



O V A T O

+61 2 9412 6111
Level 4, 60 Union St
Pyrmont NSW 2009
www.ovato.com.au

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Court approval received for Schemes and update on the Entitlement Offer

Ovato Limited (ASX:OVT) (**Ovato** or the **Company**) refers to the Creditors' and Members' Schemes of Arrangement (**Schemes**) and provides an update on the Entitlement Offer¹.

Court approval of the Schemes

On Friday 18 December 2020, the second court hearing of the Supreme Court of New South Wales took place in relation to the Schemes. These Schemes form a component of the restructuring initiatives being executed by Ovato. The hearing was adjourned to this morning, Monday 21 December 2020, for the purpose of attending to certain matters relating to the implementation of the Schemes as requested by the Court.

The Court has this morning approved the implementation of the Schemes. The Schemes will become effective today.

Kevin Slaven, CEO and Managing Director of Ovato, stated:

"Today's Court approval is another major milestone to secure the future of our business together with the ongoing employment of hundreds of our people. Getting to this point has taken many months of focus, effort, and belief from all our stakeholders. The support of our suppliers, financiers, and staff has been extraordinary. I want to recognise the significant compromises made by all of them, it is with great gratitude and humility that I thank them, along with our customers who have stuck with us through these trying times.

It is also with great sadness that we say goodbye to many of our work colleagues, particularly at this time of year. We remain committed to doing everything in our power to provide the best level of support that we can in their transition.

Our new equity and improved balance sheet will allow us to further develop our capabilities in data and bring new products to market that can help the brands and businesses we work with to recover from the impacts of COVID-19 and get back to turning audiences into customers.

Ultimately, we are now well positioned to evolve our business and place our focus on delivering a tangible difference for the brands that entrust their business with us."

¹ The 10.93 for 1 entitlement offer at \$0.005 (0.5 cents) per new share to raise gross proceeds of up to approximately \$40.0 million, as announced to the ASX in the Ovato investor presentation dated 1 December 2020 and the revised investor presentation announced to the ASX on 8 December 2020

Entitlement Offer successfully raises \$40.0m

As a result of the court approval, all conditions to the underwriting and sub-underwriting of the entitlement offer, details of which were announced to the market on 1 December 2020 (**Entitlement Offer**) have now been satisfied or waived. Sub-underwriting of the Entitlement Offer has been provided by the Hannan Family (defined below) (up to \$25.0m) and Are Media (defined below) (up to \$10.0m) (together the **Sub-Underwriters**).

Following the participation of eligible existing shareholders of the Company (**Eligible Shareholders**) in taking up their entitlements under the Entitlement Offer, the demand received from new and existing investors in the shortfall bookbuild undertaken for the Entitlement Offer (**Bookbuild**), and final allocations to the Sub-Underwriters, the Entitlement Offer has successfully raised \$40.0m in gross proceeds.

There was a shortfall of approximately 7.0bn ordinary shares under the Entitlement Offer (**Shortfall Shares**) between the number of ordinary shares subscribed for by Eligible Shareholders and the number of ordinary shares offered under the Entitlement Offer (including the entitlements of ineligible shareholders). Under the Entitlement Offer, Eligible Shareholders had the opportunity to apply to subscribe for Shortfall Shares pursuant to a top-up facility, with applications under the top-up facility being allocated in full. The Shortfall Shares were also offered to new and existing institutional investors through the Bookbuild. Shortfall Shares were sold under the Bookbuild at the offer price of \$0.005, and accordingly Eligible Shareholders who did not take up their entitlements under the Entitlement Offer, and ineligible shareholders, will not receive any value for those entitlements not taken up.

Following allocations made under the Bookbuild, the balance of the Shortfall Shares not taken up were allocated to the Sub-Underwriters. As advised to the ASX on 1 December 2020, Sayman Pty Ltd as trustee for the Lindsay Hannan Family Trust, Michael Hannan, James Hannan, Adrian O'Connor and Richard O'Connor (together the **Hannan Family**) and Are Media Pty Ltd (**Are Media**) had agreed to sub-underwrite the Entitlement Offer up to the amounts of \$25.0m and \$10.0m respectively. In accordance with the underwriting and sub-underwriting agreements entered in connection with the Entitlement Offer, allocations of approximately 4.0bn ordinary shares and 2.0bn ordinary shares were made to the Hannan Family and Are Media respectively.

As a result of the final amount raised and the allocations to each of the Sub-Underwriters, the Hannan Family's shareholding has decreased from 53.8% to approximately 50.7%, while Are Media now has a total shareholding in the Company of approximately 22.9%.

Final allocations under the Entitlement Offer are subject to reconciliation and an audit process that is currently being completed by Ovato's share registry.

The new ordinary shares to be issued under the Entitlement Offer will be issued on Thursday, 24 December 2020 and commence trading on Tuesday, 29 December 2020. Holding statements will be dispatched to shareholders in accordance with normal mailing procedures. Ovato shares will come out of suspension on Tuesday, 29 December 2020 in conjunction with the commencement of trading on the ordinary shares issued under the Entitlement Offer.

ENDS.

This announcement was authorised for release by the Board of Directors of Ovato.

FOR FURTHER INFORMATION CONTACT:

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