

AWN HOLDINGS LIMITED

ACN 103 472 751

27 August 2020

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

Subject: Investor Presentation for year ended 30 June 2020

The Directors of AWN Holdings Limited (ASX: AWN) are pleased to release the Investor Presentation in relation to the accompanying Annual Report for the year ended 30 June 2020.

On behalf of the Board of AWN,



Cameron Fellows
Company Secretary

AWN Holdings Limited

2020 Financial Year (FY2020) Results Presentation

27 August 2020

Disclaimer

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Any references in this presentation to “underlying” information is to non-IFRS financial information prepared in accordance with ASIC Regulatory Guide 230 (Disclosing Non-IFRS Financial Information). Non-IFRS financial information has not been subject to audit or review.

Certain statements in this presentation may constitute forward-looking statements. Forward-looking statements are neither promises nor guarantees and involve known and unknown risks, uncertainties and other factors which may cause actual results to vary materially from any projection, future results or performance expressed or implied by such forward-looking statements.

Executive Overview

FY2020 Business Unit Overview

Enterprise Office

Board

Leadership

Team

Arowana University
(ArowanaU)

B Corp

Operating Companies



Arowana Funds Management





AROWANA
FUNDS MANAGEMENT

AROWANA
AUSTRALIAN SPECIAL INCOME OPPORTUNITIES FUND

AROWANA
CONTRARIAN VALUE FUND

AROWANA
AUSTRALASIAN SPECIAL SITUATIONS FUND
(in realisation mode)

FY2020 Enterprise Priorities

VivoPower International	Return to profitability and crystallise intrinsic portfolio value	
EdventureCo	Continue to drive profitable growth into new geographic and product markets	
Arowana Funds Management	Rebrand as Arowana Impact Capital Group to align with our B Corp status and move HQ to Singapore	
B Corp Governance	Continue to increase our B Corp score	
ArowanaU	Launch the Organisational Plasticity Institute with Dr. Tara Swart and achieve profitability	
Enterprise Office	Drive revenue-generating initiatives that will transform Enterprise Office into a profit centre	

FY2020 Executive Summary | Record revenue & EBITDA growth despite COVID-19

Record annual consolidated revenue and EBITDA turnaround	<ul style="list-style-type: none"> Statutory operating revenue up 6% and underlying revenue up 10% on previous corresponding period (PcP) to \$116.5m Statutory group EBITDA decreased to a loss of \$4.6m; underlying group EBITDA improved to profit of \$4.8m versus \$5.1m loss in PcP Results primarily reflect material outperformance in VivoPower's Aevitas business unit
Redeemable convertible note placement adds to balance sheet cash	<ul style="list-style-type: none"> Group net debt increased to \$6.6m as at 30 June 2020 (30 June 2019: net cash of \$8.5m) Statutory NTA of \$0.13 per share (30 June 2019: \$0.40 per share)¹; underlying NTA of \$1.77 per share (30 June 2019: \$1.80 per share)¹ Redeemable convertible note placement completed in February 2020 raised \$3.55m cash (and treated as debt)
VivoPower results improved due to strong growth in Aevitas business unit	<ul style="list-style-type: none"> VivoPower grew statutory revenues by 20% versus PcP to a record \$73.7m, driven by strong growth in the Aevitas business unit Statutory EBITDA improved to a \$1.7m EBITDA loss (versus EBITDA loss of \$7.2m in PcP); underlying EBITDA improved to a \$5.9m profit (versus EBITDA loss of \$5.3m in PcP) due to Aevitas revenue growth, operating margin improvements, overhead reductions and improvement in solar development project gains resulting from the sale of VivoRex and SunConnect VivoPower has taken management control of its 50% stake in the US joint venture with Innovative Solar Systems, LLC (ISS JV), with legal negotiations on foot for compensation
EdventureCo results reflect COVID-19 impact and new business initiatives	<ul style="list-style-type: none"> EdventureCo statutory revenue of \$41.5m is 3% down on PcP due to course deferrals resulting from COVID-19 lockdowns Statutory EBITDA of \$2.4m down versus PcP of \$4.8m primarily reflecting impact of COVID-19, start-up costs for first Philippines DDLS campus and launch of the Australian Institute of ICT (AIIC); underlying EBITDA decreased to \$4.2m (versus \$5.5m PcP)
Arowana Funds Management (AFM) remains loss making	<ul style="list-style-type: none"> Aggregate Funds Under Management (FUM) decreased to \$130m as at 30 June 2020 (30 June 2019: \$150m) AFM revenues declined 20% to \$1.0m on PcP due primarily to reduced FUM (impact of COVID-19, buybacks & dividends) in Arowana Contrarian Value Fund (ACVF) AFM statutory EBITDA declined to \$42k; underlying EBITDA loss increased to \$2.1m (PcP: \$1.1m loss) due to running costs of ASIOF

Strong contribution from VivoPower offset weaker EdventureCo & Arowana Funds Management results

NOTES

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, Net Tangible Assets per share as at 30 June 2019 has been restated.

References to "underlying" information is to non-IFRS financial information prepared in accordance with ASIC Regulatory Guide 230 (disclosing non-IFRS financial information) issued in December 2011. Non-IFRS financial information has not been subject to audit or review.

FY2020 Statutory Results Overview

Full Year Ended	30 June 2020	30 June 2019	vs PcP ^{1,2} (%)	Comments
<i>All figures in A\$000s</i>				
Operating revenue	116,509	109,549	6	Record annual revenues reflecting strong VivoPower growth
Interest income	50	96	(48)	
Total income	116,560	109,646	6	FY2020 revenues would have been materially higher but for COVID-19 lockdowns
Other income	1,076	288	274	Includes unrealised foreign exchange gains
EBITDA	(4,640)	(3,723)	(25)	Includes non-recurring restructuring fees of \$5.1m incurred by VivoPower
EBIT	(11,238)	(10,924)	(3)	Reflects amortisation of acquired intangibles and depreciation of right-of-use lease assets
PBT	(12,796)	(12,139)	(5)	Includes net interest expense of \$1.6m re: right-of-use lease assets and borrowings
Tax expense	341	761	55	
NPAT	(13,137)	(12,900)	(2)	NPAT from continuing operations
EPS (cents) ⁴	(22.1)	(17.4)	(26)	
DPS (cents paid)	-	-	-	
NTA (cents per share) ^{3,4}	13.1	39.7	(67)	Refer to NTA slides for breakdown of statutory and underlying NTA

NOTES

1. PcP represents “previous corresponding period”.
2. *nmf* represents “no meaningful comparison”.
3. Given VivoPower International and its subsidiaries (including VivoPower Australia and Aevitas Group) are consolidated into AWN, the NTA per share does not reflect AWN’s 60.3% shareholding in VivoPower International, the \$34.0m shareholder loan to VivoPower International PLC and its \$26.2m Aevitas hybrid securities holdings (please see Underlying NTA slide).
4. 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.
5. Numbers may not compute exactly due to rounding.

FY2020 Underlying Results Overview

Full Year Ended	30 June 2020	30 June 2019 ³	vs PcP (%) ²	Comments
<i>All figures in A\$000s</i>				
VivoPower International	73,793	61,345	20	Strong organic growth due to material outperformance of Aevitas; would have been higher but for COVID-19 lockdowns
EdventureCo	41,277	42,714	(3)	Solid growth in Everthought driven by international students, offset by slight decrease in DDLS due to COVID-19 lockdowns
Arowana Funds Management	1,041	1,300	(20)	Reduced CVF management fees due to decreased FUM in CVF (impact of COVID-19, special dividends & buybacks)
Enterprise Office	258	481	(46)	Reflects minimal external revenues generated, due to COVID-19 lockdown disruptions
Total underlying revenue	116,369	105,840	10	
VivoPower International	5,865	(5,309)	<i>nmf</i>	Improvement primarily reflects strong performance of Aevitas and impact of VivoPower overhead cost reduction initiatives
EdventureCo	4,201	5,546	(24)	Reflects impact of COVID-19 and significant investment in additional resources and new business initiatives to drive future growth
Arowana Funds Management	(2,083)	(1,054)	(98)	Reflects investment in additional resources in ASIOF to support fundraising; overhead cost base reduced towards end of FY2020
Enterprise Office	(3,199)	(4,239)	25	Reflects further optimisation of overhead base (primarily reflects a reduction in employee expenses)
Total underlying EBITDA	4,784	(5,056)	<i>nmf</i>	
Total underlying EBIT	(1,814)	(12,257)	85	
Realised FX losses	(13)	(56)	77	Realised FX losses relating to ordinary course of business
Interest income	50	96	(48)	
Interest expense	(1,609)	(1,312)	(23)	Represents interest incurred on right-of-use lease liabilities, convertible notes on issue and other short-term debt facilities
Net interest expense	(1,558)	(1,216)	(28)	
Total underlying PBT	(3,385)	(13,529)	75	
Tax expense	(341)	(761)	55	
Underlying Group NPAT	(3,726)	(14,290)	74	

NOTES

- Includes adjustments to exclude the impact on non-recurring items (refer 'Reconciliation of statutory to underlying results' on page 25 of this presentation for further detail).
- nmf* represents "no meaningful comparison".
- In order to provide consistency with the current presentation, comparative underlying results for the year ended 30 June 2019 have been restated to:
 - remove Thermoscan following its disposal during 2H, FY2019; and
 - include VivoRex onerous contract provision expense (\$2.8m) recognised by VivoPower during the year ended 30 June 2019 to align presentation of underlying results between companies. As a result of the sale of VivoRex LLC on 2 July 2019, this onerous contract provision was reversed and is included within underlying gains on sale of investments in the year ended 30 June 2020.
- Numbers may not compute exactly due to rounding.

References to "underlying" information is to non-IFRS financial information prepared in accordance with ASIC Regulatory Guide 230 (Disclosing non-IFRS financial information) issued in December 2011. Non-IFRS financial information has not been subject to audit or review.

FY2020 Statutory Balance Sheet Overview

As at		30 June 2020	30 June 2019	% Change ¹
Shares on issue ²	#m	39.5	158.2	(75)
Cash on hand	A\$m	12.6	17.6	(28)
Net assets	A\$m	54.4	66.1	(18)
(Net debt) / Net cash	A\$m	(6.6)	8.5	<i>nmf</i>
NTA / share ²	\$ / share	0.13	0.40	(67)

- Gross cash balance has decreased to \$12.6m as at 30 June 2020 from \$17.6m as at 30 June 2019:
 - primarily reflects working capital investment for strong Aevitas growth and reduced revenues and collections in Q4, FY2020 due to COVID-19 lockdowns
 - detailed cash movement breakdown is set out in the Appendices
- Debt of \$19.2m includes right-of-use (ROU) lease liabilities, convertible notes on issue and other short-term debt facilities
- Statutory NTA per share has decreased to \$0.13 per share from \$0.40 as at 30 June 2019
 - AWN does not engage in periodic revaluation of investments (as is common in the private alternative investment management industry)
 - detailed NTA per share breakdown is set out on the following pages
- 5,925,000 redeemable convertible notes were issued in February 2020 raising A\$3.55m
 - issue price of \$0.60 at a conversion ratio of 4:1 at option of holder
 - coupon of 8% per annum

NOTES

1. *nmf* represents “no meaningful comparison”.
2. 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, Net Tangible Assets per share as at 30 June 2019 has been restated.

FY2020 Statutory NTA Breakdown

NTA Breakdown	A\$	Comments
Group cash	12,648,406	Refer Appendices for cash movement breakdown
Innovative Solar Ventures 1 LLC shareholding	11,984,123	At equity accounted valuation, representing investment in early stage US solar projects
Assets classified as held-for-sale	5,944,764	Proportion of investment in ISS JV expected to be realised within next 12 months (held at cost)
AASSF I Investments:		AASSF I is the Arowana Australasian Special Situations Fund I
▪ Viento (VIE) shareholding	150,363	At equity accounted valuation
Net working capital	(20,252,546)	Receivables less payables and provisions
PPE	14,832,372	At cost (net of depreciation); includes \$10.3m ROU lease assets
Other assets	420,865	Primarily represents security deposits on leased properties
Other liabilities	(1,348,783)	Non-current employee provisions
Borrowings	(19,207,449)	ROU lease liabilities, convertible notes on issue and other short-term debt facilities
Net tangible assets (\$)	5,172,115	Excludes goodwill, intangibles and deferred tax assets & liabilities
Total shares on issue (#)	39,542,873	As at 30 June 2020 (post 4:1 share consolidation)
NTA per share (cents)	13.1 cents	As at 30 June 2020

Alternative valuation approach is Sum of the Parts incorporating net cash, investments and applying earnings based multiples to the Operating Companies and the Arowana Funds Management division, net of Enterprise Office costs

FY2020 Underlying NTA Breakdown

NTA Breakdown	A\$	Comments
Group cash ¹	7,053,172	
Investment in VivoPower International PLC ²	15,726,916	60.3% of issued capital at 30 June 2020 valuation
VivoPower Aevitas Exchangeable Securities	26,235,726	At redemption value
USD loans receivable	33,954,958	From VivoPower International PLC at 30 June 2020
Other VivoPower receivables	3,701,653	From VivoPower International PLC at 30 June 2020
AASSF I investments:		AASSF I is the Arowana Australasian Special Situations Fund I
▪ Viento (VIE) Shareholding	150,363	At equity accounted valuation
Net working capital ¹	(11,868,073)	Receivables less payables and provisions
PPE ¹	11,215,205	At cost (net of depreciation) - incl. \$8.5m ROU lease assets
Other assets ¹	423,282	Primarily represents security deposits on leased properties
Other liabilities ¹	(1,103,626)	Non-current employee provisions
Borrowings ¹	(15,490,665)	ROU lease liabilities, convertible notes on issue and other short-term debt facilities
Net tangible assets (\$)	69,998,911	Excludes goodwill, intangibles and deferred tax assets & liabilities
Total shares on issue (#)	39,542,873	As at 30 June 2020
NTA per share (cents)	177.0 cents	As at 30 June 2020

Alternative valuation approach is Sum of the Parts incorporating net cash, investments and applying earnings based multiples to the Operating Companies and the Arowana Funds Management division, net of Enterprise Office costs

NOTES

1. Excluding assets and liabilities of VivoPower International PLC and its controlled entities.
2. The valuation implied by the last sale price of US\$1.32 per share as at 30 June 2020.
3. References to “underlying” information is to non-IFRS financial information prepared in accordance with ASIC Regulatory Guide 230 (Disclosing non-IFRS financial information) issued in December 2011. Non-IFRS financial information has not been subject to audit or review.

Enterprise Office

Enterprise Office | FY2020 commentary

Board of directors	<ul style="list-style-type: none">No changes with board members voluntarily reducing board fees by 33% during June quarter due to COVID-19
Executive leadership	<ul style="list-style-type: none">Art Russell (Chief Financial Officer) and Dustin Cappelletto (Head of Debt Investments) departed in FY2020
Team composition	<ul style="list-style-type: none">No net hiring in FY2020 and members of Enterprise Office team will be progressively moved out of AWN Holdings
ArowanaU	<ul style="list-style-type: none">ArowanaU has not achieved profitability in FY2020 and hence will be moved out of AWN Holdings in FY2021
Environmental, Social and Governance (ESG) commitment	<ul style="list-style-type: none">B Corp recertification process underway with the team continuously improving our sustainability practices
Corporate actions	<ul style="list-style-type: none">Convertible note capital raising (A\$3.55m) and share consolidation (4:1) successfully completed in H2, FY2020Obtained shareholder approval for a name change to AWN Holdings Limited in June 2020

Operating Companies



VIVOPOWER INTERNATIONAL

An international EV, battery storage, solar and critical power services group

Headquartered in the UK with operations in Australia and the USA

B Corp certified

AWN has controlling 60.3% shareholding



VivoPower is an international electric vehicle (EV), battery storage, solar and critical power services group



AEVITAS

Critical Power solutions group
based in Australia

Wholly-owned subsidiary of
VivoPower

Design, supply, install & back-
up solutions for Uninterrupted
Power Supply (UPS)

Comprises Kenshaw and
J.A. Martin businesses



Aevitas is a critical power services and solutions business in Australia, that is a wholly-owned subsidiary of VivoPower

VivoPower International | FY2020 results commentary



	Statutory year ended 30 June 2020	Underlying year ended 30 June 2020	Underlying year ended 30 June 2019	Underlying % change FY2020 vs FY2019 ⁴
<i>All figures in A\$000's</i>				
Revenue	73,672	73,793 ³	61,345	20%
EBITDA	(1,749)	5,865 ^{1, 3}	(5,309) ^{1, 2}	<i>nmf</i>

- VivoPower delivered a record full-year underlying revenue result of \$73.7m representing a 20% increase on FY2019, due to strong growth in the Aevitas business unit. Aevitas has continued to capitalise on tailwinds in the solar, data storage and healthcare sectors as well as successfully expanding into new industry sectors.
- Underlying EBITDA was \$5.9m for the period, as compared to a loss of (\$5.3m) for the PcP, due primarily to the revenue growth noted above, but also to success in value accretive initiatives including further overhead reduction and gross margin improvements. VivoPower also benefited from a significant improvement (\$6.4m) in solar development project net gains resulting from the sale of VivoRex LLC and SunConnect during the year.
- VivoPower effected a change in leadership in H2, FY2020 with Kevin Chin assuming Executive Chair and CEO duties to drive a “hyperturnaround” programme and also refreshed the board in June 2020, with the appointment of 3 new non-executive directors (including 2 based in the United States).
- Under new leadership, VivoPower’s US solar division has now assumed management control of the ISS JV following a forensic review of the contracted developer’s (ISS) performance. The US solar industry experienced a strong rebound in FY2020 but VivoPower did not benefit due to issues attributable to the contracted JV development partner. This has resulted in 237MW of projects being abandoned and 492MW put on hold, prompting VivoPower to initiate legal discussions with ISS. At the date of this presentation, negotiations are continuing with VivoPower electing not to accept the initial offer from ISS to transfer its 50% economic interest in the JV to VivoPower for US\$1 (which is conditional upon VivoPower foregoing any claims against ISS). Despite the mothballing of some projects, VivoPower’s portfolio size would have increased by 74% to circa 1.6 GW (or by 28% to 1.2 GW excluding projects put on hold), if the offer had been accepted.
- Following the completion of a 12-month strategic review, VivoPower has decided to expand into the commercial electric vehicle (EV) and battery storage sectors. The decision to expand into EV was driven by interest from VivoPower’s existing customer base. VivoPower expects to initially focus on providing light electric vehicles to customers in the mining and infrastructure sectors in Australia, before expanding globally in these sectors. The light commercial vehicle fleet market (encompassing utes) is worth an estimated \$17 billion in Australia alone, with the majority of the market represented by the mining and infrastructure sectors.

NOTES

1. Includes adjustments to exclude the impact of non-recurring items.

2. In order to align presentation of underlying results between AWN and VivoPower, the comparative underlying result for the year ended 30 June 2019 has been restated to include the VivoRex LLC onerous contract provision expense (\$2.8m). As a result of the sale of VivoRex LLC on 2 July 2019, this onerous contract provision was reversed and is included within underlying gains on sale of investments in the year ended 30 June 2020.

3. Includes proceeds of \$1,049k received in connection with the Australian Federal Government’s JobKeeper Assistance Program.

4. *nmf* represents “no meaningful comparison”.

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DDLS

Australasia's largest provider
of ICT & Cybersecurity
industry certified training

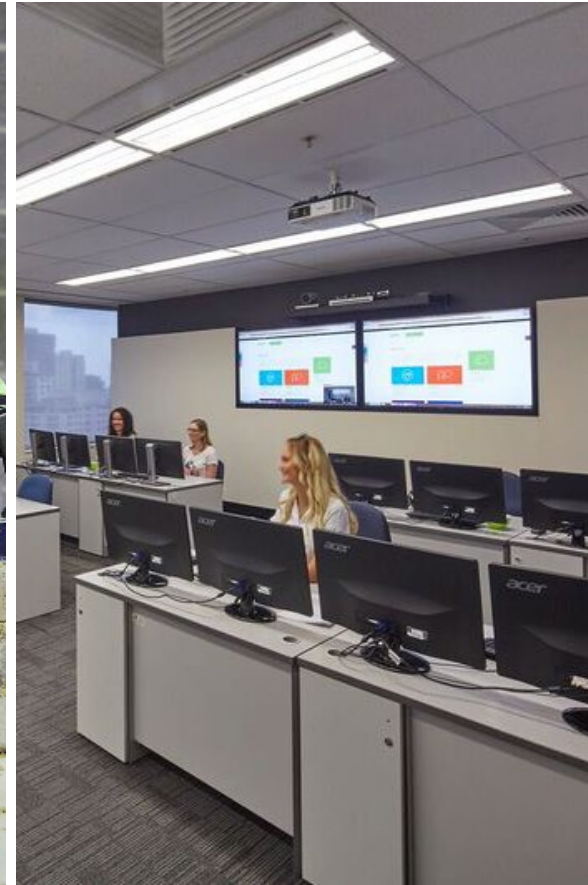
AIICT

Online training for IT skills in
both accredited & bootcamp
formats

Everthought Education

Vocational training in building
& construction skills to local
and international students

AWN controls with 100%
shareholding



EdventureCo is a leading vocational and professional education and training (VPET) group expanding across the ASEAN region

	Statutory year ended 30 June 2020	Underlying year ended 30 June 2020	Underlying year ended 30 June 2019	Underlying % change FY2020 vs FY2019
<i>All figures in A\$000's</i>				
Revenue	41,538	41,277 ²	42,714	(3)%
EBITDA	2,408	4,201 ^{1, 2}	5,546 ¹	(24)%

- EdventureCo revenues were 3% down compared to PcP reflecting the disruptive impact of COVID-19 lockdowns as campuses were closed in April and delivery shifted to online and virtual instructor led training modalities.
- DDLS revenues were weaker by 4%, as deferred courses in the corporate training market were offset by growth in revenues from government clients and AIICT's online bootcamp model. All DDLS course delivery in both Australia and the Philippines is now via virtual instructor led training.
- Everthought delivered 10% revenue growth as a continued increase in international student enrolments offset a difficult domestic market due to COVID-19 impact upon apprenticeship training delivery and ongoing weakness in the residential building sector.
- 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 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.
- Underlying EBITDA for the year was down by 24% compared to PcP, reflecting lower revenue due to COVID-19 lockdowns and investments in digital sales infrastructure and new business initiatives including DDLS Philippines and AIICT.
- Notwithstanding disruption to international markets, ASEAN expansion remains a key focus with ongoing discussions being held with potential partners in Indonesia and Myanmar.




NOTES

1. Includes adjustments to exclude the impact of non-recurring items

2. Includes proceeds of \$1,010k received in connection with the Australian Federal Government's JobKeeper Assistance Program.

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Arowana Funds Management

Vehicle	FUM	Comments
 <p>AROWANA CONTRARIAN VALUE FUND</p>	A\$66.7m at 30 June 2020 ¹	<ul style="list-style-type: none"> ACVF is a long-biased equities fund that deploys data-driven research techniques to uncover unpopular and misunderstood stocks that offer contrarian value ACVF is listed on the Australian Securities Exchange (ASX: CVF) as a listed investment company (LIC)
 <p>AROWANA AUSTRALASIAN SPECIAL SITUATIONS FUND</p>	A\$45.7m at 30 June 2020	<ul style="list-style-type: none"> AASSF 1 was focussed on special situations and invested across different types of securities (including convertible notes, hybrid securities, ASX shells and NASDAQ SPAC entities) Fund currently in harvest mode
 <p>AROWANA AUSTRALIAN SPECIAL INCOME OPPORTUNITIES FUND</p>	A\$17.8m at 30 June 2020	<ul style="list-style-type: none"> ASIOF focuses on direct lending to lower-middle market businesses, leveraging the capability and pipeline of the broader Arowana platform and investment team Fund is now closed to further subscription

NOTE

1. Unaudited Net Tangible Asset Release as at 30 June 2020, lodged by Contrarian Value Fund Limited (ASX: CVF) on 14 July 2020

Arowana Funds Management | FY2020 results commentary

	Statutory year ended 30 June 2020	Underlying year ended 30 June 2020	Underlying year ended 30 June 2019	Underlying % change FY2020 vs FY2019
<i>All figures in A\$000's</i>				
Revenue	1,041	1,041	1,300	(20)%
EBITDA	42	(2,083) ^{1, 2}	(1,054) ^{1, 2}	(98)%

- The decrease in revenue primarily reflects lower FUM in ACVF following share buybacks, payment of dividends and the impact of COVID-19 on financial markets during the year.
- Underlying EBITDA for the year reflects the allocation of an activity-based overhead charge from the Enterprise Office commensurate with the direct and indirect cost of support provided to Arowana Funds Management.
- The increase in the loss for the period primarily reflects the impact of a higher cost base for ASI OF associated with the build-out of the investment team. The fund is now closed to further subscriptions following the completion of the fundraising period, raising a sub-optimal total of c. \$18 million. In light of the under-performance of the ASI OF fundraise, we have implemented a rationalisation of its cost base such that total costs will be materially less in future years.
- Given the losses generated during FY2019 and FY2020, and in the context of the current environment, the Board is currently reviewing its strategic options with regard to Arowana Funds Management.

NOTES

1. Includes allocation of activity-based overhead from Enterprise Office

2. Includes adjustments to exclude the impact of non-recurring items

References to “underlying” information is to non-IFRS financial information prepared in accordance with ASIC Regulatory Guide 230 (Disclosing non-IFRS financial information) issued in December 2011. Non-IFRS financial information has not been subject to audit or review

Appendices

Underlying financial information

Explanation of underlying financial performance and position

Underlying financial information represents profit and loss information derived from the unaudited management accounts for the relevant operating entities in respect of the year ended 30 June 2020 and 30 June 2019 respectively adjusted as follows:

- To exclude non-recurring revenue and cost items

References to “underlying” information is to non-IFRS financial information prepared in accordance with ASIC Regulatory Guide 230 (Disclosing non-IFRS financial information) issued in December 2011.

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FY2020 Reconciliation of statutory to underlying results

Full year ended 30 June 2020	EBIT	EBITDA
<i>All figures in A\$000s</i>		
Statutory reporting basis	(11,238)	(4,640)
VivoPower International		
Reverse unrealised FX gains	(354)	(354)
Normalisation of non-recurring expenses	5,073	5,073
Reversal of onerous contract provision on disposal of VivoRex LLC	2,833	2,833
Add back from discontinued operations	62	62
EdventureCo		
Normalisation of non-recurring project costs	1,066	1,066
Start-up costs – DDLS Philippines	774	774
Normalisation of non-recurring income and expenses	(48)	(48)
Arowana Funds Management		
Normalisation of non-recurring income and expenses	(150)	(150)
Enterprise Office		
Reverse unrealised FX gains	(734)	(734)
Normalisation of project costs	538	538
Normalisation of non-recurring expenses	351	351
Unallocated		
Realised foreign exchange losses not allocated to business units	13	13
Underlying reporting basis	(1,814)	4,784

NOTES

1. Numbers may not compute exactly due to rounding

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Cash Movement Breakdown

AWN Cash reconciliation	A\$	Comments
Cash @ 30 June 2019	17,573,491	As per audited balance sheet at 30 June 2019
Cash @ 30 June 2020	12,648,406	As per audited balance sheet at 30 June 2020
Total Cash movement	(4,925,085)	
Employment expenses	(47,765,633)	Group employee expenses for all consolidated entities
Other net operating cash flows	37,433,126	Includes net interest paid, non-recurring items and regular operating revenue and expenses
Solar projects	1,459,118	Proceeds from the sale of the Sun Connect portfolio offset by additional investment in ISS JV
Other net investing activities	(1,119,653)	Acquisition of fixed assets offset by proceeds from return of security deposits
Net proceeds from borrowings	4,215,433	Proceeds from convertible note issue and other borrowings, offset by repayment of ROU lease liabilities
Proceeds from issue of equity	940,398	Equity contributions from minority shareholders in DDLS Aboitiz and VivoPower's Australian solar projects
Distribution paid	(32,785)	AASSF FY2019 distribution
FX movement	(55,089)	Foreign exchange movements on USD bank accounts
Total Cash movement	(4,925,085)	

NOTE

Breakdown above is unaudited and classifications are based on management accounts

Questions and Answers