AWN Holdings Limited *(formerly Arowana International Limited)* and its Controlled Entities

(ABN 83 103 472 751)

Interim Financial Report

Including Appendix 4D Disclosures

For the half-year ended 31 December 2020

(Previous corresponding half-year ended 31 December 2019)

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Results for announcement to the Market

				2020 A$	2019 Restated* A$
Revenue from continuing operations	down	16%	to	57,855,546	68,631,036
Loss after tax from continuing operations attributable to members	up	14%	to	(3,867,906)	(4,479,998)
Profit/(loss) after tax from discontinued operations attributable to members	up	57%	to	(173,000)	(399,544)
Net loss for the year attributable to members	up	17%	to	(4,040,902)	(4,879,542)

** Amounts classified in the current period as relating to discontinued operations have been reclassified in the prior year to provide consistency with the current presentation*

Dividends paid and proposed

No dividend was paid or proposed during the half-year ended 31 December 2020. The Directors have not declared an interim dividend in respect of the half-year ended 31 December 2020.

Dividend reinvestment plan

AWN Holdings Limited does not have a dividend reinvestment plan in operation.

Brief explanation necessary to enable the figures to be understood:

Please refer to the attached Interim Financial Report for the half-year ended 31 December 2020.

Earnings per ordinary fully paid share	Current Period	Previous Corresponding Period [1]
From continuing and discontinued operations combined		
Basic EPS	(10.22) cents	(12.32) cents
Diluted EPS	(10.22) cents	(12.32) cents

[1] On 12 June 2020, AWN Holdings Limited shareholders voted to approve a consolidation of total shares on issue, such that every four (4) fully paid ordinary shares were converted into one (1) fully paid ordinary share. As such, in order to provide consistency with the current presentation, earnings per share for the comparative period has been restated.

NTA backing	31 December 2020	30 June 2020
Net tangible asset backing per ordinary security	85.7 cents	13.1 cents

Control gained or lost over entities in the half-year

1) Acquisition of Tembo e-LV B.V.

On 5 November 2020, AWN Holdings Limited, through its subsidiary VivoPower International PLC, acquired a 51% shareholding in Tembo e-LV B.V. ("Tembo"), a Netherlands-based specialist battery-electric and off-road vehicle company with global sales and distribution channels across four continents. Tembo services a diverse range of sectors - from mining, infrastructure and utilities to government services, game safaris and humanitarian aid – by providing customised light electric vehicles, often for ruggedised applications.

Subsequent to balance date, in February 2021, AWN Holdings Limited completed the acquisition of the remaining 49% of Tembo. Tembo also recently announced a landmark distribution deal with its partner, GB Auto Group in Australia, which is expected to generate up to US$250 million in revenues over the first four years.

The acquisition of Tembo contributed $553,004 towards total Group revenue for the half-year. Had the acquisition occurred on 1 July 2020, the total revenue contribution to the Group would have been $1,488,276.

2) Acquisition of ENS International Pty Ltd

On 16 December 2020, AWN Holdings Limited, through its newly established wholly owned subsidiary, ENSI Holdings Pty Ltd, acquired ENS International Pty Ltd ("ENSI"), a global leader in virtual and face-to-face negotiation advice, support and training.

The acquisition of ENSI will further EdventureCo's goal of equipping students with relevant skills in a fast-changing world. It will be highly complementary to DDLS and the Australian Institute of ICT, EdventureCo's two market leading IT training providers, that address the skills shortages in the digital sector.

The acquisition of ENSI contributed $13,228 towards total Group revenue for the half-year. Had the acquisition occurred on 1 July 2020, the total revenue contribution to the Group would have been $1,494,516.

3) Disposal of Arowana International UK Limited

During October 2020, in accordance with AWN Holdings Limited's stated objective of shifting its cost base out of Enterprise Office, control was lost over Arowana International UK Limited following disposal of the entity for £1, with a resultant loss on disposal of $11,028.

Associates and joint venture entities

	Ownership interest		Contribution to Net Loss	
Name	**Current period %**	**Previous corresponding period %**	**Current period $**	**Previous corresponding period $**
Innovative Solar Ventures I, LLC	50.0 cents	50.0	(617,572)	-
Viento Group Limited	31.8	31.8	(13,332)	(2,588)

Directors' Report for the half-year ended 31 December 2020

Your directors submit the financial report of AWN Holdings Limited ("the Company") and its controlled entities ("the Group") for the half-year ended 31 December 2020.

Directors

The names of directors in office at any time during the half-year or since the end of the half-year are:

Name	Position
Kevin Tser Fah Chin	Executive Chairman and Chief Executive Officer
Robert John McKelvey	Non-Executive Director
Eduardo Fernandez	Non-Executive Director
Claire Bibby [1]	Non-Executive Director

[1] Ms. Claire Bibby was appointed as a Non-Executive Director on 22 February 2021 and continues in office at the date of this report.

Directors have been in office since the start of the half-year to the date of this report unless otherwise stated.

Review of Operations

Statutory Financial Highlights

Statutory operating revenue for the half-year ended 31 December 2020 decreased by 16% to $57.9 million (2019: $68.6 million) due primarily to operational disruptions and delays in the commencement of projects within VivoPower's Aevitas business unit due to COVID-19, offset by strong growth in revenue generated by EdventureCo's DDLS business unit.

The statutory EBIT and loss after tax from continuing operations for the half-year ended 31 December 2020 were a loss of $3.6 million (2019: loss of $2.8 million) and a loss of $4.0 million (2019: loss of $5.0 million) respectively. Key contributors to the loss for the period were:

- A decrease in revenues (29%) generated by VivoPower's Aevitas business unit in Australia, caused primarily by operational disruptions and delays in the commencement of projects due to COVD-19 lockdowns;
- Significant organic revenue growth (16%) generated by the EdventureCo Group, primarily driven by the performance of its DDLS business unit which delivered strong revenue growth and also significant margin improvements despite the impact of COVID-19 on its client base;
- A $3.3 million non-cash impairment write-down of the EdventureCo Group's investment in its Trades business unit reflecting the significant ongoing impact of COVID-19 in Australia on the international student education sector;
- Non-recurring restructuring and professional fees ($2.6 million) incurred by VivoPower primarily in connection with the acquisition of Tembo and legal fees incurred in relation to litigation involving the former CEO, Mr. Philip Comberg;

- Non-recurring income ($1.1 million) received in connection with the early termination of the Contrarian Value Fund Limited investment management agreement;
- Non-recurring gain ($1.3 million) recognised by Aevitas in respect of the loss of rights to accrued dividends and interest to December 2016 on Aevitas' convertible preference shares and convertible loan notes for instrument holders agreeing to reconstitute those instruments into Aevitas Preference Shares;
- Non-cash employee share-based compensation expense ($1.0 million) incurred by VivoPower;
- Non-cash equity accounted losses ($0.6 million) associated with the write-down of discontinued projects by Innovative Solar Ventures 1 LLC, VivoPower's joint venture with US-based solar developer, Innovative Solar Systems (ISS); and
- Non-cash amortisation of identifiable intangibles ($0.6 million) arising from acquisition of DDLS and Aevitas (supply contracts, customer relationships, course development).

The following table sets out the statutory financial results for the half-year ended 31 December 2020:

All figures in A$ thousands	**Half-year ended 31 December 2020 – Statutory (reviewed)**	**Half-year ended 31 December 2019 – Statutory (reviewed)**	**% change**
Operating revenue	57,856	68,631	(16)
Interest income	1,315	108	1,118
Total income	59,171	68,739	(14)
Other (expenses) / income	1,165	170	585
Earnings before interest, tax, depreciation, amortisation & impairment (EBITDA)	2,485	489	408
Earnings before interest and tax (EBIT)	(3,618)	(2,788)	(30)
Profit / (loss) before tax (PBT)	(3,202)	(3,343)	(4)
Tax expense	763	1,647	(54)
Net Profit / (loss) after tax (NPAT) from continuing operations	(3,966)	(4,990)	21
Earnings per share (EPS) [1]	(10.2) cents	(12.3) cents	17
Dividend per share (DPS)	-	-	-
Net tangible assets (NTA) per share [1]	85.7 cents	30.6 cents	180

[1] *On 12 June 2020, AWN shareholders voted to approve a consolidation of total shares on issue, such that every four (4) fully paid ordinary shares were converted into one (1) fully paid ordinary share. As such, in order to provide consistency with the current presentation, earnings and net tangible assets per share for the comparative period have been restated.*

NOTE: Numbers may not compute exactly due to rounding

Impact of COVID-19 on financial results

The impacts arising from the COVID-19 pandemic on the financial results of the Group are discussed in the following commentary on underlying results by business unit and in note 2 of the financial statements.

Underlying Financial Performance

In order to enable a more meaningful comparison of underlying financial performance, the following tables outline AWN's financial performance for the half-year ended 31 December 2020 versus the half-year ended 31 December 2019, together with a reconciliation of statutory to underlying results. The tables are presented on the following basis:

- Excluding the impact of non-recurring restructuring and other one-off costs incurred by VivoPower, primarily in connection with the acquisition of Tembo and legal fees incurred in relation to a matter involving the former CEO, Mr. Philip Comberg, $2.6 million (2019: $1.2 million);
- Excluding the non-cash employee share-based compensation expense incurred by VivoPower, $1.0 million (2019: NIL);
- Excluding the non-cash impairment write down on the Group's investment in EdventureCo Trades due to the ongoing impact of COVID-19 on international student enrolments, $3.3 million (2019: nil);
- Excluding the impact of non-recurring project costs incurred by EdventureCo, primarily in relation to the implementation of a new enterprise resource planning system (ERP) and due diligence costs associated with potential acquisitions, $0.4 million (2019: $0.5 million);
- Excluding the impact of non-recurring project costs incurred by the Enterprise Office, principally related to due diligence costs associated with potential acquisitions, $0.1 million (2019: $0.6 million);
- Excluding the impact of non-recurring income received in connection with the early termination of the Contrarian Value Fund Limited investment management agreement, $1.1 million (2019: NIL);
- Excluding any unrealised foreign exchange gains from foreign currency holdings, $1.0 million (2019: gains of $0.2 million);
- Reinstating the results of Arowana International UK Limited for the period of ownership from 1 July 2020 through to 31 October 2020, which has been treated as a discontinued operation for statutory reporting purposes, $0.2 million (2019: $0.4 million);
- Excluding the impact of operational expenditure associated with the launch of DDLS Philippines, a joint venture between DDLS Australia Pty Ltd and Aboitiz Equity Ventures, NIL (2019: $0.8); and
- Excluding the impact of other individually immaterial, non-recurring transactions, $0.5 million (2019: $0.6 million).

Reconciliation of Statutory to Underlying Results

	Half-year ended 31 December 2020		Half-year ended 31 December 2019	
All figures in A$ thousands	EBIT	EBITDA	EBIT	EBITDA
Statutory reporting basis	**(3,618)**	**2,485**	**(2,788)**	**489**
VivoPower International				
Reverse unrealised FX losses / (gains)	(4,881)	(4,881)	(193)	(193)
Add back from discontinued operations	-	-	62	62
Normalisation of non-cash employee share-based compensation	975	975	-	-
Normalisation of non-recurring expenses	2,632	2,632	1,227	1,227
EdventureCo Group				
Impairment of goodwill	3,310	-		
Normalisation of project costs	384	384	476	476
Start-up costs - DDLS Philippines	-	-	774	774
Normalisation of non-recurring income and expenses	396	396	307	307
Arowana Funds Management				
Reverse unrealised FX losses / (gains)	2	2	-	-
Add back from discontinued operations	(173)	(173)	(437)	(437)
Normalisation of non-recurring income	(1,100)	(1,100)	185	185
Enterprise Office				
Reverse unrealised FX losses / (gains)	3,887	3,887	(24)	(24)
Normalisation of project costs	61	61	591	591
Normalisation of non-recurring expenses	113	113	55	55
Unallocated				
Realised foreign exchange gains not allocated to business units	(173)	(173)	47	47
Underlying reporting basis	**1,815**	**4,608**	**282**	**3,559**

Underlying Results

All figures in A$ thousands	Half-year ended 31 December 2020 – underlying (unaudited)	Half-year ended 31 December 2019 – underlying (unaudited)	% change
VivoPower International	31,225	47,143	(34)
EdventureCo Group	24,198	20,849	16
Arowana Funds Management	704	498	41
Enterprise Office	797	1	*nmf*
Total underlying revenue	**56,924**	**68,491**	**(17)**
VivoPower International	1,496	5,260	(72)
EdventureCo Group	5,215	1,723	203
Arowana Funds Management	(622)	(1,449)	57
Enterprise Office	(1,481)	(1,975)	25
Total underlying EBITDA	**4,608**	**3,559**	**29**
Total underlying EBIT	1,815	282	544
Realised FX gains / (losses)	173	(47)	*nmf*
Interest income [1]	1	108	(99)
Interest expense	(899)	(663)	(36)
Net interest income/(expense)	(898)	(555)	(62)
Total underlying PBT	**1,090**	**(320)**	***nmf***
Tax expense	(763)	(1,648)	54
Underlying Group NPAT	**327**	**(1,968)**	***nmf***

[1] Underlying interest income for the half-year ended 31 December 2020 has been adjusted to exclude the non-recurring $1.3 million gain recognised by VivoPower in respect of the loss of rights to accrued dividends and interest to December 2016 on Aevitas' convertible preference shares and convertible loan notes for instrument holders agreeing to reconstitute those instruments into Aevitas Preference Shares.

nmf – no meaningful comparison

NOTE: Numbers may not compute exactly due to rounding

Key comments in relation to the preceding table:

VivoPower International

- Underlying revenue, EBITDA and EBIT for the half-year ended 31 December 2020 includes the consolidated results of VivoPower International PLC ("VivoPower"), of which the Company holds 46.8% post VivoPower's NASDAQ listing on 29 December 2016 and subsequent capital raise on 19 October 2020;

- The 34% decrease in underlying revenue for the period is largely attributed to a 29% decline in revenues generated by VivoPower's Aevitas business unit in Australia, caused primarily by operational disruptions and delays in the commencement of projects due to COVID-19;
- The impact of the decline in Aevitas revenue has been partially offset by an improvement in gross margins from 17.7% in the previous corresponding period to 20.8% in the half-year ended 31 December 2020, due to a strong focus on project execution and labour efficiency;
- General overhead for the VivoPower group has increased by 36% in comparison with the previous corresponding period as a result of the increase in headcount in corporate functions to support the hyperscaling of the business. This increase also reflects a lean cost base in the previous period following a focus on rationalising overheads in VivoPower's Solar Development and Corporate Office segments. Overheads in the current period were also impacted by the predominantly non-cash expense of share incentive awards granted to key employees;
- During October 2020, VivoPower successfully completed a share capital raise on NASDAQ which raised gross proceeds of US$28.75 million. This initiative facilitated the subsequent acquisition of Tembo, a specialist battery-electric and off-road vehicle company. Following acquisition, Tembo has secured substantial long-term revenue opportunities in Australia and continued the delivery and production of electric light vehicle solutions for customers in Europe, North America and Africa. In particular, Tembo executed a 7-year distribution agreement with its key commercial partner in Australia, GB Auto (GB Auto Group Pty Ltd and GB Electric Vehicles Pty Ltd). As part of the agreement, GB Auto has committed to the purchase of a minimum of 2,000 Tembo kits (Landcruiser and Hilux models) in the first 4 years. The agreement is expected to generate a minimum of US$250 million revenue over the initial 4 years, such that it is believed to be the most valuable deal for electric vehicles in the Australasian region to date; and
- VivoPower's key objective in the United States continues to be the monetisation of its portfolio of US solar projects, with a view to applying the proceeds to support execution of the Company's strategic pivot and growth of new products and services related to electric vehicle and sustainable energy solutions offerings. VivoPower is also currently seeking remediation from its US joint venture partner in relation to breaches of the joint venture agreement, either by way of legal judgement or settlement. VivoPower believes that the failure by ISS to properly manage and develop the ISS Joint Venture projects was responsible for a significant number of projects being discontinued to date. The remainder of the projects in the ISS Joint Venture are in various stages of development and are all being actively marketed for sale with an expectation of full realisation within the next twelve to twenty-four months. The Company is assessing various financial and strategic options to help ensure that the value of the ISS Joint Venture project portfolio is maximized ahead of any monetisation. In addition, work continues to progress with regards to project development, optimisation and positioning for corporate power purchase agreements or other power electricity offtake agreements.

EdventureCo Group

- Underlying revenue, EBITDA and EBIT for the half-year ended 31 December 2020 includes the consolidated results of EdventureCo Group, which is a wholly-owned subsidiary of the Company and comprises the DDLS and Everthought Education business units.

- Despite the ongoing disruptive impact upon operations caused by COVID-19, EdventureCo revenues were up 16% compared to the previous corresponding period, driven by growth in all business units as the long-term rising demand for upskilling and reskilling in digital skills and cybersecurity was accelerated by remote working practices.
- During the period, EdventureCo acquired ENS International, 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.
- DDLS revenues were up 8% compared to the previous corresponding period, driven primarily by heightened demand from new career entrants for Australian Institute of ICT's ("AIICT") online bootcamp and accredited qualification model, and new contract wins for DDLS People, DDLS's government-focused solutions provider.
- As foreshadowed, EdventureCo's agile reaction to COVID-19 and deliberate market positioning has it well placed to take advantage of the post-pandemic environment. In continuation of this strategy, DDLS launched DDLS Plus, a new online learning platform designed for continuous learning after a student has completed a DDLS course.
- Despite challenging conditions, ASEAN expansion continues to remain a key focus. DDLS Philippines has seen improving conditions as the country exits stringent lockdown measures and discussions continue to be held with potential partners in several countries.
- Everthought delivered revenue growth of 19% compared to the previous corresponding period as digital marketing efficacies drove record sales in its recognition of prior learning division, and strong onshore demand from international students helped to offset deferred and cancelled enrolments caused by COVID-19 international border closures.
- Notwithstanding the overall revenue growth in Everthought during the period, the performance of the international student business against budget has been significantly impacted by COVID-19 – specifically, the delayed reopening of international borders which has negatively affected student intake numbers. The Board expects this impact to continue significantly longer than was envisaged at 30 June 2020, such that these circumstances were considered to be potential indicators of impairment. During the impairment testing process, the Group considered the additional impacts of COVID-19 on the operating environment, the risk of delays in economic recovery and the subsequent impact on performance in the event of sustained border restrictions. As a result of this impairment review, the Board resolved to write-down the value of its goodwill in Everthought by $3.3 million during the period.
- Underlying EBITDA increased materially to $5.2 million for the half-year ended 31 December 2020 versus $1.7 million in the comparative period, reflecting significant margin expansion as lower cost online and virtual delivery models were embraced by the market, and management maintained strong cost discipline given the volatile and uncertain operating environment.

Arowana Funds Management

- Arowana Funds Management's result primarily reflects fee revenue generated in respect of its management of the investment portfolios of the Arowana Contrarian Value Fund ("ACVF"), the Arowana Australasian Special Situations Fund ("AASSF I") and the net loss associated with its private credit arm, the Australian Special Income Opportunities Fund ("ASIOF").
- Total funds under management ("FUM") as at 31 December 2020 was $86.5 million, versus $130 million as at 30 June 2020. The decrease during the period reflects lower FUM in ACVF following its shareholders' vote to approve a Sale and Distribution Proposal at a general meeting held on 15 December 2020. Approval of the Sale and Distribution Proposal resulted in the sale of the ACVF's portfolio, a return of capital and resultant termination of the management agreement with ACVF Management Pty Ltd (a wholly-owned subsidiary of AWN Holdings Limited). ACVF Management Pty Ltd received Termination Fee proceeds of $1.1 million in connection with the early termination of the management agreement. Subject to shareholder approval, it is expected that ACVF will be delisted and wound-up during calendar year 2021.
- Underlying EBITDA and EBIT loss was $0.6 million for the half-year ended 31 December 2020 versus a loss of $1.5 million in the comparative period. The significant decrease in the loss for the period primarily reflects the rationalisation of ASIOF's cost base over the previous 12 months in response to the sustained under-performance of the ASIOF fundraise. It is expected that overheads in Arowana Funds Management will continue to decrease during H2 FY21 following the wind-up of ACVF and the divestment of Arowana International UK Limited.

Dividends paid or recommended

No dividends were paid during the half-year ended 31 December 2020. The Directors have not declared an interim dividend in respect of the half-year ended 31 December 2020.

Events occurring after the reporting period

On 3 February 2021, the Company announced that its subsidiary, VivoPower, had completed the definitive acquisition of the remaining 49% of Tembo e-LV B.V. ("Tembo") a specialist battery-electric and off-road vehicle company. VivoPower previously acquired 51% of Tembo in October 2020.

No other matters or circumstances have arisen since the end of the period which significantly affected or may significantly affect the operations of the Group and Company, the results of those operations, or the state of affairs of the Group and Company in future financial periods.

Auditor's Independence Declaration

The lead auditor's independence declaration under s 307C of the *Corporations Act 2001* is set out on page 14 for the half-year ended 31 December 2020.

Signed for, and on behalf of, the Board in accordance with a resolution of the Directors made pursuant to s. 306(3) of the Corporations Act 2001.

Kevin Chin

Executive Chairman and Chief Executive Officer

Brisbane, 26 February 2021

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF AWN HOLDINGS LIMITED

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2020, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of AWN Holdings Limited and the entities it controlled during the half year.

PKF BRISBANE AUDIT

SHAUN LINDEMANN
PARTNER

26 FEBRUARY 2021
BRISBANE

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AWN Holdings Limited
(formerly Arowana International Limited)
and its Controlled Entities
ABN 83 103 472 751

Interim Financial Statements

For the half-year ended 31 December 2020

AWN Holdings Limited and its Controlled Entities

For the half-year ended 31 December 2020

Consolidated Statement of Profit or Loss

For the reporting period ended 31 December	Note	2020	2019 Restated*
		$	$
Revenue from continuing operations			
Revenue	3(a)	57,855,546	68,631,036
Interest income		1,314,541	108,224
Total income		**59,170,087**	**68,739,260**
Other (expenses) / income	3(b)	1,165,269	170,260
Expenses			
Cost of sales	4(a)	(36,067,552)	(49,831,595)
Employee costs		(11,640,021)	(11,871,577)
Occupancy costs		(584,562)	(69,322)
Director fees		(47,047)	(64,566)
Marketing costs		(890,022)	(651,026)
Insurance costs		(715,482)	(652,311)
IT and communication costs		(872,936)	(1,013,019)
Travel costs		(93,649)	(366,634)
Interest expense		(899,073)	(662,955)
Depreciation		(2,200,809)	(2,479,223)
Amortisation	10	(592,597)	(797,622)
Administration costs	4(b)	(4,993,573)	(3,789,585)
Impairment of goodwill	10(c)	(3,309,557)	-
Share of net loss of associates accounted for using the equity method		(630,904)	(2,588)
Total expenses		**(63,537,784)**	**(72,252,023)**
Loss before tax		**(3,202,428)**	**(3,342,503)**
Income tax expense		763,341	1,647,584
Loss after income tax from continuing operations		**(3,965,769)**	**(4,990,087)**
Discontinued operations			
Profit/(loss) after income tax from discontinued operations	7	(173,000)	(374,650)
Loss for the period		**(4,138,769)**	**(5,364,737)**
Loss attributable to:			
Owners of AWN Holdings Limited		(4,040,902)	(4,879,542)
Non-controlling interest		(97,867)	(485,195)

** Amounts classified in the current period as relating to discontinued operations have been reclassified in the prior year to provide consistency with the current presentation*

The above Consolidated Statement of Profit or Loss should be read in conjunction with the accompanying notes.

AWN Holdings Limited and its Controlled Entities

For the half-year ended 31 December 2020

Consolidated Statement of Profit or Loss (continued)

For the reporting period ended 31 December	2020	2019 Restated*[1]
	Cents	Cents
Earnings per share		
From continuing operations:		
Basic loss per share (cents)	(9.78)	(11.36)
Diluted loss per share (cents)	(9.78)	(11.36)
From discontinued operations:		
Basic loss per share (cents)	(0.44)	(0.96)
Diluted loss per share (cents)	(0.44)	(0.96)
From continuing and discontinued operations:		
Basic loss per share (cents)	(10.22)	(12.32)
Diluted loss per share (cents)	(10.22)	(12.32)

** Amounts classified in the current period as relating to discontinued operations have been reclassified in the prior year to provide consistency with the current presentation*

[1] On 12 June 2020, AWN Holdings Limited shareholders voted to approve a consolidation of total shares on issue, such that every four (4) fully paid ordinary shares were converted into one (1) fully paid ordinary share. As such, in order to provide consistency with the current presentation, earnings per share for the period ended 31 December 2019 have been restated.

The above Consolidated Statement of Profit or Loss should be read in conjunction with the accompanying notes.

Consolidated Statement of Comprehensive Income

For the reporting period ended 31 December	2020	2019
	$	$
Loss for the period	(4,138,769)	(5,364,737)
Other comprehensive income for the period		
Items that may be reclassified to profit or loss		
Exchange differences on translating foreign operations	(4,553,309)	42,512
Other comprehensive income for the period, net of tax	(4,553,309)	42,512
Total comprehensive income for the period, net of tax	**(8,692,078)**	**(5,322,225)**
Total comprehensive income attributable to		
Owners of AWN Holdings Limited	(6,138,408)	(4,853,595)
Non-controlling interests	(2,553,670)	(468,630)
	(8,692,078)	**(5,322,225)**

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

AWN Holdings Limited and its Controlled Entities

As at 31 December 2020

Consolidated Statement of Financial Position

As at	Note	31 Dec 2020	30 Jun 2020
		$	$
Current assets			
Cash and cash equivalents		35,280,684	12,648,406
Trade and other receivables and contract assets	6	20,923,374	18,815,381
Inventory		1,989,935	5,118,778
Other current assets		2,362,132	1,357,804
Assets classified as held-for-sale	7(b)	4,876,514	5,944,764
Total current assets		**65,432,639**	**43,885,133**
Non-current assets			
Investments accounted for using equity method	8	10,605,356	12,134,486
Other financial assets		219,372	219,372
Other non-current assets	9	210,265	201,494
Property, plant and equipment		14,617,994	14,832,372
Deferred tax assets		7,701,134	9,304,342
Intangible assets	10	45,752,357	45,298,129
Total non-current assets		**79,106,478**	**81,990,195**
Total assets		**144,539,117**	**125,875,328**
Current liabilities			
Trade and other payables and contract liabilities	11	33,293,159	39,154,123
Current tax liabilities		663,922	271,739
Current provisions		4,665,521	6,118,647
Interest bearing liabilities	12	7,282,730	10,543,636
Total current liabilities		**45,905,332**	**56,088,145**
Non-current liabilities			
Trade and other payables		46,307	-
Non-current provisions		2,350,855	1,348,783
Deferred tax liabilities		3,801,663	5,330,149
Interest bearing liabilities	12	8,910,032	8,663,813
Total non-current liabilities		**15,108,857**	**15,342,745**
Total liabilities		**61,014,189**	**71,430,890**
Net assets		**83,524,928**	**54,444,438**
Equity			
Issued capital		59,481,367	59,496,954
Reserves		(34,929,080)	(32,831,574)
Retained earnings		17,862,714	21,903,616
Equity attributable to Parent interest		**42,415,001**	**48,568,996**
Equity attributable to non-controlling interest		41,109,927	5,875,442
Total equity		**83,524,928**	**54,444,438**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

AWN Holdings Limited and its Controlled Entities

For the half-year ended 31 December 2020

Consolidated Statement of Changes in Equity

	Issued capital	General reserve	Share buyback reserve	Option reserve	Foreign currency translation reserve	Retained earnings	Attributable to Parent interest	Non-controlling interest	Total equity
	$	$	$	$	$	$	$	$	$
As at 1 July 2019	**59,775,954**	**(29,415,614)**	**(2,600,374)**	**3,095,100**	**(3,957,076)**	**30,622,374**	**57,520,364**	**8,537,689**	**66,058,053**
Loss for the half-year	-	-	-	-	-	(4,879,542)	(4,879,542)	(485,195)	(5,364,737)
Other comprehensive income for the half-year	-	-	-	-	25,947	-	25,947	16,565	42,512
Total comprehensive income	**-**	**-**	**-**	**-**	**25,947**	**(4,879,542)**	**(4,853,595)**	**(468,630)**	**(5,322,225)**
Transactions with owners in their capacity as owners (net of transaction costs and taxes)									
Issue of shares net of transaction costs	-	-	-	-	-	-	-	1,013,848	1,013,848
Issue of treasury shares								17,785	17,785
Dividends/distributions paid	-	-	-	-	-	-	-	(32,785)	(32,785)
As at 31 December 2019	**59,775,954**	**(29,415,614)**	**(2,600,374)**	**3,095,100**	**(3,931,129)**	**25,742,832**	**52,666,769**	**9,067,907**	**61,734,676**
As at 1 July 2020	**59,496,954**	**(29,388,369)**	**(2,600,374)**	**3,095,100**	**(3,937,931)**	**21,903,616**	**48,568,996**	**5,875,443**	**54,444,439**
Loss for the half-year	-	-	-	-	-	(4,040,902)	(4,040,902)	(97,867)	(4,138,769)
Other comprehensive income for the half-year	-	-	-	-	(2,097,506)	-	(2,097,506)	(2,455,803)	(4,553,309)
Total comprehensive income	**-**	**-**	**-**	**-**	**(2,097,506)**	**(4,040,902)**	**(6,138,408)**	**(2,553,670)**	**(8,692,078)**
Transactions with owners in their capacity as owners (net of transaction costs and taxes)									
Issue of shares net of transaction costs	-	-	-	-	-	-	-	35,227,321	35,227,321
Non-controlling interest on acquisition of subsidiary	-	-	-	-	-	-	-	2,166,913	2,166,913
Issue of treasury shares	-	-	-	-	-	-	-	631,010	631,010
Unmarketable parcels buyback	(15,587)	-	-	-	-	-	(15,587)	-	(15,587)
Dividends/distributions paid	-	-	-	-	-	-	-	(237,090)	(237,090)
As at 31 December 2020	**59,481,367**	**(29,388,369)**	**(2,600,374)**	**3,095,100**	**(6,035,437)**	**17,862,714**	**42,415,001**	**41,109,927**	**83,524,928**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

AWN Holdings Limited and its Controlled Entities

For the half-year ended 31 December 2020

Consolidated Statement of Cash Flows

For the reporting period ended 31 December	2020	2019
	$	$
Cash flows from operating activities		
Receipts from customers	53,275,463	60,577,552
Payments to suppliers and employees	(61,924,745)	(69,606,739)
Interest received	808	63,030
Interest paid	(794,951)	(456,687)
Government subsidies received	3,660,818	-
Income tax paid	(6,578)	(202,616)
Net cash outflow from operating activities	**(5,789,185)**	**(9,625,460)**
Cash flows from investing activities		
Net cash inflow from disposal of Daisy Hill Solar Farm	90,581	-
Net cash inflow from disposal of Sun Connect	-	1,477,000
Net cash outflow for Joint Venture contributions	-	(16,388)
Net cash inflow from acquisition of ENSI	676,317	-
Net cash inflow from acquisition of Tembo e-LV B.V.	53,790	-
Net cash outflow from disposal of intangible assets	(20,443)	(77,356)
Net cash (outflow) / inflow for other non-current assets	(34,468)	587,417
Purchase of property, plant & equipment	(46,217)	(375,306)
Net cash inflow from investing activities	**719,560**	**1,595,367**
Cash flows from financing activities		
Proceeds from related party loans	-	311,657
Proceeds from issue of equity securities	36,475,432	-
Net (repayments of) / proceeds from borrowings	(4,643,608)	385,525
ROU lease payments	(1,278,496)	(2,733,790)
Dividends and distributions paid	(137,006)	(99,412)
Net cash inflow / (outflow) from financing activities	**30,416,322**	**(2,136,020)**
Net increase / (decrease) in cash and cash equivalents	25,346,697	(10,166,113)
Effect of foreign currency translation	(2,714,419)	(31,715)
Cash and cash equivalents at the beginning of the period	12,648,406	17,573,491
Cash and cash equivalents at the end of the period	**35,280,684**	**7,375,663**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

1. Reporting entity

AWN Holdings Limited (the "Company") is a company incorporated and domiciled in Australia. The address of the Company's registered office is Level 11, 153 Walker Street, North Sydney, NSW, 2060. The financial report includes financial statements for AWN Holdings Limited as a consolidated entity consisting of AWN Holdings Limited and its controlled entities (together referred to as "Group").

2. Summary of significant accounting policies

Basis of preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2020 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134 *Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of AWN Holdings Limited and its controlled entities. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2020, together with any public announcements made during the following half-year.

During the half-year ended 31 December 2020, the Group recorded a loss after tax from continuing operations of $3,965,769 (2019: loss of $4,990,087) and cash outflows from operations of $5,789,185 (2019: cash outflows from operations of $9,625,460). The Group's net current asset position has improved materially from the position at 30 June 2020, such that there is a current asset surplus of $19,572,307 at 31 December 2020 (30 June 2020: deficit of $12,203,012).

Key contributors to the loss for the period included the following:

- A decrease in revenues (29%) generated by VivoPower's Aevitas business unit in Australia, caused primarily by operational disruptions and delays in the commencement of projects due to COVD-19 lockdowns;
- Significant organic revenue growth (16%) generated by the EdventureCo Group, primarily driven by the performance of its DDLS business unit which delivered strong revenue growth and also significant margin improvements despite the impact of COVID-19 on its client base;
- A $3.3 million non-cash impairment write-down of the EdventureCo Group's investment in its Trades business unit reflecting the significant ongoing impact of COVID-19 in Australia on the international student education sector;
- Non-recurring restructuring and professional fees ($2.6 million) incurred by VivoPower primarily in connection with the acquisition of Tembo and legal fees incurred in relation to litigation involving the former CEO, Mr. Philip Comberg;
- Non-recurring income ($1.1 million) received in connection with the early termination of the Contrarian Value Fund Limited investment management agreement;

2. Summary of significant accounting policies (continued)

- Non-recurring gain ($1.3 million) recognised by Aevitas in respect of the loss of rights to accrued dividends and interest to December 2016 on Aevitas' convertible preference shares and convertible loan notes for instrument holders agreeing to reconstitute those instruments into Aevitas Preference Shares;
- Non-cash employee share-based compensation expense ($1.0 million) incurred by VivoPower;
- Non-cash equity accounted losses ($0.6 million) associated with the write-down of discontinued projects by Innovative Solar Ventures 1 LLC, VivoPower's joint venture with US-based solar developer, Innovative Solar Systems (ISS); and
- Non-cash amortisation of identifiable intangibles ($0.6 million) arising from acquisition of DDLS and Aevitas (supply contracts, customer relationships, course development).

Notwithstanding the above, the Group is forecasting a return to profitability in the short to medium term due to the following:

- VivoPower's Critical Power Services group, Aevitas, assisted by sustained industry tailwinds, is expected to return to strong revenue and earnings growth over the medium term as the operational impacts of COVID-19 begin to subside. It is also expected Australian federal and state governments will increase infrastructure spending to combat the impact of COVID-19 on the economy, and Aevitas remains well positioned to capitalise on this opportunity;
- Following VivoPower's announcement that it intended to enter the electric vehicle ("EV") sector, it has since acquired a 51% ownership stake in Tembo e-LV B.V. ("Tembo"), a specialist battery electric and off-road vehicle company. Following acquisition, Tembo has executed a 7-year distribution agreement with its key commercial partner in Australia, GB Auto. The agreement is expected to generate up to US$250 million revenue over the initial four years;
- EdventureCo, the Group's education platform, invested heavily for growth during the year ended 30 June 2020, particularly within its ITC training business, DDLS. The first international campus for DDLS was successfully launched in the Philippines as part of EdventureCo's expansion strategy into the ASEAN region. Furthermore, a new cybersecurity product offering was developed and launched under its consumer-facing brand, the Australian Institute of ICT. This investment has directly contributed to DDLS generating revenue growth of 8% in comparison with the previous period, and the business is well placed to continue this trajectory during the remainder of FY2021 and beyond;
- EdventureCo was able to react rapidly to the effects of COVID-19, pivoting to online and virtual delivery modalities in a rapid and agile manner which has to date resulted in very little student attrition. Combined with a deliberate strategy of diversified customer markets and revenue sources, EdventureCo is well positioned relative to the wider education sector to take advantage of a post-pandemic environment featuring increased funding levels, heightened demand for reskilling and a deepening focus on digital skills and, in particular, cybersecurity;

2. Summary of significant accounting policies (continued)

- The Group has continued to execute on the rationalisation of the cost base of its funds management unit, Arowana Funds Management, such that costs have decreased significantly in comparison with the previous period. It is expected costs will continue to decrease during the remainder of FY2021 following the wind-up of Contrarian Value Fund Limited; and
- A reduced overhead base across the Group's operating businesses following a range of cost-savings initiatives executed during FY2020.

With regard to liquidity, the Group manages its short-term cash flow requirements by maintaining adequate working capital finance facilities, including trade debtor finance facilities recently renegotiated and renewed by VivoPower and EdventureCo respectively, other debt facilities and through the normal cyclical nature of receipts and payments. From time to time, the Group will also sell off surplus assets in order to release and re-deploy capital.

Furthermore, on 19 October 2020, VivoPower successfully closed an underwritten public offering of 2,941,175 of its fully paid ordinary shares at a price of US$8.50 per share, raising gross proceeds of US$28.75 million (pre-fees).

The Board has approved budgets and five-year strategy execution plans for the underlying operating businesses which indicate that the Group can manage its working capital requirements without being reliant on events which are subject to material uncertainty.

In consideration of the above, the Directors have a reasonable expectation that the Group will be able to meet its debts as and when they fall due and have adopted the going concern basis in the preparation of these financial statements.

These interim financial statements were authorised for issue on 26 February 2021.

Significant accounting policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, except for the impact of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant and effective for the current half-year.

There have been no new and revised standards that have had a significant impact on the measurement or disclosure requirements of the Group.

Critical accounting estimates and judgements

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates and judgements are continually evaluated and are based on historical experience and various other factors, including expectations of future events, which are believed to be reasonable under the circumstances.

The following estimates, assumptions and judgements have an inherent significant risk of potentially causing material adjustments to the carrying amounts of assets and liabilities within the next financial reporting period.

2. Summary of significant accounting policies (continued)

Impairment of goodwill and intangible assets

The Group tests whether intangible assets have suffered any impairment, in case of triggering events and at least annually. Goodwill and intangible assets are identified across the cash-generating unit to which they relate. The recoverable amount of each cash-generating unit is determined using a value-in-use calculation, which requires the use of estimates. Based on this impairment test, impairment losses, if any, are identified. However, should the actual performance of a cash-generating unit become materially worse compared to the performance based on the estimates, possible impairment losses could arise, or could deviate from the detected impairment losses. This impairment loss or deviation could have a material effect on the carrying amount of the intangible asset.

Impairment assessment – investments and other financial assets

The Group has a number of investments and financial assets initially recorded at cost or under the equity method. Investment assets are monitored for any indicators of impairment and where indicators are present impairment assessment is undertaken, which requires the use of estimates.

Provisions

Due to the nature of provisions, a considerable part of their determination is based on estimates and/or judgements, including assumptions concerning the future. The actual outcome of these uncertain factors may be materially different from the estimates, causing differences with the estimated provisions. Hence, the differences between actual outcomes and the recorded provisions can impact results over the periods involved. The timing of outflow of resources to settle these obligations is subject to the same uncertain factors.

Income taxes

The Group has recorded a deferred tax asset of $7,701,134 (30 June 2020: $9,304,342) and a deferred tax liability of $3,801,663 (30 June 2020: $5,330,149). The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the deferred tax asset on, amongst other items, tax losses carried-forward. There are many uncertain factors that influence the amount of the tax losses carried-forward. The Group recognises deferred tax assets on tax losses carried-forward based on their best estimates. When the actual results are different from the amounts that were initially estimated, such differences will impact the income tax in the Consolidated Statement of Profit or Loss and the deferred tax assets and/or deferred tax liabilities in the period in which these deviations occur. The Group has also identified a number of uncertain tax positions, which could lead to positive and/or negative differences as well.

Based on the Group's Board-approved strategy execution plans and budgets, the Directors believe it is probable that the Group will generate sufficient future taxable profits to utilise the tax losses brought to account. Subject to meeting the requisite continuity of ownership and business tests, these losses can be carried forward indefinitely and have no expiry date.

Control of VivoPower International PLC

At 30 June 2016, the Company held a 100% interest in VivoPower International PLC ("VivoPower"), a 61.5% interest in VivoPower Pty Ltd ("Vivo AU") and $23.6m of hybrid securities in Aevitas Group Limited ("Aevitas"). Following the successful business combination transaction completed on NASDAQ between Arowana Inc. and VivoPower on

2. Summary of significant accounting policies (continued)

29 December 2016, the Company held a 60.3% interest in VivoPower and subsidiaries ("VivoPower Group", incorporating VivoPower and its subsidiaries, including Vivo AU and Aevitas). Since that date, on the basis the Company's shareholding provided it with effective control, the results and balance sheet of the VivoPower Group have been consolidated in its financial statements.

On 19 October 2020, VivoPower announced it had closed an underwritten public offering of 2,941,176 of its fully paid ordinary shares at a price of US$8.50 per share, raising approximately US$28.75 million (pre-fees). Given the Company's effective controlling interest was already significant, it did not participate in the capital raise. As such, immediately following the issue of shares in connection with the public offering, the Company's ownership interest decreased from 60.3% to 48.3%.

On 24 December 2020, VivoPower issued additional shares to certain non-executive directors and employees in connection with its Omnibus Incentive Plan. As a result of the issue of these shares, the Company's ownership interest was further diluted from 48.3% to 46.8%.

Notwithstanding the Company's ownership percentage has decreased from 60.3% as at 30 June 2020 to 46.8% as at 31 December 2020, the Directors consider that the Company, in its capacity as the largest shareholder in VivoPower, and given the fact the remaining shareholder base is largely fractured and widely dispersed (with over 7,000 other shareholders), retains control via the practical ability to direct VivoPower's relevant activities unilaterally.

As such, the Directors have determined that the Company's 46.8% ownership interest as at 31 December 2020 is sufficient to give it practical control over VivoPower and the Company therefore continues to deem VivoPower a subsidiary for the purposes of these financial statements.

Impact of COVID-19

In preparing these financial statements, the Group has considered the impacts of COVID-19 on its assets, liabilities and disclosures for the half-year ended 31 December 2020.

The COVID-19 pandemic has continued to negatively impact each of the Group's operating segments. Aevitas faced operational disruption resulting in an adverse effect on profitability margins and delays to completion of scheduled works and associated revenue recognition. VivoPower's Australian solar division experienced ongoing regulatory and COVID-19 lockdown delays to development approvals for its major projects. EdventureCo continued to experience disruption as campuses were closed and course delivery shifted to online and virtual instructor-led training modalities. Certain underlying assets within Arowana Funds Management's portfolio were significantly impacted by COVID-19 during the period which has negatively affected returns to investors (albeit unrealised).

The impact of COVID-19 on the Group's operations is discussed in further detail in the Directors' Report.

As discussed in note 10, the potential impacts of COVID-19 on future financial performance were taken into consideration for the purposes of considering indicators of impairment.

2. Summary of significant accounting policies (continued)

In relation to the EdventureCo Group, the Group considered the additional impacts of COVID-19 on the operating environment, the risk of delays in economic recovery and the subsequent impact on performance in the event of sustained international border restrictions. As a result of this review, the Directors formed the view that an impairment write-down of $3,309,557 of goodwill related to the EdventureCo Trades business was required.

No other asset impairments were recorded due to the material headroom of value-in-use over carrying value for each of the Group's other cash-generating units.

In relation to trade receivables, to date the Group has not suffered any significant adverse change in the timeliness or collection of receipts for its services.

During the half-year ended 31 December 2020, certain operating segments within the Group were eligible for and accessed wage subsidy support in connection with the Australian Federal Government's JobKeeper Assistance Program. Further detail on the quantum of support provided to each operating segment is set out in note 3(a).

3. (a) Revenue

For the reporting period ended 31 December	2020	2019
	$	$
Renewable energy services [1]	31,143,597	45,824,695
Education services [2]	24,197,700	21,110,084
Funds management revenue	1,803,890	498,086
Gain on disposal of Sun Connect [3]	-	589,760
Gain on disposal of Vivo Rex [4]	-	607,723
Gain on disposal of Daisy Hill	114,727	-
Other revenue	595,632	688
Total revenue	**57,855,546**	**68,631,036**

[1] Includes proceeds of $1,800,668 received during the period ended 31 December 2020 (31 December 2019: NIL) in connection with the Australian Federal Government's JobKeeper Assistance Program

[2] Includes proceeds of $1,276,500 received during the period ended 31 December 2020 (31 December 2019: NIL) in connection with the Australian Federal Government's JobKeeper Assistance Program

[3] Representing gain on disposal of SC OCo Pty Limited

[4] Representing gain on disposal of VivoRex LLC as a result of the divestment of onerous contract obligations

3. (b) Other income / (expenses)

For the reporting period ended 31 December	2020	2019
	$	$
Other income / (expenses)		
Foreign exchange gains / (losses)	1,165,269	170,260
Total other income / (expenses)	**1,165,269**	**170,260**

4. Expenses

(a) Cost of sales

For the reporting period ended 31 December	2020	2019
	$	$
Commission	286,062	257,555
Contractors	3,186,173	856,951
Employee expenses	10,556,729	13,792,078
Equipment	25,533	20,175
Materials	20,629,499	33,905,474
Motor vehicle	300,138	426,570
Occupancy	110,684	170,402
Travelling	61,122	-
Others	911,612	402,390
	36,067,552	**49,831,595**

(b) Administration costs

For the reporting period ended 31 December	2020	2019 Restated*
	$	$
Due diligence fees	303,111	441,071
Legal and professional	3,334,431	2,268,456
Compliance and governance	422,637	289,245
Research expenses	158,956	202,941
(Profit) / Loss on disposal of fixed assets	(22,715)	19,518
Loss on disposal of investments	424	3,983
Others	796,729	564,371
	4,993,573	**3,789,585**

** Amounts classified in the current period as relating to discontinued operations have been reclassified in the prior year to provide consistency with the current presentation*

5. Segment reporting

Identification of reportable operating segments

The Group is currently organised into four Divisions - the Enterprise Office, Renewable Energy, Education and Funds Management Divisions as defined below.

Types of services

The principal products and services of each of these operating segments are as follows:

- **Enterprise Office** – is the designated investment entity and provides strategic, operational, financial and human resources support to the operating entities within the Group;
- **Renewable Energy** – VivoPower is a sustainable energy solutions company currently focused on electric vehicles, battery technology, solar and critical power services;
- **Education** – EdventureCo is the Group's education business, delivering building, construction, IT, communication and negotiation training programmes to students throughout Australia and in the Philippines; and
- **Funds Management** – manages listed and unlisted funds.

Other Segment information

Segment revenue - Sales between segments are carried out at arm's length and are eliminated on consolidation. The revenue from external parties reported to the Board of Directors is measured in a manner consistent with that in the Consolidated Statement of Profit or Loss. The revenue from external customers is derived from the provision of services through the operating companies associated with education, electric vehicles, battery technology, solar and critical power services, funds management and training and events.

Segment assets - The amounts provided to the Board of Directors with respect to total assets are measured in a manner consistent with that of the Consolidated Statement of Financial Position. These assets are allocated based on the operations of the segment and its holding entities, and the physical location of the asset.

Segment liabilities - The amounts provided to the Board of Directors with respect to total liabilities are measured in a manner consistent with that of the Consolidated Statement of Financial Position. These liabilities are allocated based on the operations of the segment.

For the half-year ended 31 December 2020	Enterprise Office (Australia)	Renewable Energy (Australia/Asia/ USA/UK)	Education (Australia/ Asia)	Funds Management (Australia/ UK)	Total	Intersegment Eliminations	Consolidated
Segment reporting	$	$	$	$	$	$	$
Revenue							
Goods and services transferred at a point in time	-	-	167,631	-	167,631	-	167,631
Services transferred over time	359,461	29,184,708	21,543,164	570,542	51,657,875	-	51,657,875
Sales to external customers	359,461	29,184,708	21,710,795	570,542	51,825,506	-	51,825,506
Intersegment sales	1,108,484	-	-	-	1,108,484	(1,108,484)	-
Total sales revenue	1,467,945	29,184,708	21,710,795	570,542	52,933,990	(1,108,484)	51,825,506
Interest revenue	1,570,319	1,314,336	201	494,031	3,378,887	(2,064,346)	1,314,541
Other revenue	275,984	2,040,089	2,486,905	1,445,074	6,248,052	(218,012)	6,030,040
Total revenue	3,314,248	32,539,133	24,197,901	2,509,647	62,560,929	(3,390,842)	59,170,087
Segment result	(3,438,448)	4,192,322	4,074,091	1,355,576	6,183,541	(2,383,933)	3,799,608
Depreciation, amortisation and impairment	116,586	1,226,329	4,760,048	-	6,102,963		6,102,963
Finance costs	329,721	2,658,702	262,996	31,587	3,283,006	(2,383,933)	899,073
Profit / (loss) before income tax – continuing operations	(3,884,755)	307,291	(948,953)	1,323,989	(3,202,428)	-	(3,202,428)
Income tax expense/(benefit)	351,706	299,124	(284,686)	397,197	763,341		763,341
Profit / (loss) after income tax – continuing operations	(4,236,461)	8,167	(664,267)	926,792	(3,965,769)		(3,965,769)
Segment assets							
Operating assets	116,125,388	113,331,541	91,063,992	108,668,063	429,188,984		
Elimination within segment			(31,257,963)	(53,169,429)	(84,427,392)		
Reportable segment assets	116,125,388	113,331,541	59,806,029	55,498,634	344,761,592	(200,222,475)	144,539,117
Segment liabilities							
Operating liabilities	23,893,577	81,844,857	42,814,929	4,196,915	152,750,278		
Elimination within segment			-	(642,777)	(642,777)		
Reportable segment liabilities	23,893,577	81,844,857	42,814,929	3,554,138	152,107,501	(91,093,312)	61,014,189

AWN Holdings Limited and its Controlled Entities

For the half-year ended 31 December 2020

For the half-year ended 31 December 2019 *	Enterprise Office (Australia)	Renewable Energy (Australia/Asia/ USA/UK)	Education (Australia)	Funds Management (Australia)	Total	Intersegment Eliminations	Consolidated
Segment reporting	$	$	$	$	$	$	$
Revenue							
Goods and services transferred at a point in time	-	-	389,089	-	389,089	-	389,089
Services transferred over time	-	45,731,491	20,707,150	498,086	66,936,727	-	66,936,727
Sales to external customers	-	45,731,491	21,096,239	498,086	67,325,816	-	67,325,816
Intersegment sales	1,663,400	-	-	-	1,663,400	(1,663,400)	-
Total sales revenue	1,663,400	45,731,491	21,096,239	498,086	68,989,216	(1,663,400)	67,325,816
Interest revenue	1,211,935	4,033	2,263	494,097	1,712,328	(1,604,104)	108,224
Other revenue	313,659	1,290,687	13,844	211,726	1,829,916	(524,696)	1,305,220
Total revenue	**3,188,994**	**47,026,211**	**21,112,346**	**1,203,909**	**72,531,460**	**(3,792,200)**	**68,739,260**
Segment result	(1,164,327)	4,233,053	(172,331)	(417,924)	2,478,471	(1,881,175)	597,297
Non-recurring items							
Depreciation and amortisation	226,079	1,198,758	1,852,008	-	3,276,845	-	3,276,845
Finance costs	22,946	2,357,488	163,114	582	2,544,130	(1,881,175)	662,955
Profit / (loss) before income tax – continuing operations	(1,413,351)	676,807	(2,187,453)	(418,506)	(3,342,503)	-	(3,342,503)
Income tax expense/(benefit)	1,127,981	1,301,391	(656,236)	(125,552)	1,647,584	-	1,647,584
Profit / (loss) after income tax – continuing operations	**(2,541,332)**	**(624,584)**	**(1,531,217)**	**(292,954)**	**(4,990,087)**	**-**	**(4,990,087)**
As at 30 June 2020							
Segment assets							
Operating assets	120,037,154	95,560,714	88,777,503	107,264,819	411,640,190		
Elimination within segment			(31,257,963)	(52,910,248)	(84,168,211)		
Reportable segment assets	**120,037,154**	**95,560,714**	**57,519,540**	**54,354,571**	**327,471,979**	**(201,596,651)**	**125,875,328**
Segment liabilities							
Operating liabilities	23,680,761	97,573,926	39,579,487	3,880,569	164,714,743		
Elimination within segment			-	(383,596)	(383,596)		
Reportable segment liabilities	**23,680,761**	**97,573,926**	**39,579,487**	**3,496,973**	**164,331,147**	**(92,900,257)**	**71,430,890**

** Amounts classified in the current period as relating to discontinued operations have been reclassified in the prior year to provide consistency with the current presentation*

6. Trade and other receivables and contract assets

As at	31 Dec 2020	30 Jun 2020
	$	$
Trade debtors [1]	6,480,771	4,700,609
Contract assets	10,638,362	11,720,305
Sundry debtors	2,922,233	1,149,086
Other accrued income	882,008	1,245,381
	20,923,374	**18,815,381**

[1] *As at 31 December 2020, 66% ($4,304,806) of the Group's trade debtors balance has been outstanding for less than 60 days, with the remaining 34% ($2,175,965) outstanding between 60 to 365 days and deemed past due but not impaired.*

7. Assets held-for-sale and discontinued operations

(a) Discontinued operations

Sun Connect solar portfolio asset ("Sun Connect")

Further to a strategic review conducted by VivoPower during the year ended 30 June 2018, a decision was made to realise certain non-core assets within its Australian solar project portfolio in order to release capital. In this context, the Sun Connect solar portfolio was classified as held-for-sale in the Group's Statement of Financial Position at 30 June 2018 and 30 June 2019.

On 23 October 2019, VivoPower sold its 100% interest in SC OCo Pty Limited, the entity which owned the Sun Connect solar portfolio, for gross proceeds of $1.5 million. Sun Connect has therefore been treated as a discontinued operation for the period from 1 July 2019 through to 23 October 2019 for the purposes of the Group's financial statements in the previous corresponding period.

The financial performance of the discontinued operation, which is included in profit/(loss) from discontinued operations per the Consolidated Statement of Profit or Loss, is as follows:

Discontinued operation – Sun Connect	31 Dec 2020	31 Dec 2019
	$	$
Revenue	-	121,236
Expenses	-	(58,493)
Profit before income tax	**-**	**62,743**
Income tax expense	-	-
Profit after tax attributable to the discontinued operation	**-**	**62,743**

7. Assets held-for-sale and discontinued operations (continued)

(a) Discontinued operations (continued)

The net cash flows of the discontinued operation, which have been incorporated into the Consolidated Statement of Cash Flows, are as follows:

Discontinued operation – Sun Connect	31 Dec 2020	31 Dec 2019
	$	$
Net cash inflow from operating activities	-	112,096
Net cash inflow from investing activities	-	53,355
Net cash inflow / (outflow) from financing activities	-	-
Net increase in cash generated by the discontinued operation	**-**	**165,451**

Arowana International UK Limited ("Arowana UK")

In consideration of the current environment, to materially reduce the Group's overhead base and to simplify and focus the business model, the Company had previously stated its intention to transition the Enterprise Office cost base out of the Company.

Furthermore, given the losses generated during the full years ended 30 June 2019 and 2020, the current economic climate, increasing costs of compliance, fee compression in the Australian funds management industry and the capital required to scale up the business, the Company initiated a strategic review of Arowana Funds Management.

As part of the first phase of this transition, on 31 October 2020 the Company disposed of its wholly-owned subsidiary Arowana UK for proceeds of £1. This transaction represented both the disposal of a cost centre and also an exit from the Company's Alicorn fund strategy.

Arowana UK has therefore been treated as a discontinued operation for the period from 1 July 2020 through to 31 October 2020, and also for the duration of the previous corresponding period, for the purposes of the Group's financial statements.

The financial performance of the discontinued operation, which is included in profit from discontinued operations per the Consolidated Statement of Profit or loss, is as follows:

Discontinued operation – Arowana UK	31 Dec 2020	31 Dec 2019
	$	$
Revenue	-	-
Expenses	(173,000)	(437,393)
Profit before income tax	**(173,000)**	**(437,393)**
Income tax expense	-	-
Profit after tax attributable to the discontinued operation	**(173,000)**	**(437,393)**

7. Assets held-for-sale and discontinued operations (continued)

The net cash flows of the discontinued operation, which have been incorporated into the Consolidated Statement of Cash Flows, are as follows:

Discontinued operation – Arowana UK	31 Dec 2020	31 Dec 2019
	$	$
Net cash inflow from operating activities	183,543	216,326
Net cash outflow from investing activities	(7,998)	-
Net cash outflow from financing activities	(171,254)	(334,010)
Net increase / (decrease) in cash generated by the discontinued operation	**4,291**	**(117,684)**

The amounts of the assets and liabilities in Arowana UK at the date of disposal, summarised in AUD by each major category, are as follows:

Assets and liabilities	31 Dec 2020
	$
Cash and cash equivalents	6,328
Trade and other receivables	204,768
Fixed assets	11,029
Trade and other payables	(211,096)
Fair value of identifiable net assets sold	**11,029**
Consideration:	
Cash consideration received	1
Net loss on disposal	**(11,028)**

(b) Assets classified as held-for-sale

VivoPower ISS JV – Assets held-for-sale

Pursuant to a strategic review, VivoPower has commenced a sale process for its 50% share in Innovative Solar Ventures 1 LLC, a joint venture with US-based solar developer, Innovative Solar Systems ("ISS").

Despite support provided by VivoPower to ISS, a sale of the entire portfolio has not been realised to date. Following removal of ISS as manager and developer of the Joint Venture, VivoPower is now focused on executing on the disposal of a portion of the portfolio within the next 12 months for the projects that are closest to completion, and to seek a new partner for development of the remainder of the portfolio. Accordingly, the portion of the portfolio that is identified as being actively marketed for sale in the near term, continues to be accounted for under assets held-for-sale. The remainder of the portfolio, with a net book value of $10.5 million, has been classified as an equity accounted investment.

7. Assets held-for-sale and discontinued operations (continued)

(b) Assets classified as held-for-sale (continued)

A summary of the assets and liabilities directly related to the VivoPower ISS JV, classified as assets held-for-sale, is set out below.

Assets held-for-sale and directly associated liabilities	31 Dec 2020	30 Jun 2020
	$	$
Non-current assets		
Investments accounted for using the equity method	4,876,514	5,944,764
Total assets	**4,876,514**	**5,944,764**
Current liabilities		
Trade and other payables	-	-
Total liabilities	**-**	**-**
Net assets	**4,876,514**	**5,944,764**

8. Investments accounted for using the equity method

The Group has the following investments accounted for using the equity method:

As at	31 Dec 2020	30 Jun 2020
	$	$
Innovative Solar Ventures I, LLC	10,468,325	11,984,123
Viento Group Limited	137,031	150,363
	10,605,356	**12,134,486**

Ownership details for investments using the equity method are outlined below:

		Percentage interest	
Associate / Joint venture	Principal activities	31 Dec 2020	30 Jun 2020
		%	%
Innovative Solar Ventures I, LLC	Solar power developer	50.0	50.0
Viento Group Limited	Investment holding company	31.8	31.8

8. Investments accounted for using the equity method (continued)

Movements for investments using the equity method during the period are outlined below:

	Innovative Solar Ventures I, LLC (USA)	Viento Group Limited	Total
	$	$	$
Opening balance, 1 July 2020	**11,984,123**	**150,363**	**12,134,486**
Impact of foreign exchange translation	(898,226)	-	(898,226)
Share of loss of associated entities	(617,572)	(13,332)	(630,904)
Ending balance at 31 December 2020	**10,468,325**	**137,031**	**10,605,356**

9. Other assets

The Group has the following other current assets:

As at	31 Dec 2020	30 Jun 2020
	$	$
Prepayments	2,137,907	1,201,377
Short term deposits	224,225	156,427
	2,362,132	**1,357,804**

The Group has the following other non-current assets:

As at	31 Dec 2020	30 Jun 2020
	$	$
Security deposit	210,265	201,494
	210,265	**201,494**

AWN Holdings Limited and its Controlled Entities

For the half-year ended 31 December 2020

10. Intangible assets

(a) Reconciliation of movement in intangible assets

	Goodwill	Trade name	Supply contract	Customer relationships	Solar contract	Course development	Student contracts	RTO licence	Incorporation costs	Patent and Trademark	Total
As at 31 December 2020	$	$	$	$	$	$	$	$	$	$	$
Cost	37,574,967	4,597,000	8,075,000	5,702,000	764,663	1,140,747	2,246,383	85,697	8,344	26,253	60,221,054
Accumulated amortisation/impairment	(3,859,557)	(1,016,035)	(3,706,534)	(2,282,000)	(245,431)	(1,046,854)	(2,246,383)	(65,903)	-	-	(14,468,697)
Carrying value	**33,715,410**	**3,580,965**	**4,368,466**	**3,420,000**	**519,232**	**93,893**	**-**	**19,794**	**8,344**	**26,253**	**45,752,357**
Movement for the half-year ended 31 December 2020											
Opening balance – carrying value – 1 July 2020	**32,546,390**	**3,670,452**	**4,567,033**	**3,705,000**	**653,552**	**94,796**	**-**	**28,434**	**6,219**	**26,253**	45,298,129
Other additions	4,478,577	-	-	-	-	10,000	-	-	2,125	-	4,490,702
Disposals	-	-	-	-	(134,320)	-	-	-	-	-	(134,320)
Provision for impairment during the period	(3,309,557)	-	-	-	-	-	-	-	-	-	(3,309,557)
Amortisation provision during the period	-	(89,487)	(198,567)	(285,000)	-	(10,903)	-	(8,640)	-	-	(592,597)
Net book amount 31 Dec 2020	**33,715,410**	**3,580,965**	**4,368,466**	**3,420,000**	**519,232**	**93,893**	**-**	**19,794**	**8,344**	**26,253**	**45,752,357**

10. Intangible assets (continued)

(b) Allocation of goodwill

Goodwill as at 31 December 2020 can be allocated to the various cash-generating units ("CGUs") as follows:

Cash-generating unit	$
Education division – EdventureCo Trades [1]	3,543,009
Education division – DDLS Pty Ltd	1,164,779
Education division – ENS International Pty Ltd	359,908
Renewable energy division – Tembo e-LV B.V.	4,118,669
Renewable energy division – VivoPower Pty Ltd	1,911,268
Renewable energy division – Aevitas Group Ltd	22,617,777
Total goodwill	**33,715,410**

[1] Goodwill presented after the impact of the impairment provision noted below

(c) Impairment testing

At half-year reporting periods, impairment testing for CGUs that contain goodwill is only required if there are indicators of impairment. Of the CGUs of the Group that contain goodwill, there were indicators of impairment for EdventureCo Trades. The indicators of impairment were a direct result of the COVID-19 pandemic as discussed in note 2.

Methodology

The recoverable amount of goodwill allocated to the EdventureCo Trades CGU is determined based on value-in-use. For the purposes of impairment testing, the following methodology was applied:

- Value-in-use is estimated based on the discounted value of future cash flow projections over the five-year period from FY2021 to FY2025;
- Future cash flow projections are based on the detailed budget reforecast for FY2021 and associated strategy execution plan as approved by the Board, together with forecasts for a further four years which include the projected impact of COVID-19 on expected economic conditions and the direct impact on international student enrolments associated with the ongoing closure of international borders. Forecasts are extrapolated using estimates of longer-term growth rates having regard to the CGU's strategy;
- In order to discount projected cash flows to net present value, discount rates are applied to reflect the Group's estimates of market risk and specific risk factors for the CGU not otherwise incorporated in cash flow projections; and
- The value-in-use estimates above are adjusted to include an assessment of terminal value, representing the discounted cash flows beyond the five-year forecast period.

10. Intangible assets (continued)

Key assumptions

In determining the value-in-use calculation for the EdventureCo Trades CGU, management applied the following key assumptions:

	31 Dec 2020	30 Jun 2020
	%	%
Short-term revenue CAGR * (1-5 years)	10.1%	12.6%
Long-term revenue CAGR * (terminal value)	2.0%	2.0%
Post-tax discount rates applied [1]	14.3%	14.3%

* Compound Annual Growth Rate ("CAGR")

[1] The Group engaged an independent external corporate advisor to provide specialist, industry-specific input into the appropriate assumptions to adopt for the purposes of calculating post-tax discount rates for its value-in-use calculations as at 30 June 2020. On the basis this input was provided recently, and taking into consideration preliminary advice that the underlying assumptions have not moved materially since 30 June 2020, the Group did not consider it necessary to reassess the discount rate calculation as at 31 December 2020.

Cash flow projections adopted in measuring value-in-use recoverable amounts exclude any estimated future cash inflows or outflows expected to arise from future restructurings or from improving or enhancing the asset's performance.

During the impairment testing process the Group considered current economic conditions and the potential impact of COVID-19 on future financial performance for the purposes of impairment testing. In particular, the Group considered the additional impacts of COVID-19 on the operating environment, the risk of delays in economic recovery and subsequent impact on performance in the event of sustained international border restrictions. The Group's assessment of these additional risks was factored into reforecast and cash flow projections, and the post-tax discount rate applied to the value-in-use model continues to incorporate an additional alpha adjustment to reflect the uncertain economic environment.

Results

The recoverable amount derived from the appropriate measures described above was compared to the carrying value, and it was determined that the CGU's carrying value exceeded its recoverable amount by $3,309,557. As such, based on the results of the Group's impairment testing as at 31 December 2020, this amount has been recognised as an impairment loss in the Consolidated Statement of Profit or Loss.

11. Trade and other payables and contract liabilities

As at	31 Dec 2020	30 Jun 2020
	$	$
Current		
Trade creditors	7,623,947	9,533,071
Accrued expenses	5,998,055	5,799,230
Deferred income	2,253,612	1,309,035
Contract liabilities	8,234,212	16,177,585
Payroll liabilities	3,332,327	2,185,278
GST payable	2,167,796	1,133,180
Other payables	3,683,210	3,016,744
	33,293,159	**39,154,123**

12. Interest bearing liabilities

As at	31 Dec 2020	30 Jun 2020
	$	$
Current		
Lease liabilities – right-of-use assets (a)	3,164,287	3,355,868
Trade debtor financing (b)	-	739,217
Term loans (c)	563,443	2,898,551
Convertible notes (d)	3,555,000	3,550,000
	7,282,730	**10,543,636**
Non-current		
Lease liabilities – right-of-use assets (a)	7,267,169	7,146,561
Government loans (e)	650,200	250,000
Term loans (c)	992,663	1,267,252
	8,910,032	**8,663,813**
Total interest-bearing liabilities	**16,192,762**	**19,207,449**

(a) Lease liabilities are leases secured against lease agreements and, where applicable, underlying assets financed.

(b) Representing drawn proportion of VivoPower's debtor finance facility, secured by a fixed charge over the Aevitas Group debtors' book and floating charge over all other assets of J.A. Martin Electrical Pty Limited. .

(c) Representing the current portion of unsecured low interest rate COVID-19 NAB loans in Aevitas and chattel mortgages over 14 vehicles in Aevitas. Prior period represents current portion of unsecured low interest rate COVID-19 NAB loans, chattel mortgages, the unsecured loan from Contrarian Value Fund Limited ("CVF") at 5.5% per annum (repaid during the period) and short-term finance of US$2,000,000 at 9% per annum from a private lender in Enterprise Office (repaid during the period).

(d) On 10 February 2020, AWN successfully completed a convertible note issue, raising gross proceeds of $3.55m at 8% per annum. The maturity date on the convertible notes is 36 months from the date of issue. Noteholders may elect to redeem their notes in cash during bi-annual redemption windows, the first of which is due post the release of AWN's half-year results for the period ended 31 December 2020. As such, proceeds raised from the convertible note issue have been treated as a current liability. At the date of this report, no convertible notes have been redeemed.

(e) Representing unsecured loan received in Everthought Education Pty Ltd, Everthought College of Construction Pty Ltd and AWN Holdings Limited from the Queensland Government as part of COVID-19 relief support. The loans are repayable over 9 years with principal repayments commencing in June 2021.

13. Dividends paid

There were no dividends paid during the period.

14. Capital commitments

There were no capital commitments as at 31 December 2020.

15. Contingent assets

The Company has no contingent assets as at 31 December 2020.

16. Contingent liabilities

The following is an update to contingent liabilities identified as at 30 June 2020 (no additional contingent liabilities were identified during the period):

(a) Litigation – VivoPower International PLC

On 26 February 2018, VivoPower's former Chief Executive Officer, Mr. Phillip Comberg, filed a legal claim alleging the Company committed a repudiatory breach of his service agreement in connection with the termination of his employment on 4 October 2017. Mr. Comberg claimed damages of £615,000 related to the notice period in his service agreement, £540,000 related to shares in VivoPower he alleges were due to him, and other unquantified amounts related to bonuses and past services fees alleged to be due. Mr. Comberg's total claim exceeded £3 million.

On 11 September 2020, the High Court of England and Wales ("Court") handed down its judgment in relation to this matter. The Court found in favour of Mr. Comberg in relation to an oral contract for the payment of deferred remuneration, but dismissed the two other fee claims. Mr. Comberg was awarded damages in excess of £680,000, plus interest and costs. This determination was broadly in line with the US$1.1m provision included in the Group's accounts as at 30 June 2020. The award of costs, however, was granted more favourably towards the claimant than anticipated, which along with further legal fees incurred, resulted in an additional restructuring charge of US$1.5 million for the half-year ended 31 December 2020.

(b) Litigation – Intueri Education Group Ltd ("Intueri")

On 3 April 2020, the Company was notified that legal proceedings had been filed in the High Court of New Zealand in relation to Intueri.

The proceeding has been filed by Adina Thorn Lawyers, on behalf of certain persons who acquired an interest in Intueri shares during the course of its initial public offering ("IPO") which commenced on 15 April 2014, and on the open market thereafter during the period from 23 May 2014 and prior to 1 June 2017.

The Statement of Claim includes allegations of misleading or deceptive conduct in relation to statements made in the Intueri Prospectus and associated Investment Statement (collectively, "Offer Documents"). The allegations of untrue statements primarily concern enrolment numbers and completion rates pertaining to the proposed acquisition of Quantum Education Group ("Quantum") by Intueri upon IPO. The proceeding asserts the

16. Contingent liabilities (continued)

Company, among other parties, is liable for any resultant loss to the plaintiffs in its capacity as promoter of the IPO.

For detailed information on the Board's response to the substance of the allegations, please refer to note 28 of the annual financial statements of the Group for the year ended 30 June 2020.

The claimant sought an application for summary judgement (an application for streamlined determination of the claim on the basis that the claimant believes the defendants have no defence) which was heard by the High Court of New Zealand ("Court") during November 2020. As at the date of this report, the determination of the Court has not yet been released, and so the Company is not in a position to provide any further updates in relation to this matter.

17. Events occurring after the reporting period

On 3 February 2021, the Company announced that its subsidiary, VivoPower, had completed the definitive acquisition of the remaining 49% of Tembo e-LV B.V. ("Tembo") a specialist battery-electric and off-road vehicle company. VivoPower previously acquired 51% of Tembo in October 2020. Existing Tembo management subsequently received US$2.2 million and 15,793 VivoPower shares for their residual shareholding, with VivoPower now owning 100% of Tembo's share capital.

No other matters or circumstances have arisen since the end of the period which significantly affected or may significantly affect the operations of the Group and Company, the results of those operations, or the state of affairs of the Group and Company in future financial periods.

18. Controlled entities

In addition to the controlled entities disclosed in the 30 June 2020 annual financial statements, below are the details of new entities that form part of the Group during the period.

Name of Entity	Country of incorporation	Class of shares	31 Dec 2020 %
ENS International Holdings Pty Ltd	Australia	Ordinary	100
ENS International Pty Ltd	Australia	Ordinary	100
Tembo 4x4 e-LV B.V.*	Netherlands	Ordinary	24
FD 4x4 Centre B.V.*	Netherlands	Ordinary	24
Tembo e-LV B.V. *	Netherlands	Ordinary	24

* These entities are 51% owned and under the control of a wholly-owned subsidiary of VivoPower International PLC (which is 46.8% owned by AWN Holdings Limited) and are therefore treated as subsidiaries for the purposes of the consolidated financial statements of AWN Holdings Limited.

19. Business combinations

(a) Acquisition of ENS International Pty Ltd

On 16 December 2020, the Company, through its newly established wholly owned subsidiary, ENSI Holdings Pty Ltd, acquired ENS International Pty Ltd ("ENSI"), a global leader in virtual and face-to-face negotiation advice, support and training.

The acquisition of ENSI will further EdventureCo's goal of equipping students with relevant skills in a fast-changing world. It will be highly complementary to DDLS and the Australian Institute of ICT, EdventureCo's two market leading IT training providers, that address the skills shortages in the digital sector.

The total consideration payable for ENSI is $1,609,502 (net of working capital adjustment), representing up-front cash consideration of $1, unconditional deferred consideration of $1,157,502 and conditional deferred consideration of $451,999. The deferred consideration has been recognised as current and non-current liabilities and is due to be settled over the next four years.

The acquisition of ENSI contributed $13,228 towards total Group revenue the half-year. Had the acquisition occurred on 1 July 2020, the total revenue contribution to the Group would have been $1,494,516.

(b) Acquisition of Tembo e-LV B.V.

On 5 November 2020, the Company, through its subsidiary, VivoPower International PLC, acquired a 51% shareholding in Tembo e-LV B.V. ("Tembo"), a Netherlands-based specialist battery-electric and off-road vehicle company with global sales and distribution channels across four continents. Tembo services a diverse range of sectors – from mining, infrastructure and utilities to government services, game safaris and humanitarian aid – by providing customised light electric vehicles, often for rugged applications.

Subsequent to balance date, in February 2021 the Company completed the acquisition of the remaining 49% of Tembo. Tembo also recently announced a landmark distribution deal with its partner, GB Auto Group in Australia which is expected to generate up to US$250 million in revenues over the first four years.

The total consideration payable for Tembo was A$6.5 million. Of the total consideration, $4.9 million was retained as cash balances acquired, leaving $1.6m million paid out to the existing shareholders of Tembo.

The acquisition of Tembo contributed $553,004 towards total Group revenue for the half-year. Had the acquisition occurred on 1 July 2020, the total revenue contribution to the Group would have been $1,488,276.

19. Business combinations (continued)

Business combination details	ENS International Pty Ltd	Tembo e-LV B.V.
Cash and cash equivalents	676,317	6,566,730
Trade and other receivables	527,955	164,498
Inventory	184,952	966,534
Other current assets	467,107	-
Property, plant and equipment	106,012	272,690
Deferred tax asset	-	347,973
Trade and other payables	(674,961)	(2,547,983)
Other non-current liabilities	(37,788)	(294,032)
Deferred income	-	(941,328)
Fair value of identifiable net assets / (liabilities) acquired	**1,249,594**	**4,535,082**
Non-controlling interests	**-**	**(2,222,190)**
Net assets acquired	**1,249,594**	**2,312,892**
Consideration:		
Cash consideration paid	1	6,512,940
Deferred consideration (unconditional), net of working capital adjustment	1,157,502	-
Deferred consideration (conditional)	451,999	-
Total consideration paid	**1,609,502**	**6,512,940**
Provisional goodwill on acquisition [1]	**359,908**	**4,200,048**
Cash acquired	676,317	6,566,730
Less consideration paid	(1)	(6,512,940)
Net cash acquired	**676,316**	**53,790**

[1] Tembo goodwill on acquisition varies from the disclosed goodwill acquired in note 10 due to the impact of foreign currency between acquisition date and balance date

* At the date of this report, the Purchase Price Allocation is not final and therefore the goodwill amounts stated are provisional, based on management's best estimate. Should the final amounts of the Purchase Price Allocation differ from the above amounts, the goodwill amounts will be adjusted accordingly.

AWN Holdings Limited and its Controlled Entities

For the half-year ended 31 December 2020

Directors' Declaration

The Directors of the Company declare that:

1. the Financial Statements comprising the Consolidated Statement of Profit or Loss, Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity and accompanying Notes to the Consolidated Financial Statements are in accordance with the Corporations Act 2001 and:
   (a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
   (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date.
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

Kevin Chin

Executive Chairman and Chief Executive Officer

Brisbane, 26 February 2021

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF AWN HOLDINGS LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of AWN Holdings Limited ("the company"), which comprises the consolidated statement of financial position as at 31 December 2020, and the consolidated statements of profit or loss and comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the half-year's end or from time to time during the financial half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of AWN Holdings Limited is not in accordance with the *Corporations Act 2001* including:-

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020, and of its financial performance for the half-year ended on that date; and

(b) complying with the Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the consolidated entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Independence

In conducting our review, we have complied with the auditor independence requirements of the *Corporations Act 2001*. In accordance with the *Corporations Act 2001*, we have given the directors of the company a written Auditor's Independence Declaration.

Responsibility of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Corporations Regulations 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

PKF

Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PKF Brisbane Audit

Shaun Lindemann
Partner

26 February 2021
Brisbane

AWN Holdings Limited and its Controlled Entities

For the half-year ended 31 December 2020

Corporate Directory

Corporate Directory

Directors	Mr Kevin Chin (Executive Chairman and CEO) Mr Robert McKelvey (Non-Executive Director) Mr Eduardo Fernandez (Non-Executive Director) Ms Claire Bibby (Non-Executive Director)
Company Secretary	Mr Cameron Fellows
Principal registered office in Australia	Level 11, 153 Walker Street North Sydney NSW 2060
Share Registry	Boardroom Pty Limited Level 12, 225 George Street Sydney NSW 2000
Auditor	PKF Brisbane Audit Level 6, 10 Eagle Street Brisbane QLD 4000
Legal Advisers	**OB Law Pty Limited** 7 Nicholls Avenue Haberfield NSW 2045 **Corrs Chambers Westgarth** Level 17 8 - 12 Chifley Square Sydney NSW 2000
Stock Exchange	Australian Securities Exchange AWN – Ordinary Shares
Website	www.arowanaco.com