



+61 2 9412 6111  
Level 4, 60 Union St  
Pyrmont NSW 2009  
[www.ovato.com.au](http://www.ovato.com.au)

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### **Retail Entitlement Offer Shortfall Notice**

Ovato Limited (**Company** or **Ovato**) undertook a fully underwritten 1 for 2.3 accelerated non-renounceable entitlement offer (**Entitlement Offer**) to raise approximately \$15.5 million, announced to the market on Monday, 20 May 2019.

The Entitlement Offer was fully underwritten by Wilsons Corporate Finance Ltd (**Wilsons**) and sub-underwritten by Michael Hannan, James Hannan, Sayman Pty Ltd in its capacity as trustee of the Lindsay Hannan Family Trust, Adrian O'Connor and Richard O'Connor (**Sub-Underwriters**).

The retail component of the Entitlement Offer (**Retail Entitlement Offer**) closed on Wednesday, 5 June 2019. Existing retail shareholders subscribed for approximately 11.4 million shares at an issue price of \$0.07 per share, raising approximately \$0.8 million in total.

There was a shortfall of approximately 53.7 million shares (**Shortfall Shares**) between the number of shares subscribed for by eligible retail shareholders on a pro rata basis and the number of shares offered under the Retail Entitlement Offer.

The Shortfall Shares were offered to existing shareholders pursuant to a top up facility (**Top Up Facility**). All existing shareholders who applied for additional shares pursuant to the Top Up Facility received their allocation in full. The Shortfall Shares which were not taken up by existing shareholders, being approximately 51.6 million shares, will be allocated at the discretion of Wilsons pursuant to a shortfall bookbuild (**Bookbuild**).

Wilsons and the Sub-Underwriters have entered into a sub-underwriting agreement pursuant to which the Sub-Underwriters have agreed to subscribe for any entitlements which are not taken up by existing shareholders in the Entitlement Offer or under the Top Up Facility, or not subscribed for under the Bookbuild.

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

New shares to be issued in relation to the Retail Entitlement Offer are expected to be issued on Friday, 14 June 2019 and commence trading on Monday, 17 June 2019. Holding statements will be dispatched on Tuesday, 18 June 2019.

**ENDS**