

ASX ANNOUNCEMENT

29 December 2016

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

Completion of Initial Business Combination of VivoPower International PLC with Arowana Inc.

Following shareholder approval on 21 December 2016, the Board and team of Arowana International Limited (ASX: AWN), are pleased to announce that the initial business combination (IBC) of our wholly owned subsidiary, VivoPower International PLC (VivoPower) and Arowana Inc. (ARWA) has successfully completed.

Key outcomes from the transaction are as follows:

- ◆ ARWA, as a special purpose acquisition company (SPAC), will be voluntarily wound up;
- ◆ VivoPower will achieve listing status on the NASDAQ with its shares trading under the NASDAQ ticker code of VVPR;
- ◆ VivoPower's listing on the NASDAQ will provide it with a platform to grow its reputation and status globally as well as an avenue to independently raise capital (if required);
- ◆ VivoPower will have the opportunity to use a treasury stock programme to accumulate shares for its ESOP (employee share ownership plan) as well as to warehouse stock to seed any future dual listing;
- ◆ AWN and its controlled entities will retain a 60.3% shareholding in VivoPower and will be able to continue to consolidate VivoPower's revenue and earnings;
- ◆ In addition to its shareholding, AWN will also retain a loan receivable of US\$19.3m from VivoPower, that had been extended in order to build VivoPower internationally; and
- ◆ Based on the market valuation of VivoPower implied by the transaction, the Arowana Australasian Special Situations Fund (AASSF I) will have delivered an IRR of approximately 22.5% per annum to date, with the majority of its investments now able to be realised for cash.

AWN's Executive Chairman, Kevin Chin said "We are pleased with the outcome of the transaction and in light of the strong outlook of VivoPower, which has already upgraded its earnings for FY2017, we decided it was beneficial to AWN that we continue to hold more than 50% of VivoPower. In doing so, we will be able to consolidate VivoPower's revenue and earnings. Importantly, the VivoPower business model is conducive to a strong ROIC (return on invested capital) profile and a higher reinvestment rate of return relative to other investment opportunities we currently see. As a consequence, we are very happy keeping a majority shareholding position and exposure to VivoPower."

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This information is provided to shareholders of AWN in accordance with ASX Listing Rule 3 and is not intended as an invitation or an inducement to undertake any investment activity in relation to VivoPower shares.

On behalf of the Board of AWN

Tom Bloomfield
Company Secretary

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