

AWN HOLDINGS LIMITED

ACN 103 472 751

31 August 2021

Company Announcements Office

ASX Limited

Exchange Centre

Level 4, 20 Bridge Street

SYDNEY NSW 2000

Subject: Market update

The Directors of AWN Holdings Limited (“Group”, “AWN”) today provide an update on various material matters relating to the Group.

1) Release of results for year ended 30 June 2021

The unaudited Appendix 4E preliminary report and accompanying Investor Presentation in respect of the year ended 30 June 2021 were released today.

Key financial numbers and developments for the year included:

- Group statutory revenues of \$110.5 million, down 5% in comparison with the prior year due to COVID lockdown related declines for VivoPower International PLC’s (“VivoPower”) Aevitas business unit in Australia, offset by organic growth generated by the EdventureCo Group (“EdventureCo”);
- Statutory net profit after tax (“NPAT”) of \$50.1 million up on prior year loss of \$13.1 million, reflecting a non-recurring gain on deconsolidation of VivoPower International PLC (“VivoPower”) and improved performance of EdventureCo, offset by the impact of increased overheads in VivoPower to support hyperscaling;
- Statutory earnings before interest, tax, depreciation and amortisation (“EBITDA”) increased to \$75.7m whilst underlying EBITDA¹ increased 29% to \$6.2 million;
- Statutory net tangible assets (“NTA”) per share increased from \$0.13 at 30 June 2020 to \$3.15 at 30 June 2021 due primarily to recognising AWN’s shareholding in VivoPower at its fair value on the date of deconsolidation;
- As a result of VivoPower’s equity capital raising during FY2021, AWN’s ownership interest has decreased from 60.3% at 30 June 2020 to 44.2% at 30 June 2021, such that AWN has deconsolidated VivoPower and will account for its investment as an equity-accounted associate with effect from 30 June 2021;
- VivoPower completed the acquisition of 100% of Tembo e-LV for US\$7.1 million cash plus US\$0.2 million equity, and secured full ownership of its US solar development portfolio (formerly a joint venture), representing 682 MW-DC of total renewable generating capacity; and
- EdventureCo acquired and integrated 100% of ENS, a global leader in the virtual and face-to-face delivery of advice, support and training in the key soft skill areas of negotiation and influencing.

¹ Reference to “underlying” information is to non-IFRS financial information prepared in accordance with ASIC Regulatory Guide 230 (Disclosing Non-IFRS Financial Information) issued in December 2011. Non-IFRS financial information has not been subject to audit or review. Please refer to the supporting Results Presentation in respect of the year ended 30 June 2021 for further explanation of the terms used in this announcement and for a reconciliation of underlying to statutory results where relevant.

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2) Update on Intueri legal proceedings (NZ)

The first plaintiff's application for summary judgment was heard in a three day hearing before the High Court of New Zealand ("High Court") in November 2020. In a judgment released in April 2021, Justice Fitzgerald dismissed the application, accepting the defendants' arguments that the matter was unsuited to summary judgment, that there were multiple factual issues to be resolved at trial and that much of the evidence relied upon by the first plaintiff to seek summary judgment was inadmissible hearsay. The High Court did grant orders enabling the plaintiffs to sue on a representative basis, in other words, on behalf of other persons who also acquired shares in Intueri. Shareholders have until 29 October 2021 to opt into the class action. Should this matter proceed to trial, it is likely it will be heard in two stages over several months. AWN will continue to keep shareholders informed of any material developments in relation to this matter.

3) Acquisition of Auldhouse Computer Training Limited (NZ)

EdventureCo has agreed to acquire all of the issued share capital of Auldhouse Computer Training Limited ("Auldhouse"), New Zealand's largest private fee for service provider of information and communication technology ("ICT") and cybersecurity certified training. Total consideration is estimated to be NZ\$17.3m (A\$16.6m), equivalent to 5.1x LTM EBITDA. The acquisition will be funded through a combination of debt (A\$12m) and existing cash reserves. Target completion date is 1 September 2021. Please refer to the separate announcement, dated 31 August 2021, for further details on the proposed acquisition.

4) Proposed voluntary delisting from official list and on-market buy-back

AWN has today formally applied to ASX Limited ("ASX") requesting its removal from the official list of ASX pursuant to ASX Listing Rule 17.11 and subject to receipt of shareholder approval. This application follows the receipt of in-principle approval from ASX in relation to the proposed delisting. The Directors intend to propose the delisting to AWN's shareholders in the form of a special resolution at a forthcoming Extraordinary General Meeting ("EGM") expected to be held on 25 October 2021.

To provide shareholders with liquidity to dispose of their shares prior to a potential delisting, the Directors intend to activate AWN's on-market share buy-back scheme which was announced to shareholders on 10 August 2021. The buy-back will be conducted within the '10/12' limit, such that 10% of total fully paid ordinary shares on issue can be bought back within a 12 month period without the requirement for shareholder approval. The buy-back will commence no earlier than 1 September 2021 and is expected to be fully funded from existing cash reserves.

In order to provide additional liquidity, the Directors may also consider establishing a share sale facility to augment the on-market buy-back. Implementation of any share sale facility would be conditional upon ASIC approval.

Please refer to the separate announcement, dated 31 August 2021, for further information on the reasons for the proposed delisting, consequences of delisting and liquidity options for shareholders.

On behalf of the Board of AWN,



Cameron Fellows
Company Secretary