

13 March 2023



Ovato Limited & 58 Subsidiary Entities (All Administrators Appointed) ("the Ovato VA Entities")

**Report to creditors – Section 75-225 of the Insolvency Practice Rules
(Corporations) 2016**

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1. About this report: a guide for creditors

1.1. Purpose of this report

- Chris Hill, Ross Blakeley and Ben Campbell were appointed as Voluntary Administrators of Ovato Limited, Ovato Packaging Pty Ltd, and Ovato Print Cairns Pty Ltd (collectively “the Ovato Trading Entities”) on 21 July 2022.
- While Ovato Packaging Pty Ltd is part of the “Ovato Trading Entities” Group, we note that both the Printing and Packaging businesses conducted out of all sites (with the exception of Cairns) were operated out of Ovato Limited. Ovato Packaging Pty Ltd held a residual number of employees (who were utilised for ongoing trading), but held no other material assets.
- Chris Hill, Ross Blakeley and Ben Campbell were also appointed as Voluntary Administrators to 56 other non-trading subsidiary companies of Ovato Limited (defined in **Appendix 8** as “the Ovato Dormant Entities”). The Ovato Trading Entities and Ovato Dormant Entities are collectively referred to as the “Ovato VA Entities”.
- We are required to prepare this report under the Corporations Act 2001 (the Act) and provide creditors with information about the Ovato VA Entities’ business, property, affairs and financial circumstances.
- This report contains the information we are required by law to include, plus other information considered materially relevant to creditors to enable them to make an informed decision about the Ovato VA Entities’ future.
- This report and its attachments contain details about the forthcoming second meeting of creditors to be held at **2:00pm (AEDT) on Tuesday, 21 March 2023** and our opinion and recommendation about the future of the Ovato VA Entities and what is considered to be in the creditors’ interests. Creditors are required to decide whether:
 - the Ovato Trading Entities’ should execute a Deed of Company Arrangement (“DOCA”); or
 - the Administration of the Ovato Trading Entities should end; or
 - the Ovato Trading Entities should be wound up.
- Alternatively, creditors can vote to adjourn the meeting for up to 45 business days.
- All details, forms and instructions relating to the meeting have been included with the covering letter and other documents attached to this report.

1.2. Key messages and recommendations

- Chris Hill, Ross Blakeley and Ben Campbell were appointed as Voluntary Administrators of the Ovato VA Entities on 21 July 2022.
- Our preliminary investigations indicate the Ovato VA Entities may have become and remained insolvent from February 2021.
- A DOCA has not been proposed for any of the Ovato VA Entities.
- As a result of the sale process undertaken by the Administrators for the Ovato Trading Entities’ business, two asset sale agreements were entered into and completed during the Voluntary Administration. These were:

- For the sale of substantially all of the printing assets of the Ovato Trading Entities and a transfer of 247 employees to IVE Group Limited (ASX: IGL) (“IVE Group”); and
- For the sale of the Ovato Trading Entities’ packaging assets to Platypus Graphics Pty Ltd t/a Platypus Print Packaging (“Platypus Packaging”).
- In our opinion, it is in the creditors’ best interests to place the Ovato VA Entities into liquidation at the second meeting of creditors to be held on 2:00pm (AEDT) on Tuesday, 21 March 2023.
- Section 2 of this report summarise the items considered to be the most important for creditors.

1.3. Meeting registration

PLEASE READ CAREFULLY

Who can attend the Second Meeting of Creditors?

The following parties may attend the second meeting of creditors:

- creditors of one or more of the Ovato VA Entities; or
- a person appointed by a Creditor to attend the meeting on behalf of the Creditor.

What do I need to do to attend the Second Meeting of Creditors?

Completion and return of documents

If you wish to attend the meeting, you must complete and return specific documents to us by the date and in the manner specified in the section “When and how do I return the completed documents” below.

The required documents are shown in the below table and are dependent on the class of creditor to which you belong. An explanation of the documents is provided below the table.

Creditor Class	Registration Form (via Link)	Formal Proof of Debt	Appointment of Proxy
Employee	✓	✓	Refer to note below.
Individual / Partnership	✓	✓	Refer to note below.
Company	✓	✓	✓
Statutory	✓	✓	✓

Note: Only a company or statutory creditor is required to appoint a proxy. Individuals (including employees) and partnerships may appoint a proxy, but only if they want that proxy to attend the meeting on their behalf.

Explanation of documents

An explanation of the documents described in the table is set out below.

- **Meeting Registration.** The Registration Notice, which is accessed via the below link, provides us with your contact details. We will use those contact details to provide you with the necessary access and voting codes for the meeting.

Registration link:

https://fticonsulting-inc.zoom.us/webinar/register/WN_ZWrGSkxRRsuOZEqC57HwrA

- **Proxy form (if applicable).** Completing a proxy form allows you to appoint another person (known as a proxy) to attend the meeting on your behalf. It is mandatory for a company or statutory creditor to appoint a proxy to attend the meeting on its behalf, or attorney. If an individual is attending in person, a proxy form is not required. Please note if you are a creditor of more than one Company, you must complete a new proxy form for each additional Company.
- **Formal proof of debt.** The formal proof of debt provides us with details of the debt owing by, or your claim against any of the Companies. If available, please attach to the proof of debt supporting documents (e.g., invoices) that substantiate your claim.

Employees do not need to provide a formal proof of debt. Please note if you are a creditor of more than one Company, you must complete a new proof of debt for each additional Company.

How do I access the above meeting documents?

The meeting registration form is an online form and is available via the following link:

https://fticonsulting-inc.zoom.us/webinar/register/WN_ZWrGSkxRRsuOZEqC57HwrA

Copies of the below meeting documents are located at **Appendix 12 and 13 respectively**.

- Proxy form
- Proof of debt form

When and how do I return the completed documents?

The required completed documents must be returned to us no later than **4:00PM (AEDT) on Monday, 20 March 2023**. Please return your documents via one of the following methods:

Post: Attn: Ovato Limited (Administrators Appointed)
PO Box R367, Royal Exchange NSW 1225

Email: Ovato_Creditors@fticonsulting.com

If you are returning the documents via post, please allow sufficient time for the documents to arrive prior to the cut-off time.

How do I ask a question at the meeting?

Creditors may submit questions by email sent to Ovato_Creditors@fticonsulting.com prior to the meeting. Alternatively, creditors can use the question-and-answer function during the meeting.

The Administrators may be unable to answer all questions due to time constraints. If this occurs, the Administrators will select questions that are more relevant to the broader creditor base, ahead of those relevant to specific creditors. Creditors with specific questions may contact us by email after the meeting.

What happens next?

Following return of your documents, we will:

- Email you or your proxy a confidential link to access the meeting on-line; and
- provide a unique code so that you can vote at the meeting.

What if I can't access the meeting?

All parties attending the meeting are responsible for ensuring they have the technology and internet connection to attend the meeting on-line. Unfortunately, we are unable to assist with any technical issues relating to accessing the meeting.

1.4. Questions and help

Please contact this office on (02) 8247 8000 or Ovato_Creditors@fticonsulting.com if you are unsure about any of the matters raised in this report or the impact that any decision about the Ovato Trading Entities' future may have on you.

2. Key messages

2.1. Overview of administration strategy

Administrators' Strategy and Major Actions

Strategy & trading	Attended all premises on to address staff concerning the administration on appointment and throughout the administration period. Stabilised operations and assessed trade-on viability. Traded on the Ovato Trading Entities to pursue a business sale or recapitalisation.	Implemented trading controls and established accounts with suppliers to facilitate ongoing trade. Established a post appointment debtor factoring facility. Applied to Court to exclude the Administrators' personal liability under the debtor factoring facility.	Undertook a sale campaign for the Ovato VA Entities' business/assets and engaged with 35 interested parties during this process. Liaised with the ACCC regarding the sale process, including providing a detailed submission in relation to the potential sale to IVE. Negotiated and finalised two asset sale agreements with IVE Group and Platypus Packaging.	Maintained a forecast cashflow for the Ovato Trading Entities to closely monitor cash and trading liability positions during the trade on.	Executed an Implementation Deed with IVE Group concerning the purchase of the Ovato Trading Entities business/assets. Completed a sale of substantially all of the printing assets of the Ovato Trading Entities to IVE Group.
Statutory matters & investigations	Attended to all required statutory obligations.	Conducted PPSR, property, motor vehicle, company and other searches.	Undertook investigations into the performance and position of the Ovato VA Entities and reasons for failure.	Secured and investigated books and records of the Companies to identify voidable transactions and other recoveries realisable in a liquidation scenario.	Formed a preliminary opinion on the potential breaches of the Act by the Directors

Stakeholders

Prepared circulars and correspondence to c. 290 creditors and 490 employees.

Corresponded and met with key clients, secured creditors, suppliers, employees and unions, and other stakeholders.

Responded to numerous queries from creditors, employees, unions and other stakeholders

Facilitation of the first meeting of creditors via electronic means.

Calculated and liaised with c.490 employees and former employees regarding outstanding entitlements and continued trading.

Prepared and made an application to The Minister for Workplace Relations under s49 of the FEG Act to enable early access to the Federal Government Guarantee Scheme for employees

Applied to Court to extend personal liability timeframe for leases under s443B of the Act.

Applied to Court on two occasions to extend the convening period to call the second meeting of creditors in order to facilitate the sale to IVE Group.

Preparation of this report pursuant to Section 75-225 of the Insolvency Practice Rules (Corporations) 2016.

2.2. Key messages for creditors

Set out below is a summary of the key messages and recommendations that are detailed in this report. Please read this summary in conjunction of the remainder of the report including the terms of reference contained in **Appendix 1** and any other attachments.

Key areas	Commentary	Analysis
Explanations for the Company's difficulties	Our investigations indicate the following factors played a role in the failure of the Ovato VA Entities: ■ Significant decline in demand for some services resulting from changing market trends which were exacerbated and/or accelerated by COVID-19. ■ Reduction in key supplier trading terms to cash on delivery following the Scheme of Arrangement in December 2020, which placed continued cash flow pressure on the Ovato Group. ■ The extent to which creditors under the Scheme were willing to compromise their debts. ■ Increases to primary business input costs including raw material (paper) and electricity costs. ■ Considerable legacy costs, in particular Ovato's onerous property leasing position.	Section 4
Estimated date of insolvency	Our analysis indicates the Ovato VA Entities may have been insolvent from February 2021 and remained so up until the time of our appointment on 21 July 2022. Further analysis would be required in liquidation to determine the timing of the date of insolvency.	Section 6 and Appendix 3
Voidable transactions and offences	Investigations undertaken to date indicate there may be transactions which a liquidator could pursue which might result in property or money being recovered for the benefit of creditors. These include possible unfair preferential payments totalling \$478k based on the investigations we have undertaken to date. We have not yet identified any uncommercial transactions or unfair loans, however our investigations will continue in this respect.	Section 6
Offences by directors	Based on our investigations to date, the Directors of Ovato may have breached: ■ s.588G in incurring liabilities while insolvent; ■ s. 180 to exercise their duties with care and diligence; and ■ s. 181 to exercise their duties in good faith. Further work would be required in liquidation to assess the quantum of a potential claim and whether it is commercial to pursue the Directors of Ovato regarding a potential claim for insolvent trading.	Section 6 and Appendix 3

Key areas	Commentary	Analysis																								
Liability for insolvent trading	Based on our preliminary investigations it is our view: ■ Whilst there may be a prima-facie claim against the Directors of Ovato for insolvent trading, the size of the potential insolvent trading claim and prospects for a recovery will be further investigated in liquidation. ■ The Ovato Directors are likely to claim protection under the Safe Harbour provisions in s.588GA of the Act which may mitigate or reduce any claim for insolvent trading to nil. ■ The Directors' eligibility to claim protection under the Safe Harbour provisions will be further investigated in liquidation.	Section 6 and Appendix 3																								
Proposal for DOCA	No proposal for a DOCA has been received.	N/A																								
Estimated outcome for creditors	The estimated returns to creditors shown below are based on the information presently available, our view of the Ovato Trading Entities' estimated realisable value of assets and the estimated claims of creditors: <table border="1"> <thead> <tr> <th>Entity</th><th>Creditor Type</th><th>Liquidation return (cents/\$)</th></tr> </thead> <tbody> <tr> <td rowspan="3">Ovato Limited</td><td>Secured</td><td>Unknown</td></tr> <tr> <td>Priority Employee</td><td>11.5 to Unknown cents/\$</td></tr> <tr> <td>Unsecured</td><td>Nil</td></tr> <tr> <td rowspan="3">Ovato Packaging Pty Ltd</td><td>Secured</td><td>N/A</td></tr> <tr> <td>Priority Employee</td><td>Nil</td></tr> <tr> <td>Unsecured</td><td>Nil</td></tr> <tr> <td rowspan="3">Ovato Print Cairns Pty Ltd</td><td>Secured</td><td>N/A</td></tr> <tr> <td>Priority Employee</td><td>Nil</td></tr> <tr> <td>Unsecured</td><td>Nil</td></tr> </tbody> </table> The key factors and variables impacting the estimated return to creditors include: ■ the quantum of recoveries from Ovato's bank guarantees provided to its landlords; ■ the collection of Ovato's remaining outstanding debtors; ■ whether, in liquidation, the Liquidators would determine an insolvent trading claim against the Directors of Ovato could be pursued, and the extent to which such a claim is recovered;	Entity	Creditor Type	Liquidation return (cents/\$)	Ovato Limited	Secured	Unknown	Priority Employee	11.5 to Unknown cents/\$	Unsecured	Nil	Ovato Packaging Pty Ltd	Secured	N/A	Priority Employee	Nil	Unsecured	Nil	Ovato Print Cairns Pty Ltd	Secured	N/A	Priority Employee	Nil	Unsecured	Nil	Section 7
Entity	Creditor Type	Liquidation return (cents/\$)																								
Ovato Limited	Secured	Unknown																								
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Key areas	Commentary	Analysis																								
	■ whether any further preferential payment or other claims are identified in the liquidation, and whether they are recovered; and ■ the remuneration of the Liquidators. There will be no return to creditors of the Ovato Dormant Entities.																									
Timing of payments to creditors	The indicative (estimated) timing of dividends are below for each class of creditor in liquidation: <table border="1"> <thead> <tr> <th>Entity</th><th>Creditor Type</th><th>Indicative timing</th></tr> </thead> <tbody> <tr> <td rowspan="3">Ovato Limited</td><td>Secured</td><td>3 – 9 months</td></tr> <tr> <td>Priority Employee</td><td>3 – 9 months</td></tr> <tr> <td>Unsecured</td><td>N/A</td></tr> <tr> <td rowspan="3">Ovato Packaging Pty Ltd</td><td>Secured</td><td>N/A</td></tr> <tr> <td>Priority Employee</td><td>N/A</td></tr> <tr> <td>Unsecured</td><td>N/A</td></tr> <tr> <td rowspan="3">Ovato Print Cairns Pty Ltd</td><td>Secured</td><td>N/A</td></tr> <tr> <td>Priority Employee</td><td>N/A</td></tr> <tr> <td>Unsecured</td><td>N/A</td></tr> </tbody> </table> The key factors and variables impacting the estimated timing include: ■ how long commercial negotiations with Ovato’s landlords continue while attempting to recover outstanding bank guarantees; ■ the time taken to collect Ovato’s outstanding debtors; ■ whether, in liquidation, the Liquidators would determine an insolvent trading claim against the Directors of Ovato could be pursued, and the time taken to undertake such a claim which may include public examinations and extensive litigation; and ■ whether any further preferential payment or other claims are identified in liquidation, and the time taken to recover these claims, which could involve litigation.	Entity	Creditor Type	Indicative timing	Ovato Limited	Secured	3 – 9 months	Priority Employee	3 – 9 months	Unsecured	N/A	Ovato Packaging Pty Ltd	Secured	N/A	Priority Employee	N/A	Unsecured	N/A	Ovato Print Cairns Pty Ltd	Secured	N/A	Priority Employee	N/A	Unsecured	N/A	Section 7
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Ovato Print Cairns Pty Ltd	Secured	N/A																								
	Priority Employee	N/A																								
	Unsecured	N/A																								

Key areas	Commentary	Analysis
Remuneration	Under s 449E of the Act, the remuneration of the Administrators (and Liquidators, if appointed) can be fixed at the second meeting of creditors. Details of our proposed remuneration and resolutions are included in our Remuneration Approval Report.	Appendix 6

3. Recommendation on the Ovato Trading Entities' future

In our opinion it is in the creditors' interests that the Ovato VA Entities be wound up and liquidators appointed. Details about the estimated return to creditors and other information about what creditors can decide at the meeting are provided at **Sections 1.2 and 7** of this report.

Options available to creditors	Option 1: Execute a DOCA	Option 2: Administration end	Option 3: Liquidation
Description	Whether it would be in the creditors' interests for the Company to execute a DOCA	Whether it would be in the creditors' interests for the administration to end	Whether it would be in the creditors' interests for the Company to be wound up
Key factors to considers	As no DOCA has been proposed, creditors cannot resolve to accept a DOCA at this time	The Company is insolvent with no cash to pay all due debts and no confirmed prospects of obtaining external funding	We have not been provided with a proposal for a DOCA for consideration and it is not appropriate that the administration ends as the Company is insolvent
Our opinion	Not in the creditors' interests that the Company execute a DOCA	Not in the creditors' interests that the administration should end	Is in the creditors' interests that the Company be wound up
Recommended option	Not recommended	Not recommended	Recommended
Potential to adjourn the meeting to a future date	While Creditors may wish to adjourn the second meeting for up to 45 business days to allow time for a DOCA proposal to be submitted It is a matter for creditors to decide if they wish to adjourn the meeting, we note that there has been no indication from any party that a DOCA will be proposed.		

4. Background information

4.1. Appointment of Administrators

On 21 July 2022, we Chris Hill, Ross Blakeley and Ben Campbell were appointed joint and several Administrators of the below Companies in accordance with a resolution passed at a meeting of the Ovato Groups' directors pursuant to section 436A of the Act.

Company name (All Administrators Appointed)	Formerly Known As	ACN
Ovato Limited ("Ovato")	PMP Limited PMP Communications Limited Pacific Magazines & Printing Limited Pac-Rim Printing Pty. Limited Bedgerabong Pty. Limited	050 148 644
Ovato Packaging Pty Ltd ("Ovato Packaging")	Inpack Pty Ltd Arkgrove Pty Ltd	050 411 759
Ovato Print Cairns Pty Ltd ("Ovato Print Cairns")	Bolton Print Pty Ltd Redmatch Pty Ltd	050 487 879
Fifty-six (56) other entities identified in Appendix 8 collectively defined as the "Ovato Dormant Entities"		

In a Voluntary Administration, the Administrators take control of a company and its affairs and the powers of the directors and officers to make decisions and perform management functions are suspended. The Administrators work alongside management to trade the business while options for the company's future are explored.

Administrators also have a duty to investigate the business, property, affairs and financial circumstances of the companies we are appointed to.

4.2. Outcome of the first meeting of creditors

- The first meeting of creditors was held on 2 August 2022 to consider the formation of a committee of inspection ("COI") and whether or not to appoint different persons to be the Administrators of the Company.
- Creditors resolved to form a COI and the following representatives were appointed to the committee:
 - Alex Mufford, or in his absence Ben Fisher, of Norton Rose Fulbright, on behalf of Rathdrum Properties Pty Ltd;
 - Sean Moore of the Australian Manufacturing Workers Union on behalf of Chris Simpson;
 - Phillip Batty of Ferag.

4.3. Administrators' prior involvement and independence

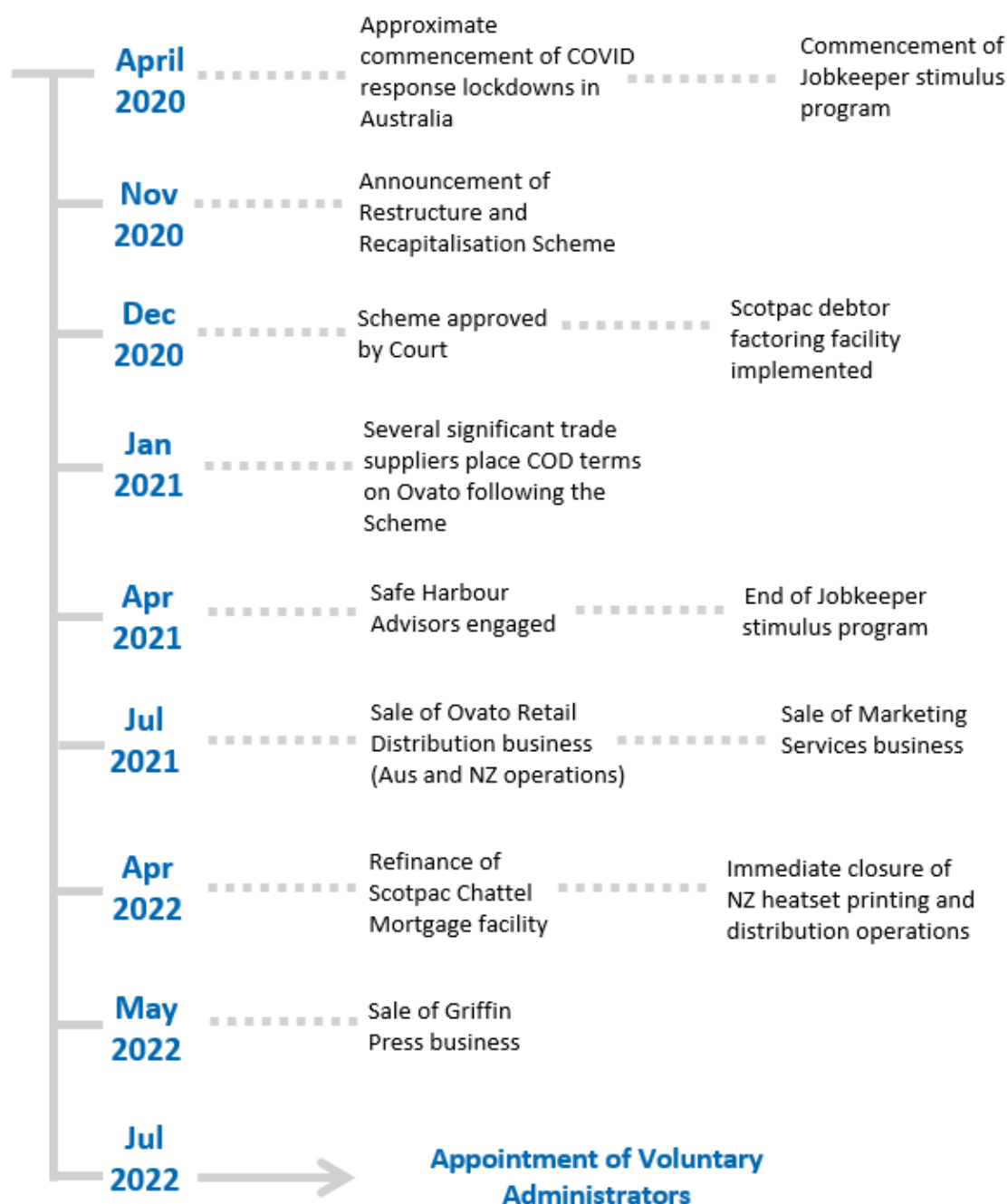
There is no change to our assessment regarding our independence or to the information provided in the DIRRI provided to creditors in our first report dated 25 July 2022.

4.4. History of the Ovato VA Entities and events leading to our appointment

Company history

- Ovato, originally known as PMP Limited ("PMP"), was incorporated in 1990 and listed on the Australian Securities Exchange ("ASX") in 1991.
- In early 2019, PMP rebranded as Ovato following the acquisition of IMPG, a formerly privately owned commercial printing operator.
- Ovato primarily operated as a commercial printer of catalogues, magazines, other printed media, and product packaging for a wide range of corporate clientele.
- At the time of our appointment, only the Ovato Trading Entities were actively trading business. A summary of the Ovato Trading Entities' trading footprint and business unit performance appear in **Section 4.5** below.
- The COVID-19 pandemic and associated lockdowns from March/April 2020 presented challenges to the Group's performance, which resulted in a significant contraction in demand for traditional printing service in an already declining industry.
- In December 2020, Ovato and other related entities undertook a Scheme of Arrangement to restructure and recapitalise its balance sheet. The Scheme is discussed further below.
- As part of the (and some of its subsidiaries) executed a number of business divestments from June 2021. These divestments are summarised further below.
- A short form timeline of major events leading to the appointment of Voluntary Administrators is presented overleaf; a more comprehensive timeline of events is presented at **Appendix 9**.

Short form timeline of major events leading to Voluntary Administration



Scheme of Arrangement (December 2020)

- In December 2020, Ovato and a number of related entities undertook both a Members and Creditors Scheme of Arrangement to restructure and recapitalise its balance sheet, provide liquidity to enable both the repayment of debt and the implementation of operational initiatives.
- The Scheme involved:
 - An underwritten equity raising of \$30m;
 - Closure of operations at Clayton and consolidation of operations to Warwick Farm;
 - Redundancy of 300 staff, with outstanding entitlements by FEG; and
 - Compromising the debts of 13 major creditors who were collectively owed \$33.4m which were reduced by 50%.
- Whilst more than 300 employees were made redundant during this closure, the restructure allowed for the continuation of employment for an additional 900 staff.
- While the Scheme significantly improved the balance sheet of Ovato, it did not deal with the legacy lease position of premises at Clayton, Moorebank, Wacol, Hendra, and Prymont, which continued to impact profitability and liquidity. In addition, financing associated with a major printing press at the Clayton premises continued on an uncompromised basis.
- Following the compromise of the trade creditors as outlined above, we understand that some suppliers were unable to obtain credit insurance in respect of Ovato and consequently, credit terms were tightened, having an adverse impact on working capital and liquidity. This issue continued to impact Ovato up to the appointment of Voluntary Administrators.
- As part of the Scheme of Arrangements, the majority of employees were transferred to Ovato Limited, along with customer and supplier contracts associated with the printing and packaging businesses. While a small number of employees remained in Packaging (for reasons that remain unclear), the trading of both the Printing and Packaging businesses were conducted through Ovato Limited.

Divestments

- Due to ongoing liquidity pressures and its unprofitable underlying trading performance following the Scheme, Ovato (and a number of the Ovato Dormant Entities) divested three business units to provide short term liquidity relief, improve its working capital position, and fund ongoing trading losses.
- These divestments are considered in further detail in **Section 11.5.2** and are summarised in the table overleaf.

Ovato Limited and subsidiaries (Administrators Appointed) - Business Sale Summary

Date	Vendor	Purchaser	Business Unit	Business Operations	Sale Type	Valuation (AUD \$)	Purchase Price (AUD \$)	Assumed Liability (\$)
June 2022	Ovato Limited	Opus Group Pty Ltd	Ovato Book Printing (Griffin Press)	Book Printing	Business and Asset Sale	4.4m	8,500,000	1.99m of trade creditors
July 2021	Ovato Limited	Are Media Limited	Ovato Retail Distribution Pty Ltd - ACN 088 251 727	Publications distributor and wholesaler of printed media	Share Sale Agreement	1 - 8m (combined)	10,050,000	22.5m (negative working capital position)
	Ovato NZ Limited	Are Media Limited	Ovato Retail Distribution NZ Limited - NZBN 9429035254683		Share Sale Agreement	1 - 8m (combined)	4,950,000	4.5m (negative working capital position)
August 2021	IPMG Digital Pty Ltd	Ballygriffin Holdings Pty Ltd	Ovato Creative Services Pty Ltd; Ovato Technology Pty Ltd; Ovato Communications Pty Ltd	Marketing services, digital and print marketing services, brand strategy, consulting services, photography and videography	Share Sale Agreement	9 - 10.5m (combined)	7,400,000	N/A
	Show-Ads Pty Ltd	Ballygriffin Holdings Pty Ltd	Ovato Creative Services Clayton Pty Ltd		Share Sale Agreement	9 - 10.5m (combined)	1,599,999	N/A
	PMP WholeSale Pty Ltd	Ballygriffin Holdings Pty Ltd	Pacific Intermedia Pty Limited		Share Sale Agreement	9 - 10.5m (combined)	1	N/A

4.5. Company information and historical performance

Appendix 2 includes statutory information about the Ovato Trading Entities, detailed historical performance, and our preliminary analysis and comments about the existence and form of their financial statements.

As mentioned above, at the time of our appointment only the Ovato Trading Entities were actively trading.

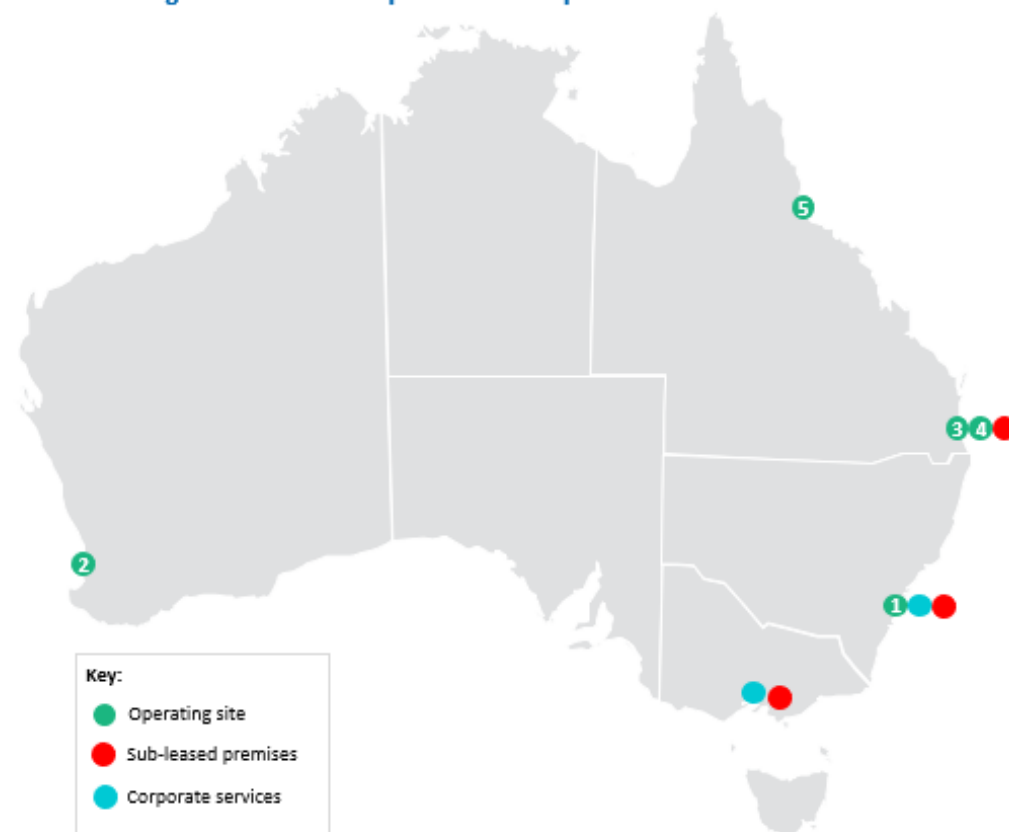
At the time of our appointment the Ovato Trading Entities operated from a number of premises located in NSW, QLD, and WA, and a corporate service function located in Clayton, Melbourne. An overview of the Ovato Trading Entities' trading footprint and revenue contribution at appointment is shown below.

Following a number of business unit divestments which occurred in the year prior to our appointment, the Ovato Trading Entities operations at the time of our appointment were as follows:

- Commercial printing operations located in: Warwick Farm, NSW; Bibra Lake, WA; Cairns, QLD; and Geebung, QLD
- Commercial packaging production located in Geebung, QLD.

Following a number of operational restructuring and business consolidations, Ovato continued to lease five premises from which it no longer traded. These former trading premises were sub-leased, however the sub-let rent income from these premises was insufficient to cover the head-lease costs. Over time this onerous sub-lease position grew to an annualised loss of \$3.7m. The onerous-sub lease position is detailed at **Appendix 3**.

Ovato Trading Entities: former operational footprint



1. Warwick Farm: Super site with heatset and sheetfed presses.

Employees	292
Sales revenue (\$'m)	135.3
Gross profit (\$'m)	73.6
Gross profit margin (%)	54.4%

2. Bibra Lake: Heatset printing operation for mostly national clients.

Employees	22
Sales revenue (\$'m)	9.8
Gross profit (\$'m)	4.7
Gross profit margin (%)	48.4%

3. Geebung Print: Heatset printing operation for mostly national clients.

Employees	57
Sales revenue (\$'m)	32.9
Gross profit (\$'m)	17.0
Gross profit margin (%)	51.6%

4. Geebung Packaging: Sheetfed printing for packaging clients.

Employees	32
Sales revenue (\$'m)	14.9
Gross profit (\$'m)	5.7
Gross profit margin (%)	38.3%

5. Cairns: Small sheetfed printing operation servicing local clients.

Employees	6
Sales revenue (\$'m)	1.3
Gross profit (\$'m)	0.7
Gross profit margin (%)	48.4%

Key:

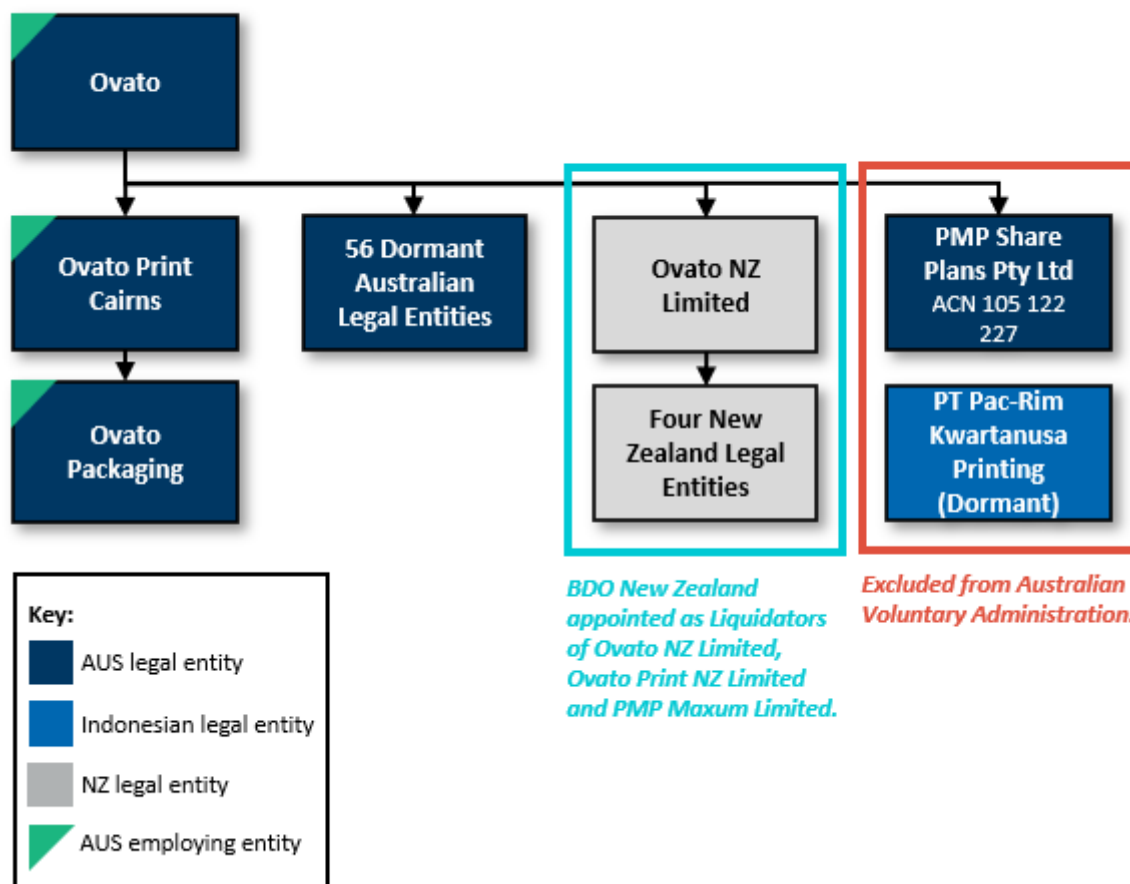
■	Ovato Limited
■	Ovato Print Cairns

	Pro-forma Sales Revenue (\$'m)			Pro-forma Sales Revenue (%)		
	FY20	FY21	FY22	FY20	FY21	FY22
Catalogues	183.1	133.5	119.1	65.4%	63.8%	61.3%
Magazines	65.7	51.5	47.9	23.5%	24.6%	24.7%
Packaging	12.5	12.7	13.2	4.5%	6.1%	6.8%
Newspaper	12.1	6.8	4.7	4.3%	3.2%	2.4%
Directories	1.8	1.4	0.3	0.6%	0.7%	0.2%
Other	4.9	3.5	8.9	1.7%	1.7%	4.6%
Total	280.0	209.4	194.2	100.0%	100.0%	100.0%

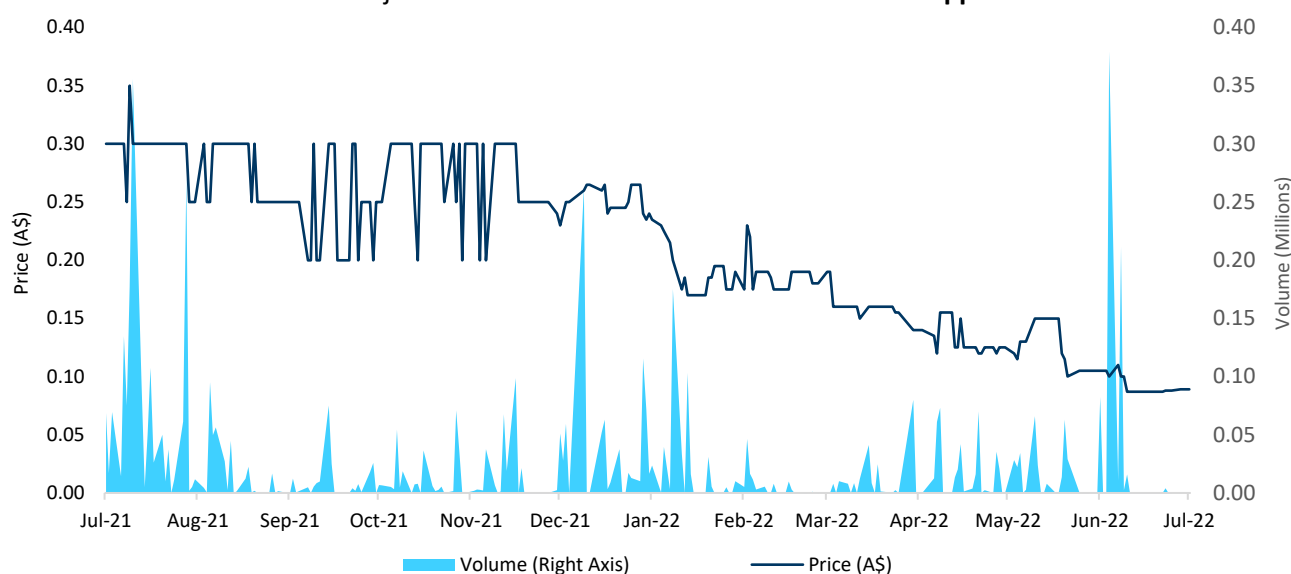
4.6. Corporate structure and historical share price

- Ovato is the ultimate holding company of 58 Australian legal entities which are subject to the Australian Voluntary Administration regime.
- A summary group structure is presented below, a more comprehensive group structure is presented at **Appendix 7**.

Summary group legal entity structure



At the time of our appointment, Ovato's market capitalisation was c.\$10.8m with the share price having experienced a significant decline in recent years. The fall in the share price is best considered in conjunction with the detailed timeline of major events and ASX announcements tabled at **Appendix 9**.



4.7. Directors' explanation for the Ovato Trading Entities' difficulties

The Directors have indicated the current circumstances faced by the Ovato VA Entities are a result of:

- ongoing volatile market conditions with revenue and volumes not returning to pre-COVID levels;
- continued increased cost of raw materials and other input costs;
- legacy cost issues, in particular onerous leases; and
- future liquidity challenges reflected in the short-term cash flow forecasts, where the FY23 Budget process (covering July 2022 to June 2023) did not show a marked improvement.

4.8. Administrators' observations of the Ovato VA Entities' difficulties

From our investigations to date, we have identified the following possible causes for the Ovato VA Entities' failure:

- A significant decrease in catalogue spending by major customers during the COVID-19 pandemic, which did not return to pre-2020 levels even as COVID related restrictions were rolled back due to underlying market shifts (i.e. from print to electronic mediums);
- Pressures on cash flow resulting from credit term reductions from Ovato's major suppliers following the Scheme of Arrangement in December 2020;
- Increases in the primary input costs of the business including electricity and paper;
- Supply chain delays including larger than usual lead times for paper;
- Ovato's onerous lease position notwithstanding there were a number of sub-leases with respect to Ovato's former trading premises;
- Significant debt levels and a highly leveraged balance sheet;
- Forecasted cash flow shortfalls in the near term resulting from unsuccessful working capital improvement initiatives combined with continued trading losses; and
- An inability to raise further funding.

4.9. Opinion about books and records

Section 286(1) of the Act requires a company to keep written financial records that correctly record and explain its transactions, financial position and performance, and would enable true and fair financial statements to be prepared and audited.

In considering compliance with this section, since our appointment we have:

- reviewed various financial reports to help us understand the Ovato VA Entities' asset and liability positions;
- reviewed various correspondence files and documents relevant to the Ovato VA Entities' financial positions and performance;
- undertaken investigations and reviews incorporating financial records and data; and
- discussed with the Ovato VA Entities' finance function, processes and record keeping practices with its directors and management.

In our view, as at the date of our appointment the financial records of the Ovato VA Entities appear to have been maintained in accordance with s 286 of the Act.

4.10. Outstanding winding up applications

Our investigations did not identify any winding up applications or legal proceedings against the Ovato VA Entities.

5. Strategy and financial position

5.1. Actions and strategy to date

From our appointment we maintained and stabilised business operations while reviewing the available options for the Ovato VA Entities.

Our key strategies and actions undertaken throughout the VA period are outlined below.

5.1.1. Trading & Customers

- Prepared a cash flow forecast and closely monitored cash flows during the Administration period.
- Notified key customers of the Ovato Trading Entities of our appointment.
- Notified all suppliers and applicable statutory bodies of our appointment.
- Opened new accounts with the Ovato Trading Entities' suppliers as required for ongoing trade during the Voluntary Administration.
- Assessed various options for managing long lead time supply items during the administration.
- Setup trading protocols and a purchase order system with the Ovato Trading Entities' procurement and accounts payable team.
- Communicated extensively with the Ovato Trading Entities' suppliers and internal procurement team concerning inventory levels, supply, and order placement.
- Communicated extensively with the Ovato Trading Entities' key clients to advise of our appointment, outline the general purpose of a voluntary administration and to discuss the Ovato Trading Entities' ongoing service provision during the Voluntary Administration.
- Managed large componentry breakdowns and repairs.
- Oversaw the closure of the Cairns premises following the inability to find a buyer for the business.
- Assisted with the transition of the respective printing and packaging businesses to the IVE Group and Platypus Packaging.

5.1.2. Debtors and factoring facility

- Communicated with Scotpac to ensure continued access to the existing debtor factoring facility was in place to ensure the ability to fund trade-on.
- Worked with the Ovato Trading Entities' internal finance team to oversee invoicing to customers, upload of invoices to Scotpac portal for funding.
- Worked with the Ovato's Trading Entities' internal finance team to discuss current status of debtors/invoicing and forecast collections and timing.
- Preparing drawdown requests from Scotpac to provide liquidity for trade-on.
- Monitoring ongoing collections and provision of reporting required under the ScotPac facility.

5.1.3. Employees

- Attended each of the Ovato Trading Entities' premises upon appointment to address staff and confirm our appointment.
- Communicated with union representatives concerning the Voluntary Administration.
- Provided formal communications to all employees regarding their position as creditors of the Ovato Trading Entities.
- Liaised directly with employees regarding specific issues and queries.
- Prepared regular employee communications to communicate key milestones during the Administration.
- Conducted regular meetings with employees to update them on the status of the Administration.
- Reviewed company records to quantify employee entitlements and notified employees of the same.
- Completion of Group Proof of Debt on behalf of all employees for the First meeting of Creditors.
- Continued to facilitate employee related trade-on tasks such as processing of weekly and monthly payroll, workers compensation claims and the payment of superannuation for the period of the Administration.
- Liaising with FEG regarding the employee position.
- Submitted a successful application to the Minister of Workplace Relations regarding early access to the FEG scheme for those employees made redundant during the period of the Voluntary Administration.
- Undertook a voluntary redundancy process as part of the sale to IVE Group.
- Finalised the workplace rationalisation process.

5.1.4. Premises/Landlords

- Notified Ovato's nine landlords of our appointment and discussed ongoing occupation of relevant premises during the Voluntary Administration.
- Communicated with Ovato's sub-lessees to advise of our appointment (Ovato had sub-leases across five premises).
- Collected rent and undertook repairs and maintenance in relation to the sub-leases.
- Assessed the position of bank guarantees provided by Ovato to various landlords and the potential make good obligations or other claims against those bank guarantees.
- Conducted negotiations with various landlords regarding the ongoing occupation of the premises, make good obligations and other property related issues.
- Exited five non-core premises (Ovato as lessee).
- Maintained lease arrangements on the remaining two premises on a short term basis to allow purchasers of assets to remove larger scale equipment located at those premises.

5.1.5. Investigations

- Conducted and reviewed searches in relation to the Ovato VA Entities and their officers.
- Obtained relevant books and records of the Ovato VA Entities and access to information systems.
- Reviewed and analysed the Ovato VA Entities' financial books and records.

- Reviewed all available books and records and other information concerning the Ovato VA Entities to form a preliminary view on any potential breaches of the Act or potential voidable transactions where money or property may be recoverable for the benefit of creditors in a liquidation scenario.

5.1.6. Statutory

- Notified applicable statutory and Government bodies of our appointment.
- Prepared and issued our Initial Information for Creditors and Suppliers, including our DIRRI.
- Held the first meeting of creditors on 2 August 2022.
- Prepared and lodged the required Australian Securities and Investments Commission (“ASIC”) forms.
- Prepared this report pursuant to s.75-225 of the Insolvency Practice Rules (Corporations) 2016.
- Applied to Court and obtained a subsequent Order to extend the period after which the Administrators would become personally liable for leased property of the Ovato Trading Entities.
- Applied to Court and obtained a subsequent Order absolving the Administrators of personal liability under the Scotpac invoice finance facility.
- Applied to Court on two separate occasions and obtained extensions of the convening period of the second meeting of creditors for the Ovato VA Entities to facilitate a sale of business and assets to IVE Group.
- Held a meeting of the Committee of Creditors for Ovato.

5.2. Sale of business

5.2.1. Marketing and sale process

We conducted an urgent campaign for the sale or recapitalisation of the Ovato Trading Entities’ business. As part of this process we:

- Developed a strategy and timeline for the sale process, which originally contemplated binding offers being due by 11 August 2022.
- Compiled a list of likely interested parties based on previous campaigns conducted by Ovato, our own understanding of the industry and the market more generally.
- Advertised the business for sale in the Australian Financial Review.
- Prepared a range of sale materials, including an investment flyer, expression of interest registration form, information memorandum, and virtual data room.
- Engaged with 35 interested parties, including facilitating their due diligence activities where appropriate.
- Liaised with multiple secured creditors regarding the release of security over the various asset classes the subject of the sale.
- Engaged with the Australian Competition and Consumer Commission (“ACCC”) regarding the sale process and the interest from certain parties in acquiring the business or assets of the Ovato Trading Entities, including preparation of a detailed submission to the ACCC in relation to the sale to IVE.
- Negotiated, documented and executed agreements with both IVE and Platypus Packaging for the printing and packaging businesses respectively.
- Provided transition services to IVE following completion of the sale.

5.2.2. Sale outcomes

5.2.3. IVE Group

On 28 August 2022 an asset sale agreement with IVE Group to sell substantially all the printing assets of the Ovato VA Entities was executed. The transaction involved the IVE Group continuing to operate the Warwick Farm and Bibra Lakes sites, whilst operations at Geebung and Clayton ceased and were effectively transferred into the Warwick Farm premises.

The key terms and conditions under the IVE Group sale were as follows:

- Headline sale price of \$22.4m (before adjustments), split between a contribution for an initial purchase of property, plant and equipment of \$13.5m and inventory of \$8.9m (which was subject to adjustment at completion).
- Conditional on approval from the ACCC.
- Conditional on continued occupation of a number of leased premises.
- Conditional on obtaining relevant security releases over assets subject to the sale.

Following a voluntary redundancy program, offers of employment were extended to 247 employees primarily located in Ovato's Warwick Farm and Bibra Lake premises. We estimate approximately \$21.0m in employee entitlements and retrenchment claims against Ovato were prevented from crystallising as a result of the IVE Group Sale.

The level of entitlements assumed by the IVE Group was significantly higher than the level of inventory purchased as part of the sale. Consequently, there is a claw back available to IVE Group that is dependent upon the level of surplus funds generated by the collection of pre-appointment debtors and trading during the administration period.

The IVE Group Sale also included a Transitional Services Agreement ("TSA") from completion of the IVE Group Sale to facilitate interim trade on, financial, and administrative support whilst the printing business was integrated into IVE Group's business.

The IVE Group Sale completed on 14 September 2022 with the TSA completing on 14 December 2022.

5.2.4. Platypus Packaging

An asset sale agreement with Platypus Packaging to sell the packaging assets of the Ovato VA Entities was executed on 21 September 2022 and subsequently completed on 29 September 2022.

The key terms and conditions under the sale to Platypus Packaging were as follows:

- Headline sale price of \$2.7m (before adjustments), split between a contribution for purchase of property, plant and equipment of \$1.2m and inventory of \$1.5m, subject to adjustment at completion.
- Conditional on obtaining relevant security releases over assets subject to the sale, and continued access to the Geebung premises to allow sufficient time to remove the assets purchased under the sale

5.3. The Ovato VA Entities' financial position at appointment

5.3.1. Report on Company Activities and Property by the Directors

- Shortly after appointment, we requested the Directors of the Ovato VA Entities to provide a statement about the Ovato VA Entities' business, property, affairs and financial circumstances in the form of a Report on Company Activities and Property ("ROCAP").
- A ROCAP is primarily comprised of two (2) parts being:
 - Part A – a form which details the assets and liabilities of the relevant company
 - Part B – a questionnaire about the history, operations, books and records of the relevant company.
- Part A is lodged with ASIC and is publicly available whereas Part B is a confidential document used by the Administrators to perform their duties.

5.3.2. ROCAP Part A by the Directors

- A ROCAP Part A was provided by the respective Directors for the Ovato VA Entities (refer to **Appendix 2** concerning the directorship of each company) on 9 August 2022 and lodged on ASIC on 12 August 2022.
- A summary of the information contained within the Ovato VA Entities' ROCAP Part A is provided for at **Appendix 5** along with comments from the Administrators.

5.3.3. ROCAP Part B by the Directors

- A ROCAP Part B was provided by the respective Directors of the Ovato Trading Entities (refer to **Appendix 2** concerning the directorship of each company) on 17 August 2022, which has been utilised when conducting investigations and completing this report.

5.3.4. Related party creditors and claims

- In addition to information contained in the ROCAP Parts A and B, we reviewed the Ovato Trading Entities' records (creditor listings, financials statements and other available documentation and correspondence) and spoke with staff to determine the existence and amount of related party claims.
- The following related party intercompany loans have been identified:

Company	Contra Company Name	Status of Contra	FTI Appointed	Balance (\$)*
Ovato Ltd	Ovato Print Cairns Pty Ltd	EXAD	Yes	(855,344.64)
Ovato Ltd	ELIMINATION PMP LIMITED	Deregistered	No	(64,193.76)
Ovato Ltd	Ovato Packaging Pty Ltd	EXAD	Yes	(4,826,726.17)
Ovato Ltd	IPMG Pty Ltd	EXAD	Yes	(52,579,855.22)
Ovato Ltd	Offset Alpine Printing	EXAD	Yes	(1,715,514.51)
Ovato Ltd	Offset Alpine Printing	EXAD	Yes	3,000,000.00
Ovato Ltd	Ovato Finance Pty Ltd	EXAD	Yes	504,345,414.23
Ovato Ltd	Ovato Print Pty Ltd	EXAD	No	(418,515.09)
Ovato Ltd	PAC-RIM PRINTING (ASIA) P/L	Deregistered	No	833.76
Ovato Ltd	PMP ANTILLES LTD	Deregistered	No	54,000.00
Ovato Ltd	PMP PUBLISHING (UK) LTD	Deregistered	No	(445,360.89)
Ovato Ltd	PMP TWO (CAYMAN) LIMITED	Deregistered	No	(6,552.94)

Company	Contra Company Name	Status of Contra	FTI Appointed	Balance (\$)*
Ovato Ltd	PMP TWO (CAYMAN) LIMITED	Deregistered	No	6,552.94
Ovato Ltd	PMP TWO (CAYMAN) LIMITED	Deregistered	No	9,360.00
Ovato Ltd	The Independent Print Media Group Pty Ltd	EXAD	Yes	(2,958,399.00)
Ovato Ltd	Warwick Farm Business Park Pty Ltd	EXAD	Yes	11,514,280.30
Ovato Ltd	Ovato Finance Pty Ltd	EXAD	Yes	107,772.64
Total				455,167,751.65

*A positive figure represents an amount owing and vice versa.

As outlined above, Ovato has an overall net receivable loan position of \$455,167,751.65. Each of the entities are either under external administration (including those within the Ovato Dormant Entities) or have been deregistered. Consequently, we do not expect there to be any recoveries in this regard.

- We are aware of the below related entity creditors which are not part of the Ovato Dormant Entities:

Creditor Name	Note	Amount (\$)	Administrators' Estimate (\$)
SBM Brisbane Pty Ltd	1	9,250.78	9,250.78
SBM Communications Pty Ltd	1	2,699.13	2,699.13
SBM Sydney Pty Ltd	1	21,585.30	21,585.30
Rathdrum Properties Pty Ltd	2	480,541.16	450,835.80
Total		514,076.37	484,371.01

Relationship between each party and the Ovato Trading Entities

1. SBM Brisbane Pty Ltd, SBM Communications, and SBM Sydney Pty Ltd

These entities were listed as related entity creditors by the Directors in their ROCAP Part A. These creditors had provided Ovato with digital catalogues and a variety of printing and packaging services. Michael Hannan (a director of Ovato) is a director of these three (3) companies.

2. Rathdrum Properties Pty Ltd

Rathdrum is the lessor of the Warwick Farm premises in Sydney (Ovato is the lessee) and has submitted a proof of debt in the administration for \$480,541, which relates to unpaid rent (including deferred rent) for the month of July 2022, and property outgoings generally relating to the period including and prior to July 2022.

Our investigations indicate this claim to be valid and the Administrators' estimate takes into consideration any outgoings claimed past the point of the Administrators appointment which would be paid during the course of the Voluntary Administration. Michael Hannan and Lindsay Norman Hannan are Directors, and James Hannan is an Alternate Director for Rathdrum.

6. Investigations, offences and voidable transactions

6.1. Overview – voidable transactions and insolvency

6.1.1. Duty to investigate

The law requires us to investigate and assess whether there appear to be any voidable transactions in respect of which money, property or other benefits may be recoverable by a liquidator under Part 5.7B of the Act.

We have sought to ascertain whether the Ovato VA Entities were insolvent at any particular point in time prior to our appointment as Administrators, in order to determine a point in time from which these provisions may apply.

6.1.2. Relevance of insolvency and liquidation

The ability to challenge voidable transactions and recover money/property for creditors is contingent on two elements:

- The Ovato VA Entities being placed into liquidation, and
- A liquidator being able to establish that the Ovato VA Entities were insolvent at the time they entered into any particular transaction, or that the Ovato VA Entities became insolvent as a consequence of that transaction.

6.1.3. Approach to solvency analysis

All companies within the Ovato VA Entities and Ovato New Zealand are subject to a Deed of Cross Guarantee (“DOCG”), which means each entity that is a party to the DOCG is jointly liable for the debts incurred by other parties to the Deed. Further, we note there is a common director on the board of each of the Ovato VA Entities (James Hannan is a common director of all of the Ovato VA Entities), and therefore the Directors of the subsidiaries would have had knowledge of the solvency position of the parent company, Ovato. Accordingly, our analysis has been conducted on a consolidated entity basis to assess the likely date of insolvency.

For the purposes of assessing the likely date of insolvency, our analysis has been focussed on the period from January 2021 onwards due to the following:

- This is the period immediately after implementation of the Schemes which had been approved by Ovato’s members, creditors, and the Court on the basis that it would prevent the Group from becoming insolvent. Therefore, we have assumed that the Group was solvent as a result of and immediately following implementation of the Scheme.
- Under the *Coronavirus Economic Response Package Omnibus Act 2020* directors of all companies were provided with temporary protection from insolvent trading as a legislative support mechanism implemented during the COVID pandemic. This legislation meant that directors would be protected from claims for insolvent trading if they incurred a debt in the ordinary course of business whilst this legislative protection existed, and their companies subsequently entered liquidation at a later date. This legislative protection was removed from 1 January 2021 which coincides with the time period analysed.

- We note that the legislative protection did not extend the offence for insolvent trading under s588G(3) which applies in circumstances where a director suspects that the company is insolvent or may become insolvent by incurring the debt and the director's failure to prevent the company incurring the debt was dishonest. Our investigations to date have not indicated that offences under s588G(3) may have been committed.

6.1.4. Work performed

We have made enquiries into the financial affairs of the Ovato VA Entities. In this section, we set out our preliminary views and findings about:

- offences that may have been committed;
- the solvency position of the Ovato VA Entities;
- existence of voidable transactions including unfair preferences/loans, uncommercial transactions, arrangements to avoid employee entitlements, and unreasonable director related transactions;
- charges that may be voidable; and
- whether there is the prospect of a claim for insolvent trading.

Please note the investigations we have undertaken are only indicative of the actions that may be possible in the event of liquidation and provide no likelihood of our success nor actual quantum of recoverability. In the event of a liquidation, further analysis and investigations would be required before any actions are undertaken.

6.2. General information and considerations

6.2.1. Date of insolvency

In order to ascertain if there were any insolvent transactions entered into by a company, it is first necessary to determine the date a company became insolvent.

Proving the date on which a company became insolvent is an essential element of recovery actions with respect to unfair preferences, uncommercial transactions and insolvent trading.

Recovery actions require the liquidator to prove that the particular company was insolvent at the time of the transaction, or in the case of an insolvent trading action, when the debt was incurred.

Our key workings and other analysis are contained in **Appendix 3**. In **Appendix 3**, we have also included some general comments and information about recoveries via voidable transactions, insolvent trading and other generally accepted indicators of insolvency.

The summary of our findings and views on the Ovato VA Entities' solvency position is provided below in **Section 6.3 and Appendix 3**.

6.2.2. What is insolvency?

Solvency is defined in section 95A of the Act as when a company is able to pay all its debts as and when they become due and payable. A company which is not solvent is insolvent.

Whether a company is able to meet its debts as they become due is essentially a "cash flow" test rather than a "balance sheet" test (although a company's balance sheet position is still relevant).

Consideration of the entire financial position of a company is required to establish if it is insolvent at a particular date. This includes factors such as the value of the company's assets relative to its liabilities and the nature of these assets and liabilities. Also, the extent to which cash is expected to be generated from future trading activities, or available from alternative sources is relevant to considering a company's solvency position.

6.2.3. General and commercial considerations

Proving insolvency is often a complex exercise and usually involves considerable time and expense in thoroughly investigating all aspects of claims. Legal advice on the merits of claims is generally required.

Typically, insolvent trading claims are defended and directors may seek to rely on the statutory defences available to them.

Legal proceedings are often necessary for liquidators to pursue claims. This adds to the time and costs involved in pursuing claims. There is also inherent uncertainty involved with any litigation. As a result, commercial considerations are relevant, including whether the amount of the claim is large enough to pursue on a cost and risk/benefit basis.

The capacity of a party to pay any successful claim to a liquidator is also a relevant consideration in determining whether pursuing an action is likely to be in the interest of creditors.

Liquidators may not have funds to pursue actions. At other times, the liquidator may view the risks/benefits of pursuing an action not to be in the interest of creditors (for example, in cases where pursuing an action would use up the available cash/assets when otherwise a small dividend to creditors could be paid). In these circumstances, it is possible a creditor or a litigation funder may wish to fund an action to pursue a claim. This typically occurs only when there is a very strong case and high prospect of success.

6.2.4. Creditors' information sheet and other explanations

Provided at **Appendix 4** is an information sheet to assist creditors in understanding potential offences under the Act, recoverable transactions and insolvent trading.

Creditors should read this information in conjunction with our comments in this section of the report.

6.3. Insolvency and liability for insolvent trading

6.3.1. Summary of findings and estimated date of insolvency

Our preliminary analysis suggests the Group may have been insolvent shortly after the finalisation of the Scheme, from around February 2021, and remained insolvent to the time of our appointment on 21 July 2022.

We summarise the key findings from our investigations into the Group's solvency position as follows:

- Ovato faced cash flow and working capital pressures in the months shortly after the Scheme;
- One of the factors contributing to the cash flow and working capital pressures following the Scheme was that major trade suppliers placed Ovato on cash on delivery payment terms. We understand this was partly as a consequence of those suppliers' inability to obtain trade credit insurance to supply Ovato. Although options were explored to improve trading terms, we understand there was no material improvement in this position prior to the appointment of Administrators;

- The Group's performance continued to be adversely impacted by the decline in demand for traditional print services as a result of structural industry changes which were exacerbated and/or accelerated by the impacts of COVID-19;
- The Group's profitability and liquidity issues were negatively impacted by its high fixed cost base including onerous leases and unused plant and equipment subject to financing arrangements, which were unable to be compromised and/or reduced in line with the decline in revenue;
- The Group was reliant on several business sale transactions to relieve short-term liquidity pressures however these transactions did not provide a permanent or longer-term solution to the Group's balance sheet stress and continued loss-making position;
- The Group's forecast cash flows prepared in early 2021 indicated it may experience a liquidity shortfall by May/June 2021 without the sale of Residential Distribution Australia and Marketing Services Australia businesses which ultimately occurred in July and August 2021 respectively;
- The Group's financial ratios (current and quick ratios, as adjusted) were the lowest at any point from January 2021 onwards, and did not return to above 1 at any point before the appointment of Administrators;
- Ovato's debt to the ATO increased rapidly during the period April 2021 to July 2021 – however, the ATO debt was subsequently brought back into normal trading levels following the sale of the Marketing Services Australia business;
- The Group approached its major shareholders shortly after implementation of the Scheme for further funding, however none of the shareholders were willing to provide additional funding at that time or in period leading to our appointment;
- The Group explored options for a recapitalisation and/or sale of the Group, however this did not result in any formal proposals or a transaction which could be executed, and would ultimately improve the solvency position of the Group beyond the short-term.
- The Ovato Directors engaged Wexted Advisors ("Wexted") to provide Safe Harbour advice from April 2021, a requirement of which is to suspect a company's financial distress. The Ovato Directors sought safe harbour protection from April 2021 until the appointment of the Administrators;

Further analysis to support this view can be found at **Appendix 3**.

6.3.2. Preliminary view on liability for insolvent trading

At the outset, we note the Directors of Ovato sought Safe Harbour Advice from around April 2021 to the date of our appointment. The Safe Harbour provisions are discussed below. If the Directors of Ovato were eligible for Safe Harbour protection at the time of incurring Ovato's debts (which remain unpaid at appointment), then the Ovato Directors could be protected from an insolvent trading claim by a liquidator.

We have considered the period from February 2021 to April 2021 to determine if there were any debts incurred prior to the engagement of Wexted as Safe Harbour advisors which remain unpaid at the date of appointment which may form part of an insolvent trading claim. However, our preliminary review has not identified any debts incurred within this period which remain unpaid at the date of the appointment of Administrators.

In the event of liquidation, further work would be performed regarding the solvency position of the Group to confirm our preliminary investigations (and therefore the potential liability) which could involve a public examination of the Directors and Officers of the Company.

Creditors should refer to **Appendix 3 and 4** for additional information on insolvency and pursuing insolvent trading claims generally.

Safe Harbour

Directors have a duty to prevent a company trading whilst insolvent and may be found personally liable for debts the company incurs when there were reasonable grounds to suspect the company was insolvent.

Directors can, however, be availed of personal liability for insolvent trading if the company is undertaking a restructuring plan which is reasonably likely to result in a better outcome than immediately placing the Company into external administration. This process and protection is referred to as safe harbour.

The Directors of Ovato engaged Wexted Advisors in early April 2021 as Corporate Structuring Advisors (“CSAs”) to assist in developing and overseeing the implementation of a Safe Harbour Plan for Ovato pursuant to Section 588GA of the Act. Consequently, it is possible the Ovato Directors have the ability to claim protection from insolvent trading from this time.

We have obtained and reviewed copies of the Safe Harbour reports provided to the Ovato Directors by Wexted and conducted a limited scope assessment against the eligibility criteria required to claim Safe Harbour protection.

The eligibility requirements for safe harbour protection and our preliminary view on whether the criteria have been met based on our limited scope review of the Safe Harbour reports are set out in the below table:

Safe harbour eligibility criteria	Criteria met?	Reference
Are the directors properly informing themselves of the Company’s financial position?	Yes	s.588GA(2)(a)
Are the directors taking appropriate steps to prevent any misconduct by officers or employees of the Company that could adversely affect the Company’s ability to pay all its debt?	Unknown – not addressed in safe harbour reports	s.588GA(2)(b)
Are the directors taking appropriate steps to ensure the Company is keeping appropriate financial records consistent with the size and nature of the Company?	Yes	s.588GA(2)(c)
Are the directors obtaining advice from an appropriately qualified entity who was given sufficient information to give appropriate advice?	Yes	s.588GA(2)(d)
Are the directors developing or implementing a plan for restructuring the Company to improve its financial position?	Yes	s.588GA(2)(e)
Has the Company met and continues to meet its employee entitlement obligations? This includes wages, leave entitlements and superannuation	No – refer below regarding underpayment of wages	s.588GA(4)(a)(i)

Safe harbour eligibility criteria	Criteria met?	Reference
Has the Company complied and continues to comply with its tax reporting obligations? Includes returns, notices, statements, applications or other documents as required by taxation laws (within the meaning of the <i>Income Tax Assessment Act 1997</i> (Cth))	Yes	s.588GA(4)(a)(ii)

In respect of the requirement of Ovato to meet its employee entitlements pursuant to s.588GA(2)(a)(I), following the Administrators' review of pay rates for employees, it was found that pay rates for a number of Ovato employees was not in accordance with the Ovato 2020 Enterprise Agreement which meant these employees were underpaid for the period from November 2020 to July 2022. However, the total amount of underpayment across this period (20 months) totalled \$51.5k across 40 employees. In the context of the overall wage bill, this amount is not considered material.

We note the following regarding the underpayment of wages outlined above:

- An underpayment of wages indicates the Directors may not be eligible for Safe Harbour protection pursuant to s.588GA(4)(a)(i) of the Act;
- The timeframe for the underpayment of wages we have identified coincides with the period during which the Directors sought Safe Harbour advice following implementation of the Scheme, and therefore may affect the eligibility of the Safe Harbour protections against insolvent trading claims for the Directors;
- The total value of wages we have identified which were not paid because of the incorrect rates is not considered material compared to the total value of wages paid over this period. However, it may be that this underpayment is sufficient to preclude safe harbour relief if it is "less than substantial compliance" with the obligation to pay employee entitlements by the time they fall due or is one of 2 or more failures by Ovato to do so;
- We understand the Safe Harbour advisors, Wexted, had reviewed various records relating to employee payments including and did not identify any issues which indicated the Directors of Ovato would not be in compliance with s.588GA(2)(a)(I) of the Act.

Additionally, we note the Safe Harbour reports do not appear to address whether the Directors took steps to prevent misconduct of Ovato's officers and employees which could adversely affect Ovato's ability to pay all its debts.

Our investigations into the Director's ability to successfully claim Safe Harbour protection from insolvent trading are not finalised. Our analysis to this point has been based upon the information and documents that are presently available to us. Further assessment and investigation of the Directors' compliance with the Safe Harbour performance criteria will be undertaken in liquidation and will likely require legal advice.

6.3.3. Directors' capacity to pay claims by a liquidator

We have requested statements of assets and liabilities from the Directors to assist in our investigations. The Directors are yet to provide documentation outlining their asset and liability position.

Additionally, title and property searches have been conducted on RP Data to identify any assets held solely or directly by the Directors in Australian states and territories which indicate that at least some of the Directors own real property assets.

Further investigations will be required to determine both the quantum of any possible insolvent trading claim and the commerciality of pursuing such a claim, which will include an assessment of the defences to the insolvent trading claim which may be available to the Directors.

We note that any claim of this nature is likely to be vigorously defended by the Directors, particularly given the protection they sought with regard to Safe Harbour from April 2021 onwards.

6.4. Other Potential Breaches of Directors' Duties

In addition to having a duty to prevent insolvent trading pursuant to section 588G of the Act, directors have the following duties to the Group:

- Section 180 – Act with care and diligence
- Section 181 – Act in good faith
- Section 182 – Use of position
- Section 183 – Use of information

Our preliminary investigations indicate the Directors may have breached their duties with regards to sections 180 and 181 of the Act regarding two transactions entered into with Opus (“Opus Transactions”) shortly before the appointment of Administrators which are summarised below:

Date	Value (\$)	Comment
15 June 2022	2.5m	Ovato issued an unsecured convertible note to Opus with a maturity date of 25 November 2023. The notes could be converted to equity at the election of Opus prior to maturity, but were not converted prior to the appointment of the Administrators.
16 June 2022	3.1m	Ovato obtained an additional unsecured loan from Opus pursuant to an agreement to novate various plant and equipment leases from HP Financial Services (the existing lessor) from Ovato (the initial lessee) to Opus (the substituting lessee). As part of this arrangement, Opus advanced a sum of \$3.1m to Ovato, and Ovato agreed to pay the lease liabilities to HP Financial Services over the remaining term of the lease agreement (effectively on behalf of Opus). No payments were made to HP Financial Services under the arrangement and the debt remained outstanding as at the appointment of the Administrators. Consequently, Opus retained the liability to HP Financial Services, notwithstanding it had already paid the amount owing under the leases to Ovato.
Total	5.6m	

In this regard, we note the following:

- The Opus Transactions were entered into approximately five weeks before our appointment;
- The Opus Transactions placed further debt burden on Ovato at time when the Group was clearly in financial distress and likely to be insolvent;
- The Directors of Ovato would have reasonably known of the Group's financial distress at the time the Opus Transactions were entered into;
- The Directors of Ovato had duties to act with care and diligence, and in good faith and for proper purpose, and, in doing so, ought to have considered the impact the Opus Transactions would have had on the Group and considered the interests of creditors.

Our investigations into the Opus Transactions and potential breach of Directors duties, including whether it is commercial to pursue the Directors for a claim relating to a breach of their duties, will be undertaken in liquidation.

We highlight that the Directors of Ovato have written to the Administrators denying the potential breaches of director duties referred to above and advised that any subsequent proceedings will be vigorously defended.

6.5. Directors and officers insurance policy

A Directors and Officers insurance policy ("**D&O Policy**") offers liability cover for company officers to protect them from claims which may arise from the decisions and actions taken within the scope of their regular duties. Such policies cover the personal liability of company directors and officers.

At the date of our appointment, Ovato held a D&O Policy. The terms of the D&O Policy are confidential and so cannot be disclosed in this report.

The extent to which claims could be brought and which may be covered by the D&O Policy will be subject to further investigation should the creditors elect to place Ovato into liquidation at the upcoming meeting of creditors, in particular the conditions, limits and period of cover. To preserve the position, we have already put the insurer on notice of certain potentially claimable events.

6.6. Potential claim against auditor

Based on our investigations to date, there are a certain aspects of the Group's financial statements which require investigation to determine if the Group's auditor fully complied with their obligations under Australian Auditing Standards.

We would need to undertake substantial further investigation to assess the merits of bringing a claim for damages against the auditor.

Creditors should note that formal legal proceedings are costly and are subject to significant uncertainty; such a claim could take a number of years to reach a conclusion.

6.7. Voidable transactions

Below are our preliminary findings in relation to potential recoveries from voidable transactions of the Ovato VA Entities in a liquidation scenario, including our view on the likelihood of substantiated and supportable claims. Where applicable, we have included our estimate of possible recoveries along with any other pertinent information.

For general information explaining these matters, including a list of applicable offences, please refer to **Appendix 4**.

Area	Our view	Comments
Unfair preferences	Possible claims	We have reviewed the payments made by Ovato during the period leading up to appointment, taking into account the potential date of insolvency. Our investigations indicate potential preferential payments made to the Office of State Revenue New South Wales totalling \$478k. Further investigation into the potential strengths of this claim, and the existence of other preferential payments will be undertaken in liquidation.
Uncommercial transactions	No claims identified	We are not aware of any potential uncommercial transactions that would likely result in property being recovered for the benefit of creditors.
Unfair loans	No claims identified	We are not aware of any potential unfair loans that would likely result in property being recovered for the benefit of creditors.
Unreasonable payments to directors	No claims identified	Our investigations to date have not found any evidence of unreasonable payments to directors.
Related entity benefit	No claims identified	Our investigations to date have not revealed any transactions with related entities that would likely result in property being recovered for the benefit of creditors.
Arrangements to avoid employee entitlements	No claims identified	Our investigations to date have not revealed the existence of any such arrangements.
Voidable charges	No claims identified	Our investigations have not yet revealed any charges or registered security interests that would be void against a liquidator.
Offences by directors	Possible claims	As outlined in the above section, based on our preliminary investigations, the Directors may have breaches their duties with regard to: — Section 588G – Duty to prevent insolvent trading — Section 180 – Act with care and diligence — Section 181 – Act in good faith

6.8. Disclosures: effect on employees

6.8.1. Effect on employees – liquidation

Position as priority creditors

- Employees are afforded a priority in the winding up of a company compared to ordinary unsecured creditors. The order of priority for typical employee claims is as follows:
 - Amounts due in respect of wages, superannuation and superannuation guarantee charge outstanding as at the date of the appointment of Administrators, followed by
 - Amounts due in respect of leave of absence and other amounts due under the terms of an industrial instrument, followed by
 - Retrenchment payments (redundancy and any payment in lieu of notice).

Return to employees if the Ovato Trading Entities are wound up

- **Section 7** includes details about the estimated return to creditors if the Ovato VA Entities are wound up and a liquidator is appointed.

Government assistance available if the Ovato Trading Entities are wound up

- If there are insufficient funds available to employees from the Ovato VA Entities' property, eligible employees may be entitled to lodge a claim for their unpaid entitlements under the Federal Government's FEG Scheme.
- In this regard, as Administrators, we successfully applied to the Minister for Workplace Relations, pursuant to s49 of the FEG Act, for early access to the FEG scheme for those employees who were made redundant following the sale transactions with IVE Group and Platypus Packaging. To date, FEG has paid the majority of amounts for outstanding entitlements to those employees who were made redundant during the Administration period.
- Details about FEG can be read at: <https://www.employment.gov.au/fair-entitlements-guarantee-feg>.
- The FEG Scheme will not contribute for outstanding superannuation.

7. Estimated return to creditors

7.1. Administrators' estimated statement of position – Ovato Trading Entities

Below is an estimated statement of position for the Ovato Trading Entities

		Ovato		Ovato Packaging		Ovato Print Cairns	
AUD\$	Notes	Low return	High return	Low return	High return	Low return	High return
Non-Circulating Assets							
Asset sale proceeds	1	14,700,000	14,700,000	Nil	Nil	Nil	Nil
Bank guarantees (net of costs)	2	Unknown	Unknown	Nil	Nil	Nil	Nil
Less: Secured creditor claims	3	(30,478,576)	(30,478,576)	Nil	Nil	Nil	Nil
Shortfall from Non-Circulating Assets		(15,778,576)	(15,778,576)	Nil	Nil	Nil	Nil
Circulating Assets							
Cash at bank at appointment	4	3,059,635	3,059,635	29,633	29,633	Nil	Nil
Asset sale proceeds	5	527,407	527,407	Nil	Nil	Nil	Nil
Surplus from pre-appointment debtors	6	10,698,320	10,698,320	Nil	Nil	Nil	Nil
Claims available to Liquidator							
Voidable transactions	7	239,353	382,964	Nil	Nil	Nil	Nil
Insolvent trading claims	8	Nil	Unknown	Nil	Unknown	Nil	Unknown
Available funds before costs		14,524,715	14,668,326	29,633	29,633	Nil	Nil
Costs							
Estimated trading position (subject to IVE claw back)	9	(8,219,598)	(6,913,694)	50,000	50,000	Nil	Nil
Legal fees	10	(600,000)	(200,000)	Nil	Nil	Nil	Nil
Administrators' remuneration and disbursements	11	(3,166,527)	(3,111,527)	(77,529)	(75,029)	(73,746)	(71,246)
Liquidators' remuneration and disbursements	12	(750,000)	(400,000)	(20,000)	(10,000)	(20,000)	(10,000)
Estimated costs (subject to IVE claw back)		(12,736,125)	(10,625,220)	(47,529)	(35,029)	(93,746)	(81,246)

Available to priority creditors (subject to IVE claw back)	13	1,788,589	Unknown	Nil	Nil	Nil	Nil
Priority Creditors							
Wages & superannuation	14	(516,616)	(516,616)	(27,037)	(27,037)	(15,251)	(15,251)
Leave entitlements	14	(5,507,755)	(5,507,755)	(199,293)	(199,293)	(101,996)	(101,996)
Redundancy & payment in lieu of notice (PILN)	14	(9,532,128)	(9,532,128)	(487,187)	(487,187)	(74,190)	(74,190)
Total Priority Claims		(15,556,499)	(15,556,499)	(713,517)	(713,517)	(191,436)	(191,436)
Surplus of circulating assets available to unsecured creditor		Nil	Nil	Nil	Nil	Nil	Nil
Surplus available to DOCG creditors	15	Nil	Nil	Nil	Nil	Nil	Nil
Unsecured Creditors							
Secured creditor shortfall	16	(15,778,576)	(15,778,576)	(15,778,576)	(15,778,576)	(15,778,576)	(15,778,576)
Unsecured creditors (unrelated)	17	(23,783,223)	(21,621,111)	(23,783,223)	(21,621,111)	(23,783,223)	(21,621,111)
Unsecured creditors (related party)	18	(484,371)	(484,371)	(484,371)	(484,371)	(484,371)	(484,371)
Total unsecured claims		(40,046,170)	(37,884,059)	(40,046,170)	(37,884,059)	(40,046,170)	(37,884,059)

7.2. Notes to estimated statement of position

1. Asset sale proceeds (non-circulating)

As discussed in **Section 5.2**, the sale processes undertaken by the Administrators resulted in asset sales being entered into with the IVE Group and Platypus Packaging. Consideration under both sales were split between proceeds for plant & equipment (non-circulating asset) and inventory (circulating asset).

The plant and equipment sale proceeds for the IVE Group sale and the Platypus Packaging sale were \$13.5m and \$1.2m respectively.

2. Bank guarantees

Ovato provided a total of six bank guarantees to various lessors of premises it leased. Of these bank guarantees, three have been conceded or claimed due to Ovato's outstanding obligations under the respective leases. There is the potential for recovery outcomes from the remaining three bank guarantees, which are reliant upon collection of sub-tenant rental income, and the outcome of ongoing commercial negotiations with respect to the exit from the premises.

Property	Landlord	Bank guarantee headlease (\$)	Possible recovery (Low) (\$)	Possible recovery (High) (\$)
Moorebank, NSW	Goodman	7,600,000	Unknown	Unknown
Clayton, VIC	EQT Structured Finance	4,926,361	Unknown	Unknown
Wacol, QLD	Madad Investments	1,020,102	Unknown	Unknown
Hendra, QLD	Goodman	150,881	Nil	Nil
Pymont, NSW	Foxtel (Sub lessor)	383,310	Nil	Nil
Bibra Lake, WA	WA Limestone	814,682	Nil	Nil

3. Secured creditor claims

Secured creditor claims (excluding Scottish Pacific) disclosed relate to the below identified creditors.

Secured Creditors: Ovato

Creditor	Amount (\$)
Commerzbank	21,328,733
Opus	9,149,843
Total secured claims	30,478,576

Commerzbank held security over the printing presses located at Ovato's leased premises in Clayton and Warwick Farm. Commerzbank has also registered a general security interest over Ovato in March 2021.

Opus held security over a substantial number of specified assets owned by Ovato.

4. Cash at bank at appointment

Cash at bank at appointment was cash held in Ovato's and Ovato Packaging's bank accounts only at 21 July 2022. Ovato Print Cairns and the Ovato Dormant Entities did not have any cash at bank at appointment.

5. Asset sale proceeds (circulating)

As discussed in **Section 5.2**, the sale processes undertaken by the Administrators resulted in asset sales being entered into with the IVE Group and Platypus Packaging. Consideration under both sales were split between plant and equipment (non-circulating asset) and inventory (circulating asset).

IVE Group Sale

Under the IVE Group sale, a purchase price of \$8.9m was allocated for Ovato's inventory. The inventory purchase price was to be reduced by:

- The actual inventory on hand at the date of completion; and
- The value of employee entitlements assumed by IVE Group.

Under the sale agreement, the purchase price payable at completion could be reduced by up to \$500k. There is then a clawback available to IVE in the event the shortfall exceeds \$500k, dependent upon the surplus generated after trading and the collection of pre-appointment debtors.

Based upon the level of entitlements assumed by IVE Group, the inventory shortfall was in excess of \$500k and consequently, the sale proceeds received at completion were reduced by \$500k and the clawback to IVE becomes available.

As mentioned in **Section 5.2.3**, we estimated c. \$21.0m in employee entitlements and retrenchment claims against Ovato were prevented from crystallising as a result of the IVE Group Sale.

Platypus Packaging Sale

Under the Platypus Packaging sale, a purchase price of \$1.5m was allocated for Ovato's inventory. The inventory purchase price was to be adjusted by:

- Adding or subtracting amounts above or below \$1.5m based on an inventory stocktake at completion; and
- Subtracting the value of any employee leave assumed by Platypus Packaging.

Based on the completion stocktake, there was a negative adjustment to the purchase price as shown below and no employee leave was assumed.

Ovato Packaging: Asset Sale Proceeds - Platypus Packaging	
Circulating assets	(\$)
Inventory Payment	1,500,000
Inventory Payment (adjustment)	(472,593)
Less: Adjusted Leave Entitlements	-
Total	1,027,407

6. Surplus from pre-appointment debtors

At appointment, the Ovato had outstanding debtors of c.\$26.1m. The debtors were secured by Scotpac under its debtor factoring facility with a balance outstanding of c. \$15.5m at appointment. The Administrators have collected pre-appointment debtors of \$26.1m and the Scotpac pre-appointment facility has been repaid.

The surplus from the pre-appointment debtors as summarised below collectively, and by entity:

Surplus from pre-appointment debtors: Ovato	Ovato (\$)
Non-circulating assets	
Pre-appointment debtors (subject to specific security)	26,160,491
Less: Pre-appointment Scotpac invoice finance facility	(15,462,171)
Surplus from pre-appointment debtors (circulating)	10,698,320

7. Voidable transactions

These potential claims are only available once the Ovato Trading Entities are placed into liquidation. See **Section 6.7** for further detail.

8. Insolvent trading claims

In a low scenario we assume the Directors of Ovato will establish valid safe harbour protection and be protected from and insolvent trading claim.

In a high scenario it is possible our future investigations determine the Directors of Ovato are not eligible to invoke Safe Harbour protection from insolvent trading, in which case the commercial merits of pursuing an insolvent trading claim will be evaluated.

Based on our investigations undertaken to date, it is unclear whether any recovery of an insolvent trading may be available for creditors.

9. Estimated trading position

We have considered low and high scenarios of our projected trading position. The trading position considers the actual (and forecast) cash inflows and outflows which relate to the period following our appointment on 21 July 2022 to 28 February 2023. This includes an estimate of the claw back available to IVE Group under the sale agreement.

10. Legal fees

Anticipated legal fees which may be incurred in the liquidation of the Ovato Trading Entities.

11. Administrators' remuneration and disbursements

The Administrators' actual and estimated remuneration to conduct the Voluntary Administration to the second meeting of creditors. Remuneration of the Administrators of Ovato totalling \$2,473,418 for the period 21 July to 31 October 2022 (inclusive) has been approved by the Committee of Inspection and drawn by the Administrators, leaving \$787,291 of remuneration of the Voluntary Administrators of the Ovato Trading Entities to be approved at the upcoming meeting. Please refer to the Administrators Remuneration Approval Reports for each of the Ovato Trading Entities at **Appendix 6** for further information. The Administrators are not seeking remuneration approval for the Ovato Dormant Entities at this stage.

12. Liquidators' remuneration and disbursement

Estimated remuneration of the Liquidators to undertake the liquidation of the Ovato Trading Entities. Please refer to the Remuneration Approval Reports for each of the Ovato Packaging and Ovato Print Cairns at **Appendix 6** for further information on liquidation fee approval sought.

Liquidation fee approval for Ovato will not be sought at the second meeting of creditors. Fee approval for the liquidation of Ovato will be sought from the COI, or the general creditor body, at a later time. However, for the purposes of providing an estimated return to creditors, we have provided a preliminary estimate of liquidators' remuneration for Ovato. We note the liquidators' fees shown is an estimate only and may be materially different due to, inter alia, the time required to pursue additional recoveries for the benefit of creditors.

13. Surplus available to priority creditors

The quantum of surplus available to priority creditors is subject to both the final trading position and calculation of the claw back under the sale to IVE Group, and therefore is unknown in the high scenario.

14. Priority employee creditor claims

Estimated priority employee creditor claims against the Ovato Trading Entities which includes:

- \$51k of outstanding wages and \$506k of outstanding superannuation including interest charges. The unpaid superannuation is represented by \$267k of outstanding superannuation (including interest charges) for July 2022, and \$239k of superannuation related to payment in lieu of notice claims.
- \$5.8m of leave entitlements including annual leave, long service leave, and vesting sick leave (where applicable).
- \$10.1m of retrenchment entitlements arising due to the termination of employment for staff during the Voluntary Administration.

Priority employee claims are afforded a priority of payment ahead of ordinary unsecured creditors in accordance with Section 556 of the Act. Each tier of employee entitlement must be paid out in full before the next tier of priority claim is paid.

For any amounts of employee claims paid out via the FEG Scheme, FEG will stand in the place of the employee for any future distributions.

15. Surplus available to Deed of Cross Guarantee creditors

As mentioned in **Section 6.1.3**, the Ovato VA Entities are subject to a DOCG. Due to the existence of a DOCG, unsecured creditors of each of the Ovato VA Entities would be entitled to participate in a distribution of funds to unsecured creditors from each other to the extent there are any funds available.

16. Secured creditor shortfall

Any outstanding amounts owed to secured creditors after the realisations of assets subject to their security form an unsecured claim against the Ovato Trading Entities.

17. Unsecured creditors (unrelated)

The high scenario presents estimated unsecured creditor claims based on company records and proofs of debt received to date. The low scenario assumes a 10% increase in creditor claims. We note the Ovato VA Entities are all subject a DOCG and therefore unsecured creditors will have claims across each of the Ovato VA Entities.

18. Unsecured creditors (related party)

Refer to **Section 5.3.4.**

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7.3. Summary of estimated returns

Below is a summary of the estimated returns to priority creditors and unsecured creditors in the liquidation. Estimated returns are presented on a cents in the dollar (cents/\$) basis.

Ovato	Liquidation	
Summary of Estimated Returns	Low Return (cents/\$)	High Return (cents/\$)
Priority Creditors: Wages & Superannuation	100.0	100.0
Priority Creditors: Leave Entitlements	23.1	Unknown
Priority Creditors: Redundancy & PILN	Nil	Unknown
Unsecured Creditors	Nil	Unknown

Ovato Packaging	Liquidation	
Summary of Estimated Returns	Low Return (cents/\$)	High Return (cents/\$)
Priority Creditors: Wages & Superannuation	Nil	Nil
Priority Creditors: Leave Entitlements	Nil	Nil
Priority Creditors: Redundancy & PILN	Nil	Nil
Unsecured Creditors	Nil	Nil

Ovato Print Cairns	Liquidation	
Summary of Estimated Returns	Low Return (cents/\$)	High Return (cents/\$)
Priority Creditors: Wages & Superannuation	Nil	Nil
Priority Creditors: Leave Entitlements	Nil	Nil
Priority Creditors: Redundancy & PILN	Nil	Nil
Unsecured Creditors	Nil	Nil

Please refer to **Section 2.2** for key factors which may influence the size of the return to creditors and likely timing.

7.4. Estimated returns – Ovato Dormant Entities

We have not identified any assets or voidable transactions for the Ovato Dormant Entities. Accordingly, we do not foresee any return to any class of creditors of the Ovato Dormant Entities.

7.5. Administrators receipts and payments

A summary of receipts and payments for the Ovato Trading Entities since the date of our appointment to 5 March 2023 is attached at **Schedule F** of the appropriate remuneration report, all of which are located at **Appendix 6**.

7.6. Estimated timing of payments to creditors

An indicative range of the estimated timing of dividends to each class of creditor of Ovato is set out below. There will be no return to creditors of Ovato Packaging, Ovato Print Cairns, or the Ovato Dormant Entities:

Summary of Estimated Timing of Returns: Ovato	
Secured creditors	3 – 9 months
Priority employee creditors	3 – 9 months
Unsecured Creditors	N/A

Please refer to **Section 2.2** for key factors which may influence the size of the return to creditors and likely timing.

For priority employee employees applying for outstanding employee entitlements through FEG in a Liquidation, the above referenced timeframe relates to distributions to priority creditors including FEG (who also will become a priority creditor for any entitlements it pays to you).

The time for FEG to review, approve, and pay entitlements will be determined by FEG's processing timeframes. We note that FEG has been an active stakeholder during the Administration to date and we will continue to work with FEG to ensure employee entitlement data is provided to FEG as soon as possible.

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8. Administrators' opinion and recommendation

8.1. Opinion and recommendation to creditors

8.1.1. What creditors can decide at the meeting

At the second meeting of creditors, creditors are required to decide whether:

- The Ovato Trading Entities should execute a DOCA;
- The administration of the Ovato Trading Entities should end; or
- The Ovato Trading Entities should be wound up.

In accordance with the requirements of Section 75-225 of the Insolvency Practice Rules (Corporations) 2016, the Administrators must provide an opinion on each of the above options, and whether the option is in the creditors' interests.

8.1.2. Administrators' opinions on the options available to creditors

Execution of a deed of company arrangement

As no DOCA has been proposed, creditors cannot resolve to accept a DOCA at this time. Therefore, we do not consider it would be in the creditors' interests for the Ovato VA Entities to execute a DOCA.

It remains an option for creditors to consider whether they may wish to adjourn the forthcoming meeting of creditors to allow time for a DOCA proposal to be submitted.

The Administration comes to an end

If the creditors vote for this alternative, control of the Ovato VA Entities would revert to the directors following the forthcoming meeting of creditors.

The Ovato VA Entities are insolvent with no cash to pay debts and no confirmed prospects of obtaining external funding. Therefore, we do not consider that it would be in the creditors' interests for the administration to end.

The Ovato VA Entities are wound up

Absent the other options being viable alternatives, **we consider that it would be in the creditors' interests for the Ovato VA Entities to be wound up.**

The Ovato VA Entities are insolvent. We have not been provided with a proposal for a DOCA for consideration and it is not appropriate that the administration ends for the reasons noted above.

8.1.3. Administrators' opinion on voidable transactions

It is the opinion of the Administrators there are payments made by the Ovato VA Entities which could be considered voidable as against the liquidators. Refer to **Section 11.5.**

8.1.4. Contact Details

Should you have any queries, please contact this office by email at Ovato_Creditors@fticonsulting.com or by phone on (02) 8247 8000.

Dated: 13 March 2023



Chris Hill

Administrator



Ben Campbell

Administrator



Ross Blakeley

Administrator

OVATO CREDITORS

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9. Appendix 1 – Glossary and terms of reference

Item	Definition
the Ovato Trading Entities	Ovato Limited Ovato Packaging Pty Ltd Ovato Print Cairns Pty Ltd
Ovato Limited	Ovato
Ovato Packaging Pty Ltd	Ovato Packaging
Ovato Print Cairns Pty Ltd	Ovato Print Cairns
the Ovato Dormant Entities	The non-trading entities listed in Appendix 8
The Ovato VA Entities	The Ovato Trading Entities and the Ovato Dormant Entities
Ovato NZ	Ovato NZ Limited and its subsidiaries identified in Appendix 7
the Ovato Group or the Group	The Ovato Trading Entities, the Ovato Dormant Entities, and Ovato NZ
Act	Corporations Act 2001 (Cth)
ALL PAAP	All Present and After Acquired Property
ASIC	Australian Securities and Investments Commission
DOCA	Deed of company arrangement
DIRRI	Declaration of independence, relevant relationships and indemnities
ROCAP	Report on Company Activities and Property
PPSR	Personal Property Securities Register
ATO	Australian Taxation Office (incorporating the Deputy Commissioner of Taxation, as applicable)
ERV	Estimated realisable value
NPAT	Net profit after tax
GST	Goods and Services Tax, as applicable in Australia
EBIT / EBITDA	Earnings before interest and tax / Earnings before interest, tax, depreciation and amortisation
Management	The senior officers, employees and advisors of the Ovato Trading Entities
YTD	Year to date
FY20, FY21, FY22, FY23	Financial years ended/ending 30 June 2020, 30 June 2021, 30 June 2022 and 30 June 2023
Date of appointment	21 July 2022

c.	Circa
NPAT	Net Profit After Tax
PPE	Property, Plant and Equipment
ASX	Australian Securities Exchange
Opus Group Pty Ltd	Opus
Scottish Pacific Business Finance Pty Ltd	Scotpac
Deed of Cross Guarantee	DOCG
Office of State Revenue	OSR
Corporate Structuring Advisors	CSAs
Wexted Advisors	Wexted
Right Of Use	ROU
The Scheme of Arrangement Ovato was subject to in December 2020	The Scheme
QLD	Queensland
NSW	New South Wales
WA	Western Australia
VIC	Victoria
IVE Group	IVE Group Limited (ASX: IGL)
ACCC	Australian Competition and Consumer Commission
Rathdrum	Rathdrum Properties Pty Ltd
Platypus Graphics Pty Ltd t/a Platypus Print Packaging	Platypus Packaging
Committee of Inspection	COI
PMP Limited	PMP
PPOB	Principal Place of Business
D&O Policy	Directors and Officers insurance policy

9.1. Terms of reference

This report has been prepared for the creditors of Company to assist them in evaluating their position as creditors and in deciding on the Company's future. None of the Administrators, FTI Consulting and its staff shall assume any responsibility to any third party to which this report is disclosed or otherwise made available.

This report is based on information obtained from the Company's records, the directors and management of the Company and from our own enquiries. While we have no reason to doubt the veracity of information contained in this report, unless otherwise stated we have proceeded on the basis that the information provided and representations made to us are materially accurate, complete and reliable. We have not carried out anything in the nature of an audit, review or compilation.

This report may contain prospective financial information, including estimated outcomes for creditors, and other forward-looking information. As events and circumstances frequently do not occur as expected, there may be material differences between estimated and actual results. We take no responsibility for the achievement of any projected outcomes or events.

We reserve the right to alter any conclusions reached on the basis of any changed or additional information which may become available to us between the date of this report and the forthcoming meeting of creditors. Creditors should seek their own advice if they are unsure how any matter in this report affects them.

10. Appendix 2 – Company information

10.1. Statutory Information

10.1.1. Ovato Limited

Incorporation Date	30 October 1990		
Registered Address	2-8 Priddle Street, Warwick Farm NSW 2170		
PPOB	2-8 Priddle Street, Warwick Farm NSW 2170		
Directors and Officers	Title	Name	Appointment Date
	Directors	Andrew McMaster James Hannan Michael Ashton Hannan	4/10/2018 04/06/2021 1/03/2017
	Secretary	Alistair William Thomas Clarkson	24/04/2009
	Former Directors (Recent)	Dhunbai Karai Paul Antony Young	1/06/2016 4/04/2022
			NA NA 13/07/2022 17/06/6/22
Shareholders	The Company has \$631,001,185.21 in paid up capital and 121,613,855 shares on issue.		
	The top 20 members shareholders at 30 June 2022 are shown below:		
	Investor	Value (\$)	% of Shares Held
	1 Mr Lindsay Hannan	22,012,757.00	18.10%
	2 Are Media	20,000,000.00	16.45%
	3 Tozer and Co	10,125,000.00	8.33%
	4 Trojan Investment Mgt	10,000,000.00	8.22%
	5 Rathdrum Properties	8,550,000.00	7.03%
	6 Mr James Hannan	5,673,738.00	4.67%
	7 Mr Michael Hannan	5,673,738.00	4.67%
	8 Mr Richard AC O'Connor	5,492,300.00	4.52%
	9 Mr Adrian T O'Connor	5,462,741.00	4.49%
	10 Mr Naresh Gulati	3,500,000.00	2.88%
	11 Mr David G Greig	1,670,200.00	1.37%
	12 Mr Jay ED Hughes	1,600,000.00	1.32%
	13 Messrs Nirmal K & Paramdeep S Ghuman	1,479,999.00	1.22%
	14 Mr & Mrs Michael Jefferies	1,200,000.00	0.99%
	15 Mr & Mrs Sunil K Jaggi	803,240.00	0.66%
	16 Mrs Elisabeth Fichter	525,000.00	0.43%
	17 Mr & Mrs Frank G Fergusson	500,000.00	0.41%
	18 Mr Alistair N Hill	408,665.00	0.34%
	19 Fraser & Neave	390,201.00	0.32%
	20 Mr Mohammad L Hussain	347,586.00	0.29%
		105,415,165.00	86.68%
Related entities	Refer to Appendix 8		

10.1.2. Ovato Packaging Pty Ltd

Incorporation Date	27 November 1990			
Registered Address	2-8 Priddle Street, Warwick Farm NSW 2170			
PPOB	538 Bilsen Road, Geebung QLD 4034			
Directors and Officers	Title	Name	Appointment Date	Cease Date
	Directors	James Hannan Ian Richard Jones	04/06/2021 30/11/2021	NA
	Secretary	Alistair William Thomas Clarkson	01/03/2017	NA
Shareholders	The Company has \$80,006 in paid up capital and 80,006 shares on issue. All of which are held by Ovato Print Cairns Pty Ltd ACN 050 487 879			
Related entities	Refer to Appendix 8			

10.1.3. Ovato Print Cairns Pty Ltd

Incorporation Date	5 February 1991			
Registered Address	2-8 Priddle Street, Warwick Farm NSW 2170			
PPOB	246 Hartley Street, Cairns QLD 4870			
Directors and Officers	Title	Name	Appointment Date	Cease Date
	Directors	James Hannan Ian Richard Jones	04/06/2021 30/11/2021	NA
	Secretary	Alistair William Thomas Clarkson	01/03/2017	NA
Shareholders	The Company has \$2 in paid up capital and 2 shares on issue. All of which are held by Ovato Limited ACN 050 148 644			
Related entities	Refer to Appendix 8			

10.1.4. Argyle Print Pty Ltd

Incorporation Date	27/06/1979			
Registered Address	2-8 Priddle Street, Warwick Farm NSW 2170			
PPOB	2-8 Priddle Street, Warwick Farm NSW 2170			
Directors and Officers	Title	Name	Appointment Date	Cease Date
	Directors	James Hannan Ian Richard Jones	04/06/2021 30/11/2021	NA
	Secretary	Alistair William Thomas Clarkson	01/03/2017	NA
Shareholders	Ovato Limited – 100% ORD The company has \$51,920,890.00 in paid up capital and 51,920,890 shares on issue			
Related entities	Refer to Appendix 8			
Trading activities	Publishes and Prints books and pamphlets			

10.1.5. Attic Futura Pty Ltd

Incorporation Date	25/01/1993			
Registered Address	2-8 Priddle Street, Warwick Farm NSW 2170			
PPOB	2-8 Priddle Street, Warwick Farm NSW 2170			
Directors and Officers	Title	Name	Appointment Date	Cease Date
	Directors	James Hannan Ian Richard Jones	04/06/2021 30/11/2021	NA
	Secretary	Alistair William Thomas Clarkson	01/03/2017	NA
Shareholders	Pacific Publications Holdings Pty Ltd – 100% ORD The company has \$2 in paid up capital and 2 shares on issue			
Related entities	Refer to Appendix 8			
Trading activities	Provides general and industrial credit (intermediate or long-term)			

10.1.6. Canberra Press Pty Ltd

Incorporation Date	11/12/1995			
Registered Address	2-8 Priddle Street, Warwick Farm NSW 2170			
PPOB	2-8 Priddle Street, Warwick Farm NSW 2170			
Directors and Officers	Title	Name	Appointment Date	Cease Date
	Directors	James Hannan Ian Richard Jones	04/06/2021 30/11/2021	NA
	Secretary	Alistair William Thomas Clarkson	01/03/2017	NA
Shareholders	Manningtree Investments Pty Ltd- 100% ORDA Manningtree Investments Pty Ltd – 100% ORDB The company has \$3,887,500 in paid up capital on Ordinary A Class shares and 3,887,500 in paid up capital on Ordinary B Class shares. 51,920,890 ordinary A class shares are on issue and 51,920,890 ordinary B class shares on issue.			
Related entities	Refer to Appendix 8			
Trading activities	Provides a variety of printing services			

10.1.7. Craft Printing Pty Ltd

Incorporation Date	29/02/1996			
Registered Address	2-8 Priddle Street, Warwick Farm NSW 2170			
PPOB	2-8 Priddle Street, Warwick Farm NSW 2170			
Directors and Officers	Title	Name	Appointment Date	Cease Date
	Directors	James Hannan Ian Richard Jones	04/06/2021 30/11/2021	NA
	Secretary	Alistair William Thomas Clarkson	01/03/2017	NA
Shareholders	The Independent Print Media Group Pty Ltd – 100% The company has \$4,000,004 in paid up capital and 4,000,004 shares on issue			
Related entities	Refer to Appendix 8			
Trading activities	Commercial Printing and lithographic services			

10.1.8. D. Livingstone Pty Ltd

Incorporation Date	19/06/1969			
Registered Address	2-8 Priddle Street, Warwick Farm NSW 2170			
PPOB	2-8 Priddle Street, Warwick Farm NSW 2170			
Directors and Officers	Title	Name	Appointment Date	Cease Date
	Directors	James Hannan Ian Richard Jones	04/06/2021 30/11/2021	NA
	Secretary	Alistair William Thomas Clarkson	01/03/2017	NA
Shareholders				
	Company		Percentage of Shares	
	MJV Pty Ltd		17.96%- ORD Shares	
	IPMG Subco Pty Ltd		53.41%- ORD Shares	
	KTAR Pty Ltd		16.37%- ORD Shares	
	PMP Subco No.6 Pty Ltd		12.27% - ORD Shares	
	IPMG Subco Pty Ltd		100% - Class A Shares	
	The company has \$600 in paid up class A share capital and 600 class A shares on issue. The company has \$7,600,304 in paid up ordinary share capital and 7,600,304 ordinary shares on issue			
Related entities	Refer to Appendix 8			
Trading activities	Advertising, Public Relations and Related Services			

10.1.9. Forty Two International Pty Ltd

Incorporation Date	17/01/2001		
Registered Address	2-8 Priddle Street, Warwick Farm NSW 2170		
PPOB	2-8 Priddle Street, Warwick Farm NSW 2170		
Directors and Officers	Title	Name	Appointment Date
	Directors	James Hannan Ian Richard Jones	04/06/2021 30/11/2021
	Secretary	Alistair William Thomas Clarkson	01/03/2017
Shareholders	IPMG Digital Pty Ltd – 100% ORD The company has \$12,000 in paid up capital and 12,000 shares on issue		
Related entities	Refer to Appendix 8		
Trading activities	Advertising, Public Relations and Related Services		

10.1.10. Hannan Finance Corporation Pty Ltd

Incorporation Date	1/08/2003		
Registered Address	2-8 Priddle Street, Warwick Farm NSW 2170		
PPOB	2-8 Priddle Street, Warwick Farm NSW 2170		
Directors and Officers	Title	Name	Appointment Date
	Directors	James Hannan Ian Richard Jones	04/06/2021 30/11/2021
	Secretary	Alistair William Thomas Clarkson	01/03/2017
Shareholders	IPMG Pty Ltd – 100% ORD The company has \$51,000,100 in paid up capital and 51,000,100 shares on issue		
Related entities	Refer to Appendix 8		
Trading activities	Advertising, Public Relations and Related Services		

10.1.11. Holler Administration Pty Ltd

Incorporation Date	4/10/2006			
Registered Address	2-8 Priddle Street, Warwick Farm NSW 2170			
PPOB	2-8 Priddle Street, Warwick Farm NSW 2170			
Directors and Officers	Title	Name	Appointment Date	Cease Date
	Directors	James Hannan Ian Richard Jones	04/06/2021 30/11/2021	NA
	Secretary	Alistair William Thomas Clarkson	01/03/2017	NA
Shareholders	Holler Australia Pty Ltd – 100% ORD The company has \$10,000 in paid up capital and 10,000 shares on issue			
Related entities	Refer to Appendix 8			
Trading activities	Advertising, Public Relations and Related Services			

10.1.12. Holler Australia Pty Ltd

Incorporation Date	27/09/2007			
Registered Address	2-8 Priddle Street, Warwick Farm NSW 2170			
PPOB	2-8 Priddle Street, Warwick Farm NSW 2170			
Directors and Officers	Title	Name	Appointment Date	Cease Date
	Directors	James Hannan Ian Richard Jones	04/06/2021 30/11/2021	NA
	Secretary	Alistair William Thomas Clarkson	01/03/2017	NA
Shareholders	IPMG Digital Pty Ltd -100% ORD The company has \$100 in paid up capital and 10,000 shares on issue			
Related entities	Refer to Appendix 8			
Trading activities	Advertising, Public Relations and Related Services			

10.1.13. IPMG Administration Pty Ltd

Incorporation Date	21/12/2006			
Registered Address	2-8 Priddle Street, Warwick Farm NSW 2170			
PPOB	2-8 Priddle Street, Warwick Farm NSW 2170			
Directors and Officers	Title	Name	Appointment Date	Cease Date
	Directors	James Hannan Ian Richard Jones	04/06/2021 30/11/2021	NA
	Secretary	Alistair William Thomas Clarkson	01/03/2017	NA
Shareholders	IPMG Pty Ltd – 100% ORD The company has \$6,150,500 in paid up capital and 6,150,500 shares on issue			
Related entities	Refer to Appendix 8			
Trading activities	Advertising, Public Relations and Related Services			

10.1.14. IPMG Consulting Pty Ltd

Incorporation Date	17/03/2016			
Registered Address	2-8 Priddle Street, Warwick Farm NSW 2170			
PPOB	2-8 Priddle Street, Warwick Farm NSW 2170			
Directors and Officers	Title	Name	Appointment Date	Cease Date
	Directors	James Hannan Ian Richard Jones	04/06/2021 30/11/2021	NA
	Secretary	Alistair William Thomas Clarkson	01/03/2017	NA
Shareholders	IPMG Digital Pty Ltd – 100% ORD The company has \$2 in paid up capital and 2 shares on issue			
Related entities	Refer to Appendix 8			
Trading activities	Advertising, Public Relations and Related Services			

10.1.15. IPMG Digital Pty Ltd

Incorporation Date	18/10/2006			
Registered Address	2-8 Priddle Street, Warwick Farm NSW 2170			
PPOB	2-8 Priddle Street, Warwick Farm NSW 2170			
Directors and Officers	Title	Name	Appointment Date	Cease Date
	Directors	James Hannan Ian Richard Jones	04/06/2021 30/11/2021	NA
	Secretary	Alistair William Thomas Clarkson	01/03/2017	NA
Shareholders	IPMG Administration Pty Ltd – 100% ORD The company has \$74,099,911.85 in paid up capital and 326,664,316 shares on issue			
Related entities	Refer to Appendix 8			
Trading activities	Advertising, Public Relations and Related Services			

10.1.16. IPMG Holdco Pty Ltd

Incorporation Date	26/10/2016			
Registered Address	2-8 Priddle Street, Warwick Farm NSW 2170			
PPOB	2-8 Priddle Street, Warwick Farm NSW 2170			
Directors and Officers	Title	Name	Appointment Date	Cease Date
	Directors	James Hannan Ian Richard Jones	04/06/2021 30/11/2021	NA
	Secretary	Alistair William Thomas Clarkson	01/03/2017	NA
Shareholders	Ovato Limited – 100% ORD The company has \$125,980,209.96 in paid up capital and 30,441,248 shares on issue			
Related entities	Refer to Appendix 8			
Trading activities	Advertising, Public Relations and Related Services			

10.1.17. IPMG Management (No. 2) Pty Ltd

Incorporation Date	25/06/1991			
Registered Address	Level 4 60 Union Street, Pyrmont NSW 2009			
PPOB	Level 4 60 Union Street, Pyrmont NSW 2009			
Directors and Officers	Title	Name	Appointment Date	Cease Date
	Directors	James Hannan Ian Richard Jones	04/06/2021 30/11/2021	NA
	Secretary	Alistair William Thomas Clarkson	01/03/2017	NA
Shareholders	PMP Subco No.1 Pty Ltd – 100% ORD The company has \$2 in paid up capital and 2 shares on issue			
Related entities	Refer to Appendix 8			
Trading activities	Advertising, Public Relations and Related Services			

10.1.18. IPMG Pty Ltd

Incorporation Date	21/12/2006			
Registered Address	2-8 Priddle Street, Warwick Farm NSW 2170			
PPOB	2-8 Priddle Street, Warwick Farm NSW 2170			
Directors and Officers	Title	Name	Appointment Date	Cease Date
	Directors	James Hannan Ian Richard Jones	04/06/2021 30/11/2021	NA
	Secretary	Alistair William Thomas Clarkson	01/03/2017	NA
Shareholders	Company		Percentage of Shares	
	MJV Pty Ltd		100% - Class A Shares	
	IPMG Subco Pty Ltd		100% - Class B Shares	
	KTAR Pty Ltd		100% - Class C Shares	
	PMP Subco No.6 Pty Ltd		100% - Class D Shares	
	D. Living Stone Pty Ltd		100% - Class ORD Shares	
	PMP Subco No.2 Pty Ltd		100% - Class ORD1 Shares	
	PMP Subco No.3 Pty Ltd		100% - Class ORD2 Shares	
	PMP Subco No.4 Pty Ltd		100% - Class ORD3 Shares	
	The company has \$47 in paid up class A capital and 470,010 class A shares on issue			
The company has \$47 in paid up class B capital and 470,010 class B shares on issue				
The company has \$47 in paid up class C capital and 470,010 class C shares on issue				
The company has \$120 in paid up class D capital and 120 class D shares on issue				
The company has \$192,773,176 in paid up ORD capital and 192,773,176 ORD shares on issue				
The company has \$192,773,176 in paid up ORD1 capital and 192,773,176 ORD1 shares on issue				
The company has \$192,773,176 in paid up ORD2 capital and 192,773,176 ORD2 shares on issue				
The company has \$192,773,176 in paid up ORD3 capital and 192,773,176 ORD3 shares on issue				
Related entities	Refer to Appendix 8			
Trading activities	Advertising, Public Relations and Related Services			

10.1.19. IPMG Subco Pty Ltd

Incorporation Date	26/10/2016			
Registered Address	2-8 Priddle Street, Warwick Farm NSW 2170			
PPOB	2-8 Priddle Street, Warwick Farm NSW 2170			
Directors and Officers	Title	Name	Appointment Date	Cease Date
	Directors	James Hannan Ian Richard Jones	04/06/2021 30/11/2021	NA
	Secretary	Alistair William Thomas Clarkson	01/03/2017	NA
Shareholders	IPMG Holdco Pty Ltd – 100% ORD The company has \$40,000 in paid up capital and 40,000 shares on issue			
Related entities	Refer to Appendix 8			
Trading activities	Advertising, Public Relations and Related Services			

10.1.20. Kierle Investments Pty Ltd

Incorporation Date	25/11/1987			
Registered Address	2-8 Priddle Street, Warwick Farm NSW 2170			
PPOB	2-8 Priddle Street, Warwick Farm NSW 2170			
Directors and Officers	Title	Name	Appointment Date	Cease Date
	Directors	James Hannan Ian Richard Jones	04/06/2021 30/11/2021	NA
	Secretary	Alistair William Thomas Clarkson	01/03/2017	NA
Shareholders	Offset Alpine Printing Group Pty Ltd – 100% ORD The company has \$5 in paid up capital and 5 shares on issue			
Related entities	Refer to Appendix 8			
Trading activities	Advertising, Public Relations and Related Services			

10.1.21. KTAR Pty Ltd

Incorporation Date	2/03/2004			
Registered Address	2-8 Priddle Street, Warwick Farm NSW 2170			
PPOB	2-8 Priddle Street, Warwick Farm NSW 2170			
Directors and Officers	Title	Name	Appointment Date	Cease Date
	Directors	James Hannan Ian Richard Jones	04/06/2021 30/11/2021	NA
	Secretary	Alistair William Thomas Clarkson	01/03/2017	NA
Shareholders	Tigerstone Pty Ltd – 100% ORD The company has \$10 in paid up capital and 10 shares on issue			
Related entities	Refer to Appendix 8			
Trading activities	Advertising, Public Relations and Related Services			

10.1.22. Ling Plus Pty Ltd

Incorporation Date	15/08/1995			
Registered Address	2-8 Priddle Street, Warwick Farm NSW 2170			
PPOB	2-8 Priddle Street, Warwick Farm NSW 2170			
Directors and Officers	Title	Name	Appointment Date	Cease Date
	Directors	James Hannan Ian Richard Jones	04/06/2021 30/11/2021	NA
	Secretary	Alistair William Thomas Clarkson	01/03/2017	NA
Shareholders	Show-Ads Pty Ltd – 100% ORD The company has \$2 in paid up capital and 2 shares on issue			
Related entities	Refer to Appendix 8			
Trading activities	Advertising, Public Relations and Related Services			

10.1.23. Manningtree Investments Pty Ltd

Incorporation Date	11/12/1995			
Registered Address	2-8 Priddle Street, Warwick Farm NSW 2170			
PPOB	2-8 Priddle Street, Warwick Farm NSW 2170			
Directors and Officers	Title	Name	Appointment Date	Cease Date
	Directors	James Hannan Ian Richard Jones	04/06/2021 30/11/2021	NA
	Secretary	Alistair William Thomas Clarkson	01/03/2017	NA
Shareholders	Ovato Limited – 100% ORD The company has \$4,000,000 in paid up capital and 4,000,000 shares on issue			
Related entities	Refer to Appendix 8			
Trading activities	Advertising, Public Relations and Related Services			

10.1.24. Massmedia Studios Pty Ltd

Incorporation Date	22/08/2000			
Registered Address	2-8 Priddle Street, Warwick Farm NSW 2170			
PPOB	30 Florence Street, Teneriffe QLD 4005 & 2-8 Priddle Street, Warwick Farm NSW 2170			
Directors and Officers	Title	Name	Appointment Date	Cease Date
	Directors	James Hannan Ian Richard Jones	04/06/2021 30/11/2021	NA
	Secretary	Alistair William Thomas Clarkson	01/03/2017	NA
Shareholders	IPMG Digital Pty Ltd- 100% ORD The company has \$400,700 in paid up capital and 645 shares on issue			
Related entities	Refer to Appendix 8			
Trading activities	Advertising, Public Relations and Related Services			

10.1.25. Max Australia Pty Ltd

Incorporation Date	28/07/2000			
Registered Address	2-8 Priddle Street, Warwick Farm NSW 2170			
PPOB	2-8 Priddle Street, Warwick Farm NSW 2170			
Directors and Officers	Title	Name	Appointment Date	Cease Date
	Directors	James Hannan Ian Richard Jones	04/06/2021 30/11/2021	NA
	Secretary	Alistair William Thomas Clarkson	01/03/2017	NA
Shareholders	IPMG Digital Pty Ltd- 100% ORD The company has \$20.87 in paid up capital and 83,479 shares on issue			
Related entities	Refer to Appendix 8			
Trading activities	Advertising, Public Relations and Related Services			

10.1.26. MJV Pty Ltd

Incorporation Date	2/03/2004			
Registered Address	2-8 Priddle Street, Warwick Farm NSW 2170			
PPOB	2-8 Priddle Street, Warwick Farm NSW 2170			
Directors and Officers	Title	Name	Appointment Date	Cease Date
	Directors	James Hannan Ian Richard Jones	04/06/2021 30/11/2021	NA
	Secretary	Alistair William Thomas Clarkson	01/03/2017	NA
Shareholders	Propsea Pty Ltd -100% ORD The company has \$10 in paid up capital and 10 shares on issue			
Related entities	Refer to Appendix 8			
Trading activities	Advertising, Public Relations and Related Services			

10.1.27. NDD Distribution Pty Ltd

Incorporation Date	24/06/1996			
Registered Address	2-8 Priddle Street, Warwick Farm NSW 2170			
PPOB	2-8 Priddle Street, Warwick Farm NSW 2170			
Directors and Officers	Title	Name	Appointment Date	Cease Date
	Directors	James Hannan Ian Richard Jones	04/06/2021 30/11/2021	NA
	Secretary	Alistair William Thomas Clarkson	01/03/2017	NA
Shareholders	IPMG Administration Pty Ltd -100% ORD The company has \$27,000,020 in paid up capital and 27,000,002 shares on issue			
Related entities	Refer to Appendix 8			
Trading activities	Advertising, Public Relations and Related Services			

10.1.28. Offset Alpine Printing Group Pty Ltd

Incorporation Date	28/01/1988			
Registered Address	2-8 Priddle Street, Warwick Farm NSW 2170			
PPOB	2-8 Priddle Street, Warwick Farm NSW 2170			
Directors and Officers	Title	Name	Appointment Date	Cease Date
	Directors	James Hannan Ian Richard Jones	04/06/2021 30/11/2021	NA
	Secretary	Alistair William Thomas Clarkson	01/03/2017	NA
Shareholders	PMP Subco No.5 Pty Ltd – 100% ORD The company has \$7,511,158.80 in paid up capital and 25,037,196 shares on issue			
Related entities	Refer to Appendix 8			
Trading activities	Advertising, Public Relations and Related Services			

10.1.29. Offset Alpine Printing Pty Ltd

Incorporation Date	9/05/1986			
Registered Address	2-8 Priddle Street, Warwick Farm NSW 2170			
PPOB	2-8 Priddle Street, Warwick Farm NSW 2170			
Directors and Officers	Title	Name	Appointment Date	Cease Date
	Directors	James Hannan Ian Richard Jones	04/06/2021 30/11/2021	NA
	Secretary	Alistair William Thomas Clarkson	01/03/2017	NA
Shareholders	Company		% Shares	
	Offset Alpine Printing Group Pty Ltd		100% - ORD	
	Offset Alpine Printing Group Pty Ltd		100% - REDP	
	The company has \$5 in paid up ordinary capital and 5 ordinary shares on issue The company has \$3,750,000 in paid up redeemable preference share capital and 3,750,000 redeemable preference shares on issue			
Related entities	Refer to Appendix 8			
Trading activities	Advertising, Public Relations and Related Services			

10.1.30. Ovato Finance Pty Ltd

Incorporation Date	25/09/1991			
Registered Address	2-8 Priddle Street, Warwick Farm NSW 2170			
PPOB	2-8 Priddle Street, Warwick Farm NSW 2170			
Directors and Officers	Title	Name	Appointment Date	Cease Date
	Directors	James Hannan Ian Richard Jones	04/06/2021 30/11/2021	NA
	Secretary	Alistair William Thomas Clarkson	01/03/2017	NA
Shareholders	Ovato Limited – 100% ORD The company has \$2 in paid up capital and 2 shares on issue			
Related entities	Refer to Appendix 8			
Trading activities	Advertising, Public Relations and Related Services			

10.1.31. Pacific O'Brien Publications Pty Ltd

Incorporation Date	16/06/1995			
Registered Address	2-8 Priddle Street, Warwick Farm NSW 2170			
PPOB	2-8 Priddle Street, Warwick Farm NSW 2170			
Directors and Officers	Title	Name	Appointment Date	Cease Date
	Directors	James Hannan Ian Richard Jones	04/06/2021 30/11/2021	NA
	Secretary	Alistair William Thomas Clarkson	01/03/2017	NA
Shareholders	Pacific Publications Holdings Pty Ltd – 100% ORD The company has \$50,000 in paid up capital and 50,000 shares on issue			
Related entities	Refer to Appendix 8			
Trading activities	Advertising, Public Relations and Related Services			

10.1.32. Pacific Publications Holdings Pty Ltd

Incorporation Date	16/04/1991			
Registered Address	2-8 Priddle Street, Warwick Farm NSW 2170			
PPOB	2-8 Priddle Street, Warwick Farm NSW 2170			
Directors and Officers	Title	Name	Appointment Date	Cease Date
	Directors	James Hannan Ian Richard Jones	04/06/2021 30/11/2021	NA
	Secretary	Alistair William Thomas Clarkson	01/03/2017	NA
Shareholders	Ovato Limited – 100% ORD The company has \$2 in paid up capital and 2 shares on issue			
Related entities	Refer to Appendix 8			
Trading activities	Advertising, Public Relations and Related Services			

10.1.33. PMP Advertising Solutions Pty Ltd

Incorporation Date	16/04/1991			
Registered Address	2-8 Priddle Street, Warwick Farm NSW 2170			
PPOB	2-8 Priddle Street, Warwick Farm NSW 2170			
Directors and Officers	Title	Name	Appointment Date	Cease Date
	Directors	James Hannan Ian Richard Jones	04/06/2021 30/11/2021	NA
	Secretary	Alistair William Thomas Clarkson	01/03/2017	NA
Shareholders	Ovato Print Pty Ltd - 100% ORD The company has \$1,056,007 in paid up capital and 514,259 shares on issue			
Related entities	Refer to Appendix 8			
Trading activities	Advertising, Public Relations and Related Services			

10.1.34. PMP Directories Pty Ltd

Incorporation Date	5/08/1985			
Registered Address	2-8 Priddle Street, Warwick Farm NSW 2170			
PPOB	2-8 Priddle Street, Warwick Farm NSW 2170			
Directors and Officers	Title	Name	Appointment Date	Cease Date
	Directors	James Hannan Ian Richard Jones	04/06/2021 30/11/2021	NA
	Secretary	Alistair William Thomas Clarkson	01/03/2017	NA
Shareholders	Ovato Print Pty Ltd- 100% ORD The company has \$10,000,000 in paid up capital and 10,000,000 shares on issue			
Related entities	Refer to Appendix 8			
Trading activities	Advertising, Public Relations and Related Services			

10.1.35. PMP Home Media Pty Ltd

Incorporation Date	17/04/1991			
Registered Address	2-8 Priddle Street, Warwick Farm NSW 2170			
PPOB	2-8 Priddle Street, Warwick Farm NSW 2170			
Directors and Officers	Title	Name	Appointment Date	Cease Date
	Directors	James Hannan Ian Richard Jones	04/06/2021 30/11/2021	NA
	Secretary	Alistair William Thomas Clarkson	01/03/2017	NA
Shareholders	Ovato Print Pty Ltd -100% ORD The company has \$80,772,679.63 in paid up capital and 15,045,724 shares on issue			
Related entities	Refer to Appendix 8			
Trading activities	Advertising, Public Relations and Related Services			

10.1.36. PMP Property Pty Ltd

Incorporation Date	16/04/1991			
Registered Address	2-8 Priddle Street, Warwick Farm NSW 2170			
PPOB	2-8 Priddle Street, Warwick Farm NSW 2170			
Directors and Officers	Title	Name	Appointment Date	Cease Date
	Directors	James Hannan Ian Richard Jones	04/06/2021 30/11/2021	NA
	Secretary	Alistair William Thomas Clarkson	01/03/2017	NA
Shareholders	Ovato Print Pty Ltd- 100% ORD The company has \$2 in paid up capital and 2 shares on issue			
Related entities	Refer to Appendix 8			
Trading activities	Advertising, Public Relations and Related Services			

10.1.37. PMP Publishing Pty Ltd

Incorporation Date	24/09/1991			
Registered Address	2-8 Priddle Street, Warwick Farm NSW 2170			
PPOB	2-8 Priddle Street, Warwick Farm NSW 2170			
Directors and Officers	Title	Name	Appointment Date	Cease Date
	Directors	James Hannan Ian Richard Jones	04/06/2021 30/11/2021	NA
	Secretary	Alistair William Thomas Clarkson	01/03/2017	NA
Shareholders	Pacific Publications Holdings Pty Ltd -100% ORD The company has \$2 in paid up capital and 2 shares on issue			
Related entities	Refer to Appendix 8			
Trading activities	Advertising, Public Relations and Related Services			

10.1.38. PMP Subco No. 1 Pty Ltd

Incorporation Date	25/06/1991			
Registered Address	2-8 Priddle Street, Warwick Farm NSW 2170			
PPOB	2-8 Priddle Street, Warwick Farm NSW 2170			
Directors and Officers	Title	Name	Appointment Date	Cease Date
	Directors	James Hannan Ian Richard Jones	04/06/2021 30/11/2021	NA
	Secretary	Alistair William Thomas Clarkson	01/03/2017	NA
Shareholders	IPMG Administration Pty Ltd -100% ORD The company has \$4 in paid up capital and 4 shares on issue			
Related entities	Refer to Appendix 8			
Trading activities	Advertising, Public Relations and Related Services			

10.1.39. PMP Subco No. 2 Pty Ltd

Incorporation Date	20/06/1969			
Registered Address	2-8 Priddle Street, Warwick Farm NSW 2170			
PPOB	2-8 Priddle Street, Warwick Farm NSW 2170			
Directors and Officers	Title	Name	Appointment Date	Cease Date
	Directors	James Hannan Ian Richard Jones	04/06/2021 30/11/2021	NA
	Secretary	Alistair William Thomas Clarkson	01/03/2017	NA
Shareholders	Company		% Shares	
	KTAR Pty Ltd		33.25% ORD	
	MJV Pty Ltd		33.25% ORD	
	IPMG Subco Pty Ltd		33.51% ORD	
	The company has \$7,600,320 in paid up capital and 7,600,320 shares on issue			
Related entities	Refer to Appendix 8			
Trading activities	Advertising, Public Relations and Related Services			

10.1.40. PMP Subco No. 3 Pty Ltd

Incorporation Date	20/06/1969		
Registered Address	2-8 Priddle Street, Warwick Farm NSW 2170		
PPOB	2-8 Priddle Street, Warwick Farm NSW 2170		
Directors and Officers	Title	Name	Appointment Date
	Directors	James Hannan Ian Richard Jones	04/06/2021 30/11/2021
	Secretary	Alistair William Thomas Clarkson	01/03/2017
Shareholders	Company		Percentage of Shares
	MJV Pty Ltd		17.96%- ORD Shares
	IPMG Subco Pty Ltd		53.41%- ORD Shares
	KTAR Pty Ltd		16.37%- ORD Shares
	PMP Subco No.6 Pty Ltd		12.27% - ORD Shares
	IPMG Subco Pty Ltd		100% - Class A Shares
	The company has \$7,600,304 in paid up ordinary share capital and 7,600,304 ordinary shares on issue		
	The company has \$600 in paid up class A capital and 600 class A shares on issue		
Related entities	Refer to Appendix 8		
Trading activities	Advertising, Public Relations and Related Services		

10.1.41. PMP Subco No. 4 Pty Ltd

Incorporation Date	19/06/1969		
Registered Address	2-8 Priddle Street, Warwick Farm NSW 2170		
PPOB	2-8 Priddle Street, Warwick Farm NSW 2170		
Directors and Officers	Title	Name	Appointment Date
	Directors	James Hannan Ian Richard Jones	04/06/2021 30/11/2021
	Secretary	Alistair William Thomas Clarkson	01/03/2017
Shareholders	PMP Subco No.6 Pty Ltd – 24.94% ORD		
	IPMG Subco Pty Ltd – 75.06%		
	The company has \$7,600,320 in paid up capital and 7,600,320 shares on issue		
Related entities	Refer to Appendix 8		
Trading activities	Advertising, Public Relations and Related Services		

10.1.42. PMP Subco No. 5 Pty Ltd

Incorporation Date	18/01/1990			
Registered Address	2-8 Priddle Street, Warwick Farm NSW 2170			
PPOB	2-8 Priddle Street, Warwick Farm NSW 2170			
Directors and Officers	Title	Name	Appointment Date	Cease Date
	Directors	James Hannan Ian Richard Jones	04/06/2021 30/11/2021	NA
	Secretary	Alistair William Thomas Clarkson	01/03/2017	NA
Shareholders	The Independent Print Media Group Pty Ltd -100% ORD			
	The company has \$4 in paid up capital and 4 shares on issue			
Related entities	Refer to Appendix 8			
Trading activities	Advertising, Public Relations and Related Services			

10.1.43. PMP Subco No. 6 Pty Ltd

Incorporation Date	23/06/2014			
Registered Address	2-8 Priddle Street, Warwick Farm NSW 2170			
PPOB	2-8 Priddle Street, Warwick Farm NSW 2170			
Directors and Officers	Title	Name	Appointment Date	Cease Date
	Directors	James Hannan Ian Richard Jones	04/06/2021 30/11/2021	NA
	Secretary	Alistair William Thomas Clarkson	01/03/2017	NA
Shareholders	IPMG Subco Pty Ltd- 100% ORD			
	The company has \$120 in paid up capital and 120 shares on issue			
Related entities	Refer to Appendix 8			
Trading activities	Advertising, Public Relations and Related Services			

10.1.44. PMP Wholesale Pty Ltd

Incorporation Date	29/08/1957			
Registered Address	2-8 Priddle Street, Warwick Farm NSW 2170			
PPOB	2-8 Priddle Street, Warwick Farm NSW 2170			
Directors and Officers	Title	Name	Appointment Date	Cease Date
	Directors	James Hannan Ian Richard Jones	04/06/2021 30/11/2021	NA
	Secretary	Alistair William Thomas Clarkson	01/03/2017	NA
Shareholders	Show-Ads Pty Ltd – 100% ORD			
	The company has \$135,410 in paid up capital and 67,705 shares on issue			
Related entities	Refer to Appendix 8			
Trading activities	Advertising, Public Relations and Related Services			

10.1.45. Propsea Pty Ltd

Incorporation Date	2/03/2004			
Registered Address	2-8 Priddle Street, Warwick Farm NSW 2170			
PPOB	2-8 Priddle Street, Warwick Farm NSW 2170			
Directors and Officers	Title	Name	Appointment Date	Cease Date
	Directors	James Hannan Ian Richard Jones	04/06/2021 30/11/2021	NA
	Secretary	Alistair William Thomas Clarkson	01/03/2017	NA
Shareholders	IPMG Subco Pty Ltd -100% ORD The company has \$10 in paid up capital 10 shares on issue			
Related entities	Refer to Appendix 8			
Trading activities	Advertising, Public Relations and Related Services			

10.1.46. Red PPR Holdings Pty Ltd

Incorporation Date	7/10/2004			
Registered Address	2-8 Priddle Street, Warwick Farm NSW 2170			
PPOB	2-8 Priddle Street, Warwick Farm NSW 2170			
Directors and Officers	Title	Name	Appointment Date	Cease Date
	Directors	James Hannan Ian Richard Jones	04/06/2021 30/11/2021	NA
	Secretary	Alistair William Thomas Clarkson	01/03/2017	NA
Shareholders	Ovato Limited - 100% ORD The company has \$1 in paid up capital and 1 shares on issue			
Related entities	Refer to Appendix 8			
Trading activities	Advertising, Public Relations and Related Services			

10.1.47. Shomega Pty Ltd

Incorporation Date	3/08/1993			
Registered Address	2-8 Priddle Street, Warwick Farm NSW 2170			
PPOB	2-8 Priddle Street, Warwick Farm NSW 2170			
Directors and Officers	Title	Name	Appointment Date	Cease Date
	Directors	James Hannan Ian Richard Jones	04/06/2021 30/11/2021	NA
	Secretary	Alistair William Thomas Clarkson	01/03/2017	NA
Shareholders	Ovato Print Pty Ltd -100% ORD The company has \$50,000,000 in paid up capital and 100,000,000 shares on issue			
Related entities	Refer to Appendix 8			
Trading activities	Advertising, Public Relations and Related Services			

10.1.48. Show-Ads Pty Ltd

Incorporation Date	11/05/1971			
Registered Address	2-8 Priddle Street, Warwick Farm NSW 2170			
PPOB	2-8 Priddle Street, Warwick Farm NSW 2170			
Directors and Officers	Title	Name	Appointment Date	Cease Date
	Directors	James Hannan Ian Richard Jones	04/06/2021 30/11/2021	NA
	Secretary	Alistair William Thomas Clarkson	01/03/2017	NA
Shareholders	Shomega Pty Ltd – 100% ORD The company has \$500 in paid up capital and 500 shares on issue			
Related entities	Refer to Appendix 8			
Trading activities	Advertising, Public Relations and Related Services			

10.1.49. Southern Independent Publishers Pty Ltd

Incorporation Date	30/11/2005			
Registered Address	2-8 Priddle Street, Warwick Farm NSW 2170			
PPOB	2-8 Priddle Street, Warwick Farm NSW 2170			
Directors and Officers	Title	Name	Appointment Date	Cease Date
	Directors	James Hannan Ian Richard Jones	04/06/2021 30/11/2021	NA
	Secretary	Alistair William Thomas Clarkson	01/03/2017	NA
Shareholders	IPMG Administration Pty Ltd - 100% ORD The company has \$5,350,002 in paid up capital and 600 shares on issue			
Related entities	Refer to Appendix 8			
Trading activities	Advertising, Public Relations and Related Services			

10.1.50. Spin Comm Syd Pty Ltd

Incorporation Date	21/07/1994			
Registered Address	2-8 Priddle Street, Warwick Farm NSW 2170			
PPOB	2-8 Priddle Street, Warwick Farm NSW 2170			
Directors and Officers	Title	Name	Appointment Date	Cease Date
	Directors	James Hannan Ian Richard Jones	04/06/2021 30/11/2021	NA
	Secretary	Alistair William Thomas Clarkson	01/03/2017	NA
Shareholders	IPMG Digital Pty Ltd -100% ORD The company has \$100 in paid up capital and 100,000 shares on issue			
Related entities	Refer to Appendix 8			
Trading activities	Advertising, Public Relations and Related Services			

10.1.51. SYNC Communications Management Pty Ltd

Incorporation Date	30/07/1997			
Registered Address	2-8 Priddle Street, Warwick Farm NSW 2170			
PPOB	2-8 Priddle Street, Warwick Farm NSW 2170			
Directors and Officers	Title	Name	Appointment Date	Cease Date
	Directors	James Hannan Ian Richard Jones	04/06/2021 30/11/2021	NA
	Secretary	Alistair William Thomas Clarkson	01/03/2017	NA
Shareholders	The Independent Print Media Group Pty Ltd – 100% ORD The company has \$3,500,001 in paid up capital and 3,500,001 shares on issue			
Related entities	Refer to Appendix 8			
Trading activities	Advertising, Public Relations and Related Services			

10.1.52. The Argus & Australasian Pty Ltd

Incorporation Date	16/04/1991			
Registered Address	2-8 Priddle Street, Warwick Farm NSW 2170			
PPOB	2-8 Priddle Street, Warwick Farm NSW 2170			
Directors and Officers	Title	Name	Appointment Date	Cease Date
	Directors	James Hannan Ian Richard Jones	04/06/2021 30/11/2021	NA
	Secretary	Alistair William Thomas Clarkson	01/03/2017	NA
Shareholders	Ovato Print Pty Ltd – 100% ORD The company has \$923,198 in paid up capital and 876,354 shares on issue			
Related entities	Refer to Appendix 8			
Trading activities	Advertising, Public Relations and Related Services			

10.1.53. The Federal Publishing Co Pty Ltd

Incorporation Date	27/11/1923			
Registered Address	2-8 Priddle Street, Warwick Farm NSW 2170			
PPOB	2-8 Priddle Street, Warwick Farm NSW 2170			
Directors and Officers	Title	Name	Appointment Date	Cease Date
	Directors	James Hannan Ian Richard Jones	04/06/2021 30/11/2021	NA
	Secretary	Alistair William Thomas Clarkson	01/03/2017	NA
Shareholders	IPMG Administration Pty Ltd –100% ORD The company has \$400 in paid up capital and 200 shares on issue			
Related entities	Refer to Appendix 8			
Trading activities	Advertising, Public Relations and Related Services			

10.1.54. The Gang of 4 Pty Ltd

Incorporation Date	17/01/2001			
Registered Address	2-8 Priddle Street, Warwick Farm NSW 2170			
PPOB	2-8 Priddle Street, Warwick Farm NSW 2170			
Directors and Officers	Title	Name	Appointment Date	Cease Date
	Directors	James Hannan Ian Richard Jones	04/06/2021 30/11/2021	NA
	Secretary	Alistair William Thomas Clarkson	01/03/2017	NA
Shareholders	IPMG Digital Pty Ltd – 100% ORD The company has \$12,000 in paid up capital and 12,000 shares on issue			
Related entities	Refer to Appendix 8			
Trading activities	Advertising, Public Relations and Related Services			

10.1.55. The Independent Print Media Group Pty Ltd

Incorporation Date	25/09/1995			
Registered Address	2-8 Priddle Street, Warwick Farm NSW 2170			
PPOB	2-8 Priddle Street, Warwick Farm NSW 2170			
Directors and Officers	Title	Name	Appointment Date	Cease Date
	Directors	James Hannan Ian Richard Jones	04/06/2021 30/11/2021	NA
	Secretary	Alistair William Thomas Clarkson	01/03/2017	NA
Shareholders	IPMG Pty Ltd – 100% C Class & 100% B Class The company has \$0.01 in paid up B class capital and 1 B class share on issue The company has \$232,400,000 in paid up C class capital and 232,400,000 C class shares on issue			
Related entities	Refer to Appendix 8			

10.1.56. Tigerstone Pty Ltd

Incorporation Date	2/03/2004			
Registered Address	2-8 Priddle Street, Warwick Farm NSW 2170			
PPOB	2-8 Priddle Street, Warwick Farm NSW 2170			
Directors and Officers	Title	Name	Appointment Date	Cease Date
	Directors	James Hannan Ian Richard Jones	04/06/2021 30/11/2021	NA
	Secretary	Alistair William Thomas Clarkson	01/03/2017	NA
Shareholders	IPMG Subco Pty Ltd -100% ORD The company has \$10 in paid up capital and 10 shares on issue			
Related entities	Refer to Appendix 8			
Trading activities	Advertising, Public Relations and Related Services			

10.1.57. Total Sampling Pty Ltd

Incorporation Date	8/03/1994			
Registered Address	2-8 Priddle Street, Warwick Farm NSW 2170			
PPOB	2-8 Priddle Street, Warwick Farm NSW 2170			
Directors and Officers	Title	Name	Appointment Date	Cease Date
	Directors	James Hannan Ian Richard Jones	04/06/2021 30/11/2021	NA
	Secretary	Alistair William Thomas Clarkson	01/03/2017	NA
Shareholders	Pacific Publications Holdings Pty Ltd -100% ORD The company has \$2 in paid up capital and 2 shares on issue			
Related entities	Refer to Appendix 8			
Trading activities	Advertising, Public Relations and Related Services			

10.1.58. Warwick Farm Business Park Pty Ltd

Incorporation Date	9/01/2008			
Registered Address	2-8 Priddle Street, Warwick Farm NSW 2170			
PPOB	2-8 Priddle Street, Warwick Farm NSW 2170			
Directors and Officers	Title	Name	Appointment Date	Cease Date
	Directors	James Hannan Ian Richard Jones	04/06/2021 30/11/2021	NA
	Secretary	Alistair William Thomas Clarkson	01/03/2017	NA
Shareholders	The Independent Print Media Group Pty Ltd -100% ORD The company has \$2 in paid up capital and 2 shares on issue			
Related entities	Refer to Appendix 8			
Trading activities	Advertising, Public Relations and Related Services			

10.1.59. Woodox Pty Ltd

Incorporation Date	14/11/1994			
Registered Address	2-8 Priddle Street, Warwick Farm NSW 2170			
PPOB	2-8 Priddle Street, Warwick Farm NSW 2170			
Directors and Officers	Title	Name	Appointment Date	Cease Date
	Directors	James Hannan Ian Richard Jones	04/06/2021 30/11/2021	NA
	Secretary	Alistair William Thomas Clarkson	01/03/2017	NA
Shareholders	The independent Print Media Group Pty Ltd -100% ORD The company has \$4 in paid up capital and 4 shares on issue			
Related entities	Refer to Appendix 8			
Trading activities	Advertising, Public Relations and Related Services			

10.2. Details of security interests and charges

The security interests registered on the PPSR for the Ovato Trading Entities (Ovato in particular) are numerous. The full schedule of PPSR registrations for each company can be viewed on the FTI Consulting creditor portal entitled:

PPSR Registrations: Ovato Limited

PPSR Registrations: Ovato Packaging Pty Ltd

PPSR Registrations: Ovato Print Cairns Pty Ltd

PPSR Registrations: Ovato Dormant Entities

The creditor portal can be accessed via the following website:

<https://www.fticonsulting.com/creditors/ovato-limited>

A summary of the PPSR registrations is presented below:

Company	Total Registrations	ALL PAAP Registrations	PMSI Registrations
Ovato Limited	682	7	146
Ovato Packaging Pty Ltd	12	1	3
Ovato Print Cairns Pty Ltd	20	1	10
PMP Property Pty Ltd	6	4	
Pacific Publications Holdings Pty Ltd	6	4	
Attic Futura Pty Ltd	6	4	
Pacific O'Brien Publications Pty Ltd	6	4	
Total Sampling Pty Ltd	6	4	
PMP Publishing Pty Ltd	6	4	
PMP Advertising Solutions Pty Ltd	6	4	
PMP Home Media Pty Ltd	7	4	1
Shomega Pty Ltd	6	4	
Show-Ads Pty Ltd	6	4	
Linq Plus Pty Ltd	6	4	
PMP Wholesale Pty Ltd	6	4	
The Argus & Australasian Pty Ltd	6	4	
PMP Directories Pty Ltd	8	4	1
Argyle Print Pty Ltd	8	4	2
Red PPR Holdings Pty Ltd	6	4	
Ovato Finance Pty Ltd	6	4	
Manningtree Investments Pty Ltd	6	4	
Canberra Press Pty Ltd	6	4	
IPMG Holdco Pty Ltd	3	1	
IPMG Subco Pty Ltd	3	1	
Propsea Pty Ltd	3	1	
MJV Pty Ltd	3	1	
Tigerstone Pty Ltd	3	1	
KTAR Pty Ltd	3	1	

Company	Total Registrations	ALL PAAP Registrations	PMSI Registrations
PMP Subco No.1 Pty Ltd	3	1	
PMP Subco No.2 Pty Ltd	3	1	
PMP Subco No.3 Pty Ltd	3	1	
PMP Subco No.4 Pty Ltd	3	1	
PMP Subco No.5 Pty Ltd	3	1	
PMP Subco No.6 Pty Ltd	3	1	
D. Livingstone Pty Ltd	3	1	
IPMG Pty Ltd	18	1	14
Hannan Finance Corporation Pty Ltd	3	1	
IPMG Administration Pty Ltd	4	1	1
NDD Distribution Pty Ltd	3	1	
Southern Independent Publishers Pty Ltd	3	1	
The Federal Publishing Co Pty Ltd	3	1	
IPMG Management (No.2) Pty Ltd	3	1	
IPMG Digital Pty Ltd	3	1	
Forty Two International Pty Ltd	3	1	
Holler Australia Pty Ltd	3	1	
Holler Administration Pty Ltd	3	1	
IPMG Consulting Pty Ltd	3	1	
Massmedia Studios Pty Ltd	3	1	
Max Australia Pty Ltd	3	1	
Spin Comm Syd Pty Ltd	3	1	
The Gang of 4 Pty Ltd	3	1	
The Independent Print Media Group Pty Ltd	3	1	
Craft Printing Pty Ltd	8	1	5
SYNC Communications Management Pty Ltd	3	1	
Warwick Farm Business Park Pty Ltd	3	1	
Woodox Pty Ltd	3	1	
Offset Alpine Printing Group Pty Ltd	3	1	
Offset Alpine Printing Pty Ltd	33	1	29
Kierle Investments Pty Ltd	3	1	

10.3. Historical financial information

10.3.1. Balance Sheet Summary

Ovato Group: Balance Sheet

A\$'m	Notes	FY20	FY21	FY22
Cash & cash equivalents		16.2	16.7	10.4
Trade receivables (net)	1.	44.1	45.6	28.6
Other receivables		9.8	3.3	5.3
Raw materials		48.7	17.3	16.8
WIP & finished goods		39.1	2.8	3.2
Prepayments		1.9	3.4	2.7
Other current assets	2.	1.3	32.6	15.0
Current assets		161.1	121.7	82.0
Inter-company receivables		0.9	0.9	1.0
Investments		0.2	0.0	0.0
Property, plant & equipment		106.0	67.1	56.8
Intangibles		1.4	(0.0)	(0.0)
Deferred tax assets		41.6	9.1	-
ROU assets		58.3	42.0	20.0
Other non-current assets		12.8	5.9	6.4
Non-current assets		221.2	125.0	84.2
Accounts payable		59.5	19.5	15.5
Other payables	3.	36.8	4.3	1.2
Accruals	3.	35.1	7.6	6.8
Employee provisions	3.	28.1	20.8	16.0
Other current provisions		1.7	8.6	3.4
Current lease obligations		23.9	18.7	13.8
Current interest-bearing liabilities.		37.2	5.3	5.7
Current financial instruments		0.1	2.3	3.0
Other current liabilities	4.	0.0	39.2	(0.0)
Current liabilities		222.4	126.3	65.4
Inter-company loans		0.9	0.9	0.9
Non-current provisions		8.7	7.1	5.1
Non-current interest-bearing liabilities		48.8	46.9	36.2
Non-current financial instruments		-	-	7.9
Non-current lease obligations		83.8	58.0	31.9
Other non-current liabilities		(0.0)	(0.0)	0.6
Non-current liabilities		142.2	112.9	82.6
Net Assets		17.8	7.5	18.1
Contributed Equity		497.5	553.9	553.8
Reserves		(2.2)	(2.2)	(2.3)
Retained Earnings/(Accumulated Losses)		(490.8)	(557.5)	(547.9)
FX Gain/Loss		13.3	13.2	14.5
Equity		17.8	7.5	18.1

Source: Management accounts

Notes

1. Provision for doubtful debts is included in trade receivables balance.
2. Other current assets represent cash at bank to secure bank guarantees provided to Ovato's lessors for its leasing liabilities. Our analysis of historical financial performance indicates this was not a current/liquid cash asset for solvency assessment purposes given it secured a corresponding contingent liability.
3. Balances reduced via restructure through the Scheme.
4. We understand this liability was reallocated in anticipation of the Retail Distribution Business sale which occurred shortly after the end of FY21. This internal reallocation was made to reclassify liabilities held for sale in accordance with relevant accounting standards.

Ovato Dormant Entities: Balance Sheet Summary \$'k	Notes	PMP Home Media Pty Ltd	Argyle Print Pty Ltd	IPMG Consulting Pty Ltd	Offset Alpine Printing Group Pty Ltd	Offset Alpine Printing Pty Ltd	Kierle Investments Pty Ltd
Cash & cash equivalents		0.0	0.0	0.0	0.0	0.1	0.0
Trade receivables (net)		0.0	(0.0)	0.0	0.0	0.0	0.0
Total Current assets		0.0	(0.0)	0.0	0.0	0.1	0.0
Inter-company receivables	1	3,786.6	51,975.6	22.1	0.0	(14,409.3)	9,647.5
Investments	2	0.0	0.0	0.0	15,000.0	5,893.5	0.0
Total Non-current assets		3,786.6	51,975.6	22.1	15,000.0	(8,515.8)	9,647.5
Accounts payable	3	0.0	0.0	0.0	381.4	0.0	0.0
Other payables		0.0	0.0	(0.0)	0.0	0.0	0.0
Total Current liabilities		0.0	0.0	(0.0)	381.4	0.0	0.0
Inter-company loans	4	0.0	0.0	0.0	1,569.2	(77,390.3)	8,878.4
Total Non-current liabilities		0.0	0.0	0.0	1,569.2	(77,390.3)	8,878.4
Net Assets		3,786.6	51,975.6	22.1	13,049.4	68,874.6	769.1
Contributed Equity		0.0	51,920.9	0.0	17,024.6	3,750.0	(977.8)
Reserves		0.0	0.0	0.0	0.0	20,741.1	(3,481.3)
Retained Earnings/(Accumulated Losses)		3,786.6	54.7	22.1	(3,975.2)	44,383.5	5,228.2
FX Gain/Loss		0.0	0.0	0.0	0.0	(0.0)	0.0
Equity		3,786.6	51,975.6	22.1	13,049.4	68,874.6	769.1

Ovato Dormant Entities: Balance Sheet Summary \$'k	Notes	PMP Wholesale Pty Ltd	The Independent Print Media Group Pty Ltd	PMP Property Pty Ltd	IPMG Pty Ltd	IPMG Administration Pty Ltd	Craft Printing Pty Ltd
Cash & cash equivalents		0.0	0.0	0.0	0.0	0.0	0.0
Trade receivables (net)		0.0	0.0	0.0	0.0	0.0	0.0
Total Current assets		0.0	0.0	0.0	0.0	0.0	0.0
Inter-company receivables	1	0.0	0.0	20.9	14,420.5	(5,917.5)	0.0
Investments	2	0.0	(2,994.3)	0.0	238,550.5	35,621.4	0.0
Total Non-current assets		(697.4)	(2,994.3)	20.9	252,971.0	29,703.9	0.0
Accounts payable	3	0.0	0.0	0.0	0.0	0.0	0.0
Other payables		0.0	0.0	0.0	0.0	0.0	0.0
Total Current liabilities		0.0	0.0	0.0	0.0	0.0	0.0
Inter-company loans	4	0.0	23,202.2	0.0	(357,929.5)	124,724.8	13,868.0
Total Non-current liabilities		0.0	23,202.2	0.0	(357,929.5)	124,724.8	13,868.0
Net Assets		(697.4)	(26,196.5)	20.9	610,900.5	(95,020.8)	(13,868.0)
Contributed Equity		135.0	26,714.5	0.0	771,093.0	6,150.5	4,000.0
Reserves		370.0	0.0	0.0	0.0	0.0	0.0
Retained Earnings/(Accumulated Losses)		(1,202.4)	(52,911.0)	20.9	(160,192.4)	(101,171.3)	(17,868.0)
FX Gain/Loss		0.0	0.0	0.0	(0.0)	0.0	0.0
Equity		(697.4)	(26,196.5)	20.9	610,900.5	(95,020.8)	(13,868.0)

Ovato Dormant Entities: Balance Sheet Summary \$'k	Notes	Forty Two International Pty Ltd	Hannan Finance Corporation Pty Ltd	IPMG Digital Pty Ltd	Max Australia Pty Ltd	Massmedia Studios Pty Ltd	PMP Subco No.5 Pty Ltd
Cash & cash equivalents		0.0	0.0	0.0	0.0	0.0	0.0
Trade receivables (net)		0.0	0.0	0.0	0.0	0.0	0.0
Total Current assets		0.0	0.0	0.0	0.0	0.0	0.0
Inter-company receivables	1	0.0	0.0	7,956.9	0.0	0.0	0.0
Investments	2	0.0	0.0	0.0	0.0	0.0	68,593.5
Total Non-current assets		0.0	0.0	7,956.9	0.0	0.0	68,593.5
Accounts payable	3	0.0	0.0	0.0	0.0	0.0	0.0
Other payables		0.0	0.0	0.0	0.0	0.0	0.0
Total Current liabilities		0.0	0.0	0.0	0.0	0.0	0.0
Inter-company loans	4	(9,243.0)	(20,690.9)	917.7	258.0	(691.5)	68,631.4
Total Non-current liabilities		(9,243.0)	(20,690.9)	917.7	258.0	(691.5)	68,631.4
Net Assets		9,243.0	20,690.9	7,039.2	(258.0)	691.5	(37.8)
Contributed Equity		50.0	51,000.1	92,181.5	0.0	869.0	0.0
Reserves		0.0	0.0	0.0	0.0	0.0	0.0
Retained Earnings/(Accumulated Losses)		9,193.0	(30,309.2)	(85,142.3)	(258.0)	(177.5)	(37.8)
FX Gain/Loss		0.0	0.0	0.0	0.0	0.0	0.0
Equity		9,243.0	20,690.9	7,039.2	(258.0)	691.5	(37.8)

Ovato Dormant Entities: Balance Sheet Summary \$'k	Notes	KTAR Pty Ltd	PMP Subco No.6 Pty Ltd	PMP Subco No.2 Pty Ltd	PMP Subco No.3 Pty Ltd	D. Livingstone Pty Ltd	PMP Subco No.4 Pty Ltd
Cash & cash equivalents		0.0	0.0	0.0	0.0	0.0	0.0
Trade receivables (net)		0.0	0.0	0.0	0.0	0.0	0.0
Total Current assets		0.0	0.0	0.0	0.0	0.0	0.0
Inter-company receivables	1	0.0	0.0	33.1	20.7	11.1	19.6
Investments	2	61,897.1	46,422.9	151,203.4	151,203.4	151,203.4	151,203.4
Total Non-current assets		61,897.1	46,422.9	151,236.5	151,224.1	151,214.5	151,223.0
Accounts payable	3	0.0	0.0	0.0	0.0	0.0	0.0
Other payables		0.0	0.0	0.0	0.0	0.0	0.0
Total Current liabilities		0.0	0.0	0.0	0.0	0.0	0.0
Inter-company loans	4	54,397.0	31,426.4	1,436.2	(171.7)	(6,755.6)	714.2
Total Non-current liabilities		54,397.0	31,426.4	1,436.2	(171.7)	(6,755.6)	714.2
Net Assets		7,500.0	14,996.5	149,800.3	151,395.8	157,970.1	150,508.8
Contributed Equity		0.0	0.1	7,607.0	7,608.7	7,608.7	7,607.0
Reserves		0.0	0.0	0.0	0.0	0.0	0.0
Retained Earnings/(Accumulated Losses)		7,500.0	14,996.4	142,193.2	143,787.1	150,361.4	142,901.7
FX Gain/Loss		0.0	0.0	(0.0)	(0.0)	(0.0)	0.0
Equity		7,500.0	14,996.5	149,800.3	151,395.8	157,970.1	150,508.8

Ovato Dormant Entities: Balance Sheet Summary \$'k	Notes	The Federal Publishing Co Pty Ltd	Warwick Farm Business Park Pty Ltd	Woodox Pty Ltd	IPMG HoldCo Pty Ltd	IPMG SubCo Pty Ltd	MJV Pty Ltd
Cash & cash equivalents		0.0	0.0	0.0	0.0	0.0	0.0
Trade receivables (net)		0.0	0.0	0.0	0.0	0.0	0.0
Total Current assets		0.0	0.0	0.0	0.0	0.0	0.0
Inter-company receivables	1	0.0	0.0	0.0	(40.0)	80.0	5.3
Investments	2	0.0	0.0	5,251.2	40.0	125,941.3	64,915.3
Total Non-current assets				5,251.2		126,021.3	64,920.6
Accounts payable	3	0.0	0.0	0.0	0.0	0.0	0.0
Other payables		0.0	0.0	0.0	0.0	0.0	0.0
Total Current liabilities		0.0	0.0	0.0	0.0	0.0	(0.0)
Inter-company loans	4	(403.7)	34,214.3	16,165.2	(125,980.1)	125,980.1	52,673.7
Total Non-current liabilities		(403.7)	34,214.3	16,165.2	(125,980.1)	125,980.1	52,673.7
Net Assets		403.7	(34,214.3)	(10,913.9)	125,980.1	41.2	12,246.8
Contributed Equity		0.4	0.0	0.0	125,980.1	40.0	0.0
Reserves		0.0	0.0	0.0	0.0	0.0	0.0
Retained Earnings/(Accumulated Losses)		403.3	(34,214.3)	(10,913.9)	0.0	1.2	12,246.8
FX Gain/Loss		0.0	0.0	0.0	0.0	0.0	0.0
Equity		403.7	(34,214.3)	(10,913.9)	125,980.1	41.2	12,246.8

Ovato Dormant Entities: Balance Sheet Summary \$'k	Notes	Manningtree Investments Pty Ltd	PMP Publishing Pty Ltd	Total Sampling Pty Ltd	Pacific O'Brien Publications Pty Ltd	ATTIC Futura Pty Ltd	Shomega Pty Ltd
Cash & cash equivalents		0.0	0.0	0.0	0.0	0.0	0.0
Trade receivables (net)		0.0	0.0	0.0	0.0	0.0	0.0
Total Current assets		0.0	0.0	0.0	0.0	0.0	0.0
Inter-company receivables	1	3,059.6	(451,938.0)	(41.5)	(1,203.9)	(26,637.2)	65,895.5
Investments	2	4,287.8	(0.0)	0.0	0.0	0.0	41,483.1
Total Non-current assets		7,347.4	(451,938.0)	(41.5)	(1,203.9)	(26,637.2)	107,378.6
Accounts payable	3	0.0	0.0	0.0	0.0	0.0	0.0
Other payables		0.0	0.0	0.0	0.0	0.0	0.0
Total Current liabilities		0.0	0.0	0.0	0.0	0.0	0.0
Inter-company loans	4	0.0	0.0	0.0	0.0	0.0	0.0
Total Non-current liabilities		0.0	0.0	0.0	0.0	0.0	0.0
Net Assets		7,347.4	(451,938.0)	(41.5)	(1,203.9)	(26,637.2)	107,378.6
Contributed Equity		4,000.0	0.0	0.0	50.0	0.0	97,623.5
Reserves		0.0	0.0	0.0	0.0	0.0	0.0
Retained Earnings/(Accumulated Losses)		3,347.4	(451,938.0)	(41.5)	(1,253.9)	(26,637.2)	9,755.2
FX Gain/Loss		0.0	0.0	0.0	0.0	0.0	0.0
Equity		7,347.4	(451,938.0)	(41.5)	(1,203.9)	(26,637.2)	107,378.6

Ovato Dormant Entities: Balance Sheet Summary \$'k	Notes	Show-Ads Pty Ltd	The Argus & Australasian Pty Ltd	Canberra Press Pty Ltd
Cash & cash equivalents		0.0	0.0	0.0
Trade receivables (net)		0.0	0.0	0.0
Total Current assets		0.0	0.0	0.0
Intercompany receivables	1	(10,192.3)	923.2	(3,497.9)
Investments	2	0.0	0.0	0.0
Total Non-current assets		(10,192.3)	923.2	(3,497.9)
Accounts payable	3	0.0	0.0	0.0
Other payables		0.0	0.0	0.0
Total Current liabilities		0.0	0.0	0.0
Intercompany loans	4	0.0	0.0	0.0
Total Non-current liabilities		0.0	0.0	0.0
Net Assets		(10,192.3)	923.2	(3,497.9)
Contributed Equity		570.8	923.2	7,775.0
Reserves		0.0	0.0	0.0
Retained Earnings/(Accumulated Losses)		(10,763.1)	0.0	(11,272.9)
FX Gain/Loss		0.0	0.0	0.0
Equity		(10,192.3)	923.2	(3,497.9)

Notes

1. Intercompany receivables. As discussed earlier in this report, there is not expected to be any recoveries of these amounts given the status of the entities within the Group.
2. Investments relates to shares in related entities and there is not expected to be any recovery from these shareholdings given the status of the entities within the Group.
3. We have been advised by Ovato's finance team this amount is a legacy debt for Offset Alpine Printing Group Pty Ltd and should be written off. Accordingly, there is not expected to be any recovery of this amount.
4. As discussed earlier in this report, there is not expected to be dividend distributions to any unsecured creditors including intercompany creditors.

Subsidiaries with no balance sheets

We note we have not been provided with balance sheets for the below subsidiaries:

- Holler Administration Pty Ltd
- Holler Australia Pty Ltd
- IPMG Management (No.2) Pty Ltd
- Linq Plus Pty Ltd
- NDD Distribution Pty Ltd
- Ovato Finance Pty Ltd
- Pacific Publications Holdings Pty Ltd
- PMP Advertising Solutions Pty Ltd
- PMP Directories Pty Ltd
- PMP Subco No.1 Pty Ltd
- Propsea Pty Ltd
- Red PPR Holdings Pty Ltd
- Southern Independent Publishers Pty Ltd
- Spin Comm Syd Pty Ltd
- SYNC Communications Management Pty Ltd
- The Gang of 4 Pty Ltd
- Tigerstone Pty Ltd

10.3.2. Profit and Loss Summary

Ovato Group: Profit and Loss

A\$'m	Notes	FY20	FY21	FY22
External sales	1.	549.0	446.8	284.0
Rebates & discounts		(8.7)	(4.6)	(3.3)
Intercompany sales		7.9	6.2	2.2
Net sales revenue		548.1	448.4	282.9
Paper		(155.9)	(121.2)	(101.2)
Ink		(17.8)	(14.4)	(12.1)
Other Direct COGS		(7.1)	(11.7)	(5.6)
Other COGS		(75.8)	(58.3)	(15.2)
Gross profit		291.5	242.8	148.9
Other income	2.	17.5	24.2	6.7
Freight		(55.9)	(45.5)	(18.8)
Indirect materials		(10.8)	(8.2)	(7.8)
Other Warehousing/Contracting Expense		(3.1)	(2.7)	(0.2)
Direct Power & energy		(16.2)	(13.8)	(13.4)
Direct R&M		(12.2)	(9.4)	(8.4)
Direct Insurance expense		(0.2)	(0.2)	0.0
Direct Lease expense		(1.7)	(1.3)	(0.9)
Other man./prod. expense		(2.7)	(1.8)	(1.6)
Direct labour		(81.0)	(73.8)	(54.7)
Indirect employee expense		(73.2)	(63.4)	(34.1)
Capitalised lease expense		(25.6)	(22.8)	(15.2)
Other overheads		(19.5)	(15.9)	(9.4)
EBITDA	3.	6.8	8.2	(8.9)
Interest expense		(8.5)	(7.6)	(5.3)
D&A (excl. capitalised leases)		(21.2)	(18.0)	(10.4)
EBT		(22.9)	(17.3)	(24.6)
Tax expense		(13.4)	(29.4)	(9.1)
Restr. costs & other sig. items	3.	(72.5)	(20.4)	44.1
NPAT	3.	(108.7)	(67.1)	10.4

Source: Management accounts

Notes

1. Revenue declines largely relate to:
 - a. The impact of COVID-19 on Ovato's catalogue business (Ovato's largest business) from FY20 to FY21.
 - b. Sale of Marketing Services Australia business and Australian and New Zealand Retail Distribution in July/August 2021 as the revenue streams from these businesses were removed from the Group on divestment.
2. The Ovato Trading Entities received c.\$9.7m and \$18.3m of JobKeeper funding in FY20 and FY21 respectively.
3. Sales of Marketing Services Australia, Australian and New Zealand Retail Distribution, and Griffin Press businesses (recognised in restructuring and other significant items line) were the key drivers of the net profit reported in FY22, although the underlying business experienced an \$8.9m EBITDA loss, before capital expenditure and the costs of debt servicing.

FY20 significant costs include \$25.4m of restructuring and one-off costs, and a \$37.0m impairment of Goodwill. FY21 includes \$17.1m of restructuring and one-off costs, and a \$23.0m impairment of PPE. For further information, refer to the FY21 Annual Report.

The above summary profit and loss is presented on the consolidated Ovato Group, which includes prior business units which have since been divested. For context, we have provided a historical profit and loss based on the active Australian business units as at the date of our appointment.

As can be seen from these results, the divestments did not improve the underlying performance of the business, with the remaining business units generating an \$18m loss at the EBT line.

Ovato Trading Entities: Profit and Loss (Current Business Units)

A\$'m	FY20	FY21	FY22
External sales	224.9	194.1	195.0
Intercompany sales	4.2	3.9	1.7
Rebates & discounts	(4.4)	(2.5)	(2.5)
Net sales revenue	224.7	195.5	194.2
Paper	(92.5)	(76.9)	(75.0)
Ink	(10.2)	(9.9)	(9.9)
Other COGS	(6.3)	(8.2)	(7.7)
Gross profit	115.7	100.5	101.7
Other income	13.7	22.5	4.2
Intercompany recharges	5.6	5.5	0.5
Freight	(9.4)	(9.6)	(11.1)
Indirect materials	(5.8)	(4.8)	(5.3)
Power & energy	(9.5)	(9.0)	(10.5)
Direct R&M	(6.6)	(6.1)	(6.1)
Other man./prod. expense	(1.5)	(1.1)	(1.3)
Direct labour	(39.6)	(39.1)	(36.9)
Indirect employee expense	(31.8)	(27.1)	(22.5)
Capitalised lease expense	(10.3)	(8.9)	(8.7)
Other overheads	(9.9)	(8.1)	(6.7)
EBITDA	10.5	14.5	(2.9)
Interest expense	(8.4)	(7.3)	(5.2)
D&A (excl. capitalised leases)	(12.1)	(11.8)	(10.1)
EBT	(10.0)	(4.6)	(18.2)
Tax expense	(13.0)	(29.7)	(2.3)
Restr. costs & other sig. items	(70.6)	101.0	2.7
NPAT	(93.5)	66.7	(17.8)

Source: Management accounts

Ovato Dormant Entities: Profit and Loss

- The Ovato Dormant Entities were not trading as at the date of our appointment. We note the profit and loss statements provided to the Administrators for the Ovato Dormant Entities were all nil activity.

11. Appendix 3 – Investigations – analysis and information

11.1. General information and considerations

11.1.1. Date of insolvency

In order to ascertain if there were any insolvent transactions entered into by a company, it is first necessary to determine the date a company became insolvent.

Proving the date on which a company became insolvent is an essential element of recovery actions with respect to unfair preferences, uncommercial transactions and insolvent trading.

Recovery actions require the liquidator to prove that the particular company was insolvent at the time of the transaction, or in the case of an insolvent trading action, when the debt was incurred.

11.1.2. What is insolvency?

Solvency is defined in s 95A of the Act as when a company is able to pay all its debts as and when they become due and payable. A company that is not solvent is insolvent.

Whether a company is able to meet its debts as they become due is essentially a “cash flow” test rather than a “balance sheet” test (although the company’s balance sheet position is still relevant).

Consideration of the entire financial position of a company is required to establish if it is insolvent at a particular date. This includes factors such as the value of the company’s assets relative to its liabilities and the nature of these assets and liabilities. Also, the extent to which cash is expected to be generated from future trading activities, or available from alternative sources is relevant to considering a company’s solvency position.

11.1.3. General and commercial considerations

Proving insolvency is often a complex exercise and usually involves considerable time and expense in thoroughly investigating all aspects of claims. Legal advice on the merits of claims is generally required.

Typically, insolvent trading claims are defended and directors may seek to rely on the statutory defences available to them.

Legal proceedings are often necessary for liquidators to pursue claims. This adds to the time and costs involved in pursuing claims. There is also inherent uncertainty involved with any litigation. As a result, commercial considerations are relevant, including whether the amount of the claim is large enough to pursue on a cost and risk/benefit basis.

The capacity of a party to pay any successful claim to a liquidator is also a relevant consideration in determining whether or not pursuing an action is likely to be in the interest of creditors.

Liquidators may not have funds to pursue actions. At other times, the liquidator may view the risks/benefits of pursuing an action not to be in the interest of creditors (for example, in cases where pursuing an action would use up the available cash/assets when otherwise a small dividend to creditors could be paid). In these circumstances, it is possible that a creditor or a litigation funder may wish to fund an action to pursue a claim. This typically occurs only when there is a very strong case and high prospect of success.

11.2. Indicators of potential insolvency

11.2.1. Factors to take into account

We have considered the usual indicia of insolvency in our analysis of the Ovato Group's solvency. The following relevant indicia are discussed on the following pages:

- The company has a history of continuing trading losses.
- The company is experiencing cash flow difficulties.
- The company is experiencing difficulties selling its stock, or collecting debts owed to it.
- Creditors are not being paid on agreed trading terms and/or are either placing the company on cash-on-delivery terms or requiring special payments on existing debts before they will supply further goods and services.
- The company is not paying its Commonwealth and state taxes when due (e.g. pay-as-you-go instalments are outstanding, goods and services tax (GST) is payable, or superannuation guarantee contributions are payable).
- Cheques are being returned dishonoured.
- Legal action is being threatened or has commenced against the company, or judgements are entered against the company, in relation to outstanding debts.
- The company has reached the limits of its funding facilities and is unable to obtain appropriate further finance to fund operations—for example, through:
 - negotiating a new limit with its current financier; or
 - refinancing or raising money from another party.
- The company is unable to produce accurate financial information on a timely basis that shows the company's trading performance and financial position or that can be used to prepare reliable financial forecasts.
- Company directors have resigned, citing concerns about the financial position of the company or its ability to produce accurate financial information on the company's affairs.
- The company auditor has qualified their audit opinion on the grounds there is uncertainty that the company can continue as a going concern.
- The company has defaulted, or is likely to default, on its agreements with its financier.
- Employees, or the company's bookkeeper, accountant or financial controller, have raised concerns about the company's ability to meet, and continue to meet, its financial obligations.
- It is not certain that there are assets that can be sold in a relatively short period of time to provide funds to help meet debts owed, without affecting the company's ongoing ability to continue to trade profitably.
- The company is holding back cheques for payment or issuing post-dated cheques.

Source: ASIC Regulatory Guide 217 - Duty to prevent insolvent trading: Guide for directors

ASIC's view is that these are some of the factors that a reasonable person would take into account when determining whether a company is insolvent. The list of factors is not intended to be exhaustive. There may be other factors that would indicate to a reasonable person that a company may be insolvent.

11.2.2. Solvency analysis – indicators of insolvency

Indicator	FY2020	FY2021	FY2022
Trading losses	✓	✓	✓
Insufficient cash flow	?	✓	✓
Difficulties in selling stock or collecting debts	✗	✗	✗
Liquidity ratios below 1	✓	✓	✓
Creditors paid outside terms / special arrangements	✓	✓	✓
Arrears of statutory liabilities	✓	✓	✓
Cheques are being returned dishonoured / payments dishonoured	✗	✗	✗
Legal action threatened or commenced	✗	✗	✗
Inability to obtain new or alternative funding	✗	✗	✗
Inability to produce accurate financial information	✗	✗	✗
Resignation of directors or other senior management	✗	✗	✓
Qualified audit opinion	✗	✗	N/A
The Company has defaulted, or is likely to default, on its agreements with its financier	✗	✗	✗
Finance staff raise solvency concerns	✓	✓	✓
Inability to sell surplus assets	✗	✗	✗
Issuing post dated cheques	✗	✗	✗

Key

Item	Symbol
Indicator present	✓
Further investigation required	?
Indicator not considered present	✗

11.3. Solvency Analysis

11.3.1. Solvency analysis – cash flow test

The cash flow test involves assessing the Group's ability to meet its obligations as and when they fall due. There are many elements to consider and we have considered the following:

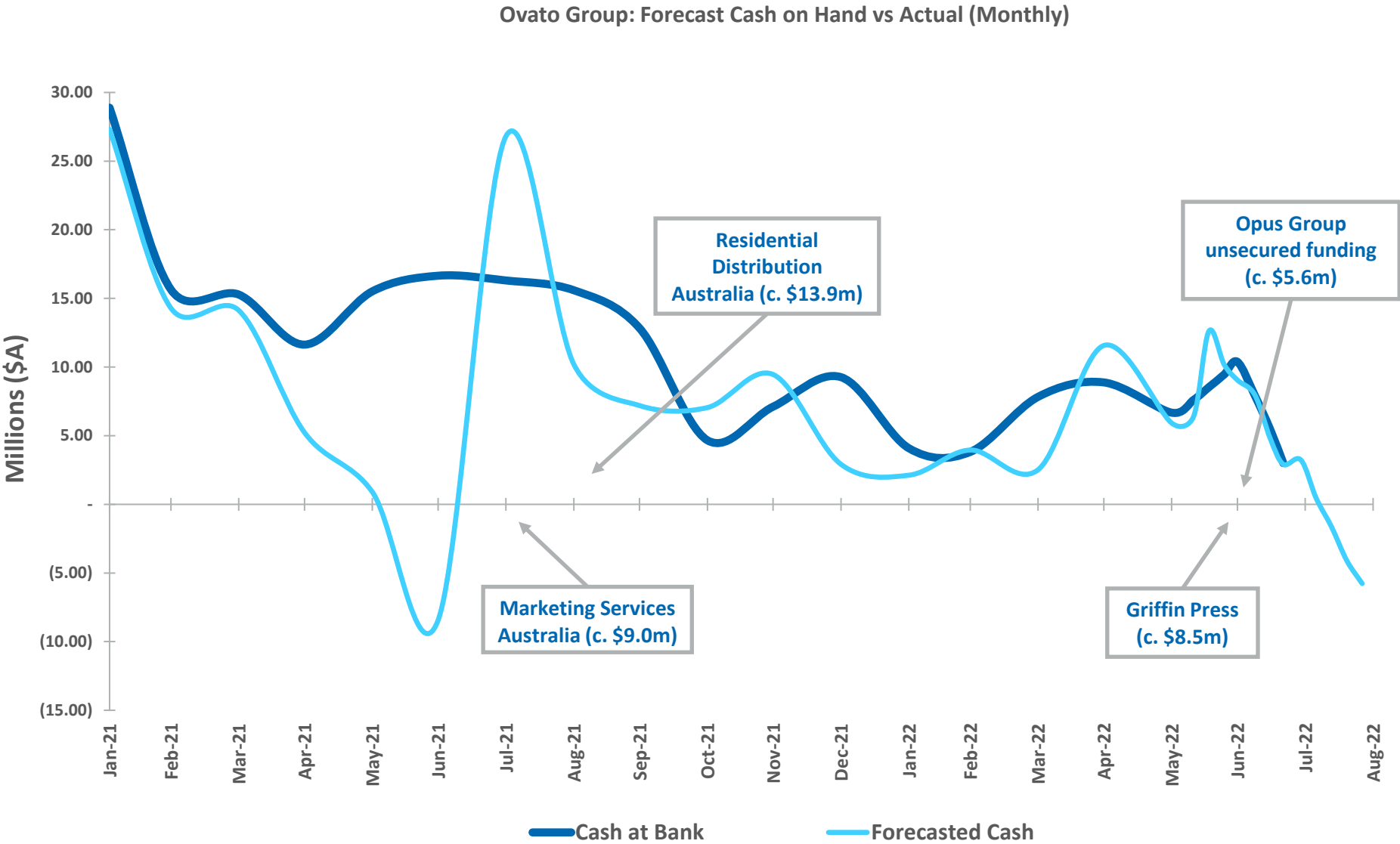
- Cashflow forecasting to assess the Group's solvency position from point-in-time cash flow forecasting;
- Sources of funding and support by lenders or related parties (i.e. the sources of funding available to the Group outside of those generated from operations);
- EBITDA and profit and loss position as a possible proxy for operating cash flow to assess the Group's ability to generate sufficient cash to meet its obligations;
- Trade creditor ledgers and information (including ageing profile) to assess whether the Group had been meeting its payments on time;
- Debtor ledgers and ageing profile to determine the extent to which the Ovato Trading Entities' debtors paid their debts on time;
- Statutory liability position i.e. whether the Group had been meeting its statutory liabilities on time; and
- The existence of other indicia of insolvency.

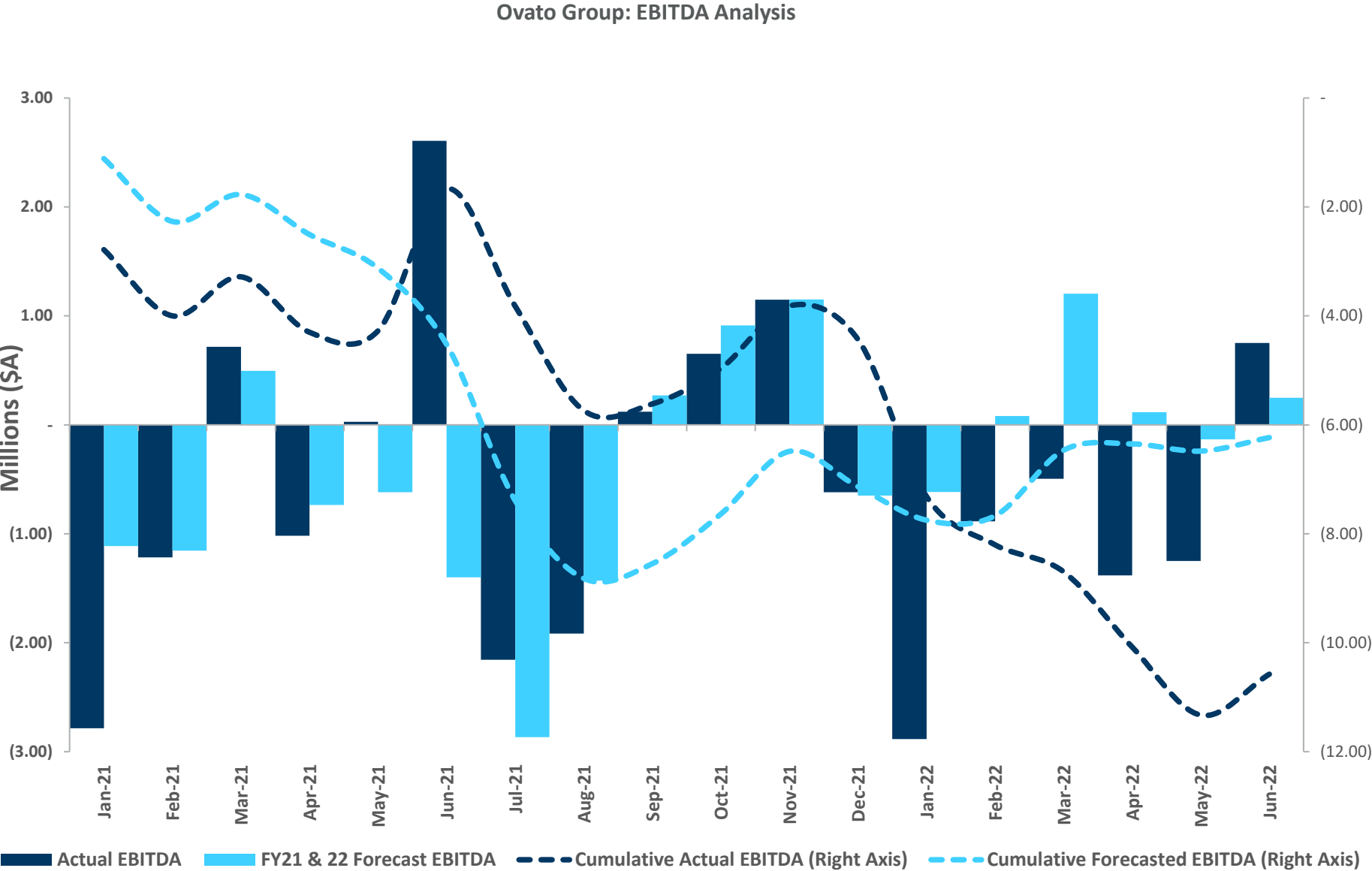
11.3.2. Solvency analysis – forecast and actual cashflows, and available liquidity

A complete assessment of cashflow solvency requires consideration of debts which are due and payable in the future. For the purposes of undertaking this assessment, we have considered Management's monthly consolidated forecasts for FY21 and FY22, and short-term cash flow forecasts in the period immediately prior to our appointment (i.e. for the period after 30 June 2022).

In regards to the cash flow analysis summarised on the following page, we note that:

- Forecast and actual closing cash balances are graphed below.
- Forecast cash flows shown below are based on:
 - monthly forecasts which were presented to the Board and updated on a quarterly basis for the period from January 2021 to June 2022; and
 - a short-term weekly cash flow forecast from 1 July to 26 August 2022.
- We have also shown the Group's actual and forecast EBITDA as a potential proxy for operating cash flows.
- The Group's forecast prepared in early 2021, indicated that the Group was expecting to experience a liquidity shortfall in May/June 2021.
- The Group's monthly forecasts show that liquidity was expected to gradually deteriorate throughout FY22 after the sales of the Marketing Services and Residential Distribution businesses in July and August 2021.
- Although business sales provided temporary liquidity, the overall cash burn of the remaining business meant a cash shortfall and insolvency was inevitable, unless there was a permanent solution to the Group's balance sheet and loss-making position (essentially through the provision of additional equity, as there were limited surplus assets/businesses left to realise).
- Liquidity pressures since implementation of the Scheme are evident in the Group's forecast and actual cashflows.





11.3.3. Solvency analysis – working capital initiatives and forecast short term forecast cash shortfall leading to appointment

We note that the Group was exploring a number of working capital initiatives in the period immediately prior to appointment, including:

- Negotiating with the landlord for the Clayton premises in order to secure the release (in part) of the \$4.9m bank guarantee held by the landlord;
- Attempting to sell a printing press located at the Clayton premises, the funding from which would be used to repay a secured creditor with a deferred finance instalment from December 2021;
- Attempting to negotiate a consignment inventory model which was forecast to improve Ovato's working capital position by c. \$4.5m

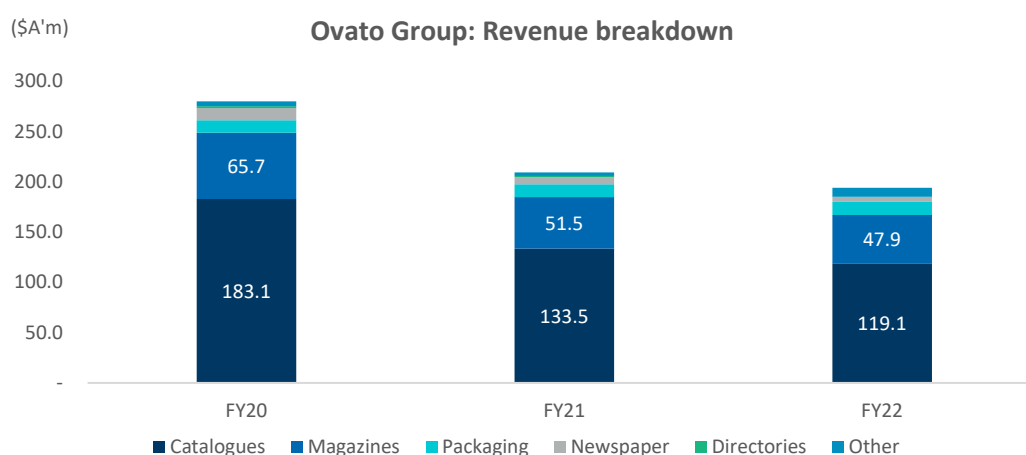
However, the Group was ultimately unable to implement these initiatives in the required timeframe and further, none of these initiatives were expected to provide a complete solution to the Group's balance sheet and ongoing losses from operations.

11.3.4. Solvency analysis – additional funding sources

- Following implementation of the Scheme, the Group was significantly reliant on sales of businesses to fund losses and manage liquidity pressures.
- Whilst these business sales provided short term liquidity, they did not able to provide a permanent solution to the Group's balance sheet and loss-making position.
- A summary of the key sale information for the above business sales is provided in **Section 5.2**.
- Outside of these business sale transactions, the Group obtained debt funding from Opus shortly before our appointment. Whilst this funding provided some short-term liquidity, it did not provide a longer-term funding solution and placed further stress on the Group's already highly leveraged balance sheet.
- We understand the Group had approached several of its major shareholders shortly after implementation of the Scheme to request further funding, however none of these shareholders were willing to provide advance any funding to the Group.
- Further, we understand the Group's auditors, RSM, had been engaged in late 2021 / early 2022 to identify and approach parties interested in acquiring the Group, however this did not result in formal proposals which were capable for acceptance and/or a transaction which could be executed.

11.3.5. Solvency analysis – profitability and continued trading losses

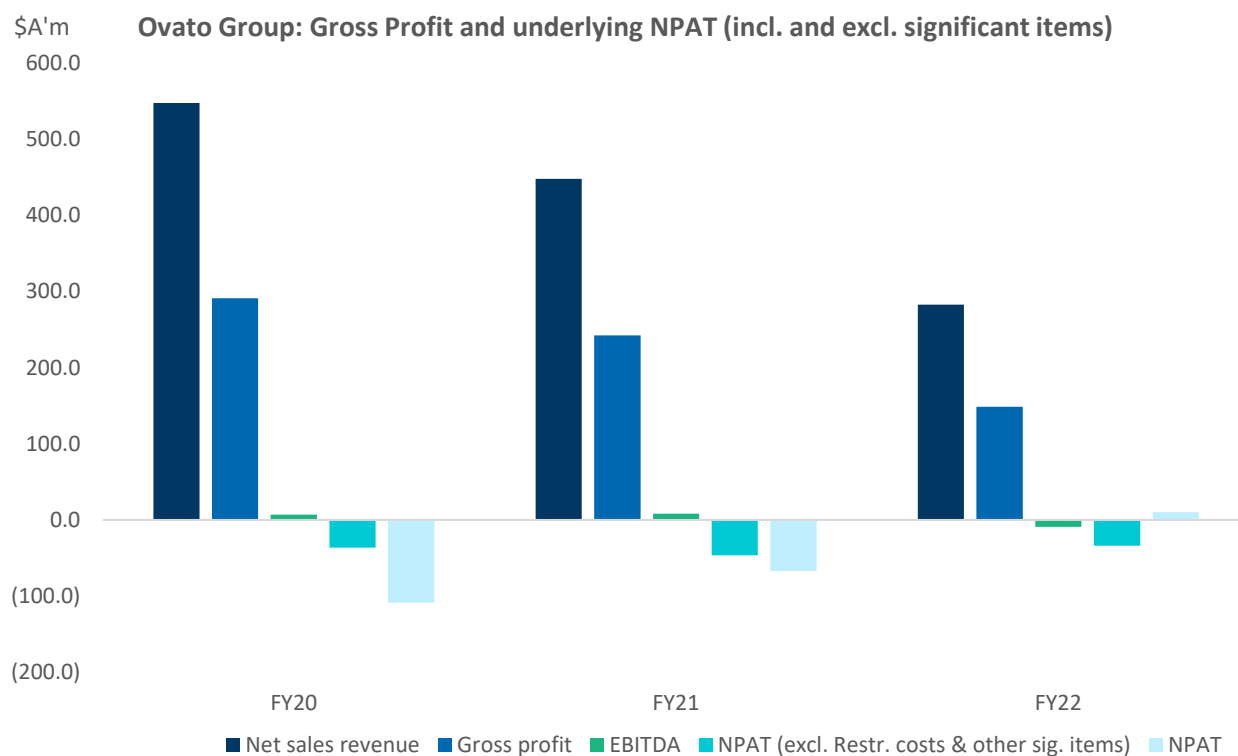
- The Ovato Group's core revenue fell significantly in FY20 during the early months of the COVID-19 pandemic from March 2020. Since that point, revenue from most of its businesses did not recover to pre-COVID-19 levels due to underlying changes in market demand for Ovato's services in particular Catalogue and Magazine sales.
- The following graph illustrates the decline in Ovato's core business operations in recent years (the data shown below includes data from business locations which are now inactive).



	Pro-forma Sales Revenue (\$'m)			Pro-forma Sales Revenue (%)		
	FY20	FY21	FY22	FY20	FY21	FY22
Catalogues	183.1	133.5	119.1	65.4%	63.8%	61.3%
Magazines	65.7	51.5	47.9	23.5%	24.6%	24.7%
Packaging	12.5	12.7	13.2	4.5%	6.1%	6.8%
Newspaper	12.1	6.8	4.7	4.3%	3.2%	2.4%
Directories	1.8	1.4	0.3	0.6%	0.7%	0.2%
Other	4.9	3.5	8.9	1.7%	1.7%	4.6%
Total	280.0	209.4	194.2	100.0%	100.0%	100.0%

- Shortly after the Scheme in December 2020, several significant trade creditors reduced their trading terms with Ovato to cash on delivery payment terms because they were unable to obtain trade credit insurance in supplying Ovato.
- As mentioned earlier in the report, in early April 2021 Ovato engaged Wexted Advisors as Safe Harbour advisors to assist in developing a corporate structuring plan. Some elements of this corporate structuring plan involved the divestment of a number of Ovato's business units to provide funding and reduce debt, undertake operational initiatives, and improve its working capital position.
- Ovato sold three (3) of its business units in the period July 2021 to July 2022:
 1. The Australian and New Zealand Retail Distribution business in July 2021;
 2. The Marketing Services Australia business in August 2021; and
 3. The Griffin Press business in June 2022.
- The Australian Residential Distribution business was also closed in July 2021 as we understand the business had become unprofitable, operating at a \$600k a month loss.
- At the Group level, the business incurred significant losses during FY20 and FY21. The FY22 proforma profit and loss statement recognised a \$10.4m NPAT, however this NPAT included gains from business unit sales mentioned above.

- The underlying business (i.e. the performance of the remaining and unsold business units) operated at a \$2.9m EBITDA loss during FY22, falling to an \$18m loss after interest and depreciation (which in a capital intensive business such as Ovato's, can be considered a proxy for capital expenditure).
- Although profitability is not a sole determining factor of solvency, continuing losses can be indicative of financial distress to be considered with other insolvency indicia and are sometimes used as a proxy for or key driver of cash flows.



Ovato Group: EBITDA Accumulated Losses

A\$'m	FY20	FY21	FY22
EBITDA	6.8	8.2	(8.9)
Net Profit/(Loss)	(108.7)	(67.1)	10.4
Accumulated Loss	(490.8)	(557.5)	(547.9)

- Of particular note, is Ovato's onerous sub-lease position. Due to various operational restructures which occurred in previous years, Ovato leased a number of premises that it did not actively trade from (in either part or whole). Although these premises were sub-leased to mitigate head lease costs, by the end of FY22 Ovato was incurring an equivalent annualised loss of c.\$3.7m (approx. \$1.25m loss from FY21), which reduced profitability of the business, in addition to draining working capital.

Ovato: Onerous sub-lease position

Property	Rent: Headlease	Rent: Sub-lease	Annual Loss	Bank Guarantee (Headlease)
Moorebank, NSW	5,109,998	4,203,974	(906,024)	7,600,000
Clayton, VIC	3,319,166	1,168,468	(2,150,698)	4,926,361
Wacol, QLD	1,325,212	976,331	(348,881)	1,020,102
Hendra, QLD	567,008	483,000	(84,008)	150,881
Pymont, NSW	757,710	503,978	(253,733)	383,310
Total	11,079,095	7,335,751	(3,743,344)	14,080,654

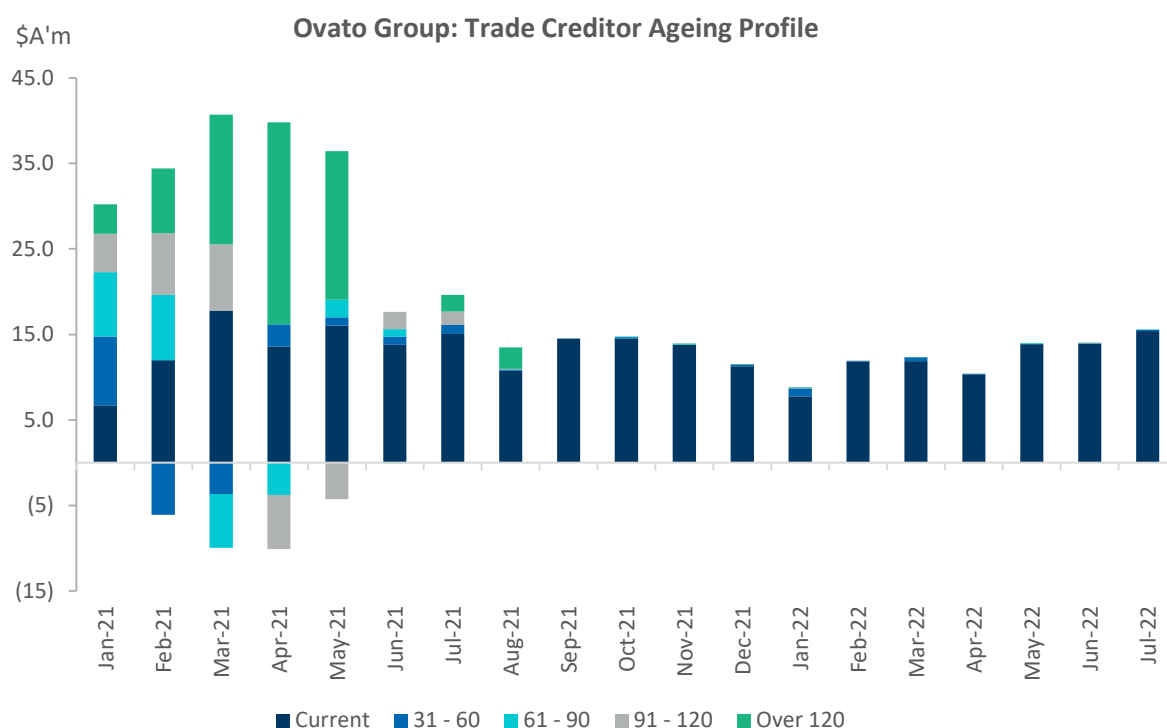
- Ovato had been pursuing various options to negotiate with landlords in order to secure the release of the bank guarantees (in particular from the Clayton landlord), which were unsuccessful prior to the appointment of the Administrators.

In respect of the Group's profitability, we make the following additional observations:

- The Group experienced significant and ongoing losses from FY20 onwards.
- The losses were attributed in part to significant declines in revenue due to structural industry changes and the COVID-19 pandemic, as well as rising input costs and a high fixed cost base.
- Ovato had unsuccessfully attempted to negotiate its leasing position with a number of landlords in order to reduce the losses relating to its onerous leasing position.
- Increases in direct key business input costs including paper and electricity costs impacted the Group's margins and overall profitability.

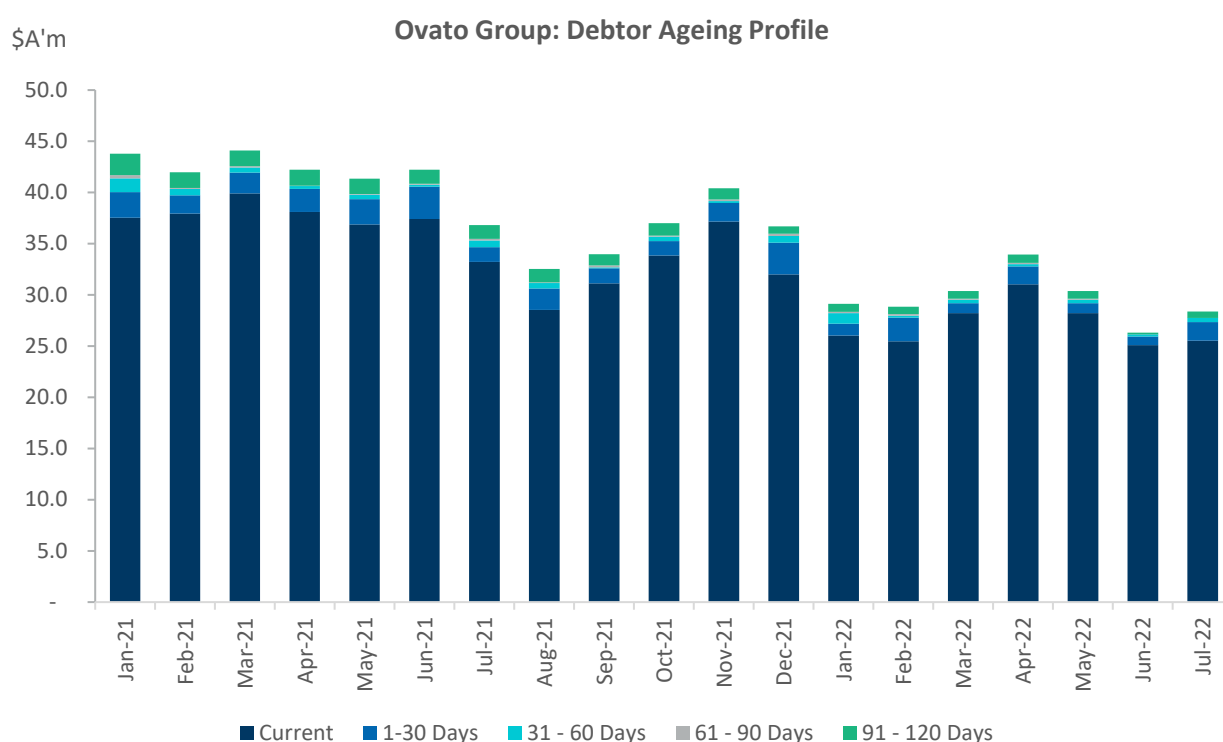
11.3.6. Solvency analysis – aged creditors

- After implementation of the Scheme, a number of significant trade suppliers moved to cash-on-delivery payment terms with Ovato which placed pressure on working capital and liquidity.
- For the period January 2021 to May 2021, the data presented below includes several significant credit notes totaling \$14.3m relating to debts compromised under the Scheme. These credit notes are dated after the invoices were compromised and therefore are shown below as negative aged creditor values. In June 2021, the credit note position is closed out in the accounts.
- The divestment of the Ovato Retail Distribution business to Are Media Limited in July 2021 (detailed further in **Section 11.5.2** involved the assumption of a negative \$27m working capital liability position by the purchaser (accounted for in June 2021).
- The Marketing Services business sale completed in August 2021. Proceeds from both sales were received in late July and August 2021, and used in part to reduce trade and statutory creditors.
- From September 2021, the Group was trading mostly within payment terms with its trade creditors with no material change in the monthly ageing profile.



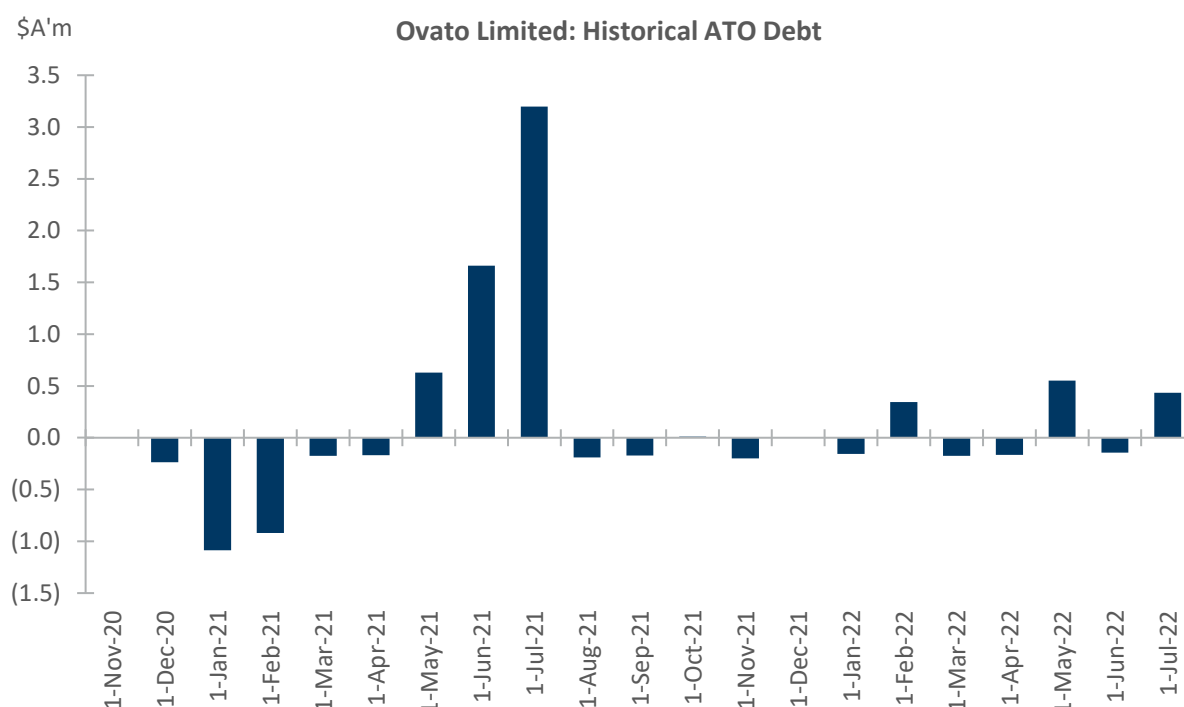
11.3.7. Solvency analysis – aged debtors

- Total debtors decreased overtime as businesses were divested and in conjunction with the general revenue decline experienced.
- However, as shown below, there was no material change in the ageing profile of the debtor balances which indicates the Group does not appear to have been experiencing any challenges with collecting its receivables from customers.
- We also note that the Group had a debtor financing facility which was utilised to improve its cash flow cycle from debtors.



11.3.8. Solvency analysis – statutory debts: ATO

- Ovato's debt position with the ATO (PAYG and GST, month end figures graphed) is shown below.
- As mentioned previously in this report, shortly after the Scheme in December 2020, many of Ovato's major suppliers changed trading terms which placed cashflow pressures on Ovato.
- As a result, Ovato was unable to maintain its taxation payment obligations with the ATO. Two payment plans appear to have been entered into with the ATO in June and July 2021. However, both payment plans were subsequently cancelled, and the ATO and Ovato reached an alternative agreement whereby Ovato would pay down the outstanding debt to the ATO from the sale of the Marketing Services business which resulted in the ATO being paid \$3.2m in early August 2021.
- Since this time, Ovato appears to have largely complied with its tax obligations and the reported debt outstanding to the ATO at appointment is comprised of \$432k of GST for June 2022 (July 2022 not reported) and an \$8k FBT instalment payment.



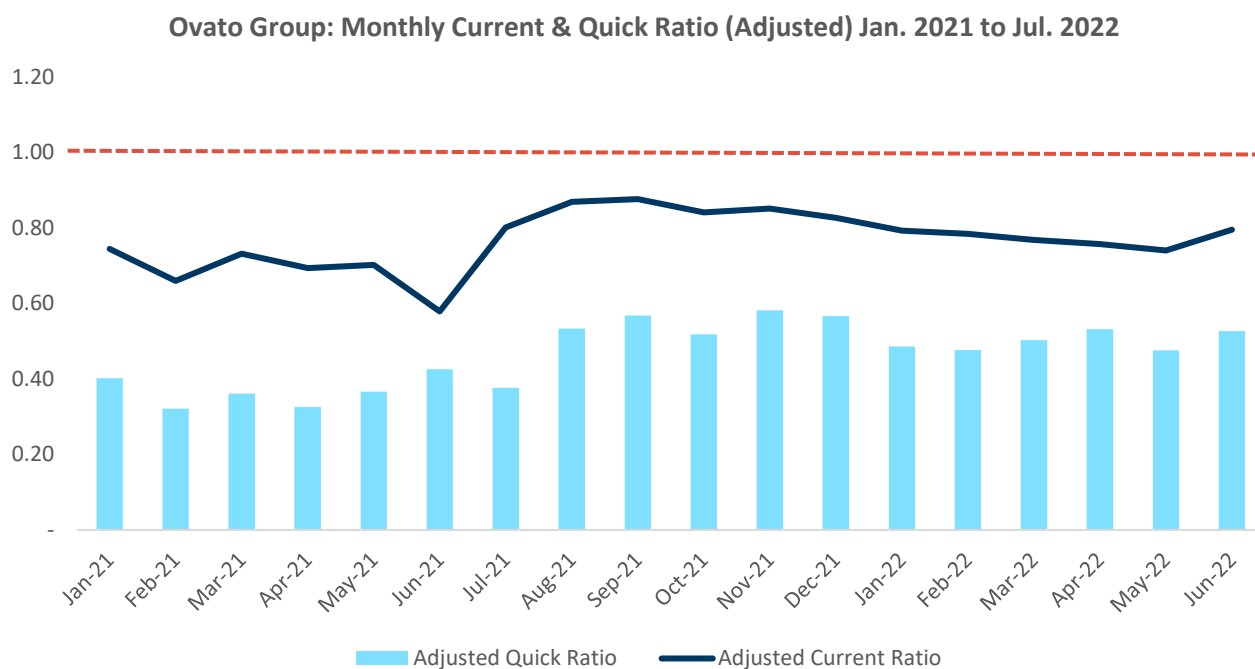
11.3.9. Solvency analysis – balance sheet test

The balance sheet test looks at whether a company can meet all current liabilities, irrespective of when they are due and payable, from current assets. It is generally accepted a ratio of current assets to current liabilities below 1:1 is an indicator of insolvency. In addition to the current ratio, we have considered the Group's quick ratio being an indicator of the value of liquid assets available to meet current liabilities.

We have assessed the Group's solvency based on the balance sheet test for the period from immediately following implementation of the Scheme (i.e., from January 2021 onwards).

- It should be noted that the tables and graphs presented below have been adjusted to more appropriately reclassify some asset/liability classes as follows:
 - We have adjusted Ovato's bank guarantees which are recorded as an 'other current asset' and reclassified them as a non-current asset because they do not represent an immediately available cash source.
 - We have reclassified Ovato's debt owing to Scotpac to the extent it related to the debtor financing facility from a non-current liability to a current liability. Although the term of the Scotpac debtor financing arrangement is long term, from a practical standpoint the lending advanced is short term in nature, as it is effectively repaid at the time the debtors are received and then drawn down again as more debtors are generated.

Importantly, the below analysis shows that, for the entire period analysed (i.e. from implementation of the Scheme), the Group's adjusted current and quick ratios were below one, which indicates the Group was experiencing liquidity issues and was potentially insolvent based on the balance sheet test.



Ovato Group: Balance Sheet

A\$'m	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22
Total current assets (adj.)	175.4	145.2	89.1	85.7	87.1	75.1	66.9
Non-current assets (adj.)	206.0	198.1	157.6	136.2	114.8	109.5	99.2
Total assets	381.4	343.3	246.7	221.9	202.0	184.6	166.1
Current liabilities (adj.)	222.5	198.4	153.8	97.8	105.3	97.6	84.0
Non-current liabilities (adj.)	111.7	93.3	85.4	82.3	71.5	69.4	64.0
Total liabilities	334.2	291.7	239.2	180.0	176.8	167.1	148.1
Net Assets	47.2	51.6	7.5	41.9	25.2	17.5	18.1
Current Ratio	0.79	0.73	0.58	0.88	0.83	0.77	0.80
Quick Ratio	0.48	0.36	0.43	0.57	0.57	0.50	0.53

11.4. Date of Insolvency

- Taking into consideration our analysis conducted in **Section 11.3** above, the Group may have been insolvent shortly after the implementation of the Scheme, around February 2021, and is likely to have remained insolvent until the appointment of Voluntary Administrators on 21 July 2022.
- The estimated date of insolvency is supported by the following metrics and observations:
 - Ovato faced cash flow and liquidity pressures shortly following the Scheme, with significant trade suppliers placing Ovato on cash on delivery terms. Although options were explored, we understand there was no material improvement in this position until prior to the appointment of Administrators.
 - The Group's financial ratios (current and quick ratios, as adjusted) were the lowest at any point from January 2021 onwards, and did not return to above 1 at any point before the appointment of Administrators.
 - Revenues were not improving and earnings were not improving as forecast, and therefore the Group continued to be loss-making which was partly due to structural industry issues, the impact of COVID-19 and the Group's high fixed cost base.
 - Although business sales provided short term liquidity relief and reduced the Group's balance sheet position, they did not provide a permanent or longer-term solution to the Group's liquidity pressures and solvency.
 - Ovato's debt to the ATO increased rapidly increase in ATO debt during the period April 2021 to July 2021 but was subsequently brought back into normal levels resulting from proceeds received from the Marketing Services Australia business sale.
 - The Ovato Directors engaged Wexted to provide Safe Harbour advice in April 2021, a requirement of which is to suspect a company's financial distress. The Ovato Directors sought safe harbour protection from April 2021 until the appointment of the Administrators on 21 July 2022.

11.4.1. Insolvent Trading Claim

- Calculating a potential claim for insolvent trading is a complex exercise which is subject to a variety of factors including, but not limited to, determining the exact date of insolvency and debts incurred whilst the company trade insolvently.
- As mentioned in **Section 6.3.2** of this report, the Directors of Ovato sought safe harbour protection from around April 2021. We are aware of an issue relating to the slight underpayment of a small number of Ovato employee's wages while the Ovato Directors were seeking safe harbour protection, which may affect the effectiveness of the safe harbour protection against an insolvent trading claim.
- If the Ovato Directors are eligible for safe harbour protection, the potential insolvent trading claim will reduce to nil.
- Further investigation to confirm this position, or otherwise, will be undertaken in liquidation.

11.5. Voidable transactions

We set out below our preliminary findings in relation to potential recoveries from voidable transactions in the liquidation of the Ovato Trading Entities, including our view on the likelihood of their being substantiated and supportable claims. Where applicable we have included our estimate of possible recoveries along with any other pertinent information.

11.5.1. Unfair preferences

- We have reviewed the payments made by Ovato (Ovato is the only entity with a transactional bank account) during the six month period leading to appointment. Our investigations to date indicate a series of preferential payments being made to the Office of State Revenue NSW totaling \$478k.
- Our investigations in relation to identifying unfair preferences are not yet finalised and we are in the process of extracting and reviewing further financial and non-financial data to determine the existence of other preferential payments.
- Although our investigations are continuing, we do not anticipate material further preferential payment claims may arise due to the following factors:
 - Ovato's main trade suppliers did not extend credit terms to Ovato. As there is no credit extended the supplier is not a 'creditor' and therefore preferential payments generally cannot be claimed against cash on delivery arrangements.
 - Those trade suppliers who did supply goods (paper) to Ovato generally registered their interests in the goods on the personal property securities register – payments to secured creditors are typically protected against being made void against a Liquidator.
 - A recent decision in the High Court of Australia (Bryant v Badenoch Integrated Logging Pty Ltd [2023] HCA 2) confirms the 'peak indebtedness rule' is unable to be applied when pursuing preferential payments. In short, the decision means an assessment of a creditor's debt at the start of the relation back period (usually 6 months prior to appointment) must be compared against the creditor's debt at the time of appointment of an external administrator. If there has been a decrease of debt from the start of the relation back period, and there has been a 'continuing business relationship' during this time, then the difference may be claimed as a preference by a Liquidator (subject to the various defences a creditor may invoke). If there has been an increase of debt, in the same circumstances then typically there would not be a preference claim available.

11.5.2. Uncommercial transactions

- Based on our current investigations, we have not yet identified any transactions which we believe are uncommercial and void against a Liquidator for the benefit of creditors.
- Due to their materiality, our investigations have considered the business divestments which occurred during the period July 2021 to July 2022. As detailed in **Section 5.2**, each business sale appears to have:
 - been independently valued;
 - been entered into for cash consideration within those valuation parameters;
 - provided substantial additional benefit through the assumption of negative working capital positions/liability assumption; and
 - been approved by non-related and non-interested shareholders where required.
- In relation to the business divestments, our preliminary opinion is that the transactions have been entered into on an arms' length basis, for fair consideration and in good faith.
- Further investigation in this respect will continue in liquidation.

11.5.3. Unfair loans

- At the date of this report, we have not yet located any transactions which we believe constitute unfair loans which may be found void against a liquidator.
- Further investigation in this respect will continue in liquidation.

11.5.4. Offences by Directors

The Directors owe the duties described below to the Company:

■ **Section 180 – Act with care and diligence**

The Directors must exercise their powers and discharge their duties with the degree of care and diligence a reasonable person would exercise if they:

- were a director or officer of a corporation in the company's circumstances; and
- occupied the office held by, and had the same responsibilities with the corporation as, the director or officer.

Our investigations indicate the Ovato Directors may have breached their duties under the Act by causing Ovato to incur a significant amount of unsecured debt shortly prior to the appointment of the Administrators on 22 July 2022. More specifically, Ovato issued a convertible note to Opus around 15 June 2022 with a face value of \$2.5m.

Given Ovato's financial position at this time, due and proper consideration must be given to the interests of its creditors when incurring debt while it is in financial distress. We believe the Directors of Ovato would reasonably have known of Ovato's financial distress at this point in time. While this could have been converted to equity (thereby not requiring repayment), this was at the election of the holder of the Convertible Note and thus should have been considered debt as at the time it was entered into.

■ **Section 181 – Act in good faith**

The Directors are required to act in good faith in the best interests of the Company and for a proper purpose. Acting in the best interest of the Company requires a belief, at the time a decision is made, the course of action will result in a benefit to the Company.

Ovato also obtained an additional \$3.1m unsecured loan from Opus in June 2022 which was around one month before our appointment. At this point, Ovato was clearly in financial distress and a reasonable person acting in good faith and for a proper purpose ought to have considered the interests of its creditors and shareholders, including Opus.

■ **Section 182 – Use of position**

The Directors must not improperly use their position, or information they obtain because they are a director, to gain an advantage for themselves or someone else, or cause detriment to the Company.

Based on our investigations to date we have not identified any instances which indicate a breach of this duty.

■ **Section 183 – Use of information**

The Directors owe a duty to the Company to not improperly use information to gain an advantage for themselves or cause detriment to the Company.

Based on our investigations to date we have not identified any instances which indicate a breach of this duty.

■ **Section 588G – Duty to prevent insolvent trading**

The Directors have a duty to prevent the Ovato Trading Entities from trading while insolvent. If the Directors traded the Ovato Trading Entities whilst insolvent and are unable to avail themselves of the safe harbour provisions as defined in s.588GA of the Act or the defences in s.588G of the Act, they can be held liable for debts incurred by the Ovato Trading Entities while trading insolvent.

Based on our preliminary investigations, and as detailed in **Appendix 3** and **Section 6**, it appears the Ovato Trading Entities traded whilst insolvent since February 2021.

Further investigations in this regard will be required to determine the exact date of insolvency when the Ovato Trading Entities are placed into liquidation. However, we note the Directors may intend to claim safe harbour protection from personal liability for insolvent trading.

Our preliminary view of the ability to claim safe harbour protection is detailed in **Section 6.3.2**.

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12. Appendix 4 – Creditor Information Sheet

Voluntary Administration

Creditor Information Sheet

Offences, Recoverable Transactions and Insolvent Trading



Offences

A summary of offences under the Corporations Act that may be identified by the administrator:

180	Failure by company officers to exercise a reasonable degree of care and diligence in the exercise of their powers and the discharge of their duties.
181	Failure to act in good faith.
182	Making improper use of their position as an officer or employee, to gain, directly or indirectly, an advantage.
183	Making improper use of information acquired by virtue of the officer's position.
184	Reckless or intentional dishonesty in failing to exercise duties in good faith for a proper purpose. Use of position or information dishonestly to gain advantage or cause detriment. This can be a criminal offence.
198G	Performing or exercising a function or power as an officer while a company is under administration.
206A	Contravening a court order against taking part in the management of a corporation.
206A, B	Taking part in the management of corporation while being an insolvent, for example, while bankrupt.
206A, B	Acting as a director or promoter or taking part in the management of a company within five years after conviction or imprisonment for various offences.
209(3)	Dishonest failure to observe requirements on making loans to directors or related companies.
254T	Paying dividends except out of profits.
286	Failure to keep proper accounting records.
312	Obstruction of an auditor.
314-7	Failure to comply with requirements for the preparation of financial statements.
437D(5)	Unauthorised dealing with company's property during administration.
438B(4)	Failure by directors to assist administrator, deliver records and provide information.
438C(5)	Failure to deliver up books and records to the administrator.
588G	Incurring liabilities while insolvent
588GAB	Officer's duty to prevent creditor-defeating disposition
588GAC	A person must not procure a company to make a creditor-defeating disposition
590	Failure to disclose property, concealed or removed property, concealed a debt due to the company, altered books of the company, fraudulently obtained credit on behalf of the company, material omission from Report as to Affairs or false representation to creditors.
596AB	Entering into an agreement or transaction to avoid employee entitlements.

Recoverable Transactions

Preferences

A preference is a transaction, such as a payment by the company to a creditor, in which the creditor receiving the payment is preferred over the general body of creditors. The relevant period for the payment commences six months before the commencement of the liquidation. The company must have been insolvent at the time of the transaction, or become insolvent because of the transaction.

Where a creditor receives a preference, the payment is voidable as against a liquidator and is liable to be paid back to the liquidator subject to the creditor being able to successfully maintain any of the defences available to the creditor under the Corporations Act.

Creditor-defeating disposition

Creditor-defeating dispositions are the transfer of company assets for less than market value (or the best price reasonably obtainable) that prevents, hinders or significantly delay creditors' access to the company's assets in liquidation. Creditor-defeating dispositions are voidable by a liquidator.

Uncommercial Transaction

An uncommercial transaction is one that it may be expected that a reasonable person in the company's circumstances would not have entered into, having regard to the benefit or detriment to the company; the respective benefits to other parties; and any other relevant matter.

To be voidable, an uncommercial transaction must have occurred during the two years before the liquidation. However, if a related entity is a party to the transaction, the period is four years and if the intention of the transaction is to defeat creditors, the period is ten years. The company must have been insolvent at the time of the transaction, or become insolvent because of the transaction.

Unfair Loan

A loan is unfair if and only if the interest was extortionate when the loan was made or has since become extortionate. There is no time limit on unfair loans – they only must be entered into before the winding up began.

Arrangements to avoid employee entitlements

If an employee suffers loss because a person (including a director) enters into an arrangement or transaction to avoid the payment of employee entitlements, the liquidator or the employee may seek to recover compensation from that person or from members of a corporate group (Contribution Order).

Unreasonable payments to directors

Liquidators have the power to reclaim '*unreasonable payments*' made to directors by companies prior to liquidation. The provision relates to payments made to or on behalf of a director or close associate of a director. The transaction must have been unreasonable, and have been entered into during the 4 years leading up to a company's liquidation, regardless of its solvency at the time the transaction occurred.

Voidable charges

Certain charges over company property are voidable by a liquidator:

- circulating security interest created within six months of the liquidation, unless it secures a subsequent advance;
- unregistered security interests;
- security interests in favour of related parties who attempt to enforce the security within six months of its creation.

Insolvent trading

In the following circumstances, directors may be personally liable for insolvent trading by the company:

- a person is a director at the time a company incurs a debt;
- the company is insolvent at the time of incurring the debt or becomes insolvent because of incurring the debt;
- at the time the debt was incurred, there were reasonable grounds to suspect that the company was insolvent;
- the director was aware such grounds for suspicion existed; and
- a reasonable person in a like position would have been so aware.

The law provides that the liquidator, and in certain circumstances the creditor who suffered the loss, may recover from the director, an amount equal to the loss or damage suffered. Similar provisions exist to pursue holding companies for debts incurred by their subsidiaries.

A defence is available under the law where the director can establish:

- there were reasonable grounds to expect that the company was solvent and they did so expect;
- they did not take part in management for illness or some other good reason; or
- they took all reasonable steps to prevent the company incurring the debt.

The proceeds of any recovery for insolvent trading by a liquidator are available for distribution to the unsecured creditors before the secured creditors.

Important note: This information sheet contains a summary of basic information on the topic. It is not a substitute for legal advice. Some provisions of the law referred to may have important exceptions or qualifications. This document may not contain all of the information about the law or the exceptions and qualifications that are relevant to your circumstances.

Queries about the voluntary administration should be directed to the administrator's office.

13. Appendix 5 - Summary of ROCAP Part A

13.1. Ovato Limited

It is advised the below tabled book values represent the Ovato Limited Group rather than Ovato individually.

ROCAP Part A Summary	Notes	Book Value at 30 June 2022	Directors' ROCAP ERV (A\$'m)
Assets			
Cash & cash equivalents	1	10.38	18.05
Trade receivables	2	28.58	23.76
Other receivables	3	5.29	-
Inventory	4	16.84	21.26
WIP & finished goods	5	3.15	-
Prepayments	6	2.67	1.00
Other current assets	7	15.04	-
Inter-company receivables	8	1.01	-
PPE	9	56.81	56.47
ROU assets	10	19.96	-
Other non-current assets	11	6.40	-
Total Assets		166.13	120.54
Liabilities			
Accounts payable	12	15.52	14.93
Other payables	13	1.23	3.44
Accruals	14	6.82	-
Employee provisions	15	15.96	13.50
Other current provisions	16	3.39	-
Current lease obligations	17	13.81	-
Curr. int. bearing liab.	18	5.73	12.76
Curr. financial instruments	19	2.95	-
Inter-company loans	20	0.90	-
Non-current provisions	21	5.11	-
Non-curr. int. bearing liab.	22	36.22	36.99
Non-curr. fin. instruments	23	7.93	-
Non-current lease obligations	24	31.90	-
Other non-current liabilities	25	0.57	-
Total Liabilities		148.05	81.62
Net Assets		18.08	38.92

13.1.1. Notes

1. Cash at bank

As at the date of appointment, Ovato held \$2.85m of cash with the National Australia Bank, which was subsequently transferred into a post-appointment account held by the Administrators.

The Directors have also identified cash held as security for issued bank guarantees of c. \$14.9m. At this point, \$1.35m of this cash has been used due to bank guarantees being called by the beneficiaries and of the remaining, it is currently unclear as to the level of bank guarantees that will be called and consequently, what level of residual cash may be recovered.

2. Trade receivables

Please refer to **Section 7** for a summary of the collection of pre-appointment debtors.

3. Other receivables

All receivables known to the Administrators are included in the trade receivables account.

4. Raw materials

Please refer to **Section 7** for a summary of inventory realisations.

5. WIP and finished goods

This amount has been considered as part of raw materials.

6. Prepayments

Includes pre-paid insurance and supplier pre-payments at 30 June 2022. No realisable amount is expected as a result of the voluntary administration.

7. Other current assets

All current assets known to the administrators are included within the cash and cash equivalents, trade receivables and inventory accounts.

8. Inter-company receivables

As outlined in **Sections 5.3.4 and 10.3.1** there is no expected recovery of any inter-company receivables as any outstanding amounts will rank as an unsecured claim in the voluntary administration of the relevant entity.

9. PPE

Please refer to **Section 7** for a summary of the plant and equipment realised.

10. ROU Assets

A ROU Asset represents an entity's ability to reap the economic benefits afforded through the right to use an asset under a contract or part of a contract. It is important to note a lease liability is simultaneously realised due to the requirement of the lessee to provide compensation, as per the agreed upon contract, for the right to use the relevant asset. In the context of an administration, ROU assets are not realisable as they are not able to be sold.

11. Other non-current assets

Considered in PPE above.

12. Accounts payable

The Administrators' ERV represents the amount outstanding as at the date of appointment as per the Company's records along with figures sourced from formal proof of debt forms. We advise the proof of debt forms have not been adjudicated and are thus subject to change.

13. Other payables

All payables have been included in the accounts payable account.

14. Accruals

All debts owed by Ovato are included in the Accounts Payable account.

15. Employee provisions

At the date of appointment, Ovato employed a total of 449 employees across NSW, QLD, WA, and VIC.

A breakdown of the Directors' estimates of employee provisions is set out below:

Employee Entitlements	Amount (\$)
Superannuation	232,790.25
Annual Leave	4,241,394.62
Annual Leave Loading	571,966.32
Days In Lieu	26,982.00
Days In Lieu Shift Loading	4,337.90
Long Service Leave	6,455,628.74
Sick Leave	1,863,237.92
Total	13,396,337.75

16. Other current provisions

The Administrators are not aware of any other current provisions

17. Current lease obligations

Current lease obligations represent the liability a lessee holds to make future payments for the right to use an asset over a period of time. Estimated unpaid leasing liability is accounted for in the Administrators accounts payable figure.

18. Current interest-bearing liabilities

This represents Scottish Pacific's secured debt over Ovato's debtor book as at 21 July 2022

19. Current financial instruments

The Administrators are not aware of any realisable financial instruments.

20. Intercompany loans

As outlined in **Section 5.3.4** and **10.3.1** there is no expected recovery of any inter-company receivable.

Entity	Note	Debtor	Amount (\$)	Administrators' Estimate (\$)
IPMG Pty Ltd	1	Inprint Pty Ltd	4,244,441.98	Nil
PMP Publishing Pty Ltd	2	PMP Publishing (UK) Ltd	60,466.14	Nil
Ovato Finance Pty Ltd	3	Canberra Press Holdings Pty Ltd	12,406,426.22	Nil
The Independent Print Media Group Pty Ltd	4	Inprint QLD (Woodox)	16,165,160.00	Nil
Offset Alpine Printing Pty Ltd	5	Kierle 44	9,506,816.74	Nil
Ovato Finance Pty Ltd	6	Ovato Book Printing	107,772.64	Nil
PMP Wholesale Pty Ltd	7	Ovato Print Pty Ltd	91,000.00	Nil
Ovato Finance Pty Ltd	8	Prestige Litho Pty Ltd	555,294.27	Nil
Ovato Finance Pty Ltd	9	Solution Sales & Marketing	5,078,836.23	Nil

21. Non-current provisions

The Administrators are not aware of any non-current provisions.

22. Non-current interest-bearing liabilities

The figure provided for non-current interest-bearing liabilities represents both the secured and unsecured debt of OPUS Group Pty Ltd and Commerzbank respectively. It is advised the Directors listed HP Financial Services as a creditor of Ovato in their submitted ROCAP Part A. However, it is the Administrators' understanding this debt was novated to OPUS Group Pty Ltd which is outlined in the below breakdown of the non-current interest-bearing liabilities ERV:

Creditor	\$m
OPUS Group	
CMF Loan	9.40
Convertible Notes	2.50
HP Liabilities	3.60
Commerzbank	
2013 Loan Agreement*	4.37
2019 Loan Agreement	16.94
Total	36.81

*Converted from EUR to AUD as per RBA exchange rate data.

23. Non-current financial instruments

The Administrators are not aware of any non-current financial instruments.

24. Non-current lease obligations

Please refer to note seventeen (17).

25. Other non-current liabilities

The Administrators are not aware of any other non-current liabilities other than already provided.

13.2. Ovato Packaging Pty Ltd

No book values have been provided for due to the grouped nature of the financial statements at the disposal of the Administrators.

Ovato Packaging ROCAP Part A Summary	Notes	Cost/Book Value at 30 June 2022	Directors' ROCAP ERV (A\$'k)
Assets			
Cash & cash equivalents	1		-
Trade receivables	2		3,055.03
Intercompany receivables	3		-
Total Assets			3,055.03
Liabilities			
Accounts payable	4		-
Employee provisions	5		181.08
Current interest bearing liabilities	6		-
Total Liabilities			181.08
Net Assets			2,873.96

13.2.1. Notes

1. Cash and cash equivalents

The Administrators are not aware of any bank accounts held by Ovato Packaging.

2. Trade receivables

Please refer to **Section 7** for a summary of the collection of pre-appointment receivables.

Intercompany receivables

As outlined in **Section 5.3.4** and **10.3.1** there is no expected recovery of any inter-company receivable.

3. Accounts payable

Represents the sum of any claims lodged against Ovato Packaging. A summary of the claims to date is set out below:

Creditor	Amount (\$)
Commissioner of State Revenue QLD	2,864.12
WorkCover QLD	3,276.22
Total	5,140.34

We note the ATO has lodged a claim of c.\$4.3m in relation to outstanding goods and services tax against Ovato Packaging as a member of a GST group.

4. Employee provisions

At the date of appointment, Ovato Packaging employed a total of 20 employees in Queensland. A breakdown of the Directors' estimates of employee provisions is set out below:

Employee Entitlements	Amount (\$)
Superannuation	5,787
Annual Leave	67,949
Annual Leave Loading	15,628
Long Service Leave	90,742
Total	180,106

5. Current interest paying liabilities

This represents Scottish Pacific's secured debt over Ovato Packaging's debtor book as at 21 July 2022.

13.3. Ovato Print Cairns Pty Ltd

No book values have been provided for due to the grouped nature of the financial statements at the disposal of the Administrators.

Ovato Cairns ROCAP Part A Summary	Notes	Cost/Book Value at 30 June 2022	Directors' ROCAP ERV (A\$'k)
Assets			
Cash & cash equivalents	1		-
Trade receivables	2		129.74
Inter-company receivables	3		-
Total Assets			129.74
Liabilities			
Accounts Payable	4		-
Employee provisions	5		105.73
Current interest bearing liabilities	6		-
Total Liabilities			105.73
Net Assets			24.01

13.3.1. Notes

1. Cash and cash equivalents

The Administrators are not aware of any bank accounts held by Ovato Cairns.

2. Trade receivables

Please refer to **Section 7** for a summary of pre-appointment debtor collections.

3. Intercompany receivables

As outlined in **Section 5.3.4** and **10.3.1** there is no expected recovery of any inter-company receivable.

4. Accounts payable

Represents a claim against Ovato Cairns lodged by the Commissioner of State Revenue in the amount of \$1,611.61.

Please note the ATO has lodged a claim of c.\$4.3m in relation to outstanding goods and services tax against Ovato Cairns as a member of a GST group.

5. Employee provisions

At the date of appointment, Ovato Print Cairns employed a total of 6 employees in Queensland.

A breakdown of the Directors' estimates of employee provisions is set out below.

Employee Entitlements	Amount (\$)
Superannuation	2,133
Annual Leave	46,092
Annual Leave Loading	3,531
Long Service Leave	51,055
Total	102,811

6. Current interest paying liabilities

Represents Scottish Pacific's secured debt over Ovato Cairns' debtor book as at 21 July 2022.

14. Appendix 6 – Remuneration Approval Reports

13 March 2023



Remuneration Approval Report

Ovato Limited
(Administrators Appointed)
ACN 050 148 644

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Summary

This remuneration approval report provides you with the information the Corporations Act 2001 (“the Act”) and the Code of Professional Practice published by the Australian Restructuring Insolvency and Turnaround Association (“ARITA”) requires creditors to receive to make an informed decision regarding the approval of our remuneration for undertaking the Voluntary Administration of Ovato Limited (Administrators Appointed) ACN 050 148 644 (“Ovato”).

We are asking creditors to approve the following remuneration and disbursements:

Appointment Type	Period	Remuneration (Excl GST) (\$)	Disbursements (Excl GST) (\$)
Voluntary Administration	Resolution 1 & 2: 1 November 2022 to 5 March 2023 (inclusive)	513,224.00	3,772.34*
Voluntary Administration	Resolution 3 & 4: 6 March 2023 to the end of the Voluntary Administration	130,000.00	300.00
Total		643,224.00	4,072.34

* The internal disbursements claimed are for the period 21 July 2022 to 5 March 2023 (inclusive)

The Committee of Inspection (“COI”) have previously approved our remuneration as follows:

Appointment Type	Period	Remuneration (Excl GST) (\$)	Drawn (Excl GST) (\$)
Voluntary Administration	21 July 2022 to 31 October 2022 (inclusive)	2,473,418.50	2,473,418.50
Total		2,473,418.50	2,473,418.50

We estimate the total cost of the Voluntary Administration will be \$3,116,642.50 (excluding GST). This is more than our original estimate of \$2,000,000.00 (excluding GST) in our Initial Advice to Creditors issued 25 July 2022 and the estimate provided in our Remuneration Approval Report provided to the COI dated 4 November 2022 of \$2,600,000.00 to \$2,750,000.00 (excluding GST) due to, inter alia:

- the approval by the Federal Court of Australia of the Administrators’ application to extend the convening period in the Administration of Ovato;
- the drafting and settling of affidavit material associated with the application to Court;
- the drafting and issuance of correspondence to creditors of Ovato concerning the application and outcome thereof;
- the tasks associated with trading-on Ovato for an additional four (4) months; and
- the delay in finalising the Voluntary Administration as a result of the extension to the convening period which has consequently resulted in additional administrative costs.

Declaration

We, Christopher Hill, Ross Blakeley and Ben Campbell, of FTI Consulting, have undertaken a proper assessment of the claims for remuneration for the appointment as Voluntary Administration of Ovato in accordance with the law and applicable professional standards. We are satisfied the remuneration and disbursements claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of this appointment and further, the disbursements incurred in the conduct of the external administration are necessary and proper.

Remuneration Sought

For	Period	Amount (Excl GST) (\$)	Applicable Rates	Timing of Payment
Work already completed	1 November 2022 to 5 March 2023 (inclusive)	513,224.00	As per the attached hourly rates at Schedule F	Immediately, when funds are available
Future work	6 March 2023 to the end of the Voluntary Administration	130,000.00	As per the attached hourly rates at Schedule F	As time is incurred monthly or as funds become available
Voluntary Administration Total		643,224.00		

Details of the work already done and future work we intend to do are **enclosed** at **Schedule A**.

Schedule B includes a breakdown of time spent by staff members on each major task for work already done.

Actual resolutions to be put to the meeting are included at **Schedule C**. These resolutions also appear in the proxy form for the meeting provided to you.

Disbursements

We are not required to seek creditor approval for costs paid to third parties or where we are recovering a cost incurred on behalf of the administration, but we must provide details to creditors. Details of these amounts are included in the attached Receipts and Payments at **Schedule E**.

Creditor approval is not required in relation to internally or externally provided professional or non-professional costs or disbursements charged at cost.

The table below provides a breakdown of the external disbursements claimed in the Voluntary Administration for the period 1 November 2022 to 5 March 2023 (inclusive).

Disbursement Type	Basis of Charge	Amount (\$)
Property Searches	At Cost	23.10
Staff Travel	At Cost	79.55
Postage	At Cost	146.06
Total (Excl GST)		248.71
GST		24.87
Total (Incl GST)		273.58

We are required to obtain creditors' consent for the payment of a disbursement where we, or a related entity, may directly or indirectly obtain a profit.

The below table provides details of the internal disbursements we would like creditors to approve for the period 21 July 2022 to 5 March 2023 (inclusive):

Disbursement Type	Basis of Charge	Amount (\$)
Disbursement already incurred	21 July 2022 to 5 March 2023 (inclusive)	3,472.34
Future disbursements	6 March to the end of the Voluntary Administration	300.00
Total (Excl GST)		3,772.34
GST		377.23
Total (Incl GST)		4,149.57

Details of the external disbursements incurred and expected future external disbursements to be incurred are included at **Schedule D**. Actual resolutions to be put to the meeting are included at **Schedule C**. These resolutions also appear in the proxy form for the meeting provided to you.

Previous Remuneration Approvals

The following remuneration approvals have previously been provided by the COI:

Period	For	Approving Body	Approved amount (\$)	Amount Paid (\$)
21 July 2022 to 31 October 2022 (inclusive)	Work already completed	the Committee of Inspection	\$2,473,418.50	\$2,473,418.50
Total remuneration previously approved			\$2,473,418.50	\$2,473,418.50

We are now seeking approval of a further \$643,224.00 in remuneration which will bring total remuneration claimed in this Voluntary Administration to \$3,116,642.50.

Likely Impact on Dividends

The Act sets the order for payment of claims against Ovato and it provides for remuneration of the Administrator to be paid in priority to other claims. This ensures that when there are sufficient funds, the Administrator receives payment for the work done to recover assets, investigate Ovato's affairs, report to creditors and ASIC and distribute any available funds.

There are not expected to be sufficient funds to pay a dividend to unsecured creditors should Ovato enter into liquidation due to:

- realisations to date;
- estimated future realisations;
- estimated remuneration to complete the Voluntary Administration; and
- the estimated total of creditor claims based on Ovato's records and claims lodged.

Funding Received for Remuneration and Disbursements

On 7 and 13 of October 2022, the Department of Employment and Workplace relations engaged the Administrators to assist with the administration of the *Fair Entitlement Guarantee Act 2012* as it applied to the employees of Ovato Limited, Ovato Packaging Pty Ltd and Ovato Print Cairns Pty Ltd and were paid the following amounts plus GST for this work:

- **Ovato Limited - \$45,980.00**
- Ovato Print Cairns Pty Ltd - \$2,340.00
- Ovato Packaging Pty Ltd - \$7,800.00

In relation to the above funding, the Administrators have drawn the following amounts plus GST to date:

- **Ovato Limited - \$35,420.00**
- Ovato Print Cairns Pty Ltd - \$2,340.00
- Ovato Packaging Pty Ltd - Nil

Remuneration payments received in relation to the administration of the *Fair Entitlements Guarantee Act 2012* are not subject to creditor approval but are disclosed to provide creditors with full disclosure of the remuneration paid and/or recoverable from external sources.

Summary of Receipts and Payments

A summary of the receipts and payments for the Voluntary Administration as at 5 March 2023 (inclusive) is **enclosed** at **Schedule E** to this report.

Queries

Further supporting documentation for our remuneration claim can be provided to creditors on request.

You can also access information which may assist you on the following websites:

- ARITA at www.arita.com.au/creditors; and
- ASIC at www.asic.gov.au (search for INFO 85).

If you have any queries in relation to the information in this report, please contact this office on (02) 8247 8000 or by email at Ovato_Creditors@fticonsulting.com.

Yours faithfully



Chris Hill

Administrator

Attachments:

Schedule A – Details of work

Schedule B – Time Spent by Staff on Each Major Task (Work Already Done)

Schedule C – Resolutions

Schedule D – Disbursements

Schedule E – Summary of Receipts and Payments

Schedule F – FTI Consulting Schedule of Rates Effective 1 July 2022

Schedule A – Details of Work

Task Area/General Description	Work Already Done	Future Work to the End of the Voluntary Administration
Period	1 November 2022 to 5 March 2023 (inclusive)	6 March 2023 to the End of the Voluntary Administration
Amount (Total) (Excl GST)	\$513,224.00	\$130,000.00
Assets	114.50 hours \$75,612.00	\$8,000.00
Sale of Business as a Going Concern	■ Liaised with purchasers in relation to the payment of amounts required under Transitional Services and Removal Agreements ■ Liaised with IVE Group in relation to the provision of staff under the Transitional Services Agreement ■ Liaised with IVE Group in relation to the valuation of inventory purchased ■ Liaised with purchasers in relation to disputes over ownership of assets ■ Liaised with purchasers in relation to ongoing occupation of Clayton and Geebung premises ■ Liaised with purchasers in relation to make good from removal works at Geebung	■ Facilitate the exit of the Clayton and Geebung leases with IVE Group. ■ Deal with the transfer of critical services to purchasers ■ Liaise with the purchasers in relation to the recovery of outstanding Transitional Services and Removal Agreement invoices ■ Liaise with IVE Group in relation to deferred consideration payable by Ovato to IVE Group pursuant to the terms of the Asset Sale Agreement
Real Estate	■ Negotiated and held discussions with landlords with particular regard to bank guarantees ■ Processed payments for rent ■ Collected sub tenant rent ■ Facilitated ongoing repairs, maintenance and attended to compliance issued for the various premises as per lease conditions. ■ Considered the legal position of exiting the remaining premises in relation to make good, environmental and other factors ■ Held discussions with sub tenants regarding bank guarantee returns	■ Negotiate and hold discussions with landlords with particular regard to bank guarantees ■ Process payments for rent ■ Collect sub tenant rent ■ Attend to any required repairs, maintenance and compliance issues of the various premises as per lease conditions ■ Consider the legal position of exiting the remaining premises in relation to make good, environmental and other factors ■ Hold discussions with subtenants regarding bank guarantee returns

Task Area/General Description	Work Already Done	Future Work to the End of the Voluntary Administration
	■ Corresponded with legal advisers ■ Corresponded with business purchasers on equipment removal	■ Correspond with legal advisers if required.
Creditors	195 hours \$106,235.00	\$90,000.00
Creditor Enquiries, Requests & Directions	■ Received and responded to creditor enquiries ■ Maintained creditor request log ■ Considered the reasonableness of creditor requests ■ Compiled information requested by creditors	■ Receive and respond to creditor queries via email and telephone ■ Maintain creditor call register ■ Consider the reasonableness of creditor requests ■ Compile any information requests made by creditors
PPSR Creditors	■ Compiled letters of intention not to exercise property rights. ■ Compiled PPSR creditor email address listing to ensure all PPSR Creditors are to be included in creditor correspondence email distributions	<i>Intentionally Left Blank</i>
Creditor Reports	■ Preparing the second report to creditors and accompanying documents ■ Preparing remuneration reports	■ Finalise the second report to creditors and accompanying documents ■ Finalise accompanying remuneration report ■ Distribute the above via electronic communication platform, Eloqua
Dealing with Proofs of Debt	■ Receipted and filed POD when not related to a dividend ■ Maintained POD register	■ Receipt and file POD when not related to a dividend ■ Contact creditors to assist in meeting registration and attendance process where POD not lodged ■ Enter any POD data into INSOL6 and track the position of creditor claims
Meeting of Creditors	■ Prepared meeting notices, proxies and advertisements ■ Prepared detailed process document for requirements of and instructions to attend the second meeting of creditors	■ Forward notice of meeting to all known creditors ■ Prepare and lodge minutes of meetings with ASIC ■ Respond to stakeholder queries and questions following meeting ■ Prepare meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors,

Task Area/General Description	Work Already Done	Future Work to the End of the Voluntary Administration
		advertisement of meeting, draft minutes of meeting and meeting slides. ■ Tailor webinar parameters on Zoom with the engagement team to ensure a smooth meeting. Test QR codes, other documentation and meeting facilities are in working order ■ Hold and attend second meeting of creditors via electronic facilities ■ Send meeting minutes to creditors on request
Shareholder Enquiries	■ Attended to enquiries received by shareholders	■ Respond to any shareholder enquiries ■ Draft and release any relevant announcements via the Australian Securities Exchange ("ASX")
Employees	97.20 hours \$49,509.00	\$7,000.00
Employee Enquiries	■ Received and followed up employee enquiries ■ Reviewed and prepared correspondence to priority creditors ■ Liaised with employees regarding their pre-appointment entitlements	■ Receive and follow up employee enquiries
FEG	■ Conducted discrepancy investigations and a reconciliation of the underpayment of employees ■ Corresponded with FEG regarding a variety of issues ■ Compiled verification spreadsheets ■ Saved down and entered FEG POD into accounting system	■ Conduct discrepancy investigations and a reconciliation of the underpayment of employees ■ Correspond with FEG regarding a variety of issues
Calculation of Entitlements	■ Conducted superannuation guarantee charge ("SGC") calculations and reconciliations ■ Calculating and reviewing employee entitlements for the purposes of the rationalisation associated with the sale of business	<i>Intentionally left blank</i>
Employee Dividend	■ Conducted superannuation guarantee charge ("SGC") calculations and reconciliations	<i>Intentionally left blank</i>

Task Area/General Description	Work Already Done	Future Work to the End of the Voluntary Administration
	Conducted preliminary calculations and investigations into a priority employee dividend.	
Statutory Obligations	Calculated the liability and lodged final payroll tax returns for each respective state.	Attend to any issues regarding the final payroll tax lodgements
Other Employee Issues	- Organised the collection and storage of employee records - Liaised with third-party expert to calculate underpayment of wages	Deal with other incidental employee issues
Trade On	515.20 hours \$230,488.00	\$17,000.00
Trade on Management	- Communicated with suppliers regarding the transfer of control of the business - Closed supplier accounts with the voluntary administrators - Finalised trading liabilities relevant to the voluntary administration Assisting the transition of control of Ovato to purchasers - Corresponded with Ovato's staff and customers regarding debtor collections - Closed out open purchase orders with suppliers and finalise - Issued demand letters to debtors - Conducted debtor reconciliations - Prepared and authorised receipt vouchers - Prepared and authorised payment vouchers - Maintained the administrators' accounting software management accounts - Liaised with solicitors regarding trading issues - Held internal meetings and discussions regarding trading	- Finalisation of voluntary administration liabilities - Collection of outstanding debtors - Maintain the administrators' accounting software management accounts - Hold internal meetings and discussions regarding the trade-on of Ovato
Budgeting and Financial Reporting	- Prepared data for cashflow analysis - Continued management of the Groups cashflow - Reviewed and liaised with staff in relation to forecasts and reporting	- Prepare data for cashflow analysis - Continue monitoring the Group's cashflows

Task Area/General Description	Work Already Done	Future Work to the End of the Voluntary Administration
	■ Prepared financial analysis to evaluate trading position, including trading profit or loss statement	
Trade On – Employees	■ Liaised with payroll staff regarding employee entitlements position and ongoing payroll requirements (including redundancy payments) ■ Reviewed and process weekly and monthly payroll for Ovato ■ Prepared for reporting Single Touch Payroll ■ Responded to employee payroll queries ■ Complied with statutory requirements in relation to PAYG, payroll tax and SGC reductions.	<i>Intentionally left blank</i>
Investigations	38.00 hours \$17,629.50	\$3,000.00
Conducting Investigation	■ Conducted extensive financial analysis using data obtained from the books and records of Ovato. ■ Reviewed board minutes, financials and various other information to provide context to the position of Ovato and the reasoning behind its failure ■ Reviewed specific transactions and provided summary of same ■ Prepared the estimated statement of position based on company records and the Administrators' investigations ■ Issued a freedom of information request to the Deputy Commissioner of Taxation ■ Prepared the investigation file ■ Conducted an extensive solvency analysis ■ Held internal discussions regarding the investigations made into Ovato's affairs ■ Held internal discussions with the Tech team regarding the data backup of and access to Ovato's books and records.	■ Finalise preliminary investigations for the purpose of issuing the second report to creditors
Administration	92.10 hours	\$5,000.00

Task Area/General Description	Work Already Done	Future Work to the End of the Voluntary Administration
	\$32,458.50	
Correspondence	■ Corresponded with various parties regarding general matters	■ Correspond with various parties regarding general matters
Document Maintenance/File Review/Checklist	■ Filed documents electronically ■ Conducted file reviews ■ Updated checklists appropriately ■ Held internal meetings with the engagement team	■ File documents electronically ■ Conduct file reviews ■ Update checklists appropriately ■ Hold internal meetings with the engagement team
Insurance	■ Reviewed insurance policies ■ Corresponded with insurer as required	■ Correspond with the insurer as required
Funds Handling	■ Entered receipts and payments into accounting system ■ Conducted bank account reconciliations ■ Corresponded with bank regarding specific transfers	■ Enter receipts and payments into accounting system ■ Conduct bank account reconciliations ■ Correspond with bank regarding specific transfers
ASIC Forms and Lodgements	■ Prepared and lodged ASIC form 5011	■ Prepare and lodge required ASIC forms ■ Correspond with ASIC regarding statutory forms
ATO and Other Statutory Reporting	■ Prepared, reviewed and lodged Business Activity Statements ■ Attended to Single Touch Payroll reporting obligations	■ Prepare, review and lodge Business Activity Statements
Finalisation	<i>Intentionally Left Blank</i>	<i>Intentionally Left Blank</i>
Planning / Review	■ Held discussions regarding the status of the administration	■ Hold discussions regarding the status of the administration
Books and Records / Storage	■ Dealt with electronic records	■ Deal with electronic records
Additional Services	3.4 hours \$1,292.00	\$0.00
Tech	■ Held internal meetings with CF&R staff regarding the data back of Ovato's books and records.	<i>Intentionally left blank</i>

Task Area/General Description	Work Already Done	Future Work to the End of the Voluntary Administration
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	■ Conducted data virtualisation, verified data backups and scope of restoration of applications	
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Schedule B – Time Spent by Staff on Each Major Task (Work Already Done)

Employee	Position	\$/Hour (Excl GST)	Total Actual Hours	Total \$ (Excl GST)	Task Area											
					Assets		Creditors		Employees		Trade on		Investigation		Administration	
					Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Christopher Hill	Senior Managing Director	740	44.40	32,856.00	10.40	7,696.00	20.10	14,874.00	2.70	1,998.00	8.20	6,068.00	-	-	3.00	2,220.00
Benjamin Campbell	Senior Managing Director	740	25.10	18,574.00	-	-	19.50	14,430.00	-	-	-	-	5.60	4,144.00	-	-
Joanne Dunn	Senior Managing Director	740	0.40	296.00	-	-	-	-	-	-	-	-	0.40	296.00	-	-
Glen Smith	Managing Director	680	82.60	56,168.00	82.60	56,168.00	-	-	-	-	-	-	-	-	-	-
Drew Forbes	Managing Director	680	9.60	6,528.00	9.30	6,324.00	-	-	-	-	0.30	204.00	-	-	-	-
James Rogers	Managing Director	680	2.00	1,360.00	-	-	2.00	1,360.00	-	-	-	-	-	-	-	-
Neil Dempster	Senior Director	620	70.40	43,648.00	0.30	186.00	62.90	38,998.00	1.30	806.00	-	-	5.90	3,658.00	-	-
Asjadi Hone	Senior Director	620	114.00	70,680.00	-	-	14.00	8,680.00	3.30	2,046.00	85.00	52,700.00	1.20	744.00	10.50	6,510.00
Jonathan Chee	Senior Director	620	0.80	496.00	-	-	-	-	-	-	0.80	496.00	-	-	-	-
Jeremy Dalais	Director	550	0.80	440.00	-	-	0.80	440.00	-	-	-	-	-	-	-	-
Marial Kwan	Director	550	140.30	77,165.00	-	-	9.60	5,280.00	56.90	31,295.00	69.00	37,950.00	4.10	2,255.00	0.70	385.00
Catherine Jaques	Senior Consultant II	500	21.50	10,750.00	-	-	0.10	50.00	-	-	21.20	10,600.00	-	-	0.20	100.00
Maxine Allan	Senior Consultant II	500	28.50	14,250.00	0.90	450.00	4.70	2,350.00	-	-	22.90	11,450.00	-	-	-	-
James Macreadie	Senior Consultant I	450	152.20	68,490.00	9.80	4,410.00	6.40	2,880.00	21.50	9,675.00	114.50	51,525.00	-	-	-	-
Eve Pedder	Associate II	350	42.80	14,980.00	-	-	-	-	-	-	42.80	14,980.00	-	-	-	-

Employee	Position	\$/Hour (Excl GST)	Total Actual Hours	Total \$ (Excl GST)	Task Area											
					Assets		Creditors		Employees		Trade on		Investigation		Administration	
					Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Munirah Azhar	Associate II	350	1.90	665.00	-	-	-	-	1.90	665.00	-	-	-	-	-	-
Erin Millard	Associate II	350	1.00	350.00	-	-	1.00	350.00	-	-	-	-	-	-	-	-
Anisa Jaffar	Associate I	315	0.30	94.50	-	-	0.30	94.50	-	-	-	-	-	-	-	-
Kevin McCartney	Associate I	315	0.50	157.50	-	-	-	-	-	-	-	-	0.50	157.50	-	-
Matthew van der Vlugt	Associate I	315	42.80	13,482.00	0.40	126.00	20.80	6,552.00	-	-	0.10	31.50	20.00	6,300.00	1.50	472.50
Grace Patterson	Associate I	315	141.90	44,698.50	-	-	24.30	7,654.50	4.30	1,354.50	105.90	33,358.50	-	-	7.40	2,331.00
Isabella Jansen	Associate I	315	1.80	567.00	-	-	1.80	567.00	-	-	-	-	-	-	-	-
Kristine Davis	Associate I	315	5.30	1,669.50	-	-	-	-	5.30	1,669.50	-	-	-	-	-	-
Matthew Scott	Associate I	315	0.80	252.00	0.80	252.00	-	-	-	-	-	-	-	-	-	-
Amy Dalton	Junior Associate	250	43.30	10,825.00	-	-	1.90	475.00	-	-	39.40	9,850.00	-	-	2.00	500.00
Mya Ward	Junior Associate	250	0.50	125.00	-	-	-	-	-	-	0.30	75.00	0.20	50.00	-	-
Joseph McDonald	Junior Associate	250	9.30	2,325.00	-	-	4.50	1,125.00	-	-	4.80	1,200.00	-	-	-	-
Alyse Kent	Treasury	300	3.20	960.00	-	-	-	-	-	-	-	-	-	-	3.20	960.00
Chelsea Fisk	Treasury	300	12.00	3,600.00	-	-	-	-	-	-	-	-	-	-	12.00	3,600.00
Robyn Hardeman	Treasury	300	17.50	5,250.00	-	-	-	-	-	-	-	-	-	-	17.50	5,250.00
Yuet Yeng Yee	Treasury	300	13.50	4,050.00	-	-	-	-	-	-	-	-	-	-	13.50	4,050.00
Selina Naylor	Treasury	300	2.10	630.00	-	-	-	-	-	-	-	-	-	-	2.10	630.00
Janine Wigham	Treasury	300	7.50	2,250.00	-	-	-	-	-	-	-	-	-	-	7.50	2,250.00
Holly Wright	Treasury	300	9.00	2,700.00	-	-	-	-	-	-	-	-	-	-	9.00	2,700.00
Ashleigh Ubank	Administration II	250	0.50	125.00	-	-	0.30	75.00	-	-	-	-	0.10	25.00	0.10	25.00
Caroline Halcoop	Administration II	250	0.10	25.00	-	-	-	-	-	-	-	-	-	-	0.10	25.00
Tanya Kratz	Administration II	250	1.80	450.00	-	-	-	-	-	-	-	-	-	-	1.80	450.00
Total (Excl GST)				511,932.00		75,612.00		106,235.00		49,509.00		230,488.00		17,629.50		32,458.50
GST				51,193.20												
Total (Incl GST)				563,125.20												
Total Hours			1,052.00		114.50		195.00		97.20		515.20		38.00		92.10	
Avg Hourly Rate (Excl GST)				487		660		545		509		447		464		352

The below table sets out work performed by other professional services provided by the firm for the period 1 November 2023 to 5 March 2023 (inclusive):

Employee	Position	\$ / Hour (Excl GST)	Total Actual Hours	Total \$ (Excl GST)	Non-Insolvency Services	
					Technology	
					Hrs	\$
Anthony Feldman	Director	380	3.40	1,292.00	3.40	1,292.00
Total (ex GST)				1,292.00		1,292.00
GST				129.20		
Total (Incl GST)				1,421.20		
Total hours			3.40		3.40	
Avg hourly rate (ex GST)				380.00		380.00

Schedule C – Resolutions

Resolution 1 – Voluntary Administrators’ Remuneration for the Period 1 November 2022 to 5 March 2023 (inclusive)

“The remuneration of the Voluntary Administrators of Ovato Limited (Administrators Appointed) ACN 050 148 644 and their staff, for the period 1 November 2022 to 5 March 2023 (inclusive), calculated at the hours spent at the rates detailed in the FTI Consulting Standard Rates (Corporate Finance & Restructuring Effective 1 July 2022), is approved for payment in the amount of \$513,224.00 (exclusive of GST), to be drawn from available funds immediately or as funds become available.”

Resolution 2 – Voluntary Administrators’ Internal Disbursements for the Period 21 July 2022 to 5 March 2023 (inclusive)

“The internal disbursements of the Voluntary Administrators of Ovato Limited (Administrators Appointed) ACN 050 148 644 and their staff, for the period 21 July 2022 to 5 March 2023 (inclusive), calculated at the rates detailed in the Remuneration Approval Report dated 10 March 2023, is approved for payment in the amount of \$3,472.34 (exclusive of GST), to be drawn from available funds immediately or as funds become available.”

Resolution 3- Voluntary Administrators’ Remuneration for the Period 6 March 2023 to the End of the Voluntary Administration

“The future remuneration of the Voluntary Administrators of Ovato Limited (Administrators Appointed) ACN 050 148 644 and their staff, for the period 6 March 2023 to the end of the Voluntary Administration, is determined at a sum equal to the costs of time spent by the Voluntary Administrators and their staff, calculated at the hours spent at the rates detailed in the FTI Consulting Standard Rates (Corporate Finance & Restructuring Effective 1 July 2022), up to a capped amount of \$130,000.00 (exclusive of GST), and the Voluntary Administrators can draw the remuneration from available funds as time is incurred on a monthly basis or as funds become available.”

Resolution 4 – Voluntary Administrators’ Internal Disbursements for the Period 6 March 2023 to the End of the Voluntary Administration

“The internal disbursements of the Voluntary Administrators of Ovato Limited (Administrators Appointed) ACN 050 148 644 and their staff, for the period 6 March 2023 to the end of the Voluntary Administration, calculated at the rates detailed in the Remuneration Approval Report dated 10 March 2023, is approved up to a capped amount of \$300.00 (exclusive of GST), and the Voluntary Administrators can draw the disbursements from available funds as incurred or as funds become available.”

Schedule D - Disbursements

	Disbursements Already Incurred	Future Disbursements to the End of the Voluntary Administration
Period	21 July 2022 to 5 March 2023 (inclusive)	6 March 2023 to the End of the Voluntary Administration
Total Amount (Excl GST) (\$)	3,472.34	300.00
Travel Reimbursements	■ Mileage reimbursement calculated at 78 cents per kilometre in accordance with the ATO prescribed rate for 2022 to 2023	Intentionally left blank
Mail out	■ Twenty (20) cents per email sent via bulk email distribution software	■ Expected cost of email distribution for the Second Report to Creditors at Twenty (20) cents per email sent based on the cost of last distribution.

Schedule E – Summary of Receipts and Payments

Receipts	\$
Pre-appointment Cash	3,059,634
Debtors Collections	68,359,738
Interest Income	17,183
Other Income	2,616
Other Receipts	386,488
Plant and Equipment	5,500
Recycling Rebate	181,348
Rent Income	651,910
Sale of Assets	15,032,385
TSA Receipts	976,480
Total Receipts	88,673,282
Payments	
Advertising	(66,623)
Appointee Disbursements	(53,942)
Appointee Fees	(2,759,722)
Bank Charges	(96,137)
Brokers Fee	(38,260)
Cleaning	(119,004)
Consulting Services	(18,444)
Consumables	(2,506,456)
Counsel's Fees	(32,207)
Employee Expenses	(174,965)
Equipment Hire	(55,021)
FEG Funding	50,578
Fire Levy	(100,758)
Freight	(2,397,044)
Fuel & Oil	(1,385)
GST Paid	(2,242,322)
GST Received	247,035
Information Technology	(82,393)
Ink	(30,810)
Insurance	(577,170)
Legal Fees	(1,704,190)
Novated Lease	5,059
Other Expenses	(96,761)
Paid Parental Leave	19,419
Paper	(9,733,920)
PAYG	6,658

Payroll Tax	(470,037)
Printing & Stationery	(1,160,167)
Priority Entitlements (Wages and Superannuation)	(106,058)
Rent	311,870
Repairs & Maintenance	(1,362,924)
ScotPac Repayment	(26,984,376)
Secured Creditor Payments	(15,000,000)
Security Costs	(160,330)
Stamp Duty	(39,374)
Storage	(177,314)
Superannuation	(646,506)
TSA Payments	(4,198,909)
Utilities	(3,534,248)
VA Termination Pay	(152,493)
Wages & Salaries	(7,007,725)
Waste Disposal	(60,057)
Total Payments	(83,307,435)
Net Receipts	5,365,846

Schedule F – FTI Consulting Schedule of Rates Effective 1 July 2022

Financial Year 2023		
Typical Classification	Standard Rates \$/Hour	General Guide to Classifications
Senior Managing Director/Appointee	740	Registered Liquidator and/or Trustee, with specialist skills and extensive experience in all forms of insolvency administrations. Alternatively, has proven leadership experience in business or industry, bringing specialist expertise and knowledge to the administration.
Managing Director	680	Specialist skills brought to the administration. Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee. May also be a Registered Liquidator and/or Trustee. Alternatively, has extensive leadership/senior management experience in business or industry.
Senior Director	620	Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee, where required. May also be a Registered Liquidator and/or Trustee or have experience sufficient to support an application to become registered. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Director	550	Significant experience across all types of administrations. Strong technical and commercial skills. Has primary conduct of small to large administrations, controlling a team of professionals. Answerable to the appointee, but otherwise responsible for all aspects of the administration. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Senior Consultant II	500	Typically an Australian Restructuring Insolvency & Turnaround Association professional member. Well developed technical and commercial skills. Has experience in complex matters and has conduct of small to medium administrations, supervising a small team of professionals. Assists planning and control of medium to larger administrations.
Senior Consultant I	450	Assists with the planning and control of small to medium-sized administrations. May have the conduct of simpler administrations. Can supervise staff. Has experience performing more difficult tasks on larger administrations.
Consultant II	405	Typically Institute of Chartered Accountants in Australia qualified chartered accountant (or similar). Required to control the tasks on small administrations and is responsible for assisting with tasks on medium to large-sized administrations.
Consultant I	375	Qualified accountant with several years' experience. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate II	350	Typically a qualified accountant. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate I	315	Typically a university graduate. Required to assist with day-to-day tasks under the supervision of senior staff.
Treasury	300	Typically, qualified accountant and/or bookkeeper with at least 4 years' experience working in a treasury function in a professional services setting. Undertakes treasury activities and is skilled in bookkeeping, funds handling, banking, payroll, tax compliance, accounts receivable and accounts payable. May be responsible for the management of discreet, medium-complexity accounts services relating to business trade on activities.
Junior Associate	250	Undergraduate in the latter stage of their university degree.
Administration II	250	Well developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. May also have appropriate bookkeeping, accounting support services or similar skills.
Administration I	210	Has appropriate skills and experience to support professional staff in an administrative capacity. May also have appropriate bookkeeping, accounting support services or similar skills.
Junior Accountant	210	Undergraduate in the early stage of their university degree.

The FTI Consulting Standard Rates above apply to the Corporate Finance & Restructuring practice and are subject to periodical review.

13 March 2023



Remuneration Approval Report

Ovato Packaging Pty Ltd
(Administrators Appointed)
ACN 050 411 759

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Summary

This remuneration approval report provides you with the information the Corporations Act 2001 (Act) and the Code of Professional Practice published by the Australian Restructuring Insolvency and Turnaround Association ("ARITA") requires creditors to receive to make an informed decision regarding the approval of our remuneration for undertaking the Voluntary Administration of Ovato Packaging Pty Ltd (Administrators Appointed) ACN 050 411 759 ("Ovato Packaging").

We are asking creditors to approve the following remuneration:

Appointment Type	Period	Remuneration (Excl GST) (\$)
Voluntary Administration	Resolution 1: 21 July 2022 to 5 March 2023 (inclusive)	64,461.50
Voluntary Administration	Resolution 2: 6 March 2023 to the end of the Voluntary Administration	10,000.00
Liquidation	Resolution 3: Commencement of the Liquidation to the finalisation of the Liquidation	20,000.00
Total		94,461.50

This is our first and final remuneration approval request.

Declaration

We, Christopher Hill, Ross Blakeley and Ben Campbell, of FTI Consulting, have undertaken a proper assessment of the claims for remuneration for the appointment as Voluntary Administrators of Ovato Packaging in accordance with the law and applicable professional standards. We are satisfied the remuneration and disbursements claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of this appointment and further, the disbursements incurred in the conduct of the external administration are necessary and proper.

Remuneration Sought

For	Period	Amount (Excl GST) (\$)	Applicable Rates	Timing of Payment
Work already completed	21 July 2022 to 5 March 2023 (inclusive)	64,461.50	As per the attached hourly rates at Schedule E	Immediately, when funds are available
Future work	6 March 2023 to the end of the Voluntary Administration	10,000.00	As per the attached hourly rates at Schedule E	As time is incurred, monthly or as funds become available
Voluntary Administration Total		74,461.50		
Future work	Commencement of the Liquidation to finalisation of the Liquidation	20,000.00	As per the attached hourly rates at Schedule E	As time is incurred, monthly or as funds become available
Liquidation Total		20,000.00		

Details of the work already done and future work we intend to do are **enclosed** at **Schedule A**.

Schedule B includes a breakdown of time spent by staff members on each major task for work already done.

Actual resolutions to be put to the meeting are included at **Schedule C**. These resolutions also appear in the proxy form for the meeting provided to you.

Disbursements

We are not required to seek creditor approval for costs paid to third parties or where we are recovering a cost incurred on behalf of the administration, but we must provide details to creditors. Details of these amounts are included in the attached Receipts and Payments at **Schedule D**.

Creditor approval is not required in relation to internally or externally provided professional or non-professional costs or disbursements charged at cost.

The table below provides a breakdown of the external disbursements claimed in the Voluntary Administration for the period 1 November 2022 to 5 March 2023 (inclusive).

Disbursement Type	Basis of Charge	Amount (\$)
Search Fees	At Cost	3,059.19
Postage	At Cost	8.49
Total (Excl GST)		3,067.68
GST		306.77
Total (Incl GST)		3,374.45

We are not seeking approval for any internal disbursements as none were incurred for this period.

Likely Impact on Dividends

The Act sets the order for payment of claims against Ovato Packaging and it provides for remuneration of the Administrator to be paid in priority to other claims. This ensures that when there are sufficient funds, the Administrator receives payment for the work done to recover assets, investigate Ovato Packaging's affairs, report to creditors and ASIC and distribute any available funds.

There are not expected to be sufficient funds to pay a dividend to unsecured creditors should Ovato Packaging enter into liquidation due to:

- realisations to date;
- estimated future realisations;
- estimated remuneration to complete the Voluntary Administration; and
- the estimated total of creditor claims based on Ovato Packaging's records and claims lodged.
-

Funding Received for Remuneration and Disbursements

On 7 and 13 October 2022, the Department of Employment and Workplace relations engaged the Administrators to assist with the administration of the *Fair Entitlement Guarantee Act 2012* as it applied to the employees of Ovato Limited, Ovato Packaging Pty Ltd and Ovato Print Cairns Pty Ltd, and were paid the following amounts plus GST for this work:

- Ovato Limited - \$45,980.00
- Ovato Print Cairns Pty Ltd - \$2,340.00
- **Ovato Packaging Pty Ltd - \$7,800.00**

In relation to the above funding, the Administrators have drawn the following amounts plus GST to date:

- Ovato Limited - \$35,420.00
- Ovato Print Cairns Pty Ltd - \$2,340.00
- **Ovato Packaging Pty Ltd - Nil**

Remuneration payments received in relation to the administration of the *Fair Entitlements Guarantee Act 2012* are not subject to creditor approval but are disclosed to provide creditors with full disclosure of the remuneration paid and/or recoverable from external sources.

Summary of Receipts and Payments

A summary of the receipts and payments for the Voluntary Administration as at 5 March 2023 is **enclosed** at **Schedule D** to this report.

Queries

Further supporting documentation for our remuneration claim can be provided to creditors on request.

You can also access information which may assist you on the following websites

- ARITA at www.arita.com.au/creditors
- ASIC at www.asic.gov.au (search for INFO 85).

If you have any queries in relation to the information in this report, please contact this office on (02) 8247 8000 or by email at Ovato_Creditors@fticonsulting.com.

Yours faithfully



Chris Hill

Administrator

Attachments:

Schedule A – Details of work

Schedule B – Time Spent by Staff on Each Major Task (Work Already Done)

Schedule C – Resolutions

Schedule D – Disbursements

Schedule E – Summary of Receipts and Payments

Schedule F – FTI Consulting Schedule of Rates Effective 1 July 2022

Schedule A – Details of work

Task area/General description	Work Already Completed	Future Work to the End of the Voluntary Administration	Liquidation Work
Period	21 July 2022 to 5 March 2023 (inclusive)	6 March 2023 to the End of the Voluntary Administration	Commencement of the Liquidation to Finalisation of the Liquidation
Amount (Excl GST)	\$64,461.50	\$10,000.00	\$20,000.00
Assets	19.90 hours \$11,610.00	\$0.00	\$0.00
Sale of Business as a Going Concern	■ Held discussions and took calls regarding offers for the business (including Ovato Packaging employees) ■ Corresponded with Platypus ■ Prepared information to be presented to Platypus regarding employees ■ Held internal discussions regarding the sale of business and transfer of employees ■ Considered and provided responses to Platypus enquiries regarding transfer of employees	<i>Intentionally left blank</i>	<i>Intentionally left blank</i>
Creditors	25.40 hours \$12,634.50	\$8,000.00	\$11,200.00
Creditor Enquiries, Requests & Directions	■ Setup the Ovato_Creditors@fticonsulting.com address for creditor enquiries. ■ Responded to queries via email and telephone. ■ Reviewed and prepared initial correspondence to creditors and their representatives ■ Distributed correspondence via email and mail ■ Created and maintained a call register for all enquiries	■ Receive and respond to creditor queries via email and telephone ■ Maintain creditor call register ■ Consider the reasonableness of creditor requests ■ Compile any information requests made by creditors	■ Review and prepare initial correspondence to creditors and their representatives ■ Distribute correspondence via email and mail ■ Receive and respond to creditor queries via email and telephone ■ Maintain creditor call register ■ Review and prepare further correspondence to creditors and their representatives

Task area/General description	Work Already Completed	Future Work to the End of the Voluntary Administration	Liquidation Work
			■ Consider the reasonableness of creditor requests ■ Compile any information requests made by creditors
PPSR Creditors	■ Compiled letters of intention not to exercise property rights. ■ Compiled PPSR registration schedule and tracker ■ Compiled PPSR creditor email address listing to ensure all PPSR creditors are to be included in creditor correspondence email distributions	<i>Intentionally left blank</i>	<i>Intentionally left blank</i>
Creditor Reports	■ Preparing the second report to creditors and accompanying documents ■ Preparing remuneration reports ■ Held internal discussions regarding the completion of the above	■ Finalise the second report to creditors and accompanying documents ■ Finalise accompanying remuneration report ■ Distribute the above via Eloqua	■ Prepare, review, finalise and distribute the statutory report to creditors ■ Prepare accompanying remuneration report ■ Distribute the above via Eloqua ■ Hold internal discussions regarding the compilation of the statutory report to creditors
Dealing with Proofs of Debt	■ Receipted, filed and entered Proof of Debt ("POD") forms received into INSOL6 ■ Compiled data required to lodge group PODs on behalf of employees ■ Maintained POD register ■ Corresponded with the Office of State Revenue ("OSR") and the Australian Taxation Office ("ATO") regarding their PODs	■ Receipt and file POD when not related to a dividend ■ Contact creditors to assist in meeting registration and attendance process where POD not lodged ■ Enter any POD data into INSOL6 and track the position of creditor claims	■ Receipt and file any incoming PODs ■ Enter any POD data into INSOL6 and track the position of creditor claims
Meeting of Creditors	■ Prepared first meeting notices, proxies and advertisements ■ Forwarded notice of first meeting to all known creditors ■ Prepared the meeting file, including agenda, certificate of postage, attendance register, list of creditors,	■ Forward notice of second meeting to all known creditors ■ Prepare and lodge minutes of meeting with ASIC ■ Respond to stakeholder queries and questions following meeting	<i>Intentionally left blank</i>

Task area/General description	Work Already Completed	Future Work to the End of the Voluntary Administration	Liquidation Work
	reports to creditors, advertisement of meeting and draft minutes of meeting ■ Prepared and lodged minutes of meeting with ASIC ■ Responded to stakeholder queries and questions immediately following meeting ■ Convened and held the first meeting of creditors on 2 August 2022	■ Prepare meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting, draft minutes of meeting and meeting slides. ■ Tailor webinar parameters on Zoom with the engagement team to ensure a smooth meeting. Test QR codes, other documentation and meeting facilities are in working order ■ Hold and attend second meeting of creditors via electronic facilities ■ Send meeting minutes to creditors on request	
Proposals to Creditors	<i>Intentionally left blank</i>	<i>Intentionally left blank</i>	■ Prepared proposal notices and voting forms ■ Forward notice of proposal to all known creditors ■ Review votes and determined outcome of proposal ■ Prepared and lodged proposal outcome with ASIC
Shareholder Enquiries	■ Prepared initial day one letters ■ Prepared, reviewed and provided circular to shareholders on 19 September 2022 advising of likelihood of any further distribution in the course of the winding up ■ Setup the Ovato Investors@fticonsulting.com address for investor enquiries and responded to shareholder enquiries received in inbox	■ Respond to any shareholder enquiries ■ Draft and release any relevant announcements via the Australian Securities Exchange ("ASX")	■ Respond to any shareholder enquiries ■ Draft and release any relevant announcements via the ASX
Employees	44.30 hours \$21,013.50	\$500.00	\$1,600.00

Task area/General description	Work Already Completed	Future Work to the End of the Voluntary Administration	Liquidation Work
Employee Enquiries	■ Held multiple briefings with employees and responded to queries regarding the administration process and entitlements. ■ Reviewed and prepared correspondence to employees including notification of appointment and entitlements circular ■ Liaised with employees concerning their entitlements, termination and resignation queries. ■ Dealt with outstanding employee issues that remained on foot at date of appointment. ■ Reviewed company records to quantify employee entitlements. ■ Worked closely with HR and payroll staff concerning numerous employee issues. ■ Prepared letters to employees advising of their entitlements and options available ■ Received and prepared correspondence in response to employee's objections to leave entitlements ■ Liaised with Australian Manufacturing Workers' Union regarding employee unions and the Administration generally ■ Received and followed up employee enquiries	■ Receive and follow up employee enquiries via telephone and email ■ Maintain employee enquiry register	■ Receive and follow up employee enquiries via telephone and email ■ Maintain employee enquiry register
FEG	■ Advised FEG representatives of appointment ■ Conducted discrepancy investigations and a reconciliation of the underpayment of employees ■ Corresponded with FEG regarding a variety of issues ■ Compiled verification spreadsheets ■ Saved down and entered FEG POD into accounting system	■ Conduct discrepancy investigations and a reconciliation of the underpayment of employees ■ Correspond with FEG regarding a variety of issues	■ Conduct discrepancy investigations and a reconciliation of the underpayment of employees ■ Correspond with FEG regarding a variety of issues

Task area/General description	Work Already Completed	Future Work to the End of the Voluntary Administration	Liquidation Work
Calculation of Entitlements	■ Calculated and reviewed employee's entitlement as at appointment ■ Reviewed employee files and company books and records	<i>Intentionally left blank</i>	<i>Intentionally left blank</i>
Employee Dividend	<i>Intentionally left blank</i>	<i>Intentionally left blank</i>	■ Correspond with employees regarding dividend ■ Correspond with ATO regarding SGC POD ■ Calculated dividend rate ■ Prepare dividend file ■ Advertise dividend notice ■ Prepare distribution ■ Receipt and adjudicate POD ■ Ensure PAYG is remitted to the ATO
Other Employee Issues	■ Drafted and circulated notification of underpayment letter along with the accompanying mail merge data ■ Dealt with other incidental employee issues	■ Deal with other incidental employee issues	■ Deal with other incidental employee issues
Trade On	31.30 hours \$15,250.00	\$500.00	\$0.00
Trade on Management	■ Liaised with management and staff ■ Attended site ■ Maintained the administrators' accounting software management accounts	■ Finalisation of voluntary administration liabilities ■ Maintain the administrators' accounting software management accounts	<i>Intentionally left blank</i>
Trade-on - Employees	■ Set up Ovato_Employees@fticonsulting.com inbox for employee enquiries. ■ Liaised with payroll staff regarding employee entitlements position, awards of Ovato Packaging and ongoing payroll requirements	<i>Intentionally left blank</i>	<i>Intentionally left blank</i>

Task area/General description	Work Already Completed	Future Work to the End of the Voluntary Administration	Liquidation Work
	■ Reviewed and processed weekly and monthly payroll for Ovato Packaging ■ Prepared for reporting Single Touch Payroll ■ Arranged for workers compensation insurance for employees ■ Compiled wage declaration forms for workers compensation insurance ■ Complied with statutory requirements in relation to PAYG, payroll tax and SGC reductions, as well as single touch payroll reporting. ■ Corresponded with employees ■ Reviewed, prepared and processed monthly superannuation obligations.		
Investigations	1.80 hours \$634.50	\$0.00	\$4,000.00
Conducting Investigation	■ Prepared the investigation file ■ Conducted solvency analysis ■ Held internal discussions regarding the investigations made into Ovato Packaging's affairs	<i>Intentionally left blank</i>	■ Further prepare the investigation file ■ Conduct further investigations into Ovato Packaging's date of insolvency ■ Conduct investigations into potential claims available to the Liquidators and determine the commerciality of pursuing such claims ■ Investigate the capacity of the Directors to pay any insolvent trading claim ■ Review available books and records and other information concerning the aforementioned. ■ Provide an update on the investigations conducted by the Liquidators in the statutory report to creditors

Task area/General description	Work Already Completed	Future Work to the End of the Voluntary Administration	Liquidation Work
ASIC Reporting	<i>Intentionally left blank</i>	<i>Intentionally left blank</i>	■ Prepare statutory investigation reports ■ Liaising with ASIC in this regard
Administration	9.90 hours \$3,319.00	\$1,000.00	\$2,000.00
Correspondence	■ Corresponded with various parties regarding general matters	■ Correspond with various parties regarding general matters	■ Correspond with various parties regarding general matters
Document Maintenance / File Review / Checklist	■ Filed documents electronically ■ Conducted file reviews ■ Updated checklists appropriately ■ Held internal meetings with the engagement team	■ File documents electronically ■ Conduct file reviews ■ Update checklists appropriately ■ Hold internal meetings with the engagement team	■ File documents electronically ■ Conduct file reviews ■ Update checklists appropriately ■ Hold internal meetings with the engagement team
Insurance	■ Identified if any potential issues required attention of insurance specialists ■ Corresponded with the insurer and our broker regarding initial and ongoing insurance requirements and notifications needed on group policies to reflect appointment ■ Reviewed insurance policies ■ Corresponded with previous brokers directly and via our broker ■ Ensured adequate coverage for the trade-on of Ovato Packaging ■ Managed any outstanding claims	■ Correspond with the insurer as required	■ Correspond with the insurer as required
Funds Handling	■ Prepared correspondence regarding the opening of accounts ■ Entered receipts and payments into accounting system	■ Enter receipts and payments into accounting system ■ Conduct bank account reconciliations	■ Enter receipts and payments into accounting system ■ Conduct bank account reconciliations

Task area/General description	Work Already Completed	Future Work to the End of the Voluntary Administration	Liquidation Work
	■ Conducted bank account reconciliations ■ Corresponded with bank regarding specific transfers	Correspond with bank regarding specific transfers	Correspond with bank regarding specific transfers
ASIC Forms and Lodgements	■ Prepared and lodged ASIC forms including form 531, 505, 507 and 5011.	■ Prepare and lodge required ASIC forms ■ Correspond with ASIC regarding statutory forms	■ Prepare and lodge required ASIC forms ■ Correspond with ASIC regarding statutory forms
ATO and Other Statutory Reporting	■ Notified the ATO of appointment ■ Prepared, reviewed and lodged Business Activity Statements ■ Attended to Single Touch Payroll reporting obligations	■ Prepare, review and lodge Business Activity Statements	■ Prepare, review and lodge Business Activity Statements
Finalisation	<i>Intentionally Left Blank</i>	<i>Intentionally Left Blank</i>	■ Notify ATO of finalisation ■ Cancel ABN / GST registration ■ Complete checklists ■ Finalise WIP ■ Draw any undrawn fees approved by creditors
Planning / Review	■ Held discussions regarding the status of administration ■ Conducted ongoing reviews of the VA checklist ■ Held internal planning and review meetings	■ Hold discussions regarding the status of the administration	■ Hold discussions regarding the status of the administration
Books and Records / Storage	■ Dealt with electronic records	■ Deal with electronic records	■ Deal with electronic records
Dividend	0.00 hours \$0.00	\$0.00	\$1,200.00
Processing proofs of debt (POD)	<i>Intentionally left blank</i>	<i>Intentionally left blank</i>	■ Prepare correspondence to potential creditors inviting lodgement of POD ■ Receipt of POD

Task area/General description	Work Already Completed	Future Work to the End of the Voluntary Administration	Liquidation Work
			■ Maintain POD register ■ Adjudicate POD ■ Request further information from claimants regarding POD ■ Prepare correspondence to claimant advising outcome of adjudication
Dividend Procedures	<i>Intentionally left blank</i>	<i>Intentionally left blank</i>	■ Prepare correspondence to creditors calling for POD ■ Preparation of dividend calculation ■ Prepare and update checklist ■ Preparation of distribution ■ Preparation of dividend file ■ Preparation of payment vouchers to pay dividend ■ Preparation of correspondence to creditors enclosing payment of dividend

Schedule B – Time Spent by Staff on Each Major Task (Work Already Done)

Employee	Position	\$ / Hour (Excl GST)	Total Actual Hours	Total \$ (Excl GST)	Task Area											
					Assets		Creditors		Employees		Trade on		Investigation		Administration	
					Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Christopher Hill	Senior Managing Director	740	3.70	2,738.00	3.50	2,590.00	-	-	-	-	0.20	148.00	-	-	-	-
Joanne Dunn	Senior Managing Director	740	0.50	370.00	-	-	0.30	222.00	-	-	-	-	-	-	0.20	148.00
Neil Dempster	Senior Director	620	14.60	9,052.00	-	-	14.30	8,866.00	-	-	-	-	0.10	62.00	0.20	124.00
Marco Bozzetto	Director	550	0.30	165.00	-	-	-	-	0.30	165.00	-	-	-	-	-	-
Jeremy Dalais	Director	550	0.20	110.00	-	-	0.20	110.00	-	-	-	-	-	-	-	-
Marial Kwan	Director	550	42.40	23,320.00	2.80	1,540.00	0.10	55.00	18.90	10,395.00	20.30	11,165.00	-	-	0.30	165.00
Henry Lister	Director	550	13.60	7,480.00	13.60	7,480.00	-	-	-	-	-	-	-	-	-	-
Catherine Jaques	Senior Consultant II	500	3.40	1,700.00	-	-	0.40	200.00	-	-	2.40	1,200.00	-	-	0.60	300.00
Maxine Allan	Senior Consultant II	500	0.20	100.00	-	-	-	-	-	-	-	-	0.20	100.00	-	-
James Macreadie	Senior Consultant I	450	18.40	8,280.00	-	-	-	-	18.40	8,280.00	-	-	-	-	-	-
Eve Pedder	Associate II	350	2.60	910.00	-	-	-	-	-	-	2.60	910.00	-	-	-	-
Munirah Azhar	Associate II	350	1.80	630.00	-	-	-	-	1.80	630.00	-	-	-	-	-	-
Anisa Jaffar	Associate I	315	0.80	252.00	-	-	0.70	220.50	-	-	-	-	-	-	0.10	31.50
Matthew van der Vlugt	Associate I	315	11.10	3,496.50	-	-	7.60	2,394.00	-	-	-	-	1.50	472.50	2.00	630.00
Grace Patterson	Associate I	315	12.20	3,843.00	-	-	0.30	94.50	4.90	1,543.50	4.30	1,354.50	-	-	2.70	850.50
Mathew Pereira	Associate I	315	1.50	472.50	-	-	-	-	-	-	1.50	472.50	-	-	-	-
Isabella Jansen	Associate I	315	1.50	472.50	-	-	1.50	472.50	-	-	-	-	-	-	-	-
Amy Dalton	Junior Associate	250	1.00	250.00	-	-	-	-	-	-	-	-	-	-	1.00	250.00
Kevin McCartney	Junior Associate	250	0.30	75.00	-	-	-	-	-	-	-	-	-	-	0.30	75.00
Alyse Kent	Treasury	300	0.30	90.00	-	-	-	-	-	-	-	-	-	-	0.30	90.00
Chelsea Fisk	Treasury	300	0.40	120.00	-	-	-	-	-	-	-	-	-	-	0.40	120.00
Robyn Hardeman	Treasury	300	1.50	450.00	-	-	-	-	-	-	-	-	-	-	1.50	450.00
Yuet Yeng Yee	Treasury	300	0.20	60.00	-	-	-	-	-	-	-	-	-	-	0.20	60.00
Ashleigh Ubank	Administration II	250	0.10	25.00	-	-	-	-	-	-	-	-	-	-	0.10	25.00
Total (Excl GST)				64,461.50		11,610.00		12,634.50		21,013.50		15,250.00		634.50		3,319.00
GST				6,446.15												
Total (Incl GST)				70,907.65												
Total Hours			132.60		19.90		25.40		44.30		31.30		1.80		9.90	
Avg Hourly Rate (Excl GST)				486		583		497		474		487		353		335

Schedule C – Resolutions

Resolution 1 – Voluntary Administrators’ Remuneration for Period 21 July 2022 to 5 March 2023 (inclusive)

“The remuneration of the Voluntary Administrators of Ovato Packaging Pty Ltd (Administrators Appointed) ACN 050 411 759 and their staff, for the period 21 July 2022 to 5 March 2023 (inclusive), calculated at the hours spent at the rates detailed in the FTI Consulting Standard Rates (Corporate Finance & Restructuring) Effective 1 July 2022, is approved for payment in the amount of \$64,461.50 (exclusive of GST), to be drawn from available funds immediately or as funds become available.”

Resolution 2 – Voluntary Administrators’ Remuneration for Period 6 March 2023 to the End of the Voluntary Administration

“The future remuneration of the Voluntary Administrators of Ovato Packaging Pty Ltd (Administrators Appointed) ACN 050 411 759 and their staff, for the period 6 March 2023 to the end of the Voluntary Administration, is determined at a sum equal to the costs of time spent by the Voluntary Administrators and their staff, calculated at the hours spent at the rates detailed in the FTI Consulting Standard Rates (Corporate Finance & Restructuring Effective 1 July 2022), up to a capped amount of \$10,000.00 (exclusive of GST), and the Voluntary Administrators can draw the remuneration from available funds as time is incurred on a monthly basis or as funds become available.”

Resolution 3 – Liquidators’ Remuneration

“The future remuneration of the Liquidators’ of Ovato Packaging Pty Ltd (In Liquidation) ACN 050 411 759 and their staff, for the period from the commencement of the Liquidation to the finalisation of the Liquidation, is determined at a sum equal to the costs of time spent by the Liquidators and their staff, calculated at the hours spent at the rates detailed in the FTI Consulting Standard Rates (Corporate Finance & Restructuring Effective 1 July 2022), up to a capped amount of \$20,000.00 (exclusive of GST), and the Liquidators can draw the remuneration from available funds as time is incurred on a monthly basis or as funds become available.”

Schedule D – Summary of Receipts and Payments

Receipts		\$
Accounts Receivable (Pre-Appointment)		21,053
FEG Funding		8,580
Total Receipts		29,633
Payments		
NO PAYMENTS WERE MADE DURING THIS PERIOD		-
Total Payments		-
Net Receipts		29,633

Schedule E – FTI Consulting Schedule of Rates Effective 1 July 2022

Financial Year 2023		
Typical Classification	Standard Rates \$/Hour	General Guide to Classifications
Senior Managing Director/Appointee	740	Registered Liquidator and/or Trustee, with specialist skills and extensive experience in all forms of insolvency administrations. Alternatively, has proven leadership experience in business or industry, bringing specialist expertise and knowledge to the administration.
Managing Director	680	Specialist skills brought to the administration. Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee. May also be a Registered Liquidator and/or Trustee. Alternatively, has extensive leadership/senior management experience in business or industry.
Senior Director	620	Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee, where required. May also be a Registered Liquidator and/or Trustee or have experience sufficient to support an application to become registered. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Director	550	Significant experience across all types of administrations. Strong technical and commercial skills. Has primary conduct of small to large administrations, controlling a team of professionals. Answerable to the appointee, but otherwise responsible for all aspects of the administration. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Senior Consultant II	500	Typically an Australian Restructuring Insolvency & Turnaround Association professional member. Well developed technical and commercial skills. Has experience in complex matters and has conduct of small to medium administrations, supervising a small team of professionals. Assists planning and control of medium to larger administrations.
Senior Consultant I	450	Assists with the planning and control of small to medium-sized administrations. May have the conduct of simpler administrations. Can supervise staff. Has experience performing more difficult tasks on larger administrations.
Consultant II	405	Typically Institute of Chartered Accountants in Australia qualified chartered accountant (or similar). Required to control the tasks on small administrations and is responsible for assisting with tasks on medium to large-sized administrations.
Consultant I	375	Qualified accountant with several years' experience. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate II	350	Typically a qualified accountant. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate I	315	Typically a university graduate. Required to assist with day-to-day tasks under the supervision of senior staff.
Treasury	300	Typically, qualified accountant and/or bookkeeper with at least 4 years' experience working in a treasury function in a professional services setting. Undertakes treasury activities and is skilled in bookkeeping, funds handling, banking, payroll, tax compliance, accounts receivable and accounts payable. May be responsible for the management of discreet, medium-complexity accounts services relating to business trade on activities.
Junior Associate	250	Undergraduate in the latter stage of their university degree.
Administration II	250	Well developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. May also have appropriate bookkeeping, accounting support services or similar skills.
Administration I	210	Has appropriate skills and experience to support professional staff in an administrative capacity. May also have appropriate bookkeeping, accounting support services or similar skills.
Junior Accountant	210	Undergraduate in the early stage of their university degree.

The FTI Consulting Standard Rates above apply to the Corporate Finance & Restructuring practice and are subject to periodical review.

13 March 2023



Remuneration Approval Report

Ovato Print Cairns Pty Ltd
(Administrators Appointed)
ACN 050 487 879

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Summary

This remuneration approval report provides you with the information the Corporations Act 2001 (“the Act”) and the Code of Professional Practice published by the Australian Restructuring Insolvency and Turnaround Association (“ARITA”) requires creditors to receive to make an informed decision regarding the approval of our remuneration for undertaking the Voluntary Administration of Ovato Print Cairns Pty Ltd (Administrators Appointed) ACN 050 487 879 (“Ovato Print Cairns”).

We are asking creditors to approve the following remuneration:

Appointment Type	Period	Remuneration (Excl GST) (\$)
Voluntary Administration	Resolution 1: 21 July 2022 to 5 March 2023 (inclusive)	59,605.00
Voluntary Administration	Resolution 2: 6 March 2022 to the end of the Voluntary Administration	10,000.00
Liquidation	Resolution 3: Commencement of the Liquidation to the finalisation of the Liquidation	20,000.00
Total		89,605.00

This is our first and final remuneration approval request.

Declaration

We, Christopher Hill, Ross Blakeley and Ben Campbell, of FTI Consulting, have undertaken a proper assessment of the claims for remuneration for the appointment as Voluntary Administration of Ovato Print Cairns in accordance with the law and applicable professional standards. We are satisfied the remuneration and disbursements claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of this appointment and further, the disbursements incurred in the conduct of the external administration are necessary and proper.

Remuneration Sought

For	Period	Amount (Excl GST) (\$)	Applicable Rates	Timing of Payment
Work already completed	21 July 2022 to 5 March 2023 (inclusive)	59,605.00	As per the attached hourly rates at Schedule E	When funds are available
Future Work	6 March 2023 to the end of the Voluntary Administration	10,000.00	As per the attached hourly rates at Schedule E	As time is incurred monthly or as funds become available
Voluntary Administration Total		69,605.00		
Future Work	Commencement of the Liquidation to finalisation of the Liquidation	20,000.00	As per the attached hourly rates at Schedule E	As time is incurred monthly or as funds become available
Liquidation Total		20,000.00		

Details of the work already done and future work we intend to do are **enclosed** at **Schedule A**.

Schedule B includes a breakdown of time spent by staff members on each major task for work already done.

Actual resolutions to be put to the meeting are included at **Schedule C**. These resolutions also appear in the proxy form for the meeting provided to you.

Disbursements

We are not required to seek creditor approval for costs paid to third parties or where we are recovering a cost incurred on behalf of the administration, but we must provide details to creditors. Details of these amounts are included in the attached Receipts and Payments at **Schedule D**.

Creditor approval is not required in relation to internally or externally provided professional or non-professional costs or disbursements charged at cost.

The table below provides a breakdown of the external disbursements claimed in the Voluntary Administration for the period 1 November 2022 to 5 March 2023 (inclusive).

Disbursements Claimed	Basis of Charge	Amount (\$)
Staff Airfares	At Cost	1,861.58
Staff Accommodation	At Cost	1,262.84
Staff Meals	At Cost	76.51
Courier	At Cost	224.67
Staff Transport	At Cost	681.32
Property Searches	At Cost	34.55
Total (Excl GST)		4,141.47
GST		414.15
Total (Incl GST)		4,555.62

We are not seeking approval for any internal disbursements as none were incurred for this period.

Likely Impact on Dividends

The Act sets the order for payment of claims against Ovato Print Cairns and it provides for remuneration of the Administrator to be paid in priority to other claims. This ensures that when there are sufficient funds, the Administrator receives payment for the work done to recover assets, investigate Ovato Print Cairns' affairs, report to creditors and ASIC and distribute any available funds.

There are not expected to be sufficient funds to pay a dividend to unsecured creditors should Ovato Print Cairns enter into liquidation due to:

- realisations to date;
- estimated future realisations;
- estimated remuneration to complete the Voluntary Administration; and
- the estimated total of creditor claims based on Ovato Print Cairns' records and claims lodged.

Funding Received for Remuneration and Disbursements

On 7 and 13 October 2022, the Department of Employment and Workplace relations engaged the Administrators to assist with the administration of the *Fair Entitlement Guarantee Act 2012* as it applied to the employees of Ovato Limited, Ovato Packaging Pty Ltd and Ovato Print Cairns Pty Ltd and were paid the following amounts plus GST for this work:

- Ovato Limited - \$45,980.00
- **Ovato Print Cairns Pty Ltd - \$2,340.00**
- Ovato Packaging Pty Ltd - \$7,800.00

In relation to the above funding, the Administrators have drawn the following amounts plus GST to date:

- Ovato Limited - \$35,420.00
- **Ovato Print Cairns Pty Ltd - \$2,340.00**
- Ovato Packaging Pty Ltd - Nil

Remuneration payments received in relation to the administration of the *Fair Entitlements Guarantee Act 2012* are not subject to creditor approval but are disclosed to provide creditors with full disclosure of the remuneration paid and/or recoverable from external sources.

Summary of Receipts and Payments

A summary of the receipts and payments for the Voluntary Administration as at 5 March 2023 (inclusive) is **enclosed** at **Schedule D** to this report.

Queries

Further supporting documentation for our remuneration claim can be provided to creditors on request.

You can also access information which may assist you on the following websites:

- ARITA at www.arita.com.au/creditors
- ASIC at www.asic.gov.au (search for INFO 85).

If you have any queries in relation to the information in this report, please contact this office (02) 8247 8000 or by email at Ovato_Creditors@fticonsulting.com.

Yours faithfully



Chris Hill

Administrator

Attachments:

Schedule A – Details of work

Schedule B – Time Spent by Staff on Each Major Task (Work Already Done)

Schedule C – Resolutions

Schedule D – Disbursements

Schedule E – Summary of Receipts and Payments

Schedule F – FTI Consulting Schedule of Rates Effective 1 July 2022

Schedule A – Details of Work

Task Area/General Description	Work Already Done	Future Work to the End of the Voluntary Administration	Liquidation Work
Period	21 July 2022 to 5 March 2023 (inclusive)	6 March to the End of the Voluntary Administration	Commencement of the Liquidation to the Finalisation of the Liquidation
Amount (Excl GST)	\$59,605.00	\$10,000.00	\$20,000.00
Assets	15.6 hours \$7,846.00	\$0.00	\$0.00
Plant & Equipment	■ Considered and reviewed asset listing ■ Corresponded with potential buyers regarding Ovato Print Cairns ' plant and equipment ■ Compiled a schedule of assets and provided to potential buyers ■ Corresponded with the landlord in respect to plant and equipment left on site	<i>Intentionally left blank</i>	<i>Intentionally left blank</i>
Inventory	■ Corresponded with potential buyers of inventory	<i>Intentionally left blank</i>	<i>Intentionally left blank</i>
Real Estate	■ Corresponded with the landlord regarding the exit of premises	<i>Intentionally left blank</i>	<i>Intentionally left blank</i>
Creditors	22.4 hours \$10,377.00	\$8,000.00	\$12,000.00
Creditor Enquiries, Requests & Directions	■ Setup the Ovato_Creditors@fticonsulting.com address for creditor enquiries. ■ Responded to queries via email and telephone. ■ Reviewed and prepared initial correspondence to creditors and their representatives ■ Distributed correspondence via email and mail	■ Receive and respond to creditor queries via email and telephone ■ Maintain creditor call register ■ Consider the reasonableness of creditor requests	■ Review and prepare initial correspondence to creditors and their representatives ■ Distribute correspondence via email and mail ■ Receive and respond to creditor queries via email and telephone

Task Area/General Description	Work Already Done	Future Work to the End of the Voluntary Administration	Liquidation Work
	■ Created and maintained a call register for all enquiries	■ Compile any information requests made by creditors	■ Maintain creditor call register ■ Review and prepare further correspondence to creditors and their representatives ■ Consider the reasonableness of creditor requests ■ Compile any information requests made by creditors
PPSR Creditors	■ Compiled letters of intention not to exercise property rights. ■ Compiled PPSR registration schedule and tracker ■ Compiled PPSR creditor email address listing to ensure all PPSR creditors are to be included in creditor correspondence email distributions	<i>Intentionally left blank</i>	<i>Intentionally left blank</i>
Creditor Reports	■ Preparing the second report to creditors and accompanying documents ■ Preparing remuneration reports ■ Held internal discussions regarding the completion of the above	■ Finalise the second report to creditors and accompanying documents ■ Finalise accompanying remuneration report ■ Distribute the above via Eloqua	■ Prepare, review, finalise and distribute the statutory report to creditors ■ Prepare accompanying remuneration report ■ Distribute the above via electronic communication platform, Eloqua ■ Hold internal discussions regarding the compilation of the statutory report to creditors
Dealing with Proofs of Debt	■ Receipted, filed and entered Proof of Debt ("POD") forms received into INSOL6 ■ Compiled data required to lodge group PODs on behalf of employees ■ Maintained POD register ■ Corresponded with the Office of State Revenue ("OSR") and the Australian Taxation Office ("ATO") regarding their PODs	■ Receipt and file POD when not related to a dividend ■ Contact creditors to assist in meeting registration and attendance process where POD not lodged ■ Enter any POD data into INSOL6 and track the position of creditor claims	■ Receipt and file any incoming PODs ■ Enter any POD data into INSOL6 and track the position of creditor claims

Task Area/General Description	Work Already Done	Future Work to the End of the Voluntary Administration	Liquidation Work
Meeting of Creditors	■ Prepared first meeting notices, proxies and advertisements ■ Forwarded notice of first meeting to all known creditors ■ Prepared the meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting ■ Prepared and lodged minutes of meeting with ASIC ■ Responded to stakeholder queries and questions immediately following meeting ■ Convened and held the first meeting of creditors on 2 August 2022	■ Forward notice of second meeting to all known creditors ■ Prepare and lodge minutes of meeting with ASIC ■ Respond to stakeholder queries and questions following meeting ■ Prepare meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting, draft minutes of meeting and meeting slides. ■ Tailor webinar parameters on Zoom with the engagement team to ensure a smooth meeting. Test QR codes, other documentation and meeting facilities are in working order ■ Hold and attend second meeting of creditors via electronic facilities ■ Send meeting minutes to creditors on request	<i>Intentionally left blank</i>
Proposals to Creditors	<i>Intentionally left blank</i>	<i>Intentionally left blank</i>	■ Prepared proposal notices and voting forms ■ Forward notice of proposal to all known creditors ■ Review votes and determined outcome of proposal ■ Prepared and lodged proposal outcome with ASIC
Shareholder Enquiries	■ Prepared initial day one letters ■ Prepared, reviewed and provided circular to shareholders on 19 September 2022 advising of likelihood of any further distribution in the course of winding up Ovato Print Cairns	■ Respond to any shareholder enquiries ■ Draft and release any relevant announcements via the Australian Securities Exchange ("ASX")	■ Respond to any shareholder enquiries ■ Draft and release any relevant announcements via the ASX

Task Area/General Description	Work Already Done	Future Work to the End of the Voluntary Administration	Liquidation Work
	■ Setup the Ovato Investors@fticonsulting.com address for investor enquiries and responded to shareholder enquiries received in inbox		
Employees	37.6 hours \$18,145.50	\$500.00	\$1,500.00
Employee Enquiries	■ Held multiple briefings with employees and responded to queries regarding the administration process and entitlements. ■ Reviewed and prepared correspondence to employees including notification of appointment and entitlements circular ■ Liaised with employees concerning their entitlements, termination and resignation queries. ■ Dealt with outstanding employee issues that remained on foot at date of appointment. ■ Reviewed company records to quantify employee entitlements. ■ Worked closely with HR and payroll staff concerning numerous employee issues. ■ Prepared letters to employees advising of their entitlements and options available ■ Received and prepared correspondence in response to employee's objections to leave entitlements ■ Liaised with Australian Manufacturing Workers' Union regarding employee unions and the Administration generally ■ Received and followed up employee enquiries	■ Receive and follow up employee enquiries via telephone and email ■ Maintain employee enquiry register	■ Receive and follow up employee enquiries via telephone and email ■ Maintain employee enquiry register
FEG	■ Advised FEG representatives of appointment ■ Conducted discrepancy investigations and a reconciliation of the underpayment of employees ■ Corresponded with FEG regarding a variety of issues	■ Conduct discrepancy investigations and a reconciliation of the underpayment of employees ■ Correspond with FEG regarding a variety of issues	■ Conduct discrepancy investigations and a reconciliation of the underpayment of employees ■ Correspond with FEG regarding a variety of issues

Task Area/General Description	Work Already Done	Future Work to the End of the Voluntary Administration	Liquidation Work
	■ Compiled verification spreadsheets ■ Saved down and entered FEG POD into accounting system		
Calculation of Entitlements	■ Calculated and reviewed employee's entitlement as at appointment ■ Reviewed employee files and company's books and records	<i>Intentionally left blank</i>	<i>Intentionally left blank</i>
Employee Dividend	<i>Intentionally left blank</i>	<i>Intentionally left blank</i>	<i>Intentionally left blank</i>
Other Employee Issues	■ Drafted and circulated notification of underpayment letter along with the accompanying mail merge data ■ Dealt with other incidental employee issues	■ Deal with other incidental employee issues	■ Deal with other incidental employee issues
Trade On	36.2 hours \$19,782.00	\$500.00	\$0.00
Trade on Management	■ Liaised with management and staff ■ Attended site ■ Prepared and authorised receipt vouchers ■ Prepared and authorised payment vouchers ■ Finalising trading liabilities relevant to the voluntary administration ■ Maintained the administrators' accounting software management accounts	■ Finalisation of voluntary administration liabilities ■ Maintain the administrators' accounting software management accounts	<i>Intentionally left blank</i>
Trade-on - Employees	■ Set up Ovato_Employees@fticonsulting.com inbox for employee enquiries. ■ Liaised with payroll staff regarding employee entitlements position, awards of Ovato Print Cairns and ongoing payroll requirements ■ Reviewed and processed weekly and monthly payroll for Ovato Print Cairns ■ Prepared for reporting Single Touch Payroll	<i>Intentionally left blank</i>	<i>Intentionally left blank</i>

Task Area/General Description	Work Already Done	Future Work to the End of the Voluntary Administration	Liquidation Work
	■ Arranged for workers compensation insurance for employees ■ Compiled wage declaration forms for workers compensation insurance ■ Complied with statutory requirements in relation to PAYG, payroll tax and SGC reductions, as well as single touch payroll reporting. ■ Corresponded with employees ■ Reviewed, prepared and processed monthly superannuation obligations.		
Investigations	1.8 hours \$615.50	\$0.00	\$4,500.00
Conducting Investigation	■ Prepared the investigation file ■ Conducted solvency analysis ■ Held internal discussions regarding the investigations made into Ovato Print Cairns' affairs	<i>Intentionally left blank</i>	■ Further prepare the investigation file ■ Conduct further investigations into Ovato Print Cairns' date of insolvency ■ Conduct investigations into potential claims available to the Liquidators and determine the commerciality of pursuing such claims ■ Investigate the capacity of the Directors to pay any insolvent trading claim ■ Review available books and records and other information concerning the aforementioned. ■ Provide an update on the investigations conducted by the Liquidators in the statutory report to creditors
ASIC Reporting	<i>Intentionally left blank</i>	<i>Intentionally left blank</i>	■ Prepare statutory investigation reports

Task Area/General Description	Work Already Done	Future Work to the End of the Voluntary Administration	Liquidation Work
			■ Liaising with ASIC in this regard
Administration	8.4 hours \$2,839.00	\$1,000.00	\$2,000.00
Correspondence	■ Corresponded with various parties regarding general matters	■ Correspond with various parties regarding general matters	■ Correspond with various parties regarding general matters
Document Maintenance / File Review / Checklist	■ Filed documents electronically ■ Conducted file reviews ■ Updated checklists appropriately ■ Held internal meetings with the engagement team	■ File documents electronically ■ Conduct file reviews ■ Update checklists appropriately Hold internal meetings with the engagement team	■ File documents electronically ■ Conduct file reviews ■ Update checklists appropriately Hold internal meetings with the engagement team
Insurance	■ Identified if any potential issues required attention of insurance specialists ■ Corresponded with the insurer and our broker regarding initial and ongoing insurance requirements and notifications needed on group policies to reflect appointment ■ Reviewed insurance policies ■ Corresponded with previous brokers directly and via our broker ■ Ensured adequate coverage for the trade-on of Ovato Print Cairns ■ Managed any outstanding claims	■ Correspond with the insurer as required	■ Correspond with the insurer as required
Funds Handling	■ Prepared correspondence regarding the opening of accounts ■ Entered receipts and payments into accounting system ■ Conducted bank account reconciliations ■ Corresponded with bank regarding specific transfers	■ Enter receipts and payments into accounting system ■ Conduct bank account reconciliations ■ Correspond with bank regarding specific transfers	■ Enter receipts and payments into accounting system ■ Conduct bank account reconciliations ■ Correspond with bank regarding specific transfers
ASIC Forms and Lodgements	■ Prepared and lodged ASIC forms including form 531, 505, 507 and 5011.	■ Prepare and lodge required ASIC forms	■ Prepare and lodge required ASIC forms

Task Area/General Description	Work Already Done	Future Work to the End of the Voluntary Administration	Liquidation Work
		■ Correspond with ASIC regarding statutory forms	■ Correspond with ASIC regarding statutory forms
ATO and Other Statutory Reporting	■ Notified the ATO of appointment ■ Prepared, reviewed and lodged Business Activity Statements ■ Attended to Single Touch Payroll reporting obligations	■ Prepare, review and lodge Business Activity Statements	■ Prepare, review and lodge Business Activity Statements
Finalisation	<i>Intentionally Left Blank</i>	<i>Intentionally Left Blank</i>	■ Notify ATO of finalisation ■ Cancel ABN / GST registration ■ Complete checklists ■ Finalise WIP ■ Draw any undrawn fees approved by creditors
Planning / Review	■ Held discussions regarding the status of administration ■ Conducted ongoing reviews of the VA checklist ■ Held internal planning and review meetings	■ Hold discussions regarding the status of the administration	■ Hold discussions regarding the status of the administration
Books and Records / Storage	■ Deal with electronic records	■ Deal with electronic records	■ Deal with electronic records

Schedule B – Time Spent by Staff on Each Major Task (Work Already Done)

Employee	Position	\$/Hour (Excl GST)	Total Actual Hours	Total \$ (Excl GST)	Task Area											
					Assets		Creditors		Employees		Trade on		Investigation		Administration	
					Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Benjamin Campbell	Senior Managing Director	740	5.70	4,218.00	-	-	-	-	-	-	5.70	4,218.00	-	-	-	-
Joanne Dunn	Senior Managing Director	740	1.00	740.00	-	-	0.80	592.00	-	-	-	-	-	-	0.20	148.00
Christopher Hill	Senior Managing Director	740	1.10	814.00	0.20	148.00	0.20	148.00	0.40	296.00	0.30	222.00	-	-	-	-
Neil Dempster	Senior Director	620	9.30	5,766.00	0.60	372.00	8.60	5,332.00	-	-	-	-	0.10	62.00	-	-
Marial Kwan	Director	550	18.30	10,065.00	-	-	0.10	55.00	6.20	3,410.00	11.50	6,325.00	-	-	0.50	275.00
Jeremy Dalais	Director	550	0.20	110.00	-	-	-	-	0.20	110.00	-	-	-	-	-	-
Catherine Jaques	Senior Consultant II	500	3.20	1,600.00	-	-	0.40	200.00	-	-	2.20	1,100.00	-	-	0.60	300.00
Julian Gowdie	Senior Consultant II	500	42.00	21,000.00	14.40	7,200.00	-	-	12.90	6,450.00	14.70	7,350.00	-	-	-	-
James Macreadie	Senior Consultant I	450	17.90	8,055.00	-	-	1.30	585.00	16.60	7,470.00	-	-	-	-	-	-
Brooke Petersen	Consultant II	405	0.20	81.00	-	-	-	-	-	-	-	-	0.20	81.00	-	-
Anisa Jaffar	Associate I	315	0.70	220.50	-	-	0.70	220.50	-	-	-	-	-	-	-	-
Grace Patterson	Associate I	315	6.30	1,984.50	-	-	0.50	157.50	1.00	315.00	1.80	567.00	-	-	3.00	945.00
Matthew van der Vlugt	Associate I	315	10.60	3,339.00	0.40	126.00	8.30	2,614.50	-	-	-	-	1.50	472.50	0.40	126.00
Kristine Davis	Associate I	315	0.30	94.50	-	-	-	-	0.30	94.50	-	-	-	-	-	-
Isabella Jansen	Associate I	315	1.50	472.50	-	-	1.50	472.50	-	-	-	-	-	-	-	-
Holly Wright	Treasury	300	0.10	30.00	-	-	-	-	-	-	-	-	-	-	0.10	30.00
Janine Wigham	Treasury	300	0.10	30.00	-	-	-	-	-	-	-	-	-	-	0.10	30.00
Yuet Yeng Yee	Treasury	300	0.20	60.00	-	-	-	-	-	-	-	-	-	-	0.20	60.00
Robyn Hardeman	Treasury	300	1.70	510.00	-	-	-	-	-	-	-	-	-	-	1.70	510.00
Chelsea Fisk	Treasury	300	0.30	90.00	-	-	-	-	-	-	-	-	-	-	0.30	90.00
Amy Dalton	Junior Associate	250	1.10	275.00	-	-	-	-	-	-	-	-	-	-	1.10	275.00
Ashleigh Ubank	Administration II	250	0.20	50.00	-	-	-	-	-	-	-	-	-	-	0.20	50.00
Total (Excl GST)				59,605.00		7,846.00		10,377.00		18,145.50		19,782.00		615.50		2,839.00
GST				5,960.50												
Total (Incl GST)				65,565.50												
Total Hours			122.00		15.60		22.40		37.60		36.20		1.80		8.40	
Avg Hourly Rate (Excl GST)				489		503		463		483		546		342		338

Schedule C – Resolutions

Resolution 1 – Voluntary Administrators’ Remuneration for Period 21 July 2022 to 5 March 2023 (inclusive)

“The remuneration of the Voluntary Administration of Ovato Print Cairns Pty Ltd (Administrators Appointed) ACN 050 487 879 and their staff, for the period 21 July 2022 to 5 May 2023 (inclusive), calculated at the hours spent at the rates detailed in the FTI Consulting Standard Rates (Corporate Finance & Restructuring Effective 1 July 2022, is approved for payment in the amount of \$59,605.00 (exclusive of GST), to be drawn from available funds immediately or as funds become available.”

Resolution 2 – Voluntary Administrators’ Remuneration for Period 6 March 2023 to the End of the Voluntary Administration

“The future remuneration of the Voluntary Administrators of Ovato Print Cairns Pty Ltd (Administrators Appointed) ACN 050 487 879 and their staff, for the period 6 March 2023 to the end of the Voluntary Administration, is determined at a sum equal to the costs of time spent by the Voluntary Administrators and their staff, calculated at the hours spent at the rates detailed in the FTI Consulting Standard Rates (Corporate Finance & Restructuring Effective 1 July 2022), up to a capped amount of \$10,000.00 (exclusive of GST), and the Voluntary Administrators can draw the remuneration from available funds as time is incurred on a monthly basis or as funds become available.”

Resolution 3 – Liquidators’ Remuneration

“The future remuneration of the Liquidators’ of Ovato Print Cairns Pty Ltd (In Liquidation) ACN 050 487 879 and their staff, for the period from the commencement of the Liquidation to the finalisation of the Liquidation, is determined at a sum equal to the costs of time spent by the Liquidators and their staff, calculated at the hours spent at the rates detailed in the FTI Consulting Standard Rates (Corporate Finance & Restructuring Effective 1 July 2022), up to a capped amount of \$20,000.00 (exclusive of GST), and the Liquidators can draw the remuneration from available funds as time is incurred on a monthly basis or as funds become available.”

Schedule D – Summary of Receipts and Payments

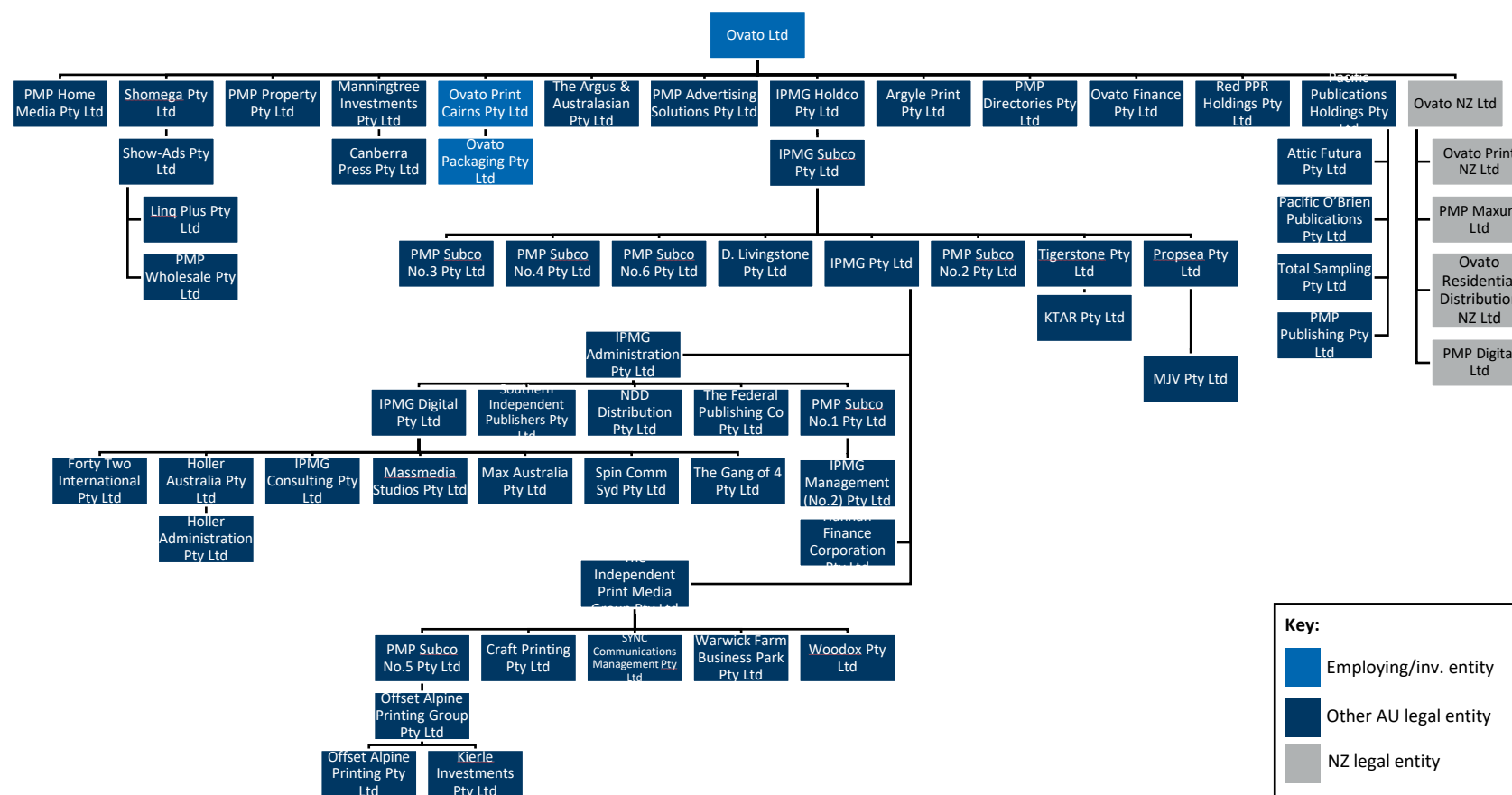
Receipts		\$
FEG Funding		2,574
GST Control: GST Received		234
Total Receipts		2,808
Payments		
Appointee Fees		(2,574)
Total Payments		(2,574)
Net Receipts		234

Schedule E – FTI Consulting Schedule of Rates Effective 1 July 2022

Financial Year 2023		
Typical Classification	Standard Rates \$/Hour	General Guide to Classifications
Senior Managing Director/Appointee	740	Registered Liquidator and/or Trustee, with specialist skills and extensive experience in all forms of insolvency administrations. Alternatively, has proven leadership experience in business or industry, bringing specialist expertise and knowledge to the administration.
Managing Director	680	Specialist skills brought to the administration. Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee. May also be a Registered Liquidator and/or Trustee. Alternatively, has extensive leadership/senior management experience in business or industry.
Senior Director	620	Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee, where required. May also be a Registered Liquidator and/or Trustee or have experience sufficient to support an application to become registered. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Director	550	Significant experience across all types of administrations. Strong technical and commercial skills. Has primary conduct of small to large administrations, controlling a team of professionals. Answerable to the appointee, but otherwise responsible for all aspects of the administration. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Senior Consultant II	500	Typically an Australian Restructuring Insolvency & Turnaround Association professional member. Well developed technical and commercial skills. Has experience in complex matters and has conduct of small to medium administrations, supervising a small team of professionals. Assists planning and control of medium to larger administrations.
Senior Consultant I	450	Assists with the planning and control of small to medium-sized administrations. May have the conduct of simpler administrations. Can supervise staff. Has experience performing more difficult tasks on larger administrations.
Consultant II	405	Typically Institute of Chartered Accountants in Australia qualified chartered accountant (or similar). Required to control the tasks on small administrations and is responsible for assisting with tasks on medium to large-sized administrations.
Consultant I	375	Qualified accountant with several years' experience. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate II	350	Typically a qualified accountant. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate I	315	Typically a university graduate. Required to assist with day-to-day tasks under the supervision of senior staff.
Treasury	300	Typically, qualified accountant and/or bookkeeper with at least 4 years' experience working in a treasury function in a professional services setting. Undertakes treasury activities and is skilled in bookkeeping, funds handling, banking, payroll, tax compliance, accounts receivable and accounts payable. May be responsible for the management of discreet, medium-complexity accounts services relating to business trade on activities.
Junior Associate	250	Undergraduate in the latter stage of their university degree.
Administration II	250	Well developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. May also have appropriate bookkeeping, accounting support services or similar skills.
Administration I	210	Has appropriate skills and experience to support professional staff in an administrative capacity. May also have appropriate bookkeeping, accounting support services or similar skills.
Junior Accountant	210	Undergraduate in the early stage of their university degree.

The FTI Consulting Standard Rates above apply to the Corporate Finance & Restructuring practice and are subject to periodical review.

15. Appendix 7 – Company legal structure



16. Appendix 8 – Schedule of companies subject to Voluntary Administration

Company name	ACN	ABN
Below 3 companies collectively “the Ovato Trading Entities”		
Ovato Limited	050 148 644	39 050 148 644
Ovato Print Cairns Pty Ltd	050 487 879	72 050 487 879
Ovato Packaging Pty Ltd	050 411 759	98 050 411 759
Below 56 companies collectively “the Ovato Dormant Entities”		
PMP Property Pty Ltd	051 748 246	89 051 748 246
Pacific Publications Holdings Pty Ltd	051 748 344	23 051 748 344
Attic Futura Pty Ltd	058 491 268	31 058 491 268
Pacific O’Brien Publications Pty Ltd	069 892 440	37 069 892 440
Total Sampling Pty Ltd	063 659 923	41 063 659 923
PMP Publishing Pty Ltd	053 814 878	61 053 814 878
PMP Advertising Solutions Pty Ltd	051 748 157	68 051 748 157
PMP Home Media Pty Ltd	051 757 718	29 051 757 718
Shomega Pty Ltd	060 808 013	86 060 808 013
Show-Ads Pty Ltd	004 879 627	82 004 879 627
Linq Plus Pty Ltd	070 732 071	71 070 732 071
PMP Wholesale Pty Ltd	004 386 663	74 004 386 663
The Argus & Australasian Pty Ltd	051 747 892	92 051 747 892
PMP Directories Pty Ltd	006 457 503	99 006 457 503
Argyle Print Pty Ltd	001 753 420	19 001 753 420
Red PPR Holdings Pty Ltd	111 284 961	26 111 284 961
Ovato Finance Pty Ltd	053 814 976	84 053 814 976
Manningtree Investments Pty Ltd	072 132 300	26 072 132 300
Canberra Press Pty Ltd	072 132 266	92 072 132 266
IPMG Holdco Pty Ltd	615 558 944	N/A
IPMG Subco Pty Ltd	615 559 549	N/A
Propsea Pty Ltd	108 206 800	91 108 206 800
MJV Pty Ltd	108 207 629	81 108 207 629
Tigerstone Pty Ltd	108 206 855	89 108 206 855
KTAR Pty Ltd	108 207 558	64 108 207 558
PMP Subco No.1 Pty Ltd	052 506 073	28 052 506 073
PMP Subco No.2 Pty Ltd	008 472 115	44 008 472 115
PMP Subco No.3 Pty Ltd	008 472 106	42 008 472 106
PMP Subco No.4 Pty Ltd	008 471 985	85 008 471 985
PMP Subco No.5 Pty Ltd	003 925 479	94 003 925 479
PMP Subco No.6 Pty Ltd	600 279 721	67 600 279 721
D. Livingstone Pty Ltd	008 471 976	83 008 471 976
IPMG Pty Ltd	123 230 259	84 123 230 259

Company name	ACN	ABN
Hannan Finance Corporation Pty Ltd	105 770 956	32 105 770 956
IPMG Administration Pty Ltd	123 230 713	13 123 230 713
NDD Distribution Pty Ltd	074 517 909	28 074 517 909
Southern Independent Publishers Pty Ltd	117 373 636	89 117 373 636
The Federal Publishing Co Pty Ltd	000 013 776	67 000 013 776
IPMG Management (No.2) Pty Ltd	052 506 037	20 052 506 037
IPMG Digital Pty Ltd	122 262 819	99 122 262 819
Forty Two International Pty Ltd	095 622 889	24 095 622 889
Holler Australia Pty Ltd	127 752 523	83 127 752 523
Holler Administration Pty Ltd	122 047 821	31 122 047 821
IPMG Consulting Pty Ltd	611 368 346	90 611 368 346
Massmedia Studios Pty Ltd	094 222 563	82 094 222 563
Max Australia Pty Ltd	093 947 963	57 093 947 963
Spin Comm Syd Pty Ltd	065 742 627	89 065 742 627
The Gang of 4 Pty Ltd	095 624 678	N/A
The Independent Print Media Group Pty Ltd	071 231 215	29 071 231 215
Craft Printing Pty Ltd	073 088 909	79 073 088 909
SYNC Communications Management Pty Ltd	079 529 267	86 079 529 267
Warwick Farm Business Park Pty Ltd	129 141 046	42 129 141 046
Woodox Pty Ltd	067 150 789	78 067 150 789
Offset Alpine Printing Group Pty Ltd	003 394 876	81 003 394 876
Offset Alpine Printing Pty Ltd	003 094 602	66 003 094 602
Kierle Investments Pty Ltd	003 418 273	77 003 418 273

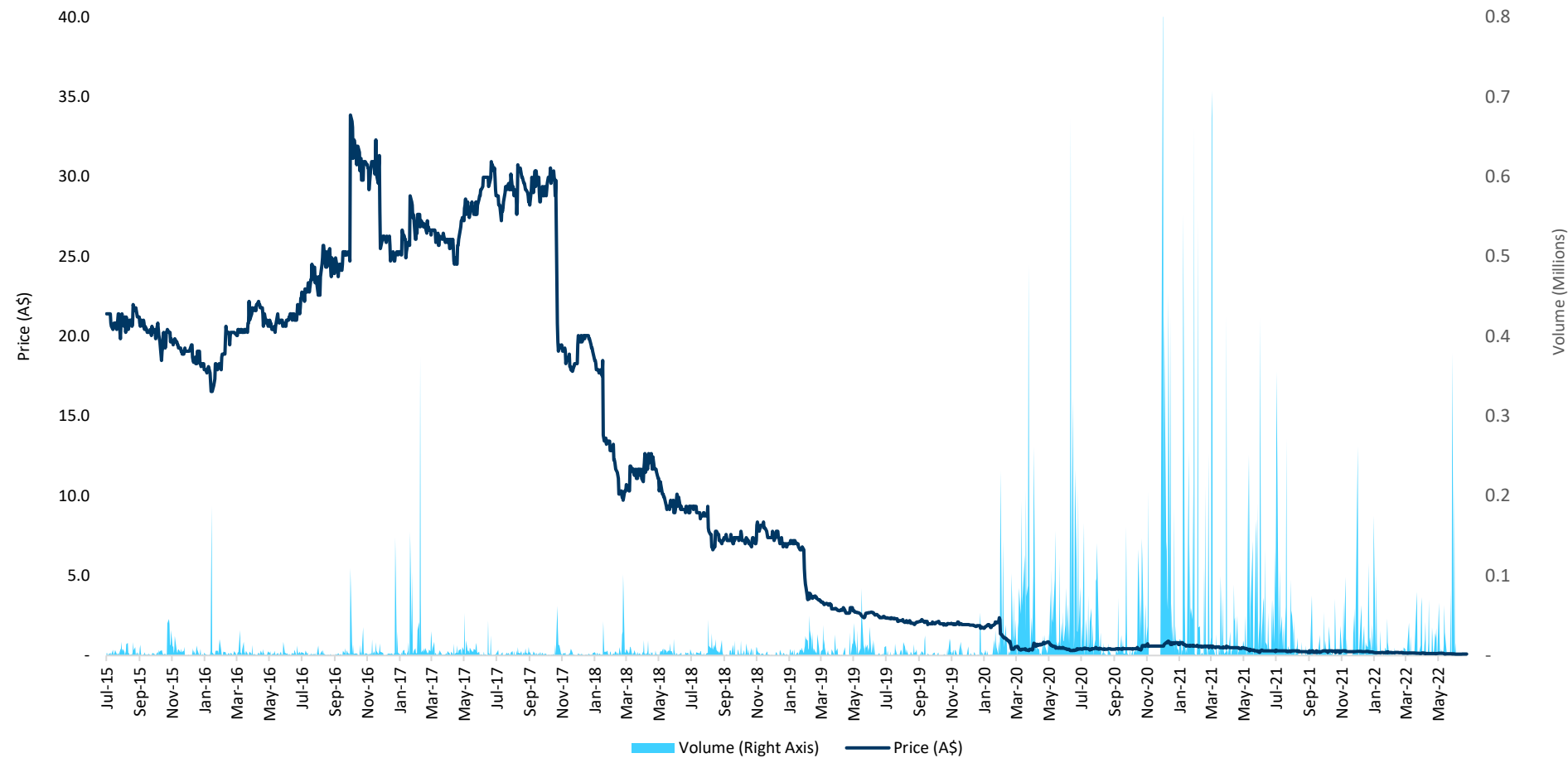
17. Appendix 9 – Timeline of major events

Time	Event	Detail
March 2017	Merger between IPMG and Ovato (then PMP Print Limited)	On 28 October 2016 PMP (now Ovato) announced it had entered into an agreement to merge with the IPMG Group. The merger was completed on 1 March 2017. At the time, PMP and IPMG were the two largest printers in the country and the merger resulted in a ~\$1.28b business.
March 2017	Closure of Noble Park Print Facility	As part of PMP's (Ovato) plans to achieve synergy benefits following the merger, a former IPMG print facility at Noble Park was closed resulting in 100 redundancies.
April 2017	Closure of Wacol Print Facility	As part of PMP's (Ovato) plans to achieve synergy benefits following the merger, a PMP print facility in Wacol was closed, resulting in 76 redundancies.
April 2017	Closure of Lidcombe Print Facility	As part of PMP's (Ovato) plan to achieve synergy benefits following the merger, it was announced that the Offset Alpine site would become a dedicated facility for sheetfed requirements across the entire Group. As a result, there were 120 redundancies from web printing and bindery as print volumes were streamlined into other sites.
October 2018	\$40m raised from secured corporate bonds to repay existing bonds	PMP (Ovato) sought to raise \$40m with proceeds to be applied towards the redemption of the existing corporate bond, due 17 September 2019, with the new notes to be guaranteed by certain subsidiaries of PMP. On 22 November 2018 it was announced that the bond raising was successful and that settlement of its \$40m issuance had occurred.
May 2019	Announcement of fully underwritten entitlement offer to raise approximately \$15.5m	Ovato announced a fully underwritten Entitlement Offer to raise approximately \$15.5m. These funds were primarily to be used to: - strengthen the balance sheet; and - accelerate the completion of the NSW Site Consolidation project
May 2019	Announcement of successful completion of institutional entitlement offer	The institutional component of Ovato's fully underwritten 1 for 2.3 accelerated non-renounceable entitlement offer was successfully completed, raising approximately \$11m.
June 2019	Announcement of retail entitlement offer shortfall notice	On the 20th of May 2019, Ovato undertook an entitlement offer in an attempt to raise approximately \$15.5m. Existing retail shareholders subscribed for approximately 11.4m shares at an issue price of \$0.07 per share, raising approx. \$0.8m, but there was an ultimate shortfall of approximately 53.7m shares. These shortfall shares were then offered to existing shareholders who took up approx. 2.1m shares. This left approx. 51.6m shares to be allocated at the discretion of the underwriter (Wilson).

Time	Event	Detail
November 2019	Announcement of new \$50m 3 year working capital facility completed	Ovato completed a refinance of its existing working capital facilities with ANZ bank, with a new \$50m 3-year working capital facility which originated through Assetsecure Pty Ltd.
November 2020	Announcement of Restructure and Recapitalisation Scheme	Scheme of arrangement announced.
December 2020	Schemes Receive Court Approval	The Schemes of Arrangement were approved by the Court and became effective. 300 staff, mostly from the now closed Clayton factory in Melbourne, were made redundant and directed to apply for their redundancy pay through FEG. The scheme also required a number of significant Ovato creditors to reduce their debts by 50%
July 2021	Ovato's Residential Distribution Business to Close	Ovato Limited announces the closure of its Ovato Residential Distribution business in Australia, as a result of sharp revenue declines resulting from COVID-19, with the business to cease operating by 30 July 2021.
July 2021	Sale of Retail Distribution and Marketing Services Australia	Ovato completed the sale of Ovato Retail Distribution to Are Media Limited for consideration of AU\$10m cash and the acceptance of any associated negative working capital. Ovato completed the sale of Ovato Creative Services Pty Ltd, Ovato Technology Pty Ltd, Ovato Communications Pty Ltd, Ovato Creative Services Clayton Pty Ltd, and a related entity in India for AU\$9m to Ballygriffin Holdings Pty Ltd.
August 2021	Sale of Retail Distribution New Zealand	Ovato completed the sale of its New Zealand magazine distribution business, Ovato Retail Distribution New Zealand to Are Media Limited for consideration of AU\$5m cash and the acceptance of any associated negative working capital.
April 2022	Immediate exit from heatset printing and letterbox distribution operations in New Zealand	A decision was made to immediately exit heatset printing in New Zealand as it had become unprofitable, which in turn meant that the letterbox distribution operations would also close. Sheetfed operations were then the sole focus of Ovato NZ.
May 2022	Sale of Ovato's Book Printing Business	Ovato announced the sale of its book printing business to Opus in exchange for: - \$8.5m (subject to a working capital adjustment); and - a Convertible Note Subscription Agreement under which Opus subscribed for one convertible note in Ovato with a face value of \$2.5m. Ovato Limited completed the sale of its book printing business to Opus Group Pty Ltd and issued the \$2.5m convertible note to Opus on or around 17 June 2022. The sale was part of a program of initiatives to improve Ovato's financial position. The program of initiatives included: - Closing unprofitable assets - Sale of non-core assets

Time	Event	Detail
		- Sale of equipment that had excess capacity - Continuation of the implementation of further production efficiencies to help improve margin - Working with customers on recovery of raw material price increases
20 June 2022	Director resignation	Paul Young resigns from Ovato following the completion of sale of Ovato's Book Printing business
14 July 2022	Director resignation	Resignation of Dhun Karai (non-executive director) from Ovato
21 July 2022	Voluntary Administration	Appointment of Voluntary Administrators to the Ovato Trading Entities and the Ovato Dormant Entities

18. Appendix 10 – Graph of share price and volume



19. Appendix 11 – Appointment of proxy

FORM – APPOINTMENT OF PROXY

OVATO LIMITED ACN 050 148 644 (ADMINISTRATORS APPOINTED) (“Ovato”)

I/We _____ (name of signatory)
 of _____ (creditor name)
 a creditor of Ovato, appoint _____ (name of proxy)
 of _____ (address of proxy)
 or in his/her absence _____ (details of alternate proxy)

as my/our ☐ general proxy or ☐ special proxy to vote at the second meeting of creditors to be held **on Tuesday, 21 March 2023 at 2:00PM (AEDT)** via electronic facilities only or at any adjournment of that meeting.

Voting instructions – for special proxy only	For	Against	Abstain
Resolution			
1. Future of Ovato (only vote for one of the below)	☐	☐	☐
Ovato to be wound up	☐	☐	☐
The Administration should end	☐	☐	☐
2. The Voluntary Administrators’ Remuneration			
<i>“The remuneration of the Voluntary Administrators of Ovato Limited (Administrators Appointed) ACN 050 148 644 and their staff, for the period 1 November 2022 to 5 March 2023 (inclusive), calculated at the hours spent at the rates detailed in the FTI Consulting Standard Rates (Corporate Finance & Restructuring Effective 1 July 2022), is approved for payment in the amount of \$513,224.00 (exclusive of GST), to be drawn from available funds immediately or as funds become available.”</i>	☐	☐	☐
<i>“The future remuneration of the Voluntary Administrators of Ovato Limited (Administrators Appointed) ACN 050 148 644 and their staff, for the period 6 March 2023 to the end of the Voluntary Administration, is determined at a sum equal to the costs of time spent by the Voluntary Administrators and their staff, calculated at the hours spent at the rates detailed in the FTI Consulting Standard Rates (Corporate Finance & Restructuring Effective 1 July 2022), up to a capped amount of \$130,000.00 (exclusive of GST), and the Voluntary Administrators can draw the</i>	☐	☐	☐

remuneration from available funds as time is incurred on a monthly basis or as funds become available.”

3. The Voluntary Administrators’ Disbursements

“The internal disbursements of the Voluntary Administrators of Ovato Limited (Administrators Appointed) ACN 050 148 644 and their staff, for the period 21 July 2022 to 5 March 2023 (inclusive), calculated at the rates detailed in the Remuneration Approval Report dated 13 March 2023, is approved for payment in the amount of \$3,472.34 (exclusive of GST), to be drawn from available funds immediately or as funds become available.”



“The internal disbursements of the Voluntary Administrators of Ovato Limited (Administrators Appointed) ACN 050 148 644 and their staff, for the period 6 March 2023 to the end of the Voluntary Administration, calculated at the rates detailed in the Remuneration Approval Report dated 13 March 2023, is approved up to a capped amount of \$300.00 (exclusive of GST), and the Voluntary Administrators can draw the disbursements from available funds as incurred or as funds become available.”



*I/*We authorise *my/*our proxy to vote as a general proxy on resolutions other than those specified above (delete if not required)

Dated:

.....

Name and signature of authorised person

.....

Name and signature of authorised person

CERTIFICATE OF WITNESS – only complete if the person given the proxy is blind or incapable of writing.

I, of

certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him before he attached his signature or mark to the instrument.

Dated:

Signature of witness:

Description:

Place of residence:

FORM – APPOINTMENT OF PROXY

**OVATO PRINT CAIRNS PTY LTD ACN 050 487 879
(ADMINISTRATORS APPOINTED) (“Ovato Print Cairns”)**

I/We _____ (name of signatory)
 of _____ (creditor name)
 a creditor of Ovato Print Cairns, appoint _____ (name of proxy)
 of _____ (address of proxy)
 or in his/her absence _____ (details of alternate proxy)

as my/our ☐ general proxy or ☐ special proxy to vote at the second meeting of creditors to be held **on Tuesday, 21 March 2023 at 2:00PM (AEDT)** via electronic facilities only or at any adjournment of that meeting.

Voting instructions – for special proxy only

	For	Against	Abstain
Resolution			
1. Future of Ovato Print Cairns (only vote for one of the below)	☐	☐	☐
Ovato Print Cairns to be wound up	☐	☐	☐
The Administration should end	☐	☐	☐
2. The Voluntary Administrators’ Remuneration			
<i>“The remuneration of the Voluntary Administration of Ovato Print Cairns Pty Ltd (Administrators Appointed) ACN 050 487 879 and their staff, for the period 21 July 2022 to 5 May 2023 (inclusive), calculated at the hours spent at the rates detailed in the FTI Consulting Standard Rates (Corporate Finance & Restructuring Effective 1 July 2022, is approved for payment in the amount of \$59,605.00 (exclusive of GST), to be drawn from available funds immediately or as funds become available.”</i>	☐	☐	☐
<i>“The future remuneration of the Voluntary Administrators of Ovato Print Cairns Pty Ltd (Administrators Appointed) ACN 050 487 879 and their staff, for the period 6 March 2023 to the end of the Voluntary Administration, is determined at a sum equal to the costs of time spent by the Voluntary Administrators and their staff, calculated at the hours spent at the rates detailed in the FTI Consulting Standard Rates (Corporate Finance & Restructuring Effective 1 July 2022), up to a capped amount of \$10,000.00 (exclusive of GST), and the Voluntary Administrators can draw the remuneration from available funds as time is incurred on a monthly basis or as funds become available.”</i>	☐	☐	☐

3. The Liquidators' Remuneration			
<i>"The future remuneration of the Liquidators' of Ovato Print Cairns Pty Ltd (In Liquidation) ACN 050 487 879 and their staff, for the period from the commencement of the Liquidation to the finalisation of the Liquidation, is determined at a sum equal to the costs of time spent by the Liquidators and their staff, calculated at the hours spent at the rates detailed in the FTI Consulting Standard Rates (Corporate Finance & Restructuring Effective 1 July 2022), up to a capped amount of \$20,000.00 (exclusive of GST), and the Liquidators can draw the remuneration from available funds as time is incurred on a monthly basis or as funds become available."</i>	☐	☐	☐

*I/*We authorise *my/*our proxy to vote as a general proxy on resolutions other than those specified above (delete if not required)

Dated:

.....

Name and signature of authorised person

.....

Name and signature of authorised person

CERTIFICATE OF WITNESS – only complete if the person given the proxy is blind or incapable of writing.

I, of

certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him before he attached his signature or mark to the instrument.

Dated:

Signature of witness:

Description:

Place of residence:

FORM – APPOINTMENT OF PROXY

**OVATO PACKAGING PTY LTD ACN 050 411 759
(ADMINISTRATORS APPOINTED) (“Ovato Packaging”)**

I/We _____ (name of signatory)
 of _____ (creditor name)
 a creditor of Ovato Packaging, appoint _____ (name of proxy)
 of _____ (address of proxy)
 or in his/her absence _____ (details of alternate proxy)

as my/our ☐ general proxy or ☐ special proxy to vote at the second meeting of creditors to be held **on Tuesday, 21 March 2023 at 2:00PM (AEDT)** via electronic facilities only or at any adjournment of that meeting.

Voting instructions – for special proxy only

	For	Against	Abstain
Resolution			
1. Future of Ovato Packaging (only vote for one of the below)	☐	☐	☐
Ovato Packaging to be wound up	☐	☐	☐
The Administration should end	☐	☐	☐
2. The Voluntary Administrators’ Remuneration			
<i>“The remuneration of the Voluntary Administrators of Ovato Packaging Pty Ltd (Administrators Appointed) ACN 050 411 759 and their staff, for the period 21 July 2022 to 5 March 2023 (inclusive), calculated at the hours spent at the rates detailed in the FTI Consulting Standard Rates (Corporate Finance & Restructuring) Effective 1 July 2022, is approved for payment in the amount of \$64,461.50 (exclusive of GST), to be drawn from available funds immediately or as funds become available.”</i>	☐	☐	☐
<i>“The future remuneration of the Voluntary Administrators of Ovato Packaging Pty Ltd (Administrators Appointed) ACN 050 411 759 and their staff, for the period 6 March 2023 to the end of the Voluntary Administration, is determined at a sum equal to the costs of time spent by the Voluntary Administrators and their staff, calculated at the hours spent at the rates detailed in the FTI Consulting Standard Rates (Corporate Finance & Restructuring Effective 1 July 2022), up to a capped amount of \$10,000.00 (exclusive of GST), and the Voluntary Administrators can draw the remuneration from available funds as time is incurred on a monthly basis or as funds become available.”</i>	☐	☐	☐

3. The Liquidators' Remuneration			
<i>"The future remuneration of the Liquidators' of Ovato Packaging Pty Ltd (In Liquidation) ACN 050 411 759 and their staff, for the period from the commencement of the Liquidation to the finalisation of the Liquidation, is determined at a sum equal to the costs of time spent by the Liquidators and their staff, calculated at the hours spent at the rates detailed in the FTI Consulting Standard Rates (Corporate Finance & Restructuring Effective 1 July 2022), up to a capped amount of \$20,000.00 (exclusive of GST), and the Liquidators can draw the remuneration from available funds as time is incurred on a monthly basis or as funds become available."</i>	☐	☐	☐

*I/*We authorise *my/*our proxy to vote as a general proxy on resolutions other than those specified above (delete if not required)

Dated:

.....

Name and signature of authorised person

.....

Name and signature of authorised person

CERTIFICATE OF WITNESS – only complete if the person given the proxy is blind or incapable of writing.

I, of

certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him before he attached his signature or mark to the instrument.

Dated:

Signature of witness:

Description:

Place of residence:

FORM – APPOINTMENT OF PROXY

**THE OVATO DORMANT ENTITIES
AS LISTED BELOW
(ALL ADMINISTRATORS APPOINTED)**

Please tick company that you are a creditor of:

Company name	ACN	ABN	Tick only ONE
PMP Property Pty Ltd	051 748 246	89 051 748 246	☐
Pacific Publications Holdings Pty Ltd	051 748 344	23 051 748 344	☐
Attic Futura Pty Ltd	058 491 268	31 058 491 268	☐
Pacific O'Brien Publications Pty Ltd	069 892 440	37 069 892 440	☐
Total Sampling Pty Ltd	063 659 923	41 063 659 923	☐
PMP Publishing Pty Ltd	053 814 878	61 053 814 878	☐
PMP Advertising Solutions Pty Ltd	051 748 157	68 051 748 157	☐
PMP Home Media Pty Ltd	051 757 718	29 051 757 718	☐
Shomega Pty Ltd	060 808 013	86 060 808 013	☐
Show-Ads Pty Ltd	004 879 627	82 004 879 627	☐
Linq Plus Pty Ltd	070 732 071	71 070 732 071	☐
PMP Wholesale Pty Ltd	004 386 663	74 004 386 663	☐
The Argus & Australasian Pty Ltd	051 747 892	92 051 747 892	☐
PMP Directories Pty Ltd	006 457 503	99 006 457 503	☐
Argyle Print Pty Ltd	001 753 420	19 001 753 420	☐
Red PPR Holdings Pty Ltd	111 284 961	26 111 284 961	☐
Ovato Finance Pty Ltd	053 814 976	84 053 814 976	☐
Manningtree Investments Pty Ltd	072 132 300	26 072 132 300	☐
Canberra Press Pty Ltd	072 132 266	92 072 132 266	☐
IPMG Holdco Pty Ltd	615 558 944	N/A	☐
IPMG Subco Pty Ltd	615 559 549	N/A	☐
Propsea Pty Ltd	108 206 800	91 108 206 800	☐
MJV Pty Ltd	108 207 629	81 108 207 629	☐
Tigerstone Pty Ltd	108 206 855	89 108 206 855	☐
KTAR Pty Ltd	108 207 558	64 108 207 558	☐
PMP Subco No.1 Pty Ltd	052 506 073	28 052 506 073	☐
PMP Subco No.2 Pty Ltd	008 472 115	44 008 472 115	☐
PMP Subco No.3 Pty Ltd	008 472 106	42 008 472 106	☐
PMP Subco No.4 Pty Ltd	008 471 985	85 008 471 985	☐
PMP Subco No.5 Pty Ltd	003 925 479	94 003 925 479	☐
PMP Subco No.6 Pty Ltd	600 279 721	67 600 279 721	☐
D. Livingstone Pty Ltd	008 471 976	83 008 471 976	☐
IPMG Pty Ltd	123 230 259	84 123 230 259	☐
Hannan Finance Corporation Pty Ltd	105 770 956	32 105 770 956	☐
IPMG Administration Pty Ltd	123 230 713	13 123 230 713	☐
NDD Distribution Pty Ltd	074 517 909	28 074 517 909	☐

Company name	ACN	ABN	Tick only ONE
Southern Independent Publishers Pty Ltd	117 373 636	89 117 373 636	☐
The Federal Publishing Co Pty Ltd	000 013 776	67 000 013 776	☐
IPMG Management (No.2) Pty Ltd	052 506 037	20 052 506 037	☐
IPMG Digital Pty Ltd	122 262 819	99 122 262 819	☐
Forty Two International Pty Ltd	095 622 889	24 095 622 889	☐
Holler Australia Pty Ltd	127 752 523	83 127 752 523	☐
Holler Administration Pty Ltd	122 047 821	31 122 047 821	☐
IPMG Consulting Pty Ltd	611 368 346	90 611 368 346	☐
Massmedia Studios Pty Ltd	094 222 563	82 094 222 563	☐
Max Australia Pty Ltd	093 947 963	57 093 947 963	☐
Spin Comm Syd Pty Ltd	065 742 627	89 065 742 627	☐
The Gang of 4 Pty Ltd	095 624 678	N/A	☐
The Independent Print Media Group Pty Ltd	071 231 215	29 071 231 215	☐
Craft Printing Pty Ltd	073 088 909	79 073 088 909	☐
SYNC Communications Management Pty Ltd	079 529 267	86 079 529 267	☐
Warwick Farm Business Park Pty Ltd	129 141 046	42 129 141 046	☐
Woodox Pty Ltd	067 150 789	78 067 150 789	☐
Offset Alpine Printing Group Pty Ltd	003 394 876	81 003 394 876	☐
Offset Alpine Printing Pty Ltd	003 094 602	66 003 094 602	☐
Kierle Investments Pty Ltd	003 418 273	77 003 418 273	☐

I/We _____ (name of signatory)
of _____ (creditor name)
a creditor of the Company/Companies, appoint _____ (name of proxy)
of _____ (address of proxy)
or in his/her absence _____ (details of alternate proxy)

as my/our ☐ **general** proxy or ☐ **special** proxy to vote at the second meeting of creditors to be held **on Tuesday, 21 March 2023 at 2:00PM (AEDT)** via electronic facilities only or at any adjournment of that meeting.

Voting instructions – for special proxy only	For	Against	Abstain
Resolution			
1. Future of the Company (only vote for one of the below)			
The Company be wound up	☐	☐	☐
The Administration should end	☐	☐	☐

*I/*We authorise *my/*our proxy to vote as a general proxy on resolutions other than those specified above (delete if not required)

Dated:

.....

Name and signature of authorised person

.....

Name and signature of authorised person

CERTIFICATE OF WITNESS – only complete if the person given the proxy is blind or incapable of writing.

I, of

certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him before he attached his signature or mark to the instrument.

Dated:

Signature of witness:

Description:

Place of residence:

20. Appendix 12 – Proof of debt

subregulation 5.6.49(2)
Corporations Act 2001

FORM 535 – FORMAL PROOF OF DEBT OR CLAIM

**OVATO LIMITED ACN 050 148 644
AND ITS SUBSIDIARIES AS LISTED BELOW
(ALL ADMINISTRATORS APPOINTED) (“THE OVATO VA ENTITIES”)**

To the Administrators of Ovato Limited ACN 050 148 644 and its Subsidiaries as listed below (“the Ovato VA Entities”) (All Administrators Appointed):

1. This is to state the below selected Company was on 21 July 2022, and still is, justly and truly indebted to:

Creditor Name:

Address:

Amount \$

Select **one (1)** Company only that applies. Please tick **only one** Company that you are a creditor of (if you are a creditor of more than one Company, you **must** complete a new formal proof of debt for each additional Company).

Company name	ACN	ABN	Tick only ONE
Ovato Limited	050 148 644	39 050 148 644	☐
PMP Property Pty Ltd	051 748 246	89 051 748 246	☐
Ovato Print Cairns Pty Ltd	050 487 879	72 050 487 879	☐
Ovato Packaging Pty Ltd	050 411 759	98 050 411 759	☐
Pacific Publications Holdings Pty Ltd	051 748 344	23 051 748 344	☐
Attic Futura Pty Ltd	058 491 268	31 058 491 268	☐
Pacific O’Brien Publications Pty Ltd	069 892 440	37 069 892 440	☐
Total Sampling Pty Ltd	063 659 923	41 063 659 923	☐
PMP Publishing Pty Ltd	053 814 878	61 053 814 878	☐
PMP Advertising Solutions Pty Ltd	051 748 157	68 051 748 157	☐
PMP Home Media Pty Ltd	051 757 718	29 051 757 718	☐
Shomega Pty Ltd	060 808 013	86 060 808 013	☐
Show-Ads Pty Ltd	004 879 627	82 004 879 627	☐
Linq Plus Pty Ltd	070 732 071	71 070 732 071	☐
PMP Wholesale Pty Ltd	004 386 663	74 004 386 663	☐

Company name	ACN	ABN	Tick only ONE
The Argus & Australasian Pty Ltd	051 747 892	92 051 747 892	☐
PMP Directories Pty Ltd	006 457 503	99 006 457 503	☐
Argyle Print Pty Ltd	001 753 420	19 001 753 420	☐
Red PPR Holdings Pty Ltd	111 284 961	26 111 284 961	☐
Ovato Finance Pty Ltd	053 814 976	84 053 814 976	☐
Manningtree Investments Pty Ltd	072 132 300	26 072 132 300	☐
Canberra Press Pty Ltd	072 132 266	92 072 132 266	☐
IPMG Holdco Pty Ltd	615 558 944	N/A	☐
IPMG Subco Pty Ltd	615 559 549	N/A	☐
Propsea Pty Ltd	108 206 800	91 108 206 800	☐
MJV Pty Ltd	108 207 629	81 108 207 629	☐
Tigerstone Pty Ltd	108 206 855	89 108 206 855	☐
KTAR Pty Ltd	108 207 558	64 108 207 558	☐
PMP Subco No.1 Pty Ltd	052 506 073	28 052 506 073	☐
PMP Subco No.2 Pty Ltd	008 472 115	44 008 472 115	☐
PMP Subco No.3 Pty Ltd	008 472 106	42 008 472 106	☐
PMP Subco No.4 Pty Ltd	008 471 985	85 008 471 985	☐
PMP Subco No.5 Pty Ltd	003 925 479	94 003 925 479	☐
PMP Subco No.6 Pty Ltd	600 279 721	67 600 279 721	☐
D. Livingstone Pty Ltd	008 471 976	83 008 471 976	☐
IPMG Pty Ltd	123 230 259	84 123 230 259	☐
Hannan Finance Corporation Pty Ltd	105 770 956	32 105 770 956	☐
IPMG Administration Pty Ltd	123 230 713	13 123 230 713	☐
NDD Distribution Pty Ltd	074 517 909	28 074 517 909	☐
Southern Independent Publishers Pty Ltd	117 373 636	89 117 373 636	☐
The Federal Publishing Co Pty Ltd	000 013 776	67 000 013 776	☐
IPMG Management (No.2) Pty Ltd	052 506 037	20 052 506 037	☐
IPMG Digital Pty Ltd	122 262 819	99 122 262 819	☐
Forty Two International Pty Ltd	095 622 889	24 095 622 889	☐
Holler Australia Pty Ltd	127 752 523	83 127 752 523	☐
Holler Administration Pty Ltd	122 047 821	31 122 047 821	☐
IPMG Consulting Pty Ltd	611 368 346	90 611 368 346	☐
Massmedia Studios Pty Ltd	094 222 563	82 094 222 563	☐
Max Australia Pty Ltd	093 947 963	57 093 947 963	☐
Spin Comm Syd Pty Ltd	065 742 627	89 065 742 627	☐
The Gang of 4 Pty Ltd	095 624 678	N/A	☐
The Independent Print Media Group Pty Ltd	071 231 215	29 071 231 215	☐
Craft Printing Pty Ltd	073 088 909	79 073 088 909	☐
SYNC Communications Management Pty Ltd	079 529 267	86 079 529 267	☐
Warwick Farm Business Park Pty Ltd	129 141 046	42 129 141 046	☐

Company name	ACN	ABN	Tick only ONE
Woodox Pty Ltd	067 150 789	78 067 150 789	☐
Offset Alpine Printing Group Pty Ltd	003 394 876	81 003 394 876	☐
Offset Alpine Printing Pty Ltd	003 094 602	66 003 094 602	☐
Kierle Investments Pty Ltd	003 418 273	77 003 418 273	☐

Particulars of the debt are:

Date	Consideration	Amount (\$/c)	Remarks
	<i>(state how the debt arose)</i>		<i>(include details of voucher substantiating payment)</i>

2. To my knowledge or belief the creditor has not, nor has any person by the creditor's order, had or received any satisfaction or security for the sum or any part of it except for the following:

(Insert particulars of all securities held. If the securities are on the property of any of the Companies, assess the value of those securities. If any bills or other negotiable securities are held, show them in a schedule in the following form).

Date	Drawer	Acceptor	Amount (\$/c)	Due Date

3. Signed by *(select correct option)*:

- ☐ I am the creditor personally
- ☐ I am employed by the creditor and authorised in writing by the creditor to make this statement. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied
- ☐ I am the creditor's agent authorised in writing to make this statement in writing. I know the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied.

Signature: Dated:

Name: Occupation:

Address:

** If prepared by an employee or agent of the creditor, also insert a description of the occupation of the creditor*

RECEIVE REPORTS BY EMAIL	YES	NO
Do you wish to receive all future reports and correspondence from our office via email?	☐	☐
Email:		

If being used for the purpose of voting at a meeting:

- a) Is the debt you are claiming assigned to you? ☐ Yes ☐ No
- b) If yes, attach written evidence of the debt, the assignment and consideration given. ☐ Attached
- c) If yes, what value of consideration did you give for the assignment (e.g., what amount did you pay for the debt?) \$
- d) If yes, are you a related party creditor of any of the Companies?
(If you are unsure contact the Administrator) ☐ Yes ☐ No

21. Appendix 13 – Guidance notes for completing proxy and proof of debt

FORM – APPOINTMENT OF PROXY

A person can appoint another person to attend the meeting on their behalf by completing the Form of Proxy.

If the creditor is a company or a firm, a person needs to be appointed to represent the company.

This representative needs to be appointed by completing the Form of Proxy in accordance with section 127 of the *Corporations Act 2001* (“the Act”). Alternatively, the appointed person must be authorised to act as a representative for the company per section 250D of the Act.

The Form of Proxy is valid only for the meeting indicated (or any adjournment).

You may appoint either a general proxy (a person who may vote at their discretion on motions at the meeting) or a special proxy (who must vote according to your directions).

If you appoint a special proxy, you should indicate on the form what directions you have given. In many instances, there will be a box or section on the proxy form where you can mark how you want your proxy to vote for you.

If you are unable to attend the meeting and you do not have a representative who can attend on your behalf, you may if you wish appoint ‘the Chairperson of the Meeting’ as your proxy. The Chairperson can be appointed as a general proxy or a special proxy. This is entirely your choice.

FORMAL PROOF OF DEBT OR CLAIM FORM

The proof of debt submitted during an administration is informal in that it does not mean the Administrator has agreed with your proof for the purpose of making a dividend distribution.

You should include a description of how your debt/claim arose, whether you are claiming a security interest in property and if you have any guarantees and indemnities for the debt. If you need more space, you can attach any additional details you wish to include – just make sure you mention this on the form, so we know what you've attached and how many pages.

You should provide supporting documents that substantiate what you are owed by the Companies. This may include things like account statements, unpaid invoices and their corresponding purchase orders, a PPSR registration, agreements/terms of trade, contracts, lease or hire agreements, court orders or judgments, guarantee or loan documents, emails/other correspondence with the Companies.

If you need help in completing the forms or if you are uncertain what information you should attach, please email or telephone the nominated FTI Consulting contact person.

22. Appendix 14 – Notice of Second Meeting of Creditors

*Section 75-225 Insolvency Practice Rules
(Corporations) 2016*

NOTICE OF SECOND MEETING OF CREDITORS

OVATO LIMITED & 58 SUBSIDIARY ENTITIES (ALL ADMINISTRATORS APPOINTED) (“THE OVATO VA ENTITIES”)

On 21 July 2022, the Ovato VA Entities, under Section 436A of the Corporations Act, appointed Ben Campbell, Ross Blakeley and Chris Hill of FTI Consulting, Level 22, 1 Macquarie Place, SYDNEY NSW 2000, as Joint and Several Administrators of the Ovato VA Entities.

- 1) Notice is now given that the second meeting of creditors of the Ovato VA Entities will be held at **2:00 PM (AEDT) on Tuesday, 21 March 2023**. The meeting is being held virtually and all creditors wanting to attend the meeting are required to attend via Zoom. Although there is no physical place where creditors can attend the meeting, I am required under law to nominate a notional place for the meeting for administrative purposes such as establishing the time of the meeting. The notional place for this meeting is FTI Consulting, Level 22, 1 Macquarie Place, SYDNEY NSW 2000. **PLEASE DO NOT ATTEND AT THIS LOCATION.**

Further details regarding the meeting will be provided once a creditor has registered their attendance. If you wish to attend the meeting, you must register at the below link and return the below forms on or before **4:00PM (AEDT) Monday, 20 March 2023** to Ovato_creditors@fticonsulting.com.

- Meeting Registration Link:

https://fticonsulting-inc.zoom.us/webinar/register/WN_ZWrGSkxRRsuOZEqC57HwrA

- Proxy form (if required)
- Proof of debt form

Once you have registered, a link to the meeting will be sent to you via email.

Please note your name will be visible to other attendees and within meeting documents we prepare and lodge with the Australian and Securities Investments Commission (“ASIC”).

2) The purpose of the meeting is:

- a) To review the report of the Administrators and their recommendation in connection with the business, property, affairs and financial circumstances of the Companies;
- b) For the creditors of the Companies to resolve on whether:
 - the Companies enter a Deed of Company Arrangement (“DOCA”);
 - the Companies be wound up;
 - the administration of the Companies should end; or
 - the second meeting of creditors be adjourned for a period not exceeding forty-five (45) business days
- c) For creditors of the Companies to vote on the remuneration to be paid to the Voluntary Administrators, as calculated on a time basis for the periods:
 - 1 November 2022 to 5 March 2023;
 - 6 March 2023 to the end of the Voluntary Administration;
 - 21 July 2022 to 5 March 2023 **for Ovato Packaging and Ovato Print Cairns only;**
 - 6 March 2023 to the end of the Voluntary Administration **for Ovato Packaging and Ovato Print Cairns only;** and
 - Commencement of the Liquidation to the finalisation of the Liquidation **for Ovato Packaging and Ovato Print Cairns only.**
- d) Discuss any other business properly brought before the meeting.

3) If you choose to post your proof of debt and proxy forms, please ensure they are sent with sufficient time to arrive by the due date. We encourage creditors to send their forms by email to Ovato_creditors@fticonsulting.com where possible.

13 March 2023



Chris Hill

Administrator

22.1. Schedule of the Companies

Company name	ACN	ABN
Ovato Limited	050 148 644	39 050 148 644
PMP Property Pty Ltd	051 748 246	89 051 748 246
Ovato Print Cairns Pty Ltd	050 487 879	72 050 487 879
Ovato Packaging Pty Ltd	050 411 759	98 050 411 759
Pacific Publications Holdings Pty Ltd	051 748 344	23 051 748 344
Attic Futura Pty Ltd	058 491 268	31 058 491 268
Pacific O'Brien Publications Pty Ltd	069 892 440	37 069 892 440
Total Sampling Pty Ltd	063 659 923	41 063 659 923
PMP Publishing Pty Ltd	053 814 878	61 053 814 878
PMP Advertising Solutions Pty Ltd	051 748 157	68 051 748 157
PMP Home Media Pty Ltd	051 757 718	29 051 757 718
Shomega Pty Ltd	060 808 013	86 060 808 013
Show-Ads Pty Ltd	004 879 627	82 004 879 627
Linq Plus Pty Ltd	070 732 071	71 070 732 071
PMP Wholesale Pty Ltd	004 386 663	74 004 386 663
The Argus & Australasian Pty Ltd	051 747 892	92 051 747 892
PMP Directories Pty Ltd	006 457 503	99 006 457 503
Argyle Print Pty Ltd	001 753 420	19 001 753 420
Red PPR Holdings Pty Ltd	111 284 961	26 111 284 961
Ovato Finance Pty Ltd	053 814 976	84 053 814 976
Manningtree Investments Pty Ltd	072 132 300	26 072 132 300
Canberra Press Pty Ltd	072 132 266	92 072 132 266
IPMG Holdco Pty Ltd	615 558 944	N/A
IPMG Subco Pty Ltd	615 559 549	N/A
Propsea Pty Ltd	108 206 800	91 108 206 800
MJV Pty Ltd	108 207 629	81 108 207 629
Tigerstone Pty Ltd	108 206 855	89 108 206 855
KTAR Pty Ltd	108 207 558	64 108 207 558
PMP Subco No.1 Pty Ltd	052 506 073	28 052 506 073
PMP Subco No.2 Pty Ltd	008 472 115	44 008 472 115
PMP Subco No.3 Pty Ltd	008 472 106	42 008 472 106
PMP Subco No.4 Pty Ltd	008 471 985	85 008 471 985
PMP Subco No.5 Pty Ltd	003 925 479	94 003 925 479
PMP Subco No.6 Pty Ltd	600 279 721	67 600 279 721
D. Livingstone Pty Ltd	008 471 976	83 008 471 976
IPMG Pty Ltd	123 230 259	84 123 230 259
Hannan Finance Corporation Pty Ltd	105 770 956	32 105 770 956
IPMG Administration Pty Ltd	123 230 713	13 123 230 713
NDD Distribution Pty Ltd	074 517 909	28 074 517 909

Company name	ACN	ABN
Southern Independent Publishers Pty Ltd	117 373 636	89 117 373 636
The Federal Publishing Co Pty Ltd	000 013 776	67 000 013 776
IPMG Management (No.2) Pty Ltd	052 506 037	20 052 506 037
IPMG Digital Pty Ltd	122 262 819	99 122 262 819
Forty Two International Pty Ltd	095 622 889	24 095 622 889
Holler Australia Pty Ltd	127 752 523	83 127 752 523
Holler Administration Pty Ltd	122 047 821	31 122 047 821
IPMG Consulting Pty Ltd	611 368 346	90 611 368 346
Massmedia Studios Pty Ltd	094 222 563	82 094 222 563
Max Australia Pty Ltd	093 947 963	57 093 947 963
Spin Comm Syd Pty Ltd	065 742 627	89 065 742 627
The Gang of 4 Pty Ltd	095 624 678	N/A
The Independent Print Media Group Pty Ltd	071 231 215	29 071 231 215
Craft Printing Pty Ltd	073 088 909	79 073 088 909
SYNC Communications Management Pty Ltd	079 529 267	86 079 529 267
Warwick Farm Business Park Pty Ltd	129 141 046	42 129 141 046
Woodox Pty Ltd	067 150 789	78 067 150 789
Offset Alpine Printing Group Pty Ltd	003 394 876	81 003 394 876
Offset Alpine Printing Pty Ltd	003 094 602	66 003 094 602
Kierle Investments Pty Ltd	003 418 273	77 003 418 273