LTD	ZZ-5066
OVATO PRINT PTY LTD	ZZ-5067
OVATO PRINT PTY LTD	ZZ-5068
OVATO PRINT PTY LTD	ZZ-5069
OVATO PRINT PTY LTD	ZZ-5070
OVATO PRINT PTY LTD	ZZ-5071
OVATO PRINT PTY LTD	ZZ-5072
OVATO PRINT PTY LTD	ZZ-5073
OVATO PRINT PTY LTD	ZZ-5074
OVATO PRINT PTY LTD	ZZ-5076
OVATO PRINT PTY LTD	ZZ-5078
OVATO PRINT PTY LTD	ZZ-5079
OVATO PRINT PTY LTD	ZZ-5080
OVATO PRINT PTY LTD	ZZ-5081
OVATO PRINT PTY LTD	ZZ-5082
OVATO PRINT PTY LTD	ZZ-5083
OVATO PRINT PTY LTD	ZZ-5084
OVATO PRINT PTY LTD	ZZ-5085
OVATO PRINT PTY LTD	ZZ-5087
OVATO PRINT PTY LTD	ZZ-5088
OVATO PRINT PTY LTD	ZZ-5089
OVATO PRINT PTY LTD	ZZ-5090
OVATO PRINT PTY LTD	ZZ-5092
OVATO PRINT PTY LTD	ZZ-5093
OVATO PRINT PTY LTD	ZZ-5094
OVATO PRINT PTY LTD	ZZ-5095
OVATO PRINT PTY LTD	ZZ-5096

Employer LEGAL Entity	Employee Sequence #
OVATO PRINT PTY LTD	ZZ-5097
OVATO PRINT PTY LTD	ZZ-5098
OVATO PRINT PTY LTD	ZZ-5099
OVATO PRINT PTY LTD	ZZ-5100
OVATO PRINT PTY LTD	ZZ-5102
OVATO PRINT PTY LTD	ZZ-5103
OVATO PRINT PTY LTD	ZZ-5105
OVATO PRINT PTY LTD	ZZ-5108
OVATO PRINT PTY LTD	ZZ-5109
OVATO PRINT PTY LTD	ZZ-5111
OVATO PRINT PTY LTD	ZZ-5112
OVATO PRINT PTY LTD	ZZ-5113
OVATO PRINT PTY LTD	ZZ-5114
OVATO PRINT PTY LTD	ZZ-5115
OVATO PRINT PTY LTD	ZZ-5116
OVATO PRINT PTY LTD	ZZ-5117
OVATO PRINT PTY LTD	ZZ-5118
OVATO PRINT PTY LTD	ZZ-5119
OVATO PRINT PTY LTD	ZZ-5120
OVATO PRINT PTY LTD	ZZ-5121
OVATO PRINT PTY LTD	ZZ-5122
OVATO PRINT PTY LTD	ZZ-5123
OVATO PRINT PTY LTD	ZZ-5124
OVATO PRINT PTY LTD	ZZ-5125
OVATO PRINT PTY LTD	ZZ-5126
OVATO PRINT PTY LTD	ZZ-5127
OVATO PRINT PTY LTD	ZZ-5128
OVATO PRINT PTY LTD	ZZ-5129



Employer LEGAL Entity	Employee Sequence #
OVATO PRINT PTY LTD	ZZ-5131
OVATO PRINT PTY LTD	ZZ-5132
OVATO PRINT PTY LTD	ZZ-5133
OVATO PRINT PTY LTD	ZZ-5134
OVATO PRINT PTY LTD	ZZ-5135
OVATO PRINT PTY LTD	ZZ-5136
OVATO PRINT PTY LTD	ZZ-5137
OVATO PRINT PTY LTD	ZZ-5138
OVATO PRINT PTY LTD	ZZ-5139
OVATO PRINT PTY LTD	ZZ-5140
OVATO PRINT PTY LTD	ZZ-5141
OVATO PRINT PTY LTD	ZZ-5142
OVATO PRINT PTY LTD	ZZ-5143
OVATO PRINT PTY LTD	ZZ-5144
OVATO PRINT PTY LTD	ZZ-5145
OVATO PRINT PTY LTD	ZZ-5146
OVATO PRINT PTY LTD	ZZ-5147
OVATO PRINT PTY LTD	ZZ-5148
OVATO PRINT PTY LTD	ZZ-5149
OVATO PRINT PTY LTD	ZZ-5150
OVATO PRINT PTY LTD	ZZ-5151
OVATO PRINT PTY LTD	ZZ-5154
OVATO PRINT PTY LTD	ZZ-5155
OVATO PRINT PTY LTD	ZZ-5156
OVATO PRINT PTY LTD	ZZ-5157
OVATO PRINT PTY LTD	ZZ-5158
OVATO PRINT PTY LTD	ZZ-5159
OVATO PRINT PTY LTD	ZZ-5160

Employer LEGAL Entity	Employee Sequence #
OVATO PRINT PTY LTD	ZZ-5161
OVATO PRINT PTY LTD	ZZ-5162
OVATO PRINT PTY LTD	ZZ-5165
OVATO PRINT PTY LTD	ZZ-5166
OVATO PRINT PTY LTD	ZZ-5167
OVATO PRINT PTY LTD	ZZ-5168
OVATO PRINT PTY LTD	ZZ-5169
OVATO PRINT PTY LTD	ZZ-5170
OVATO PRINT PTY LTD	ZZ-5171
OVATO PRINT PTY LTD	ZZ-5172
OVATO PRINT PTY LTD	ZZ-5173
OVATO PRINT PTY LTD	ZZ-5174
OVATO PRINT PTY LTD	ZZ-5176
OVATO PRINT PTY LTD	ZZ-5177
OVATO PRINT PTY LTD	ZZ-5178
OVATO PRINT PTY LTD	ZZ-5179
OVATO PRINT PTY LTD	ZZ-5180
OVATO PRINT PTY LTD	ZZ-5181
OVATO PRINT PTY LTD	ZZ-5182
OVATO PRINT PTY LTD	ZZ-5183
OVATO PRINT PTY LTD	ZZ-5184
OVATO PRINT PTY LTD	ZZ-5185
OVATO PRINT PTY LTD	ZZ-5186
OVATO PRINT PTY LTD	ZZ-5187
OVATO PRINT PTY LTD	ZZ-5188
OVATO PRINT PTY LTD	ZZ-5190
OVATO PRINT PTY LTD	ZZ-5191
OVATO PRINT PTY LTD	ZZ-5192

Employer LEGAL Entity	Employee Sequence #
OVATO PRINT PTY LTD	ZZ-5193
OVATO PRINT PTY LTD	ZZ-5194
OVATO PRINT PTY LTD	ZZ-5195
OVATO PRINT PTY LTD	ZZ-5277
OVATO PRINT PTY LTD	ZZ-5323
OVATO PRINT PTY LTD	ZZ-5346
OVATO PRINT PTY LTD	ZZ-5347
OVATO PRINT PTY LTD	ZZ-5351
OVATO PRINT PTY LTD	ZZ-5369
OVATO PRINT PTY LTD	ZZ-5372
OVATO PRINT PTY LTD	ZZ-5403
OVATO PRINT PTY LTD	ZZ-5423
OVATO PRINT PTY LTD	ZZ-5438
OVATO PRINT PTY LTD	ZZ-5443
OVATO PRINT PTY LTD	ZZ-5453
OVATO PRINT PTY LTD	ZZ-5479
OVATO PRINT PTY LTD	ZZ-5489
OVATO PRINT PTY LTD	ZZ-5490
OVATO PRINT PTY LTD	ZZ-5507
OVATO PRINT PTY LTD	ZZ-5561
OVATO PRINT PTY LTD	ZZ-5566
OVATO PRINT PTY LTD	ZZ-5578
OVATO PRINT PTY LTD	ZZ-5616
OVATO PRINT PTY LTD	ZZ-5618
OVATO PRINT PTY LTD	ZZ-5621
OVATO PRINT PTY LTD	ZZ-5628
OVATO PRINT PTY LTD	ZZ-5652
OVATO PRINT PTY LTD	ZZ-5654

Employer LEGAL Entity	Employee Sequence #
OVATO PRINT PTY LTD	ZZ-5666
OVATO PRINT PTY LTD	ZZ-5667
OVATO PRINT PTY LTD	ZZ-5694
OVATO PRINT PTY LTD	ZZ-5716
OVATO PRINT PTY LTD	ZZ-5724
OVATO PRINT PTY LTD	ZZ-5726
OVATO PRINT PTY LTD	ZZ-5727

**Annexure C**  
**Transferring Funds**

**Part A – Transferring Funds Inclusions**

All amounts of cash held by the Scheme Companies other than the Remaining Funds.

**Part B - Transferring Funds Exclusions**

The Remaining Funds in the case of:

- (a) Ovato Print Pty Ltd ACN 051 706 499 is the amount of \$1,774,028.84;
- (b) Hannanprint NSW Pty Limited ACN 100 817 623 is the amount of \$102,026.14;
- (c) Hannanprint Victoria Pty Limited ACN 100 817 712 is the amount of \$40,559.69; and
- (d) Inprint Pty Limited ACN 010 728 971 is the amount of \$113,385.34.

## **Annexure D**

### **Transferring Intellectual Property**

#### **Part A – Transferring Intellectual Property Inclusions**

All intellectual property owned or held by each Scheme Company.

## **Annexure E**

### **Transferring Inventory**

#### **Part A – Transferring Inventory Inclusions**

All Inventory owned by each Scheme Company.

#### **Part B - Transferring Inventory Exclusions**

Any property to which the title has not passed to a Scheme Company.

## **Annexure F**

### **Transferring Leases**

#### **Part A — Transferring Leases Inclusions**

All leases and subleases on foot to which a Scheme Company is a party.



## **Annexure G**

### **Transferring Litigation**

#### **Part A — Transferring Litigation Inclusions**

Any demand, legal proceedings, arbitration or any regulatory proceeding involving a Government Agency currently on foot against a Scheme Company prior to the Implementation Time.

#### **Part B — Transferring Litigation Exclusions**

Any demand, legal proceedings, arbitration or any regulatory proceeding involving a Government Agency currently on foot against a Scheme Company after the Implementation Time.

## Annexure H

### Transferring Plant and Equipment

#### Part A – Transferring Plant and Equipment Inclusions

OVATO PRINT PTY LTD TO OVATO LIMITED			
Asset class	Asset Number	Description	State
Leasehold improvements	153413	OFFICE TELEPHONE SYSTEM NEAX	NSW
Leasehold improvements	153418	OFFICE TELEPHONE SYSTEM	NSW
Leasehold improvements	153428	OFFICE TELEPHONE SYSTEM	NSW
Leasehold improvements	153448	OFFICE TELEPHONE SYSTEM 147	NSW
Leasehold improvements	153488	OFFICE TELEPHONE SYSTEM 20	NSW
Leasehold improvements	153521	OFFICE TELEPHONE SYSTEM PC	NSW
Leasehold improvements	153540	OFFICE TELEPHONE SYSTEM	NSW
Leasehold improvements	154703	OFFICE TELEPHONE SYSTEM	NSW
Leasehold improvements	624606	Fire hydrant upgrades	NSW
Leasehold improvements	627621	Roller shutter door for Logis	WA
Leasehold improvements	627882	Soundproof Partioning Wall	NSW
Leasehold improvements	627891	4 x Exhaust Fans	NSW
Leasehold improvements	628535	10x Oven fans on roof	NSW
Leasehold improvements	628543	Sound wall Vents	NSW
Leasehold improvements	628551	DMF Roller door installation	NSW
Leasehold improvements	628674	Baler Roof Extention	WA
Leasehold improvements	628682	Baler Stripcurtains	WA
Leasehold improvements	630328	Moorebank Leasehold renovatio	NSW
Leasehold improvements	638573	Warehouse Modification	NSW
Leasehold improvements	638581	BL- Air Con- Evaporative Unit	WA
Leasehold improvements	681117	Workshop Extention	QLD
Leasehold improvements	681125	Window to Bindery supervisor	QLD
Leasehold improvements	681352	Building Fire Safety works	NSW
Leasehold improvements	681555	MBK Eng store - Mezzanine	NSW
Leasehold improvements	681926	CCTV upgrade	NSW
Leasehold improvements	682101	LED lighting project	WA
Leasehold improvements	683577	Warehouse Despatch Area Redes	NSW
Leasehold improvements	683585	Capital Works@ 8 Priddle St W	NSW
Leasehold improvements	683593	Fire Hydrant Pipeworks	NSW
Leasehold improvements	683737	Front Signage - Cairns print	QLD
Leasehold improvements	683745	Workshop Extension - Lighting	QLD
Leasehold improvements	683753	Hi Bay Lighting in Racking Ar	QLD
Leasehold improvements	683761	New High Bay Lights, Powerpoi	QLD
Leasehold improvements	683770	Replace Lighting with LED Lig	QLD
Leasehold improvements	683788	Baler Room Construction	QLD

**OVATO PRINT PTY LTD TO OVATO LIMITED**

<b>Asset class</b>	<b>Asset Number</b>	<b>Description</b>	<b>State</b>
Leasehold improvements	683796	High Partition Around Platese	QLD
Leasehold improvements	683921	Security Keypad & Controller	QLD
Leasehold improvements	683930	Air Conditioning - Lunchroom	QLD
Leasehold improvements	683948	Forklift Demarcation Lines	QLD
Leasehold improvements	683956	Build Weld Area compliant wit	QLD
Leasehold improvements	683964	Safety Height Access to Extra	QLD
Leasehold improvements	683972	Safety Height Access to Extra	QLD
Leasehold improvements	683981	Safety Height Access	QLD
Leasehold improvements	684668	Concrete works for Waste Scal	NSW
Leasehold improvements	685556	Loading Dock Awnings	NSW
Leasehold improvements	685847	Yellow Forklift lines & Signs	QLD
Leasehold improvements	685855	Sprinkler System on new awnin	QLD
Leasehold improvements	685863	Ampac Fire Finder Plus panel	QLD
Leasehold improvements	685871	Data Lines and Power Points	QLD
Leasehold improvements	685880	Traffic Management - Enforcea	NSW
Leasehold improvements	686364	Fire Alarm System - Bailer Sh	QLD
Leasehold improvements	686372	Hopper Box and Shutoff Valve	QLD
Leasehold improvements	686381	Fire Panel Replacement	QLD
Leasehold improvements	686719	Admin Office refurbish - Buil	NSW
Leasehold improvements	686727	Press Bay C preparation Buil	NSW
Leasehold improvements	686743	Moorebank Leasehold renovatio	NSW
Leasehold improvements	687324	Wash Bay & Chemical Bulk stor	NSW
Leasehold improvements	687332	WF Security Upgrade	NSW
PP&E	15101	MK-Ferag Discs	NSW
PP&E	15213	AC-GOSS M4048	NSW
PP&E	15231	NY-LITHOMAN 1 (OLD 15273)	SA
PP&E	15233	NY-MITSUBISHI 1	SA
PP&E	15253	HB-SOLNA	TAS
PP&E	15265	MK-HARRIS M600	NSW
PP&E	15266	MK - DUPLEX 2A	NSW
PP&E	15267	MK - DUPLEX 2B	NSW
PP&E	15271	MK - LITHO 8 * GRAIN	NSW
PP&E	15272	MK-HEIDELBERG 16	NSW
PP&E	15273	MK-LITHOMAN 1	NSW
PP&E	15274	MK-LITHOMAN 4	NSW
PP&E	15275	MK-LITHOMAN 6	NSW
PP&E	15276	MK-ROTOMAN 6	NSW
PP&E	15277	MK-ROTOMAN 8	NSW
PP&E	15279	MK - LIITHOMAN 7	NSW

**OVATO PRINT PTY LTD TO OVATO LIMITED**

<b>Asset class</b>	<b>Asset Number</b>	<b>Description</b>	<b>State</b>
PP&E	15286	BL - Duplex 2A	WA
PP&E	15289	CB - MAN ROLAND (DUPLEX)	VIC
PP&E	15311	ZM-HBERG 102V 4COL	QLD
PP&E	15312	ZM-HBERG 102F 5COL	QLD
PP&E	15313	ZM-HBERG 102ZP 2COL	QLD
PP&E	15314	ZM-ROLAND 700 5COL	QLD
PP&E	15315	ZM-ROLND 700 5CL CTR	QLD
PP&E	15321	CN-HBERG 72V 4COL	QLD
PP&E	15322	CN-HBERG GTO 46 2COL	QLD
PP&E	15323	CN-HBERG GTO 52 1COL	QLD
PP&E	15327	CN-HBERG SORKZ	QLD
PP&E	15343	HB-GTO	TAS
PP&E	15345	HB-HBERG MO/C1	TAS
PP&E	15346	HB-KORD	TAS
PP&E	15347	HB-ROLAND 700/CX2	TAS
PP&E	15348	HB-SORKZ	TAS
PP&E	15352	MK-SPEEDMASTER 5	NSW
PP&E	15354	MK-KOMORI 6 COLOUR	NSW
PP&E	15401	CB-FERAG UNI BINDER	VIC
PP&E	15423	MK-CORONA PERFECT BINDER	NSW
PP&E	15437	ZM-STAHl T56 FOLDER	QLD
PP&E	15438	ZM-STAHl T78 FOLDR 1	QLD
PP&E	15439	ZM-STAHl T78 FOLDR 2	QLD
PP&E	15440	ZM-STAHl T78 FOLDR 3	QLD
PP&E	15441	ZM-MULLER 235	QLD
PP&E	15449	CN-MULLER MARTINI	QLD
PP&E	15476	BL-PRIMA STITCHER	WA
PP&E	15484	MK-PRIMA STITCHER	NSW
PP&E	15485	Ferag Unwinder	NSW
PP&E	15486	Ferag Trim Unwind	NSW
PP&E	15487	Ferag SHT Binder	NSW
PP&E	15489	Ferag Uni Binder	NSW
PP&E	15490	MK-MULLER	NSW
PP&E	15491	MK-MULLER 4	NSW
PP&E	15492	MK-PERFECT BINDER	NSW
PP&E	15493	MK-ZAANDAM/McCAIN	NSW
PP&E	15494	MK-KOLBUS PERFECT BINDER	NSW
PP&E	15496	BL-FERAG BINDER	WA
PP&E	15498	BL-OPTIMA BINDER	WA

**OVATO PRINT PTY LTD TO OVATO LIMITED**

<b>Asset class</b>	<b>Asset Number</b>	<b>Description</b>	<b>State</b>
PP&E	15526	MK-OVERPRINTER 1	NSW
PP&E	15560	ZM-AUTOBOND LAMINATR	QLD
PP&E	15581	MK-TRIMMER DUPLEX 2A	NSW
PP&E	15582	MK-TRIMMER DUPLEX 2B	NSW
PP&E	15585	MK-GAMMERLER 1	NSW
PP&E	15586	MK-GAMMERLER 2	NSW
PP&E	15592	MK-CRASH FOLDER	NSW
PP&E	15593	MK-SITMA	NSW
PP&E	15594	MK-COMMON TRIMMER	NSW
PP&E	15595	MK-TRIMMER LITHOMAN 7	NSW
PP&E	15661	ZM-GUILLOTINE 2	QLD
PP&E	146106	4 CARTER AUTO STRAPPER	NSW
PP&E	146250	HACKSAW	NSW
PP&E	146302	FACTORY CAGES	NSW
PP&E	147496	COUNTING & WEIGHING SCALE	NSW
PP&E	147907	DIAL PLATFORM SCALE	NSW
PP&E	147952	MILLING MACHINE	NSW
PP&E	147995	23PROTECTIVE BUBBLES	NSW
PP&E	148314	GAMMERLER TRIMMING LINE EX	NSW
PP&E	148519	ABBAY HYDRAULIC WORK SHOP	NSW
PP&E	148565	PROTH HORIZONTAL SURFACE	NSW
PP&E	148610	STRETCH WRAPPER	NSW
PP&E	148653	HAND PALLET TRUCK MODEL	NSW
PP&E	149154	FORKLIFT TOYOTA FGC45	NSW
PP&E	150158	COUNTING & WEIGHING SCALES EX	NSW
PP&E	150198	HAND PALLET JACK PURCHASE	NSW
PP&E	150231	COUNTING & WEIGHTING SCALES	NSW
PP&E	150435	2 HAND PALLET TRUCK MODEL	NSW
PP&E	150889	RS 1013S COMPENSATING	NSW
PP&E	150908	RS 1013S COMPENSATING	NSW
PP&E	150975	JLG CM2546 MODEL ELECTRIC	NSW
PP&E	151197	2CH UHF PORTABLE RADIO SICLA	NSW
PP&E	151355	POWER CORRECTION UNIT @	NSW
PP&E	151604	TIMESTAMP RECORDERS FOR	NSW
PP&E	152132	2CH UHF PORTABLE RADIO SICLA	NSW
PP&E	152640	2 MOSCA STRAPPING MACHINE	NSW
PP&E	152671	AFTERBURNER FOUNDATION MBANK	NSW
PP&E	152755	AFTERBURNER STAIRWAY TO ROOF	NSW
PP&E	152770	AFTERBURNER DUCTWORK MBANK	NSW

**OVATO PRINT PTY LTD TO OVATO LIMITED**

<b>Asset class</b>	<b>Asset Number</b>	<b>Description</b>	<b>State</b>
PP&E	152830	AIR COMPRESSOR SEQUENTIAL	NSW
PP&E	152863	AIR COMPRESSOR INSTALLATION	NSW
PP&E	152882	AIR COMPRESSOR - RING MAIN	NSW
PP&E	153102	CHILLED WATER EQUIPMENT	NSW
PP&E	153125	ELECTRICAL CABLE LADDER &	NSW
PP&E	153171	ELECTRICAL TRANSFORMER SWITCH	NSW
PP&E	153259	GAS INSTALLATION GAS METERS	NSW
PP&E	153298	GAS INSTALLATION GAS RING	NSW
PP&E	154265	OTHERS GERNI PRESSURE WASHER	NSW
PP&E	154614	AFTERBURNER DUCTWORK	NSW
PP&E	155000	AIR PUMP KITS 4ea PURCHASE	NSW
PP&E	155145	INSTALLATION & EXTENSION OF	NSW
PP&E	155233	INSTALLATION COST FOR BINDERY	NSW
PP&E	155392	2ea VICTRA MOWEREDGERVICTA	NSW
PP&E	155462	STORES OFFICES AT MBANK SITE	NSW
PP&E	155495	SUPPLY & INSTALLATION OF	NSW
PP&E	155552	JUMBO SAFETY STEP LADDER	NSW
PP&E	155581	2ea STEP LADDER 2.8 meters	NSW
PP&E	155976	INSTALLATION OF EVAPORATIVE	NSW
PP&E	156006	CHILLED WATER RING MAIN MEMO	NSW
PP&E	156050	AFTERBURNER DUCTWORK MEMO A	NSW
PP&E	156153	SUPPLY & INSTALL 25MM GAS	NSW
PP&E	156172	INSTALLATION OF EVAP/COOLER	NSW
PP&E	156974	MEZZANINE AREA OFFICES FROM	NSW
PP&E	157361	BOLLARDS + GUARDS FOR DOWN	NSW
PP&E	157436	TIME & COUNTER CLOCK FOR	NSW
PP&E	157566	MBANK SITE PLATFORM SCALES	NSW
PP&E	158054	SMOKE CONTROL SYSTEM GWA	NSW
PP&E	158127	SMOKE EXTRACTION UNIT MBANK	NSW
PP&E	158146	WORMALD FIRE SYSTEM FOR	NSW
PP&E	158562	X-RITE 341x BATTERY POWERED	NSW
PP&E	158712	Heavy Duty Conveyors - Bale	NSW
PP&E	158785	DUST COLLECTION ALARM SYSTEM	NSW
PP&E	158804	OTHER EQUIPMENT - AUST BALE	NSW
PP&E	159024	NOVA STROBE DB230 KIT	NSW
PP&E	159251	C700 SUBSTATION L6.13	NSW
PP&E	159309	POLYBUND ENCLOSED SUMP MODEL	NSW
PP&E	159350	DUST EXTRACTION SYSTEM	NSW
PP&E	159751	LAN WRAPPER	NSW

**OVATO PRINT PTY LTD TO OVATO LIMITED**

<b>Asset class</b>	<b>Asset Number</b>	<b>Description</b>	<b>State</b>
PP&E	160101	DIGITAL INDICATOR & CONSOLE	NSW
PP&E	160187	AUTOMATIC STRAPPER TP6000	NSW
PP&E	160340	POLAR GUILLOTINE SAFETY	NSW
PP&E	160363	3 PHASE AUTOMATIC PP	NSW
PP&E	183028	LOW VOLTAGE ELECTRICAL	NAT
PP&E	183038	HIGH VOLTAGE ELECTRICAL	NAT
PP&E	183058	UPGRADE NO.1 22kvSUBSTATION	NAT
PP&E	183098	SUPPLY INSTALL BATTERY	NAT
PP&E	183131	SUPPLY INSTALL BATTERY	NAT
PP&E	183150	HV RETICULATION UPGRASDE -	NAT
PP&E	183370	OVERHEAD WIRING.	NAT
PP&E	183393	OVERHEAD WIRING IN VARIOUS	NAT
PP&E	187941	UPGRADE OF BAOCIL CABLING	NAT
PP&E	202694	WOHLENBERG H-SPEED	NSW
PP&E	202778	MOSCA RO-TA 50 STRAPPING	NSW
PP&E	204040	X-RITE 418GS PORTABLE COLOUR	NSW
PP&E	204094	STORAGE CABINETS (8 OF)	NSW
PP&E	205107	AUTOMATIC STRAPPING MACHINE	NSW
PP&E	205153	GALVANISED STEEL CAGES (12)	NSW
PP&E	205198	DIGITAL SCALES DC-81 CONSOLE	NSW
PP&E	205666	RIMA RS 3018S STACKER ROTOMAN	NSW
PP&E	206128	AUTOMATIC STRAPPING MACHINE	NSW
PP&E	206161	S-RITE 418GX PORTABLE	NSW
PP&E	206400	WEB ROOM WEIGH SCALES	NSW
PP&E	206746	STRETCHWRAPPING MACHINE ROLLE	NSW
PP&E	206982	RS 1013S COMPENSATING	NSW
PP&E	207574	HEIDELBERG SORM/Z PRESS	NAT
PP&E	208570	2 x FANS LOUVRE SILENCERS AND	NSW
PP&E	208659	ADELAIDE N51 TV/ENTERTAINMENT	NSW
PP&E	209101	NSW LITHOMAN V QUARTO FINAL	NSW
PP&E	209317	WYSE NOTEBOOK COMPUTER (2ND	NSW
PP&E	210659	WORK STATION TYPE BENCH &	NSW
PP&E	211392	BOOK TURNOVER CONVEYOR	NSW
PP&E	211425	BOOK TURNOVER CONVEYOR	NSW
PP&E	217404	LDB4PB ELECTRIC BINDING	NAT
PP&E	217782	X HAND PALLET TRUCK FROM	NSW
PP&E	217813	6 X REGISTER BAR 5 HIGH PIN	NSW
PP&E	217858	X REFLEX MEGABENCH GALVANISED	NSW
PP&E	217897	HAND PALLET TRUCK DELAQUIP	NSW

**OVATO PRINT PTY LTD TO OVATO LIMITED**

<b>Asset class</b>	<b>Asset Number</b>	<b>Description</b>	<b>State</b>
PP&E	219059	SCHNEIDER PAPER GUILLOTINE	NSW
PP&E	220899	BOSTITCHER SADDLE STITCHER	NSW
PP&E	225243	HEIDELBERG/HARRIS M600 PRESS	NSW
PP&E	225798	PRESS CONVEYOR SYSTEM-MULLER	NSW
PP&E	244587	GOSS SPEED COUNTER	NAT
PP&E	259426	ROLEN COMMUNICATIONS COMPUTER	NAT
PP&E	270453	CROSS HEAD PERFS	NAT
PP&E	277322	No 2 H.V.22kv feeder into	NAT
PP&E	282227	SUPPLY & INSTALL NEW OFFICE	VIC
PP&E	282489	BULK BLACK INK SYSTEM 30	NAT
PP&E	282608	CROWN WALKIE PALLET TRUCK	NAT
PP&E	284044	JUMBO STACKER/ FOR UNIMAN 1	NAT
PP&E	284286	JUMBO STACKER FOR UNIMAN2	NAT
PP&E	284316	JUMBO STACKER FOR UNIMAN 3	NAT
PP&E	284355	JUMBO STACKER FOR C/MAN	NAT
PP&E	284360	TAX ONLY ENTRY -JUMBO	NAT
PP&E	296204	GAMMERLER NO 3 VIC PLUS	NSW
PP&E	301833	PRESS ONLY (TRF FRM 121)	NSW
PP&E	311460	PALLET WEIGHING SYSTEM	WA
PP&E	311527	LATHE	WA
PP&E	311645	STRAPPING MACHINE	WA
PP&E	311922	PLUMBING	WA
PP&E	311996	ELECTRICAL INSTALLATION	WA
PP&E	312006	ELECTRICAL INSTALLATION	WA
PP&E	312920	COMPACTOR	WA
PP&E	313415	RADIANT TUBE FIRED HEATERS	WA
PP&E	316443	IN-LINE TRIMMER TOLERANS	WA
PP&E	322435	PABX; COMMUNICATIONS	NAT
PP&E	322450	PABX; COMMUNICATIONS	NAT
PP&E	324296	HAND PALLET TRUCK	NSW
PP&E	324764	P1250A EASY MOVER	NSW
PP&E	324840	CONTINUE WITH INSTALLATION OF	NSW
PP&E	325112	INSTALLATIN OF CABLES & DATA	NSW
PP&E	325278	ATLAS COPCO COMPRESSOR	WA
PP&E	326542	LITHOMAN 64PP MBANK	NSW
PP&E	326575	LITHOMAN INTEREST MBANK	NSW
PP&E	326594	LITHOMAN FOUNDATIONS MBANK	NSW
PP&E	326632	LITHOMAN COPCO COMPRESSOR	NSW
PP&E	330762	AUTO-COUNT 500 REMOTE	NAT



**OVATO PRINT PTY LTD TO OVATO LIMITED**

<b>Asset class</b>	<b>Asset Number</b>	<b>Description</b>	<b>State</b>
PP&E	331420	LITHOMAN PLUMBING WORKS	NSW
PP&E	332660	MOOREBANK - WAREHOUSE	NSW
PP&E	334294	LITHOMAN 64PP (MODS TO MOVE	NSW
PP&E	334471	REFRIGERATION OF PRESSES	NSW
PP&E	337000	LITHOMAN 64PP - MODS TO ALLOW	NSW
PP&E	346434	PABX - CLAYTON (213355)	NAT
PP&E	347728	SHOP FLOOR DATA COLLECTION -	NSW
PP&E	347750	SHOP FLOOR DATA COLLECTION -	NSW
PP&E	347794	SHOP FLOOR DATA COLLECTION -	NSW
PP&E	347893	SHOP FLOOR DATA COLLECTION -	NSW
PP&E	347939	SHOP FLOOR DATA COLLECTION -	NSW
PP&E	347984	SHOP FLOOR DATA COLLECTION -	NSW
PP&E	348027	SHOP FLOOR DATA COLLECTION -	NSW
PP&E	350787	LOGIC DATA COLLECTION -	NSW
PP&E	351887	OPTIMA - PABX CABLING &	NAT
PP&E	352703	404GX X RITE DENSITOMETER S/N	WA
PP&E	354776	PRINERGY	NSW
PP&E	354836	PRINERGY - INSTALLATION COSTS	NSW
PP&E	354888	PRINERGY - INSTALLATION COSTS	NSW
PP&E	355880	SUPPLY AND INSTALL NEW DUAL	NSW
PP&E	357740	TRANSPORT & INSTALLATION OF	NSW
PP&E	368540	INK PROCESS SYS ENHANCE-	NAT
PP&E	368553	INK PROCESSING SYSTEM	NAT
PP&E	368744	CLN LOGIC DATA COLLECTION	NSW
PP&E	500179	Ferag Bindery Unidrum System	VIC
PP&E	500208	Twin Folder Rotoman 8	NSW
PP&E	500275	Power Factor Correction	NSW
PP&E	500339	Perfect Binder - Moorebank	NSW
PP&E	500380	Reverse Osmosis Water Unit	WA
PP&E	500515	Bibra Lake Monorail Lifting	WA
PP&E	500751	Factory Order Changes	NAT
PP&E	500769	Cognos Crew Leader Rpt	NAT
PP&E	500865	Moorbank Quality Time &	NSW
PP&E	501104	6 Densitometers	NSW
PP&E	501930	Moorebank Carlton Sealer	NSW
PP&E	501948	Creo Prinergy Module -	NSW
PP&E	503505	Pallet Lifters X 3	WA
PP&E	503994	LINE MARKING EQUIPMENT	VIC
PP&E	505658	High Speed Muller Binding Lin	WA

**OVATO PRINT PTY LTD TO OVATO LIMITED**

<b>Asset class</b>	<b>Asset Number</b>	<b>Description</b>	<b>State</b>
PP&E	517309	Bulk Ink System	NSW
PP&E	519814	Replace 3 x Strappers	WA
PP&E	519945	Closed Loop Colour Control	NSW
PP&E	522765	Bibra Lake Prod-Impr Plan	WA
PP&E	522888	Kodak Plateline Prepress	NSW
PP&E	522917	Power Factor Correction	WA
PP&E	522933	Racking & Storage	NSW
PP&E	523400	CONVAIR EA140D AIRCONDITIONER	WA
PP&E	523590	WILLIAMS UPRIGHT FRIDGE	NSW
PP&E	523602	CABLING FOR PREPRESS MAC ROOM	NSW
PP&E	523741	FILTAIRE DUST COLLECTOR	NSW
PP&E	523805	HYDRA-PAC BALING MACHINE	NSW
PP&E	523813	BOOMLIFT	NSW
PP&E	524437	KODAK PLATELINE FOR MOR PREPR	NSW
PP&E	524517	SA CREO TRENDSETTER	WA
PP&E	525405	EASY MOVER-P350B	NSW
PP&E	525456	Power Factor Correction Unit	NSW
PP&E	526580	PRINERGY CUSTOM DATABASE REPO	VIC
PP&E	526969	Bulk Handling,DeveloperStorag	NSW
PP&E	527929	MAN ROLAND LITHO 7	NSW
PP&E	528462	FERAG LITHO 7	NSW
PP&E	528690	DUPLEX FERAG	VIC
PP&E	528702	BL MAN ROLAND DUPLEX	WA
PP&E	529262	STITCHING WIRE TROLLEY	NSW
PP&E	529393	MK LITHO 8	NSW
PP&E	529406	MK LITHO 8 FERAG	NSW
PP&E	529414	WACOL DUPLEX	QLD
PP&E	529422	WACOL FERAG	QLD
PP&E	529465	CHIILER UNIT	NSW
PP&E	529473	COMPRESSED AIR UNIT	NSW
PP&E	529481	ELECTRICAL CABLING	NSW
PP&E	532091	Building 3 Security Camera	VIC
PP&E	532621	Power Handler Paper Reel Move	NSW
PP&E	532630	Power Handler Paper Reel Move	NSW
PP&E	535582	Enware Water Bubbler	NSW
PP&E	535591	Enware Water Bubbler	NSW
PP&E	535751	Water Chillers - Moorebank	NSW
PP&E	535769	Air Handling Unit 1	NSW
PP&E	535777	Air Handling Unit 2	NSW

**OVATO PRINT PTY LTD TO OVATO LIMITED**

<b>Asset class</b>	<b>Asset Number</b>	<b>Description</b>	<b>State</b>
PP&E	535785	Air Handling Unit 3	NSW
PP&E	536391	Water Chillers - Moorebank	NSW
PP&E	536403	21 x 3 Door&1 x 2 Door locker	WA
PP&E	539090	Glue System for Crs Grain Fld	NSW
PP&E	539111	Strapper for Binery area-BL	WA
PP&E	539129	Strapper for Binery area-BL	WA
PP&E	541641	Closed Loop Colour- Lithoman	VIC
PP&E	541667	Closed Loop Colour-Lithoman A	VIC
PP&E	541675	Closed Loop Colour- Rotoman 8	VIC
PP&E	541683	Regenerative Thermal Oxidiser	NSW
PP&E	544690	Muller Martini Prima 1	WA
PP&E	544711	Quickbake Oven	NSW
PP&E	544729	Power Factor Correction * 4	NSW
PP&E	583744	CCD Surveillance Camera	VIC
PP&E	583752	CCD Surveillance Camera	VIC
PP&E	583761	CCD Surveillance Camera	VIC
PP&E	584485	Sunday M4000/48	NSW
PP&E	584486	Sunday M4000/48-Auxillaries	NSW
PP&E	584487	SundayM4000/48-Container Chr	NSW
PP&E	584488	ContanrDetention-Rvr Inv1401	NSW
PP&E	584490	Rima Conveyor M4000/48	NSW
PP&E	584491	Rpr YellowPumpTwinPostRamSys	NSW
PP&E	584492	Repair Melaar System 5	NSW
PP&E	584529	X-Rite518 Spectrodensitomete	VIC
PP&E	584530	X-Rite518 Spectrodensitomete	VIC
PP&E	584531	X-Rite518 Spectrodensitomete	VIC
PP&E	584591	Corona C18 Perfect Binder	NSW
PP&E	584592	CoronaC18PerfectBinder-Aux	NSW
PP&E	584593	Testing Gumming Strength	NSW
PP&E	584594	CoronaC18PerfectBinder-Aux	NSW
PP&E	584595	Hot melt tip-on units	NSW
PP&E	584596	CoronaC18PerfectBinder-Aux	NSW
PP&E	584597	Pallet Racking System	NSW
PP&E	584598	Stretch Wrap	NSW
PP&E	584600	Strapping Machine - Mosca	NSW
PP&E	584602	Reposition Of Prima 1	NSW
PP&E	584603	CohibaPalletisingSys-C18	NSW
PP&E	584604	CohibaPalletisingSys-C18	NSW
PP&E	584605	CohibaPalletisingSys-C18	NSW

## OVATO PRINT PTY LTD TO OVATO LIMITED

Asset class	Asset Number	Description	State
PP&E	584606	CohibaPalletisingSys-C18	NSW
PP&E	584607	CohibaPalletisingSys-C18	NSW
PP&E	585555	M4048 Installation	NSW
PP&E	585580	Corona Binder Installation	NSW
PP&E	587155	Card Access Security	VIC
PP&E	587921	Afterburner- Ex MK	WA
PP&E	588078	Sink & Hot Water Installation	NSW
PP&E	588908	Mosca Strapper RO-TR-5	NSW
PP&E	588916	Mosca Strapper RO-TR-5	NSW
PP&E	588924	Segbert Stacker	NSW
PP&E	588932	Cabling for MFD's	NAT
PP&E	589337	Pneumatic Strapping Tool VT13	NSW
PP&E	590063	M600 CB Relocate MK	NSW
PP&E	590581	Dust Transfer System	VIC
PP&E	590725	M850-Civienne Stacker	NSW
PP&E	591242	Reel Pusher- Lithoman 6	NSW
PP&E	591269	Coffee Machine	NSW
PP&E	591277	Coffee Machine	NSW
PP&E	593248	Air-Condition - Split System	WA
PP&E	594304	Ice machine SC-270	NSW
PP&E	594523	Mosca Strapper RO-TR-5	VIC
PP&E	594531	Mosca Strapper RO-TR-5	VIC
PP&E	594540	Mosca Strapper RO-TR-5	VIC
PP&E	594558	Mosca Strapper RO-TR-5	VIC
PP&E	594566	Mosca Strapper RO-TR-5	QLD
PP&E	594574	Mosca Strapper RO-TR-5	QLD
PP&E	594582	Segbert Stacker	VIC
PP&E	594591	Segbert Stacker	VIC
PP&E	594751	Line Marker - GMAX 3400	NSW
PP&E	598858	Relocatable Storage Container	NSW
PP&E	600209	Logistics Racking	VIC
PP&E	600858	MODIFY PMP COMMERCE	NAT
PP&E	602888	Braemar EA150D Evap(2)	WA
PP&E	603928	Ferag Inserter-ETR-CV	NSW
PP&E	604621	Paper Reel Mover-Litho 4	NSW
PP&E	604630	Paper Reel Mover-Duplex	NSW
PP&E	604701	Burhs Polybagger	QLD
PP&E	604761	Moorebank BBQ	NSW
PP&E	605000	Pallet Dispenser 1 of 4	NSW

**OVATO PRINT PTY LTD TO OVATO LIMITED**

<b>Asset class</b>	<b>Asset Number</b>	<b>Description</b>	<b>State</b>
PP&E	605018	Pallet Dispenser 2 of 4	NSW
PP&E	605069	Kronos Clocks upgrade	NAT
PP&E	605413	Reel Pusher Lithoman 7	NSW
PP&E	605421	Reel Pusher Lithoman 8	NSW
PP&E	606715	Pallet Dispenser 3 of 4	NSW
PP&E	606723	Pallet Dispenser 4 of 4	NSW
PP&E	607591	Re-engineering Labour costs	QLD
PP&E	607603	Burhs Enhancement costs	QLD
PP&E	607988	Pallet Dispenser 5	NSW
PP&E	608551	Stobe Light	QLD
PP&E	608631	Duplex water system upgrade	QLD
PP&E	608770	Cylinder on Lithoman 7	NSW
PP&E	609262	Banding Machine	NSW
PP&E	611160	Palletising Project	NSW
PP&E	619604	Storage system Pipeworks	NSW
PP&E	619612	400 X 10000 Litre Tanks	NSW
PP&E	619621	AUTOMATION PROCESSOR	NSW
PP&E	619639	6 X VEGASON 61 ATEX	NSW
PP&E	619647	2 X bulk chemistry Pumps	NSW
PP&E	619655	sprinklers to the bulk chemis	NSW
PP&E	619823	Air-Cooling System MBK	NSW
PP&E	619831	Air Handling Units&Chillers-M	NSW
PP&E	619840	Off air handling platforms-MK	NSW
PP&E	619858	Warning system Reel Store-MK	NSW
PP&E	620859	Toll transitions	NAT
PP&E	620867	Gen I Australia	NAT
PP&E	620875	Bell Technology Services	NAT
PP&E	621114	Liftaid Lift Trolley	NSW
PP&E	621270	Segbert Stacker & Palletiser	WA
PP&E	621288	Ferag Trimmer, Log & Strapper	WA
PP&E	621296	Ferag UTR Conveyor Line	WA
PP&E	621309	Ferag Pallet Stretch Wrapper	WA
PP&E	621317	Duplex 2A Installation capita	WA
PP&E	621350	MRK - Concrete for Goss 48pp	NSW
PP&E	624032	Burhs Polybagger Split	QLD
PP&E	624059	Goss 48 Pipe work Connection	NSW
PP&E	624067	Steel work for Gantry Crane	NSW
PP&E	624358	Dot Matrix Printer-T2265	NSW
PP&E	624366	Dot Matrix Printer-T2265	NSW

**OVATO PRINT PTY LTD TO OVATO LIMITED**

<b>Asset class</b>	<b>Asset Number</b>	<b>Description</b>	<b>State</b>
PP&E	624391	MAN ROLAND (DUPLEX)	VIC
PP&E	624411	2X Motorola RF Scanne	VIC
PP&E	624577	MAN Roland Installation costs	VIC
PP&E	624585	UTR Forwarding Station Upgrad	VIC
PP&E	624593	Datamax MKII Label Printer	VIC
PP&E	625191	Auto Pallet Stretch Wrapper	NSW
PP&E	625203	Palletiser	NSW
PP&E	625211	Wrapping Module	NSW
PP&E	625220	Label Applicator System	NSW
PP&E	625238	Pallets	NSW
PP&E	625246	Custom Built Pallets Stacked	NSW
PP&E	625262	Easy Mover P1250B	VIC
PP&E	625271	Easy Mover P1250B	VIC
PP&E	625289	Easy Mover P1250B	VIC
PP&E	625801	Corona Binder upgrade	NSW
PP&E	625916	Digital studio Air con	VIC
PP&E	625975	New Mancooler fans	WA
PP&E	626177	Wrapping Modules x1	NSW
PP&E	626206	Auto Pallet Stretch Wrapper	NSW
PP&E	626214	Palletiser	NSW
PP&E	626222	Wrapping Module	NSW
PP&E	626231	Label Applicator System	NSW
PP&E	626257	Wrapping Modules x1	NSW
PP&E	626775	Wheelie Bin Tipper	WA
PP&E	626927	Unwind Argyle FV Adj 2 of 3	NSW
PP&E	627321	Ink supply Pipe	WA
PP&E	627330	Air Cooler Chiller	WA
PP&E	627381	Ink racks storage system	WA
PP&E	627410	Unwind Argyle FV Adj 2 of 3	NSW
PP&E	627575	Trimmer Iline-Litho 6	NSW
PP&E	628050	New Daikin 5kw wall RC unit	WA
PP&E	628068	New Daikin 12kw Cassette AC u	WA
PP&E	628076	2 x New Daikin 7kw unit	WA
PP&E	628631	Baler	WA
PP&E	628640	Shredder	WA
PP&E	628658	Conveyor	WA
PP&E	628666	Bin Lifter	WA
PP&E	628834	web break detector upgrade	QLD
PP&E	628842	web break detector upgrade	QLD

**OVATO PRINT PTY LTD TO OVATO LIMITED**

<b>Asset class</b>	<b>Asset Number</b>	<b>Description</b>	<b>State</b>
PP&E	628990	RF Gun Scanner	WA
PP&E	629781	2x EIZO-CG277 Coloredge	NSW
PP&E	660113	Gym Warwick Farm	NSW
PP&E	660130	Unit 4 Web break detector	NSW
PP&E	660148	Variar Pump to Kolbus	NSW
PP&E	660164	2 Off sets chan tensioners	NSW
PP&E	660181	Moorebank Kodak Platesetter	NSW
PP&E	680106	10 Meetering Rollers (Water F	VIC
PP&E	681133	Walkie Stacker	QLD
PP&E	681141	Waste Alarm System	QLD
PP&E	681150	Camera	QLD
PP&E	681168	Electricians Workbench	QLD
PP&E	681176	6kW Air Conditioner for serve	QLD
PP&E	681184	Modification to Buhrs Wrapper	QLD
PP&E	681192	Signage on building and premi	QLD
PP&E	681205	UTR Ferag conveyor	QLD
PP&E	681213	Air systems connection	QLD
PP&E	681221	Buhrs Camera	QLD
PP&E	681230	Safety fence around reel stor	QLD
PP&E	681248	Speakers and strobes	QLD
PP&E	681256	Ducting for chopper fan	QLD
PP&E	681264	Racking for Plates	QLD
PP&E	681272	A/C around Duplex	QLD
PP&E	681299	Sitma Auto sort	NSW
PP&E	681301	Sitma Relocation	NSW
PP&E	681310	Web detectors Press F	NSW
PP&E	681328	2 Web stackers Press E & F	NSW
PP&E	681336	New Ink Pipes	NSW
PP&E	681344	Press D Anti Static	NSW
PP&E	681361	Line 8 Extraction	NSW
PP&E	681379	Closed Loop Water Filtration	NSW
PP&E	681387	New Gym at Warwick Farm -Plum	NSW
PP&E	681395	HP Inkjet Sitma GT	NSW
PP&E	681408	Evaporative Cooler for Pressr	NSW
PP&E	681416	2 IQ Power Nozzle system	NSW
PP&E	681467	Proximity Sensor	VIC
PP&E	681900	Rima Trimmer	NSW
PP&E	681918	Traffic Management	NSW
PP&E	681942	UPS Batteries for Data Centre	NSW

**OVATO PRINT PTY LTD TO OVATO LIMITED**

<b>Asset class</b>	<b>Asset Number</b>	<b>Description</b>	<b>State</b>
PP&E	681951	Pallet Racking Shelf	NSW
PP&E	682072	UPS Replacement	WA
PP&E	682099	2X Motorola RF Scanners	VIC
PP&E	682216	Water tank for fire system	NSW
PP&E	682259	Folding machine upgrade	NSW
PP&E	683809	Racking for Plates	QLD
PP&E	683817	Duplex Ferag Lighting Upgrade	QLD
PP&E	683825	Baler Installation	QLD
PP&E	683833	Bobst Diecutter - 2nd Hand	QLD
PP&E	683841	Double Barrel Cylinder Re-Bui	QLD
PP&E	683850	Camera	QLD
PP&E	683868	Mounted Fans M600 Press Area	QLD
PP&E	683876	Condensor Fan Motor & Assembl	QLD
PP&E	683884	Compressor on Temperzone Prep	QLD
PP&E	683892	TIG Welder for Maintenance De	QLD
PP&E	683905	Hot Melt Glue Applicator on J	QLD
PP&E	683913	Cutting Forme Racks	QLD
PP&E	684027	Flood Lighting over M600 Ink	QLD
PP&E	685521	Liftaide Lift Trolley	NSW
PP&E	685530	T802 Disc Scrubber Unit	NSW
PP&E	685636	Man Roland 80pp Press	NSW
PP&E	685644	Rima System Post press system	NSW
PP&E	685732	Glue Applicator + Nozzles	QLD
PP&E	685741	Steel floor Grates	QLD
PP&E	685759	Mounted Fans	QLD
PP&E	685767	Gate to Store Room	QLD
PP&E	685775	Upgrade 2 Ink Units on M600	QLD
PP&E	685783	Upgrade Technotrans Chiller L	QLD
PP&E	685791	Upgrade Technotrans Chiller L	QLD
PP&E	685804	Dexion Racking for Maintenanc	QLD
PP&E	685812	Caged Ladder with Cantilevere	QLD
PP&E	685821	Guard Rail on Roof-Blower/Pip	QLD
PP&E	685839	Zip Hot Water Unit in Lunchro	QLD
PP&E	686065	Champion Air Dryer (secondhan	WA
PP&E	686111	Plate Bender Capex	NSW
PP&E	686129	Waste Paper Extraction System	NSW
PP&E	686399	Duplex Hot Water System	QLD
PP&E	686401	Duplex Plough Installation	QLD
PP&E	686410	Trimmer modification	QLD



**OVATO PRINT PTY LTD TO OVATO LIMITED**

<b>Asset class</b>	<b>Asset Number</b>	<b>Description</b>	<b>State</b>
PP&E	686671	Press Bay C preparation Equip	NSW
PP&E	686680	Water Reticulation	NSW
PP&E	686698	New Plate Bender	NSW
PP&E	686701	6 Plate Trolleys	NSW
PP&E	687412	7 kw Mitsubishi Split System	WA
PP&E	687586	MAN ROLAND (DUPLEX)	VIC
PP&E	990124	Collation Machine	QLD
Office Equipment	149573	2 DR ELITE FILING CABINET 2	NSW
Office Equipment	149592	4 DR ELITE FILING CABINET 3	NSW
Office Equipment	149630	MACRO CLERICAL CHAIRS 2	NSW
Office Equipment	149659	MACRO VISITOR CHAIRS 2 CHAIRS	NSW
Office Equipment	149692	1600*500 DESK 2 SLIDING DOORS	NSW
Office Equipment	149736	1200*500 GRAFTON DESK 2	NSW
Office Equipment	149777	1200*800 GRAFTON DK WITH ADJ	NSW
Office Equipment	149812	MOBILE PEDESTAL WITH DOOR &	NSW
Office Equipment	150317	VIC ASH TYPE DESK PURCHASE	NSW
Office Equipment	152302	4 DRAWER FILING CABINET 5ea	NSW
Office Equipment	152324	DESK-VICTORIAN ASH 4 DRAWER	NSW
Office Equipment	152368	DESK VICTORIAN ASH	NSW
Office Equipment	153874	FURNITURE BOARDROOM TABLE	NSW
Office Equipment	153917	FURNITURE 10 BOARDROOM CHAIRS	NSW
Office Equipment	153956	FURNITURE 12 LEATHER	NSW
Office Equipment	153987	FURNITURE 1TYIST CHAIR	NSW
Office Equipment	154342	BOARDROOM TABLE FOR MOOREBANK	NSW
Office Equipment	154487	SHELVING FOR PRE PRESS AREA	NSW
Office Equipment	154764	OTHER CROCKERY & CUTLERY FOR	NSW
Office Equipment	155041	3ea DESK 3 DRAWS4ea DRAWS	NSW
Office Equipment	155099	STORAGE CUPBOARD ON PRESSES	NSW
Office Equipment	155658	2eA MC3 CHAIRS BRAHMAN	NSW
Office Equipment	155699	AXIOM DELUXE VISITORS CHAIRS	NSW
Office Equipment	155848	DESK & RETURN EXECUTIVE CHAIR	NSW
Office Equipment	156664	CHAIRDESKFILING CABINET FROM	NSW
Office Equipment	156677	FILING CABINET FOR BOB	NSW
Office Equipment	156738	FURNITURE FOR STAFF TRAINER	NSW
Office Equipment	157050	FURNITURE FOR MBANK TRAINING	NSW
Office Equipment	157246	BOOKCASE VICT ASSET J	NSW
Office Equipment	157277	TYPIST CHAIR FOR GUARD HOUSE	NSW
Office Equipment	157396	NOTICE BOARD FOR TRAINING AT	NSW
Office Equipment	157588	TABLE FOR TRAINING AREA	NSW

**OVATO PRINT PTY LTD TO OVATO LIMITED**

<b>Asset class</b>	<b>Asset Number</b>	<b>Description</b>	<b>State</b>
Office Equipment	157673	BOOK CASES FOR	NSW
Office Equipment	157708	4ea VISITOR CHAIR MAHOGANY1	NSW
Office Equipment	157950	4 DRAW FILING CABINET FOR	NSW
Office Equipment	158019	VISITORS CHAIRS 2ea S.NORTH	NSW
Office Equipment	158034	WORK BENCH FOR PREPRESS AREA	NSW
Office Equipment	158246	FILING CABINET FROM JUBILLEE	NSW
Office Equipment	158331	PRE-PRESS WORK BENCH	NSW
Office Equipment	158435	3 COMBINING BENCHES	NSW
Office Equipment	158593	2 DELETION TABLES	NSW
Office Equipment	158638	Bindery Workbenches supplied	NSW
Office Equipment	158692	Pigeon Hole Units - Finishing	NSW
Office Equipment	158842	PARTITION IN PRE PRESS	NSW
Office Equipment	159705	DEXION STORAGE RACKS	NSW
Office Equipment	177372	MANUFACTURE & INSTALL	NAT
Office Equipment	189361	1 PAINTING TITLEDFOOTHILLS	NAT
Office Equipment	193263	INSTALLATION OF SUBSTATION	NAT
Office Equipment	194414	SUBSTATION 2A TRANSFORMER	NAT
Office Equipment	194436	SUPPLY & INSTALL 1750 KVA	NAT
Office Equipment	194480	HYDROTHERMAL COOLING TOWER	NAT
Office Equipment	194841	UPGRADE OF NO.3 SUBSTATION	NAT
Office Equipment	202928	RECEPTION - TWO SEATER	NSW
Office Equipment	202957	PAY OFFICE - VISITOR CHAIR	NSW
Office Equipment	202968	PAY OFFICE - 4 DRAWER FILING	NSW
Office Equipment	202990	ACCOUNTS - 2 x LAMINATED	NSW
Office Equipment	203034	ACCOUNTS - CLERICAL CHAIRS	NSW
Office Equipment	203075	ACCOUNTS - VISITOR CHAIRS	NSW
Office Equipment	203110	ACCOUNTS - 3 DRAWER FILING	NSW
Office Equipment	203133	SALES - 3 x LAMINATED OPEN	NSW
Office Equipment	203179	SALES - CLERICAL CHAIRS (3)	NSW
Office Equipment	203224	SALES - VISITOR CHAIRS (3)	NSW
Office Equipment	203267	SALES - 2 x TWO DOOR	NSW
Office Equipment	203306	RECEPTION - COFFEE TABLE	NSW
Office Equipment	203337	SALES - 4 DRAWER FILING	NSW
Office Equipment	203352	NSW MANAGER - TIMBER	NSW
Office Equipment	203382	NSW MANAGER - MANAGERIAL	NSW
Office Equipment	203395	NSW MANAGER - VISITOR CHAIRS	NSW
Office Equipment	203421	NSW MANAGER - TWO DOOR	NSW
Office Equipment	203426	NSW MANAGER - 3 DRAWER	NSW
Office Equipment	203436	SECRETARY - WORKSTATION	NSW

**OVATO PRINT PTY LTD TO OVATO LIMITED**

<b>Asset class</b>	<b>Asset Number</b>	<b>Description</b>	<b>State</b>
Office Equipment	203456	SECRETARY - MOBILE PEDESTAL	NSW
Office Equipment	203496	SECRETARY - 4 DRAWER FILING	NSW
Office Equipment	203529	MELB OFFICE - TIMBER	NSW
Office Equipment	203548	RECEPTION - CLERICAL CHAIR	NSW
Office Equipment	203586	MELB OFFICE - MANAGERIAL	NSW
Office Equipment	203615	MELB OFFICE - VISITOR CHAIR	NSW
Office Equipment	203626	MELB OFFICE - 3 DRAWER	NSW
Office Equipment	203648	MELB MEETING ROOM - TIMBER	NSW
Office Equipment	203692	MELB MEETING ROOM - VISITOR	NSW
Office Equipment	203733	RECEPTION - MOBILE PEDESTAL	NSW
Office Equipment	203768	MEETING ROOM - ROUND	NSW
Office Equipment	203791	MEETING ROOM - VISITOR	NSW
Office Equipment	203837	MEETING ROOM - 2 DOOR	NSW
Office Equipment	203882	PAY OFFICE - 2 x LAMINATED	NSW
Office Equipment	203925	PAY OFFICE - CLERICAL CHAIRS	NSW
Office Equipment	207596	POWER SUPPLY TRAINING CENTRE	NAT
Office Equipment	215239	SCREENS & WORKSTATIONS - NSW	NSW
Office Equipment	217274	PURCHASE OF INTERNAL PANELS	NSW
Office Equipment	217828	SAFETY STORAGE CABINET FROM	NSW
Office Equipment	220142	MODULAR 5 DESK UNIT WITH	NSW
Office Equipment	220332	MOBILE PRINTER TROLLEY	NSW
Office Equipment	220414	DRAWER DESK MOOREBANK	NSW
Office Equipment	220445	OFFICE CHAIR MOOREBANK	NSW
Office Equipment	220490	VISITORS CHAIRS MOOREBANK	NSW
Office Equipment	220529	2 X CLERKS CHAIRS NO ARMS	NSW
Office Equipment	220544	EXECUTIVE CHAIRS MOOREBANK	NSW
Office Equipment	220564	DESK NO RETURN 3 DRAWERS	NSW
Office Equipment	220604	RECEPTION DESK RETURN/DRAWER	NSW
Office Equipment	220656	DESK & RETURN MOOREBANK	NSW
Office Equipment	220723	2 CREDENZAS MOOREBANK	NSW
Office Equipment	220756	2 X WEATHERTEX SCHEDULE	NSW
Office Equipment	237831	SAFETY STORAGE CABINET FOR	NSW
Office Equipment	238422	Dexion Warehouse racking Lane	NSW
Office Equipment	262353	4 PAINTINGS 1 x DAWN STUBBS 3	NAT
Office Equipment	283044	3 ONLY HB10 HORIZONTAL	NAT
Office Equipment	320199	EXEC CHAIR AND THREE OTHER	NSW
Office Equipment	321777	SUPPLY 2 AMBI-RAD RADIANT	WA
Office Equipment	322055	RD DESK & FILE WITH RETURNS	NSW
Office Equipment	329446	CLAYTON-CUSTOMER SERVICE	NAT

**OVATO PRINT PTY LTD TO OVATO LIMITED**

<b>Asset class</b>	<b>Asset Number</b>	<b>Description</b>	<b>State</b>
Office Equipment	329469	CLAYTON-CUSTOMER	NAT
Office Equipment	332736	MOOREBANK WAREHOUSE -	NSW
Office Equipment	341447	LANE COVE RELOCATION-MISC.	NSW
Office Equipment	341676	LANE COVE RELOCATION-DATA	NSW
Office Equipment	341709	LANE COVE RELOCATION-SWING	NSW
Office Equipment	341728	LANE COVE RELOCATION-EXHAUST	NSW
Office Equipment	344360	SUPPLY CHAIN OFFICE	NAT
Office Equipment	348452	LOGIC DATA COLLECTION -	NSW
Office Equipment	357520	OFFICE PARTITIONS - ACCOUNTS	NAT
Office Equipment	363542	RELOCATION CABLING LVL 1 FOR	NAT
Office Equipment	519591	Boardroom Chairs (x8) B1	VIC
Office Equipment	523611	FREE STANDING DESKS	NSW
Office Equipment	534168	Aria armchair	NSW
Office Equipment	534176	Syndicate & mtg rm table,	NSW
Office Equipment	534184	20 Balanz typist wovwn	NSW
Office Equipment	534205	BOWEN STORAGE SYSTEMS	NSW
Office Equipment	534213	stylecraft chairs - medium	NSW
Office Equipment	534221	Office Furniture	NSW
Office Equipment	534230	Office Furniture 2 managerial	NSW
Office Equipment	534248	Workstations	NSW
Office Equipment	534264	Workstations	NSW
Office Equipment	545588	Cabinets for DIMS computers	NSW
Office Equipment	594072	Supply and install systems	NSW
Office Equipment	594081	SYSTEMS FURNITURE AS PER	NSW
Office Equipment	594099	Meeting Table - Tasmanian Myr	NSW
Office Equipment	594101	CUSTOM DESKING - CREDENZA X	NSW
Office Equipment	594110	Stylecraft Ottoman Low tables	NSW
Office Equipment	603872	Desks and Furniture - PA MBK	NSW
Office Equipment	607620	Life Fitness 91 Ti Treadmill#	VIC
Office Equipment	607654	Gym - Incidentals	VIC
Office Equipment	608665	Gym Equipment	NSW
Office Equipment	608681	Gym Television	NSW
Office Equipment	608817	LF Recumbert Lifecycle Bike	VIC
Office Equipment	608825	G7 Gym System	VIC
Office Equipment	608833	Fit3 Multi Station Leg Curl/E	VIC
Office Equipment	608868	Life Fitness 91 Ti Treadmill#	VIC
Office Equipment	608876	LF Crosstrainer # 1	VIC
Office Equipment	608884	LF Crosstrainer # 2	VIC
Office Equipment	608892	LF Upright Lifecycle Bike # 1	VIC

**OVATO PRINT PTY LTD TO OVATO LIMITED**

<b>Asset class</b>	<b>Asset Number</b>	<b>Description</b>	<b>State</b>
Office Equipment	608905	LF Upright Lifecycle Bike # 2	VIC
Office Equipment	608913	Concept II Rower Model D # 1	VIC
Office Equipment	608921	Concept II Rower Model D # 2	VIC
Office Equipment	608930	Misc Gym Equipment	VIC
Office Equipment	609246	Gym - PowerHeart Defibrillator	VIC
Office Equipment	609924	Precor Vert Treadmil	NSW
Office Equipment	609932	Precor Total body Ellipti	NSW
Office Equipment	609941	Precor Total climber stepper	NSW
Office Equipment	609959	Precor Upright Cycle 815	NSW
Office Equipment	609967	Precor Recumbent Cycle	NSW
Office Equipment	609975	Concert Rower (D Model)	NSW
Office Equipment	609983	Precor FTS Glide	NSW
Office Equipment	609991	Precor Super Bench	NSW
Office Equipment	610010	Misc. Gym Equipment	NSW
Office Equipment	619815	Cabinets/Carpentry	NSW
Office Equipment	619866	Curtains & Blinds-MK	NSW
Office Equipment	621376	Workstation-	SA
Office Equipment	621384	DoorCabinet-	SA
Office Equipment	621464	Desk (Executive 1 of 1) Exec	NSW
Office Equipment	621472	LHS Return	NSW
Office Equipment	621481	pedestal & Bookcase	NSW
Office Equipment	621499	Table - Boardroom Incl. Temp	NSW
Office Equipment	621501	Chair (Executive 1 of 1) Cro	NSW
Office Equipment	621510	Chairs (Guest x 8) Crown LB#	NSW
Office Equipment	621528	Desk & Screen Panels x 2 Eac	NSW
Office Equipment	621536	Chair x 1 PA Office Furnitur	NSW
Office Equipment	628041	Cabinets on steel frames	WA
Office Equipment	681563	MBK Eng store Mezzanine cabin	NSW
Office Equipment	681571	Racking system	NSW
Office Equipment	686735	Admin Office refurbish - Furn	NSW
Office Equipment	687341	WF Site Launch	NSW
IT	237745	COMPUTER PATCH PANEL CABINET	NSW
IT	342629	E-COMMERCE	NAT
IT	343333	SOFTWARE-DEVELOPMENT PMP	NAT
IT	346212	FREIGHT TRACKER - SOFTWARE	NAT
IT	346242	FREIGHT TRACKER - PROGRAMMING	NAT
IT	346315	E-COMMERCE INTRANET	NAT
IT	346401	E-COMMERCE PROCUREMENT -	NAT
IT	346412	E-COMMERCE PROCUREMENT -	NAT

**OVATO PRINT PTY LTD TO OVATO LIMITED**

<b>Asset class</b>	<b>Asset Number</b>	<b>Description</b>	<b>State</b>
IT	359372	INVENTORY MANAGEMENT PACKAGE	NAT
IT	359382	FREIGHT TRACKER CAPEX 323	NAT
IT	359494	PMP COMMERCE S/W DEVELOPMENT	NAT
IT	361845	FREIGHT TRACKER - IT	NAT
IT	363973	COGNOS ECOMM CAPEX 446	VIC
IT	369895	TIMEWISEWARE KRONOS -	VIC
IT	369900	TIMEWISEWARE KRONOS -	VIC
IT	369910	TIMEWISEWARE KRONOS -	NSW
IT	370265	TIMEWISESWAE KRONOS - CLOCKS	VIC
IT	370553	TIMEWISESWAE KRONOS - CLOCKS	NSW
IT	500312	Win/Loss Reporting	NAT
IT	503548	Enhancements to Sales Informa	NAT
IT	503880	INVENTORY MANAGEMENT SYSTEM	NAT
IT	518598	BFR Development	NAT
IT	518694	Masstransit Software	NAT
IT	523418	AUTOCAD LT 2005	NAT
IT	532146	CAT2960 24 10/100 + 2T/SFP LA	NSW
IT	532154	Catalyst 2960 Transceiver x 2	NSW
IT	534328	Warehouse Management System	NSW
IT	541982	Kodak Premium Workflow Server	NSW
IT	541991	Onsite Prinergy Software	NSW
IT	542002	RAID Upgrade & Disk Storage	NSW
IT	544323	Dell Latitude D630	NSW
IT	544366	Dell D630 Laptop	NSW
IT	544622	Adobe Creative Suite CS3	NSW
IT	544631	Adobe Indesign Suite Premium	NSW
IT	544702	1*LCD Apple 30" Screen	NAT
IT	545131	Barcode Scanner	NSW
IT	545297	Dell Laptop D630	WA
IT	545300	Dell Laptop D630	WA
IT	545318	Dell Laptop D630	WA
IT	545326	Dell Laptop D630	WA
IT	580279	Dell D630 Laptop	NSW
IT	580981	Dell Laptop	NAT
IT	580990	Dell Laptop	NAT
IT	581001	Dell Laptop	NAT
IT	581141	Dell D630 Laptop	NAT
IT	581255	Dell D630 Laptop	NSW
IT	581263	Dell D630 Laptop	NSW

**OVATO PRINT PTY LTD TO OVATO LIMITED**

<b>Asset class</b>	<b>Asset Number</b>	<b>Description</b>	<b>State</b>
IT	581271	Dell D630 Laptop	NSW
IT	582186	Dell Latitude D630	NSW
IT	582194	Dell Latitude D630	NSW
IT	584608	SCA TEC Laser Single Counter	NSW
IT	584763	Dell E6400 Laptop	WA
IT	584958	Dell Laptop	NSW
IT	585539	GMG Proofing Unit	NSW
IT	585547	Dell Optiplex 755	NSW
IT	586574	Dell E6400 Latitude	NSW
IT	586582	RF Scanning Coverage- DIMS	VIC
IT	588781	DiMS RF Scanning Enhancements	VIC
IT	588941	E-Commerce Procurement System	NAT
IT	588959	COGNOS- web Break Reporting	NAT
IT	589441	Cisco VOIP Phone System- MBK	NSW
IT	590047	Dell Laptop	NSW
IT	591023	Dell Latitude E6400	NSW
IT	591293	Dell Laptop E6400	WA
IT	591306	Dell Laptop E6400	WA
IT	591314	Dell Laptop E6400	WA
IT	591728	Laptop - Business Services NS	NAT
IT	592034	ClaytonNorth Guardhouse WireU	VIC
IT	593002	Dell Latitude E6400	NSW
IT	593011	Laptop	NSW
IT	593029	Laptop	NSW
IT	593070	Laptop	NAT
IT	593221	Laptop-Print Bus. App Supp1of	NAT
IT	593230	Laptop-Print Bus. App Supp2of	NAT
IT	594216	Dell Latitude E6400	WA
IT	594224	Dell Laptop	NSW
IT	594232	Dell Laptop	NSW
IT	594241	Dell Laptop	NSW
IT	594312	Laptop	NAT
IT	597054	Dell Latitude E6400	NSW
IT	597097	Dell Latitude E6400	NSW
IT	597311	Laptop	NAT
IT	597468	Desktop(Vista)-DellOptiPlex78	WA
IT	597724	Desktop-Dell Optiplex 780	WA
IT	597732	Desktop-Dell Optiplex 780	WA
IT	597783	Laptop	NSW

## OVATO PRINT PTY LTD TO OVATO LIMITED

Asset class	Asset Number	Description	State
IT	597791	Dell Latitude E6410	NSW
IT	598487	Dell Latitude E6410 Laptop	NSW
IT	598524	Dell Ultrasharp Monitor	NSW
IT	598591	Dell E6410 Laptop	NAT
IT	598866	Desktop Apple iMac 27" - 1	NSW
IT	598874	Desktop Apple iMac 27" - 2	NSW
IT	598882	Desktop Apple iMac 27" - 3	NSW
IT	598891	Desktop Apple iMac 27" - 4	NSW
IT	598997	Laptop Dell E6410	NSW
IT	599156	MEX Spare Parts-S/W Clayton	VIC
IT	599164	MEX Spare Parts-S/W MBK	NSW
IT	599252	Laptop-Dell E6410	NAT
IT	599990	Laptop-Dell E6410	NSW
IT	600049	Laptop-Dell E6410	NSW
IT	600057	Projector-1610HD Base-1	NSW
IT	600065	Projector-1610HD Base-2	NSW
IT	600891	Leave Request program upgrade	NAT
IT	600946	Promaster Upgrade	NAT
IT	600962	Laptop-Dell E6410	WA
IT	601068	Laptop-Dell	NAT
IT	601084	Laptop-Dell E6410	NAT
IT	601332	Laptop - Dell Latitude E6410	NAT
IT	601711	Data Cables-MBK Reel Store	NSW
IT	601818	Dell Optiplex 780 Desktop	NAT
IT	601914	Desktop for GMI Reporting	NAT
IT	602052	Dell Optiplex desktop	NAT
IT	602087	Dell Laptop	NAT
IT	602108	Adobe CLPC 5 - PC	NSW
IT	602116	Adobe CLPC 5 - MAC	NSW
IT	602124	Adobe CLPC 5 CS5 - MAC	NSW
IT	602319	Dell Laptop E6410	NAT
IT	602327	Dell Laptop E6410	NAT
IT	602335	Optiplex 780 Desktop Vista	WA
IT	602343	Latitude E6410 Notebook	WA
IT	602917	Mac Pro 1+Adobe Design+Pitsto	WA
IT	602925	Mac Pro 1+Adobe Design	WA
IT	602933	Mac Pro 1+Adobe Acrobat	WA
IT	602941	Mac Pro 1+Adobe Acrobat	WA
IT	603098	Dell Laptop E6410	NSW



**OVATO PRINT PTY LTD TO OVATO LIMITED**

<b>Asset class</b>	<b>Asset Number</b>	<b>Description</b>	<b>State</b>
IT	603101	Dell Laptop E6410	NSW
IT	603119	Dell Laptop E6410	NSW
IT	603207	Dell Laptop-Vic Sales	NAT
IT	603291	AutoCad Software 1of 2	NAT
IT	603303	AutoCad Software 2 of 2	NAT
IT	603311	Dell Laptop-Vic Sales	NAT
IT	603346	Dell Laptop	NAT
IT	603418	Dell Latitude E6410	NSW
IT	603611	Dell Laptop	NAT
IT	603629	Dell Laptop	NAT
IT	603709	P/Server T310+500GB RAID	WA
IT	603717	P/Server T310 - H/W	WA
IT	604226	APC Smart-UPS XL 2200VA	WA
IT	604242	CS5 Design Std 5 Mac Lvl1x3	NSW
IT	604269	CS5 Design Std 5 Mac Lvl1x1	NSW
IT	604306	iPads with Wi-Fi X10	NAT
IT	604331	Dell E-6410 Latitude Laptop	WA
IT	604488	Desktop Optiplex GX780	NSW
IT	604496	Dell Laptop E6410	NSW
IT	604939	Dell Laptop	NAT
IT	604963	Desktop	NSW
IT	604971	Video Security System	WA
IT	605085	Dell Laptop	NAT
IT	605149	Dell Laptop E6410	SA
IT	605270	Dell Latitude E6410 Laptop	NAT
IT	605641	Dell Laptop E6410 - 1 of 2	NAT
IT	605659	Dell Laptop E6410 - 2 of 2	NAT
IT	605780	Dell E6410 Laptop	SA
IT	605923	Dell Laptop	NAT
IT	605931	Dell Laptop	NAT
IT	606264	Desktop - Apple iMac 27 - 1	NSW
IT	606272	Desktop - Apple iMac 27 - 2	NSW
IT	606475	Dell Laptop	WA
IT	606803	Kronos Clocks	WA
IT	606897	Dell Laptop	NSW
IT	606900	Dell Laptop	NSW
IT	606918	Dell Laptop	NSW
IT	606926	Dell Desktop	NSW
IT	606985	EDI Biztalk Auto Installation	NAT

## OVATO PRINT PTY LTD TO OVATO LIMITED

Asset class	Asset Number	Description	State
IT	607005	Dell Laptop	NAT
IT	607013	Dell Laptop	NAT
IT	607021	Dell Laptop	NAT
IT	607030	Dell Laptop	NAT
IT	607048	Dell Laptop	NAT
IT	607401	Dell Laptop	NSW
IT	607419	Dell Laptop	NAT
IT	607427	Dell Laptop	NSW
IT	607451	Kronos Clocks	VIC
IT	607460	Kronos Clocks	NSW
IT	607478	SCSI Render Servers x 1	NSW
IT	607486	SCSI Render Servers x 2	NSW
IT	607646	Gym Security & Camera Access	VIC
IT	607953	Dell Laptop	NAT
IT	607961	Dell Laptop	NAT
IT	608075	Insite Prepress Portal	NSW
IT	608083	NEC Multisync LCD3090WQXi 30"	NSW
IT	608091	ExtremeZ-IP 6.0 File & Server	NSW
IT	608104	Enterprise Server - unlimited	NSW
IT	608121	Prinergy Connect Bibra Lake	WA
IT	608147	Prinergy Connect RBA Bibra la	WA
IT	608155	Prinergy Connect RBA Salisbur	SA
IT	608841	Dell Laptop E6420	NSW
IT	608850	Dell Laptop E6420	NSW
IT	609043	Dell Laptop	NAT
IT	609254	Apple ipads	NAT
IT	609449	Cognos Express	NAT
IT	609465	Dell Laptop	NAT
IT	610132	MEX Inventory System - WA	WA
IT	610255	VNX5700 SAN Unit	NAT
IT	610263	Cisco Nexus - Channel Port X	NAT
IT	610280	SAN Unit 3 Yr Warranty	NAT
IT	610327	Cisco Ports - 3 Yr Warranty	NAT
IT	610984	Dell Desktop OptiPlex-Despatc	WA
IT	611881	2X MC9090 Gun / Windows Mobil	NSW
IT	612314	Dell Laptop E6400	NAT
IT	612322	Dell Laptop E6400	NAT
IT	612509	Dell Laptop E6420	NAT
IT	612517	Dell Laptop E6420	NAT

## OVATO PRINT PTY LTD TO OVATO LIMITED

Asset class	Asset Number	Description	State
IT	612605	Dell Latitude E6420	NAT
IT	612621	Adobe CS5	NAT
IT	614230	Dell Latitude E6410 Laptop	NAT
IT	614248	Apple Macbok Pro 17"	NSW
IT	619102	Technique Estimating	NAT
IT	619663	Optiplex desktop 790	NSW
IT	621544	Desktop-Dell Optiplex 780	SA
IT	621561	Dell Optiplex 780 Desktop Op	SA
IT	621587	Dell Latitude E6410 Laptop L	SA
IT	621595	OptiplexGX 780 Desktop NSW S	NSW
IT	621608	OptiPlex GX780	NSW
IT	621624	Dell Latitude E6410 Laptop L	WA
IT	621712	Dell Latitude E6410 Laptop	NSW
IT	624075	Dell Latitude E6410 Laptop	NAT
IT	624083	Dell Latitude E6410 Laptop	NAT
IT	624614	Digital Anywhere USB 14 Port	NSW
IT	624622	Virtualizing insite server	NSW
IT	624631	Virtual Workflow Server (VOE)	NSW
IT	626100	Dell Latitude E6400	NSW
IT	626433	Chullora Magt IS replacement	NSW
IT	626441	Laptop	NSW
IT	626450	Laptop	NSW
IT	626468	Laptop	NSW
IT	626476	Laptop	NSW
IT	626484	Laptop	NSW
IT	626492	Desktop	NSW
IT	626505	Desktop	NSW
IT	626513	Desktop	NSW
IT	626521	Desktop	NSW
IT	626530	Desktop	NSW
IT	626548	Desktop	NSW
IT	626556	Desktop	NSW
IT	626564	Desktop	NSW
IT	626572	Desktop	NSW
IT	626581	Desktop	NSW
IT	626599	Server-H/W Soft Proofing	NSW
IT	626601	Desktop - Dell Optiplex 780 #	NSW
IT	626610	Wireless Network	VIC
IT	626628	RF Gun	VIC

## OVATO PRINT PTY LTD TO OVATO LIMITED

Asset class	Asset Number	Description	State
IT	626636	Technique - Software	VIC
IT	626644	Technique - SFDC H/Ware	VIC
IT	626652	SQL Server	VIC
IT	626661	VNX5700 SAN Unit	NSW
IT	626679	Cisco Nexus - Channel Port X	NSW
IT	626687	SAN Unit 3 Yr Warranty	NSW
IT	626695	Cisco Ports - 3 Yr Warranty	NSW
IT	626708	Desktop - Dell Optiplex 780 #	NSW
IT	626716	Desktop - Dell Optiplex 780 #	NSW
IT	626724	Desktop - Dell Optiplex 780 #	NSW
IT	626732	Desktop - Dell Optiplex 780 #	NSW
IT	626741	Desktop - Dell Optiplex 780 #	NSW
IT	627233	Dell R20XD Server	VIC
IT	627241	Dell R20XD Server	NSW
IT	627399	PowerEdge R430 Server	WA
IT	627663	Desktop Dell Optiplex 780	NAT
IT	627671	Optiplex 790 Desktop	NAT
IT	627680	Dell Latitude E6420	NAT
IT	627698	Dell Optiplex Desktop 790 i	NAT
IT	627858	PrintSpec report software	VIC
IT	627866	X- Rite Eye One Basic Pro 2-i	VIC
IT	627874	Serendipity Viripress Remote	NSW
IT	627903	PrintSpec Consultant Software	NSW
IT	627911	PrintSpec Software CD+dongle	NSW
IT	627920	PrintSpec Software CD+dongle	NSW
IT	627938	PrintSpec Software CD+dongle	NSW
IT	627946	PrintSpec Software CD+dongle	NSW
IT	627954	X-Rite Eye one Basic Pro 2	NSW
IT	627962	X-Rite Eye one Basic Pro 2	NSW
IT	627971	X-Rite Eye one Basic Pro 2	NSW
IT	627989	X-Rite Eye one Basic Pro 2	NSW
IT	628332	PrintSpec Software CD+dongle	NSW
IT	628341	X-Rite Eye one Basic Pro 2	NSW
IT	628359	PrintSpec Software CD+dongle	NSW
IT	628367	PrintSpec Software CD+dongle	NSW
IT	628375	X-Rite Eye one Basic Pro 2	NSW
IT	628383	X-Rite Eye one Basic Pro 2	NSW
IT	628957	iMac for prepress	NSW
IT	629001	BeSmart Paging Server	VIC

**OVATO PRINT PTY LTD TO OVATO LIMITED**

<b>Asset class</b>	<b>Asset Number</b>	<b>Description</b>	<b>State</b>
IT	629010	UHF Transmitter	VIC
IT	629028	BeSmart Paging Software	VIC
IT	629036	Alphanumeric Pagers	VIC
IT	629044	Dell Latitude E6400	NSW
IT	629095	Dell Latitude E6410 Laptop	NSW
IT	629108	Dell Latitude E6420	NSW
IT	629765	Dell Laptop	VIC
IT	629773	Dell Latitude E7470 Laptop	NSW
IT	629790	Technique MIS Hardware	NAT
IT	629802	Technique MIS Implementation	NAT
IT	629811	Technique MIS Software	NAT
IT	629829	Technique Power Edge R730	NAT
IT	629837	MoveIT Software	NAT
IT	660105	Software Modification	NSW
IT	660121	Upgrade PPM Server on Lithoma	NSW
IT	680780	Dell Latitude 7490 laptop	NSW
IT	681096	Dell latitude E7470	QLD
IT	681424	Pre Press PC & 2 Monitors	NSW
IT	681432	IT PC Project	NSW
IT	681441	MOVE IT despatch software imp	NSW
IT	681459	Laptop	NSW
IT	681791	Dell Lat E7480	NAT
IT	681846	15 X PC Refresh	NSW
IT	681871	Dell Laptop	VIC
IT	681969	2 Doc stations	WA
IT	681977	2X Laptops Lattitude	WA
IT	681985	1 Doc Station	WA
IT	681993	1X Laptops Lattitude	WA
IT	682005	1 Doc station	WA
IT	682013	Dell Latitude 7480 CTO+Dock	WA
IT	682021	Dell Latitude 7480 CTO+Dock	WA
IT	682030	OptiPlex 7050 small form	WA
IT	682048	OptiPlex 7050 small form	WA
IT	682056	1X Laptops Lattitude	WA
IT	682064	Computer for GMI Unit	WA
IT	682144	Dell Latitude E7 480 + E port	VIC
IT	682152	Dell Latitude E7 480 + E port	VIC
IT	682161	Dell Latitude E7470	VIC
IT	682187	Dell Precision Tower 3420	VIC

## OVATO PRINT PTY LTD TO OVATO LIMITED

Asset class	Asset Number	Description	State
IT	682195	Surface Pro 12in 256GB i5 8GB	VIC
IT	682208	3X Motorola Scanning guns	NSW
IT	682224	4 x Apple Imac 27" 5K Quad	NSW
IT	682232	4XDell Latitude 7480 CTO IP	NSW
IT	682241	5 x Dell Latitude 7480 Laptop	NSW
IT	682267	Prinspec Rectrospec software	NSW
IT	683569	Dell Latitude E7490	NSW
IT	683999	5 Laptops Geebun	QLD
IT	684001	5 Desktops Geebun	QLD
IT	684019	Dell Latitude 5590+24inch mon	QLD
IT	684641	Kronos Clocks	NSW
IT	684650	Kronos Clocks	QLD
IT	685361	MackBook Pro	NSW
IT	685433	Dell Laptop	NSW
IT	685513	Dovak Software	NSW
IT	685548	Dell Latitude	NSW
IT	685943	Dell Latitude E7490+D	VIC
IT	685951	Optiplex 7060/Dell mo	VIC
IT	685960	Dell Latitude E5530 K	VIC
IT	685978	Latitude E7490	VIC
IT	685986	Optiplex 7060desktop/D	VIC
IT	685994	Optiplex 7060desktop/D	VIC
IT	686006	Dell Latitude	VIC
IT	686014	Dell Latitude E7490	VIC
IT	686022	2XPC - Web Supervisor	VIC
IT	686031	2XPC - Despatch Offic	VIC
IT	686049	Optiplex7070/DP to DV	VIC
IT	686057	Dell Lattitue 5400	WA
IT	686073	POD Data Collection	VIC
IT	687367	Latitude 5400 CTO	VIC
IT	687375	Optiplex 7070 SFF XCTO - Prod	VIC
IT	687383	Latitude 5400 CTO	VIC
IT	687391	Latitude 5400 CTO	VIC
IT	687404	Latitude 5400 CTO	VIC
IT	687543	Dell Latitude 5400	NSW
IT	150493	2CH UHF PORTABLE RADIOS 3e.a	NSW
IT	151242	PANASONIC 68cm STEREO/A1	NSW
IT	151566	2CH UHF PORTABLE RADIOS 3ea	NSW
IT	154298	PANASONIC VIDEO RECORDER	NSW

**OVATO PRINT PTY LTD TO OVATO LIMITED**

<b>Asset class</b>	<b>Asset Number</b>	<b>Description</b>	<b>State</b>
IT	156392	RECEPTION SIGN FROM	NSW
IT	157632	VIDEO FOR BOARD ROOM PURCHASE	NSW
IT	206258	RELOCATION COSTS- HEAD OFFICE	NSW
IT	208646	2 x QUEEN BEDS & MATTRESSES	NSW
IT	211075	ZIRCON 4 UNIT TRAINING PRESS	NAT
IT	217213	51CM TV & TV BRACKET PROD	NSW
IT	237291	Labelling Machine and	NSW
IT	318571	AUTOCAD LT 98 - 2 OFF -	NSW
IT	324062	EASY MOVER	VIC
IT	332850	DATA LINES - TRAINING CENTRE	NAT
IT	332963	WHITEBOARD - TRAINING CENTRE	NAT
IT	334952	LOGIC WEB DIVISION	NAT
IT	335653	DATALINES - ADMINISTRATION	NAT
IT	335679	DATA LINES & OUTLETS	NAT
IT	339792	TELEVISION - KONKA K3477 CTV	NSW
IT	344896	CABLING - PROJECT 218001	NAT
IT	351676	OPTIMA - CABLING / LIGHTING	NAT
IT	351742	OPTIMA - CONSULTING SERVICES	NAT
IT	354735	FACTORY ORDER LOGIC MODULE -	NAT
IT	359532	EIS - FINANCE COGNOS CAPEX	NAT
IT	360296	SHOP FLOOR DATA COLLECTION -	NSW
IT	360337	SHOP FLOOR DATA COLLECTION -	NSW
IT	360372	SHOP FLOOR DATA COLLECTION -	NSW
IT	360395	SHOP FLOOR DATA COLLECTION -	NSW
IT	360441	SHOP FLOOR DATA COLLECTION -	NSW
IT	360486	SHOP FLOOR DATA COLLECTION -	NSW
IT	500419	Cognos EIS WIP Reporting	NAT
IT	528745	DELL 2300MP PROJECTOR	NAT
IT	531821	Projector for Sales Board Roo	NSW
IT	535911	Dell 3400 MP Projector	NSW
IT	543531	T2265 Dot Matrix Printer	NSW
IT	543540	T2265 Dot Matrix Printer	NSW
IT	545140	42" LCD - CSR OFF (Moorebank)	NSW
IT	545158	42" LCD - CSR OFF (Moorebank)	NSW
IT	545166	42" LCD - CSR OFF (Moorebank)	NSW
IT	589433	Reception Switchboard Upgrade	VIC
IT	600903	COGNOS E COMMERCE DEVT CAPEX	NAT
IT	600911	COGNOS Dev- Ecommerce	NAT
IT	600920	COGNOS DEV - Ecommerce	NAT

**OVATO PRINT PTY LTD TO OVATO LIMITED**

<b>Asset class</b>	<b>Asset Number</b>	<b>Description</b>	<b>State</b>
IT	600938	COGNOS DEVT - CAPEX 446	NAT
#N/A	592755	VOIP Telephone System - Cisco	NSW
*** UNKNOWN***	601	MK - FS2 Ferag Uni Stitcher (	NSW
*** UNKNOWN***	602	MK - M1 Muller Stitcher 1 (OA	NSW
*** UNKNOWN***	603	MK - M4 Muller Stitcher 4 (OA	NSW
*** UNKNOWN***	604	MK - M6 Muller Stitcher 6 (OA	NSW
*** UNKNOWN***	605	MK - Folder 1 (OAP)	NSW
*** UNKNOWN***	606	MK - Folder 2 (OAP)	NSW
*** UNKNOWN***	608	MK - M63 16ppA4 UV (OAP)	NSW
*** UNKNOWN***	609	MK - M24 24ppA4 (OAP)	NSW
*** UNKNOWN***	610	CB - FS3 Ferag Uni Stitcher	VIC
*** UNKNOWN***	611	WF - Rewinder	NSW
*** UNKNOWN***	613	WF - Press D - Twin Web	NSW
*** UNKNOWN***	614	WF - Press E - Lithoman	NSW
*** UNKNOWN***	616	WF - Unidrum	NSW
*** UNKNOWN***	617	WF - Ferag	NSW
*** UNKNOWN***	618	WF - Optima	NSW
*** UNKNOWN***	619	WF - Muller 335 - Line 8	NSW
*** UNKNOWN***	620	WF - Kolbus	NSW
*** UNKNOWN***	621	WF - Sitma 1	NSW
*** UNKNOWN***	622	WF - Sitma 2	NSW
*** UNKNOWN***	623	WF - Sitma 3	NSW
*** UNKNOWN***	625	WF - Shoei	NSW
*** UNKNOWN***	626	WF - Sitma 4	NSW
*** UNKNOWN***	627	LC - S1 KBA 105	NSW
*** UNKNOWN***	628	WF - S2 XL 105 (ex LC)	NSW
*** UNKNOWN***	629	WF - S3 KBA 106	NSW
*** UNKNOWN***	631	GB - XL105	QLD
*** UNKNOWN***	632	GB - 102 5 Colour	QLD
*** UNKNOWN***	633	GB - Autobond Laminator	QLD
*** UNKNOWN***	634	GB - D1A 32ppQt	QLD
*** UNKNOWN***	635	GB- D1B 32/64ppQt	QLD
*** UNKNOWN***	636	GB - Komori S38	QLD
*** UNKNOWN***	637	GB - Goss M600	QLD
*** UNKNOWN***	638	GB - Wrap/Mail	QLD
*** UNKNOWN***	639	GP- Guillotine 1	QLD
*** UNKNOWN***	640	GB - Guillotine 2	QLD
*** UNKNOWN***	641	GB - Folder 1	QLD
*** UNKNOWN***	642	GB - Folder 3	QLD



**OVATO PRINT PTY LTD TO OVATO LIMITED**

<b>Asset class</b>	<b>Asset Number</b>	<b>Description</b>	<b>State</b>
*** UNKNOWN***	643	GB - Folder 4	QLD
*** UNKNOWN***	644	GB - Folder 5 Shoei 1	QLD
*** UNKNOWN***	645	GB - Folder 6 Shoei 2	QLD
*** UNKNOWN***	646	GP - Stitcher 1 Prima +	QLD
*** UNKNOWN***	647	GB - Stitcher 3 E140	QLD
*** UNKNOWN***	648	GB	QLD
*** UNKNOWN***	649	GB - Sitma 1	QLD
*** UNKNOWN***	650	GB - Inserter	QLD
*** UNKNOWN***	651	INPK - Bobst Expertcut	QLD
*** UNKNOWN***	652	INPK - Jagenberg Gluer	QLD
*** UNKNOWN***	653	INPK - Shrinkwrapper	QLD
*** UNKNOWN***	654	INPK - Handwork 1	QLD
*** UNKNOWN***	655	INPK - Handwork 2	QLD
*** UNKNOWN***	656	INPK - Bobst (WFarm)	QLD
*** UNKNOWN***	657	WF - Lithoman 7 (ex MK)	NSW
*** UNKNOWN***	658	WF - Lithoman 8 (ex MK)	NSW
*** UNKNOWN***	659	WF - Press A M600 (ex NP)	NSW
*** UNKNOWN***	660	WF - Press C (NEW)	NSW
*** UNKNOWN***	661	WF - Corona Binder	NSW
Leasehold improvements	121298	CARPET	WA
Leasehold improvements	587059	Portable Office Building	SA
Leasehold improvements	594777	Fire Sprinkler System ATCO	SA
Leasehold improvements	597222	Pallet Racking	WA
Leasehold improvements	601017	Phone/Fax Install-6 Kelly Ct	QLD
Leasehold improvements	601025	Electrical Fit Out-6 Kelly Ct	QLD
Leasehold improvements	601033	Alarm System	QLD
Leasehold improvements	682283	Toilet Installation	NSW
Leasehold improvements	682291	Boomgate	NSW
PP&E	520962	Wrapping Machine (Bibra Lake)	WA
PP&E	584202	Pallet Wrapper-DIST	SA
PP&E	585504	Pallet Wrapping Machine	VIC
PP&E	585521	Automatic Strapping Machine	VIC
PP&E	591365	Joyner Heat-Seal Flat Wrap	QLD
PP&E	601009	Pallet Racking - 6 Kelly Ct	QLD
PP&E	602870	Braemar EA150D Evap	WA
PP&E	682275	Pallet Racking	NSW
PP&E	686532	Evaporative Cooler	NSW
Vehicles	583605	Motorcycle 8 of 10	QLD
Vehicles	583613	Motorcycle 9 of 10	QLD

**OVATO PRINT PTY LTD TO OVATO LIMITED**

<b>Asset class</b>	<b>Asset Number</b>	<b>Description</b>	<b>State</b>
Vehicles	583621	Motorcycle 10 of 10	QLD
Office Equipment	117450	REFRIGERATOR 2	QLD
Office Equipment	118228	CURTAINS	QLD
Office Equipment	121398	PLACE MATS 12	WA
Office Equipment	121518	URN	WA
Office Equipment	121541	MICROWAVE OVEN	WA
Office Equipment	121587	REFRIGERATOR 2	WA
Office Equipment	121632	REFRIGERATOR 1	WA
Office Equipment	121675	REFRIGERATOR 1	WA
Office Equipment	522925	Work Benches	SA
Office Equipment	538943	Workstation	SA
Office Equipment	544235	Workstations (NSW Sales Staff	NSW
Office Equipment	594945	Buffet x 2 incl. Hutch&Locks	NAT
Office Equipment	594988	Desk & Pedestal 1 Each	NAT
Office Equipment	594996	Chair (Executive 1 of 1)	NAT
Office Equipment	595008	Chairs (Guest x 6)	NAT
IT	122614	DPF PROJECT EX A/C 213262;	NSW
IT	122652	DPF PROJECT EX A/C 213262;	VIC
IT	122681	DPF PROJECT EX A/C 213262;	QLD
IT	122692	DPF PROJECT EX A/C 213262;	SA
IT	122714	DPF PROJECT EX A/C 213262;	WA
IT	122758	DPF PROJECT EX A/C 213262;	NSW
IT	122799	DPF PROJECT EX A/C 213262;	VIC
IT	122834	DPF PROJECT EX A/C 213262;	QLD
IT	122857	DPF PROJECT EX A/C 213262;	SA
IT	122903	DPF PROJECT EX A/C 213262;	WA
IT	122948	DPF - Freight Proportion -	VIC
IT	123150	DPF INTERFACE	NSW
IT	123160	DPF INTERFACE	VIC
IT	123180	DPF INTERFACE	QLD
IT	123220	DPF INTERFACE	SA
IT	123253	DPF INTERFACE	WA
IT	518563	Integrated Online Print	NAT
IT	520006	Dist Weekly Sales Rep Enhance	VIC
IT	522394	Distribution Forecast System	VIC
IT	522909	Query Notification	NAT
IT	522950	Volume Forecasting Project	NAT
IT	543849	PowerEdge 6600 Server	NAT
IT	545262	D630 Dell Latitude	SA

## OVATO PRINT PTY LTD TO OVATO LIMITED

Asset class	Asset Number	Description	State
IT	545271	D630 Dell Latitude	SA
IT	545289	D630 Dell Latitude	SA
IT	545641	PMPSQL-3 Software	NAT
IT	546071	Dell Latitude D430	NAT
IT	581280	Dell Optiplex 755	NAT
IT	581298	Dell Optiplex 755	NAT
IT	581301	Dell Optiplex 755	NAT
IT	581319	Dell Optiplex 755	NAT
IT	581327	Dell Optiplex 755	NAT
IT	581335	Dell Optiplex 755	NAT
IT	581351	Dell Precision T3400	NAT
IT	581360	Dell Latitude D630	WA
IT	581714	Catalogues On Line	NSW
IT	581749	Dell Laptop D630 (XP)	WA
IT	582223	Dell 24" Ultrasharp	NAT
IT	582231	Dell 24" Ultrasharp	NAT
IT	582987	Dell Latitude D630	NSW
IT	582995	Dell Latitude D630 Laptop	NSW
IT	583007	Dell Latitude D630 Laptop	NSW
IT	583015	Dell Latitude D630 Laptop	NSW
IT	583023	Dell Latitude D630 Laptop	NSW
IT	583031	Dell Latitude D630 Laptop	NSW
IT	584237	MapInfo Pro 9.5 with Upgrade	NAT
IT	588991	Dell Laptop E6400	NAT
IT	589935	Dell Laptop E6400	WA
IT	589943	Dell Laptop E6400	WA
IT	590346	Supply Chain Transformation	NAT
IT	590354	Supply Chain Transformation	NAT
IT	590362	Supply Chain Transformation	NAT
IT	590371	Supply Chain Transformation	NAT
IT	591171	Dell Latitude E6400	SA
IT	591955	Dell E6400 - Laptop & Accesso	TAS
IT	592982	Dell Latitude E6400	NAT
IT	593037	Dell LatitudeE6400	NSW
IT	593045	Dell Latitude E6400	NSW
IT	593053	Dell OptiPlex GX 760-Sales Su	SA
IT	593061	Dell OptiPlex GX 760-Sales Su	SA
IT	594419	Latitude E6400	NAT
IT	594427	Latitude E6400	NAT

## OVATO PRINT PTY LTD TO OVATO LIMITED

Asset class	Asset Number	Description	State
IT	594494	Desktop- Optiplex 760	SA
IT	594769	Dell Laptop E6400	NSW
IT	597193	Latitude E6400	WA
IT	597231	Monitor-LCD Dell 4 x 19"	SA
IT	597249	Monitor-LCD Dell 3 x 19"	SA
IT	597361	DELL R710 ESX HOST	NAT
IT	597370	VMWARE ESX SOFTWARE	NAT
IT	597388	VMWARE SRM LICENSE	NAT
IT	597396	MICROSOFT DATA CENTRE LICENSE	NAT
IT	597417	MS SQL SERVER LICENSE STD	NAT
IT	597433	MS SQL SERVER UPGRADE(CPU-Ext	NAT
IT	597513	Laptop-Dell(E6400) 1of 2	WA
IT	597521	Laptop-Dell(E6400) 2of 2	WA
IT	598090	Focus Reporting Portal	NAT
IT	598217	Desktop Dell Optiplex 780	WA
IT	598735	Laptop-Dell E6410	QLD
IT	601834	Delivery Tracking System	NAT
IT	601869	Delivery Tracking Sys x 222	NSW
IT	601877	Delivery Tracking Sys x 86	WA
IT	601885	Delivery Tracking Sys x 154	QLD
IT	601893	Delivery Tracking Sys x 80	SA
IT	603135	Dell Latitude E6410 Laptop	SA
IT	603160	Dell Latitude E6410 Laptop	NAT
IT	604357	Dell Desktop Optiplex 780	WA
IT	604365	Dell Desktop Optiplex 780	WA
IT	605077	Dell Latitude E6410 Laptop	SA
IT	607380	Dell Optiplex 780 Desktop	NAT
IT	607398	Dell Optiplex 780 Desktop	NAT
IT	607558	Dell Laptop E6420	NAT
IT	609203	Del. Tracking System Upgrade	NSW
IT	609211	Del. Tracking System Upgrade	WA
IT	609220	Del. Tracking System Upgrade	QLD
IT	609238	Del. Tracking System Upgrade	SA
IT	609596	FOCUS (Phase 3A)	NAT
IT	609617	FOCUS (Phase 3B)	NAT
IT	610175	VNX5700 SAN Unit	NAT
IT	610204	Cisco Nexus - Channel Port X	NAT
IT	610298	SAN Unit 3 Yr Warranty	NAT
IT	610335	Cisco Ports - 3 Yr Warranty	NAT

**OVATO PRINT PTY LTD TO OVATO LIMITED**

<b>Asset class</b>	<b>Asset Number</b>	<b>Description</b>	<b>State</b>
IT	610933	Dell Laptop Latitude E6420KH	QLD
IT	610950	Dell Latitude E6420	QLD
IT	611178	Dell Latitude E6400	NSW
IT	611258	Dell Laptop E6400	SA
IT	612331	Dell Laptop E6400	NAT
IT	613253	Dell Latitude D410	NAT
IT	613261	Desktop OptiPlex GX620	NAT
IT	613288	Dell Latitude D620	NAT
IT	613309	Desktop OptiPlex GX620	NAT
IT	613317	Dell Latitude D600	NSW
IT	613325	Dell Latitude D600	NSW
IT	613333	Dell Latitude D600	NSW
IT	613341	Desktop OptiPlex GX620	NSW
IT	613368	Dell Latitude D600	NSW
IT	613376	Desktop OptiPlex GX280	NSW
IT	613384	Desktop OptiPlex GX620	NSW
IT	613392	Desktop OptiPlex GX620	NSW
IT	613405	Desktop OptiPlex GX620	NSW
IT	613413	Desktop OptiPlex GX620	NSW
IT	613421	Desktop OptiPlex GX620	NSW
IT	613430	Desktop OptiPlex GX745	NSW
IT	613448	Dell Latitude D630	NSW
IT	613456	Desktop OptiPlex GX620	NSW
IT	613464	Dell Latitude D620	NSW
IT	613472	Desktop OptiPlex GX620	NSW
IT	613481	Desktop OptiPlex GX620	NSW
IT	613499	Desktop OptiPlex GX620	NSW
IT	613501	Dell Latitude D630	NSW
IT	613528	Dell Latitude D630	QLD
IT	613536	Desktop OptiPlex GX745	QLD
IT	613544	Desktop OptiPlex GX620	QLD
IT	613552	Desktop OptiPlex GX620	QLD
IT	613561	Desktop OptiPlex GX620	QLD
IT	613579	Desktop OptiPlex GX620	QLD
IT	613587	Desktop OptiPlex GX745	QLD
IT	613595	Dell Latitude D630	QLD
IT	613608	Dell Latitude D630	QLD
IT	613616	Dell Latitude D630	QLD
IT	613624	Dell Latitude D630	QLD

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## OVATO PRINT PTY LTD TO OVATO LIMITED

Asset class	Asset Number	Description	State
IT	613632	Dell Latitude D630	QLD
IT	613641	Dell Latitude D630	QLD
IT	613659	Dell Latitude D630	QLD
IT	613667	Dell Latitude D600	QLD
IT	613675	Desktop OptiPlex GX745	QLD
IT	613683	Dell Latitude D630	QLD
IT	613691	Dell Latitude D630	QLD
IT	613704	Dell Latitude E6400	QLD
IT	613712	Dell Latitude D600	WA
IT	613721	Dell Latitude D610	SA
IT	613739	Dell Latitude D600	SA
IT	613747	Desktop OptiPlex GX620	SA
IT	613755	Desktop OptiPlex GX755	SA
IT	613763	Dell Latitude D630	SA
IT	613771	Desktop OptiPlex GX620	VIC
IT	613780	Desktop OptiPlex GX620	VIC
IT	613798	Desktop OptiPlex GX620	VIC
IT	613801	Desktop OptiPlex GX620	VIC
IT	613819	Desktop OptiPlex GX620	VIC
IT	613827	Desktop OptiPlex GX620	VIC
IT	613835	Desktop OptiPlex GX755	VIC
IT	613860	Desktop OptiPlex GX620	WA
IT	614993	Catchment Analysis Applicatio	NAT
IT	615030	Google Maps Licence	NAT
IT	616163	JDE Invoicing	NAT
IT	619014	Dell Latitude E6400	NSW
IT	619111	Dell PowerEdge R720	NAT
IT	624374	Catchment Analysis Applicatio	NAT
IT	625140	Cognos express & sale	NAT
IT	625617	Catch Analysis App Enhance V2	NAT
IT	626783	STREETLINK Upgarde	NAT
IT	627348	Dell PowerEdge R730 Server	NAT
IT	627701	Laptop-DellLatitude E6400 1o	NSW
IT	627831	Web Based Stock Receipt Modul	NAT
IT	628818	Locality Development Phase 1	NAT
IT	681889	Dell Latitude 7490	NAT
IT	682110	3x Optiplex	WA
IT	682128	1 Doc stations	NAT
IT	682136	1X Laptops Lattitude	NAT

**OVATO PRINT PTY LTD TO OVATO LIMITED**

<b>Asset class</b>	<b>Asset Number</b>	<b>Description</b>	<b>State</b>
IT	686428	2X Laptops Latitude	NAT
IT	686436	Dell Latitude5400/Epo	NAT
IT	686444	Dell Lat	NAT
IT	686452	Distributor GPS check	NAT
IT	686461	4 Dell Latitude E7490	NAT
IT	686479	Surface Pro- B straw	NAT
IT	686487	Dell Latitude E7490*2	NAT
IT	686495	Dell Latitude	NAT
IT	686508	-Dell Latitud	NAT
IT	686516	Dell Latitude E5590/E	NAT
IT	686524	Dell Latitude E7490/	NAT
IT	686541	Dell Latitude E7490	NSW
IT	686559	Dell Latitude	NSW
IT	686567	Laptop	VIC
IT	686575	CCTV systems	QLD
IT	686583	Dell Latitude E7490	QLD
IT	686591	Dell Desktop	VIC
IT	686778	Dell Latitude	NAT
IT	686786	Dell Latitude	NAT
IT	686794	Dell Latitude	NAT
IT	686807	Dell Latitude	NAT
IT	686815	Dell Latitude	NAT
IT	686823	Dell Latitude	NAT
IT	686831	Dell Latitude	NSW
IT	686840	Dell Latitude	NSW
IT	686858	Microsoft Surface Pro	NSW
IT	686866	MapMaker Enhancement	NAT
IT	686874	Dell Laptop	VIC
IT	121056	CALCULATORS 2	WA
IT	545668	Prima Donna Coffee Machine	NSW
IT	545676	DELONG Espresso Machine	NSW
Leasehold improvements	531899	Forklift Protection Barriers	SA
Leasehold improvements	540656	PMP Digital Signage	SA
Leasehold improvements	587833	Building Modifications	SA
Leasehold improvements	587884	Floor & Lay Vinyl Covering	SA
Leasehold improvements	587960	Infrastructure - Plumbing	SA
Leasehold improvements	587961	Infrastructure - Power	SA
Leasehold improvements	587962	Infrastructure - Plumbing	SA
Leasehold improvements	587963	Infrastructure - Power	SA

**OVATO PRINT PTY LTD TO OVATO LIMITED**

<b>Asset class</b>	<b>Asset Number</b>	<b>Description</b>	<b>State</b>
Leasehold improvements	587964	Computer/Cabling	SA
Leasehold improvements	587965	Computer/Cabling	SA
Leasehold improvements	587966	Infrastructure - Lighting	SA
Leasehold improvements	587967	Infrastructure - Lighting	SA
Leasehold improvements	588014	CAMERA SECURITY SYSTEM	SA
Leasehold improvements	588016	General Internal Fabrication	SA
Leasehold improvements	588017	Site Building Works	SA
Leasehold improvements	588018	Chemical Store	SA
Leasehold improvements	588019	General Internal Fabrication	SA
Leasehold improvements	588020	Site, Fences & Gates	SA
Leasehold improvements	588021	Chemical Store	SA
Leasehold improvements	588022	Site Building Works	SA
Leasehold improvements	588023	Concrete Base for DustCompact	SA
Leasehold improvements	588024	Site, Fences & Gates	SA
Leasehold improvements	588025	Parafield SA Refurbishment	SA
Leasehold improvements	588039	Evaporative Airconditioner	SA
Leasehold improvements	588040	Evaporative Airconditioner	SA
Leasehold improvements	588041	Colourbond Steel Sheeting	SA
Leasehold improvements	588042	Mezzanine Level fro Storage	SA
Leasehold improvements	588045	Carrier Hi-Wall Air Condition	SA
Leasehold improvements	588046	ALBANY Rapid Roller Door 660	SA
Leasehold improvements	588047	Chain Wire Fencing	SA
Leasehold improvements	588049	Carrier Split System Air Con	SA
Leasehold improvements	588050	Salisbury site Baleroom repla	SA
Leasehold improvements	588060	ALBANY Rapid Roller Door	SA
Leasehold improvements	588063	Entrance Door on Southern Sid	SA
Leasehold improvements	588065	Colliers- W.stations	SA
Leasehold improvements	600823	Toshiba Air Conditioner	SA
Leasehold improvements	611549	HP Server Room	SA
Leasehold improvements	611557	Sigma line and PMP Dist fence	SA
Leasehold improvements	611565	Guard railing for HP and Sigm	SA
Leasehold improvements	611573	Air conditioner for HP server	SA
Leasehold improvements	611696	UPS for HP server room	SA
Leasehold improvements	626791	Timber Stair case to Roof	SA
Leasehold improvements	627508	Alterations to server wall	SA
Leasehold improvements	630045	Building Works-Digital PWP	SA
Leasehold improvements	630053	Building works - Digital cove	SA
Leasehold improvements	683622	Emergency lighting	SA
Leasehold improvements	683631	LED lighting project	SA



**OVATO PRINT PTY LTD TO OVATO LIMITED**

<b>Asset class</b>	<b>Asset Number</b>	<b>Description</b>	<b>State</b>
Leasehold improvements	683702	Building Room POD Clayton	VIC
Leasehold improvements	686612	Air Conditioner	SA
PP&E	25230	(225) GP-TIMSON C FORMAT	SA
PP&E	25236	TIMSON T32 BOOKPRESS	SA
PP&E	25404	(361) KOMORI A2 28"	SA
PP&E	25476	GP-BINDER 3	SA
PP&E	25510	(226) Timson 48A	SA
PP&E	25512	GP-Laminator	SA
PP&E	25750	Guillotine	SA
PP&E	25765	Griffin Bindery-(421)	SA
PP&E	25768	(423) Casemaker 1	SA
PP&E	25780	Kolbus	SA
PP&E	25807	HP INDIGO 7800	SA
PP&E	25810	HP INDIGO 10000	SA
PP&E	25812	DBOOKS - SCODIX	SA
PP&E	25815	DBOOKS - LAMINATOR	SA
PP&E	25820	GRIFFIN TPOD PICK & PACK	SA
PP&E	25900	PRESS ROOM DBOOKS -BOOKFACTOR	SA
PP&E	25904	DIGITAL PRESS - HP T410	SA
PP&E	25905	DIGITAL PRESS - HP T350	SA
PP&E	25907	DIGITAL PRESS - HP T260	SA
PP&E	25910	BINDERY DBOOKS - BOOKFACTORY	SA
PP&E	25914	DIG FINISHER HP T410 - KOLBUS	SA
PP&E	25915	DIG BINDER HP T350 - PANTERA	SA
PP&E	25917	DIG BINDER HP T260 -WOHLENBER	SA
PP&E	25918	DIG BINDER HP T260 -HORIZON	SA
PP&E	25919	DIGITAL BINDERY - CASE BINDER	SA
PP&E	25922	Corona C12 Perfect Bindline	SA
PP&E	128121	KUZ FOIL CUTTING M/C	SA
PP&E	128603	LATHE MAZAK	SA
PP&E	128614	WELDING MACHINE	SA
PP&E	128636	TOOLPOST GRINDER	SA
PP&E	130141	ELECTRONIC SCALE 3000kg	SA
PP&E	131041	LADDER	SA
PP&E	131116	REAMER SET	SA
PP&E	131545	KOLBUS COMPACT BOOKLINE	SA
PP&E	131630	HOT MELT APPLICATOR	SA
PP&E	132273	CROWN LIFT STACKER S/N40597	SA
PP&E	133050	KOLBUS CASEMAKER NO1	SA

**OVATO PRINT PTY LTD TO OVATO LIMITED**

<b>Asset class</b>	<b>Asset Number</b>	<b>Description</b>	<b>State</b>
PP&E	133209	LARGE DIGIT DISPLAY MOD #LDDO	SA
PP&E	133242	LARGE DIGIT DISPLAY MOD #LDDO	SA
PP&E	134602	700A ADJ. CTN SEALER 240V	SA
PP&E	135260	PORTABLE APPLIANCE TESTER	SA
PP&E	135918	AIR DRYER FRIDGEMATIC APX1180	SA
PP&E	136432	KOLBUS BOOKBLOCK FEEDER	SA
PP&E	136937	ROTEC PILE TURNER	SA
PP&E	139822	PRESSUER & VACCUUM GUAGES TO	SA
PP&E	139965	3 WAY TRIMMER NO 2	SA
PP&E	140011	3 WAY TRIMMER NO 2 : STACKER,	SA
PP&E	140099	STREAM FEEDERS	SA
PP&E	140169	3 WAY TRIMMER NO 1: STACKER/	SA
PP&E	141138	12 AF TAPE MACHINE-	SA
PP&E	141182	IN FEED UNIT - CASESEALER	SA
PP&E	142188	2410 RAA JET-PAK AUTOMATIC	SA
PP&E	142302	CONTAINER RAMP X1	SA
PP&E	142900	TIMSON PRINTING PRESS - ONE B	SA
PP&E	142920	TIMSON PRINTING PRESS-ONE B	SA
PP&E	142993	FEEDERS - 12 BINDLINE STREAM	SA
PP&E	143112	DENSOMETERS - 504 - LH3EC	SA
PP&E	143156	Ink Agitators to suit 2	SA
PP&E	143670	SUPPLY OF 5 PORT SWITCH ,	SA
PP&E	143890	POLAR CUTTER 1000	SA
PP&E	144328	COMPACTUS	SA
PP&E	144775	ONE BENCH DRILL	SA
PP&E	145682	Blindline 2 Camera	SA
PP&E	145711	Dust collection system	SA
PP&E	500911	DUST COLLECTOR PLATFORM	SA
PP&E	500945	Dust Collectors	SA
PP&E	501155	Stairway to dustcollector uni	SA
PP&E	501358	Dust Collector	SA
PP&E	522431	Automatic pallet wrapping mac	SA
PP&E	523215	NILFISK INDUSTRIAL VAC CLNR	SA
PP&E	525069	TIMSON T48a	SA
PP&E	525691	INDUSTRIAL VACUUM CLEANER	SA
PP&E	530669	Iclass Label Printer	SA
PP&E	530677	Iclass Label Printer	SA
PP&E	530685	Flamable&Danger Goods Cabinet	SA
PP&E	531055	Hot Melt Adhesive Pre Melters	SA

**OVATO PRINT PTY LTD TO OVATO LIMITED**

<b>Asset class</b>	<b>Asset Number</b>	<b>Description</b>	<b>State</b>
PP&E	531872	Knor Guillotine-Guarding	SA
PP&E	531881	Kolbus blocker-Guarding	SA
PP&E	531901	FORKLIFT BARRIERS AROUND	SA
PP&E	532171	SA TIMSON C FORMAT PRESS	SA
PP&E	532189	KNOOR GUILLOTINE WITH AUTO	SA
PP&E	532197	STAHL FOLDER RFH82	SA
PP&E	533456	DEMAG KBK & Steelwork	SA
PP&E	533659	Conveyors for Perfect Binder	SA
PP&E	533667	Bump Turn Installation-Binder	SA
PP&E	535030	Log Stackers Ferag-C Format	SA
PP&E	535056	Log Stackers Ferag-B Format	SA
PP&E	536104	CONTAINERS - MAINTENANCE	SA
PP&E	536121	Binder 3 Spiral conveyors	SA
PP&E	536171	Bug Zappers	SA
PP&E	536180	Fire Extinguishers	SA
PP&E	536198	Demag cranes	SA
PP&E	536243	Gas Heaters	SA
PP&E	536278	Bins	SA
PP&E	539356	Strapper Head-Timson A stacke	SA
PP&E	539399	Internal Security Camera - 4	SA
PP&E	539401	Security Cameras*7Samsung CCD	SA
PP&E	540146	Corrosive Storage Cabinet	SA
PP&E	540200	Plate Room Furniture	SA
PP&E	540251	UPGRADED CTP UNIT FROM MK 1	SA
PP&E	540269	UPGRADED CTP UNIT FROM MK2	SA
PP&E	540277	UPGRADED CTP UNIT FROM MK2	SA
PP&E	540306	Electric Fork Lifts	SA
PP&E	540314	Bund Units-Parafield Site *	SA
PP&E	540533	ADELAIDE CTP DRIP TRAYS	SA
PP&E	540541	2 REGISTER PLATE PUNCHES	SA
PP&E	540592	INSTAL PREPS IMPOSITIONS	SA
PP&E	540621	QUANTAM DLT400X DRIVE	SA
PP&E	540630	CC-SOLA 610 UPS 6KVA AUST	SA
PP&E	540648	QUANTUM DLT4000XT EXTERNAL	SA
PP&E	540664	CENTRAL G4/800 POWERMAC	SA
PP&E	540710	Renaissance II Plus	SA
PP&E	541253	Epson Proofing Unit X 2	SA
PP&E	541739	Carton Sealer Unit - SA	SA
PP&E	541747	Carton Sealer Unit - SA	SA

**OVATO PRINT PTY LTD TO OVATO LIMITED**

<b>Asset class</b>	<b>Asset Number</b>	<b>Description</b>	<b>State</b>
PP&E	542168	ROBOTECH 160L PREMELT UNIT	SA
PP&E	542432	1 R/H & 1 L/H Power Turn - A	SA
PP&E	542441	1 R/H & 1 L/H Power Turn - C	SA
PP&E	543582	KOLBUS PART REBUILD of BF523	SA
PP&E	545481	Label/Sticker Machine	SA
PP&E	582944	500lt Vertical Air Receiver	SA
PP&E	583710	Pallet Tables 1 of 3	SA
PP&E	583728	Pallet Tables 2 of 3	SA
PP&E	583736	Pallet Tables 3 of 3	SA
PP&E	583841	Hunkele UW6 Unwinder	SA
PP&E	583859	BBF2005 Binder with Bypass	SA
PP&E	583867	CMT Three Knife Trimmer	SA
PP&E	583891	Laminator	SA
PP&E	583904	Horizon Binder	SA
PP&E	584894	Ink Duct Kick Back	SA
PP&E	584907	Ink Duct Kick Back	SA
PP&E	584915	Waste Water Disposal	SA
PP&E	584923	Sink & Plumbing Installation	SA
PP&E	585475	Sink & Plumbing Installation	SA
PP&E	587163	Gantry Framework	SA
PP&E	587171	Digital NIP Roller	SA
PP&E	587180	Timson A Spray Bar Upgrade	SA
PP&E	587198	Timson C Spray Bar Upgrade	SA
PP&E	587850	Waste Extraction	SA
PP&E	587868	Compressed Air Installation	SA
PP&E	587978	FRIDGE (LUNCH ROOM)	SA
PP&E	587979	SAJO MILLING MACHINE TYPE	SA
PP&E	587980	AIR COMPRESSOR MBANK SITE	SA
PP&E	587981	TOLEDO SCALES 20KG	SA
PP&E	587983	BINS X 4	SA
PP&E	587987	WASTE BALER - HYDROPAK BALER	SA
PP&E	588013	INDUCTION HEATER	SA
PP&E	588015	Concrete Foundation for	SA
PP&E	588026	Infrastructure-Airconditionin	SA
PP&E	588027	Electronic Control Access Gat	SA
PP&E	588028	Electronic Control Access Gat	SA
PP&E	588029	Infrastructure-Airconditionin	SA
PP&E	588031	Gas Heaters	SA
PP&E	588032	Waste Bailing Room	SA

**OVATO PRINT PTY LTD TO OVATO LIMITED**

<b>Asset class</b>	<b>Asset Number</b>	<b>Description</b>	<b>State</b>
PP&E	588033	Waste Bailer	SA
PP&E	588034	Bins	SA
PP&E	588035	Platform for Waste Bailer	SA
PP&E	588036	Smart Chock Led Light System	SA
PP&E	588037	Pallet Racking for PMP SA Dep	SA
PP&E	588038	InlineChopperFanDustCollector	SA
PP&E	588043	Smoke Detector - Salisbury	SA
PP&E	588044	Waste Paper Shredder-SA	SA
PP&E	588048	4 Channel DVR & 4 Cameras	SA
PP&E	588051	Vertical Air Receiver 5200 lt	SA
PP&E	588052	714 Tieman Dock Leveller	SA
PP&E	588054	BROBO WALDON METAL SAW	SA
PP&E	588055	20ft ShippingContainers(1of 2	SA
PP&E	588056	20ft ShippingContainers(2of 2	SA
PP&E	588058	SHEETFED Pallet Truck X2	SA
PP&E	588059	SHEETFED Pallet Truck	SA
PP&E	588064	POLAR ELECTROMAT 115	SA
PP&E	588086	Bindline C Bookslitter	SA
PP&E	588094	Guillotine	SA
PP&E	588879	RB Heating Unit	SA
PP&E	589020	Strapping Machine	SA
PP&E	589038	Pallet- Positioner EZI-30	SA
PP&E	589046	Pallet Positioner EZI-30	SA
PP&E	589071	Heaters on Wall	SA
PP&E	589601	Lathe & SAGO Milling Machine	SA
PP&E	589610	Shredder Hopper	SA
PP&E	589628	Evacuation Speakers	SA
PP&E	589919	End Broad Trolleys	SA
PP&E	589927	Digital Web Cleaner	SA
PP&E	590127	Safety Guarding for Shredder	SA
PP&E	590573	Hood Shrink Wrapper EKH-455	SA
PP&E	591971	Turnover Conveyor-Bookslitter	SA
PP&E	592051	Desktop CPUs - MAC 1of 9	SA
PP&E	594339	End Board Trolleys x 4	SA
PP&E	597599	Zenith SThree-Knife Trimmer#4	SA
PP&E	598233	Plate Racks	SA
PP&E	598401	Perfect Binder 3 (C Format)	SA
PP&E	599033	Zenith S Three-Knife Trimmer#	SA
PP&E	600081	Compressor-Kaiser 132KW	SA

**OVATO PRINT PTY LTD TO OVATO LIMITED**

<b>Asset class</b>	<b>Asset Number</b>	<b>Description</b>	<b>State</b>
PP&E	600090	LED Lighting	SA
PP&E	600102	Voltage Optimisation Devices	SA
PP&E	600111	Electricity Meters	SA
PP&E	600305	Tilmaster-Cnr Pallecon Tilter	SA
PP&E	600313	Tilmaster-Cnr Pallecon Tilter	SA
PP&E	601041	Conductivity Meter 1 of 2	SA
PP&E	601050	Conductivity Meter 2 of 2	SA
PP&E	601308	Sleeve Wrapper 1 of 2	SA
PP&E	601316	Sleeve Wrapper 2 of 2	SA
PP&E	601324	Web Cleaner x 1 - Timson Pres	SA
PP&E	602247	Horizontal Stacker/Strapper	SA
PP&E	604816	Waste Water System	SA
PP&E	605827	Auto Feed Vacuum System	SA
PP&E	606512	Powerlifter C-Series1000-2.5-	SA
PP&E	606521	Powerlifter C-Series1000-2.5-	SA
PP&E	606539	Powerlifter C-Series1000-2.5-	SA
PP&E	606934	CCTV Security System	SA
PP&E	608201	Colour Cover Press	SA
PP&E	608260	Plumfast Heaters X4	SA
PP&E	611590	Waste extraction for HP /Sigm	SA
PP&E	611602	Eye wash station for HP/ Sigm	SA
PP&E	611645	3M carton sealer	SA
PP&E	611653	Gravity conveyor	SA
PP&E	611661	ITT Jetpak heat shrink tunnel	SA
PP&E	615005	Muller Martini Corona	SA
PP&E	615021	Stream Feeders x 9	SA
PP&E	619321	Air Humidification system	SA
PP&E	619348	Light Weight Reel shafts x 4	SA
PP&E	619372	Bunding of Waste Water Tank	SA
PP&E	619381	Additional Lighting	SA
PP&E	621190	STI Hopper Loader 220 SF-TAB	SA
PP&E	621202	STI Hopper Loader 220 SF-TAB	SA
PP&E	621211	STI Hopper Loader 220 SF-TAB	SA
PP&E	621229	STI Hopper Loader 220 SF-TAB	SA
PP&E	621237	STI Hopper Loader 220 SF-TAB	SA
PP&E	621245	STI Hopper Loader 220 SF-TAB	SA
PP&E	621253	STI Hopper Loader 220 SF-TAB	SA
PP&E	621261	STI Hopper Loader 220 SF-TAB	SA
PP&E	621333	Magnus Creo VFL Plate Maker	SA

**OVATO PRINT PTY LTD TO OVATO LIMITED**

<b>Asset class</b>	<b>Asset Number</b>	<b>Description</b>	<b>State</b>
PP&E	625166	STI Hopper Loader 220 SF-TAB	SA
PP&E	625174	STI Hopper Loader 220 SF-TAB	SA
PP&E	625182	STI Hopper Loader 220 SF-TAB	SA
PP&E	625431	Foil Fuser FT-10	SA
PP&E	625684	Compensating Stackers	SA
PP&E	625692	Conveyors before trimmers	SA
PP&E	625705	Conveyors after stackers&dive	SA
PP&E	625713	Palletiser x 1	SA
PP&E	626265	Compensating Stackers	SA
PP&E	626273	Conveyors before trimmers	SA
PP&E	626281	Conveyors after stackers&dive	SA
PP&E	626290	Palletiser x 1	SA
PP&E	627170	PraDeka Case Maker	SA
PP&E	627225	MOTOROLA MC9190, Barcode	SA
PP&E	627428	Horizon Binder	SA
PP&E	627444	Wohlenberg Binder	SA
PP&E	627452	Ducting for Exhaust Fans	SA
PP&E	627461	Electrical Ducting - Uni Stru	SA
PP&E	627479	Air Lines	SA
PP&E	627583	Paper Trolley	SA
PP&E	628623	Plumblng for HP	SA
PP&E	628893	Domino Front Label Applicator	SA
PP&E	660244	Blacklining Station for HP	SA
PP&E	680763	Ink system - Timson Press	SA
PP&E	683606	Power System Batteries	SA
PP&E	683657	Bizhub Press 2250 Dual Engine	VIC
PP&E	683665	Press C6100 Base Bdle V2 incl	VIC
PP&E	683673	Bourg Sheetfeeder	VIC
PP&E	683681	Reel Pallet Jack	VIC
PP&E	683729	GP2 Tech Model Sc-2 Autocasem	VIC
PP&E	685572	Ceccato CSA20 Compressor Mai	SA
PP&E	685581	Ceccato CSA20 Compressor Mai	SA
PP&E	686647	1986 Stahl / VBF DM300/2/Z 9	SA
PP&E	686882	Demag Chain Hoists x 8	SA
Office Equipment	129175	12 CHAIRS- LEATHER	SA
Office Equipment	130072	MOBILE WHITEBOARD	SA
Office Equipment	131970	1 MC F4 DWR F/CAP C/W FRAMES	SA
Office Equipment	132011	BOOKSHELF	SA
Office Equipment	136721	CUPBOARD	SA

**OVATO PRINT PTY LTD TO OVATO LIMITED**

<b>Asset class</b>	<b>Asset Number</b>	<b>Description</b>	<b>State</b>
Office Equipment	136766	WORKSTATION X 3	SA
Office Equipment	140447	BOOKCASE CSO ROOM	SA
Office Equipment	144548	TWO FILING CABINETS - 4	SA
Office Equipment	538863	Workstation	SA
Office Equipment	538871	Workstation	SA
Office Equipment	538898	Workstation	SA
Office Equipment	538927	DoorCabinet	SA
Office Equipment	545473	Machine Consumable Cupboard	SA
Office Equipment	587982	FILING CABINETS X 2 ADMIN	SA
Office Equipment	587985	WESTINGHOUSE FRIDGE - 221	SA
Office Equipment	588006	Workstation	SA
Office Equipment	588007	Workstation	SA
Office Equipment	588008	Workstation	SA
Office Equipment	588009	Workstation	SA
Office Equipment	588010	Workstation	SA
Office Equipment	588011	DoorCabinet	SA
Office Equipment	588030	Furniture	SA
Office Equipment	588068	TAMBOUR DOOR CABINETS X3	SA
Office Equipment	607515	Kolbus Line Guards	SA
Office Equipment	612613	Compactus for Book Storage	SA
Office Equipment	628586	Computer Bench for the HP Pre	SA
Office Equipment	629204	Warehouse Racking	SA
Office Equipment	683711	Roll Post Shelving 3x4Bay Sin	VIC
IT	530116	Online Pricing&Ordering Porta	SA
IT	540120	2 x RAM Dell 1GB for 2600 Srv	SA
IT	540171	Creo Prformnce Workflow Serv	SA
IT	540234	License - Staccato	SA
IT	540242	PRINERGY EQUIP/ SOFTWARE	SA
IT	541245	Upgrade Apple Macintosh	SA
IT	541907	Griffin Gold Modification	SA
IT	545220	Dell Laptop D630	SA
IT	583824	Nuvera 288ppm Printer	SA
IT	583832	installation- Nuvera Printer	SA
IT	583875	Xerox Printer Software	SA
IT	583883	Archive Server	SA
IT	585803	Dell Optiplex 755	SA
IT	585811	Mint Copy Scanner	SA
IT	586435	Prinergy Server	SA
IT	587729	Dell Laptop E6400	SA



## OVATO PRINT PTY LTD TO OVATO LIMITED

Asset class	Asset Number	Description	State
IT	587841	Electrcial Installation	SA
IT	588002	TIMEWISESWARE KRONOS -	SA
IT	588004	TIMEWISESWAE KRONOS - CLOCKS	SA
IT	588061	Datamax Label Printer	SA
IT	588062	Griffin Digital PC	SA
IT	592069	Desktop CPU-MacPro2.66GHz 1of	SA
IT	592085	Desktop CPU-MacPro2.66GHz 2of	SA
IT	592093	Desktop CPU-MacPro2.66GHz 3of	SA
IT	592106	Desktop CPU-MacPro2.66GHz 4of	SA
IT	592114	Desktop CPU-MacPro2.66GHz 5of	SA
IT	592122	Desktop CPU-MacPro2.66GHz 6of	SA
IT	592131	Desktop CPU-MacPro2.66GHz 7of	SA
IT	592149	Desktop CPU-MacPro2.66GHz 8of	SA
IT	592165	Monitors-Samsung 24" 1of 9	SA
IT	592181	Monitors-Samsung 24" 2of 9	SA
IT	592190	Monitors-Samsung 24" 3of 9	SA
IT	592202	Monitors-Samsung 24" 4of 9	SA
IT	592211	Monitors-Samsung 24" 5of 9	SA
IT	592229	Monitors-Samsung 24" 6 of 9	SA
IT	592237	Monitors-Samsung 24" 7 of 9	SA
IT	592245	Monitors-Samsung 24" 8 of 9	SA
IT	592253	Monitors-Samsung 24" 9 of 9	SA
IT	592405	T2510 Dot Matrix Printer	SA
IT	594321	Suitcase Fusion X2 - S/W V5	SA
IT	594347	Paradigm 3 Compliance Mgmt S/	SA
IT	594507	GMG RAPIDCHECK V2.0 - S/W	SA
IT	594515	EYEOONE BASIC SCANNER - H/W	SA
IT	597273	ExtremeZ-IP v6.0 25-S/Ware	SA
IT	597601	Desktops-Dell Optiplex 1of 7	SA
IT	597610	Desktops-Dell Optiplex 2of 7	SA
IT	597628	Desktops-Dell Optiplex 3of 7	SA
IT	597636	Desktops-Dell Optiplex 4of 7	SA
IT	597644	Desktops-Dell Optiplex 5of 7	SA
IT	597652	Desktops-Dell Optiplex 6of 7	SA
IT	597661	Desktops-Dell Optiplex 7of 7	SA
IT	597871	Portable Colour R/Spectroden	SA
IT	597880	Apertures 500 Series	SA
IT	597898	I1 Basic Reader	SA
IT	601906	Print Control Software	SA

**OVATO PRINT PTY LTD TO OVATO LIMITED**

<b>Asset class</b>	<b>Asset Number</b>	<b>Description</b>	<b>State</b>
IT	602255	Salstore-1Dell NX3100 (20TB)	SA
IT	602263	DRSTORE-1Dell NX3100 (20TB)	SA
IT	602271	Tape Library DL TL2000	SA
IT	602298	Backup Tapes	SA
IT	603848	Dell Laptops-E6410 - 1	SA
IT	603856	Dell Desktops-Optiplex 780DT	SA
IT	603864	Dell P201H 20" Monitors X 25	SA
IT	606281	Server - UPS Unit	SA
IT	606491	Simple Quote Form	SA
IT	606951	Dell Optiplex - Book Vault 1	SA
IT	606969	Dell Optiplex - Book Vault 2	SA
IT	606977	Griffin Press Website Softwar	SA
IT	608163	Prinergy Connect RBA Salisbur	SA
IT	608171	Insite DMZ (Griffin)	SA
IT	608180	PrePress Portal Satellite	SA
IT	610044	Adobe C5 5.5 Indesign Licence	SA
IT	610360	VNX5700 SAN Unit	SA
IT	610378	SAN Unit 3 Yr Warranty	SA
IT	610386	Cisco Nexus - Channel Port X	SA
IT	610394	Cisco Ports - 3 Yr Warranty	SA
IT	611266	MIS Technique Hardware	SA
IT	611274	MIS Technique Software	SA
IT	611451	Dell Laptops-E6410 - 2	SA
IT	611469	Dell Laptops-E6410 - 3	SA
IT	611477	Dell Laptops-E6410 - 4	SA
IT	611485	Dell Laptops-E6410 - 5	SA
IT	611493	Dell Laptops-E6410 - 6	SA
IT	611506	Dell Laptops-E6410 - 7	SA
IT	611514	Dell Laptops-E6410 - 8	SA
IT	611522	Dell Laptops-E6410 - 9	SA
IT	611531	Dell Laptops-E6410 - 10	SA
IT	611611	Insight Enterprises Software	SA
IT	611629	DATAMAX H42 Printer	SA
IT	611688	Dell(TM) PowerEdge(TM) R610	SA
IT	612429	Dell 790 Desktop	SA
IT	612437	Dell 790 Desktop	SA
IT	612445	Dell 790 Desktop	SA
IT	612461	Dell 790 Desktop	SA
IT	612470	Dell 790 Desktop	SA

## OVATO PRINT PTY LTD TO OVATO LIMITED

Asset class	Asset Number	Description	State
IT	612496	Dell 790 Desktop	SA
IT	615161	MacBook Pro 15"	SA
IT	616201	KODAK software enhacements	SA
IT	616219	KODAK Software Licence	SA
IT	624235	Pitstop Pro 11 - Mac OS x1	SA
IT	624420	Adobe CS Indesign Cloud App	SA
IT	624438	Pitstop Server & Soft	SA
IT	625297	iMac Pro 27"	SA
IT	625369	Book-Trac System	SA
IT	625422	Oris Certified Proof	SA
IT	625781	iMac Pro 27"	SA
IT	625799	iMac Pro 27"	SA
IT	625959	Voip Phone system	SA
IT	627188	Kodak workflow server	SA
IT	627196	Kodak MPE workstation	SA
IT	627209	Kodak MPE workstation 2 of 2	SA
IT	627217	Switch Database Module	SA
IT	627495	Technique- data collection	SA
IT	628594	iMac	SA
IT	628607	iMac 27" i7	SA
IT	628691	Print on Demand Transaction S	SA
IT	628906	Software for Label Applicator	SA
IT	629360	1 x Enfocuse Connect ALL	SA
IT	629378	1 x Switch Metadata Module	SA
IT	629386	2 x Pack of 5 Switch Clients	SA
IT	629394	3 X Zebra Mobile Printer, QLN	SA
IT	629407	3X Rugged Mobile Computer Zeb	SA
IT	629415	3X Pick and Pack and WMS soft	SA
IT	629853	Data Collection touch screen	SA
IT	629861	Switch Database Module Upgrad	SA
IT	629870	Dell Latitude 7000 S	SA
IT	629888	Switch Upgrade	SA
IT	630061	Technique - SFDC	SA
IT	630213	OptiPlex 7040 Small Form	SA
IT	630256	Despatch Project - Software	SA
IT	630264	Griffin Salisbury 2nd Switch	SA
IT	630281	Salisbury 2nd Switch Upgrade-	SA
IT	630299	Salisbury 2nd Switch Upgrade	SA
IT	660050	Bizcom/Move Software developm	SA

OVATO PRINT PTY LTD TO OVATO LIMITED			
Asset class	Asset Number	Description	State
IT	660068	MoveIT Software Devel	SA
IT	660076	Scanner Handset	SA
IT	660084	Powervault MD 12000 Disk Stor	SA
IT	680211	Griffin bespoke quoting form	SA
IT	680229	Griffin Press Printflow	SA
IT	680237	Copy Order Automation XML	SA
IT	680755	Griffin Press Printflow2	SA
IT	683614	RF Scanner Sheetfed	SA
IT	683649	Copy Order Automation XML	SA
IT	683690	Software modifications	VIC
IT	685599	Optiplex 7070 Desktop	SA
IT	685601	Optiplex 7070 Desktop	SA
IT	685610	Optiplex 7070 Desktop	SA
IT	685628	Latitude 5400 laptop (Lynton)	SA
IT	686604	POD Data Collection	VIC
IT	686621	Optiplex 7070 SFF XCTO Deskto	SA
IT	686639	Optiplex 7070 SFF XCTO Deskto	SA
IT	130398	AKAI VIDEO RECORDER	SA
IT	131411	TEC MEETING BOARD MODEL MB500	SA

HANNANPRINT NSW PTY LIMITED TO OVATO LIMITED			
Asset class	Asset Number	Description	State
IT	630999	Cisco VC220 Dome Camera	NSW
Office Equipment	630806	1 Compactus Unit system 2 - S	NSW
IT	631199	1 Notebook MS Surface pro	NSW
IT	631025	10 Cameras	NSW
IT	631102	10 PC Dell Optiplex 9020	NSW
PP&E	630805	12 Wire Cages Pallets TCS Eng	NSW
IT	631035	2 Dell Notebook - Dell Latti	NSW
IT	631198	2 Dell notebook for Bus Dev M	NSW
Office Equipment	631290	2 Ergonomic Chairs	NSW
Office Equipment	630918	2 Ergonomic Chairs	NSW
IT	631119	2 Iphone	NSW
IT	631113	2 Label Printer Zebra GK420	NSW
IT	631193	2 Laptops- Dell E7440	NSW
IT	631117	2 Laptops	NSW
IT	630911	2 LCD TV Sharp	NSW
PP&E	631203	2 Mosca strapping machine	NSW
IT	631195	2 Notebook for Bus Develop	NSW
IT	631006	2 Switches - Power Connect554	NSW
PP&E	630814	2 Wire Spool Trolleys - Ferag	NSW
Office Equipment	630748	20 Holes - Pigeon Hole Unit 1	NSW
PP&E	630830	3 Auto Strapping machine incl	NSW
PP&E	630903	3 Counting Scale JAC 828-30	NSW
IT	631288	3 Dell Latitude E7470	NSW
Vehicles	630702	3 SCISSOR PALLET LIFTS FOR HP	NSW
Office Equipment	630798	3 Single Door Lockers - Activ	NSW
PP&E	630767	3 Steel Metal Cages - TCS Eng	NSW
Office Equipment	631118	3 Work Benches Press D E F	NSW
PP&E	630828	30kg chain hosts - Demag Cran	NSW
Office Equipment	630867	36 Arrow 4 Leg Chair	NSW
Office Equipment	630817	370L Fridge & Dishwasher - Ca	NSW
PP&E	630989	3M Matic Carton Sealer	NSW
PP&E	630786	4 Auto Strapping Machine with	NSW
Office Equipment	630792	4 Draw Lateral Filing Cabinet	NSW
PP&E	631275	4 New Cranes	NSW
IT	631039	4 PC For HPNSW	NSW
Office Equipment	630802	430L Frost Free Fridge Westin	NSW
PP&E	630948	5 Counting Scales	NSW
IT	631140	5 Dell Optiplex 9020	NSW
IT	631007	5 New PC Dell Optiplex 990T	NSW

HANNANPRINT NSW PTY LIMITED TO OVATO LIMITED			
Asset class	Asset Number	Description	State
IT	631194	5 PC Dell Optiplex 9020	NSW
IT	631047	6 PC - Dell Optiplex 9010 DT	NSW
Office Equipment	630899	6 Pro File Stationery cabinet	NSW
Office Equipment	630706	7 KROST ERGOSYSTEM WORKSTATIO	NSW
IT	631045	ACS software upgrade	NSW
PP&E	630724	Adjust for Muller Martini Bun	NSW
PP&E	630734	Adjust for Muller Martini Bun	NSW
PP&E	630723	Adjust for Rockbuilt Uni-trim	NSW
Leasehold improvements	631286	Air Cond Bindery Office	NSW
Leasehold improvements	631173	Air Cond for Client lounge ro	NSW
PP&E	631134	Aluminium Ladder 26"	NSW
Leasehold improvements	631274	Analogue & Digital cameras	NSW
PP&E	631230	Anti Static Bars Press D	NSW
IT	631103	Apple I Phone 5S 32G	NSW
IT	631257	Apple I Phone 6 Space	NSW
IT	630777	Assetpro Software - Fixed Ass	NSW
Office Equipment	630891	Aviator High Back Chair	NSW
Office Equipment	630893	Aviator High Back chair	NSW
Office Equipment	630897	Aviator High Black Leather Ch	NSW
Leasehold improvements	631217	Awnings Bollards - Re Co Air	NSW
IT	631142	Bacbook Pro 15"	NSW
PP&E	631234	Baldwin Filtration Units	NSW
PP&E	631055	Baler conveyor project PN6	NSW
IT	630984	Bar Code reader	NSW
PP&E	630882	Bar Code Reader -Stores	NSW
IT	631190	Barracuda back up server	NSW
IT	631192	Barracuda Server for HPN	NSW
PP&E	630726	Bindery Line 8	NSW
PP&E	631070	Bindery W Farm Equip PP5	NSW
PP&E	631071	Bindery W Farm Equip PP5	NSW
PP&E	631072	Bindery W Farm Equip PP5	NSW
PP&E	631073	Bindery W Farm Equip PP5	NSW
PP&E	631074	Bindery W Farm Equip PP5	NSW
PP&E	630931	Blast Jet Pressure Washer	NSW
Office Equipment	630799	Blue Melamine meeting Tablee	NSW
Leasehold improvements	631129	BMS Completion Work WFBP	NSW
Office Equipment	631256	Boardroom chairs - 16	NSW
Leasehold improvements	631177	Bollards for Paper store	NSW
PP&E	630812	Bostitch M7 Stitching machine	NSW
Office Equipment	630894	Boulevard Glass Panel	NSW

HANNANPRINT NSW PTY LIMITED TO OVATO LIMITED			
Asset class	Asset Number	Description	State
IT	631029	Bravo Time Recorder	NSW
PP&E	630829	Bravo Time Recorder - Simplex	NSW
IT	630900	Brother Laser fax 2820	NSW
PP&E	630827	Cabinet Flammable Liquid 60 L	NSW
Office Equipment	630759	Cabinets & Shelving - Server	NSW
Office Equipment	630760	Cabinets & Shelving - Server	NSW
IT	631299	Callas PDF Toolbox Software	NSW
IT	631023	Cameras for WF Lithoman	NSW
IT	630957	Canon Camera	NSW
PP&E	631056	Capitalise Interest Cost PP3	NSW
PP&E	630730	CAPITALISE PR77 LITHOMAN 2 PR	NSW
PP&E	630731	CAPITALISE PR79 LITHOMAN 2 I	NSW
PP&E	630732	CAPITALISE PR79 LITHOMAN 2 I	NSW
PP&E	630733	CAPITALISE PR81 LITHOMAN 2 CA	NSW
PP&E	630738	CAPITALISE PROJECT 74 OPTICON	NSW
PP&E	630743	CAPITALISE PROJECT 74 OPTICON	NSW
PP&E	630725	CAPITALISE PROJECT 95 GAMMERL	NSW
PP&E	631057	Capitalise Wages PP3 Lithoman	NSW
PP&E	631069	Capitalise Wages PP5	NSW
PP&E	631075	Capitalise Wages PP8 project	NSW
Leasehold improvements	631238	CAPS Aus Final Payment	NSW
Leasehold improvements	631267	CCTV Cameras	NSW
Leasehold improvements	631176	CCTV Security system upgrade	NSW
Leasehold improvements	631133	Centax Compressor - WF Busine	NSW
Leasehold improvements	631126	Chain wire fencing	NSW
PP&E	631116	Channel Blower	NSW
PP&E	631141	Chilled Water on Press E and	NSW
PP&E	631157	Chilled Water top up -Press E	NSW
Leasehold improvements	631156	Client Lounge Area	NSW
PP&E	631262	CMC Auto Sort project	NSW
PP&E	631251	CMC Auto Sorting cameras	NSW
PP&E	631244	CMC Inline strappers	NSW
Office Equipment	630834	Coffee Machine Saeco - 50% Co	NSW
IT	630840	Coffee Machine Saeco - Capex	NSW
PP&E	630821	Color viewing lights over Pre	NSW
PP&E	630737	COLOUR EVALUATION UNIT PRE PR	NSW
Office Equipment	630890	Com Hing Dr Cupboard	NSW
Office Equipment	630746	Commercial Range Round Confer	NSW
PP&E	630816	Compensating Stacker Rima Sys	NSW
PP&E	631264	Compressed Air improvement	NSW

HANNANPRINT NSW PTY LIMITED TO OVATO LIMITED			
Asset class	Asset Number	Description	State
IT	631079	Computer Network W Farm	NSW
Leasehold improvements	631159	Concrete Protusion removed	NSW
Leasehold improvements	631160	Concrete Turning circle -Pape	NSW
Leasehold improvements	631276	Concreting work Warwick Farm	NSW
Office Equipment	630766	Conference Table & Smoked Gla	NSW
PP&E	631304	Consultancy Plate Super Hwy	NSW
IT	631017	Cordless Scanner	NSW
PP&E	630927	Core Expanding Roll Saver	NSW
PP&E	631243	Crane on Unidrum & Kolbus	NSW
PP&E	630949	Customs Duty Back Up stacker	NSW
IT	630837	Dell 5100MP Projector Capex H	NSW
IT	631313	Dell Aus - 2 Poweredge R630 S	NSW
IT	631002	Dell Latitude E5420	NSW
IT	631016	Dell Latitude E5420	NSW
IT	631004	Dell Latitude Notebook	NSW
IT	631005	Dell Latitude Notebook	NSW
IT	631015	Dell M6600 Mobile station	NSW
IT	631272	Dell Notebook E7470	NSW
IT	631020	Dell Optiplex 3010DT	NSW
IT	631107	Dell Optiplex for Softproofin	NSW
IT	630875	Dell S&P 3rd Party VM Ware	NSW
IT	630877	Dell S&P 3rd Party VMWare	NSW
IT	630981	Dell Server for Storage Area	NSW
IT	631263	Dell Sonic Wall NSA4600	NSW
IT	630905	Dell UPS Smart UPS 750VA	NSW
IT	631084	Delonghi Coffee Machine	NSW
IT	630924	Delonghi Coffee Maker	NSW
PP&E	631110	Demag Crane-Bindery Relocatio	NSW
PP&E	631111	DEmag Crane-Bindery relocatio	NSW
PP&E	631112	Demag Crane-Bindery relocatio	NSW
PP&E	631109	Demag Cranes - Bindery Reloca	NSW
PP&E	630841	Demag Cranes to lift ink roll	NSW
PP&E	630705	DEPOSIT MANROLAND PLAMAG WEB	NSW
Office Equipment	630823	Despatch Office Furniture - C	NSW
PP&E	630906	Digital Electronic Nip Gauge	NSW
PP&E	631247	Digital MSB Meter - Electrica	NSW
PP&E	631011	Digital Scales ASD-DC500	NSW
PP&E	631254	Discharge Silencer main fan	NSW
IT	631046	DM2 Edge Switches Syd / Melb	NSW
IT	630997	Drobo 8 Bay B800i	NSW



HANNANPRINT NSW PTY LIMITED TO OVATO LIMITED			
Asset class	Asset Number	Description	State
IT	630910	Drobo Storage Mgt	NSW
Office Equipment	631043	Dyson Hand Dryer - 8	NSW
PP&E	630992	Easy Mover	NSW
PP&E	630842	Easy mover reel pusher for Pr	NSW
PP&E	631180	EBA 4300 Guillotine	NSW
PP&E	631155	EBA 4300 Guillotine	NSW
Office Equipment	630979	Electric BBQ Admin Area	NSW
PP&E	630901	Eltex Remoistening System	NSW
PP&E	630975	Endboard Cages	NSW
PP&E	630970	Endboard Storage cage	NSW
PP&E	631283	Engineer cost Inkjet upgrade	NSW
Leasehold improvements	631241	Epoxy Non Slip Floor	NSW
Leasehold improvements	631240	Epoxy Non Slip floor	NSW
Leasehold improvements	631224	Epoxy Non SLip floor coating	NSW
PP&E	630922	Epson Spectrometers	NSW
IT	631003	Epson Stylus 9700 CAD Printer	NSW
IT	631301	Epson Stylus Pro 7900 printer	NSW
Leasehold improvements	631165	Erect cover over washbay	NSW
PP&E	630824	Exacto Trimmer Crane - Demag	NSW
PP&E	631086	Eyewash stand for reverse Osm	NSW
IT	630916	Ezi ColorEdge 24" LCD Monitor	NSW
Office Equipment	630753	F & Paykel Fridge N249 & LG M	NSW
PP&E	630772	Ferag Saddle Stitcher 2 & Mar	NSW
PP&E	630773	Ferag Saddle Stitcher 2 & Mar	NSW
PP&E	630781	Ferag Set Up Jig , Calliper A	NSW
IT	630825	File Automation & Emergency P	NSW
PP&E	631270	Final AGFA Pre press project	NSW
PP&E	631058	Finance Amortisation PP3	NSW
Office Equipment	630876	Fire Resistant Filing Cabinet	NSW
Leasehold improvements	631196	Fire Sign off works	NSW
Leasehold improvements	631181	Fire sign off works	NSW
Leasehold improvements	631215	Fire Sign Off works - Jervo	NSW
Leasehold improvements	631175	Fire sign off works - WF Leas	NSW
Leasehold improvements	631188	Fire SIgn off works -Exit sig	NSW
Leasehold improvements	631214	Fire Sign Off works -Flamesaf	NSW
Office Equipment	631174	Fisher & Paykel Fridge	NSW
Office Equipment	630856	Fisher & Paykel Fridge	NSW
PP&E	631100	Fit water / heat exchanger ki	NSW
Leasehold improvements	631184	Flamesafe Fire Protect	NSW
PP&E	630761	Flammable Liquid Storage - CA	NSW

HANNANPRINT NSW PTY LIMITED TO OVATO LIMITED			
Asset class	Asset Number	Description	State
Office Equipment	630929	FM45 3 Door Fridge	NSW
PP&E	631131	Free Hanna Solution	NSW
IT	630923	Fridge Westinghouse 240L	NSW
Leasehold improvements	631162	Furniture client lounge	NSW
Office Equipment	630831	Furniture for meeting / train	NSW
Office Equipment	630813	Furniture for Teamleaders - K	NSW
Office Equipment	630787	Furniture New Sales Mgt Offic	NSW
PP&E	630740	FURTHER CAPITALISE PR79 LITHO	NSW
PP&E	630719	FURTHER CAPITALISE PROJECT 78	NSW
PP&E	630739	FURTHER CAPITALISE PROJECT 78	NSW
PP&E	630721	FURTHER CAPITALISE PROJECT 80	NSW
PP&E	630954	Gas Detector Kit	NSW
IT	630868	GMG Processing Control Bundle	NSW
PP&E	631171	Govt Grant on Compressor	NSW
PP&E	631041	Govt Grant on Compressors	NSW
PP&E	631053	Govt Grant on Compressors	NSW
IT	631293	Group Proofing upgrade	NSW
PP&E	630850	GTI Viewing Box Capex H374 Ka	NSW
PP&E	630849	GTI Viewing Box Capex H389 Ka	NSW
IT	631033	Hand held barcode scanners	NSW
PP&E	631010	Hand Pallet Truck	NSW
PP&E	631311	Headland - Longitude Dividers	NSW
PP&E	630808	Heatmate Drying system for In	NSW
PP&E	630779	HFA Wire Feed Advance unit -	NSW
Leasehold improvements	631050	Holland Blinds for Office WF	NSW
IT	630939	HP Laserjet P2055DN	NSW
IT	630995	HPN Website Upgrade	NSW
IT	630996	HPN Website upgrade	NSW
IT	631001	HPN Website Upgrade	NSW
IT	631222	I Phone 6 Space	NSW
IT	631239	I Phone 6S	NSW
IT	631310	I Phone 7	NSW
IT	631179	I Phone	NSW
PP&E	631030	IBC Bunding for W Farm	NSW
Office Equipment	630945	Inca Chair	NSW
IT	630932	Industrial PC for Sitma	NSW
PP&E	631258	Ink Roller Train Modification	NSW
PP&E	631309	Inline Strappers -Makro Solut	NSW
PP&E	630839	Insite server for Prinergy -	NSW
Leasehold improvements	631191	Install Exit Lights -6	NSW

HANNANPRINT NSW PTY LIMITED TO OVATO LIMITED			
Asset class	Asset Number	Description	State
Leasehold improvements	631167	Install Press bay sinks	NSW
Leasehold improvements	631151	Install water pipe support	NSW
PP&E	630785	Intelmail Inkjet printer IJP2	NSW
Leasehold improvements	631124	Internal Services WF - PQ1	NSW
Leasehold improvements	631273	IP 2MEG Dome camera Baleroom	NSW
IT	631120	IPad Air	NSW
IT	631261	IPMG Managed Proof	NSW
PP&E	630884	JAC 828-30 Counting Scale	NSW
Leasehold improvements	631136	Jervo Interiors -WF Business	NSW
Leasehold improvements	631279	Jervo Project -Traffic Mgt PI	NSW
PP&E	630885	Jib Crane & Hoist	NSW
PP&E	631052	JLG Scissor Lifts	NSW
Leasehold improvements	630708	KELVINATOR 300LTRS 2 DOOR REF	NSW
IT	630881	Kitchen Equipment	NSW
PP&E	631295	Kolbus Low Pressure H919	NSW
PP&E	631291	Kolbus Trimmer Cassette	NSW
IT	630810	Kronos Attendance Clock syste	NSW
IT	630811	Kronos Attendance Clock syste	NSW
PP&E	631249	Label Applicator - 3rd Final	NSW
PP&E	631104	Label Applicator - Ferag	NSW
PP&E	631205	Label Applicator 2nd Instal	NSW
IT	630752	Labelizer Eazy Step 4000 Labe	NSW
Office Equipment	630925	Laether Chair	NSW
IT	630971	Laptop Dell E6510 Base	NSW
IT	630928	LED Display Screen	NSW
IT	630926	LED Display Screen for Pressr	NSW
Leasehold improvements	631292	LED Lighting @ WF	NSW
Leasehold improvements	631305	LED Lighting W Farm	NSW
IT	630860	Lemair 240 Litre Fridges	NSW
PP&E	631042	Lifting Equipment S4-18	NSW
PP&E	630774	Lighting for Ferag 2	NSW
PP&E	630852	Line Haul Tool Kit Capex H413	NSW
PP&E	631059	Lithoman 96 Press W Farm	NSW
PP&E	631063	Lithoman 96 Press W Farm	NSW
PP&E	631064	Lithoman 96 Press W Farm	NSW
PP&E	631067	Lithoman 96 Press W Farm	NSW
PP&E	631066	Lithoman 96 Press W Farm	NSW
PP&E	631065	Lithoman 96 Press W Farm	NSW
PP&E	631062	Lithoman 96 Press W Farm	NSW
PP&E	631060	Lithoman 96 Press W Farm	NSW

HANNANPRINT NSW PTY LIMITED TO OVATO LIMITED			
Asset class	Asset Number	Description	State
PP&E	631061	Lithoman 96 Press W Farm	NSW
PP&E	631068	Lithoman 96 Press W Farm	NSW
PP&E	631122	Lithoman 96 Project PP3	NSW
PP&E	630728	LITHOMAN PRESS 2 (PRESS BAY 1	NSW
PP&E	630729	LITHOMAN PRESS 2 (PRESS BAY 1	NSW
PP&E	630913	Lone Ranger Safety System	NSW
PP&E	631314	LOw Pressure Blowers - Kolbus	NSW
Office Equipment	630780	Magazine Display stand - Kros	NSW
IT	631232	Mail Server upgrade - Tecala	NSW
PP&E	630943	MAN G4 Interbus Controller Up	NSW
PP&E	630883	Matchprint Virtual Remote Sof	NSW
PP&E	630838	Megamate Trolley - Reflex Pty	NSW
PP&E	630796	Merlin Moisture meter for pap	NSW
Leasehold improvements	631143	Mezzanine Area Room	NSW
Leasehold improvements	631150	Mezzanine Room Improvement	NSW
IT	630886	Microwave - Bindery	NSW
Office Equipment	630869	Microwave Toaster & Sandwich	NSW
IT	631260	MIS Technique PQ4 project	NSW
PP&E	630804	Mobile Cage to fit over palle	NSW
PP&E	630809	Mobile Cage to fit over Palle	NSW
Office Equipment	630896	Mobile Pedestal X 5	NSW
IT	630983	Mobile Phone HTC Mozart	NSW
PP&E	631266	Modify Ferag pick up station	NSW
PP&E	630962	Mosca Strappers	NSW
IT	631021	MS Office Software replace	NSW
PP&E	630704	MUELLER MARTINI 335 INSTALL &	NSW
PP&E	630735	Muller Martini Bundle Stacker	NSW
PP&E	630736	Muller Martini Bundle Stacker	NSW
Leasehold improvements	631216	New Bollards - Process System	NSW
IT	631268	New Dell Notebook	NSW
PP&E	631253	New Hoist for Optima	NSW
PP&E	631028	New Mailing HP Cartridge	NSW
IT	630965	New Printer on Sitma Equip	NSW
Leasehold improvements	631312	New Strobe Lights	NSW
IT	631008	Notebook Dell Latitude E6520	NSW
IT	631137	Notebook	NSW
IT	630912	Notebook for Engineers	NSW
IT	631138	Notebook	NSW
IT	631040	Notebook Vostro 2520 BTX Base	NSW
PP&E	630944	Numatic Vacuum Cleaner	NSW

HANNANPRINT NSW PTY LIMITED TO OVATO LIMITED			
Asset class	Asset Number	Description	State
PP&E	630909	Numatic WVD572 Dual Motor Vac	NSW
IT	631128	OAP Recharges -Software	NSW
PP&E	631308	OAP SITma Installation costs	NSW
IT	631127	OAP Technique Charges- Hard	NSW
Leasehold improvements	631220	Occupant Warning System	NSW
Office Equipment	630874	Office Furniture	NSW
Office Equipment	630878	Office Furniture	NSW
Office Equipment	630879	Office Furniture	NSW
Office Equipment	630880	Office Furniture	NSW
Office Equipment	630836	Office Furniture - Business D	NSW
Office Equipment	630845	Office furniture - Sales clie	NSW
Office Equipment	630789	Office Furniture - Workstatio	NSW
Office Equipment	630870	Office Furniture & Whiteboard	NSW
Office Equipment	631101	Office Furniture	NSW
Office Equipment	631054	Office Furniture-	NSW
Office Equipment	630835	Office Furniture for Financia	NSW
Office Equipment	630873	Office Furniture HR and Binde	NSW
Office Equipment	630749	Open Bookcase - 1800mmHx900mm	NSW
PP&E	630822	Optima Saddle stitcher instal	NSW
PP&E	631038	Orgapack Strap Machine	NSW
PP&E	631037	Orgapack strapping machine	NSW
PP&E	631022	Orgapack Strapping Machine	NSW
PP&E	631009	Orgapack strapping Machine	NSW
Leasehold improvements	631149	Paint awning at Despatch	NSW
Leasehold improvements	631148	Paint awning despatch dock	NSW
PP&E	630986	Palift Load Levelling table	NSW
PP&E	631280	Pallecon Pallets	NSW
Leasehold improvements	631289	Pallet Racking - XS Racking	NSW
Leasehold improvements	630917	Pallet racking for Despatch	NSW
PP&E	630915	Pallet Truck	NSW
IT	630763	Panasonic Electronic Whiteboa	NSW
IT	630866	Panasonic Microwave Oven	NSW
IT	630858	Panasonic Microwaves	NSW
PP&E	630770	Paper reel circle turners Mod	NSW
Leasehold improvements	631182	Paper store rapid roll door	NSW
Leasehold improvements	631166	Paper Store roll door	NSW
Leasehold improvements	631307	Paper Store Traffic Plan	NSW
PP&E	631090	Parts for Rev Osmosis project	NSW
PP&E	631089	Parts for Rev Osmosis project	NSW
PP&E	631097	Parts for Reverse Osmosis	NSW

HANNANPRINT NSW PTY LIMITED TO OVATO LIMITED			
Asset class	Asset Number	Description	State
PP&E	631098	Parts for Reverse Osmosis	NSW
PP&E	631085	Parts for Reverse Osmosis sys	NSW
PP&E	631099	Parts for Vacuum System	NSW
Leasehold improvements	631088	Parts for Walkway & Handrail	NSW
IT	631135	Photo ID Software	NSW
Leasehold improvements	631105	Plant Room Wall	NSW
PP&E	630851	Plastic Reel lifting for poly	NSW
PP&E	631296	Plate Super Highway - H921	NSW
PP&E	630982	Plate trolleys for Lithoman	NSW
PP&E	630895	Plate Trolleys for Pre Press	NSW
PP&E	631048	Plumbing parts for RD System	NSW
PP&E	631083	Plumbing parts -Reverse Osmos	NSW
PP&E	631082	Plumbing parts -Reverse osmos	NSW
Leasehold improvements	631154	Plumbing services WFBP	NSW
PP&E	631277	Plumbing work Press E & F	NSW
PP&E	630963	PN5 Post Press 2	NSW
PP&E	630973	PN5 Post Press System P2	NSW
PP&E	631242	Pneumatic Air Grinder	NSW
PP&E	631271	PNS Graphic Equip	NSW
PP&E	631231	Portable scales for CMC	NSW
PP&E	630977	Power monitor equipment	NSW
PP&E	630967	Power monitoring Equip	NSW
Office Equipment	630964	Powerboard for PABX	NSW
PP&E	631018	PP6 New Mailing HP Cartridge	NSW
PP&E	631031	PP6 Project final payment	NSW
PP&E	631201	PQ9 Compressed Air System	NSW
PP&E	631172	Pre Press Gum pump	NSW
PP&E	630750	Pre press kit Printlink -PR 6	NSW
PP&E	631197	Pre Press WF Equipment PP7	NSW
PP&E	630953	Press 1 Back up Stacker	NSW
PP&E	630938	Press 1 Back up stacker- 2nd	NSW
PP&E	630936	Press 1 Backup stacker -Depos	NSW
PP&E	631297	Press 1A Platform - Plate Hwy	NSW
PP&E	630946	Press 2 Vesda System	NSW
PP&E	630958	Press 2 Vesda System	NSW
Office Equipment	630960	Press 3 5S Cabinet	NSW
PP&E	630892	Press 3 Mezzanine Hoist	NSW
PP&E	630709	PRESS 4 - LITHOMAN PRESS #1	NSW
PP&E	630776	Press 4 Dryer modification to	NSW
PP&E	630993	Press 5 & 6 Log Stacking	NSW

HANNANPRINT NSW PTY LIMITED TO OVATO LIMITED			
Asset class	Asset Number	Description	State
PP&E	631316	Press B Filtration- Capex H89	NSW
PP&E	631236	Press E & F Hoist-Capex H867	NSW
PP&E	631248	Press E & F Hoists	NSW
PP&E	631218	Press F - DPP over A4 Upgrade	NSW
Office Equipment	630952	Press hangers Board Access	NSW
PP&E	631185	Press Motor Cooling Capex H83	NSW
PP&E	630769	PRESS ONE. supply& fit stainl	NSW
PP&E	631076	Press Relocation Project PP8	NSW
PP&E	631077	Press Relocation Project PP8	NSW
PP&E	631078	Press Relocation Project PP8	NSW
PP&E	631123	Press relocation -Project PP8	NSW
PP&E	631152	Press Time stamp clock	NSW
PP&E	630933	Pressroom Chiller Project PN4	NSW
Office Equipment	630947	Pressroom office furniture	NSW
IT	630950	Prinergy Servers	NSW
IT	630758	Prinergy Workshop Client 5 Us	NSW
PP&E	630976	Printer mount to Sitma	NSW
IT	630783	Prism Software Estimating & A	NSW
IT	630853	Prism User Licences Capex H41	NSW
IT	630807	Prism User Licences X 10 Cape	NSW
IT	630854	Prism WIN User Licences	NSW
IT	630795	Prism Win User licences 10 Ca	NSW
PP&E	630710	PROJECT 71 CAP INSTALLATION C	NSW
PP&E	630718	PROJECT 71 CAP INSTALLATION C	NSW
PP&E	630711	PROJECT 71 CAPITALISED LABOUR	NSW
PP&E	630713	PROJECT 78 CAPITALISED LABOUR	NSW
PP&E	630720	PROJECT 78 CAPITALISED LABOUR	NSW
PP&E	630715	PROJECT 80 CAPITALISED LABOUR	NSW
PP&E	630722	PROJECT 80 CAPITALISED LABOUR	NSW
Leasehold improvements	631144	Project Corp -Concrete drivew	NSW
Leasehold improvements	631169	Project PQ1 Internal Services	NSW
Leasehold improvements	631225	Project PQ14 - Epoxy Non slip	NSW
PP&E	631200	Project PQ8 -Easy Clean unit	NSW
Office Equipment	630826	Projector - Dell 2300MP Inv	NSW
IT	630707	QUAD TECH WEB GUIDE CCD SCANN	NSW
IT	631034	Radio Communication W Farm	NSW
Leasehold improvements	631153	Rain Water project WF	NSW
Leasehold improvements	631147	Rainwater Harvest system	NSW
Leasehold improvements	631212	Rainwater Reticulation	NSW
Leasehold improvements	631213	Rainwater reticulation pro	NSW

HANNANPRINT NSW PTY LIMITED TO OVATO LIMITED			
Asset class	Asset Number	Description	State
Leasehold improvements	631228	Rapid Roll Door RL3000 CapH87	NSW
PP&E	631049	RD System Upgrade	NSW
IT	630788	Redmap Software - Document Ma	NSW
IT	630790	Redmap Software Doc Mgt- Cape	NSW
PP&E	631146	Reduce static in Baler	NSW
PP&E	630919	Reel Stripping Weigh Scales	NSW
PP&E	631259	Reelstand Area Air Cond	NSW
Leasehold improvements	631237	Relocate Red Strobes Capx H84	NSW
PP&E	630991	Relocate ZF Feeder	NSW
PP&E	630820	Replace Ink Pump used for ink	NSW
PP&E	630818	Replace Ink pumps used for in	NSW
IT	631092	Replace pre press MACS	NSW
IT	630844	Replication Software VM wares	NSW
PP&E	631189	Retrofit Glue Bar on Press F	NSW
PP&E	631094	Reverse Osmosis project -Part	NSW
PP&E	631051	Reverse Osmosis System Upgrad	NSW
PP&E	631026	RGSV screen for Rotoman	NSW
Leasehold improvements	631106	Roller Door for Plant Room	NSW
Leasehold improvements	631206	Roof Walkway bridges	NSW
PP&E	630994	Rotoman HMI Folder panel	NSW
Leasehold improvements	631265	Run Chill pipework to warehou	NSW
IT	630865	Russell Hobbs Kettle	NSW
IT	631252	Samsung GalaxyNote Edge 4G	NSW
IT	630898	Samsung LCD TVs	NSW
PP&E	630815	Satchel Tester - Australis En	NSW
PP&E	631315	Satellite Compressor room	NSW
PP&E	631229	Saw for Rewinder -Capex H879	NSW
PP&E	630998	Scale	NSW
PP&E	630980	Scale Unit 30KG	NSW
PP&E	631114	Scissor Lift from FH Property	NSW
PP&E	630797	Semi Auto Pallet Wrapper - Ha	NSW
IT	630872	Server licence Key for Kodak	NSW
IT	630934	Shredder Deskside mercury	NSW
Leasehold improvements	631178	Sign vinyl - Fire sign off wo	NSW
PP&E	630974	Simplex Time Stamp Clocks	NSW
PP&E	631281	Sitma 950E Inkjet upgrade	NSW
PP&E	631183	Sitma Machinery	NSW
PP&E	630784	Sitma Polywrapper Project PRH	NSW
PP&E	631306	Sitma relocate from OAP	NSW
PP&E	630902	Slitter Rewinder - Project PM	NSW



HANNANPRINT NSW PTY LIMITED TO OVATO LIMITED			
Asset class	Asset Number	Description	State
IT	630857	Small Assets Pool Dec 07	NSW
IT	630757	Small Assets Pool FY 2001	NSW
PP&E	630832	Smart Chock System for Paper	NSW
PP&E	631145	Soft proof Press E & F	NSW
IT	631108	Soft Proofing Press E & F	NSW
IT	630755	Software costing <\$1000 Pool	NSW
IT	630756	Software costing >\$1000 Pool	NSW
IT	631161	Software Phone in reception	NSW
IT	630801	Software Vector Output JTP fo	NSW
Leasehold improvements	631245	Sonic System V100 Wall	NSW
IT	630855	Sony LCD TV	NSW
IT	630978	Sony TV for lunchroom	NSW
Leasehold improvements	631211	SOundproofing on Presses	NSW
Office Equipment	630771	SP000 Blue bench 6000mm x 140	NSW
Office Equipment	630775	SP000 Magazine Display stand	NSW
PP&E	630930	Spill Response Wet Vac	NSW
PP&E	631227	Spring Clean reloc units	NSW
IT	630889	SQL Software Upgrade	NSW
PP&E	631130	Static reduction in Baler	NSW
Office Equipment	630745	Steel Filing Cabinet 3 Drawer	NSW
Office Equipment	630747	Steel Stationary Cupboards Ne	NSW
Office Equipment	631012	Storage Cabinet	NSW
Office Equipment	630951	Storage Drawers	NSW
PP&E	631032	Storage engineer parts	NSW
IT	631024	Storage Server WF	NSW
Office Equipment	630803	Storman Modular Drawer Cabine	NSW
PP&E	630846	Strapping machine Capex H408	NSW
PP&E	630848	Strapping unit for Avanti Sta	NSW
PP&E	630741	STRAPPING UNIT FOR AVANTI STA	NSW
IT	630862	Sunbeam Sandwich Press	NSW
IT	630864	Sunbeam Sandwich Press Cafe	NSW
Office Equipment	631158	Sunco 4 Burner BBQ	NSW
PP&E	630800	Supply & Install KBK System -	NSW
IT	631302	Surface Pro 4	NSW
IT	631269	Surface Pro	NSW
PP&E	631115	Sweeper	NSW
IT	630941	Symantec & MS Windows	NSW
PP&E	630765	TCS Engineering - 9 steel met	NSW
PP&E	630768	TCS Engineering - Label Palle	NSW
PP&E	630966	Techkon Spectrodensitometer	NSW

HANNANPRINT NSW PTY LIMITED TO OVATO LIMITED			
Asset class	Asset Number	Description	State
PP&E	631300	Techkon Spectrophotometer	NSW
IT	631168	Technique MIS Project PQ4	NSW
IT	630793	Terminals for Bindery - T5700	NSW
IT	630794	Terminals for Bindery - T5700	NSW
PP&E	630904	Thermal Imager	NSW
PP&E	630833	Thermo Ramsey Box Weigher AC4	NSW
IT	630819	Thin Clients device T5710 1.2	NSW
IT	630888	Thin Clients Terminals	NSW
IT	630859	Toaster Sunbeam	NSW
PP&E	631027	Tool Trolley for WF	NSW
IT	630921	Toshiba Thermal Printer	NSW
Leasehold improvements	631210	Town Water Booster project	NSW
PP&E	631187	Town Water booster pump H849	NSW
Vehicles	630778	Toyota Hilux Cab Chasis - YJS	NSW
PP&E	630764	TPS SOLA520 - 2250RA Power su	NSW
PP&E	631255	Trade waste - Albin pump	NSW
PP&E	631298	Trade Waste Sludge pump	NSW
PP&E	631208	Trade Waste upgrade	NSW
PP&E	631209	Trade Waste Upgrade	NSW
Leasehold improvements	631121	Traffic Management Plan WF	NSW
Leasehold improvements	631284	Traffic Mgt Plan - Waratah st	NSW
Leasehold improvements	631285	Traffic Mgt Plan -TLE Elect	NSW
PP&E	630871	Transpak Atlantis TP701	NSW
PP&E	631036	Transport Costs for Storage S	NSW
PP&E	631044	Trimmer bump turns for Litho	NSW
Leasehold improvements	631207	Truck Drivers toilet in despa	NSW
Office Equipment	631204	TV Entertainment unit -Client	NSW
Leasehold improvements	631164	TV for client lounge	NSW
IT	630961	Twins Pro Software	NSW
IT	630847	Twins Prof Ed - Data Tools Ca	NSW
Leasehold improvements	631303	UHF for Paper Store	NSW
PP&E	631223	Unidrum Static Tunnel	NSW
PP&E	631226	Unidrum Static Tunnel Cap H86	NSW
PP&E	631235	Unidrum ZF Station Anti Stat	NSW
PP&E	631250	Upgrade Chilled Water PQ15	NSW
PP&E	630972	Upgrade Mailing Equip	NSW
PP&E	631125	Upgrade Maintenance Equip PQ5	NSW
IT	630937	Upgrade MAN Network (Deposit)	NSW
IT	630968	Upgrade MAN Network system	NSW
IT	630887	Upgrade SSL Remote Access Dev	NSW

HANNANPRINT NSW PTY LIMITED TO OVATO LIMITED			
Asset class	Asset Number	Description	State
IT	630969	Upgrade VM Server & Switch	NSW
IT	631139	UPS Batteries for server room	NSW
IT	630956	UPS for Server Room	NSW
PP&E	631087	Vacuum System for Presses	NSW
PP&E	631093	Vacuum System on Presses	NSW
PP&E	630959	Vesda Control Alarm	NSW
PP&E	630990	Vesda System - WOrmald final	NSW
PP&E	630987	Vesda System P3 & P5	NSW
PP&E	630985	Vesda System P3 -5	NSW
IT	630907	Video Conference System	NSW
IT	631013	Virto Workflow - Avangate	NSW
PP&E	630843	Virtual Matchpoint Remote Sof	NSW
PP&E	631219	Virtualise Prinergy & Insite	NSW
IT	630914	Visio Professional Software	NSW
Office Equipment	630791	Visitor Chairs,Bookshelf & Fi	NSW
Leasehold improvements	631163	Vista Blinds - Front Office	NSW
IT	630935	VM Ware Server	NSW
PP&E	631091	Walkway & Handrail project	NSW
Leasehold improvements	631278	Waratah Steel -Traffic Mgt Pl	NSW
PP&E	630908	Waste Paper System Upgrade	NSW
PP&E	631287	Waste Paper Tipper bins	NSW
PP&E	631095	Water Hardening Capex	NSW
PP&E	631186	Web Break reduction Press D	NSW
PP&E	631202	Web up rollers PQ11	NSW
PP&E	630988	Weighing Scale	NSW
IT	630861	Westinghouse 120 Litre Fridge	NSW
IT	630863	Westinghouse 240 L fridge	NSW
IT	630942	Westinghouse Fridge & Sharp M	NSW
Office Equipment	630762	Westinghouse Fridge 420 It -	NSW
Leasehold improvements	631081	WF Ancillary Services Project	NSW
PP&E	631096	WF Bindery PP5 Project	NSW
Leasehold improvements	631170	WF Business Park WIP	NSW
Leasehold improvements	631080	WF Internal Services Project	NSW
IT	631019	Wi Fi Duress Alarm System	NSW
IT	631014	Wireless Scanning Terminal	NSW
Leasehold improvements	631132	Work Shop Area WFB Park	NSW
Office Equipment	630782	Workstation & Cabinet	NSW
PP&E	631000	Xerox 700 Dyeline Printer	NSW
PP&E	631246	Xijet Lexmark Inkjet printer	NSW
PP&E	630940	Xrite ICPlate - Plate recorde	NSW

HANNANPRINT NSW PTY LIMITED TO OVATO LIMITED			
Asset class	Asset Number	Description	State
IT	631282	Zebra Label Printer	NSW

HANNANPRINT VICTORIA PTY LIMITED TO OVATO LIMITED			
Asset class	Asset Number	Description	State
Office Equipment	638611	16ft x 8ff Transportable Bldg	NSW
PP&E	639073	207L Horizontal Drum Cabinet	NSW
PP&E	639197	Abby Lifting Jib	NSW
PP&E	639105	Avanti Log Stacker	NSW
PP&E	639049	AWE ACS 30Kg x2g Count Scale	VIC
PP&E	639039	AWE ACS Counting Scales	VIC
PP&E	639034	Bearing Heater	QLD
Office Equipment	638643	Boardroom Table - Jarrah	NSW
PP&E	639088	Cabling for IQ System M600	NSW
Office Equipment	638616	Chair & table	NSW
PP&E	639202	Colour Viewing Station	VIC
PP&E	639165	Counting Scale	VIC
PP&E	638865	Counting Scale Model FC5000	VIC
PP&E	639225	Donaldson Torrit Extractor	NSW
PP&E	638868	Electronic Scale	VIC
PP&E	639091	Elimate Hazard M600	NSW
PP&E	638983	Enware Fire proof cabinet	NSW
PP&E	638906	Extendaflex Conveyor	QLD
PP&E	638976	Extendaflex conveyor	QLD
PP&E	639166	Ferag Unidrum Stitcher	VIC
PP&E	639173	Ferag-Wrapper	VIC
PP&E	638980	Flammable Liquids cabinet	VIC
PP&E	639022	Flammable Storage Cabinet	VIC
PP&E	638953	Flex Conveyor skates	QLD
PP&E	639058	GTI Viewing Booth	VIC
PP&E	639210	HAFCO Lathe 115 Bore	WA
PP&E	638866	Handfed Surface Grinder	NSW
PP&E	639224	Headland Spare Parts Storage	QLD
PP&E	639220	Horizon APC Guillotine	NSW
PP&E	639070	Horizontal Drum Cabinet	NSW
PP&E	639226	Hydraulic Fitting Equipment	NSW
PP&E	639174	Inline Shrink Tunnel	NSW
PP&E	639194	Install AFGA Plate Line	VIC
PP&E	639248	Jobstrap 'N" Tandem Strapping	NSW
PP&E	639245	M600 CIRC Motor Upgrade	NSW
PP&E	639090	M600 Plough	NSW
PP&E	639244	M600 Roller	NSW
PP&E	638828	Millsom Hoist-Clamping Type	VIC
PP&E	639154	Mobile Waste Bins	VIC

HANNANPRINT VICTORIA PTY LIMITED TO OVATO LIMITED			
Asset class	Asset Number	Description	State
PP&E	638952	Muller Martini Avanti Stacker	NSW
PP&E	639278	Noise Cover Ferag	VIC
PP&E	638850	Packmatic Shrink Tunnel	VIC
Office Equipment	638615	Palift Table (4 Units)	NSW
Office Equipment	638661	Plasma TV - 42"	VIC
PP&E	639209	Precision Milling Machine	WA
PP&E	639083	Press M600 - Cost	NSW
Office Equipment	638625	Reburbish	NSW
PP&E	639205	Recmi Palletiser	VIC
PP&E	638956	Refurbished Log Stackers	NSW
PP&E	638955	Rima Stacker for S2000	NSW
PP&E	639243	S4-18 Liftaide Lifter	NSW
Office Equipment	638651	Samsung 317ltr Fridge/Freezer	NSW
PP&E	639241	Touch Screen - M600	NSW
PP&E	639192	TP702 Automatic Strapping	VIC
PP&E	639133	Transmig 350C Welder	NSW
PP&E	639089	Trimmer Move to M600	NSW
PP&E	639023	Turntable Palift	NSW
PP&E	639031	Turntable Palift	VIC
PP&E	638975	Turntable Palift x2	NSW
PP&E	639274	Upgrade Waste Extraction	QLD
Office Equipment	638652	Westinghouse fridge 370ltr	NSW
PP&E	639198	Wombat 30 KG Counting Scale	VIC
PP&E	639195	Zero Slip Nip Upgrade	NSW

INPRINT PTY LIMITED TO OVATO LIMITED			
Asset class	Asset Number	Description	State
IT	632423	DEVELOPER	QLD
PP&E	631529	"U" ELECTRIC LIFT TABLE	QLD
PP&E	632304	"U" ELECTRIC LIFT TABLE	QLD
PP&E	631857	former nose Komori	QLD
PP&E	631590	HOPPER TO SITMA WRAPPER	QLD
PP&E	632515	KNIVES & STITCHING HEADS	QLD
PP&E	632141	LIFT/JOGGER/TRANSOMAT	QLD
Office Equipment	631781	TRAFFIC LIGHT SYSTEM X 2	QLD
PP&E	632516	\OMNI DRIVE PREPRESS INTERFAC	QLD
PP&E	632176	1 DARA 20600 IBM	QLD
PP&E	632489	1 ELEC PALLET TRANSPORTER	QLD
PP&E	632058	1 ELECTRIC HI LIFT TRUCK	QLD
PP&E	632059	1 ELECTRIC HI LIFT TRUCK	QLD
PP&E	632187	1 LIFTER ELECTRIC PALLET MOVE	QLD
PP&E	632127	1 MIG, 1 OXY ACEYLENE KIT,	QLD
PP&E	631687	1 POWER HANDLING REEL MOVER	QLD
PP&E	631676	1 REEL SPINNER	QLD
IT	631734	1 X 3G IPAD (IT DEPARTMENT)	QLD
IT	631769	1 X DELL OPTIPLEX 3010 SF BAS	QLD
IT	632362	1 x DELL OPTIPLEX 9020 SF BAS	QLD
IT	631757	1 x DELL OPTIPLEX PC	QLD
Office Equipment	631753	1 X DELL POWEREDGE SERVER RAC	QLD
IT	631883	1 X DESKTOP DELL VOSTRO PC'S	QLD
IT	632399	1 X DESKTOP DELL VOSTRO PC'S	QLD
IT	632557	1 X D-LINK ROUTER SERVER ROOM	QLD
PP&E	631936	1 x EASLIFT DGB1CII540	QLD
PP&E	632190	1 X HPXW 5000	QLD
PP&E	632116	1 X IN LINE TRIMMER FOR G16	QLD
PP&E	632117	1 X IN LINE TRIMMER FOR G16	QLD
PP&E	632118	1 X IN LINE TRIMMER FOR G16	QLD
PP&E	632122	1 X IN LINE TRIMMER FOR G16	QLD
PP&E	632119	1 X SPECTRODENSITOMETER	QLD
IT	632737	1 x Telstra Repeater	QLD
IT	631804	1 X TOSHIBA SATELITE PRO L850	QLD
IT	631872	10 DELL VOSTRO DESKTOP PC'S	QLD
IT	632466	10 WINTEGRATE LICENSES	QLD
PP&E	632739	100 x Extra Pallets Inprint	QLD
PP&E	632063	102 CD - 5 COLOUR	QLD
PP&E	631774	12 x Cisco AP541N	QLD

**INPRINT PTY LIMITED TO OVATO LIMITED**

<b>Asset class</b>	<b>Asset Number</b>	<b>Description</b>	<b>State</b>
PP&E	631703	137ED GUILLOTINE INSTALLATION	QLD
Office Equipment	632716	14 X Dyson Hand Dryers	QLD
Leasehold improvements	632787	150Watt LED Lighting -	QLD
IT	632631	151FS COLOUR MONITORS	QLD
IT	632553	16 ANALOGUE CARDS	QLD
Office Equipment	632606	16 SUSSEX CHAIRS	QLD
Leasehold improvements	632215	1993 IMPROVMENTS	QLD
PP&E	632013	1995 POLAR RAB5 JOGGING TABLE	QLD
PP&E	632014	1996 POLAR 137ED-AT GUILLOTIN	QLD
IT	632632	2 16mb EDO simm MEMORY KITS	QLD
IT	632684	2 24 PORT 10/100 SWITCHES	QLD
IT	632638	2 COMPAQ 2.1Gb	QLD
Office Equipment	632605	2 COMPUTER CHAIRS	QLD
PP&E	632056	2 E26 BANKS OF LOCKERS	QLD
PP&E	632476	2 ELEVATING STILLAGE LIFTERS	QLD
IT	632175	2 FUJITSU 8.4GB 5400RPM HDD	QLD
IT	632710	2 OMEGA COMPUTERS P4 2.8ghz	QLD
PP&E	632181	2 PAFRA GUNS	QLD
PP&E	632477	2 PATRIOT RECORDERS	QLD
PP&E	632532	2 PHOTO EYE SWITCHES	QLD
Office Equipment	632185	2 PLANNING CABINETS	QLD
IT	632491	2 PORT USB PCI ADAPTOR	QLD
PP&E	632050	2 REVERSE SCORE UNITS	QLD
Office Equipment	632665	2 SINKS	QLD
PP&E	632480	2 STILLAGE LIFTERS	QLD
Office Equipment	632497	2 TABLES FOR WEB ROOM	QLD
IT	632450	2 X ADOBE INDESIGN	QLD
PP&E	632089	2 X 75 KW COMPRESSORS	QLD
PP&E	632096	2 X 75 KW COMPRESSORS	QLD
IT	631679	2 x BASE STATIONS	QLD
PP&E	632102	2 X BATTERY PALLET TRUCKS	QLD
PP&E	631672	2 x BLANKET CLEANING HEADS	QLD
PP&E	632076	2 X CHAMPION COMPRESSORS	QLD
IT	631638	2 X COMMERCIAL PLASMA SCREENS	QLD
PP&E	632077	2 X COMPRESSORS	QLD
PP&E	631945	2 X CROWN PALLET JACKS	QLD
PP&E	631553	2 X DATAMAX LABEL PRINTERS	QLD
IT	631696	2 x DELL COMPUTERS	QLD
IT	631695	2 x DELL COMPUTERS/SCREENS 1	QLD
IT	632388	2 X DELL OPTILEX	QLD



**INPRINT PTY LIMITED TO OVATO LIMITED**

<b>Asset class</b>	<b>Asset Number</b>	<b>Description</b>	<b>State</b>
PP&E	631752	2 X DELL POWERCONNECT SWITCHES	QLD
Office Equipment	632609	2 X DESK & 2 X CHAIRS	QLD
PP&E	631897	2 X DROBO STORAGE DISK UNITS	QLD
PP&E	631535	2 X DURAGAL WASTE BINS	QLD
IT	631682	2 x FRIDGES	QLD
IT	631895	2 X IMAC 27", 2 X 8GB RAM	QLD
IT	631670	2 x LAPTOPS	QLD
PP&E	631541	2 X MULLER STREAM FEEDERS	QLD
IT	631815	2 X PC's	QLD
IT	632543	2 X SONY TAPE DRIVES	QLD
PP&E	631887	2 X STITCHING MACHINE PUMPS	QLD
PP&E	632128	2 X TRI-CREASERS	QLD
PP&E	631738	2 X WS30030K	QLD
Vehicles	631989	2009 FALCON XR6 SEDAN	QLD
Office Equipment	631868	200KW WATER CHILLER	QLD
IT	632542	24 PORT ETHERNET SWITCH	QLD
PP&E	632367	2500 END BOARDS	QLD
IT	632352	27" IMAC FOR JETSET	QLD
IT	632353	27" IMAC FOR JETSET	QLD
IT	631843	3 Dell Pcs 2 LCD Monitors	QLD
Office Equipment	632072	3 ISOLATORS FOR 3 MACHINES	QLD
Office Equipment	632624	3 OFFICE CHAIRS - FINANCE	QLD
Office Equipment	632161	3 POLYCOM SOUND STATIONS	QLD
IT	632280	3 POWER MACINTOSHES 8500/150	QLD
PP&E	631699	3 X 40 FT SHIPPING CONTAINERS	QLD
PP&E	631700	3 X 40 FT SHIPPING CONTAINERS	QLD
IT	632192	3 X ACROBAT PROFESSIONAL V6	QLD
IT	632193	3 X ACROBAT PROFESSIONAL V6	QLD
IT	631879	3 X BLACKBERRY MOBILE PHONES	QLD
Office Equipment	631710	3 X BOOKSHELVES	QLD
PP&E	631943	3 X CROWN PALLET JACKS	QLD
Office Equipment	632743	3 x Custom made benches	QLD
IT	631805	3 X DATALOGIC QUICKSCAN MOBIL	QLD
IT	632249	3 X DELL DESKTOP PC'S	QLD
IT	631878	3 X DELL NOTEBOOKS	QLD
IT	632742	3 x Dell Optiplex PC's	QLD
IT	631828	3 x Dell S2300L 23" LED	QLD
IT	632364	3 x IPHONE 5S	QLD
PP&E	632003	3M 800 ASB Case Sealer	QLD
Office Equipment	632412	4 DRAWER BLACK FILING CABINET	QLD

**INPRINT PTY LIMITED TO OVATO LIMITED**

<b>Asset class</b>	<b>Asset Number</b>	<b>Description</b>	<b>State</b>
Office Equipment	631550	4 DRUM OUTDOOR STORAGE CABINE	QLD
IT	632702	4 MEG RAM ADDS 386 PC	QLD
PP&E	632049	4 SMALL SIZE KITS	QLD
Office Equipment	632167	4 X D LINK NETWORK SWITCHES	QLD
IT	631759	4 X DELL OPTIPLEX PC'S	QLD
IT	631762	4 X DELL ST2320L MONITORS	QLD
PP&E	632726	4 x Manual Pallet Trucks	QLD
PP&E	631742	4 XDL24-00 ULTRASONIC	QLD
PP&E	632647	5 SETS OF CONNECTING ROLLERS	QLD
IT	632443	5 USER LICENSES - PITSTOP	QLD
IT	632444	5 USER LICENSES - PITSTOP	QLD
IT	631982	5 X DESKTOP DELL VOSTRO PC'S	QLD
IT	631985	5 X DESKTOP DELL VOSTRO PC'S	QLD
IT	632397	5 X DESKTOP DELL VOSTRO PC'S	QLD
IT	632398	5 X DESKTOP DELL VOSTRO PC'S	QLD
Office Equipment	632407	5*4 DRAWER FILING CABINETS	QLD
PP&E	632728	50 x Pallets Inprint	QLD
Office Equipment	632601	6 KIRI OFFICE CHAIRS	QLD
PP&E	632729	6 x Drop Bottom Cages	QLD
IT	632741	6 x iphones 6	QLD
IT	631556	6 X PORT HP PROCURVE SWITCHES	QLD
PP&E	632296	7 X 80LTR OILY WASTE CANS	QLD
PP&E	632727	75 x Pallets for Inpack	QLD
Office Equipment	632198	8 LEATHER CHAIRS FOR BOARDROO	QLD
PP&E	632094	8 STATION PRIMA STITCHER	QLD
PP&E	632322	9 X ADDITIONAL TURNTABLES	QLD
PP&E	632326	A8IR COMPRESSOR - KOMORI PRES	QLD
PP&E	632503	ABC TIME	QLD
PP&E	632722	Access Ladder lockable gate	QLD
Office Equipment	631604	ACOUSTIC ENCLOSURE	QLD
IT	632548	ADDITIONAL HANDSETS	QLD
Office Equipment	632409	ADDITIONAL PALLET RACKING	QLD
PP&E	631693	ADDITONAL GLUE UNIT	QLD
PP&E	632365	ADHESIVE GLUE APPLIC'N SYSTEM	QLD
PP&E	632366	ADHESIVE GLUE APPLIC'N SYSTEM	QLD
IT	631909	ADMINISTRATION HARDWARE	QLD
IT	632172	ADMINISTRATION PC	QLD
IT	631915	ADMINISTRATION SOFTWARE	QLD
IT	631910	ADMINISTRATION HARDWARE	QLD
IT	631527	ADOBE ACROBAT 8	QLD

INPRINT PTY LIMITED TO OVATO LIMITED			
Asset class	Asset Number	Description	State
IT	632440	ADOBE ACROBAT SITE LICENSE	QLD
IT	632461	ADOBE AND MS SOFTWARE UPGRADE	QLD
IT	632463	ADOBE CREATIVE SUITE	QLD
IT	632419	ADOBE CREATIVE SUITE SOFTWARE	QLD
IT	631739	ADOBE CS6 UPGRADE	QLD
IT	631984	ADOBE DESIGN SOFTWARE UPGRADE	QLD
IT	632441	ADOBE ILLUSTRATOR SITE LICENS	QLD
IT	632445	ADOBE PAGEMAKER 7 FOR WINDOWS	QLD
IT	632439	ADOBE PHOTOSHOP SITE LICENSE	QLD
IT	632317	ADOBE PREMIUM WINDOWS UPGRADE	QLD
IT	631526	ADOBE SOFTWARE	QLD
IT	632426	ADOBE SOFTWARE	QLD
IT	632457	ADOBE,	QLD
PP&E	632483	AFTERBURNER INSTALLATION	QLD
PP&E	632484	AFTERBURNER INSTALLATION	QLD
PP&E	632485	AFTERBURNER INSTALLATION	QLD
PP&E	632479	AFTERBURNER MISC COSTS	QLD
PP&E	632680	AIM DAMPNER ROLLER WASH	QLD
PP&E	632090	AIR COMPRESSOR	QLD
PP&E	632272	AIR COMPRESSOR	QLD
Office Equipment	631745	AIR CONDITIONING UNIT	QLD
PP&E	632130	AIR FLOW MONITOR	QLD
Office Equipment	631540	AIR PIPE SYSTEM	QLD
PP&E	632310	AIR STEP ANTI FATIGUE MATS	QLD
Office Equipment	631921	AIRCON HEAT EXTRACTION	QLD
Office Equipment	631922	AIRCON HEAT EXTRACTION	QLD
Office Equipment	631923	AIRCON HEAT EXTRACTION	QLD
PP&E	632079	AIRCON INSTALL PLATFORM	QLD
Office Equipment	631630	AIR-CONDITIONING UNIT	QLD
Office Equipment	632125	AIRLINE FOR CtP INSTALLATION	QLD
IT	632701	AKAI TV & VIDEO (TRAINING)	QLD
PP&E	632001	Akebond DB-300	QLD
Office Equipment	632225	ALARM SYSTEM	QLD
IT	631655	ALLEN CLARK TOSHIBA LAPTOP	QLD
PP&E	632525	ALUMINIUM STEPS	QLD
PP&E	631991	AMPLIFIER AND MICROPHONE	QLD
IT	631683	AMPRO	QLD
IT	631775	APC Backup UPS 500VA	QLD
Office Equipment	632337	APC UPS 1500 RACK MOUNT	QLD
PP&E	631765	APC UPS BATTERY	QLD

INPRINT PTY LIMITED TO OVATO LIMITED			
Asset class	Asset Number	Description	State
IT	631755	APPLE 27" IMAC	QLD
IT	632343	APPLE 32GB 3GS IPHONE	QLD
IT	632231	APPLE 850 20" SCREEN	QLD
IT	631770	APPLE IPHONE 5	QLD
IT	632780	Apple iPhone 5S 16GB Grey	QLD
IT	632329	ASSET MANAGEMENT	QLD
PP&E	631999	Atlantis High Speed	QLD
PP&E	631975	ATLANTIS TP-701	QLD
PP&E	631976	ATLANTIS TP-701	QLD
PP&E	631586	AUTO BLANKET REWINDER	QLD
PP&E	631673	AUTO BOND RELOCATION COSTS	QLD
PP&E	632134	AUTO COUNTER - G14	QLD
PP&E	632471	AUTO SHREDDER-FIN	QLD
PP&E	632126	AUTO STRAPPING MACHINES	QLD
PP&E	631674	AUTOBOND	QLD
PP&E	631675	AUTOBOND	QLD
PP&E	631633	AUTOMATED SHRINK WRAPPER	QLD
PP&E	631854	Automatic Bolt Cutters	QLD
PP&E	632064	AUTOMATIC SHRINKWRAP UNIT	QLD
Office Equipment	631966	BAC ELECTRICIAN WORKBENCH	QLD
Office Equipment	631960	BAC HIGH DENSITY STORAGE UNIT	QLD
Office Equipment	631965	BAC HIGH DENSITY STORAGE UNIT	QLD
Office Equipment	631513	BAC STORAGE SYSTEM	QLD
Office Equipment	631875	BAC STORAGE SYSTEM	QLD
IT	632536	BACKUP EXEC	QLD
IT	632431	BACKUP EXEC SOFTWARE V7	QLD
PP&E	631507	BALDWIN PLATE SEPARATOR	QLD
PP&E	631508	BALDWIN PLATE SEPARATOR	QLD
PP&E	631509	BALDWIN PLATE SEPARATOR	QLD
PP&E	632754	Balluff Vision Sensor	QLD
IT	632630	BANKSIA 33,600 MODEM	QLD
PP&E	632179	BAR CODE SCANNER	QLD
IT	631802	BARCODE CREATOR & CS6 STUDIO	QLD
IT	631729	BARRACUDA	QLD
IT	632018	BARRACUDA ANTI SPAM AND VIRUS	QLD
IT	631728	BARRACUDA WEB FILTER 310	QLD
PP&E	631632	BASE STATION	QLD
PP&E	632052	BAUM MULTIHEAD	QLD
PP&E	631967	BEARING TOOL FOR MAINT W'SHOP	QLD
Office Equipment	632204	BELMONT CHAIRS WITH ARMS - CE	QLD

**INPRINT PTY LIMITED TO OVATO LIMITED**

<b>Asset class</b>	<b>Asset Number</b>	<b>Description</b>	<b>State</b>
PP&E	631812	BINDERY DATAMAX LABEL PRINTER	QLD
PP&E	631865	BINDERY SCALES	QLD
PP&E	632699	BINS	QLD
IT	632017	BLACKBERRY SOFTWARE FOR SERVE	QLD
Office Equipment	632608	BLINDS	QLD
Office Equipment	632402	BLINDS FOR OFFICES	QLD
Office Equipment	632597	BLINDS FOR OFFICES	QLD
Office Equipment	632206	BLINDS FOR SALES MEETING ROOM	QLD
IT	632703	BOARDROOM FRIDGE	QLD
IT	632719	iPhone	QLD
Office Equipment	632591	BOOKCASE	QLD
Office Equipment	632406	BOOKCASE + CHAIRS	QLD
PP&E	632146	BREHMER FOLDER 158	QLD
PP&E	632144	BREHMER STITCHER 1"	QLD
PP&E	631888	BT730 LABELLING SYSTEM	QLD
Leasehold improvements	632668	BUILDING	QLD
Leasehold improvements	631517	BUILDING RENOVATIONS	QLD
Leasehold improvements	631518	BUILDING RENOVATIONS	QLD
PP&E	631871	BULK INK TANK SYSTEM	QLD
PP&E	632022	BUNZEL QPM - TAPING MACHINES	QLD
Office Equipment	632621	BURWOOD DESK	QLD
PP&E	632799	Busch Merlin Pump	QLD
PP&E	632369	BUSCH PILE TURNER	QLD
PP&E	632006	Busch Pile Turner	QLD
PP&E	631588	BUSCH SPEEDMASTER PILE TURNER	QLD
IT	631898	CAD SOFTWARE	QLD
IT	631899	CAD SOFTWARE	QLD
IT	632561	CADCAM PLAN CABINETS	QLD
PP&E	632140	CAMERA	QLD
Office Equipment	631534	CAMERA SECURITY SYSTEM	QLD
PP&E	632781	Camera System & TV	QLD
IT	632705	CANON GP215 PHOTOCOPIER	QLD
IT	632403	CANON IR3300 - PRINTER	QLD
IT	632704	CANON L600 FAX reception	QLD
Office Equipment	631987	CARPET	QLD
Office Equipment	631665	CARPET AND VINYL	QLD
Office Equipment	632248	CARPET FOR ADMIN AREA	QLD
Office Equipment	632627	CARPET FOR FINANCE AREA	QLD
Office Equipment	632213	CARPET FOR SALES/PRODUCTION	QLD
Office Equipment	632214	CARPET FOR SALES/PRODUCTION	QLD

INPRINT PTY LIMITED TO OVATO LIMITED			
Asset class	Asset Number	Description	State
Office Equipment	632428	CARPET FOR STAIRS	QLD
Office Equipment	632245	CARPET SALES OFFICE	QLD
PP&E	632564	CARTON STRIPPING GUN	QLD
PP&E	631891	CARTON TAPING MACHINE	QLD
PP&E	632720	CD102 - 5 colour Press	QLD
PP&E	631544	CELLO GLAZER 2ND HAND	QLD
PP&E	632488	CELSIS 6250	QLD
Office Equipment	632201	OFFICE -	QLD
Office Equipment	632200	OFFICE - RENMARK CHAIR	QLD
Office Equipment	632572	CHAIR	QLD
Office Equipment	632573	CHAIR	QLD
Office Equipment	632578	CHAIR	QLD
Office Equipment	632582	CHAIR	QLD
Office Equipment	632585	CHAIR	QLD
Office Equipment	632574	CHAIRS (4)	QLD
Office Equipment	632587	CHAIRS (4)	QLD
PP&E	632037	CHALLENGE DRILLING MACHINE	QLD
PP&E	632147	CHALLENGE ROUND CORNRING M/C	QLD
IT	632421	CHATTERBOX	QLD
PP&E	632567	CHECK COUNTING SCALE	QLD
PP&E	632188	CHEP PALLETS	QLD
PP&E	632101	CHILLED WATER PUMP	QLD
PP&E	631971	CHILLED WATER TO FAN UNITS	QLD
PP&E	631972	CHILLED WATER TO FAN UNITS	QLD
PP&E	631973	CHILLED WATER TO FAN UNITS	QLD
PP&E	631974	CHILLED WATER TO FAN UNITS	QLD
IT	631511	CHRIS PAYROLL	QLD
PP&E	632159	CISCO 827 ROUTER	QLD
IT	631713	CISCO ASA VPN	QLD
PP&E	631768	CISCO WIRELESS ACCESS POINT	QLD
PP&E	631662	CLOTH REWINDER FOR M600	QLD
IT	631585	COFFEE MACHINE	QLD
Office Equipment	631760	COLBY DRIVE IN PALLET RACKING	QLD
Office Equipment	631637	COLBY PALLET RACKING	QLD
IT	632454	COLOUR MATCHING SOFTWARE	QLD
Leasehold improvements	631515	COLOURBOND ROLLER DOOR	QLD
IT	632698	COMMANDER TELEPHONES	QLD
Office Equipment	632586	COMMUNICATIONS CABINET	QLD
Office Equipment	631853	Compactors	QLD
IT	632629	COMPAQ 140 COLOUR MONITOR	QLD

**INPRINT PTY LIMITED TO OVATO LIMITED**

<b>Asset class</b>	<b>Asset Number</b>	<b>Description</b>	<b>State</b>
IT	632544	COMPAQ CELERON PC'S & MONITOR	QLD
IT	632633	COMPAQ CONVENIANCE	QLD
PP&E	632539	COMPAQ ML530R RACK	QLD
IT	632538	COMPAQ ML530R RACK MT SERVER	QLD
IT	632628	COMPAQ PCI	QLD
PP&E	631516	COMPRESSOR FOR A/C UNIT	QLD
PP&E	632674	COMPRESSOR SHED & ERECTION	QLD
Office Equipment	632325	COMPUTER CABINET	QLD
IT	632671	COMPUTER CABLES	QLD
Leasehold improvements	632219	COMPUTER CABLING	QLD
Leasehold improvements	632220	COMPUTER CABLING	QLD
Leasehold improvements	632221	COMPUTER CABLING	QLD
Leasehold improvements	632222	COMPUTER CABLING	QLD
Office Equipment	632246	COMPUTER CABLING (6 PORTS)	QLD
Office Equipment	632208	COMPUTER DESK & CHAIR	QLD
PP&E	631593	COMPUTER FOR SPECTROPHOTOMETE	QLD
PP&E	631594	COMPUTER FOR SPECTROPHOTOMETE	QLD
IT	632328	COMPUTER SERVER H'WARE	QLD
IT	632288	COMPUTER SOFTWARE	QLD
IT	632345	COMPUTER SOFTWARE	QLD
IT	632279	COMPUTER UPGRADE	QLD
IT	631902	COMPUTER UPGRADES	QLD
IT	632378	COMPUTER UPGRADES	QLD
IT	632379	COMPUTER UPGRADES x 3	QLD
Office Equipment	632401	COMPUTER WORKSTATION	QLD
Leasehold improvements	632760	Concrete Car Stops	QLD
PP&E	632054	CONDENSOR FOR AIR CONDITIONER	QLD
PP&E	632478	CONSULTANCY RE AFTERBURNER	QLD
PP&E	632481	CONSULTANCY RE AFTERBURNER	QLD
PP&E	631631	CONTAINER RAMP 8 TONNE	QLD
PP&E	632099	CONTROL SYSTEM	QLD
PP&E	632517	CONTROLLER & TRANSFORMER	QLD
PP&E	631663	CONVERSION KIT	QLD
PP&E	632232	CONVEYOR FOR UV M/C	QLD
PP&E	631799	CONVEYOR STEPOVER AND RAIL	QLD
IT	632551	COPY/SCAN/FAX MACHINE	QLD
IT	632552	COPY/SCAN/FAX MACHINE	QLD
IT	632060	CORDLESS TEL SYSTEM	QLD
IT	632453	COREL DRAW, SUITCASE	QLD
PP&E	632138	COUNTERS WITH BUZZERS FOR G14	QLD

INPRINT PTY LIMITED TO OVATO LIMITED			
Asset class	Asset Number	Description	State
PP&E	632123	COUNTERS WITH BUZZERS FOR G16	QLD
PP&E	632775	Crease Bender & Stiffness Tes	QLD
PP&E	632473	CROSBY FILM PROCESSOR	QLD
PP&E	632672	CROWN WALK BEHIND LIFTER	QLD
PP&E	631639	CRS8 CONTAINER RAMP	QLD
IT	632313	CS3 & QUARK SOFTWARE UPGRADE	QLD
IT	631900	CS5 MAC UPGRADE	QLD
IT	631920	CTP RENDER STATION UPGRADES	QLD
Office Equipment	632276	CUPBOARD	QLD
Office Equipment	632659	CUPBOARDS	QLD
Office Equipment	631829	CUTTING FORME SHELVES	QLD
PP&E	632008	Cyclop CHT 300 Friction Welde	QLD
Office Equipment	632618	DARWIN COMPUTER CORNER UNIT	QLD
PP&E	631660	DATA LOGGING EQUIPMENT	QLD
IT	631708	DATAMAX LABEL PRINTER	QLD
IT	632789	Datamax Printer	QLD
PP&E	631771	DATQAMAX LABEL PRINTER	QLD
IT	631849	iphone	QLD
PP&E	631784	DEFIBRILATOR	QLD
PP&E	631825	DELIVERY BOARDS-102 5C1r	QLD
IT	631756	DELL 16 PORT KVM FOR SERVER	QLD
IT	631698	DELL 42U SERVER RACK ENCLOSUR	QLD
IT	631697	DELL 42U SERVER RACK ENCLOSUR	QLD
IT	632711	DELL COMP	QLD
IT	631689	DELL COMPUTER AND BLACKBERRY	QLD
IT	632336	DELL DESKTOP	QLD
IT	632191	DELL DEXKTOP	QLD
IT	631956	DELL DIMENSION 1100 - ADMIN	QLD
PP&E	632292	DELL DIMENSION 1100 PC	QLD
IT	631528	DELL DIMENSION PC	QLD
IT	632523	DELL DIMENSION PC - PREPRESS	QLD
IT	632392	DELL INSPIRON	QLD
IT	632777	Dell Latitude E7450 Laptop	QLD
IT	632779	Dell Latitude E7450 Laptop	QLD
IT	632794	Dell Latitude E7470 Laptop	QLD
IT	632778	Dell Latitude E7470 Laptop	QLD
IT	632370	DELL NOTEBOOK	QLD
IT	632425	DELL NOTEBOOK	QLD
IT	631840	Dell Optiplex	QLD
IT	632782	Dell Optiplex 9020 PC's	QLD



INPRINT PTY LIMITED TO OVATO LIMITED			
Asset class	Asset Number	Description	State
IT	631807	DELL OPTIPLEX 9020 SF BASE	QLD
IT	631809	DELL OPTIPLEX 9020 SF BASE	QLD
IT	632390	DELL PC SYSTEM - MANUFACTURIN	QLD
IT	631977	DELL POWER EDGE 850	QLD
IT	632160	DELL POWEREDGE SERVER	QLD
IT	631818	DELL S2340L 23" LED MONITORS	QLD
PP&E	632103	DEMAG CRANE SYSTEM	QLD
PP&E	631656	DENEX LASER COPY COUNTER-G16	QLD
PP&E	631647	DENEX LASER COPY SENSOR-G16	QLD
PP&E	632298	DENSITOMETER MODEL DR842	QLD
Leasehold improvements	632649	DESIGN COSTS	QLD
Office Equipment	632278	DESK	QLD
Office Equipment	632571	DESK	QLD
Office Equipment	632579	DESK	QLD
Office Equipment	632202	DESK AND CHAIRS - WEB OFFICE	QLD
IT	631709	DESK DIVIDERS X 3	QLD
Office Equipment	631733	DESK FOR MELBOURNE OFFICE	QLD
Office Equipment	632598	DESK, DRAWER, RETURN	QLD
Office Equipment	631545	DESKTOP TABBING UNIT	QLD
Office Equipment	631546	DESKTOP TABBING UNIT	QLD
Office Equipment	632583	DESPATCH OFFICE FURNITURE	QLD
PP&E	631548	DE-SPOOLING KITS	QLD
Vehicles	631727	DESPTACH UTE (186IYR)	QLD
PP&E	632038	DETROIT 320 KVA GENERATOR	QLD
Office Equipment	631704	DEXION KEYLOCK PALLET RACKING	QLD
Office Equipment	632643	DEXION KEYLOCK PALLET RACKING	QLD
Office Equipment	632273	DEXION KEYLOCK RACKING	QLD
PP&E	632735	Dexion Longspan Shelving	QLD
Office Equipment	631963	DEXION MESH DECKING	QLD
Office Equipment	631979	DEXION PALLET RACKING	QLD
Office Equipment	631786	DEXION RACKING	QLD
Office Equipment	631705	DEXION RACKING	QLD
Office Equipment	631501	DEXION RACKING	QLD
Office Equipment	631726	DEXION RACKING	QLD
Office Equipment	631514	DEXION RACKING	QLD
Office Equipment	631549	DEXION RACKING	QLD
Office Equipment	631570	DEXION RACKING - DESPATCH ARE	QLD
PP&E	632186	DEXION RACKING SUPPLY AND LOC	QLD
PP&E	632676	DFC SHRINKWRAPPER	QLD
PP&E	631903	DIECUTTER BOBST	QLD

INPRINT PTY LIMITED TO OVATO LIMITED			
Asset class	Asset Number	Description	State
PP&E	631908	DIECUTTER BOBST	QLD
PP&E	631905	DIECUTTER BOBST	QLD
PP&E	631904	DIECUTTER BOBST	QLD
PP&E	631907	DIECUTTER BOBST	QLD
PP&E	631906	DIECUTTER BOBST	QLD
PP&E	632495	DIGITAL COUNTING SCALES	QLD
PP&E	632496	DIGITAL COUNTING SCALES	QLD
IT	632634	DIGIVOICE CARD	QLD
Office Equipment	632411	DIPLOMAT CREDENZA & BOOKSHELF	QLD
Office Equipment	632623	DISHLEX DISHWASHER	QLD
IT	631758	DISHWASHER	QLD
PP&E	631780	DISK TRAY AT OAP	QLD
Office Equipment	632589	DISPLAY UNIT	QLD
Office Equipment	632226	DOOR & INSTALLATION	QLD
Office Equipment	632106	DOORS TO G16 CONTROL ROOM	QLD
Office Equipment	631880	DOUBLE SWING VIEW DOOR	QLD
Office Equipment	632615	DRAFTING AND TASK CHAIRS	QLD
IT	631524	DRINKING FOUNTAINS	QLD
IT	632788	DROBO Backup Filing System	QLD
PP&E	632055	DRUM TROLLEY	QLD
PP&E	631551	DUPLO BOOKLET MAKING SYSTEM	QLD
IT	632691	DUPLO COLLATOR DC-110	QLD
PP&E	631995	Durselen Corta 6 head Drill	QLD
PP&E	631795	Dust Extraction System	QLD
IT	632713	DVD Recorder	QLD
PP&E	632685	ECONOBOIL BOILING WATER UNIT	QLD
PP&E	631890	ELECTRIC LIFT PALLET JACK	QLD
PP&E	631894	ELECTRIC LIFT TABLE (OH&S)	QLD
PP&E	632380	ELECTRIC PALLET JACK	QLD
PP&E	631866	ELECTRIC PALLET MOVER	QLD
PP&E	631951	ELECTRIC PALLET MOVER	QLD
PP&E	631952	ELECTRIC PALLET MOVER	QLD
PP&E	631785	ELECTRIC STRADDLE TRUCK	QLD
PP&E	631558	ELECTRIC WALKIE PALLET STACKE	QLD
PP&E	632012	Electrical Data Logger	QLD
Office Equipment	632662	ELECTRICAL HAND DRYERS	QLD
Leasehold improvements	632217	ELECTRICAL WIRING	QLD
Office Equipment	631782	Electrical work for Technique	QLD
Office Equipment	631790	Electrical work for Technique	QLD
Office Equipment	631811	Electrical work for Technique	QLD

INPRINT PTY LIMITED TO OVATO LIMITED			
Asset class	Asset Number	Description	State
IT	632039	ELECTRONIC WHITEBOARD	QLD
IT	632235	EMAC 1GHZZ COMBO +512 RAM	QLD
PP&E	632504	END BOARDS FOR WEB PRINT	QLD
IT	631634	ENHANCED WORKFLOW SERVER	QLD
IT	631635	ENHANCED WORKFLOW SERVER	QLD
IT	632236	EPSON 4870 A4 PHOTO SCANNER	QLD
PP&E	632156	EPSON PERFECTION SCANNER	QLD
PP&E	632301	EPSON PROOFERS	QLD
IT	631523	EPSON PROOFERS (X 2) 9800	QLD
PP&E	631645	EPSON7900 GMG PRINT CONTROL	QLD
PP&E	632533	EQUIPMENT RELOCATION COSTS	QLD
IT	632540	eSERVER - HARDWARE	QLD
IT	631572	EXCHANGE SERVER	QLD
Office Equipment	632577	EXEC CHAIR	QLD
PP&E	632474	EXHAUST HOOD & FAN	QLD
Office Equipment	632666	EXHAUST SYSTEM	QLD
Office Equipment	632570	EXP 50 TASK OFFICE CHAIR	QLD
Office Equipment	632617	EXP50 TASK CHAIRS (X 8)	QLD
PP&E	632233	EXPOSURE UNITS	QLD
IT	632689	EXTERNAL B/UP	QLD
PP&E	631864	EXTERNAL VACCUUM PUMP	QLD
PP&E	632048	FABRICATE PLATFORM	QLD
IT	631668	FABRICATE RAISED FOOTBOARD	QLD
PP&E	632124	FAN CIRCUITS/SWITCHES G16	QLD
PP&E	631751	FERAG EASY STRAPPER ES-35	QLD
Office Equipment	631567	FIBRE OPTIC CABLE	QLD
Office Equipment	632575	FILING CABINET	QLD
Office Equipment	632413	FILING CABINETS & CHAIRS	QLD
Office Equipment	632642	FILING CABINETS AND CHAIRS	QLD
Leasehold improvements	632648	FINANCE DEPT RENOVATIONS	QLD
IT	631850	Iphone	QLD
Office Equipment	632224	FIRE EXT & SIGNS	QLD
Office Equipment	631521	FIRE PROOF CABINET	QLD
Office Equipment	632075	FIRE PROOF CABINET - EX DUBBO	QLD
Office Equipment	632053	FIRE SAFETY CABINET - WEB	QLD
Office Equipment	631835	Firedoor & Lock Web	QLD
PP&E	632664	FIRST AID KITS	QLD
Office Equipment	631569	FLAMMABLE LIQUID	QLD
PP&E	632104	FLAMMABLE LIQUID CABINET	QLD
PP&E	632105	FLAMMABLE LIQUID CABINET -G16	QLD

INPRINT PTY LIMITED TO OVATO LIMITED			
Asset class	Asset Number	Description	State
PP&E	631810	FLASHING BEACON LIGHT	QLD
PP&E	631777	FLOCLEAR FILTRATION SYSTEM	QLD
Leasehold improvements	632651	FLOOR REPAIRS	QLD
Office Equipment	632211	FLOOR RUG - RECEPTION	QLD
PP&E	632154	FOLDER T78 (SANWA)	QLD
PP&E	632152	FOLDING MACHINE T52/4/4/R-TRE	QLD
PP&E	631648	FOLDING PLATFORM LADDERS (x2)	QLD
IT	632448	FONT FOLIO 9.0 MLP LICENSE	QLD
Vehicles	631543	FORKLIFT ATTACHMENT	QLD
Vehicles	631842	Forklift Extension Slippers	QLD
Vehicles	632530	FORKLIFT EXTENSION SLIPPERS	QLD
Vehicles	631834	FORKLIFT MOD & SAFETY CAGE	QLD
IT	632592	FRAME 7 AWARDS	QLD
IT	631547	FRANKING MACHINE NEOPOST	QLD
IT	632756	Free Flow Core Base	QLD
Office Equipment	632157	FREESET SYSTEM - RE-PURCHASE	QLD
PP&E	632798	Freight of Retrofit PV System	QLD
IT	631503	FREIGHT SOFTWARE	QLD
PP&E	631664	FREQUENCY BELT TENSIONER	QLD
IT	631881	FRIDGE - STAFF LUNCH ROOM	QLD
IT	631776	FRIDGE FOR LUNCHROOM	QLD
Office Equipment	631794	FRIDGE FOR WEB AREA	QLD
Office Equipment	631537	FRONT FACIA SIGN	QLD
PP&E	631587	FUJI XEROX 4400C BOOKLET MAKE	QLD
Office Equipment	632603	FURN FOR CUST SERV	QLD
Office Equipment	632604	FURN FROM EMPIRE	QLD
Office Equipment	632244	FURNITURE	QLD
Office Equipment	632595	FURNITURE	QLD
Office Equipment	632616	FURNITURE - CHAIRS PREPRESS	QLD
Office Equipment	632593	FURNITURE - PACE	QLD
Leasehold improvements	632809	Furniture for Meeting Room	QLD
Office Equipment	632635	FURNITURE FROM CLICKS	QLD
Office Equipment	632644	FURNITURE FROM CLICKS	QLD
IT	631667	FURNITURE MELBOURNE OFFICE	QLD
Office Equipment	632808	Furniture- Sales meeting Room	QLD
Office Equipment	632247	FURNITURE SALES OFFICE(C,T,BS	QLD
IT	632683	G4 MAC 450 MHZ	QLD
IT	632451	G4 MAC/MACROMEDIA SOFTWARE	QLD
IT	632688	G5 MAC DUAL 1.8GHZ + 512 RAM	QLD
PP&E	631552	GALV PALIFT WITH TURNTABLE	QLD

**INPRINT PTY LIMITED TO OVATO LIMITED**

<b>Asset class</b>	<b>Asset Number</b>	<b>Description</b>	<b>State</b>
PP&E	632315	GALV STORAGE BINS	QLD
Office Equipment	632566	GALVANISED STORAGE CUPBOARDS	QLD
PP&E	632098	GAMMERLER	QLD
PP&E	632097	GAMMERLER TRIMMER	QLD
PP&E	632095	GAMMERLER TRIMMER CONVEYOR	QLD
PP&E	632092	GAMMERLER TRIMMER CONVEYOR-hp	QLD
PP&E	632500	GANTRY CRANE - EX DUBBO	QLD
IT	631573	GENERAL SERVER - HTGBYIS	QLD
Office Equipment	631735	GENIUS MESH OFFICE CHAIR	QLD
Leasehold improvements	632784	Glass & Aluminium sliding doo	QLD
Office Equipment	632418	GLAZED PARTITIONS	QLD
PP&E	631928	GLUE DETECTION SYSTEM	QLD
PP&E	631929	GLUE DETECTION SYSTEM	QLD
PP&E	631930	GLUE DETECTION SYSTEM	QLD
PP&E	632290	GLUE GUN - WEB	QLD
PP&E	631666	GLUE POT FOR JAGENBER GLUER	QLD
PP&E	632269	GLUER - DEPOSIT PAID IN JUNE	QLD
PP&E	631615	GOSS M600 PRESS	QLD
PP&E	631616	GOSS M600 PRESS	QLD
PP&E	631618	GOSS M600 PRESS	QLD
PP&E	631619	GOSS M600 PRESS	QLD
PP&E	631620	GOSS M600 PRESS	QLD
PP&E	631621	GOSS M600 PRESS	QLD
PP&E	631623	GOSS M600 PRESS	QLD
PP&E	631617	GOSS M600 PRESS	QLD
PP&E	631622	GOSS M600 PRESS	QLD
PP&E	631624	GOSS M600 PRESS	QLD
PP&E	631625	GOSS M600 PRESS - INTEREST	QLD
PP&E	631767	GPISK STARTER KIT AND SLEEVES	QLD
PP&E	632091	GRETAG MACBETH	QLD
PP&E	632067	GRETAG MACBETH SPECTROSCAN	QLD
PP&E	632527	GRUNDFOS PUMP	QLD
PP&E	632487	GUARD FOR JAG GLUER	QLD
PP&E	632250	GUILLOTINE 115	QLD
PP&E	632253	GUILLOTINE 115	QLD
PP&E	632252	GUILLOTINE 115/ FREIGHT	QLD
PP&E	632251	GUILLOTINE 115/ OVERHAUL	QLD
PP&E	632061	GUILLOTINE INSTALLATION	QLD
PP&E	632062	GUILLOTINE INSTALLATION	QLD
PP&E	632534	GUILLOTINE INSTALLATION	QLD

INPRINT PTY LIMITED TO OVATO LIMITED			
Asset class	Asset Number	Description	State
PP&E	632686	H50 KICK PRESS (Hole Punch)	QLD
PP&E	632673	HAND PALLET TRUCK	QLD
PP&E	631983	HAND PALLET TRUCKS	QLD
PP&E	632151	H'BERG K LINE OFFSET PRESS	QLD
PP&E	632153	HEIDELBERG CPC 2.01	QLD
PP&E	632230	HEIDELBERG GTO	QLD
PP&E	632513	HEIDELBERG MEMORY BOARDS	QLD
PP&E	632035	HEIDELBERG SBG CYLINDER	QLD
PP&E	631870	HEIDELBERG XL-105 6 CLR PRESS	QLD
PP&E	632681	HIGH LIFT PALLET TRUCK	QLD
Office Equipment	632107	HIGHBAY LIGHT	QLD
PP&E	632080	HILTI T E 15-C MASONRY DRILL	QLD
PP&E	632521	HIRE KNUCKLE	QLD
IT	632302	HI-RES EPSON 7800	QLD
IT	632285	HITACHI CPX950	QLD
PP&E	632023	HOEHN SYSTEMS - PALLET WRAPPE	QLD
PP&E	632472	HOHNER STITCHER	QLD
PP&E	632120	HOT WATER BY-PASS SYSTEM-G16	QLD
Office Equipment	631605	HOUSE COMPRESSES AIR SYSTEM	QLD
Office Equipment	631606	HOUSE COMPRESSES AIR SYSTEM	QLD
PP&E	632234	HOWSON-ALGRAPHY	QLD
IT	632344	HP 3035XS	QLD
IT	632282	HP 4MV LASER PRINTER A3	QLD
IT	631725	HP 5200TN SERIES PRINTER	QLD
IT	632284	HP 620LX PALMTOP + 15" MONITO	QLD
IT	631652	HP CM1312NFI PRINTER	QLD
IT	632342	HP COLOUR LASER JET	QLD
IT	631896	HP Colour Multifunction 2320N	QLD
IT	632339	HP COLOUR PRINTER	QLD
IT	632340	HP COLOUR PRINTER	QLD
IT	632195	HP COMPAQ COMPUTER AND SCREEN	QLD
IT	632348	HP LASER JET PRO M1536DNF	QLD
IT	632377	HP LASER JET PRO M1536DNF	QLD
IT	632354	HP LASER PRINTER	QLD
IT	632547	HP LASERJET	QLD
IT	632427	HP LASERJET 3380	QLD
IT	631707	HP Laserjet A3 5200	QLD
IT	631694	HP LASERJET PRO	QLD
IT	632355	HP LASERJET PRO	QLD
IT	632358	HP MULTIFUNCTION PRINTER	QLD

**INPRINT PTY LIMITED TO OVATO LIMITED**

<b>Asset class</b>	<b>Asset Number</b>	<b>Description</b>	<b>State</b>
IT	632359	HP PRINTER	QLD
IT	632283	HP TEC OFFICEJET 590	QLD
IT	631651	HPM2727NFS LASER PRINTER	QLD
PP&E	632078	HYDRAULIC PRESS - WORKSHOP	QLD
PP&E	632774	Hydraulic Skid Stacker	QLD
PP&E	631981	IDLER ROLL ASSEMBLY	QLD
IT	632559	IFS FREIGHT SYSTEM	QLD
IT	632560	IFS FREIGHT SYSTEM	QLD
IT	632435	ILLUSTRATOR LICENSE UPGRADES	QLD
IT	632384	IMAC 21.5" SUPERDRIVE	QLD
IT	631884	IMAC 24" 2.93GHz	QLD
IT	631803	IMAC 27" COMPUTER FOR PREPRES	QLD
IT	631806	IMAC 27" COMPUTER FOR QANTAS	QLD
IT	632806	iMac Computer for Prepress	QLD
IT	632793	iMAC Computer for Prepress	QLD
IT	632374	IMAC COMPUTER UPGRADE	QLD
IT	632373	IMAC SOFTWARE UPGRADE	QLD
PP&E	631970	INDUCTION HEATER	QLD
Office Equipment	632764	Industrial Fans	QLD
PP&E	631856	Ink Duct Assembly	QLD
Office Equipment	632667	INK RACKS	QLD
IT	631858	Inpack Design PC Upgrade	QLD
Office Equipment	632594	INSTALL CUPBOARDS - PACE	QLD
PP&E	632738	Installation and Pumps	QLD
Office Equipment	631721	INSTALLATION OF GAS METER	QLD
PP&E	632271	INSTALLATION OF GLUER	QLD
Office Equipment	632155	INSTALLATION OF OPTIC FIBRE	QLD
Office Equipment	631688	INTERCOM AND BUZZER SYSTEM	QLD
PP&E	632773	Interface between Magnus&Proc	QLD
Office Equipment	632243	INTERIOR DECORATING	QLD
PP&E	631827	Intermec hand held scanner	QLD
PP&E	631800	Intermec scanners	QLD
IT	631993	INTRANET DASHBOARD SOFTWARE	QLD
IT	631832	Iphone & Ipad	QLD
IT	631737	IPHONE 4S	QLD
IT	631741	IPHONE 4S	QLD
IT	631754	IPHONE 4S	QLD
IT	631761	IPHONE 5	QLD
IT	631796	IPHONE 5	QLD
IT	632712	Iphone 6	QLD

INPRINT PTY LIMITED TO OVATO LIMITED			
Asset class	Asset Number	Description	State
IT	631861	iphone 6	QLD
IT	631862	iphone 6	QLD
IT	631860	iphone 6	QLD
IT	632725	iphone 6	QLD
IT	632734	Iphone 6	QLD
IT	631831	Iphone	QLD
IT	632363	IPHONE	QLD
IT	631820	Iphone	QLD
IT	631833	iphone	QLD
IT	632173	IPHONE	QLD
PP&E	632158	ISDN PROTOCOL CONVERTER	QLD
PP&E	632270	JAGENBERG FOLDER CARTON GLUER	QLD
PP&E	632178	JAGENBERG FOLDING CARTON GLUE	QLD
Office Equipment	632308	JAGENBURG OH&S GUARDING RAIL	QLD
Office Equipment	632309	JAGENBURG OH&S GUARDING RAIL	QLD
IT	632434	JAPANESE VERSION OF QUARK	QLD
PP&E	632084	JOGGER/RESTACKER/LIFTER	QLD
PP&E	632087	JOGGER/STACKER/TRANSOMAT	QLD
PP&E	632327	JUNIPER	QLD
IT	632171	JUNIPER HARDWARE & SOFTWARE	QLD
IT	631740	KAYELL SOFTWARE UPGRADES	QLD
PP&E	631978	KEIL PLASTIC PALLETS FOR SANW	QLD
Office Equipment	632611	KELVINATOR FRIDGE	QLD
IT	632562	KELVINATOR REFRIGERATOR	QLD
PP&E	631968	KEYWAY BROACH SET NO 18	QLD
IT	631677	INKJET OVERPRINTER	QLD
IT	631678	INKJET OVERPRINTER	QLD
PP&E	632767	Kodak Magnus VLF6383 V Speed	QLD
IT	632758	Kodak Prineregy - Clourflow	QLD
IT	632730	Kodak Prinergy	QLD
IT	631791	KODAK PRINERGY BUSINESS LINK	QLD
IT	632802	Kodak Prinergy License Pack	QLD
PP&E	632238	KOMORI 2ND H 5CLR	QLD
PP&E	632241	KOMORI 5CLR PRESS	QLD
PP&E	632240	KOMORI 5CLR PRESS	QLD
PP&E	631504	KOMORI 5CLR PRESS	QLD
PP&E	631505	KOMORI 5CLR PRESS	QLD
PP&E	632239	KOMORI 5CLR PRESS	QLD
PP&E	632783	Komori Access Ladder & Platfo	QLD
PP&E	632769	Komori Infeed Modification	QLD



INPRINT PTY LIMITED TO OVATO LIMITED			
Asset class	Asset Number	Description	State
PP&E	632770	Komori Infeed Modification	QLD
PP&E	631609	KOMORI POST PRESS EQUIP	QLD
PP&E	631611	KOMORI POST PRESS EQUIP	QLD
PP&E	631610	KOMORI POST PRESS EQUIP	QLD
PP&E	631612	KOMORI POST PRESS EQUIP	QLD
PP&E	631575	KOMORI PRESS	QLD
PP&E	631577	KOMORI PRESS	QLD
PP&E	631576	KOMORI PRESS	QLD
PP&E	631579	KOMORI PRESS	QLD
PP&E	631578	KOMORI PRESS	QLD
PP&E	632294	KOMORI PRESS - SLOW DOWN KIT	QLD
PP&E	632761	Komori Waste Extraction Syste	QLD
PP&E	632762	Komori Waste Extraction Syste	QLD
PP&E	632768	Komori Web Press	QLD
PP&E	632772	Komori Web Press Chooper Fan	QLD
PP&E	631957	KONGSBERG XE	QLD
Office Equipment	632588	KREST BLINDS	QLD
Office Equipment	632612	KRESTA BLINDS	QLD
IT	631954	KYOCERA FS 1920N LASER PRINTE	QLD
IT	632708	KYOCERA PHOTOCOPIER	QLD
PP&E	631658	KNIFE KIT-G16	QLD
PP&E	631659	KNIFE KIT-G16	QLD
IT	632360	TOSHIBA LAPTOP	QLD
IT	632361	TOSHIBA LAPTOP	QLD
PP&E	631816	L6-12M ROLL GRIPPER	QLD
IT	631502	LABEL PRINTER AND SOFTWARE	QLD
IT	631561	LABEL PRINTER AND SOFTWARE	QLD
PP&E	631643	LABEL-AIRE 3115	QLD
PP&E	632492	LaCIE CD-RECORDER -	QLD
PP&E	632002	Lantech Q300	QLD
IT	631847	Laptop	QLD
IT	631822	LAPTOP	QLD
IT	632189	LAPTOP COMPUTER	QLD
IT	632303	LAPTOP COMPUTER	QLD
IT	632417	LAPTOP COMPUTER	QLD
IT	632163	LASER FAX / PRINTER SAMSUNG	QLD
IT	632349	LASERJET PRINTER	QLD
PP&E	631512	LATERAL ALIGNING UNIT	QLD
PP&E	631996	LB2000 Strapping Machine	QLD
IT	632442	LEGATO ARCHIVER SOFTWARE - Ct	QLD

INPRINT PTY LIMITED TO OVATO LIMITED			
Asset class	Asset Number	Description	State
PP&E	631743	LEVER GREASE PUMP FOR M600	QLD
Office Equipment	632700	LIBRARY CUPBOARD	QLD
IT	632447	LICENSE & SOFTWARE - QUICKCUT	QLD
PP&E	631589	LIGHT MEASUREMENT DEVICE	QLD
Office Equipment	632663	LIGHT TABLE VIEWING ROOM	QLD
PP&E	631778	LINDE STRADDLE STACKER	QLD
Vehicles	631597	LINDE L12 STRADDLE STACKER	QLD
PP&E	631953	LINDE M25 TROLLEY JACK	QLD
Vehicles	631792	LINDE R16 S REACH TRUCK	QLD
Vehicles	631788	LINDE R16 S REACH TRUCK	QLD
Vehicles	631787	Linde T20 SP PALLET TRUCK	QLD
PP&E	632330	LIQUID STORAGE TANKS	QLD
PP&E	632430	LOGISTICS RELOCATION	QLD
Vehicles	631944	LOGITRANS FORK LIFT	QLD
Office Equipment	631691	LONGSPAN SHELVING	QLD
PP&E	632110	LOOPWIRE STITCHING HEADS	QLD
PP&E	632331	LUG SHAFTS FOR WEB 8 & G14	QLD
PP&E	631924	M600 ACCOUSTIC ENCLOSURE	QLD
PP&E	632731	M600 Folder Mod. second forme	QLD
IT	632371	MAC COMPUTER INCL EXTRA RAM	QLD
IT	632678	MAC G3 266 POWER MAC	QLD
IT	632694	MAC G5 PROCESSOR + SOFTWARE	QLD
PP&E	631950	MAC TD 315 DV COLDSAW MACHINE	QLD
IT	631730	MACBOOK AND IPAD	QLD
IT	632335	MACBOOK PRO - 15"	QLD
IT	631671	MACBOOK PRO - IT SUPPORT	QLD
IT	632386	MACBOOK PRO 13"	QLD
IT	631571	MACBOOK PRO 15" LAPTOP	QLD
IT	632438	MACROMEDIA LICENSE UPGRADE	QLD
IT	632446	MAESTRO SERVER	QLD
IT	632437	MAESTRO SERVER SOFTWARE - NT	QLD
PP&E	631948	MAGNUM NEUTRON MILLING MACHIN	QLD
PP&E	631919	MAINTENANCE TOOLS	QLD
IT	631712	OFFICE CHAIR	QLD
PP&E	632074	MANUAL SCISSOR LIFT TABLE	QLD
IT	631932	MANUFACTURING CAD HARDWARE	QLD
IT	631933	MANUFACTURING CAD HARDWARE	QLD
PP&E	631931	MATRIX BENCH CUTTER	QLD
PP&E	632000	Maverick Logitrans	QLD
Vehicles	631935	MAZDA CX5	QLD

**INPRINT PTY LIMITED TO OVATO LIMITED**

<b>Asset class</b>	<b>Asset Number</b>	<b>Description</b>	<b>State</b>
PP&E	631538	MBO T69 FOLDER REFURBISHMENT	QLD
Leasehold improvements	632752	Mebrane over IT Roof	QLD
Leasehold improvements	632753	Mebrane over IT Roof	QLD
PP&E	631600	MECHANICAL GEARBOX	QLD
PP&E	631601	MECHANICAL GEARBOX	QLD
PP&E	631602	MECHANICAL GEARBOX	QLD
PP&E	632498	METAL SHELVING	QLD
IT	632312	MICROSOFT LICENSES	QLD
IT	632346	MICROSOFT OFFICE SOFTWARE	QLD
IT	632468	MICROSOFT SOFTWARE	QLD
IT	632669	MICROWAVE	QLD
IT	632563	MICROWAVE OVEN - G14 reloc'n	QLD
PP&E	631716	MILLENIUM AFTERBURNER	QLD
PP&E	631715	MILLENIUM AFTERBURNER	QLD
PP&E	631718	MILLENIUM AFTERBURNER	QLD
PP&E	631717	MILLENIUM AFTERBURNER	QLD
PP&E	631719	MILLENIUM AFTERBURNER	QLD
PP&E	631714	MILLENIUM AFTERBURNER	QLD
PP&E	631661	MILLING MACHINE INDEXING HEAD	QLD
PP&E	632184	MINI STRIPPING GUN	QLD
Office Equipment	631779	MINIPACCS DURESS ALARM SYSTEM	QLD
PP&E	632541	MITSUBISHI 2.6KW RAC FOR PABX	QLD
PP&E	631947	ML 1760 CENTRE LATHE	QLD
PP&E	632082	MOBILE SCISSOR LIFT WSP	QLD
PP&E	631563	MOBILE TROLLEY TABLES (X 4)	QLD
PP&E	631582	MODIFICATION KIT	QLD
PP&E	632518	MODIFY PRIMA PLUS SUPPORT POS	QLD
PP&E	632786	Mods to Stahl Inlinet Crash F	QLD
PP&E	631613	MOSCA CROSS STRAPPER	QLD
PP&E	631608	MOSCA STRAPPER	QLD
PP&E	632805	MOSCA Strapping Machine	QLD
Vehicles	631851	Motor Vehicle - 534TAT	QLD
Vehicles	631852	Motor Vehicle - 632RYQ	QLD
IT	631885	MS EXCHANGE 2007 LICENSES	QLD
IT	632460	MS OFFICE	QLD
IT	632015	MS OFFICE 2008 FOR MAC	QLD
IT	631882	MS OFFICE PROFESSIONAL	QLD
IT	632197	MS OFFICE PROFFESIONAL	QLD
IT	631654	MS OFFICE SOFTWARE LAPTOP	QLD
IT	631893	Multi Function printer	QLD

INPRINT PTY LIMITED TO OVATO LIMITED			
Asset class	Asset Number	Description	State
PP&E	632524	NAMCO STORAGE CUPBOARD	QLD
IT	632274	NEC VALUEMATE NLX P266 II PC	QLD
IT	632275	NEC VALUEMATE NLX P266 II PC	QLD
PP&E	631821	NEOPOST IS280	QLD
Leasehold improvements	632216	NETWORK CABLING	QLD
IT	632556	NETWORK SWITCHES	QLD
PP&E	632266	NEW CONVEYOR	QLD
IT	632334	NEW FRIDGE - ADMIN AREA	QLD
Office Equipment	632199	NEW FURNITURE	QLD
PP&E	632696	NEW PALLET JACK	QLD
PP&E	632697	NEW PALLET JACK - NARROW	QLD
IT	631722	NEW PC FOR HR MANAGER	QLD
IT	631793	NEW PC RIP FOR EPSON	QLD
IT	632750	New Phone System	QLD
Leasehold improvements	632262	NEW WALL & DOORWAY PREPRESS	QLD
Office Equipment	632210	NEWPORT WALL UNIT	QLD
IT	632537	NORTEL BAYSTACK 24 PORT	QLD
IT	632016	NORTEL TEL MANAGER	QLD
Leasehold improvements	632620	NSW OFFICE RENOVATIONS	QLD
IT	632041	O/H PROJECTOR SCREEN	QLD
IT	631720	OAP PRISM SERVER	QLD
PP&E	632721	Object Recognition Camera	QLD
IT	632293	OFFICE 2003 (3 PACK OEM)	QLD
IT	632420	OFFICE BINDING MACHINE	QLD
Office Equipment	631764	OFFICE CHAIRS	QLD
Office Equipment	631766	OFFICE CHAIRS IT DEPARTMENT	QLD
Office Equipment	632565	OFFICE DESK	QLD
Office Equipment	632209	OFFICE DESK & CHAIR	QLD
IT	631581	OFFICE DESK AND CHAIR	QLD
Office Equipment	631746	OFFICE FURNITURE	QLD
Office Equipment	631750	OFFICE FURNITURE	QLD
Office Equipment	631747	OFFICE FURNITURE	QLD
Office Equipment	631748	OFFICE FURNITURE	QLD
Office Equipment	632414	OFFICE FURNITURE	QLD
Office Equipment	632415	OFFICE FURNITURE	QLD
Office Equipment	632569	OFFICE FURNITURE	QLD
Office Equipment	631926	OFFICE FURNITURE UPGRADES	QLD
Office Equipment	631927	OFFICE FURNITURE UPGRADES	QLD
Office Equipment	632584	OFFICE PARTITIONS	QLD
Office Equipment	632203	OFFICE TABLE - BLACK	QLD

**INPRINT PTY LIMITED TO OVATO LIMITED**

<b>Asset class</b>	<b>Asset Number</b>	<b>Description</b>	<b>State</b>
IT	632382	OFFICE TELEPHONE SYSTEM	QLD
IT	632383	OFFICE TELEPHONE SYSTEM	QLD
PP&E	631636	OFFICEMATE PRESSURE SEALER	QLD
IT	631912	OH & S INFRASTRUCTURE SOLUTION	QLD
PP&E	632162	OJ PRO LABEL PRINTER	QLD
IT	632194	OKI ML391 TURBO PRINTER	QLD
IT	631736	OPTILEX COMPUTERS & SCREENS	QLD
PP&E	631732	OSCILLOSCOPE TDS1002B	QLD
Leasehold improvements	632650	PABX ROOM	QLD
PP&E	631595	PACK STATION FOR JAGENBERG	QLD
PP&E	632177	PAFRA PDC GLUE APPLIC	QLD
PP&E	632265	PAFRA PDC GLUE APPLIC	QLD
Office Equipment	632044	PAGING SYSTEM	QLD
Leasehold improvements	632522	PAINT FACTORY AREA AROUND G16	QLD
PP&E	632314	PALLET LIFT TRUCKS	QLD
PP&E	632009	Pallet Lifters	QLD
PP&E	631941	PALLET LIFTERS (X 3)	QLD
PP&E	631942	PALLET LIFTERS (X3)	QLD
PP&E	632065	PALLET MOVER	QLD
PP&E	632132	PALLET RACKING	QLD
Office Equipment	632223	PALLET RACKING	QLD
PP&E	631744	PALLET TRUCKS	QLD
PP&E	631946	PALLET WRAP MACHINE	QLD
PP&E	632333	PALLETS	QLD
Office Equipment	632645	PALLETT RACKING	QLD
IT	632424	PALMTOP COMPUTER	QLD
IT	632319	PANASONIC PRINTERS	QLD
PP&E	631598	PANASONIC PT-LB75NTE	QLD
IT	632338	PANASONIC PT-LB75NTE	QLD
PP&E	632025	PAPER EXTRACTION	QLD
PP&E	632692	PAPER SCALES	QLD
Office Equipment	631629	PARTS STORAGE CABINET	QLD
IT	632555	PATCH PANEL	QLD
Office Equipment	632610	PAYROLL OFFICE DESK	QLD
IT	631789	PAYROLL PC's x 2	QLD
IT	631925	PAYROLL SERVER	QLD
IT	631877	PC BASED BARCODE VERIFIER	QLD
IT	632558	PC DC7100 COMPUTER	QLD
IT	631680	PC FOR BINDERY	QLD
IT	631859	PC Production Office Sydney	QLD

**INPRINT PTY LIMITED TO OVATO LIMITED**

<b>Asset class</b>	<b>Asset Number</b>	<b>Description</b>	<b>State</b>
Office Equipment	632287	PELMETS FOR OFFICE	QLD
IT	632449	PENT NET	QLD
Leasehold improvements	632657	PEP BOONDALL MOVING COSTS	QLD
Leasehold improvements	632717	PEP Refurbishment Costs	QLD
Leasehold improvements	632652	PEP RENOVATIONS	QLD
IT	632394	PHILLIPS 19" BLACK LCD MONITO	QLD
Office Equipment	631797	PHONE LINE INSTALLATION	QLD
IT	632389	PHOTOCOPIER - OPERATIONS	QLD
IT	632590	PICTURE FRAMING 34 PRINTS	QLD
PP&E	632311	PIPE RO WATER	QLD
IT	632332	PITSTOP PROFESSIONAL	QLD
IT	632458	PITSTOP/MAC	QLD
PP&E	632732	Planatol Glue System	QLD
IT	631690	PLASMA TV	QLD
Office Equipment	631584	PLATE RACK AND WORKBENCH	QLD
PP&E	632034	PLATEN-PACE - LARGE	QLD
Office Equipment	632297	PLATER STORE SHELVES (X3)	QLD
PP&E	631564	PLATFORM	QLD
PP&E	631565	PLATFORM	QLD
PP&E	631869	PLATFORM	QLD
PP&E	632318	PLATFORM FOR WEB 8	QLD
PP&E	631826	PLATFORM SCALES DESPATCH	QLD
PP&E	632086	PLUG TOPS	QLD
Leasehold improvements	632257	PLUMBING & MASONITE	QLD
PP&E	632639	PLYWOOD SHEETS FOR STORAGE	QLD
PP&E	632183	PNEUMATIC CARTON	QLD
PP&E	631646	POLAR HIGH SPEED CUTTER 137X	QLD
PP&E	632019	POLAR JOGGER IB	QLD
PP&E	632027	POLAR STACKLIFT L100 W6	QLD
PP&E	632746	Power Factor Correction	QLD
PP&E	632747	Power Factor Correction	QLD
Office Equipment	632066	POWER SUPPLY TO SHRINKWRAPPER	QLD
Office Equipment	632068	POWER SUPPLY TO SHRINKWRAPPER	QLD
PP&E	632502	POWERCORP - TEMPERATURE SENSO	QLD
IT	632229	PPRESS 2 X 1G HARD DRIVES	QLD
IT	632675	PPRESS ETHERNET & HUB	QLD
IT	632433	PREFLIGHT PRO 2.1.1	QLD
PP&E	632744	Prefolder - Komori	QLD
PP&E	632745	Prefolder Komori	QLD
PP&E	632470	PREP OF FLOOR	QLD

INPRINT PTY LIMITED TO OVATO LIMITED			
Asset class	Asset Number	Description	State
IT	632323	PREPRESS GMG	QLD
IT	632320	PREPRESS H'WARE UPGRADE	QLD
IT	632372	PREPRESS PRINERGY	QLD
PP&E	632324	PREPRESS WATER CYCLING UNIT	QLD
IT	632452	PREPS IMPOSITION	QLD
PP&E	632695	PRESS VACUUM PUMP	QLD
PP&E	632520	PRIMA PLUS	QLD
PP&E	631614	Primera E140	QLD
IT	631913	PRINERGY SOFTWARE	QLD
IT	632462	PRINERGY SOFTWARE	QLD
PP&E	632114	PRINERGY UPGRADE	QLD
PP&E	632113	PRINERGY WORKFLOW SYSTEM	QLD
IT	631650	PRINTER & IPAD	QLD
IT	632356	PRINTER FOR DESPATCH	QLD
IT	631876	PRINTER/BARTENDER S'WARE	QLD
PP&E	632143	PRINTLAC VARNISHING UNIT	QLD
IT	632169	PRISM SYSTEM	QLD
IT	632170	PRISM SYSTEM	QLD
Office Equipment	631684	PRIVACY SCREENS	QLD
Office Equipment	632607	PRODUCTION BOARD	QLD
Office Equipment	632508	PRODUCTION BOARDS (X2)	QLD
Office Equipment	631542	PRODUCTION FURNITURE	QLD
Leasehold improvements	632254	PROGRESS PAYMENTS	QLD
Leasehold improvements	632259	PROGRESS PAYMENTS	QLD
Leasehold improvements	632260	PROGRESS PAYMENTS	QLD
Office Equipment	632043	PUBLIC ADDRESS SYSTEM	QLD
PP&E	632803	Pumping system for Coatings	QLD
PP&E	632801	Quadtech CCS Camera	QLD
IT	631914	QUALITY MANAGEMENT SOFTWARE	QLD
IT	631918	QUALITY MANAGEMENT SOFTWARE	QLD
PP&E	631958	QUALSTAR TLS 4212	QLD
IT	632432	QUARK EXPRESS v4.0 FOR MAC*5	QLD
IT	632459	QUARK EXPRESS,	QLD
IT	632456	QUARK XPRESS V6 SOFTWARE	QLD
IT	631901	QUARTERLY SOFTWARE UPGRADES	QLD
PP&E	632494	RAB5 JOGGER	QLD
Office Equipment	632661	RACKING	QLD
Office Equipment	631990	RACKING FOR ARCHIVE AREA	QLD
Office Equipment	632109	RACKING FOR SPARE PARTS	QLD
PP&E	632393	RACKMOUNT KIT FOR TAPE LIBRAR	QLD

**INPRINT PTY LIMITED TO OVATO LIMITED**

<b>Asset class</b>	<b>Asset Number</b>	<b>Description</b>	<b>State</b>
PP&E	631557	RAINWATER TANK	QLD
Leasehold improvements	632797	Raise ceiling height	QLD
IT	632637	RAM UPGRADE FOR COMPAQ SERVER	QLD
Office Equipment	631819	RAPID ROLLER DOOR	QLD
Office Equipment	631867	RAPID ROLLER DOOR - DESPATCH	QLD
PP&E	632740	Raptor Drum Lifter	QLD
PP&E	632081	RC 440 CLASSIC HAND GUILLOTIN	QLD
Office Equipment	632071	RCD SAFETY SWITCHES	QLD
Office Equipment	632073	RCD SWITCHES	QLD
PP&E	632088	RCD'S ON MACHINERY	QLD
Office Equipment	631519	RECEPTION COUNTER	QLD
Office Equipment	632242	RECEPTION DESK	QLD
PP&E	631566	REEL UNWINDER	QLD
PP&E	631568	REEL UNWINDER	QLD
IT	632690	REFRIG DRYER/RECVER COMP AIR	QLD
IT	631500	REFRIGERATOR	QLD
IT	632207	REFRIGERATOR	QLD
IT	632619	REFRIGERATOR	QLD
IT	631988	REFRIGERATOR - B'ROOM	QLD
Office Equipment	632622	REFRIGERATOR - NSW OFFICE	QLD
PP&E	632493	REFURBISH CABINET	QLD
PP&E	631724	REINSTALL HEILDELBURG CYLINDE	QLD
PP&E	632410	RELOCATE LOGISTICS AND INPACK	QLD
PP&E	632137	RELOCATION COSTS G16 INSTALL'	QLD
Leasehold improvements	632255	RELOCATION EXPENSES	QLD
Leasehold improvements	632258	RELOCATION EXPENSES	QLD
IT	631873	REMOTE DESIGN SOL'N SOFTWARE	QLD
IT	631874	REMOTE DESIGN SOL'N SOFTWARE	QLD
PP&E	632506	REMOVAL COSTS JOGGER/TRANSOMA	QLD
PP&E	632510	REMOVAL COSTS JOGGER/TRANSOMA	QLD
Leasehold improvements	632256	REMOVAL EXPENSES	QLD
PP&E	632519	REMOVE WASTE PIPES	QLD
Office Equipment	632531	REMOVE/REFIT DOOR & FRAMES	QLD
Office Equipment	632404	REMARK EXEC	QLD
Leasehold improvements	632804	Renovation to old pay office	QLD
Leasehold improvements	631749	RENOVATION TO PRODUCTION AREA	QLD
IT	632237	REPLACE 3 PC'S	QLD
IT	632693	REPLACE BACKUP SERVER	QLD
IT	632723	Replace Exchange Mail Server	QLD
Leasehold improvements	632765	Replace shopfront & Doors	QLD



**INPRINT PTY LIMITED TO OVATO LIMITED**

<b>Asset class</b>	<b>Asset Number</b>	<b>Description</b>	<b>State</b>
IT	631838	Replacement computer	QLD
IT	632679	REWIRE DATA CABLE NETWORK	QLD
PP&E	632482	REXON RXWIZ TABLE SAW & BLADE	QLD
PP&E	632763	Rima Blocking Unit	QLD
PP&E	631626	Rima post press equipment	QLD
PP&E	631628	Rima post press equipment	QLD
PP&E	631627	Rima post press equipment	QLD
PP&E	632004	Rima Stacker (second hand)	QLD
PP&E	631554	ROLL HOLDER	QLD
PP&E	632145	ROLLEM AUTO PERFORATOR	QLD
Office Equipment	632205	ROLLER BLINDS - INSTALLATION	QLD
PP&E	632375	ROLLER SETS	QLD
Leasehold improvements	632792	Roller Shutter to Plate stora	QLD
PP&E	632300	ROLLERS FOR STAHL FOLDERS	QLD
Office Equipment	632042	ROOF OVER PATIO	QLD
PP&E	632069	RSP INLINE FINISHING SYSTEM	QLD
IT	632755	Rugged Mobile Phones	QLD
PP&E	632268	RULE CUTTER & NOTCHER	QLD
Office Equipment	631531	SAFETY FENCING/GUARDS	QLD
PP&E	631773	SAFETY LADDER AND HAND RAIL	QLD
PP&E	632291	SAFETY MATTING - WEB 8 & G14	QLD
PP&E	632040	SAFETY PLATFORM - PRIMA	QLD
PP&E	632475	SAFETY RAIL	QLD
Office Equipment	631823	SAFETY SIGNAGE	QLD
PP&E	632305	SAFETY/ANTI FATIGUE MATS	QLD
IT	631917	SALES & MARKETING SOFTWARE	QLD
IT	631916	SALES AND MARKETING SOFTWARE	QLD
IT	631911	SALES HARDWARE - LAPTOP	QLD
Leasehold improvements	632653	SALES RENOVATIONS	QLD
Leasehold improvements	632654	SALES RENOVATIONS	QLD
Leasehold improvements	632655	SALES RENOVATIONS	QLD
IT	632545	SAMSUNG SCX PRINTER	QLD
PP&E	631892	SANWA WASTE BINS	QLD
Vehicles	632321	SATELLITE NAV SYSTEM - MV	QLD
PP&E	632182	SCISSOR LIFT TABLE	QLD
PP&E	632021	SCRAP RECOVERY SYSTEM	QLD
PP&E	632267	SCREEN GLUING MACHINES	QLD
Leasehold improvements	632263	SECURITY LOCKS (2 DOORS)	QLD
IT	631640	SECURITY SOFTWARE	QLD
Office Equipment	632046	SECURITY SYSTEM,	QLD

**INPRINT PTY LIMITED TO OVATO LIMITED**

<b>Asset class</b>	<b>Asset Number</b>	<b>Description</b>	<b>State</b>
Office Equipment	632045	SECURITY SYSTEM, LOCKS ETC	QLD
PP&E	631525	SEIKO TIME CLOCKS (x 7)	QLD
PP&E	632085	SEIKO TP 20 TIME RECORDER	QLD
PP&E	632100	SEIKO TP 20 TIME RECORDER	QLD
PP&E	632264	SELIGSON/CLARE	QLD
IT	632714	Server & storage infrastrucr	QLD
IT	632715	Server & storage infrastrucr	QLD
IT	631772	SERVER HARD DRIVE	QLD
IT	632341	SERVER UPGRADE	QLD
PP&E	631603	SETTING GAUGES	QLD
Office Equipment	631562	SHADE SALE	QLD
IT	632550	SHARP AR407 COPIER/PRINTER	QLD
Office Equipment	632641	SHELVING	QLD
Office Equipment	631510	SHELVING & CABINET	QLD
Office Equipment	631539	SHELVING/CUPBOARDS	QLD
PP&E	631863	SHOEI CRASH FOLDING UNIT	QLD
PP&E	632010	Shoei Crashfolder	QLD
PP&E	632032	SHRINK WRAPPER (ORANGE)	QLD
Leasehold improvements	632656	SIGN - CANBERRA	QLD
Vehicles	631642	SIGNAGE ON DELIVERY TRUCK	QLD
PP&E	632687	SIMPLEX TIME CLOCK	QLD
IT	632490	SIMPSON DISHWASHER	QLD
Office Equipment	632576	SINK	QLD
Office Equipment	632625	SINK CABINET AND BENCH TOP	QLD
PP&E	631844	Sitma 1 Safety Guard	QLD
PP&E	631845	Sitma 2 Safety Guard	QLD
PP&E	631583	SITMA ONSERTER/WRAPPER	QLD
PP&E	632289	SMART UPS 2200VA	QLD
PP&E	632796	Smoke Detectors	QLD
IT	632455	SOFTWARE LICENCE UPGRADE	QLD
IT	632400	SOFTWARE UPGRADES	QLD
PP&E	632501	SONIC MEASURER	QLD
IT	632677	SONY GDN 20" MONITOR	QLD
IT	632546	SONY INTERNAL TAPE DRIVE	QLD
IT	632422	SONY O/HEAD	QLD
IT	632554	SONY TAPE DRIVE ATAPI	QLD
IT	631723	SPACE LCD SCREENS	QLD
PP&E	632299	SPARE TIDLAND LUG	QLD
PP&E	631591	SPECTROPHOTOMETER EPSON 9900	QLD
PP&E	632505	SPILL PALLETS	QLD

**INPRINT PTY LIMITED TO OVATO LIMITED**

<b>Asset class</b>	<b>Asset Number</b>	<b>Description</b>	<b>State</b>
PP&E	631681	SPRAY BOOTHS FOR M600 PLATES	QLD
IT	632759	SQL Server Std Core	QLD
PP&E	631580	STACK TURNER FOR XL-105 PRESS	QLD
PP&E	632307	STAHL FOLDER ACCESSORIES	QLD
PP&E	632051	STAHL FOLDER KD66	QLD
PP&E	632682	STAHL K66 FOLDER (ex inp)	QLD
PP&E	632036	STAHL KC66 FOLDER	QLD
PP&E	631961	STAHL KH FOLDER	QLD
PP&E	632150	STAHL T36-4F FOLDER 26700	QLD
PP&E	631533	STAHL TH82	QLD
PP&E	631962	STAHL TH82/6-4-4 FOLDER	QLD
PP&E	632131	STAHL&MULLER RELOC	QLD
PP&E	632005	StahlFolder TH82	QLD
Office Equipment	632640	STATIC SHELVING - 12 BAYS	QLD
Office Equipment	632596	STATIONERY CUPBOARD	QLD
Office Equipment	632599	STATIONERY CUPBOARDS	QLD
PP&E	632093	STEEL CAGES - DROP BOTTOM	QLD
PP&E	632108	STEEL FRAME FOR G16	QLD
PP&E	632526	STELCO WATER TEMP CONTROL UNI	QLD
PP&E	632670	STIRLING JOGGER	QLD
PP&E	632807	Strapping Tool 10972	QLD
PP&E	632295	SUB DRAINAGE PUMP	QLD
IT	632436	SUITCASE OF LICENSES	QLD
PP&E	632528	SUMP PUMP	QLD
Office Equipment	632646	SUPPLY & FIT RACKING	QLD
Office Equipment	632047	SUPPLY AND FIT AIRCON VENT	QLD
Office Equipment	632602	SUPPLY AND FIT DOOR	QLD
PP&E	631669	SURE SWEEP	QLD
IT	632776	Surface Pro 4	QLD
PP&E	632766	Surge Protection Device	QLD
IT	632467	SYBIZ SOFTWARE & LICENCES	QLD
PP&E	631886	T16 ELECTRIC PALLET MOVER	QLD
Office Equipment	631711	TABLE & CHAIRS	QLD
Office Equipment	632660	TABLES	QLD
Office Equipment	631520	TABLES AND CHAIRS	QLD
IT	632405	TANDBERG DLT8000 TAPE DRIVE	QLD
PP&E	631506	TANKS	QLD
IT	631574	TAPE BACKUP	QLD
IT	632509	TAPE DRIVE AND SOFTWARE-BRUCE	QLD
IT	631959	TAPE DRIVE FOR LIBRARY	QLD

**INPRINT PTY LIMITED TO OVATO LIMITED**

<b>Asset class</b>	<b>Asset Number</b>	<b>Description</b>	<b>State</b>
PP&E	631692	TAPE MACHINE	QLD
PP&E	632011	Techkon Spectro Densitometer	QLD
PP&E	631596	TECHKON SPECTRODENSITOMETER	QLD
IT	631939	Technique Hardware	QLD
IT	632748	Technique Hardware/Software	QLD
IT	631808	Technique Install	QLD
IT	631937	Technique Software	QLD
PP&E	631649	TECHNOTRANS FILTRATION UNIT	QLD
IT	632286	TEKTRONIX PHASER 480XC	QLD
Leasehold improvements	632218	TELEPHONE CABLING	QLD
IT	632568	TELEPHONE FREESETS	QLD
IT	632636	TELEPHONE HANDSETS	QLD
IT	632785	Telstra Repeater	QLD
PP&E	632351	TEMPERATURE SENSOR GOSS	QLD
PP&E	631702	TH82 INSTALLATION	QLD
PP&E	631706	TH82 STALL ATTACHMENT	QLD
PP&E	631701	TH82 STALL INSTALLATION	QLD
PP&E	631964	THERMAL LABEL PRINTER	QLD
PP&E	632724	Thermometer	QLD
PP&E	632007	Tidland Mark 2 Roll saver	QLD
PP&E	632057	TIEMAN LOW PROFILE SCISSOR	QLD
Office Equipment	631986	TIMBER PANELS FOR BOARDROOM	QLD
PP&E	631814	TIME & ATTENDANCE SYSTEM	QLD
IT	631813	TIME & ATTENDANCE SYSTEM	QLD
PP&E	632111	TIME CLOCK - BINDERY	QLD
PP&E	632149	TIME CLOCK SIMPLEX	QLD
PP&E	631824	TIME STAMP STORAGE UNIT	QLD
PP&E	632511	TOOL BOX AND TOOLS FOR G16	QLD
Office Equipment	632227	TOOL CABINET	QLD
PP&E	631949	TOOLING FOR MILLING MACHINE	QLD
PP&E	631969	TOOLS FOR MAINT W'SHOP	QLD
IT	631830	Toshiba laptop	QLD
IT	632347	TOSHIBA LAPTOP	QLD
IT	631839	Toshiba laptop	QLD
IT	631836	Toshiba laptop	QLD
IT	631940	TOSHIBA LAPTOP L650	QLD
IT	631731	TOSHIBA SAT PRO L850 I7	QLD
IT	632196	TOSHIBA SATELLITE	QLD
IT	632385	TOSHIBA SATELLITE	QLD
IT	632387	TOSHIBA SATELLITE	QLD

INPRINT PTY LIMITED TO OVATO LIMITED			
Asset class	Asset Number	Description	State
IT	632376	TOSHIBA SATELLITE PRO	QLD
IT	632381	TOSHIBA SATELLITE PRO	QLD
IT	631644	TOUCH SCREEN COMPUTERS	QLD
Office Equipment	631817	TRAFFIC LIGHT SYSTEM	QLD
PP&E	632791	Trane Water Chiller	QLD
PP&E	632391	TRENDSETTER 400	QLD
PP&E	632139	TRENDSETTER 400 CtP	QLD
PP&E	632135	TRENDSETTER EX HPN	QLD
PP&E	632136	TRENDSETTER EX HPN	QLD
PP&E	631555	TRI CREAMERS	QLD
PP&E	632020	TRIM REMOVAL SYSTEM (PIPEWORK	QLD
PP&E	632529	TRIMMER BLADES	QLD
Vehicles	632749	Truck Curtains	QLD
IT	632733	Tuccana Rapid Check software	QLD
IT	631657	TV & BLUERAY PLAYER	QLD
PP&E	632368	TWIN SCRUB ASSEMBLY	QLD
PP&E	632395	TWIN SCRUB ASSEMBLY	QLD
IT	631686	TWINS MAILING SOFTWARE	QLD
IT	631798	TWINS ULTIMATE MAILING SUIT	QLD
IT	631685	TWO DELL OPTILEX PCs	QLD
PP&E	631980	TWO RIMA COUNTER STACKERS	QLD
PP&E	632795	Uniden Two way CB hand held	QLD
PP&E	632168	UNINTERRUPTED POWER SUPPLY	QLD
Office Equipment	631536	UNIT LOCKERS	QLD
IT	631522	UPFRONT BUILDER SOFTWARE	QLD
Office Equipment	632070	UPGRADE CIRCUIT BREAKER	QLD
IT	632316	UPGRADE EXISTING GMG SYSTEM	QLD
IT	632396	UPGRADE EXISTING GMG SYSTEM	QLD
PP&E	631559	UPGRADE KIT	QLD
PP&E	631560	UPGRADE KIT	QLD
IT	632464	UPGRADE LICENSES	QLD
IT	632165	UPGRADE TELEPHONE HANDSETS	QLD
IT	632549	UPGRADE TELEPHONE HANDSETS	QLD
IT	632164	UPGRADE TELEPHONE SYSTEM	QLD
PP&E	632180	UPGRADE TO GLUE APPLICATOR	QLD
IT	631955	UPS TOWER - ALPHAPHARM	QLD
PP&E	632486	VACUUMATIC UNIVERSAL	QLD
Office Equipment	632626	VENETIAN BLINDS	QLD
Office Equipment	632613	VENETIAN BLINDS FOR OFFICES	QLD
Office Equipment	632614	VENETIAN BLINDS FOR OFFICES	QLD

**INPRINT PTY LIMITED TO OVATO LIMITED**

<b>Asset class</b>	<b>Asset Number</b>	<b>Description</b>	<b>State</b>
IT	632281	VERSA 6030X COMPUTER	QLD
Office Equipment	632429	VERTICAL BLINDS	QLD
Office Equipment	632416	VERTICAL DRAPES	QLD
Office Equipment	632350	VICTORIA OFFICE	QLD
IT	632736	Virtual Workflow Server	QLD
Office Equipment	631855	VISITORS ROOM CHAIRS x 10	QLD
PP&E	632408	VLF PLATESETTER	QLD
PP&E	632535	VLF TRENDSETTER EX HPN	QLD
PP&E	632129	VLF TRENDSETTER CTP EQUIP	QLD
IT	632469	VOICE RESPONSE SOFTWARE	QLD
PP&E	632771	VPN Connection to M600	QLD
Leasehold improvements	632261	WAGES RECONSTRUCTION	QLD
PP&E	631997	Walcar Model COM	QLD
PP&E	632026	WALL CLADD PRINTPRESS	QLD
Office Equipment	632228	WAREHOUSE RACKING	QLD
Office Equipment	632751	Warning Light system	QLD
PP&E	632033	WASTE EXTRACTION DUCTING	QLD
PP&E	632112	WASTE EXTRACTION MODIFICATION	QLD
PP&E	632029	WASTE EXTRACTION SYSTEM	QLD
PP&E	632030	WASTE EXTRACTION SYSTEM	QLD
PP&E	632031	WASTE EXTRACTION UNIT	QLD
PP&E	632028	WASTE REMOVAL INSTALL	QLD
PP&E	631992	WASTE REMOVAL SYSTEM	QLD
PP&E	632024	WASTE REMOVAL SYSTEM	QLD
PP&E	632514	WATER CIRCULATION PUMP	QLD
PP&E	632512	WATER SAVING DEVICE	QLD
PP&E	632083	WATER TREATMENT SYSTEM	QLD
Office Equipment	632357	WATER URN FOR LUNCH ROOM	QLD
PP&E	632115	WEB ADHESIVE AND SOFTENER	QLD
PP&E	632499	WEB REEL CIRCLE TURN	QLD
PP&E	631998	Wedd Scales 1500kg	QLD
PP&E	631994	Wedd Scales 50kg	QLD
PP&E	632306	WEDDERBURN DUAL PLATFORM SCAL	QLD
PP&E	631801	Weighing station parts	QLD
PP&E	631599	WELDING CURTAIN	QLD
Office Equipment	632757	Westinghouse Fridge	QLD
Office Equipment	632212	WESTINGHOUSE FRIDGE	QLD
IT	632133	WIDE INTERNAL HARD DRIVE	QLD
PP&E	631841	Window Patcher	QLD
IT	631848	Windows 8 Licenses x 14	QLD

INPRINT PTY LIMITED TO OVATO LIMITED			
Asset class	Asset Number	Description	State
IT	632465	WINDOWS CLIENT ACCESS LICENSE	QLD
IT	631837	Windows Licence	QLD
IT	631846	Windows Licence	QLD
IT	631934	WINDOWS SERVER LICENSING	QLD
PP&E	632148	WINTERS DRILLING M/C	QLD
PP&E	632142	WOHLENBERG 115MCS 3118025	QLD
Office Equipment	632658	WORK BENCHES	QLD
Office Equipment	632277	WORK BENCHES (3)	QLD
IT	631938	Work for Technique Install	QLD
PP&E	631530	WORK PLATFORM ALUMINIUM LADDE	QLD
Office Equipment	632580	WORKBENCHES (3)	QLD
PP&E	632121	WORKSHOP WORKBENCHES (X2)	QLD
Office Equipment	632600	WORKSTATIONS	QLD
Office Equipment	632581	WORKSTATIONS (2)	QLD
PP&E	631592	XEROX 4400	QLD
IT	631889	XEROX CLOLOUR COPIER	QLD
IT	632166	XEROX DOCUMENT CENTRE C4400	QLD
IT	632706	XEROX DOCUPRINT N17 PRODN	QLD
IT	632709	XEROX LF85i FAX MACHINE	QLD
IT	632707	XEROX NETWORK LASER PRINTER	QLD
IT	632174	XEROX P8EX 8PPM LASER PRINTER	QLD
PP&E	631641	X-RITE SCANNING TABLE	QLD
PP&E	631783	XRITE DENSITOMETERS X 4 doug	QLD
PP&E	631653	YAMANDA INK PUMPS	QLD
IT	632800	Zebra Network Label Printer	QLD
PP&E	632790	Zero-Slip nip enhancement	QLD
Office Equipment	632507	ZIP HOT WATER SYSTEM	QLD
Office Equipment	632718	ZIP Hot Water System - PEP	QLD
Office Equipment	631532	ZIP HOT WATER UNIT - PREPRESS	QLD
Office Equipment	631763	ZIP HYDRO TAP	QLD

## Part B – Transferring Plant and Equipment Exclusions

REMAINING PLANT AND EQUIPMENT IN OVATO PRINT PTY LTD			
Asset class	Asset Number	Description	State
Leasehold improvements	625932	Clayton Digital studios	VIC
Leasehold improvements	639249	Walkway Hand Rail	VIC
Leasehold improvements	639250	Walkway Hand Rail	VIC
Leasehold improvements	680739	LED Lighting - Clayton	VIC
PP&E	15202	CB-HARRIS M600	VIC
PP&E	15203	CB-HEIDELBERG 16	VIC
PP&E	15204	CB-HEIDELBERG 8	VIC
PP&E	15205	CB-LITHOMAN 5	VIC
PP&E	15206	CB-LITHOMAN A4	VIC
PP&E	15207	CB-LITHOMAN QTO 3	VIC
PP&E	15208	CB-MITSUBISHI	VIC
PP&E	15211	CB-ROTOMAN 8	VIC
PP&E	15212	AC-HARRIS M600 2	VIC
PP&E	15215	CC-GOSS D/LINER 1 F1	VIC
PP&E	15217	CC-GOSS D/LINER 2 F1	VIC
PP&E	15219	AC-HARRIS M3000 PCF	VIC
PP&E	15220	KW-ALBERT	VIC
PP&E	15260	KW-GOSS COMMUNITY	VIC
PP&E	15261	KW-FOUR HI	VIC
PP&E	15262	KW-SC COMMUNITY	VIC
PP&E	15264	KW-HARRIS	VIC
PP&E	15268	GE-GOSS COMM	VIC
PP&E	15269	GE-UNIMAN	VIC
PP&E	15301	CH-KOMORI 5 COL	VIC
PP&E	15302	CH-KOMORI 6 COL	VIC
PP&E	15303	CH-PERFECTOR 4 COL	VIC
PP&E	15304	CH-REKORD COATER	VIC
PP&E	15332	CH-HBERG CD 1026S	VIC
PP&E	15333	CH-HBERG CD 1026LX	VIC
PP&E	15405	CB-FERAG UNWINDER 1	VIC
PP&E	15406	CB-FERAG TRIMMER 1	VIC
PP&E	15407	CB-FERAG SHT BINDER	VIC
PP&E	15411	CB-MULLER 221/235	VIC
PP&E	15415	CB-NORM BINDER 1	VIC
PP&E	15420	CC-HARRIS BINDER	VIC
PP&E	15458	CH-HBERG CYLINDER A2	VIC
PP&E	15459	CH-HBERG CYLINDER A1	VIC
PP&E	15461	CH-STAHl T52 FOLDER	VIC
PP&E	15462	CH-STAHl T66 FOLDER	VIC



REMAINING PLANT AND EQUIPMENT IN OVATO PRINT PTY LTD			
Asset class	Asset Number	Description	State
PP&E	15463	CH-STAHl T78 FOLDER	VIC
PP&E	15464	CH-MULLER STITCHER	VIC
PP&E	15465	CH-OSAKA STITCHER	VIC
PP&E	15466	CH-HUNKLER GLUER	VIC
PP&E	15483	KW-MULLER	VIC
PP&E	15511	CB-WRAP & MAIL	VIC
PP&E	15671	CH-POLAR GUILLO 1	VIC
PP&E	15672	CH-POLAR GUILLO 2	VIC
PP&E	171811	ADDITIONAL CHILLED WATER	VIC
PP&E	172207	POLLUTION:-DUST EXTRACTION	VIC
PP&E	173657	SUPPLY & INSTALLATINN OF	VIC
PP&E	173696	MANUFACTURE OF BINDERY	VIC
PP&E	173785	KAYTEC THERMAL INCINERATION	VIC
PP&E	173811	KAYTEC THERMAL INCINERATION	VIC
PP&E	173816	KAYTEC THERMAL INCINERATION	VIC
PP&E	174005	POLLUTION CONTROL(OUTSIDE	VIC
PP&E	174227	BROOMWADE VM1000 AIR	VIC
PP&E	174674	PLUMBING ON NEW EXTENSIONS.	VIC
PP&E	186478	HOUSE POWER SUPPLY &	VIC
PP&E	186507	SUPPLY OF CABLE & WIRING FOR	VIC
PP&E	187242	KATEC BURNER AND ACCESSORIES	VIC
PP&E	187318	ENHANCEMENTS TO KATEC BURNER	VIC
PP&E	188287	PURCHASE&INSTALLATION OF AIR	VIC
PP&E	188292	1 ATLAS COPCO SILENCED AIR	VIC
PP&E	188302	1 ATLAS COPCO AIR COOLED	VIC
PP&E	188322	1 COMPATIBLE REFRIGERATED AIR	VIC
PP&E	188362	1 ATLAS COPCO AIR COOLED	VIC
PP&E	188395	INSTALLATION OF ATLAS COPCO	VIC
PP&E	189711	ELECTRICAL WIRING&COMPONENTS	VIC
PP&E	189730	ELECT.COMPONENTSCABLING ETC	VIC
PP&E	189768	INSTALL.OF LIGHTS&POWERPOINTS	VIC
PP&E	189797	ELEC.COMPON.CABLING&LAB.TO	VIC
PP&E	189808	ELECT.COMPON.&LAB.FOR	VIC
PP&E	189830	ELEC.COMPON.&LAB.RE	VIC
PP&E	189915	RELOCA.OF EQUIP.SUP.&MOD.TO	VIC
PP&E	191335	ELECTRICAL SUPPLY TO BINDERY	VIC
PP&E	193586	LITHOMAN PRESS - INK	VIC
PP&E	194209	COLOR TO COLOR REGISTER	VIC
PP&E	194284	LITHOMAN PRESS - KATEC	VIC
PP&E	194783	RELOCATION OF BINDERY AND	VIC

REMAINING PLANT AND EQUIPMENT IN OVATO PRINT PTY LTD			
Asset class	Asset Number	Description	State
PP&E	195072	CARPARK No2 ENTRANCE	VIC
PP&E	195179	ADDITIONAL FENCING	VIC
PP&E	195283	5mx2400mm CHAIN MESH + 3 ROW	VIC
PP&E	196388	SOUNDPROOF PARTIONING WALL	VIC
PP&E	198980	MINIFORM 415V SWITCHBOARD	VIC
PP&E	199700	ROLLE 80 PPS PALLET STRETCH	VIC
PP&E	200166	DYNAVAC VACUUM SYSTEM	VIC
PP&E	200239	DYNAVAC VACUUM SYSTEM -	VIC
PP&E	201718	NEW 11KV CURCUIT BREAKER &	VIC
PP&E	201759	NEW 11KV CIRCUIT BREAKER &	VIC
PP&E	201794	SUPPLY/INSTALL COOLING FANS	VIC
PP&E	201817	nO 1 SUPPLY 22KV INCOMER AT	VIC
PP&E	206786	STRETCHWRAPPING MACHINE ROLLE	VIC
PP&E	208700	LITHOMAN A4 PRESS MELBOURNE	VIC
PP&E	208720	LITHOMAN A4 CAPITALISED	VIC
PP&E	208812	LITHOMAN A4 LETTER OF CREDIT	VIC
PP&E	208850	LITHOMAN A4 VIC CHILLER COSTS	VIC
PP&E	208879	LITHOMAN A4 PRESS MELBOURNE	VIC
PP&E	208890	GLUEING SYSTEM 4 HEAD	VIC
PP&E	208912	THIRD ANGLE BAR MELBOURNE	VIC
PP&E	208956	INSTALLATION COSTS LITHOMAN	VIC
PP&E	208997	BASE & FOUNDATIONS -	VIC
PP&E	211522	VIDEOJET 3 MTR CHAIN/ MULLER	VIC
PP&E	211544	VIDEOJET HALVE SPEED CONTROL	VIC
PP&E	211588	VIDEOJET-BINDERY LAYOUT &	VIC
PP&E	211629	VIDEOJET SYSTEM PROJECT 3204	VIC
PP&E	211778	VIDEOJET INSTALLATION COSTS	VIC
PP&E	212010	LITHOMAN A4 SAFETY PRESS	VIC
PP&E	214622	G14 TRANE CHILLER SYSTEM -EX	VIC
PP&E	214682	VIKING CONVEYOR (INKJET)	VIC
PP&E	219440	KATEC	VIC
PP&E	219906	INSTALLATION OF KATEC	VIC
PP&E	219946	ADDITIONAL INSTALLATION COSTS	VIC
PP&E	220534	PAPER WASTE EXTRACTION SYSTEM	VIC
PP&E	224235	GUILLOTINE (EX MULTIFORM)	VIC
PP&E	224604	ONE 1982 WOHLBERG 132cm MCS	VIC
PP&E	228886	STAHL FLEXOMAT FOLDER - T115	VIC
PP&E	229776	Video Jet inline with Muller	VIC
PP&E	230202	Polar Mohr 112 Guillotine Ex	VIC
PP&E	236486	COMPRESSED AIR DRYER &	VIC

REMAINING PLANT AND EQUIPMENT IN OVATO PRINT PTY LTD			
Asset class	Asset Number	Description	State
PP&E	277117	SUPPLY & INSTALL 6 STREAM	VIC
PP&E	277122	PUR.S	VIC
PP&E	277132	1 MIMA LP20 STRETCH WRAPPING	VIC
PP&E	277152	XG11 GATHERERLINE MOTORISED	VIC
PP&E	278660	NETWORK CABLING	VIC
PP&E	278704	ROLEN CABLING TO EXECUTIVE	VIC
PP&E	279166	CAPACITOR BANK FOR POWER	VIC
PP&E	279199	CAPACITOR BANK INSTALLATION	VIC
PP&E	279296	CONVEYER SYSTEM FOR PERFECT	VIC
PP&E	279318	WATT FLUSH MOUNTED FLUOROS	VIC
PP&E	280061	SUPPLY&INSTALLATION OF 1	VIC
PP&E	280096	5510 BULK MELTER SINGLE HOSE	VIC
PP&E	280119	MANUFACTURE & SUPPLY 1 ONLY	VIC
PP&E	280165	SUPPLY & COMMISSION 1 ONLY	VIC
PP&E	280210	SUPPLY & COMMISSION HDL 200T	VIC
PP&E	280253	1 JET PACK SLEEVE WRAPPER	VIC
PP&E	280292	SUPP.& COMM.1 JET PACK	VIC
PP&E	280323	SUPPLY & COMM.OF 1 BOOK	VIC
PP&E	280381	1 ONLY PAPER GRAB INCL.ALL	VIC
PP&E	280407	WILKE & OUTSIDE LABOUR ON	VIC
PP&E	280412	DESIGN SUPP.& INSTALL.PAPER	VIC
PP&E	280442	ACCOUSTIC SILENCER ON BAILER	VIC
PP&E	280482	INTERNAL ELECTRIC REWIRING	VIC
PP&E	280515	PURCHASE OF 19 AUTOMATIC	VIC
PP&E	280601	INSTALLATION OF GAS SERVICES	VIC
PP&E	280612	INSTALL.OF GAS SERVICES TO	VIC
PP&E	280719	INSTALLATION OF AIR	VIC
PP&E	280754	INSTALLATION OF AIR	VIC
PP&E	280777	SUPPLY & INSTALLATION OF NEW	VIC
PP&E	280823	SUPP.& INSTALL.EVAPORATIVE	VIC
PP&E	280868	ADDITIONAL CHARGE FOR	VIC
PP&E	280950	DISMANTELINGTRANSPORTATION &	VIC
PP&E	280981	INSTALLATION OF HARRIS	VIC
PP&E	280996	REMOVAL RELOCATION &	VIC
PP&E	281026	REMOVALRELOC+REINSTALL	VIC
PP&E	281039	V.T. TRIMMER EX WA	VIC
PP&E	281070	KBII UNDERSLUNG CRANES FOR	VIC
PP&E	281100	INSTALLATION OF ELECTRICAL	VIC
PP&E	281230	PARKEN BENCH DRILL 2.2mm 9	VIC
PP&E	281259	COLCHESTER LATHE WITH STAND	VIC

REMAINING PLANT AND EQUIPMENT IN OVATO PRINT PTY LTD			
Asset class	Asset Number	Description	State
PP&E	281270	SERVEX HYDRAULIC PRESS	VIC
PP&E	281336	PACIFIC FT2V TURRET MILLING	VIC
PP&E	281377	BROBO 350 MM SAW FLOOR	VIC
PP&E	281412	PILEMAKER MANUFACTURED AND	VIC
PP&E	281481	SUPPLY & LAY ASPALT AS PER	VIC
PP&E	281608	DESIGN	VIC
PP&E	281728	ELECTRICAL INSTALLATION	VIC
PP&E	281831	INSTALL.OF WASTE TREATMENT	VIC
PP&E	281850	UPGRADE SUB 2 & POWER SUPPLY	VIC
PP&E	281888	1*1500KVA11000/433 VOLT	VIC
PP&E	281917	GEC BACKCONNECTED MINIFORMS	VIC
PP&E	281928	SUPPL&INSTALL.1SINGE	VIC
PP&E	281950	SUPPLY ON INSTALL.HV.S	VIC
PP&E	281994	SUBMAIN CABLE DIRECTORIES	VIC
PP&E	282035	SUPPL & INSTALL.LABOR MAIN S	VIC
PP&E	282070	ELECTRICAL LABOUR FOR	VIC
PP&E	282093	SUPPLY MANUF.&INSTALL.ROOF	VIC
PP&E	282139	SUPPLY&INSTALL.MAINS GAS	VIC
PP&E	282381	PERMITS - CONSULTANCY FEES.	VIC
PP&E	282386	FENCING & LANDSCAPING WORKS.	VIC
PP&E	282416	PAINTING PRESS HALL	VIC
PP&E	282508	6 ONLY DEMAG BUNDLE CRANES	VIC
PP&E	282546	TRANSFER & REBUILD 5 KNIFE	VIC
PP&E	282652	POLAR 92 CS STANDARD	VIC
PP&E	282693	UB BINDER No. 2 END OF LINE	VIC
PP&E	282924	JET PACK SHRINK WRAPPER (2ND	VIC
PP&E	282955	JET PACK SHRINK WRAPPER (2ND	VIC
PP&E	283772	ELECTRONIC PALLET WEIGHING &	VIC
PP&E	283805	PAPER DUST & WASTE	VIC
PP&E	283824	PORTABLE GUARD HOUSE SUPPLY	VIC
PP&E	283862	OUTSIDE FENCING SUPPLY &	VIC
PP&E	283924	CROWN WALKIE PALLET TRUCK	VIC
PP&E	284158	REBUILD VT TRIMMER	VIC
PP&E	284201	JET PAK SLEEVE WRAPPER M	VIC
PP&E	284240	JET PAK SLEEVE WRAPPER M2410	VIC
PP&E	284271	COMPUTERIZED SECTION CONTROL	VIC
PP&E	284390	POWER SWEEPER WITH GAS	VIC
PP&E	287062	CRANES MOTORS GRABBERS	VIC
PP&E	296214	FERAG HIGH SPEED HOPPER TYPE	VIC
PP&E	302315	COMPRESSOR NO 3	VIC

REMAINING PLANT AND EQUIPMENT IN OVATO PRINT PTY LTD			
Asset class	Asset Number	Description	State
PP&E	302348	THERMAL MUNERATOR KATEC	VIC
PP&E	303807	KATEC AFTERBURNER	VIC
PP&E	316400	Offline affixing	VIC
PP&E	326441	LITHOMAN 64PP CLN	VIC
PP&E	326467	LITHOMAN LCN INTEREST	VIC
PP&E	326472	LITHOMAN TRANSFORMER CLN	VIC
PP&E	326482	LITHOMAN CLN ADDITIONAL COSTS	VIC
PP&E	326502	LITHOMAN CREDIT FOR OVER	VIC
PP&E	326661	ROTOMAN 8 MAN ROLAND	VIC
PP&E	326672	ROTOMAN 8 MAN ROLAND INTEREST	VIC
PP&E	326694	ROTOMAN 8 ADDITIONAL COSTS	VIC
PP&E	326738	ROTOMAN 8 - CONVEYOR	VIC
PP&E	326779	ROTOMAN 8 - MISC ITEMS (FINAL	VIC
PP&E	327586	FERAG CLAYTON-GATHERING	VIC
PP&E	327744	FERAG - MULTIDISC WINDING	VIC
PP&E	327757	FERAG - MULTIDISC WINDING	VIC
PP&E	327798	FERAG - FEEDER UNITS (213296)	VIC
PP&E	327818	FERAG - FEEDER UNITS (213296)	VIC
PP&E	327858	FERAG CLAYTON-TRIMMING DRUM	VIC
PP&E	327948	FERAG - STR 100 CONVEYOR LINE	VIC
PP&E	327977	FERAG - STR 100 CONVEYOR LINE	VIC
PP&E	328054	FERAG - STR 100 DELIVERY	VIC
PP&E	328095	FERAG - STR 100 DELIVERY	VIC
PP&E	328199	FERAG CLAYTON-INSERTING DRUM	VIC
PP&E	328244	FERAG - FORWARDING STATION	VIC
PP&E	328287	FERAG - FORWARDING STATION	VIC
PP&E	328357	FERAG BELT SHT (213296)	VIC
PP&E	328372	FERAG CLAYTON-PACKAGING AREA	VIC
PP&E	328402	FERAG CLAYTON-MAILROOM FUSE	VIC
PP&E	328415	FERAG CLAYTON-OFFLINE	VIC
PP&E	328441	FERAG CLAYTON-OFFLINE	VIC
PP&E	330028	LITHOMAN CLN - VALVE, STUD	VIC
PP&E	333062	VIDEO JET PROPOINT ES	VIC
PP&E	333870	ELECTRICAL CABINETS - LITHO	VIC
PP&E	334248	LITHOMAN 64PP (FOLDER MODS TO	VIC
PP&E	334279	LITHOMAN 64PP (MODS TO MOVE	VIC
PP&E	334324	LITHOMAN A4 MODS (FOLDER MOVE	VIC
PP&E	335482	GLASS WALL ADDITIONS	VIC
PP&E	336095	INK PUMPS X2	VIC
PP&E	336956	LITHOMAN A4-MODS TO ALLOW FOR	VIC

REMAINING PLANT AND EQUIPMENT IN OVATO PRINT PTY LTD			
Asset class	Asset Number	Description	State
PP&E	336995	LITHOMAN 64PP-MODS TO ALLOW	VIC
PP&E	337688	VACUUM SYSTEM - NORM BINDERS	VIC
PP&E	337880	ELECTRICAL WORK/UPGRADE PLANT	VIC
PP&E	338386	ELECTRICAL WORKS/UPGRADE	VIC
PP&E	339316	CHILLER RECOMMISSIONS	VIC
PP&E	339385	TRANSPORT, FORKLIFT, CRANE	VIC
PP&E	339642	ELECTRICAL WORKS UPGRADE	VIC
PP&E	344966	SIGNODE LB-2000 STRAPPER	VIC
PP&E	354034	PAIR TIE CABLE - PABX MDF &	VIC
PP&E	355032	PRINERGY - SUPPLY & INSTALL	VIC
PP&E	359252	VIDEO INKJET UPGRADE CAPEX	VIC
PP&E	359283	VIDEO INKJET PAYMENT CAPEX	VIC
PP&E	359298	EMERGENCY/FIRE SPRINKLER	VIC
PP&E	362784	DRUM TRANSPORTER HO ID 426	VIC
PP&E	364285	HAND SEALER FOR MAIL & WRAP-	VIC
PP&E	364631	LAYER 3 SWITCH INSTALLATION -	VIC
PP&E	364825	ROTOMAN RELOCATION - CAPEX #	VIC
PP&E	364836	ROTAMON 8 RELOCATION	VIC
PP&E	368233	STOCHASTIC SCREENING - CAPEX	VIC
PP&E	368706	CLN LOGIC DATA COLLECTION	VIC
PP&E	368891	CLN LOGIC DATA COLL CAPEX 232	VIC
PP&E	369252	AIR DRYER FOR CLAYTON. ITEM	VIC
PP&E	500224	Palletiser building 1 & 2	VIC
PP&E	500398	Easy Mover P350A X2 201 and	VIC
PP&E	500507	Ten Denisometers	VIC
PP&E	501083	4 Pallet lifters	VIC
PP&E	501438	Rotoman 8 relocation	VIC
PP&E	501972	Easy Movers x 1 (350A)	VIC
PP&E	503863	UTR TRACK RE INSTALL ROTOMAN	VIC
PP&E	503871	VIDEO INK JET CONTROLLER	VIC
PP&E	505666	Ferag Trimming and Palletisin	VIC
PP&E	505834	Easy Mover P350A	VIC
PP&E	506108	Replacement Fryer for Canteen	VIC
PP&E	517974	Bendix Dve Security Gate	VIC
PP&E	519873	Manual Handling Equipment	VIC
PP&E	519881	Easy Movers P350A x 2	VIC
PP&E	523063	Platesetter Upgrade B	VIC
PP&E	525675	ST/STEEL ISLAND BENCH	VIC
PP&E	527355	Heaters in Bindery	VIC
PP&E	531071	Spinclean	VIC

REMAINING PLANT AND EQUIPMENT IN OVATO PRINT PTY LTD			
Asset class	Asset Number	Description	State
PP&E	536454	Divert C700 paper waste	VIC
PP&E	536462	Videojet Duel Head	VIC
PP&E	537810	Colourtuner 9600 & AMD Server	VIC
PP&E	541780	Hobart H65 Dishwasher	VIC
PP&E	544737	Power Factor Corraction-B1& B	VIC
PP&E	544825	Regenerartive Thermal Oxidize	VIC
PP&E	584470	M600	VIC
PP&E	584471	M600-PrintUnit&ContiwebSplic	VIC
PP&E	584472	M600-Prefoldr,Sheeter&Gatefl	VIC
PP&E	584473	M600-PrintUnit&ContiwebSpli	VIC
PP&E	584474	M600 Fifth Print Unit	VIC
PP&E	584475	Down payment Prefoldr,Sheete	VIC
PP&E	584476	Instal Sheeter & Plow	VIC
PP&E	584477	Infotech Graphc Equip-Prefld	VIC
PP&E	584478	Sheeter&Plow Prjt-Labour	VIC
PP&E	584479	Sheeter&Plow Prjt-Labour	VIC
PP&E	584480	Spcl Prefoldr,Sheeter&GateFl	VIC
PP&E	584481	Sheeter&Plow Prjt-Srvs Chrg	VIC
PP&E	584482	Sheeter&Plow Prjt-Titan	VIC
PP&E	584483	Infotech Graphc Equip-Freigh	VIC
PP&E	584484	Chiller - M4048	VIC
PP&E	584515	M3000 - AUX - Oven Burner	VIC
PP&E	584517	M3000 531x305NTBA	VIC
PP&E	584518	M3000 - Lenze Drive	VIC
PP&E	584519	Chiller - M3000	VIC
PP&E	584521	M3000 - Lenze Drive	VIC
PP&E	584523	Sheeter Instal - labour	VIC
PP&E	584526	RIMA Stacker (fm Times Sing)	VIC
PP&E	584532	Compressor	VIC
PP&E	584533	Compressor	VIC
PP&E	584534	Hand Pallet Truck	VIC
PP&E	584537	Hydra-Pac Bailer	VIC
PP&E	584539	Kaeser Sam Basic Air Manager	VIC
PP&E	584540	CTI - 12024 Main Surge-1 Uni	VIC
PP&E	584641	M600 TPA Installation	VIC
PP&E	587471	Indoor Factory Sweeper	VIC
PP&E	590055	Long Range Reel Scanners	VIC
PP&E	592042	Speed Limiters for 4 Grabs	VIC
PP&E	592341	BAC Storage Racking - Clayton	VIC
PP&E	594371	Scanners for DiMS 1 of 4	VIC

REMAINING PLANT AND EQUIPMENT IN OVATO PRINT PTY LTD			
Asset class	Asset Number	Description	State
PP&E	594380	Scanners for DiMS 2 of 4	VIC
PP&E	594398	Scanners for DiMS 3 of 4	VIC
PP&E	594401	Scanners for DiMS 4 of 4	VIC
PP&E	598532	BAC Storage Racking-CLB	VIC
PP&E	600559	Mercury Plate Stacker 1550	VIC
PP&E	600567	Kodak Quickbake 1550 Oven	VIC
PP&E	600575	Powerful Quick Bake Oven	VIC
PP&E	600583	VLF Plate Processor	VIC
PP&E	602301	RF Barcode Antenna Expansion	VIC
PP&E	606993	Polyethylene 2 X 1000L Bund	VIC
PP&E	609297	M3000 UTR - Modification	VIC
PP&E	609300	L5 - Modification	VIC
PP&E	620437	SILENCER WITH FLANGES	VIC
PP&E	620883	BACS bldg Services	VIC
PP&E	620891	Colliers- Workstations	VIC
PP&E	620904	Clayton Shelving Project Unif	VIC
PP&E	620912	Storage Units- Project Unify	VIC
PP&E	620921	Excelcom PABX Syst- Unify	VIC
PP&E	620939	Netstar- PABX	VIC
PP&E	620947	Netstar- PABX	VIC
PP&E	620955	Netstar- PABX	VIC
PP&E	620963	Netstar- PABX	VIC
PP&E	620998	Relocation-Custom-Unify	VIC
PP&E	624016	Collation Machine split	VIC
PP&E	625254	Compressors - Collation Machi	VIC
PP&E	626249	Compressors - Collation Machi	VIC
PP&E	626919	Unwind Argyle FV Adj 1 of 3	VIC
PP&E	626935	Unwind Argyle FV Adj 3 of 3	VIC
PP&E	627006	M3000 - AUX - Oven Burner	VIC
PP&E	628287	Compressor- Atlas Copco GA90V	VIC
PP&E	639232	Tandem Strapper	VIC
PP&E	660172	Clayton Kodak Platesetter	VIC
PP&E	680114	Loading dock for build 3	VIC
Office Equipment	186287	PIPING ON NEW MAIN GAS SUPPLY	VIC
Office Equipment	186540	SUPPLY OF MATERIAL &	VIC
Office Equipment	186729	FLURO LIGHTS & WIRING IN	VIC
Office Equipment	194374	2ND WATER SUPPLY PIPELINE TO	VIC
Office Equipment	194521	REBUILD TO 1750KVA TEST &	VIC
Office Equipment	197188	EPA REQUIREMENTS FOR NOISE	VIC
Office Equipment	217433	SUPPLY & FIT DOOR & FRAME	VIC



REMAINING PLANT AND EQUIPMENT IN OVATO PRINT PTY LTD			
Asset class	Asset Number	Description	State
Office Equipment	315316	ALTERATION TO DRIVEWAY	VIC
Office Equipment	326398	TOOL CABINET & RACKS	VIC
Office Equipment	327086	STORAGE CABINET - TOOLS	VIC
Office Equipment	327472	ROTOMAN 8 CONTROL ROOM -	VIC
Office Equipment	330450	SUPPLY & ERECT GLASS WALL	VIC
Office Equipment	331736	STORAGE CABINET (WD1440-10)	VIC
Office Equipment	332516	LITHOMAN - GLASS WALL CSTEEL	VIC
Office Equipment	342334	LOCKER - 4 TIER 305W CHINA	VIC
Office Equipment	363520	COMMUNICATION CABLING FOR CB	VIC
Office Equipment	603186	Engineering Store Cabinet -1	VIC
Office Equipment	603194	Engineering Store Cabinet -2	VIC
Office Equipment	609001	Gym Sound & Vision	VIC
Office Equipment	609326	Supervision office Fittings	VIC
Office Equipment	619057	Oil Storage Cabinet	VIC
Office Equipment	620445	STORAGE SYSTEMS	VIC
Office Equipment	620453	Sun Block Blinds X26	VIC
Office Equipment	620461	Pool Table	VIC
Office Equipment	620470	TV - Plasma	VIC
Office Equipment	620496	Canteen Cabinets	VIC
Office Equipment	620509	Canteen Chairs /Stools	VIC
IT	221806	EXICOM 3672 SWITCHBOARD	VIC
IT	506095	Warehouse Management System	VIC
IT	543865	Laptop	VIC
IT	543873	Laptop	VIC
IT	544833	Con Note Printer	VIC
IT	545246	Dell Laptop D630	VIC
IT	581010	Dell Laptop	VIC
IT	581028	Dell Laptop	VIC
IT	581036	Dell Laptop	VIC
IT	581976	Dell Latitude AL-D630 Laptop	VIC
IT	583381	Dell Laptop	VIC
IT	589901	Building 3 Stores Cabling	VIC
IT	591138	Dell Optiplex 760	VIC
IT	591146	Dell Optiplex 760	VIC
IT	591154	Dell Optiplex 760	VIC
IT	597290	Desktop -	VIC
IT	597302	Desktop	VIC
IT	597476	Laptop(Dell) (Prepress	VIC
IT	597484	Laptop(Dell) (Prepress	VIC
IT	597492	Desktop(Mac)-1of2	VIC

REMAINING PLANT AND EQUIPMENT IN OVATO PRINT PTY LTD			
Asset class	Asset Number	Description	State
IT	597505	Desktop(Mac)-2of2	VIC
IT	597530	Pre-Press Software CS5	VIC
IT	598081	Laptop	VIC
IT	598831	Desktop Dell Optiplex	VIC
IT	598840	Desktop Dell Optiplex	VIC
IT	599172	Monitor	VIC
IT	599228	Desktop-Dell Optiplex 780	VIC
IT	599236	Desktop-Dell Optiplex 780 (1)	VIC
IT	599244	Desktop-Dell Optiplex 780 (2)	VIC
IT	599261	Laptop-Dell E6410	VIC
IT	599279	Laptop-Dell E6410	VIC
IT	600399	Desktop-Dell Optiplex 780 - 1	VIC
IT	600401	Desktop-Dell Optiplex 780 - 2	VIC
IT	600410	Desktop-Dell Optiplex 780 - 3	VIC
IT	601105	NEC Monitor - 1 of 2	VIC
IT	601113	NEC Monitor - 2 of 2	VIC
IT	601121	Touchscreens x 2	VIC
IT	601130	Desktop 1of2	VIC
IT	601148	Desktop 2 of 2	VIC
IT	601156	NEC Monitor - 1 of 2	VIC
IT	601164	NEC Monitor - 2 of 2	VIC
IT	601172	Touchscreens x 2	VIC
IT	601181	Desktop 1of2	VIC
IT	601199	Desktop 2of2	VIC
IT	601201	Cables	VIC
IT	601738	Video Cards x 4	VIC
IT	601746	Combo Riser Cages x 4	VIC
IT	601789	Laptop E6410	VIC
IT	602061	Data Outlets for Rotoman /M60	VIC
IT	602482	Adobe CS5 Design Std 5	VIC
IT	603320	Dell Laptop	VIC
IT	603522	Dell Laptop-C700 Drive	VIC
IT	603637	Dell Laptop-	VIC
IT	603645	Desktop	VIC
IT	604293	Desktop	VIC
IT	604736	Dell Laptop	VIC
IT	604912	Desktop Optiplex	VIC
IT	604947	Mac Pro One- Pre Press 1	VIC
IT	604955	Mac Pro One- Pre Press 2	VIC
IT	605157	Dell Laptop E6410	VIC

REMAINING PLANT AND EQUIPMENT IN OVATO PRINT PTY LTD			
Asset class	Asset Number	Description	State
IT	605940	Adobe CS5 Software	VIC
IT	607056	Dell Laptop	VIC
IT	607435	Dell Latitude E6420 Laptop	VIC
IT	607443	24" HD Monitor P2411	VIC
IT	607582	Dell Laptop	VIC
IT	607734	Laptop	VIC
IT	607970	Dell Desktop	VIC
IT	608032	Insite Pre Press Portal - Cla	VIC
IT	608041	Sandstone Software	VIC
IT	608059	Dell Desktop OptiPlex 780DT 1	VIC
IT	608067	Dell Desktop OptiPlex 780DT 2	VIC
IT	608198	2x NEC Multisync LCD3090WQXi	VIC
IT	608948	Dell Laptop	VIC
IT	608956	Dell Laptop	VIC
IT	608964	Dell Desktop	VIC
IT	609166	Ink Optimised Profile Service	VIC
IT	609334	Dell Laptop	VIC
IT	609625	Dell Laptop	VIC
IT	610562	Dell Laptop	VIC
IT	611240	Desktop Dell Optiplex 790	VIC
IT	611389	Desktop OptiPlex 790 Despatch	VIC
IT	611805	Dell Latitude E6420	VIC
IT	611872	Dell R710 PowerEdge Server	VIC
IT	612402	Dell Laptop E6420	VIC
IT	612816	Dell Latitude E6420	VIC
IT	613974	Dell Desktop Optiplex	VIC
IT	620517	NETSTAR SERVER	VIC
IT	620525	COMPUTER CABLING	VIC
IT	620550	IS / Data and Electrical	VIC
IT	621667	Dell Latitude E6410 Laptop S	VIC
IT	621675	Dell Latitude E6410 Laptop S	VIC
IT	621683	Dell Latitude E6410 Laptop S	VIC
IT	621691	Dell Latitude E6410 Laptop S	VIC
IT	621704	Dell Latitude E6410 Laptop S	VIC
IT	621721	Dell Laptop E6420	VIC
IT	621739	Dell Laptop E6420	VIC
IT	621747	Dell Optiplex 790	VIC
IT	621755	Dell Latitude E6420 Vic Sale	VIC
IT	621763	Dell Latitude Laptop E6420	VIC
IT	624403	Pre Press Mac update	VIC

REMAINING PLANT AND EQUIPMENT IN OVATO PRINT PTY LTD			
Asset class	Asset Number	Description	State
Leasehold improvements	116219	CARPET FOR DESPATCH AREA	VIC
PP&E	990120	Compressors	VIC
PP&E	990121	Compressors	VIC
Office Equipment	544374	T2265 Serial Matrix Printer	VIC
IT	591947	Dell E6400 - Laptop & Accesso	VIC
IT	597257	Dell Latitude E6400	VIC
IT	597265	Laptop-Dell E6400 4GB RAMX2	VIC
IT	601842	Delivery Tracking Sys x 208	VIC
IT	603127	Dell Latitude E6410 Laptop	VIC
IT	603143	Dell Latitude E6410 Laptop	VIC
IT	603151	Dell Latitude E6410 Laptop	VIC
IT	609191	Del. Tracking System Upgrade	VIC
IT	610247	Dell Latitude E6420	VIC
IT	613843	Dell Latitude D610	VIC
IT	613851	Desktop OptiPlex GX620	VIC
IT	613878	Dell Latitude E6420	VIC
IT	613886	Dell Latitude D600	VIC
IT	613894	Desktop OptiPlex GX620	VIC
IT	613907	Desktop OptiPlex GX620	VIC
IT	613915	Desktop OptiPlex GX620	VIC
IT	613923	Desktop OptiPlex GX620	VIC
IT	613931	Desktop OptiPlex GX620	VIC
IT	613940	Desktop OptiPlex GX620	VIC

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**ANNEXURE C**

**McGrathNicol Report**

# Ovato Limited

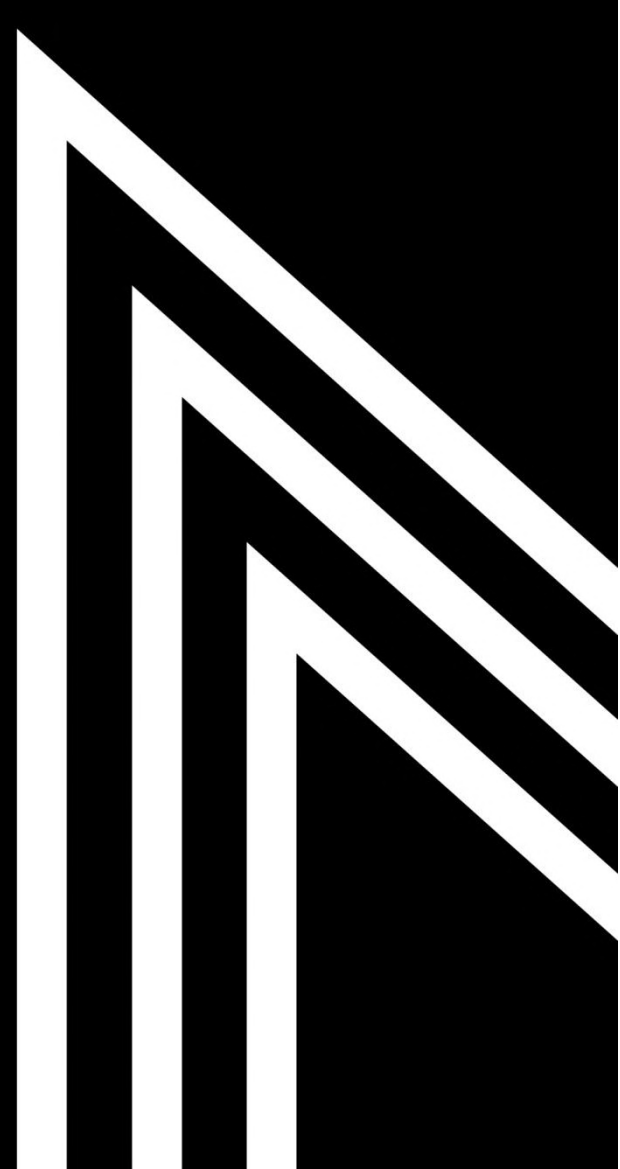
## Independent expert's report in relation to the proposed Schemes of Arrangement

12 November 2020



McGrathNicol

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Report Glossary	
Term	Expanded
\$ or AUD	Australian Dollars
€ or Euros	Euro
Act	<i>Corporations Act 2001</i> (Cth)
ANZ	Australian and New Zealand and Banking Group Limited
ASIC	Australian Securities & Investments Commission
ASX	Australian Securities Exchange
Base Case Forecast	Ovato Group FY21 forecast for the period 1 July 2020 to 30 June 2021 assuming the Proposed Schemes are not implemented. Note: this forecast has been on prepared on a "2 plus 10" basis, with actual results for July and August 2020, and forecast results for the balance of the financial year.
Corporate Bond	Secured \$40 million corporate bond issued to Permanent Custodians Limited as Secured Trustee on 19 November 2018. BNY Trust Company of Australia Limited is the Note Trustee of the Corporate Bond.
the Court	Federal Court of Australia
Creditors' Scheme	Creditors' scheme of arrangement for each Creditor's Scheme Company
Creditors' Scheme Companies	Ovato Print, Ovato Limited, Hannanprint NSW, Hannanprint Victoria and Inprint
CYXX	Calendar year ended 31 December 20XX
DXG	Deed of Cross Guarantee dated 27 June 2008, Deed of Assumption dated 11 June 2009 and Deed of Variation dated 6 June 2017
EBA	Enterprise Bargaining Agreement that amended employees subject to the EBA redundancy entitlement to 2 weeks redundancy for each completed year of service, subject to a maximum of 52 weeks
EBITDA	Earnings before interest, tax, depreciation and amortisation
Entitlement Cash	An amount of cash greater than the amount that would have been available to pay employee entitlements as if the Proposed Schemes were not implemented and the Member's Scheme Companies were wound up instead
Equity Raise	Equity raise of \$30.0 million, \$27.5 million of new equity and \$2.5 million conversion of accounts payable to equity
ERV	Estimated realisable value
Finance Facilities	The Ovato Group finance facilities which are detailed in Section 3.3 of this report
FLV	Forced Liquidation Value
FYXX	Financial year ended 30 June 20XX
Gordon Brothers Valuation	a formal independent valuation of plant and equipment was undertaken by Gordon Brothers, a professional firm providing valuation services on plant and equipment dated 29 October 2020.
H1	Half year ended 31 December 2020
H2	Half year ended 30 June 2021
Hannanprint NSW	Hannanprint NSW Pty Limited ACN 100 817 623
Hannanprint Victoria	Hannanprint Victoria Pty Limited ACN 100 817 712

Report Glossary	
Inprint	Inprint Pty Limited ACN 010 728 971
IVS	International Valuation Standards
Management	The Ovato Group key management personnel
Member's Schemes	Member's scheme of arrangement for each Member's Scheme Company and its respective sole member
Member's Scheme Companies	Ovato Print, Hannanprint NSW, Hannanprint Victoria and Inprint
MOFA	Multi-option facility agreement between the Ovato Group, ANZ, ScotPac and Rathdrum Properties Pty Limited
New Financier	The new financier of the new secured debt facility of \$17 million to be provided as part of the Proposed Restructure
NZ	New Zealand
OLV	Orderly Liquidation Valuation
Ovato Creative	Ovato Creative Services Pty Ltd ACN 001 098 157
Ovato Group or the Group	Ovato Limited and its subsidiaries
Ovato Limited	Ovato Limited ACN 050 148 644
Ovato Print	Ovato Print Pty Ltd ACN 051 706 499
Ovato Print Cairns	Ovato Print Cairns Pty Ltd ACN 050 487 879
PMSI	Purchase money security interest
PPSR	Personal Property Securities Register
Proposed Restructure	Creditors' Scheme; Member's Schemes; Equity Raise; various restructuring transactions; and partial revocation of the DXG
Proposed Schemes	Creditors' and Member's Schemes
Q1	1 July 2020 to 30 September 2020
Q2	1 October 2020 to 31 December 2020
Q3	1 January 2021 to 31 March 2021
Q4	1 April 2021 to 30 June 2021
Restructure Forecast	The Base Case Forecast with an overlay of additional assumptions reflecting the impact of the Proposed Restructure. It also includes a pro-forma consolidated forecast for the period 1 July 2021 to 31 December 2021. These combine to form the Restructure Forecast for the 18 month period from 1 July 2020 to 31 December 2021.
RFF	Receivables financing facility
ROT	Retention of Title
Scheme Administrators	Administrators of the Proposed Schemes
Scheme Creditors	Certain creditors who have supplied goods or services to Ovato Print, the Australian Taxation Office owed by Ovato Print, and the tax revenue offices of South Australia and Victoria in relation to payroll taxes owed by Ovato Print; and the tax revenue office in relation to payroll taxes owned by Ovato Print, Hannanprint NSW and Ovato Limited
Scheme Employees	Member's Scheme Companies employees
ScotPac RFF	\$50 million RFF with ScotPac

Report Glossary	
ScotPac	Scottish Pacific
Secured Creditors	ANZ, ScotPac, Corporate Bond and Commerzbank
Transferee Companies	Ovato Limited, Ovato Creative and Ovato Print Cairns
Voting Entitlement Record Date	The specified date which the Scheme Administrators pay to the Scheme Creditors 50 cents in the dollar of their unsecured claims being 11:59 pm on 6 November 2020

# 1 Introduction

## 1.1 Expert

I, Shaun Fraser, am responsible for the opinions in this report. Relevant to the subject matter of this report, I am a qualified Chartered Accountant, a Partner at McGrathNicol and a registered liquidator.

I work in the Restructuring division of McGrathNicol and specialise in corporate insolvency and restructuring. Relevantly, my training, study and experience includes:

- being a Chartered Accountant with a Bachelor of Business Degree, Western Sydney University majoring in Accounting;
- being a registered liquidator with over 30 years of experience working in the area of corporate insolvency and restructuring;
- being a member of the Australian Restructuring Insolvency and Turnaround Association;
- being a member of the Turnaround Management Association Australia;
- being a member of the Institute of Chartered Accountants Australia & New Zealand;
- having completed the Securities Institute of Australia (now FINSIA) Graduate Diploma in Applied Finance and Investment and am a member of FINSIA; and
- being a member of the Australian Institute of Company Directors.

My curriculum vitae is attached as Appendix A.

The opinions in my report are based wholly or substantially on specialised knowledge from my training, study or experience.

I have made all the inquiries which I believe are desirable and appropriate and no matters of significance that I regard as relevant have, to my knowledge, been withheld from the Court.

## 1.2 Purpose

The following companies:

- Ovato Print Pty Ltd ACN 051 706 499 (**Ovato Print**);
- Ovato Limited ACN 050 148 644 (**Ovato Limited**);
- Hannanprint NSW Pty Limited ACN 100 817 623 (**Hannanprint NSW**);
- Hannanprint Victoria Pty Limited ACN 100 817 712 (**Hannanprint Victoria**); and
- Inprint Pty Limited ACN 010 728 971 (**Inprint**) (together **the Creditors' Scheme Companies**)

propose to enter into a creditors' scheme of arrangement (**Creditors' Scheme**) with certain of their creditors; and each of the following companies:

- Ovato Print;
- Hannanprint NSW;
- Hannanprint Victoria; and
- Inprint (together **the Member's Scheme Companies**)

propose to enter into a member's scheme of arrangement (**Member's Schemes**) with its sole member (Creditors' and Member's Schemes together the **Proposed Schemes**) as part of a larger restructuring.

I have been asked to prepare an independent expert report on behalf of the Creditors' Scheme Companies addressing financial matters relating to the proposal by the Creditors' Scheme Companies to apply for orders under sections 411 and 413 of the *Corporations Act 2001* (Cth) (**Act**) in relation to the Proposed Schemes.

This report has been prepared and may be relied upon solely for the purpose contemplated in the letter of engagement included at Appendix B but should not be used for any other purpose.

### 1.3 Scope of work

Included at Appendix B is my letter of engagement dated 12 November 2020.

I have been instructed to address the following matters in the report:

- The solvency of Ovato Limited, Ovato Creative Services Pty Limited ACN 001 098 157 (**Ovato Creative**) and Ovato Print Cairns Pty Limited ACN 050 487 879 (**Ovato Print Cairns**) (together the **Transferee Companies**) following the implementation of the Proposed Schemes, noting that:
  - solvency is to be determined following completion of the Proposed Schemes; and
  - solvency is to be determined with reference to section 95A of the Act.
- The solvency of each the Member's Scheme Companies following the implementation of the Proposed Schemes, noting that:
  - solvency is to be determined following completion of the Proposed Schemes; and
  - solvency is to be determined with reference to section 95A of the Act.
- The likely outcome for each Creditors' Scheme Company should the Proposed Schemes not be implemented having regard to each Creditors' Scheme Company's existing financial position, and projections.
- The expected dividend that would be available to the Scheme Creditors if the Creditors' Scheme Companies were to be wound up within six months of the hearing of the application for an order under section 411(1) and (1A) of the Act (this should assume that the Proposed Schemes are not put into effect).
- The expected dividend that would be available to employees of each Creditors' Scheme Company if the Creditors' Scheme Companies were to be wound up within six months of the hearing of the application for an order under section 411(1) and (1A) of the Act (this should assume that the Proposed Schemes are not put into effect).
- The expected dividend that would be paid to the Scheme Creditors if the Proposed Schemes were put into effect.
- An opinion on whether, if orders are made under sections 411 and 413 of the Act, including an order the DXG be revoked to the extent it relates to each Member's Scheme Company and noting that the Transferee Companies are parties to the DXG, the making and implementation of the orders will materially prejudice the interests of the creditors of each Member's Scheme Company or the Transferee Companies ability to pay their creditors.

### 1.4 Pre-existing relationships

I have read ASIC Regulatory Guide 112<sup>1</sup> on independence and am of the opinion that there is no:

- Actual, or perceived, conflict of interest;
- Actual, or perceived, threat to independence; or
- Other reason for which the engagement could not be accepted.

In accordance with RG112.23 and RG112.28 to RG112.36, the below summarises my prior engagement with the Group and its legal advisors.

#### 1.4.1 2020 contingency planning engagement

McGrathNicol were engaged by Ovato Limited to review a contingency plan for the Ovato Group during July 2020. The engagement was a limited scope assignment and involved reviewing insolvency planning papers prepared by the Ovato Group's advisors, Wexted Advisors. Our work was completed during July 2020 (being prior to the scheme implementation). Professional fees for this engagement totalled \$25,000 plus GST.

In my opinion, I do not consider that this engagement impacts on our independence on the basis that:

- The engagement was not material and was not in relation to the financial structuring or the Proposed Schemes;
- McGrathNicol has not undertaken any engagements for the Scheme Creditors in relation to the Ovato Group.

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<sup>1</sup> ASIC Regulatory Guide dated March 2011

McGrathNicol has been instructed by Ashurst, legal advisors to the Ovato Group to prepare this report. McGrathNicol has not undertaken any other engagements under instruction from Ashurst in relation to the Ovato Group. McGrathNicol has instructed Ashurst on other matters in which McGrathNicol partners and/or staff are involved in their capacities as receivers, administrators, deed administrators or liquidators of certain companies. In my opinion, these other engagements involving Ashurst are unrelated and do not impair our independence.

## 1.5 Sources of information

I have relied on the sources of information listed in Appendix C.

Unless otherwise specified in the report, I have carried out my financial analysis based on the actual financial performance and position at 31 August 2020 as this was the latest information available to me.

Where particular documents have been used by me in support of my opinions and calculations, I have referred to these in the report.

In preparing my report, I have not conducted an audit of the information or documents provided to me. In reaching my opinions and conclusions, I have assumed that the information and documents provided to me are accurate, complete and reliable unless otherwise stated.

Neither McGrathNicol Restructuring nor I warrant the accuracy of the information supplied to me and I am not responsible in any way whatsoever to any person in respect of errors in this report arising from incorrect information supplied to me.

## 1.6 Limitations

My report is subject to the following limitations:

- I have only had access to the information outlined in this report;
- Where I have been provided with financial information, I have not had access to all underlying data supporting that information. I have relied upon the accuracy and completeness of information provided to me by the Ovato Group and its advisors;
- I have not conducted an audit of the information or documents provided to me. In reaching my opinions and conclusions, I have assumed that the information and documents provided to me are accurate, complete and reliable unless otherwise stated;
- The forecast information and the assumptions upon which they are based are solely the responsibility of Management and, insofar as the assumptions relate to the future or may be affected by unforeseen events, I can express no opinion on how closely the forecasts will correspond to actual results. I do not express an audit opinion or any other form of assurance on these forecasts or assumptions;
- I reserve the right to amend my opinions should further information be made available to me, which materially affects the expressions of opinion contained herein; and
- Figures presented in this report are presented in Australian Dollars on a rounded basis. This may result in slight differences if the calculations were performed manually. The figures referred to in this report are exclusive of GST unless specified otherwise.

## 1.7 Reliance on this report

This report has been solely prepared, and may be relied on, solely for the purposes contemplated in the letter of engagement included at Appendix B.

## 1.8 Assistance by colleagues

In order to arrive at my opinion, I have selected colleagues to assist me. My colleagues carried out the work that I decided they should perform. I have reviewed their work and original documents to the extent I considered necessary to form my opinion. The opinions expressed in this report are mine.

## 1.9 Statement regarding expert witness code

I have read, understood and complied with the Expert Witness Code of Conduct from the Uniform Civil Procedure Rules 2005 (NSW).

As an expert witness, I have complied with my general duties to Court which include:

- I have a paramount duty to the Court which overrides any duty to any party to the proceedings including my clients;
- I have an overriding duty to assist the Court on matters relevant to my area of expertise in an objective and unbiased manner;
- I have a duty not to be an advocate to any party to the proceedings including my clients; and
- I have a duty to make it clear to the Court when a particular question or issue falls outside my area of expertise.

## 2 Summary of opinions

**Table 1: Summary of findings**

Scope Item	Report Section	Opinion
1 The solvency of the Transferee Companies following the implementation of the Proposed Schemes	4	The Transferee Companies will be solvent following the implementation of the Proposed Schemes under both the cash flow and balance sheet tests of solvency, based on the forecast information provided.
2 The solvency of each of the Member's Scheme Companies following the implementation of the proposed schemes	5	<p>If the Schemes are effected, the Member's Scheme Companies will have no ongoing business or purpose, minimal residual assets including limited cash and a liability for employee entitlements for redundant employees.</p> <p>In my opinion, the Member's Scheme Companies will be insolvent following the implementation of the Proposed Schemes.</p>
3 The likely outcome for each of the Creditors' Scheme Companies should the Schemes not be implemented	6	<p>If the Schemes are not implemented, the Creditors' Scheme Companies would become insolvent and in my opinion, this would lead to all entities in the Group becoming insolvent. In that case, external administrators would be appointed to all entities in Group.</p> <p>In my opinion, if the Ovato Group enters external administration this would lead to the winding up of the Creditors' Scheme Companies.</p>
4 The expected dividend to Scheme Creditors if each of the Proposed Schemes were not implemented and the Creditors' Scheme Companies were to be wound up within six months of the hearing	7	The expected dividend to Scheme Creditors would be nil in the event of a winding up of the Creditors' Scheme Companies.
5 The expected dividend to employees if each of the Proposed Schemes were not implemented and each of the Creditors' Scheme Companies were to be wound up within six months of the hearing	7	<p>The expected dividend to priority employee creditors in the event of a winding up would be as follows:</p> <ul style="list-style-type: none"> <li>▪ Ovato Print – nil to 7 cents in the dollar</li> <li>▪ Hananprint NSW – 5 cents in the dollar</li> <li>▪ Hananprint Victoria – 13 cents in the dollar</li> <li>▪ Inprint – 8 cents in the dollar</li> <li>▪ Ovato Limited – 6 cents in the dollar</li> </ul>
6 The expected dividend to Scheme Creditors if the Proposed Schemes were put into effect	8	Based on my draft engagement letter, the expected dividend to Scheme Creditors is 50 cents in the dollar



Scope Item	Report Section	Opinion
<p><b>7</b> Whether the making and implementation of the orders sought under ss 411 and 413 of the Act will materially prejudice:</p> <p>(i) the interests of the creditors of each of the Member's Scheme Companies; or</p> <p>(ii) the ability of the Transferee Companies to pay their creditors.</p>	9	There will be no material prejudice to the interests of the creditors of each of the Member's Scheme Companies or the ability of the Transferee Companies' to pay their creditors.

## 3 Proposed restructure

### 3.1 The Group

The Ovato Group is an ASX listed marketing, digital print media, commercial printing, letterbox delivery and magazine printing business with operations in Australia and New Zealand.

The Ovato Group has the following operating divisions:

- Print Australia;
- Book Printing (Griffin Press);
- Residential Distribution;
- Marketing Services;
- Retail Distribution (Gordon and Gotch);
- Corporate; and
- Ovato New Zealand.

**Table 2: Ovato Group operating divisions**

Ovato Group operating divisions					
Business unit	Operations	Key locations	No. of employees	Base Case FY21 Revenue (\$'m)	Base Case FY21 EBITDA (\$'m)
Print Australia	Catalogues, magazines, brochures and flyers, stationery, newspapers, directories and packaging.	Warwick Farm (NSW), Clayton (VIC), Geebung (QLD)	721	234.7	(3.7)
Book Printing (Griffin Press)	Book printing business, from small to large number of copies, hardback and soft copy.	Salisbury (SA)	77	34.4	4.5
Residential Distribution	Distribution to residential homes (letterbox drops).	Multiple locations in Australia	54	46.8	(3.6)
Marketing Services	Creative services, technology group and communications group.	Pymont (NSW), Silverwater (NSW), Geebung (QLD), Clayton (VIC)	153	28.8	4.3
Retail Distribution (Gordon and Gotch)	Delivers magazines and retail merchandise to 8,100+ retail outlets.	Multiple locations in Australia / NZ	127	47.8	4.5
Corporate	Corporate head office staff located in Australia.	Pymont (NSW)	67	18.3	13.1
Ovato New Zealand	Print NZ, Retail Distribution and Corporate NZ staff.	Auckland, Christchurch	329	90.6	2.8

*Note: FY21 data is based off the Base Case Forecast*

### 3.2 Deed of Cross Guarantee

Certain companies within the Ovato Group entered into a Deed of Cross Guarantee on 27 June 2008 pursuant to ASIC Class Order 98/1418<sup>2</sup>. Additional parties were added on 11 June 2009 pursuant to the Deed of Assumption dated 11 June 2009<sup>3</sup> and further parties added on 6 June 2017 pursuant to the Deed of Variation dated 6 June 2017<sup>4</sup> (together referred to as the **DXG**). The DXG allows the Ovato Group to:

- prepare consolidated financial statements, including all entities; and

<sup>2</sup> Deed of Cross Guarantee dated 27 June 2008

<sup>3</sup> Deed of Assumption dated 11 June 2009

<sup>4</sup> Deed of Variation dated 6 June 2017

- ensure that if an entity which is party to the DXG is wound up, the other entities which are also parties to the DXG, guarantee the payment of the amounts owed to the creditors of that entity.

The listing at Appendix D identifies the 76 entities bound by the Ovato Group DXG.

### 3.3 Current finance facilities

As at 31 August 2020, the Group had total finance debt of \$107.6 million (**Total Debt**)<sup>5</sup>, pursuant to the facilities summarised in the table below (**the Finance Facilities**). A summary of the entities subject to each of these facilities is set out in Appendix E.

**Table 3: Group debt structure as at 31 August 2020**

Ovato Group - current debt structure					
Facility	Secured party	Maturity	Security held	Amount (\$)	Drawn (\$)
MOFA - Overdraft	ANZ Banking Group	Jan-21	First ranking ALLPAAP security interest (excluding trade debtors)	10,000,000	-
MOFA - Bank Guarantees	ANZ Banking Group	Jan-21	First ranking ALLPAAP security interest (excluding trade debtors)	17,000,000	16,673,547
Receivables financing facility	Scottish Pacific	Aug-23	First ranking ALLPAAP security interest over trade debtors. Second ranking for other assets	50,000,000	27,618,336
Corporate Bond	Permanent Custodians Limited	Nov-22	Second ranking ALLPAAP security interest (behind ANZ / Scotpac)	40,000,000	40,000,000
Euro export finance facility	Commerzbank	Sep-21	Secured against an offset rotary press	6,435,826	6,435,826
Export finance facility	Commerzbank	Jul-23	Secured against an offset rotary press	16,916,518	16,916,518
<b>Total</b>				<b>140,352,344</b>	<b>107,644,227</b>

Source: Financial facility documents provided and Ovato management accounts as at 31 August 2020.

Note: Total amount of the overdraft drawn is \$2 million, however this is offset by surplus cash of \$9.2 million.

#### ANZ MOFA – Overdraft and Bank Guarantees

ANZ has provided a \$10 million overdraft facility in conjunction with a bank guarantee facility of \$17 million. ANZ holds a first ranking All Present and After Acquired Property Personal Properties Security Act registration over the assets (excluding trade debtors and the Commerzbank secured assets) of the Group entities that are subject to the facilities and is backed by a guarantee from the Group's major shareholder – Rathdrum Properties Pty Limited.

The overdraft and bank guarantee facilities are due to expire in January 2021.

#### Scottish Pacific Receivables financing facility

The Group entered into a \$50 million Receivables Financing Facility with Scottish Pacific on 5 August 2020 (**ScotPac RFF**). The security pledged is first ranking over the trade debtors of the entities listed at Appendix E and second ranking to ANZ over the other assets of the Ovato Group (excluding the Commerzbank secured assets).

The ScotPac RFF is due to expire in August 2023.

#### Corporate bond

The Group issued a secured \$40 million corporate bond on 19 November 2018, with Permanent Custodians Limited acting as secured trustee, which replaced the previous unsecured \$40 million corporate bond. The bond has a fixed coupon of 8.25% per annum and a four year term which is due to expire on 19 November 2022.

The Corporate Bond is a second ranking security interest to ANZ and Scottish Pacific over the assets (including trade debtors) of the Group entities subject to the Corporate Bond. These entities are listed at Appendix E.

<sup>5</sup> Group trial balance as at 31 August 2020

### Commerzbank Euro export facility

The Group entered into a €17 million export financing loan agreement in February 2013. As at 31 August 2020, the loan had a balance of €4 million. The loan is secured against an offset rotary press at the Clayton site.

The Euro export facility has a maturity date of 30 September 2021 with semi-annual amortisations of €995.8k.

### Commerzbank export finance facility

The Group entered into a floating rate export financing facility bank loan agreement in April 2019. As at 31 August 2020, the loan was drawn to \$16.9 million. The loan is secured against an offset rotary press at the Warwick Farm site.

The export finance facility has a maturity date of 7 July 2023 with semi-annual amortisations of \$2.1 million.

## 3.4 Overview of Proposed Restructure

### 3.4.1 Introduction

I have been instructed in my engagement letter that the Ovato Group proposes to enter into the following transactions as part of the Proposed Restructure:

- the Creditors' Scheme;
- the Member's Schemes;
- various restructuring transactions; and
- partial revocation of the DXG

(together the **Proposed Restructure**).

Each of these transactions is outlined in more detail in the following sections.

This report should be considered in conjunction with the background and instructions set out in my engagement letter.

The Proposed Schemes will be inter-conditional on one another, meaning if one scheme was to fail the other scheme would be unable to be implemented.

### 3.4.2 Creditors' Scheme

The Creditors' Scheme is proposed to be between the Creditors' Scheme Companies and:

- certain creditors who have supplied goods or services to Ovato Print;
- the Commissioner of Taxation (Cth) in respect of GST liabilities owed by Ovato Print;
- the Commissioner of State Revenue (Vic) and Commissioner of State Taxation (SA) in respect of payroll liabilities owing by Ovato Print; and
- the Chief Commissioner of State Revenue (NSW) in respect of payroll liabilities owing by Ovato Print, Hannanprint NSW and Ovato Limited.

The Scheme Creditors will thereby form a single class of creditors (**Scheme Creditors**).

The Scheme Creditors are primarily creditors of Ovato Print, and contingent creditors of each of the other Member's Scheme Companies by virtue of the DXG.

It is proposed the Scheme Creditors agree to receive 50 cents in the dollar in respect of the unsecured portion of their claims against the Creditors' Scheme Companies as at 11:59pm on 6 November 2020 (**Voting Entitlement Record Date**) and subsequently release the Creditors' Scheme Companies from the unpaid portion of their unsecured claims.

The Creditors' Scheme will preserve any retention of title rights of the Scheme Creditors who have supplied property to Ovato Print on retention of title terms. Under the creditors' scheme of arrangement, an amount equal to the cost price of any such retention of title property used or consumed in the period between the Voting Entitlement Record Date and the date the Scheme Administrators are appointed will be paid to relevant Scheme Creditors from the proceeds generated by Ovato Print from using such retention of title property. If any retention of title property is not used or consumed prior to the appointment of the Scheme Administrators, Ovato Limited will have the option to purchase it from the relevant Scheme Creditor at its cost price or Ovato Limited may return it to the relevant Scheme Creditor.

### 3.4.3 Member's Schemes

The Member's Schemes are proposed to be between each of the following companies and their sole member:

**Table 4: Member's Schemes**

Member's Scheme of Arrangement	
Member's Scheme Companies	Member
Ovato Print Pty Ltd ACN 051 706 499	Ovato Limited ACN 050 148 644
Hannanprint NSW Pty Limited ACN 100 817 623	The Independent Print Media Group Pty Limited ACN 071 231 215
Hannanprint Victoria Pty Limited ACN 100 817 712	The Independent Print Media Group Pty Limited ACN 071 231 215
Inprint Pty Limited ACN 010 728 971	Woodox Pty Ltd ACN 067 150 789

*Source: Engagement letter dated 12 November 2020*

The Member's Schemes propose the following:

- Inprint Pty Limited will transfer the shares it holds in:
  - Ovato Creative Services Geebung Pty Ltd ACN 010 958 200 to Ovato Creative Services;
  - Ovato Packaging Pty Ltd ACN 050 411 759 to Ovato Print Cairns; and
  - Ovato Print Cairns to Ovato Limited.
- The Member's Scheme Companies will transfer all other assets (including the shares held by Ovato Print in all of its subsidiaries) to Ovato Limited, with the exception of:
  - certain plant and equipment;
  - certain employees of the Member's Scheme Companies; and
  - an amount of cash greater than the amount that would have been available to pay employee entitlements as if the Proposed Schemes were not implemented and the Member's Scheme Companies were would up instead (**Entitlements Cash**).

The Proposed Restructure would facilitate the transfer of approximately 4,016 items of property, plant and equipment to the New Ovato Companies with a net book value of approximately \$90.4 million. This includes two Commerzbank secured offset rotary presses with a combined net book value of \$34.1 million. As part of the Member's Schemes, a total of approximately 502 assets would remain in the Member's Scheme Companies with a total net book value of \$0.7 million<sup>6</sup>.

The Member's Schemes transfer approximately 584 employees from the Member's Scheme Companies to the Transferee Companies with approximately \$11.4 million in related accrued employee entitlements being transitioned (annual leave and long service leave). The estimated redundancy entitlements (including payment in lieu of notice) for these employees is \$29.4 million which will not be crystallised due to the transfer under the Member's Schemes.

The Member's Schemes will result in 225 employees remaining with the Member's Scheme Companies, with remaining employee entitlements totalling approximately \$19.1 million (including redundancy and payment in lieu of notice of \$14.3 million)<sup>7</sup>.

### 3.4.4 Restructuring Transactions

A key condition precedent to the implementation of the Proposed Schemes is new equity in the amount of \$30 million being provided to Ovato Limited. It is proposed that the equity raising is also conditional on the following restructuring transactions:

- debt facilities provided to the Ovato Group by ANZ being repaid in full;
- a compromise with the holders of the secured Corporate Bonds issued by Ovato Finance Pty Ltd on 19 November 2018;

<sup>6</sup> Group fixed asset register – 30 September 2020. These figures have been provided based on the 30 September 2020 fixed asset register.

<sup>7</sup> Group employee entitlements summary

- Scotpac consenting to the Proposed Schemes;
- a new financier lending additional funds to the Ovato Group;
- a compromise of the debt owing to Commerzbank with respect to their secured loan over the equipment; and
- various landlords of members of the Ovato Group, including Ovato Print agreeing to compromises to their respective leases.

In addition to the above, there are other key restructuring transactions that will be implemented following the Proposed Restructure which are detailed in Section 4.3.

#### 3.4.5 Revocation of DXG

A requirement of the restructuring transactions is the revocation of the DXG as it relates to the Member's Scheme Companies to facilitate the recapitalisation of the business.

## 4 Post Proposed Restructure - Solvency of Transferee Companies

I have been asked to assess the Solvency of the Transferee Companies following the implementation of the Proposed Schemes.

### 4.1 Basis of preparation

My analysis of the solvency of the Transferee Companies following the implementation of the Proposed Schemes is based on the financial forecast information provided to me.

I note the following limitations in the data:

- I have not been provided with detailed profit and loss forecasts for the Transferee Companies, but rather a one line EBITDA forecast. As a result, I have been unable to undertake a detailed review of the revenue and expense performance assumptions following the implementation of the Proposed Schemes and am reliant of the forecast EBITDA assumptions;
- The cash flow and balance sheet forecasts have been extracted from Ovato's forecasting tool with much of the data unable to be further interrogated. Accordingly, I have relied on the following assumptions inherent in the forecasts:
  - the availability of funding from the ScotPac RFF over the forecast period;
  - the availability of, and compliance with, the proposed \$17 million new credit facility;
  - movements in working capital during the forecast period both inter-month and intra-month; and
  - cash balances and net debt movements in the period.

Given the inter-conditionality between the Proposed Schemes and the Restructuring Transactions, I have assessed the solvency of the Ovato Group following the implementation of the Proposed Restructure rather than solely after the implementation of the Proposed Schemes.

### 4.2 Solvency approach

Section 95A of the Act states that:

- "95A(1) A person is solvent if, and only if, the person is able to pay all the person's debts, as and when they become due and payable.
- 95A(2) A person who is not solvent is insolvent."

There are two generally accepted financial tests to determine whether a company is insolvent, being the 'cash flow' test and the 'balance sheet' test:

- the cash flow test, which involves an assessment of whether an entity's immediately available (or readily realisable) assets are sufficient to meet its due and payable debts; and
- the balance sheet test, which indicates that an entity is solvent so long as it has positive net assets and can eventually meet its liabilities from its assets. The balance sheet test has no regard to the timing of the payment of debts.

The cash flow test is considered more closely aligned to the requirements of Section 95A of the Act than the balance sheet test and, therefore, considered the primary indicator of solvency. I have relied upon the cash flow test to form my opinion on the Transferee Companies' solvency. However, the balance sheet test is useful in providing context for the proper application of the cash flow test.

The Transferee Companies continue to be parties to the DXG and the ScotPac RFF and are therefore exposed to the performance and funding availability of the broader Ovato Group, which are bound by the DXG after the Member's Schemes are implemented. Given this, I have assessed the solvency of the Transferee Companies by reference to the solvency of the Ovato Group.

### 4.3 Information relied upon

To assess solvency I have relied upon Management's forecast cash flow and balance sheet. The forecast covers the period 1 July 2020 to 30 June 2021 and is prepared on a 'bottom-up' basis. Each business segment prepares a profit and loss forecast which is then consolidated into a group forecast using a forecasting tool. Management has then exported the data into Microsoft Excel to produce a Group 'base case' forecast (**Base Case Forecast**).

A restructure forecast has then been prepared by overlaying additional assumptions reflecting the impact of the Proposed Restructure, which are applied as adjustments to the Base Case Forecast. Further, a pro-forma consolidated forecast has also been prepared for the period 1 July 2021 to 31 December 2021. These combine to form the Restructure Forecast for the 18 month period from 1 July 2020 to 31 December 2021 (**Restructure Forecast**).

The Restructure Forecast:

- is prepared on an indirect cash flow basis, by forecasting net cash movements based on forecast EBITDA and balance sheet movements;
- is prepared on a monthly basis for the 12 months ending 30 June 2021;
- includes actual results for July 2020 and August 2020; and
- forecasts the six months from 1 July 2021 to 31 December 2021 as a single period.

The analysis and conclusions set out in this section are subject to the following key assumptions:

- that there is no material deterioration in the performance of the Ovato Group in the period from September 2020 to December 2020 (being the period prior to the forecast implementation of the Proposed Restructure);
- any secured finance facility covenant breaches prior to the implementation of the Proposed Restructure are waived by lenders;
- the Proposed Restructure occurs in December 2020;
- the Group achieves the Restructure Forecast EBITDA;
- the Group is able to manage its working capital requirements to comply with the ScotPac RFF facility;
- the Group is able to comply with the new Credit facility obligations (which are yet to be finalised); and
- no major acquisitions occur and capital expenditure is managed within Restructure Forecast levels.

As detailed in section 3.4.4 of this report, the Proposed Schemes are conditional on new equity in the amount of \$30 million being provided to Ovato Limited, which is being provided as follows:

- \$27.5 million is received as cash at the time of the Proposed Restructure; and
- the remaining \$2.5 million is a conversion of accounts payable with the effective cash benefit being received in the months following the Proposed Restructure.

(together **Equity Raise**)

Further to the Equity Raise, the Restructure Forecast also includes the following restructuring assumptions:

- Bondholders convert their \$40 million of secured debt to \$20 million of equity;
- An additional secured debt facility of \$17.0 million is provided, which I have been advised by Management is currently contemplated to be provided by the New Financier. However, I have not been provided with a term sheet or details of any covenants or interest terms with respect to this facility;
- Commerzbank to write-off a total of \$7.1 million in debt;
- \$17.0 million of cash is used to provide cash backing to bank guarantees in relation to leased premises;
- \$2.03 million of cash is transferred to Member's Scheme Companies as Entitlements Cash; and
- \$9.0 million is provided for as payments to Scheme Creditors pursuant to the terms of the Creditors' Scheme with the remainder of the claims released.



## 4.4 Cash flow test

The Restructure Forecast cash flow is set out below for the full 18 month period from 1 July 2020 to 31 December 2021, noting that it includes actual results for July 2020 and August 2020. Given that the Proposed Restructure and Schemes are expected to be implemented in December 2020, the majority of the impacts of the Proposed Restructure are forecast to occur subsequent to Q2FY21

I have reviewed the forecast performance based on two key timeframes:

- The FY21 period, to assess the impact of the Proposed Restructure and corresponding forecast performance to 30 June 2021; and
- CY21 (January 2021 to December 2021) to consider the Group's solvency in the 12 month period following the Proposed Restructure.

**Table 5: Restructure Forecast EBITDA to net cash flow**

Ovato Group - EBITDA to net cash flow 1 June 2020 to 31 December 2021								
\$'m	Q1FY21	Q2FY21	Q3FY21	Q4FY21	FY21	H2FY21	H1FY22	CY21
EBITDA - normal earnings	(0.6)	1.9	7.0	8.8	17.1	15.8	28.3	44.0
EBITDA - Jobkeeper receipts	11.2	7.5	0.8	-	19.6	0.8	-	0.8
Working capital movement	(2.9)	(15.0)	5.4	4.1	(8.4)	9.5	(5.7)	3.8
Lease interest payments	(2.5)	(2.4)	(2.2)	(2.1)	(9.2)	(4.3)	(3.1)	(7.4)
Interest paid	(2.8)	(2.1)	(1.2)	(1.1)	(7.2)	(2.3)	(1.4)	(3.7)
Tax paid	(0.0)	(0.0)	(0.0)	0.0	(0.0)	(0.0)	-	(0.0)
Cash back bank guarantees	-	(17.0)	-	-	(17.0)	-	-	-
Employee entitlement funding	-	(2.03)	-	-	(2.0)	-	-	-
<b>Trading cash flow</b>	<b>2.5</b>	<b>(29.0)</b>	<b>9.8</b>	<b>9.6</b>	<b>(7.2)</b>	<b>19.4</b>	<b>18.1</b>	<b>37.5</b>
Significant items	(3.9)	(5.2)	(1.9)	(1.1)	(12.1)	(3.0)	0.0	(3.0)
<b>Cash flow from operations</b>	<b>(1.4)</b>	<b>(34.3)</b>	<b>7.9</b>	<b>8.5</b>	<b>(19.3)</b>	<b>16.4</b>	<b>18.1</b>	<b>34.5</b>
Capital expenditure	(0.2)	(0.3)	(0.6)	(0.3)	(1.4)	(0.9)	(2.5)	(3.4)
Lease principal payments	(5.4)	(5.4)	(5.5)	(5.7)	(22.0)	(11.2)	(5.8)	(17.0)
New Financier credit facility	-	17.0	-	-	17.0	-	-	-
Equity raise (new monies)	(0.0)	27.5	-	-	27.5	-	-	-
<b>Investing Cash Flow</b>	<b>(5.6)</b>	<b>38.8</b>	<b>(6.1)</b>	<b>(6.0)</b>	<b>21.1</b>	<b>(12.1)</b>	<b>(8.3)</b>	<b>(20.4)</b>
<b>Cash flow pre net debt movement</b>	<b>(7.0)</b>	<b>4.5</b>	<b>1.8</b>	<b>2.5</b>	<b>1.8</b>	<b>4.3</b>	<b>9.8</b>	<b>14.1</b>

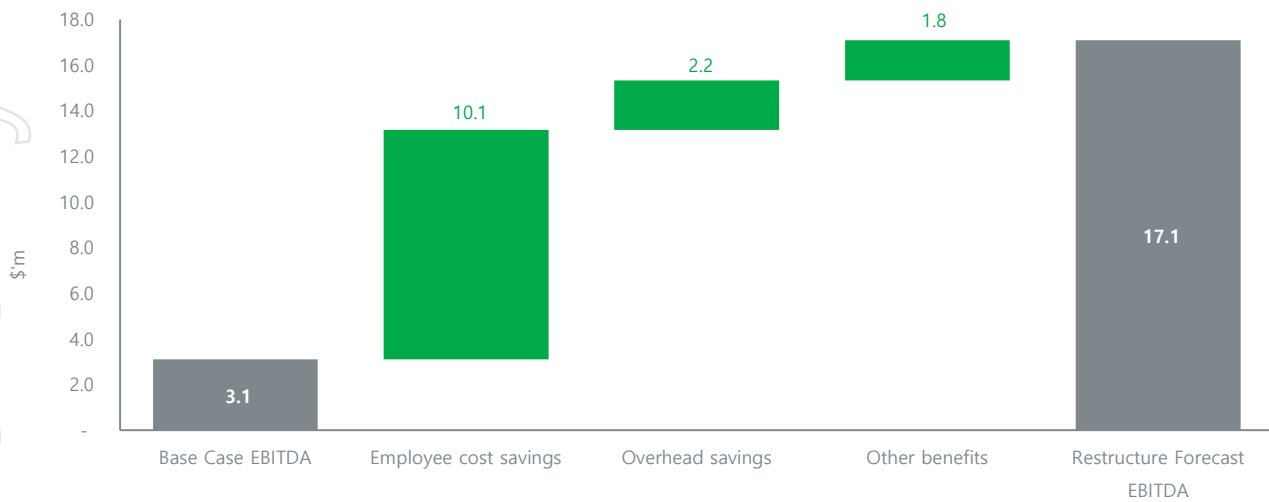
Source reference: Restructure Forecast, McGrathNicol analysis

### 4.4.1 FY21

The achievement of the EBITDA forecast is key to the Restructure Forecast cash flow. Whilst I do not have a detailed profit and loss forecast to review the underlying EBITDA forecast assumptions, I have considered the Restructure Forecast EBITDA for FY21 of \$17.1 million by reference to the Base Forecast EBITDA for the same period of \$3.1 million (assuming no restructure). Set out below is a high level analysis to reconcile the key movements.

The \$14.0 million forecast improvement is largely as a result of \$10.1 million in expected employee cost savings due to employees that will not be transferred through the Member's Schemes, and \$2.2 million in anticipated overhead savings following the implementation of the Schemes.

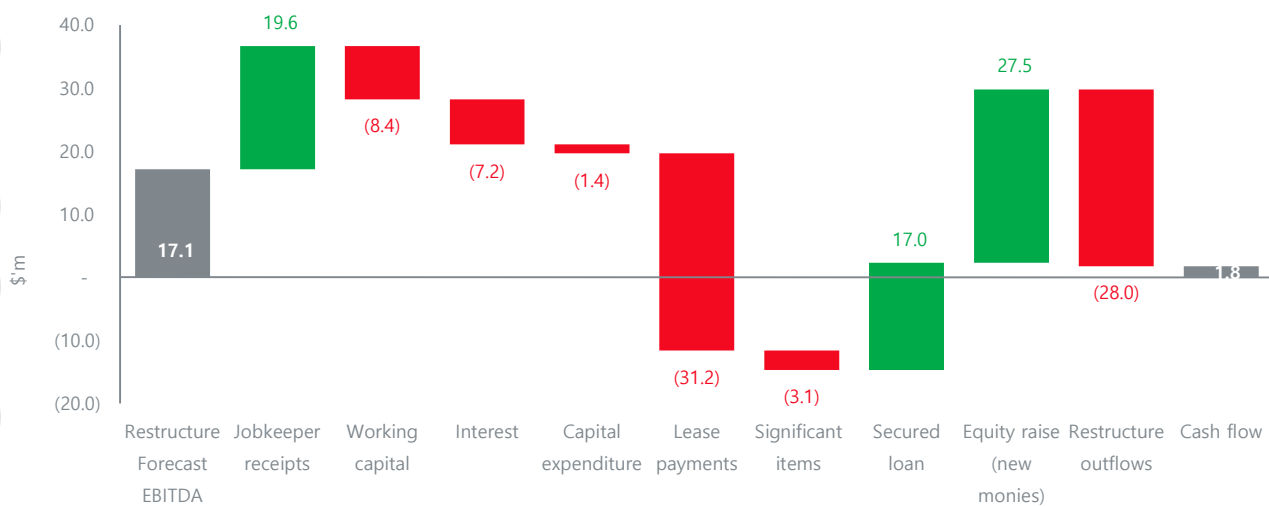
**Chart 1: Ovato Group Proposed Restructure Forecast benefits (excluding JobKeeper)**



Source: Restructure Forecast

Having considered the Restructure Forecast EBITDA of \$17.1 million for FY21, set out below is a chart that summarises the key movements from EBITDA to cash flow (pre net debt movements) of \$1.8 million for the same period.

**Chart 2: Ovato Group - FY21 Restructure Forecast EBITDA to cash flow**



Source: Restructure Forecast, McGrathNicol analysis

As set out in the chart above, the Restructure Forecast for the period to 30 June 2020 includes the impact of:

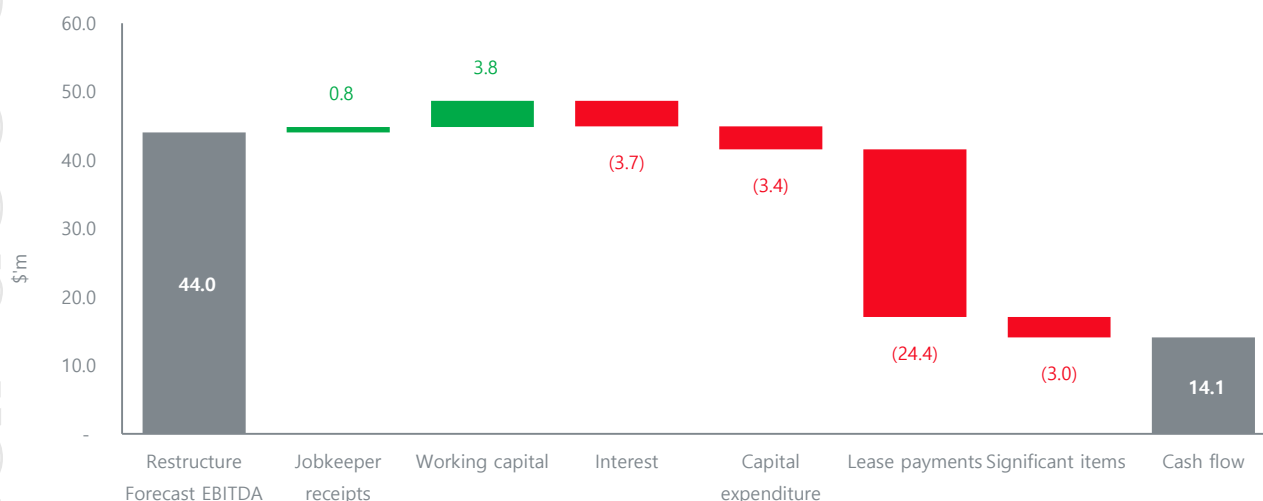
- \$17.0 million cash inflow as a result of the new finance facility;
- \$27.5 million in new monies from the equity raise; and
- \$28.03 million in restructuring outflows, which include:
  - \$17.0 million cash outflow to cash back the bank guarantees;
  - \$9.0 million to fund payments to Scheme Creditors; and
  - \$2.03 million to fund employee entitlements in the Member's Scheme Companies.

#### 4.4.2 CY21

Following the implementation of the Schemes, the Group is forecast to generate EBITDA of \$44.0 million (excluding JobKeeper) and cash flow before net debt of \$14.1 million in the period from January 2021 to December 2021. The improvement in EBITDA post restructure is reflective of the lower cost base associated with the Group as a result of the operational restructure, and is weighted towards H2CY21.

Set out below is a summary of the key movements from EBITDA to cash flow before net debt for CY21. As can be seen in the chart, following the implementation of the Schemes and Proposed Restructure, the Ovato Group is forecast to generate positive cash flow of \$14.1 million, with the material cash outflows being interest and lease payments.

**Chart 3: Ovato Group - CY21 Restructure Forecast EBITDA to cash flow**



Source: Restructure Forecast, McGrathNicol analysis

Set out below is a summary of the forecast movements in net debt over the period. In accordance with the analysis above, the movement in net debt from \$48.4 million at December 2020 to \$34.3 million at December 2021 reflects the forecast cash flow prior to net debt movements of \$14.1 million over the same period.

**Table 6: Ovato Group forecast net debt balance**

Ovato Group - Restructure Forecast net debt summary (31 December 2020 to 31 December 2021)				
\$'m	Dec-20	Mar-21	Jun-21	Dec-21
Cash at bank	12.9	17.6	19.2	28.7
New Financier credit facility	(17.0)	(17.0)	(17.0)	(17.0)
ScotPac RFF	(28.0)	(31.0)	(30.0)	(33.3)
Commerzbank (AUD and EUR)	(16.2)	(16.2)	(16.2)	(12.7)
<b>Closing net Debt</b>	<b>(48.4)</b>	<b>(46.6)</b>	<b>(44.1)</b>	<b>(34.3)</b>

Source: Restructure Forecast

This table highlights the positive effect that the Transferee Companies realise from the Proposed Restructuring.

Source: Restructure Forecast

#### 4.4.3 Cash flow solvency - conclusion

The Restructure Forecast demonstrates that assuming the Proposed Restructure is successfully implemented, the Ovato Group is forecast to:

- generate positive EBITDA; and
- generate positive cash flow as a result of the EBITDA performance

Given this, and noting the limitations and assumptions set out in sections 4.1 and 4.3 above, it is my opinion that the Transferee Companies will be solvent under the cash flow test following the implementation of the Proposed Restructure and accordingly the Proposed Schemes.

## 4.5 Balance sheet test

### 4.5.1 Impact of the Proposed Restructure

The table below compares the 31 December 2020 Base Case Forecast balance sheet with the 31 December 2020 Restructure Forecast balance sheet (with additional overlays for non-cash items), and highlights the impact of the Proposed Restructure.

**Table 7: Impact of Proposed Restructure on Ovato Group balance sheet**

Ovato Group - Impact of Proposed Restructure on balance sheet			
\$'m	Pre Restructure	Proposed Restructure impact	Post Restructure
Cash at bank	(0.6)	13.5	12.9
External receivables	69.4	-	69.4
Inventory	72.6	-	72.6
Other current assets	5.4	17.0	22.4
<b>Total current assets</b>	<b>146.7</b>	<b>30.5</b>	<b>177.2</b>
Property, Plant and Equipment	97.4	(5.6)	91.8
Finance lease receivables	10.7	-	10.7
Leased assets	51.1	-	51.1
Other non-current assets	44.1	(1.1)	43.0
<b>Non-current assets</b>	<b>203.3</b>	<b>(6.7)</b>	<b>196.5</b>
<b>Total assets</b>	<b>350.0</b>	<b>23.8</b>	<b>373.8</b>
Payables / accruals	(123.8)	21.2	(102.6)
Provisions	(33.8)	5.9	(28.0)
Interest bearing liabilities	(14.7)	14.3	(0.4)
Other current - liabilities	(22.0)	-	(22.0)
<b>Current liabilities</b>	<b>(194.3)</b>	<b>41.3</b>	<b>(153.0)</b>
Provisions	(7.3)	-	(7.3)
Interest bearing liabilities	(72.6)	13.8	(58.8)
Other non-current liabilities	(72.0)	-	(72.0)
<b>Non-current liabilities</b>	<b>(151.9)</b>	<b>13.8</b>	<b>(138.1)</b>
<b>Total liabilities</b>	<b>(346.2)</b>	<b>55.1</b>	<b>(291.1)</b>
<b>Net assets</b>	<b>3.8</b>	<b>78.9</b>	<b>82.7</b>
<i>KPIs</i>			
<i>Current asset ratio</i>	<i>0.76</i>		<i>1.16</i>
<i>Quick ratio</i>	<i>0.38</i>		<i>0.68</i>

Source: Restructure Forecast, McGrathNicol analysis

The Proposed Restructure is forecast to improve net assets by \$78.9 million, primarily driven by the following:

- a \$30 million equity raise (detailed in section 3.4.4 of this report), which results in a \$13.5 million increase in cash at bank and a \$17 million increase in other current assets as a result of cash backing bank guarantees for leased premises (amongst other adjustments);
- a \$21.2 million reduction in payables due to:
  - a reduction in creditors via the Proposed Schemes of \$10.7 million; and
  - the impact of creditors placing the Ovato Group on cash on delivery and restricted trading terms once the schemes are announced;
- a \$5.9 million reduction in employee provisions for the employees remaining in the Transferee Companies; and
- a \$28.1 million reduction in interest bearing liabilities (current and non-current) as a result of the following:

- the secured Corporate Bonds releasing their claim in full (total secured debt is \$40 million) in return for \$20 million of equity;
- there is a net write-down of the Commerzbank loans of \$5 million; and
- draw down of the new secured loan facility provided by the a new financier (**New Financier**) totalling \$17.0 million.

#### 4.5.2 Forecast balance sheet

The Restructure Forecast shows the Group maintaining a material net asset position during the twelve months ending 31 December 2021 as shown in the table below.

**Table 8: Group balance sheet – Restructure Forecast**

Ovato Group - Balance sheet (Restructure Forecast)				
\$'m	Dec-20	Mar-21	Jun-21	Dec-21
Cash at bank	12.9	17.6	19.2	28.7
External receivables	69.4	78.1	67.9	71.4
Inventory	72.6	67.8	70.8	70.8
Other current assets	22.4	21.5	22.8	22.8
<b>Total current assets</b>	<b>177.2</b>	<b>185.0</b>	<b>180.7</b>	<b>193.7</b>
Property, Plant and Equipment	91.8	87.5	83.2	78.8
Finance lease receivables	10.7	10.2	9.8	8.9
Leased assets	51.1	47.3	43.5	37.0
Other non-current assets	43.0	42.5	42.0	37.7
<b>Total Non-current assets</b>	<b>196.5</b>	<b>187.5</b>	<b>178.4</b>	<b>162.3</b>
<b>Total assets</b>	<b>373.8</b>	<b>372.5</b>	<b>359.1</b>	<b>356.0</b>
Payables / accruals	(102.6)	(110.5)	(107.4)	(105.2)
Provisions	(28.0)	(28.5)	(29.2)	(29.2)
Interest bearing liabilities	(0.4)	(2.6)	(2.6)	(2.7)
Other current liabilities	(22.0)	(21.9)	(21.7)	(21.7)
<b>Total Current liabilities</b>	<b>(153.0)</b>	<b>(163.5)</b>	<b>(160.9)</b>	<b>(158.8)</b>
Provisions	(7.3)	(7.3)	(7.3)	(7.3)
Interest bearing liabilities	(58.8)	(59.9)	(59.1)	(59.3)
Other non-current liabilities	(72.0)	(66.5)	(60.9)	(54.1)
<b>Total Non-current liabilities</b>	<b>(138.1)</b>	<b>(133.7)</b>	<b>(127.4)</b>	<b>(120.8)</b>
<b>Total liabilities</b>	<b>(291.1)</b>	<b>(297.2)</b>	<b>(288.3)</b>	<b>(279.6)</b>
<b>Net assets</b>	<b>82.7</b>	<b>75.3</b>	<b>70.8</b>	<b>76.5</b>
<i>KPIs</i>				
<i>Current asset ratio</i>	<i>1.16</i>	<i>1.13</i>	<i>1.12</i>	<i>1.22</i>
<i>Quick ratio</i>	<i>0.68</i>	<i>0.72</i>	<i>0.68</i>	<i>0.77</i>

Source: Restructure Forecast, McGrathNicol analysis

Liquidity ratios (current asset ratio and quick ratio) provide an indicator of a company's ability to pay debts as and when they fall due. A current ratio greater than one suggests that a company is better able to pay its debts than a current ratio of less than one. One would generally expect that the higher the liquidity ratio, the stronger the liquidity position of a company and therefore the better its' ability to pay creditors as and when they fall due.

The Group's current ratio is above one over the forecast period to 31 December 2021. Positive EBITDA and Cash Flow from Operations over the forecast period (as described in Section 4.4 of this report) results in the forecast surplus net current asset position growing from \$24.2 million as at December 2020 to \$35.0 million as at 31 December 2021. In my opinion, this is an indicator that the Transferee Companies liquidity position will strengthen as a result of the Proposed Restructure.

#### 4.5.3 Balance sheet solvency - conclusion

In my opinion the Transferee Companies will be solvent on a balance sheet basis.

### 4.6 Other solvency considerations

#### 4.6.1 Covenants

The Restructure Forecast assumes the Ovato Group meets all relevant covenants post the Proposed Scheme implementation. I do not have details of financial covenants on the finance facilities and have not verified this assumption.

#### 4.6.2 Adequacy of books and records

Section 286 (1) of the Act requires a company to keep books and records that:

- correctly record and explain its transactions and financial position and performance; and
- would enable true and fair financial statements to be prepared and audited.

Section 588E(4)A of the Act states that in the event of recovery proceedings, a failure by the company to comply with section 286(1) carries a presumption that the company was insolvent for the relevant period.

This report was produced from records provided by the Ovato Group. The Ovato Group was audited by Deloitte Touche Tohmatsu for FY20 and the audit report does not identify any deficiency in the Ovato Group's records. I note that the Group is in the process of seeking to have RSM Australia Pty Ltd take over as auditors for FY21.

I do not consider that there are grounds for a presumption on insolvency pursuant to section 588E(4)A of the Act.

### 4.7 Conclusion

In my opinion, the Transferee Companies will be solvent for the twelve months following the implementation of the Proposed Schemes, however its ability to continue as going concern is dependent on:

- its ability to perform as forecast, including managing within its RFF and the New Financier loan limits;
- achieving the forecast EBITDA improvements expected from the Proposed Restructure; and
- no further material adverse external impacts (including from COVID-19) causing ongoing performance deterioration.

## 5 Post Proposed Restructure – Solvency of Member's Scheme Companies

### 5.1 Introduction

I have been asked to assess the solvency of each of the Member's Scheme Companies following the implementation of the Proposed Schemes.

### 5.2 Solvency approach

I have assessed solvency in accordance with the requirements set out in Section 95A of the Act and detailed at section 4.2 of this report.

### 5.3 Information relied upon

The analysis in this section is based on assumptions drawn from the information I have been provided with, as set out below:

- a list of assets that will remain in each of the Member's Scheme Companies following the implementation of the Proposed Schemes<sup>8</sup>; and
- a list of employees that will continue to be employed by each of the Member's Scheme Companies following the implementation of the Proposed Schemes<sup>9</sup>.

I have not been provided with financial forecasts for the Member's Scheme Companies following the implementation of the Proposed Schemes.

### 5.4 Cash flow test

Whilst I have not been provided with a cash flow forecast for the Member's Scheme Companies following the implementation of the Proposed Schemes, I note the following based on my understanding of the Proposed Restructure:

- the Member's Schemes will transfer all assets and liabilities from the Member's Scheme Companies to the Transferee Companies, with the exception of certain plant and equipment, certain remaining employees and the Entitlements Cash.
- the plant and equipment to be left with the Member's Scheme Companies is approximately \$0.7 million based on book values as at 30 September 2020<sup>10</sup>. I have not been able to identify the specific assets in the Gordon Brothers Valuation but expect the FLV and OLV for the residual assets will be materially lower than book values ; and
- that the DXG between the Ovato Group and the Member's Scheme Companies will be revoked to the extent it relates to the Member's Scheme Companies; and

The Member's Scheme Companies will be unable to generate recurring revenue or cash, will have no ongoing management, business or purpose and in my opinion, will be incapable of operating as a going concern subsequent to the implementation of the Proposed Schemes.

As a result, it is my opinion that each of the Member's Scheme Companies will be unable to pay its debts as and when they fall due and accordingly, based on the primary test of solvency, will be cash flow insolvent.

### 5.5 Balance sheet test

I have not been provided with balance sheets for the Member's Scheme Companies following the implementation of the Proposed Schemes.

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<sup>8</sup> Group fixed asset register – 30 September 2020

<sup>9</sup> Group employee entitlements summary

<sup>10</sup> Group fixed asset register – 30 September 2020

However, based on my understanding of the Proposed Restructure, set out below is an indicative pro-forma balance sheet for each of the Member's Scheme Companies, following implementation of the Proposed Schemes prior to any Entitlements Cash being provided.

**Table 9: Financial position of the Member's Scheme Companies upon completion of the Proposed Schemes**

Financial position of Member's Scheme Companies upon implementation of the Proposed Schemes				
A\$m	Ovato Print Pty Ltd	Hannanprint NSW Pty Limited	Hannanprint VIC Pty Limited	Inprint Pty Ltd
<b>Assets</b>				
Cash	-	0.02	0.01	0.01
Property, Plant and Equipment	0.7	-	-	-
<b>Total assets</b>	<b>0.7</b>	<b>0.02</b>	<b>0.01</b>	<b>0.01</b>
<b>Liabilities</b>				
Employee entitlements (on balance sheet)	(4.2)	(0.3)	(0.04)	(0.2)
Employee entitlements (redundancy and PILN)	(12.4)	(1.0)	(0.2)	(0.7)
<b>Total liabilities</b>	<b>(16.6)</b>	<b>(1.3)</b>	<b>(0.2)</b>	<b>(0.9)</b>
<b>Net assets / (liabilities)</b>	<b>(15.9)</b>	<b>(1.3)</b>	<b>(0.2)</b>	<b>(0.9)</b>

*Source: Group fixed asset register - 30 September 2020, Group employee entitlements summary, Australian Bank account balances as at August 2020*

The indicative pro forma balance sheet includes the value of redundancies and other employee liabilities which are not typically reported on a balance sheet given the Member's Scheme Companies are incapable of operating as a going concern and accordingly will be required to make their employees redundant.

My analysis indicates that following the implementation of the Proposed Schemes, each of the Member's Scheme Companies will have a deficiency of assets compared to liabilities based on book value of assets.

I note the following with respect to the financial position for the Member's Scheme Companies:

- I have not been advised how the Entitlements Cash contribution will be allocated between the entities, and accordingly have not included the Entitlements Cash in the indicative pro forma balance sheet. However, as the payment for employees will be based on the return likely in a liquidation and will represent a small percentage return on the dollar for employee claims, I do not expect the provision of the Entitlements Cash will alter the overall net liability position of any of the Member's Scheme Companies to an extent that it places any company in a position of solvency; and
- the \$0.7 million of property, plant and equipment listed on the Ovato Print balance sheet is the net book value, as at 30 September 2020, rather than the value assessed in the Gordon Brothers Valuation. The Gordon Brothers Valuation suggests fixed assets would realise a substantial discount to net book value (4% in the low and 12% in the high scenarios respectively).

As the above Member's Scheme Companies have no ongoing business or purpose following the implementation of the Proposed Schemes, the asset position of the Member's Scheme Companies cannot improve. On this basis, I consider that each of Member's Scheme Companies would also fail the balance sheet test of solvency.

## 5.6 Conclusion

If the Proposed Schemes are implemented, each of the Member's Scheme Companies will be left with minimal residual assets, limited cash (in circumstances where a cash contribution is provided for by the Member's Schemes) and a liability for employee entitlements owed to redundant employees.

The Member's Scheme Companies will have no ongoing business or purpose and as a result in my opinion, each of the Member's Scheme Companies will be insolvent.



## 6 No Restructure – Likely outcome for the Creditors' Scheme Companies

I have been asked to assess the likely outcome for each of the Creditors' Scheme Companies should the Proposed Schemes not be implemented.

### 6.1 Solvency of approach

I have assessed solvency in accordance with the requirements set out in Section 95A of the Act and detailed at section 4.2 of this report.

In considering the outcome for each of the Creditors' Scheme Companies, I have considered the outcome for the Ovato Group as a whole for the following reasons:

- as detailed in section 3.2 of this report, the entities in the Ovato Group are subject to a DXG which has the effect of:
  - ensuring that if an entity which is party to the DXG is wound up, the other entities which are also parties to the DXG guarantee the repayment of the amounts owed to the creditors of that entity; and
  - the DXG allows creditors who are owed amounts by one entity within the Ovato Group to participate and vote as creditors of the other entities within Ovato which are parties to the DXG.
- as discussed in Section 3.3 of this Report, the secured Finance Facilities are guaranteed by the Ovato Group entities. As such, the insolvency of any one of the Creditors' Scheme Companies, would trigger defaults under the Finance Facilities against all entities in the Ovato Group.

### 6.2 Information relied upon

In order to consider the solvency of the Creditors' Scheme Companies, I have relied upon the Base Case Forecast as set out in section 4.3 of this report.

The key cash flow assumptions in the Base Case Forecast are as follows:

- Ovato Group continues to receive JobKeeper until the end of January 2021, following which it is no longer eligible; and
- The ANZ overdraft expires in January 2021 and there are no alternate overdraft facilities available.

The Base Case Forecast is summarised in the table below:

**Table 10: Ovato Group EBITDA to cash flow FY21 (Proposed Restructure is not implemented)**

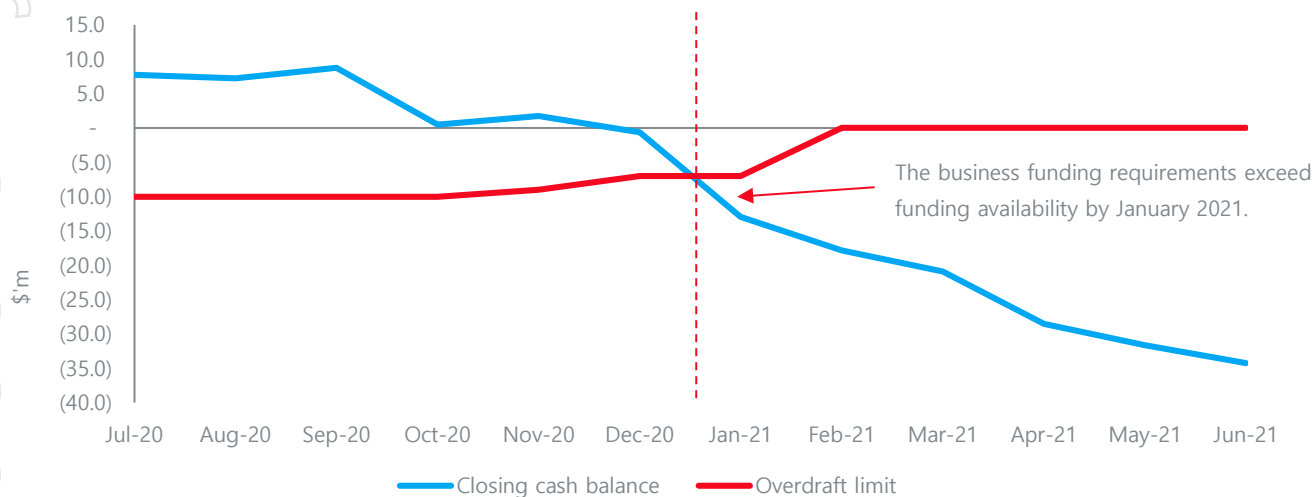
Description	31 FY20	30 FY20	Q3 FY21	Q4 FY21	FY21
EBITDA – (pre-tax earnings)	0.6	1.9	0.9	1.2	2.1
EBITDA – (pre-tax earnings)	(1.1)	1.5	0.0	0.0	0.0
Lease interest payments	2.5	2.4	0.0	0.0	0.0
Interest paid	0.0	0.1	0.0	0.0	0.0
Trade working capital movement	0.0	0.0	0.0	0.0	0.0
Significant items	0.0	1.7	0.0	0.0	0.0
Cash flow from operations	1.4	0.0	0.0	0.0	0.0
Capital expenditure	0.0	0.0	0.0	0.0	0.0
Lease principal payments	0.0	0.0	0.0	0.0	0.0
Receipts from disposal	0.0	0.0	0.0	0.0	0.0
Investing Cash Flow	0.0	0.0	0.0	0.0	0.0
Net cash flow	(7.0)	(8.9)	(6.0)	(6.0)	(42.2)

Source: Base Case Forecast, McGrathNicol analysis

The Ovato Group is expected to generate a cash outflow of \$42.2 million across the forecast period per the Base Case Forecast.

The chart below illustrates the forecast cash balance and overdraft limit from the Base Case Forecast.

**Chart 4: Ovato Group cash flow FY21 (Proposed Restructure not implemented)**



Source: Base Case forecast

In my opinion, if the Proposed Restructure is not implemented, the Ovato Group would be unable to pay its debts as and when they fall due from at least January 2021. On the assumption that creditor payments are incurred at least 30 days prior to the time that payment is due, the Ovato Group will be trading whilst insolvent from at least December 2020.

If the Ovato Group became unable to pay its debts as and when they fell due, i.e. the Ovato Group becomes insolvent, the Directors need to appoint external administrators to the Creditors' Scheme Companies and the Ovato Group.

### 6.3 Conclusion

In my opinion, in the event that the Proposed Restructure is not implemented, the Ovato Group would be unable to pay its debts as and when they fall due from at least January 2021 meaning the Ovato Group will be insolvent by at least December 2020. As members of the DXG and parties to the MOFA, ScotPac RFF and Corporate Bond, each of the Creditors' Scheme Companies would also be insolvent from December 2020 as a result.

Given this, the likely outcome for each of the Creditors' Scheme Companies is that they would need to enter either voluntary administration or liquidation. In my opinion an insolvency of the Ovato Group would lead to a winding up of the Creditors' Scheme Companies.

## 7 No Restructure – Expected returns for Creditors' Scheme Companies

### 7.1 Introduction

I have been instructed to assess the dividend that would be available to Scheme Creditors and employees if each of the Creditors' Scheme Companies were wound up within six months of the hearing of the application if the Proposed Schemes were not to be put into effect.

In order to assess the dividend that would be available to Scheme Creditors and employees if each of the Creditors' Scheme Companies were to be wound up, I have undertaken the following steps:

- first, I have assessed the various operating businesses units of the Group, the ability of each business unit to operate on a going concern basis if a liquidator was appointed; and, on the basis of that assessment, the appropriate approach to assessing value;
- secondly, I have assessed the assets that would be subject to the control of a liquidator and the realisable value of those assets;
- thirdly, I have assessed costs that would likely be incurred by a liquidator in realising assets and generally conducting the liquidation that would be payable from asset realisations; and
- finally, recognising the rights of the Secured Creditors and applying the priority provisions of Part 5.6 Division 6 of the Act, I have estimated the dividend potentially available to Scheme Creditors and Creditors' Scheme Company Employees.

### 7.2 Standard of value

APES 225 *Valuation Services* requires a valuation report to clearly communicate the standard of value used in a valuation and its definition.<sup>11</sup> International Valuation Standards (IVS) set out the different standards (or bases of values). According to IVS 104:<sup>12</sup>

*"10.1 Bases of value (sometimes called standards of value) describe the fundamental premises on which the reported values will be based. It is critical that the basis (or bases) of value be appropriate to the terms and purpose of the valuation assignment, as a basis of value may influence or dictate a valuer's selection of methods, inputs and assumptions, and the ultimate opinion of value"*

According to the International Valuation Standards:

*"The Market Value of an asset will reflect its highest and best use (see paras 140.1-140.5). The highest and best use is the use of an asset that maximises its potential and that is possible, legally permissible and financially feasible. The highest and best use may be for the continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid."*<sup>13</sup>

*"The highest and best use for an asset may be its current or existing use when it is being used optimally. However, highest and best use may differ from current use or even be an orderly liquidation."*<sup>14</sup>

### 7.3 Premise of value

APES 225 *Valuation Services* requires a valuation report to clearly communicate the premise of value adopted in a valuation.<sup>15</sup>

There are two basic premises of valuation for a business:

- a going concern premise holds that the business is a sustainable enterprise and the valuation method should have regard to the future economic benefits associated with the business; or

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<sup>11</sup> APES 225 *Valuation Services*, paragraph 5.2(h)

<sup>12</sup> International Valuation Standards (2017)

<sup>13</sup> International Valuation Standards (2017) (paragraph 30.4)

<sup>14</sup> International Valuation Standards (2017) (paragraph 140.3)

<sup>15</sup> APES 225 *Valuation Services*, paragraph 5.2(i)

- an orderly liquidation or an orderly realisation of assets premise holds that it is more economic to realise the assets and liabilities of the business than continue to operate, which means a valuation based on future earnings would not be appropriate in this context.

IVS defines<sup>16</sup> the liquidation premise of value as:

*"160. Premise of Value – Orderly Liquidation*

*160.1 An orderly liquidation describes the value of a group of assets that could be realised in a liquidation sale, given a reasonable period of time to find a purchaser (or purchasers), with the seller being compelled to sell on an as-is, where is basis.*

*170. Premise of Value – Forced Sale*

*170.1 The term "Forced Sale" is often used in circumstances where a seller is under compulsion to sell and that, as a consequence, a proper marketing period is not possible and buyers may not be able to undertake adequate due diligence."*

I have assessed the value of the assets of the Ovato Group using an orderly liquidation basis in our high case scenario and a forced sale basis in our low case scenario. In my opinion, in the event the Proposed Schemes are not effected and the Ovato Group enters into liquidation, the Ovato Group cannot be considered to be a going concern in light of the financial performance and position of the business

## 7.4 Going concern opinion

The IVS Council defines going concern as:

*"[a] business enterprise that is expected to continue operations for the foreseeable future."*

A going concern premise holds that:

- the business is a sustainable enterprise and the valuation method should have regard to the future economic benefits associated with the business;
- the business will be profitable in the foreseeable future;
- the business will operate indefinitely; and
- the business does not have the intention or the need to liquidate or curtail materially the scale of its operations.

An entity is assumed to be a going concern in the absence of significant information to the contrary. An example of such contrary information is an entity's inability to meet its obligations as they come due without substantial asset sales or debt restructurings. If such were not the case, an entity would essentially be acquiring assets with the intention of closing its operations and reselling the assets to another party.

In my view, the Ovato Group cannot be valued as a going concern if it was wound up because it does not have the capacity to fund ongoing losses and as a result will not be able to realise its assets and discharge its liabilities in the normal course of business. I have formed this view based on the following:

- as outlined in Section 6 of this report, the Ovato Group is forecast to generate negative cash flow from both operations and investments;
- ScotPac holds security over all of the Australian Ovato Group's trade debtors in relation to the ScotPac RFF. Based on my experience, in the event the Ovato Group entered into liquidation, ScotPac would seek to recover the balance of any principal, interest or costs owing on the RFF facility by enforcing the rights it has over book debts. On that basis, a liquidator cannot be assured that they will have funds available to continue the operations of the Group's business. Without access to the Australian Group's book debts or ongoing funding under the ScotPac RFF (which is not assured), a liquidator of the Ovato Group would have a material unfunded working capital shortage;
- the secured facility provided by ANZ expires in January 2021. A liquidator could not be assured that ANZ would provide ongoing funding in addition to the current facilities and the current drawn balances, to assist the liquidator in continuing to operate the businesses; and,

<sup>16</sup> International Valuation Standards (2017) (paragraph 160)

- all of the assets of the Ovato Group are subject to security claims. In my view, it is unlikely that a liquidator could raise funds as a result of granting any additional security over the assets of the Group.

On the basis of this assessment, I would expect that upon being appointed, a liquidator would need to take immediate steps to significantly reduce costs across all business units including making significant redundancies across the Group, and discontinuing the operation of most business units completely.

## 7.5 Estimated outcome analysis

Table 11 summarises my analysis of the ERV of assets of the Ovato Group applying the valuation assumptions described in this section and the application of these funds in accordance with Part 5.6 of the Act.

### 7.5.1 Assumptions

For the purpose of this analysis, I have taken the following into account:

- there will be a whole of Group winding up with a common liquidator appointed;
- ScotPac holds a security interest over the debtors of the Australian Group and a liquidator will not have access to those debtors to continue the business operations of Ovato. A liquidator would recover any surplus debtor realisations after the ScotPac RFF was repaid;
- that the Scotpac PPSR registrations are properly perfected, which means Scotpac has first ranking priority over the Ovato Group's Australian debtors;
- the majority of employees of the Ovato Group will be stood down immediately upon the appointment of a liquidator. A liquidator would retain a small number of staff to assist with the orderly liquidation of the company's assets with those costs being funded by the creditor receiving the primary benefit of the work to be undertaken by those employees. Those costs would be recoverable from the assets realised;
- a formal independent valuation of plant and equipment and inventory was undertaken by Gordon Brothers, a professional firm providing valuation services. Gordon Brothers assessed the value of plant and equipment and inventory on the basis of a Forced Liquidation Value (**FLV**) (i.e. a forced sale premise of value) which I utilise in my low scenario assessment and an Orderly Liquidation Value (**OLV**) (i.e. an orderly liquidation premise of value) which I utilise for my high case estimate.
- an orderly liquidation could take some time to complete on the basis of the nature of the fixed assets to be realised and the state of the market for those assets. Gordon Brothers have suggested that an orderly liquidation would require a timeframe of 2 years. In view of the material holding costs, I have assumed that assets could be sold on a truncated process and completed within one to 3 months and that is the basis that I have assessed holding and realisation costs;
- no preference recoveries have been considered; and
- there would be no director related antecedent transaction recoveries by the liquidator, noting the current COVID-19 relief measures including safe harbour protections.

### 7.5.2 Expected dividend for Secured Creditors

Detailed in the table below is a summary of the non-circulating assets that would be available to Secured Creditors if the Ovato Group were to be wound up within six months of the hearing and my estimated realisable value range using the orderly liquidation approach as my primary valuation methodology.

**Table 11: Ovato Group estimated outcome for non-circulating asset realisations**

Ovato Group - estimated outcome for non-circulating assets						
A \$m	Note	Book value	Realisation percentage		Realisation Outcome	
			Low %	High %	Low	High
<b>Non-circulating asset recoveries</b>						
Intangibles	A	1.5	0%	0%	-	-
Tax assets	A	41.0	0%	0%	-	-
Leased assets	B	56.1	0%	0%	-	-
Non-balance sheet assets	C	-	na	na	2.5	5.0
Fixed assets valued by Gordon Bros (less Commerzbank)	D	58.3	4%	12%	2.1	7.2
Fixed assets not valued by Gordon Bros	D	10.2	4%	12%	0.4	1.3
Fixed assets - Commerzbank	D	34.2	4%	13%	1.2	4.6
Less: Commerzbank debt	D	(23.4)			(23.4)	(23.4)
Subtotal: Commerzbank surplus / (deficit)					(22.2)	(18.9)
<b>Total non-circulating asset realisations (before costs)</b>		<b>177.9</b>			<b>5.0</b>	<b>13.5</b>
Realisation costs (leasing premises)	E				(2.9)	(5.8)
Appointee fees, legal costs and other professional fees	F				(1.6)	(4.8)
<b>Total costs attributable to non-circulating assets</b>					<b>(4.5)</b>	<b>(10.6)</b>
<b>Non-circulating asset realisations (after costs)</b>					<b>0.5</b>	<b>2.9</b>
<b>First ranking secured lenders</b>						
MOFA debt (excluding any shortfall under RFF)	G	(17.0)			(17.0)	(17.0)
<b>Surplus / (shortfall) to first ranking secured lenders</b>		<b>(17.0)</b>			<b>(16.5)</b>	<b>(14.1)</b>
<b>Total assets available to second ranking secured lenders</b>		<b>160.9</b>			-	-
Second ranking secured lenders		(40.0)			(40.0)	(40.0)
<b>Shortfall to second ranking secured lenders</b>					<b>(40.0)</b>	<b>(40.0)</b>
<b>Total shortfall to secured creditors</b>		<b>120.9</b>			<b>(56.5)</b>	<b>(54.1)</b>
<b>Total assets available to unsecured creditors</b>					-	-

Source: Group trial balance as at 31 August 2020, Gordon Brothers desktop valuation

## Notes to table

### A and B – Intangibles and tax assets

I have assumed that there would be no realisable value for deferred tax assets and intangibles in the event that the Scheme Companies were to be wound up as the Ovato Group would not be sold as a going concern and therefore the tax losses would not be utilised.

### B – Leased assets

Leased assets primarily comprise right of use assets for leased premises, large scale operating print equipment, small scale office equipment (photocopiers and office printers) and general factory equipment e.g. forklifts.

Based on my experience, leased equipment is unlikely to generate any net surplus on realisation over the liability owing to the lessor. In the event that the Ovato Group was wound up and the business was unable to operate on a going concern basis, it is likely that the liquidator would disclaim leases as onerous property pursuant to section 568 of the Act.

I note that I have not undertaken a detailed PPSR review of the leases and to the extent that there were any deficiencies in the registrations by the lessors as a result of the PPSR review, these assets may vest in the Ovato Group with the proceeds of realisation from those assets being available for the Secured Creditors.

### C- Non Balance sheet assets

I have assumed that customer contracts, supporting material such as printing plates and designs and other intellectual property may be realised. In the current economic environment and given my assumptions regarding the impact on the

businesses in liquidation, I have allowed a nominal value of \$2.5 million in the low case and \$5 million in the high case for these assets.

#### *D – Fixed assets*

Fixed assets are the most significant asset of the Group. In a liquidation context, the fair market value of the underlying asset is the relevant test of value, not book value.<sup>17</sup>

The Ovato Group's lawyers, Ashurst engaged Gordon Brothers on their behalf to undertake a desktop valuation of Ovato Print's fixed assets (including the equipment that is secured by the loan to Commerzbank). Gordon Brothers provided the valuation of the Ovato Print assets on an OLV and FLV basis (excluding costs) which are included in the table above. I have adopted these values as the high and low case scenarios respectively<sup>18</sup>.

Gordon Brothers did not undertake a valuation of the remaining fixed assets for the Ovato Group which have a net book value of \$10.2 million as at 31 August 2020. I applied the same discount that Gordon Brothers applied to Ovato Print's assets (excluding the assets secured by Commerzbank) to the book value of \$10.2 million as I understand that the assets in the remainder of the Group, particularly New Zealand are of a similar nature to Ovato Print.

Actual realisations may be impacted by the demand for assets at the time of sale, the condition of the assets compared to book value and the time available to sell the assets and any difficulty in removing assets from premises.

Commerzbank is expected to suffer a loss on its debt and there is no surplus value available to the remaining Secured Creditors.

#### *E – Realisation costs*

I have assumed the following with respect to realisation costs attributable to non-circulating assets:

- auctioneer commissions and costs will total approximately 10% of estimated realisation value of fixed assets (excluding non-balance sheet assets); and
- an external administrator would be required to continue to lease the premises where the assets are located for at least one month in the low scenario and two months under the high realisation scenario (monthly costs including on costs are \$2.9 million excluding the Pyrmont head office which is included in the circulating asset costs).

#### *F – External appointees' remuneration and disbursements*

I have assumed the following with respect to external appointee remuneration and disbursements attributable to non-circulating assets:

- external administrator fees will be 15% of gross realisations; and
- legal fees and costs will be approximately 30% of external administrator fees.

#### *G – MOFA Debt*

The \$17 million MOFA debt assumes that bank guarantees are called throughout the liquidation process. I note that if there is a shortfall under the receivables financing facility that they could claim against non-circulating assets. For the purposes of this analysis I have not increased the MOFA debt by any potential shortfall under this facility.

### **Conclusion**

The net realisations of between \$0.5 million and \$2.9 million are expected to be available for the Secured Creditors from non-circulating assets after costs. This results in a deficiency of between \$56.5 million and \$54.1 million to Secured Creditors from non-circulating assets.

As detailed in 7.5.3 below, there are no circulating assets available for Secured Creditors after the payment of priority employee claims, due to the quantum of the priority creditor claims and a likely shortfall from the realisation of circulating assets.

As Secured Creditors' claims are not being repaid in full, there will be no return for unsecured creditors. Accordingly there will be no dividend paid to Scheme Creditors. Any return to Scheme Creditors associated with a valid security interest for example a PMSI, is not considered a dividend but rather would reduce the claim of the creditor.

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<sup>17</sup> The valuation of Businesses and Shares and other Equity, Wayne Lonergan, 4<sup>th</sup> edition.

<sup>18</sup> Gordon Brothers desktop valuation (Appendix G)

7.5.3      Assessment of dividend available for employees of the Creditors' Scheme Companies

Table 12 summarises my analysis of the ERV of circulating assets of the Creditors' Scheme Companies and the application of those funds in accordance with Part 5.6 of the Act.





**Table 12: Creditors' Scheme Companies estimated outcome for circulating assets**

Ovato Creditor's Scheme Companies - Estimated outcome for circulating assets														
A'\$m	Notes	Realisation percentage		Ovato Print Pty Ltd			Hannanprint NSW Pty Limited		Hannanprint VIC Pty Limited		Inprint Pty Ltd		Ovato Limited	
		Low %	High %	Book value	Low	High	Book value	ERV	Book value	ERV	Book value	ERV	Book value	ERV
Debtors	A	61%	74%	39.8	24.5	29.6	-	-	-	-	-	-	-	-
Flint receivable	A	21%	21%	3.4	0.7	0.7	-	-	-	-	-	-	-	-
Less: Scotpac RFF Drawn amount	A			(25.7)	(25.7)	(25.7)	-	-	-	-	-	-	-	-
Less: Scotpac RFF admin charge	A			(0.5)	(0.5)	(0.5)	-	-	-	-	-	-	-	-
<b>Subtotal: Scotpac surplus / (deficit)</b>				<b>17.0</b>	<b>(1.0)</b>	<b>4.1</b>	-	-	-	-	-	-	-	-
Cash at bank	B	100%	100%	(2.0)	-	-	0.02	0.02	0.01	0.01	0.01	0.01	-	0.02
Less: ANZ overdraft				-	-	-	-	-	-	-	-	-	-	-
<b>Subtotal: ANZ surplus / (deficit)</b>				<b>(2.0)</b>	-	-	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	-	<b>0.02</b>
Inventory	C	7%	11%	35.9	2.6	4.1	-	-	-	-	-	-	-	-
Less: PPSR creditors		50%	50%		(1.3)	(2.1)	-	-	-	-	-	-	-	-
<b>Subtotal: Inventory available</b>					<b>1.3</b>	<b>2.1</b>	-	-	-	-	-	-	-	-
Jobkeeper receivable	D	100%	100%	2.5	2.5	2.5	0.7	0.7	-	0.05	0.4	0.4	0.3	0.3
Other assets	E	0%	0%	2.0	-	-	-	-	-	-	-	-	3.8	-
Sundry accounts receivable (current)	F	0%	0%	1.8	-	-	-	-	-	-	-	-	-	-
Finance lease receivable (non-current)	F	0%	0%	6.3	-	-	-	-	-	-	-	-	0.0	-
Intercompany debtors	G	0%	0%	-	-	-	12.5	-	-	-	-	-	20.3	-
<b>Total circulating asset realisations (before costs)</b>				<b>27.7</b>	<b>3.8</b>	<b>8.7</b>	<b>13.2</b>	<b>0.8</b>	<b>0.0</b>	<b>0.06</b>	<b>0.4</b>	<b>0.4</b>	<b>24.4</b>	<b>0.3</b>
Realisation costs (leasing premises, head office staff)	H			-	(1.0)	(1.0)	-	-	-	-	-	-	-	-
Appointee fees, legal costs and other professional fees	I			-	(3.9)	(4.8)	-	(0.1)	-	(0.01)	-	(0.05)	-	(0.04)
<b>Circulating assets available to priority employee claims</b>				<b>27.7</b>	<b>Nil</b>	<b>2.9</b>	<b>13.2</b>	<b>0.7</b>	<b>0.0</b>	<b>0.05</b>	<b>0.4</b>	<b>0.34</b>	<b>24.4</b>	<b>0.30</b>
Priority employee claims	J			(42.4)	(42.4)	(42.4)	(12.9)	(12.9)	(0.4)	(0.4)	(4.2)	(4.2)	(5.1)	(5.1)
Priority employee return (c/\$)				-	Nil	7	100	5	-	13	-	8	100	6
<b>Shortfall to priority employee claims (if any)</b>				<b>(14.7)</b>	-	<b>(39.4)</b>	-	<b>(12.2)</b>	<b>(0.4)</b>	<b>(0.3)</b>	<b>(3.8)</b>	<b>(3.8)</b>	-	<b>(4.8)</b>

Source: Group trial balance as at 31 August 2020, Gordon Brothers desktop valuation, Australian Bank account balances as at August 2020

## Notes to table

### A – Debtors (including Flint Recovery)

ScotPac has first ranking security over the debtors of the Ovato Group under the ScotPac RFF.

As at 31 August 2020, the facility had a limit of \$50 million and was drawn to \$27.6 million. If a liquidator was appointed to the Ovato Group, ScotPac would be entitled to receive the first \$27.6 million (plus an amount equal to any costs, interest, break fees or penalties for early termination) of debtors collected by the liquidator. I am instructed that the recoveries under the ScotPac RFF should be allocated across the Ovato Group based on the value of invoices issued by each entity.

I have applied detailed realisation assumptions with respect to the debtors as set out in Appendix H. My realisation analysis assumes:

- a higher realisation for current debtors (70%-80%) compared to aged debtors (10%-60% depending on aging); and
- a lower realisation where there is a set-off clause based on a review of ten debtors by value for Ovato Print (based on my experience, if there is a right to set off in circumstances where the Ovato Group will be in breach of ongoing supply agreements, it is likely that debtors will seek to set off claims arising as a result of any claimable costs which they incur as a result of the winding up of the Ovato Group).

### B – Cash at bank

The Creditors' Scheme Companies excluding Ovato Print had positive cash at bank balances as at 30 August 2020.

Ovato Print is in an overdraft position of \$2.0 million (net of the Scottpac RFF bank account). I note that ANZ would likely offset the Ovato Print overdraft against other Ovato Group bank accounts, including the Creditors' Scheme Companies.

Given the relatively immaterial cash balances for the Creditors' Scheme Companies, I have assumed the ANZ overdraft is applied against larger cash balances throughout the Group. I note that a portion of the Ovato Print overdraft could be offset against these balances.

### C – Inventory

Gordon Brothers undertook a valuation of the inventory for Ovato Print based on the inventory balances as at 30 September 2020 which had a book value of \$33.3 million and provided the estimated OLV and FLV gross realisations.

I note that I have carried out my analysis based on the inventory balance in the trial balance sheet as at 31 August 2020. Accordingly, I have adjusted the 30 September inventory realisation assumptions to reflect the likely value of inventory as at 31 August 2020 as set out in Appendix H. My realisation analysis assumes:

- the mix of inventory values as at 30 August 2020 which had a net book value of \$35.9 million would be the same as the 30 September 2020 balances;
- the realisation % estimates for each type of inventory provided by Gordon Brothers is appropriate to use for the 30 August 2020 balances; and
- based on my experience, I would expect that an amount of stock would be subject to retention of title claims by creditors, with registered PMSIs. These claims create a valid security for the supplier creditor over inventory which would not be available to the liquidator. For the purposes of assessing liquidation values for inventory I have assumed that 50% of the inventory would be covered by valid PMSI claims.

### D – JobKeeper receivable

The Creditors' Scheme Companies have a JobKeeper receivable as at 31 August 2020. I have assumed a full recovery in both low and high scenarios.

### E – Other assets

Other assets comprise the following assets:

- accruals for prepaid insurance premiums and rental on premises;
- accruals for computer licenses and other licenses;
- accruals for the defined benefit scheme for Ovato Limited which employees make contributions to;

- accrual for swap premium for electricity.

In my experience, the above asset classes are unlikely to be realised and available for creditors due to creditors offsetting these deposits and that the accrual on the balance sheet may not be the true current balance held due to timing differences.

#### *F – Sundry accounts receivable and finance lease receivable*

Sundry accounts receivable and finance lease receivable relates to subleases for Creditors' Scheme Companies leased premises (current and non-current). The Creditors' Scheme Companies receive the sub lease amounts monthly in advance, therefore I have assumed that in a shutdown scenario there would not be a recovery as the subleases would be terminated and no recoveries made as any sublease tenant would be likely to deal directly with the landlord.

#### *G – Intercompany debtors*

In the event that the Ovato Group was placed into external administration, the intercompany debtors would be unsecured debts and I do not anticipate there will be any return to unsecured creditors.

#### *H – Realisation costs*

I have allowed 1.5 times the monthly Ovato Corporate business unit employee costs to allow for the ongoing employment of limited Ovato Corporate employees for a period of up to three months to assist with an orderly wind down and the realisation of circulating assets.

I have also allowed for three months of lease payments at the corporate head office at Pyrmont to facilitate the orderly wind down.

Given these costs will be incurred primarily to wind down Ovato Print's assets, I have applied these costs against Ovato Print's circulating asset realisations.

#### *I – External appointees' remuneration and disbursements*

In the event that the Creditors' Scheme Companies are wound up, I estimate that the external appointee's fees and advisors fees for the Creditors' Scheme Companies of \$4.1 million to \$5.0 million may be incurred that are recoverable from circulating asset recoveries. The fees would relate to debtor collections, statutory tasks, employee entitlements, and dealing with inventory claims and realisation.

I have assumed the following with respect to external appointee remuneration and disbursements attributable to circulating assets:

- external administrator fees will be 10% of gross realisations relating to circulating asset recoveries, statutory tasks (including creditors meetings, investigations etc) dealing with employee entitlements and creditors generally, including retention of title claims against inventory; and
- legal fees and costs will be approximately 30% of external administrator fees.

#### *J – Priority employee claims*

In the event that the Creditors' Scheme Companies are wound up, all employees are assumed to be made redundant and the full amount of employee entitlements is assumed to crystallise and become payable. The priority employee claims are based on the employee entitlement model<sup>19</sup> which reflects the updated Enterprise Bargaining Agreement (**EBA**) that amended employees subject to the EBA redundancy entitlement to 2 weeks redundancy for each completed year of service, subject to a maximum of 52 weeks.

#### 7.5.4 Conclusion

In my opinion, if the Proposed Schemes did not proceed and the Creditors' Scheme Companies were wound up within six months of the hearing of the application:

- unsecured creditors would receive no return from a winding up on their claims; and
- priority employees creditors could expect to receive dividends as set out in the table below.

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<sup>19</sup> Group employee entitlements summary

**Table 13: Expected dividend for the Creditors' Scheme Companies**

Expected dividend for Scheme Companies						
	Ovato Print		Hannanprint NSW Pty Limited	Hannanprint VIC Pty Limited	Inprint Pty Ltd	Ovato Limited
Description (c/\$)	Low	High	ERV	ERV	ERV	ERV
Scheme Creditors	Nil	Nil	Nil	Nil	Nil	Nil
Priority employee claims	Nil	7	5	13	8	6

## 8 Proposed Schemes – Expected return to Scheme Creditors

I have been asked to comment on the expected dividend that would be paid to Scheme Creditors if the Proposed Schemes were put into effect.

The Creditors' Scheme defines Scheme Creditors as:

- certain creditors who have supplied goods or services to Ovato Print;
- the Commissioner of Taxation (Cth) in respect of GST liabilities owed by Ovato Print;
- the Commissioner of State Revenue (Vic) and Commissioner of State Taxation (SA) in respect of payroll liabilities owing by Ovato Print; and
- the Commissioner of State Revenue (NSW) in respect of payroll liabilities owing by Ovato Print, Hannanprint NSW and Ovato Limited.

The Creditors' Scheme also notes that:

- Scheme Creditors are also contingent creditors of each Creditors' Scheme Company by virtue of a Deed of Cross Guarantee, thereby forming a single class of creditors with the Creditors' Scheme Companies; and
- the Creditors' Scheme preserves any retention of title (**ROT**) rights of the Scheme Creditors who have supplied property to Ovato Print on retention of title terms.

### 8.1 Expected return to ROT Scheme creditors

As a result of the ROT clause, an amount equal to the cost price of any such ROT property used or consumed in the period between a specified date and the date the Scheme Administrators are appointed will be paid to relevant Scheme Creditors from the proceeds generated by Ovato Print from using such ROT property.

If any retention of title property is not used or consumed prior to the appointment of the Scheme Administrators, Ovato Limited will have the option to purchase it from the relevant Scheme Creditor at its cost price or return it to the relevant Scheme Creditor.

The impact of this is that ROT Scheme Creditors will only participate in the Creditors' Scheme for any debt they are owed that is not secured via a valid retention of title claim. That is, ROT Scheme Creditors will only participate in the Schemes for the unsecured portion of their claim.

### 8.2 Expected return to Scheme Creditors

Per the terms of my engagement letter, I understand that pursuant to the Proposed Schemes, Scheme Creditors will receive 50 cents in the dollar in respect of any unsecured portion of their claim against any or each of the Creditors' Scheme Companies as at 11:59pm on 6 November 2020.

## 9 Material prejudice

### 9.1 Introduction

I have been instructed to express an opinion on whether, if orders are made under section 411 and 413 of the Act, including an order the DXG be revoked to the extent it relates to the Member's Scheme Companies, and noting that the Transferee Companies will be a party to the DXG, the making and implementation of the orders will materially prejudice: the interests of the creditors of the Member's Scheme Companies; or, Transferee Companies' ability to pay its creditors.

For the purposes of this opinion I have been instructed to assume that the expression "material prejudice" has the following meaning:

*"The issue of material prejudice to the interests of the company or its shareholders or creditors requires an assessment of and comparison between the position before... [the implementation of the Proposed Schemes] and the position after it to see whether the company or its shareholders or its ability to pay its creditors is in a worse position. It does not assist to gloss the concept of material prejudice by the introduction of further concepts, which themselves require further explanation, such as whether there has been a diminution of the assets of the company, whether there has been a transaction, or whether there was a net transfer of value to the person acquiring the shares. For instance, the introduction of a requirement not present in the text of s 260A(1) of a transaction with, or a net transfer of value to, the person acquiring the shares could lead to further issues such as whether the interposition of intermediaries is included within those concepts."*<sup>20</sup>

This question involves the following assessment:

- (i) a comparison of the likely return for creditors under the Proposed Schemes assuming they are implemented, to the likely return for Scheme Creditors under the alternate scenario, which I consider will be a Group liquidation;
- (ii) a comparison of the ability of the Transferee Companies to pay creditors after the implementation of the Proposed Schemes, to the ability of the Transferee Companies to pay creditors under the alternative scenario where the Proposed Schemes are not implemented.

### 9.2 DXG

A primary purpose of the DXG is to ensure that if an entity which is party to the DXG is wound up, the other entities which are also parties to the DXG, guarantee the payment of the amounts owed to the creditors of that entity

Under clause 3.2 of the DXG, the DXG only becomes enforceable "upon the winding up of the Group Entity ... or in any other case if six months after a resolution or order for winding up of the Group Entity any Debt of a Creditor of the Group Entity has not been paid in full."<sup>21</sup>

Any claims made by a creditor of one Group Entity against another Group Entity under the DXG are unsecured claims. This includes claims by priority employee creditors for any shortfall of payment for their employee entitlements, if there were insufficient assets within their employing entity to meet their outstanding employee entitlements.

### 9.3 Are Member's Scheme Creditors materially prejudiced by the Proposed Schemes?

I have compared the likely outcome and return for creditors under the Proposed Schemes assuming the Proposed Schemes are implemented, to the likely outcome and return for creditors under the alternate scenario which I consider will be liquidation. My opinion takes into consideration the following:

- As noted in section 7 of this report, the interlocking security of the secured creditors over the assets of the Group and, the effect of the DXG would have the general effect that if an Ovato Group Entity were to become insolvent, then all Ovato Group Entities would become insolvent.

<sup>20</sup> Connective Services Pty Ltd v Sleat Pty Ltd [2019] HCA 33 at [26]. Note, the High Court considered the "material prejudice" test in the context of the financial assistance provisions (s260A) of the Corporations Act.

<sup>21</sup> Deed of Cross Guarantee dated 27 June 2008

- As noted in section 7 of this report, if the Schemes are not implemented, the Ovato Group will become insolvent and all entities in the Group will, in my opinion, be wound up;
- Under the proposed terms of the Member's Scheme, approximately 530 employees will be transferred from the Member's Scheme Companies to the Transferee Companies to continue their employment;
- I am instructed that the employees who remain employees within the Member's Scheme Companies at the date the Proposed Scheme are effected will be paid a dividend greater than would be received by those employees in a winding up. Adopting my assessment in Section 8, the employees who remain employees within the Member's Scheme Companies would receive a dividend of between nil and 13 cents on the dollar, in the event Member's Scheme Companies were wound up.

The table below summarises my assessment of the outcomes of the Proposed Schemes if implemented versus if the Proposed Schemes are not implemented and whether the Proposed Schemes materially prejudice key creditor groups identified by the Proposed Schemes:

**Table 14: Assessment if the Proposed Schemes are expected to materially prejudice key creditor groups of the Member's Scheme Companies**

Assessment if the Proposed Schemes are expected to materially prejudice key creditor groups			
Party	Proposed Schemes implemented	Proposed Schemes not implemented	Assessment of Scheme
Creditors of the Creditor's Scheme Companies that are non-Scheme Creditors	will be paid in full by the Transferee Companies	Nil in a liquidation	No material prejudice
ROT creditors (where stock is on hand as at Voting Entitlement Record Date)	Will be paid cost price for stock used after the Voting Entitlement Record Date or retained stock after scheme implemented or will be entitled to return of unwanted stock.	Will be entitled to collect stock in a liquidation or would be paid if a liquidator utilised any stock	No material prejudice
Scheme Creditors	will be paid 50 cents in the dollar	Nil in a liquidation	No material prejudice
Employees	Approximately 584 employees will transfer to the Transferee Companies and continue their employment with 225 employees being made redundant to receive a dividend greater than the amount that would have been available to pay employee entitlements if the Proposed Schemes were not implemented and the Member's Scheme Companies were wound up instead	All (c.1,200) employees would be made redundant by a liquidator and receive a dividend based on the actual cash available to a liquidator net of liquidation costs not attributable to the securing and realisation of non-circulation assets	No material prejudice

In my opinion, if orders are made under section 411 and 413 of the Act, including an order the DXG be revoked to the extent it relates to the Creditors' Scheme Companies and noting that the Transferee Companies will be a party to the Deed of Cross Guarantee, the making and implementation of the orders will **not** materially prejudice the interests of the creditors of the Member's Scheme Companies.

#### 9.4 Will the Schemes material prejudice the Transferee Companies' ability to pay creditors?

I have compared my assessment of the Ovato Group's ability to pay creditors if the orders are not made under section 411 and 413 of the Act, meaning the Member's Scheme Companies remain parties to the DXG, to the alternate scenario which I consider will be a liquidation of the Group. My opinion takes into consideration the following:

- A condition of the Proposed Restructure is the removal of the Member's Scheme Companies from the DXG. If that condition is not satisfied, I understand that the Proposed Schemes would not be implemented. If the Proposed Schemes are not implemented, in my view the Ovato Group will become insolvent by at least December 2020 and will be wound up;

- As assessed in section 7 of this report, in my opinion, there would be no return to unsecured creditors in a winding up of Ovato Group, including the Scheme Creditors.
- The forecasts provided to me by Management, referred to in Section 4, show that the Transferee Companies will emerge from the Proposed Schemes with a positive cash balance of \$12.9 million and for the period to 1 January 2021 to 31 December 2021, will generate positive EBITDA and, positive net cash flow prior to movement in net debt of \$14.1 million. Management assumptions upon which the forecasts are based assume the payment of Scheme Creditors and go forward trade creditors incurred after the Scheme is implemented.

## 9.5 Opinion on revocation of DXG for creditors of New Ovato Companies

In my opinion, the implementation of the Schemes, will place the Transferee Companies in a materially stronger financial position with Management forecasting cash available immediately after the Schemes implementation of \$12.9 million and forecast positive operating cash flow for at least 12 months after the Proposed Scheme implementation. By contrast, if the Proposed Schemes are not implemented, in my opinion, the Ovato Group will become insolvent and be wound up and that liquidator realisations will be insufficient to pay a dividend to the ordinary unsecured creditors of any Company in the Group.

Accordingly, in my opinion, if orders are made under sections 411 and 413 of the Act, including an order the DXG be revoked to the extent it relates to Member's Scheme Companies, there will be no material prejudice in relation to the Transferee Companies' ability to pay its creditors.



## 10 Declarations

I have made all the enquiries that I believe are desirable and appropriate (save for any matters identified explicitly in this report) and no matters of significance that I regard as relevant have, to my knowledge, been withheld in this report.

Chartered Accountants providing Expert Witness Services are required to comply with professional standard APES 215 Forensic Accounting Services. My compliance with APES 215 is documented in Appendix I.

Chartered Accountants providing Valuation Services are required to comply with professional standard APES 225 Valuation Services. My compliance with APES 225 is documented in Appendix F.

### 10.1 Qualifications and disclaimers

This report has been prepared solely for the purpose of outlined and section 1 of this report and should not be copied or distributed to any party, other than a party entitled to access a copy.

Accordingly, neither I nor McGrathNicol accept responsibility in any way whatsoever for the use of this report for any purpose other than that for which it has been prepared.

I have not conducted an audit of the information provided to me. In reaching the opinions and conclusions set out in this report, I have assumed the information provided to me is accurate, complete and reliable unless otherwise stated.

I have reviewed the results of the work undertaken by the partners and staff listed above and am satisfied as to its accuracy. The conclusions expressed in this report are mine.

In this report, I express no opinion in relation to the liability, or otherwise, of any party.

All amounts in this report and any appendices prepared by me are denominated in Australian dollars and exclude GST, unless otherwise indicated.

### 10.2 Independence and fees

I am not aware of any matters that would impair my independence or ability to comply with my paramount duty to the Court.

McGrathNicol's fees in relation to this matter are not dependent on the outcome of this report.

### 10.3 Signature



Shaun Fraser  
Partner

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**11 Appendices**



## Appendix A – Shaun Fraser Curriculum Vitae

# Shaun Fraser

## Partner



**T** +61 2 9248 9995

**M** +61 423 773 019

**E** sfraser@mcgrathnicol.com

### Sydney Office

Level 31, 60 Margaret Street  
Sydney NSW 2000

### Qualifications and Memberships

- Bachelor of Business, Accounting major (1989)
- Member, Institute of Chartered Accountants in Australia (since 1993)
- Associate Member, Insolvency Practitioners Association of Australia (since 2004)
- Member of the Turnaround Managers Association
- Registered Liquidator (No. 275605) and Member of the Financial Services Institute of Australia

Shaun became a foundation partner of McGrathNicol on 1 July 2004. He has over 29 years of experience including complex business restructuring and turnaround assignments, capital reorganisations and formal insolvency administrations, including reorganisations under Chapter 11 of the US Bankruptcy Code.

### Engagement Experience

Shaun's experience spans resources, engineering and construction, property, manufacturing, agribusiness, tourism and hotels, information and communications and financial services.

Examples include:

- Receiver and Manager of Sargon Capital;
- Independent expert to the Supreme Court of NSW in relation to an application pursuant Section 444GA of the Act relating to Spehere Healthcare;
- Receiver and Manager of Quintis Limited, a large ASX listed agri business and fund manager;
- Special purpose liquidator of Pasminco;
- Administrator and Liquidator of Coalpac, a Lithgow based coal miner;
- Receiver and Manager of Evans and Tate, a listed Australian winery company;
- Receiver and Manager of Great Southern – an ASX listed agri business and fund manager;
- Receiver and Manager of Geon, one of Australia's largest off-set print manufacturers;
- Administrator and liquidator of Southern Engineering Services, a manufacturer producing equipment for the mining sector;
- Advising BHP on its acquisition of Leighton Contracting mining services business including business integration and synergies realisation assignments;
- advising the board of Norilsk Nickel in negotiating and implementing a capital and operational restructure including placing 6 mines onto care and maintenance;
- Project Duke; advising the banking syndicate to an oil and gas production and exploration company, reviewing operations and forecasts including capital expenditure plans, and advising on the groups outlook and options;
- restructuring advisor to Anvil Resources, an ASX listed copper miner;
- Independent expert to the Supreme Court of NSW in an insolvent trading claim by Glencore against Aurelia Metals;
- Voluntary Administrator of Henry Walker Eltin, a listed Australian mining and engineering contractor;
- Receiver of Brands on Sale Shopping Centre;
- Administrator and Liquidator of Ziera Shoes Pty Limited;
- Receiver and Manager of Environmental Solutions International, a listed Australian engineering and construction contractor;
- Receiver of Tom Browne Drilling Services;
- Administrator and Liquidator PrimeSpace Investments, a property based fund manager and property developer;
- numerous other work-out and formal bankruptcy assignments in Australia and the USA.

## Appendix B – Letter of engagement dated 12 November 2020

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**Privileged and confidential**

Our ref: JKM\CLEMENT\1000-069-400  
Partner: James Marshall  
Direct line: +61 2 9258 6508  
Email: james.marshall@ashurst.com  
Contact: Camilla Clemente  
Direct line: +61 2 9258 6574  
Email: camilla.clemente@ashurst.com

Ashurst Australia  
Level 11  
5 Martin Place  
Sydney NSW 2000  
Australia

GPO Box 9938  
Sydney NSW 2001  
Australia

Tel +61 2 9258 6000  
Fax +61 2 9258 6999  
DX 388 Sydney  
www.ashurst.com

12 November 2020

**BY EMAIL**

Shaun Fraser  
McGrathNicol  
Level 12, 20 Martin Place  
SYDNEY NSW 2000

ashurst

Dear Mr Fraser

**Engagement for Schemes of Arrangement of Ovato Print Pty Ltd and others**

We act for entities in the Ovato group.

In this letter, we refer to the following companies as the **Creditors' Scheme Companies**:

- Ovato Limited ACN 050 148 644;
- Ovato Print Pty Ltd ACN 051 706 499;
- Hannanprint NSW Pty Limited ACN 100 817 623;
- Hannanprint Victoria Pty Limited ACN 100 817 712; and
- Inprint Pty Limited ACN 010 728 971.

In this letter, we refer to the following companies as the **Member's Scheme Companies**:

- Ovato Print Pty Ltd ACN 051 706 499;
- Hannanprint NSW Pty Limited ACN 100 817 623;
- Hannanprint Victoria Pty Limited ACN 100 817 712; and
- Inprint Pty Limited ACN 010 728 971.

In this letter, we refer to the following companies as the **Transferee Companies**:

- Ovato Limited ACN 050 148 644;
- Ovato Creative Services Pty Ltd ACN 001 098 157; and
- Ovato Print Cairns Pty Ltd ACN 050 487 879.

## 1. INTRODUCTION

1.1 The Creditors' Scheme Companies propose to enter into a creditors' scheme of arrangement with certain of their creditors, and each Member's Scheme Company also proposes to enter into a member's scheme of arrangement with its sole member (**the Proposed Schemes**).

1.2 It is proposed that:

- (a) The creditors' scheme of arrangement be between the Creditors' Scheme Companies and:
  - (i) certain creditors who have supplied goods or services to Ovato Print Pty Ltd;
  - (ii) the Commissioner of Taxation (Cth) in respect of GST liabilities owing by Ovato Print Pty Ltd;
  - (iii) the Commissioner of State Revenue (Vic) and Commissioner of State Taxation (SA) in respect of payroll liabilities owing by Ovato Print Pty Ltd; and
  - (iv) the Chief Commissioner of State Revenue (NSW) in respect of payroll liabilities owing by Ovato Print Pty Ltd, Hannanprint NSW Pty Limited and Ovato Limited, (together, the **Scheme Creditors**).

The Scheme Creditors are also contingent creditors of each other Creditors' Scheme Company by virtue of a Deed of Cross Guarantee.

- (b) The Scheme Creditors agree to receive 50 cents in the dollar in respect of the unsecured portion of their claims against the Creditors' Scheme Companies as at 11:59 pm on 6 November 2020 (**Voting Entitlement Record Date**) and then release the Creditors' Scheme Companies from the unpaid portion of their unsecured claims.
- (c) The creditors' scheme of arrangement preserves any retention of title rights of the Scheme Creditors who have supplied property to Ovato Print Pty Ltd on retention of title terms. Under the creditors' scheme of arrangement, an amount equal to the cost price of any such retention of title property used or consumed in the period between the Voting Entitlement Record Date and the date the Scheme Administrators are appointed will be paid to relevant Scheme Creditors from the proceeds generated by Ovato Print Pty Ltd using such retention of title property. If any retention of title property is not used or consumed prior to the appointment of the Scheme Administrators, Ovato Limited will have the option to purchase it from the relevant Scheme Creditor at its cost price or Ovato Limited may return it to the relevant Scheme Creditor.
- (d) The member's schemes of arrangement will be between each Member's Scheme Company and its respective sole member. Under the member's schemes of arrangement:
  - (i) Inprint Pty Limited will be transferring the shares it holds in:
    - (A) Ovato Creative Services Geebung Pty Ltd ACN 010 958 200 to Ovato Creative Services Pty Ltd ACN 001 098 157;
    - (B) Ovato Packaging Pty Ltd ACN 050 411 759 to Ovato Print Cairns Pty Ltd ACN 050 487 879; and
    - (C) Ovato Print Cairns Pty Ltd ACN 050 487 879 to Ovato Limited;

- (ii) the Member's Scheme Companies will be transferring all other assets (including the shares held by Ovato Print Pty Ltd in all of its subsidiaries) and all liabilities to Ovato Limited with the exception of:
  - (A) certain plant and equipment;
  - (B) certain employees of Ovato Print, Hannanprint NSW Pty Limited, Hannanprint Victoria Pty Limited and Inprint Pty Limited; and
  - (C) an amount of cash greater than the amount that would have been available to pay employee entitlements of the Member's Scheme Companies if the Proposed Schemes were not implemented and the Member's Scheme Companies were wound up instead.
- (e) The precise exclusions are set out in the Property and Liabilities Schedule to the member's schemes of arrangement.
- (f) The Proposed Schemes be inter-conditional, so that if one fails, both fail.
- (g) The Deed of Cross Guarantee between members of the Ovato group, including the Member's Scheme Companies, be revoked to the extent it relates to the Member's Scheme Companies by Court order under s 413(1)(g) of the *Corporations Act 2001* (Cth) (**Act**), which order is to be made when approving the Proposed Schemes. The Transferee Companies will remain parties to the Deed of Cross Guarantee.
- (h) Following the implementation of the member's schemes of arrangement and revocation of the Deed of Cross Guarantee as described above, the Member's Scheme Companies be wound up by order of the Court.

1.3 A key condition precedent to the implementation of the member's schemes of arrangement and creditors' scheme of arrangement is Ovato Limited raising a minimum of \$30 million through the issue of new shares to current or new shareholders. It is proposed that the equity raising is also conditional on the following restructuring transactions:

- (a) repayment of Australia and New Zealand Banking Group Limited ABN 11 005 357 522 as the first ranking secured lender to the Ovato group; and
- (b) a compromise with the holders of secured, subordinated notes issued by Ovato Finance Pty Ltd on 19 November 2018 and guaranteed by, among others, the Creditors' Scheme Companies;
- (c) Scottish Pacific Business Finance Pty Ltd ACN 008 636 388, who provides a receivables financing facility to certain members of the Ovato group, consenting to the Restructuring Schemes;
- (d) a new financier lending additional funds to the Ovato group;
- (e) a compromise of the debt owing to Commerzbank Aktiengesellschaft, an equipment finance lender to the Ovato group; and
- (f) various landlords of members of the Ovato group, including Ovato Print Pty Ltd, agreeing to compromises to their respective leases.

1.4 We have been instructed by the Creditors' Scheme Companies to engage McGrathNicol (**McGrathNicol**) to prepare an independent expert report on behalf of the Creditors' Scheme Companies addressing financial matters relating to the proposal by the Creditors' Scheme Companies to apply for orders under section 411 in relation to the creditors' scheme of arrangement, and the Member's Scheme Companies to apply for orders under sections 411 and 413 of the Act in relation to the member's schemes of arrangement. Your independent

expert report may be relied upon by the directors of the Creditors' Scheme Companies in relation to the Proposed Schemes.

## 2. INSTRUCTIONS

2.1 You are instructed to prepare an independent expert report (**McGrathNicol Report**) addressing the following matters:

- (a) The solvency of the Transferee Companies following the implementation of the Proposed Schemes, noting that:
  - (i) solvency is to be determined following completion of the Proposed Schemes; and
  - (ii) you are to determine "solvency" with reference to section 95A of the Act.
- (b) The solvency of the Member's Scheme Companies following the implementation of the Proposed Schemes, noting that:
  - (i) solvency is to be determined following completion of the Proposed Schemes; and
  - (ii) you are to determine "solvency" with reference to section 95A of the Act.
- (c) The likely outcome for each Creditors' Scheme Company should the Proposed Schemes not be implemented having regard to each Creditors' Scheme Company's existing financial position, and projections.
- (d) The expected dividend that would be available to the Scheme Creditors if each Creditors' Scheme Company were to be wound up within 6 months of the hearing of the application for an order under section 411(1) of the Act (this should assume that the Proposed Schemes are **not** put into effect).
- (e) The expected dividend that would be available to employees of each Creditors' Scheme Company if the relevant Creditors' Scheme Company were to be wound up within 6 months of the hearing of the application for an order under section 411(1) (this should assume that the Proposed Schemes are **not** put into effect).
- (f) The expected dividend that would be paid to the Scheme Creditors if the Proposed Schemes were put into effect.
- (g) Your report should express an opinion on whether, if orders are made under ss 411 and 413 of the Act, including an order the Deed of Cross Guarantee be revoked to the extent it relates to each Member's Scheme Company and noting that the Transferee Companies are parties to the Deed of Cross Guarantee and will remain parties, the making and implementation of the orders will materially prejudice:
  - (i) the interests of the creditors of each Member's Scheme Company; or
  - (ii) the ability of the Transferee Companies to pay their creditors.

You are instructed to assume that the expression "material prejudice" has the following meaning:<sup>1</sup>

*"The issue of material prejudice to the interests of the company or its shareholders or creditors requires an assessment of and comparison between the position before... [the implementation of the Proposed Schemes] and the position after it to see*

<sup>1</sup> *Connective Services Pty Ltd v Slea Pty Ltd* [2019] HCA 33 at [26]. Note, the High Court considered the "material prejudice" test in the context of the financial assistance provisions (s260A) of the Corporations Act.



*whether the company or its shareholders or its ability to pay its creditors is in a worse position. It does not assist to gloss the concept of material prejudice by the introduction of further concepts, which themselves require further explanation, such as whether there has been a diminution of the assets of the company, whether there has been a transaction, or whether there was a net transfer of value to the person acquiring the shares. For instance, the introduction of a requirement not present in the text of s 260A(1) of a transaction with, or a net transfer of value to, the person acquiring the shares could lead to further issues such as whether the interposition of intermediaries is included within those concepts."*

The opinion should address the interests of creditors of each Member's Scheme Company as well as creditors of the Transferee Companies, both before and after the implementation of the Proposed Schemes.

2.2 We understand that, in forming your opinion, you are likely to consider:

- (a) the rationale of the Proposed Schemes;
- (b) the terms of the Proposed Schemes;
- (c) the value of the Transferee Companies, their expected balance sheet strength and the level of debt to be carried;
- (d) the level of profitability of Ovato Limited (and its subsidiaries), Ovato Creative Services Pty Ltd and Ovato Print Cairns Pty Ltd, and the extent to which expected cash flows are available to meet their ongoing obligations; and
- (e) any other implications for creditors of each Member's Scheme Company and Transferee Companies.

2.3 Ovato Print, among other companies in the Ovato group, and Scottish Pacific Business Finance Pty Ltd ACN 008 636 388 (**ScotPac**) have entered into a receivables finance facility under a letter of offer dated 31 July 2020 (**Scottish Pacific Facility**). The clients listed in the Scottish Pacific Facility are the following Ovato group entities:

- (a) Ovato Print Pty Ltd ACN 051 706 499;
- (b) Ovato Creative Services Pty Ltd ACN 001 098 157;
- (c) Ovato Creative Services Clayton Pty Ltd ACN 004 386 672;
- (d) Ovato Creative Services Geebung Pty Ltd ACN 010 958 200;
- (e) Ovato Communications Pty Ltd ACN 125 826 655;
- (f) Ovato Technology Pty Ltd ACN 092 342 375;
- (g) Ovato Ltd ACN 050 148 644;
- (h) Ovato Print Cairns Pty Ltd ACN 050 487 879; and
- (i) Ovato Packaging Pty Ltd ACN 050 411 759,

(collectively, the **Ovato Clients**).

You are instructed that the invoices issued by the Ovato Clients are considered collectively for the purpose of the Scottish Pacific Facility. You are instructed to allocate the amount

owing to ScotPac under the Scottish Pacific Facility proportionately to the value of invoices sold under the Scottish Pacific Facility by the Ovato Clients.

2.4 The McGrathNicol Report should include a schedule listing the data, reports and other information (to the extent this material is not set out in the body of the McGrathNicol Report) which has been used to prepare the McGrathNicol Report.

2.5 You are also instructed to read the following **enclosed** documents:

- (a) Expert Witness Code of Conduct from the Uniform Civil Procedure Rules 2005 (NSW), and to acknowledge in the McGrathNicol Report that you have done so and agree to comply with it; and
- (b) Regulatory Guides 60 (dated September 2020), 111 (dated October 2020) and 112 (dated March 2011) issued by ASIC and to acknowledge in the McGrathNicol Report that you have done so, and consider that you are independent in accordance with the requirements of Regulatory Guides 60, 111 and 112 and that you have complied with the terms of those documents.

2.6 You are also instructed to disclose in the McGrathNicol Report the existence of any engagements you have had with the Ovato group.

### 3. **COURT PROCEEDINGS AND THE USE OF THE MCGRATHNICOL REPORT**

3.1 You agree to the inclusion of the McGrathNicol Report as:

- (a) an annexure to the Explanatory Statement to be provided by the Creditors' Scheme Companies to the Scheme Creditors, the sole members of each Member's Scheme Company and others (including ASIC) in relation to the Proposed Schemes; and
- (b) an annexure to a notice of meeting to the sole shareholder of each Member's Scheme Company.

3.2 A scheme of arrangement is subject to Court approval. Any applications by the Creditors' Scheme Companies will require the following documents to be included in the applications to the Court:

- (a) the McGrathNicol Report; and
- (b) an affidavit introducing and annexing or exhibiting the McGrathNicol Report and verifying the opinions contained therein.

### 4. **CONFIDENTIALITY**

4.1 Your services as independent expert may require you to receive confidential and/or proprietary information or property of the Ovato group. You agree to maintain all documents, information and things obtained in connection with this matter in strict confidence. You agree to maintain any reports, work papers, memoranda or summaries which may be prepared in connection with the engagement by you or personnel assisting you in strict confidence. You agree not to disclose these things to any person or use them for any purpose apart from assisting Ashurst and the Ovato group in relation to this matter, and you agree to ensure your personnel are obliged to do the same. You agree to retain all such material, subject to our instructions.

4.2 Apart from engaging with us, the Ovato group and their authorised personnel or consultants, and the giving of evidence in the Court proceedings:

- (a) you must keep all communications between us confidential (including the contents of this letter). It is a condition of this engagement that you take all reasonable

measures to protect the confidentiality of, and any privilege attaching to, these communications;

- (b) you must not disclose to anyone the content of any confidential oral or written communication relating to this engagement;
  - (c) no other use, disclosure or dissemination of such materials or information gained in connection with this engagement is to be made without prior written consent, except as may be required by law; and
  - (d) you must not discuss any aspect of this matter with any other person, or inform them of your involvement in this matter, without our prior written consent.
- 4.3 There may be specific confidentiality orders applying to the Court proceedings described above. We will advise you if and when such orders apply to you. If you are ever in doubt about what may be discussed with others, please contact us to ensure there is no inadvertent breach of this agreement or any Court orders.
- 4.4 Please mark any written communications (including emails) and reports involving this matter **"Privileged and Confidential"**. Please address all letters and faxes in connection with your services to:

***Privileged and Confidential***

Attention: James Marshall  
Ashurst Australia  
Level 11, 5 Martin Place  
Sydney NSW 2000

- 4.5 All documents obtained in the course of this engagement must be returned to us upon request. The obligations in this letter expressly apply to both you and any personnel providing assistance to you. The obligations in this letter survive expiration or termination of this engagement.

5. **YOUR FEES**

We confirm that Ovato Print Pty Ltd will ultimately be responsible for your fees for the preparation of the independent expert report.

6. **CONFIRMATION**

Please confirm whether McGrathNicol agrees to the terms of this engagement, including the confidentiality requirements, by return letter.

Please contact James Marshall should you require any further information or confirmation, or if you have any questions or issues in relation to this letter or otherwise.

Yours faithfully



**Ashurst Australia**



# Uniform Civil Procedure Rules 2005

Current version for 9 October 2020 to date (accessed 11 November 2020 at 21:13)

## Schedule 7

### Schedule 7 Expert witness code of conduct

(Rule 31.23)

#### 1 Application of code

This code of conduct applies to any expert witness engaged or appointed—

- (a) to provide an expert's report for use as evidence in proceedings or proposed proceedings, or
- (b) to give opinion evidence in proceedings or proposed proceedings.

#### 2 General duties to the Court

An expert witness is not an advocate for a party and has a paramount duty, overriding any duty to the party to the proceedings or other person retaining the expert witness, to assist the court impartially on matters relevant to the area of expertise of the witness.

#### 3 Content of report

Every report prepared by an expert witness for use in court must clearly state the opinion or opinions of the expert and must state, specify or provide—

- (a) the name and address of the expert, and
- (b) an acknowledgement that the expert has read this code and agrees to be bound by it, and
- (c) the qualifications of the expert to prepare the report, and
- (d) the assumptions and material facts on which each opinion expressed in the report is based (a letter of instructions may be annexed), and
- (e) the reasons for and any literature or other materials utilised in support of each such opinion, and
- (f) (if applicable) that a particular question, issue or matter falls outside the expert's field of expertise, and
- (g) any examinations, tests or other investigations on which the expert has relied, identifying the person who carried them out and that person's qualifications, and
- (h) the extent to which any opinion which the expert has expressed involves the acceptance of another person's opinion, the identification of that other person and the opinion expressed by that other person, and
- (i) a declaration that the expert has made all the inquiries which the expert believes are desirable and appropriate (save for any matters identified explicitly in the report), and that no matters of significance which the expert regards as relevant have, to the knowledge of the expert, been withheld from the court, and

- (j) any qualification of an opinion expressed in the report without which the report is or may be incomplete or inaccurate, and
- (k) whether any opinion expressed in the report is not a concluded opinion because of insufficient research or insufficient data or for any other reason, and
- (l) where the report is lengthy or complex, a brief summary of the report at the beginning of the report.

#### **4 Supplementary report following change of opinion**

- (1) Where an expert witness has provided to a party (or that party's legal representative) a report for use in court, and the expert thereafter changes his or her opinion on a material matter, the expert must forthwith provide to the party (or that party's legal representative) a supplementary report which must state, specify or provide the information referred to in clause 3(a), (d), (e), (g), (h), (i), (j), (k) and (l), and if applicable, clause 3(f).
- (2) In any subsequent report (whether prepared in accordance with subclause (1) or not), the expert may refer to material contained in the earlier report without repeating it.

#### **5 Duty to comply with the court's directions**

If directed to do so by the court, an expert witness must—

- (a) confer with any other expert witness, and
- (b) provide the court with a joint report specifying (as the case requires) matters agreed and matters not agreed and the reasons for the experts not agreeing, and
- (c) abide in a timely way by any direction of the court.

#### **6 Conferences of experts**

Each expert witness must—

- (a) exercise his or her independent judgment in relation to every conference in which the expert participates pursuant to a direction of the court and in relation to each report thereafter provided, and must not act on any instruction or request to withhold or avoid agreement, and
- (b) endeavour to reach agreement with the other expert witness (or witnesses) on any issue in dispute between them, or failing agreement, endeavour to identify and clarify the basis of disagreement on the issues which are in dispute.



**ASIC**  
Australian Securities &  
Investments Commission

## REGULATORY GUIDE 60

# Schemes of arrangement

September 2020

### About this guide

This is a guide for companies and their advisers involved in, or affected by, schemes of arrangement between a company and its members under Pt 5.1 of the Corporations Act.

This guide explains:

- ASIC's role under the scheme provisions in Pt 5.1;
- the matters we consider when reviewing scheme documents; and
- how we determine whether to provide a 'no objection' statement under s411(17)(b).

### About ASIC regulatory documents

In administering legislation ASIC issues the following types of regulatory documents.

**Consultation papers:** seek feedback from stakeholders on matters ASIC is considering, such as proposed relief or proposed regulatory guidance.

**Regulatory guides:** give guidance to regulated entities by:

- explaining when and how ASIC will exercise specific powers under legislation (primarily the Corporations Act)
- explaining how ASIC interprets the law
- describing the principles underlying ASIC's approach
- giving practical guidance (e.g. describing the steps of a process such as applying for a licence or giving practical examples of how regulated entities may decide to meet their obligations).

**Information sheets:** provide concise guidance on a specific process or compliance issue or an overview of detailed guidance.

**Reports:** describe ASIC compliance or relief activity or the results of a research project.

### Document history

This guide was issued in September 2020 and is based on legislation and regulations as at the date of issue.

Previous versions:

- Superseded Regulatory Guide 60, issued December 2009, reissued September 2011 and updated (minor) July 2020
- Superseded Policy Statement 60, issued 4 August 1999, amended 25 February 2008, rebadged as a regulatory guide 5 July 2007
- Superseded Policy Statement 142, issued 4 August 1999 and rebadged as a regulatory guide 5 July 2007

### Disclaimer

This guide does not constitute legal advice. We encourage you to seek your own professional advice to find out how the Corporations Act and other applicable laws apply to you, as it is your responsibility to determine your obligations.

Examples in this guide are purely for illustration; they are not exhaustive and are not intended to impose or imply particular rules or requirements.

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## A Overview

### Key points

The scheme of arrangement process is primarily a court-supervised process. However, ASIC is involved with:

- the review of scheme documents (see Sections C–D);
- the protection of interests of any members affected by the scheme;
- the registration of scheme documents (see RG 60.12–RG 60.14); and
- reporting to the court on any complex issues or possible areas of objection (see Section F).

We will object to a proposed scheme of arrangement if:

- we consider that the scheme will deprive shareholders of the benefits or protections of a takeover under Ch 6; or
- the scheme documents do not meet the disclosure obligations outlined in Section D.

### ASIC's role in schemes of arrangement

RG 60.1 Schemes of arrangement are regulated under Pt 5.1 of the *Corporations Act 2001* (Corporations Act) and are binding, court-approved agreements that allow the reorganisation of the rights and liabilities of members and creditors of a company. This guide only sets out how we will administer members' schemes and option holders' schemes.

RG 60.2 The court cannot approve a scheme of arrangement unless:

- it is satisfied that the scheme has not been proposed to avoid compliance with the takeover requirements in Ch 6; or
- ASIC has issued a statement under s411(17)(b) that we have no objection to the scheme.

Note: See *Re ACM Gold Limited and Mt Leyshon Gold Mines Ltd* (1992) 7 ACSR 231; *Re Foundation Healthcare Ltd* (2002) 43 ACSR 680; *Re Coles Group Ltd (No 2)* [2007] VSC 523.

RG 60.3 Parties proposing a scheme of arrangement under Pt 5.1 (proponents) must lodge the terms of the proposed scheme and the draft explanatory statement with us. We must be given an opportunity to examine this material prior to the court hearing to convene the relevant scheme meetings. We may make submissions to the court in relation to the scheme and the draft explanatory statement.

- RG 60.4 Our role is to assist the court by:
- (a) reviewing the content of scheme documents;
  - (b) reviewing the nature and function of the scheme;
  - (c) representing the interests of investors and creditors (where in many cases we may be the only party before the court other than the applicant);
  - (d) helping to ensure that all matters that are relevant to the court's decision are properly brought to the court's attention before it orders meetings or before it confirms a scheme; and
  - (e) registering scheme documents.
- RG 60.5 Proponents should lodge scheme documents through the [ASIC Regulatory Portal](#) to enable ASIC to efficiently perform its role.

## Review of scheme documents

- RG 60.6 Section 411(2) requires us to be given at least 14 days' notice of the hearing of an application unless we or the court permit a shorter period. In almost all cases, this will be the minimum period required to examine the draft explanatory statement and the terms of the proposed scheme. If the scheme or the commercial proposal underlying it is complex, more than 14 days may be required for us to determine whether or not we should object to the confirmation of the scheme. If we have not had adequate time to consider the scheme or its documentation, we will ask the court to adjourn any application or hearing to call the scheme meetings or to confirm the scheme.
- RG 60.7 Section 411(2)(a) allows us to consent to reducing the 14 days' notice requirement, but this will happen infrequently—for example, in the case of some small and simple schemes.
- RG 60.8 For guidance on the matters we consider when reviewing scheme documents, see Section C.

## Disclosure obligations

- RG 60.9 Sections 411(3)(b) and 412(1)(a)(ii) require explanatory statements to contain the information prescribed by reg 5.1.01 and Sch 8 of the Corporations Regulations 2001 (Corporations Regulations), unless we grant a waiver from those requirements. We will object to a proposed scheme of arrangement if the information disclosed is not of the type and standard required under reg 5.1.01 and Sch 8, unless a waiver applies.
- RG 60.10 We will also consider the disclosure principles in s602 and the disclosure obligations in s636 when determining whether shareholders are adequately informed and protected.

- RG 60.11 For guidance on the type and standard of disclosure we expect in scheme documents generally, see Section D.

## Registration of documents

- RG 60.12 We must not register a copy of the explanatory statement unless it appears to comply with the Corporations Act and we consider it does not contain any matter that is false in a material particular or materially misleading in the form or context in which it appears: see s412(8).

Note: The misleading and deceptive conduct provisions in s1041H also apply to schemes.

- RG 60.13 We will not register an explanatory statement until it has been approved (or not objected to) by the court under s411(1) or (1A).
- RG 60.14 Registration is only required for schemes which do not include a compromise between a company and its creditors: see s412(6). We will reject as artifice any scheme that tries to combine a members' scheme and an option holders' scheme into a single scheme to avoid the requirement of s412(6).

## Second hearing: Confirmation of a scheme

- RG 60.15 We will ordinarily not appear at the second hearing if we have no objection to the scheme. However, we will appear at this hearing if we consider that further matters have arisen that should be raised with the court.

## Objections under s411(17)(b)

- RG 60.16 Under s411(17)(b) we are required to decide whether we have no objection to the proposed scheme of arrangement. We are not required to determine or prove the purpose of the scheme.
- RG 60.17 The primary question we will consider under s411(17)(b) is whether, having regard to the principles in s602, shareholders are adversely affected by the takeover being implemented by a scheme of arrangement rather than a takeover bid.

## B Acquisitions under Ch 6 and Pt 5.1

### Key points

We have no preference for acquisitions being conducted either as schemes of arrangement or takeovers, as long as shareholders are not deprived of the benefits or protections offered by Ch 6: see RG 60.18–RG 60.21.

### Shareholder protection

RG 60.18 It is not the purpose of the Corporations Act to require persons to follow the takeover procedures set out in Ch 6 in preference to other regulated methods in all transactions involving acquisitions.

Note: See *Re The Bank of Adelaide* (1979) 22 SASR 481; *Re Wallace Dairy Co Ltd* (1980) ACLR 139; *Re ACM Gold Limited and Mt Leyshon Gold Mines Ltd* (1992) 7 ACSR 231; *Re Stockbridge Ltd* (1993) 9 ACSR 637; *Re Foundation Healthcare Ltd* (2002) 43 ACSR 680; *Re MIM Holdings Ltd* (2003) 45 ACSR 554; *Re Coles Group Ltd (No 2)* [2007] VSC 523.

RG 60.19 Shareholders should, however, receive equivalent (although not necessarily identical) treatment and protection, whether an acquisition is made under a scheme of arrangement or by any other type of acquisition (including capital reductions). As long as these protections are equivalent in nature, we do not favour one legal method over another.

RG 60.20 Section 602 sets out the underlying principles of fairness and disclosure of information in relation to the acquisition of shares, as well as emphasising the need for such acquisitions to occur in an efficient and competitive market. The principles in s602 relate to:

- (a) sufficient time for shareholders to make a decision;
- (b) sufficient information to make a decision; and
- (c) reasonable and equal opportunities to share in any benefits that flow from a person acquiring a substantial interest in their company.

We will consider these principles and apply them equally to our role in schemes of arrangement as we do for other types of acquisition.

### What the court has held

RG 60.21 In considering whether a scheme is fair and equitable, and should therefore be approved, the court has held the following:

- (a) that it is ‘legitimate and appropriate for a court to keep in mind the provisions of the Acquisition of Shares Code’;

Note 1: See *Catto v Ampol Ltd* (1989) 7 ACLC 717.

Note 2: The Acquisition of Shares Code has been superseded by Ch 6 of the Corporations Act.

- (b) ‘the court keeps before it other legislative provisions including those relating to the regulation of takeovers, and endeavours to administer them in such a way which gives a harmonious practical and mutually supportive operation to each provision’;

Note: See *Nicron Resources Ltd v Catto* (1992) 8 ACSR 219.

- (c) ‘the objectives of Ch 6 are relevant to the issue of the court exercising its discretion to approve a scheme of arrangement effecting a takeover. They indicate a legislative intent to protect members subject to a takeover’; and

Note: See *Re Coles Group Ltd (No 2)* [2007] VSC 523.

- (d) ‘thus while such information is not specifically required by the Corporations Act in the case of a court-approved scheme of arrangement (or a selective reduction of capital), nonetheless, particularly where what is being done is substantially equivalent to a conventional takeover, shareholders should not be deprived of equivalent information’.

Note 1: See *Re Archaean Gold NL* (1997) 23 ACSR 143.

Note 2: While the first two cases, cited in RG 60.21(a) and RG 60.21(b), concerned reductions of capital, the court, by analogy, has adopted a similar approach in the context of a scheme of arrangement: see *Re ACM Gold Limited and Mt Leyshon Gold Mines Ltd* (1992) 7 ACSR 231; *Re Stockbridge Ltd* (1993) 9 ACSR 637; *Re Archaean Gold NL* (1997) 23 ACSR 143; *Re Coles Group Ltd (No 2)* [2007] VSC 523.

## Our approach

RG 60.22

Consistent with the court’s approach, we will have regard to the principles in s602 and the disclosure requirements in s636, as well as the disclosure obligations under reg 5.1.01 and Sch 8 of the Corporations Regulations, when considering an acquisition under a scheme of arrangement that is capable, in whole or part, of being conducted under a takeover bid.

Note: See *Catto v Ampol Ltd* (1989) 7 ACLC 717; *Nicron Resources Ltd v Catto* (1992) 8 ACSR 219; *Re Archaean Gold NL* (1997) 23 ACSR 143; *Re Coles Group Ltd (No 2)* [2007] VSC 523.

## Equality between classes of securities

- RG 60.23 We consider that when there is more than one class of security in a scheme, the resolution put before each of the classes should be conditional on each other class passing the resolution put before it. In this way all members will have an equal opportunity to participate in the benefits accruing from an acquisition, and the equality principles in s602(c) will be met.

## Collateral benefits and unequal consideration

- RG 60.24 Consistent with the policy behind s602(c), we will closely consider a scheme if:
- (a) some holders in a class of security in the target (target security) receive a collateral benefit in connection with the scheme; or
  - (b) there are collateral benefits associated with the consideration offered for each different class of target security (whether that consideration is offered under the scheme or under a separate agreement between the acquirer and the holder of the target security). In particular, we will consider if the consideration offered for each class is:
    - (i) proportionate to each of the others, taking into account the differences in rights or obligations between the security classes;
    - (ii) at a similar premium, for example, to market prices where applicable; and
    - (iii) reasonable, taking into account the amounts payable on the target securities, the time value of money, the opportunities inherent in convertible target securities, the ability of the target to repay convertible target securities in the absence of the scheme, or any other established criteria (such as those contained in the Takeovers Panel [Guidance Note 21](#) *Collateral benefits*).

Note: Where holders receive a collateral benefit in connection with a scheme, we will generally not object to the scheme if the affected holders vote in a separate class and the explanatory statement explains the benefit and includes an independent valuation of the benefit.

## Proposed timetable for completion

- RG 60.25 The timetable proposed for completion of a scheme of arrangement should be consistent with the takeovers policy in Ch 6 relating to:
- (a) the announcement of a bid (see s631(1)); and
  - (b) the offer period and formalities (see s620 and 624).

## Notice of meeting

- RG 60.26 The notice of a meeting sent to each class should not be misleading and should fairly inform the recipients of:

- (a) the proper business of the meeting; and
- (b) the compromise or arrangement proposed to each other security class.

### Information provided in the explanatory statement

- RG 60.27 The holders of target securities should have access to the same type and standard of information that would have been provided to them under s636 in a bidder's statement (but not in contradiction of any disclosure requirements under Sch 8 of the Corporations Regulations).

### Interested parties

- RG 60.28 Where, under an acquisition, the acquirer of target securities (acquirer) or its associates (together, interested parties) have the power to vote to approve the proposed scheme of arrangement, there should be adequate disclosure of:

- (a) the power to vote;
- (b) the identity of the holder of such power;
- (c) the number and type of target securities in which the power is held; and
- (d) whether the holder intends to vote on the proposed acquisition and, if so, the manner in which the holder intends to vote.

Note: See RG 60.97–RG 60.98 for a discussion of voting by interested parties.

### Offers of scrip

- RG 60.29 Where the acquirer intends to provide securities as consideration to the holders of target securities, the holders of target securities should be provided with sufficient information about the securities to allow them to decide how they will vote on the resolutions put before them: see the requirements for a bidder's statement detailed in s636(1)(g) and at RG 60.68–RG 60.69.

- RG 60.30 We have prevented offers of proprietary company scrip consideration to retail investors and, where the consideration offered is public company scrip to be held under mandatory custodial arrangements, limited the ability to convert to a proprietary company if there are more than 50 non-employee beneficial owners.

Note: See [ASIC Corporations \(Stub Equity in Control Transactions\) Instrument 2020/734](#).

### Agreements

- RG 60.31 We will also examine the terms of any agreement entered into between the acquirer, or interested parties, and the target and, in particular, any conditions (whether precedent or subsequent) relating to successful completion of the agreement: see RG 60.44.

## C Review of scheme documents

### Key points

The proposed scheme and the draft explanatory statement must be lodged with us within a reasonable time before the hearing of the application (generally at least 14 days beforehand). Schemes that are novel or more complex may require more time: see RG 60.32–RG 60.34.

We will examine the scheme documents to ensure that they comply with the requirements of s411 and that they are consistent with the other obligations of the Corporations Act: see RG 60.40–RG 60.43.

We will consider, among other things, whether the scheme documentation has adequately dealt with factors such as conditions, end dates, third parties and scheme administrators: see RG 60.44–RG 60.55.

### Factors affecting our review of scheme documents

- RG 60.32 The court must be satisfied that we have had reasonable opportunity to examine the terms of the proposed scheme and the draft explanatory statement, as well as reasonable opportunity to make submissions to the court: see s411(2)(b).
- RG 60.33 We consider the 14-day period referred to in s411(2)(a) will generally be the minimum period required to examine the scheme documents. Schemes that are novel or more complex will often require more time.
- RG 60.34 We are likely to require more time to examine schemes such as:
- (a) takeover type schemes;
  - (b) complex schemes;
  - (c) novel schemes;
  - (d) schemes of large size or value; and
  - (e) schemes with a high level of public interest or significance,
- than other types of schemes, such as internal reconstruction schemes, schemes of little public interest or significance, or small and simple schemes.

### Complex, novel or uncertain issues

- RG 60.35 In *Re Archaean Gold NL* (1997) 23 ACSR 143 at 148, Santow J noted that:
- Schemes that are unopposed proceed effectively on an ex parte basis, through application by the proponents of the scheme. The court in the nature of things must therefore rely on the proponents of the scheme to



anticipate the disclosure that is properly required and to draw any elements of the scheme that are potentially problematic to the court's attention.

- RG 60.36 Proponents of a scheme should therefore raise with us any problematic, complex or novel issues, or areas of uncertainty, concerning the scheme arrangements or documentation. Issues that the proponents of a scheme should bring to our attention, for example, include questions of law that were the subject of counsel's advice, or any issue relating to the scheme where a company sought another expert's advice.

### **Reverse takeovers achieved by a scheme**

- RG 60.37 Issues that may be raised under a reverse takeover achieved by a scheme are similar to those raised under a reverse takeover achieved via Ch 6. Therefore, the concerns that we might take to court in relation to a reverse takeover scheme are similar to those we might take to the Takeovers Panel in relation to a Ch 6 reverse takeover (e.g. in relation to s602).

- RG 60.38 A scheme results in a reverse takeover if:
- (a) consideration for the members of the company proposing the scheme (the target company) is shares in the offeror company; and
  - (b) the scheme results in a change in control of the offeror company or has a material effect on control of the offeror company.

- RG 60.39 We encourage any person proposing a scheme that will result in a member in the scheme company obtaining voting power in the offeror company of more than 20% to consult with us very early in the planning stage. We will consider such schemes on a case-by-case basis to determine if they result in a change in control of the offeror company, or have a material effect on control of the offeror company and therefore whether they result in a reverse takeover. We will monitor this area and, if it becomes necessary, will consider providing further guidance in the future.

Note: Takeovers Panel [Guidance Note 1 Unacceptable circumstances](#) states that a bid that results in a reverse takeover may involve unacceptable circumstances (at GN 1.32(b)). A reverse takeover is defined very broadly as 'a change of control, or a material effect on control by an issue of shares as consideration for a bid, that either disenfranchises shareholders or does not meet the policy of Ch 6 (even if strictly it satisfies item 4 of s611—acquisitions that result from acceptances of a bid)'.

## **Compliance with the Corporations Act**

- RG 60.40 We will examine the scheme documents to ensure that they comply with the requirements of s411.

- RG 60.41 Although s411 is widely or liberally construed, it cannot be used in certain circumstances—for example, to avoid the shareholder protections provided by a takeover under Ch 6 of the Corporations Act, or for an unlawful scheme.

Note: See *Re Northumberland Insurance Co Ltd (No 3)* (1977) 3 ACLR 15.

- RG 60.42 Additionally, we will examine whether the proposed scheme of arrangement contains a provision that is inconsistent with an express or implied provision of the Corporations Act. When a scheme involves another procedure under the Corporations Act, the scheme will not excuse compliance with the law relating to that procedure.

Note: See *Re Australian Consolidated Press* (1994) 14 ACSR 639.

- RG 60.43 A scheme cannot be used to avoid a specific procedure laid down by the Corporations Act, although it can often be combined with that procedure. Examples of situations where the Corporations Act provides a specific power or procedure are:

- (a) reducing the capital of a company (see s256B);

Note: See *Re Land & Concrete Pty Ltd and Others and the Companies Act* (1979) CLC 40-584.

- (b) changing the status of a company (see Pt 2B.7);

Note: See *ASC v Marlborough Gold Mines Limited NL* (1993) 10 ACSR 230.

- (c) amending the constitution of a company (see s136); and

- (d) changing a company's name.

Note: See *Re Oceanic Steam Navigation Co Ltd* [1939] Ch 41.

## Scheme conditions

- RG 60.44 We will consider the appropriateness of any condition to which the operation of the scheme is subject. There must be adequate disclosure of any such condition in both the explanatory statement and the other scheme documents.

Note: The announcement of a scheme should include a copy of the scheme implementation agreement or a summary of all material conditions and termination rights to which the operation of the scheme is subject: see *BC Iron Limited* [2011] ATP 6.

### Lock-up devices

- RG 60.45 In deciding whether a break fee or other lock-up device in a scheme is appropriate, we will need to be satisfied that the device is not anti-competitive or coercive.

- RG 60.46 To determine this we will take into account the matters considered in the Takeovers Panel [Guidance Note 7](#) *Lock-up devices*.

## End date for a scheme

- RG 60.47 ASIC prefers that a precise end date for the implementation of a scheme is specified in the scheme documents. If it is not possible to specify an end date, the scheme documentation should state clearly how the scheme is to be implemented and how the end date will be determined.

## Third parties

- RG 60.48 Some schemes are part of transactions that depend on the actions of third parties—for example, in a takeover type scheme, the acquiring company will not be a party to the scheme, but is likely to provide the consideration for the cancellation of target shares.

- RG 60.49 We will aim to ensure that third parties in these situations are legally bound to fulfil these obligations—for example, we may request that a third party become contractually bound to provide these benefits.

Note: See *Re Advance Bank Australia* (1996) 22 ACSR 476 and *Re Advance Bank Australia Ltd (No 2)* (1997) 22 ACSR 513.

- RG 60.50 Depending on the significance of the arrangement to the scheme, proponents may need to submit relevant documentation to us for our consideration and, in certain cases, explain the arrangement in the explanatory statement.

- RG 60.51 We will examine any disclaimer, release or indemnity provided to any person participating or otherwise involved in the scheme to ensure that it does not unnecessarily erode the effect of the scheme.

### Scheme administrator

- RG 60.52 In some cases a scheme administrator will be appointed to administer the scheme. However, this is not a requirement of the Corporations Act.

- RG 60.53 We will consider whether a scheme administrator should be appointed. It may be appropriate, for example, to appoint an administrator when the scheme is implemented over an extended period of time and requires payment of the scheme consideration by instalments.

- RG 60.54 Administrators should be contractually bound by the scheme document to discharge the functions and duties imposed upon them. The explanatory statement should disclose how a scheme administrator is bound and on what terms.

- RG 60.55 The explanatory statement should also disclose how a scheme administrator will be remunerated.

## D Disclosure obligations

### Key points

The type and standard of disclosure we expect is prescribed under reg 5.1.01 and Sch 8 of the Corporations Regulations, unless we have waived these requirements.

This section provides additional guidance on:

- general disclosure obligations (see RG 60.58–RG 60.62);
- more specific disclosure obligations relating to certain types of schemes or certain classes of shareholder (see RG 60.63–RG 60.75);
- when an expert report is recommended or required for a scheme (see RG 60.76–RG 60.86);
- the types of situation where we may grant relief from the disclosure obligations (see RG 60.87–RG 60.91); and
- the disclosure obligations when there is a significant reduction in the taxation liabilities of the company that is the subject of the scheme (scheme company) or the scheme's proponents (see RG 60.92).

RG 60.56 Explanatory statements must disclose the information prescribed in reg 5.1.01 and Sch 8 of the Corporations Regulations, unless we grant a waiver from these requirements: see s411(3)(b) and 412(1)(a)(ii). These obligations require the disclosure of general information as well as the disclosure of more specific information relating to certain types of scheme or certain classes of shareholder.

RG 60.57 A number of judicial decisions have emphasised the need for candour and completeness in the disclosure of information in scheme documentation—for example, in *Phosphate Co-operative Co of Australia Ltd v Shears and Anor* (No 3) (1988) 5 ACLC 1046, the court stated that:

The important issue about disclosure in the explanatory statement is that it should disclose all information that would tend to influence a sensible member's or creditor's decision on whether the scheme is in his interests.

### General disclosure obligations

#### Advantages and disadvantages of the proposal

RG 60.58 We consider that the explanatory statement of a scheme should state clearly and prominently the comparative advantages and disadvantages of proceeding with or rejecting the scheme.

## Identification of participants

- RG 60.59 We will review scheme documents to ensure that they identify the criteria and the date for determining:
- (a) the persons who are to participate in the scheme;
  - (b) the persons who are entitled to vote at the meeting of scheme participants; and
  - (c) the persons who will be bound by the scheme if it is approved by the court.

## Classes of participant

- RG 60.60 A scheme must be considered and voted on by each separate class of participant affected by the scheme.
- RG 60.61 When a scheme involves separate classes, we expect the division of classes to be clearly specified in the scheme documents and disclosed in the explanatory statement, together with an explanation of why the divisions have been drawn.
- RG 60.62 We will aim to ensure that the determination of classes for voting on a scheme is fair and equitable and takes into account the rights and obligations of each class in relation to the company and the effect of the scheme on them.

## Specific disclosure obligations

### Option holders

- RG 60.63 The courts have predominantly held that option holders are to be treated as contingent creditors in a scheme. Despite this classification, we consider that the information that option holders require when considering whether or not to approve a scheme is much closer to the information required by members rather than creditors.
- RG 60.64 We will consider applications to waive the creditor scheme information requirements for schemes involving option holders if the explanatory statement contains information suitable for a members' scheme. We will waive compliance in the form set out in [Pro Forma 191](#) *Information to option/debenture holders* (PF 191).

### List of option holders

- RG 60.65 The explanatory statement must list the names of all known scheme creditors together with the debts owed to the creditors: see Sch 8, cl 8201(c) of the Corporations Regulations. Under s170 and 173 option holders may obtain

the names of other option holders. As they will be persons with like interests, option holders should be able to communicate with each other if they do not support the scheme. Information about other creditors does not appear relevant to an option holder's decision.

- RG 60.66 We will consider applications to waive this requirement for option holders if the explanatory statement clearly sets out the rights of option holders under s170 and 173. Any ASIC relief will be in the form set out in [Pro Forma 192 Names and 'debts' to option holders](#) (PF 192).

### Convertible note holders

- RG 60.67 The information needed by convertible note holders is generally much closer to that needed by creditors. However, the equity conversion right of convertible notes means that an explanatory statement for a scheme that involves convertible note holders may need to contain information suitable for both creditors and members. The appropriate information will depend on the particular scheme.

### Disclosure for a scrip takeover type scheme

- RG 60.68 We consider that for schemes where an essential part of the overall transaction is that members accept shares in the acquiring company, disclosure in the explanatory statement should meet the requirements of a bidder's statement for a scrip bid.

Note: Section 708(17) provides that the prospectus requirements in Ch 6D, Div 2 do not apply to a primary offer or invitation in a compromise or arrangement approved by a court under s411(1). Scheme proponents should also note that [Class Order \[CO 13/525\] On-sale disclosure relief for scrip bids and schemes of arrangement](#) provides technical on-sale disclosure relief from s707(3) and 1012C in relation to securities received under the terms of a scheme.

- RG 60.69 It is the responsibility of the directors of the target company to ensure that the scheme documentation contains this information before proposing the scheme to its members.

### Scheme to remove minority shareholders

- RG 60.70 We will aim to ensure that any scheme has the informed and uncoerced approval of those who may be adversely affected by it. This is most important in a scheme that will remove minority shareholders (an expulsion scheme), where the scheme has very different effects on different classes.
- RG 60.71 When deciding whether to provide a statement under s411(17)(b), register an explanatory statement, make submissions to the court, or intervene in the proceedings of an expulsion scheme, we will consider whether minority shareholders are adequately informed and fairly treated.

- RG 60.72 The explanatory statement for an expulsion scheme should disclose all material information available on the following matters:
- (a) the purpose(s) of the scheme;
  - (b) the reasons for rejecting alternative means of achieving the purpose(s);
  - (c) the reasons for concluding that the consideration will be fair to those affected;
  - (d) the current and historical market prices of the shares;
  - (e) the value of the company both as a going concern and on liquidation;
  - (f) any reports or appraisals prepared in relation to the scheme;
  - (g) the possible tax implications of the scheme and suggestions to members to seek taxation advice;
  - (h) any special benefit(s) that will accrue to the majority shareholder following the acquisition of minority shareholdings; and
  - (i) any other material information known to the proponent or directors and relevant to making a decision on the proposed scheme.

The proponent of this type of scheme will often be best placed to assist in providing this information to the company for inclusion in the explanatory statement.

- RG 60.73 Although it was concerned with a different process, the High Court decision in *Gambotto and Anor v WCP Limited and Anor* (1995) 16 ACSR 1 may provide a useful guide for reviewing fairness and disclosure in cases where minorities are to be expropriated. In relation to these issues, we will assess whether:
- (a) all relevant information has been disclosed to minority shareholders;
  - (b) the consideration to be received by minority shareholders is fair, in so far as fairness is determined by minority shareholders receiving a reasonable and equal opportunity to share in the benefits that will flow to the majority shareholder if the scheme proceeds; and
  - (c) there is equal (but not necessarily identical) treatment of different classes—that is, any differences in consideration that a class receives is proportionate to the value of its securities or interests in the company.

- RG 60.74 Whether the consideration is fair will depend on a number of factors such as the company's assets and liabilities, the market value of the company's securities, the past and likely future dividends and the nature of the corporation and its likely future.

- RG 60.75 For more guidance on what is 'fair', see [Regulatory Guide 111](#) *Content of expert reports* (RG 111).



## Expert reports

RG 60.76 An explanatory statement must be accompanied by an independent expert report if the other party to a reconstruction in a scheme of arrangement holds at least 30% of the company or where there are common directors in the entities involved in the scheme of arrangement: see reg 5.1.01 and Sch 8, cl 8303 of the Corporations Regulations.

Note: Even if an expert report is not required under the Corporations Regulations, it is common for a scheme company to commission one voluntarily for a transaction that is complex or effects a takeover.

RG 60.77 The expert must:

- (a) state whether or not, in their opinion, the proposed scheme is in the best interests of the members of the scheme company; and
- (b) set out their reasons for that opinion.

RG 60.78 The expert must not be an associate of the other party to the scheme: see Sch 8, cl 8303 of the Corporations Regulations and [Regulatory Guide 112](#) *Independence of experts* (RG 112).

RG 60.79 If the expert report contains:

- (a) a forecast of the profits or profitability of the company; or
- (b) a statement that the market value of an asset or assets of the company or a related company differs from the value of the asset(s) shown in the books of the company or related company,

the report must not accompany the statement except with our consent in writing and in accordance with any conditions we may impose: see Sch 8, cl 8305 of the Corporations Regulations.

RG 60.80 Full details of the principles and matters that should be considered by a person preparing an expert report (whether the report is required by the Corporations Regulations or commissioned voluntarily) are set out in [RG 111](#) and [RG 112](#). We will only consent to an expert report that complies with these standards. Any consent will be in the form set out in [Pro Forma 194](#) *Consent to expert's report* (PF 194).

### Internal reconstructions

RG 60.81 In the case of an internal reconstruction, we will normally waive compliance with Sch 8, cl 8303 of the Corporations Regulations, requiring an independent expert report, if no person other than a member company of the group will be required to vote on the scheme. If the members of the holding company are required to vote, we may waive the requirements of Sch 8, cl 8303, subject to suitable alternative information being provided.



- RG 60.82 We will examine more closely applications for relief that are associated with internal reconstructions if the scheme is likely to raise jurisdictional or taxation issues for members. The onus will be on the applicant to satisfy us that there are no such material issues, or that the information that is provided to members will be adequate. We will waive compliance in the form set out in [Pro Forma 195](#) 'Best interest of the members' expert report (PF 195).

### **Scheme to remove minority shareholders**

- RG 60.83 The ability of the company's directors to provide adequate independent information and advice to minority shareholders in expulsion schemes may frequently be questioned by minority shareholders or by the court. This is because, in most cases, the directors will be the nominees of the shareholder that is proposing the scheme in order to gain full ownership of the company. If the adequacy or independence of information is questionable, the scheme resolution may be invalid.

Note: See *Re Albert Street Properties Ltd* (1997) 23 ACSR 318.

- RG 60.84 Directors should therefore strongly consider providing an independent expert report with the explanatory statement if one is not already required under s411(13), or Sch 8 of the Corporations Regulations.
- RG 60.85 This report should provide a valuation of the shares. In addition, the report should state whether, in the opinion of the expert, the scheme is in the best interests of minority shareholders whose shares are being expropriated as well as continuing shareholders—that is, that it strikes a balance between the interests of these two groups. The report should also set out the reasons for this opinion.

### **Concise expert reports**

- RG 60.86 Although we recognise the benefit of concise expert reports (see RG 111.88–RG 111.89 and Table 2 in [RG 111](#)), s412(1)(a)(ii) requires an explanatory statement to contain all material information. The Corporations Act does not contain a mechanism that allows information to be incorporated by reference into an explanatory statement. Further, ASIC does not have the power to provide relief from s412(1)(a)(ii) to facilitate incorporation by reference. Accordingly, if an explanatory statement only contains a concise expert report, the concise report will need to include all material information that is contained in the full report. The concise expert report must include a statement that it includes all material information that is contained in the full report.

## Waiver of disclosure obligations

- RG 60.87 Regulation 5.1.01(1) and Sch 8 of the Corporations Regulations prescribe various information that must be included in a draft explanatory statement under s411(3)(b) or in a final explanatory statement under s412(1)(a)(ii). ASIC has the power to waive these disclosure requirements and we may impose conditions on any waiver we grant—for example, as mentioned in RG 60.63–RG 60.66, we may provide pro forma relief for schemes involving option holders.
- RG 60.88 Proponents should submit applications for relief through the [ASIC Regulatory Portal](#). They will need to pay fees for their application. We have provided details about payment options in the portal.
- RG 60.89 [Regulatory Guide 51](#) *Applications for relief* (RG 51) sets out how an applicant should make a relief application, including applying for a waiver from the disclosure requirements in reg 5.1.01 and Sch 8 of the Corporations Regulations.

### Conditional financial disclosure relief

- RG 60.90 An explanatory statement must disclose full particulars of any material change in the financial position of the company since the date of its last balance sheet laid before a general meeting of the company or sent to shareholders in accordance with s314 or 317: see Sch 8, cl 8302(h) of the Corporations Regulations.
- RG 60.91 We are willing to grant conditional relief from this provision as long as the company provides an update of its financial position from its last formal, publicly released financial report (e.g. a half-yearly or audited financial report) and ensures that shareholders can easily access that original report.

## Taxation considerations

- RG 60.92 If we believe that a scheme of arrangement may involve a significant reduction in the taxation liabilities of the scheme company, or the scheme's proponents, we may require evidence that the proponent has informed the Australian Taxation Office (ATO) of the proposed scheme. Subject to s127 of the *Australian Securities and Investments Commission Act 2001* (dealing with confidentiality), we may raise matters concerning taxation with the ATO.

## Distribution of explanatory statements

- RG 60.93 Under s412(1) a scheme company is required to send an explanatory memorandum to its members with every notice convening a scheme meeting. While ASIC does not have the power to modify this requirement, the courts have in the past given orders allowing the explanatory statement to be distributed to members electronically.

Note: See *Alinta Limited (No 2)* [2007] FCA 1378.

## Supplementary information

- RG 60.94 If a scheme company proposes to amend the terms of a scheme, or otherwise provide supplementary information to its members, after the explanatory statement has been dispatched, that supplementary information will need to be given to ASIC for review prior to being given to the court for approval. We will apply the same principles in reviewing supplementary information as we do when reviewing explanatory statements: see RG 60.96 for the timing required for the dispatch of supplementary information.

Note: See *Re Citect Corporation Limited* (2006) 56 ACSR 663 and *Re Excel Coal Limited* (2006) 60 ACSR 184 for examples of where the court has approved amendments to the terms of a scheme after the explanatory statement has been dispatched.

## E Voting on a scheme

### Key points

We consider that shareholders should generally be given at least 10 days to consider any supplementary information before having to vote: see RG 60.95–RG 60.96.

Interested parties can vote on a scheme but they should disclose their interests and either not vote in favour of the scheme or vote in their own separate class: see RG 60.97–RG 60.98.

We would be concerned about any scheme that relied on proxy votes for approval or that appeared to involve some form of share splitting: see RG 60.99–RG 60.101.

### Supplementary information

- RG 60.95 If a scheme company proposes to amend the terms of a scheme, or otherwise provide supplementary information to its members, after the dispatch of the explanatory statement, it is important that all members who are required to vote on a scheme have adequate time to consider that supplementary information before they decide to accept or reject the scheme.
- RG 60.96 It will generally be appropriate for scheme participants, including those voting by proxy, to be given at least 10 days to consider any supplementary documentation distributed before being required to vote on the scheme.

### Voting

- RG 60.97 The Corporations Act does not prohibit proponents or their associates (interested parties) who hold target shares or target securities from voting in relation to an acquisition. However, if the vote is to demonstrate approval by the remaining shareholders:
- (a) interested parties should fully disclose their interests; and
  - (b) interested parties should either not vote in favour of the resolution to approve the scheme, or should vote in a separate class.
- RG 60.98 When interested parties vote in the same class as other members or creditors because they have a divergent commercial interest that falls short of requiring they meet as a separate class, voting should be by ballot. This ballot should be retained by the company, or an audited record of the voting should be retained. This will assist the court in determining whether or not to approve the scheme.

## Proxy schemes

- RG 60.99 We note the decision of Santow J in *Re Advance Bank Australia* (1996) 22 ACSR 476 and *Re Advance Bank Australia Ltd (No 2)* (1997) 22 ACSR 513 concerning the use of a scheme of arrangement to approve a deemed granting of proxy votes by members of the company in relation to later meetings or resolutions. Santow J approved the Advance Bank scheme of arrangement on the basis that, among other things, the later resolutions would have been passed without reliance on the deemed proxies. This suggests that such proxies are only likely to be allowed when the relevant resolutions would be passed in any event without reliance on the proxies.

## Share splitting

- RG 60.100 Share-splitting devices employed by proponents or opponents of a scheme may be objectionable.
- RG 60.101 If we feel there is evidence that a scheme vote has been unfairly influenced by activities such as share splitting, we would generally advise a court to utilise its powers under s411(4)(a)(ii)(A) to disregard the need for a majority vote.

## F Second hearing: Confirmation of a scheme

### Key points

We will ordinarily not appear at the second (confirmation) hearing of a scheme if we have no objection to the scheme, unless we feel there are matters that should be brought to the court's attention.

Whether we have an objection to a scheme under s411(17) will be based primarily on whether we consider shareholders are missing out on the protections and benefits they would receive under a Ch 6 takeover: see RG 60.104–RG 60.110.

If a shareholder undertakes to us that they will object to a scheme and the objection relates to the matters we take into account when deciding whether to give our 'no objection' statement under s411(17)(b), we will consider the objection before deciding whether to give our statement: see RG 60.111–RG 60.112.

### ASIC appearance at second hearing

- RG 60.102 ASIC will ordinarily not appear at the second hearing under s411(4)(b) if we have no objection to the scheme. However, we will appear at this hearing if we consider that further matters have arisen that should be raised with the court. For example, we may have concerns about the conduct of the scheme meetings, or we may consider that some aspects of the scheme need to be altered, or conditions need to be imposed under s411(6).
- RG 60.103 We may appear at the second hearing even if we did not appear at the first hearing under s411(1). This will usually be when the scheme, or process, as a whole raises issues that we consider should be brought to the court's attention.

### Objections under s411(17)

- RG 60.104 Under s411(17)(b) we are required to decide whether we have no objection to the proposed scheme of arrangement. We are not required to determine or prove the purpose of the scheme.
- RG 60.105 The primary question we will consider under s411(17) is whether, having regard to the principles in s602, shareholders are adversely affected by the takeover being implemented by a scheme of arrangement rather than a takeover bid. We will not consider whether the purpose of the scheme is to avoid making the acquisition under Ch 6 for reasons that do not adversely affect offerees.

- RG 60.106 We will not oppose an application before the court on grounds arising out of s411(17) unless we have concerns relating to the disclosure provided or the principles set out in s602 or we have some other reason to oppose the scheme (e.g. public policy grounds). However, in these circumstances we may still make submissions, where we do not oppose the scheme proposal but wish to bring certain issues to the court's attention.

### **ASIC statement under s411(17)(b)**

- RG 60.107 We will state in writing that we have no objection to a scheme of arrangement if an applicant satisfies us that:
- (a) all material information relating to the proposed scheme has been disclosed to us;
  - (b) the standard of disclosure to all members fulfils the requirements under reg 5.1.01 and Sch 8 of the Corporations Regulations;
  - (c) the standard of disclosure to, and treatment of, all members is equivalent to the standard that would be required by the disclosure requirements and the principles in s602 relating to the target securities in a takeover bid; and
  - (d) there are no other reasons to oppose the scheme (e.g. public policy grounds) and the other matters referred to in this guide (including at RG 60.23–RG 60.31) have been complied with.
- RG 60.108 Our statement under s411(17)(b) will be in the form set out in [Pro Forma 190](#) *No objection under s411(17)(b)* (PF 190).
- RG 60.109 We will not provide a statement under s411(17)(b) until the second (confirmation) hearing because we will not be in a position to advise the court properly until we have had an opportunity to observe the entire scheme process. This is also consistent with the wording of s411(17), which relates the statement to the court's approval of the scheme.
- RG 60.110 We recognise, however, that the proponents of a scheme may reasonably wish for an indication of our views before committing to the expense of calling a meeting or printing the scheme documentation. We will therefore provide a letter prior to the first hearing indicating whether we propose to make submissions to the court, or intervene to oppose the scheme, at this hearing. This letter will be in the form set out in [Pro Forma 193](#) *Indication of intent under s411(17)(b)* (PF 193). We will expressly state in the letter that our position, as indicated, is based on the information provided by the scheme proponents to date and may change as we consider appropriate.

Note: Our preliminary s411(17) letter will also help proponents satisfy the court that we have had a reasonable opportunity to examine scheme materials and make submissions to the court as required by s411(2)(b).

## Objection by a shareholder

- RG 60.111 The courts have held that they are not required to consider whether a scheme's purpose is to avoid Ch 6 requirements if ASIC has provided a 'no objection' statement under s411(17)(b).

Note 1: See *Re GIO Australia Holdings Ltd* [1999] NSWSC 1276 at [4]; *Re Hibernian Friendly Society (NSW) Ltd* (2002) 44 ACSR 206; *Re Citect Corporation Ltd* (2006) 56 ACSR 663; *Re Coles Group Ltd (No 2)* [2007] VSC 523.

Note 2: The courts have held that even when ASIC provides a 'no objection' statement, an avoidance purpose is still a discretionary factor the courts may consider when deciding whether to approve a scheme: see *Re Coles Group Ltd (No 2)* [2007] VSC 523.

- RG 60.112 If a shareholder undertakes to us that they will object to a scheme and the objection relates to the matters we take into account when deciding whether to give our 'no objection' statement under s411(17)(b), we will consider the objection before deciding whether to give our statement. We will not withhold our statement merely because there is an objector. We will apply a similar approach when deciding whether to give our 'indication of intent' letter before the first court hearing and what we might say in that letter.



## G Procedural issues

### Key points

This section provides guidance on the following procedural issues:

- the procedure for lodging scheme documents (see RG 60.113–RG 60.114);
- the fees associated with schemes of arrangement (see RG 60.115);
- where and when scheme documents will be published (see RG 60.116);
- when ASIC is likely to make an appearance in court for a particular scheme (RG 60.117–RG 60.118); and
- the different types of action we can take if we consider shareholders are not being adequately protected under the scheme of arrangement (RG 60.119–RG 60.120).

### Lodgement requirements

- RG 60.113 Proponents of a scheme should lodge copies of the relevant documents, and any supporting material and court process, using the [ASIC Regulatory Portal](#). Hard copies of the documents are not required for lodgement.
- RG 60.114 Proponents should send these documents no less than 14 days before the initial application to the court. Proponents should also submit any application for a waiver of disclosure requirements in Sch 8 of the Corporations Regulations, or request for a statement under s411(17)(b), through the [ASIC Regulatory Portal](#). Proponents will need to pay fees for these transactions. We have provided details about payment options in the portal.

### Fees

- RG 60.115 The following fees items under the Corporations (Fees) Regulations apply to schemes of arrangement:
- Item 40 for any action a person requests us to carry out including:
    - registration under s412(6);
    - consent to an expert report under Sch 8, Pt 3, cl 5 of the Corporations Regulations; and
    - exemption under reg 5.1.01;
  - Item 41 for a statement under s411(17)(b); and
  - Item 42 for examination/lodgement of an explanatory statement.

## Publication of documents

- RG 60.116 We will place all explanatory statements lodged with us, or registered by us, onto our public database. We will not do this until the statements are either registered under s412(6) or approved by the court for dispatch to members and/or creditors under s411(1) or (1A).

## ASIC court appearances

- RG 60.117 We will not normally appear before the court unless:
- (a) we have been asked to assist the court or provide the court with our views—this may occur even if we have no specific issues of our own to raise and do not oppose the scheme;
  - (b) there are issues that we consider should be raised before the court and the parties may not raise or address those issues adequately;
  - (c) the proponents have not given us adequate time to consider the scheme documents; or
  - (d) we oppose calling the scheme meeting or confirming the scheme.
- RG 60.118 Where we wish to oppose an application before the court or bring certain issues to the court's attention, we will consider, in the circumstances, whether to intervene under s1330, or whether to seek leave from the court to otherwise intervene or appear as a friend of the court.

## ASIC action

- RG 60.119 We have a number of options available to us if we consider that:
- (a) the standard of disclosure to, and treatment of, members is not commensurate with the standard that would be required by reg 5.1.01 and Sch 8 of the Corporations Regulations, s636 and the s602 principles; or
  - (b) the information provided to shareholders about the proposed compromise or arrangement is otherwise unfair or misleading.
- RG 60.120 We may:
- (a) appear in court on an application under s411 (e.g. under s411(2)(b)(ii));
  - (b) take action for breach of directors' duties;
  - (c) seek orders under s232;
  - (d) seek injunctions or prosecutions for prohibited conduct under Pt 7.10, Div 2;
  - (e) seek orders under s1324B; and/or
  - (f) apply to the Takeovers Panel for a declaration of unacceptable circumstances.

## Key terms

Term	Meaning in this document
ASIC	Australian Securities and Investments Commission
ATO	Australian Taxation Office
Ch 6	A chapter of the Corporations Act (in this example, numbered 6)
Corporations Act	<i>Corporations Act 2001</i> , including regulations made for the purposes of that Act
Corporations Regulations	Corporations Regulations 2001
proponents	The parties proposing the scheme
Pt 5.1 (for example)	A part of the Corporations Act (in this example, numbered 5.1)
reconstruction	A compromise or arrangement between an entity and its members or between a managed investment scheme and the members of the scheme (including but not limited to a trust scheme or foreign scheme) other than a Pt 5.1 scheme
reg 5.1.01 (for example)	A regulation of the Corporations Regulations (in this example numbered 5.1.01)
s411 (for example)	A section of the Corporations Act (in this example, numbered 411)
scheme	A compromise or arrangement that gives rise to a scheme of arrangement under Pt 5.1 of the Corporations Act

## Related information

### Headnotes

arrangement, Australian Taxation Office (ATO), capital reduction, compromise, convertible note holders, creditors' scheme, disclosure, members' scheme, merger, minority shareholders, option holders, Pt 5.1 scheme, reconstruction, reverse takeovers, review of scheme documentation by ASIC, s411(17)(b) no objection letter, schemes of arrangement, share splitting, takeovers

### Legislative instruments and pro formas

[ASIC Corporations \(Stub Equity in Control Transactions\)](#)

[Instrument 2020/734.](#)

[\[CO 13/525\]](#) *On-sale disclosure relief for scrip bids and schemes of arrangement*

[PF 190](#) *No objection under s411(17)(b)*

[PF 191](#) *Information to option/debenture holders*

[PF 192](#) *Names and 'debts' to option holders*

[PF 193](#) *Indication of intent under s411(17)(b)*

[PF 194](#) *Consent to expert's report*

[PF 195](#) *'Best interest of the members' expert report*

### Regulatory guides

[RG 51](#) *Applications for relief*

[RG 111](#) *Content of expert reports*

[RG 112](#) *Independence of experts*

### Legislation

*Corporations Act 2001* Pt 5.1, s136, 232, 233, 256B, 411, 411(17)(b), 412, 413, 602, 620, 624, 631(1), 636, 1324B, 1330, Ch 6

*Corporations Regulations 2001* regs 5.1.01, 7.12.02(b), 7.12.17, Sch 8

*Australian Securities and Investments Commission Act 2001* s127

## Cases

*Re ACM Gold Limited and Mt Leyshon Gold Mines Ltd* (1992) 7 ACSR 231

*Re Advance Bank Australia* (1996) 22 ACSR 476

*Re Advance Bank Australia Ltd (No 2)* (1997) 22 ACSR 513

*Re Albert Street Properties Ltd* (1997) 23 ACSR 318

*Alinta Limited (No 2)* [2007] FCA 1378

*Re Archaean Gold NL* (1997) 23 ACSR 143

*ASC v Marlborough Gold Mines Limited NL* (1993) 10 ACSR 230

*Re Australian Consolidated Press* (1994) 14 ACSR 639

*Re BC Iron Limited* [2011] ATP 6

*Catto v Ampol Ltd* (1989) 7 ACLC 717

*Re Citect Corporation Ltd* (2006) 56 ACSR 663

*Re Coles Group Ltd (No 2)* [2007] VSC 523

*Re Excel Coal Limited* (2006) 60 ACSR 184

*Re Foundation Healthcare Ltd* (2002) 43 ACSR 680

*Gambotto and Anor v WCP Limited and Anor* (1995) 16 ACSR 1

*Re GIO Australia Holdings Ltd* [1999] NSWSC 1276

*Re Hibernian Friendly Society (NSW) Ltd* (2002) 44 ACSR 206

*Re Land & Concrete Pty Ltd and Others and the Companies Act* (1979) CLC 40-584

*Re MIM Holdings Ltd* (2003) 45 ACSR 554

*Nicron Resources Ltd v Catto* (1992) 8 ACSR 219

*Re Northumberland Insurance Co Ltd (No 3)* (1977) 3 ACLR 15

*Re Oceanic Steam Navigation Co Ltd* [1939] Ch 41

*Phosphate Co-operative Co of Australia Ltd v Shears and Anor (No 3)* (1988) 5 ACLC 1046

*Re Stockbridge Ltd* (1993) 9 ACSR 637

*Re The Bank of Adelaide* (1979) 22 SASR 481

*Re Wallace Dairy Co Ltd* (1980) ACLR 139

## Consultation papers

[CP 127](#) *Schemes of arrangement: Statements under s411(17)(b)*

## Other guidance

Takeovers Panel [Guidance Note 1](#) *Unacceptable circumstances*

Takeovers Panel [Guidance Note 7](#) *Lock-up devices*

Takeovers Panel [Guidance Note 21](#) *Collateral benefits*



**ASIC**  
Australian Securities &  
Investments Commission

## REGULATORY GUIDE 111

# Content of expert reports

October 2020

### About this guide

This is a guide for any person who commissions, issues or uses an expert report.

It provides guidance on the content of an expert report and how an expert can help security holders make informed decisions about transactions.

### About ASIC regulatory documents

In administering legislation ASIC issues the following types of regulatory documents.

**Consultation papers:** seek feedback from stakeholders on matters ASIC is considering, such as proposed relief or proposed regulatory guidance.

**Regulatory guides:** give guidance to regulated entities by:

- explaining when and how ASIC will exercise specific powers under legislation (primarily the Corporations Act)
- explaining how ASIC interprets the law
- describing the principles underlying ASIC's approach
- giving practical guidance (e.g. describing the steps of a process such as applying for a licence or giving practical examples of how regulated entities may decide to meet their obligations).

**Information sheets:** provide concise guidance on a specific process or compliance issue or an overview of detailed guidance.

**Reports:** describe ASIC compliance or relief activity or the results of a research project.

### Document history

This version was issued in October 2020 and is based on legislation and regulations as at the date of issue.

Previous versions:

- Superseded Regulatory Guide 111, issued October 2007, reissued March 2011

### Disclaimer

This guide does not constitute legal advice. We encourage you to seek your own professional advice to find out how the Corporations Act and other applicable laws apply to you, as it is your responsibility to determine your obligations.

Examples in this guide are purely for illustration; they are not exhaustive and are not intended to impose or imply particular rules or requirements.



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## A Overview

### Key points

This guide gives ASIC's views on how an expert can help security holders make informed decisions about transactions.

It gives guidance to experts on how to draft an expert report that satisfies the requirements of the *Corporations Act 2001* (Corporations Act).

This guide outlines our views on:

- how experts should analyse a proposed transaction (see Section B);
- the different valuation methodologies used by experts and the treatment of assumptions (see Section C);
- general requirements for all expert reports (see Section D); and
- the regulatory action we might take against an expert (see Section E).

### Reports covered by this guide

- RG 111.1 This guide focuses on reports prepared for transactions under Chs 2E, 5, 6 and 6A of the Corporations Act, whether the reports are required by the Corporations Act or are commissioned voluntarily. The principles in this guide may also be relevant to independent expert reports commissioned for other purposes—for example, specialist reports like geologist reports or traffic forecast reports for inclusion in Ch 6D disclosure documents and Ch 7 product disclosure statements.
- RG 111.2 This guide does not apply to independent or investigating accountant reports.
- RG 111.3 Examples of transactions for which entities are required to commission an independent expert report or may do so voluntarily to assist security holders to make an informed choice are takeover bids, compulsory acquisitions and buy-outs, schemes of arrangement, related party transactions and capital reorganisations: see Table 1.
- RG 111.4 Where the Corporations Act or Australian Securities Exchange Limited (ASX) Listing Rules require an entity to commission an independent expert report, this is generally to ensure that shareholders receive an independent analysis of transactions involving related parties or other persons of influence. For example, s640 of the Corporations Act requires an independent expert report where the bidder has a 30% voting power in the target company or the bidder and target have common directors. It is important that an expert applies close scrutiny to a transaction involving a related party or other person of influence and critically analyses the information provided to it.

**Table 1: Examples of transactions for which entities commission an independent expert report**

Transaction	Circumstances
Takeover bids	<ul style="list-style-type: none"> <li>The target must commission an expert report when the bidder's voting power in the target is at least 30% of the target or when the bidder and the target have common directors: s640.</li> <li>The bidder must commission an expert report when the consideration paid by the bidder for acquiring a pre-bid stake includes unquoted securities: s636(1)(h)(iii) and 636(2).</li> <li>Targets often commission expert reports to assist security holders, even if there is no requirement to do so.</li> <li>In joint bids the bidders must use their best endeavours to have the target engage an independent expert to prepare a report on whether the joint bid is fair and reasonable to target shareholders who are not associates of the bidders: see Table 9 in <a href="#">Regulatory Guide 9 Takeover bids</a> (RG 9) and RG 9.649.</li> </ul>
Schemes of arrangement	<ul style="list-style-type: none"> <li>The scheme company must commission an expert report when the other party to the scheme holds at least 30% of the voting shares of the scheme company or when they have common directors: reg 5.1.01 and Sch 8, cls 8303 and 8306 of the Corporations Regulations 2001 (Corporations Regulations).</li> <li>Scheme companies often commission an expert report when transactions are complex or effect a takeover.</li> </ul>
Compulsory acquisitions or buy-outs	The bidder in a compulsory acquisition must commission an expert report under s663B, 664C, 665B and 667A.
Acquisitions approved by security holders under item 7 of s611	The company commissions an expert report (or, if it has the expertise, a director's report to the same standard) to discharge the requirement to disclose all material information on how to vote on the resolution: item 7(b) of s611.
Selective capital reductions	An expert report should usually accompany the explanatory memorandum to satisfy the information requirements of fairness under s256C(4).
Related party transactions	An expert report may be supplied to members as part of the material to accompany the notice of meeting: s218, 219, 220 and 221.
Transactions with persons in a position of influence	Notices of meeting for approvals under ASX Listing Rule 10.10 must be accompanied by an expert report: ASX Listing Rule 10.10.2.
Demutualisations of financial institutions	An expert report must accompany a notice of meeting for a demutualisation of a financial institution or friendly society: Sch 4, cl 29(4).
Buy-backs	If a company proposes to buy-back a significant percentage of securities or the holdings of a major shareholder, it should consider providing an independent expert report with a valuation of the shares: <a href="#">Regulatory Guide 110 Share buy-backs</a> (RG 110) at RG 110.18 and RG 110.20.

Transaction	Circumstances
Share transfers under s444GA	<p>Share transfers under s444GA that require relief from s606 will generally require an expert report to help:</p> <ul style="list-style-type: none"><li>• ASIC in determining whether to grant relief from s606;</li><li>• members, creditors, interested persons and ASIC in their decision to oppose leave of the court; and</li><li>• the court in its decision to grant leave.</li></ul>

## B Analysing a transaction

### Key points

An expert should focus on the issues facing the security holders for whom the report is being prepared: see RG 111.5–RG 111.7.

An expert should focus on the substance of the transaction rather than the legal mechanism used to achieve that purpose: see RG 111.8–RG 111.34.

Some transactions will require a different form of analysis, particularly:

- demergers and demutualisations (see RG 111.35–RG 111.40);
- approval of a sale of securities under item 7 of s611 (see RG 111.41–RG 111.46);
- compulsory acquisitions and buyouts (see RG 111.47–RG 111.51); and
- share transfers under s444GA (see RG 111.64–RG 111.80).

When assessing whether a related party transaction is ‘fair and reasonable’, an expert should consider the overall effect of the transaction: see RG 111.53–RG 111.63.

### A recommended approach

- RG 111.5 In deciding on the appropriate form of analysis for a report, an expert should bear in mind that the main purpose of the report is to adequately deal with the concerns that could reasonably be anticipated of those persons affected by the proposed transaction. An expert should focus on the purpose and outcome of the transaction, that is, the substance of the transaction, rather than the legal mechanism used to effect the transaction.
- RG 111.6 The Corporations Act requires an expert to express the opinion using particular language depending on the type of transaction. For example:
- (a) whether a takeover bid is ‘fair and reasonable’ under s640;
  - (b) whether a scheme of arrangement is in ‘the best interests of the members of the company’ under Sch 8, cl 8303 of the Corporations Regulations; and
  - (c) whether the proposed terms in the buy-out or acquisition notice give a ‘fair value’ for the securities under s667A(1).
- RG 111.7 Nevertheless, the form of analysis an expert uses to evaluate a transaction should address the issues faced by security holders. The rest of this section sets out our guidance on the form of analysis an expert should use for particular types of transactions.

## Control transactions

RG 111.8 A control transaction, when a person acquires, or increases, a controlling stake in a company, can be achieved by way of a number of different legal mechanisms, including, for example:

- (a) a takeover bid under Ch 6;
- (b) a scheme of arrangement under Pt 5.1;
- (c) approval of an issue of shares using item 7 of s611; and
- (d) a selective capital reduction or selective buy-back under Ch 2J.

Note 1: Ch 6 extends to listed managed investment schemes and listed bodies that are not companies. For the purposes of this regulatory guide, references to a 'company' in the context of Ch 6 takeovers can be read as references to these bodies or schemes, when appropriate.

Note 2: Not all transactions under item 7 of s611 involve the issue of shares. For those transactions that do not involve the issue of shares, see RG 111.41–RG 111.46.

RG 111.9 It is important for an expert to focus on the substance of a control transaction, rather than the legal mechanism used to effect it.

### Takeover bids

RG 111.10 It has long been accepted in Australian mergers and acquisitions practice that the words 'fair and reasonable' in s640 establish two distinct criteria for an expert analysing a control transaction:

- (a) is the offer 'fair'; and
- (b) is it 'reasonable'?

That is, 'fair and reasonable' is not regarded as a compound phrase.

RG 111.11 Under this convention, an offer is 'fair' if the value of the offer price or consideration is equal to or greater than the value of the securities the subject of the offer. This comparison should be made:

- (a) assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length; and

Note: Any special value of the 'target' to a particular 'bidder' (e.g. synergies that are not available to other bidders) should not be taken into account under this comparison, but see RG 111.13(e).

- (b) assuming 100% ownership of the 'target' and irrespective of whether the consideration is scrip or cash. The expert should not consider the percentage holding of the 'bidder' or its associates in the target when making this comparison. For example, in valuing securities in the target entity, it is inappropriate to apply a discount on the basis that the shares being acquired represent a minority or 'portfolio' parcel of shares.

- RG 111.12 An offer is ‘reasonable’ if it is fair. It might also be ‘reasonable’ if, despite being ‘not fair’, the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid before the close of the offer.
- RG 111.13 When deciding whether an offer is reasonable, an expert might consider:
- (a) the bidder’s pre-existing voting power in securities in the target;
  - (b) other significant security holding blocks in the target;
  - (c) the liquidity of the market in the target’s securities;
  - (d) taxation losses, cash flow or other benefits through achieving 100% ownership of the target;
  - (e) any special value of the target to the bidder, such as particular technology, the potential to write off outstanding loans from the target, etc;
  - (f) the likely market price if the offer is unsuccessful; and
  - (g) the value to an alternative bidder and likelihood of an alternative offer being made
- RG 111.14 For example, a bidder who controls a target and makes a takeover bid may offer a price which is ‘not fair’ as it includes a minority discount. The offer price may, however, be greater than the price at which the securities were trading before the takeover bid was made. In such circumstances, it is appropriate for the expert to consider whether the market price may fall if the offer is unsuccessful: see RG 111.13(f). It would also be appropriate for the expert to consider the matters set out in RG 111.13(d) and RG 111.13(f) in assessing the likelihood that the bidder would increase its offer price, including to a price that an expert would assess as ‘fair’.
- RG 111.15 A bidder may also offer a price which is ‘not fair’ where the target is in financial distress. This is because the fair value of the target securities should be determined on the basis of a knowledgeable and willing, but not anxious, seller that is able to consider alternative options to the bid (e.g. an orderly realisation of the target’s assets). Such an offer may nonetheless be reasonable if the alternative methods of remedying the financial distress are likely to be less attractive to security holders than a successful offer.

Note: For the avoidance of doubt, funding requirements for a target that is not in financial distress (e.g. capital that is required to develop a project) should generally be taken into account when determining the fair value of target securities: see *Northern Energy Corporation Limited* [2011] ATP 2. Such funding requirements will generally be relevant to determining the value of the target securities assuming knowledgeable and willing, but not anxious, parties. These funding requirements will often be implicitly reflected in certain methodologies (e.g. the quoted price for listed securities). The expert may need to expressly determine to take funding requirements into account when using other methodologies (e.g. the discounted cash flow methodology).

- RG 111.16 An expert concluding that an offer is not fair, but reasonable, should clearly explain the meaning of this opinion, why the expert has reached this conclusion and the significance of the conclusion to the decision to be made by security holders (e.g. what it might mean for the security holder's decision making). Otherwise, depending on the circumstances, the report might be misleading or deceptive. In describing the factors that are relevant to a conclusion that an offer is reasonable, an expert should generally only include the factors that are material to this conclusion.
- RG 111.17 To the extent reasonably practicable, and where it can do so with sufficient precision to assist security holders, the expert should quantify the reasonableness factors it considers to be material. For example:
- (a) if the expert comments that the share price may fall if the bid is unsuccessful, the expert should consider providing quantitative information such as the pre-announcement share price (or volume weighted average price) and the liquidity profile of the target's shares; and
  - (b) if the bidder controls the target, the expert should consider quantifying the size of the minority discount.

### **Control transactions by way of a scheme of arrangement**

- RG 111.18 Schemes of arrangement can be used as an alternative to a Ch 6 takeover bid to achieve substantially the same outcome. In these circumstances, we expect the form of analysis to be substantially the same as for a takeover bid, even though the wording of the opinion will also be whether the proposed scheme is 'in the best interests of the members of the company'. This reflects that the legislative test for schemes of arrangement differs from that applicable to a Ch 6 takeover bid.
- RG 111.19 When an expert report is required in a scheme of arrangement involving a change of control, the expert is expected to apply the analysis and provide an opinion as to whether the proposal is 'fair and reasonable' as set out in RG 111.10–RG 111.17 as if:
- (a) the 'bidder' was the 'other party'; and
  - (b) the 'target' was the company that is the subject of the proposed scheme.
- RG 111.20 If an expert would conclude that a proposal was 'fair and reasonable' if it was in the form of a takeover bid, it will also be able to conclude that the scheme is in the best interests of the members of the company.
- RG 111.21 If an expert would conclude that the proposal was 'not fair but reasonable' if it was in the form of a takeover bid using the analysis described in RG 111.10–RG 111.17, it is still open to the expert to also conclude that the scheme is 'in the best interests of the members of the company'. The expert



should clearly say that the consideration is not equal to or greater than the value of the securities the subject of the scheme, but there are sufficient reasons for security holders to vote in favour of the scheme in the absence of a higher offer.

- RG 111.22 If an expert concludes that a scheme proposal is ‘not fair and not reasonable’, then the expert would conclude that the scheme is not in the best interests of the members of the company.
- RG 111.23 When a scheme of arrangement is used to acquire or increase a party’s control, the report should address the interests of members who are bound to give up rights under the scheme. The expert should separately consider the interests of each class of those members under the scheme.

### **Other control transactions**

- RG 111.24 An issue of shares by a company otherwise prohibited under s606 may be approved under item 7 of s611 and the effect on the company’s shareholding is comparable to a takeover bid. Examples of such issues approved under item 7 of s611 that are comparable to takeover bids under Ch 6 include:
- (a) a company issues securities to the vendor of another entity or to the vendor of a business and, as a consequence, the vendor acquires over 20% of the company incorporating the merged businesses. The vendor could have achieved the same or a similar outcome by launching a scrip takeover for the company; and
  - (b) a company issues securities in exchange for cash and, as a consequence, the allottee acquires over 20% of the company. The allottee could have achieved the same or a similar outcome by using a cash-rich entity to make a scrip takeover bid for the company.
- RG 111.25 If this is the case, an expert should apply the analysis outlined in RG 111.10–RG 111.17—that is, the transaction should be analysed as if it was a takeover bid under Ch 6. However, references to, for example, the ‘bidder’ and the ‘target’ should be taken to mean the ‘allottee’ and ‘company’ respectively.
- RG 111.26 An issue of shares for cash may have other benefits that should be considered in deciding whether the transaction is reasonable. These benefits may include:
- (a) the provision of new capital to exploit business opportunities;
  - (b) a reduction in debt and interest payments; or
  - (c) a needed injection of working capital.
- RG 111.27 There may be circumstances in which the allottee will acquire 20% or more of the voting power of the securities in the company following the allotment

or increase an existing holding of 20% or more, but does not obtain a practical measure of control or increase its practical control over that company. If the expert believes that the allottee has not obtained or increased its control over the company as a practical matter, then the expert could take this outcome into account in assessing whether the issue price is 'reasonable' if it has assessed the issue price as being 'not fair' applying the test in RG 111.11.

- RG 111.28 A transaction otherwise prohibited under s606 for which approval is sought under item 7 of s611 will not always involve the issue of shares. For the analysis of other transactions under item 7 of s611, see RG 111.41–RG 111.46.
- RG 111.29 Similar considerations apply in relation to control transactions by way of a selective capital reduction or selective buy-back under Ch 2J.

### **Assessing non-cash consideration in control transactions**

- RG 111.30 If the bidder is offering non-cash consideration in a control transaction, the expert should examine the value of that consideration and compare it with the valuation of the target's securities, whether the transaction is effected by a takeover bid, a scheme of arrangement or an issue of shares.
- RG 111.31 The comparison should be made between the value of the securities being offered (allowing for a minority discount) and the value of the target entity's securities, assuming 100% of the securities are available for sale. This comparison reflects the fact that:
- (a) the acquirer is obtaining or increasing control of the target; and
  - (b) the security holders in the target will be receiving scrip constituting minority interests in the combined entity.

However, the expert may need to assess whether a scrip takeover is in effect a merger of entities of equivalent value when control of the merged entity will be shared equally between the 'bidder' and the 'target'. In this case, the expert may be justified in using an equivalent approach to valuing the securities of the 'bidder' and the 'target'.

- RG 111.32 If the expert uses the market price of securities as a measure of the value of the offered consideration, the expert should consider and comment on:
- (a) the depth of the market for those securities;
  - (b) the volatility of the market price; and
  - (c) whether or not the market value is likely to represent the value if the takeover bid is successful.

- RG 111.33 For example, trading after a bid is announced may reflect some of the benefits of the combined entity, depending on whether the market has confidence that the transaction will proceed.
- RG 111.34 If, in a scrip bid, the target is likely to become a controlled entity of the bidder, the bidder's securities can also be valued assuming a notionally combined entity. However, the expert should still allow for the fact that accepting holders are likely to hold minority interests in that combined entity. The comparison should include the assets and liabilities of the target and the dilution effect of the acquisition on the target's earnings, asset backing and dividends. The expert should also discuss the bases for calculating the dilutions.

Note: Reverse takeovers (either by takeover bid or scheme of arrangement) can raise special issues: see [Regulatory Guide 60 Schemes of arrangement](#) (RG 60) at RG 60.35–RG 60.37.

## Demergers and demutualisations

- RG 111.35 Demergers and demutualisations might not involve:
- (a) a change in the underlying economic interests of security holders;
  - (b) a change of control; or
  - (c) selective treatment of different security holders.
- RG 111.36 In the absence of these factors, the issue of 'value' may be of secondary importance (particularly in demutualisations). The expert should provide an opinion as to whether the advantages of the transaction outweigh the disadvantages. In some cases, it might still be appropriate to carry out a valuation. In a demerger, the expert may still choose to value the demerged businesses to test whether the value of the sum of the parts (the demerged entities) is greater or less than the whole (the existing entity). If the expert does not undertake such a valuation, to the extent reasonably practicable, and where it can do so with sufficient precision to assist security holders, the expert should quantify the advantages and disadvantages that it considers to be material. For example, the expert may comment on the likelihood of a 'market re-rating' by analysing the post-transaction performance of other demergers.
- RG 111.37 If the demerger or demutualisation involves a scheme of arrangement and the expert concludes that the advantages of the transaction outweigh the disadvantages, the expert should say that the scheme is in the best interests of the members.
- RG 111.38 In a demerger, security holders will typically have to balance issues such as the benefits of a greater focus afforded to the demerged entities against increased costs and reduction in diversified earnings streams.

- RG 111.39 In a demutualisation, the advantages and disadvantages to be considered might include questions of unlocking value for members and greater management accountability as reasons to demutualise, as compared to the loss of the benefits of being a mutual organisation.
- RG 111.40 An expert might need to consider whether using the form of analysis described at RG 111.10–RG 111.17 is appropriate when demergers and demutualisations involve one or more of:
- (a) a change in the underlying economic interests of security holders;
  - (b) a change of control; or
  - (c) selective treatment of different security holders.

## Approval of a sale of securities under item 7 of s611

- RG 111.41 Approval for a sale of securities that would otherwise contravene s606 may be sought under item 7 of s611. Item 7 of s611 envisages that security holders not associated with such a transaction may approve it. In doing so, these security holders may be forgoing:
- (a) the opportunity of receiving a takeover bid; and
  - (b) sharing in any premium for control.
- RG 111.42 The expert should identify the advantages and disadvantages of the proposal to security holders not associated with the transaction. In contrast with the analysis for an issue of shares approved under item 7 of s611, the expert should provide an opinion either:
- (a) that the advantages of the proposal outweigh the disadvantages; or
  - (b) that the disadvantages of the proposal outweigh the advantages.
- RG 111.43 A specific issue the expert should determine is whether the vendor is to receive a premium for control.
- RG 111.44 The greater the control premium, the greater the advantages of the transaction to the non-associated holders would need to be to support a finding that the advantages of the proposal outweighed the disadvantages. These other advantages may come, for example, from a better long-term profit outlook as the incoming security holder offers superior management skills.
- RG 111.45 The expert should also inquire whether further transactions are planned between the entity, the vendor or any of their associates. If any are contemplated, the expert should determine whether those transactions would be on an arm's length basis. If not, an implication arises that they may compensate a vendor for a price that is too low.
- RG 111.46 An expert should also consider whether any proposed acquisition by way of sale, if approved, might deter the making of a takeover bid for the entity.

## Compulsory acquisitions and buy-outs

- RG 111.47 Chapter 6A prescribes the steps an expert must take in reaching an opinion for compulsory acquisitions and buy-outs. Section 667A(1) requires an expert to:
- (a) provide an opinion on whether the proposed terms in the buy-out or acquisition notice give a 'fair value' for the securities; and
  - (b) set out the reasons for its opinion.
- RG 111.48 To determine what is 'fair value', s667C requires that an expert:
- (a) first assess the value of the entity as a whole;
  - (b) then allocate that value among the classes of issued securities in the company (taking into account the relative financial risk and the voting and distribution rights of the classes); and
  - (c) then allocate the value of each class pro rata among the securities in that class (without allowing any premium or applying a discount for particular securities or interest in that class).
- RG 111.49 In determining the fair value for securities, an expert must also take into account the prices paid for securities in that class in the previous six months: s667C(2).
- RG 111.50 The weight of judicial authority is that an expert should not reflect 'special value' that might accrue to the acquirer (e.g. *Capricorn Diamonds Investments Pty Ltd v Catto* (2002) 41 ACSR 376 at 431; *Winpar Holdings Ltd v Austrim Nylex Ltd* [2005] VSCA 211 at [11]–[37]; *Teh v Ramsay Centauri* (2002) 42 ACSR 354 at 359). In practice, the issue of 'special value' might not be a critical issue. Special value might not be material once it has been allocated pro rata to each security in the class, including the securities of the party seeking to make the compulsory acquisition. An expert should not add any premium for forcible divestment: see *Capricorn* at 432.
- Note: Similar considerations apply as to whether consideration under a capital reduction 'is fair and reasonable to the company's shareholders as a whole': see s256B(1)(a) and *Re Goldfields Kalgoorlie*; *Winpar Holdings Ltd v Goldfields Kalgoorlie Ltd* (2000) 34 ACSR 737 at [69].
- RG 111.51 Our approach to nominating experts to provide valuations under Ch 6A is set out in [Regulatory Guide 10](#) *Compulsory acquisitions and buyouts* (RG 10) at RG 10.173–RG 10.178.

## Related party transactions

- RG 111.52 Experts who are asked to prepare a report for the following transactions should comply with RG 111.53–RG 111.63:
- (a) a transaction with a related party that requires member approval under Ch 2E (including as modified by Pt 5C.7 for registered managed investment schemes); or
  - (b) a transaction with a person in a position of influence that requires member approval under ASX Listing Rule 10.
- RG 111.53 When analysing related party transactions, it is important that an expert focuses on the substance of the related party transaction, rather than the legal mechanism. For example, where a related party transaction is made up of a number of separate components, the expert should consider the overall effect of the related party transaction.
- RG 111.54 Where the related party transaction is one component of a broader transaction or a series of transactions involving non-related parties (such as a control transaction), the expert should carefully consider what level of analysis of the related party aspect is required: see also RG 111.4. In this consideration, the expert should bear in mind whether the report has been sought to ensure that members are provided with sufficient information to decide whether to approve giving a financial benefit to the related party as well as the broader transaction.

### **‘Fair’ and ‘reasonable’ test**

- RG 111.55 Generally, ASIC expects an expert who is asked to analyse a related party transaction to express an opinion on whether the transaction is ‘fair and reasonable’ from the perspective of non-associated members. This analysis is specifically required where the report is also intended to accompany meeting materials for member approval of an asset acquisition or disposal under ASX Listing Rule 10.1.
- RG 111.56 Where an expert assesses whether a related party transaction is ‘fair and reasonable’ (whether for the purposes of Ch 2E or ASX Listing Rule 10.1), this should not be applied as a composite test—that is, there should be a separate assessment of whether the transaction is ‘fair’ and ‘reasonable’, as in a control transaction. An expert should not assess whether the transaction is ‘fair and reasonable’ based simply on a consideration of the advantages and disadvantages of the proposal, as we do not consider this provides members with sufficient valuation information. See [Regulatory Guide 76](#) *Related party transactions* (RG 76) at RG 76.105–RG 76.112 for further details.

- RG 111.57 A proposed related party transaction is ‘fair’ if the value of the financial benefit to be provided by the entity to the related party is equal to or less than the value of the consideration being provided to the entity. This comparison should be made:
- (a) assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm’s length; and
- Note: This is a separate test to the consideration of relevant factors and circumstances when determining whether the transaction is on ‘arm’s length’ terms for the purposes of s210: see Section C of RG 76.
- (b) for control transactions, on the basis referred to in RG 111.11.
- RG 111.58 Where the proposed transaction consists of an asset acquisition by the entity, it is ‘fair’ if the value of the financial benefit being offered by the entity to the related party is equal to or less than the value of the assets being acquired. Where the financial benefit given by the entity is securities in the entity and the consideration is securities in another entity held by a related party, the value of the entity’s securities should be compared to the value of the securities it is purchasing. If the expert uses the market price of either of the securities as a measure of their value, it should consider, among other things, the factors set out in RG 111.32(a)–RG 111.32(b).
- RG 111.59 In valuing the financial benefit given and the consideration received by the entity, an expert should take into account all material terms of the proposed transactions.
- RG 111.60 A proposed related party transaction is ‘reasonable’ if it is ‘fair’. It might also be ‘reasonable’ if, despite being ‘not fair’, the expert believes there are sufficient reasons for members to vote for the proposal.
- RG 111.61 If an expert concludes that a related party transaction is not fair, but reasonable, it should clearly explain the meaning of this opinion, why the expert has reached this conclusion, and the significance of the conclusion to the decision to be made by security holders (e.g. what it might mean for the security holders’ decision-making): see also RG 111.16–RG 111.17.
- RG 111.62 When deciding whether a proposed transaction is ‘reasonable’, factors that an expert might consider include:
- (a) the financial situation and solvency of the entity, including the factors set out in RG 111.26, if the consideration for the financial benefit is cash;
  - (b) opportunity costs;
  - (c) the alternative options available to the entity and the likelihood of those options occurring;
  - (d) the entity’s bargaining position;



- (e) whether there is selective treatment of any security holder, particularly the related party;
- (f) any special value of the transaction to the purchaser, such as particular technology or the potential to write off outstanding loans from the target; and
- (g) the liquidity of the market in the entity's securities.

RG 111.63 Generally an expert need only conduct one analysis of whether the transaction is 'fair and reasonable', even if the report has been prepared for a reason other than the transaction being a related party transaction (e.g. if item 7 of s611 approval is also required).

## Transfer of shares under s444GA

RG 111.64 Section 444GA allows shares of a company in administration to be transferred by an administrator as part of a deed of company arrangement (DOCA). The transfer may only occur if shareholders consent or when the court is satisfied that the transfer would not 'unfairly prejudice' the interests of shareholders.

RG 111.65 Where a transfer under s444GA will result in a person acquiring a relevant interest in voting shares in a company subject to Ch 6 above 20%, relief from s606 must be granted by ASIC.

RG 111.66 ASIC generally requires an expert's report to be prepared for s444GA transactions to assist in determining whether to grant relief from s606. The expert's report is also included as part of an explanatory statement to:

- (a) assist members, creditors, interested persons and ASIC in determining whether to oppose the application for leave of the court under s444GA; and
- (b) provide further evidence to assist the court in its assessment of granting leave under s444GA.

Note: [Regulatory Guide 6 Takeovers: Exceptions to the general prohibition](#) (RG 6) at RG 6.202(b) provides more information on the requirements for the explanatory statement.

RG 111.67 In exceptional circumstances, where a company clearly holds assets of negligible value and/or has no business, there may be limited benefit in providing an expert's report. In these circumstances, you should approach ASIC early in the process to discuss whether or not an expert's report is required.

RG 111.68 Provided the requirements in RG 6.202(b) are met, ASIC will generally grant relief from s606 where the expert's report concludes that shareholders' equity has no residual value. This aligns with the position of the courts when



considering whether unfair prejudice exists. The courts consider that the possibility of prejudice to a shareholder only arises if there is some residual equity in the company: see Martin CJ in *Weaver v Noble Resources Ltd* [2010] WASC 182 and White J in *Lewis, In the matter of Diverse Barrel Solutions Pty Ltd (subject to a Deed of Company Arrangement)* [2014] FCA 53.

- RG 111.69 Experts who are asked to prepare a report for share transfers using s444GA should generally comply with RG 111.70–RG 111.80.

### Form and content of report

- RG 111.70 An expert's report should provide an independent opinion of the value, if any, of shareholders' residual equity. The expert is not required to form a view on the 'fairness' or 'reasonableness' of the transaction.
- RG 111.71 Shareholders' residual equity should be derived by assessing the value of the company's assets and/or business operations, less borrowings, other liabilities and creditors' claims.
- RG 111.72 The value of shareholders' residual equity should be assessed on the basis that the company is in administration.
- RG 111.73 Consistent with the approach of the courts, an expert should generally value shareholders' residual equity in a company under administration on a 'winding up' or 'liquidation' basis where that is the likely or necessary consequence of the transfer of shares not being approved: see *Re Mirabela Nickel Ltd (subject to deed of company arrangement)* [2014] NSWSC 836 at [42]; *Re Nexus Energy Limited* (2014) 105 ACSR 246 at 254 [24].
- RG 111.74 Experts should:
- (a) value any underlying assets, and where necessary business(es), using the guidance in Part C, including crosschecks;
  - (b) consider valuation evidence provided by the sales process conducted by the administrator (if any) as well as the value (if any) of potential recoveries for voidable transactions; and
  - (c) seek specialist technical assistance, where relevant, consistent with the requirements in Section E of [Regulatory Guide 112 Independence of experts](#) (RG 112).
- RG 111.75 The selection of the appropriate approach and methods to value company assets and/or businesses will depend on the facts and circumstances involved, available data and the professional judgement of the expert. The rationale for the selection of the approach and method used should be fully disclosed in the report.

## Asset and business valuations

- RG 111.76 We expect in many cases that it will be clear from the administration process whether the company under administration holds a business (or businesses) capable of sale or, rather, a series of assets that, but for the proposed DOCA, would otherwise be sold on a piecemeal basis to realise value (if any).
- RG 111.77 Where a company under administration holds assets that form a business, the expert should generally base the assessment on the higher of;
- (a) the sum of liquidation value of the underlying business assets; and
  - (b) the value of the business as a whole.
- RG 111.78 A business will likely be subject to various constraints associated with the company being under administration. These may affect the expected performance of the business directly and/or perceptions of business risk to potential acquirers. These should be considered by the expert in deriving the expected sale value of the business and should be disclosed in the report.
- RG 111.79 Any assets that do not form part of the business may be valued assuming liquidation value. Liquidation value is defined by the International Valuation Standard 104: *Bases of Value* (effective 31 January 2020) at paragraph 80.1 as:
- the amount that would be realised when an asset or group of assets are sold on a piecemeal basis. Liquidation Value should take into account the costs of getting the assets into saleable condition as well as those of the disposal activity. Liquidation Value can be determined under two different premises of value:
- (a) an orderly transaction with a typical marketing period, or
  - (b) a forced transaction with a shortened marketing period.
- RG 111.80 Valuations of residual company assets should generally be determined using the premise of, ‘... an orderly transaction with a typical marketing period’. The marketing period assumption should be disclosed by the expert.

## C Methodologies and assumptions

### Key points

An expert should:

- if possible use more than one valuation methodology and compare the values derived from using different methodologies to minimise the risk that the opinion is unreliable; and
- justify its choice of methodologies and describe the methods used: see RG 111.81–RG 111.90.

An expert's opinion should be based on reasonable assumptions and all material assumptions should be disclosed: see RG 111.91–RG 111.94.

An expert should usually give a range of values and that range should be as narrow as possible: see RG 111.95–RG 111.96.

An expert might need to value individual assets in certain circumstances: see RG 111.97–RG 111.100.

### Choice of methodology

RG 111.81 An expert should use its skill and judgment to select the most appropriate methodology or methodologies in its report. The expert must have a reasonable (or tenable) basis for choosing its valuation methodologies: *Re Matine* (1998) 28 ACSR 268 at 290–291. An inappropriate choice might be misleading: *Re EPHS Ltd* [2002] ATP 12. It might also lead to liability because the expert did not take sufficient care and skill in the preparation of the report: *Duke Group Ltd v Pilmer* (1999) 31 ACSR 213.

RG 111.82 We consider that an expert should, when possible, use more than one valuation methodology. We consider that this reduces the risk that the expert's opinion is distorted by its choice of methodology. We also consider that an expert should compare the figures derived from using the different methodologies and comment on any differences. Further, if the expert's valuation of a company's securities differs materially from the price of the company's securities in the period leading up to the announcement of the proposed transaction (together with a typical premium for control for such a transaction), the expert should comment on this difference and the factors underlying it. The expert should also comment if its valuation is less than the price of the company's securities in the period leading up to the announcement of the transaction.

Note: The expert should also consider whether the price of the company's securities is an appropriate valuation methodology: see RG 111.86(d).

- RG 111.83 However, we will not prescribe the valuation methodologies that an expert should use in preparing its report since an expert should exercise its own skill and judgment to choose methodologies that are appropriate in the circumstances of the entity or the asset being valued.
- RG 111.84 An expert should justify its choice of methodology or methodologies (including when the expert has used only one methodology, the basis for doing so) and describe the method or methods used in the report. We consider that an expert report that does this allows security holders to better understand the expert report and determine the weight to be attached to the report. It also allows another expert, professional adviser or institutional investor to replicate the expert's work and assess the valuation.
- RG 111.85 An expert should discuss how much weight is being placed on each methodology used in the valuation. For instance, one methodology may be identified as the primary methodology whereas another is used to provide a cross-check to the valuation.
- RG 111.86 It is generally appropriate for an expert to consider using the following methodologies:
- (a) the discounted cash flow method (see also RG 111.112–RG 111.118) and the estimated realisable value of any surplus assets;
  - (b) the application of earnings multiples (appropriate to the business or industry in which the entity operates) to the estimated future maintainable earnings or cash flows of the entity, added to the estimated realisable value of any surplus assets;
  - (c) the amount that would be available for distribution to security holders on an orderly realisation of assets;
  - (d) the quoted price for listed securities, when there is a liquid and active market and allowing for the fact that the quoted price may not reflect their value, should 100% of the securities be available for sale; and
  - (e) any recent genuine offers received by the target for the entire business, or any business units or assets as a basis for valuation of those business units or assets.
- Note: Some valuation methodologies include a premium for control while others do not. An expert needs to ensure that the choice of methodology or methodologies is appropriate for the circumstances of the transaction.
- RG 111.87 The amount an alternative bidder might be willing to offer if all the securities in the target were available for purchase may provide a useful framework for the application of methodologies (e.g. in selecting earnings multiples) and in underpinning any overall judgment as to value.

- RG 111.88 An expert should not take into account highly speculative alternative proposals which are so unformulated that no sensible value could be placed on them.
- RG 111.89 If an entity has recently conducted a sale process without success or has been 'in play' for some period without an alternative bid emerging, it may be possible to comment that no alternative acquirer appears likely to offer a higher price.

### Option valuations

- RG 111.90 The most commonly used methodologies for valuing unlisted or thinly traded options are the Binomial Model and the Black–Scholes Model. In selecting an approach, an expert should assess whether the assumptions used in the methodology are appropriate for the options being valued.

## Assumptions

- RG 111.91 An expert's opinion should be based on reasonable assumptions. This reduces the risk that the report will be misleading: s670A(2); s12DA of the *Australian Securities and Investments Commission Act 2001* (ASIC Act); *MGICA (1992) Ltd v Kenny & Good Pty Ltd* (1996) 140 ALR 313 at 356; *RAIA Insurance Brokers v FAI General Insurance Co Ltd* (1993) 112 ALR 511 at 522.
- RG 111.92 An expert should disclose all material assumptions on which its report is based. This allows security holders to assess the reasonableness of the report and its main uncertainties: *Re BNQ Sugar Pty Ltd and Others* (1994) 12 ACSR 695 at 702; *GIO Australia Holdings Pty Ltd v AMP Insurance Investment Holdings Pty Ltd* (1998) 29 ACSR 584 at 621–622.
- RG 111.93 The material assumptions disclosed should be specific and definite. All-embracing assumptions of no specific relevance to the entity being valued should not be included (e.g. the continued absence of war or the non-occurrence of natural disasters). However, assumptions concerning specific future economic conditions (such as assumed interest rates, exchange rates and commodity prices) and the assessment of their impact on the report should be disclosed.
- RG 111.94 If changes in material assumptions are likely to materially impact on a report's valuation (e.g. changes in the exchange rate or interest rate assumptions), an expert should consider including a sensitivity analysis which sets out the impact of such changes.

Note: See [Regulatory Guide 170](#) *Prospective financial information* (RG 170) at RG 170.65–RG 170.66.

## Value ranges

- RG 111.95 An expert should usually give a range of values. The value of securities is typically subject to uncertainty and volatility. Placing a precise dollar value on them is likely to imply a misleading accuracy to a valuation.
- RG 111.96 Nevertheless, the range of values should be as narrow as possible. If an expert cannot give a narrow range because of uncertainty (e.g. start-up companies), the expert should prominently explain in its report what factors create this uncertainty and how the expert is able to justify its findings despite the uncertainty. In our view, a broad range of values undermines the usefulness of the report.

## Valuing assets

- RG 111.97 An expert might need to value individual assets in undertaking the analysis required to prepare its report, for example, if the assets are considered 'surplus' to other business activities being valued. In valuing individual assets, an expert may need to quantify and discuss any material differences between its valuation and the market value of the asset used for accounting purposes.
- RG 111.98 An expert may also need to assess the carrying value of an entity's assets if the primary valuation methodology it has employed results in a value that is less than the entity's reported net assets (after allowing for reasonable realisation costs).
- RG 111.99 In such circumstances, the expert should ensure that it has the expertise to value the assets (e.g. to value real property or exploration mining tenements) or retain a specialist to do so.
- RG 111.100 Real property assets that are planned or are in the process of development should be valued on the basis of their current market value rather than on an 'as complete' basis.

## D Other key requirements

### Key points

An expert report should help security holders make their decision by clearly disclosing key information: see RG 111.101–RG 111.106.

An expert's opinion should be based on reasonable grounds. These grounds should be discussed in the report: see RG 111.107–RG 111.118.

An expert might need to act on changes in circumstances after issuing its report: see RG 111.119–RG 111.121.

Particular considerations apply to the inclusion of certain information (e.g. disclaimers): see RG 111.122–RG 111.133.

An expert should have the relevant expertise to prepare the expert report: see RG 111.134–RG 111.139.

An expert should maintain adequate records of the work undertaken to prepare the expert report: see RG 111.140–RG 111.144.

### Clear, concise and effective communication

RG 111.101 An expert report should help security holders make their decision. The report should:

- (a) address the varying information needs of a report's audience;
- (b) clearly explain the meaning of the expert's opinion and the significance of that opinion to the decision to be made by security holders;
- (c) highlight key information;
- (d) be easy to navigate and understand (e.g. through including an up-front summary of the expert's opinion and the reasons for the opinion, the use of content tables, signposting, cross-references, numbered sections, sub-sections and the avoidance of jargon); and
- (e) be as brief as possible.

RG 111.102 An expert report should only contain information that relates directly to the decision to be made by security holders. Including extraneous information in an expert report undermines the effectiveness of that report. Santow J dealt with this issue in *Re Australian Co-operative Foods Ltd* (2001) 38 ACSR 71 at 77 in the following terms:

Experts are responsible for what they say in their reports. They must ensure that their reports deal adequately with the kind of concerns that could reasonably be anticipated from those affected by the scheme, in reporting

on whether the relevant scheme proposal is fair and reasonable from their viewpoint ... This is so those members can then make an informed decision with the benefit of a report that is as simple, clear and useful as possible. A plethora of peripheral information is more likely to distract than illuminate.

- RG 111.103 For example, an analysis of the industry in which the company (i.e. the subject of the opinion) operates might be useful. However, copying material out of an industry research database may merely add to the length of reports. An expert should include an analysis of the material and relate the material directly to its opinion.

### Technical terms

- RG 111.104 Technical terms should be avoided when possible. If the expert uses technical terms, it should use them consistently in a report and consistently with the way they are used in the relevant industry. When appropriate, the expert should provide a glossary, especially when the definition or interpretation of specific terms is central to its report.

### Concise or short form expert report

- RG 111.105 We encourage an expert to consider preparing a concise or short form expert report. The commissioning party would make a longer expert report containing additional, more technical or detailed information available on request free of charge or ensure it is accessible online. This reflects a developing market practice.

Note: See RG 60.84 for information about the use of concise expert reports in schemes of arrangement.

- RG 111.106 The concise report would still need to contain sufficient information to help security holders make their decision. The concise report should include the information that we emphasise in the rest of this guide and in RG 112 (e.g. material assumptions). If the longer report contained any 'surprises' for the security holder who only read the concise report, this would indicate the concise report was inadequate or misleading. Table 2 contains examples of types of information that an expert might consider including and leaving out of the concise report. Determining what information to include in the concise report and what to leave out is a matter for the expert's professional judgment in the particular circumstances of the report. However, we are happy to work with experts on these issues.



**Table 2: Examples of information that an expert might consider putting in and leaving out of a concise expert report**

<b>Include in the concise expert report</b>	<ul style="list-style-type: none"> <li>• Expert's conclusion</li> <li>• Meaning of conclusion and significance for the decision to be made</li> <li>• Summary of reasons for conclusion</li> <li>• Summary of valuation including: <ul style="list-style-type: none"> <li>– methodologies used;</li> <li>– material assumptions; and</li> <li>– a justification of these</li> </ul> </li> <li>• Financial Services Guide</li> </ul>
<b>Leave out of the concise expert report</b>	<ul style="list-style-type: none"> <li>• Industry overview</li> <li>• Disclaimers</li> <li>• Detailed financial information</li> <li>• Detailed profile of parties to the transaction</li> <li>• Qualifications, declarations (e.g. indemnities) and consents</li> <li>• Detailed share price analysis</li> <li>• Details of capital structure (e.g. shareholder spread and directors' relevant interests if not linked to the expert's analysis)</li> <li>• List of previous ASX announcements</li> <li>• List of sources of information</li> </ul>

## Statements should be supportable

### Reasonable grounds

- RG 111.107 An expert's opinion should be based on reasonable grounds. These grounds should be set out in the report.
- RG 111.108 We consider that setting out the reasons for the opinion will assist security holders to understand the expert's opinion, to assess the weight to attach to that opinion and to evaluate the validity of the expert's conclusions: s636(2); 640(1); 667A(1)(c); Sch 8, cl 8303 of the Corporations Regulations and *Makita (Australia) Pty Ltd v Sprowles* (2001) 52 NSWLR 705 at 729 and following. Further, security holders cannot make an informed decision without the benefit of 'sufficient supporting information': *Australian Co-operative Foods* at 77.

### Review of information

- RG 111.109 We expect an expert to:
- critically evaluate the information provided to it; and
  - take note of any grounds held for questioning the truth, accuracy and completeness of the information.

- RG 111.110 An expert should conduct such critical analysis of the information on which it relied to prepare the report as is reasonable in the circumstances and as the law requires: *Australian Co-operative Foods* at 77. The more material the information is to the conclusions reached by the expert, the greater the responsibility on the expert to be satisfied that the information is not materially inaccurate. If there are indications suggesting that the information in question may not be reasonably relied on, then the expert should make additional enquiries. We do not expect an expert to conduct an audit of the subject matter of the report.
- RG 111.111 For example, the expert must review directors' valuations and management accounts, partly to detect changes in the way those valuations and accounts have been prepared from period to period: see RG 111.113. If there are no indications of irregularities or omissions, an expert will ordinarily be entitled to take at face value valuations previously prepared by outside experts, audited financial statements and the accounting records of the company. An expert may also rely on management accounts if it has established reasonable grounds: see RG 111.113.

### **Forward-looking information and use of the discounted cash flow methodology**

- RG 111.112 An expert should not include prospective financial information (including forecasts and projections) or any other statements or assumptions about future matters (together, 'forward-looking information') in its report unless there are reasonable grounds for the forward-looking information. Otherwise the opinion will be misleading under s670A(2) of the Corporations Act or s12DA of the ASIC Act.
- RG 111.113 An expert should make sufficient inquiries to satisfy itself that forward-looking information on which it has relied was prepared on a reasonable basis. It is important that those producing such information to the expert have used methods of analysis and presentations previously used by the company (unless there is a sound reason to use a different approach), and have not used new systems or approaches which favour their objectives. If there are any material variations in method or presentation, the expert should adjust for or comment on them in the report.
- RG 111.114 RG 170 gives detailed guidance on what we consider is a reasonable basis for stating prospective financial information. While RG 170 is expressed to apply to fundraising documents under Chs 6D and 7, it provides useful guidance for inclusion of prospective financial information in expert reports. We also consider that RG 170 provides useful guidance for inclusion of forward-looking information that does not fall within the definition of 'prospective financial information'.

- RG 111.115 However, we recognise that using the discounted cash flow (DCF) methodology will involve the use of forward-looking information and assumptions over a longer period than the two-year period in RG 170: see RG 170.39–RG 170.41. As long as the focus of the disclosure in the expert report is on the valuation rather than forward-looking information that supports it, the expert does not need to commission an independent accountant report for the DCF methodology: see RG 170.41. However, the expert should undertake a critical analysis of the forward-looking information used in applying the DCF methodology to ensure it is based on reasonable grounds.
- RG 111.116 ASIC recognises that there may be a reasonable basis for the use of DCF methodologies before a project generates cash flows as long as, at the date of reporting, the expert has reasonable grounds for the forward-looking information. Where the expert does not have reasonable grounds, other valuation methodologies should be used.
- RG 111.117 When an expert includes forward-looking information in its report, the report should include all information that may be required for users of the report to assess the reasonableness of the methodology and assumptions used, including:
- (a) the nature of the information, its limitations and the reason for its inclusion in the report;
  - (b) the material inputs and assumptions used and the reason for using those assumptions;
  - (c) if applicable, the discount rate selected and rationale;
  - (d) the extent and nature of the adjustments made to the DCF (if any) to allow for the development stage risks attaching to these cash flows (whether through risk weighting cash flows, adjustments to discount rates or other methods);
  - (e) the extent of inquiries and research undertaken by the expert and the compiler of that information;
  - (f) the technical and financial qualifications of the expert and the compiler in relation to the relevant industry and asset; and
  - (g) the specific period to which the information relates and the reason for the use of that period.
- RG 111.118 Full disclosure of the types of matters raised in RG 111.117 and any other risk disclosure, warnings or cautionary language does not affect the requirement for forward-looking information to be based on reasonable grounds. It will also not prevent particular information from being misleading.

## Changes in circumstances

- RG 111.119 An expert who has delivered its report to the commissioning party should notify that party as soon as possible if the expert becomes aware of a significant change affecting the information in its report or if the expert believes that a material statement in the report is misleading or deceptive. The commissioning party should also notify the expert if that party becomes aware of a significant change affecting the information in the expert report prior to a meeting being held or during the offer period.
- RG 111.120 When a material change in circumstances has arisen since a report was prepared, a failure by the expert to provide a supplementary report to its client may constitute misleading or deceptive conduct. Security holders will rely on an expert report when making their decision, not when they first receive the report: *ASIC v Solution 6 Holdings Ltd* (1999) 30 ACSR 605 at 611. If an expert becomes aware of a material change in circumstances, then depending on the circumstances, it may be appropriate for a commissioning party to send a supplementary report, even if security holders would receive the report:
- (a) shortly before a meeting is held; or
  - (b) towards the end of an offer period.

See *Troy Resources NL v Taipan Resources NL* (2000) 36 ACSR 197.

Note: Commissioning parties should consider what period is appropriate for security holders to have to consider any supplementary information: see also RG 60.92–RG 60.93.

- RG 111.121 Changes affecting valuations in reports are more likely to trigger the supplementary report obligation than tactical events in the progress of transactions, for example, the level of acceptances in a bid.

## Inclusion of other information

### Confidential information

- RG 111.122 While an expert should not omit material information from its report merely because it is confidential, the expert may be able to adequately support an opinion by careful disclosure without revealing confidential information.

### Disclaimers

- RG 111.123 The purpose of an expert report is to give security holders an assessment on which they can rely. A disclaimer defeats this purpose.
- RG 111.124 An expert cannot limit its statutory liability for the report through disclaimers (e.g. that the expert will not be liable for any loss incurred through reliance on its report). An expert report that purports to exclude the expert from liability may be misleading.

- RG 111.125 An expert should consider refusing to give a report when it has not been given:
- (a) sufficient information or unimpeded access to an entity's records; or
  - (b) enough time to prepare the report.

RG 111.126 When an expert decides that its report will assist security holders despite limitations that the expert cannot resolve (e.g. because the expert does not have time to investigate the reliability of certain information), the expert should prominently explain the nature of the uncertainties and the impact on its opinion so that security holders can assess what weight to attach to the opinion.

RG 111.127 When an expert is retained to provide a report on a limited matter, the expert may disclaim responsibility for matters outside the scope of its retainer.

### **Indemnities**

RG 111.128 An expert may take an indemnity from the commissioning party (or any other person) under which it is to be compensated for certain liability. An acceptable indemnity would cover liability that arises because:

- (a) the expert relied on information provided by the person; or
- (b) the person did not provide the expert with material information.

RG 111.129 Such an indemnity will not diminish the liability of an expert to security holders. Nor will it reduce the expert's responsibility to ensure that it has reasonable grounds for its opinion and that the report is not misleading or deceptive.

RG 111.130 An expert report that implies that an indemnity relieves the expert from liability to security holders is potentially misleading. ASIC expects reports to explain the effect of any indemnity.

### **Additional disclosures**

RG 111.131 Security holders will generally expect that an expert report will have been prepared on the following basis:

- (a) the expert has made all the inquiries that it believes are desirable and appropriate in order to prepare the report; and
- (b) the report has not omitted any matter that the expert regards as material to security holders' assessment of the expert's conclusions.

Note: To the extent that there are any normally applicable standards and guidelines for valuing a particular class of assets (e.g. the Valmin Code for valuations involving mineral and hydrocarbon assets), security holders will generally expect that these have been complied with. The report should disclose if that is not the case as that will be a matter that is relevant to security holders' assessment of the expert's conclusions.

- RG 111.132 If an expert report has not been prepared on this basis, the report should prominently explain why this is the case and the impact of this on the report. If the report is unable to be prepared on such a basis, the expert may need to consider refusing to give the report: see RG 111.125–RG 111.126.
- RG 111.133 An expert should also disclose to security holders, to the extent necessary to help them assess what weight to give to reports:
- (a) the source of material used in the reports;
  - (b) the inquiries made by the expert;
  - (c) any unacceptable or unusual time constraints the expert worked under;
  - (d) whether the expert is dissatisfied with the quality of the information used for the report; and
  - (e) whether any concerned party to the relevant transaction has refused to provide adequate:
    - (i) access to information; or
    - (ii) explanations;
- if the information or the explanations might have impacted on the report's conclusions.

## Expertise

- RG 111.134 ASIC expects an expert preparing an expert report to be, in fact, an expert in the relevant field. Section 9 defines an expert as 'a person whose profession or reputation gives authority to a statement made by him or her'. To this end, we expect an expert and the commissioning party to ensure that:
- (a) the expert's profession or reputation is relevant to the matters upon which the expert is to report;
  - (b) the expert holds the licences or authorities necessary for providing the type of advice sought; and
  - (c) the expert states in the report its qualifications and experience or, if the report is made by a corporation or firm, the qualifications and experience of the individuals responsible for preparing the report.
- RG 111.135 Gyles J observed in *Reiffel v ACN 075 839 266 Ltd* (2003) 45 ACSR 67 at 87:
- It is implicit ... that such an expert will exercise the care, skill and judgment appropriate to the relevant field of expertise in forming and expressing the opinion.
- RG 111.136 For technical matters beyond the expert's expertise, an expert should retain a specialist to advise them (e.g. a geologist to provide an opinion on recoverable ore the subject of mining tenements, or a traffic forecast report in relation to a toll road): see RG 112.67–RG 112.70.

RG 111.137 An expert should ensure that staff preparing and supervising the preparation of the report have sufficient skill, knowledge and experience to perform the expert's role.

RG 111.138 Expert reports typically constitute the giving of financial product advice so an expert must hold an Australian financial services (AFS) licence. An AFS licensee should have sufficient human and technological resources to provide the services specified in its licences and should ensure its staff are adequately trained and competent to provide those services: s912A(1).

Note: ASIC has taken action against an expert when the expert lacked the expertise to complete the task, failed to comply with the law and did not meet standards of good practice.

RG 111.139 Detailed guidance on how we consider these licence obligations can be met are contained in [Regulatory Guide 104](#) *AFS licensing: Meeting the general obligations* (RG 104), [Regulatory Guide 105](#) *AFS licensing: Organisational competence* (RG 105) and [Regulatory Guide 146](#) *Licensing: Training of financial product advisers* (RG 146).

## Working papers

RG 111.140 In preparing an expert report, an expert should document its work and maintain adequate working papers that record the basis of the report. The expert should be able to readily draw on its working papers to demonstrate that its opinion is reasonably based.

Note: Much of the expert's analysis will be described in the report. The requirement to document and maintain adequate working papers does not detract from the obligations of an expert with respect to the contents of an expert report.

RG 111.141 Maintaining adequate working papers is an important aspect of an expert's quality control and review process. In our view, the duties imposed by the Corporations Act on AFS licensees require licensees to keep adequate records about their financial services business: see [Regulatory Guide 175](#) *Licensing: Financial product advisers—Conduct and disclosure* (RG 175) at RG 175.97 and RG 175.145.

RG 111.142 Maintaining adequate working papers will also assist the expert in demonstrating compliance with its legal obligations (including the obligations described in this guide and RG 112 and its obligations as an AFS licensee) and its internal procedures and processes.

RG 111.143 Working papers should be compiled so that someone with no prior involvement with the transaction can review them and understand the major issues. They should include, for example:

- (a) documents supporting the expert's choice of methodology;
- (b) documents supporting significant assumptions underpinning the expert's opinion;

- (c) factual information relied on, or used by, the expert in preparing the report and material documenting the inquiries made by the expert in relation to that information;
- (d) analysis of any financial models that the expert has relied on. Where the expert has relied on a financial model, the expert should undertake a review of the model and document its analysis, including which aspects of the model have been reviewed by the expert and the extent of the review. We do not expect an expert to conduct an audit of the model; and
- (e) file notes of discussions and correspondence between the expert and the commissioning party: see RG 112.47.

RG 111.144 All records relevant to the preparation of an expert report may be subject to review by ASIC. Even where we do not have any particular concerns about an expert report, we may review the report, the working papers and the independence of the expert as part of our regular review of the independent expert sector.



## E Regulatory action

### Key points

We will consider regulatory action if we consider there are material issues with the content of an expert report or have concerns about the independence of an expert.

- RG 111.145 We will consider regulatory action if we consider that there are material issues with the content of the report (e.g. as to the adequacy and the completeness of the expert's analysis) or if we have concerns about the independence of an expert.
- RG 111.146 We might write to the expert or the commissioning party or both to raise concerns or request changes to an expert report. However, when delay might prejudice the interests of security holders or the market, we might take enforcement action without consulting the expert or the commissioning party.
- RG 111.147 The action we might take could be one or more of the following:
- (a) in a takeover bid, an application to the Takeovers Panel for a declaration of unacceptable circumstances;
  - (b) in a scheme of arrangement, opposition to the scheme at a court hearing;
  - (c) action for contravention of misleading or deceptive conduct provisions;
  - (d) action by us to revoke, suspend the expert's licence or add a condition after a hearing: s915C; or
  - (e) action by us to cease or suspend nominating the expert to prepare reports in compulsory acquisitions: s667AA and RG 10.173.

## Key terms

Term	Meaning in this document
administrator	Has the meaning given in s9 of the Corporations Act  Note: The definition in s9 includes both deed administrators and voluntary administrators.
AFS licence	An Australian financial services licence under s913B of the Corporations Act that authorises a person who carries out a financial services business to provide financial services  Note: This is a definition contained in s761A of the Corporations Act.
AFS licensee	A person who holds an Australian financial services licence under s913B of the Corporations Act  Note: This is a definition contained in s761A of the Corporations Act.
ASIC	Australian Securities and Investments Commission
ASIC Act	<i>Australian Securities and Investments Commission Act 2001</i>
ASX	Australian Securities Exchange Limited
bidder	Has the meaning given in s9 of the Corporations Act
Corporations Act	<i>Corporations Act 2001</i> , including regulations made for the purposes of that Act
Corporations Regulations	Corporations Regulations 2001
DOCA	A deed of company arrangement
DOCA proposal	A proposed DOCA or proposed variation of a DOCA
DOCA proponent	A person who advocates for the DOCA proposal
expert	Has the meaning given in s9 of the Corporations Act
prospective financial information	Financial information of a predictive character based on assumptions about events that may occur in the future and on possible actions by an entity
related party	Has the meaning given in s228 of the Corporations Act
reg 5.1.01 (for example)	A regulation of the Corporations Regulations (in this example numbered 5.1.01)
RG 175 (for example)	An ASIC regulatory guide (in this example numbered 175)
s648A (for example)	A section of the Corporations Act (in this example, numbered 648A), unless otherwise specified
Sch 4 (for example)	A schedule of the Corporations Act (in this example numbered 4), unless otherwise specified

Term	Meaning in this document
scheme of arrangement	A scheme of arrangement conducted under Pt 5.1
securities	Has the meaning given in s9 of the Corporations Act
security holder	The holder of interests or securities
target	Has the meaning given in s9 of the Corporations Act
Valmin Code	Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports

## Related information

### Headnotes

experts, expert report, analysis of control transactions, substance of transaction not legal mechanism used, assumptions, methodology, valuing assets, clear communication, incorporation by reference, supportable statements, prospective financial information, disclaimers, indemnities, expertise, related party transactions

### Regulatory guides

[RG 6](#) *Takeovers: Exceptions to the general prohibition*

[RG 9](#) *Takeover bids*

[RG 10](#) *Compulsory acquisitions and buyouts*

[RG 60](#) *Schemes of arrangement*

[RG 74](#) *Acquisitions agreed to by shareholders*

[RG 76](#) *Related party transactions*

[RG 104](#) *AFS licensing: Meeting the general obligations*

[RG 105](#) *AFS licensing: Organisational competence*

[RG 110](#) *Share buy-backs*

[RG 112](#) *Independence of experts*

[RG 146](#) *Licensing: Training of financial product advisers*

[RG 170](#) *Prospective financial information*

[RG 175](#) *Licensing: Financial product advisers—Conduct and disclosure*

### Legislation

ASIC Act, s12DA

Corporations Act, Chs 2E, 2J, 6 and 7; Pt 5.3A; s9, 210, 218, 219, 220, 221, 256C(4), 444GA, 606, item 7(b) of 611, 636(1)(g), 636(1)(h)(iii), 636(2), 640, 663B, 664C, 665B, 667A, 667C, 670A(2), 766B(3), 766(4), 912A(1) and Sch 4, cl 29(4)

Corporations Regulations, reg 5.1.01, Sch 8, cls 8303 and 8306

## Cases

*ASIC v Solution 6 Holdings Ltd* (1999) 30 ACSR 605

*Re Australian Co-operative Foods Ltd* (2001) 38 ACSR 71

*Re BNQ Sugar Pty Ltd and Others* (1994) 12 ACSR 695

*Capricorn Diamonds Investments Pty Ltd v Catto* (2002) 41 ACSR 376

*Duke Group v Pilmer* (1999) 31 ACSR 213

*Lewis, In the matter of Diverse Barrel Solutions Pty Ltd (subject to a Deed of Company Arrangement)* [2014] FCA 53

*Re EPHS Ltd* [2002] ATP 12

*Re Goldfields Kalgoorlie; Winpar Holdings Ltd v Goldfields Kalgoorlie Ltd* (2000) 34 ACSR 737

*Re Mirabela Nickel Ltd (subject to a Deed of Company Arrangement)* [2014] NSWSC 836

*Re Nexus Energy Limited* (2014) 105 ACSR 246

*GIO Australia Holdings Pty Ltd v AMP Insurance Investment Holdings Pty Ltd* (1998) 29 ACSR 584

*Makita (Australia) Pty Ltd v Sprowles* (2001) 52 NSWLR 705

*Re Matine* (1998) 28 ACSR 268

*MGICA (1992) Ltd v Kenny & Good Pty Ltd* (1996) 140 ALR 313

*Northern Energy Corporation Limited* [2011] ATP 2

*RAIA Insurance Brokers v FAI General Insurance Co Ltd* (1993) 112 ALR 511

*Reiffel v ACN 075 839 266 Ltd* (2003) 45 ACSR 67

*Teh v Ramsay Centauri* (2002) 42 ACSR 354

*Troy Resources NL v Taipan Resources NL* (2000) 36 ACSR 197

*Weaver v Noble Resources Ltd* [2010] WASC 182

*Winpar Holdings Ltd v Austrim Nylex Ltd* [2005] VSCA 211

## Consultation papers and reports

[CP 62](#) *Better experts' reports*

[CP 142](#) *Related party transactions*

[CP 143](#) *Expert reports and independence of experts: Updates to RG 111 and RG 112*

[CP 326](#) *Chapter 6 relief for share transfers using s444GA of the Corporations Act*

[REP 233](#) *Response to submissions on CP 142 Related party transactions*

[REP 234](#) *Response to submissions on CP 143 Expert reports and independence of experts*

[REP 670](#) *Response to submissions on CP 326 Chapter 6 relief for share transfers using s444GA of the Corporations Act*

## **Miscellaneous**

ASX Listing Rule 10

International Valuation Standard 104: Bases of Value (effective 31 January 2020)



**ASIC**

Australian Securities & Investments Commission

## REGULATORY GUIDE 112

# Independence of experts

March 2011

### About this guide

This is a guide for any person who commissions, issues or uses an expert report.

It explains how ASIC interprets the requirement that an expert is independent of the party that commissions the expert report (commissioning party) and other interested parties.

**Note:** An interested party is a person with an interest in the outcome of the transaction different from the interest of the general body of security holders.

### About ASIC regulatory documents

In administering legislation ASIC issues the following types of regulatory documents.

**Consultation papers:** seek feedback from stakeholders on matters ASIC is considering, such as proposed relief or proposed regulatory guidance.

**Regulatory guides:** give guidance to regulated entities by:

- explaining when and how ASIC will exercise specific powers under legislation (primarily the Corporations Act)
- explaining how ASIC interprets the law
- describing the principles underlying ASIC's approach
- giving practical guidance (e.g. describing the steps of a process such as applying for a licence or giving practical examples of how regulated entities may decide to meet their obligations).

**Information sheets:** provide concise guidance on a specific process or compliance issue or an overview of detailed guidance.

**Reports:** describe ASIC compliance or relief activity or the results of a research project.

### Document history

This version was issued on 30 March 2011 and is based on legislation and regulations as at 30 March 2011. The reference to the relief instrument in RG 112.37 was updated in August 2015 because this instrument was reviewed as part of the sunseting of legislative instruments under the *Legislative Instruments Act 2003*.

Previous versions:

- Superseded Regulatory Guide 112, issued 30 October 2007

### Disclaimer

This guide does not constitute legal advice. We encourage you to seek your own professional advice to find out how the Corporations Act and other applicable laws apply to you, as it is your responsibility to determine your obligations.

Examples in this guide are purely for illustration; they are not exhaustive and are not intended to impose or imply particular rules or requirements.



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## A Overview

### Key points

This guide gives ASIC's view on:

- the need for an expert to be independent (see Section B);
- how previous and existing relationships with commissioning and other interested parties may affect the independence of an expert (see Section C);
- how an expert should deal with the commissioning party and other interested parties to maintain its independence (see Section D); and
- when and how an expert should use a specialist when preparing an expert report (see Section E).

### Reports covered by this guide

- RG 112.1 This guide focuses on reports prepared for transactions under Chs 2E, 5, 6 and 6A of the *Corporations Act 2001* (Corporations Act), whether the reports are required in the Corporations Act or are commissioned voluntarily. The principles in this guide may also be relevant to independent expert reports commissioned for other purposes—for example, specialist reports like geologist reports or traffic forecast reports (see Section E) for inclusion in Ch 6D disclosure documents and Ch 7 Product Disclosure Statements (PDSs).
- RG 112.2 We consider that security holders regard an expert report as being prepared by an independent expert irrespective of whether the report has been prepared voluntarily or because it is required under statute.
- RG 112.3 This approach is consistent with the obligations on the holder of an Australian financial services licence (AFS licensee) to manage conflicts of interest. An AFS licensee's obligation to manage conflicts of interest applies to all of its activities as an AFS licensee and, as such, an expert who holds an AFS licence needs to manage conflicts of interest in respect of all expert reports it prepares.
- RG 112.4 This guide does not apply to independent or investigating accountant reports.

### Underlying principles

- RG 112.5 An expert report that is biased frustrates rather than assists informed decision-making. Security holders will assume that an expert report is an independent opinion and will be misled if the opinion is not.

RG 112.6 Brooking J described the role of an expert in *Phosphate Co-operative v Shears (No 3)* (1988) 14 ACLR 323 (*Pivot*) at 339 in the following terms:

Those who prepare experts' reports in company cases carry a heavy moral responsibility, whatever their legal duties may be. These reports are either required by the [Corporations Act] or provided by way of analogy with those requirements. In either case, they are supposed to be for the protection of individuals who are being invited to enter into some kind of transaction. Unless high [independence] standards are observed by those who prepare these reports, there is a danger that systems established for the protection of the investing public will, in fact, operate to their detriment through reliance on these reports and on the reputations of those who furnish them. In lending his name, the expert will often, as in this case, be lending a name to conjure with ... The expert's integrity and freedom from baneful influences are essential.

RG 112.7 The Corporations Act indicates the need for an expert to be independent:

- (a) an expert must not be associated with certain interested parties, and must disclose certain interests and relationships, when preparing reports required by the Corporations Act for:
  - (i) a takeover bid under Ch 6 (s648A);
  - (ii) a scheme of arrangement (reg 5.1.01 and Sch 8, cls 8303 and 8306 of the Corporations Regulations 2001 (Corporations Regulations)); and
  - (iii) a compulsory acquisition or buy-out under Ch 6A (s667B); and
- (b) as an AFS licensee, an expert needs to establish and maintain systems to comply with its obligations to manage conflicts of interest.

## B Expert needs to be independent

### Key points

An expert should be, and should appear to be, independent: see RG 112.8–RG 112.15.

An expert should give an opinion that is genuinely its own opinion: see RG 112.16–RG 112.20.

### Independence

- RG 112.8 The Corporations Act contains indicators that an expert must be, and must appear to be, independent in the provisions requiring an expert report for certain takeover bids, schemes of arrangement, for any compulsory acquisition and in the AFS licensee conflicts management provisions.
- RG 112.9 The need for an expert to be, and to appear to be, independent is also indicated in case law establishing that the independence of an expert is critical for the protection of security holders. Mullighan J observed in *Duke Group v Pilmer* (1998) 27 ACSR 1 at 268:
- It may be seen that a true state of independence on the part of the expert is crucial to the efficacy of the [takeover] process and for the protection of the public generally and the company and its members in particular.
- RG 112.10 We will consider regulatory action if we have concerns about the independence of an expert: see Regulatory Guide 111 *Content of expert reports* (RG 111) at RG 111.128–RG 111.130.
- Note: In addition to the term ‘independence’, language also used by the courts, our policies and commentators include: ‘impartial judgment’; ‘disinterested’; ‘objective’; ‘unbiased’; ‘genuine expression of opinion’; ‘integrity’ and, negatively: ‘conflict of interest’; ‘compromised’; ‘collusion’ and ‘acting in a partisan capacity’.

### AFS licensee obligations to manage conflicts

- RG 112.11 An expert report typically includes a statement of opinion or recommendation intended to influence investors in making a decision on a financial product: s766B(1). This means the expert report usually constitutes financial product advice, triggering the need for an AFS licence: s766A and 911A(1). Accordingly, in most cases, an expert who prepares an independent expert report that will be made available to retail investors will hold an AFS licence.
- RG 112.12 Under s912A(1)(aa), an AFS licensee must:
- have in place adequate arrangements for the management of conflicts of interest that may arise wholly, or partially, in relation to activities

undertaken ... in the provision of financial services as part of the financial services business of the licensee or the representative ...

- RG 112.13 This conflicts management obligation applies irrespective of:
- (a) whether the expert states that it is independent of the commissioning party;
  - (b) any requirement that the expert not be an associate of the commissioning party or any other interested party to a transaction (e.g. s648A); or
  - (c) whether the expert report has been prepared to meet a statutory obligation.
- RG 112.14 Whether an expert's conflicts management arrangements (i.e. measures, processes and procedures) are adequate will depend on the nature, scale and complexity of the expert's business and the circumstances of the expert's engagement. The expert should document its conflicts management policies and procedures. The expert should keep records demonstrating how it has complied with those procedures. General guidance on these obligations is provided in Regulatory Guide 181 *Licensing: Managing conflicts of interest* (RG 181) at RG 181.10–RG 181.11.
- RG 112.15 Expert reports are exempt from the licensing regime (reg 7.6.01(u)) when the advice is an opinion on matters other than financial products (e.g. a geologist report) and:
- (a) it does not include advice on a financial product;
  - (b) the document includes a statement that the person is not operating under an AFS licence when giving the advice; and
  - (c) the expert discloses remuneration, interests and relationships.

## Genuine opinion

- RG 112.16 The courts have required the opinion of an expert to be genuine and a product of the expert's professional judgment. An expert's opinion that is tailored to support the views of the commissioning party or any other interested party is not a genuine opinion. It may also be misleading or deceptive.
- RG 112.17 A court found that a commissioning party's active role in shaping an expert report meant that the expert report was not the product of 'an exercise of judgment' by the expert 'uninfluenced by pressure brought to bear by or on behalf of [the commissioning party]' and was not 'a genuine expression of opinion ... but was the result of an exercise carried out for the purpose of arriving at a desired result': *Pivot* at 340 and 342 per Brooking J.
- RG 112.18 An expert is subject to statutory obligations to avoid making misleading or deceptive statements and engaging in misleading or deceptive conduct.

Note: See, for example, s412(8), 670A(1)(h), 1041E, 1041F and 1041H and s12DA of the *Australian Securities and Investments Act 2001* (ASIC Act).

- RG 112.19 An expert has been found to have engaged in misleading or deceptive conduct when the expert did not hold the opinions expressed in the expert report: *MGICA v Kenny & Good* (1996) 140 ALR 313 at 356–357 (a case involving a property valuation).
- RG 112.20 Similarly in *Reiffel v ACN 075 839 226* (2003) 45 ACSR 67 at 92–93, the court held that the expert report was misleading and deceptive in circumstances when ‘there was no reasonable basis for the [expert’s] statement in the report’ and the expert ‘did not hold the opinion it expressed’. The court held that the expert should have disclosed that it disagreed with the methodology used by a promoter in its forecasts and disclosed the methodology that the expert in fact used.

## C Relationship between the expert and the commissioning party

### Key points

An expert should identify relationships and interests that may affect, or may be perceived to affect, the expert's ability to prepare an independent report: see RG 112.21–RG 112.24.

The expert should then consider whether, on the basis of that relationship or interest:

- it should decline the engagement (see RG 112.25–RG 112.27); or
- the relationship or interest can be adequately dealt with by way of disclosure in the expert report (see RG 112.28–RG 112.37).

The expert may also need to take other actions to manage a conflict of interest: see RG 112.38.

Before engaging an expert, a commissioning party should be satisfied that the expert is independent and has sufficient expertise and resources to provide a thorough report: see RG 112.39–RG 112.41.

Note: A reference to expert in this guide is to the person or entity that issues the report. In most cases, this will be a corporate entity holding an AFS licence, even though a senior director or employee may sign the report in the name of the corporate entity and be principally responsible for preparing the report.

### Identifying relationships

- RG 112.21 Previous and existing relationships may threaten, or appear to threaten, the independence of an expert. The objectivity of an expert may also be compromised, or called into question, if the expert has an interest in the outcome of the transaction that is the subject of its report.
- RG 112.22 The closer the relationship between the expert and a commissioning party or any other interested party, the greater the onus on the expert to demonstrate the absence of bias.
- RG 112.23 In identifying relationships and interests that may affect, or may be perceived to affect, the expert's ability to prepare an independent report, the expert should not only identify relationships with, and interests of, the expert but also of:
- (a) the expert's associates;
  - (b) those directors and senior employees who are principally responsible for preparing and issuing the expert report; and
  - (c) the spouse, children and associates of the directors and senior employees who are principally responsible for preparing and issuing the expert report.
- RG 112.24 The need to undertake this identification process also arises from the obligation to manage conflicts of interest if the expert is an AFS licensee.

## Declining the engagement

- RG 112.25 An expert should seriously consider declining an engagement when:
- (a) a person to be involved in preparing the expert report is an officer of the commissioning party or an interested party;
  - (b) the expert, a director or a senior employee who is involved in preparing the expert report has a substantial interest in or is a substantial creditor of the commissioning party or has other material financial interests in the relevant transaction;
  - (c) the expert has participated in strategic planning work for the commissioning party as a lawyer, financial consultant, tax adviser or accountant, whether in connection with the relevant transaction or generally (e.g. advising on possible takeovers or takeover defences); or
  - (d) the expert has acted as a lawyer, financial consultant, tax adviser or accountant to the commissioning party (other than providing professional services strictly for compliance purposes rather than strategic or operational decisions or planning).
- RG 112.26 The Corporations Act specifically states that an expert must decline an engagement for the preparation of an expert report in each of the following circumstances:
- (a) when the report is to be cited or included in a target statement if the expert is an 'associate' (as defined in s12) of the bidder or the target and the bidder has 30% or more of the voting power in the target entity or there are common directors of the target and the bidder (s640 and 648A(2));
  - (b) when the report is to be cited or included in a bidder's statement if the expert is an 'associate' (as defined in s12) of the bidder or the target and the consideration for a pre-bid stake acquired in a target was unquoted securities (s636(1)(h)(iii), 636(2) and 648A(2));
  - (c) when the report is to be cited or included in the explanatory statement for a scheme of arrangement if the expert is an 'associate' (as defined in s12) of the parties to the scheme if the other party to a reconstruction in a scheme of arrangement has at least 30% of the voting shares of the scheme company or there are common directors (reg 5.1.01(b) and Sch 8, cls 8303 and 8306 of the Corporations Regulations); and
  - (d) if the expert is an 'associate' (as defined in s12) of the person issuing a compulsory acquisition or buy-out notice (s663B, 664C, 665B and 667B).
- RG 112.27 An expert's AFS licensee obligations to manage conflicts of interest may oblige an expert to decline engagements in some circumstances. Licensee experts may be offered an engagement in which relationships and interests pose such a serious risk of conflict of interest that the threat to the expert's



independence cannot be adequately managed through disclosure or internal controls. The only way an expert can adequately manage these threats is to avoid them and the expert's conflicts management policies and procedures should give specific guidance on circumstances when it should decline engagements: see RG 181.42–RG 181.43 and RG 181.60.

## Disclosing relationships and interests

### Requirement

- RG 112.28 As security holders rely on an expert report, they should be clearly informed about any relationships or interests (including financial or other interests) that could reasonably be regarded as relevant to the independence of the expert. This requirement arises from the Corporations Act and case law: see *ANZ Nominees v Wormald* (1988) 13 ACLR 698 at 707.
- RG 112.29 Disclosure of relationships or interests is required under the Corporations Act for an expert report when the report is required to be included in:
- (a) a target statement, when the bidder has 30% or more of the voting power in the target entity or there are common directors of the target and the bidder (s648A(3));
  - (b) a bidder's statement, when the consideration for a pre-bid stake acquired in a target is unquoted securities (s648A(3)); and
  - (c) a compulsory acquisition or buy-out notice (s667B(2)).
- RG 112.30 Similarly, as an AFS licensee, an expert needs to make appropriate disclosure of conflicts of interest to commissioning parties and to those relying on the report as part of the conflicts management obligation: see RG 181.49–RG 181.63.

### Content of disclosure

- RG 112.31 An expert should prominently disclose in the report:
- (a) the business or professional relationships with a commissioning party or any other interested party;
  - (b) any financial or other interest that could reasonably be regarded as capable of affecting the expert's ability to give an unbiased opinion on the matter being reported on; and
  - (c) any fee or benefit (whether direct or indirect) to be received in connection with the report (s648A(3) and 667B(2)).
- RG 112.32 If an expert has, within the previous two years, valued assets representing more than a *de minimus* (i.e. trivial) proportion by value of the assets that it

has been engaged to value for the commissioning party, this should also be prominently disclosed in the report.

Note: Disclosure is also required by RG 112.31 if the expert was previously engaged to value the relevant assets by the commissioning party or any other interested party.

RG 112.33 These disclosures should be made in all expert reports irrespective of whether the report is required to be prepared by the Corporations Act or is voluntarily commissioned and supplied to security holders.

RG 112.34 These disclosures should relate to relationships or interests existing at the time of preparation of the report or existing in the previous two years. This two-year period is a minimum period for disclosure and earlier relationships might be so significant that they warrant disclosure as well.

Note: In *Duke Group v Pilmer*, Mullighan J referred to this benchmark with approval (at 268).

RG 112.35 Disclosures should be timely, prominent, specific and meaningful. An expert should not use 'boilerplate' disclosures (e.g. that the expert has been paid 'a normal professional rate'). An actual amount should be shown for fees paid to an expert for the report.

RG 112.36 When an expert report is cited or included in a bidder's statement in which any securities in the bidder (or a person who controls the bidder) are offered as consideration under the bid, these disclosures must also meet the specific disclosure obligations that apply to prospectuses under s711(2)–(4), including:

- (a) any interests that the expert has in the bidder; and
- (b) any fees or benefits given or agreed for the expert's services (s636(1)(g)).

RG 112.37 As an expert report will usually constitute financial services advice, an expert will need to give retail investors a Financial Services Guide (FSG). We have given relief to allow an expert to include a FSG as a separate and clearly identifiable part of an expert report: see ASIC Corporations (Financial Services Guides) Instrument 2015/541. In view of this relief, we consider that an expert should include all of its disclosure of interests and benefits, whether flowing from the FSG requirements, conflicts management, s648A or case law, in the FSG rather than duplicating that disclosure in another part of the expert report.

## Other measures

RG 112.38 In addition to disclosing any conflict of interest, an expert will need to consider whether other measures to properly manage the conflict of interest are appropriate (e.g. implementing information barriers): see RG 181.35–RG 181.37.

## Commissioning an expert

- RG 112.39 In commissioning an expert, a commissioning party should consider whether the expert is independent and whether the expert has sufficient expertise and resources to give a thorough opinion on the proposed transaction. The quality of an expert report may be affected if this is not the case. If an expert considers that it is not independent or does not have sufficient expertise or resources to give a thorough opinion, it should decline the engagement.
- RG 112.40 In selecting an appropriate expert, we consider that relevant factors are likely to include:
- (a) whether the expert has adequate resources (which may include access to appropriate third party specialists) to perform the necessary work;
  - (b) the qualifications of the expert and whether the expert has the requisite level of technical expertise (including whether the expert meets the requirements of any relevant industry codes);
  - (c) the experience of the expert. For example, a commissioning party may ask what comparable transactions the expert has given an opinion on and whether that experience is relevant to the current transaction;
  - (d) whether the expert can meet the timeframe required for the report to be produced; and
  - (e) whether there are any independence issues.
- RG 112.41 While a commissioning party should satisfy itself that an expert is competent, it should ensure that any pre-engagement discussions do not compromise the expert's independence. For example, these discussions should not deal with how the expert proposes to evaluate the transaction or the merits of the transaction: see RG 112.46–RG 112.48.

## D Expert's conduct in preparing its report

### Key points

An expert should:

- obtain written terms of engagement from the commissioning party before commencing work;
- take care to avoid any communication with the commissioning party or any other interested party that may undermine, or appear to undermine, independence; and
- consent to the use or incorporation of its report.

Commissioning parties should be careful not to release the conclusions of an expert report in advance of the final report.

## Interactions with commissioning party

### Terms of engagement

- RG 112.42 Before commencing work, an expert should obtain written terms of engagement from the commissioning party that:
- (a) set out the scope and purpose of the report;
  - (b) set out the facts of the proposal and relevant data;
  - (c) recognise the expert's right to refuse to give an opinion or report at all if it is not given the information and explanations it requires to prepare the report;
  - (d) give the expert the same access to the commissioning party's records as the auditor of the commissioning party; and
  - (e) set out the fee.

### Approval of appointment

- RG 112.43 It is possible that some directors of a commissioning party may have a conflict of interest in the proposed transaction, such as cross-directorships held in the target and the bidder. In these circumstances, the expert and commissioning party should ensure that the directors without a conflict select and engage the expert.
- RG 112.44 The commissioning party should ensure that the method by which an expert is appointed, and the scope of its engagement, is consistent with the concepts of independence and perceived independence of the expert. For example, it may be appropriate to have a non-executive director oversee the appointment process if management is likely to be perceived to have a strong interest in the outcome of the expert report.

## Expert's fee

- RG 112.45 We will consider that an expert is not independent if the amount it is to receive for the expert report depends in any way on the outcome of the transaction to which the report relates. This is consistent with the requirement that a person who provides financial services must not hold itself out as 'independent', 'impartial' or 'unbiased' if it is paid success fees or has a conflict of interest arising from a relationship with an issuer of financial products that might reasonably be expected to influence the report: s923A.

## Manner of communication

- RG 112.46 Ensuring security holders receive an objective expression of opinion in an expert report involves more than identifying and dealing with previous or existing relationships or interests. An expert's objectivity, or the appearance of objectivity, may be undermined by the interactions between the expert and the commissioning and other interested parties.
- RG 112.47 We are likely to view the following interactions as indicators of a lack of independence:
- (a) the commissioning party having rejected another expert after the expert disclosed its likely approach to evaluating the proposal;
  - (b) an expert attending discussions on the development of the transaction, the merits of the transaction or on strategies to be adopted by the commissioning party;
  - (c) an expert taking instructions from, or holding discussions with, a commissioning party, its advisers or any interested party on the choice of methodologies for the report or evaluation of the transaction (including the underlying assumptions or reasoning), although the expert may interrogate those parties for the purpose of the expert's own analysis;
  - (d) an expert accepting from a commissioning party, its advisers or any interested party their analysis of the transaction, although the expert may interrogate those parties for the purpose of the expert's own analysis;
  - (e) the expert discussing preliminary views or findings with the commissioning party or any other interested party;
  - (f) the expert entering into a success fee arrangement with the commissioning party or any other interested party;
  - (g) the expert discussing future business relationships with the commissioning party or any other interested party before finalising the report. This includes refraining from cross-selling other services of the expert; and
  - (h) the expert changing its opinion at the suggestion of the commissioning party or any other interested party without adequate explanation: see RG 112.56–RG 112.57.

- RG 112.48 We expect that an expert who is an AFS licensee will include in its internal policies and procedures guidelines to address:
- (a) communications and interactions with the commissioning party and any other interested party during the commissioning of the expert and the preparation of the report;
  - (b) remuneration arrangements; and
  - (c) supervision of the preparation of the report.

## Preparing the report

### Access to information

- RG 112.49 The expert, not the commissioning party, should determine what information will be required for the report. The commissioning party should give the expert all the information it is aware of about the subject of the expert report, in sufficient detail to enable the expert to determine its relevance.
- RG 112.50 If the expert is not given access to the records it requires, or is given an unduly short time to complete the report (relative to any applicable statutory time constraints), it should consider refusing to prepare a report at all. An expert should not prepare an unsatisfactory report and attempt to deal with deficiencies in the report by disclaiming responsibility.

### Communication

- RG 112.51 An expert and its commissioning party may communicate and meet with each other during the preparation of the expert report for the expert to:
- (a) discuss the progress of the report;
  - (b) gain access to information;
  - (c) ascertain matters of fact or to correct factual errors (*Re Matine* (1998) 28 ACSR 268 at 288); and
  - (d) interrogate the commissioning party or another interested party for the purposes of its own analysis.
- RG 112.52 To help maintain independence and negate any inference of bias, we consider that an expert should direct and lead all meetings and discussions with the commissioning party, its advisers and any other interested party. The expert should keep appropriate file notes of discussions and retain copies of documents worked on in discussions with the commissioning party, its advisers and any other interested party.
- RG 112.53 Brooking J in *Pivot* at 339 summarised this issue in the following terms:
- The guiding principle must be that care should be taken to avoid any communication which may undermine, or appear to undermine, the independence of the expert.

## Drafts of reports

- RG 112.54 An expert may give draft copies of parts of its report to a commissioning party or its advisers for factual checking before delivery of a full draft copy of the report. These early drafts should not contain the expert's analysis of the transaction, the merits of a transaction or the methodologies employed: *Pivot* at 339.
- RG 112.55 The expert should only provide a full draft copy of the report to the commissioning party for factual checking when the expert is reasonably assured that the conclusions in the report are unlikely to change.
- RG 112.56 If a commissioning party or an adviser disagrees with the expert's analysis in a draft of the expert report, the report should only be altered if the expert is persuaded that all or part of the expert's assessment is based on an error of fact. We would expect an expert, in this situation, to independently reassess the whole or relevant part of the report based on its view of the revised facts.
- RG 112.57 After a full draft copy of an expert report has been provided to a commissioning party or its advisers, any alteration of the report made at the suggestion of the commissioning party or its advisers that affects an expert's analysis of the transaction or the expert's conclusions should be clearly and prominently disclosed in the report. This disclosure should include an explanation of the changes, the reasons why the expert considered the changes appropriate and the significance of the changes to the expert's opinion.
- RG 112.58 Minor factual corrections made at the suggestion of the commissioning party or its advisers that are immaterial to an expert's analysis, conclusions or opinion need not be disclosed in the report.

## Use and distribution

- RG 112.59 If a party commissions two or more reports, a copy of each report should be sent to security holders. This should be done regardless of whether more than one report is prepared by the same expert or by different experts: *Pivot* at 339. It should also be done regardless of whether the commissioning party is obliged to do so under s648A(1).
- RG 112.60 An expert should deliver its final, signed report to the commissioning party even if the commissioning party requests otherwise (unless the transaction is discontinued or varied substantially).
- RG 112.61 The directors of a commissioning party should not adopt or recommend that security holders accept the findings of an expert report without critically analysing the report. The directors should satisfy themselves that the information relied on in the report is accurate and that the report has not omitted material information known to the directors but not given to the expert.



## Release of conclusions of expert reports

- RG 112.62 An expert report needs to contain sufficient information to assist security holders to make a decision, including providing details of the methodologies and material assumptions on which the report is based, together with any qualifications: see RG 111.64–RG 111.79. The directors of a commissioning party need to ensure that an expert report is not used or referred to in a way that may be misleading or deceptive.
- RG 112.63 If a commissioning party releases the conclusions of an expert report in advance of the final report, this is likely to be misleading or deceptive, particularly if the final report contains any ‘surprises’ for a person who has only read the conclusions. Releasing conclusions without providing relevant supporting information may cause confusion or uncertainty since security holders and the market will not be able to determine whether those conclusions are reasonable.
- Note: In *Re Origin Energy Limited 02* [2008] ATP 23, the Takeovers Panel considered that it was potentially misleading to quote the conclusions of a technical expert’s report in a target’s statement without giving shareholders a copy of the report or the underlying assumptions and qualifications.
- RG 112.64 Consequently, a commissioning party that releases the conclusions of an expert report in advance of the final report risks regulatory action for contravention of the misleading or deceptive conduct provisions or other regulatory action. For example, if a report is provided in relation to a bid, the commissioning party risks an application by us, or another party, to the Takeovers Panel for a declaration of unacceptable circumstances.
- RG 112.65 There may be limited situations in which a commissioning party’s continuous disclosure obligations will require disclosure of the conclusions of an expert report in advance of the final report (e.g. if confidentiality has been lost before the final report is ready for release to the market). Commissioning parties and experts should put in place processes that minimise the risk that preliminary disclosure will be required before the report has been finalised. If preliminary disclosure is required, commissioning parties should ensure that this is done in a way that is not misleading or confusing (e.g. by highlighting the limitations of the preliminary disclosure and providing all available material information about the report).

## Consent of expert

- RG 112.66 An expert report may only be incorporated or referred to in a bidder’s statement or target statement if the expert has consented to the use of the report in the form and context in which it appears: s636(3) and 638(5). Before consenting, the expert should consider whether the report has been accurately reproduced and used for the purpose for which it was commissioned. The expert should also consider the appropriateness, or otherwise, of express or implied representations about its report, the conclusions or recommendations: see Regulatory Guide 55 *Prospectus and PDS: Consent to quote* (RG 55), which also applies to the consent obligations in s636(3) and 638(5).



## E Use of specialists

### Key points

If an expert does not have the necessary specialist expertise on a matter that must be determined for the purposes of the report, it should retain an appropriate specialist for that matter who is independent of the commissioning party: see RG 112.67–RG 112.70.

The specialist should report to the expert rather than the commissioning party: see RG 112.71–RG 112.72.

The expert should ensure that the specialist has consented to the use of its report: see RG 112.73–RG 112.77.

### Engagement of specialists

RG 112.67 It is the expert's responsibility to:

- (a) determine that a specialist's assistance is required on a matter that must be determined for the purposes of the report;
- (b) select the specialist and ensure that the specialist is competent in the field;
- (c) negotiate the scope and purpose of the specialist's work and ensure that this is clearly documented in an agreement (though the agreement may be with the commissioning party or the expert); and
- (d) be satisfied that the specialist is independent of, and is perceived to be independent of, the commissioning party and any other interested party.

RG 112.68 We consider best practice would be for the expert to pay the specialist its fees and recover those fees from the commissioning party.

RG 112.69 We would expect a specialist report to be specifically commissioned and prepared for the transaction the subject of the expert report. We would also expect the expert to make it clear to the specialist that the report is being commissioned for inclusion in the expert report. If the specialist report is not prepared specifically for the current transaction, this should be clearly explained to security holders. The Takeovers Panel in *Re Great Mines Limited* [2004] ATP 01 expressed the disclosure requirement in the following terms (at [56]):

Wherever a report is re-used in this way, however, shareholders should be advised of the purpose for which the report was prepared. It would be inappropriate to re-use a report in this way to satisfy a requirement for an independent experts report and in general, it would be misleading to describe a report re-used in this way as independent.

RG 112.70 While these comments were made in the context of an independent expert report, we consider they are equally applicable to the use of a specialist report.

## Review of specialist report

RG 112.71 The expert should:

- (a) critically review the specialist report, particularly to consider whether the specialist has used assumptions and methodologies which appear to be reasonable and has drawn on source data which appears to be appropriate in the circumstances;
- (b) have reasonable grounds for believing the specialist report is not false or misleading;
- (c) ensure the specialist signs its report and consents to its use in the form and context in which it will be published; and
- (d) ensure that the specialist report is used in a way that will not be misleading or deceptive.

RG 112.72 A specialist report commissioned by the expert should be dated close enough to the date of the expert report to ensure that assumptions applied have not been overtaken by time or events.

## Use of specialist report

RG 112.73 The expert should ensure that the specialist consents to the use of its report in the form and context in which it will be published. If a specialist does not take responsibility for, or authorise the use of, its report and the expert considers that the material the subject of the report needs to be included in the expert report, the expert must accept entire responsibility for the statements as the expert's own and, as such, must have reasonable grounds for believing the statements not to be misleading or deceptive. This is consistent with our approach to directors assuming responsibility for statements in a prospectus or PDS that are not attributed to another person: see RG 55.11–RG 55.12.

RG 112.74 The expert should exercise its judgment to determine whether to include the specialist report in full or include a concise or short form version or cite or extract the specialist report.

RG 112.75 We encourage an expert to consider whether it is appropriate to have the specialist prepare a concise or short form specialist report for inclusion in the expert report with a longer specialist report available on request free of charge or accessible online.

RG 112.76 An expert should only quote or cite the specialist's work in a way that is fair and representative. Otherwise the expert risks misleading security holders. If the full specialist report contains any 'surprises' for the security holder who only reads the short form or concise report, this would indicate the short form specialist report was misleading.

- RG 112.77 In the situation when an expert has obtained more than one specialist report on the same matter, we consider that security holders will not be given all material information if the expert merely supplies abridged results of those reports, and states, without comment or analysis, the result is the sum of the values given in each of the specialist reports.

## Key terms

Term	Meaning in this document
AFS licence	An Australian financial services licence under s913B of the Corporations Act that authorises a person who carries out a financial services business to provide financial services  Note: This is a definition contained in s761A of the Corporations Act.
AFS licensee	A person who holds an Australian financial services licence under s913B of the Corporations Act  Note: This is a definition contained in s761A of the Corporations Act.
ASIC	Australian Securities and Investments Commission
ASIC Act	<i>Australian Securities and Investments Commission Act 2001</i>
Corporations Act	<i>Corporations Act 2001</i> , including regulations made for the purposes of that Act
Corporations Regulations	Corporations Regulations 2001
expert	The meaning given to that term in s9 of the Corporations Act
Financial Services Guide (FSG)	A document that must be given to a retail client in relation to the provision of a financial service in accordance with Div 2 of Pt 7.7 of the Corporations Act  Note: See s761A for the exact definition.
Product Disclosure Statement (PDS)	A document that must be given to a retail client in relation to the offer or issue of a financial product in accordance with Div 2 of Pt 7.9 of the Corporations Act  Note: See s761A for the exact definition.
reg 5.1.01 (for example)	A regulation of the Corporations Regulations (in this example numbered 5.1.01)
RG 181 (for example)	An ASIC regulatory guide (in this example numbered 181)
s648A (for example)	A section of the Corporations Act (in this example, numbered 648A), unless otherwise specified
Sch 4 (for example)	A schedule of the Corporations Act (in this example numbered 4), unless otherwise specified

## Related information

### Headnotes

experts, expert reports, independence, genuine opinion, relationships or interests, declining the engagement, disclosing relationships or interests, conduct of experts, use of specialists

### Regulatory guides

RG 55 *Disclosure documents and PDS: Consent to quote*

RG 111 *Content of expert reports*

RG 181 *Licensing: Managing conflicts of interest*

### Legislative instruments

ASIC Corporations (Financial Services Guides) Instrument 2015/541

### Legislation

Corporations Act, Chs 2E, 6 and 6A, s12, 412(8), 636, 638, 640, 648A, 663B, 664C, 665B, 667B, 670A(1)(h), 711, 766A, 766B(1), 911A(1), 912A(1)(aa), 1041E, 1041F and 1041H, Corporations Regulations, regs 5.1.01 and 7.6.01(u), Sch 8, cls 8303 and 8306

ASIC Act, s12DA

### Cases

*ANZ Nominees v Wormald* (1988) 13 ACLR 698

*Re Aulron Energy Limited* [2003] ATP 31

*Duke Group v Pilmer* (1998) 27 ACSR 1

*Re Great Mines Limited* [2004] ATP 01

*Re Matine* (1998) 28 ACSR 268

*MGICA v Kenny & Good* (1996) 140 ALR 313

*Re Origin Energy Limited 02* [2008] ATP 23

*Phosphate Co-operative Co of Aust Ltd v Shears & Anor (No 3)* (1988) 14 ACLR 323

*Reiffel v ACN 075 839 226* (2003) 45 ACSR 67

### Consultation papers and reports

CP 62 *Better experts' reports*

CP 143 *Expert reports and independence of experts: Updates to RG 111 and RG 112*

REP 234 *Response to submissions on CP 143 Expert reports and independence of experts*

## Appendix C – Sources of information from the Group relied upon for this report

### Sources of information received from the Group relied upon for this report

File name	Description
Ovato Group cash at bank balances as at August 2020	Listing of Ovato Group cash balances as at August 2020 for the Australian Entities
Budget Commentary Group - Q1 FY21F	Group budget per business unit for Q1 FY21F with commentary, including overlay of Restructure Forecast
Corporate bond Australian General Security Deed	Corporate bond Australian General Security Deed dated 19 November 2018
Corporate bond NZ General Security Deed	Corporate bond New Zealand General Security Deed dated 19 November
Corporate bond Pricing Supplement	Pricing Supplement outlining the conditions of the corporate bond dated 19 November 2018
Debt Facility T&C's Summary - June 2020	Summary of the Group finance facilities as at June 2020 with terms and conditions
Deed of Assumption dated 11 June 2009	Deed of Assumption dated 11 June 2009 adding various entities to the Deed of Cross Guarantee
Deed of Cross Guarantee dated 27 June 2008	Deed of Cross Guarantee dated 27 June 2008 for certain entities of the Ovato Group
Budget FY21 Commentary - GROUP Final	Group budget per business unit for FY21 with commentary
Deed of Variation dated 6 June 2017	Deed of Variation dated 6 June 2017 adding various entities to the Deed of Cross Guarantee
EBITDA overlay from Restructure Forecast for Q1 FY21F	EBITDA in excel for FY21F to include the impact on EBITDA for the Restructure Forecast Scenario
Gordon Brothers desktop valuation	Gordon Brothers desktop valuation dated 29 October 2020 for the fixed assets and inventory of the Ovato Group
Group budget per business unit - FY21	Group budget per business unit for FY21 in excel
Group cash flow forecast - FY21	Group cash flow forecast for FY21 which includes the Base Case Forecast and Restructure Forecast Scenarios
Group Debtors - August 2020	Group debtor listing as at August 2020 with aging and split by legal entity
Group employee entitlements summary	Group summary of employee entitlements under the recently agreed EBA (2 weeks per year with a cap of 52 weeks per year) by legal entity
Group fixed asset register – 30 September 2020	Group's fixed asset register as at 30 September 2020 per legal entity, identifying proposed fixed assets that will remain in Ovato Scheme Companies
Group revenue & EBITDA - Q1 FY21F	Summary of the Group's revenue and EBITDA for Q1F FY21F
Group significant items - Q1 FY21F	Summary of the Group's accounting of significant items for Q1F FY21F
Group trial balance as at 31 August 2020	Group trial balance per legal entity as at 31 August 2020 which has been used to prepare the balance sheet as at 31 August 2020
Insurance and litigation	File note prepared by the Ovato Group detailing the any insurance claims and litigation on foot as at 18 September 2020
Memorandum of Appointment of Agent dated 1 July 2017	Memorandum of Appointment of Agent dated 1 July 2017 appointing PMP Print Pty Ltd as the authorised agent for IPMG Pty Ltd
Memorandum of Understanding dated June 2018	Memorandum of Understanding dated June 2018 in relation to the Agency Agreement in place with IPMG Pty Ltd and its subsidiaries and PMP Print Pty Ltd
MOFA Australian General Security Deed	MOFA Australian General Security Deed dated 19 November 2018
MOFA NZ General Security Deed	MOFA NZ General Security Deed (undated)

## Sources of information received from the Group relied upon for this report

File name	Description
Ovato Group entity mapping	Group entity mapping of business units to legal entities
Ovato Group structure	Ovato Group corporate structure as at April 2019. I understand that there has been no changes to the structure since then
ScotPac debtors as at August 2020	Group listing of debtors factored under the ScotPac RFF
ScotPac Letter of Offer	ScotPac RFF Letter of Offer
ScotPac Priority Deed	ScotPac and Senior MOFA Priority Deed dated 5 August 2020
Senior MOFA Priority Deed	Senior MOFA Priority Deed dated 2019

## Appendix D – Entities subject to the Deed of Cross Guarantee

Entities subject to the Deed of Cross Guarantee		
Entity name	ACN	Country
Ovato Limited (formerly PMP Limited)	050 148 644	Australia
Argyle Print Pty Limited	001 753 420	Australia
Red PPR Holdings Pty Limited	111 284 961	Australia
Pacific Publications Holdings Pty Limited	051 748 344	Australia
Ovato Finance Pty Limited (formerly PMP Finance Pty Limited)	053 814 976	Australia
Ovato Print Pty Limited (formerly PMP Print Pty Ltd)	051 706 499	Australia
Manningtree Investments Pty Limited	072 132 300	Australia
Canberra Press Pty Limited	072 132 266	Australia
Attic Futura Pty Limited	058 491 268	Australia
Pacific O'Brien Publications Pty Limited	069 892 440	Australia
Total Sampling Pty Limited	063 659 923	Australia
PMP Publishing Pty Limited	053 814 878	Australia
PMP Property Pty Limited	051 748 246	Australia
Shomega Pty Limited	060 808 013	Australia
PMP Advertising Solutions Pty Limited	051 748 157	Australia
PMP Home Media Pty Limited	051 757 718	Australia
Ovato Retail Distribution Pty Limited	088 251 727	Australia
The Argus & Australasian Pty Limited	051 747 892	Australia
PMP Directories Pty Limited	006 457 503	Australia
Show-Ads Pty Limited	004 879 627	Australia
A.C.N. 128 266 268 Pty Limited (formerly Brumby Books & Music Pty Limited)	128 266 268	Australia
Scribo Holdings Pty Limited	128 264 988	Australia
llovemagazines.com.au Pty Limited (formerly Treeet.com.au Pty Limited)	068 231 158	Australia
Linq Plus Pty Limited	070 732 071	Australia
PMP Wholesale Pty Limited	004 386 663	Australia
Ovato Creative Services Clayton Pty Limited (formerly PMP Digital Pty. Ltd.)	004 386 672	Australia
Tower Books Pty Limited	078 719 696	Australia
The Scribo Group Pty Limited	091 685 086	Australia



## Entities subject to the Deed of Cross Guarantee

Entity name	ACN	Country
Gary Allen Pty Limited	002 793 160	Australia
Pacific Intermedia Pty Limited	004 333 439	Australia
IPMG Holdco Pty Ltd	615 558 944	Australia
IPMG SubCo Pty Ltd	615 559 549	Australia
Propsea Pty Ltd	108 206 800	Australia
Tigerstone Pty Ltd	108 206 855	Australia
MJV Pty Limited	108 207 629	Australia
KTAR Pty Limited	108 207 558	Australia
PMP Subco No.2 Pty Limited (formerly Josproud Pty Limited)	008 472 115	Australia
PMP Subco No.3 Pty Limited (formerly Lafim Pty Limited)	008 472 106	Australia
PMP Subco No.4 Pty Limited (formerly Peter Parker Pty Limited)	008 471 985	Australia
PMP Subco No.6 Pty Limited (formerly Glencree Pty Limited)	600 279 721	Australia
D.Livingstone Pty Limited	008 471 976	Australia
IPMG Pty Limited	123 230 259	Australia
The Independent Print Media Group Pty Limited	071 231 215	Australia
IPMG Administration Pty Limited	123 230 713	Australia
Hannan Finance Corporation Pty Limited	105 770 956	Australia
NDD Distribution Pty Ltd	074 517 909	Australia
The Federal Publishing Co Pty Ltd	000 013 776	Australia
PMP Subco No.1 Pty Limited (formerly F. Hannan Pty Ltd)	052 506 073	Australia
IPMG Management (No.2) Pty Ltd	052 506 037	Australia
Southern Independent Publishers Pty Limited	117 373 636	Australia
IPMG Digital Pty Ltd	122 262 819	Australia
Holler Australia Pty Ltd	127 752 523	Australia
Holler Administration Pty Ltd	122 047 821	Australia
Ovato Creative Services Pty Ltd	001 098 157	Australia
Ovato Communications Pty Limited	125 826 655	Australia
Ovato Technology Pty Ltd	092 342 375	Australia
Max Australia Pty Ltd	093 947 963	Australia
Spin Comm. Syd Pty Ltd	065 742 627	Australia
Forty Two International Pty Limited	095 622 889	Australia

## Entities subject to the Deed of Cross Guarantee

Entity name	ACN	Country
IPMG Consulting Pty Limited	611 368 346	Australia
Massmedia Studios Pty Ltd	094 222 563	Australia
The Gang of 4 Pty. Ltd.	095 624 678	Australia
Hannanprint NSW Pty Limited	100 817 623	Australia
PMP Subco No.5 Pty Limited (formerly Arklow Pty. Limited)	003 925 479	Australia
Hannanprint Victoria Pty Limited	100 817 712	Australia
SYNC Communications Management Pty Limited	079 529 267	Australia
Craft Printing Pty Ltd	073 088 909	Australia
Woodox Pty Ltd	067 150 789	Australia
Warwick Farm Business Park Pty Ltd	129 141 046	Australia
Offset Alpine Printing Group Pty Limited	003 394 876	Australia
Inprint Pty Limited	010 728 971	Australia
Offset Alpine Printing Pty Limited	003 094 602	Australia
Kierle Investments Pty Ltd	003 418 273	Australia
Ovato Creative Services Geebung Pty Ltd	010 958 200	Australia
Ovato Print Cairns Pty Ltd	050 487 879	Australia
Ovato Packaging Pty Ltd	050 411 759	Australia

## Appendix E – Entities subject to each finance facility

Entities subject to each finance facility					
Company name	ACN	Country	ANZ MOFA	Corporate Bond	RFF
Ovato Limited (formerly PMP Limited)	050 148 644	Australia	Security Provider	Grantor	Borrower
Argyle Print Pty Limited	001 753 420	Australia	Security Provider	Grantor	Guarantor
Red PPR Holdings Pty Limited	111 284 961	Australia	Security Provider	Grantor	Guarantor
Pacific Publications Holdings Pty Limited	051 748 344	Australia	Security Provider	Grantor	Guarantor
Ovato Finance Pty Limited (formerly PMP Finance Pty Limited)	053 814 976	Australia	Borrower	Borrower	Guarantor
Ovato Print Pty Limited (formerly PMP Print Pty Ltd)	051 706 499	Australia	Borrower	Grantor	Guarantor
Manningtree Investments Pty Limited	072 132 300	Australia	Security Provider	Grantor	Guarantor
Canberra Press Pty Limited	072 132 266	Australia	Security Provider	Grantor	Guarantor
Attic Futura Pty Limited	058 491 268	Australia	Security Provider	Grantor	Guarantor
Pacific O'Brien Publications Pty Limited	069 892 440	Australia	Security Provider	Grantor	Guarantor
Total Sampling Pty Limited	063 659 923	Australia	Security Provider	Grantor	Guarantor
PMP Publishing Pty Limited	053 814 878	Australia	Security Provider	Grantor	Guarantor
PMP Property Pty Limited	051 748 246	Australia	Security Provider	Grantor	Guarantor
Shomega Pty Limited	060 808 013	Australia	Security Provider	Grantor	Guarantor
PMP Advertising Solutions Pty Limited	051 748 157	Australia	Security Provider	Grantor	Guarantor
PMP Home Media Pty Limited	051 757 718	Australia	Security Provider	Grantor	Guarantor
Ovato Retail Distribution Pty Limited	088 251 727	Australia	Borrower	Grantor	Guarantor
The Argus & Australasian Pty Limited	051 747 892	Australia	Security Provider	Grantor	Guarantor
PMP Directories Pty Limited	006 457 503	Australia	Security Provider	Grantor	Guarantor
Show-Ads Pty Limited	004 879 627	Australia	Security Provider	Grantor	Guarantor
A.C.N. 128 266 268 Pty Limited (formerly Brumby Books & Music Pty Limited)	128 266 268	Australia	Security Provider	Grantor	Guarantor
Scribo Holdings Pty Limited	128 264 988	Australia	Security Provider	Grantor	Guarantor
llovemagazines.com.au Pty Limited (formerly Treeet.com.au Pty Limited)	068 231 158	Australia	Security Provider	Grantor	Guarantor
Linq Plus Pty Limited	070 732 071	Australia	Security Provider	Grantor	Guarantor
PMP Wholesale Pty Limited	004 386 663	Australia	Security Provider	Grantor	Guarantor
Ovato Creative Services Clayton Pty Limited (formerly PMP Digital Pty. Ltd.)	004 386 672	Australia	Security Provider	Grantor	Borrower
Tower Books Pty Limited	078 719 696	Australia	Security Provider	Grantor	Guarantor
The Scribo Group Pty Limited	091 685 086	Australia	Security Provider	Grantor	Guarantor
Gary Allen Pty Limited	002 793 160	Australia	Security Provider	Grantor	Guarantor

## Entities subject to each finance facility

Company name	ACN	Country	ANZ MOFA	Corporate Bond	RFF
Pacific Intermedia Pty Limited	004 333 439	Australia	Security Provider	Grantor	Guarantor
IPMG Holdco Pty Ltd	615 558 944	Australia	Grantor	Grantor	Guarantor
IPMG SubCo Pty Ltd	615 559 549	Australia	Grantor	Grantor	Guarantor
Propsea Pty Ltd	108 206 800	Australia	Grantor	Grantor	Guarantor
Tigerstone Pty Ltd	108 206 855	Australia	Grantor	Grantor	Guarantor
MJV Pty Limited	108 207 629	Australia	Grantor	Grantor	Guarantor
KTAR Pty Limited	108 207 558	Australia	Grantor	Grantor	Guarantor
PMP Subco No.2 Pty Limited (formerly Josproud Pty Limited)	008 472 115	Australia	Grantor	Grantor	Guarantor
PMP Subco No.3 Pty Limited (formerly Lafim Pty Limited)	008 472 106	Australia	Grantor	Grantor	Guarantor
PMP Subco No.4 Pty Limited (formerly Peter Parker Pty Limited)	008 471 985	Australia	Grantor	Grantor	Guarantor
PMP Subco No.6 Pty Limited (formerly Glencree Pty Limited)	600 279 721	Australia	Grantor	Grantor	Guarantor
D.Livingstone Pty Limited	008 471 976	Australia	Grantor	Grantor	Guarantor
IPMG Pty Limited	123 230 259	Australia	Grantor	Grantor	Guarantor
The Independent Print Media Group Pty Limited	071 231 215	Australia	Borrower	Grantor	Guarantor
IPMG Administration Pty Limited	123 230 713	Australia	Borrower	Grantor	Guarantor
Hannan Finance Corporation Pty Limited	105 770 956	Australia	Grantor	Grantor	Guarantor
NDD Distribution Pty Ltd	074 517 909	Australia	Grantor	Grantor	Guarantor
The Federal Publishing Co Pty Ltd	000 013 776	Australia	Grantor	Grantor	Guarantor
PMP Subco No.1 Pty Limited (formerly F. Hannan Pty Ltd)	052 506 073	Australia	Grantor	Grantor	Guarantor
IPMG Management (No.2) Pty Ltd	052 506 037	Australia	Grantor	Grantor	Guarantor
Southern Independent Publishers Pty Limited	117 373 636	Australia	Grantor	Grantor	Guarantor
IPMG Digital Pty Ltd	122 262 819	Australia	Grantor	Grantor	Guarantor
Holler Australia Pty Ltd	127 752 523	Australia	Grantor	Grantor	Guarantor
Holler Administration Pty Ltd	122 047 821	Australia	Grantor	Grantor	Guarantor
Ovato Creative Services Pty Ltd	001 098 157	Australia	Grantor	Grantor	Borrower
Ovato Communications Pty Limited	125 826 655	Australia	Grantor	Grantor	Borrower
Ovato Technology Pty Ltd	092 342 375	Australia	Grantor	Grantor	Borrower
Max Australia Pty Ltd	093 947 963	Australia	Grantor	Grantor	Guarantor
Spin Comm. Syd Pty Ltd	065 742 627	Australia	Grantor	Grantor	Guarantor
Forty Two International Pty Limited	095 622 889	Australia	Grantor	Grantor	Guarantor
IPMG Consulting Pty Limited	611 368 346	Australia	Grantor	Grantor	Guarantor

## Entities subject to each finance facility

Company name	ACN	Country	ANZ MOFA	Corporate Bond	RFF
Massmedia Studios Pty Ltd	094 222 563	Australia	Grantor	Grantor	Guarantor
The Gang of 4 Pty. Ltd.	095 624 678	Australia	Grantor	Grantor	Guarantor
Hannanprint NSW Pty Limited	100 817 623	Australia	Grantor	Grantor	Guarantor
PMP Subco No.5 Pty Limited (formerly Arklow Pty. Limited)	003 925 479	Australia	Grantor	Grantor	Guarantor
Hannanprint Victoria Pty Limited	100 817 712	Australia	Grantor	Grantor	Guarantor
SYNC Communications Management Pty Limited	079 529 267	Australia	Grantor	Grantor	Guarantor
Craft Printing Pty Ltd	073 088 909	Australia	Grantor	Grantor	Guarantor
Woodox Pty Ltd	067 150 789	Australia	Grantor	Grantor	Guarantor
Warwick Farm Business Park Pty Ltd	129 141 046	Australia	Grantor	Grantor	Guarantor
Offset Alpine Printing Group Pty Limited	003 394 876	Australia	Grantor	Grantor	Guarantor
Inprint Pty Limited	010 728 971	Australia	Grantor	Grantor	Guarantor
Offset Alpine Printing Pty Limited	003 094 602	Australia	Grantor	Grantor	Guarantor
Kierle Investments Pty Ltd	003 418 273	Australia	Grantor	Grantor	Guarantor
Ovato Creative Services Geebung Pty Ltd	010 958 200	Australia	Grantor	Grantor	Borrower
Ovato Print Cairns Pty Ltd	050 487 879	Australia	Grantor	Grantor	Borrower
Ovato Packaging Pty Ltd	050 411 759	Australia	Grantor	Grantor	Borrower
Ovato NZ Limited	555814	New Zealand	Security Provider	Grantor	Guarantor
Ovato Print NZ Limited	552248	New Zealand	Security Provider	Grantor	Guarantor
Ovato Maxum Limited	594714	New Zealand	Security Provider	Grantor	Guarantor
Ovato Residential Distribution NZ Limited	569231	New Zealand	Security Provider	Grantor	Guarantor
Ovato Retail Distribution NZ Limited	1540329	New Zealand	Security Provider	Grantor	Guarantor

## Appendix F – Compliance with APES 225 Valuation Services

The following table documents my compliance with professional standard APES 225 Valuation Services (July 2019) issued by the Accounting Professional and Ethical Standards Board.

Item	Ref	Compliance
Engaging party	5.2(a)	McGrathNicol is engaged by Ashurst Australia.
Subject of valuation	5.2(b)	The subject of the valuation is the proposed Schemes of Arrangement comprising certain entities of the Ovato Group.
Valuation date	5.2(c)	The valuation date is at 31 August 2020.
Report date	5.2(d)	The date of this report appears on its cover page.
Purpose	5.2(e)	The valuation has been prepared for the purpose identified in section 1.2 of this report.
Name and qualifications of responsible member(s)	5.2(f)	The name and qualifications of the member responsible for the valuation is identified in section 1.1, Appendix A.
Scope, limitations and restrictions	5.2(g)	The scope of the valuation and any limitations or restrictions on the scope are set out in section 1.3.
Standard of value	5.2(h)	The standard of value used in the valuation is fair market value as defined in section 7.2.
Premise of value	5.2(i)	The valuation is based on an orderly liquidation premise as defined in section 7.3.
Independence	5.2(j)	I undertook the valuation acting independently.
Approaches, methods and procedures	5.2(k)	The valuation approaches, methods and procedures I have adopted are documented in section 4.2, section 5.2, section 6, and section 7.1.
Information relied on	5.2(l)	I have relied on the information listed in Appendix C. The extent to which I have reviewed that information is addressed in section 1.5.
Material assumptions	5.2(m)	The material assumptions applied in my valuation are described in section 4.4, section 6.1 and section 7.5.1.
Conclusion of value	5.2(n)	My conclusion of value is summarised in section 7.5.4.
Compensation	5.2(r)	McGrathNicol's compensation for preparing this report is not contingent on the conclusion, content or future use of this report.
Statement of compliance	5.2(s)	The Valuation Service was conducted in accordance with APES 225 Valuation Services.
Defined terms	7.1	Valuation terms used in this report are defined in the glossary.

Appendix G – Gordon Brothers desktop valuation

For personal use only





## Ovato Print Pty Ltd

### Appraisal Report

INVESTMENTS | **INVENTORY** | **MACHINERY & EQUIPMENT** | BUSINESS VALUATIONS |  
BRANDS & INTELLECTUAL PROPERTY | REAL ESTATE

PREPARED FOR: Ashurst Australia  
PREPARED BY: Brendan Smyth  
REPORT DATE: 27 Oct 2020



## Summary of Report

<b>Asset Description</b>	<b>Printing &amp; Bindery Equipment and related Spare parts and Inventory</b>
--------------------------	---

<b>Located At:</b>	<b>Warwick Farm, NSW, Geebung, QLD Cairns, QLD Bibra Lake, WA Clayton, VIC Salisbury, SA</b>
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<b>Effective Date of Valuation:</b>	<b>27 October 2020</b>
-------------------------------------	------------------------

<b>Report Date</b>	<b>27 October 2020</b>
--------------------	------------------------

<b>Period of Currency:</b>	<b>3 Months</b>
----------------------------	-----------------

<b>Definition of Value:</b>	<b>Orderly Liquidation Value (OLV) &amp; Forced Liquidation Value (FLV)</b>
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<b>Purpose of Report:</b>	<b>Financial Decision Making</b>
---------------------------	----------------------------------

<b>Client:</b>	<b>Ashurst Australia</b>
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<b>Intended User:</b>	<b>Ashurst Australia &amp; McGrathNicol</b>
-----------------------	---

Gordon Brothers  
Suite 3, Level 13  
25 Bligh Street  
Sydney, NSW, 2000

27 October 2020

Via Email: james.marshall@ashurst.com

James Marshall  
Ashurst Australia  
5 Martin Place  
Sydney  
NSW 2000

**Re: Ovato Print Pty Ltd**

Dear James,

We refer to recent discussions in connection with the plant and equipment of Ovato Print Pty Ltd and thank you for your instructions to undertake a **valuation** of the same.

Subject to the matters set out below and at the request of James Marshall of Ashurst Australia, Gordon Brothers Pty. Ltd. ("Gordon Brothers") has assessed the value of the machinery & equipment and Inventory assets on the basis of Orderly Liquidation Value (OLV) and Forced Liquidation Value (FLV) determined as follows:

<b>Orderly Liquidation Value (OLV)</b>	<b>\$15,613,037</b>
--	---------------------

<b>Forced Liquidation Value (FLV)</b>	<b>\$5,712,432</b>
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**With the exclusion of assets identified as being under finance agreement with Commerzbank The projected values are;**

<b>Orderly Liquidation Value (OLV)</b>	<b>\$11,063,037</b>
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<b>Forced Liquidation Value (FLV)</b>	<b>\$3,392,432</b>
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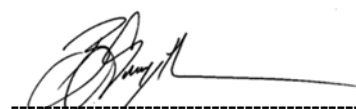
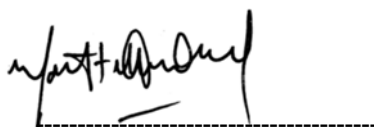
All values and amounts displayed throughout this report are in Australian Dollars and are **exclusive of GST**.

The values and comments contained within this letter should be read with the accompanying report.

Gordon Brothers have not previously undertaken any valuation assignments on behalf of Ovato Print Pty Ltd and undertake this assignment as external advisors.

Yours sincerely,

For and on behalf of Gordon Brothers Pty. Ltd.

  
**Brendan Smyth**  
Director  
**Matt Aubrey**  
Managing Director

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## I. EXECUTIVE SUMMARY



**Company:** Ovato Print Pty Ltd  
**Address:** Had Office: L4, 60 Union Street,  
 Pyrmont, NSW, 2009  
**Website:** <https://www.ovato.com.au>  
**Key Contact:** Alistair Clarkson, Craig  
 Dunsford & Mark Goldsmith

As per the signed valuation engagement letter dated 14 October 2020, a valuation of the Machinery & equipment and Inventory as summarised herein was requested by James Marshall of Ashurst Australia. From our communication with the client we determined the most applicable definition of value for the purpose of the report, the required timeline for completion and the locations of the assets.

The client and intended users are advised to read the entire report in order to fully comprehend how the opinions of value were determined.

Gordon Brothers have appraised the inventory on the basis they are free and clear of an liens or encumbrances unless otherwise stated.

To assist Gordon Brothers representatives, we have been provided with the following:

- Ovato Print Pty Ltd's detailed fixed asset register (FAR). This included; Make, Model, Purchase date, purchase price and depreciated values (book value).
- Perpetual Inventory Files
- Insurance Replacement Cost valuation carried out by JLL in May 2019

Please see below table outlining the summary of our value findings:

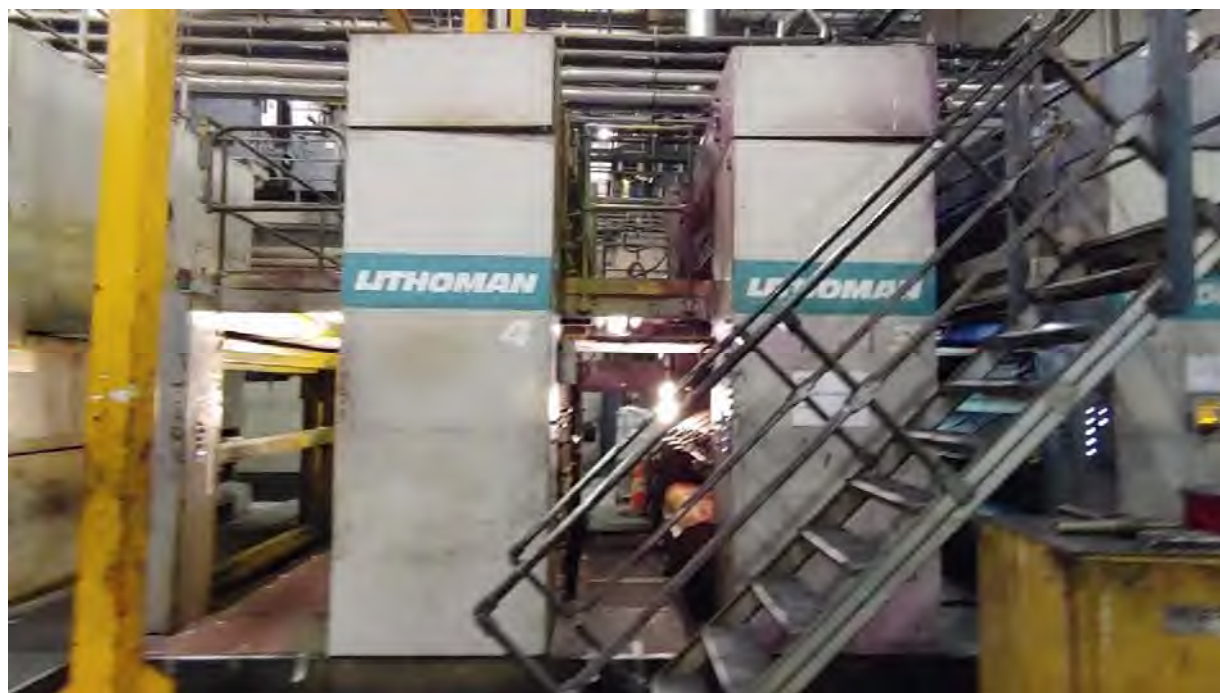
Valuation Summary by Asset Class			
Asset Description	OLV \$		FLV\$
Printing	\$	10,082,500	\$ 2,415,900
Binding	\$	735,100	\$ 305,900
Additional M&E	\$	974,970	\$ 614,400
Inventory	\$	3,820,467	\$ 2,376,232
<b>Sub Total</b>	<b>\$</b>	<b>15,613,037</b>	<b>\$ 5,712,432</b>
Less assets financed by			
Commerzbank	\$	4,550,000	\$ 1,210,000
<b>Total</b>	<b>\$</b>	<b>11,063,037</b>	<b>\$ 4,502,432</b>

Orderly Liquidation Value By Location							
Site	Presses	Bindery	Others	Inventory	Sub Total	Less Financed Assets	Total
Bibra Lake	\$ 1,000,000	\$ 50,000	\$ 8,000	\$ 235,294	\$ 1,293,294		\$ 1,293,294
Cairns	\$ 32,500	\$ 27,100			\$ 59,600		\$ 59,600
Clayton	\$ 1,680,000	\$ 65,000	\$ 39,420	\$ 811,352	\$ 2,595,772	\$ (1,300,000)	\$ 1,295,772
Geebung	\$ 1,900,000	\$ 177,000	\$ 120,000	\$ 603,721	\$ 2,800,721		\$ 2,800,721
Warwick Farm	\$ 5,470,000	\$ 416,000	\$ 646,500	\$ 1,730,007	\$ 8,262,507	\$ (3,250,000)	\$ 5,012,507
Salisbury*				\$ 440,093	\$ 440,093		\$ 440,093
Group			\$ 161,050		\$ 161,050		\$ 161,050
<b>Total</b>					<b>\$ 15,613,037</b>	<b>\$ (4,550,000)</b>	<b>\$ 11,063,037</b>

\*Salisbury Inventory figure includes M&E

Forced Liquidation Value By Location							
Site	Presses	Bindery	Others	Inventory	Sub Total	Less Financed Assets	Total
Bibra Lake	\$ 120,000	\$ 23,000	\$ 3,500	\$ 182,001	\$ 328,501		\$ 328,501
Cairns	\$ 10,900	\$ 10,700			\$ 21,600		\$ 21,600
Clayton	\$ 255,000	\$ 19,000	\$ 75,000	\$ 496,781	\$ 845,781	\$ (110,000)	\$ 735,781
Geebung	\$ 435,000	\$ 107,000	\$ 13,100	\$ 346,602	\$ 901,702		\$ 901,702
Warwick Farm	\$ 1,595,000	\$ 146,200	\$ 435,500	\$ 1,049,575	\$ 3,226,275	\$ (1,100,000)	\$ 2,126,275
Salisbury*				\$ 301,272	\$ 301,272		\$ 301,272
Group			\$ 87,300		\$ 87,300		\$ 87,300
<b>Total</b>					<b>\$ 5,712,432</b>	<b>\$ (1,210,000)</b>	<b>\$ 4,502,432</b>

\*Salisbury Inventory figure includes M&E



### Gross Inventory on Hand as at 30 September 2020

Site	House Reels	Sheetfed	Spares	Other	Total
Bibra Lake	\$ 2,041,807		\$ 309,589	\$ 123,879	\$ 2,475,274
Clayton	\$ 6,500,996		\$ 773,862	\$ 268,501	\$ 7,543,360
Warwick Farm	\$ 9,798,895	\$ 792,935	\$ 3,702,257	\$ 822,569	\$ 15,116,655
Geebung	\$ 3,298,458	\$ 999,908	\$ 874,361	\$ 481,491	\$ 5,654,219
Salisbury	\$ 1,772,900	\$ 327,357		\$ 434,624	\$ 2,534,881
<b>Total</b>	<b>\$ 23,413,056</b>	<b>\$ 2,120,200</b>	<b>\$ 5,660,070</b>	<b>\$ 2,131,064</b>	<b>\$ 33,324,389</b>

### Inventory OLVs as at 30 September 2020

Site	House Reels	Sheetfed	Spares	Other	Total
Bibra Lake	\$ 204,181		\$ 18,575	\$ 12,538	\$ 235,294
Clayton	\$ 737,890		\$ 46,432	\$ 27,030	\$ 811,352
Warwick Farm	\$ 1,154,094	\$ 106,340	\$ 379,040	\$ 90,534	\$ 1,730,007
Geebung	\$ 372,795	\$ 118,652	\$ 61,205	\$ 51,069	\$ 603,721
Salisbury	\$ 319,122	\$ 26,189	\$ 47,391	\$ 47,391	\$ 440,093
<b>Total</b>	<b>\$ 2,788,082</b>	<b>\$ 251,180</b>	<b>\$ 552,643</b>	<b>\$ 228,561</b>	<b>\$ 3,820,467</b>
As % To Cost	11.9%	11.8%	9.8%	10.7%	11.5%

### OLVs as % to Total Inventory

Site	House Reels	Sheetfed	Spares	Other	Total
Bibra Lake	10.0%		6.0%	10.1%	9.5%
Clayton	11.4%		6.0%	10.1%	10.8%
Warwick Farm	11.8%	13.4%	10.2%	11.0%	11.4%
Geebung	11.3%	11.9%	7.0%	10.6%	10.7%
Salisbury	18.0%	8.0%		10.9%	17.4%
<b>Total</b>	<b>11.9%</b>	<b>11.8%</b>	<b>9.8%</b>	<b>10.7%</b>	<b>11.5%</b>

### Inventory FLVs as at 30 September 2020

Site	House Reels	Sheetfed	Spares	Other	Total
Bibra Lake	\$ 157,850		\$ 15,479	\$ 8,672	\$ 182,001
Clayton	\$ 439,473		\$ 38,693	\$ 18,615	\$ 496,781
Warwick Farm	\$ 642,686	\$ 67,285	\$ 282,076	\$ 57,528	\$ 1,049,575
Geebung	\$ 197,397	\$ 78,415	\$ 43,718	\$ 27,072	\$ 346,602
Salisbury	\$ 212,748	\$ 19,641	\$ 34,441	\$ 34,441	\$ 301,272
<b>Total</b>	<b>\$ 1,650,155</b>	<b>\$ 165,341</b>	<b>\$ 414,408</b>	<b>\$ 146,328</b>	<b>\$ 2,376,232</b>
As % To Cost	7.0%	7.8%	7.3%	6.9%	7.1%

### FLVs as % to total Inventory

Site	House Reels	Sheetfed	Spares	Other	Total
Bibra Lake	7.7%		5.0%	7.0%	7.4%
Clayton	6.8%		5.0%	6.9%	6.6%
Warwick Farm	6.6%	8.5%	7.6%	7.0%	6.9%
Geebung	6.0%	7.8%	5.0%	5.6%	6.1%
Salisbury	12.0%	6.0%		7.9%	11.9%
<b>Total</b>	<b>7.0%</b>	<b>7.8%</b>	<b>7.3%</b>	<b>6.9%</b>	<b>7.1%</b>

## II. ENGAGEMENT OVERVIEW

### PURPOSE OF VALUATION

The purpose of the valuation is to provide the client with our professional opinion regarding the present-day monetary value of the machinery & equipment and inventory assets to assist the users of this report in financial and potential restructuring decision making. The definitions of value adopted are considered appropriate for the intended use as discussed with the Ashurst and McGrathNicol.

This report has been compiled in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP). USPAP holds several fundamental tenets of practice for the professional valuer to follow. These include ethics of conduct, management, confidentiality and record keeping. USPAP additionally sets standards of competency, methodology and continued professional training.

USPAP is designed to promote and maintain a high level of public trust in valuation practice by establishing minimum requirements for appraisers. Valuers must develop and communicate their analysis, opinions and conclusions to clients and intended users of their services in a manner that is both meaningful and not misleading.

The report should not be used for any other purpose. If it is considered for any other use, then we will need to be contacted in the first instance to advise whether the values and commentary contained therein remain relevant for any other purpose than that stated above.

### IDENTIFICATION & DESCRIPTION OF THE APPRAISED

As per the scope, Gordon Brothers representatives have conducted this valuation report on a desktop basis although a brief visit to the Warwick Farm facility was conducted to discuss asset files and carry out a brief walkthrough and inspection of key assets. Through this site visit, inspection of a selection of the subject assets, research and discussions with key Ovato Print Pty Ltd personnel. We have assumed all information provided by Ovato Print Pty Ltd to be correct and accurate.



## DEFINITIONS OF VALUE

As requested, the assets have been valued on the basis of Orderly Liquidation Value (OLV) and Forced Liquidation Value (FLV). This is defined as:

### Orderly Liquidation Value (OLV)

“An opinion of the gross amount, expressed in terms of money, that typically could be realised from a liquidation sale, given a reasonable period of time to find a purchaser (or purchasers), with the seller being compelled to sell on an as-is, where-is basis, as of a specific date.”

### Forced Liquidation Value (FLV)

“An opinion of the gross amount, expressed in terms of money, that typically could be realised from a properly advertised and conducted public auction, with the seller being compelled to sell with a sense of immediacy on an as-is, where-is basis, as of a specific date.”

*Valuation definitions have been sourced from The American Society of Appraisers “Valuing Machinery & Equipment: The Fundamentals of Appraising Machinery & Technical Assets”, Third Edition.*



### III. SCOPE OF WORK

Per our letter of engagement, in forming an opinion of value for the assets described in this report various investigations and background research was undertaken including the following:

#### 1. Identification of the problem to be solved:

The basis and purpose of valuation was determined from communications with the client. In this case the value required is Orderly Liquidation Value (OLV) and Forced Liquidation Value (FLV)

#### 2. Site visit and data collection.

On 21<sup>st</sup> October 2020, Gordon Brothers inspected a selection of the machinery & equipment and Inventory that is the subject of the appraisal. Situated at Ovato Print Pty Ltd's facility at 8 Priddle St, Warwick Farm, NSW. Ovato Print Pty Ltd personnel assisted in the inspection and information-gathering process. As this was an unplanned visit, only limited inspections were carried out on key printing assets. Details of key assets were recorded. Whenever possible, this included manufacturer, model, serial number, year of manufacture, and capacities and specifications. A variety of other data relating to the assets was discussed, requested, and gathered during the inspection. In some cases, additional information was subsequently requested.

#### 3. Application of approaches to value:

The valuation analysis included consideration of transactions involving sales of similar assets. It also considered the availability of competitive equipment on the open market and the overall condition and quality of the subject assets compared with the assets sold or available.

- Research included searches of comparable sales databases including platforms such as Fastrack DealerNet and Gordon Brothers' own data base which includes sale from. Currently advertised for sale prices from websites such as Machinery Trader, Graphic Innovators, Kitmondo, Janustec, Discussions with internal Gordon Brothers asset specialists.

Gordon Brothers also contacted used machinery and equipment dealers specialising in printing assets both in Australia and globally, and auctioneers and liquidators for certain key assets. When relevant, discussions included supply and demand factors, the overall condition of the market, and the number of potential purchasers in the market for similar assets. In some instances, Gordon Brothers obtained additional information from other knowledgeable industry sources to assist in the analysis.

Gordon Brothers assembled and analysed all of the information gathered for the subject assets, and during the market research process the approaches to value most appropriate to the purpose and intended use of the appraisal were then developed. These approaches to value are outlined in section 5 of this report. The value indications were reconciled, and the most meaningful data was considered in the final value estimates.

## IV. VALUATION PROCESS

### VALUATION METHODOLOGY

There are three generally accepted valuation approaches that are used to derive an indication of the value of plant and machinery. These approaches include the Cost Approach, Sales Comparison Approach, and Income Approach to value. These approaches are defined as follows:

#### Cost Approach

*"a set of procedures in which an appraiser derives a value indication by estimating the current cost to reproduce or replace the personal property, deducting for all depreciation, including physical deterioration, functional obsolescence, and external/economic obsolescence."*

#### Sales Comparison Approach

*"a set of procedures in which an appraiser derives a value indication by comparing the inventory being appraised to similar assets that have been recently sold or are currently available for sale, applying appropriate units of comparison, and adjusting based on the elements of comparison to the sale prices of the comparable."*

#### Income Approach

*"a set of procedures in which an appraiser derives a value indication for income-producing assets by converting anticipated benefits into value. This conversion is accomplished either by (1) capitalizing a single year's income expectancy or an annual average of several years' income expectancies at a market derived capitalization rate or capitalization rate that reflects a specified income pattern, return on investment, and change in value of the investment or (2) discounting the annual cash flows for the holding period and the reversion at a specified yield rate."*

In this assignment although all methods of valuation were considered it became clear at an early stage that the best approach was to utilise the Sales Comparison Approach. The Cost Approach was also considered and given limited weight in final analysis in particularly for assets where like market was unavailable. Marketability of each item is also a determinant of value. Marketability, as a measure of demand, is approximated through recent sales under similar sale conditions. Where actual sales are not available, relationships are often established based upon asking prices for comparable items, with subsequent adjustments for similar sale conditions.

Depreciation includes loss in value due to physical deterioration as well as functional and economic obsolescence. Functional obsolescence is the decreased capacity of the item to perform the function for which it is intended in terms of current standards and specifications. Functional obsolescence may stem either from a deficiency within the items such as poor design or outmoded style or may result from super-adequacy or over-design. Economic obsolescence represents a loss in value from factors outside the item appraised, such as a depressed market for the product. These factors generally are characterised as

“negative external forces,” which have an impact upon the item appraised. Comparisons are sometimes made to recent cost data when comparable sales are not found under the appraisal concept.

The Income Approach was considered but not used in this report. This is due to the difficulty in determining what portion of the total income and expense stream of a given plant would be attributable to a specific piece of equipment. This type of analysis is not appropriate to the scope of this appraisal.

## V. ASSET & INDUSTRY ANALYSIS

### COMPANY INFORMATION

Ovato operate from 6 main print plants throughout Australia. The primary operation is the printing and distribution of retail catalogues and printed magazines. Magazines are printed and distributed for major customers such as Bauer media and News Ltd. Publications include Woman's weekly, New Weekly, that's Life, Wheels, Cleo, Take 5, TV Week, Vogue, Qantas Inflight Magazine, amongst others. Top catalogue and point of sale marketing material clients include Bunnings, Woolworths, Ikea, ALDI, Kmart, Target and Freedom. In addition to Catalogue and Magazine printing and distribution, the company also operate a book printing and binding facility under name of Griffin Press Located in Salisbury, South Australia. The company has gone through structural changes in recent years through the acquisition of major competitor PMP in 2018 and the closure and consolidation of print sites in Lidcombe in 2018 and Moorebank at the beginning of 2020. Ovato also offer production and agency services and have additional offices throughout Australia.

### ASSET OBSERVATIONS & MARKETABILITY

Ovato's Fixed asset register as at 31<sup>st</sup> August 2020 has a net book value of \$95.7 million. This includes 7,900 assets and accounting entries such as capitalised wages, refurbishments and repairs, relocation, and installations. Key assets can be broken down to Presses; Heat Set Web presses and Sheetfed Presses and Bindery equipment. The Bindery equipment consists of machinery such as Folders, Stitchers, Strappers, Guillotines, Booklet makers and mailing machines which wrap and print addresses on printed materials for distribution. Ancillary equipment includes finishing and sorting machines which collate, cartonise or strap printed materials and palletize for distribution. Additional assets include Vehicles, Furniture, IT, Software, handling equipment and racking. Gordon Brothers has conducted this valuation on a sight unseen desktop basis. Due to project time constraints full details of assets have not been able to be obtained. Key Information which has not been available includes the impressions for Sheetfed presses. The impressions count is similar to the odometer of a car. This shows the level of use for these machines over their operating life. Gordon Brothers have assumed the sheetfed presses have medium to high level of usage and considered their ages when arriving at values. Similarly, details of age and usage for vehicles has not been available. Assumptions have been made based on the acquisition dates and descriptions. For the purposes of this valuation the key focus has been on the higher valued assets with the Fixed Asset register having been initially sorted to show assets with a NBV greater than \$10,000.

Much of Ovato's Web and Sheet Fed presses have a manufactured date between 10 to 20 years ago. For many items the standard estimated economical life is 20-25 years as technology changes and usage increases, machine value diminishes. Apart from Broader macro triggers such as industry health and levels of used equipment supply and demand, The age (and usage) of machines is a key factor into their value and market desirability. For the Sheet Press lines there is still reasonable market demand for quality used lines, however, the high costs of relocation and lack of localised demand affects the resale values. For the Heat Set presses, the sheer size and relocation and reinstatement costs affects the resale value even greater extent. Current used equipment values are being further deteriorated by the surplus of used presses available on the global market and the ever-decreasing global demand for printed materials. For many of the key Heat Set presses, on a forced liquidation basis, the values ascribed herein reflect what could be achieved on a salvage basis which is the only realistic disposal option in the current market under a forced liquidation scenario. The numbers presented are gross numbers and do not include the additional costs which could be incurred to physically remove a press from the buildings such as removal or roofs, craneage, site health and safety, engineering and

environmental clean-up. In some instances, the additional costs of removal could be greater than the actual value.

The Bindery equipment enjoys a broader secondary market with more liquid value as these are more portable assets and can be repurposed to work alongside a number of different printing process lines. The values are however impacted by decreasing global demands and high levels of available machines of similar capacity which are geographically located closer to likely end user buyers and equipment dealers and resellers throughout Europe and Asia in particular.

Gordon Brothers have not conducted any PPSR or RoT Claims on assets or inventory subject to this valuation. It is our understanding that this is being worked on separately by Ashurst and McGrathNichol. Gordon Brothers have been advised that three main printing and finishing lines are subject to a finance agreement with Germany's Commerzbank. These assets have been presented with the valuation, but have also been identified with comparisons showing the gross recovery values with the inclusion and exclusion of these lines. These specifically include the following asset numbers, 624391 (2X 2013 Lithoman Duplex Heat Set presses 48 page each which are run together as one 96 page line at the Clayton facility) 685636 (Lithoman 2019 80 page press installed at the Warwick Farm facility) and 685644 (Rima System Post press equipment including sorters, collators, strappers and robot cell palletisation).

The Inventory assets subject to this valuation have been valued on a gross basis. No allowance has been made for potential PPSR claims against inventory. The gross inventory figure also includes spare parts for presses and machinery. Key inventory consists of Paper (Mother Rolls and Sheeted Paper) Inks, Bulk IBC inks, Inks which have been decanted into bulk ink stations (up to 30 tonnes of ink per tank) and opened and sealed specialist ink colours for smaller print jobs.

The Mother roll paper inventory has a limited market. There are only four other printing companies in Australia operating web print lines that would be able to utilise this paper inventory. This is further complicated by the various paper widths on hand. Not all paper widths are compatible with different Heat Set printer rollers. Smaller widths can be used on other press lines but the users lose efficiencies and are less desirable. Additionally, Ovato's mother roll inventory consists of a broad range of paper types, finished and GSM. Some of which have relatively low stock on hand amounts (under 2000kg) which would equate to potentially 2 rolls or numerous part used rolls. Significant discounts from cost would be required to incentivise other printing companies to purchase this inventory on a cash basis. Transportation would also have to be factored into the eventual sales price. For those SKU's with higher quantities on hand there is a potential market with competitors, but it is likely that they would only look to purchase this inventory if they were able to secure printing contracts with the customers who specify the individual paper types on hand or had an existing requirement for.

Sheet Fed paper has a greater marketability and demand as it is more universal in size and there are a greater number of operators running Sheet Fed print lines. The OLV and FLV values assume goods are sold "as is where is" at a cash price. Printers are accustomed to receiving payment terms and having goods delivered. As such, realisation values are depressed to account for these factors.

Ink Inventory would have little value in the event of realisation as much of the ink products have already been opened. Bulk Inks are typically emptied into bulk tanks which feed the press lines. This would be difficult to recover full IBCs would have some value although it is likely they would be subject to PPSR claims as the company are on 14-day payment terms with their major ink supplier and only have 3-4 days' supply of Ink at the time of Gordon Brothers review. Sealed Partially used small Ink containers could potentially be sold as bulk sale however the returns would be minimal. There potentially could be an environmental dumping liability for any INKs that were not able to be sold. Deep discounts on costs would be required to encourage bulk quantity sales to ideally prevent additional disposal costs to be incurred.

Spares inventory would have a low value due to the lack of end users. These goods would need to be packaged and sold with their associated press lines. There are some spare parts which would be of interest to dealers and repair and refurbishment customers at high level discounts from cost.

Other consists of Plate inventory, this would likely maintain a stronger value than other types of inventory as it is somewhat generic and has an underlying scrap value. Similar to mother roll paper, plates are specific to the press dimensions and there are only a few companies in Australia that would be capable of using the plates

owned by Ovato. Also included within "Other" are; Films, Pallets, Coatings, Cartons and other consumables

## INDUSTRY & MARKET OBSERVATIONS

Over recent years the printing industry globally has been on a steady decline. This decline has impacted Australia, which has seen a consolidation. Currently in Australia there are only four competitors running Web Presses; Spotpress, IVE Group, Cadillac Printing in Adelaide, Fairfax North Richmond. The IVE Group being the major competitor on a similar scale as consolidation of a number of separate businesses.

Consumers have moved away from printed media magazines and distribution of catalogues for retailers has decreased in favour of more effective and cost-effective digital marketing and online catalogues. In Australia, Supermarket giant Coles made the announcement in August 2020 that they would cease distribution of weekly catalogues permanently opting to replace these with targeted personalised digital marketing. Similarly, Bauer Media announced they were shutting down 8 of their magazine brands in July. The decline in demand for printing has resulted in a number of high-profile printing companies closing down with consolidation of operations common in many developed countries. In April 2019 European printing giant Circle Media Group filed for bankruptcy. The company had operations at 26 sites across 10 European countries. Many of their web presses were sold as scrap. Despite having good quality presses, even dealers were not interested in purchasing many of the lines for spare parts or remarketing. Just in the past couple of months two major American printing and distribution companies, Arandell Corporation and LSC Communications, both with similar business models to Ovato have filed for bankruptcy. It is expected unless the businesses are restructured many of their assets will be offered to the global printing market but much will be sold at scrap and salvage value. These closures have seen an influx of used printing equipment being offered to the market. Much of this used equipment has been purchased by specialist dealers who strategically purchase the equipment and attempt to source suitable buyers over a prolonged period. Currently many of the international and local dealers which Gordon Brothers have spoken with have advised that they do not wish to purchase used Web Press printing equipment simply because they already have inventory which they need to sell and they do not have room or potential buyers for it. A recent casualty in the Australian market ACM had some similar assets which struggled to achieve strong recovery values or local demand.

There is a significant cost involved with relocating and reinstating used web press lines. As an example relocation costs for some of the Ovato lines from the Moorebank facility in NSW to the Warwick Farm site approximately 10km apart was between \$450,000 to \$650,000. These types costs are factored into purchase prices for used equipment and erode much of the value of the machine if it were to be removed and relocated. There is a very limited number of potential customers for used equipment based in Australia. Potential customers would likely be European and Asian based which adds additional costs of relocation and engineering costs. The over-supply of similar press lines and the high costs of relocation negatively compounds the values on an Orderly and Forced liquidation value. The logistics operation and reinstatement is no small task. By way of example, the recently acquired Man Roland Press line installed by Ovato in 2019 has a shipping weight of 288 tonnes and arrived to Australia in 37 shipping containers. Despite being new equipment, the installation and assembly took 12 weeks to complete.

As an Extraordinary Circumstance, the typical marketing period for and Orderly liquidation of Web Press lines is on average two years. Under the standard definition an Orderly liquidation period is typically 180 days. Should a sale period to 180 days the OLV's would be closer to FLV. An additional complication in achieving a successful sale of machines is the difficulty in dealing with overseas buyers. The current Covid-19 restrictions also make it near impossible for any foreign purchasers to purchase machinery as typically engineers would fly to physically inspect and test a running machine prior to entering into pricing negotiations and logistic considerations. . Not being able to do this limits the engagement potential with these buyers.



## VI. SALE CONSIDERATIONS

- Assets would be sold on a private treaty basis to maximise OLV's in the event of a FLV assets would be sold in a combination of online auction and private treaty sale
- A large majority of assets would likely be sold to overseas parties. This includes end users and dealers. Some of the larger assets would be sold at a scrap value to local salvage merchants
- The estimate selling period under an Orderly liquidation period would be 2 years. This is an extraordinary exception due to the scale and specialist nature of the assets and lack of demand locally. Under a forced liquidation the time frame would be 30 days although it should be noted that additional time would be required after the sale of assets to allow for safe removal and disassembly.

## VII. OTHER CONSIDERATIONS

### EXCLUDED ITEMS

The following have been excluded from our report as being outside our scope of works:

- Any asset located on any premise other than those we attended and which we were not made aware of;
- All forms of intellectual property such as goodwill, software etc.;
- All assets considered land, buildings or fixtures or building and/or structural improvements;
- All assets which are said to be provided under operating or rental/hire agreements.

### GOODS AND SERVICES TAX ("GST")

The values provided in this report are **exclusive of GST**.

### CURRENCY EXCHANGE RATES

It may be the case that some of the market data used in this analysis originated from international manufacturers and suppliers. Accordingly, we have used exchange rates prevailing at the date of valuation to enable us to make meaningful comparisons with Australian sourced data.

### LEASED AND THIRD-PARTY PROPERTY

Ownership categorization and any comment as to outstanding amounts provided in this report is reliant on information provided to us and as such is accurate solely to the extent the information relied upon was accurate. We have not sought to verify title via the PPSR register. Neither have we procured loan pay-outs direct from the relevant loan provider(s).

### VALIDITY PERIOD OF VALUATION

The values contained herein are current as at the stated date of valuation only. In the normal course of events assuming market factors which underpin the basis of our values remain stable, the values in this report can be considered valid for a period of up to three months.

In the event external and/or market factors shift suddenly and/or unexpectedly (within three months) causing those underlying value assumptions to change then the validity period would be void and a review of values required. No liability in respect to any loss or damage claimed from any such change(s) is accepted. Similarly, no liability or responsibility is accepted for any party's reliance on this report after the three-month validity period.

#### EFFECTIVE DATE OF VALUATION

The effective date for the valuation is 27 October 2020. This is the only date at which the valuation opinion applies and only for the stated purpose. Only known or knowable information available as of the effective date of the valuation is to be considered in the development of an opinion of value. It is important to understand that the effective date may be quite different to the date the report was produced. This is true for valuations that are retrospectively or prospectively based. The reporting date for this valuation is the 27 October 2020

Area	Asset Type	Asset ID	Year	Make	Additional Comments	OLV	FLV
Geebung	Heat Set Press	529414	2005	Lithoman Duplex	Pagination:40 Type: QT, Reel Size: 1080mm Cut off:578mm Circumference: 1156mm 2 x 40pp presses or run as 1 x 80pp	500,000	60,000
Geebung	Heat Set Press	529414	2005	Lithoman Duplex	Pagination:40 Type: QT, Reel Size: 1080mm Cut off:578mm Circumference: 1156mm Double Former, Double Parallel & Delta (A folder), Plough Fold for 4up (B folder)	500,000	60,000
Geebung	Heat Set Press	631615	2010	M600 Duplex	Pagination:32 Type: QT, Reel Size: 960mm Cut off:578mm Circumference: 2 x 578mm Double Parallel	450,000	50,000
Bibra Lake	Heat Set Press	528702	2005	Lithoman Duplex	Pagination:40 Type: QT, Reel Size: 1080mm Cut off:578mm Circumference: 1156mm 2 x 40pp presses or run as 1 x 80pp	500,000	60,000
Bibra Lake	Heat Set Press	528702	2005	Lithoman Duplex	Pagination:40 Type: QT, Reel Size: 1080mm Cut off:578mm Circumference: 1156mm Double Former	500,000	60,000
Clayton	Heat Set Press	326441	1999	Lithoman 5	Pagination:64 Type: QT, Reel Size: 1980mm Cut off:570mm Circumference: 1140mm Stitching or gluing	120,000	45,000
Clayton	Heat Set Press	624391	2013	Lithoman Duplex	Pagination:48 Type: QT, Reel Size: 1460mm Cut off:570mm Circumference: 2 x 1140mm 2 x 48pp presses or run as 1 x 96pp	650,000	55,000
Clayton	Heat Set Press	624391	2013	Lithoman Duplex	Pagination:48 Type: QT, Reel Size: 1460mm Cut off:570mm Circumference: 2 x 1140mm Inline Tabloid Stitching, 2 folders	650,000	55,000
Clayton	Heat Set Press	208700	1995	Lithoman	Pagination:48 Type: A4, Reel Size: 1410mm Cut off:630mm Circumference: 1260mm	70,000	25,000
Clayton	Heat Set Press		1996	Goss M3000	Pagination:24 Type: QT, Reel Size: 1410mm Cut off:565mm Circumference: 565mm	30,000	15,000
Clayton	Heat Set Press	584470	1997	M600	Pagination:16 Type: A4, Reel Size: 960mm Cut off:630mm Circumference: 630mm 5 colour cover press	30,000	10,000
Clayton	Heat Set Press	326661	1999	Rotoman Duplex	Pagination:32 Type: QT, Reel Size: 960mm Cut off:578mm Circumference: 2 x 578mm	130,000	50,000
Warwick Farm	Heat Set Press	659	2005	M600 (A)	Pagination:16 Type: QT, Reel Size: 960mm Cut off:578mm Circumference: 578mm 6 units, Sheeter, Innotech folder for 4up production	140,000	75,000
Warwick Farm	Heat Set Press	529393	2005	Lithoman 8 (B)	Pagination:64 Type: A4 + XG, Reel Size: 1980mm Cut off:630mm Circumference: 1260mm Cross grain folder has inline stitching, both folders have inline trimming & gluing	450,000	45,000
Warwick Farm	Heat Set Press	685636	2019	Lithoman 80pp (C)	Pagination:80 Type: QT, Reel Size: 2060mm Cut off:570mm Circumference: 1140mm 4 units in line Contiweb dryer 80pp configuration Commissioned October 2019	2,700,000	750,000
Warwick Farm	Heat Set Press	631059	2012	Lithoman Twin Web (D)	Pagination:96 Type: QT, Reel Size: 1460mm Cut off:570mm Circumference: 2 x 1140mm Balloon Former, Inline Stitching & Gluing, 2 x 4 units stacked	800,000	70,000
Warwick Farm	Heat Set Press	614	1998	Lithoman 'E'	Pagination:48 Type: QT, Reel Size: 1460mm Cut off:570mm Circumference: 1140mm Inline Stitching or Gluing	150,000	50,000
Warwick Farm	Heat Set Press	527929	2005	Lithoman 7 (F)	Pagination:64 Type: QT, Reel Size: 1980mm Cut off:570mm Circumference: 1140mm Inline Stitching or Gluing, inline trimming	450,000	55,000
Warwick Farm	Heat Set Press	631575	2005	Komori 385 (G)	Pagination:16 Type: A4, Reel Size: 960mm Cut off:630mm Circumference: 630mm Double Parallel, Vits sheeter Plough Fold for 4up	80,000	40,000
Geebung	Sheet Fed Press	631870	2008	Heidelberg XL 105	Units:6 Coating:UV/Aqueous, Cut off: 1050mm Width:750mmTwin tower coating Aqueous and UV	350,000	200,000
Geebung	Sheet Fed Press	632063		Heidelberg CD 102	Units:5 Coating: Cut off: 1020mm Width:720mm	100,000	65,000
Warwick Farm	Sheet Fed Press	628	2009	Heidelberg XL105	Units:6 Coating:Aqueous, Cut off: 750mm Width:1050mmPrints Conventional Inks only, single Aqueous coater.	320,000	230,000
Warwick Farm	Sheet Fed Press	641486	2011	KBA Rapida 106	Units:6 Coating:UV/Aqueous, Cut off: 740mm Width:1060mmPrints either Conventional or UV cured Inks. Twin Coater, with the ability to run either Aqueous or UV coatings on both coating units. Press is raised to accommodate thicker stocks.	380,000	280,000
Cairns	Sheet Fed Press	632238	1996	Komori Lithrone 528	Units:5 Coating:Machine Varnish, Cut off: 720mm Width:520mm	30,000	10,000
Cairns	Sheet Fed Press		Not known	Heidelberg GTO52	Units:1 Coating: Cut off: 520mm Width:360mmNumbering, Perfling, Scoring, Envelopes	2,000	800
Cairns	Sheet Fed Press		Not Known	Heidelberg KORS	Units:1 Coating:UV, Cut off: 720mm Width:520mmUsed solely for UV varnishing, inline UV lamps	500	100
Geebung	Stitcher		2004	Muller Martini Prima Plus	Feeders: 8 + cover Inserter: Y Min Size: 105 x 75 Max Size 479 x 300 5 Knife capability	20,000	15,000
Geebung	Stitcher		2010	Muller Martini Primera E-140	Feeders: 8 + cover Inserter: Y Min Size: 105 x 63 Max Size 480 x 310 Inline strapping, 5 Knife capability, Hole punch capability	50,000	30,000
Geebung	Mailing			Buhrs Zandaam	Feeders: 10 Inserter: Y Min Size: 230 x 200 Max Size 440 x 360 Stacking, plastic wrapping, cross strapping	15,000	10,000
Geebung	Mailing			Sitma 750	Feeders: 5 + shuttle Inserter: Y Min Size: 200 x 100 Max Size 315 x 400	15,000	10,000
Geebung	Folder			Stahl TH82 6 - 4 - 4 Buckle	Feeders: N/A Inserter: N/A Min Size: 140 x 180 Max Size 820 x 1200	9,000	5,000
Geebung	Folder			Stahl TH82 6 - 4 - 4 Buckle	Feeders: N/A Inserter: N/A Min Size: 140 x 180 Max Size 820 x 1200 Spine glue and gatefold capability	9,000	5,000
Geebung	Folder			Stahl T78 4 - 4 - 4 Buckle	Feeders: N/A Inserter: N/A Min Size: 150 x 200 Max Size 780 x 1160	9,000	5,000
Geebung	Crash Folder			Shoei Crash Folder	Feeders: N/A Inserter: N/A Min Size: 297 x 210 Max Size 420 x 300	9,000	5,000
Geebung	Crash Folder			Shoei Crash Folder	Feeders: N/A Inserter: N/A Min Size: 297 x 210 Max Size 420 x 300	9,000	5,000
Geebung	Guillotine			Polar 137 ED Guillotine	Feeders: N/A Inserter: N/A Min Size: N/A Max Size N/A Scales, jogger and transomat	15,000	8,000
Geebung	Guillotine			Polar 137 X Guillotine	Feeders: N/A Inserter: N/A Min Size: N/A Max Size N/A Scales, jogger and transomat	15,000	8,000
Geebung	Overprinter			Kirk Rudy	Feeders: 1 Inserter: N/A Min Size: 90 x55 Max Size 300 x 300 Variable Data Ink Jet	2,000	1,000
Bibra Lake	Stitcher			Muller Martini Optima	Feeders: 6 + cover Inserter: Y Min Size: 110 x 200 Max Size 480 x 325 Stacking, cross strapping, palletising, merchandise tipper	35,000	15,000
Clayton	Stitcher			Ferag Unidrum Stitcher	Feeders: 7 Inserter: Y Min Size: 240 x 148 Max Size 420 x 290 Stacking, Plastic wrapping, Cross strapping, Palletising	20,000	5,000
Clayton	Stitcher			Ferag Unidrum Stitcher	Feeders: 5 Inserter: Y Min Size: 208 x 153 Max Size 420 x 310 Tip ons, Post it notes, Stacking, Cross strapping, Palletising	20,000	4,000
Clayton	Stitcher			Ferag SHT Stitcher	Feeders: 5 Inserter: Y Min Size: 248 x 153 Max Size 450 x 310 Stacking, Cross strapping, Palletising	25,000	10,000
Warwick Farm	Perfect Binder		2011	Kolbus Perfect Binder	Feeders: 21 Inserter: Y Min Size: 140 x 105 Max Size 420 x 300 Reverse Bound feeders, Tip-on units, 4 Scoring knife trimmer, Stacking, Plastic wrapping, Cross strapping, Palletising	120,000	50,000
Warwick Farm	Perfect Binder		2003	Corona Perfect Binder	Feeders: 19 Inserter: Y Min Size: 120 x 105 Max Size 420 x 310 Reverse Bound feeders, Tip-on units, Stacking, Paper wrapping, Cross strapping, Palletising, Insert unit before stacker, Bi-liner inserts	65,000	12,000
Warwick Farm	Stitcher		2011	Ferag Unidrum Stitcher	Feeders: 6 Inserter: Y Min Size: 140 x 100 Max Size 420 x 310 Stacking, Plastic wrapping, Cross strapping, Palletising	30,000	8,000
Warwick Farm	Stitcher		2011	Ferag Unidrum Stitcher	Feeders: 5 Inserter: Y Min Size: 208 x 153 Max Size 420 x 310 Tip ons, Post it notes, Stacking, Cross strapping, Palletising	30,000	8,000
Warwick Farm	Stitcher		2001	Ferag Stitcher	Feeders: 6 Inserter: Y Min Size: 140 x 100 Max Size 420 x 310 Stacking, Plastic wrapping, Cross strapping, Palletising	15,000	5,000
Warwick Farm	Stitcher		2006	Muller Martini Optima	Feeders: 12 Inserter: Y Min Size: 200 x 148 Max Size 320 x 250 Card gluer unit	3,000	1,200
Warwick Farm	Stitcher			Muller Martini Prima	Feeders: 4 + cover Inserter: Y MinSize: 140 x 105 Max Size 480 x 300 5 Knife capability	20,000	15,000
Warwick Farm	Mailing			Sitma 950e	Feeders: 4 Inserter: Y Min Size: 150 x 100 Max Size 420 X 330 Selective Inserting, Barcode Scanner Detection, Flip Over Unit, Inline Strapping	23,000	9,000
Warwick Farm	Mailing			Sitma 950	Feeders: 6 Inserter: Y Min Size: 150 x 100 Max Size 420 X 330 Selective Inserting, Barcode Scanner Detection, Inline Strapping	23,000	9,000
Warwick Farm	Mailing			Sitma 1150	Feeders: 6 Inserter: Y Min Size: 150 x 100 Max Size 420 X 330 Inline Strapping	25,000	9,000
Warwick Farm	Mailing			Sitma 750	Feeders: 6 Inserter: Y Min Size: 150 x 100 Max Size 500 x 450 Inline Strapping	15,000	6,000
Warwick Farm	Mailing			CMC	Feeders: 6 Inserter: Y Min Size: 120 x 100 Max Size 380 x 300 Barcode Camera Detection, Inline Strapping	3,500	1,000
Warwick Farm	Crash Folder			Shoei Crash Folder		3,500	1,000



Area	Asset Type	Asset ID	Year	Make	Additional Comments	OLV	FLV
Warwick Farm	Guillotine			Polar 137 X Guillotine	Feeders: Hand Inserter: N Min Size: N/A Max Size 1370 x 1400	20,000	6,000
Warwick Farm	Guillotine			Polar 137 X Guillotine	Feeders: Hand Inserter: N Min Size: N/A Max Size 1370 x 1400	20,000	6,000
					Feeders: Inserter: Min Size: Max Size		
Bibra Lake	Guillotine			Polar 137 XT Guillotine	Feeders: Hand Inserter: N Min Size: N/A Max Size 1370 x 1400	15,000	8,000
Cairns	Folder			Stahl Folder - KD66	Feeders: 1 Inserter: N Min Size: N/A Max Size 1040 x 660	5,000	1,500
Cairns	Folder			Stahl Folder - T36	Feeders: 1 Inserter: N Min Size: N/A Max Size 420 x 297 A3 Folder	3,000	1,200
Cairns	Folder			MBO Folder - T69/79	Feeders: 1 Inserter: N Min Size: N/A Max Size 1060 X 690 8 buckle, round pile feeder	5,000	3,000
Cairns	Cylinder			Heidelberg	Feeders: 1 Inserter: N Min Size: N/A Max Size 720 x 560 Scoring, Diecutting	3,000	1,000
Cairns	Stitcher			Duplo 5000 Booklet Maker	Feeders: 10 Inserter: N Min Size: 105 x 148 Max Size N/A A4 portrait booklet maker, single tower 10 bin	5,000	2,000
Cairns	Guillotine			Polar 115emc	Feeders: N/A Inserter: N/A Min Size: 90 Max Size 1150	2,000	600
Cairns	Guillotine			Wohlenberg 115	Feeders: N/A Inserter: N/A Min Size: 90 Max Size 1150	1,600	500
Cairns	Celloglazer			Bondmaster BMA2	Feeders: N/A Inserter: N/A Min Size: 50 Max Size 600 Single and double sided celloglazing	2,500	900
NSW	Rima System Post press system	685644				555,000	350,000
VIC	Bizhub Press 2250 Dual Engine	683657				120,000	75,000
VIC	Toyota Hi-ace Van	681475				14,000	12,000
NSW	Bindery W Farm Equip PP5	631074				45,000	20,000
QLD	Kodak Magnus VLF6383 V Speed	632767				12,000	8,000
QLD	Xerox Versant 180 Press	660677				10,000	4,000
QLD	LINDE R16 S REACH TRUCK	631792				4,000	2,000
QLD	LINDE R16 S REACH TRUCK	631788				4,000	2,000
NSW	Sitma Relocation	681301				12,000	45,000
NSW	2019 Toyota Hiace Van LWB 2.7	683340				14,000	12,000
NSW	HP Inkjet Sitma GT	681395				7,500	3,000
NSW	Toyota Landcruiser Wagon GXL	662071				12,000	8,000
NSW	Gym Warwick Farm	660113				5,000	3,500
NSW	Liftaide Lift Trolley	685521				3,500	2,000
NSW	Pallet Racking Shelf	681951				2,000	1,000
NSW	Toyota Hiace LWB 2.7L	662072				4,000	2,000
WA	Shredder	628640				5,000	2,000
WA	Conveyor	628658				3,000	1,500
NSW	Toyota Workmate Ute BW80RY	641565				1,500	1,000
QLD	Linde T20 SP PALLET TRUCK	631787				1,500	1,000
QLD	Motorcycle 8 of 10	583605				350	100
QLD	Motorcycle 9 of 10	583613				350	100
QLD	Motorcycle 10 of 10	583621				350	100
QLD	Forklift Extension Slippers	631842				200	50
NSW	AR87MD 2007 Toyota Hi-Ace	661056				1,000	500
QLD	LOGITRANS FORK LIFT	631944				2,500	
QLD	2009 FALCON XR6 SEDAN	631989				15,000	
QLD	SATELLITE NAV SYSTEM - MV	632321				20	0
QLD	FORKLIFT EXTENSION SLIPPERS	632530				200	50
NSW	Rego #ARP 89T Mercedes E240	630530				15,000	7,000
NSW	Rego#NXB 8IL	630531				5,000	4,000
NSW	Holden Caprice Statesman	630532				5,000	3,000
NSW	Purchase of Land Rover 7494	630533				15,000	10,000
NSW	Vectra CD Hatch Rego AIZ 71W	630534				12,000	8,000
NSW	BMW Rego#SBO2BU	630535				3,000	1,500
NSW	3 SCISSOR PALLET LIFTS FOR HP	630702				15,000	10,000
NSW	Allowance for Office equipment @ 5 sites	662182				50,000	15,000
						11,792,570	3,336,200







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## IX. LIMITING CONDITIONS AND EXTRAORDINARY ASSUMPTIONS

This plant, machinery and equipment valuation is made subject to the following:

### GENERAL LIMITING CONDITIONS

- 1) The determined values are exclusive of Goods and Services Tax. Our Orderly Liquidation Value does not take into account any costs associated with realising the value of the assets or additional costs or environmental disposal and access to assets (e.g. roof and structure removal, Cranes and building dilapidations).
- 2) The valuation is made solely for the use of the Ashurst Australia and intended users to whom it is addressed. No responsibility to any third party is, or will be, accepted for any part of the valuation.
- 3) Neither all nor any part of the contents of this report, or copy thereof, shall be reproduced for any purpose other than stated in the report, nor shall it be made available to the media, another valuer or anyone else without the written consent of Gordon Brothers.
- 4) Physical condition in most instances has been determined by assumption. Any unknown conditions existing at the time of inspection could alter the value. No responsibility is assumed for latent defects of any nature whatsoever which may affect value, nor for any expertise required to disclose such conditions.
- 5) No investigation of legal title to the property, unless explicitly stated otherwise, has been made and the claim to the property has been assumed to be valid.
- 6) No additional values have been made in regard to such intangibles as patents, trademarks or goodwill.
- 7) Information, estimates and opinions furnished by the appraiser and contained in this report were obtained from sources considered reliable and believed to be true and correct; however, no responsibility for the accuracy of such items furnished to the appraiser can be assumed by the appraiser. No liability or responsibility is expressed for results from actions taken by anyone as a result of this report. Further, there is no accountability, obligation, or liability to any third party.
- 8) Matters of a legal nature or with tax consequences have not necessarily been considered in this report. The reader should consult a competent legal advisor and/or a qualified tax accountant for information and opinions in those areas.
- 9) Machinery and equipment appraisers are called on for valuation and verification for equipment from many different fields of business. It is impossible for any appraiser to be an authority in every field of machinery/equipment. Therefore, the appraiser has endeavoured to use basic sound, accepted methodologies in any assignment. When applicable conversations with those dealing daily in a specific field were conducted, and all final evaluations are founded on prudence and best effort on the part of the appraiser. Conclusion is arrived at from many years of experience in the sale and appraisal of machinery and equipment. The final form of this report is made possible by omitting many details used in estimating, yet not considered essential to the report. Due to the complexities and variables on the

many items of fixed assets, itemised values become the guideline for justification rather than individual summaries for each conclusion.

- 10) The valuer has endeavoured to use due diligence in all market comparisons. If possible, multiple comparisons of similar items sold within a reasonable and applicable time period usually provide substance for a credible value determination. However, at times it is not possible to find any direct sales comparisons that have actually sold. In these cases, the appraiser has relied heavily on comments and testimony from sources considered reliable (dealers, auctioneers, manufacturers, wholesalers for example) in arriving at the final value estimate.
- 11) It is assumed that all equipment has standard features commensurate with its normal operation. For instance, machinery might include: guards, electrical starters, switch-gear, safety equipment, wiring, conduit/piping and electrical, pneumatic or hydraulic controls systems, or other peripheral items considered standard for operating the indicated model or type of equipment. This type of detailed listing is not described for each machine due to repetition, time, cost, and description length within the listing. An attempt is made, however, to indicate any non-standard features at an appropriate point within the investigation.
- 12) Description of items made as part of this report is believed correct to the best ability of the appraiser. Any errors or omissions were unintentional and should not affect the value assignment.
- 13) The subject equipment may or may not conform to local OHS standards. The sole responsibility for conforming rests with the owner of the subject equipment and may not necessarily affect the final estimate of value reported herein.
- 14) The valuation has been prepared in good faith on the basis that full disclosure of all information and salient points which may affect the valuation. The compliers of this report and signatories of the certification, expressly disclaim all liability for any loss or damage (including economic and consequential loss) suffered by any person acting or relying on the valuation notwithstanding any act or omission, representation, negligence, default or lack of care by any person.
- 15) The valuation is valid only as of the effective date of the report and for the purposes outlined in the section "Purpose of Valuation".
- 16) The valuation concept used in this report is one accepted by the client.
- 17) Nothing in this report constitutes as financial advice prepared for Ashurst Australia.
- 18) All assets valued on a sight unseen basis should be considered indicative only. Gordon Brothers accepts no liability for reliance placed on assets valued on a sight unseen basis. Gordon Brothers can not verify the condition, nor the existence of any assets valued on a sight unseen basis and have relied solely on the information provided to arrive at the ascribed values.

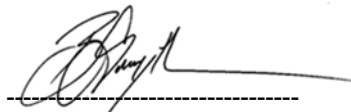
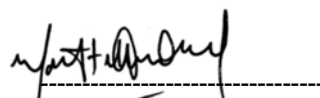
#### EXTRAORDINARY ASSUMPTIONS SPECIFIC TO THIS ASSIGNMENT

Due to the current global market conditions for printing equipment and the time typically taken for planning, logistics, inspection, engineering and specification sourcing for used printing equipment. Gordon Brothers have assume the Orderly Liquidation Period to be 2 years. From speaking with industry professionals this would be required to achieve OLV's should the sales period need to be a shorter period the values would decrease significantly and be closer to forced liquidation values.

## X. CERTIFICATION OF VALUE

It is hereby certified that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions set forth in this report are limited only by the assumptions and limiting conditions (imposed by the terms of the assignment or by the undersigned) set forth by this report, and are personal, unbiased, professional analyses, opinions, and conclusions.
- Gordon Brothers has no current or contemplated future interest in the property that is the subject of this report and no personal interest or bias with respect to the parties involved.
- Any statement(s) of condition are the result of visual inspection only and should not be construed as an opinion of operability or utility.
- The engagement of Gordon Brothers in this assignment was not contingent upon developing or reporting predetermined results.
- Neither the valuation nor the amount of the fee is contingent upon developing or reporting a predetermined value, requested minimum value, a direction in the value that favours the cause of the client, a specific valuation, the approval of a loan, the amount of the value estimates or attainment of a stipulated result, nor is the compensation contingent upon an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- No person or persons other than those acknowledged below prepared the analysis, conclusions, and opinions, or provided significant professional assistance
- In preparation of this report, analysis, opinions, and conclusions have been developed and Gordon Brothers have conformed with procedures and definitions contained within the Uniform Standards of Professional Appraisal Practice ("USPAP") as defined by the Appraisal Standards Board of The Appraisal Foundation.
- Neither of the undersigned have made a full inspection of personal property that is the subject of this report.
- Brendan Smyth and Matt Aubrey have performed no services as an appraiser or in other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

  
Brendan Smyth  
Director  
ASA  
Matt Aubrey  
Managing Director



# Appendices

## Appendix A. Definitions

Source - "Valuing Machinery and Equipment: "The Fundamentals of Appraising Machinery and Technical Assets", The American Society of Appraisers, Third Edition,

**Excellent (E)** This term describes those items that are in near-new condition and have had very little use.

**Extraordinary Assumption** is an assumption directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions (USPAP page U-3)

**Fair (F)** This term describes those items of equipment which because of their condition are being used at some point below their full designed and specified utilisation because of the effect of age and/or application and that may require general repairs and some replacement of minor elements in the foreseeable future to raise them to be capable of being utilised to or near their original specifications. Pg. 58

**Fair Market Value** is an opinion expressed in terms of money, at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts, as of a specific date.

**Fair Market Value in Continued Use with Assumed Earnings** is an opinion, expressed in terms of money, at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts, as of a specific date and assuming that the business earnings support the value reported, without verification.

**Fair Market Value in Continued Use with an Earnings Analysis** is an opinion, expressed in terms of money, at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts, as of a specific date and supported by the earnings of the business.

**Fair Market Value – Installed** is an opinion, expressed in terms of money, at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts, considering market conditions for the asset being valued, independent of earnings generated by the business in which the property is or will be installed, as of a specific date.

**Fair Market Value - Removed** is an opinion, expressed in terms of money, at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts, considering removal of the property to another location, as of a specific date.

**Forced Liquidation Value** is an opinion of the gross amount, expressed in terms of money, that typically could be realised from a property advertised and conducted public auction, with the seller being compelled to sell with a sense of immediacy on an as-is where-is basis, as of a specific date

**Good (G)** This term describes those items of equipment which are in good operating condition. They may or may not have been modified or repaired and are capable of being used at or near their full designed and specified utilisation.

**Hypothetical condition** That which is contrary to what exists but is supposed for the purpose of analysis (USPAP page U-3)

**Insurable Value Depreciated** The insurance replacement or reproduction cost less accrued depreciation considered for insurance purposes, and as defined in the insurance policy or other agreement, as of a specific date.

**Liquidation Value in place** is an opinion of the gross amount, expressed in terms of money, that typically could be realized from a properly advertised transaction, with the seller being compelled to sell, as of a specific date, for a failed, non-operating facility, assuming that the entire facility is sold intact.

**New (N)** This term describes new items that have not been used before.

**Orderly Liquidation Value** An opinion of the gross amount, expressed in terms of money, that typically could be realised from a liquidation sale, given a reasonable period of time to find a purchaser (or purchasers), with the seller being compelled to sell on an as-is, where-is basis, as of a specific date

**Poor (P)** This term is used to describe those items of equipment which because of their condition can be used only at some point well below their full designed and specified utilization, and it is not possible to realise full capacity in their current condition without extensive repairs and/or the replacement of major elements in the near future.

**Replacement cost new** Is the current cost of a similar new property having the nearest equivalent utility as the property being appraised, as of a specific date.

**Reproduction cost new** The cost of reproducing a new replica of a property on the basis of current prices with the same or closely similar materials, as of a specific date.

**Salvage Value (S)** is an opinion of the amount, expressed in terms of money that may be expected for the whole property or a component of the whole property that is retired from service for possible use elsewhere, as of a specific date.

**Scrap Value (X)** An opinion of the amount, expressed in terms of money that could be realised for the property if it were sold for its material content, not for productive use, as of a specific date.

**Very Good (VG)** This term describes an item of equipment in excellent condition capable of being used to its fully specified utilization for its designed purpose without being modified and without requiring any repairs or abnormal maintenance at the time of inspection or within the foreseeable future.

## Appendix H - Realisation assumptions with respect to debtors and inventory

I have detailed my realisation assumptions with respect to debtors and inventory below as summarised in section 7.5.3 of this report.

### H.1 Debtors

#### Ovato Print – top ten debtors

My analysis initially considered the top ten debtors by value of Ovato Print with a combined debtor balance of \$18.9 million.

I examined if any of the top ten debtors had the ability to set-off against their debtor balances in their customer contracts, which determined my realisation assumptions for the collectability of these debtors in a low and high case scenario respectively. Based on my experience, if there is a right to set off in the event the Ovato Group breaches their supply agreements, it is likely the debtor will seek to set off claims arising from any claimable costs which they incur in the winding up of the Ovato Group.

The table below outlines my assumptions regarding the collectability of each of the top ten Ovato Print debtors based off these realisation assumptions set out on a low and high case basis:

Ovato Print debtor assumptions				
Customer name	Debtor balance	Set off	Low case (\$)	High case (\$)
Debtor 1	5,129,659	No	4,103,727	4,616,693
Debtor 2	2,247,567	Yes	1,123,783	1,460,919
Debtor 3	2,124,370	Yes	1,062,185	1,380,841
Debtor 4	1,913,322	No	1,530,658	1,721,990
Debtor 5	1,525,736	No	1,220,589	1,373,163
Debtor 6	1,429,596	No	1,143,676	1,286,636
Debtor 7	1,303,568	No	1,042,854	1,173,211
Debtor 8	1,288,681	Yes	644,341	837,643
Debtor 9	1,003,269	No	802,615	902,942
Debtor 10	909,082	No	727,266	818,174
<b>Total</b>	<b>18,874,851</b>		<b>13,401,695</b>	<b>15,572,211</b>

Description	Low	High
If set-off	50%	65%
If no set-off	80%	90%

#### Ovato Print – Provision

Ovato Print recorded a provision of c. \$917.5k against their debtor balance in order to account for bad debts. As part of my analysis, I have incorporated this provision in my report to lower the remaining debtor balance that would be available to collect in a liquidation scenario.

#### Ovato Print – Remaining debtors

The realisation of the remaining Ovato Print debtors' was assessed based off the ageing of the respective balances. Taking into account my experience, the following assumptions were made on the collectability of each ageing bracket in a low and high case scenario:

### Ovato Print debtor assumptions

Scenario	Future	Current	1 - 30	31 - 60	61 - 90	91 - 120
Low case %	70%	70%	50%	35%	20%	10%
High case %	80%	80%	60%	45%	30%	20%

The above realisation assumptions were applied to the remaining debtor balance to determine the amount collectable in a liquidation scenario as detailed below:

### Ovato Print debtor assumptions

Scenario	Future	Current	1 - 30	31 - 60	61 - 90	91 - 120	Total
Low case %	3,323,431	10,091,608	413,292	154,864	(14,140)	58,838	14,027,893
High case %	2,658,745	8,073,287	247,975	69,689	(4,242)	11,768	11,057,221

### Summary of Ovato Print debtors' realisation

Based on the above realisation assumptions, the total Ovato Print debtor realisation available in a liquidation scenario is summarised below.

### Ovato Print debtors

Ovato Print debtors	Book value	Low	High
Top 10	18,874,851	13,401,695	15,572,211
Remaining debtors (less provision)	20,951,072	11,057,221	14,027,893
<b>Total</b>	<b>39,825,923</b>	<b>24,458,916</b>	<b>29,600,104</b>
% of book value		61%	74%

## H.2 Inventory

Gordon Brothers undertook a valuation of the inventory for Ovato Print based on the inventory balances as at 30 September 2020 which had a book value of \$33.3 million and provided the estimated OLV and FLV gross realisations by asset category which are detailed below:

### Ovato Print - Gordon Brothers Valuation of Inventory as at September 2020

\$	House reels	Sheetfed	Spares	Other	Total
<b>Inventory book value as at September 2020</b>	<b>23,413,056</b>	<b>2,120,200</b>	<b>5,660,070</b>	<b>2,131,064</b>	<b>33,324,390</b>
FLV	1,650,155	165,341	414,408	146,328	2,376,232
FLV % of book value	7%	8%	7%	7%	
OLV	2,788,082	251,180	552,643	228,561	3,820,466
OLV % of book value	12%	12%	10%	11%	

I note that I have carried out my analysis based on the inventory balance in the trial balance sheet as at 30 August 2020. I have not been provided with the 31 August 2020 inventory break-down that was made available to Gordon Brothers, however the balance per the Ovato Print trial balance was \$35.8 million. I assumed that the inventory mix was the same as at 31 August 2020 compared to 30 September 2020 and pro-rated this amount to total \$35.8 million. I then applied the same realisation assumptions.

### Ovato Print - Gordon Brothers Valuation of Inventory as at August 2020

\$	House reels	Sheetfed	Spares	Other	Total
<b>Inventory book value as at August 2020</b>	<b>25,190,363</b>	<b>2,281,146</b>	<b>6,089,731</b>	<b>2,292,835</b>	<b>35,854,076</b>
FLV	1,775,420	177,892	445,866	157,436	2,556,614
FLV % of book value	7%	8%	7%	7%	
OLV	2,999,728	270,247	594,595	245,911	4,110,481
OLV % of book value	12%	12%	10%	11%	

Following this, based on my experience I would expect that an amount of stock would be subject to retention of title claims by creditors, with registered PMSIs. These claims create a valid security for the supplier creditor over inventory which would not be available to the liquidator. For the purposes of assessing liquidation values for inventory I have assumed that 50% of the inventory would be covered by valid PMSI claims which are detailed below. The below values for FLV and OLV were included in the low and high scenarios for inventory respectively.

### Ovato Print - Gordon Brothers Valuation of Inventory as at August 2020 (Reduced for PPSR claims)

\$	House reels	Sheetfed	Spares	Other	Total
FLV	1,775,420	177,892	445,866	157,436	2,556,614
Estimated PPSR claims against FLV	50%	50%	50%	50%	
<b>FLV - following PPSR claims</b>	<b>887,710</b>	<b>88,946</b>	<b>222,933</b>	<b>78,718</b>	<b>1,278,307</b>
OLV	2,999,728	270,247	594,595	245,911	4,110,481
Estimated PPSR claims against OLV	50%	50%	50%	50%	
<b>OLV - following PPSR claims</b>	<b>1,499,864</b>	<b>135,124</b>	<b>297,297</b>	<b>122,956</b>	<b>2,055,241</b>

## Appendix I Compliance with APES 215 Forensic Accounting Services

The following table documents my compliance with professional standard APES 215 Forensic Accounting Services (July 2019).

Item	Ref	Compliance
<b>Instructions</b>	5.6(a)	My instructions are set out or referred to in section 1.3 of this report.
<b>Limitations</b>	5.6(b)	This report is subject to the qualifications in section 1.6 of this report.
<b>Relevant training, study and experience</b>	5.6(c)	My relevant training, study and experience are described in section 1.1 and Appendix A of this report.
<b>Opinions outside specialised knowledge</b>	5.6(d)	Unless otherwise stated, my opinions are wholly or substantially based on my specialised knowledge.
<b>Relationships</b>	5.6(e)	I am not aware of any relationship between me or McGrathNicol and any of the parties to the Proceeding that would threaten my obligation to comply with the APESB Code of Ethics for Professional Accountants or my paramount duty to the Court.
<b>Reliance on work of others</b>	5.6(f)	I have been assisted by McGrathNicol staff working at my direction. The conclusions expressed in this report are mine.
<b>Opinions</b>	5.6(g)	My opinions are summarised in section 2 of this report.
<b>Provisional opinions</b>	5.6(h)	Unless otherwise stated, the opinions in this report are concluded rather than provisional opinions, based on the information I have relied upon up to the date of the report. If I materially amend any conclusion in this report based on further information, I will inform the Court.
<b>Significant facts</b>	5.6(i)	The significant facts upon which my opinions are based are set out or referred to in section 3.4 of this report. .
<b>Significant assumptions</b>	5.6(j)	The significant assumptions upon which my opinions are based are set out: <ul style="list-style-type: none"> <li>to the extent they are matters of instruction, in section 1.3 of this report; and</li> <li>to the extent they are my own assumptions, are set out in sections 4 to 9 of this report.</li> </ul>
<b>Assumptions likely to mislead</b>	5.6(k)	I am not aware of any significant assumption that is likely to mislead or cause my opinions to be misleading.
<b>Reliance on other reports</b>	5.6(l)	My opinions do not rely on the reports of others.
<b>Reasoning and methods</b>	5.6(m)	The reasons for my opinions are set out in sections 4 to 9 the appendices referred to therein.
<b>Sources of information</b>	5.6(n)	I have relied upon the sources of information listed in Appendix C of this report.
<b>Restrictions on use of report</b>	5.6(o)	Any restrictions on the use of this report are set out in section 1.7 of this report.
<b>Statement of compliance</b>	5.6(p)	I have conducted my work on this matter in accordance with APES 215 Forensic Accounting Services.

**ANNEXURE D**

**Certified Copies of Financial Statements**

For personal use only



14 October 2020

I certify that this is a true and correct copy of the original I sighted on 14 October 2020.

A handwritten signature in blue ink, appearing to read "A Clarkson".

Alistair Clarkson  
Company Secretary





The CFO of Ovato is responsible for all finance and support functions in the Company as well as leading a corporate team covering financial accounting, management reporting, treasury, taxation and investor relations.

Mr Stephenson has over 30 years of experience with a range of blue chip companies including Iplex Pipelines, Fairfax Media and Goodman Fielder. He has held a range of senior commercial and financial roles at both a divisional and head office level working in Australia and offshore.

## CFO's review 2020

**Geoff Stephenson**  
B.Bus CPA GAICD

Chief Financial Officer ("CFO")  
Appointed 31 May 2010

### Sales Revenue

Sales revenue for the year ended 30 June 2020 was \$539.3 million down \$130.0 million or 19.4%, due mainly to lower sales at Ovato Australia down \$105.7 million. At Ovato Australia, sales of \$449.3 million were down 19.0% mostly from \$77.2 million lower print sales, with \$48.8 million reductions in print catalogues and \$28.4 million lower print magazine & newspapers. While tier 1 catalogue food & beverage revenues were consistent on the previous corresponding period ("pcp") in H1 of FY20, sales in H2 fell 21% on the pcp but the bigger decline was in non food & beverage catalogues down 43% pcp in H2. Residential Distribution fell 24.8% or \$19.9 million on lower existing customer volumes in a very weak market. Ovato New Zealand sales were down \$24.3 million or 21.3% mainly due to lower heatset and sheetfed revenues. During the year, Retail Distribution continued to expand their product range into retail outlets to partially offset the impact of lower magazine revenues.

### Earnings Before Interest, Tax and Depreciation ("EBITDA")

On 1 July 2019 the Group adopted AASB 16 Leases. The modified retrospective approach has been adopted and comparative information has not been restated. The cumulative effect of applying AASB 16 is recognised in accumulated losses at 1 July 2019. To enable comparison when providing an explanation for the full year ended 30 June 2020 adjustments have been made, where appropriate to exclude the impact of AASB 16.

EBITDA including AASB 16 and before significant items was \$32.4 million, up \$1.6 million pcp after a favourable impact of \$23.2 million from AASB 16. The full-year EBITDA (before AASB 16 and significant items) at \$9.2 million, was down 70.0% or \$21.6 million on the prior year EBITDA (before significant items) of \$30.8 million. Ovato Australia EBITDA of \$11.5 million (before AASB 16 and significant items) was down \$14.8 million or 56.2% as improved profits at Retail Distribution were offset by lower print and residential distribution revenues from weak retail/COVID-19 markets, which were partially offset by NSW site consolidation savings, tight cost controls and wage subsidies. Retail Distribution has reduced costs, higher price/mix and new products which all offset lower volumes. Ovato New Zealand EBITDA (before AASB 16 and significant items) at \$2.3 million loss was down \$6.9 million year on year mainly due to lower print revenues.

### Net Loss After Tax

A statutory net loss after tax of \$108.8 million was recorded for FY20 which was \$24.5 million higher than the \$84.3 million loss in the previous year, mostly due to lower EBITDA, higher significant items and higher income tax expense partially offset by lower depreciation expense. It included a net benefit of \$2.5 million from the adoption of AASB 16. EBITDA (before significant items) at \$32.4 million was up by \$1.6 million on last year after a favourable impact of \$23.2 million from AASB 16.

### Net Cash Flow <sup>1</sup>

The Group's net cash flow (pre AASB 16) at negative \$27.8 million was \$15.3 million worse compared to FY19, as lower EBITDA (before significant items and pre AASB 16) and higher capex for the new press were partially offset by lower working capital movements.

### Balance Sheet

At year end, net assets for the Group were \$17.8 million, down \$124.1 million from \$141.9 million in the previous year, mainly due to the \$108.8 million statutory loss in fiscal year 2020. Current assets at \$161.1 million were down by \$68.0 million on mainly lower debtor, inventory and cash balances. Current liabilities at \$222.4 million were down \$4.5 million and includes \$23.9 million of lease liabilities.

In fiscal year 2020, the company issued a new A\$50 million Receivables Financing Facility ('RFF') with Asset Secure for 3 years to replace the previous ANZ facility. In addition, during the year the company sought and received various waivers from financiers. On 31st July 2020, Asset Secure's RFF was replaced by a 3 year RFF with Scottish Pacific.

<sup>1</sup> Net cash flow equals net cash flows from operations less investing cash flows and proceeds from share issue.

## Highlights

\$M	2020	2020 Pre AASB 16~	2019	% Change Pre AASB 16~
<b>EBITDA (before significant items)</b>	<b>32.4</b>	<b>9.2</b>	30.8	(70.0%)
Depreciation & amortisation	(21.2)	(21.2)	(28.6)	26.1%
Depreciation - Right-Of-Use Asset	(15.8)	—	—	—
<b>EBIT (before significant items)</b>	<b>(4.5)</b>	<b>(11.9)</b>	2.2	—
Financing costs (before significant items)	(8.5)	(8.5)	(8.4)	(1.0%)
Financing costs - Lease Liabilities	(9.8)	—	—	—
Income tax benefit (before significant items)	6.2	5.4	1.8	—
<b>Net Loss after income tax (before significant items)</b>	<b>(16.7)</b>	<b>(15.0)</b>	(4.4)	—
Significant items	(72.5)	(78.5)	(63.6)	(23.4%)
Income tax expense on significant items	(19.6)	(17.8)	(16.3)	(9.3%)
<b>Net Loss after income tax</b>	<b>(108.8)</b>	<b>(111.2)</b>	(84.3)	(32.0%)

## Segment Revenue

\$M	2020	2019	% Change
<b>Sales Revenue</b>			
Ovato Australia Group	449.3	554.9	(19.0%)
Ovato New Zealand Group	90.0	114.3	(21.3%)
<b>Total</b>	<b>539.3</b>	669.2	(19.4%)

## Segment EBITDA (before significant items)

\$M	2020	2019	% Change
<b>EBITDA (before significant items)</b>			
Ovato Australia Group	31.2	26.3	18.7%
Ovato New Zealand Group	1.2	4.6	(73.1%)
<b>Total</b>	<b>32.4</b>	30.8	5.1%

Segment EBITDA (before significant items)  
- pre AASB 16~

\$M	2020	2019	% Change
<b>EBITDA (before significant items)</b>			
Ovato Australia Group	11.5	26.3	(56.2%)
Ovato New Zealand Group	(2.3)	4.6	—
<b>Total</b>	<b>9.2</b>	30.8	(70.0%)

## Cash Flow

\$M	2020	2020 Pre AASB 16~	2019
<b>EBITDA (before significant items)</b>	<b>32.4</b>	<b>9.2</b>	30.8
Borrowing costs	(8.8)	(8.8)	(9.3)
AASB 16 lease interest payments	(8.4)	—	—
Income tax payments	(0.1)	(0.1)	—
Net movement in working capital	24.1	22.5	(10.6)
<b>Trading cash flow</b>	<b>39.3</b>	<b>22.8</b>	10.9
Significant items	(31.2)	(31.2)	(30.1)
<b>Cash flow from operating activities</b>	<b>8.1</b>	<b>(8.4)</b>	(19.2)
Asset sales	1.1	1.1	0.1
Capital expenditure	(20.5)	(20.5)	(8.4)
Receipts from subleases, excluding the financing component	1.2	—	—
Share issue	—	—	15.1
<b>Net cash flow</b>	<b>(10.1)</b>	<b>(27.8)</b>	(12.4)
AASB 16 lease principal payments	(17.7)	—	—
(Loss)/gain on foreign currency cash & other	(0.4)	(0.4)	0.5
<b>Reconciliation to net debt movement</b>	<b>(28.2)</b>	<b>(28.2)</b>	(11.9)

## Balance Sheet~

\$M	2020	2019
<b>Current assets</b>	<b>161.1</b>	229.1
<b>Non-current assets</b>	<b>220.3</b>	204.6
<b>Total assets</b>	<b>381.4</b>	433.7
<b>Current liabilities</b>	<b>222.4</b>	226.9
<b>Non-current liabilities</b>	<b>141.3</b>	64.9
<b>Total liabilities</b>	<b>363.7</b>	291.8
<b>Net assets</b>	<b>17.8</b>	141.9

~ The Group has applied AASB 16 Leases from 1 July 2019. The modified retrospective approach has been applied and comparative information has not been restated. The cumulative effect of applying AASB 16 is recognised in accumulated losses at 1 July 2019. Refer to Changes in accounting policies in Note 1.

# Financial statements

For the year ended 30 June 2020

## Consolidated statement of profit or loss and other comprehensive income

		Ovato Group	
YEAR ENDED 30 JUNE 2020	NOTES	2020 \$'000 <sup>1</sup>	2019 \$'000
<b>Continuing operations</b>			
Sales revenue	2(a), 20	539,270	669,236
Other revenue	2(a), 20	23,960	10,754
Raw materials and consumables used		(210,568)	(257,788)
Cost of finished goods sold		(5,125)	(1,475)
Employee expenses		(230,592)	(275,669)
Outside production services		(12,241)	(13,417)
Freight		(59,666)	(68,807)
Repairs and maintenance		(12,863)	(15,203)
Occupancy costs		(7,770)	(39,953)
Impairment of goodwill	9(a)	(37,244)	—
Impairment of plant and equipment	8(b)	(6,670)	(18,017)
Other expenses		(20,231)	(21,771)
Depreciation and amortisation	2(e), 20	(36,966)	(28,635)
Finance costs	3	(18,660)	(9,046)
<b>Loss before income tax</b>		<b>(95,366)</b>	<b>(69,791)</b>
Income tax expense:			
Current tax benefit in respect of the current period		20,039	15,810
Deferred tax expense in respect of the current period		(33,423)	(30,270)
Total tax expense	4	(13,384)	(14,460)
<b>Net loss after income tax</b>		<b>(108,750)</b>	<b>(84,251)</b>
<b>Other comprehensive (expense)/income</b>			
<b>Items that will not be reclassified subsequently to profit or loss:</b>			
Defined benefit plan actuarial losses	21	(447)	(642)
Income tax relating to items that will not be reclassified subsequently		134	193
		(313)	(449)
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Exchange (losses)/gains arising on translation of foreign operations		(435)	1,654
Loss on cash flow hedges taken to equity		(275)	(181)
Income tax relating to items that may be reclassified subsequently		83	51
		(627)	1,524
Other comprehensive (expense)/income for the period (net of tax)		(940)	1,075
<b>Total comprehensive loss for the year</b>		<b>(109,690)</b>	<b>(83,176)</b>
Basic earnings per share (cents)	24	(15.0)	(16.0)
Diluted earnings per share (cents)	24	(15.0)	(16.0)
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic earnings per share ('000)	24(a)	732,004	526,955

1 The Group has applied AASB 16 Leases from 1 July 2019. The modified retrospective approach has been applied and comparative information has not been restated. The cumulative effect of applying AASB 16 is recognised in accumulated losses at 1 July 2019. Refer to Changes in accounting policies in Note 1.

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

## Consolidated statement of financial position

		Ovato Group	
		2020	2019
AS AT 30 JUNE 2020		\$'000	\$'000
<b>Current assets</b>			
Cash and cash equivalents	25(b)	16,200	38,701
Receivables	5	50,654	81,783
Inventories	6	87,871	102,692
Financial assets	14	80	1,205
Other	7	6,278	4,739
<b>Total current assets</b>		<b>161,083</b>	229,120
<b>Non-current assets</b>			
Property, plant and equipment	8	105,952	113,410
Right-of-use assets <sup>1</sup>	30(a)	58,341	—
Deferred tax assets	10	41,559	48,812
Goodwill and intangible assets	9	1,410	39,117
Financial assets	14	—	1,207
Other	7	13,082	2,011
<b>Total non-current assets</b>		<b>220,344</b>	204,557
<b>Total assets</b>		<b>381,427</b>	433,677
<b>Current liabilities</b>			
Payables	11	131,394	143,875
Interest bearing liabilities	12(a)	37,192	39,735
Lease liabilities <sup>1</sup>	30(b)	23,878	—
Income tax payable		8	8
Financial liabilities	14	110	144
Provisions	13	29,804	43,172
<b>Total current liabilities</b>		<b>222,386</b>	226,934
<b>Non-current liabilities</b>			
Interest bearing liabilities	12(b)	48,829	43,243
Lease Liabilities <sup>1</sup>	30(b)	83,776	—
Provisions	13	8,678	21,627
<b>Total non-current liabilities</b>		<b>141,283</b>	64,870
<b>Total liabilities</b>		<b>363,669</b>	291,804
<b>Net assets</b>		<b>17,758</b>	141,873
<b>Equity</b>			
Contributed equity	15	497,523	497,523
Reserves	17	11,076	11,703
Accumulated losses		(490,841)	(367,353)
<b>Total equity</b>		<b>17,758</b>	141,873

<sup>1</sup> Balances arise due to adoption of AASB 16 Leases from 1 July 2019. The modified retrospective approach has been applied and comparative information has not been restated. The cumulative effect of applying AASB 16 is recognised in accumulated losses at 1 July 2019. Refer to Note 1 for further transition details.

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

# Financial statements

For the year ended 30 June 2020

## Consolidated statement of cash flows

		Ovato Group	
YEAR ENDED 30 JUNE 2020	NOTES	2020 \$'000	2019 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers		1,001,886	1,185,560
Payments to suppliers and employees		(986,241)	(1,195,496)
Government grants received		9,013	—
Fee for early termination of corporate bond		—	(400)
Interest received		631	488
Dividends received		276	—
Interest and other costs of finance paid		(9,033)	(9,330)
AASB 16 lease interest payments <sup>1</sup>		(8,386)	—
Income tax paid		(57)	(45)
<b>Net cash flow provided by/(used in) operating activities</b>	25(a)	<b>8,089</b>	<b>(19,223)</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(20,151)	(7,796)
Payments for development and licence costs		(393)	(607)
Proceeds from sale of property, plant and equipment		1,124	95
Receipts from subleases, excluding the financing component		1,243	—
<b>Net cash flow (used in) investing activities</b>		<b>(18,177)</b>	<b>(8,308)</b>
<b>Cash flows from financing activities</b>			
AASB 16 lease principal payments <sup>1</sup>		(17,698)	—
Repayment of corporate bond	12(e)	—	(40,000)
Proceeds from corporate bond	12(e)	—	40,000
Proceeds from close out of cross currency swap		1,866	—
Repayments of borrowings		(17,506)	(15,260)
Proceeds from new borrowings		21,197	11,451
Proceeds from issue of shares	15	—	15,090
<b>Net cash flow (used in)/provided by financing activities</b>		<b>(12,141)</b>	<b>11,281</b>
Net decrease in cash and cash equivalents		(22,229)	(16,250)
Cash and cash equivalents at the beginning of the financial year		38,701	54,418
Effects of exchange rate changes on cash and cash equivalents		(272)	533
<b>Cash and cash equivalents at end of the financial year</b>	25(b)	<b>16,200</b>	<b>38,701</b>

<sup>1</sup> The balances arise due to adoption of the new lease accounting standard from 1 July 2019, refer to Note 1 Changes in accounting policies for further transition details. In the previous financial year, lease payments formed part of payments to suppliers and employees within operating activities. Under the new standard lease payments are allocated between interest and principal components and classified within operating and financing activities retrospectively.

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

## Consolidated statement of changes in equity

YEAR ENDED 30 JUNE 2020	Ovato Group (\$'000)					
	Attributable to equity holders of Ovato Limited					
	Contributed equity	Accumulated losses	Foreign currency translation reserve	Share-based payment reserve	Cash flow hedge reserve	Total equity
<b>At 1 July 2018</b>	482,433	(282,427)	9,877	257	302	210,442
Change in accounting policy (net of tax) <sup>1</sup>	—	(498)	—	—	—	(498)
Restated total equity at the beginning of the financial year	482,433	(282,925)	9,877	257	302	209,944
Currency translation differences	—	—	1,654	—	—	1,654
Cash flow hedges (net of tax)	—	—	—	—	(130)	(130)
Defined benefit plan (net of tax)	—	(449)	—	—	—	(449)
Total income/(expense) recognised directly in equity	—	(449)	1,654	—	(130)	1,075
Loss for the year	—	(84,251)	—	—	—	(84,251)
Total comprehensive (expense)/income for the year	—	(84,700)	1,654	—	(130)	(83,176)
Shares issued <sup>2</sup>	15,090	—	—	—	—	15,090
Share-based payments	—	272	—	(257)	—	15
<b>At 30 June 2019</b>	497,523	(367,353)	11,531	—	172	141,873
<b>At 1 July 2019</b>	497,523	(367,353)	11,531	—	172	141,873
Change in accounting policy (net of tax) <sup>3</sup>	—	(14,425)	—	—	—	(14,425)
Restated total equity at the beginning of the financial year	497,523	(381,778)	11,531	—	172	127,448
Currency translation differences	—	—	(435)	—	—	(435)
Cash flow hedges (net of tax)	—	—	—	—	(192)	(192)
Defined benefit plan (net of tax)	—	(313)	—	—	—	(313)
Total (expense) recognised directly in equity	—	(313)	(435)	—	(192)	(940)
Loss for the year	—	(108,750)	—	—	—	(108,750)
Total comprehensive (expense) for the year	—	(109,063)	(435)	—	(192)	(109,690)
<b>At 30 June 2020</b>	<b>497,523</b>	<b>(490,841)</b>	<b>11,096</b>	<b>—</b>	<b>(20)</b>	<b>17,758</b>

The above table represents the Ovato Group position.

1 Cumulative effect of the initial application of AASB 9 Financial Instruments on 1 July 2018.

2 During the 2019 financial year the company undertook a 1 for every 2.3 shares held fully underwritten accelerated pro-rata non-renounceable entitlement offer. On 30 May 2019, 156,709,664 shares were issued at \$0.07 per share under the institutional entitlement. On 14 June 2019, 65,110,974 shares were issued at \$0.07 per share under the retail entitlement. Transaction costs arising from the institutional and retail entitlement of \$437,000 were accounted for as a deduction from equity during the financial period.

3 Cumulative effect of the initial application of AASB 16 Leases on 1 July 2019, refer to Note 1 Changes in accounting policies.

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

# Financial notes

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### 1 Summary of significant accounting policies

#### Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations, and complies with other mandatory professional reporting requirements.

The financial report comprises the financial statements of the consolidated entity (Ovato Group) consisting of Ovato Limited (parent) and its controlled entities. For the purposes of preparing the consolidated financial statements, Ovato Limited is a for-profit entity.

The financial statements have been prepared in accordance with the historical cost convention, except for the revaluation of derivative financial instruments that have been measured at fair value. Historical cost is based on the fair values of the consideration given in exchange for goods and services.

During the financial year the Group's financial performance has been adversely impacted by lower than expected revenue from its printing operations in Australia and New Zealand. This has been further exacerbated in the last quarter of the financial year by the impacts of the COVID-19 global pandemic whereby a number of the Group's customers have temporarily ceased the printing or reduced the volume of catalogues printed. In Australia and New Zealand, revenue for the period 1 April 2020 to 30 June 2020 was 48% less than the same period in 2019.

These factors, combined with the expenditure associated with the NSW site consolidation at the end of calendar year 2019, have resulted in tighter liquidity, higher borrowings and reduced headroom under the Group's financial covenants.

The financial report has been prepared on the going concern basis, which assumes that the Group will be able to realise its assets and extinguish its liabilities as and when they fall due in the normal course of business.

In February 2020, the Group appointed financial advisors to evaluate alternatives targeted at improving its financial and operational position, including deleveraging its balance sheet. Such alternatives could include a combination of asset sales, raising new equity, refinancing debt and strategic cost containment initiatives. Due to the impact on the economic environment of the COVID-19 global pandemic in the last quarter of the financial year, some of these alternatives have not yet been implemented but continue to be evaluated.

Following the onset of COVID-19 global pandemic the Group has taken a number of temporary actions to manage cash flow to offset lower sales revenues and protect liquidity. These include accessing the Australian and New Zealand Government wage subsidies, agreeing new terms with key suppliers including the ATO, rent concessions and standing down staff to lower hours in line with lower revenues.

In light of the uncertainties surrounding the duration and severity of the economic consequences arising from the COVID-19 global pandemic, it is difficult to forecast cash flows for the next 12 months. Notwithstanding these difficulties, management continues to monitor cashflow very closely with a 12-month cash flow forecast and daily cash flow reporting in place. These currently highlight tight liquidity for the foreseeable future resulting in uncertainty as to whether the Group is likely to comply with its lending covenant ratios over the next 12 months. The cash flow forecast includes expected receipt of the Australian Government wage subsidy up until 31 December 2020 and operational and strategic initiatives, which include cost containment initiatives, asset sales and equity raises over the next 12 months. Should a combination of these not be successful in generating forecast cash flows, discussions with financiers would be required to seek waivers for debt covenants and confirm their ongoing support.

As a result of the lower revenues through the COVID-19 global pandemic in the last quarter of the financial year and the uncertainty around the timing and extent of the economic recovery, management has accordingly reflected such uncertainty by reducing forecast cash flows in comparison to prior financial periods, in the impairment assessment for the Non-current assets. Refer to Note 9 for disclosure of the key assumptions made in the impairment assessment. As at 30 June 2020 the net assets of the Group is \$17.8 million after the recognition of year end impairments of \$18.0 million in respect of Goodwill, Property, Plant and Equipment

and Deferred Tax Assets. A negative shift in the forecast cash flows, could result in further impairments and place further pressure on liquidity.

As such the Directors continue, with the assistance of financial advisors, to evaluate alternatives to improve forecast cash flows such as strategic cost containment initiatives, asset sales and raising new equity.

The Directors are confident these actions will be successful. However, in the event the Group is unable to achieve sufficient liquidity from operational and strategic initiatives and meet debt covenants with its financiers, or continues to be adversely impacted by the economic downturn resulting from the COVID-19 global pandemic, a material uncertainty would exist that may cast significant doubt on the Group's ability to continue as a going concern and therefore it may be unable to realise its assets and extinguish its liabilities other than in the ordinary course of business and at amounts different to those stated in the financial report.

#### Statement of compliance

##### Compliance with IFRS

The financial statements are presented in accordance with Australian Accounting Standards which comply with International Financial Reporting Standards ("IFRS"). The financial statements were authorised for issue by the Directors on 11 September 2020.

#### Adoption of new and revised accounting standards

In the current year, Ovato Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are relevant to its operations and effective for the year ended 30 June 2020.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
- AASB 16 Leases.	1 January 2019	30 June 2020
- AASB 2020 - 4 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions.	1 June 2020	30 June 2020
- AASB Interpretation 23 Uncertainty over Income Tax Treatments.	1 January 2019	30 June 2020



# Financial statements

## Notes to and forming part of the financial statements for the year ended 30 June 2020

### 1 Summary of significant accounting policies (continued)

#### Changes in accounting policies

##### AASB 16 Leases

The Group implemented *AASB 16 Leases* from 1 July 2019. It replaced *AASB 117 Leases*, *Interpretation 4 Determining whether an Arrangement Contains a Lease*, *Interpretation 115 Operating Lease - Incentives* and *Interpretation 127 Evaluating the Substance of Transactions in the Legal Form of a Lease*.

The standard introduces a new definition of leases and a single, on-balance sheet accounting model for lessees. Under the new standard the Group has recognised a right-of-use ("ROU") asset, representing our right to use the underlying asset and a lease liability representing our obligation to make lease payments for certain assets for which we are lessee. The only recognition exceptions are short-term leases and leases of low-value assets. Depreciation of right-of-use assets and interest on the lease liabilities are recognised in the income statement.

The Group leases property, presses, forklifts, motor vehicles, IT and equipment. Previously these leases were classified as operating leases, in accordance with *AASB 117 Leases*. Operating lease payments were expensed to the income statement on a straight-line basis over the life of the lease, and assets and liabilities were recognised only to the extent that there was a timing difference between the actual lease payments and expense recognised and when considered onerous. There were no leases previously recorded as finance leases.

AASB 16 has amended the criteria for classification of sub-leases as finance or operating leases by the intermediate lessor. Sub-leases are classified under AASB 16 with reference to the ROU asset arising from the head lease, not with reference to the underlying asset. The Group has some property sub-leases that have been reassessed as finance leases on transition.

##### i. Transition

The Group adopted the new standard using the modified retrospective approach. Under this approach the cumulative impact of adopting AASB 16 was recognised as an adjustment to opening retained earnings as at 1 July 2019 as shown in the Consolidated statement of changes in equity. Comparative information was not restated to reflect adoption of AASB 16. The definition of a lease has changed under AASB 16 compared to that under the previous standards. At 1 July 2019, the Group elected to apply the transitional relief to grandfather the definition of a lease for all contracts entered into before 1 July 2019.

##### ii. Transition - Leases in which the Group is lessee

On transition, under the modified retrospective approach, the Group had the choice to measure the ROU asset as equal to the lease liability (adjusted for any prepayments or accruals) or calculated retrospectively as if AASB 16 had always applied from the date of lease commencement, discounted using the Incremental Borrowing Rate ("IBR") at transition. This is applied on a lease-by-lease basis.

The Group's opening ROU asset balance for material property leases was measured as if AASB 16 has always been applied. Committed lease payments since commencement of the lease were discounted utilising the Group's IBR at 1 July 2019 for durations equivalent to the remaining lease term. The balance was then reduced for cumulative straight-line depreciation to the date of transition. This approach resulted in an adjustment to opening accumulated losses. All other ROU assets were measured as being equal to the amount of the lease liability on adoption.

The Group's opening lease liabilities balance was calculated as the present value of future lease payments, discounted using IBRs for terms which approximate the remaining lease terms as at the date of transition.

The weighted average IBR applied to lease liabilities on 1 July 2019, was 9.12%.

Practical expedients available under the standard are applied on a lease-by-lease basis. The practical expedients applied by the Group on transition under the modified retrospective approach for leases previously classified as operating leases were as follows:

- The Group excluded any initial direct costs from the measurement of ROU assets at transition where the ROU asset has been calculated as if AASB 16 has always applied.
- The Group used hindsight when determining the lease term where the agreement contained options to extend the lease, and the ROU asset has been calculated as if AASB 16 has always applied.
- The Group did not bring on to the balance sheet leases with a remaining lease term of 12 months or less at 1 July 2019 (including options to extend where it is reasonably certain to be exercised). The payments for these leases will continue to be expensed to the income statement on a straight-line basis.
- The Group adjusted the ROU asset carrying amount by the amount of any existing onerous lease provisions as at 1 July 2019. An impairment review was required to be performed on ROU assets at transition. The Group elected to rely on its onerous lease assessments under *AASB 137 Provisions, Contingent Liabilities and Contingent Assets*, as at 30 June 2019 as permitted by AASB 16.
- The Group applied a single discount rate to a portfolio of leases with reasonably similar characteristics (economic environment and lease term).

##### iii. Transition - Leases in which the Group is an intermediate lessor in a sub-lease

On 1 July 2019, some property sub-leases, where the Group is the intermediate lessor, were reclassified as finance leases, resulting in the de-recognition of the ROU asset from the head lease and the recognition of a finance lease receivable. The difference between the two balances was recorded in opening accumulated losses at 1 July 2019. The head lease liability remained unchanged.

##### iv. Post 1 July 2019 - Leases in which the Group is lessee

When a contract is entered into, the Group assesses whether it contains a lease based on the new definition under AASB 16. A lease arises when the Group has the right to direct the use of an identified asset which is not substitutable and to obtain substantially all economic benefits from the use of the asset throughout the period of use.

Lease liabilities are recorded at the present value of future lease payments. Future payments comprise fixed payments, variable lease payments linked to an index or rate, extension options expected to be exercised, amounts payable under residual value guarantees less any incentives receivable.

Unless the interest rate implicit in the lease can be readily determined, payments are discounted using the IBR of the lessee. The Group has utilised its IBR in most, if not all lease liability computations. The Group uses an IBR that reflects a combination of jurisdiction and lease term.

An interest expense will be recognised over the life of the lease on the lease liabilities in the income statement. The lease liability is increased by the interest cost and decreased by lease payments made.

The lease liability is remeasured when there are changes in future payments arising from a change in rates, index or lease terms from the likelihood of exercising an extension or termination option. A corresponding adjustment is made to the carrying amount of the ROU asset, with any excess recognised in the profit or loss.

The lease liability is separately disclosed on the statement of financial position. The liabilities which will be repaid within 12 months are recognised as current and liabilities which will be repaid in excess of 12 months are recognised as non-current.

The Group determines the lease term as the non-cancellable period of a lease together with periods covered by an option to extend or terminate the lease if it is reasonably certain to exercise that option.

In determining the lease term for contracts which include renewal options, management considers all factors and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term, and lease payments for the extension period are only included in the liability if the Group is reasonably certain that it will exercise the option.

## 1 Summary of significant accounting policies (continued)

### Changes in accounting policies (continued)

#### AASB 16 Leases (continued)

##### iv. Post 1 July 2019 - Leases in which the Group is lessee (continued)

On initial recognition, the ROU asset comprises the initial amount of the lease liability, initial direct costs, any lease payments pre-commencement of the lease, less any incentives received and an estimate of makegood obligations.

The ROU asset is subsequently measured under the cost model adjusted for accumulated depreciation, any impairment losses and certain remeasurements of the lease liability.

The ROU asset is depreciated on a straight-line basis over the shorter of the assets useful life, or life of the lease to the income statement.

The Group will assess ROU assets for impairment under AASB 136 *Impairment of Assets*.

The ROU asset is separately disclosed on the statement of financial position.

The Group made the following additional choices as permitted under AASB 16:

- The Group does not capitalise leases which have a short-term (less than 12 months from commencement) or are low-value (fair value of less than \$10,000 to purchase brand new) as a ROU asset and lease liability. The payments for these leases are expensed to the profit or loss as incurred on a straight-line basis. Low-value leases comprise office plant and equipment.
- For lease agreements relating to properties, the Group excludes the non-lease component (i.e. outgoings) from the calculation of the lease liability, and records them separately in the income statement. The standalone outgoings price is separately identified on the invoice. This expedient is not applied to other classes of assets.
- The Group excludes from the measurement of the ROU asset and lease liability, variable lease payments linked to the future use of the leased item. These payments are expensed to the income statement as incurred.

##### v. Post 1 July 2019 - Leases in which the Group is intermediate lessor

The Group has entered into lease agreements as an intermediate lessor with respect to some property subleases. The Group determines whether the lease is an operating or finance lease at the inception of the lease. The lease is a finance lease if it transfers substantially all of the risks and rewards of ownership to the lessee. If not, the lease is classified as an operating lease.

Amounts due from lessees under a finance lease are recognised as receivables. The finance lease receivable is calculated as the discounted payments yet to be received. The interest rate implicit in the lease is used to discount the payments, however, if this is not readily determinable the Group's IBR is used. The ROU asset from the head lease is de-recognised. Any difference between the receivable balance and ROU asset is recorded in the income statement. The lease liability under the head lease remains unchanged. Finance income is recognised over the term of the lease, in the income statement.

The income received from operating leases are recognised on a straight-line basis over the lease term.

##### vi. Financial impacts

The impact on the financial statements at date of transition is summarised below.

	\$'000
<b>Balance sheet as at 1 July 2019</b>	
Right-of-use ("ROU") assets	78,989
Lease liabilities	(122,874)
Increase in deferred tax asset (temporary difference)	6,020
Finance lease receivables	4,123
Increase in accumulated losses	14,425

On transition, the Group applied the practical expedient to adjust the carrying value of ROU assets by the amount of any provision for onerous leases recognised under AASB 137, to approximate impairment as at 1 July 2019. This was an alternative to performing an impairment review. Some sub-leases were reclassified as finance lease receivables at transition and the ROU asset of the head lease was de-recognised.

	\$'000
<b>Reconciliation of ROU assets as at 1 July 2019</b>	
ROU assets	100,895
Adjusted by onerous lease contracts and other	(19,033)
De-recognition on recognition of finance lease receivables	(2,885)
Lease payments made before commencement	12
<b>Adjusted ROU assets as at 1 July 2019</b>	<b>78,989</b>

The difference between the ROU asset and lease liability (net of tax) was recognised in accumulated losses, including other adjustments to the balance sheet such as the reversal of the existing straight-line lease incentive provisions under AASB 117. The difference between the ROU asset derecognised and the finance lease receivable for sub-leases, that were reassessed for classification purposes, were recorded in opening accumulated losses at transition.

	\$'000
<b>Reconciliation of accumulated losses as at July 2019</b>	
Gross impact from recognising ROU assets and lease liabilities	21,979
Difference between ROU asset and finance lease receivable	(1,238)
Other adjustments	(296)
Tax effect	(6,020)
<b>Adjusted accumulated losses as at 1 July 2019</b>	<b>14,425</b>

A reconciliation of total operating lease commitments as at 30 June 2019 (as disclosed in our 2019 annual financial report) to the opening lease liability is shown below:

	\$'000
<b>Reconciliation of lease liability at 1 July 2019</b>	
Operating lease commitments at 30 June 2019 under AASB 117	(130,490)
Less: recognition exemption for low-value leases	130
Less: recognition exemption for short-term leases	3,156
Plus: impact of extension options reasonably certain to be exercised	(18,055)
Less: discounting of payments using the IBR at 1 July 2019	22,385
<b>Lease liabilities recognised as at 1 July 2019</b>	<b>(122,874)</b>

# Financial statements

## Notes to and forming part of the financial statements for the year ended 30 June 2020

### 1 Summary of significant accounting policies (continued)

#### Changes in accounting policies (continued)

##### AASB 16 Leases (continued)

##### vi. Financial impacts (continued)

Set out below, are the carrying amount of the Group's ROU assets, lease liabilities and finance lease receivables as at 30 June 2020 and the movements during the period:

#### Balance sheet as at 30 June 2020

	ROU Assets \$'000	Lease Liabilities \$'000	Finance Lease Receivables \$'000
<b>As at 1 July 2019</b>	78,989	(122,874)	4,123
Additions	1,358	(1,311)	11,772
Lease modifications and reassessments	100	(100)	—
Impairment	(250)	—	—
De-recognition of ROU assets on recognition of finance lease receivables	(5,797)	—	—
Depreciation expense	(15,804)	—	—
Interest expense	—	(9,841)	—
Interest income	—	—	618
Payments	—	26,084	—
Receipts	—	—	(1,722)
Net foreign currency translation difference	(255)	388	—
<b>As at 30 June 2020</b>	<b>58,341</b>	<b>(107,654)</b>	<b>14,791</b>

The standard increases the Group's net debt due to lease liabilities. There is no material impact on the Group's debt covenants.

The Group's income statement for the financial year was impacted as follows:

	\$'000
<b>Income statement for the year ended 30 June 2020</b>	
Operating lease expenses (previous lease accounting)	23,184
Depreciation of ROU assets	(15,804)
Gain on recognition of finance sub-lease receivable	5,976
EBIT	13,356
Net finance costs	(9,841)
EBT	3,515
Income tax expense	(1,052)
<b>Profit for the year</b>	<b>2,463</b>

Under the previous standard, operating lease expenses were recognised within EBITDA. Under the new standard, lease expenses are recognised in the income statement as depreciation of ROU assets and interest expenses from lease liabilities. This has resulted in a decrease in operating expenses and increases in depreciation and finance costs. Short-term, low value, variable leasing costs and non-lease components associated with property continue to be charged against EBITDA.

For cash flow statement disclosure purposes, repayments of lease liabilities are separated into a principal portion and interest portion. The principal component of lease payments is reclassified in the statement of cash flows from operating to financing activities. The interest component is separately identified and presented in operating activities. This has led to an increase in net cash flows from operating activities and an increase in net cash outflows from financing activities. The impact of receipts from subleases is immaterial. The net increase/decrease in cash and cash equivalents remains unchanged.

#### AASB 2020 - 4 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions.

During the year, the Group has also chosen to adopt AASB 2020 - 4 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions. The main impact is that it exempts lessees from the need to account for COVID-19 related rent concessions as a lease modification. If the other terms of the lease agreement remain materially unchanged, then any changes in lease payments resulting from the rent concessions are recorded as a gain in profit or loss.

#### AASB Interpretation 23 Uncertainty over Income Tax Treatments

The introduction of AASB Interpretation 23 Uncertainty over Income Tax Treatments mandates that companies need to report uncertain income tax positions where the company's position differs from the published tax authority's position on the income tax matter. It sets a new criteria for determining the potential tax liability of that position based on a range of outcomes with effect for the June 2020 year. Ovato has no uncertain income tax positions as at 30 June 2020 and therefore no tax liability has arisen.

### Basis of consolidation

#### Subsidiaries

The consolidated financial statements are those of the economic entity (Ovato Group) comprising Ovato Limited (the head entity 'Ovato') and its subsidiaries.

The consolidated financial statements include the information contained in the financial statements of Ovato and each of its subsidiaries as from the date Ovato obtains control until such time as control ceases. Control is achieved when Ovato Limited:

- Has power over the investee;
- Is expected, or has rights to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The financial statements of controlled entities are prepared for the same reporting period as Ovato using consistent accounting policies.

All intercompany balances, transactions, and unrealised profits arising on transactions between Group companies have been eliminated in full.

## 1 Summary of significant accounting policies (continued)

### Foreign currencies

The individual financial statements of each entity in the Ovato Group are presented in their functional currency which equates to their local currency. For the purposes of the consolidated financial statements, the results and financial position of each group entity are expressed in Australian dollars, which is the functional currency of Ovato Limited and the presentation currency for the consolidated financial statements.

Transactions in foreign currencies are converted to functional currency at the rate of exchange ruling at the date of the transaction.

Monetary amounts payable to and by the entities within the Ovato Group that are outstanding at the balance date and are denominated in foreign currencies have been converted to functional currency using rates of exchange at the end of the year.

Non-monetary amounts that are measured at historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

The assets and liabilities of the controlled entities incorporated overseas are translated into the Ovato Group presentation currency at the rates of exchange ruling at balance date. The Consolidated statements of profit or loss and other comprehensive income are translated at an average rate for the year.

Exchange differences arising on translation are taken directly to the foreign currency translation reserve.

On the disposal of a foreign operation, a proportionate share of the amount recognised in the foreign currency translation reserve relating to that particular foreign operation is recognised in the Consolidated statement of profit or loss and other comprehensive income, as part of the gain or loss on sale.

### Cash and cash equivalents

For the purposes of the Consolidated cash flow statement, cash includes cash on hand and in banks. Cash on hand and in banks is stated at nominal amount.

### Goods and services tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST except where:

- the GST incurred on purchase of goods and services is not recoverable from the taxation authority, in which case, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables are stated with the GST amount included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Consolidated statement of financial position.

Cash flows are included in the cash flow statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

### Critical accounting estimates, assumptions and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

As outlined in Note 1, there has been continued pressure on the industry which has been exacerbated by the COVID-19 pandemic. As such management has specifically assessed the impact of the COVID-19 pandemic on the financial statements. As part of this process management reviewed all financial areas which could potentially be impacted by COVID-19 and considered areas of judgement and if additional disclosures are required. Where there are specific impacts from the COVID-19 pandemic, disclosures have been made in the relevant note.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect in the amount recognised in the financial statements are described in the following notes:

- Note 8 - Impairment testing of property, plant and equipment
- Note 9 - Impairment testing of goodwill
- Note 10 - Deferred tax
- Note 26 - Financial instruments

#### (i) Goodwill, intangible assets, property, plant and equipment

The Group determines whether goodwill is impaired on a bi-annual basis and assesses impairment of all other assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. These include technology, economic and political environments, including the impact of the COVID-19 pandemic. If an impairment trigger exists the recoverable amount of the asset is determined. Recoverable amount is the greater of fair value less costs of disposal and value in use. It is determined for an individual asset, unless it does not generate inflows that are largely independent of those from other assets or group of assets, in which case, the recoverable amount is determined for the cash generating unit to which the asset belongs. An estimation of recoverable amount of cash generating units is made by using a value in use model or fair value less costs of disposal. A number of assumptions are made by the Group in this estimation of recoverable amount.

In assessing value in use, the estimated future cash flows, excluding future uncommitted restructurings and associated benefits, are discounted to their present value using a post-tax discount rate that approximates the weighted average cost of capital for that cash generating unit.

In the absence of comparable transactions, fair value has been assessed using a discounted cash flow methodology. The significant judgements included in the forecast of future cashflows are outlined in Note 9 (c). This is supported by EBITDA multiples which serve as an external cross check. Ovato believe that this provides the best indication of the recoverable amount to be obtained from disposal of the cash generating unit at arms length between knowledgeable and willing parties.

Refer to Note 8 and Note 9 for further details.

#### (ii) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and for temporary differences to the extent that it is probable that future taxable profits will be available against which the losses and temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax asset that can be recognised, based on the likely timing and level of future taxable profits. The level of future taxable profits is based on the budgeted EBITDA forecast also used in the impairment testing. The significant judgements included in the budgeted EBITDA are outlined in Note 9 (c).

Consistent with prior periods, the deferred tax assets for losses of \$18.0 million pertaining to the current financial year Australian tax loss and \$2.2 million pertaining to the current New Zealand tax loss were not recognised in the financial statements as at 30 June 2020.

The Directors also decided to reduce the deferred tax asset balance relating to Australian tax losses to \$5 million, being an impairment of \$10 million included in tax expense for the year to 30 June 2020. This impairment was necessary to ensure the deferred tax asset remains forecast to be recouped over a 6-8 year period, a time frame that the Directors consider is a reasonable recovery period (consistent with prior years).

Despite the non-recognition of these losses on the Consolidated statement of financial position, the losses will remain available indefinitely for offset against future taxable profits, subject to continuing to meet the statutory tax tests of continuity of ownership or failing that, the same business test.

The Directors believe that the deferred tax asset for tax losses and for temporary differences of \$41.6 million is supportable given the level of forecast future tax profits. This position will continue to be reassessed on an ongoing basis.

# Financial statements

## Notes to and forming part of the financial statements for the year ended 30 June 2020

### 1 Summary of significant accounting policies (continued)

#### Critical accounting estimates, assumptions and judgements (continued)

##### (iii) Fair value measurement and valuation process

Ovato has financial instruments that are carried at fair value in the Consolidated statement of financial position. The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, Ovato determines fair value by using various valuation models. The objective of using a valuation technique is to establish the price that would be received to sell an asset or paid to transfer a liability between market participants. The chosen valuation

models make maximum use of market inputs and relies as little as possible on entity specific inputs. The fair values of all positions include assumptions made on the recoverability based on the counterparty's and Ovato's credit risk.

Details of the inputs to the fair value of financial instruments are included in Note 26.

##### (iv) AASB 16 Leases

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and ROU assets recognised.

YEAR ENDED 30 JUNE 2020		Ovato Group	
		2020 \$'000	2019 \$'000
<b>2a Revenue</b>	<b>NOTES</b>		
External sales		515,172	635,789
Freight		24,098	33,447
<b>Total sales revenue</b>		<b>539,270</b>	<b>669,236</b>
<b>Included in loss before income tax are the following items of other revenue:</b>			
Government grants	2a(h)	12,172	—
Recoveries from the manufacturing process		3,867	10,159
Dividends		276	—
Gain on de-recognition of ROU assets and recognition of finance lease receivables	2b, 30(d)	5,976	—
Other income - external		336	44
Net gain on disposal of plant and equipment		501	—
Rental income		63	64
Interest income	3	151	487
Unwind of discount on finance lease receivables	3	618	—
<b>Total other revenue</b>		<b>23,960</b>	<b>10,754</b>
<b>Total revenue</b>	<b>20</b>	<b>563,230</b>	<b>679,990</b>

#### (a) Significant accounting policies

Revenue is recognised when the Group transfers control of the good or service to a customer. It is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. Amounts are recognised net of returns, discounts and rebates.

Some contracts with customers may contain multiple deliverables such as printing and distribution. These are considered separate performance obligations. Revenues are recognised as each performance obligation is met.

#### (b) Nature of goods and services

Below is a description of the principal activities from which the Group derives its revenue separated by reportable segments.

The Group may also be engaged by customers to provide a freight service to a specified location. These services form part of a contract with multiple deliverables. Freight is treated as a separate performance obligation as it is a distinct service that is separately included in the customer contract. It is not part of the overall performance obligation as not every customer engages the Group to perform this service.

Freight services are provided across all reportable operating segments. Revenue is recognised at a point of time, being when the freight services are provided.

For more information about reportable segments refer to Note 20.

##### i. Commercial and book printing

The Ovato Australia Group and Ovato New Zealand Group segments generate revenue from the printing of magazines and books for publishers and catalogues for customers.

- Revenue is recognised when control of the good is transferred, being as the printing jobs are completed over time. Customers provide specifications for each job and as the printing work is performed, control is then passed to the customer.
- For each job, there is no alternative use for this asset to the Group, and the Group has a right to payment for performance completed to-date. Revenue is accrued for partly completed jobs in the month of service using the input method. This is calculated based on resources consumed (i.e. paper issued) relative to total resources expected to be consumed (i.e. paper allocated).



## 2a Revenue (continued)

### i. Commercial and book printing (continued)

- Contracts can have separate transaction pricing for each service provided and includes fixed and variable pricing. Variable pricing includes discounts, revenue rebates and volume based rebates. The Group estimates the amount using a 'most likely method' and is included to the extent that it is highly probable that a significant reversal of revenue will not occur.

### ii. Residential distribution

The Ovato Australia Group and Ovato New Zealand Group segments generate revenue from letterbox delivery of addressed and unaddressed, mass and targeted catalogues and newspapers.

- Revenue is recognised when control of the goods are transferred to the customer, which is when the product is available for delivery to the letterbox or into store in accordance with the customers contract.
- Contracts can have separate transaction pricing for each service provided and includes fixed and variable pricing. Variable pricing includes discounts, revenue rebates and volume based rebates. The Group estimates the amount using a 'most likely method' and is included to the extent that it is highly probable that a significant reversal of revenue will not occur.

### iii. Retail distribution

- Ovato Retail Distribution distributes magazines and other products to stores and outlets located across Australia and New Zealand. Ovato Retail Distribution is engaged by publishers to sell magazines on their behalf to retail outlets and is acting as an agent. A distribution fee is earned for this service based on copies sold or delivered.
- Revenue is recognised in the accounting period in which the distribution occurs and control is passed and the services are satisfied in accordance with the contractual arrangements.

### iv. Marketing services

- Marketing services are provided in Australia and include digital printing and professional services (photography, creative, public relations, digital premedia and infrastructure services).

- Professional services revenue is recognised up to the amount of the fees that the Group is entitled to invoice for services performed to-date based on contracted rates and the percentage of job completion. This percentage is determined by reference to the actual hours incurred per time sheets as a proportion of the estimated total hours expected to complete the job. The performance obligations are satisfied over time, generally being three to six months.
- Digital printing revenue is recognised when control of the good is transferred, being as the printing jobs are completed over time.
- Contracts may include discounts and are estimated to the extent that it is highly probable that a significant reversal of revenue will not occur.

### (c) Financing component

The Group in general does not have any contracts with a financing component as the period between when the Group transfers the promised good or service to a customer and the customer pays for it is less than one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

### (d) Contract balances

Contract assets relate to the Group's rights to consideration for product and services provided but not invoiced at the reporting date. Contract assets at the reporting date are disclosed in Note 5 as Other debtors.

Contract liabilities primarily relate to consideration received in advance from customer contracts. The Group has an immaterial contract liability balance of \$1.0 million (2019: \$0.5 million) at 30 June 2020 which will be recognised in the next reporting period on performance of outstanding marketing service obligations. Contract liabilities are disclosed in Note 11 as Other accruals.

Changes in contract assets and liabilities during the period resulted from satisfaction of performance obligations. The opening contract liability relating to income received in advance was recognised as revenue during the period.

### (e) Transaction price allocated to the remaining performance obligations

The revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date is disclosed in the below table.

	Ovato Group	
	2020 \$'000	2019 \$'000
Commercial and book printing	526	—
Distribution	—	—
Magazine distribution	—	—
Marketing services	478	487
Freight	—	—
	1,004	487

The Group expects that 100% of the transaction price allocated to the unsatisfied contracts as of 30 June 2020 will be recognised as revenue during the next reporting period.

### (f) Costs to obtain a contract

Under AASB 15 the incremental costs of obtaining a contract with a customer are capitalised when expected to be recovered under the contract. In accordance with AASB 15, the Group can expense the incremental costs of obtaining a contract with a customer as incurred, as if capitalised would have been amortised within less than 1 year.

### (g) Disaggregation of revenue

Note 20 provides details of revenue by major products and service offerings, by geographical segment and by operating segment.

### (h) Revenue other than contracts with customers

Ovato recycles materials from the manufacturing process and revenue is recognised when the materials are sold.

Rental income is recognised on a straight line basis over the lease term.

Interest income is recognised as interest accrues.

Income from government grants as a result of the COVID-19 pandemic is recognised in other income. Due to the impact of COVID-19, the Group received \$12.2 million in government assistance through the Australian Federal government JobKeeper program and New Zealand government Employer Wage Subsidy Scheme. Government grant income is only recognised as a receivable when there is reasonable assurance that the Group will comply with all the conditions relating to the eligibility requirements and the grants will be received. At year end there are no unfilled conditions attached to these grants. The government grant is recognised in the profit or loss in the same period that the related wage costs are recognised as an expense.

# Financial statements

Notes to and forming part of the financial statements  
for the year ended 30 June 2020

		Ovato Group	
		2020	2019
YEAR ENDED 30 JUNE 2020		\$'000	\$'000
NOTES			
<b>2b Significant items</b>			
<b>Included in net loss after income tax are the following significant items of income and expense:</b>			
Net (gain)/loss on disposal of plant and equipment		(347)	749
Gain on de-recognition of ROU assets and recognition of finance lease receivables	2(a)	(5,976)	—
Sales rebate		1,000	—
Restructure initiatives and other one-off costs including Moorebank site closure		25,441	24,689
Onerous leases and make good provisions		1,326	14,483
Relocation of presses		4,219	5,019
Impairment of goodwill	2(c), 9	37,244	—
Impairment of plant and equipment due to restructure initiatives	2(c), 8(b)	6,670	18,017
Impairment of inventory		2,590	—
Loss on cross currency swap realised	3	133	—
Fee for corporate bond covenant waivers	3	188	—
Fee paid for early termination of corporate bond	3	—	400
Write off of prepaid financing costs	3	—	231
<b>Total significant items (included in loss before interest and tax)</b>		<b>72,488</b>	<b>63,588</b>
Tax benefit associated with significant items		10,550	18,733
Adjustment of prior year losses not recognised to actual		120	(270)
Tax losses not brought to account		(20,239)	(14,912)
Impairment of deferred tax asset		(10,000)	(19,821)
<b>Tax expense included in net loss after tax</b>		<b>(19,569)</b>	<b>(16,270)</b>
<b>Significant items have been included in the Consolidated statement of profit or loss and other comprehensive income within the following categories:</b>			
External sales	- Sales rebate	1,000	—
Other revenue	- Net gain on disposal of plant and equipment	(347)	—
Other revenue	- Gain on de-recognition of ROU assets and recognition of finance lease receivables	(5,976)	—
Raw materials and consumables used		1,486	782
Cost of finished goods sold		2,590	—
Employee expenses		20,289	20,540
Freight		571	447
Repairs and maintenance		136	186
Occupancy costs		1,326	14,483
Other expenses	- Impairment	43,914	18,017
	- Legal and professional fees	2,773	2,291
	- Relocation of presses	4,219	5,019
	- Net loss on disposal of plant and equipment	—	749
	- Other expenses	186	443
Finance costs		321	631
		<b>72,488</b>	<b>63,588</b>

YEAR ENDED 30 JUNE 2020		NOTES	Ovato Group	
			2020 \$'000	2019 \$'000
<b>2c</b>	<b>Loss before income tax</b>			
	<b>Loss before income tax is arrived at after charging/(crediting) the following items:</b>			
	Lease rental expenses - operating leases		8,184	44,070
	Share-based payment plans	17	—	15
	Net (gain)/loss on disposal of plant and equipment		(501)	775
	Impairment of plant and equipment	2(b)	6,670	18,017
	Impairment of goodwill	2(b)	37,244	—
	Net remeasurement of expected credit loss allowance	5(b)	1,734	89
			2020 \$	2019 \$
<b>2d</b>	<b>Auditors' remuneration</b>			
	<b>Deloitte and related network firms</b>			
	Audit or review of financial reports			
	- Group		448,518	411,075
	- Subsidiaries		106,267	103,054
			554,785	514,129
	Other services			
	- Corporate advisory services		237,115	—
	- Taxation and related compliance services		199,752	204,960
			436,867	204,960
			2020 \$'000	2019 \$'000
<b>2e</b>	<b>Depreciation and amortisation</b>			
	<b>Depreciation</b>			
	Leasehold improvements	8(a)	1,153	1,165
	Plant and equipment	8(a)	19,204	26,945
	Right-of-use assets	30(a)	15,804	—
	Total depreciation		36,161	28,110
	<b>Amortisation</b>			
	Development and licence costs	9(a)	805	525
	Total amortisation		805	525
	<b>Total depreciation and amortisation</b>		36,966	28,635
<b>3</b>	<b>Finance costs</b>			
	Interest expense			
	Bank loans and overdraft		8,369	7,179
	Unwind of discount on long term onerous lease and make good provisions		129	1,236
	Interest on lease liabilities	30(b)	9,841	—
	Total interest expense		18,339	8,415
	Loss on cross currency swap realised	2(b)	133	—
	Fee for corporate bond covenant waivers	2(b)	188	—
	Fee paid for early termination of corporate bond	2(b)	—	400
	Write off of prepaid finance costs	2(b)	—	231
	<b>Total finance costs</b>		18,660	9,046
	Interest income	2(a)	(151)	(487)
	Unwind of discount on finance lease receivables	2(a)	(618)	—
	<b>Net finance costs</b>		17,891	8,559

#### Significant accounting policies

Finance costs are recognised in the Consolidated statement of profit or loss and other comprehensive income in the period in which they are incurred.



# Financial statements

## Notes to and forming part of the financial statements for the year ended 30 June 2020

### YEAR ENDED 30 JUNE 2020

#### 4 Income tax

##### (a) Reconciliation of income tax expense

###### Loss before income tax

Prima facie income tax benefit thereon at 30% (2019: 30%)

Tax effect of non-temporary and other differences:

Effect of differences in overseas tax rate

Income tax under/(over) provided in previous year

Non-deductible items for tax purposes

Tax losses not brought to account

Impairment of deferred tax asset

###### Income tax expense attributable to loss

###### Major component of income tax expense:

Current tax benefit

Deferred tax expense

###### Income tax expense attributable to loss

#### Ovato Group

2020

\$'000

2019

\$'000

(95,366)

(69,791)

(28,610)

(20,937)

185

235

75

(251)

11,495

680

20,239

14,912

10,000

19,821

13,384

14,460

(20,039)

(15,810)

33,423

30,270

13,384

14,460

##### (b) Significant accounting policies

The income tax expense or benefit for the year is the tax payable on the current year's taxable income based on the notional income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and unused tax losses.

##### (c) Deferred tax assets and deferred tax liabilities

At 30 June 2020 there is no recognised or unrecognised deferred tax liability for taxes that would be payable on the unremitted earnings of Ovato's wholly owned subsidiaries, as the Ovato Group has no liability for additional taxation should such amounts be remitted or any such tax due would be offset by existing unrecognised deferred tax losses (2019: \$nil).

#### Ovato Group

2020

\$'000

2019

\$'000

##### (d) Franking credits

The amount of franking credits available are:

Franking account balance as at the end of the financial year at 30% (2019: 30%)

62,559

62,529

##### (e) Tax consolidation and tax effect accounting by members of the tax consolidated group

Effective 1 July 2003, for the purposes of income taxation, Ovato Limited (formerly PMP Limited) and its 100% owned Australian subsidiaries formed a tax consolidated group. Members of the group have entered into a tax sharing agreement in order to allocate income tax expense to the wholly owned subsidiaries on a pro-rata basis. The agreement also provides for the allocation of income tax liabilities between the entities should the head entity default on its obligations. At the balance date the possibility of default is remote. The head entity of the tax consolidation group is Ovato Limited.

Members of the Australian tax consolidated group have also entered into a tax funding agreement. The tax funding agreement provides for the allocation of current tax assets and liabilities between wholly owned group members. Each group member of the Ovato tax group calculates its current year tax liability/tax loss on the basis of the stand alone approach. Once each member has calculated its own current year tax liability/tax loss the head entity will then assume these current year tax liabilities/tax losses and be paid/pay compensation for this assumption by way of an intercompany receivable/payable. Allocations under the tax funding agreement are made on a yearly basis.

All 100% owned Ovato entities operating in New Zealand are members of the Ovato NZ Limited tax consolidated group. Although there is no NZ tax funding agreement, Ovato NZ Limited and its group members have also calculated their current year tax liabilities/tax losses, and Ovato NZ Limited is paid/pays compensation for this assumption by way of an intercompany receivable/payable on a yearly basis, in the same manner as the Australian tax funding agreement operates.

#### \$'000

##### (f) Tax losses not brought to account

###### Gross Current Year

###### Tax effected

Revenue losses

451,449

135,435

Capital losses

287,956

86,387

The benefit of these revenue losses has not been brought to account as realisation is not probable. Refer to Note 10 for further details. In addition, capital losses are only able to be used against capital gains and so are not recognised until used in any tax year. The revenue losses above have increased substantially in the current year due to the impairment of the deferred tax asset therefore increasing tax losses not recognised (in addition to the current year loss not recognised).

YEAR ENDED 30 JUNE 2020		Ovato Group	
		2020 \$'000	2019 \$'000
<b>5 Receivables</b>	<b>NOTES</b>		
Trade debtors*		<b>46,290</b>	78,856
Allowance for expected credit losses	5(b)	<b>(2,197)</b>	(1,211)
<b>Net trade debtors</b>		<b>44,093</b>	77,645
Other debtors	5(d)	<b>6,561</b>	4,138
<b>Total current receivables</b>		<b>50,654</b>	81,783

\* Trade debtors are non-interest bearing and are on commercial terms. There were no material unhedged foreign currency receivables.

**(a) Significant accounting policies**

Trade debtors are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method less any allowance under the expected credit loss model. Bad debts are written-off as incurred. Subsequent recoveries of amounts previously written off are credited against the same line item.

Receivables from related parties are recognised and carried at the nominal amount due less allowance for expected credit losses.

**(b) Impaired trade receivables**

**Ovato Group:**

At 30 June 2020 an allowance for expected credit losses of \$2,197,000 (2019: \$1,211,000) has been recognised. This relates to a variety of customers who are in unexpectedly difficult economic situations.

Movements in the allowance for expected credit losses are as follows:		Ovato Group	
		2020 \$'000	2019 \$'000
Balance as at 1 July		<b>1,211</b>	1,280
Adjustment on initial application of AASB 9		—	711
Amounts written off		<b>(746)</b>	(877)
Net remeasurement of allowance	2(c)	<b>1,734</b>	89
Net foreign currency translation difference		<b>(2)</b>	8
<b>Balance at 30 June</b>		<b>2,197</b>	1,211

The Group has applied the simplified impairment approach in assessing the expected credit losses associated with trade debtors. This requires expected lifetime losses to be recognised from initial recognition of all trade debtors.

The allowance has been calculated by grouping trade debtors by shared credit risk characteristics and the days past due. A provision matrix is then determined based on the historic credit loss rate. This is adjusted for changes in current and forward-looking factors that affect the ability of customers to pay.

The allowance for expected credit losses as at 30 June 2020 and 30 June 2019 was determined as follows:

	Trade debtors					
	Days past due					
	Current	< 30 days	30-60 days	61-90 days	> 91 days	Total
<b>30 June 2020</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Expected loss rate %	0.5%	1.4%	8.9%	35.0%	95.0%	4.7%
Carrying amount - trade debtors	36,825	6,908	390	296	1,871	46,290
<b>Allowance for expected credit losses</b>	<b>184</b>	<b>97</b>	<b>35</b>	<b>104</b>	<b>1,777</b>	<b>2,197</b>
<b>30 June 2019</b>						
Expected loss rate %	0.30%	1.11%	6.9%	30.2%	77.0%	1.5%
Carrying amount - trade debtors	63,396	12,579	1,460	671	750	78,856
<b>Allowance for expected credit losses</b>	<b>190</b>	<b>140</b>	<b>101</b>	<b>203</b>	<b>577</b>	<b>1,211</b>

# Financial statements

Notes to and forming part of the financial statements  
for the year ended 30 June 2020

## YEAR ENDED 30 JUNE 2020

### 5 Receivables (continued)

#### (c) Past due but not impaired

At 30 June 2020 there were \$7,452,000 (2019: \$14,439,000) of trade receivables in the Ovato Group past due but not impaired.

The aging analysis of these trade receivables is as follows:

	Ovato Group	
	2020	2019
	\$'000	\$'000
Past due 1 - 30 days	6,811	12,439
Past due 31 - 60 days	355	1,359
Past due 61 - 90 days	192	468
Past due greater than 90 days	94	173
	7,452	14,439

There are no receivables that have had renegotiated terms that would otherwise, without that renegotiation, have been past due or impaired.

#### (d) Other debtors

Other debtors generally arise from transactions outside of usual operating activities of the Group. Other debtors do not contain impaired assets and are not past due. Collateral is not usually obtained. Expected credit losses on other debtors are immaterial.

## YEAR ENDED 30 JUNE 2020

### 6 Inventories

	Ovato Group	
	2020	2019
	\$'000	\$'000
Raw materials, spare parts and stores at cost	49,356	55,579
Less: provision for diminution	(627)	(367)
<b>Net raw materials, spare parts and stores</b>	<b>48,729</b>	<b>55,212</b>
Finished goods at cost	36,461	44,189
Work in-progress at cost	2,681	3,291
<b>Total current inventories</b>	<b>87,871</b>	<b>102,692</b>

#### Significant accounting policies

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: cost is determined by the average cost method.
- Finished goods and work-in-progress: cost of direct material and labour and an appropriate proportion of fixed and variable manufacturing overheads based on normal operating capacity.

The Group regularly tests its inventory for signs of impairment. During the year, inventories have been reduced by \$2.6 million (2019: Nil) as a result of the write-down to net realisable value. The write-down was recognised as an expense in 2020, through Cost of finished goods sold.

## YEAR ENDED 30 JUNE 2020

### 7 Other assets

#### Current other assets

		Ovato Group	
		2020	2019
		\$'000	\$'000
Prepayments		3,063	4,739
Finance lease receivables	30(d)	3,215	—
<b>Total current other assets</b>		<b>6,278</b>	<b>4,739</b>

#### Non-current other assets

		Ovato Group	
		2020	2019
		\$'000	\$'000
Defined benefit plan asset	21	1,093	1,527
Other assets		413	484
Finance lease receivables	30(d)	11,576	—
<b>Total non-current other assets</b>		<b>13,082</b>	<b>2,011</b>

		Ovato Group	
		2020	2019
YEAR ENDED 30 JUNE 2020		\$'000	\$'000
	NOTES		
<b>8 Property, plant and equipment</b>			
<b>Leasehold improvements</b>			
At cost		16,237	15,329
Accumulated depreciation		(10,665)	(9,707)
Accumulated impairment		(1,844)	(1,846)
Net leasehold improvements	8(a)	3,728	3,776
<b>Plant and equipment</b>			
At cost		535,751	560,619
Accumulated depreciation		(397,286)	(416,353)
Accumulated impairment		(36,241)	(34,632)
Net plant and equipment	8(a)	102,224	109,634
<b>Leased plant and equipment</b>			
At cost		220	220
Accumulated depreciation		(220)	(220)
Net leased plant and equipment		—	—
<b>Total net property, plant and equipment</b>	8(a)	105,952	113,410
<b>(a) Reconciliations</b>			
Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:			
<b>Leasehold improvements</b>			
Carrying amount at beginning of year		3,776	3,994
Additions		—	141
Disposals		(99)	(14)
Transfer from other asset category		1,230	1,366
Depreciation	2(e)	(1,153)	(1,165)
Impairment	2(b), 2(c), 8(b)	—	(630)
Net foreign currency translation difference		(26)	84
Carrying amount at end of year		3,728	3,776
<b>Plant and equipment</b>			
Carrying amount at beginning of year		109,634	150,305
Additions		20,049	7,431
Disposals		(40)	(1,562)
Impairment charge	2(b), 2(c), 8(b)	(6,670)	(17,387)
Transfer to other asset category		(1,230)	(1,366)
Transfer to inventories		(70)	—
Transfer to intangibles	9(a)	—	(1,239)
Depreciation	2(e)	(19,204)	(26,945)
Expensed to the profit and loss		(50)	(384)
Net foreign currency translation difference		(195)	781
Carrying amount at end of year		102,224	109,634
<b>Total net property, plant and equipment</b>		105,952	113,410
<b>(b) Impairment</b>			
Impairment of plant and equipment	2(b), 2(c)	6,670	18,017
		6,670	18,017

Based on impairment testing carried out at 30 June 2020, the Ovato Australia cash generating unit analysis showed a deficit. Plant and equipment of A\$6 million associated with this cash generating unit was impaired. The balance of the impairment in the 2020 financial year, related to the write down of individual items of plant and equipment as part of the consolidation of Ovato's NSW print sites.

# Financial statements

Notes to and forming part of the financial statements  
for the year ended 30 June 2020

## YEAR ENDED 30 JUNE 2020

### 8 Property, plant and equipment (continued)

#### (c) Significant accounting policies

##### Carrying value

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Subsequent costs are included either in the assets carrying value or as a separate asset only when it is probable that future economic benefits will flow to the Group and the cost can be reliably measured.

##### Derecognition

Property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement is the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

##### Depreciation

Property, plant and equipment is depreciated or amortised at rates based upon their expected useful lives using the straight line method. Major depreciation periods are consistent with the prior period and are as follows:

- Leasehold improvements to the lease term
- Printing presses 7.5 to 20 years
- Computer equipment 3 to 4 years

Useful lives are reviewed, and adjusted, if appropriate at each reporting date. Any adjustments are made on a prospective basis.

##### Impairment

Property, plant and equipment is tested for impairment when there is an indication that an asset may be impaired (assessed at least at each reporting date) or where there is an indication that an existing impairment may have changed.

Where an indicator of impairment exists, the Ovato Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs of disposal and value in use. It is determined for an individual asset, unless it does not generate inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash generating unit to which the asset belongs.

The assumptions used in the assessment of recoverable amount are discussed in Note 9(c).

		Ovato Group	
YEAR ENDED 30 JUNE 2020		2020 \$'000	2019 \$'000
NOTES			
<b>9 Goodwill and intangible assets</b>			
<b>Development and licence costs</b>			
At cost		<b>8,247</b>	7,854
Accumulated amortisation		<b>(6,837)</b>	(6,032)
Closing net book amount	9(a)	<b>1,410</b>	1,822
<b>Goodwill</b>			
At cost		<b>133,963</b>	133,963
Accumulated impairment		<b>(136,867)</b>	(99,623)
Net foreign currency translation difference		<b>2,904</b>	2,955
Closing net book amount	9(a)	<b>—</b>	37,295
<b>Total net intangibles</b>	9(a)	<b>1,410</b>	39,117

YEAR ENDED 30 JUNE 2020		NOTES	Ovato Group	
			2020 \$'000	2019 \$'000
<b>9</b>	<b>Goodwill and intangible assets (continued)</b>			
	<b>(a) Reconciliations</b>			
	<b>Development and licence costs</b>			
	Carrying amount at beginning of year		1,822	501
	Additions		393	607
	Transfer from/(to) other asset category	8(a)	—	1,239
	Amortisation	2(e)	(805)	(525)
	Carrying amount at end of year		1,410	1,822
	<b>Goodwill</b>			
	Carrying amount at beginning of year		37,295	37,209
	Impairment	2(b), 2(c)	(37,244)	—
	Net foreign currency translation difference		(51)	86
	Carrying amount at end of year	9(c)	—	37,295
	<b>Total net intangibles</b>		<b>1,410</b>	<b>39,117</b>

**(b) Significant accounting policies**

**Goodwill**

Goodwill represents the excess of the purchase consideration over the fair value of identifiable net assets and contingent liabilities acquired at the date of acquisition of a business.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is not amortised, but is reviewed for impairment each reporting date, or more frequently if events or changes indicate that the carrying amount may be impaired.

At the date of any acquisition, goodwill acquired is allocated to the cash generating unit or groups of cash generating units expected to benefit from the acquisition.

Where the recoverable amount of the cash generating unit is less than the carrying amount of goodwill, an impairment loss is recognised.

Where goodwill forms part of a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included within the carrying amount of the operation when determining the gain or loss on disposal of the operation.

**Development and licence costs**

Costs incurred in acquiring products or systems that will generate future benefits are capitalised.

Amortisation is charged on a straight line basis, the expense is taken to the Consolidated statement of profit or loss and other comprehensive income through the "amortisation" line item as follows:

- Database development costs 3 years
- Software development costs 3 - 7 years

Useful lives are examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

# Financial statements

Notes to and forming part of the financial statements  
for the year ended 30 June 2020

YEAR ENDED 30 JUNE 2020		NOTES	Ovato Group	
			2020 \$'000	2019 \$'000
<b>9</b>	<b>Goodwill and intangible assets (continued)</b>			
	<b>(c) Impairment testing of goodwill</b>			
	<b>Carrying amount of goodwill allocated to each cash generating unit:</b>			
	Ovato Residential Distribution - New Zealand		—	2,092
	Ovato Australia		—	35,203
	<b>Total goodwill</b>	9(a)	—	37,295

In accordance with Ovato policy, impairment testing has been undertaken at 30 June 2020 for all cash generating units ("CGU's") with indefinite useful life intangible assets or where there is an indication of impairment. The testing has been conducted using the higher of a value in use model and a fair value less costs of disposal model. The CGUs remain unchanged from prior year.

## Fair value less costs of disposal

The recoverable amount of the CGUs, Ovato Australia and Print Maxum – New Zealand is determined based on a fair value less costs of disposal calculation. In the absence of comparable transactions, fair value has been assessed using a discounted cash flow methodology with cross checks performed to external indicators, such as EBITDA multiples. This represents a Level 3 model in line with the fair value hierarchy in accordance with *AASB 13 Fair Value Measurement*. Ovato believe that this methodology provides the best indication of the price that would be received to sell the business in an orderly transaction between market participants at balance sheet date.

In assessing fair value less costs of disposal, the estimated post tax future cash flows, including future uncommitted restructurings and associated benefits, are discounted using a post-tax rate. The key assumptions used and the impact on them for various sensitivities are disclosed in following tables.

## Value in use

The recoverable amount of the CGUs, Ovato Retail Distribution - New Zealand, Ovato Residential Distribution - New Zealand, Ovato Book Printing - Australia and Ovato Retail Distribution - Australia, is determined based on a value in use calculation.

In assessing value in use, the estimated future cash flows, excluding future uncommitted restructurings and associated benefits, are discounted to their present value using a post-tax discount rate. The key assumptions used and the impact on them for various sensitivities are disclosed in the following tables.

## Impairment

Based on testing carried out at 30 June 2020, the Ovato Australia CGU impairment analysis showed a deficit. Plant and equipment of \$6 million associated with this cash generating unit was impaired at 30 June 2020. This is in addition to the \$35.2 million of goodwill associated with the cash generating unit that was impaired at 31 December 2019.

The impairment analysis for Ovato Residential Distribution (New Zealand) indicated the carrying value of assets exceeded the recoverable amount. The remaining goodwill associated with this cash generating unit of NZ\$2.2 million was therefore impaired at 30 June 2020. The remaining assets associated with the cash generating unit are considered recoverable. The impairment of goodwill means the Group's goodwill balance is nil at 30 June 2020.

## Sensitivities

The valuation continues to be highly sensitive to a range of assumptions particularly given the economic impacts of the COVID-19 pandemic. The impact of reasonably possible changes in key assumptions is shown in the table below. Each change has been calculated in isolation from other changes.

Key Assumption	Assumption	Ovato Australia	Print Maxum NZ
EBITDA	(10%)	\$20m - \$23m impairment	\$2m - \$3m impairment
EBITDA	(20%)	\$40m - \$43m impairment	\$6m - \$7m impairment
WACC	+0.5%	\$4m - \$6m impairment	\$0m - \$1m impairment
Cost Savings	50% of year 1 costs savings deferred to year 2	\$3m - \$5m impairment	\$0m - \$1m impairment

## YEAR ENDED 30 JUNE 2020

### 9 Goodwill and intangible assets (continued)

#### (c) Impairment testing of goodwill (continued)

##### Key assumptions:

Management judgement is required in assessing whether the carrying value of assets can be supported by the net present value of future cash flows. The following are the key estimates and assumptions used in determining the net present value of future cash flows using a value in use calculation and fair value less costs of disposal calculation:

Area of judgement	Assumption used in value in use calculation
	<ul style="list-style-type: none"> <li>- Ovato Retail Distribution (New Zealand)</li> <li>- Ovato Residential Distribution (New Zealand)</li> <li>- Ovato Book Printing (Australia)</li> <li>- Ovato Retail Distribution (Australia)</li> </ul>
Budgeted EBITDA	<p>The Group prepares an annual budget plus longer term plans which are internally approved by senior management. These plans form the basis of the discounted cash flow models used for impairment testing and are based upon past experience and future outlook.</p> <p>Budgeted EBITDA is calculated as operating profit before depreciation and amortisation, based upon current market and customer expectations. Adjustments are made to budgeted EBITDA as follows:</p> <ul style="list-style-type: none"> <li>- removal of benefits from future uncommitted restructuring</li> </ul> <p>Post-tax cash flows used. Notional tax of 30% in Australia and 28% in New Zealand applied. Cash flows include working capital movements.</p>
Long term growth rate	<p>Management's plan is used for the first three years of the Group's value in use calculations.</p> <p>An annual growth rate of 0% for years four, five and perpetuity (where applicable) has been applied. The rate applied is based on management's assessment of the specific circumstances of that business.</p>
Budgeted capital expenditure	<p>The cash flow forecasts for capital expenditure are based on past experience and include the ongoing capital expenditure required to maintain current fixed asset levels after taking into account budgeted repairs and maintenance.</p>
Discount rate	<p>The post-tax discount rate applied to the cash flows of each of the Group's cash generating units in Australia and New Zealand is 10.0% (2019: 9.5%).</p> <p>The discount rate is based on the risk-free rate for ten year government bonds adjusted for a risk premium to reflect the increased risk of investing in equities ("equity market risk premium") and the systematic risk adjustment ("beta") to reflect the risk of the Company relative to the market as a whole.</p>



**Notes to and forming part of the financial statements  
for the year ended 30 June 2020**

YEAR ENDED 30 JUNE 2020

## 9 Goodwill and intangible assets (continued)

## (c) Impairment testing of goodwill (continued)

**Key assumptions: (continued)**

Area of judgement	Assumption used in fair value less costs of disposal calculation
	<ul style="list-style-type: none"> <li>- Ovato Australia</li> <li>- Print Maxum New Zealand</li> </ul>
Budgeted EBITDA	The Group prepares a budget plus a longer term plans which are internally approved by senior management. These plans form the basis of the discounted cash flow models used for impairment testing and are based upon past experience and future outlook.
EBITDA key assumptions	<p>The following key assumptions are included in the Budgeted EBITDA for Ovato Australia:</p> <ul style="list-style-type: none"> <li>- Print volumes expected to decline in FY21 before stabilising in FY22 and the longer term;</li> <li>- Strategic cost saving initiatives assisted by external consultants;</li> <li>- Revenue from new contracts in the marketing services business; and</li> <li>- COVID-19 government JobKeeper payments until December 2020.</li> </ul> <p>The following key assumptions are included in the Budgeted EBITDA for Print Maxum New Zealand:</p> <ul style="list-style-type: none"> <li>- Volumes expected to recover to pre COVID-19 levels by October 2020;</li> <li>- Volume increases from new business (new and existing customers);</li> <li>- Strategic cost saving initiatives; and</li> <li>- Reductions in inventory due to a build up in late FY20 during the NZ lockdown.</li> </ul> <p>Post-tax cash flows used. Notional tax of 30% in Australia and 28% in New Zealand applied. Cash flows include working capital movements as well as future uncommitted restructuring and benefits associated with those future restructurings.</p> <p>Includes costs to sell cash outflow of 1.5%.</p>
Long term growth rate	<p>Management's plan is used for the first three years of the Group's fair value less costs of disposal calculations.</p> <p>An annual growth rate of 0% for years four, five and perpetuity (where applicable) has been applied. The rate applied is based on management's assessment of the specific circumstances of that business.</p>
Budgeted capital expenditure	The cash flow forecasts for capital expenditure are based on past experience and include the ongoing capital expenditure required to maintain current fixed asset levels after taking into account budgeted repairs and maintenance.
Discount rate	The post tax discount rate applied to the cash flows was 10.0% (2019: 9.5%).

		Ovato Group	
YEAR ENDED 30 JUNE 2020	NOTES	2020 \$'000	2019 \$'000
<b>10 Deferred tax</b>			
<b>Deferred tax assets</b>			
Temporary differences:			
- Provisions/accruals		14,867	23,075
- Lease liabilities		30,747	—
- Property, plant and equipment <sup>1</sup>		(4,581)	10,819
- Cash flow hedges		8	(74)
- Other assets		(5,341)	(926)
Tax losses		5,859	15,918
<b>Total deferred tax assets</b>	10(a)	<b>41,559</b>	<b>48,812</b>

1 This includes Right-of-use assets. The Group has applied *AASB 16 Leases* from 1 July 2019. The modified retrospective approach has been applied and comparative information has not been restated. The cumulative effect of applying AASB 16 is recognised in accumulated losses at 1 July 2019. Refer to Changes in accounting policies in Note 1.

## YEAR ENDED 30 JUNE 2020

### 10 Deferred tax (continued)

	Provisions/ accruals	Lease liabilities	Other assets	Property, plant and equipment	Cash flow hedges	Tax losses	Total
(a) Movements in deferred tax assets	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July 2018	23,429	—	(1,170)	5,475	(125)	35,050	62,659
(Charged)/credited							
- to profit or loss	(620)	—	51	5,329	—	—	4,760
- to other comprehensive income	213	—	193	—	50	—	456
- foreign currency translation reserve	53	—	—	15	1	10	79
Increase in New Zealand tax losses	—	—	—	—	—	679	679
Impairment of Australian tax losses	—	—	—	—	—	(19,821)	(19,821)
<b>At 30 June 2019</b>	<b>23,075</b>	<b>—</b>	<b>(926)</b>	<b>10,819</b>	<b>(74)</b>	<b>15,918</b>	<b>48,812</b>
(Charged)/credited							
- to profit or loss	(2,240)	(5,648)	(1,784)	6,368	—	—	(3,304)
- to other comprehensive income	92	36,395	(237)	(30,096)	82	—	6,236
- foreign currency translation reserve	(30)	—	—	(96)	—	(22)	(148)
Reclassify	(6,030)	—	(2,394)	8,424	—	—	—
Reduce prior year New Zealand tax losses	—	—	—	—	—	(37)	(37)
Impairment of Australian tax losses	—	—	—	—	—	(10,000)	(10,000)
<b>At 30 June 2020</b>	<b>14,867</b>	<b>30,747</b>	<b>(5,341)</b>	<b>(4,581)</b>	<b>8</b>	<b>5,859</b>	<b>41,559</b>

#### (b) Significant accounting policies

Deferred tax assets and liabilities are recognised for temporary differences at the rates expected to apply when the assets are recovered or liabilities are settled, based on the tax rates for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

#### (c) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and for temporary differences to the extent that it is probable that future taxable profits will be available against which the losses and temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax asset that can be recognised, based on the likely timing and level of future taxable profits.

The deferred tax assets for losses of \$18 million pertaining to the current financial year Australian tax loss and \$2.2 million pertaining to the current New Zealand tax loss were not recognised in the financial statements as at 30 June 2020.

The Directors also decided to reduce the deferred tax asset balance relating to Australian tax losses to \$5 million, being an impairment of \$10 million included in tax expense for the year to 30 June 2020. This impairment was necessary to ensure the deferred tax asset remains forecast to be recouped over a 6-8 years period, a time frame the Directors consider is a reasonable recovery period (consistent with prior years).

Despite the non-recognition of these losses on the Consolidated statement of financial position, the losses will be available indefinitely for offset against future taxable profits, subject to continuing to meet the statutory tax tests of continuity of ownership or failing that, the same business test.

The Directors believe that the deferred tax asset for tax losses and for temporary differences of \$41.6 million is supportable given the level of forecast future tax profits. This position will continue to be reassessed on an ongoing basis.

# Financial statements

Notes to and forming part of the financial statements  
for the year ended 30 June 2020

		Ovato Group	
		2020	2019
YEAR ENDED 30 JUNE 2020		\$'000	\$'000
NOTES			
<b>11 Payables</b>			
<b>Current payables</b>			
Creditors - unsecured			
Trade creditors and accruals *		130,695	143,350
Interest payable		699	525
Total current payables		131,394	143,875

\* Trade creditors are non-interest bearing and on normal commercial terms.

## Significant accounting policies

Liabilities for trade creditors and other amounts are carried at amortised cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the consolidated entity.

Payables to related parties are carried at the principal amount.

		Ovato Group	
		2020	2019
YEAR ENDED 30 JUNE 2020		\$'000	\$'000
NOTES			
<b>12 Interest bearing liabilities</b>			
<b>(a) Current interest bearing liabilities</b>			
<b>Secured</b>			
Overdraft:	Australian dollars	4,280	—
Export Financing - repayable in:	Euros *	4,887	3,230
Export Financing:	Australian dollars	4,229	—
Equipment Financing:	Australian dollars	—	1,409
Receivables Financing:	Australian dollars	21,401	34,556
Corporate bond:	Australian dollars	3,750	—
<b>Other</b>			
Other:	Australian dollars	—	1,314
Prepaid finance costs		(1,355)	(774)
Total current interest bearing liabilities		37,192	39,735
<b>(b) Non-current interest bearing liabilities</b>			
<b>Secured</b>			
Export Financing - repayable in:	Euros*	1,628	4,846
Export Financing:	Australian dollars	12,688	—
Corporate bond:	Australian dollars	36,250	40,000
<b>Other</b>			
Prepaid finance costs		(1,737)	(1,603)
Total non-current interest bearing liabilities		48,829	43,243

\* Represents Euro denominated export financing facility of 4.0 million (2019: 5.0 million) measured at the exchange rate prevailing at balance date.

## (c) Significant accounting policies

Borrowings are initially measured at fair value net of transaction costs.

After initial recognition, loans are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

## YEAR ENDED 30 JUNE 2020

### 12 Interest bearing liabilities (continued)

(d) Interest bearing liabilities - facility details		Facility	Drawn	Available
Facility details		\$'000s	\$'000s	\$'000s
<b>2020</b>				
<b>Secured</b>				
Overdraft Facility		10,000	4,280	5,720
Euro Export Finance Facility*		6,515	6,515	—
Export Finance Facility		16,917	16,917	—
Receivables Financing Facility#		39,500	21,401	18,099
Corporate Bond		40,000	40,000	—
<b>Total facilities</b>		<b>112,932</b>	<b>89,113</b>	<b>23,819</b>
<b>2019</b>				
<b>Secured</b>				
Overdraft facility		9,788	—	9,788
Euro Export Finance facility *		8,076	8,076	—
Equipment Financing Facility		1,409	1,409	—
Receivables Financing Facility #		40,000	34,556	5,444
Corporate bond		40,000	40,000	—
<b>Unsecured</b>				
Other loan		1,314	1,314	—
<b>Total facilities</b>		<b>100,587</b>	<b>85,355</b>	<b>15,232</b>

\* Represents the export finance facility measured at the exchange rate prevailing at balance date.

# The drawn amount represents the amount lent against the relevant receivables that were available to be sold into the facility as per the terms and conditions of the facility at each reporting date.

#### (e) Terms and conditions

The overdraft facilities that were previously provided by ANZ Banking Group were repaid in full on 17 December 2019. In January 2020, a new A\$10 million overdraft facility was provided by ANZ Banking Group Ltd with maturity date of 30 September 2020. A bank guarantee facility continues to be provided in conjunction with the new overdraft facility. Security pledged involves a first ranking fixed and floating charge over the assets of Ovato, including the subsidiaries in Australia and New Zealand and is further backed by a guarantee from Ovato's major shareholder, the Hannan family. The facilities are subject to a number of financial covenants, including the Ovato Group being measured against a maximum leased effected Debt/EBITDA ratio and a minimum Debt Service ratio. For June 2020, the requirement to test the covenants was waived by the lender. The facilities are also subject to the warranties and conditions of the agreement.

Ovato issued a secured A\$40 million corporate bond on 22 November 2018 replacing the previous unsecured A\$40 million corporate bond which has been repaid. This new bond has a fixed coupon of 8.25% per annum and a four year term. It is subject to a number of financial covenants, including the Ovato Group being measured against a maximum lease effected Debt/EBITDA gearing ratio and a minimum Debt Service ratio. The requirement to test these ratios at June 2020 was waived by the Bond Holders. Capital Management restrictions also apply which limits payouts on the maximum dividend to be paid in any financial year.

Ovato entered into a Euro 17 million export financing loan agreement in February 2013, secured against an offset rotary press. As at 30 June 2020, this loan was fully drawn and after amortisation payments had a balance of Euro 4.0 million. This facility has a maturity date of 30 September 2021 with semi-annual amortisations. The lender is Commerzbank AG. The facility is subject to the warranties and conditions of the agreement during the term of it.

Ovato entered into an Australian Dollar floating rate export financing bank loan agreement in April 2019, secured against an offset rotary press. As at 30 June 2020, this loan was drawn to A\$16.9 million. This facility has a maturity date of 7 July 2023 with semi-annual amortisations. The lender is Commerzbank AG. The facility is subject to the warranties and conditions of the agreement during the term of it.

Ovato entered into a A\$50 million Receivables Financing Facility in November 2019 with Asset Secure, replacing the previous A\$40 million facility from ANZ. During the year, this facility reduced to \$39.5 million. As at 30 June 2020, this loan was drawn to A\$21.4 million. The requirement to test the covenants at 30 June 2020 was waived by Asset Secure. Subsequent to year end, this facility was fully repaid and replaced with a new A\$50 million Receivables Financing Facility with Scottish Pacific. Refer to the subsequent event note for further details.

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Notes to and forming part of the financial statements  
for the year ended 30 June 2020

## YEAR ENDED 30 JUNE 2020

### 12 Interest bearing liabilities (continued)

#### (f) Net debt

		Ovato Group	
		2020 \$'000	2019 \$'000
Cash		(16,200)	(38,701)
Overdraft		4,280	—
Corporate Bond: Australian dollars		40,000	40,000
Export Financing - repayable in Euros - measured at the exchange rate prevailing at balance date		6,515	8,076
Cross currency swap revaluation - adjusted to measure the Euro denominated loan at the hedged fixed rate of the Australian obligation <sup>2</sup>		—	(1,973)
Equipment Financing: Australian dollars		—	1,409
Export Financing: Australian dollars		16,917	—
Receivables Financing: Australian dollars		21,401	34,556
Other loan: Australian dollars		—	1,314
<b>Net debt</b>		<b>72,913</b>	<b>44,681</b>
Lease Liabilities <sup>1</sup>		107,654	—
<b>Net lease adjusted debt</b>		<b>180,567</b>	<b>44,681</b>

<sup>1</sup> Due to the new lease accounting standard. Refer to Changes in accounting policies in Note 1.

<sup>2</sup> During the financial year, Ovato closed out the cross currency swap which was used to exchange the Euro 4.0 million export financing loan's principal and floating Euro interest payments for an equally valued AUD loan and AUD interest payments.

#### (g) Reconciliation of liabilities arising from financing activities

(g) Reconciliation of liabilities arising from financing activities				Non-cash changes			
		2019	Cash Flows	Other¹	Foreign Exchange Movement	Fair Value Changes	2020
	NOTES	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Overdraft	12(a)	—	4,280	—	—	—	4,280
Corporate bond	12(a) & 12(b)	40,000	—	—	—	—	40,000
Export Financing - EUR	12(a) & 12(b)	8,076	(1,628)	—	67	—	6,515
Equipment Financing	12(a)	1,409	(1,409)	—	—	—	—
Export Financing	12(a) & 12(b)	—	16,917	—	—	—	16,917
Receivables Financing	12(a)	34,556	(13,155)	—	—	—	21,401
Other	12(a)	1,314	(1,314)	—	—	—	—
<b>Total current &amp; non-current interest bearing liabilities #</b>		<b>85,355</b>	<b>3,691</b>	<b>—</b>	<b>67</b>	<b>—</b>	<b>89,113</b>
Lease Liabilities ²		—	(26,084)	134,126	(388)	—	107,654
Asset held to hedge long-term borrowings ##	26(h)	(1,899)	1,866	—	—	33	—
<b>Total liabilities from financing activities</b>		<b>83,456</b>	<b>(20,527)</b>	<b>134,126</b>	<b>(321)</b>	<b>33</b>	<b>196,767</b>

A reconciliation between the opening and closing balances arising from financing activities. This includes changes from cash flows (refer to Consolidated statement of cash flows) and non-cash changes.

<sup>1</sup> Balances arise due to adoption of AASB 16 Leases from 1 July 2019.

<sup>2</sup> Due to the new lease accounting standard, for cash flow statement disclosure purposes repayments of lease liabilities are separated into a principal portion and interest portion. The principal component of lease payments of \$17.7 million is reclassified in the statement of cash flows from operating to financing activities. The interest component of \$8.4 million is separately identified and presented in operating activities. Refer to Changes in accounting policies in Note 1.

<sup>#</sup> Excludes prepaid financing costs as does not form part of cash flow from financing activities reconciliation.

<sup>##</sup> The valuation of the cross currency swap includes foreign exchange and an interest rate component. This swap was closed out during the financial year.

YEAR ENDED 30 JUNE 2020		NOTES	Ovato Group	
			2020 \$'000	2019 \$'000
<b>13 Provisions</b>				
<b>(a) Current provisions</b>				
Employee entitlements			<b>28,004</b>	27,122
Other	13(c)		<b>1,800</b>	16,050
Total current provisions			<b>29,804</b>	43,172
<b>Non-current provisions</b>				
Employee entitlements			<b>1,492</b>	1,800
Other	13(c)		<b>7,186</b>	19,827
Total non-current provisions			<b>8,678</b>	21,627
<b>Total provisions</b>			<b>38,482</b>	64,799

**(b) Significant accounting policies**

Provisions are recognised when the Ovato Group has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

*Employee entitlements*

Provision has been made in the financial statements for benefits accruing to employees in relation to sick leave (where mandatory obligation exists), annual leave, long service leave and workers' compensation. All on-costs, including superannuation, payroll tax, workers' compensation premiums and fringe benefits tax are included in the determination of provisions.

Liabilities arising in respect of wages and salaries, sick leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the market yield as at the reporting date on corporate bonds, which have terms to maturity approximating the terms of the related liability, are used.

Employee benefit expenses and revenues arise in respect of the following categories:

- wages and salaries, non-monetary benefits, annual leave, long service leave, sick leave and other leave benefits; and
- other types of employee benefits are recognised against profits on a net basis in respective categories.

# Financial statements

Notes to and forming part of the financial statements  
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## YEAR ENDED 30 JUNE 2020

### 13 Provisions (continued)

#### (c) Movements in provisions

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

	Make good \$'000	Onerous leases & contracts \$'000	Lease Incentive \$'000	Other \$'000	Total \$'000
<b>Current</b>					
Carrying amount at 1 July 2019	4,474	10,806	378	392	16,050
Retained earnings adjustment on transition to AASB 16	—	—	(313)	—	(313)
Impair ROU asset on transition to AASB 16	—	(5,825)	(35)	—	(5,860)
Charged/(credited) to profit or loss					
- additional provisions recognised	—	304	—	554	858
- unused amounts reversed	(253)	(145)	—	(263)	(661)
- discount unwind	—	39	—	—	39
Transfer (to)/from current/non-current	(1,306)	496	—	—	(810)
Transfer (to)/from other provision class	65	—	—	(65)	—
Amounts used during the period	(2,002)	(5,084)	(30)	(384)	(7,500)
Net foreign currency translation difference	—	—	—	(3)	(3)
<b>Carrying amount at 30 June 2020</b>	<b>978</b>	<b>591</b>	<b>—</b>	<b>231</b>	<b>1,800</b>
<b>Non-Current</b>					
Carrying amount at 1 July 2019	4,545	14,834	448	—	19,827
Retained earnings adjustment on transition to AASB 16	317	—	(405)	—	(88)
Impair ROU asset on transition to AASB 16	—	(13,380)	(43)	—	(13,423)
Charged/(credited) to profit or loss					
- additional provisions recognised	—	1	—	—	1
- unused amounts reversed	—	—	—	—	—
- discount unwind	89	—	—	—	89
Transfer (to)/from current/non-current	1,306	(496)	—	—	810
Amounts used during the period	—	—	—	—	—
Net foreign currency translation difference	(30)	—	—	—	(30)
<b>Carrying amount at 30 June 2020</b>	<b>6,227</b>	<b>959</b>	<b>—</b>	<b>—</b>	<b>7,186</b>

The Group adopted *AASB 16 Leases* on 1 July 2019. On transition the Group adjusted the ROU asset carrying amount by the amount of any existing onerous lease provisions and existing straight-line lease incentive provisions were reversed to retained earnings. Refer to Note 1 Changes in accounting policies.

YEAR ENDED 30 JUNE 2020		NOTES	Ovato Group	
			2020 \$'000	2019 \$'000
<b>14</b>	<b>Financial assets and financial liabilities</b>			
	<b>Current financial assets</b>			
	Forward currency contracts	26(e)(iv)	80	513
	Cross currency swaps	26(c)(ii)	—	692
	<b>Total current financial assets</b>		80	1,205
	<b>Non-current financial assets</b>			
	Cross currency swaps	26(c)(ii)	—	1,207
	<b>Total non-current financial assets</b>		—	1,207
	<b>Total financial assets</b>		80	2,412
	<b>Current financial liabilities</b>			
	Forward currency contracts	26(e)(iv)	110	144
	<b>Total current financial liabilities</b>		110	144
	<b>Total financial liabilities</b>		110	144

All derivatives designated as effective hedging instruments are carried at fair value.

YEAR ENDED 30 JUNE 2020		Number		Ovato Group	
		2020 '000	2019 '000	2020 \$'000	2019 \$'000
<b>15</b>	<b>Contributed equity</b>				
	<b>Issued and paid up capital</b>				
	Movements in ordinary share capital:				
	Balance as at 1 July - ordinary shares	732,004	510,184	497,523	482,433
	Share movements in respect of:				
	- Share issue	—	221,820	—	15,090
	<b>Balance at 30 June - ordinary shares</b>	<b>732,004</b>	<b>732,004</b>	<b>497,523</b>	<b>497,523</b>

During the 2019 financial year the company undertook a 1 for every 2.3 shares held fully underwritten accelerated pro-rata non-renounceable entitlement offer. On 30 May 2019, 156,709,664 shares were issued at \$0.07 per share under the institutional entitlement. On 14 June 2019, 65,110,974 shares were issued at \$0.07 per share under the retail entitlement.

Transaction costs arising from the institutional and retail entitlement of \$437,000 were accounted for as a deduction from equity during the 2019 financial period.

Ordinary shares have no par value. Fully paid ordinary shares carry one vote per share and carry the right to dividends.

## 16 Dividends

No dividends were declared or paid during the year ended 30 June 2020 (2019: Nil).

### Significant accounting policies

Provision is made for the amount of any dividend declared, being properly authorised and no longer at the discretion of the entity, on or prior to the financial year end but not distributed at balance date.

Due to the statutory loss Ovato has not declared a dividend for the 2020 year (nor paid any interim dividends).

The dividend reserve of Ovato Limited has a balance of \$33.0 million. Refer to Note 29.



# Financial statements

Notes to and forming part of the financial statements  
for the year ended 30 June 2020

		Ovato Group	
		2020	2019
		\$'000	\$'000
YEAR ENDED 30 JUNE 2020			
	NOTES		
<b>17 Reserves</b>			
<b>Foreign currency translation reserve</b>			
Opening balance		11,531	9,877
Movement in reserve relating to:			
- Exchange fluctuation on translation of overseas controlled entities		(435)	1,654
Total foreign currency translation reserve		11,096	11,531
<b>Share-based payment reserve</b>			
Opening balance		—	257
Movement in reserve relating to:			
- Share-based payment expense	2(c)	—	15
- Transfer to retained earnings		—	(272)
Total share-based payment reserve		—	—
<b>Cash flow hedge reserve</b>			
Opening balance		172	302
Movement in reserve relating to:			
- Cash flow hedge		(275)	(181)
- Tax effect of cash flow hedge		83	51
Total cash flow hedge reserve		(20)	172
<b>Total reserves</b>		<b>11,076</b>	<b>11,703</b>

## Nature and purpose of reserves

### i. Foreign currency translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

### ii. Share-based payment reserve

The share-based payment reserve comprises the fair value of share-based payment plans recognised as an expense in the Consolidated statement of profit or loss. Shares issued in Ovato Limited are charged against the reserve.

### iii. Cash flow hedge reserve

The cash flow hedge reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedge transactions that have not yet occurred. The cumulative deferred net change is recognised in the Consolidated statement of profit or loss when the hedged transaction affects profit or loss or included in the initial cost or other carrying amount of a non-financial asset when the hedged asset is received.

		Ovato Group	
		2020	2019
		\$'000	\$'000
YEAR ENDED 30 JUNE 2020			
<b>18 Capital expenditure commitments</b>			
The following capital expenditure commitments are not reflected in the balance sheet and are payable as follows:			
<b>(a) Capital expenditure:</b>			
- not later than one year		49	20,485
- later than one year but not later than five years		—	—
Total capital expenditure		49	20,485

At 30 June 2020 the Group capital expenditure commitments relate to the acquisition of new plant and equipment.

## YEAR ENDED 30 JUNE 2020

### 19 Controlled entities (d)

	Country of Incorporation	NOTES	Interest held	
			2020 %	2019 %
Pacific Publications Holdings Pty Limited	Australia	(a)	100	100
Attic Futura Pty Limited	Australia	(a)	100	100
Pacific O'Brien Publications Pty Limited	Australia	(a)	100	100
Total Sampling Pty Limited	Australia	(a)	100	100
PMP Publishing Pty Ltd	Australia	(a)	100	100
Ovato Print Pty Ltd	Australia	(a)	100	100
PMP Property Pty Limited	Australia	(a)	100	100
PT Pac-Rim Kwartanusa Printing	Indonesia		95	95
PMP Advertising Solutions Pty Limited	Australia	(a)	100	100
PMP Home Media Pty Limited	Australia	(a)	100	100
Shomega Pty Limited	Australia	(a)	100	100
Show-Ads Pty Ltd	Australia	(a)	100	100
Linq Plus Pty Limited	Australia	(a)	100	100
PMP Wholesale Pty Ltd	Australia	(a)	100	100
Ovato Creative Services Clayton Pty Ltd	Australia	(a)	100	100
Pacific Intermedia Pty Ltd	Australia	(a)	100	100
The Argus & Australasian Pty Limited	Australia	(a)	100	100
Ovato Retail Distribution Pty Ltd	Australia	(a)	100	100
A.C.N. 128 266 268 Pty Limited	Australia	(b)	100	100
Scribo Holdings Pty Ltd	Australia	(b)	100	100
The Scribo Group Pty Ltd	Australia	(b)	100	100
Tower Books Pty Limited	Australia	(b)	100	100
Gary Allen Pty Ltd	Australia	(b)	100	100
ilovemagazines.com.au Pty Ltd	Australia	(a)	100	100
PMP Directories Pty Limited	Australia	(a)	100	100
Argyle Print Pty Ltd	Australia	(b)	100	100
Red PPR Holdings Pty Ltd	Australia	(a)	100	100
Ovato Finance Pty Ltd	Australia	(a)	100	100
PMP Share Plans Pty Limited	Australia		100	100
Manningtree Investments Pty Limited	Australia	(a)	100	100
Canberra Press Pty Limited	Australia	(a)	100	100
Ovato NZ Limited	New Zealand		100	100
Ovato Print NZ Limited	New Zealand		100	100
PMP Maxum Limited	New Zealand		100	100
Ovato Residential Distribution NZ Limited	New Zealand		100	100
Ovato Retail Distribution NZ Limited	New Zealand		100	100
PMP Digital Limited	New Zealand		100	100

#### Footnotes refer to all of Note 19.

- These companies entered into a Deed of Cross Guarantee dated 27 June 2008 with Ovato Limited which replaced the previous deed dated 10 June 1992. The deed provides that all parties to the deed will guarantee to each creditor payment in full of any debt of each company participating in the deed on winding up of that company. As a result of a Corporations Instrument 2016/785 issued by the Australian Securities and Investments Commission, those companies are relieved from the requirement to prepare financial statements.
- On 11 June 2009 these companies were joined as parties to the Deed of Cross Guarantee referred above.
- These Companies were acquired by Ovato on 1 March 2017, and were joined on 6 June 2017 as parties to the Deed of Cross Guarantee referred above.
- Notes on the closed group:
  - Ovato Limited is the ultimate parent company of the Ovato Group.
  - All companies have ordinary share capital.

# Financial statements

Notes to and forming part of the financial statements  
for the year ended 30 June 2020

YEAR ENDED 30 JUNE 2020	Country of Incorporation	NOTES	Interest held	
			2020 %	2019 %
19 Controlled entities (continued)				
IPMG Holdco Pty Ltd	Australia	(c)	100	100
IPMG Subco Pty Ltd	Australia	(c)	100	100
Propsea Pty Limited	Australia	(c)	100	100
MJV Pty Limited	Australia	(c)	100	100
Tigerstone Pty Limited	Australia	(c)	100	100
KTAR Pty Limited	Australia	(c)	100	100
PMP Subco No.6 Pty Limited	Australia	(c)	100	100
D. Livingstone Pty. Limited	Australia	(c)	100	100
PMP Subco No.2 Pty Limited	Australia	(c)	100	100
PMP Subco No.3 Pty Limited	Australia	(c)	100	100
PMP Subco No.4 Pty Limited	Australia	(c)	100	100
IPMG Pty Limited	Australia	(c)	100	100
Hannan Finance Corporation Pty Limited	Australia	(c)	100	100
IPMG Administration Pty Limited	Australia	(c)	100	100
NDD Distribution Pty Ltd	Australia	(c)	100	100
Southern Independent Publishers Pty Limited	Australia	(c)	100	100
The Federal Publishing Co Pty Ltd	Australia	(c)	100	100
PMP Subco No.1 Pty Limited	Australia	(c)	100	100
IPMG Management (No.2) Pty Ltd	Australia	(c)	100	100
IPMG Digital Pty Ltd	Australia	(c)	100	100
Forty Two International Pty Limited	Australia	(c)	100	100
Holler Australia Pty Ltd	Australia	(c)	100	100
Holler Administration Pty Ltd	Australia	(c)	100	100
IPMG Consulting Pty Limited	Australia	(c)	100	100
Massmedia Studios Pty Ltd	Australia	(c)	100	100
Max Australia Pty Ltd	Australia	(c)	100	100
Ovato Creative Services Pty Ltd	Australia	(c)	100	100
Ovato Communications Pty Ltd	Australia	(c)	100	100
Ovato Communications Singapore Pte Ltd	Singapore		100	100
Spin Comm. Syd. Pty Ltd	Australia	(c)	100	100
The Gang of 4 Pty Limited	Australia	(c)	100	100
Ovato Technology Pty Ltd	Australia	(c)	100	100
Ovato Technology London Limited	United Kingdom		100	100
Ovato Technology Chennai Private Limited	India		100	100
The Independent Print Media Group Pty Limited	Australia	(c)	100	100
PMP Subco No.5 Pty Limited	Australia	(c)	100	100
Offset Alpine Printing Group Pty Limited	Australia	(c)	100	100
Kierle Investments Pty Ltd	Australia	(c)	100	100
Offset Alpine Printing Pty Limited	Australia	(c)	100	100
Craft Printing Pty Ltd	Australia	(c)	100	100
Hannanprint NSW Pty Limited	Australia	(c)	100	100
Hannanprint Victoria Pty Limited	Australia	(c)	100	100
SYNC Communications Management Pty Limited	Australia	(c)	100	100
Warwick Farm Business Park Pty Ltd	Australia	(c)	100	100
Woodox Pty Ltd	Australia	(c)	100	100
Inprint Pty Limited	Australia	(c)	100	100
Ovato Print Cairns Pty Ltd	Australia	(c)	100	100
Ovato Packaging Pty Ltd	Australia	(c)	100	100
Ovato Creative Services Geebung Pty Ltd	Australia	(c)	100	100

## YEAR ENDED 30 JUNE 2020

### 19 Controlled entities (continued)

The aggregate assets, liabilities and net result after income tax of the companies which are parties to the Deed of Cross Guarantees are as follows :

	Closed Group	
	2020 <sup>1</sup> \$'000	2019 \$'000
<b>Statements of profit or loss and other comprehensive income of the closed group</b>		
Sales revenue	448,359	553,272
Other revenue	23,598	14,202
<b>Revenue</b>	<b>471,957</b>	<b>567,474</b>
Raw materials and consumables used	(171,790)	(209,287)
Cost of finished goods sold	(4,666)	(1,458)
Employee expenses	(193,237)	(230,425)
Outside production services	(11,394)	(12,462)
Freight	(50,420)	(58,411)
Repairs and maintenance	(10,642)	(12,681)
Occupancy costs	(7,005)	(35,439)
Other expenses	(73,563)	(39,152)
<b>Loss before depreciation, amortisation, finance costs and income tax</b>	<b>(50,760)</b>	<b>(31,841)</b>
Depreciation and amortisation	(31,060)	(24,328)
<b>Loss before finance costs and income tax</b>	<b>(81,820)</b>	<b>(56,169)</b>
Finance costs	(17,304)	(8,964)
<b>Loss before income tax</b>	<b>(99,124)</b>	<b>(65,133)</b>
<b>Income tax expense</b>	<b>(13,082)</b>	<b>(17,685)</b>
<b>Net loss attributable to members of the closed group</b>	<b>(112,206)</b>	<b>(82,818)</b>

<sup>1</sup> The Group has applied AASB 16 Leases from 1 July 2019. The modified retrospective approach has been applied and comparative information has not been restated. The cumulative effect of applying AASB 16 is recognised in accumulated losses at 1 July 2019. Refer to Changes in accounting policies in Note 1.

# Financial statements

Notes to and forming part of the financial statements  
for the year ended 30 June 2020

		Closed Group	
		2020 \$'000	2019 \$'000
<b>YEAR ENDED 30 JUNE 2020</b>			
<b>19 Controlled entities (continued)</b>			
<b>Statement of financial position of the closed group</b>			
<b>Current assets</b>			
Cash and cash equivalents	10,783	27,324	
Receivables	42,455	68,760	
Inventories	71,008	84,555	
Financial assets	80	1,160	
Other	5,935	4,285	
<b>Total current assets</b>	<b>130,261</b>	<b>186,084</b>	
<b>Non-current assets</b>			
Property, plant and equipment	97,394	101,399	
Right-of-use assets <sup>1</sup>	47,913	—	
Deferred tax assets	35,387	43,553	
Goodwill and intangible assets	1,404	37,019	
Financial assets	—	1,207	
Other	28,063	30,318	
<b>Total non-current assets</b>	<b>210,161</b>	<b>213,496</b>	
<b>Total assets</b>	<b>340,422</b>	<b>399,580</b>	
<b>Current liabilities</b>			
Payables	110,642	115,909	
Interest bearing liabilities	37,192	39,735	
Lease liabilities <sup>1</sup>	21,446	—	
Financial liabilities	106	30	
Provisions	27,403	40,204	
<b>Total current liabilities</b>	<b>196,789</b>	<b>195,878</b>	
<b>Non-current liabilities</b>			
Interest bearing liabilities	48,829	43,243	
Lease liabilities <sup>1</sup>	70,371	—	
Provisions	7,160	19,421	
<b>Total non-current liabilities</b>	<b>126,360</b>	<b>62,664</b>	
<b>Total liabilities</b>	<b>323,149</b>	<b>258,542</b>	
<b>Net assets</b>	<b>17,273</b>	<b>141,038</b>	
<b>Equity</b>			
Contributed equity	497,523	497,523	
Reserves	(17)	181	
Accumulated losses	(480,233)	(356,666)	
<b>Total equity</b>	<b>17,273</b>	<b>141,038</b>	

<sup>1</sup> Balances arise due to adoption of AASB 16 Leases from 1 July 2019. The modified retrospective approach has been applied and comparative information has not been restated. The cumulative effect of applying AASB 16 is recognised in accumulated losses at 1 July 2019. Refer to Note 1 for further transition details.

## YEAR ENDED 30 JUNE 2020

### 20 Segmental information

#### Description of segments

Management has determined the operating segments based on the manner in which the Group is structured and managed by the Executive Management Team ("EMT"). All reports regularly reviewed by the Chief Executive Officer and the EMT are presented on this basis which group similar operations or geographic locations.

Ovato Australia Group includes all of the Print businesses in Australia, Ovato Residential Distribution, Ovato Retail Distribution, the digital businesses and corporate. Ovato New Zealand Group segment includes all businesses in New Zealand.

The operational segment and the geographic segment are the same. Therefore the geographical segment is not shown separately.

Transactions between segments are carried out at arm's length and are eliminated on consolidation.

#### Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segment for the periods presented:

(a) Operational and Geographic Segments	Ovato Australia Group		Ovato New Zealand Group		Consolidated	
	2020 \$'000	2019 <sup>1</sup> \$'000	2020 \$'000	2019 <sup>1</sup> \$'000	2020 \$'000	2019 <sup>1</sup> \$'000
<b>Revenue</b>						
External sales	433,626	529,913	82,546	105,876	516,172	635,789
External sales significant item	(1,000)	—	—	—	(1,000)	—
Freight	16,645	25,015	7,453	8,432	24,098	33,447
Other revenue <sup>2</sup>	16,539	9,420	1,098	1,334	17,637	10,754
Other revenue significant items	6,323	—	—	—	6,323	—
Total revenue	472,133	564,348	91,097	115,642	563,230	679,990
EBITDA ~ before significant items	31,202	26,286	1,225	4,561	32,427	30,847
Depreciation and amortisation	(31,069)	(24,338)	(5,897)	(4,297)	(36,966)	(28,635)
EBIT^ before significant items	133	1,948	(4,672)	264	(4,539)	2,212
Significant items before income tax	(68,960)	(51,001)	(3,207)	(11,956)	(72,167)	(62,957)
<b>Segment EBIT after significant items</b>	<b>(68,827)</b>	<b>(49,053)</b>	<b>(7,879)</b>	<b>(11,692)</b>	<b>(76,706)</b>	<b>(60,745)</b>
Significant items - Finance costs					(321)	(631)
Finance costs					(18,339)	(8,415)
Consolidated entity loss before income tax					(95,366)	(69,791)
Income tax expense					(13,384)	(14,460)
<b>Net loss after income tax</b>					<b>(108,750)</b>	<b>(84,251)</b>

1. Balances have not been restated upon the initial adoption of AASB 16. The Group has applied AASB 16 Leases from 1 July 2019. The cumulative effect of applying AASB 16 is recognised in accumulated losses at 1 July 2019. Refer to Changes in accounting policies in Note 1.

2. Other revenue includes government assistance through the Australian Federal Government JobKeeper program of \$9.7 million and the New Zealand Government Employer Wage Subsidy Scheme of \$2.5 million.

~ EBITDA - Profit/(loss) before depreciation, amortisation, finance costs and income tax

^ EBIT - Profit/(loss) before finance costs and income tax

# Financial statements

Notes to and forming part of the financial statements  
for the year ended 30 June 2020

## YEAR ENDED 30 JUNE 2020

### 20 Segmental information (continued)

	Ovato Australia Group		Ovato New Zealand Group		Consolidated	
(b) Significant items by operating segments	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Significant items of revenue</b>						
Sales rebate	(1,000)	—	—	—	(1,000)	—
Net gain on disposal of plant and equipment	347	—	—	—	347	—
Gain on de-recognition of ROU assets and recognition of finance lease receivables	5,976	—	—	—	5,976	—
<b>Total segment significant items of revenue</b>	<b>5,323</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>5,323</b>	<b>—</b>
<b>Significant items of expense</b>						
Net loss on disposal of plant and equipment	—	(688)	—	(61)	—	(749)
Restructure initiatives and other one-off costs including Moorebank site closure	(24,723)	(23,083)	(718)	(1,606)	(25,441)	(24,689)
Onerous leases and make good provisions	(1,326)	(13,697)	—	(786)	(1,326)	(14,483)
Relocation of presses	(4,219)	(5,019)	—	—	(4,219)	(5,019)
Impairment of goodwill	(35,203)	—	(2,041)	—	(37,244)	—
Impairment of plant and equipment due to restructure initiatives	(6,670)	(8,514)	—	(9,503)	(6,670)	(18,017)
Impairment of inventory	(2,142)	—	(448)	—	(2,590)	—
<b>Total segment significant items of expense</b>	<b>(74,283)</b>	<b>(51,001)</b>	<b>(3,207)</b>	<b>(11,956)</b>	<b>(77,490)</b>	<b>(62,957)</b>
<b>Total segment significant items before income tax</b>	<b>(68,960)</b>	<b>(51,001)</b>	<b>(3,207)</b>	<b>(11,956)</b>	<b>(72,167)</b>	<b>(62,957)</b>
<b>Significant items - finance costs</b>						
Loss on cross currency swap realised	(133)	—	—	—	(133)	—
Fee for corporate bond covenant waivers	(188)	—	—	—	(188)	—
Fee paid for early termination of corporate bond	—	(400)	—	—	—	(400)
Write off of prepaid finance costs	—	(231)	—	—	—	(231)
<b>Total segment significant items - finance costs</b>	<b>(321)</b>	<b>(631)</b>	<b>—</b>	<b>—</b>	<b>(321)</b>	<b>(631)</b>

## YEAR ENDED 30 JUNE 2020

### 20 Segmental information (continued)

#### (c) Other segment information

##### i. Disaggregation of revenue by major product and service offerings

The Group derives revenue at a point in time and over time. Set out below is the disaggregation of the Group's revenue from contracts with customers by operating segment.

	Ovato Australia Group		Ovato New Zealand Group		Consolidated	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Segment Revenue</b>						
Commercial printing, marketing services and residential distribution	<b>353,462</b>	446,773	<b>73,457</b>	95,043	<b>426,919</b>	541,816
Book printing	<b>28,987</b>	28,843	—	—	<b>28,987</b>	28,843
Magazine distribution	<b>50,177</b>	54,297	<b>9,089</b>	10,833	<b>59,266</b>	65,130
Freight	<b>16,645</b>	25,015	<b>7,453</b>	8,432	<b>24,098</b>	33,447
Total sales revenue	<b>449,271</b>	554,928	<b>89,999</b>	114,308	<b>539,270</b>	669,236

##### ii. Major customers

Included in the Ovato Australia Group and the Ovato New Zealand Group segments are sales revenue of approximately \$120.6 million (14% of Group gross sales) which arose from sales to the Group's largest customer (2019: The sales revenue from this customer was \$133.5 million, 13% of the Group's gross sales).

#### (d) Significant accounting policies

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments. Segment information is presented on the same basis as that used for internal reporting purposes.



# Financial statements

## Notes to and forming part of the financial statements for the year ended 30 June 2020

### YEAR ENDED 30 JUNE 2020

#### 21 Pension plans

The Ovato Group contributes to a defined benefit fund and accumulation plans as a consequence of legislation or Trust Deeds. Legal enforceability is dependent upon the terms of the legislation and the Trust Deeds.

Accumulation and defined benefit member accounts are held within the PEP Superannuation Plan which is a sub-plan of the AMP SuperSignature Plan.

Ovato manages superannuation commitments through a Superannuation Policy Committee in conjunction with the trustees of the AMP Superannuation Savings Trust, within which is the AMP SuperSignature Plan. This master trust provides defined benefits based on years of membership and final average salary and accumulation benefits (defined contribution fund). Employees contribute to the plan at various percentages of their wages and salaries.

Employer contributions to superannuation plans in the year ended 30 June 2020 totalled \$10,319,727 (2019: \$11,606,070).

##### Accumulation funds

Contribution obligations in respect of each accumulation fund for the year to 30 June 2020 was 9.5% (2019: 9.5%) of members' wages or as defined by the Trust Deed.

##### Defined benefit funds

###### *i. Nature of the benefits provided*

Defined benefit members receive lump sum benefits on retirement, death, disablement and withdrawal. The defined benefit section of the Plan is closed to new members. All new members receive accumulation only benefits.

###### *ii. Regulatory framework*

The Superannuation Industry (Supervision) (SIS) legislation governs the superannuation industry and provides the framework within which superannuation plans operate. The SIS Regulations require an actuarial valuation to be performed for each defined benefit superannuation plan every three years, or every year if the plan pays defined benefit pensions.

###### *iii. Governance of the Plan*

The Plan's Trustee is responsible for the governance of the Plan. The Trustee has a legal obligation to act solely in the best interests of Plan beneficiaries. The trustee has the following roles:

- administration of the Plan and payment to the beneficiaries from Plan assets when required in accordance with the Plan rules;
- management and investment of the Plan assets; and
- compliance with superannuation laws and other applicable regulations.

The prudential regulator, the Australian Prudential Regulation Authority (APRA), licences and supervises regulated superannuation plans.

###### *iv. Risks*

There are a number of risks to which the Plan exposes the Company. The more significant risks relating to the defined benefits are:

- **Investment risk** - the risk that investment returns will be lower than assumed and the Company will need to increase contributions to offset this shortfall.
- **Salary growth risk** - the risk that wages or salaries (on which future benefit amounts will be based) will rise more rapidly than assumed, increasing defined benefit amounts and thereby requiring additional employer contributions.
- **Legislative risk** - the risk is that legislation changes could be made which increase the cost of providing the defined benefits.

The defined benefit assets are invested in the Future Directions Balanced investment option. The assets are diversified within this investment option and therefore the Plan has no significant concentration of investment risk.

###### *v. Description of significant events*

There were no Plan amendments affecting the defined benefits payable, curtailments or settlements during the year.

**YEAR ENDED 30 JUNE 2020**

**NOTES**

**Ovato Group**

**2020**  
**\$'000**

2019  
\$'000

**21 Pension plans (continued)**

**(a) Statement of financial position impact**

Defined benefit obligation		<b>(10,051)</b>	(10,022)
Less: fair value of plan assets		<b>11,144</b>	11,549
<b>Net defined benefit plan asset</b>	<b>7</b>	<b>1,093</b>	1,527

**(b) Movement in net defined benefit plan asset**

Net defined benefit plan asset at start of year		<b>1,527</b>	2,122
Defined benefit plan cost		<b>(142)</b>	(117)
Remeasurements recognised in other comprehensive income		<b>(447)</b>	(642)
Employer contributions		<b>155</b>	164
<b>Net defined benefit plan asset</b>	<b>7</b>	<b>1,093</b>	1,527

**(c) Reconciliation of the net defined benefit plan asset**

Net defined benefit plan asset at start of year		<b>1,527</b>	2,122
Current service cost		<b>(177)</b>	(185)
Net interest		<b>35</b>	68
Actual return on plan assets less interest income		<b>(717)</b>	255
Actuarial (losses) arising from changes in financial assumptions		<b>(161)</b>	(268)
Actuarial gains/(losses) arising from liability experience		<b>431</b>	(629)
Employer contributions		<b>155</b>	164
<b>Net defined benefit plan asset at end of year</b>	<b>7</b>	<b>1,093</b>	1,527

If a surplus exists in the plan, Ovato Limited expect to be able to take advantage of it in the form of a reduction in the required contribution rate, depending on the advice of the Plan's actuary.

Ovato Limited may at any time by notice to the Trustee terminate its contributions. Ovato Limited has a liability to pay the contributions due prior to the effective date of the notice, but there is no requirement for it to pay any further contributions, irrespective of the financial condition of the plan.

**(d) Significant accounting policies**

An asset or liability in respect of the defined benefit fund is recognised in the Consolidated statement of financial position, and is measured as the present value of the defined benefit obligation plus unrecognised actuarial gains/losses less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost. The present value of the defined benefit fund has been determined using the projected unit credit actuarial valuation method. Various assumptions are required when determining the Group's benefit obligation.

Contributions to the defined contribution fund are recognised as an expense as they become payable.

**(e) Actuarial assumptions**

The principal actuarial assumptions used in determining Ovato's pension obligations are as follows:

**Ovato Group**

**2020**  
**%**

2019  
%

Discount rate	<b>1.90</b>	2.50
Expected salary increase rate	<b>1.25</b>	1.25

# Financial statements

## Notes to and forming part of the financial statements for the year ended 30 June 2020

### YEAR ENDED 30 JUNE 2020

#### 22 Share-based payment plans

##### (a) Employee long term incentive plan

Share-based payment transactions are provided to employees via the Ovato employee long term incentive plan ("LTI").

Ordinary shares up to 5.0% (2019: 5.0%) of the total number of ordinary shares on issue may be allotted under the Ovato long term incentive plan.

Total number of employee options/performance rights issued since commencement:	79,363,811
Total number of employee performance rights issued as at balance date:	—
Rights on issue (as a percentage of total shares on issue) as at 30 June 2020:	0.00%
Total number of employee performance rights issued during the year	—
Total number of employee performance rights issued post balance date:	—

##### (b) Significant accounting policies

The fair value of rights is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the rights. The fair value is determined by an external valuer taking into account the terms and conditions upon which the instruments were granted.

The fair value of the rights excludes the impact of any non-market based vesting conditions. Non-market based vesting conditions are included in assumptions about the number of rights that are expected to ultimately vest. At each balance sheet date, the Ovato Group revises its estimate of the number of rights that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

No expense is recognised for rights that do not ultimately vest, except for rights where vesting is conditional upon a market condition.

#### 23 Related parties

##### (a) Key Management Personnel

Details of Key Management Personnel, including remuneration, are included in the section titled "Remuneration Report" included in the Directors' Report.

No Key Management Personnel received or is entitled to receive a benefit, other than a benefit included in the aggregate amount of emoluments. Any transactions with Key Management Personnel are made on normal commercial terms and conditions.

##### (b) Compensation of Key Management Personnel

The aggregate compensation made to Directors and other members of Key Management Personnel of the company and the Group is set out below:

	Ovato Group	
	2020 \$	2019 \$
Short-term employee benefits	2,199,923	2,059,746
Other long-term employee benefits	17,985	12,091
Post employment benefits	91,473	109,264
Share-based payment <sup>(1)</sup>	—	3,701
<b>Total compensation</b>	<b>2,309,381</b>	<b>2,184,802</b>

(1) This is based on the accrued accounting value in accordance with AASB 2 *Share-based payments*. All rights valued in accordance with AASB 2 have been independently valued. In accordance with AASB 2 the non-market conditions associated with these rights were not taken into account when estimating the fair value at grant date. Instead, the number of rights expected to eventually vest is re-assessed at the end of each reporting period.

## YEAR ENDED 30 JUNE 2020

### 23 Related parties (continued)

#### (c) Key Management Personnel shareholdings

This information is disclosed within the "Remuneration Report" included in the Directors' Report.

#### (d) Transactions with Key Management Personnel and their related parties

A number of Key Management Personnel, or their related parties, hold positions in other companies that result in them having control or significant influence over these companies.

The aggregate value of transactions and outstanding balances related to Key Management Personnel and entities over which they have control or significant influence were as follows:

Director/Executive	Transaction	Payments/(receipts) transaction value for the year ended 30 June		Payable/(receivable) balance outstanding as at 30 June	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
M Hannan	Property leases (i)	10,789	9,429	2,003	—
M Hannan	Interest on corporate bond (ii)	407	248	44	45
D Karai	Whistleblower reporting service (iii)	7	7	—	—

(i) Mr Hannan is a Non-Executive Director of Ovato Limited and a beneficiary of Rathdrum Property Trust ("RPT"). Subsidiary companies of Ovato Limited lease some properties from RPT. All leases expire on 30 June 2024. Properties leased are Geebung QLD (Inprint), Noble Park VIC (Hannan Print Victoria), Warwick Farm NSW (Hannan Print NSW) and Lidcombe NSW (Offset Alpine). Ovato Group assumed responsibility for these leases when it acquired IPMG on 1 March 2017. The Noble Park VIC lease was exited on 30 April 2020. A fee of \$1,250,000 was paid to exit the lease early. Amounts disclosed excludes outgoings.

In response to the COVID-19 pandemic, RPT provided deferred rental relief of \$1,821,000. Deferred rentals are to be repaid over the remaining term of the leases.

RPT has provided a guarantee to the ANZ Banking Group guaranteeing Ovato's transactional facilities up to \$27 million plus costs.

(ii) Ovato issued an unsecured \$40 million corporate bond on 22 November 2018. The bond has a fixed coupon of 8.25% per annum and a four year term. Mr Hannan is a Non-Executive Director of Ovato Limited and a related company holds \$5 million of the corporate bond.

(iii) Ms Karai is a Partner at Grant Thornton Australia. Grant Thornton provides a whistleblower reporting service to Ovato Limited. Amounts were billed at normal market rates for such services and payable under normal payment terms.

The Right-of-use ("ROU") property assets written down value ("WDV") and lease liabilities of RPT leases as at 30 June 2020 are disclosed in the table below.

	ROU asset WDV 2020 \$'000	Lease Liabilities 2020 \$'000
Offset Alpine Printing Pty Limited	—	10,915
Hannanprint NSW Pty Limited	19,700	23,906
Inprint Pty Limited	5,138	8,222
Ovato Creative Services Geebung Pty Ltd	150	241
	24,988	43,284

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Notes to and forming part of the financial statements  
for the year ended 30 June 2020

## YEAR ENDED 30 JUNE 2020

### 23 Related parties (continued)

#### (d) Transactions with Key Management Personnel and their related parties (continued)

The maturity profile of total lease commitments to RPT to 30 June 2024 is as follows:

	2020 \$'000	2019 \$'000
- not later than one year	9,996	10,875
- later than one year but not later than five years	28,372	36,547
Total undiscounted lease liabilities	38,368	47,422

#### (e) Transactions with related parties in the wholly owned group

Details of controlled entities are set out in Note 19. The entities and Ovato conduct business transactions between themselves. Such transactions include the purchase and sale of goods, services, plant and equipment and the receipt and payment of management fees, dividends and interest. All such transactions are conducted on the basis of normal commercial terms and conditions, have been eliminated on consolidation and are not disclosed in this note.

#### (f) Transactions with other related parties

There were no transactions with any other related parties of the Ovato Group.

### 24 Earnings per share

#### (a) Weighted average number of ordinary shares

Weighted average number of ordinary shares on issue used in the calculation of basic and diluted earnings per share

	2020 Number '000	2019 Number '000
	732,004	526,955

#### (b) Earnings

Net loss after income tax

Loss used in calculating basic and diluted earnings per share

	2020 \$'000	2019 \$'000
	(108,750)	(84,251)
	(108,750)	(84,251)

		Ovato Group	
		2020	2019
YEAR ENDED 30 JUNE 2020		\$'000	\$'000
<b>25 Cash flow statement notes</b>	<b>NOTES</b>		
<b>(a) Reconciliation of cash flow from operating activities to operating loss after income tax</b>			
Operating loss after income tax		(108,750)	(84,251)
Adjustments for non-cash items:			
Depreciation	2(e)	36,161	28,110
Amortisation	2(e)	805	525
Impairment of plant and equipment	2(b), 2(c)	6,670	18,017
Impairment of goodwill	2(b), 2(c)	37,244	—
Provision/(Credit) for expected credit loss/bad debts written off		986	(69)
Movement in provision for tax		—	3
Net (gain)/loss on disposal of plant and equipment	2(c)	(501)	775
Share-based payment plans	2(c), 17	—	15
Gain on de-recognition of ROU assets and recognition of finance lease receivables	2(a), 2(b)	(5,976)	—
Non-cash superannuation expense	21(b)	142	117
Other non-cash items		10	(761)
Change in assets and liabilities:			
Accounts receivable	Decrease	30,142	10,211
Inventories	Decrease	14,821	2,323
Liabilities	(Decrease)	(19,693)	(9,217)
Non-current assets	Decrease	13,344	14,151
Provision for employee benefits	Increase/(Decrease)	1,008	(582)
Prepayments	Decrease	1,676	1,410
<b>Net cash provided by/(used in) operating activities</b>		<b>8,089</b>	<b>(19,223)</b>

		Ovato Group	
		2020	2019
		\$'000	\$'000
<b>(b) Reconciliation of cash and cash equivalents</b>	<b>NOTES</b>		
Cash and cash equivalents		16,200	38,701
<b>Total cash and cash equivalents</b>		<b>16,200</b>	<b>38,701</b>

# Financial statements

## Notes to and forming part of the financial statements for the year ended 30 June 2020

### YEAR ENDED 30 JUNE 2020

#### 26 Financial instruments

The Group's activities expose it to a variety of financial risks: market risk (including currency and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the group.

##### Categories of financial instrument:

The Group holds the following categories of financial instruments:

		Ovato Group	
	NOTES	2020 \$'000	2019 \$'000
<b>Financial assets</b>			
Cash and cash equivalents	25(b)	16,200	38,701
Trade and other receivables	5	50,654	81,783
Finance lease receivables	7	14,791	—
Derivative financial instruments	14	80	2,412
		<b>81,725</b>	122,896
<b>Financial liabilities</b>			
Trade and other payables	11	131,394	143,875
Interest bearing liabilities	12(a), 12(b)	86,021	82,978
Lease liabilities	30(b)	107,654	—
Derivative financial instruments	14	110	144
		<b>325,179</b>	226,997

#### (a) Significant accounting policies

The Ovato Group trades internationally and uses derivative financial instruments such as forward exchange contracts, interest rate swaps and cross currency swaps to hedge its risks associated with interest rate and foreign currency fluctuations. Derivative financial instruments are initially recognised at cost on the date a derivative contract is entered into and are subsequently re-measured to their fair value.

The fair value of forward exchange contracts is calculated by reference to current forward contracts with similar maturity profiles. The fair value of interest rate swap and cross currency swap contracts are determined by reference to market values for similar instruments.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the hedge relationship. The Ovato Group policy is to undertake hedging in respect of certain recognised assets or liabilities or a firm commitment (fair value hedge relationships); and for highly probable forecast sales or purchases (cash flow hedge relationships).

The Ovato Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Ovato Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in the hedging relationship have been and will continue to be highly effective in offsetting changes in fair values and cash flows of hedged items.

##### i. Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Consolidated statement of profit or loss and other comprehensive income.

Amounts accumulated in equity are recycled in the Consolidated statement of profit or loss and other comprehensive income in the periods when the hedged item will affect the profit and loss. However, when the forecast purchase or sale transaction that is hedged results in the recognition of a non-financial asset, the gains and losses previously deferred in equity are transferred from equity and included as a basis adjustment to the initial cost or carrying amount of the asset.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. At that point in time, any cumulative gain or loss on the hedging instrument recognised in equity is kept in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to net profit or loss for the year.

##### ii. Derivatives that do not qualify for hedge accounting

Certain derivatives do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the Consolidated statement of profit or loss and other comprehensive income.

## YEAR ENDED 30 JUNE 2020

### 26 Financial instruments (continued)

#### (b) Hedging policy - overview

The economic entity has adopted certain principles in relation to derivative financial instruments:

- a) It does not trade in derivatives that are not used in hedging the underlying business exposure of the economic entity; and
- b) All hedging is undertaken through the Group's central treasury operation and is in accordance with Board approved policies.

#### (c) Interest Rate Management

The Group enters into fixed rate instruments to manage the cash flow risks associated with the interest rates on borrowings that are floating. Interest rate instruments allow the Group to swap floating rate borrowings into fixed rate borrowings in accordance with the Ovato Group policy. These activities are regularly evaluated to ensure that the Group is not exposed to interest rate movements that could adversely impact its ability to meet financial obligations and to ensure compliance with borrowing covenants.

##### i. Interest rate risk exposure

The following table sets out the amount of cash, variable rate borrowings, fixed rate borrowings and interest rate contracts outstanding.

	30 June 2020		30 June 2019	
	Weighted average interest rate %	Balance \$'000	Weighted average interest rate %	Balance \$'000
Bank loans - AUD floating rate	3.8%	(42,598)	3.9%	(35,965)
Bank loans - AUD fixed rate	—	—	7.5%	(1,314)
Bank loans - EUR floating rate	2.0%	(6,515)	2.0%	(8,076)
Corporate Bond	8.3%	(40,000)	8.3%	(40,000)
Cross Currency Interest Rate Swaps				
- receive EUR floating rate	—	—	1.8%	8,076
- pay AUD floating rate	—	—	5.9%	(6,103)
<b>Year end borrowing cost (excl. cash, fees &amp; charges)</b>	<b>5.6%</b>	<b>(89,113)</b>	<b>6.2%</b>	<b>(83,382)</b>
<b>Cash and cash equivalents</b>	<b>0.1%</b>	<b>16,200</b>	<b>1.3%</b>	<b>38,701</b>

As at balance date, the Group maintained floating rate borrowings of \$49.1 million (2019: \$42.1 million), that were not hedged by interest rate swaps or fixed rate borrowings. The associated interest rate risk is partially mitigated by expected free cash flow and intra-period movements in cash requirements. In 2020, the average borrowing rate excluding capitalised fees and charges was 6.1% (2019: 6.0%).

Ovato Limited's receivables and payables are non-interest bearing. Cash and overdraft amounts are at the floating interest rate applicable to the Ovato Group.

##### ii. Fair value of cross currency swaps

	NOTES	Ovato Group	
		2020 \$'000	2019 \$'000
Australian Dollar / Euro cross currency interest rate swaps		—	1,899
<b>Total fair value of cross currency swaps</b>	14	—	1,899

The cross currency swaps convert the Euro denominated floating debt to Australian dollar floating debt and have been designated as cash flow hedges.

At 30 June 2020, a \$133,311 loss has been recorded in the Consolidated statement of profit or loss and other comprehensive income (2019: \$6,643 gain) from the close out of the swap during the financial year.



# Financial statements

Notes to and forming part of the financial statements  
for the year ended 30 June 2020

## YEAR ENDED 30 JUNE 2020

### 26 Financial instruments (continued)

#### (d) Liquidity risk management

Liquidity risk is the risk that funds may be insufficient to settle a transaction on the due date, and the Group may be forced to sell financial assets at a value which is below what they are worth.

Ovato manages liquidity risk by maintaining adequate reserves, banking facilities and borrowing facilities by continually monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

The table below shows the Group's financial liabilities and derivative instruments in relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts shown in the table are the contractual, undiscounted cash flows and include both principal and interest.

30 June 2020	Ovato Group					
	Carrying amount	Contractual cash flows	Less than 1 year	1 to 2 years	2 to 5 years	> 5 years
Interest bearing liabilities	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Bank Overdraft - Australian dollars	4,280	4,310	4,310	—	—	—
Corporate Bond - Australian dollars	40,000	47,322	6,972	7,836	32,514	—
Bank Loans - Australian dollars	38,318	41,549	7,504	5,269	28,776	—
Bank Loans - Euros	6,515	6,632	4,986	1,646	—	—
Lease Liabilities	107,654	133,532	32,012	27,692	55,383	18,445
Forward FX Contracts						
- inflows	(69)	(1,404) <sup>(2)</sup>	(1,404)	—	—	—
- outflows	99	6,791 <sup>(2)</sup>	6,791	—	—	—
Prepaid finance costs	(3,092)	—	—	—	—	—
Payables	131,394	131,394	131,394	—	—	—
<b>Total</b>	<b>325,099</b>	<b>370,126</b>	<b>192,565</b>	<b>42,443</b>	<b>116,673</b>	<b>18,445</b>

30 June 2019	Ovato Group					
	Carrying amount	Contractual cash flows	Less than 1 year	1 to 2 years	2 to 5 years	> 5 years
Interest bearing liabilities	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Corporate Bond - Australian dollars	40,000	50,622	3,300	6,972	40,350	—
Bank Loans - Australian dollars	37,279	38,433	38,433	—	—	—
Bank Loans - Euros	8,076	8,322	3,378	3,312	1,632	—
Cross Currency Swaps - AUD/EURO <sup>(1)</sup>	(1,899)	(1,688)				
- inflows			(3,356)	(3,296)	(1,629)	—
- outflows			2,746	2,595	1,252	—
Forward FX Contracts						
- inflows	(8)	(809) <sup>(2)</sup>	(809)	—	—	—
- outflows	(361)	56,690 <sup>(2)</sup>	56,690	—	—	—
Prepaid finance costs	(2,377)	—	—	—	—	—
Payables	143,875	143,875	143,875	—	—	—
<b>Total</b>	<b>224,585</b>	<b>295,445</b>	<b>244,257</b>	<b>9,583</b>	<b>41,605</b>	<b>—</b>

(1) This represents the Australian Dollar equivalents of the interest and principal payments due on the cross currency swap. For the carrying amount, it represents the fair value amount as shown in note 26(c)(ii).

(2) This represents the Australian Dollar equivalents of the foreign currency payment/receipt leg of the forward foreign exchange contracts.

## YEAR ENDED 30 JUNE 2020

### 26 Financial instruments (continued)

#### (e) Foreign exchange management

Foreign currency risk refers to the risk that the value of a financial commitment, recognised asset or liability will fluctuate due to changes in foreign currency rates. The Group's foreign currency exchange risk arises primarily from where the Group has firm commitments or highly probable forecast transactions for receipts and payments that are to be settled in foreign currencies, or where the price is dependant on foreign currencies and also the risk that arises on translation of net investments in foreign operations.

The Group is exposed to foreign exchange risk from various currency exposures, primarily with respect to the New Zealand Dollar, the US Dollar, the Euro and the Great British Pound.

Foreign exchange risk that arises from firm commitments or highly probable transactions are managed primarily through the use of forward foreign currency derivatives. A portion of these transactions are hedged (such as the purchase of paper and ink from various foreign suppliers) in each currency in accordance with the Group's risk management policy.

Foreign exchange risk arises from foreign denominated borrowings. These borrowings are hedged back into the local currency via the use of hedging instruments. This is to ensure that the risk from movements in exchange rates and foreign interest rates are eliminated.

Foreign currency risk also arises on translation of the net assets of Ovato's non-Australian controlled entities which have a different functional currency. The foreign currency gains or losses arising from this risk are recorded through the foreign currency translation reserve on translation to Australian Dollars on consolidation.

Where a subsidiary hedges foreign exchange transactions it designates hedging instruments as cash flow hedges as appropriate.

##### i. Foreign currency borrowings

	Liabilities		Assets	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Euro borrowings	6,515	8,076	—	—
Cross Currency Swap	—	(8,076)	—	—
	6,515	—	—	—

##### ii. Australian entity contracts to exchange foreign currency - relating to receipts and payments

			Average exchange rate		Ovato Group	
			2020 \$	2019 \$	2020 \$'000	2019 \$'000
United States Dollars	- less than one year		0.669	0.706	1,703	5,822
UK Pounds receivables	- less than one year		0.530	0.546	(1,404)	(809)
Euro	- less than one year		0.630	0.620	4,510	41,691
					4,809	46,704

##### iii. New Zealand entity contracts to exchange foreign currency - relating to payments

			Average exchange rate		NZ Dollars		AUD \$ Equivalent Ovato Group	
			2020 \$	2019 \$	2020 NZD \$'000	2019 NZD \$'000	2020 \$'000	2019 \$'000
United States Dollars	- less than one year		0.637	0.671	628	5,009	587	4,797
Euro	- less than one year		—	0.578	—	4,575	—	4,381
					628	9,584	587	9,178

# Financial statements

Notes to and forming part of the financial statements  
for the year ended 30 June 2020

## YEAR ENDED 30 JUNE 2020

### 26 Financial instruments (continued)

#### (e) Foreign exchange management (continued)

##### iv. Fair value of forward exchange contracts

	NOTES	Ovato Group	
		2020 \$'000	2019 \$'000
Australian entity - foreign exchange contracts relating to receipts		69	8
Australian entity - foreign exchange contracts relating to payments		(95)	430
New Zealand entity - foreign exchange contracts relating to payments		(4)	(69)
<b>Total fair value of forward exchange contracts</b>		<b>(30)</b>	369
Comprised of:			
Financial assets - current	14	80	513
Financial liabilities - current	14	(110)	(144)
<b>Total fair value of forward exchange contracts</b>		<b>(30)</b>	369

At 30 June 2020, a \$66,000 credit (2019: \$95,000 debit) has been recognised within the Consolidated statement of profit or loss and other comprehensive income and a \$29,000 debit, excluding tax effect (2019: \$0.3 million credit) is included within the cash flow hedge reserve in equity. \$46,000 debit was transferred to inventory during the financial year ended 30 June 2020 (2019: \$43,000 credit).

##### v. Foreign currency sensitivity risk

The following table shows the effect on equity excluding tax effect as at 30 June from a 10 percent adverse / favourable movement in exchange rates at that date on a total portfolio basis with all other variables held constant, taking into account all underlying exposures and related hedges.

Adverse versus favourable movements are determined relative to the underlying exposure. An adverse movement in exchange rates implies an increase in the Group's foreign currency risk exposure and a worsening in financial position. A favourable movement in exchange rates implies a reduction in foreign currency risk exposure and an improvement in financial position.

A sensitivity of 10 percent has been selected as this is considered reasonable given the current level of exchange rates and the volatility observed both on a historical basis and market expectations for future movement. Comparing the Australian dollar exchange rate against the United States dollar and the Euro and the New Zealand dollar against the United States dollar year end rates would give the following adverse and favourable rates:

	Year end rate	10% rate increase	10% rate decrease
Australia dollar to:			
United States dollar	0.687	0.755	0.624
Euro	0.611	0.672	0.555
New Zealand dollar to:			
United States dollar	0.642	0.706	0.584
Euro	0.571	0.628	0.519

The net gain/(loss) in the cash flow hedge reserve reflects the result of exchange rate movements on the derivatives held in cash flow hedges which will be released to the Consolidated statement of profit or loss and other comprehensive income in the future as the underlying hedged item affects profit.

26 Financial instruments (continued)

(e) Foreign exchange management (continued)

*v. Foreign currency sensitivity risk (continued)*

	Ovato Group (cash flow hedge reserve) Equity at 30 June	
	2020 \$000	2019 \$000
If there was a 10% increase in exchange rates with all other variables held constant - (decrease)	(501)	(3,560)
If there was a 10% decrease in exchange rates with all other variables held constant - increase	569	5,100

The impact on the parent, Ovato Limited, would be \$nil as the entity does not hold forward exchange contracts.

For the Ovato Group, foreign currency translation risk associated with Ovato's foreign investments results in some volatility to the foreign currency translation reserve. The impact on the foreign currency translation reserve relates to the translation of the net assets of foreign currency controlled entities on consolidation.

(f) Credit Risk

Credit risk is the risk that a counterparty will default on their financial obligations resulting in financial loss to the Group. Credit risk exists from cash and cash equivalents, trade and other receivables and derivative financial instruments. The Group's exposure to credit risk arises from the potential default of the counter party, with a maximum exposure equal to the carrying value of these assets net of any provision for doubtful debts (refer to Note 5).

The credit risk on cash and cash equivalents and financial instruments is limited as the counterparties are financial institutions with credit ratings of A- or higher. Also, Ovato has policies that limit the amount of credit exposure to any one financial institution.

Ovato has an approved Credit Policy Manual which provides guidelines for the management of credit risk. This provides guidance for the way in which the credit risk of customers is assessed, and the use of credit risk rating and other information in order to set appropriate trading limits with customers.

In some instances security may be required to be supplied to Ovato from customers to minimise risk. The security is either in the form of Director guarantees for their business which is secured over a residential property or may be an upfront payment of between 75% - 50% of the trade before executing the sale.

(g) Fair values

The fair value of all financial assets and liabilities equates to the carrying value.

# Financial statements

Notes to and forming part of the financial statements  
for the year ended 30 June 2020

## YEAR ENDED 30 JUNE 2020

### 26 Financial instruments (continued)

#### (h) Fair value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The following tables present the Group's assets and liabilities measured and recognised at fair value.

Ovato Group - 30 June 2020	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial derivatives being hedge accounted</b>				
Forward Foreign Exchange Contracts	—	(99)	—	(99)
<b>Financial derivatives not hedge accounted</b>				
Forward Foreign Exchange Contracts	—	69	—	69
<b>Total financial derivatives</b>	<b>—</b>	<b>(30)</b>	<b>—</b>	<b>(30)</b>
Ovato Group - 30 June 2019	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial derivatives being hedge accounted</b>				
Forward Foreign Exchange Contracts	—	361	—	361
Cross Currency Swaps	—	1,899	—	1,899
<b>Financial derivatives not hedge accounted</b>				
Forward Foreign Exchange Contracts	—	8	—	8
<b>Total financial derivatives</b>	<b>—</b>	<b>2,268</b>	<b>—</b>	<b>2,268</b>

The fair value of financial instruments that are not traded in an active market (for example, derivatives used for hedging) is determined using valuation techniques. Cross currency swaps and forward foreign exchange contracts are valued using a discounted cash flow approach. Future cash flows are estimated based on market forward interest rates (and foreign exchange rates for cross currency swaps and forward foreign exchange contracts) as at the end of the reporting period and the contract rates, discounted at a rate that reflects the credit risk of the various respective counterparties. These instruments are included in Level 2.

YEAR ENDED 30 JUNE 2020

26 Financial instruments (continued)

(i) Hedge Reserve Reconciliation

Cash flow hedge reserve Ovato Group - 30 June 2020	Total \$'000	Cross Currency Swaps \$'000	Forward Exchange Contracts \$'000
Opening balance	172	(71)	243
Gain/(Loss) arising on changes in fair value of hedging instruments entered into for cash flow hedges:			
Movement			
- Other	(30)	—	(30)
- Tax effect	10	—	10
Transfer out			
- Other	(245)	102	(347)
- Tax effect	73	(31)	104
<b>Total cash flow hedge reserve</b>	<b>(20)</b>	<b>—</b>	<b>(20)</b>

Cash flow hedge reserve Ovato Group - 30 June 2019	Total \$'000	Cross Currency Swaps \$'000	Forward Exchange Contracts \$'000
Opening balance	302	(149)	451
Gain/(Loss) arising on changes in fair value of hedging instruments entered into for cash flow hedges:			
Movement			
- Foreign currency basis	(4)	(4)	—
- Other	159	(193)	352
- Tax effect	(50)	59	(109)
Transfer out			
- Foreign currency basis	72	72	—
- Other	(408)	236	(644)
- Tax effect	101	(92)	193
<b>Total cash flow hedge reserve</b>	<b>172</b>	<b>(71)</b>	<b>243</b>

# Financial statements

Notes to and forming part of the financial statements  
for the year ended 30 June 2020

## YEAR ENDED 30 JUNE 2020

### 26 Financial instruments (continued)

#### (j) Disclosure of amounts related to designated hedging instruments

	Nominal amount of the Hedging Instrument	Net carrying amount of the Hedging Instrument		Changes in value of Hedging Instrument used for calculating hedge effectiveness
	(\$'000)	Assets (\$'000)	Liabilities (\$'000)	(\$'000)
<b>Cash Flow Hedges</b>				<b>Gain / (Loss)</b>
Foreign Exchange Risk - Committed foreign currency expenditure	5,387	—	(30)	(399)
Foreign Exchange Risk - Cross Currency Interest Rate Swaps (hedging of foreign currency debt)	6,515	—	—	(1,899)

#### (k) Amount and timing of future cash flows

	Notional Amounts of the Hedging Instruments (\$'000)				
	0-6 months	7-12 months	1-2 years	2-5 years	Over 5 years
<b>Foreign Exchange Risk (AUD/USD) - FX Forwards (hedge committed foreign exchange expenditure)</b>					
Average contracted FX rate	0.6682	0.6762	—	—	—
Notional Amount (A\$'000 Equivalent)	1,518	185	—	—	—
Fair Value (A\$'000 Equivalent)	(41)	(3)	—	—	—
<b>Foreign Exchange Risk (AUD/EUR) - FX Forwards (hedge committed foreign exchange expenditure)</b>					
Average contracted FX rate	0.6029	—	—	—	—
Notional Amount (A\$'000 Equivalent)	4,501	—	—	—	—
Fair Value (A\$'000 Equivalent)	(52)	—	—	—	—
<b>Foreign Exchange Risk (NZD/USD) - FX Forwards (hedge committed foreign exchange expenditure)</b>					
Average contracted FX rate	0.6374	—	—	—	—
Notional Amount (A\$'000 Equivalent)	587	—	—	—	—
Fair Value (A\$'000 Equivalent)	(4)	—	—	—	—

## YEAR ENDED 30 JUNE 2020

### 27 Contingent liabilities

Contingent liabilities classified in accordance with the party for whom the liability could arise are:

#### The Company:

- Ovato has guaranteed the debts of certain wholly owned Australian controlled entities in accordance with ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 issued by the Australian Securities and Investments Commission, which provides relief from the requirements to prepare, audit and lodge financial statements (refer to Note 19).

#### Related bodies corporate:

- Ovato has guaranteed the borrowings of Ovato Finance Pty Ltd, Ovato NZ Limited, Ovato Print Pty Ltd and Hannanprint NSW Pty Limited to facilitate banking arrangements.
- Wholly owned entities in the Ovato Group have provided guarantees to banks, in respect of debt and foreign currency management.
- Entities in the Ovato Group contribute to a number of defined benefit superannuation funds and have undertaken to contribute annually such amounts as the actuaries consider necessary to secure the rights of members.

### 28 Subsequent events

The Directors are not aware of any matters or circumstance arising since balance date not otherwise dealt with in this report or the financial statements, that has significantly affected or may significantly affect the operations of the Ovato Group, the results of those operations or the state of affairs of the Ovato Group in subsequent years, other than:

- Subsequent to year end, Ovato entered into a new A\$50 million Receivables Financing Facility on 5 August 2020 with Scottish Pacific replacing the previous A\$39.5 million facility with Asset Secure. The maturity date of this new facility is August 2023. Security pledged involves an equal first ranking fixed and floating charge over the assets of Ovato, including the subsidiaries in Australia and New Zealand. This is also disclosed in Note 12(e).
- Ovato Print Pty Ltd filed an application in the Fair Work Commission on 29 July 2020 for the termination of the PMP Print, Distribution and Digital Enterprise Agreement 2018, which has a nominal expiry date of 30 June 2020. This application is set down to be heard over 3 days from 30 September 2020.
- On 2 August 2020, the Victorian Government, in response to the increase in COVID-19 infections, declared a state of emergency and imposed stage 4 restrictions in Melbourne and stage 3 in regional Victoria. The business has been given permission by the Victorian Government to continue to operate under these restrictions. However, with restrictions on the operations of our Victorian retail and publishing clients there is uncertainty regarding the related impact on the Group's Victorian operations but at this stage the impact has not been material. In this environment it is too early to predict what our "new normal" will look like. Any impact will be reflected in the Group's 2021 half and full year results.

### 29 Parent

As at, and throughout the 2020 financial year, the parent company of Ovato Group was Ovato Limited.

	NOTES	Ovato Limited	
		2020 \$'000	2019 \$'000
<b>Financial performance of the parent</b>			
Loss after tax		(19,511)	(121,732)
Other comprehensive expense		(313)	(449)
<b>Total comprehensive loss</b>		<b>(19,824)</b>	<b>(122,181)</b>
<b>Financial position of the parent at year end</b>			
Current assets		5,481	57,692
Non-current assets		24,666	105,679
<b>Total assets</b>		<b>30,147</b>	<b>163,371</b>
Current liabilities		8,662	125,872
Non-current liabilities		4,252	244
<b>Total liabilities</b>		<b>12,914</b>	<b>126,116</b>
<b>Net assets</b>		<b>17,233</b>	<b>37,255</b>
<b>Total equity of the parent comprising of:</b>			
Contributed equity		497,523	497,523
Accumulated losses		(513,278)	(493,256)
Dividend reserve		32,988	32,988
<b>Total equity</b>		<b>17,233</b>	<b>37,255</b>

In the 2020 accounts there has been an adjustment to reduce \$118 million of intercompany current liabilities to nil, as these are correctly offset against intercompany current and non-current assets.



# Financial statements

Notes to and forming part of the financial statements  
for the year ended 30 June 2020

## YEAR ENDED 30 JUNE 2020

### 29 Parent (continued)

#### (a) Significant accounting policies

Financial information for the parent has been prepared on the same basis as the Consolidated Financial Statements.

##### *Leases*

The parent entity adopted *AASB 16 Leases* using the modified retrospective approach from 1 July 2019. As at 30 June 2020 non-current assets includes ROU assets of \$2.9 million, current liabilities includes \$1.0 million of lease liabilities and non-current liabilities includes \$2.5 million of lease liabilities.

#### (b) Parent maturity profile of contractual undiscounted lease liabilities as at 30 June 2020

	Ovato Limited	
	2020 \$'000	2019 \$'000
- not later than one year	1,417	2,129
- later than one year but not later than five years	2,742	2,952
<b>Total undiscounted lease liabilities</b>	<b>4,159</b>	<b>5,081</b>

#### (c) Parent capital commitments for acquisition of property, plant and equipment

There were no capital commitments for the acquisition of property, plant and equipment as at 30 June 2020 (2019: \$nil)

#### (d) Investment in controlled entities

Ovato Limited has impaired its investment in controlled entities during the year ended 30 June 2020 by \$73.5 million (2019: \$79.9 million).

#### (e) Parent capital guarantees in respect of debts of certain subsidiaries

The parent has entered into a Deed of Guarantee with subsidiaries whereby in the event of windup of a subsidiary, the parent guarantees debts of that subsidiary. Further details of the Deed of Cross Guarantee and the subsidiaries subject to the deed are disclosed in Note 19.

#### (f) Parent contingent liabilities

There were no contingent liabilities for the year ended 30 June 2020 (2019: \$nil).

## YEAR ENDED 30 JUNE 2020

### 30 Leases

The Group leases properties, presses, forklifts, motor vehicles, IT and equipment. Previously these leases were classified as operating leases, in accordance with AASB 117 Leases.

The Group has applied AASB 16 Leases ("AASB 16") in the current financial year using the modified retrospective approach, which recognises the cumulative impact of AASB 16 in opening retained earnings at 1 July 2019, as shown in the Consolidated statement of changes in equity. For more details regarding the impact on the financial statements of adopting AASB 16, refer to Note 1 – Changes in accounting policies.

The Group's rental contracts are typically made for fixed periods of between one to five years. They may contain extension options. Extension options are most common for property leases and range between one and five years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Short term leases (less than 12 months) and Low Value Leases (less than \$10,000 to purchase brand new) are not recognised as Right-of-use ("ROU") assets under AASB 16, but rather expensed as incurred through the Consolidated statement of profit and loss.

Finance lease receivables have also been recognised by the Group for long term contracts it has entered into as a Lessor. These relate to property's sub-leased by the Group to other parties. The net investment in the lease is recognised as a receivable.

#### (a) Right-of-use assets

The carrying value of ROU assets is presented below:

	NOTES	Property \$'000	Other \$'000	Total \$'000
Cost		131,947	15,195	147,142
Less: Accumulated depreciation and impairment		(84,843)	(3,958)	(88,801)
<b>Carrying amount at end of period</b>		<b>47,104</b>	<b>11,237</b>	<b>58,341</b>
Movement:				
Recognition on initial application of AASB 16	1	64,874	14,115	78,989
Additions		287	1,071	1,358
Remeasurements		91	9	100
Depreciation expense	2(e)	(11,841)	(3,963)	(15,804)
Impairment		(250)	—	(250)
Derecognition due to sub-lease		(5,797)	—	(5,797)
Net foreign currency translation difference		(260)	5	(255)
<b>Carrying amount at 30 June 2020</b>		<b>47,104</b>	<b>11,237</b>	<b>58,341</b>

#### (b) Lease Liabilities

The carrying value of lease liabilities is presented below:

	NOTES	Total \$'000
Movement:		
Recognition on initial application of AASB 16	1	122,874
Additions		1,311
Remeasurements		100
Interest expense	3	9,841
Payments for the interest component of lease liabilities		(8,386)
Repayment of lease liabilities		(17,698)
Net foreign currency translation difference		(388)
<b>Carrying amount at 30 June 2020</b>		<b>107,654</b>
Current		23,878
Non-current		83,776
<b>Carrying amount at 30 June 2020</b>		<b>107,654</b>

# Financial statements

Notes to and forming part of the financial statements  
for the year ended 30 June 2020

## YEAR ENDED 30 JUNE 2020

### 30 Leases (continued)

#### (c) Maturity profile of contractual undiscounted lease liability cashflows as at 30 June 2020

	Property	Other \$'000	2020 \$'000
- not later than one year			32,012
- later than one year but not later than five years			83,075
- later than five years			18,445
<b>Total undiscounted lease liabilities</b>			<b>133,532</b>

#### (d) Finance Lease Receivables

On 1 July 2019, some property sub-leases, where the Group is the intermediate lessor, were reclassified as finance leases, resulting in the de-recognition of the ROU asset from the head lease and the recognition of a finance lease receivable. The difference between the two balances of \$2.9 million was recorded in opening accumulated losses at 1 July 2019. The head lease liability remained unchanged.

During the 2020 financial year, the Group sub-leased some manufacturing facilities that had been presented as part of property ROU assets. The Group recognised a gain on de-recognition of the ROU assets of \$6.0 million and was included in other income. The gain of \$6.0 million arose due to the onerous lease provision on adoption of AASB 16 reducing the ROU asset compared to the receivable upon subleasing. Refer to note 2(a). Interest income of \$0.6 million on the unwind of the discount on finance lease receivables was recognised during the financial year (2019: Nil).

Expected credit losses on finance lease receivables are immaterial.

The carrying value of finance lease receivables is presented below:

	Property NOTES	Other \$'000	2020 \$'000
Movement:			
Recognition on initial application of AASB 16	1		4,123
Additions			11,772
Interest income	2(b)		618
Receipts			(1,722)
<b>Carrying amount at 30 June 2020</b>			<b>14,791</b>
Current	7		3,215
Non-current	7		11,576
<b>Carrying amount at 30 June 2020</b>			<b>14,791</b>

#### (e) Maturity profile of contractual undiscounted lease receivables as at 30 June 2020

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date. Under AASB 117, the Group did not have any finance leases as a lessor.

	Property	Other \$'000	2020 \$'000
- not later than one year			4,046
- one to two years			4,423
- two to three years			3,984
- three to four years			3,494
- four to five years			1,039
<b>Total undiscounted lease receivables</b>			<b>16,986</b>

## YEAR ENDED 30 JUNE 2020

### 30 Leases (continued)

#### (f) Amounts recognised in the Consolidated statement of profit or loss

	Property	Other \$'000	2020 \$'000
Depreciation expense on ROU assets			15,804
Interest expense on lease liabilities			9,841
Expenses relating to short-term leases			1,948
Expenses relating to low value leases			142
Variable lease payments not included in the measurement of lease liabilities			3,982
Unwind of discount on finance lease receivables			(618)
Gain on de-recognition of ROU assets and recognition of finance lease receivables			(5,976)
Income from operating sub-leases			(63)

#### (g) Amounts recognised in the Consolidated statement of cash flows

	Property	Other \$'000	2020 \$'000
Lease interest payments			(8,386)
Lease principal payments			(17,698)
Receipts from subleases			1,243
<b>Total net cash outflow for leases</b>			<b>(24,841)</b>

Payments for short term leases, low value leases and variable lease payments are included in Payments to suppliers and employees.

#### (h) Bank guarantees

The company has a number of bank guarantees in place that support various property leases in the name of either Ovato Limited or its subsidiaries. As at 30 June 2020 the value of bank guarantees was \$16.4 million (2019: \$16.3 million). The company has received guarantees for properties which it sub-leases of \$2.1 million (2019: \$0.9 million).

#### (i) COVID-19 rent related concessions

In response to the global COVID-19 pandemic, the Group sought and obtained rent concessions from some lessors. These included rent free periods, deferrals or rent reductions. Total deferrals received at 30 June 2020 was \$4.1 million. Lessors typically deferred rent for three months during the financial year. Repayment of deferred amounts vary from 12 months to over the remaining lease term. Rental discounts of \$0.2 million were received.

**ANNEXURE E**

**Report as to Affairs (ASIC Form 507)**

For personal use only



**ASIC**  
Australian Securities &  
Investments Commission

Office only use

Form 507 Corporations Act 2001  
s421A(1) & (2)  
s429(2)(b) & (c)  
s475(1) & (7)  
s497(4) & (6)  
s438B(2A)

# REPORT ON Company Activities and Property Part A (Form 507)

Before you start, download *INSTRUCTIONS Part A (Form 507) and Part B*  
[www.asic.gov.au/forms/507](http://www.asic.gov.au/forms/507)

The information you provide to ASIC in this Report may include personal information.

Please see our privacy policy ([www.asic.gov.au/privacy](http://www.asic.gov.au/privacy)) for information on how we handle your personal information, your rights to seek access to and correct personal information, and how to complain about breaches of your privacy.

# External Administrator use only

## External Administrator (lodging party)

Organisation

ASIC Registered Liquidator number (if applicable)

Name of External Administrator

Contact person

Phone number during business hours

Address

Street number and name

Suburb/City

State/Territory

Postcode

Please tick appropriate box.

☐

Receiver and Manager

507G

Appointment date

☐

Managing Controller of property

507H

Date person took control

☐

Controller

507F

Date received Report

☐

Liquidator/Provisional Liquidator appointed by the court

507C

Date received Report

☐

Liquidator – creditors' voluntary winding up

507D

Date received Report

☐

Voluntary Administrator

507K

Date received Report

Make up the Report as at the following dates

MANAGING CONTROLLER – S421A(1)

Your Report must include the business activities the Company had undertaken up to 30 days before you write your Report.

For example, if you write your Report on 31 August, it must include the Company's activities up to at least 31 July of that year, not earlier.

CONTROLLER – S429(2)

The control day.

LIQUIDATOR OR PROVISIONAL LIQUIDATOR – S475(1)

The date of the winding-up order or an earlier date, if specified by you.

ADMINISTRATOR – S438B(2)

The date you become the Administrator, or an alternative date specified by you.

**Date the Director must send you the Report.** This applies to Directors, Secretary or other relevant person completing the report.

Put the date for return of the Report to you at the head of the next page, at **A1**.

## Lodge Part A

Using Form 911, you must verify a copy of Part A of the Report and lodge it with ASIC by the date specified below, or a late fee may be applied.

SECTION	LODGEMENT PERIOD
s421A(2)	2 months after control day
s429(2)(c)	1 month after receipt of Report
s438B(2A)	5 business days after receipt of Report
s475(7)	5 business days after receipt of Report
s497(6)	10 business days after receipt of Report

*Continued on next page*



Regulation 5.2.02 requires a copy of Part A of this Report that is lodged with ASIC to be certified in writing as a true copy of the original Report (Part A).

a) for a copy lodged for the purposes of s429(2)(c) - by the controller of property of the corporation; or

b) for a copy lodged for the purposes of s475(7) - by the liquidator/provisional liquidator of the company.

Form 911 is prescribed for this purpose.

For controllers (s429), under s429(2)(c)(i), a notice setting out any comments relating to Part A of this Report, or a statement that no comment is made, should accompany Part A of the Report. Form 911 Verification of a document should also be lodged.

END OF EXTERNAL ADMINISTRATOR SECTION

## Director to complete

for Director(s), Secretary, Managing Controller or other relevant person

**A1** Return this Report to the External Administrator by the date the Administrator has shown below.  
(Not applicable to managing controllers)

**A2** Do you have the INSTRUCTIONS for completing this form?

☐ No You must download a copy from [www.asic.gov.au/forms/507](http://www.asic.gov.au/forms/507)

☒ Yes The INSTRUCTIONS explain:

- why you received this Report
- your role in completing it
- how to complete it.

**A3** Name of the Company under external administration  
OVATO PRINT PTY LTD

READ INSTRUCTION **A3**. It explains the information you should provide and how to attach it to this Report.

ACN/ABN

76051706499

Street number and name

Suburb/City

State/Territory

Postcode

Registered office

Street number and name

LEVEL 4, 60 UNION STREET

Suburb/City

State/Territory

Postcode

PYRMONT

NSW

2009

Principal place of business

Street number and name

Suburb/City

State/Territory

Postcode

Does the Company have other places of business?

☐ No Go to Question **A4**

☐ Yes Give details below

Street number and name

Suburb/City

State/Territory

Postcode



## What the Company owes and owns

### A4 Does the Company owe money to its employees?

- ☐ No Go to Question **A5**
- ☒ Yes **READ INSTRUCTION A4.** It explains the information you should provide and how to attach it to this Report.

### A5 Does the Company owe money, goods or services to others (other than to employees)?

- ☐ No Go to Question **A6**
- ☒ Yes **READ INSTRUCTION A5.** It explains the information you should provide and how to attach it to this Report.

### A6 Is the Company owed money?

- ☐ No Go to Question **A7**
- ☒ Yes **READ INSTRUCTION A6.** It explains the information you should provide and how to attach it to this Report.

### A7 Does the Company own any assets as listed below?

Tick boxes below as appropriate and provide information as an attachment.

**READ INSTRUCTION A7.** It explains the information you should provide and how to attach it to this Report.

#### Bank accounts

- ☐ No
- ☒ Yes

#### Motor vehicles

- ☐ No
- ☒ Yes

#### Plant and equipment

- ☐ No
- ☒ Yes

#### Inventory

- ☐ No
- ☒ Yes

#### Real property

- ☒ No
- ☐ Yes

#### Other assets

- ☒ No
- ☐ Yes

#### Does the Company hold property on trust?

- ☒ No
- ☐ Yes

#### Is the Company a trustee of a superannuation fund?

- ☒ No
- ☐ Yes

If you ticked NO to all the items, explain why the Company has no assets.

### A8 Have you provided the full details asked for in Questions **A4, A5, A6, and A7**, including all attachments?

- ☐ No **PLEASE BE AWARE:**  
You must provide information in this Report to the best of your ability. You can be penalised for giving false information.

**READ INSTRUCTION A8.** It explains what can happen if you give false information.

- ☒ Yes Go to Question **A9**

**A9** Declaration by Director, Secretary, Managing Controller, or person nominated by the External Administrator

Part A (Form 507) of this Report is a legal document.

READ INSTRUCTION **A9**. It describes the Report's legal status.

It also explains the information you should provide and how to attach it to this Report.

Part A (Form 507) and, where relevant, Part B of this Report should be completed and delivered to the External Administrator by the date at **A1 page 3**.

The External Administrator will then lodge Part A with ASIC.

Part B does not form part of ASIC Form 507 and is not lodged with ASIC. But section 530A of the *Corporations Act 2001* requires Company Directors to help liquidators and provisional liquidators where they reasonably require. Failure to comply with such a request is a strict liability offence. Part B is not applicable for managing controllers.

❖ I declare that the answers to the questions contained in Part A of the Report and the contents of all attachments to Part A of the Report are true, correct and complete to the best of my knowledge and belief at the date of this declaration.

Name

Position

Signature

Date

**A10** Declaration by Managing Controller

❖ In my capacity as the Managing Controller, I declare that where I have omitted information, I have done so in accordance with Section 421A(4) of the *Corporations Act 2001* and have included the notice required by s421A(5) with this Report.

Name

Signature

Date

Q A4

This is the annexure of **X** Pages marked with \* mentioned in **Part A** signed by ..... And dated / /

Amounts the Company owes to its employees (priority creditors)

\$ 12,555,675.70

EMPLOYEE'S NAME	START DATE	WAGES OWED*	HOLIDAY PAY OWED	LONG SERVICE LEAVE OWED	SUPERANNUATION OWED	REDUNDANCY OWED	OTHER	TOTAL OWED	RELATED PARTY YES/NO
1	18/2/1980		\$ 20,685.00	\$ 112,904.00	\$ 2,133.85			\$ 135,722.85	No
2	5/8/2015		\$ 5,930.00	\$ 18,768.00	\$ 1,738.59			\$ 26,436.59	No
3	1/9/2011		\$ 6,193.00	\$ 25,858.00	\$ 1,344.52			\$ 33,395.52	No
4	6/6/2005		-\$ 505.00	\$ 29,961.00	\$ -			\$ 29,456.00	Yes
5	11/9/1995		\$ 2,988.00	\$ 11,162.00	\$ 582.06			\$ 14,732.06	No
6	25/8/2008		\$ 5,088.00	\$ 13,200.00	\$ 342.79			\$ 18,630.79	No
7	10/3/1987		\$ 6,655.00	\$ 17,242.00	\$ 1,246.26			\$ 25,143.26	No
8	5/2/2007		\$ 5,589.00	\$ 11,078.00	\$ 631.61			\$ 17,298.61	No
9	20/12/1995		\$ 7,367.00	\$ 10,538.00	\$ 309.88			\$ 18,214.88	No
10	17/8/2009		\$ 5,507.00	\$ 9,836.00	\$ 260.57			\$ 15,603.57	No
11	2/5/2005		\$ 5,286.00	\$ 9,556.00	\$ 123.36			\$ 14,965.36	No
12	23/11/2017		\$ 3,344.00	\$ -	\$ 443.07			\$ 3,787.07	No
13	6/12/1993		\$ 6,799.00	\$ 26,276.00	\$ 713.17			\$ 33,788.17	No
14	5/6/1995		\$ 3,113.00	\$ 10,450.00	\$ 633.96			\$ 14,196.96	No
15	5/3/2007		\$ 3,842.00	\$ 11,353.00	\$ 432.51			\$ 15,627.51	No
16	16/1/1991		\$ 4,009.00	\$ 3,780.00	\$ 634.71			\$ 8,423.71	No
17	5/4/2000		\$ 19,305.00	\$ 18,166.00	\$ 705.47			\$ 38,176.47	No
18	10/8/1994		\$ 2,252.00	\$ 18,717.00	\$ 542.73			\$ 21,511.73	No
19	31/3/2008		\$ 4,026.00	\$ 15,731.00	\$ 698.41			\$ 20,455.41	No
20	14/10/1996		\$ 2,437.00	\$ 8,760.00	\$ 456.10			\$ 11,653.10	No
21	24/1/1994		\$ 11,730.00	\$ 25,675.00	\$ 599.02			\$ 38,004.02	No
22	6/3/1990		\$ 3,737.00	\$ 14,712.00	\$ 407.22			\$ 18,856.22	No
23	6/2/1985		\$ 5,251.00	\$ 18,497.00	\$ 424.16			\$ 24,172.16	No
24	6/9/1999		\$ 18,127.00	\$ 10,638.00	\$ -			\$ 28,765.00	No
25	7/1/2013		\$ 6,936.00	\$ 9,506.00	\$ 450.09			\$ 16,892.09	No
26	1/2/1984		\$ 3,809.00	\$ 1,083.00	\$ 541.73			\$ 5,433.73	No
27	30/10/1995		\$ 12,741.00	\$ 33,878.00	\$ 915.30			\$ 47,534.30	No
28	11/1/2018		\$ 5,276.00	\$ -	\$ 343.19			\$ 5,619.19	No
29	27/7/1998		\$ 3,794.00	\$ 22,857.00	\$ 410.88			\$ 27,061.88	No
30	17/7/2017		\$ 4,766.00	\$ -	\$ 422.69			\$ 5,188.69	No
31	15/5/1989		\$ 3,880.00	\$ 19,600.00	\$ 1,598.02			\$ 25,078.02	No
32	20/7/1994		\$ 4,591.00	\$ 21,878.00	\$ 395.66			\$ 26,864.66	No
33	19/9/1994		\$ 4,978.00	\$ 23,353.00	\$ 988.01			\$ 29,319.01	No
34	18/1/1993		\$ 7,438.00	\$ 19,641.00	\$ 602.96			\$ 27,681.96	No
35	16/9/2002		\$ 12,750.00	\$ 10,539.00	\$ 664.64			\$ 23,953.64	No

Note: Employee name withheld as commercially sensitive



## Q A4

This is the annexure of **X** Pages marked with \* mentioned in **Part A** signed by ..... And dated / /

Amounts the Company owes to its employees (priority creditors)

\$ 12,555,675.70

EMPLOYEE'S NAME	START DATE	WAGES OWED*	HOLIDAY PAY OWED	LONG SERVICE LEAVE OWED	SUPERANNUATION OWED	REDUNDANCY OWED	OTHER	TOTAL OWED	RELATED PARTY YES/NO
	36	17/8/2009	\$ 2,774.00	\$ 7,747.00	\$ 422.12			\$ 10,943.12	No
	37	25/3/2019	\$ 5,010.00	\$ -	\$ 396.91			\$ 5,406.91	No
	38	1/3/2004	\$ 3,672.00	\$ 15,418.00	\$ 548.54			\$ 19,638.54	No
	39	15/5/2008	\$ 19,151.00	\$ 18,643.00	\$ 5.22			\$ 37,799.22	No
	40	18/3/2013	\$ 3,364.00	\$ 9,359.00	\$ 471.79			\$ 13,194.79	No
	41	27/10/1995	\$ 9,035.00	\$ 17,167.00	\$ 489.40			\$ 26,691.40	No
	42	26/4/1996	\$ 16,388.00	\$ 23,427.00	\$ 1,147.65			\$ 40,962.65	No
	43	30/1/1980	\$ 5,061.00	\$ 31,376.00	\$ 588.20			\$ 37,025.20	No
	44	24/1/2011	\$ 4,690.00	\$ 12,219.00	\$ 490.51			\$ 17,399.51	No
	45	8/8/2005	\$ 8,488.00	\$ 15,163.00	\$ 479.55			\$ 24,130.55	No
	46	6/2/1995	\$ 6,801.00	\$ 65,194.00	\$ 1,407.67			\$ 73,402.67	No
	47	3/11/2003	\$ 8,010.00	\$ 7,878.00	\$ 1,622.33			\$ 17,510.33	No
	48	4/7/2005	\$ 2,704.00	\$ 17,046.00	\$ 479.35			\$ 20,229.35	No
	49	27/3/2000	\$ 10,932.00	\$ 6,334.00	\$ 1,028.14			\$ 18,294.14	No
	50	14/7/1988	\$ 2,214.00	\$ 728.00	\$ 235.79			\$ 3,177.79	No
	51	23/11/2017	\$ 6,131.00	\$ -	\$ 345.65			\$ 6,476.65	No
	52	28/7/1980	\$ 15,600.00	\$ 47,851.00	\$ 1,982.91			\$ 65,433.91	No
	53	18/6/2001	\$ 8,691.00	\$ 4,199.00	\$ 650.35			\$ 13,540.35	No
	54	25/5/1998	\$ 1,063.00	\$ 14,216.00	\$ 618.53			\$ 15,897.53	No
	55	13/2/2012	\$ 12,481.00	\$ 23,403.00	\$ 1,372.46			\$ 37,256.46	No
	56	13/4/1994	\$ 11,803.00	\$ 26,372.00	\$ 648.32			\$ 38,823.32	No
	57	4/11/2002	\$ 1,540.00	\$ 1,830.00	\$ 376.28			\$ 3,746.28	No
	58	15/9/1997	\$ 17,071.00	\$ 28,012.00	\$ 772.36			\$ 45,855.36	No
	59	12/9/2000	\$ 12,054.00	\$ 20,611.00	\$ 363.53			\$ 33,028.53	No
	60	10/10/2005	\$ 7,079.00	\$ 13,153.00	\$ 329.72			\$ 20,561.72	No
	61	16/12/2019	\$ 1,498.00	\$ -	\$ 303.86			\$ 1,801.86	No
	62	24/3/1997	\$ 3,192.00	\$ 5,055.00	\$ 305.17			\$ 8,552.17	No
	63	2/5/2011	\$ 9,996.00	\$ 11,227.00	\$ 377.41			\$ 21,600.41	No
	64	29/4/2019	\$ 3,912.00	\$ -	\$ 401.55			\$ 4,313.55	No
	65	5/8/1994	\$ 11,871.00	\$ 33,933.00	\$ 812.06			\$ 46,616.06	No
	66	12/9/1988	\$ 15,636.00	\$ 35,535.00	\$ 1,295.60			\$ 52,466.60	No
	67	9/12/2007	\$ 1,215.00	\$ 623.00	\$ 317.55			\$ 2,155.55	No
	68	10/4/2000	\$ 7,869.00	\$ 18,054.00	\$ 387.88			\$ 26,310.88	No
	69	16/3/1996	\$ 8,249.00	\$ 13,753.00	\$ 903.44			\$ 22,905.44	No
	70	21/12/1992	\$ 8,250.00	\$ 33,279.00	\$ 1,720.57			\$ 43,249.57	No

Note: Employee name withheld as commercially sensitive

Q A4

This is the annexure of **X** Pages marked with \* mentioned in **Part A** signed by ..... And dated / /

Amounts the Company owes to its employees (priority creditors)

\$ 12,555,675.70

EMPLOYEE'S NAME	START DATE	WAGES OWED*	HOLIDAY PAY OWED	LONG SERVICE LEAVE OWED	SUPERANNUATION OWED	REDUNDANCY OWED	OTHER	TOTAL OWED	RELATED PARTY YES/NO
71	5/7/1998		\$ 6,512.00	\$ 33,920.00	\$ 933.11			\$ 41,365.11	No
72	1/2/1993		\$ 5,799.00	\$ 18,553.00	\$ 746.30			\$ 25,098.30	No
73	31/10/2004		\$ 8,329.00	\$ 7,223.00	\$ 828.69			\$ 16,380.69	No
74	13/2/1989		\$ 3,330.00	\$ 7,190.00	\$ 1,703.55			\$ 12,223.55	No
75	27/11/2017		\$ 6,683.00	\$ -	\$ 326.46			\$ 7,009.46	No
76	10/11/1994		\$ 7,827.00	\$ 15,336.00	\$ 537.48			\$ 23,700.48	No
77	29/3/2016		\$ 2,775.00	\$ -	\$ 439.91			\$ 3,214.91	No
78	8/2/2011		\$ 232.00	\$ 18,077.00	\$ 485.09			\$ 18,794.09	No
79	9/3/1995		\$ 11,916.00	\$ 17,508.00	\$ 601.81			\$ 30,025.81	No
80	19/3/1995		\$ 5,401.00	\$ 24,351.00	\$ 692.36			\$ 30,444.36	No
81	17/1/1994		\$ 3,426.00	\$ 24,133.00	\$ 945.41			\$ 28,504.41	No
82	25/9/2010		\$ 3,618.00	\$ 9,582.00	\$ 438.55			\$ 13,638.55	No
83	1/12/2009		\$ 21,179.00	\$ 15,984.00	\$ 1,846.81			\$ 39,009.81	No
84	26/11/2007		\$ 5,980.00	\$ 11,180.00	\$ 418.86			\$ 17,578.86	No
85	20/5/2019		\$ 2,634.00	\$ -	\$ 330.00			\$ 2,964.00	No
86	4/1/2000		\$ 9,160.00	\$ 16,971.00	\$ 613.00			\$ 26,744.00	No
87	4/10/1988		\$ 11,734.00	\$ 14,951.00	\$ 798.03			\$ 27,483.03	No
88	9/1/1995		\$ 5,970.00	\$ 16,459.00	\$ 637.80			\$ 23,066.80	No
89	28/7/2014		\$ 4,749.00	\$ 7,700.00	\$ 382.22			\$ 12,831.22	No
90	9/1/1995		\$ 3,417.00	\$ 5,968.00	\$ 382.24			\$ 9,767.24	No
91	24/10/1994		\$ 1,451.00	\$ 17,230.00	\$ 550.20			\$ 19,231.20	No
92	16/1/1995		\$ 29,055.00	\$ 68,736.00	\$ 1,469.52			\$ 99,260.52	No
93	14/7/2008		\$ 10,244.00	\$ 11,739.00	\$ 632.12			\$ 22,615.12	No
94	12/2/1990		\$ 10,737.00	\$ 29,496.00	\$ 585.68			\$ 40,818.68	No
95	16/10/1997		\$ 2,837.00	\$ 11,079.00	\$ 342.73			\$ 14,258.73	No
96	13/9/1999		\$ 2,683.00	\$ 2,884.00	\$ 456.97			\$ 6,023.97	No
97	1/1/1987		\$ 3,254.00	\$ 14,917.00	\$ -			\$ 18,171.00	No
98	4/4/2011		\$ 4,595.00	\$ 12,037.00	\$ 688.20			\$ 17,320.20	No
99	16/2/1994		\$ 655.00	\$ 1,537.00	\$ 537.43			\$ 2,729.43	No
100	19/5/1986		\$ 17,647.00	\$ 81,013.00	\$ 1,068.76			\$ 99,728.76	No
101	29/8/1990		\$ 6,383.00	\$ 3,620.00	\$ 553.26			\$ 10,556.26	No
102	1/2/1995		\$ 3,398.00	\$ 13,962.00	\$ 897.14			\$ 18,257.14	No
103	25/10/2011		\$ 6,662.00	\$ 11,713.00	\$ 54.72			\$ 18,429.72	No
104	6/11/2017		\$ 11,850.00	\$ -	\$ 401.66			\$ 12,251.66	No
105	13/2/1994		\$ 7,497.00	\$ 16,563.00	\$ 1,009.96			\$ 25,069.96	No

Note: Employee name withheld as commercially sensitive



# Q A4

This is the annexure of **X** Pages marked with \* mentioned in **Part A** signed by ..... And dated / /

Amounts the Company owes to its employees (priority creditors)

\$ 12,555,675.70

EMPLOYEE'S NAME	START DATE	WAGES OWED*	HOLIDAY PAY OWED	LONG SERVICE LEAVE OWED	SUPERANNUATION OWED	REDUNDANCY OWED	OTHER	TOTAL OWED	RELATED PARTY YES/NO
106	24/1/2007		\$ 12,467.00	\$ 23,087.00	\$ 770.00			\$ 36,324.00	No
107	22/11/2017		\$ 1,914.00	\$ -	\$ 336.28			\$ 2,250.28	No
108	1/6/1998		\$ 4,978.00	\$ 2,438.00	\$ 269.20			\$ 7,685.20	No
109	10/5/2004		\$ 9,537.00	\$ 24,765.00	\$ 695.44			\$ 34,997.44	No
110	1/12/1997		\$ 3,235.00	\$ 1,135.00	\$ 381.28			\$ 4,751.28	No
111	8/3/1999		\$ 6,250.00	\$ 29,142.00	\$ 694.77			\$ 36,086.77	No
112	20/10/2003		\$ 6,885.00	\$ 14,112.00	\$ 413.13			\$ 21,410.13	No
113	30/3/2000		\$ 3,559.00	\$ 20,776.00	\$ 354.64			\$ 24,689.64	No
114	5/2/2007		\$ 5,572.00	\$ 19,004.00	\$ 454.76			\$ 25,030.76	No
115	24/7/2000		\$ 8,515.00	\$ 28,437.00	\$ 727.56			\$ 37,679.56	No
116	7/3/1994		\$ 4,507.00	\$ 1,673.00	\$ 490.62			\$ 6,670.62	No
117	26/9/2011		\$ 5,472.00	\$ 6,486.00	\$ 312.66			\$ 12,270.66	No
118	19/6/2017		\$ 10,799.00	\$ -	\$ 953.86			\$ 11,752.86	No
119	29/3/1995		\$ 17,082.00	\$ 57,884.00	\$ 1,131.83			\$ 76,097.83	No
120	30/7/2007		\$ 1,089.00	\$ 7,706.00	\$ 380.44			\$ 9,175.44	No
121	8/7/1991		\$ 9,646.00	\$ 20,569.00	\$ 1,582.88			\$ 31,797.88	No
122	18/9/2002		\$ 17,798.00	\$ 27,892.00	\$ 597.85			\$ 46,287.85	No
123	1/9/2004		\$ 7,345.00	\$ 15,149.00	\$ 597.96			\$ 23,091.96	No
124	19/6/2006		\$ 3,329.00	\$ 9,703.00	\$ 308.77			\$ 13,340.77	No
125	15/7/2003		\$ 3,966.00	\$ 2,215.00	\$ 441.77			\$ 6,622.77	No
126	3/12/1990		\$ 11,390.00	\$ 35,798.00	\$ 711.92			\$ 47,899.92	No
127	16/9/2019		\$ 2,956.00	\$ -	\$ 556.21			\$ 3,512.21	No
128	17/9/2018		\$ 13,963.00	\$ -	\$ 1,117.01			\$ 15,080.01	No
129	18/4/2001		\$ 15,238.00	\$ 22,608.00	\$ 620.44			\$ 38,466.44	No
130	9/11/1995		\$ 15,958.00	\$ 21,593.00	\$ 510.13			\$ 38,061.13	No
131	13/10/1997		\$ 15,450.00	\$ 22,937.00	\$ 570.23			\$ 38,957.23	No
132	27/10/2011		\$ 11,322.00	\$ 29,494.00	\$ 1,606.47			\$ 42,422.47	No
133	3/12/1984		\$ 8,045.00	\$ 27,193.00	\$ 372.59			\$ 35,610.59	No
134	6/2/1985		\$ 8,038.00	\$ 17,877.00	\$ 521.72			\$ 26,436.72	No
135	23/6/1980		\$ 4,431.00	\$ 11,826.00	\$ 631.36			\$ 16,888.36	No
136	2/11/1994		\$ 8,660.00	\$ 25,843.00	\$ 290.76			\$ 34,793.76	No
137	23/4/2007		\$ 3,126.00	\$ 12,842.00	\$ 315.68			\$ 16,283.68	No
138	22/5/2000		\$ 10,195.00	\$ 22,473.00	\$ 1,293.33			\$ 33,961.33	No
139	5/1/1997		\$ 7,372.00	\$ 19,335.00	\$ 378.94			\$ 27,085.94	No
140	17/8/2009		\$ 6,111.00	\$ 10,599.00	\$ 354.57			\$ 17,064.57	No

Note: Employee name withheld as commercially sensitive

## Q A4

This is the annexure of **X** Pages marked with \* mentioned in **Part A** signed by ..... And dated / /

Amounts the Company owes to its employees (priority creditors)

\$ 12,555,675.70

EMPLOYEE'S NAME	START DATE	WAGES OWED*	HOLIDAY PAY OWED	LONG SERVICE LEAVE OWED	SUPERANNUATION OWED	REDUNDANCY OWED	OTHER	TOTAL OWED	RELATED PARTY YES/NO
141	12/8/1985		\$ 3,492.00	\$ 8,661.00	\$ 519.58			\$ 12,672.58	No
142	29/9/1985		\$ 11,000.00	\$ 15,650.00	\$ 1,844.56			\$ 28,494.56	No
143	15/6/1988		\$ 6,589.00	\$ 24,167.00	\$ 370.23			\$ 31,126.23	No
144	4/9/2008		\$ 8,893.00	\$ 3,507.00	\$ 471.04			\$ 12,871.04	No
145	5/3/2007		\$ 4,513.00	\$ 10,533.00	\$ 385.45			\$ 15,431.45	No
146	1/10/2008		\$ 7,938.00	\$ 21,213.00	\$ 839.74			\$ 29,990.74	No
147	2/9/1996		\$ 14,982.00	\$ 15,254.00	\$ 426.77			\$ 30,662.77	No
148	23/1/1995		\$ 9,770.00	\$ 21,664.00	\$ 772.60			\$ 32,206.60	No
149	3/10/2017		\$ 9,052.00	\$ -	\$ 588.00			\$ 9,640.00	No
150	6/4/1999		\$ 2,622.00	\$ 1,882.00	\$ 359.14			\$ 4,863.14	No
151	20/3/2006		\$ 6,834.00	\$ 20,462.00	\$ 554.68			\$ 27,850.68	No
152	14/2/1989		\$ 14,332.00	\$ 35,011.00	\$ 1,354.30			\$ 50,697.30	No
153	9/4/2001		\$ 4,471.00	\$ 3,234.00	\$ 325.88			\$ 8,030.88	No
154	23/4/2001		\$ 17,613.00	\$ 39,869.00	\$ 672.37			\$ 58,154.37	No
155	2/3/2016		\$ 8,000.00	\$ -	\$ 637.15			\$ 8,637.15	No
156	4/8/2015		\$ 14,741.00	\$ 7,496.00	\$ 1,915.93			\$ 24,152.93	No
157	3/5/1993		\$ 6,825.00	\$ 37,308.00	\$ 493.00			\$ 44,626.00	No
158	4/9/2007		\$ 14,109.00	\$ 13,201.00	\$ 468.16			\$ 27,778.16	No
159	1/10/2015		\$ 6,904.00	\$ -	\$ -			\$ 6,904.00	No
160	16/2/1981		\$ 8,519.00	\$ 28,309.00	\$ 2,059.64			\$ 38,887.64	No
161	29/8/2011		\$ 325.00	\$ 897.00	\$ -			\$ 1,222.00	No
162	8/12/1982		\$ 5,215.00	\$ 7,609.00	\$ 499.99			\$ 13,323.99	No
163	12/12/2005		\$ 10,039.00	\$ 21,003.00	\$ 1,695.57			\$ 32,737.57	No
164	2/8/2004		\$ 5,047.00	\$ 10,618.00	\$ 664.52			\$ 16,329.52	No
165	1/12/1999		\$ 4,379.00	\$ 19,945.00	\$ 575.17			\$ 24,899.17	No
166	12/9/2005		\$ 14,057.00	\$ 13,925.00	\$ 485.03			\$ 28,467.03	No
167	8/2/1998		\$ 5,286.00	\$ 10,883.00	\$ 457.54			\$ 16,626.54	No
168	1/6/1998		\$ 3,907.00	\$ 12,489.00	\$ 369.72			\$ 16,765.72	No
169	26/5/1997		\$ 13,559.00	\$ 7,209.00	\$ 508.60			\$ 21,276.60	No
170	25/7/2006		\$ 4,227.00	\$ 10,942.00	\$ 489.88			\$ 15,658.88	No
171	9/10/1997		\$ 17,097.00	\$ 18,854.00	\$ 511.54			\$ 36,462.54	No
172	7/2/2005		\$ 2,515.00	\$ 4,965.00	\$ 331.59			\$ 7,811.59	No
173	9/4/2001		\$ 3,386.00	\$ 13,838.00	\$ 553.84			\$ 17,777.84	No
174	10/3/1985		\$ 11,863.00	\$ 18,895.00	\$ 792.24			\$ 31,550.24	No
175	14/1/1991		\$ 14,072.00	\$ 27,344.00	\$ 831.25			\$ 42,247.25	No

Note: Employee name withheld as commercially sensitive



## Q A4

This is the annexure of **X** Pages marked with \* mentioned in **Part A** signed by ..... And dated / /

Amounts the Company owes to its employees (priority creditors)

\$ 12,555,675.70

EMPLOYEE'S NAME	START DATE	WAGES OWED*	HOLIDAY PAY OWED	LONG SERVICE LEAVE OWED	SUPERANNUATION OWED	REDUNDANCY OWED	OTHER	TOTAL OWED	RELATED PARTY YES/NO
176	29/7/2014		\$ 4,247.00	\$ 8,619.00	\$ 597.95			\$ 13,463.95	No
177	16/1/1989		\$ 13,142.00	\$ 41,416.00	\$ 1,124.27			\$ 55,682.27	No
178	28/10/2013		\$ 5,248.00	\$ 7,275.00	\$ 385.41			\$ 12,908.41	No
179	29/8/2011		\$ 7,144.00	\$ 9,578.00	\$ 368.37			\$ 17,090.37	No
180	16/9/2013		\$ 1,333.00	\$ 6,004.00	\$ 502.39			\$ 7,839.39	No
181	2/4/2000		\$ 5,843.00	\$ 12,017.00	\$ 726.79			\$ 18,586.79	No
182	18/7/2005		\$ 8,254.00	\$ 11,354.00	\$ 401.05			\$ 20,009.05	No
183	2/4/2007		\$ 14,750.00	\$ 15,066.00	\$ 612.94			\$ 30,428.94	No
184	5/3/1990		\$ 9,151.00	\$ 1,215.00	\$ 532.40			\$ 10,898.40	No
185	21/12/2008		\$ 10,793.00	\$ 9,764.00	\$ 292.87			\$ 20,849.87	No
186	21/7/1997		\$ 3,977.00	\$ 17,015.00	\$ 1,553.91			\$ 22,545.91	No
187	18/8/1997		\$ 2,525.00	\$ 26,774.00	\$ 567.93			\$ 29,866.93	No
188	17/1/1994		\$ 10,578.00	\$ 44,799.00	\$ 1,238.01			\$ 56,615.01	No
189	2/7/2000		\$ 4,879.00	\$ 11,791.00	\$ 793.98			\$ 17,463.98	No
190	6/11/1995		\$ 13,204.00	\$ 10,478.00	\$ 1,012.76			\$ 24,694.76	No
191	24/6/2002		\$ 5,292.00	\$ 10,957.00	\$ 346.12			\$ 16,595.12	No
192	11/9/1995		\$ 9,350.00	\$ 20,891.00	\$ 500.16			\$ 30,741.16	No
193	21/2/2000		\$ 12,263.00	\$ 18,353.00	\$ 394.88			\$ 31,010.88	No
194	22/11/2017		\$ 3,367.00	\$ -	\$ 367.18			\$ 3,734.18	No
195	16/7/2003		\$ 8,739.00	\$ 21,588.00	\$ 380.60			\$ 30,707.60	No
196	21/6/2004		\$ 7,565.00	\$ 20,624.00	\$ 691.88			\$ 28,880.88	No
197	30/10/1996		\$ 5,718.00	\$ 8,800.00	\$ 1,426.14			\$ 15,944.14	No
198	6/1/1997		\$ 8,960.00	\$ 453.00	\$ 460.81			\$ 9,873.81	No
199	28/6/2004		\$ 13,679.00	\$ 16,418.00	\$ 345.36			\$ 30,442.36	No
200	5/7/2004		\$ 2,533.00	\$ 2,202.00	\$ 415.49			\$ 5,150.49	No
201	16/9/2003		\$ 12,286.00	\$ 12,148.00	\$ 665.24			\$ 25,099.24	No
202	5/5/2014		\$ 12,063.00	\$ 6,833.00	\$ 467.00			\$ 19,363.00	No
203	5/5/2015		\$ 2,664.00	\$ 6,067.00	\$ 307.39			\$ 9,038.39	No
204	3/4/2003		\$ 4,568.00	\$ 12,107.00	\$ 325.86			\$ 17,000.86	No
205	5/6/2006		\$ 4,409.00	\$ 13,661.00	\$ 1,690.09			\$ 19,760.09	No
206	22/9/2005		\$ 7,112.00	\$ 18,237.00	\$ 637.45			\$ 25,986.45	No
207	9/7/2001		\$ 5,488.00	\$ 6,619.00	\$ 368.47			\$ 12,475.47	No
208	22/1/1990		\$ 5,589.00	\$ 28,578.00	\$ 877.00			\$ 35,044.00	No
209	14/4/2008		\$ 13,607.00	\$ 13,889.00	\$ 622.56			\$ 28,118.56	No
210	14/11/2011		\$ 7,699.00	\$ 15,947.00	\$ 728.96			\$ 24,374.96	No

\* Note: Employee name withheld as commercially sensitive



## Q A4

This is the annexure of **X** Pages marked with \* mentioned in **Part A** signed by ..... And dated / /

Amounts the Company owes to its employees (priority creditors)

\$ 12,555,675.70

EMPLOYEE'S NAME	START DATE	WAGES OWED*	HOLIDAY PAY OWED	LONG SERVICE LEAVE OWED	SUPERANNUATION OWED	REDUNDANCY OWED	OTHER	TOTAL OWED	RELATED PARTY YES/NO
211	8/1/2018		\$ 7,257.00	\$ -	\$ 611.49			\$ 7,868.49	No
212	6/9/2004		\$ 8,881.00	\$ 9,456.00	\$ 535.68			\$ 18,872.68	No
213	30/5/1988		\$ 24,714.00	\$ 46,175.00	\$ -			\$ 70,889.00	No
214	27/11/1999		\$ 8,319.00	\$ 47,896.00	\$ 956.06			\$ 57,171.06	No
215	2/10/2004		\$ 10,509.00	\$ 17,088.00	\$ 1,785.68			\$ 29,382.68	No
216	18/5/1981		\$ 14,619.00	\$ 32,278.00	\$ 1,763.70			\$ 48,660.70	No
217	1/12/2004		\$ 13,012.00	\$ 19,917.00	\$ 843.53			\$ 33,772.53	No
218	4/7/1994		\$ 13,242.00	\$ 22,222.00	\$ 747.76			\$ 36,211.76	No
219	19/11/2007		\$ 9,385.00	\$ 12,226.00	\$ 738.97			\$ 22,349.97	No
220	9/6/2003		\$ 3,492.00	\$ 5,453.00	\$ 1,196.03			\$ 10,141.03	No
221	5/6/2000		\$ 3,441.00	\$ 11,355.00	\$ 492.12			\$ 15,288.12	No
222	9/11/1992		\$ 9,145.00	\$ 16,328.00	\$ 432.16			\$ 25,905.16	No
223	5/1/1988		\$ 3,863.00	\$ 11,590.00	\$ 497.76			\$ 15,950.76	No
224	18/8/2003		\$ 7,775.00	\$ 7,825.00	\$ -			\$ 15,600.00	No
225	22/7/2002		\$ 13,200.00	\$ 10,274.00	\$ 708.04			\$ 24,182.04	No
226	27/4/1989		\$ 10,752.00	\$ 22,574.00	\$ 1,461.51			\$ 34,787.51	No
227	13/1/2003		\$ 2,754.00	\$ 5,962.00	\$ 348.34			\$ 9,064.34	No
228	21/11/2017		\$ 8,706.00	\$ -	\$ 368.82			\$ 9,074.82	No
229	11/7/1994		\$ 6,018.00	\$ 4,767.00	\$ 283.32			\$ 11,068.32	No
230	23/11/2017		\$ 3,156.00	\$ -	\$ 378.78			\$ 3,534.78	No
231	22/2/2004		\$ 8,997.00	\$ 14,457.00	\$ 485.18			\$ 23,939.18	No
232	11/10/2017		\$ 4,261.00	\$ -	\$ 423.21			\$ 4,684.21	No
233	14/4/2003		\$ 6,416.00	\$ 11,171.00	\$ 447.39			\$ 18,034.39	No
234	8/6/2008		\$ 3,207.00	\$ 10,152.00	\$ 719.40			\$ 14,078.40	No
235	20/4/1998		\$ 6,751.00	\$ 9,857.00	\$ 234.17			\$ 16,842.17	No
236	8/1/2001		\$ 8,769.00	\$ 31,813.00	\$ 1,109.28			\$ 41,691.28	No
237	24/8/2006		\$ 8,032.00	\$ 14,672.00	\$ 792.57			\$ 23,496.57	No
238	4/1/1988		\$ 8,533.00	\$ 10,855.00	\$ -			\$ 19,388.00	No
239	29/1/2001		\$ 15,601.00	\$ 36,728.00	\$ 1,051.51			\$ 53,380.51	No
240	7/10/1997		\$ 4,723.00	\$ 9,366.00	\$ 485.70			\$ 14,574.70	No
241	1/1/1987		\$ 9,348.00	\$ 22,006.00	\$ 1,444.80			\$ 32,798.80	No
242	15/6/1988		\$ 13,478.00	\$ 17,885.00	\$ 1,266.95			\$ 32,629.95	No
243	2/4/1990		\$ 6,756.00	\$ 19,423.00	\$ 1,648.19			\$ 27,827.19	No
244	26/9/1999		\$ 4,798.00	\$ 6,075.00	\$ 583.70			\$ 11,456.70	No
245	13/11/2006		\$ 3,955.00	\$ 20,405.00	\$ 528.90			\$ 24,888.90	No

Note: Employee name withheld as commercially sensitive

Q A4

This is the annexure of X Pages marked with \* mentioned in Part A signed by ..... And dated / /

Amounts the Company owes to its employees (priority creditors) \$ 12,555,675.70

EMPLOYEE'S NAME	START DATE	WAGES OWED*	HOLIDAY PAY OWED	LONG SERVICE LEAVE OWED	SUPERANNUATION OWED	REDUNDANCY OWED	OTHER	TOTAL OWED	RELATED PARTY YES/NO
	246	1/11/1999	\$ 2,866.00	\$ 5,326.00	\$ 497.41			\$ 8,689.41	No
	247	14/2/2005	\$ 10,309.00	\$ 14,464.00	\$ 559.99			\$ 25,332.99	No
	248	4/2/1987	\$ 5,079.00	\$ 6,511.00	\$ 643.46			\$ 12,233.46	No
	249	21/3/1996	\$ 3,142.00	\$ 19,184.00	\$ 520.03			\$ 22,846.03	No
	250	26/6/2005	\$ 5,029.00	\$ 10,071.00	\$ 447.94			\$ 15,547.94	No
	251	8/6/1984	\$ 13,798.00	\$ 21,216.00	\$ 434.40			\$ 35,448.40	No
	252	8/9/1995	\$ 1,722.00	\$ 4,555.00	\$ 345.77			\$ 6,622.77	No
	253	17/4/2000	\$ 7,258.00	\$ 25,301.00	\$ 705.79			\$ 33,264.79	No
	254	16/3/1998	\$ 6,983.00	\$ 25,537.00	\$ 624.54			\$ 33,144.54	No
	255	14/2/2000	\$ 7,654.00	\$ 36,399.00	\$ 1,131.42			\$ 45,184.42	No
	256	2/1/2018	\$ 7,381.00	\$ -	\$ 569.04			\$ 7,950.04	No
	257	27/8/1990	\$ 21,145.00	\$ 7,539.00	\$ 1,102.24			\$ 29,786.24	No
	258	4/8/1997	\$ 7,813.00	\$ 30,274.00	\$ 670.43			\$ 38,757.43	No
	259	15/12/2008	\$ 6,496.00	\$ 11,103.00	\$ 474.52			\$ 18,073.52	No
	260	25/11/2015	\$ 23,858.00	\$ -	\$ 704.16			\$ 24,562.16	No
	261	16/1/1995	\$ 3,770.00	\$ 27,225.00	\$ 505.31			\$ 31,500.31	No
	262	29/7/1996	\$ 18,495.00	\$ 27,967.00	\$ 1,055.49			\$ 47,517.49	No
	263	13/11/2017	\$ 1,907.00	\$ -	\$ 433.57			\$ 2,340.57	No
	264	20/6/1988	\$ 8,161.00	\$ 24,254.00	\$ 1,465.83			\$ 33,880.83	No
	265	7/3/1994	\$ 3,081.00	\$ 7,926.00	\$ 589.77			\$ 11,596.77	No
	266	21/2/2014	\$ 4,144.00	\$ 5,526.00	\$ -			\$ 9,670.00	No
	267	25/9/2019	\$ 3,032.00	\$ -	\$ 367.67			\$ 3,399.67	No
	268	11/7/1994	\$ 16,050.00	\$ 39,624.00	\$ 1,477.12			\$ 57,151.12	No
	269	12/5/1997	\$ 1,991.00	\$ 5,208.00	\$ 326.54			\$ 7,525.54	No
	270	9/3/2004	\$ 5,913.00	\$ 21,593.00	\$ 476.09			\$ 27,982.09	No
	271	13/12/1992	\$ 7,470.00	\$ 5,551.00	\$ 512.80			\$ 13,533.80	No
	272	10/1/1995	\$ 5,076.00	\$ 7,665.00	\$ 691.52			\$ 13,432.52	No
	273	22/8/2011	\$ 3,853.00	\$ 6,554.00	\$ 329.83			\$ 10,736.83	No
	274	6/7/2009	\$ 6,911.00	\$ 11,861.00	\$ 558.45			\$ 19,330.45	No
	275	27/3/2000	\$ 15,656.00	\$ 18,658.00	\$ 883.83			\$ 35,197.83	No
	276	26/8/2002	\$ 13,778.00	\$ 12,994.00	\$ 516.59			\$ 27,288.59	No
	277	16/12/2013	\$ 5,403.00	\$ 9,102.00	\$ 347.20			\$ 14,852.20	No
	278	18/10/2004	\$ 7,234.00	\$ 14,879.00	\$ 431.20			\$ 22,544.20	No
	279	12/8/2013	\$ 8,459.00	\$ 5,705.00	\$ 330.98			\$ 14,494.98	No
	280	12/10/1987	\$ 9,356.00	\$ 28,973.00	\$ 671.56			\$ 39,000.56	No

\* Note: Employee name withheld as commercially sensitive

## Q A4

This is the annexure of **X** Pages marked with \* mentioned in **Part A** signed by ..... And dated / /

Amounts the Company owes to its employees (priority creditors)

\$ 12,555,675.70

EMPLOYEE'S NAME	START DATE	WAGES OWED*	HOLIDAY PAY OWED	LONG SERVICE LEAVE OWED	SUPERANNUATION OWED	REDUNDANCY OWED	OTHER	TOTAL OWED	RELATED PARTY YES/NO
	281	23/8/2005	\$ 2,955.00	\$ 7,592.00	\$ 462.82			\$ 11,009.82	No
	282	19/11/2017	\$ 2,235.00	\$ -	\$ 398.42			\$ 2,633.42	No
	283	2/2/1998	\$ 7,506.00	\$ 26,535.00	\$ 656.21			\$ 34,697.21	No
	284	30/12/2001	\$ 3,605.00	\$ 11,243.00	\$ 374.98			\$ 15,222.98	No
	285	5/3/2001	\$ 9,034.00	\$ 14,152.00	\$ 320.52			\$ 23,506.52	No
	286	1/1/1998	\$ 8,576.00	\$ 3,544.00	\$ 469.73			\$ 12,589.73	No
	287	7/11/1999	\$ 6,916.00	\$ 16,310.00	\$ 602.17			\$ 23,828.17	No
	288	5/1/2004	\$ 1,819.00	\$ 23,259.00	\$ 633.62			\$ 25,711.62	No
	289	4/5/2015	\$ 6,377.00	\$ 7,080.00	\$ 533.21			\$ 13,990.21	No
	290	8/2/2000	\$ 4,558.00	\$ 17,456.00	\$ 898.06			\$ 22,912.06	No
	291	10/1/2011	\$ 7,071.00	\$ 12,866.00	\$ 948.81			\$ 20,885.81	No
	292	8/11/1989	\$ 13,015.00	\$ 26,825.00	\$ 974.35			\$ 40,814.35	No
	293	1/2/1978	\$ 8,468.00	\$ 27,774.00	\$ 1,131.20			\$ 37,373.20	No
	294	30/11/2004	\$ 3,841.00	\$ 12,751.00	\$ 390.41			\$ 16,982.41	No
	295	10/6/2002	\$ 7,985.00	\$ 19,037.00	\$ 542.52			\$ 27,564.52	No
	296	30/6/2015	\$ 1,564.00	\$ 5,115.00	\$ 423.22			\$ 7,102.22	No
	297	24/2/1997	\$ 4,563.00	\$ 4,595.00	\$ 599.23			\$ 9,757.23	No
	298	31/1/2011	\$ 3,968.00	\$ 11,211.00	\$ 660.81			\$ 15,839.81	No
	299	25/8/1997	\$ 13,332.00	\$ 18,595.00	\$ 1,484.06			\$ 33,411.06	No
	300	25/10/2004	\$ 18,015.00	\$ 21,429.00	\$ 466.86			\$ 39,910.86	No
	301	6/10/1994	\$ 24,427.00	\$ 35,731.00	\$ 1,213.81			\$ 61,371.81	No
	302	11/6/2007	\$ 3,280.00	\$ 7,098.00	\$ 468.98			\$ 10,846.98	No
	303	1/1/1995	\$ 6,527.00	\$ 15,206.00	\$ 210.40			\$ 21,943.40	No
	304	10/2/1995	\$ 3,758.00	\$ 29,118.00	\$ 389.93			\$ 33,265.93	No
	305	18/9/1984	\$ 10,923.00	\$ 26,753.00	\$ 495.43			\$ 38,171.43	No
	306	23/1/1995	\$ 11,668.00	\$ 21,633.00	\$ 474.26			\$ 33,775.26	No
	307	4/5/2010	\$ 11,235.00	\$ 26,505.00	\$ 1,156.22			\$ 38,896.22	No
	308	22/11/2017	\$ 6,131.00	\$ -	\$ 357.00			\$ 6,488.00	No
	309	23/11/2017	\$ 1,923.00	\$ -	\$ 265.09			\$ 2,188.09	No
	310	6/11/2006	\$ 8,423.00	\$ 15,002.00	\$ 698.20			\$ 24,123.20	No
	311	15/12/2008	\$ 7,185.00	\$ 9,877.00	\$ 315.86			\$ 17,377.86	No
	312	15/1/1996	\$ 11,535.00	\$ 28,368.00	\$ 1,373.33			\$ 41,276.33	No
	313	27/9/2004	\$ 1,690.00	\$ 11,087.00	\$ 391.52			\$ 13,168.52	No
	314	18/3/2002	\$ 3,732.00	\$ 4,581.00	\$ 368.38			\$ 8,681.38	No
	315	2/10/1989	\$ 11,787.00	\$ 6,528.00	\$ 685.60			\$ 19,000.60	No

Note: Employee name withheld as commercially sensitive



# Q A4

This is the annexure of X Pages marked with \* mentioned in Part A signed by ..... And dated / /

Amounts the Company owes to its employees (priority creditors) \$ 12,555,675.70

EMPLOYEE'S NAME	START DATE	WAGES OWED*	HOLIDAY PAY OWED	LONG SERVICE LEAVE OWED	SUPERANNUATION OWED	REDUNDANCY OWED	OTHER	TOTAL OWED	RELATED PARTY YES/NO
316	6/6/1988		\$ 21,752.00	\$ 23,376.00	\$ -			\$ 45,128.00	No
317	25/5/2008		\$ 16,238.00	\$ 15,145.00	\$ 712.60			\$ 32,095.60	No
318	20/11/2017		\$ 4,887.00	\$ -	\$ 357.73			\$ 5,244.73	No
319	7/1/2008		\$ 19,938.00	\$ 16,800.00	\$ 618.71			\$ 37,356.71	No
320	14/12/2004		\$ 14,721.00	\$ 23,000.00	\$ 514.38			\$ 38,235.38	No
321	19/4/2005		\$ 13,849.00	\$ 11,389.00	\$ 250.09			\$ 25,488.09	No
322	26/6/1995		\$ 7,729.00	\$ 19,703.00	\$ 341.68			\$ 27,773.68	No
323	23/2/2005		\$ 12,020.00	\$ 17,742.00	\$ 517.62			\$ 30,279.62	No
324	31/8/2008		\$ 2,806.00	\$ 9,543.00	\$ 399.86			\$ 12,748.86	No
325	11/10/1999		\$ 6,514.00	\$ 20,331.00	\$ 491.27			\$ 27,336.27	No
326	22/11/2010		\$ 2,577.00	\$ 9,625.00	\$ 477.48			\$ 12,679.48	No
327	6/9/1995		\$ 7,931.00	\$ 20,403.00	\$ 486.51			\$ 28,820.51	No
328	14/9/2005		\$ 11,042.00	\$ 14,743.00	\$ 433.04			\$ 26,218.04	No
329	4/4/2011		\$ 8,524.00	\$ 13,082.00	\$ 521.91			\$ 22,127.91	No
330	5/7/2004		\$ 4,192.00	\$ 4,192.00	\$ 413.04			\$ 8,797.04	No
331	7/12/2011		\$ 13,305.00	\$ 10,496.00	\$ 470.25			\$ 24,271.25	No
332	24/1/2005		\$ 12,281.00	\$ 18,504.00	\$ 487.09			\$ 31,272.09	No
333	17/7/2006		\$ 9,120.00	\$ 12,380.00	\$ 303.26			\$ 21,803.26	No
334	14/1/2002		\$ 3,220.00	\$ 10,407.00	\$ 432.16			\$ 14,059.16	No
335	11/8/1997		\$ 14,522.00	\$ 16,442.00	\$ 1,194.46			\$ 32,158.46	No
336	5/12/2001		\$ 15,033.00	\$ 13,631.00	\$ 481.78			\$ 29,145.78	No
337	9/4/2008		\$ 13,262.00	\$ 14,674.00	\$ 807.38			\$ 28,743.38	No
338	21/7/2008		\$ 5,518.00	\$ 11,525.00	\$ 553.93			\$ 17,596.93	No
339	11/1/2016		\$ 5,234.00	\$ -	\$ 400.63			\$ 5,634.63	No
340	9/4/2001		\$ 15,116.00	\$ 21,898.00	\$ 578.06			\$ 37,592.06	No
341	28/8/2000		\$ 5,390.00	\$ 23,567.00	\$ 719.71			\$ 29,676.71	No
342	4/4/2011		\$ 13,049.00	\$ 10,343.00	\$ 467.00			\$ 23,859.00	No
343	2/9/2013		\$ 549.00	\$ 7,413.00	\$ 328.99			\$ 8,290.99	No
344	26/4/2007		\$ 4,492.00	\$ 2,070.00	\$ 416.22			\$ 6,978.22	No
345	23/3/1998		\$ 17,164.00	\$ 17,467.00	\$ 434.51			\$ 35,065.51	No
346	10/4/2000		\$ 5,408.00	\$ 20,586.00	\$ 355.56			\$ 26,349.56	No
347	13/3/2006		\$ 27,607.00	\$ 27,604.00	\$ 1,476.42			\$ 56,687.42	No
348	12/9/1995		\$ 1,389.00	\$ 19,633.00	\$ 821.96			\$ 21,843.96	No
349	9/6/2015		\$ 4,039.00	\$ 6,853.00	\$ 566.82			\$ 11,458.82	No
350	16/4/2008		\$ 2,729.00	\$ 12,194.00	\$ 372.26			\$ 15,295.26	No

Note: Employee name withheld as commercially sensitive

## Q A4

This is the annexure of **X** Pages marked with \* mentioned in **Part A** signed by ..... And dated / /

Amounts the Company owes to its employees (priority creditors)

\$ 12,555,675.70

EMPLOYEE'S NAME	START DATE	WAGES OWED*	HOLIDAY PAY OWED	LONG SERVICE LEAVE OWED	SUPERANNUATION OWED	REDUNDANCY OWED	OTHER	TOTAL OWED	RELATED PARTY YES/NO
351	7/6/1999		\$ 10,676.00	\$ 10,013.00	\$ 1,582.16			\$ 22,271.16	No
352	12/12/1994		\$ 7,900.00	\$ 7,798.00	\$ 551.93			\$ 16,249.93	No
353	3/10/2006		\$ 4,903.00	\$ 12,726.00	\$ 559.88			\$ 18,188.88	No
354	7/7/2008		\$ 17,758.00	\$ 11,720.00	\$ -			\$ 29,478.00	No
355	21/3/2016		\$ 14,321.00	\$ -	\$ 2,060.50			\$ 16,381.50	No
356	12/9/2011		\$ 2,147.00	\$ 7,244.00	\$ -			\$ 9,391.00	No
357	4/1/2011		\$ 8,295.00	\$ 17,358.00	\$ 719.66			\$ 26,372.66	No
358	15/1/2018		\$ 4,771.00	\$ -	\$ 278.50			\$ 5,049.50	No
359	7/9/2015		\$ 7,526.00	\$ 12,458.00	\$ 1,051.01			\$ 21,035.01	No
360	12/10/1992		\$ 20,345.00	\$ 57,611.00	\$ 846.11			\$ 78,802.11	No
361	18/6/2018		\$ 1,884.00	\$ -	\$ 348.64			\$ 2,232.64	No
362	14/11/1989		\$ 3,104.00	\$ 5,614.00	\$ 342.29			\$ 9,060.29	No
363	30/7/2001		\$ 4,474.00	\$ 11,026.00	\$ 308.77			\$ 15,808.77	No
364	16/3/2000		\$ 15,217.00	\$ 17,809.00	\$ 345.37			\$ 33,371.37	No
365	1/11/2011		\$ 6,127.00	\$ 11,684.00	\$ 1,629.18			\$ 19,440.18	No
366	6/11/2019		\$ 4,289.00	\$ -	\$ 1,012.18			\$ 5,301.18	No
367	17/2/2005		\$ 6,177.00	\$ 546.00	\$ 374.33			\$ 7,097.33	No
368	3/12/2002		\$ 3,878.00	\$ 567.00	\$ 355.57			\$ 4,800.57	No
369	25/2/2013		\$ 6,954.00	\$ 14,383.00	\$ 760.44			\$ 22,097.44	No
370	1/12/2007		\$ 5,273.00	\$ 12,171.00	\$ 1,358.10			\$ 18,802.10	No
371	16/11/1994		\$ 15,548.00	\$ 17,037.00	\$ 318.80			\$ 32,903.80	No
372	20/7/1995		\$ 5,779.00	\$ 9,200.00	\$ 323.80			\$ 15,302.80	No
373	11/1/2016		\$ 14,072.00	\$ -	\$ 1,003.04			\$ 15,075.04	No
374	6/9/1994		\$ 5,377.00	\$ 3,364.00	\$ 537.04			\$ 9,278.04	No
375	22/1/2018		\$ 2,913.00	\$ -	\$ 165.44			\$ 3,078.44	No
376	12/10/1998		\$ 3,525.00	\$ 36,351.00	\$ 867.58			\$ 40,743.58	No
377	13/3/2012		\$ 3,555.00	\$ 8,811.00	\$ 467.34			\$ 12,833.34	No
378	25/4/2017		\$ 7,063.00	\$ -	\$ -			\$ 7,063.00	No
379	14/6/2011		\$ 9,495.00	\$ 11,123.00	\$ 456.31			\$ 21,074.31	No
380	1/9/2010		\$ 3,137.00	\$ 14,590.00	\$ 645.09			\$ 18,372.09	No
381	19/4/2010		\$ 17,431.00	\$ 10,479.00	\$ 472.02			\$ 28,382.02	No
382	27/7/2015		\$ 6,266.00	\$ 6,233.00	\$ 342.99			\$ 12,841.99	No
383	31/5/2010		\$ 6,162.00	\$ 16,443.00	\$ 604.57			\$ 23,209.57	No
384	21/5/2007		\$ 6,512.00	\$ 13,284.00	\$ 345.37			\$ 20,141.37	No
385	18/6/2018		\$ 3,420.00	\$ -	\$ 289.14			\$ 3,709.14	No

Note: Employee name withheld as commercially sensitive



## Q A4

This is the annexure of **X** Pages marked with \* mentioned in **Part A** signed by ..... And dated / /

Amounts the Company owes to its employees (priority creditors)

\$ 12,555,675.70

EMPLOYEE'S NAME	START DATE	WAGES OWED*	HOLIDAY PAY OWED	LONG SERVICE LEAVE OWED	SUPERANNUATION OWED	REDUNDANCY OWED	OTHER	TOTAL OWED	RELATED PARTY YES/NO
386	21/3/2012		\$ 3,575.00	\$ 11,690.00	\$ -			\$ 15,265.00	No
387	28/5/2018		\$ 5,350.00	\$ -	\$ 467.34			\$ 5,817.34	No
388	24/8/2006		\$ 9,003.00	\$ 15,745.00	\$ 441.11			\$ 25,189.11	No
389	18/11/2002		\$ 6,640.00	\$ 13,549.00	\$ 321.42			\$ 20,510.42	No
390	18/9/2018		\$ 2,994.00	\$ -	\$ 354.60			\$ 3,348.60	No
391	19/4/2010		\$ 8,512.00	\$ 15,427.00	\$ 819.97			\$ 24,758.97	No
392	14/10/2019		\$ 4,062.00	\$ -	\$ 446.50			\$ 4,508.50	No
393	1/10/2007		\$ 3,285.00	\$ 9,498.00	\$ 387.86			\$ 13,170.86	No
394	7/3/1994		\$ 8,448.00	\$ 28,867.00	\$ 495.30			\$ 37,810.30	No
395	11/3/2013		\$ 2,789.00	\$ 5,700.00	\$ 250.57			\$ 8,739.57	No
396	20/6/2005		\$ 254.00	\$ 15,277.00	\$ 451.92			\$ 15,474.92	No
397	26/2/2007		\$ 6,176.00	\$ 13,348.00	\$ 423.16			\$ 19,947.16	No
398	19/6/1995		\$ 10,267.00	\$ 14,604.00	\$ 636.23			\$ 25,507.23	No
399	1/2/2010		\$ 223.00	\$ 11,323.00	\$ 415.15			\$ 11,515.15	No
400	21/3/1999		\$ 3,915.00	\$ 7,194.00	\$ 332.32			\$ 11,441.32	No
401	8/7/1996		\$ 1,101.00	\$ 20,382.00	\$ 323.80			\$ 21,806.80	No
402	29/7/1996		\$ 2,538.00	\$ 15,241.00	\$ 349.09			\$ 18,128.09	No
403	5/4/1993		\$ 5,282.00	\$ 22,990.00	\$ 355.93			\$ 28,627.93	No
404	29/3/2010		\$ 16,855.00	\$ 54,284.00	\$ 2,083.33			\$ 73,222.33	No
405	27/8/2007		\$ 10,213.00	\$ 15,436.00	\$ 531.70			\$ 26,180.70	No
406	30/4/1984		\$ 4,824.00	\$ 30,475.00	\$ 872.08			\$ 36,171.08	No
407	9/2/2004		\$ 4,252.00	\$ 5,783.00	\$ 473.56			\$ 10,508.56	No
408	19/9/2016		\$ 13,251.00	\$ -	\$ 1,113.14			\$ 14,364.14	No
409	13/3/1987		\$ 2,777.00	\$ 3,643.00	\$ 715.80			\$ 7,135.80	No
410	9/11/2008		\$ 17,047.00	\$ 9,458.00	\$ 563.23			\$ 27,068.23	No
411	17/4/1989		\$ 7,619.00	\$ 8,087.00	\$ 539.71			\$ 16,245.71	No
412	11/5/1999		\$ 15,412.00	\$ 16,866.00	\$ 1,313.82			\$ 33,591.82	No
413	2/1/1996		\$ 7,885.00	\$ 14,685.00	\$ 762.44			\$ 23,332.44	No
414	11/9/2019		\$ 5,079.00	\$ -	\$ -			\$ 5,079.00	No
415	14/7/2016		\$ 6,821.00	\$ -	\$ 508.47			\$ 7,329.47	No
416	20/11/2000		\$ 17,829.00	\$ 29,406.00	\$ 1,402.40			\$ 48,637.40	No
417	20/8/1991		\$ 7,118.00	\$ 978.00	\$ 513.81			\$ 8,609.81	No
418	19/2/2001		\$ 14,854.00	\$ 32,174.00	\$ 1,345.28			\$ 48,373.28	No
419	19/3/2018		\$ 1,212.00	\$ -	\$ 259.67			\$ 1,471.67	No
420	17/1/2006		\$ 24,907.00	\$ 24,685.00	\$ 1,347.07			\$ 50,939.07	No

\* Note: Employee name withheld as commercially sensitive

## Q A4

This is the annexure of **X** Pages marked with \* mentioned in **Part A** signed by ..... And dated / /

Amounts the Company owes to its employees (priority creditors)

\$ 12,555,675.70

EMPLOYEE'S NAME	START DATE	WAGES OWED*	HOLIDAY PAY OWED	LONG SERVICE LEAVE OWED	SUPERANNUATION OWED	REDUNDANCY OWED	OTHER	TOTAL OWED	RELATED PARTY YES/NO
421	28/3/2007		\$ 23,222.00	\$ 13,261.00	\$ 685.54			\$ 37,168.54	No
422	2/2/1981		\$ 16,437.00	\$ 21,925.00	\$ 464.36			\$ 38,826.36	No
423	6/1/1992		\$ 12,313.00	\$ 15,905.00	\$ 741.40			\$ 28,959.40	No
424	4/1/2000		\$ 6,287.00	\$ 39,559.00	\$ 993.73			\$ 46,839.73	No
425	10/9/1992		\$ 8,067.00	\$ 10,989.00	\$ 1,428.08			\$ 20,484.08	No
426	9/2/2005		\$ 16,409.00	\$ 32,914.00	\$ 831.25			\$ 50,154.25	No
427	10/12/2014		\$ 1,041.00	\$ 8,304.00	\$ 543.72			\$ 9,888.72	No
428	1/8/2016		-\$ 1,628.00	\$ -	\$ 360.61			-\$ 1,267.39	No
429	8/4/2013		\$ 7,582.00	\$ 19,217.00	\$ 996.90			\$ 27,795.90	No
430	21/7/2004		\$ 4,740.00	\$ 10,567.00	\$ 425.48			\$ 15,732.48	No
431	6/2/1995		\$ 3,591.00	\$ 4,230.00	\$ 458.66			\$ 8,279.66	No
432	29/4/2002		\$ 6,922.00	\$ 16,987.00	\$ 736.38			\$ 24,645.38	No
433	23/9/2019		\$ 4,296.00	\$ -	\$ 347.03			\$ 4,643.03	No
434	16/3/2005		\$ 12,671.00	\$ 10,746.00	\$ 903.34			\$ 24,320.34	No
435	13/4/2011		\$ 8,087.00	\$ 12,950.00	\$ 633.09			\$ 21,670.09	No
436	9/2/2005		\$ 10,140.00	\$ 8,181.00	\$ 605.64			\$ 18,926.64	No
437	2/7/1990		\$ 15,009.00	\$ 44,008.00	\$ 2,065.76			\$ 61,082.76	No
438	5/3/2018		\$ 3,988.00	\$ -	\$ 1,454.00			\$ 5,442.00	No
439	6/5/1991		\$ 5,880.00	\$ 3,336.00	\$ 550.75			\$ 9,766.75	No
440	4/1/2010		\$ 9,697.00	\$ 17,358.00	\$ 834.05			\$ 27,889.05	No
441	2/4/2002		\$ 16,077.00	\$ 36,454.00	\$ 1,270.22			\$ 53,801.22	No
442	21/10/2013		\$ 4,187.00	\$ 8,949.00	\$ 567.30			\$ 13,703.30	No
443	1/9/1997		\$ 11,876.00	\$ 1,992.00	\$ 837.53			\$ 14,705.53	No
444	1/12/2014		\$ 12,478.00	\$ 7,642.00	\$ 384.76			\$ 20,504.76	No
445	16/7/2012		\$ 988.00	\$ 4,099.00	\$ 392.52			\$ 5,479.52	No
446	10/4/1996		\$ 10,420.00	\$ 8,336.00	\$ 698.23			\$ 19,454.23	No
447	8/8/2018		\$ 2,508.00	\$ -	\$ 408.50			\$ 2,916.50	No
448	2/10/2006		\$ 5,225.00	\$ 21,491.00	\$ 518.64			\$ 27,234.64	No
449	16/7/2018		\$ 3,177.00	\$ -	\$ 377.32			\$ 3,554.32	No
450	7/5/1990		\$ 4,344.00	\$ 6,820.00	\$ 677.00			\$ 11,841.00	No
451	21/1/1980		\$ 11,216.00	\$ 10,343.00	\$ 945.76			\$ 22,504.76	No
452	8/5/2017		\$ 1,625.00	\$ -	\$ 433.91			\$ 2,058.91	No
453	25/3/2008		\$ 5,198.00	\$ 16,558.00	\$ 554.44			\$ 22,310.44	No
454	17/11/2014		\$ 8,038.00	\$ 6,972.00	\$ 397.70			\$ 15,407.70	No
455	15/11/1993		\$ 15,931.00	\$ 15,192.00	\$ 586.64			\$ 31,709.64	No

Note: Employee name withheld as commercially sensitive



# Q A4

This is the annexure of **X** Pages marked with \* mentioned in **Part A** signed by ..... And dated / /

Amounts the Company owes to its employees (priority creditors)

\$ 12,555,675.70

EMPLOYEE'S NAME	START DATE	WAGES OWED*	HOLIDAY PAY OWED	LONG SERVICE LEAVE OWED	SUPERANNUATION OWED	REDUNDANCY OWED	OTHER	TOTAL OWED	RELATED PARTY YES/NO
456	16/7/2018		\$ 3,754.00	\$ -	\$ 380.00			\$ 4,134.00	No
457	3/11/2008		\$ 11,418.00	\$ 19,064.00	\$ 524.48			\$ 31,006.48	No
458	8/1/1990		\$ 2,129.00	\$ 1,287.00	\$ 1,090.79			\$ 4,506.79	No
459	16/6/2014		\$ 4,079.00	\$ 6,563.00	\$ 475.60			\$ 11,117.60	No
460	17/11/2014		\$ 4,146.00	\$ 7,068.00	\$ 1,782.60			\$ 12,996.60	No
461	15/1/2007		\$ 12,060.00	\$ 3,293.00	\$ 374.18			\$ 15,727.18	No
462	13/1/2003		\$ 13,354.00	\$ 7,173.00	\$ 644.06			\$ 21,171.06	No
463	13/1/2003		\$ 10,261.00	\$ 13,208.00	\$ 806.06			\$ 24,275.06	No
464	16/8/2004		\$ 12,069.00	\$ 2,776.00	\$ 683.44			\$ 15,528.44	No
465	23/9/2002		\$ 14,913.00	\$ 22,369.00	\$ 675.87			\$ 37,957.87	No
466	10/2/2005		\$ 20,127.00	\$ 3,235.00	\$ 516.04			\$ 23,878.04	No
467	7/10/2008		\$ 3,361.00	\$ 2,139.00	\$ 319.24			\$ 5,819.24	No
468	6/3/2000		\$ 12,286.00	\$ 6,200.00	\$ 607.60			\$ 19,093.60	No
469	13/11/2006		\$ 17,716.00	\$ 11,384.00	\$ 646.96			\$ 29,746.96	No
470	14/7/1997		\$ 9,030.00	\$ 12,528.00	\$ 640.33			\$ 22,198.33	No
471	20/2/2002		\$ 7,812.00	\$ 52,810.00	\$ 1,606.47			\$ 62,228.47	No
472	4/2/2014		\$ 3,114.00	\$ 7,709.00	\$ 468.78			\$ 11,291.78	No
473	10/9/2007		\$ 13,424.00	\$ 22,193.00	\$ 497.04			\$ 36,114.04	No
474	12/2/1996		\$ 7,975.00	\$ 7,746.00	\$ 996.69			\$ 16,717.69	No
475	23/8/2000		\$ 2,049.00	\$ 3,574.00	\$ 460.04			\$ 6,083.04	No
476	10/12/2018		\$ 2,077.00	\$ -	\$ 506.15			\$ 2,583.15	No
477	1/12/2003		\$ 16,130.00	\$ 9,410.00	\$ 488.16			\$ 26,028.16	No
478	8/12/2014		\$ 4,253.00	\$ 6,454.00	\$ -			\$ 10,707.00	No
479	5/1/2015		\$ 2,742.00	\$ 6,813.00	\$ 394.22			\$ 9,949.22	No
480	6/11/2006		\$ 12,830.00	\$ 21,137.00	\$ 522.53			\$ 34,489.53	No
481	26/7/2004		\$ 14,739.00	\$ 2,596.00	\$ 472.94			\$ 17,807.94	No
482	24/7/1998		\$ 4,949.00	\$ 4,367.00	\$ 605.34			\$ 9,921.34	No
483	20/8/1990		\$ 11,384.00	\$ 12,576.00	\$ 2,644.82			\$ 26,604.82	No
484	3/4/1995		\$ 13,441.00	\$ 13,352.00	\$ 549.51			\$ 27,342.51	No
485	7/8/2000		\$ 6,738.00	\$ 6,493.00	\$ 764.66			\$ 13,995.66	No
486	27/11/2017		\$ 2,490.00	\$ -	\$ 382.72			\$ 2,872.72	No
487	21/7/1981		\$ 18,542.00	\$ 14,818.00	\$ 2,222.47			\$ 35,582.47	No
488	15/1/2018		\$ 4,626.00	\$ -	\$ 985.79			\$ 5,611.79	No
489	10/12/2018		\$ 6,808.00	\$ -	\$ 693.67			\$ 7,501.67	No
490	9/7/2019		\$ 3,302.00	\$ -	\$ 437.53			\$ 3,739.53	No

\* Note: Employee name withheld as commercially sensitive



# Q A4

This is the annexure of **X** Pages marked with \* mentioned in **Part A** signed by ..... And dated / /

Amounts the Company owes to its employees (priority creditors)

\$ 12,555,675.70

EMPLOYEE'S NAME	START DATE	WAGES OWED*	HOLIDAY PAY OWED	LONG SERVICE LEAVE OWED	SUPERANNUATION OWED	REDUNDANCY OWED	OTHER	TOTAL OWED	RELATED PARTY YES/NO
491	1/5/2001		\$ 6,205.00	\$ 8,134.00	\$ 511.40			\$ 14,850.40	No
492	7/10/1998		\$ 11,776.00	\$ 8,565.00	\$ 649.83			\$ 20,990.83	No
493	30/6/2008		\$ 12,053.00	\$ 14,658.00	\$ 540.28			\$ 27,251.28	No
494	12/1/2015		\$ 4,930.00	\$ 7,634.00	\$ 478.16			\$ 13,042.16	No
495	10/7/2006		\$ 819.00	\$ 9,240.00	\$ 251.47			\$ 10,310.47	No
496	18/11/1987		\$ 7,077.00	\$ 7,178.00	\$ 458.96			\$ 14,713.96	No
497	30/8/1999		\$ 13,237.00	\$ 3,907.00	\$ 470.68			\$ 17,614.68	No
498	27/4/1999		\$ 4,144.00	\$ 18,767.00	\$ 668.76			\$ 23,579.76	No
499	26/5/2003		\$ 4,211.00	\$ 9,493.00	\$ 1,516.68			\$ 15,220.68	No
500	6/6/2005		\$ 3,602.00	\$ 11,956.00	\$ 452.88			\$ 16,010.88	No
501	4/2/2019		\$ 5,376.00	\$ -	\$ 510.27			\$ 5,886.27	No
502	16/7/2018		\$ 3,316.00	\$ -	\$ 374.04			\$ 3,690.04	No
503	6/8/2012		\$ 16,834.00	\$ 14,798.00	\$ 1,418.77			\$ 33,050.77	No
504	20/10/2008		\$ 1,506.00	\$ 5,320.00	\$ 456.72			\$ 7,282.72	No
505	14/5/2018		\$ 6,241.00	\$ -	\$ 433.79			\$ 6,674.79	No
506	9/10/1992		\$ 15,392.00	\$ 10,052.00	\$ 676.64			\$ 26,120.64	No
507	23/10/2000		\$ 12,299.00	\$ 13,072.00	\$ 576.63			\$ 25,947.63	No
508	16/2/2015		\$ 6,560.00	\$ 6,306.00	\$ 355.34			\$ 13,221.34	No
509	9/3/2011		\$ 3,290.00	\$ 9,624.00	\$ 347.85			\$ 13,261.85	No
510	21/9/2009		\$ 5,958.00	\$ 11,251.00	\$ 279.45			\$ 17,488.45	No
511	10/11/2003		\$ 3,452.00	\$ 945.00	\$ 393.68			\$ 4,790.68	No
512	16/6/2014		\$ 8,910.00	\$ 8,755.00	\$ 480.03			\$ 18,145.03	No
513	30/7/2018		\$ 3,374.00	\$ -	\$ 436.45			\$ 3,810.45	No
514	6/2/1978		\$ 31,933.00	\$ 27,992.00	\$ 2,034.83			\$ 61,959.83	No
515	21/3/1996		\$ 10,439.00	\$ 11,328.00	\$ 711.36			\$ 22,478.36	No
516	16/12/1997		\$ 8,121.00	\$ 3,477.00	\$ 745.71			\$ 12,343.71	No
517	13/1/2003		\$ 2,588.00	\$ 2,618.00	\$ 539.35			\$ 5,745.35	No
518	11/1/1994		\$ 2,989.00	\$ 17,151.00	\$ 334.66			\$ 20,474.66	No
519	24/10/1988		\$ 5,721.00	\$ 7,559.00	\$ 308.76			\$ 13,588.76	No
520	2/8/1999		\$ 9,390.00	\$ 44,219.00	\$ 3,080.77			\$ 56,689.77	No
521	4/4/2005		\$ 7,284.00	\$ 21,300.00	\$ 776.04			\$ 29,360.04	No
522	28/6/2010		\$ 11,942.00	\$ 22,926.00	\$ 944.42			\$ 35,812.42	No
523	27/2/2012		\$ 3,571.00	\$ 9,132.00	\$ 350.51			\$ 13,053.51	No
524	17/6/2019		\$ 2,351.00	\$ -	\$ 260.27			\$ 2,611.27	No
525	8/1/2007		\$ 8,463.00	\$ 7,353.00	\$ 874.56			\$ 16,690.56	No

Note: Employee name withheld as commercially sensitive

# Q A4

This is the annexure of X Pages marked with \* mentioned in Part A signed by ..... And dated / /

Amounts the Company owes to its employees (priority creditors) \$ 12,555,675.70

EMPLOYEE'S NAME	START DATE	WAGES OWED*	HOLIDAY PAY OWED	LONG SERVICE LEAVE OWED	SUPERANNUATION OWED	REDUNDANCY OWED	OTHER	TOTAL OWED	RELATED PARTY YES/NO
526	9/6/1998		\$ 7,037.00	\$ 11,542.00	\$ 470.27			\$ 19,049.27	No
527	20/4/1999		\$ 2,370.00	\$ 23,134.00	\$ 587.18			\$ 26,091.18	No
528	29/3/2005		\$ 11,872.00	\$ 37,654.00	\$ 2,267.53			\$ 51,793.53	No
529	23/5/1986		\$ 4,239.00	\$ 28,555.00	\$ 808.73			\$ 33,602.73	No
530	18/8/1987		\$ 15,173.00	\$ 29,253.00	\$ 459.24			\$ 44,885.24	No
531	8/7/2003		\$ 1,627.00	\$ 11,137.00	\$ 461.10			\$ 13,225.10	No
532	6/9/2010		\$ 9,735.00	\$ 13,030.00	\$ 609.44			\$ 23,374.44	No
533	12/5/2008		\$ 3,199.00	\$ 17,554.00	\$ 538.33			\$ 21,291.33	No
534	15/7/2002		\$ 8,773.00	\$ 12,949.00	\$ 812.61			\$ 22,534.61	No
535	10/11/2000		\$ 5,767.00	\$ 6,255.00	\$ 610.29			\$ 12,632.29	No
536	5/5/2003		\$ 5,778.00	\$ 16,141.00	\$ 656.65			\$ 22,575.65	No
537	7/7/2008		\$ 7,530.00	\$ 12,463.00	\$ 454.43			\$ 20,447.43	No
538	11/8/2008		\$ 3,515.00	\$ 14,260.00	\$ 659.87			\$ 18,434.87	No
539	2/10/2013		\$ 7,552.00	\$ 7,053.00	\$ 390.71			\$ 14,995.71	No
540	5/10/1998		\$ 8,594.00	\$ 22,765.00	\$ 463.96			\$ 31,822.96	No
541	1/3/1993		\$ 14,252.00	\$ 9,019.00	\$ 1,924.73			\$ 25,195.73	No
542	26/4/1994		\$ 9,920.00	\$ 21,397.00	\$ 452.88			\$ 31,769.88	No
543	2/11/1994		\$ 21,743.00	\$ 24,291.00	\$ 1,699.32			\$ 47,733.32	No
544	30/1/2012		\$ 6,065.00	\$ 9,903.00	\$ 907.86			\$ 16,875.86	No
545	14/5/2007		\$ 3,957.00	\$ 6,352.00	\$ 488.89			\$ 10,797.89	No
546	18/5/1998		\$ 8,329.00	\$ 10,991.00	\$ 574.52			\$ 19,894.52	No
547	31/1/2000		\$ 3,197.00	\$ 11,093.00	\$ 340.39			\$ 14,630.39	No
548	15/7/2002		\$ 7,606.00	\$ 24,002.00	\$ 834.49			\$ 32,442.49	No
549	14/5/1996		\$ 6,195.00	\$ 2,383.00	\$ 504.14			\$ 9,082.14	No
550	25/4/2005		\$ 2,209.00	\$ 21,821.00	\$ 574.57			\$ 24,604.57	No
551	5/12/2005		\$ 2,797.00	\$ 11,626.00	\$ 393.40			\$ 14,816.40	No
552	17/7/1995		\$ 9,547.00	\$ 50,137.00	\$ 1,093.71			\$ 60,777.71	No
553	4/3/2019		\$ 3,925.00	\$ -	\$ 484.83			\$ 4,409.83	No
554	20/1/2014		\$ -	\$ -	\$ 321.66			\$ 321.66	No
555	1/3/2010		\$ 4,310.00	\$ 17,803.00	\$ 1,252.22			\$ 23,365.22	No
* Wages owing are all up to date but estimated wages for the 3 days owing to 30/9/20 for all employees was \$335,517 (since paid) plus estimated \$31,874 of superannuation									

\* Note: Employee name withheld as commercially sensitive

*Amounts the Company owes to its creditors*

\$ 211,632,758.00

[illegible]

Q A6

This is the annexure of Pages marked with \* mentioned in Part A (FORM 507) signed by ..... and dated / /

Money owed to the Company

\$ 51,901,349.95

DEBTOR NAME	DESCRIPTION	DEBTOR ADDRESS	AMOUNT OUTSTANDING	ESTIMATED AMOUNT REALISABLE	PPSR IF APPLICABLE	SECURITY TYPE	DATE SECURED
Various	Trade Debtors	Various	\$ 42,455,981.15	\$ 42,455,981.15		see below	
Various	JobKeeper payments	Various	\$ 1,687,500.00	\$ 1,687,500.00			
Various	Finance Lease Receivable	Various	\$ 7,757,868.80	\$ 7,757,868.80			
ScotPac fixed charge security on all RFF Trade Debtors							
ANZ Fiduciary Services Pty Ltd fixed and floating charge security on all remaining assets							
Finance Lease Receivable - sublet income on ROU assets							



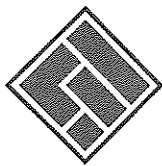
## Q A7

This is the annexure of **X** Pages marked with \* mentioned in **Part A** signed by ..... And dated / /

Assets owned by the Company

\$ 117,533,713.39

ASSET DESCRIPTION	LOCATION/ADDRESS WHERE ASSET IS LOCATED. WITH BANK ACCOUNTS, GIVE BANK A/C DETAILS INCLUDING A/C NUMBERS	SECURITY HELD BY (IF APPLICABLE)	ESTIMATED ASSET VALUE
Bank Accounts	ANZ		\$ 2,577.22
Plant & Equipment	Various sites (Print)	See below	\$ 64,987,273.88
Plant & Equipment	Various sites (Ovato Books)	See below	\$ 620,623.04
Plant & Equipment	Various sites (Distribution)	See below	\$ 139,256.75
Inventory	51 Miguel Road Bibra Lake WA 6163	See below	\$ 2,475,279.06
Inventory	37-49 Browns Road Clayton VIC 3168	See below	\$ 7,543,357.88
Inventory	8 Priddle Street Warwick Farm NSW 2170	See below	\$ 15,116,654.91
Inventory	552 Bilsen Road (PO Box 5, Virginia QLD 4014) Geebung QLD 4034	See below	\$ 5,654,218.74
Inventory	168 Cross Keys Road Salisbury South SA 5106	See below	\$ 2,534,880.76
Right Of Use Assets	Various	-	\$ 18,459,591.15
<i>Plant &amp; Equipment - at net book value</i>			
<i>Plant &amp; Equipment - Commerzbank AG fixed charge security on Duplex presses at Clayton and Warwick Farm (\$23.6M outstanding on bank loan)</i>			
<i>Inventory - at purchase cost less any write down provisions</i>			
<i>Inventory - full details of all PPSR registrations can be obtained from records held by the Australian Financial Security Authority (\$6.9M paper not consumed or paid for)</i>			
<i>ROU Assets - contingent asset related to leased property and plant to end of lease term</i>			
<i>Other - fixed and floating charge held by ANZ Fiduciary Services P/L on behalf of secured creditors (ANZ, Scottish Pacific, Note holders)</i>			
<i>Other - excludes Prepayments as not material</i>			



**ASIC**  
Australian Securities &  
Investments Commission

Form 507 Corporations Act 2001  
s421A(1) & (2)  
s429(2)(b) & (c)  
s475(1) & (7)  
s497(4) & (6)  
s438B(2A)

# REPORT ON Company Activities and Property **Part A (Form 507)**

*Before you start, download INSTRUCTIONS Part A (Form 507) and Part B*  
[www.asic.gov.au/forms/507](http://www.asic.gov.au/forms/507)

The information you provide to ASIC in this Report may include personal information.

*Please see our privacy policy ([www.asic.gov.au/privacy](http://www.asic.gov.au/privacy)) for information on how we handle your personal information, your rights to seek access to and correct personal information, and how to complain about breaches of your privacy.*

## External Administrator use only

### External Administrator (lodging party)

Organisation

ASIC Registered Liquidator number (if applicable)

Name of External Administrator

Contact person

Phone number during business hours

Address

Street number and name

Suburb/City

State/Territory

Postcode

Please tick appropriate box.

☐

Receiver and Manager

507G

Appointment date

☐

Managing Controller of property

507H

Date person took control

☐

Controller

507F

Date received Report

☐

Liquidator/Provisional Liquidator appointed  
by the court

507C

Date received Report

☐

Liquidator - creditors' voluntary winding up

507D

Date received Report

☐

Voluntary Administrator

507K

Date received Report

Make up the Report as at the following  
dates

MANAGING CONTROLLER – S421A(1)

Your Report must include the business activities the  
Company had undertaken up to 30 days before you write  
your Report.

For example, if you write your Report on 31 August, it must  
include the Company's activities up to at least 31 July of  
that year, not earlier.

CONTROLLER – S429(2)

The control day.

LIQUIDATOR OR PROVISIONAL LIQUIDATOR – S475(1)

The date of the winding-up order or an earlier date, if  
specified by you.

ADMINISTRATOR – S438B(2)

The date you become the Administrator, or an alternative  
date specified by you.

**Date the Director must send you the  
Report.** This applies to Directors, Secretary or other relevant  
person completing the report.

Put the date for return of the Report to you at the head of  
the next page, at **A1**.

### Lodge Part A

Using Form 911, you must verify a copy of Part A of the  
Report and lodge it with ASIC by the date specified below,  
or a late fee may be applied.

SECTION	LODGEMENT PERIOD
s421A(2)	2 months after control day
s429(2)(c)	1 month after receipt of Report
s438B(2A)	5 business days after receipt of Report
s475(7)	5 business days after receipt of Report
s497(6)	10 business days after receipt of Report

*Continued on next page*

Regulation 5.2.02 requires a copy of Part A of this Report that is lodged with ASIC to be certified in writing as a true copy of the original Report (Part A).

a) for a copy lodged for the purposes of s429(2)(c) - by the controller of property of the corporation; or

b) for a copy lodged for the purposes of s475(7) - by the liquidator/provisional liquidator of the company.

Form 911 is prescribed for this purpose.

For controllers (s429), under s429(2)(c)(i), a notice setting out any comments relating to Part A of this Report, or a statement that no comment is made, should accompany Part A of the Report. Form 911 Verification of a document should also be lodged.

END OF EXTERNAL ADMINISTRATOR SECTION

## Director to complete

for Director(s),  
Secretary, Managing Controller or other relevant person

**A1** Return this Report to the External Administrator by the date the Administrator has shown below.  
(Not applicable to managing controllers)

**A2** Do you have the INSTRUCTIONS for completing this form?

☐ No You must download a copy from [www.asic.gov.au/forms/507](http://www.asic.gov.au/forms/507)

☒ Yes The INSTRUCTIONS explain:

- why you received this Report
- your role in completing it
- how to complete it.

**A3** Name of the Company under external administration  
**OVATO LIMITED**

READ INSTRUCTION **A3**. It explains the information you should provide and how to attach it to this Report.

ACN/ABN

Street number and name

Suburb/City State/Territory Postcode

Registered office

Street number and name

**LEVEL 4, 60 UNION STREET**

Suburb/City State/Territory Postcode  
**PYRMONT NSW 2009**

Principal place of business

Street number and name

Suburb/City State/Territory Postcode

Does the Company have other places of business?

☐ No Go to Question **A4**

☐ Yes Give details below

Street number and name

Suburb/City State/Territory Postcode



## What the Company owes and owns

### A4 Does the Company owe money to its employees?

☐ No Go to Question **A5**

☒ Yes **READ INSTRUCTION A4.** It explains the information you should provide and how to attach it to this Report.

### A5 Does the Company owe money, goods or services to others (other than to employees)?

☐ No Go to Question **A6**

☒ Yes **READ INSTRUCTION A5.** It explains the information you should provide and how to attach it to this Report.

### A6 Is the Company owed money?

☐ No Go to Question **A7**

☒ Yes **READ INSTRUCTION A6.** It explains the information you should provide and how to attach it to this Report.

### A7 Does the Company own any assets as listed below?

Tick boxes below as appropriate and provide information as an attachment.

**READ INSTRUCTION A7.** It explains the information you should provide and how to attach it to this Report.

#### Bank accounts

☐ No

☒ Yes

#### Motor vehicles

☒ No

☐ Yes

#### Plant and equipment

☐ No

☒ Yes

#### Inventory

☒ No

☐ Yes

#### Real property

☒ No

☐ Yes

#### Other assets

☐ No

☒ Yes

#### Does the Company hold property on trust?

☒ No

☐ Yes

#### Is the Company a trustee of a superannuation fund?

☒ No

☐ Yes

If you ticked NO to all the items, explain why the Company has no assets.

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### A8 Have you provided the full details asked for in Questions **A4, A5, A6, and A7**, including all attachments?

☐ No **PLEASE BE AWARE:**  
You must provide information in this Report to the best of your ability. You can be penalised for giving false information.

**READ INSTRUCTION A8.** It explains what can happen if you give false information.

☐ Yes Go to Question **A9**

**A9** Declaration by Director, Secretary, Managing Controller, or person nominated by the External Administrator

Part A (Form 507) of this Report is a legal document.

**READ INSTRUCTION A9.** It describes the Report's legal status.

It also explains the information you should provide and how to attach it to this Report.

Part A (Form 507) and, where relevant, Part B of this Report should be completed and delivered to the External Administrator by the date at **A1 page 3**.

The External Administrator will then lodge Part A with ASIC.

Part B does not form part of ASIC Form 507 and is not lodged with ASIC. But section 530A of the *Corporations Act 2001* requires Company Directors to help liquidators and provisional liquidators where they reasonably require. Failure to comply with such a request is a strict liability offence. Part B is not applicable for managing controllers.



I declare that the answers to the questions contained in Part A of the Report and the contents of all attachments to Part A of the Report are true, correct and complete to the best of my knowledge and belief at the date of this declaration.

Name

Position

Signature

Date

**A10** Declaration by Managing Controller



In my capacity as the Managing Controller, I declare that where I have omitted information, I have done so in accordance with Section 421A(4) of the *Corporations Act 2001* and have included the notice required by s421A(5) with this Report.

Name

Signature

Date

## Q A4

This is the annexure of **X** Pages marked with \* mentioned in **Part A** signed by ..... And dated / /

Amounts the Company owes to its employees (priority creditors)

\$ 2,300,049.34

EMPLOYEE'S NAME	START DATE	WAGES OWED	HOLIDAY PAY OWED	LONG SERVICE LEAVE OWED	SUPERANNUATI ON OWED	REDUNDANCY OWED	OTHER	TOTAL OWED	RELATED PARTY YES/NO
1	2/01/2010	\$ -	\$ 9,261.00	\$ 27,162.00	\$ 1,152.88			\$ 37,575.88	No
2	23/09/2019	\$ -	\$ 6,268.00	\$ -	\$ 686.83			\$ 6,954.83	No
3	7/07/2014	\$ -	\$ 20,014.00	\$ 13,340.00	\$ 809.74			\$ 34,163.74	No
4	8/01/2018	\$ -	\$ 7,587.00	\$ -	\$ 361.04			\$ 7,948.04	No
5	10/10/2018	\$ -	\$ 4,873.00	\$ -	\$ 767.60			\$ 5,640.60	No
6	19/12/2005	\$ -	\$ 25,936.00	\$ 30,148.00	\$ 968.95			\$ 57,052.95	No
7	17/07/1995	\$ -	\$ 10,558.00	\$ 7,846.00	\$ 1,161.99			\$ 19,565.99	No
8	5/02/2001	\$ -	\$ 39,777.00	\$ 69,156.00	\$ 1,807.86			\$ 110,740.86	No
9	10/08/2020	\$ -	\$ 3,905.00	\$ -	\$ 1,807.85			\$ 5,712.85	No
10	12/09/2005	\$ -	\$ 5,221.00	\$ 28,282.00	\$ 713.99			\$ 34,216.99	No
11	13/04/2015	\$ -	\$ 20,780.00	\$ 23,803.00	\$ 1,656.93			\$ 46,239.93	No
12	7/08/2017	\$ -	\$ 20,378.00	\$ -	\$ 1,648.40			\$ 22,026.40	No
13	5/11/2012	\$ -	\$ 18,830.00	\$ 23,565.00	\$ 867.58			\$ 43,262.58	No
14	19/07/2004	\$ -	\$ 5,522.00	\$ 7,200.00	\$ 253.17			\$ 12,975.17	No
15	24/10/2017	\$ -	\$ 6,177.00	\$ -	\$ 491.63			\$ 6,668.63	No
16	17/05/2010	\$ -	\$ 16,928.00	\$ 22,341.00	\$ 1,317.30			\$ 40,586.30	No
17	1/02/2016	\$ -	\$ 7,481.00	\$ -	\$ 308.81			\$ 7,789.81	No
18	16/07/2018	\$ -	\$ 8,562.00	\$ -	\$ 1,807.85			\$ 10,369.85	No
19	26/05/2008	\$ -	\$ 4,314.00	\$ 20,205.00	\$ 584.93			\$ 25,103.93	No
20	14/10/1992	\$ -	\$ 15,698.00	\$ 42,896.00	\$ 728.66			\$ 59,322.66	No
21	1/03/2010	\$ -	\$ 5,148.00	\$ 14,877.00	\$ 607.54			\$ 20,632.54	No
22	14/02/2003	\$ -	\$ 6,346.00	\$ 34,081.00	\$ 2,313.55			\$ 42,740.55	Yes
23	1/03/2017	\$ -	\$ -	\$ -	\$ -			\$ -	Yes
24	9/10/2002	\$ -	\$ 43,099.00	\$ 25,913.00	\$ 547.77			\$ 69,559.77	No
25	17/08/2015	\$ -	\$ 38,862.00	\$ 17,757.00	\$ 1,646.63			\$ 58,265.63	No
26	31/05/2010	\$ -	\$ 3,259.00	\$ 8,287.00	\$ 477.62			\$ 12,023.62	No
27	1/06/2016	\$ -	\$ -	\$ -	\$ 722.00			\$ 722.00	No
28	29/07/2004	\$ -	\$ 26,226.00	\$ 23,318.00	\$ 547.77			\$ 50,091.77	No
29	17/01/2011	\$ -	\$ 1,870.00	\$ 12,042.00	\$ 739.34			\$ 14,651.34	No
30	19/12/2005	\$ -	\$ 2,770.00	\$ 18,052.00	\$ 593.75			\$ 21,415.75	No

Note: Employee name withheld as commercially sensitive

## Q A4

This is the annexure of ☒ Pages marked with \* mentioned in Part A signed by ..... And dated / /

Amounts the Company owes to its employees (priority creditors)

\$ 2,300,049.34

EMPLOYEE'S NAME	START DATE	WAGES OWED	HOLIDAY PAY OWED	LONG SERVICE LEAVE OWED	SUPERANNUATI ON OWED	REDUNDANCY OWED	OTHER	TOTAL OWED	RELATED PARTY YES/NO
31	3/04/2006	\$ -	\$ 4,926.00	\$ 17,571.00	\$ 470.32			\$ 22,967.32	No
32	20/04/2009	\$ -	\$ 6,830.00	\$ 12,499.00	\$ 554.96			\$ 19,883.96	No
33	27/01/2015	\$ -	\$ 8,966.00	\$ 10,753.00	\$ 834.03			\$ 20,553.03	No
34	1/10/2009	\$ -	\$ 2,318.00	\$ 13,474.00	\$ 265.82			\$ 16,057.82	No
35	1/08/2011	\$ -	\$ 23,196.00	\$ 20,323.00	\$ 1,052.97			\$ 44,571.97	No
36	13/08/2018	\$ -	\$ 4,518.00	\$ -	\$ 799.58			\$ 5,317.58	No
37	24/09/2018	\$ -	\$ 9,404.00	\$ -	\$ -			\$ 9,404.00	No
38	2/07/2018	\$ -	\$ 4,720.00	\$ -	\$ 520.56			\$ 5,240.56	No
39	30/03/2009	\$ -	\$ 5,014.00	\$ 11,556.00	\$ 586.19			\$ 17,156.19	No
40	27/04/1981	\$ -	\$ 39,660.00	\$ 33,764.00	\$ 1,713.97			\$ 75,137.97	No
41	7/10/2008	\$ -	\$ 3,906.00	\$ 19,631.00	\$ 770.81			\$ 24,307.81	No
42	4/10/2018	\$ -	\$ -	\$ -	\$ 722.00			\$ 722.00	No
43	5/04/2004	\$ -	\$ 10,452.00	\$ 45,930.00	\$ 1,301.37			\$ 57,683.37	No
44	31/03/1998	\$ -	\$ 3,198.00	\$ 13,101.00	\$ 788.58			\$ 17,087.58	No
45	4/08/1997	\$ -	\$ 9,032.00	\$ 31,206.00	\$ 770.49			\$ 41,008.49	No
46	12/11/2008	\$ -	\$ 8,354.00	\$ 18,993.00	\$ 607.31			\$ 27,954.31	No
47	14/10/2003	\$ -	\$ 66,991.00	\$ 67,664.00	\$ 308.84			\$ 134,963.84	No
48	9/10/2015	\$ -	\$ 4,238.00	\$ -	\$ 420.60			\$ 4,658.60	No
49	25/11/2013	\$ -	\$ 9,783.00	\$ 8,241.00	\$ 457.09			\$ 18,481.09	No
50	1/08/2018	\$ -	\$ 5,816.00	\$ -	\$ 496.55			\$ 6,312.55	No
51	17/08/2009	\$ -	\$ 4,985.00	\$ 7,320.00	\$ 288.40			\$ 12,593.40	No
52	27/08/2020	\$ -	\$ 284.00	\$ -	\$ 303.80			\$ 587.80	No
53	9/07/2003	\$ -	\$ 14,070.00	\$ 42,224.00	\$ 2,094.45			\$ 58,388.45	No
54	7/08/2017	\$ -	\$ 5,097.00	\$ -	\$ 308.78			\$ 5,405.78	No
55	15/06/2009	\$ -	\$ 12,002.00	\$ 17,345.00	\$ 729.56			\$ 30,076.56	No
56	28/01/2004	\$ -	\$ 26,361.00	\$ 42,881.00	\$ 1,412.54			\$ 70,654.54	No
57	10/09/2018	\$ -	\$ 4,272.00	\$ -	\$ 469.94			\$ 4,741.94	No
58	29/01/2007	\$ -	\$ 1,691.00	\$ 21,637.00	\$ 601.52			\$ 23,929.52	No
59	27/03/2000	\$ -	\$ 2,236.00	\$ 3,025.00	\$ 253.17			\$ 5,514.17	No
60	18/01/2010	\$ -	\$ 11,895.00	\$ 20,690.00	\$ 809.74			\$ 33,394.74	No

Note: Employee name withheld as commercially sensitive

## Q A4

This is the annexure of **X** Pages marked with \* mentioned in **Part A** signed by ..... And dated / /

Amounts the Company owes to its employees (priority creditors)

\$ 2,300,049.34

EMPLOYEE'S NAME	START DATE	WAGES OWED	HOLIDAY PAY OWED	LONG SERVICE LEAVE OWED	SUPERANNUATI ON OWED	REDUNDANCY OWED	OTHER	TOTAL OWED	RELATED PARTY YES/NO
61	1/01/2019	\$ -	\$ 3,387.00	\$ -	\$ 563.93			\$ 3,950.93	No
62	3/05/2006	\$ -	\$ 8,688.00	\$ 34,986.00	\$ 905.01			\$ 44,579.01	No
63	17/08/2015	\$ -	\$ 38,684.00	\$ 25,627.00	\$ 2,065.41			\$ 66,376.41	No
64	23/10/2000	\$ -	\$ 80,724.00	\$ 48,184.00	\$ 2,057.63			\$ 130,965.63	No
65	31/05/2010	\$ -	\$ 82,092.00	\$ 78,075.00	\$ 1,807.85			\$ 161,974.85	No
66	1/09/2015	\$ -	\$ 6,251.00	\$ 6,092.00	\$ 455.65			\$ 12,798.65	No
67	23/09/1996	\$ -	\$ 10,906.00	\$ 17,257.00	\$ 619.63			\$ 28,782.63	No
68	22/04/2009	\$ -	\$ 34,712.00	\$ 17,237.00	\$ 572.53			\$ 52,521.53	No
69	9/01/2013	\$ -	\$ 6,597.00	\$ 9,315.00	\$ 802.15			\$ 16,714.15	No
70	15/05/2019	\$ -	\$ 5,294.00	\$ -	\$ 694.06			\$ 5,988.06	No
71	2/09/1992	\$ -	\$ 7,594.00	\$ 4,854.00	\$ 343.43			\$ 12,791.43	No
72	22/10/2018	\$ -	\$ 6,670.00	\$ -	\$ -			\$ 6,670.00	No
73	17/04/2002	\$ -	\$ 5,030.00	\$ 7,783.00	\$ 512.88			\$ 13,325.88	No
74	7/04/2008	\$ -	\$ 10,338.00	\$ 24,915.00	\$ 949.28			\$ 36,202.28	No
75	17/04/2014	\$ -	\$ 159.00	\$ 7,471.00	\$ -			\$ 7,630.00	No
			\$ 1,006,991.00	\$ 1,231,895.00	\$ 61,163.34	\$ -	\$ -	\$ 2,300,049.34	

Note: Employee name withheld as commercially sensitive

Amount

AP/Trade
Invoice
Payroll
Estimate
ANZ Credit
Lease L

# Full d  
\* contin

Amount

AP/Trade
Invoice
Payroll
Estimate
ANZ Credit
Lease L

# Full d  
\* contin

Amount

AP/Trade
Invoice
Payroll
Estimate
ANZ Credit
Lease L

# Full d  
\* contin

Amount

AP/Trade
Invoice
Payroll
Estimate
ANZ Credit
Lease L

# Full d  
\* contin

Q A6

This is the annexure of Pages marked with \* mentioned in **Part A** (FORM 507) signed by ..... and dated / /

Money owed to the Company

\$ 21,144,658.32

DEBTOR NAME	DESCRIPTION	DEBTOR ADDRESS	AMOUNT OUTSTANDING	ESTIMATED AMOUNT REALISABLE	PPSR IF APPLICABLE	SECURITY TYPE	DATE SECURED
Various	JobKeeper payments	Various	211,500.00	\$ 211,500.00			
Ovato Group companies	Intercompany receivable	Ovato, Pyrmont	\$ 20,933,158.32	\$ -			

## Q A7

This is the annexure of **X** Pages marked with \* mentioned in **Part A** signed by ..... And dated / /

Assets owned by the Company

\$15,860,463.89

ASSET DESCRIPTION	LOCATION/ADDRESS WHERE ASSET IS LOCATED. WITH BANK ACCOUNTS, GIVE BANK A/C DETAILS INCLUDING A/C NUMBERS	SECURITY HELD BY (IF APPLICABLE) ##	ESTIMATED ASSET VALUE
Bank Accounts	ANZ	##	\$ 20,650.37
Right of Use Leased Assets	Various		\$ 1,809,408.46
Investment Ovato NZ Limited	New Zealand	##	\$12,982,335.00
Build Improvements - NET BOOK VALUE	Pymont/Clayton	##	\$ 59,055.61
Furniture/Fitting - NET BOOK VALUE	Pymont/Clayton	##	\$ 116,466.10
IT Software/Hardware - NET BOOK VALUE	Pymont/Clayton	##	\$ 739,962.32
Equipment - NET BOOK VALUE	Pymont/Clayton	##	\$ 32,362.42
CWIP - NET BOOK VALUE	Pymont/Clayton	##	\$ 28,221.53
Deposits	Colliers/Other	##	\$ 72,002.08
Domains & Websites	Various	##	\$ -
<p># Please note excludes Prepayments  ## Fixed and floating charge held by ANZ Fiduciary Services P/L on behalf of secured creditors (ANZ, Scottish Pacific, Note holders) and Full details of all PPSR registrations can be obtained from records held by the Australian Financial Security Authority</p>			





**ASIC**  
Australian Securities &  
Investments Commission

Office only box

Form 507 Corporations Act 2001  
s421A(1) & (2)  
s429(2)(b) & (c)  
s475(1) & (7)  
s497(4) & (6)  
s438B(2A)

# REPORT ON Company Activities and Property Part A (Form 507)

*Before you start, download INSTRUCTIONS Part A (Form 507) and Part B*

*[www.asic.gov.au/forms/507](http://www.asic.gov.au/forms/507)*

The information you provide to ASIC in this Report may include personal information.

*Please see our privacy policy ([www.asic.gov.au/privacy](http://www.asic.gov.au/privacy)) for information on how we handle your personal information, your rights to seek access to and correct personal information, and how to complain about breaches of your privacy.*

# External Administrator use only

## External Administrator (lodging party)

Organisation

ASIC Registered Liquidator number (if applicable)

Name of External Administrator

Contact person

Phone number during business hours

Address

Street number and name

Suburb/City State/Territory Postcode

Please tick appropriate box.

☐ Receiver and Manager 507G

Appointment date / /

☐ Managing Controller of property 507H

Date person took control / /

☐ Controller 507F

Date received Report / /

☐ Liquidator/Provisional Liquidator appointed by the court 507C

Date received Report / /

☐ Liquidator – creditors' voluntary winding up 507D

Date received Report / /

☐ Voluntary Administrator 507K

Date received Report / /

Make up the Report as at the following dates

MANAGING CONTROLLER – S421A(1)

Your Report must include the business activities the Company had undertaken up to 30 days before you write your Report.

For example, if you write your Report on 31 August, it must include the Company's activities up to at least 31 July of that year, not earlier.

CONTROLLER – S429(2)

The control day.

LIQUIDATOR OR PROVISIONAL LIQUIDATOR – S475(1)

The date of the winding-up order or an earlier date, if specified by you.

ADMINISTRATOR – S438B(2)

The date you become the Administrator, or an alternative date specified by you.

**Date the Director must send you the Report.** This applies to Directors, Secretary or other relevant person completing the report.

Put the date for return of the Report to you at the head of the next page, at **A1**.

## Lodge Part A

Using Form 911, you must verify a copy of Part A of the Report and lodge it with ASIC by the date specified below, or a late fee may be applied.

SECTION	LODGEMENT PERIOD
s421A(2)	2 months after control day
s429(2)(c)	1 month after receipt of Report
s438B(2A)	5 business days after receipt of Report
s475(7)	5 business days after receipt of Report
s497(6)	10 business days after receipt of Report

*Continued on next page*

Regulation 5.2.02 requires a copy of Part A of this Report that is lodged with ASIC to be certified in writing as a true copy of the original Report (Part A).

a) for a copy lodged for the purposes of s429(2)(c) - by the controller of property of the corporation; or

b) for a copy lodged for the purposes of s475(7) - by the liquidator/provisional liquidator of the company.

Form 911 is prescribed for this purpose.

For controllers (s429), under s429(2)(c)(i), a notice setting out any comments relating to Part A of this Report, or a statement that no comment is made, should accompany Part A of the Report. Form 911 Verification of a document should also be lodged.

END OF EXTERNAL ADMINISTRATOR SECTION

**Director to complete** for Director(s), Secretary, Managing Controller or other relevant person

**A1** Return this Report to the External Administrator by the date the Administrator has shown below.  
(Not applicable to managing controllers)

**A2** Do you have the INSTRUCTIONS for completing this form?

☐ No You must download a copy from [www.asic.gov.au/forms/507](http://www.asic.gov.au/forms/507)

☒ Yes The INSTRUCTIONS explain:

- why you received this Report
- your role in completing it
- how to complete it.

**A3** Name of the Company under external administration  
**HANNANPRINT NSW PTY LTD**

READ INSTRUCTION **A3**. It explains the information you should provide and how to attach it to this Report.

ACN/ABN

**97100817623**

Street number and name

Suburb/City

State/Territory

Postcode

Registered office

Street number and name

**LEVEL 4, 60 UNION STREET**

Suburb/City

State/Territory

Postcode

**PYRMONT**

**NSW**

**2009**

Principal place of business

Street number and name

Suburb/City

State/Territory

Postcode

Does the Company have other places of business?

☐ No Go to Question **A4**

☐ Yes Give details below

Street number and name

Suburb/City

State/Territory

Postcode

## What the Company owes and owns

### A4 Does the Company owe money to its employees?

- ☐ No Go to Question **A5**
- ☒ Yes **READ INSTRUCTION A4.** It explains the information you should provide and how to attach it to this Report.

### A5 Does the Company owe money, goods or services to others (other than to employees)?

- ☐ No Go to Question **A6**
- ☒ Yes **READ INSTRUCTION A5.** It explains the information you should provide and how to attach it to this Report.

### A6 Is the Company owed money?

- ☐ No Go to Question **A7**
- ☒ Yes **READ INSTRUCTION A6.** It explains the information you should provide and how to attach it to this Report.

### A7 Does the Company own any assets as listed below?

Tick boxes below as appropriate and provide information as an attachment.

**READ INSTRUCTION A7.** It explains the information you should provide and how to attach it to this Report.

#### Bank accounts

- ☐ No
- ☒ Yes

#### Motor vehicles

- ☐ No
- ☒ Yes

#### Plant and equipment

- ☐ No
- ☒ Yes

#### Inventory

- ☒ No
- ☐ Yes

#### Real property

- ☒ No
- ☐ Yes

#### Other assets

- ☒ No
- ☐ Yes

#### Does the Company hold property on trust?

- ☒ No
- ☐ Yes

#### Is the Company a trustee of a superannuation fund?

- ☒ No
- ☐ Yes

If you ticked NO to all the items, explain why the Company has no assets.

### A8 Have you provided the full details asked for in Questions **A4, A5, A6, and A7**, including all attachments?

- ☐ No **PLEASE BE AWARE:**  
You must provide information in this Report to the best of your ability. You can be penalised for giving false information.

**READ INSTRUCTION A8.** It explains what can happen if you give false information.

- ☒ Yes Go to Question **A9**



## A9 Declaration by Director, Secretary, Managing Controller, or person nominated by the External Administrator

Part A (Form 507) of this Report is a legal document.

READ INSTRUCTION **A9**. It describes the Report's legal status.

It also explains the information you should provide and how to attach it to this Report.

Part A (Form 507) and, where relevant, Part B of this Report should be completed and delivered to the External Administrator by the date at **A1 page 3**.

The External Administrator will then lodge Part A with ASIC.

Part B does not form part of ASIC Form 507 and is not lodged with ASIC. But section 530A of the *Corporations Act 2001* requires Company Directors to help liquidators and provisional liquidators where they reasonably require. Failure to comply with such a request is a strict liability offence. Part B is not applicable for managing controllers.

❖ I declare that the answers to the questions contained in Part A of the Report and the contents of all attachments to Part A of the Report are true, correct and complete to the best of my knowledge and belief at the date of this declaration.

Name

Position

Signature

Date

## A10 Declaration by Managing Controller

❖ In my capacity as the Managing Controller, I declare that where I have omitted information, I have done so in accordance with Section 421A(4) of the *Corporations Act 2001* and have included the notice required by s421A(5) with this Report.

Name

Signature

Date

Q A4

This is the annexure of **X** Pages marked with \* mentioned in **Part A** signed by ..... And dated / /

Amounts the Company owes to its employees (priority creditors)

\$ 4,555,662.99

EMPLOYEE'S NAME	START DATE	WAGES OWED*	HOLIDAY PAY OWED	LONG SERVICE LEAVE OWED	SUPERANNUATION OWED	REDUNDANCY OWED	OTHER**	TOTAL OWED	RELATED PARTY YES/NO
1	17/3/2004		\$ 7,606.00	\$ 21,546.00	\$ 744.80		\$ -	\$ 29,896.80	No
2	22/9/2003		\$ 7,913.00	\$ 11,553.00	\$ 1,240.42		\$ -	\$ 20,706.42	No
3	16/10/1991		\$ 12,911.00	\$ 17,649.00	\$ 940.35		\$ 63,879.12	\$ 95,379.47	No
4	9/10/1997		\$ 7,939.00	\$ 5,720.00	\$ 565.98		\$ 27,244.40	\$ 41,469.38	No
5	27/8/1987		\$ 8,016.00	\$ 8,499.00	\$ 923.79		\$ 14,793.59	\$ 32,232.38	No
6	2/6/2010		\$ 8,852.00	\$ 15,238.00	\$ 1,220.05		\$ -	\$ 25,310.05	No
7	8/10/1985		\$ 11,194.00	\$ 10,105.00	\$ 484.00		\$ 24,328.68	\$ 46,111.68	No
8	14/6/2011		\$ 9,599.00	\$ 11,556.00	\$ 681.05		\$ -	\$ 21,836.05	No
9	18/3/2002		\$ 7,567.00	\$ 3,091.00	\$ 1,084.68		\$ -	\$ 11,742.68	No
10	17/5/1994		\$ 8,738.00	\$ 3,733.00	\$ 463.00		\$ 9,156.47	\$ 22,090.47	No
11	14/4/2010		\$ 6,764.00	\$ 13,504.00	\$ 751.34		\$ -	\$ 21,019.34	No
12	9/5/2005		\$ 5,548.00	\$ 20,546.00	\$ 956.25		\$ -	\$ 27,050.25	No
13	15/1/2001		\$ 10,872.00	\$ 22,900.00	\$ 780.25		\$ -	\$ 34,552.25	No
14	27/6/1988		\$ 3,066.00	\$ 3,494.00	\$ 659.66		\$ 16,861.79	\$ 24,081.45	No
15	1/11/1994		\$ 7,086.00	\$ 5,482.00	\$ 507.10		\$ 17,775.52	\$ 30,850.62	No
16	24/1/1995		\$ 5,739.00	\$ 9,925.00	\$ 2,670.12		\$ 10,469.70	\$ 28,803.82	No
17	28/8/1995		\$ 13,792.00	\$ 9,949.00	\$ 721.71		\$ 48,920.85	\$ 73,383.56	No
18	6/3/2002		\$ 6,686.00	\$ 1,835.00	\$ 385.84		\$ -	\$ 8,906.84	No
19	23/5/2010		\$ 4,336.00	\$ 14,253.00	\$ 767.26		\$ -	\$ 19,356.26	No
20	11/11/1985		\$ 19,709.00	\$ 8,151.00	\$ 495.21		\$ 44,036.75	\$ 72,391.96	No
21	29/6/1988		\$ 18,405.00	\$ 8,564.00	\$ 499.44		\$ 38,373.84	\$ 65,842.28	No
22	22/10/2003		\$ 6,956.00	\$ 7,611.00	\$ 486.88		\$ -	\$ 15,053.88	No
23	8/3/2001		\$ 5,149.00	\$ 6,472.00	\$ 667.05		\$ -	\$ 12,288.05	No
24	17/9/2018		\$ 6,165.00	\$ -	\$ 528.52		\$ -	\$ 6,693.52	No
25	22/3/1993		\$ 11,543.00	\$ 11,971.00	\$ 574.02		\$ 28,816.62	\$ 52,904.64	No
26	19/8/1996		\$ 5,565.00	\$ 6,103.00	\$ 613.36		\$ 2,684.38	\$ 14,965.74	No
27	7/4/2015		\$ 13,287.00	\$ 4,598.00	\$ 420.39		\$ -	\$ 18,305.39	No
28	15/9/2017		\$ 9,312.00	\$ -	\$ 747.65		\$ -	\$ 10,059.65	No
29	19/2/2018		\$ 4,836.00	\$ -	\$ 533.43		\$ -	\$ 5,369.43	No
30	6/9/1993		\$ 13,049.00	\$ 13,790.00	\$ 785.69		\$ 34,491.12	\$ 62,115.81	No
31	7/1/2019		\$ 7,156.00	\$ -	\$ 884.94		\$ -	\$ 8,040.94	No
32	13/9/1983		\$ 11,430.00	\$ 15,371.00	\$ 664.54		\$ 65,692.45	\$ 93,157.99	No

Note: Employee name withheld as commercially sensitive

# Q A4

This is the annexure of **X** Pages marked with \* mentioned in **Part A** signed by ..... And dated / /

Amounts the Company owes to its employees (priority creditors)

\$ 4,555,662.99

EMPLOYEE'S NAME	START DATE	WAGES OWED*	HOLIDAY PAY OWED	LONG SERVICE LEAVE OWED	SUPERANNUATION OWED	REDUNDANCY OWED	OTHER**	TOTAL OWED	RELATED PARTY YES/NO
33	25/8/2004		\$ 9,875.00	\$ 498.00	\$ 444.36		\$ -	\$ 10,817.36	No
34	2/6/2003		\$ 9,322.00	\$ 15,475.00	\$ 587.20		\$ -	\$ 25,384.20	No
35	17/6/2002		\$ 4,365.00	\$ 853.00	\$ 442.40		\$ -	\$ 5,660.40	No
36	23/6/1993		\$ 9,620.00	\$ 11,648.00	\$ 435.46		\$ 25,195.66	\$ 46,899.12	No
37	14/8/2000		\$ 8,461.00	\$ 9,283.00	\$ 1,080.85		\$ -	\$ 18,824.85	No
38	7/5/2000		\$ 9,310.00	\$ 11,684.00	\$ 425.80		\$ -	\$ 21,419.80	No
39	27/3/2003		\$ 3,995.00	\$ 6,182.00	\$ 810.84		\$ -	\$ 10,987.84	No
40	3/11/2003		\$ 2,833.00	\$ 5,663.00	\$ 463.00		\$ -	\$ 8,959.00	No
41	10/1/2011		\$ 6,615.00	\$ 8,406.00	\$ 567.00		\$ -	\$ 15,588.00	No
42	11/10/2004		\$ 7,844.00	\$ 13,388.00	\$ 588.27		\$ -	\$ 21,820.27	No
43	22/2/2004		\$ 3,747.00	\$ 15,602.00	\$ 645.90		\$ -	\$ 19,994.90	No
44	20/2/2008		\$ 4,251.00	\$ 1,643.00	\$ 571.28		\$ -	\$ 6,465.28	No
45	28/9/2005		\$ 2,654.00	\$ 1,022.00	\$ 50.12		\$ -	\$ 3,726.12	No
46	1/2/2000		\$ 7,078.00	\$ 15,225.00	\$ 760.44		\$ 24,347.19	\$ 47,410.63	No
47	23/1/1995		\$ 9,256.00	\$ 14,689.00	\$ 809.79		\$ 36,865.88	\$ 61,620.67	No
48	19/8/1996		\$ 17,633.00	\$ 10,270.00	\$ 511.06		\$ 36,974.23	\$ 65,388.29	No
49	22/1/1991		\$ 3,403.00	\$ 3,698.00	\$ 599.10		\$ -	\$ 7,700.10	No
50	25/9/2000		\$ 9,320.00	\$ 10,770.00	\$ 385.83		\$ -	\$ 20,475.83	No
51	25/9/1991		\$ 11,455.00	\$ 11,673.00	\$ 409.50		\$ 28,102.91	\$ 51,640.41	No
52	25/2/2004		\$ 7,349.00	\$ 8,731.00	\$ 405.72		\$ -	\$ 16,485.72	No
53	28/3/2011		\$ 5,653.00	\$ 8,265.00	\$ 571.40		\$ -	\$ 14,489.40	No
54	22/5/1997		\$ 12,105.00	\$ 13,709.00	\$ 485.80		\$ 35,590.48	\$ 61,890.28	No
55	7/8/1989		\$ 9,516.00	\$ 5,500.00	\$ 1,169.31		\$ 29,416.22	\$ 45,601.53	No
56	3/11/1994		\$ 11,319.00	\$ 8,850.00	\$ -		\$ 4,182.36	\$ 24,351.36	No
57	28/11/1994		\$ 4,177.00	\$ 6,600.00	\$ 801.74		\$ 15,900.82	\$ 27,479.56	No
58	28/1/1992		\$ 5,964.00	\$ 16,878.00	\$ 1,358.57		\$ 15,400.97	\$ 39,601.54	No
59	16/6/1995		\$ 5,339.00	\$ 8,161.00	\$ 262.78		\$ -	\$ 13,762.78	No
60	3/7/2006		\$ 11,286.00	\$ 14,619.00	\$ 517.37		\$ -	\$ 26,422.37	No
61	23/6/2003		\$ 5,325.00	\$ 11,439.00	\$ 638.85		\$ -	\$ 17,402.85	No
62	8/10/2008		\$ 8,055.00	\$ 9,848.00	\$ 551.20		\$ -	\$ 18,454.20	No
63	28/4/2011		\$ 17,268.00	\$ 11,364.00	\$ 876.85		\$ -	\$ 29,508.85	No
64	13/2/2002		\$ 4,836.00	\$ 9,301.00	\$ 510.06		\$ -	\$ 14,647.06	No

Note: Employee name withheld as commercially sensitive

Q A4

This is the annexure of **X** Pages marked with \* mentioned in **Part A** signed by ..... And dated / /

Amounts the Company owes to its employees (priority creditors)

\$ 4,555,662.99

EMPLOYEE'S NAME	START DATE	WAGES OWED*	HOLIDAY PAY OWED	LONG SERVICE LEAVE OWED	SUPERANNUATION OWED	REDUNDANCY OWED	OTHER**	TOTAL OWED	RELATED PARTY YES/NO
65	6/8/2003		\$ 6,387.00	\$ 14,377.00	\$ 484.20		\$ -	\$ 21,248.20	No
66	22/6/1990		\$ 4,662.00	\$ 1,064.00	\$ 466.60		\$ 7,047.60	\$ 13,240.20	No
67	19/1/2004		\$ 24,769.00	\$ 22,979.00	\$ 904.95		\$ -	\$ 48,652.95	No
68	22/9/2004		\$ 16,298.00	\$ 20,507.00	\$ 701.30		\$ -	\$ 37,506.30	No
69	3/2/1998		\$ 2,967.00	\$ 569.00	\$ 511.10		\$ 983.01	\$ 5,030.11	No
70	9/12/2010		\$ 3,397.00	\$ 7,085.00	\$ 557.92		\$ -	\$ 11,039.92	No
71	13/5/1992		\$ 7,435.00	\$ 9,560.00	\$ 912.20		\$ 24,577.94	\$ 42,485.14	No
72	13/12/1989		\$ 11,934.00	\$ 22,325.00	\$ 1,313.17		\$ 30,690.61	\$ 66,262.78	No
73	14/1/2019		\$ 4,818.00	\$ -	\$ 351.00		\$ -	\$ 5,169.00	No
74	25/6/2018		\$ 3,488.00	\$ -	\$ 733.70		\$ -	\$ 4,221.70	No
75	10/2/2005		\$ 7,572.00	\$ 10,204.00	\$ 422.59		\$ -	\$ 18,198.59	No
76	17/2/1997		\$ 5,244.00	\$ 10,811.00	\$ 484.13		\$ 31,812.88	\$ 48,352.01	No
77	27/4/2006		\$ 29,440.00	\$ 19,993.00	\$ 100.00		\$ -	\$ 49,533.00	No
78	2/8/2017		\$ 7,259.00	\$ -	\$ 438.10		\$ -	\$ 7,697.10	No
79	28/3/2011		\$ 4,215.00	\$ 7,005.00	\$ 404.21		\$ -	\$ 11,624.21	No
80	30/5/2012		\$ 10,357.00	\$ 11,316.00	\$ 749.01		\$ -	\$ 22,422.01	No
81	6/7/1989		\$ 17,573.00	\$ 14,454.00	\$ 1,457.35		\$ 37,970.56	\$ 71,454.91	No
82	28/11/2007		\$ 19,482.00	\$ 11,466.00	\$ -		\$ -	\$ 30,948.00	No
83	1/11/2004		\$ 1,954.00	\$ 2,316.00	\$ 524.73		\$ -	\$ 4,794.73	No
84	21/3/1994		\$ 15,070.00	\$ 11,669.00	\$ 516.00		\$ 19,497.81	\$ 46,752.81	No
85	14/11/2011		\$ 6,506.00	\$ 7,759.00	\$ 574.02		\$ -	\$ 14,839.02	No
86	22/11/2005		\$ 7,645.00	\$ 4,601.00	\$ 757.93		\$ -	\$ 13,003.93	No
87	13/9/2006		\$ 8,368.00	\$ 9,773.00	\$ 709.00		\$ -	\$ 18,850.00	No
88	27/2/2002		\$ 5,244.00	\$ 1,851.00	\$ 516.76		\$ -	\$ 7,611.76	No
89	8/10/2013		\$ 9,901.00	\$ 7,965.00	\$ 750.30		\$ -	\$ 18,616.30	No
90	21/11/2018		\$ 1,864.00	\$ -	\$ 537.92		\$ -	\$ 2,401.92	No
91	2/6/2003		\$ 7,833.00	\$ 8,332.00	\$ 864.32		\$ -	\$ 17,029.32	No
92	1/6/2011		\$ 1,242.00	\$ 8,070.00	\$ 472.42		\$ -	\$ 9,784.42	No
93	2/6/2003		\$ 6,141.00	\$ 9,471.00	\$ 490.80		\$ -	\$ 16,102.80	No
94	27/11/1989		\$ 14,554.00	\$ 7,503.00	\$ 1,298.96		\$ 38,707.77	\$ 62,063.73	No
95	2/4/2002		\$ 3,220.00	\$ 8,112.00	\$ 458.51		\$ -	\$ 11,790.51	No
96	11/7/2001		\$ 7,497.00	\$ 15,038.00	\$ 428.12		\$ -	\$ 22,963.12	No

Note: Employee name withheld as commercially sensitive



## Q A4

This is the annexure of **X** Pages marked with \* mentioned in **Part A** signed by ..... And dated / /

Amounts the Company owes to its employees (priority creditors)

\$ 4,555,662.99

EMPLOYEE'S NAME	START DATE	WAGES OWED*	HOLIDAY PAY OWED	LONG SERVICE LEAVE OWED	SUPERANNUATION OWED	REDUNDANCY OWED	OTHER**	TOTAL OWED	RELATED PARTY YES/NO
97	17/3/2004		\$ 2,218.00	\$ 6,857.00	\$ 520.78		\$ -	\$ 9,595.78	No
98	1/12/2003		\$ 5,064.00	\$ 17,349.00	\$ 785.49		\$ -	\$ 23,198.49	No
99	16/5/2016		\$ 5,376.00	\$ -	\$ 744.25		\$ -	\$ 6,120.25	No
100	16/11/2011		\$ 6,864.00	\$ 13,415.00	\$ 828.45		\$ -	\$ 21,107.45	No
101	26/7/1996		\$ 13,824.00	\$ 14,391.00	\$ 2,375.35		\$ 31,533.64	\$ 62,123.99	No
102	11/2/2004		\$ 1,930.00	\$ 13,621.00	\$ 511.51		\$ -	\$ 16,062.51	No
103	2/10/1984		\$ 10,506.00	\$ 13,498.00	\$ 1,011.68		\$ 83,839.66	\$ 108,855.34	No
104	13/10/2003		\$ 5,971.00	\$ 24,632.00	\$ 1,651.94		\$ -	\$ 32,254.94	No
105	6/11/2017		\$ 11,385.00	\$ -	\$ 999.09		\$ -	\$ 12,384.09	No
106	18/1/1984		\$ 9,821.00	\$ 10,585.00	\$ 2,279.60		\$ 26,837.76	\$ 49,523.36	No
107	12/5/2004		\$ 4,143.00	\$ 2,649.00	\$ 515.34		\$ -	\$ 7,307.34	No
108	4/8/2003		\$ 4,637.00	\$ 6,818.00	\$ 579.40		\$ -	\$ 12,034.40	No
109	14/5/1997		\$ 8,712.00	\$ 11,462.00	\$ 516.03		\$ 28,371.18	\$ 49,061.21	No
110	19/8/1997		\$ 13,418.00	\$ 13,663.00	\$ 620.12		\$ 36,936.66	\$ 64,637.78	No
111	19/1/1993		\$ 7,939.00	\$ 2,646.00	\$ 566.95		\$ 7,219.55	\$ 18,371.50	No
112	18/6/2001		\$ 26,091.00	\$ 29,694.00	\$ 1,975.16		\$ -	\$ 57,760.16	No
113	1/12/2004		\$ 450.00	\$ 166.00	\$ 239.57		\$ -	\$ 855.57	No
114	25/3/1991		\$ 5,715.00	\$ 5,087.00	\$ 673.85		\$ 15,283.48	\$ 26,759.33	No
115	19/9/1983		\$ 23,049.00	\$ 19,785.00	\$ 1,965.42		\$ 96,310.33	\$ 141,109.75	No
116	28/2/2005		\$ 13,148.00	\$ 18,791.00	\$ 1,373.35		\$ -	\$ 33,312.35	No
117	24/10/2018		\$ 5,052.00	\$ -	\$ 499.50		\$ -	\$ 5,551.50	No
118	14/2/2005		\$ 13,301.00	\$ 13,774.00	\$ 679.60		\$ -	\$ 27,754.60	No
119	1/2/2009		\$ 17,534.00	\$ 18,492.00	\$ 1,140.66		\$ -	\$ 37,166.66	No
120	14/5/1997		\$ 4,417.00	\$ 3,797.00	\$ 463.00		\$ 3,627.22	\$ 12,304.22	No
121	25/8/2003		\$ 12,003.00	\$ 6,097.00	\$ 660.19		\$ -	\$ 18,760.19	No
122	2/4/1991		\$ 16,307.00	\$ 7,665.00	\$ 1,969.67		\$ 57,755.16	\$ 83,696.83	No
123	5/6/2012		\$ 11,232.00	\$ 14,427.00	\$ 954.22		\$ -	\$ 26,613.22	No
124	10/6/2003		\$ 2,548.00	\$ 1,953.00	\$ 702.42		\$ -	\$ 5,203.42	No
125	11/5/2015		\$ 6,519.00	\$ 6,321.00	\$ 693.34		\$ -	\$ 13,533.34	No
126	16/5/2010		\$ 1,979.00	\$ 12,692.00	\$ 870.03		\$ -	\$ 15,541.03	No
127	20/8/1997		\$ 4,420.00	\$ 6,247.00	\$ 584.46		\$ 19,215.06	\$ 30,466.52	No
128	19/3/2018		\$ 3,371.00	\$ -	\$ 735.85		\$ -	\$ 4,106.85	No

Note: Employee name withheld as commercially sensitive

Q A4

This is the annexure of **X** Pages marked with \* mentioned in **Part A** signed by ..... And dated / /

Amounts the Company owes to its employees (priority creditors)

\$ 4,555,662.99

EMPLOYEE'S NAME	START DATE	WAGES OWED*	HOLIDAY PAY OWED	LONG SERVICE LEAVE OWED	SUPERANNUATION OWED	REDUNDANCY OWED	OTHER**	TOTAL OWED	RELATED PARTY YES/NO
129	1/6/1992		\$ 7,465.00	\$ 5,342.00	\$ 678.00		\$ 36,826.49	\$ 50,311.49	No
130	1/5/1995		\$ 6,168.00	\$ 7,590.00	\$ 485.05		\$ 12,631.11	\$ 26,874.16	No
131	3/3/2003		\$ 16,414.00	\$ 16,029.00	\$ 499.65		\$ -	\$ 32,942.65	No
132	28/11/1988		\$ 10,970.00	\$ 16,176.00	\$ 1,303.38		\$ 31,427.87	\$ 59,877.25	No
133	26/1/2011		\$ 3,276.00	\$ 8,368.00	\$ 498.36		\$ -	\$ 12,142.36	No
134	22/10/1990		\$ 8,142.00	\$ 11,036.00	\$ 1,390.91		\$ 5,561.70	\$ 26,130.61	No
135	14/2/2001		\$ 3,730.00	\$ 4,458.00	\$ 541.37		\$ -	\$ 8,729.37	No
136	26/6/1991		\$ 10,048.00	\$ 5,237.00	\$ 2,244.83		\$ 6,318.80	\$ 23,848.63	No
137	15/2/2012		\$ 3,878.00	\$ 7,229.00	\$ 445.37		\$ -	\$ 11,552.37	No
138	24/5/2004		\$ 4,156.00	\$ 12,890.00	\$ 772.45		\$ -	\$ 17,818.45	No
139	13/8/2003		\$ 4,607.00	\$ 2,536.00	\$ 533.53		\$ -	\$ 7,676.53	No
140	17/5/2010		\$ 7,617.00	\$ 8,502.00	\$ 440.95		\$ -	\$ 16,559.95	No
141	25/2/2004		\$ 5,036.00	\$ 13,911.00	\$ 422.59		\$ -	\$ 19,369.59	No
142	18/6/1992		\$ 4,790.00	\$ 1,836.00	\$ 1,150.05		\$ 19,326.44	\$ 27,102.49	No
143	16/6/2000		\$ 5,349.00	\$ 2,072.00	\$ 533.52		\$ -	\$ 7,954.52	No
144	18/6/2003		\$ 8,073.00	\$ 4,654.00	\$ 497.28		\$ -	\$ 13,224.28	No
145	18/8/1987		\$ 8,356.00	\$ 8,218.00	\$ 497.75		\$ 23,304.45	\$ 40,376.20	No
146	1/9/2004		\$ 5,623.00	\$ 13,930.00	\$ 486.22		\$ -	\$ 20,039.22	No
147	13/4/2004		\$ 4,810.00	\$ 5,452.00	\$ 643.06		\$ -	\$ 10,905.06	No
148	14/4/1997		\$ 5,706.00	\$ 4,347.00	\$ 550.85		\$ 9,858.21	\$ 20,462.06	No
149	12/2/2018		\$ 2,100.00	\$ -	\$ 738.25		\$ -	\$ 2,838.25	No
150	5/9/2005		\$ 3,825.00	\$ 15,556.00	\$ 901.30		\$ -	\$ 20,282.30	No
151	6/4/2005		\$ 1,185.00	\$ 7,235.00	\$ 652.08		\$ -	\$ 9,072.08	No
152	21/2/2018		\$ 9,142.00	\$ -	\$ 674.70		\$ -	\$ 9,816.70	No
153	12/8/2002		\$ 4,076.00	\$ 11,662.00	\$ 540.22		\$ -	\$ 16,278.22	No
154	17/6/1994		\$ 10,481.00	\$ 9,745.00	\$ 657.68		\$ 34,024.25	\$ 54,907.93	No
155	28/11/2011		\$ 7,599.00	\$ 7,411.00	\$ 507.10		\$ -	\$ 15,517.10	No
156	28/6/2004		\$ 5,541.00	\$ 12,232.00	\$ 539.91		\$ -	\$ 18,312.91	No
157	5/7/2012		\$ 20,636.00	\$ 9,567.00	\$ 756.99		\$ -	\$ 30,959.99	No
158	19/9/1996		\$ 8,209.00	\$ 9,389.00	\$ 753.77		\$ 2,348.53	\$ 20,700.30	No
159	11/10/2018		\$ 5,074.00	\$ -	\$ 499.50		\$ -	\$ 5,573.50	No
160	27/1/1998		\$ 7,364.00	\$ 5,912.00	\$ 709.97		\$ 5,780.89	\$ 19,766.86	No

Note: Employee name withheld as commercially sensitive



# Q A4

This is the annexure of **X** Pages marked with \* mentioned in **Part A** signed by ..... And dated / /

Amounts the Company owes to its employees (priority creditors)

\$ 4,555,662.99

EMPLOYEE'S NAME	START DATE	WAGES OWED*	HOLIDAY PAY OWED	LONG SERVICE LEAVE OWED	SUPERANNUATION OWED	REDUNDANCY OWED	OTHER**	TOTAL OWED	RELATED PARTY YES/NO
161	27/7/1998		\$ 12,324.00	\$ 9,851.00	\$ 50.81		\$ 8,074.53	\$ 30,300.34	No
162	1/11/2004		\$ 3,094.00	\$ 1,522.00	\$ 473.91		\$ -	\$ 5,089.91	No
163	27/6/2010		\$ 3,026.00	\$ 11,218.00	\$ 677.03		\$ -	\$ 14,921.03	No
164	7/10/2003		\$ 2,042.00	\$ 326.00	\$ 586.49		\$ -	\$ 2,954.49	No
165	11/5/2015		\$ 15,075.00	\$ 6,311.00	\$ 649.44		\$ -	\$ 22,035.44	No
166	26/3/1990		\$ 9,171.00	\$ 16,235.00	\$ 1,506.72		\$ 2,753.69	\$ 29,666.41	No
167	27/1/2015		\$ 8,550.00	\$ 6,636.00	\$ 669.59		\$ -	\$ 15,855.59	No
168	19/5/2008		\$ 2,301.00	\$ 11,055.00	\$ 465.87		\$ -	\$ 13,821.87	No
169	8/9/2008		\$ 503.00	\$ 3,729.00	\$ 507.10		\$ -	\$ 4,739.10	No
170	30/9/1993		\$ 3,333.00	\$ 3,585.00	\$ 590.59		\$ 10,280.77	\$ 17,789.36	No
171	10/5/2010		\$ 19,592.00	\$ 13,300.00	\$ -		\$ -	\$ 32,892.00	No
								\$ -	
* Wages owing are all up to date but estimated wages for the 1 day owing to 30/9/20 for all employees was \$51,322 (since paid) plus estimated \$4,875 of superannuation									
** Employees of this legal entity who started with the company prior to 1 April 2000 are entitled to be paid out unused sick leave on termination									

## Q A5

*This is the annex to the 2017-2018 Financial Statements.*

*Amounts shown are in thousands of dollars.*

Trade Creditors
ATO
Right Of Use Leases
Make Good /
ROU Lease Obligations

## Q A5

*This is the annex to the 2017-2018 Financial Statements.*

*Amounts shown are in thousands of dollars.*

Trade Creditors
ATO
Right Of Use Leases
Make Good /
ROU Lease Obligations

## Q A5

*This is the annex to the 2017-2018 Financial Statements.*

*Amounts shown are in thousands of dollars.*

Trade Creditors
ATO
Right Of Use Leases
Make Good /
ROU Lease Obligations

## Q A5

*This is the annex to the 2017-2018 Financial Statements.*

*Amounts shown are in thousands of dollars.*

Trade Creditors
ATO
Right Of Use Leases
Make Good /
ROU Lease Obligations

## Q A5

*This is the annex to the 2017-2018 Financial Statements.*

*Amounts shown are in thousands of dollars.*

Trade Creditors
ATO
Right Of Use Leases
Make Good /
ROU Lease Obligations

Q A6

This is the annexure of Pages marked with \* mentioned in Part A (FORM 507) signed by ..... and dated / /

Money owed to the Company \$ 13,175,174.53

DEBTOR NAME	DESCRIPTION	DEBTOR ADDRESS	AMOUNT OUTSTANDING	ESTIMATED AMOUNT REALISABLE	PPSR IF APPLICABLE	SECURITY TYPE	DATE SECURED
Various	JobKeeper payments	Various	\$ 499,500.00	\$ 499,500.00			
Various	Intercompany Loans	Loans owing to related Ovato companies	\$ 12,675,674.53	\$ 12,675,674.53			
ANZ Fiduciary Services Pty Ltd fixed and floating charge security on all remaining assets							

## Q A7

This is the annexure of **X** Pages marked with \* mentioned in **Part A** signed by ..... And dated / /

Assets owned by the Company

\$ 34,434,053.90

ASSET DESCRIPTION	LOCATION/ADDRESS WHERE ASSET IS LOCATED. WITH BANK ACCOUNTS, GIVE BANK A/C DETAILS INCLUDING A/C NUMBERS	SECURITY HELD BY (IF APPLICABLE)	ESTIMATED ASSET VALUE
Bank Accounts			\$ 36,736.53
Plant & Equipment	Various sites (Print)	See below	\$ 17,128,407.33
Right Of Use Assets	Various	-	\$ 17,268,910.04
<i>Plant &amp; Equipment - at net book value</i>			
<i>ROU Assets - contingent asset related to leased property and plant to end of lease term</i>			
<i>Other - fixed and floating charge held by ANZ Fiduciary Services P/L on behalf of secured creditors (ANZ, Scottish Pacific, Note holders)</i>			



**ASIC**  
Australian Securities &  
Investments Commission

Office only box

Form 507 Corporations Act 2001  
s421A(1) & (2)  
s429(2)(b) & (c)  
s475(1) & (7)  
s497(4) & (6)  
s438B(2A)

# REPORT ON Company Activities and Property **Part A (Form 507)**

*Before you start, download INSTRUCTIONS Part A (Form 507) and Part B*

*[www.asic.gov.au/forms/507](http://www.asic.gov.au/forms/507)*

The information you provide to ASIC in this Report may include personal information.

*Please see our privacy policy ([www.asic.gov.au/privacy](http://www.asic.gov.au/privacy)) for information on how we handle your personal information, your rights to seek access to and correct personal information, and how to complain about breaches of your privacy.*



# External Administrator use only

## External Administrator (lodging party)

Organisation

ASIC Registered Liquidator number (if applicable)

Name of External Administrator

Contact person

Phone number during business hours

Address

Street number and name

Suburb/City

State/Territory

Postcode

Please tick appropriate box.

☐

Receiver and Manager

507G

Appointment date

☐

Managing Controller of property

507H

Date person took control

☐

Controller

507F

Date received Report

☐

Liquidator/Provisional Liquidator appointed by the court

507C

Date received Report

☐

Liquidator – creditors' voluntary winding up

507D

Date received Report

☐

Voluntary Administrator

507K

Date received Report

Make up the Report as at the following dates

MANAGING CONTROLLER – S421A(1)

Your Report must include the business activities the Company had undertaken up to 30 days before you write your Report.

For example, if you write your Report on 31 August, it must include the Company's activities up to at least 31 July of that year, not earlier.

CONTROLLER – S429(2)

The control day.

LIQUIDATOR OR PROVISIONAL LIQUIDATOR – S475(1)

The date of the winding-up order or an earlier date, if specified by you.

ADMINISTRATOR – S438B(2)

The date you become the Administrator, or an alternative date specified by you.

**Date the Director must send you the Report.** This applies to Directors, Secretary or other relevant person completing the report.

Put the date for return of the Report to you at the head of the next page, at **A1**.

## Lodge Part A

Using Form 911, you must verify a copy of Part A of the Report and lodge it with ASIC by the date specified below, or a late fee may be applied.

SECTION	LODGEMENT PERIOD
s421A(2)	2 months after control day
s429(2)(c)	1 month after receipt of Report
s438B(2A)	5 business days after receipt of Report
s475(7)	5 business days after receipt of Report
s497(6)	10 business days after receipt of Report

*Continued on next page*



Regulation 5.2.02 requires a copy of Part A of this Report that is lodged with ASIC to be certified in writing as a true copy of the original Report (Part A).

a) for a copy lodged for the purposes of s429(2)(c) - by the controller of property of the corporation; or

b) for a copy lodged for the purposes of s475(7) - by the liquidator/provisional liquidator of the company.

Form 911 is prescribed for this purpose.

For controllers (s429), under s429(2)(c)(i), a notice setting out any comments relating to Part A of this Report, or a statement that no comment is made, should accompany Part A of the Report. Form 911 Verification of a document should also be lodged.

END OF EXTERNAL ADMINISTRATOR SECTION

## Director to complete

for Director(s), Secretary, Managing Controller or other relevant person

**A1** Return this Report to the External Administrator by the date the Administrator has shown below.  
(Not applicable to managing controllers)

**A2** Do you have the INSTRUCTIONS for completing this form?

☐ No You must download a copy from [www.asic.gov.au/forms/507](http://www.asic.gov.au/forms/507)

☒ Yes The INSTRUCTIONS explain:

- why you received this Report
- your role in completing it
- how to complete it.

**A3** Name of the Company under external administration  
**HANNANPRINT VICTORIA PTY LTD**

READ INSTRUCTION **A3**. It explains the information you should provide and how to attach it to this Report.

ACN/ABN

**29100817712**

Street number and name

Suburb/City State/Territory Postcode

Registered office

Street number and name

**LEVEL 40, 60 UNION STREET**

Suburb/City State/Territory Postcode

**PARMONT NSW 2009**

Principal place of business

Street number and name

Suburb/City State/Territory Postcode

Does the Company have other places of business?

☐ No Go to Question **A4**

☐ Yes Give details below

Street number and name

Suburb/City State/Territory Postcode

## What the Company owes and owns

**A4** Does the Company owe money to its employees?

- ☐ No Go to Question **A5**
- ☒ Yes **READ INSTRUCTION A4.** It explains the information you should provide and how to attach it to this Report.

**A5** Does the Company owe money, goods or services to others (other than to employees)?

- ☐ No Go to Question **A6**
- ☒ Yes **READ INSTRUCTION A5.** It explains the information you should provide and how to attach it to this Report.

**A6** Is the Company owed money?

- ☐ No Go to Question **A7**
- ☒ Yes **READ INSTRUCTION A6.** It explains the information you should provide and how to attach it to this Report.

**A7** Does the Company own any assets as listed below?

Tick boxes below as appropriate and provide information as an attachment.

**READ INSTRUCTION A7.** It explains the information you should provide and how to attach it to this Report.

Bank accounts

- ☒ No
- ☐ Yes

Motor vehicles

- ☐ No
- ☐ Yes

Plant and equipment

- ☐ No
- ☒ Yes

Inventory

- ☐ No
- ☒ Yes

Real property

- ☒ No
- ☐ Yes

Other assets

- ☒ No
- ☐ Yes

Does the Company hold property on trust?

- ☒ No
- ☐ Yes

Is the Company a trustee of a superannuation fund?

- ☒ No
- ☐ Yes

If you ticked NO to all the items, explain why the Company has no assets.

**A8** Have you provided the full details asked for in Questions **A4, A5, A6, and A7**, including all attachments?

- ☐ No **PLEASE BE AWARE:**  
You must provide information in this Report to the best of your ability. You can be penalised for giving false information.

**READ INSTRUCTION A8.** It explains what can happen if you give false information.

- ☒ Yes Go to Question **A9**

**A9** Declaration by Director, Secretary, Managing Controller, or person nominated by the External Administrator

Part A (Form 507) of this Report is a legal document.

READ INSTRUCTION **A9**. It describes the Report's legal status.

It also explains the information you should provide and how to attach it to this Report.

Part A (Form 507) and, where relevant, Part B of this Report should be completed and delivered to the External Administrator by the date at **A1 page 3**.

The External Administrator will then lodge Part A with ASIC.

Part B does not form part of ASIC Form 507 and is not lodged with ASIC. But section 530A of the *Corporations Act 2001* requires Company Directors to help liquidators and provisional liquidators where they reasonably require. Failure to comply with such a request is a strict liability offence. Part B is not applicable for managing controllers.

❖ I declare that the answers to the questions contained in Part A of the Report and the contents of all attachments to Part A of the Report are true, correct and complete to the best of my knowledge and belief at the date of this declaration.

Name

Position

Signature

Date

**A10** Declaration by Managing Controller



In my capacity as the Managing Controller, I declare that where I have omitted information, I have done so in accordance with Section 421A(4) of the *Corporations Act 2001* and have included the notice required by s421A(5) with this Report.

Name

Signature

Date

Q A4

This is the annexure of **X** Pages marked with \* mentioned in **Part A** signed by ..... And dated        /        /

Amounts the Company owes to its employees (priority creditors) \$ 115,712.44

EMPLOYEE'S NAME		START DATE	WAGES OWED	HOLIDAY PAY OWED	LONG SERVICE LEAVE OWED	SUPERANNUATION OWED	REDUNDANCY OWED	OTHER	TOTAL OWED	RELATED PARTY YES/NO
	1	26/10/1998	\$ -	\$ 9,294.00	\$ 5,709.00	\$ 888.90			\$ 15,891.90	No
	2	28/08/1995	\$ -	\$ 16,075.00	\$ 21,615.00	\$ 1,356.73			\$ 39,046.73	No
	3	13/03/2002	\$ -	\$ 2,414.00	\$ 11,629.00	\$ 446.24			\$ 14,489.24	No
	4	16/08/1999	\$ -	\$ 4,624.00	\$ 5,157.00	\$ 325.34			\$ 10,106.34	No
	5	11/05/2005	\$ -	\$ 6,880.00	\$ 28,682.00	\$ 616.23			\$ 36,178.23	No

Note: Employee name withheld as commercially sensitive



Q A5

This is the annexure of Pages marked with \* mentioned in Part A (FORM 507) signed by ..... and dated / /

Amounts the Company owes to its creditors \$ 39,753,269.88

CREDITOR'S NAME	POSTAL ADDRESS IN FULL	EMAIL ADDRESS	TICK IF SECURED	PPSR (IF APPLICABLE)	IF SECURED, GIVE ASSET DETAILS	TICK IF RELATED PARTY	AMOUNT OWING
Trade Creditors	Various						\$ 59,223.90
Make Good / Onerous Lease	Various						\$ 25,000.00
Intercompany Loans	Loans owing to related Ovato companies						\$ 39,669,045.98

Q A6

This is the annexure of Pages marked with \* mentioned in Part A (FORM 507) signed by ..... and dated / /

Money owed to the Company \$ 30,000.00

DEBTOR NAME	DESCRIPTION	DEBTOR ADDRESS	AMOUNT OUTSTANDING	ESTIMATED AMOUNT REALISABLE	PPSR IF APPLICABLE	SECURITY TYPE	DATE SECURED
Various	JobKeeper payments	Various	\$ 30,000.00	\$ 30,000.00			
ANZ Fiduciary Services Pty Ltd fixed and floating charge security on all remaining assets							

Q A7

This is the annexure of **X** Pages marked with \* mentioned in **Part A** signed by ..... And dated        /        /

Assets owned by the Company

\$ 1,749,812.12

ASSET DESCRIPTION	LOCATION/ADDRESS WHERE ASSET IS LOCATED. WITH BANK ACCOUNTS, GIVE BANK A/C DETAILS INCLUDING A/C NUMBERS	SECURITY HELD BY (IF APPLICABLE)	ESTIMATED ASSET VALUE
Plant & Equipment	Various sites (Print)	See below	\$ 1,749,812.12
Plant & Equipment - at net book value			
Other - fixed and floating charge held by ANZ Fiduciary Services P/L on behalf of secured creditors (ANZ, Scottish Pacific, Note holders)			



**ASIC**  
Australian Securities &  
Investments Commission

Official only box

Form 507 Corporations Act 2001  
s421A(1) & (2)  
s429(2)(b) & (c)  
s475(1) & (7)  
s497(4) & (6)  
s438B(2A)

# REPORT ON Company Activities and Property Part A (Form 507)

*Before you start, download INSTRUCTIONS Part A (Form 507) and Part B*  
[www.asic.gov.au/forms/507](http://www.asic.gov.au/forms/507)

The information you provide to ASIC in this Report may include personal information.

*Please see our privacy policy ([www.asic.gov.au/privacy](http://www.asic.gov.au/privacy)) for information on how we handle your personal information, your rights to seek access to and correct personal information, and how to complain about breaches of your privacy.*



# External Administrator use only

## External Administrator (lodging party)

Organisation

ASIC Registered Liquidator number (if applicable)

Name of External Administrator

Contact person

Phone number during business hours

Address

Street number and name

Suburb/City

State/Territory

Postcode

Please tick appropriate box.

☐

Receiver and Manager

507G

Appointment date

☐

Managing Controller of property

507H

Date person took control

☐

Controller

507F

Date received Report

☐

Liquidator/Provisional Liquidator appointed by the court

507C

Date received Report

☐

Liquidator – creditors' voluntary winding up

507D

Date received Report

☐

Voluntary Administrator

507K

Date received Report

Make up the Report as at the following dates

MANAGING CONTROLLER – S421A(1)

Your Report must include the business activities the Company had undertaken up to 30 days before you write your Report.

For example, if you write your Report on 31 August, it must include the Company's activities up to at least 31 July of that year, not earlier.

CONTROLLER – S429(2)

The control day.

LIQUIDATOR OR PROVISIONAL LIQUIDATOR – S475(1)

The date of the winding-up order or an earlier date, if specified by you.

ADMINISTRATOR – S438B(2)

The date you become the Administrator, or an alternative date specified by you.

**Date the Director must send you the Report.** This applies to Directors, Secretary or other relevant person completing the report.

Put the date for return of the Report to you at the head of the next page, at **A1**.

## Lodge Part A

Using Form 911, you must verify a copy of Part A of the Report and lodge it with ASIC by the date specified below, or a late fee may be applied.

SECTION	LODGEMENT PERIOD
s421A(2)	2 months after control day
s429(2)(c)	1 month after receipt of Report
s438B(2A)	5 business days after receipt of Report
s475(7)	5 business days after receipt of Report
s497(6)	10 business days after receipt of Report

*Continued on next page*

Regulation 5.2.02 requires a copy of Part A of this Report that is lodged with ASIC to be certified in writing as a true copy of the original Report (Part A).

a) for a copy lodged for the purposes of s429(2)(c) - by the controller of property of the corporation; or

b) for a copy lodged for the purposes of s475(7) - by the liquidator/provisional liquidator of the company.

Form 911 is prescribed for this purpose.

For controllers (s429), under s429(2)(c)(i), a notice setting out any comments relating to Part A of this Report, or a statement that no comment is made, should accompany Part A of the Report. Form 911 Verification of a document should also be lodged.

END OF EXTERNAL ADMINISTRATOR SECTION

**Director to complete** for Director(s), Secretary, Managing Controller or other relevant person

**A1** Return this Report to the External Administrator by the date the Administrator has shown below.  
(Not applicable to managing controllers)

**A2** Do you have the INSTRUCTIONS for completing this form?

☐ No You must download a copy from [www.asic.gov.au/forms/507](http://www.asic.gov.au/forms/507)

☒ Yes The INSTRUCTIONS explain:

- why you received this Report
- your role in completing it
- how to complete it.

**A3** Name of the Company under external administration  
**INPRINT PTY LTD**

READ INSTRUCTION **A3**. It explains the information you should provide and how to attach it to this Report.

ACN/ABN

**77010728971**

Street number and name

Suburb/City State/Territory Postcode

Registered office

Street number and name

**LEVEL 4, 60 UNION STREET**

Suburb/City State/Territory Postcode

**PYRMONT NSW 2009**

Principal place of business

Street number and name

Suburb/City State/Territory Postcode

Does the Company have other places of business?

☐ No Go to Question **A4**

☐ Yes Give details below

Street number and name

Suburb/City State/Territory Postcode

## What the Company owes and owns

### A4 Does the Company owe money to its employees?

- ☐ No Go to Question **A5**
- ☒ Yes **READ INSTRUCTION A4.** It explains the information you should provide and how to attach it to this Report.

### A5 Does the Company owe money, goods or services to others (other than to employees)?

- ☐ No Go to Question **A6**
- ☒ Yes **READ INSTRUCTION A5.** It explains the information you should provide and how to attach it to this Report.

### A6 Is the Company owed money?

- ☐ No Go to Question **A7**
- ☒ Yes **READ INSTRUCTION A6.** It explains the information you should provide and how to attach it to this Report.

### A7 Does the Company own any assets as listed below?

Tick boxes below as appropriate and provide information as an attachment.

**READ INSTRUCTION A7.** It explains the information you should provide and how to attach it to this Report.

#### Bank accounts

- ☐ No
- ☒ Yes

#### Motor vehicles

- ☐ No
- ☐ Yes

#### Plant and equipment

- ☐ No
- ☒ Yes

#### Inventory

- ☒ No
- ☐ Yes

#### Real property

- ☒ No
- ☐ Yes

#### Other assets

- ☒ No
- ☐ Yes

#### Does the Company hold property on trust?

- ☒ No
- ☐ Yes

#### Is the Company a trustee of a superannuation fund?

- ☒ No
- ☐ Yes

If you ticked NO to all the items, explain why the Company has no assets.

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### A8 Have you provided the full details asked for in Questions A4, A5, A6, and A7, including all attachments?

- ☐ No **PLEASE BE AWARE:**  
You must provide information in this Report to the best of your ability. You can be penalised for giving false information.

**READ INSTRUCTION A8.** It explains what can happen if you give false information.

- ☒ Yes Go to Question **A9**

## A9 Declaration by Director, Secretary, Managing Controller, or person nominated by the External Administrator

Part A (Form 507) of this Report is a legal document.

READ INSTRUCTION **A9**. It describes the Report's legal status.

It also explains the information you should provide and how to attach it to this Report.

Part A (Form 507) and, where relevant, Part B of this Report should be completed and delivered to the External Administrator by the date at **A1 page 3**.

The External Administrator will then lodge Part A with ASIC.

Part B does not form part of ASIC Form 507 and is not lodged with ASIC. But section 530A of the *Corporations Act 2001* requires Company Directors to help liquidators and provisional liquidators where they reasonably require. Failure to comply with such a request is a strict liability offence. Part B is not applicable for managing controllers.

❖ I declare that the answers to the questions contained in Part A of the Report and the contents of all attachments to Part A of the Report are true, correct and complete to the best of my knowledge and belief at the date of this declaration.

Name

Position

Signature

Date

## A10 Declaration by Managing Controller



In my capacity as the Managing Controller, I declare that where I have omitted information, I have done so in accordance with Section 421A(4) of the *Corporations Act 2001* and have included the notice required by s421A(5) with this Report.

Name

Signature

Date



Q A4

This is the annexure of **X** Pages marked with \* mentioned in **Part A** signed by ..... And dated / /

Amounts the Company owes to its employees (priority creditors)

\$ 1,090,901.91

EMPLOYEE'S NAME	START DATE	WAGES OWED*	HOLIDAY PAY OWED	LONG SERVICE LEAVE OWED	SUPERANNUATION OWED	REDUNDANCY OWED	OTHER	TOTAL OWED	RELATED PARTY YES/NO
	1	16/11/2004	\$ 8,166.00	\$ 13,663.00	\$ 458.60			\$ 22,287.60	No
	2	31/10/2011	\$ 2,451.00	\$ 7,676.00	\$ 384.46			\$ 10,511.46	No
	3	23/1/1997	\$ 3,636.00	\$ 6,582.00	\$ 426.22			\$ 10,644.22	No
	4	7/3/2011	\$ 10,367.00	\$ 13,334.00	\$ 615.24			\$ 24,316.24	No
	5	10/8/1998	\$ 759.00	\$ 552.00	\$ 370.27			\$ 1,681.27	No
	6	6/11/2008	\$ 2,904.00	\$ 3,646.00	\$ 380.42			\$ 6,930.42	No
	7	30/4/2008	\$ 2,573.00	\$ 12,336.00	\$ 494.18			\$ 15,403.18	No
	8	29/1/2018	\$ 2,291.00	\$ -	\$ 35.54			\$ 2,326.54	No
	9	30/5/2002	\$ 7,836.00	\$ 15,494.00	\$ 840.28			\$ 24,170.28	No
	10	5/11/2012	\$ 2,748.00	\$ 7,910.00	\$ 136.40			\$ 10,794.40	No
	11	7/9/2006	\$ 5,313.00	\$ 10,698.00	\$ 526.68			\$ 16,537.68	No
	12	25/7/2003	\$ 4,650.00	\$ 1,504.00	\$ -			\$ 6,154.00	No
	13	25/9/2007	\$ 2,509.00	\$ 7,502.00	\$ 475.40			\$ 10,486.40	No
	14	10/2/2003	\$ 17,047.00	\$ 25,784.00	\$ 654.28			\$ 43,485.28	No
	15	3/7/1995	\$ 6,014.00	\$ 17,439.00	\$ 679.03			\$ 24,132.03	No
	16	5/7/2010	\$ 11,524.00	\$ 8,160.00	\$ 390.06			\$ 20,074.06	No
	17	13/12/2010	\$ 4,130.00	\$ 7,292.00	\$ 495.84			\$ 11,917.84	No
	18	26/11/1991	\$ 3,402.00	\$ 3,591.00	\$ 483.85			\$ 7,476.85	No
	19	13/12/1982	\$ 5,137.00	\$ 10,130.00	\$ 425.48			\$ 15,692.48	No
	20	30/6/2008	\$ 3,235.00	\$ 9,333.00	\$ 555.22			\$ 13,123.22	No
	21	5/2/2018	\$ -	\$ -	\$ 470.92			\$ 470.92	No
	22	1/8/2011	\$ 8,912.00	\$ 9,659.00	\$ 993.33			\$ 19,564.33	No
	23	30/4/2018	\$ 6,863.00	\$ -	\$ 667.88			\$ 7,530.88	No
	24	17/3/2014	\$ 6,402.00	\$ 5,981.00	\$ 365.08			\$ 12,748.08	No
	25	18/12/2006	\$ 11,526.00	\$ 1,743.00	\$ 567.62			\$ 13,836.62	No
	26	12/3/2002	\$ 2,536.00	\$ 14,891.00	\$ 674.93			\$ 18,101.93	No
	27	24/8/2009	\$ 3,186.00	\$ 11,728.00	\$ 463.00			\$ 15,377.00	No
	28	24/3/2004	\$ 7,223.00	\$ 15,351.00	\$ 918.57			\$ 23,492.57	No
	29	6/2/2006	\$ 10,687.00	\$ 19,679.00	\$ 825.06			\$ 31,191.06	No
	30	11/6/2018	\$ 3,645.00	\$ -	\$ 497.21			\$ 4,142.21	No
	31	14/1/2008	\$ 2,628.00	\$ 8,226.00	\$ 372.47			\$ 11,226.47	No
	32	8/12/2005	\$ 1,644.00	\$ 8,381.00	\$ 382.90			\$ 10,407.90	No
	33	29/1/2019	\$ 3,514.00	\$ -	\$ 667.80			\$ 4,181.80	No
	34	6/3/2006	\$ 8,973.00	\$ 12,982.00	\$ 566.33			\$ 22,521.33	No
	35	8/6/2005	\$ 394.00	\$ 1,495.00	\$ 456.63			\$ 2,345.63	No

Note: Employee name withheld as commercially sensitive

## Q A4

This is the annexure of **X** Pages marked with \* mentioned in **Part A** signed by ..... And dated / /

Amounts the Company owes to its employees (priority creditors)

\$ 1,090,901.91

EMPLOYEE'S NAME	START DATE	WAGES OWED*	HOLIDAY PAY OWED	LONG SERVICE LEAVE OWED	SUPERANNUATION OWED	REDUNDANCY OWED	OTHER	TOTAL OWED	RELATED PARTY YES/NO
	36	19/3/2018	\$ -	\$ -	\$ 419.24			\$ 419.24	No
	37	5/1/2015	\$ 3,824.00	\$ 7,531.00	\$ 865.14			\$ 12,220.14	No
	38	8/10/2019	\$ 2,799.00	\$ -	\$ 768.12			\$ 3,567.12	No
	39	13/10/2009	\$ 5,807.00	\$ 10,073.00	\$ 755.75			\$ 16,635.75	No
	40	13/6/2018	\$ 3,737.00	\$ -	\$ 527.48			\$ 4,264.48	No
	41	14/10/2019	\$ 2,683.00	\$ -	\$ 327.76			\$ 3,010.76	No
	42	19/6/2002	\$ 8,942.00	\$ 14,300.00	\$ 723.75			\$ 23,965.75	No
	43	21/7/2005	\$ 3,576.00	\$ 7,471.00	\$ 292.25			\$ 11,339.25	No
	44	31/5/2010	\$ 4,836.00	\$ 10,605.00	\$ 752.60			\$ 16,193.60	No
	45	10/12/2002	\$ 1,882.00	\$ 6,806.00	\$ 359.87			\$ 9,047.87	No
	46	13/4/2016	\$ 5,504.00	\$ -	\$ 402.52			\$ 5,906.52	No
	47	15/9/2005	\$ 1,785.00	\$ 8,309.00	\$ 340.90			\$ 10,434.90	No
	48	31/10/2005	\$ 12,717.00	\$ 19,428.00	\$ 546.80			\$ 32,691.80	No
	49	6/4/2010	\$ 13,088.00	\$ 11,103.00	\$ 528.32			\$ 24,719.32	No
	50	17/10/2005	\$ 2,801.00	\$ 14,147.00	\$ 478.83			\$ 17,426.83	No
	51	9/2/2011	\$ 2,408.00	\$ 11,589.00	\$ 588.69			\$ 14,585.69	No
	52	17/9/2008	\$ 6,702.00	\$ 8,564.00	\$ 362.75			\$ 15,628.75	No
	53	17/10/2019	\$ 2,558.00	\$ -	\$ 327.76			\$ 2,885.76	No
	54	23/7/2007	\$ 9,415.00	\$ 10,244.00	\$ 1,233.40			\$ 20,892.40	No
	55	1/8/2016	\$ 2,154.00	\$ -	\$ 360.86			\$ 2,514.86	No
	56	20/10/1995	\$ 635.00	\$ 901.00	\$ 323.60			\$ 1,859.60	No
	57	15/11/2004	\$ 10,270.00	\$ 12,071.00	\$ 323.48			\$ 22,664.48	No
	58	12/11/2002	\$ 2,711.00	\$ 18,786.00	\$ 345.38			\$ 21,842.38	No
	59	20/2/2017	\$ 4,496.00	\$ -	\$ 242.52			\$ 4,738.52	No
	60	4/10/2010	\$ 1,860.00	\$ 7,728.00	\$ 421.21			\$ 10,009.21	No
	61	3/9/2003	\$ 7,277.00	\$ 13,603.00	\$ 450.50			\$ 21,330.50	No
	62	5/11/1998	\$ 1,622.00	\$ 763.00	\$ 313.25			\$ 2,698.25	No
	63	17/5/1993	\$ 2,650.00	\$ 7,298.00	\$ 433.39			\$ 10,381.39	No
	64	6/1/2006	\$ 2,463.00	\$ 2,541.00	\$ 398.05			\$ 5,402.05	No
	65	13/9/2007	\$ 5,241.00	\$ 9,447.00	\$ 315.42			\$ 15,003.42	No
	66	10/12/2002	\$ 2,425.00	\$ 13,221.00	\$ 409.52			\$ 16,055.52	No
	67	11/10/2002	\$ 16,497.00	\$ 22,582.00	\$ 1,265.64			\$ 40,344.64	No
	68	27/10/2005	\$ 4,765.00	\$ 10,109.00	\$ 440.76			\$ 15,314.76	No
	69	5/10/2010	\$ 3,247.00	\$ 7,724.00	\$ 582.23			\$ 11,553.23	No
	70	17/10/2013	\$ 8,233.00	\$ 3,425.00	\$ 565.68			\$ 12,223.68	No

Note: Employee name withheld as commercially sensitive

# Q A4

This is the annexure of **X** Pages marked with \* mentioned in **Part A** signed by ..... And dated / /

Amounts the Company owes to its employees (priority creditors)

\$ 1,090,901.91

EMPLOYEE'S NAME	START DATE	WAGES OWED*	HOLIDAY PAY OWED	LONG SERVICE LEAVE OWED	SUPERANNUATION OWED	REDUNDANCY OWED	OTHER	TOTAL OWED	RELATED PARTY YES/NO
71	9/10/1992		\$ 4,362.00	\$ 449.00	\$ 337.36			\$ 5,148.36	No
72	3/10/2011		\$ 6,630.00	\$ 7,167.00	\$ 390.06			\$ 14,187.06	No
73	18/12/2000		\$ 2,513.00	\$ 3,008.00	\$ 299.38			\$ 5,820.38	No
74	18/2/2019		\$ 2,435.00	\$ -	\$ 703.32			\$ 3,138.32	No
75	7/2/2005		\$ 7,516.00	\$ 15,442.00	\$ 734.51			\$ 23,692.51	No
76	27/7/1999		\$ 3,359.00	\$ 12,078.00	\$ 510.89			\$ 15,947.89	No
77	9/1/2006		\$ 4,404.00	\$ 16,566.00	\$ 684.00			\$ 21,654.00	No
78	2/9/2013		\$ 4,271.00	\$ 7,685.00	\$ 583.24			\$ 12,539.24	No
79	11/6/1996		\$ 5,987.00	\$ 7,586.00	\$ 670.96			\$ 14,243.96	No
80	13/2/2009		\$ 1,498.00	\$ 6,578.00	\$ 378.51			\$ 8,454.51	No
81	5/3/2007		\$ 1,650.00	\$ 8,948.00	\$ 421.08			\$ 11,019.08	No
* Wages owing are all up to date but estimated wages for the 4 days owing to 30/9/20 for all employees was \$70,665 (since paid) plus estimated \$6,713 of superannuation									

*Amounts the Company owes to its creditors*

CREDITOR'S NAME	POSTAL ADDRESS IN FULL	EMAIL ADDRESS	TICK IF SECURED	PPSR (IF APPLICABLE)	IF SECURED, GIVE ASSET DETAILS	TICK IF RELATED PARTY	AMOUNT OWING
Trade Creditors							\$ 126,933.77
ATO							\$ 26,254.00
Right Of Use Lease Obligations							\$ 7,386,041.42
Make Good / Onerous Lease							\$ 1,416,492.89
IC Loan	Loans owing to related Ovato companies						\$ 3,146,919.02
<i>ROU Lease Obligations - contingent liabilities related to leased property and plant to end of lease term</i>							



## Q A6

This is the annexure of Pages marked with \* mentioned in **Part A** (FORM 507) signed by ..... and dated / /

Money owed to the Company

\$ 247,500.00

DEBTOR NAME	DESCRIPTION	DEBTOR ADDRESS	AMOUNT OUTSTANDING	ESTIMATED AMOUNT REALISABLE	PPSR IF APPLICABLE	SECURITY TYPE	DATE SECURED
Various	Trade Debtors	Various	\$ -				
Various	JobKeeper payments	Various	\$ 247,500.00				
Various	IC Loan		\$ -				
* Scotpac fixed charge security on all RFF Trade Debtors							
* ANZ Fiduciary Services Pty Ltd fixed and floating charge security on all remaining assets							

Q A7

This is the annexure of X Pages marked with \* mentioned in Part A signed by ..... And dated / /

Assets owned by the Company

\$ 9,349,334.45

ASSET DESCRIPTION	LOCATION/ADDRESS WHERE ASSET IS LOCATED. WITH BANK ACCOUNTS, GIVE BANK A/C DETAILS INCLUDING A/C NUMBERS	SECURITY HELD BY (IF APPLICABLE)	ESTIMATED ASSET VALUE
Bank Accounts	ANZ		\$ 12,476.06
Plant & Equipment	Various sites (Print)	See below	\$ 4,520,148.06
Right Of Use Assets	Various	-	\$ 4,816,710.33
Plant & Equipment - at net book value			
ROU Assets - contingent asset related to leased property and plant to end of lease term			
Other - fixed and floating charge held by ANZ Fiduciary Services P/L on behalf of secured creditors (ANZ, Scottish Pacific, Note holders)			

## ANNEXURE F

### Scheme Administrators' Scale of Charges

#### Standard hourly rates

Position	\$/hr
Partner	735
Director 1	680
Director	635
Senior Manager	580
Manager	550
Assistant Manager	480
Senior Accountant	435
Accountant	350
Undergraduate	210
Practice Services Director	680
Senior Treasury Staff	445
Senior Client Administration and Treasury Administration	350 200

*Rates are presented exclusive of GST*

## ANNEXURE G

### Scheme Creditor's Proxy Form

**Please note: To be eligible to vote at the Creditors' Scheme Meeting, Scheme Creditors who wish to appoint proxies must complete and lodge the Scheme Creditor's Proxy Form below so that it is received by Ashurst by no later than 4:00 pm (Australian Eastern Daylight Time) on Friday, 27 November 2020.**

#### Proxy Form

#### Form 532

(regulation 5.6.29)

**(as modified and adopted for the Creditors' Scheme)**

Capitalised terms in this Scheme Creditor's Proxy Form that are not otherwise defined have the same meaning as is given to those terms in the Explanatory Statement.

#### 1. APPOINTMENT OF PROXY

\_\_\_\_\_ of \_\_\_\_\_,  
a creditor of Ovato Print Pty Ltd ACN 051 706 499, Ovato Limited ACN 050 148 644,  
Hannanprint NSW Pty Limited ACN 100 817 623, Hannanprint Victoria Pty Limited ACN  
100 817 712 and Inprint Pty Limited ACN 010 728 971 appoint:

☐ Chairperson of the Creditors' Scheme Meeting

- OR -

☐ \_\_\_\_\_

as special proxy;

to vote at the Creditors' Scheme Meeting:

☐ **FOR** the Creditors' Scheme Resolution

- OR -

☐ **AGAINST** the Creditors' Scheme Resolution

## 2. THE CREDITORS' SCHEME RESOLUTION

**RESOLVE THAT** pursuant to and in accordance with section 411 of the *Corporations Act 2001* (Cth), the scheme of arrangement proposed between Ovato Print, Ovato Limited, the Scheme Companies, the Scheme Creditors and the Subordinate Claim Holders, as contained and described in the Explanatory Statement, is agreed to (with or without alterations or conditions as approved by the Court).

**Dated:**

**If executing as a company:**

**EXECUTED** by

\_\_\_\_\_  
Signature of director

\_\_\_\_\_  
Signature of  
director/secretary

\_\_\_\_\_  
Name

\_\_\_\_\_  
Name

**If executing under power of attorney:**

**Note:** If executing under power of attorney, please provide a copy of the power of attorney together with the completed Scheme Creditors' Proxy Form.

**SIGNED** for

\_\_\_\_\_  
under power of attorney in the  
presence of:

\_\_\_\_\_  
Signature of attorney

\_\_\_\_\_  
Signature of witness

\_\_\_\_\_  
Name

\_\_\_\_\_  
Name

\_\_\_\_\_  
Date of power of attorney

**This form must be lodged with Ashurst at the following address by 4:00 pm (Australian Eastern Daylight Time) on Friday, 27 November 2020:**

Ashurst  
Attention: Harrison Cross  
Level 11, 5 Martin Place  
SYDNEY NSW 2000

**OR**

Email: [ovato.scheme@ashurst.com](mailto:ovato.scheme@ashurst.com)

For personal use only

## ANNEXURE H

### Voting Proof of Debt Form

**Please note: to be eligible to vote at the Creditors' Scheme Meeting, Scheme Creditors must lodge a completed Voting Proof of Debt Form with Ashurst by email or by post by no later than 4:00 pm (Australian Eastern Daylight Time) on Friday, 27 November 2020.**

Form 535

(subregulation 5.6.49(2))

(as modified and adopted for the Creditors' Scheme)

#### FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

Capitalised terms in this Voting Proof of Debt Form that are not otherwise defined have the same meaning as is given to those terms in the Explanatory Statement.

**TO:** Chairperson of the Creditors' Scheme Meeting to consider the scheme of arrangement for Ovato Print Pty Ltd ACN 051 706 499, Ovato Limited ACN 050 148 644, Hannanprint NSW Pty Limited ACN 100 817 623, Hannanprint Victoria Pty Limited ACN 100 817 712 and Inprint Pty Limited ACN 010 728 971.

1. This is to state that the Amount Owing (as defined in the Creditors' Scheme and set out below) to:

\_\_\_\_\_

\_\_\_\_\_

on the Voting Entitlement Record Date (being 11:59 pm on Friday, 6 November 2020) was the amount set out in the following table:

Amount Owing (\$)	Reason for the Amount Owing
-------------------	-----------------------------

- ☐ 2A. I am employed by the creditor and authorised in writing by the creditor to make this statement. I know that the Amount Owing is correct, and to the best of my knowledge and belief, still remains unpaid and unsatisfied.
- ☐ 2B. I am the creditor's agent authorised to make this statement in writing. I know that the Amount Owing is correct, and to the best of my knowledge and belief, still remains unpaid and unsatisfied.

DATED \_\_\_\_\_ day of \_\_\_\_\_ 2020

Signature of Signatory.....

NAME IN BLOCK LETTERS.....

Occupation.....

Address.....

**Amount Owning** is defined in the Creditors' Scheme as:

- (a) in the case of Scheme Creditors which have supplied goods or services to Ovato Print, all amounts owing (inclusive of GST) under invoices issued to Ovato Print on or prior to the Voting Entitlement Record Date in respect of goods or services delivered or supplied prior to that date;
- (b) in the case of the Commissioner of Taxation (Cth):
  - (i) all amounts owing pursuant to any payment plan entered into on or prior to the Voting Entitlement Record Date between Ovato Print and the Commissioner of Taxation (Cth); and
  - (ii) all amounts owing pursuant to the Business Activity Statement to be lodged by Ovato Print in respect of the month of October 2020;
- (c) in the case of the Commissioner of State Revenue (Vic) and Commissioner of State Taxation (SA), all amounts owing in respect of Ovato Print as at the Voting Entitlement Record Date; and
- (d) in the case of the Chief Commissioner of State Revenue (NSW), all amounts owing in respect of Ovato Print, Hannanprint NSW Pty Limited and Ovato Limited as at the Voting Entitlement Record Date.

**This form must be lodged with Ashurst at the following address by 4:00 pm (Australian Eastern Daylight Time) on Friday, 27 November 2020:**

Ashurst  
Attention: Harrison Cross  
Level 11, 5 Martin Place  
SYDNEY NSW 2000

**OR**

Email: [ovato.scheme@ashurst.com](mailto:ovato.scheme@ashurst.com)



## ANNEXURE I

### Member's Proxy Form

#### Ovato Print Pty Ltd ACN 051 706 499 (Company)

Capitalised terms in this Member's Proxy Form that are not otherwise defined have the same meaning as is given to those terms in the Explanatory Statement.

**Ovato Limited ACN 050 148 644** of Level 4, 60 Union Street, Pyrmont NSW 2009 Australia being a member of **Ovato Print Pty Ltd ACN 051 706 499** hereby appoint:

.....

(insert name of proxy)

of .....

to be my proxy or if no proxy is named, then the Chairperson is to be my proxy, in respect of the Member's Schemes Meeting of the Company to be held at Level 4, 60 Union Street, Pyrmont New South Wales 2009, Australia at approximately 11:30 am (Australian Eastern Daylight Time) on Monday, 30 November 2020.

#### Directing your proxy how to vote

I direct my proxy to vote in the following manner:

No	RESOLUTION	FOR	AGAINST	ABSTAIN
1	That pursuant to and in accordance with sections 411 and 413 of the <i>Corporations Act 2001</i> (Cth), the scheme of arrangement proposed between Ovato Print Pty Ltd and Ovato Limited, as its sole member, as contained and described in the Explanatory Statement, is agreed to (with or without alterations or conditions as approved by the Court).			

Individual to sign	Companies to sign
..... .....	Executed in accordance with the company's constitution
<p><b>Execution by Attorney</b></p> <p>Executed by ..... (insert name of attorney)</p> <p>..... (attorney to sign here) as attorney for</p> <p>..... (attorney to sign here) in accordance with the company's constitution and the <i>Corporations Act 2001</i> (Cth). The authority or a certified copy of the authority under which the appointment is signed must be attached.</p>	<p>..... Director</p> <p>..... Director/Secretary OR</p> <p>..... Sole Director and Sole Company Secretary</p>

**This form must be lodged with Ovato Print Pty Ltd prior to the commencement of the Member's Schemes Meeting at approximately 11:30 am (Australian Eastern Daylight Time) on Monday, 30 November 2020.**

**OR**

Email: [alistair.clarkson@ovato.com.au](mailto:alistair.clarkson@ovato.com.au)

## Notes for completion of Member's Proxy Form

### Voting rights of proxies

All holders of ordinary voting shares in the Company are entitled to appoint a proxy. A proxy need not be a member of the Company.

A member who is entitled to cast 2 or more votes may appoint 2 proxies and specify the proportion or number of votes the proxy is appointed to exercise. Failure to do so may result in the proxy being entitled to exercise equal voting rights.

On a show of hands every member present in person or by proxy or attorney or (in the case of a corporation) by a representative, has one vote and upon a poll, every such member has one vote for every ordinary share of which he or she is the registered holder.

A proxy cannot vote on a show of hands if the proxy has 2 or more appointments that specify different ways of voting on a resolution.

### Validity of Proxies

Proxies, to be valid, must before the time of the meeting be received, together with any authority, at Level 4, 60 Union Street, Pyrmont NSW 2009.

Proxies are to be in writing:

- if the appointer is an individual, under the hand of the appointer or his or her attorney duly authorised in writing; or
- if the appointer is a corporation, under its common seal, under the hand of a duly authorised person or persons or in accordance with the *Corporations Act 2001* (Cth),

and such instrument is deemed to confer authority to speak at the meeting and to demand, or join in demanding, a poll.

Should a member desire to direct a proxy how to vote, the member should place a mark (x) in the appropriate box against the proposed resolution. If no direction is given then this may result in the proxy voting as he or she thinks fit, or abstaining from voting.

**Hannanprint NSW Pty Limited ACN 100 817 623 (Company)**

Capitalised terms in this Member's Proxy Form that are not otherwise defined have the same meaning as is given to those terms in the Explanatory Statement.

**The Independent Print Media Group Pty Limited ACN 071 231 215** of Level 4, 60 Union Street, Pyrmont NSW 2009 Australia being a member of **Hannanprint NSW Pty Limited ACN 100 817 623** hereby appoint:

.....

(insert name of proxy)

of .....

to be my proxy or if no proxy is named, then the Chairperson is to be my proxy, in respect of the Member's Schemes Meeting of the Company to be held at Level 4, 60 Union Street, Pyrmont New South Wales 2009, Australia at approximately 11:45 am (Australian Eastern Daylight Time) on Monday, 30 November 2020.

**Directing your proxy how to vote**

I direct my proxy to vote in the following manner:

No	RESOLUTION	FOR	AGAINST	ABSTAIN
1	That pursuant to and in accordance with sections 411 and 413 of the <i>Corporations Act 2001</i> (Cth), the scheme of arrangement proposed between Hannanprint NSW Pty Limited and The Independent Print Media Group Pty Limited, as its sole member, as contained and described in the Explanatory Statement, is agreed to (with or without alterations or conditions as approved by the Court).			

**This form must be lodged with Ovato Print Pty Ltd prior to the commencement of the Member's Schemes Meeting at approximately 11:45 am (Australian Eastern Daylight Time) on Monday, 30 November 2020.**

**OR**

Email: [alistair.clarkson@ovato.com.au](mailto:alistair.clarkson@ovato.com.au)

## Notes for completion of Member's Proxy Form

### Voting rights of proxies

All holders of ordinary voting shares in the Company are entitled to appoint a proxy. A proxy need not be a member of the Company.

A member who is entitled to cast 2 or more votes may appoint 2 proxies and specify the proportion or number of votes the proxy is appointed to exercise. Failure to do so may result in the proxy being entitled to exercise equal voting rights.

On a show of hands every member present in person or by proxy or attorney or (in the case of a corporation) by a representative, has one vote and upon a poll, every such member has one vote for every ordinary share of which he or she is the registered holder.

A proxy cannot vote on a show of hands if the proxy has 2 or more appointments that specify different ways of voting on a resolution.

### Validity of Proxies

Proxies, to be valid, must before the time of the meeting be received, together with any authority, at Level 4, 60 Union Street, Pyrmont NSW 2009.

Proxies are to be in writing:

- if the appointer is an individual, under the hand of the appointer or his or her attorney duly authorised in writing; or
- if the appointer is a corporation, under its common seal, under the hand of a duly authorised person or persons or in accordance with the *Corporations Act 2001* (Cth),

and such instrument is deemed to confer authority to speak at the meeting and to demand, or join in demanding, a poll.

Should a member desire to direct a proxy how to vote, the member should place a mark (x) in the appropriate box against the proposed resolution. If no direction is given then this may result in the proxy voting as he or she thinks fit, or abstaining from voting.

**Hannanprint Victoria Pty Limited ACN 100 817 712 (Company)**

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Capitalised terms in this Member's Proxy Form that are not otherwise defined have the same meaning as is given to those terms in the Explanatory Statement.

**The Independent Print Media Group Pty Limited ACN 071 231 215** of Level 4, 60 Union Street, Pyrmont NSW 2009 Australia being a member of **Hannanprint Victoria Pty Limited ACN 100 817 712** hereby appoint

.....

(insert name of proxy)

of .....

to be my proxy or if no proxy is named, then the Chairperson is to be my proxy, in respect of the Member's Schemes Meeting of the Company to be held at Level 4, 60 Union Street, Pyrmont New South Wales 2009, Australia at approximately 12:00 pm (Australian Eastern Daylight Time) on Monday, 30 November 2020.

**Directing your proxy how to vote**

I direct my proxy to vote in the following manner:

No	RESOLUTION	FOR	AGAINST	ABSTAIN
1	That pursuant to and in accordance with sections 411 and 413 of the <i>Corporations Act 2001</i> (Cth), the scheme of arrangement proposed between Hannanprint Victoria Pty Limited and The Independent Print Media Group Pty Limited, as its sole member, as contained and described in the Explanatory Statement, is agreed to (with or without alterations or conditions as approved by the Court).			





## Notes for completion of Member's Proxy Form

### Voting rights of proxies

All holders of ordinary voting shares in the Company are entitled to appoint a proxy. A proxy need not be a member of the Company.

A member who is entitled to cast 2 or more votes may appoint 2 proxies and specify the proportion or number of votes the proxy is appointed to exercise. Failure to do so may result in the proxy being entitled to exercise equal voting rights.

On a show of hands every member present in person or by proxy or attorney or (in the case of a corporation) by a representative, has one vote and upon a poll, every such member has one vote for every ordinary share of which he or she is the registered holder.

A proxy cannot vote on a show of hands if the proxy has 2 or more appointments that specify different ways of voting on a resolution.

### Validity of Proxies

Proxies, to be valid, must before the time of the meeting be received, together with any authority, at Level 4, 60 Union Street, Pyrmont NSW 2009.

Proxies are to be in writing:

- if the appointer is an individual, under the hand of the appointer or his or her attorney duly authorised in writing; or
- if the appointer is a corporation, under its common seal, under the hand of a duly authorised person or persons or in accordance with the *Corporations Act 2001* (Cth),

and such instrument is deemed to confer authority to speak at the meeting and to demand, or join in demanding, a poll.

Should a member desire to direct a proxy how to vote, the member should place a mark (x) in the appropriate box against the proposed resolution. If no direction is given then this may result in the proxy voting as he or she thinks fit, or abstaining from voting.

**Inprint Pty Limited ACN 010 728 971 (Company)**

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Capitalised terms in this Member's Proxy Form that are not otherwise defined have the same meaning as is given to those terms in the Explanatory Statement.

**Woodox Pty Ltd ACN 067 150 789** of Level 4, 60 Union Street, Pyrmont NSW 2009 Australia being a member of **Inprint Pty Limited ACN 010 728 971** hereby appoint:

.....

(insert name of proxy)

of .....

to be my proxy or if no proxy is named, then the Chairperson is to be my proxy, in respect of the Member's Schemes Meeting of the Company to be held at Level 4, 60 Union Street, Pyrmont New South Wales 2009, Australia at approximately 12:15 pm (Australian Eastern Daylight Time) on Monday, 30 November 2020.

**Directing your proxy how to vote**

I direct my proxy to vote in the following manner:

No	RESOLUTION	FOR	AGAINST	ABSTAIN
1	That pursuant to and in accordance with sections 411 and 413 of the <i>Corporations Act 2001</i> (Cth), the scheme of arrangement proposed between Inprint Pty Limited and Woodox Pty Ltd, as its sole member, as contained and described in the Explanatory Statement, is agreed to (with or without alterations or conditions as approved by the Court).			

Individual to sign	Companies to sign
..... .....	Executed in accordance with the company's constitution
<p><b>Execution by Attorney</b></p> <p>Executed by ..... (insert name of attorney)</p> <p>..... (attorney to sign here) as attorney for</p> <p>..... (attorney to sign here) in accordance with the company's constitution and the <i>Corporations Act 2001</i> (Cth). The authority or a certified copy of the authority under which the appointment is signed must be attached.</p>	<p>..... Director</p> <p>..... Director/Secretary OR</p> <p>..... Sole Director and Sole Company Secretary</p>

Dated...../...../.....

**This form must be lodged with Ovato Print Pty Ltd prior to the commencement of the Member's Schemes Meeting at approximately 12:15 pm (Australian Eastern Daylight Time) on Monday, 30 November 2020.**

Ovato Print Pty Ltd  
Attention: Alistair Clarkson  
Level 4, 60 Union Street  
Pyrmont, New South Wales 2009, Australia

**OR**

Email: [alistair.clarkson@ovato.com.au](mailto:alistair.clarkson@ovato.com.au)

## Notes for completion of Member's Proxy Form

### Voting rights of proxies

All holders of ordinary voting shares in the Company are entitled to appoint a proxy. A proxy need not be a member of the Company.

A member who is entitled to cast 2 or more votes may appoint 2 proxies and specify the proportion or number of votes the proxy is appointed to exercise. Failure to do so may result in the proxy being entitled to exercise equal voting rights.

On a show of hands every member present in person or by proxy or attorney or (in the case of a corporation) by a representative, has one vote and upon a poll, every such member has one vote for every ordinary share of which he or she is the registered holder.

A proxy cannot vote on a show of hands if the proxy has 2 or more appointments that specify different ways of voting on a resolution.

### Validity of Proxies

Proxies, to be valid, must before the time of the meeting be received, together with any authority, at Level 4, 60 Union Street, Pyrmont NSW 2009.

Proxies are to be in writing:

- if the appointer is an individual, under the hand of the appointer or his or her attorney duly authorised in writing; or
- if the appointer is a corporation, under its common seal, under the hand of a duly authorised person or persons or in accordance with the *Corporations Act 2001* (Cth),

and such instrument is deemed to confer authority to speak at the meeting and to demand, or join in demanding, a poll.

Should a member desire to direct a proxy how to vote, the member should place a mark (x) in the appropriate box against the proposed resolution. If no direction is given then this may result in the proxy voting as he or she thinks fit, or abstaining from voting.