

25 May 2022

Company Announcements Office
ASX Limited
20 Bridge Street
Sydney NSW 2000

Opus to acquire Ovato's book printing business and subscribe for Convertible Note

Ovato Limited (ASX: OVT) ("Ovato") is pleased to announce that it has entered into the following agreements with Opus Group Pty Ltd ("Opus"), which conducts specialist printing and printing related services businesses in NSW, ACT and Victoria and is a wholly owned subsidiary of Left Field Printing Group (listed on the HK Stock Exchange):

- a Business Purchase Agreement for the sale of Ovato's book printing business ("Ovato Book Printing") to Opus for \$8.5 million (subject to a customary working capital adjustment) ("Business Sale"); and
- a Convertible Note Subscription Agreement under which Opus has agreed to subscribe for one convertible note ("Convertible Note") in Ovato with a face value of \$2.5 million ("Note Issue").

The funds raised from these two transactions will be applied to the general working capital initiatives of Ovato.

The Note Issue is conditional on completion of the Business Sale, which is in turn conditional on various consents and assignments including ACCC clearance.

Ovato currently anticipates that each of the Business Sale and Note Issue will complete around 15 June 2022.

The following table sets out a summary of the key terms of the Convertible Note:

Face value	\$2,500,000.
Conversion Price	\$0.14 per share, subject to customary adjustments for dilution in accordance with the terms of the Convertible Note.
Interest	The Convertible Note does not bear any interest.
Maturity Date	25 November 2023.
Conversion	Opus may require conversion of the Convertible Note into shares at any time prior to 25 November 2023.
Redemption	The Convertible Note must be redeemed on 25 November 2023, and may be redeemed earlier on the occurrence of an event of default.
Transferability	The Convertible Note may not be assigned or transferred without Ovato's consent.

On conversion of the Convertible Note into shares, Opus will hold approximately 14.7% of the issued capital in Ovato (assuming no changes to the capital structure of Ovato and that Opus does not acquire a relevant interest in any Ovato shares prior to conversion of the Convertible Note).

Ovato CEO, James Hannan, commented: "This deal provides a refreshed debt profile and a path towards equity and investment from an experienced and respected industry player. Further narrowing of Ovato's focus will only strengthen our ability to continue to deliver quality



and efficiency to our valued clients across our packaging, sheetfed and offset printing businesses”.

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

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