

AWN HOLDINGS LIMITED

ACN 103 472 751

25 February 2021

Company Announcements Office
ASX Limited
Exchange Centre
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Subject: VivoPower International PLC ("VivoPower") releases 31 December 2020 Half-Year Results

The Directors of AWN Holdings Limited (ASX: AWN) note the announcement by its 46.8% subsidiary, VivoPower, of its results summary for the half-year ended 31 December 2020.

Attached is a copy of the press release, which VivoPower has now released. The full half-year report and accompanying investor presentation will be released shortly.

On behalf of the Board of AWN,



Cameron Fellows
Company Secretary

VivoPower International PLC Reports Financial Results For The Six Months Ended December 31, 2020 and Landmark Global Battery Partnership with Tottenham Hotspur

Revenue, GP and EBITDA decline due to strict COVID-19 lockdowns in Australia

Strategic pivot to enter commercial electric vehicle (EV) market completed with Tembo e-LV acquisition

Completion of 100% purchase of Tembo post balance date ahead of plan

Execution of transformational \$250 million partnership deal with GB Auto in Australia

First sustainable energy solution (SES) deal with Tottenham Hotspur Football Club

LONDON, Feb. 24, 2021 (GLOBE NEWSWIRE) – VivoPower International PLC (Nasdaq: VVPR, the “Company”) today announced its half year results for the six months ended December 31, 2020.

Highlights for the half-year ended December 31, 2020 (and key post balance date events):

- Group revenue declined 28% due to strict COVID-19 lockdowns in Australia affecting Aevitas business.
- Group gross profit down 17% year-on-year to \$4.6 million, but group gross profit margin up to 20% (from 18%) reflecting efficiency gains.
- Underlying group adjusted EBITDA profit of \$1.2 million, representing a decline versus \$5.5 million in previous corresponding period.
- Completed equity capital raise in October 2020 raising \$28.8 million, including overallotment.
- Acquisition of 51% of Tembo e-LV B.V. (“Tembo”) completed on November 5, 2020, with results above only containing 2 months’ contribution.
- Completed acquisition of remaining 49% of Tembo post balance sheet date on 2 February 2021.
- Consummated landmark partnership deal with GB Auto in Australia worth an estimated \$250 million on January 25, 2021.
- Announced today a marquee deal with London-based Tottenham Hotspur Football Club (“Tottenham”) to provide a full suite of sustainable energy solutions for Tottenham’s key infrastructure assets.

Kevin Chin, VivoPower’s Executive Chairman and Chief Executive Officer, said, “While we are discontented with the results for the half year, we are conscious that our businesses in Australia were materially hampered by one of the world’s strictest COVID-19 lockdown regimes. This was compounded by interstate border lockdowns which were often abruptly announced, leaving little time for contingency planning. This led to delays in scheduled works for contracts as well as prolongation in the awarding of new works by our customers.

“However, the outlook for VivoPower remains strong, with a noticeable uptick in activity already coming through since the start of calendar year 2021. Furthermore, the acquisition of Tembo has materially changed our growth trajectory. Tembo has enabled us to round out and accelerate the roll out of our sustainable energy solutions (“SES”) offering which is designed to help our customers decarbonize and move towards net zero carbon status. The SES offering encompasses Tembo EVs, along with renewable generation, microgrid and site electrification services (leveraging off the capabilities of our Aevitas businesses) as well as battery recycling. The roll out of SES will also accordingly transform the revenue growth and profitability profile of Aevitas.

“Our primary focus with regards to Tembo and the broader SES suite are sectors with light electric vehicle fleets requiring customization and/or ruggedization. These include the mining, industrial, infrastructure and utilities markets, among others. The GB Auto partnership, which is worth up to \$250 million over the next 4 years, paves the way for securing further orders with leading mining companies with operations in Australia and we are confident of securing further orders in this second half of FY2021.

“We are also absolutely delighted to be partnering with Tottenham Hotspur FC, one of the world’s pre-eminent football clubs, in relation to their key infrastructure assets, being the Tottenham Hotspur Stadium, London’s newest stadium and the Hotspur Way Training Centre, in Enfield, UK. Aside from its history and heritage, Tottenham recently topped the Sport Positive Rankings as the UK Premier League’s most sustainable club. We expect this to become a landmark deal for VivoPower – as it is our first holistic, end to end SES project – which would see VivoPower provide Tottenham’s stadium with battery storage and equip its training ground with rooftop solar panels, battery storage, custom microgrid controls and electrical infrastructure that is future proofed for electric vehicles. With Tottenham’s excellent sustainability credentials, VivoPower, as a certified B Corporation, believe we are partnering with a sports organization that shares our values and vision of building net zero carbon businesses globally.”

A reconciliation of IFRS (“International Financial Reporting Standards”) to non-IFRS financial measures has been provided in the financial statement table included in this press release. An explanation of these measures is also included below, under the heading “About Non-IFRS Financial Measures.”

About Non-IFRS Financial Measures

Our preliminary results include certain non-IFRS financial measures, including adjusted EBITDA, adjusted net after-tax loss and adjusted EPS. Management believes that the use of these non-IFRS financial measures provides consistency and comparability with our past financial performance, facilitates period-to-period comparisons of our results of operations, and also facilitates comparisons with peer companies, many of which use similar non-IFRS or non-GAAP (“Generally Accepted Accounting Principles”) financial measures to supplement their IFRS or GAAP results. Non-IFRS results are presented for supplemental informational purposes only to aid in understanding our results of operations. The non-IFRS results should not be considered a substitute for financial information presented in accordance with IFRS, and may be different from non-IFRS or non-GAAP measures used by other companies.

The tables included in this press release titled “Reconciliation of Adjusted (Underlying) EBITDA to IFRS Financial Measures” and “Reconciliation of Adjusted (Underlying) Net After-Tax Profit/(Loss) and Adjusted (Underlying) EPS to IFRS Financial Measures” provide reconciliations of non-IFRS financial measures to the most recent directly comparable financial measures calculated and presented in accordance with IFRS.

Reconciliation of Adjusted (Underlying) EBITDA to IFRS Financial Measures

Six months ended December 31

(US dollars in thousands)

	2020	2019
Net profit/(loss)	(382)	1,141
Income tax expense	366	1,032
Net finance expense/(income)	(2,259)	1,632
Share based compensation (non-cash portion)	704	-
Restructuring & other non-recurring costs	1,900	840
Depreciation and amortization	889	860
Adjusted (Underlying) EBITDA	1,218	5,505

Reconciliation of Adjusted (Underlying) Net After-Tax Profit / (Loss) and Adjusted (Underlying) EPS to IFRS Financial Measures

Six months ended December 31

(US dollars in thousands except per share amounts)

	2020	2019
Net profit/(loss)	(382)	1,141
Restructuring & other non-recurring costs	1,900	840
Adjusted (underlying) net profit for the period	1,518	1,981
Group Basic EPS (dollars per share)	(0.03)	0.08
Restructuring & other non-recurring costs- (\$ per share)	0.13	0.06
Group Adjusted (Underlying) EPS (dollars per share)	0.10	0.14

About VivoPower

VivoPower is a sustainable energy solutions company focused on electric vehicles, battery technology, solar and critical power services. The Company's core purpose is to provide its customers with turnkey decarbonization solutions that enable them to move toward net zero carbon status. VivoPower is a certified B Corporation with operations in Australia, Canada, the Netherlands, the United Kingdom and the United States.

Forward-Looking Statements

This communication includes certain statements that may constitute “forward-looking statements” for purposes of the U.S. federal securities laws. Forward-looking statements include, but are not limited to, statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions. The words “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intends,” “may,” “might,” “plan,” “possible,” “potential,” “predict,” “project,” “should,” “would” and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements may include, for example, statements about VivoPower's decision to expand into the electric vehicle (“EV”) sector, the benefits of the events or transactions described in this communication and the expected returns therefrom. These statements are based on VivoPower's management's current expectations or beliefs and are subject to risk, uncertainty and changes in circumstances. Actual results may vary materially from those expressed or implied by the statements herein due to changes in economic, business, competitive and/or regulatory factors, and other risks and uncertainties affecting the operation of VivoPower's business. These risks, uncertainties and contingencies include changes in business conditions, fluctuations in customer demand, changes in accounting interpretations, management of rapid growth, intensity of competition from other providers of products and services, changes in general economic conditions, geopolitical events and regulatory changes and other factors set forth in VivoPower's filings with the United States Securities and Exchange Commission. The information set forth herein should be read in light of such risks. VivoPower is under no obligation to, and expressly disclaims any obligation to, update or alter its forward-looking statements whether as a result of new information, future events, changes in assumptions or otherwise.

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