



AROWANA INTERNATIONAL

ASX ANNOUNCEMENT

28 February 2017

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

FINANCIAL YEAR 2017 HALF YEAR RESULTS

The Board of Arowana International Limited (ASX: AWN) is pleased to release its Interim Financial Statements including Appendix 4D Disclosures for the half-year ended 31 December 2016.

Also attached is a Results Presentation and Market Update.

On behalf of the Board of AWN

Tom Bloomfield
Company Secretary

AROWANA INTERNATIONAL LIMITED

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Arowana International Limited and its Controlled Entities

ABN 83 103 472 751

Interim Financial Statements

**Including Appendix 4D Disclosures
For the half-year ended 31 December 2016
(Previous corresponding half-year ending 31 December 2015)**

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- 1. Appendix 4D – Preliminary Half-year report**
- 2. Interim Financial Statements, Directors' Report and Auditor's Review Report**

**This information is provided to the Australian Securities Exchange (ASX) under ASX Listing Rule
4.2A and should be read in conjunction with the most recent annual financial report**

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Arowana International Limited and its Controlled Entities
Appendix 4D – Preliminary Half-Year Report
For the half-year ended 31 December 2016
(Previous corresponding period: half-year ended 31 December 2015)

Results for Announcement to the Market

Key Information	Change from previous corresponding period			A\$
Revenue from ordinary activities from continuing operations	Up	1028%	to	18,442,059
Prior period loss after tax from continuing operations attributable to members	Down	132%	to current period profit	6,097,079
Profit after tax from discontinued operations attributable to members	-	0%	to	0
Prior period loss for the half-year attributable to members	Down	132%	to current period profit	6,097,079

Dividends Paid and Proposed

Dividends (distributions)	Amount per security	Franked amount per security
Interim Dividend – 2016	0.50 cents	Nil
Final Dividend – 2016	0.30 cents	Nil
Interim Dividend - 2017*	0.30 cents	Nil

* Declared on 28 February 2017 and payable on 31 March 2017

Dividend Reinvestment Plan

AWN does not have a dividend reinvestment plan in operation.

Explanation of Key Information and Dividends

An explanation of the above figures is contained in the “Review of Operations” included in the attached Directors Report.

Earnings per Share

Earnings per ordinary fully paid share	Current Period	Previous Corresponding Period
Basic EPS	3.85 cents	(12.13) cents
Diluted EPS	3.85 cents	(12.13) cents

Net Tangible Assets

NTA backing	31 December 2016	30 June 2016
Net tangible asset backing per ordinary security	33.7 cents	56.2 cents

Arowana International Limited and its Controlled Entities

Appendix 4D – Preliminary Half-Year Report

For the half -year ended 31 December 2016

(Previous corresponding period: half-year ended 31 December 2015)

Control Gained or Lost over Entities in the Half-Year

At 30 June 2016 the Group held a 100% interest in VivoPower International PLC (“VivoPower International”), a 61.5% interest in VivoPower Pty Ltd (“VivoPower Australia”) and \$23.6M of hybrid securities in Aevitas Group Limited (“Aevitas”), all of which were classified at that date as a Disposal Group with a total net balance sheet value of \$48.3M.

As a result of the successful business combination transaction on NASDAQ between Arowana Inc. and VivoPower International on 29 December 2016, the Group holds a 60.3% interest in VivoPower International and its subsidiaries (which now also include VivoPower Australia and Aevitas). VivoPower International and its subsidiaries are accordingly included in the Group’s consolidated financial statements.

During the period ended 31 December 2016, the Group also established Everthought Education Pty Limited (“Everthought Education”) and acquired 100% interests in two additional education businesses in Australia. Lynchpin Enterprises Pty Ltd (then trading as Keystone Training) was acquired on 1 July 2016 for a purchase consideration of \$2,000,000, while Everthought Education Perth Pty Ltd was acquired on 30 November 2016 for an total consideration of \$8,000,000 (including an earn out of \$2,000,000). During the period ended 31 December 2016, the Group disposed the controlling interest over the 2 solar project entities, Innovative Solar 31 LLC (“NC 31”) and Innovative Solar 47 LLC (“NC 47”). (Refer to Note 9(a)).

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Arowana International Limited and its Controlled Entities

Directors' Report

For the half-year ended 31 December 2016

Your directors submit the financial report of the consolidated group for the half-year ended 31 December 2016.

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 Managing Director
Hon. John Moore AO	Non-Executive Director
Robert John McKelvey	Non-Executive Director
Anthony Paul Kinnear	Non-Executive Director

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

For the half-year ended 31 December 2016, Arowana International Limited ("AWN") achieved the following consolidated statutory results:

- Group revenue of \$22.36 million (2015: \$2.84 million) (which includes interest income of \$1.85m (2015: \$1.16million));
- Group net profit after tax of \$7.00 million (2015: loss \$19.29 million); and
- Group basic earnings/(loss) per share of 3.85 cents (2015: (12.13) cents).

The successful completion of the business combination transaction between Arowana Inc. and VivoPower International and the subsequent listing of VivoPower International on NASDAQ was completed on 29 December 2016. As previously announced to the ASX, this resulted in the Group retaining a majority interest in VivoPower International and continuing to consolidate its results in the Group financial statements.

The statutory financial results accordingly reflect only a part period contribution from VivoPower Australia and Aevitas (which became wholly owned subsidiaries of VivoPower International on 29 December 2016) and a part period minority interest offset (to reflect the Group's 60.3% shareholding in VivoPower International post its NASDAQ listing).

The Operating Companies division was consequently the key contributor to the strong growth in revenue and profits and in particular the successful scaling up to profitability of VivoPower International and its subsidiaries, which contributed \$15.5m of revenue during the period ended 31 December 2016 (2015: \$NIL)

The Funds Management division has also scaled up during the period and through its majority investment in the Arowana Australasian Special Situations Fund I ("AASSF 1") crystallised a one off capital gain for the Group on its initial investment in Arowana Inc., translating into Group revenue of \$6.7M (2015: \$ NIL).

The net profit/loss and basic EPS figures above also include a non-cash impairment provision against the carrying value of Intueri Education Group ("Intueri") of \$0.5m (2015: \$4.3m) and share of net loss of associates related to Intueri of \$6.4M (2015: \$12.4m).

Underlying Financial Performance

In order to enable a more meaningful comparison of underlying financial performance, the following table outlines AWN's financial performance for the half-year ended 31 December 2016 versus the half-year ended 31 December 2015. The table is presented on the following basis:

- Excluding any unrealised foreign exchange gain/loss from foreign currency holdings

Arowana International Limited and its Controlled Entities

Directors' Report

For the half-year ended 31 December 2016

- Excluding interest revenue and interest expense
- Excluding the share of non-cash provisions for impairment relating to the Group's investment in Intueri, \$0.5M (2015:\$ 4.3M)
- Excluding any impact on the Group's share of the net result of Intueri
- Excluding the one-off gain recorded on the exchange of the Group's initial investment in Arowana Inc. for new shares in VivoPower International, \$6.8M

All figures in A\$ millions	Half-year ended 31 December 2016 - statutory (audited)	Half-year ended 31 December 2016 - underlying (unaudited)	Half-year ended 31 December 2015 - underlying (unaudited)	% change
Revenue	\$22.36	\$19.07	\$1.68	1,033%
EBITDA	\$9.86	\$7.31	(\$2.43)	494%
EBIT	\$9.63	\$7.08	(\$2.52)	470%

Key comments in relation to the above table:

- Underlying results reflect part period contributions only from VivoPower Australia and Aevitas (which became wholly owned subsidiaries of VivoPower International from 29 December 2016)
- Underlying results reflect only a part period offset for minority interests in relation to VivoPower International, of which the Group holds 60.3% post VivoPower International's NASDAQ listing on 29 December 2016
- Underlying revenue, EBITDA and EBIT for the half year ended 31 December 2016 includes the consolidated results of VivoPower International, which has delivered exponential growth during the period
- The underlying results also reflect strong growth in the Arowana Funds Management division during the period as well as a solid performance from Thermoscan, which achieved revenue, EBITDA and EBIT growth despite a lacklustre operating environment
- The significant increase in revenue and profits for the Operating Companies division as well as the improvement in the Funds Management division has more than offset an increase in operating costs of the Enterprise Office. These costs increased to support the growth across all of the Group's business units

Dividend

On 28 February 2017 the Board declared an unfranked dividend of 0.30 cents per share to be paid on 31 March 2017. The declaration and payment of this dividend reflect the Board's confidence that AWN will continue generating positive earnings and cash flow, whilst ensuring capacity to invest.

For the avoidance of doubt, the dividend was not provided for in the 31 December 2016 half-year financial statements.

Operational Highlights

In addition to the Enterprise Office, AWN operates two business divisions being the Operating Companies division and the Funds Management Division. Comments in relation to each of these are outlined below:

Arowana International Limited and its Controlled Entities

Directors' Report

For the half-year ended 31 December 2016

Operating Companies Division

The Operating Companies Division encompassed VivoPower International, Thermoscan and Everthought Education during the period.

VivoPower International

VivoPower was established in August 2014 in Australia but has since grown into a global business headquartered in London with offices and personnel in New York, Dallas, San Francisco, Singapore, Manila, Sydney, Perth and Brisbane. All key strategic and operational decisions are made in London by VivoPower International's board and leadership team.

The Group, had an overall interest of 100.0% in VivoPower International PLC and an overall interest of 61.5% in VivoPower Australia as at 31 December 2015 and 30 June 2016. Following market announcements on 1, 12 & 25 August 2016, a successful business combination between Arowana Inc. and VivoPower International was completed on 29 December 2016 and resulted in VivoPower International being listed on NASDAQ and the Group retaining a 60.3% interest.

In the period to 31 December 2016, VivoPower International and its subsidiaries contributed revenue of \$15.55m (2015: \$Nil), EBITDA of \$11.1m (2015: (\$0.09)m) and EBIT of \$11.10m (2015: (\$0.09)m), representing exponential growth on the previous corresponding period.

Thermoscan

Market conditions continued to be competitive and challenging for Thermoscan during the half-year ended 31 December 2016. However, the management team has delivered a 1.8% increase in revenue to \$1.30m (2015: \$1.27m) and a 17.68% increase in EBIT to \$0.27m (2015: \$0.23m). This was primarily due to implementation of a new sales architecture and continued productivity improvements.

Everthought Education

Following the acquisitions in July and November respectively of Brisbane based Lynchpin Enterprises and Perth based Evolution Academy, the Group formally established Everthought Education in December 2016 as a new education group and brand. During the period, the Group's strategy and focus has been to build a national management team and invest capex and opex to establish a common operating platform including accounting, IT, recruitment and marketing.

In the period to 31 December 2016, Everthought Education contributed revenue of \$1.19m (2015: \$NIL), EBITDA of \$0.28m (2015: Nil) and EBIT of \$0.14m (2015: Nil). Historical comparisons are not meaningful at this stage given only part year contributions are captured plus the investment in capex and opex that has been undertaken to build a common enterprise platform.

Funds Management Division

Established in July 2014, this division manages the Arowana Australasian Special Situations Fund I ("AASSF I") and the ASX listed investment company, Arowana Australasian Value Opportunities Fund Limited ("AAVOF"), with aggregate funds under management at 31 December 2016 of \$114.6M (2015: \$81.8M).

Arowana Australasian Special Situations Fund (AASSF I)

AWN seeded the AASSF I with an investment of \$25m in 2014 and additional funds raised in 2015 totalled \$1.5m. AWN invested a further \$3m in 2016 and external investors invested a further \$0.5m. AASSF I invested \$20.9m in convertible notes and preference shares of Aevitas, an unlisted public company and \$2.5m in the ordinary shares of VivoPower Australia. A further \$1.5m was invested in foundation units of Arowana Inc., a NASDAQ listed special purpose acquisition company ("SPAC"). During 2016, the Fund invested \$0.5m in Viento Group Limited, an ASX shell company and \$3m in interest bearing convertible notes of Evolution Group Holdings Limited, an unlisted public company that is the leading traffic control company in Australia and New Zealand. Following the successful business combination on 29 December 2016 involving VivoPower International, VivoPower Australia and Aevitas, the Fund's assets at 31 December 2016 totalled \$45.7m (2015: \$32.5m). This represents a gross IRR of 21.4% per annum since inception to 31 December 2016.

Arowana International Limited and its Controlled Entities

Directors' Report

For the half-year ended 31 December 2016

Arowana Australasian Value Opportunities Fund Limited ("AAVOF")

AAVOF completed an initial public offering ("IPO") process in December 2014 raising gross proceeds of \$48.1m through an issue of ordinary shares and a free attaching option. The company listed on the ASX in January 2015 and on expiry of the options in June 2016 raised an additional \$19.8M through option exercises and a successful placement. At 31 December 2016, funds under management ("FUM") totalled \$68.9M (2015: \$49.3M) and the fund had returned a net performance of 12.6% since inception – achieved with an average of 59% of its capital retained in cash over that period of difficult markets.

Enterprise Office Division

The Group's enterprise office provides strategic and operational support services to its various business units and funds. This encompasses board governance, accounting and finance, corporate finance and advisory, capital management, human resources, learning and development, sales and marketing as well as other operational services.

During the period, the Group's fixed cost base has been managed tightly despite supporting global scaling up of VivoPower International with a focus on tighter management of project and transaction costs and commitments made to invest in technology solutions that further automate back office and middle office functions.

Statutory net assets increased to \$108.6m as at 31 December 2016 from \$99.4m as at 30 June 2016. However statutory net tangible assets per share decreased to 33.7 cents as at 31 December 2016 from 56.2 cents as at 30 June 2016. Much of this decrease relates to the recognition of intangible assets following the consummation of the VivoPower International business combination transaction completed on 29 December 2016, noting that VivoPower International and its wholly owned subsidiaries are asset light businesses. In addition non-cash provisions in Intueri have reduced the NTA per share over the period.

Underlying net tangible assets however has increased to \$175.9m and \$1.11 per share as at 31 December 2016.

Subsequent Events - Dividends

As mentioned previously, subsequent to balance sheet date, on 28 February 2017 the Directors of AWN have declared an interim unfranked dividend of 0.30 cents.

For the avoidance of doubt, the dividend was not provided for in the 31 December 2016 half-year financial statements.

Other than the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Auditor's Independence Declaration

The lead auditor's independence declaration under s 307C of the *Corporations Act 2001* is set out on page 9 for the half-year ended 31 December 2016.

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

Sydney, 28 February 2017

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
AROWANA INTERNATIONAL LIMITED**

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2016, 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.

PKF HACKETTS

PKF HACKETTS AUDIT



**Liam Murphy
Partner**

Brisbane, 28 February 2017

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**Arowana International Limited and its Controlled Entities
ABN 83 103 472 751**

**Interim Financial Statements
For the half-year ended 31 December 2016**

Arowana International Limited and its Controlled Entities

Consolidated Statement of Profit or Loss

For the half-year ended 31 December 2016

	Note	Consolidated Half-year ended	
		31 Dec 2016 \$	31 Dec 2015 \$
Continuing operations			
Revenue	3	18,442,059	1,634,224
Other revenue and interest income	4(a)	3,917,745	1,206,867
Total income from continuing operations		22,359,804	2,841,091
Other income/(expenses)	4(b)	8,345,448	(1,168,425)
Expenses			
Employee expenses	5	(5,003,929)	(2,049,436)
Occupancy expenses		(454,231)	(193,425)
Board fees		(60,000)	(48,452)
Marketing expense		(69,685)	(72,487)
Insurance		(87,178)	(104,541)
IT and communication		(394,178)	(117,595)
Travel		(803,674)	(350,132)
Finance costs		(169,210)	(7,008)
Depreciation		(207,335)	(94,499)
Amortisation		(23,766)	-
Administration	5	(1,064,852)	(184,558)
Compliance and governance		(607,164)	(258,101)
Legal and professional	5	(1,240,839)	(474,266)
Research & business intelligence expenses		(283,749)	(181,946)
Due diligence	5	(2,235,183)	(636,245)
Provision for impairment		(318,460)	(4,322,045)
Share of net (loss)/profit of associates accounted for using the equity method		(6,373,465)	(12,827,537)
Net profit / (loss) before tax		11,308,354	(20,249,607)
Income tax benefit / (expense)		(4,308,155)	956,851
Profit / (loss) from continuing operations		7,000,199	(19,292,756)
Profit / (loss) for the period		7,000,199	(19,292,756)
Profit / (loss) is attributable to:			
Arowana International Limited		6,097,079	(19,183,784)
Non-controlling interest		903,120	(108,972)
		7,000,199	(19,292,756)
Earnings per share			
		Cents	Cents
Basic earnings / (loss) per share		3.85	(12.13)
Diluted earnings / (loss) per share		3.85	(12.13)

The accompanying notes form part of these financial statements.

Arowana International Limited and its Controlled Entities
Consolidated Statement of Profit and Loss and Other Comprehensive Income
For the half-year ended 31 December 2016

	Consolidated Half-year ended	
	31 Dec 2016	31 Dec 2015
	\$	\$
Profit / (loss) for the period	<u>7,000,199</u>	<u>(19,292,756)</u>
Other comprehensive income		
Items that will be reclassified subsequently to profit or loss when specific conditions are met		
Exchange differences on translation of foreign operations	(998,180)	(1,090,426)
Fair value adjustment - available for sale investment	<u>(4,285,690)</u>	<u>275,258</u>
Other comprehensive income for the period, net of income tax	<u>(5,283,870)</u>	<u>(815,168)</u>
Total comprehensive income for the period	<u>1,716,329</u>	<u>(20,107,924)</u>
Total comprehensive income is attributable to:		
Arowana International Limited	857,256	(20,017,369)
Non-controlling interest	<u>859,073</u>	<u>(90,555)</u>
	<u>1,716,329</u>	<u>(20,107,924)</u>

The accompanying notes form part of these financial statements.

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Arowana International Limited and its Controlled Entities

Consolidated Statement of Financial Position

As at 31 December 2016

	Note	Consolidated	
		31 Dec 2016	30 June 2016
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents		13,233,469	20,304,671
Trade and other receivables	7	23,077,289	1,780,520
Assets classified as held-for-sale	8	-	50,465,456
Other financial assets		520,263	-
Other current assets		1,325,419	219,275
Total current assets		38,156,440	72,769,922
Non-current assets			
Investments accounted for using cost method	9(a)	20,780,722	-
Investment in available for sale financial assets	9(b)	-	7,560,082
Investments accounted for using equity method	9(c)	1,243,758	8,629,822
Other financial assets		3,170,000	3,492,010
Other non-current assets	10	1,215,959	497,350
Property, plant and equipment		3,573,639	328,631
Deferred tax assets		7,400,288	8,282,003
Intangible assets	11	47,983,535	2,201,040
Total non-current assets		85,367,901	30,990,938
Total assets		123,524,341	103,760,860
LIABILITIES			
Current liabilities			
Trade and other payables	12	4,646,793	1,807,693
Deferred consideration	18	6,000,000	-
Current tax liabilities		68,485	66,933
Current provisions		2,043,152	168,500
Interest bearing liabilities	13	1,604,939	45,818
Liabilities directly associated with assets classified as held-for-sale	8	-	2,202,269
Total current liabilities		14,363,369	4,291,213
Non-current liabilities			
Non-current provisions		336,270	33,894
Interest bearing liabilities	13	204,532	30,610
Total non-current liabilities		540,802	64,504
Total liabilities		14,904,171	4,355,717
Net assets		108,620,170	99,405,143
Equity			
Issued capital		59,948,004	59,948,004
Reserves		(25,385,720)	(12,695,607)
Retained earnings		54,926,853	49,304,286
Equity attributable to parent interest		89,489,137	96,556,683
Equity attributable to non-controlling interest		19,131,033	2,848,460
Total equity		108,620,170	99,405,143

The accompanying notes form part of these financial statements.

Arowana International Limited and its Controlled Entities

Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2016

	Issued Capital \$	General Reserve \$	Share Buyback Reserve \$	Foreign Currency Translation Reserve \$	Retained Earnings \$	Total Controlling Interest \$	Non- Controlling Interest \$	Total Equity \$
Balance as at 1 July 2015	59,504,436	(7,795,429)	(2,600,374)	(2,174,419)	82,562,345	129,496,559	1,298,650	130,795,209
Profit / (loss) for the period	-	-	-	-	(19,183,784)	(19,183,784)	(108,972)	(19,292,756)
Other comprehensive income for the period, net of tax	-	252,431	-	(1,086,016)	-	(833,585)	18,417	(815,168)
Total comprehensive income for the period	-	252,431	-	(1,086,016)	(19,183,784)	(20,017,369)	(90,555)	(20,107,924)
Transactions with owners in their capacity as owners:								
Non-controlling interest from acquisition during the period	-	-	-	-	-	-	1,153,364	1,153,364
Preference Shares Issued and partnership contribution	451,050	-	-	-	-	451,050	250,000	701,050
Capital raising cost	(7,483)	-	-	-	-	(7,483)	-	(7,483)
Payment of dividends	-	-	-	-	(1,581,708)	(1,581,708)	-	(1,581,708)
Total transactions with owners	443,567	-	-	-	(1,581,708)	(1,138,141)	1,403,364	265,223
Balance as at 31 December 2015	59,948,003	(7,542,998)	(2,600,374)	(3,260,435)	61,796,853	108,341,049	2,611,459	110,952,508

Arowana International Limited and its Controlled Entities

Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2016

	Issued Capital \$	General Reserve \$	Share Buyback Reserve \$	Foreign Currency Translation Reserve \$	Retained Earnings \$	Total Controlling Interest \$	Non- Controlling Interest \$	Total Equity \$
Balance as at 1 July 2016	59,948,004	(7,433,818)	(2,600,374)	(2,661,415)	49,304,286	96,556,683	2,848,460	99,405,143
Profit / (loss) for the period	-	-	-	-	6,097,079	6,097,079	903,120	7,000,199
Other comprehensive income for the period, net of tax	-	(4,244,416)	-	(995,407)	-	(5,239,823)	(44,047)	(5,283,871)
Total comprehensive income for the period	-	(4,244,416)	-	(995,407)	6,097,079	857,256	859,073	1,716,329
Transactions with owners in their capacity as owners:								
Transaction with non-controlling interest	-	(10,545,389)	-	-	-	(10,545,389)	854,244	(9,691,145)
Issue of shares	-	-	-	-	-	-	12,532,592	12,532,592
Options issued	-	3,095,099	-	-	-	3,095,099	2,036,664	5,131,763
Payment of dividends	-	-	-	-	(474,512)	(474,512)	-	(474,512)
Total transactions with owners	-	(7,450,290)	-	-	(474,512)	(7,924,802)	15,423,500	7,498,698
Balance as at 31 December 2016	59,948,004	(19,128,524)	(2,600,374)	(3,656,822)	54,926,853	89,489,137	19,131,033	108,620,170

The accompanying notes form part of these financial statements.

Arowana International Limited and its Controlled Entities

Consolidated Statement of Cash Flows

For the half-year ended 31 December 2016

	Note	Consolidated half-year ended	
		31-Dec-16 \$	31-Dec-15 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		12,670,231	1,932,930
Payments to suppliers and employees (inclusive of GST)		(20,913,285)	(5,724,390)
Interest received		223,790	348,973
Interest paid		(24,141)	(4,649)
Income tax refunded / (paid)		-	(62,609)
Net cash inflow / (outflow) from operating activities		(8,043,405)	(3,509,745)
Cash flows from investing activities			
Payment for NC 31 and NC 47 projects		(4,202,988)	-
Payment for investment in Arowana Inc		-	878,537
Payment for other financial assets		-	(8,100,889)
Net cash received on acquisition of VivoPower Australia		-	630,882
Net cash outflow on acquisition of Aevitas	18	(10,967,860)	-
Net cash outflow for Sun Connect PPA book		-	(1,118,365)
Net cash outflow for Patents, Trademarks, Incorporation costs and Course Development		(22,348)	-
Net cash outflow for acquisition of Lynchpin Enterprises	18	(1,901,000)	-
Net cash outflow for acquisition of Evolution Academy	18	(1,783,189)	-
Dividend received		-	1,338,785
Purchase of fixed assets		(299,278)	(49,663)
Net cash inflow / (outflow) from investing activities		(19,176,663)	(6,420,713)
Cash flows from financing activities			
Payments for related party loan		-	(3,075)
Proceed from borrowings		3,128	-
Repayment of borrowings		(71,439)	(40,331)
Proceeds from partnership contribution		350,000	250,000
Proceeds from capital raised		24,194,868	-
Capital raising costs		(7,512,488)	(12,980)
Dividends paid		(474,512)	(1,581,708)
Net cash inflow / (outflow) from financing activities		16,489,557	(1,388,094)
Net increase/(decrease) in cash and cash equivalents		(10,730,511)	(11,318,552)
Effect of the foreign currency translation		(95,889)	(1,113,054)
Cash and cash equivalents at the beginning of the period		24,059,869	54,061,080
Cash and cash equivalents at the end of the period		13,233,469	41,629,474

Arowana International Limited and its Controlled Entities

Consolidated Statement of Cash Flows

For the half-year ended 31 December 2016

Cash and cash equivalents at the beginning of the period

Cash balance per balance Sheet	\$20,304,671
Cash in assets classified as held-for-sale	\$3,755,198
Cash and balance per cash flow	\$24,059,869

Non-cash investing activity

Consideration for disposal of available for sale financial assets, by way of receiving shares in VivoPower International	\$8,115,418
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The accompanying notes form part of these financial statements.

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Arowana International Limited and its Controlled Entities

Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2016

1. Reporting entity

Arowana International 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 Arowana International Limited as a consolidated entity consisting of Arowana International 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 2016 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 Arowana International 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 2016, together with any public announcements made during the following half-year.

These interim financial statements were authorised for issue on 28 February 2017.

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.

Revenue derived from contracts for the provision of development services in relation to solar power projects of VivoPower International PLC, ("VivoPower International") is accounted for using the percentage complete method. Revenue recognised but not yet received is included in current assets with trade and other receivables.

The Group has adopted all of the new and revised Standards and Interpretations that are relevant to its operations and effective for the current half-year. Adoption has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported for the current or prior half-years.

Critical Accounting Estimates and Judgements

Revenue recognition, as described above, has taken into consideration of the probability of each of the projects achieving completion and meeting the 'Success' criteria under the respective 'Developer Fee Agreements'. Management has made an assessment involving high level estimates and judgements that the probability of the Group meeting this condition is 100%. On this basis, the Group recognised the developer fee income on the percentage completion basis of \$15.4 million.

3. Revenue

VivoPower International, a Group subsidiary, scaled up exponentially during the period to 31 December 2016 and as a result has contributed significantly to the change in Group revenue and profit. The Developer Fees of \$15.4M included in revenue above, represent the income of VivoPower International derived from its initial two solar power development projects in North Carolina USA which are both on track for commercial operation in the first quarter of calendar 2017.

Arowana International Limited and its Controlled Entities

Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2016

Revenue from continuing operations	31 Dec 2016	31 Dec 2015
	\$	\$
Consulting & management fees	442,500	359,724
Solar revenue	143,725	1,038
Developer fees	15,376,357	-
Thermal imaging revenue	1,296,818	1,273,461
Education revenue	1,182,659	-
Total revenue	18,442,059	1,634,223

4. Other income

The successful completion of the initial business combination (“IBC”) transactions between Arowana Inc. and VivoPower International and the subsequent listing of VivoPower International on NASDAQ which completed on 29 December 2016 resulted in the Group retaining a majority interest in VivoPower International and continuing to consolidate its results in the Group financial statements.

	31 Dec 2016	31 Dec 2015
	\$	\$
4a. Other Revenue and Interest Income		
Interest income	1,846,546	1,157,867
Other income	287,345	49,000
Dividend income (from IBC)	1,783,854	-
Total Other Revenue and interest income	3,917,745	1,206,867
4b. Other income/(expense)		
Realised gain on share investment (from IBC)	6,793,278	-
Foreign exchange gains/losses	1,552,170	(1,168,425)
Total other income/(expense)	8,345,448	(1,168,425)

5. Expenses

The IBC transaction (refer note 4 above) completed on 29 December 2016 resulted in the Group retaining a majority interest in VivoPower International and continuing to consolidate its results in the Group financial statements. The following expenses in particular reflect the impact of the scaling up of VivoPower International and its subsidiaries over the period and the costs to the consolidated Group in connection with these significant transactions.

	31 Dec 2016	31 Dec 2015
	\$	\$
Employee expenses	5,003,929	2,049,436
Administration	1,064,852	184,558
Legal and professional	1,240,839	474,266
Due diligence	2,235,183	636,245

Arowana International Limited and its Controlled Entities

Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2016

6. Segment Information

Identification of reportable operating segments

The Group is organised into three Divisions - the Enterprise Office and the Operating Companies and Funds Management Divisions. These segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The Operating Companies segment currently comprises three separate divisions – being renewable energy (solar power) education and industrials (diagnostic testing). As at 31 December 2016, the Group has included in this segment its operations from: the 60.3% owned VivoPower International and its subsidiaries VivoPower Pty Ltd ("VivoPower Australia") and Aevitas Group Limited ("Aevitas"); the wholly-owned Everthought Education Pty Limited ("Everthought Education") and the share of profit/loss derived from its equity accounted holdings relating to the Intueri Education Group; the wholly owned diagnostic testing company Thermoscan Inspection Services Pty Ltd ("Thermoscan") and any other asset balances related to operating divisions current or prior.

Types of services

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

- **Operating Companies** – houses business units and underlying businesses that are or were wholly owned subsidiaries of the Group; and
- **Funds Management** – manages listed and unlisted funds that have either permanent capital or semi-permanent capital (defined as minimum 10 year life 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 Income Statement. The revenue from external customers is derived from provision of services through the operating companies associated with renewable energy, education and diagnostic testing.

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.

Arowana International Limited and its Controlled Entities

Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2016

6. Segment Information (continued)

For the half-year ended 31 December 2016	Enterprise office (Australia) \$	Operating Companies (Australia) \$	Fund Management (Australia) \$	Total	Intersegment Eliminations \$	Consolidated \$
Revenue						
Sales to external customers	87,844	17,999,559	354,656	18,442,059	-	18,442,059
Intersegment sales	8,335,731	-	319,500	8,655,231	(8,655,231)	-
Total sales revenue	8,423,575	17,999,559	674,156	27,097,290	(8,655,231)	18,442,059
Interest revenue	816,662	32,755	997,129	1,846,546	-	1,846,546
Other income	251,631	13,500,116	16,759,827	30,511,576	(21,647,097)	8,864,477
Total revenue	9,491,868	31,532,430	18,431,112	59,455,410	(30,302,328)	29,153,082
Segment result						
Non-recurring items	(1,873,620)	(3,762,599)	(10,378)	(5,646,597)	-	(5,646,597)
Gross segment result	5,959,265	6,332,554	15,389,231	27,681,050	(15,972,385)	11,708,665
Depreciation and amortisation	(20,330)	(210,771)	-	(231,101)	-	(231,101)
Finance costs	-	(169,210)	-	(169,210)	-	(169,210)
Profit / (loss) before income tax – continuing operations	5,938,935	5,952,573	15,389,231	27,280,739	(15,972,385)	11,308,354
Income tax expense / (benefit)	1,729,460	2,722,906	(144,211)	4,308,155	-	4,308,155
Profit after income tax – continuing operations	4,209,475	3,229,667	15,533,422	22,972,584	(15,972,385)	7,000,199
Segment Assets						
Total assets	111,521,289	167,029,387	103,337,693	381,888,370		
Elimination within segment	-	(36,282,245)	(56,000,000)	(92,282,245)		
Reportable segment assets	111,521,289	130,747,142	47,337,693	289,606,124	(166,081,785)	123,524,339

Arowana International Limited and its Controlled Entities

Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2016

6. Segment Information (continued)

For the half-year ended 31 December 2015	Enterprise office (Australia) \$	Operating Companies (Australia) \$	Fund Management (Australia) \$	Total	Intersegment Eliminations \$	Consolidated \$
Revenue						
Sales to external customers	113,488	1,274,499	246,237	1,634,224	-	1,634,224
Intersegment sales	288,000	-	-	288,000	(288,000)	-
Total sales revenue	401,488	1,274,499	246,237	1,922,224	(288,000)	1,634,224
Interest revenue	335,057	19,128	803,682	1,157,867	-	1,157,867
Other income	124,000	-	-	124,000	(75,000)	49,000
Total revenue	860,545	1,293,627	1,049,919	3,204,091	(363,000)	2,841,091
Segment result	(1,307,008)	(16,550,963)	206,123	(17,651,847)	(363,000)	(18,014,847)
Non-recurring items	(1,716,505)	221,919	(638,665)	(2,133,251)	-	(2,133,251)
Gross segment result	(3,023,513)	(16,329,044)	(432,542)	(19,785,099)	(363,000)	(20,148,099)
Depreciation	(16,418)	(78,081)	-	(94,499)	-	(94,499)
Finance costs	-	(7,008)	-	(7,008)	-	(7,008)
Profit / (loss) before income tax – continuing operations	(3,039,931)	(16,414,133)	(432,542)	(19,886,606)	(363,000)	(20,249,606)
Income tax expense / (benefit)	959,722	(7,526)	4,655	956,851	-	956,851
Profit after income tax – continuing operations	(2,080,209)	(16,421,659)	(427,887)	(18,929,755)	(363,000)	(19,292,755)
Segment Assets						
Total assets	137,294,244	22,883,937	32,589,774	192,767,955		
Elimination within segment	(30,224,902)	-	-	(30,224,902)		
Reportable segment assets	107,069,342	22,883,937	32,589,774	162,543,053	(49,393,167)	113,149,886

Arowana International Limited and its Controlled Entities

For the half-year ended 31 December 2016

7. Trade and other receivables

As noted above in Notes 4 & 5 the successful completion of the initial business combination (IBC) transactions between Arowana Inc. and VivoPower International and the subsequent listing of VivoPower International on NASDAQ which completed on 29 December 2016 resulted in the Group retaining a majority interest in VivoPower International and continuing to consolidate its results in the Group financial statements.

Accounts receivable at 31 December 2016 reflects the accrued revenue receivable of VivoPower International \$15.5m together with trade receivables off its newly acquired subsidiary Aevitas, \$4.8m

	31 Dec 2016	30 Jun 2016
	\$	\$
Accounts receivables	22,166,997	1,636,643
Sundry debtors	34,383	9,889
Accrued revenue	875,909	133,989
GST receivable	-	-
	<u>23,077,289</u>	<u>1,780,520</u>

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Arowana International Limited and its Controlled Entities

Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2016

8. Assets classified as held-for-sale

During 2016 year, the Board committed to the partial spinoff of its shares in companies associated with solar projects, being VivoPower Pty Ltd and controlled entities, VivoPower International PLC and controlled entities, and its investments in Aevitas Group Ltd ('Aevitas'). Accordingly all those assets were treated in the balance sheet at 30 June 2016 as a single Disposal Group and were classified as assets held for sale.

As outlined in announcements to the ASX on 12 August 2016 and subsequently, these proposed transactions completed on 29 December 2016 and resulted in the Group retaining a majority interest in VivoPower International and its subsidiaries including the newly acquired Aevitas. These entities will therefore continue to be consolidated in the financial statement of the Group.

	31 December 2016	30 June 2016
Assets and Liabilities of the Disposal Group	\$	\$
Current Assets		
Cash and cash equivalents	-	3,755,198
Trade receivables	-	113,597
Prepayments	-	338,673
Sundry debtors	-	3,997
Accrued income	-	2,721,911
Non-Current Assets		
	-	2,156,940
Loans receivable	-	1,102,522
Intangible assets	-	1,255,203
Property plant and equipment	-	15,978,125
Promissory notes receivable	-	14,622,606
Convertible notes receivable	-	6,266,831
Investments accounted for using the cost method	-	471,108
Deferred tax asset	-	1,678,745
Goodwill on consolidation	-	50,465,456
Current Liabilities		
Trade Creditors	-	607,506
Accrued expenses	-	247,891
Interest bearing liabilities	-	1,346,872
	-	2,202,269

Arowana International Limited and its Controlled Entities

Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2016

9. Investments

a. Investments accounted for using cost method

Both of the investments in Innovative Solar 31 LLC ("NC 31") and Innovative Solar 47 LLC ("NC 47") below were accounted for as controlled subsidiaries in the prior period financial statements and consolidated. On 29 July 2016 and 25 October 2016, the Group lost control over NC 31 and NC 47, respectively. Whilst the accounting for these investments has changed from consolidation to investment at cost, there was no gain or loss recognised on the loss of control as the fair value of the net assets of both NC 31 and NC 47 recognised by the group at the time control was lost was recognised as the value of the groups ongoing investment.

	31 December 2016	30 June 2016
	\$	\$
NC 31	10,630,323	-
NC 47	10,150,399	-
	20,780,722	-

b. Investments available for sale financial assets:

	31 December 2016	30 June 2016
	\$	\$
Opening balance – Arowana Inc. (USA)	7,560,082	7,116,638
Fair value adjustment	-	443,444
Disposal / Swap for VVPR	(7,560,082)	-
Ending balance – at fair value	-	7,560,082

* Realised gain Note 4

c. Investment accounted for using equity method:

	31 December 2016	30 June 2016
	\$	\$
Intueri Education Group Limited (NZ)	718,002	8,087,154
Viento Group Limited	525,756	542,667
	1,243,758	8,629,821

Further ownership details for investments using the equity method are outlined below:

Associate	Principal activities	Percentage interest	
		31 December 2016	30 June 2016
		%	%
Intueri Education Group Limited	Education college services	24.9	24.9
Viento Group Limited	Renewable energy solutions	31.8	31.8

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

Arowana International Limited and its Controlled Entities

Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2016

	Intueri Education Group Limited (NZ)	Viento Group Limited
Opening balance, 1 July 2016	8,087,155	542,667
Share of profit (loss) of associated entities	(6,356,554)	(16,911)
Share of other comprehensive income of associated entities	(125,376)	-
Dividend received	-	-
Transfer of balance on consolidation	-	-
Impact of foreign exchange translation	(387,180)	-
Provision for impairment	(500,043)	-
Ending balance, 31 December 2016	718,002	525,756

10. Other non-current assets

	31 December 2016 \$	30 June 2016 \$
Receivable from investment in associates	714,613	-
Employee share scheme (LTVCP) loans	451,050	451,050
Security deposit	50,296	46,300
	1,215,959	497,350

11. Intangible Assets

Entity	Goodwill	Intangible	Total
Thermoscan Inspection Services	2,201,040	-	2,201,040
Everthought Education Perth	3,321,390	4,400,458	7,721,848
Everthought Education Brisbane South	1,108,056	621,014	1,729,070
VivoPower Australia	1,720,583	1,055,382	2,775,965
Aevitas	13,100,125	20,455,487	33,555,612
Total	21,451,194	26,532,341	47,983,535

Items	Goodwill	Intangible	Total
Opening balances, 1 July 2016	2,201,040	-	2,201,040
Brought back from assets held for sale	1,720,583	1,060,684	2,781,267
VivoPower Australia patents and trademarks	-	8,514	8,514
VivoPower Australia large-scale generation certificates sold	-	(14,206)	(14,206)
VivoPower Australia incorporation costs	-	390	390
VivoPower International acquisition of Aevitas	13,100,125	20,455,487	33,555,612
Everthought Education Brisbane South			
- Acquisition	1,108,056	610,232	1,718,288
- Capitalised RTO	-	18,387	18,387
- Amortisation	-	(7,605)	(7,605)
Everthought Education Perth			

Arowana International Limited and its Controlled Entities

Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2016

- Acquisition	3,321,390	4,403,175	7,724,565
- Capitalised course development	-	13,444	13,444
- Amortisation	-	(16,161)	(16,161)
Closing balance 31 December 2016	21,451,194	26,532,341	47,983,535

Refer to note 18 Business Combination for further details

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Arowana International Limited and its Controlled Entities

Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2016

12. Trade and other payables

	31 Dec 2016	30 Jun 2016
	\$	\$
Accounts payables	1,956,180	293,618
Accrued expenses	899,323	1,355,093
Deferred income	1,023,658	-
Sundry creditors	66,165	27,378
GST payable	85,216	71,085
Employee liabilities	616,251	60,519
	4,646,793	1,807,693

13. Interest bearing liabilities

	31 December 2016	30 June 2016
	\$	\$
Current		
ANZ Bank	1,350,000	-
Lease liabilities ^(a)	254,939	45,818
	1,604,939	45,818
Non-Current		
Lease liabilities ^(a)	204,532	30,610
	204,532	30,610

(a) Lease liabilities are finance leases secured against assets financed at Thermoscan

14. Dividends paid and proposed

Dividend paid and proposed during the half year	No. Shares	\$ Per Share	\$ 31 Dec 2016	\$ 31 Dec 2015
			\$	\$
Ordinary final unfranked dividend paid 29 September 2016 (2015: 0.50 cps)	158,170,799	0.30	474,512	790,854

Arowana International Limited and its Controlled Entities

Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2016

15. Capital Commitments

There were no capital commitments as at 31 December 2016.

16. Contingent Liabilities

There have been no significant changes to the contingent liabilities presented in the annual report for the year ended 30 June 2016, as at 31 December 2016.

17. Events after Balance Sheet Date

Subsequent Events - Dividends

As mentioned previously, subsequent to balance sheet date, on 28 February 2017 the Directors of AWN have declared an interim unfranked dividend of 0.30 cents.

For the avoidance of doubt, the dividend was not provided for in the 31 December 2016 half-year financial statements.

Other than the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

18. Business combinations

In the period ended 31 December 2016, the Company, through its newly established wholly owned subsidiary, Everthought Education Holdings Pty Ltd (EEH) acquired Lynchpin Enterprises Pty Ltd and Evolution Academy Pty Ltd, registered training organisations now trading as Everthought Education Brisbane South and Everthought Education Perth.

	Lynchpin Enterprises Pty Ltd (1 July 2016)	Evolution Academy Pty Ltd (1 December 2016)
Everthought Education Business Combination details		
Cash and cash equivalents	99,000	216,811
Trade and other receivables	-	389,532
Other current assets	-	83,658
Property, plant and equipment	182,712	287,024
Intangible asset	610,232	4,403,175
Trade and other payables	-	(690,038)
Accrued expenses	-	(11,552)
Net identifiable assets and liabilities	891,944	4,678,610
Consideration paid:		
Cash consideration paid	2,000,000	2,000,000
Deferred consideration	-	6,000,000
Total consideration	2,000,000	8,000,000
Provisional goodwill on acquisition*	1,108,055	3,321,390
Cash acquired	99,000	216,811
Less consideration paid	(2,000,000)	(2,000,000)
Net cash outflow	(1,901,000)	(1,783,189)

Arowana International Limited and its Controlled Entities

Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2016

On 29 December 2016, the Company's 100% subsidiary VivoPower International completed IBC transaction with Arowana Inc. and as a result acquired all of the issued capital of VivoPower Australia and Aevitas. VivoPower Australia had previously been included in the Group's consolidation as a 60.3% subsidiary of the Group. The assets and liabilities newly acquired in Aevitas are detailed below and are now included in the Group's consolidated financial statements, together with those of the previously consolidated VivoPower Australia and the Everthought Education entities referred to above.

VivoPower International PLC Business Combination details	Aevitas Group Ltd
Cash and cash equivalents	1,723,227
Trade and other receivables	4,844,994
Other current assets	1,296,975
Property, plant and equipment	1,652,109
Deferred tax asset	1,147,127
Investment	5,906,562
Other non-current assets	805,300
Trade and other payables	(4,516,696)
Other non-current liabilities	(480,279)
Borrowing	(32,438,544)
	(20,864,525)
Identifiable intangible assets:	
- Customer relationship	13,100,125
- Trade name	3,275,031
- Contract	3,275,031
- Others	805,300
	(409,038)
Fair value of net assets acquired	
Consideration paid:	
Cash consideration paid	12,691,087
Total consideration	12,691,087
Provisional goodwill on acquisition*	13,100,125
Cash acquired	1,723,227
Less consideration paid	(12,691,087)
Net cash outflow	(10,967,860)

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

Arowana International Limited and its Controlled Entities

Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2016

19. Controlled Entities

In addition to the controlled entities disclosed in the 30 June 2016 annual financial statements, below are the details of new entities that form part of the Group during the period. Refer to Note 18 for further details.

Name of Entity	Country of incorporation	Class of shares	31 Dec 2016 %
Aevitas Group Limited	Australia	Ordinary	60
Everthought Education Pty Ltd	Australia	Ordinary	100
Everthought Education Perth Pty Ltd	Australia	Ordinary	100
Lynchpin Enterprises Pty Ltd	Australia	Ordinary	100

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Arowana International Limited and its Controlled Entities

Directors' Declaration

For the half-year ended 31 December 2016

In accordance with a resolution of the directors of Arowana International Limited, the directors of the Company declare that:

1. The accompanying consolidated financial statements and notes, as set out on pages 11 to 31, are in accordance with the *Corporations Act 2001* including:
 - (i) Complying with Australian Accounting Standard AASB 134 – *Interim Financial Reporting* and the *Corporations Regulations 2001*;
 - (ii) Giving a true and fair view of the group's financial position as at 31 December 2016 and of its performance for the half-year ended on that date.
2. There are reasonable grounds to believe that Arowana International Limited will be able to pay its debts as and when they become due and payable.

Signed for, and on behalf of, the Board in accordance with a resolution of the Directors



Kevin Chin
Executive Chairman and Chief Executive Officer

Sydney, 28 February 2017

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF AROWANA INTERNATIONAL LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Arowana International Limited ("the Company"), which comprises the consolidated statement of financial position as at 31 December 2016, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the half-year end or from time to time during the period.

Directors' Responsibility for the Half-Year 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 Australian Accounting Standards and the *Corporations Act 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.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, 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 2016 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*. As the auditor of Arowana International Limited and its controlled entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF AROWANA INTERNATIONAL LIMITED (CONTINUED)**

Conclusion

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 Arowana International 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 2016 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

AKF HACKETTS

PKF HACKETTS AUDIT



Liam Murphy
Partner

Brisbane, 28 February 2017

Arowana International Limited and its Controlled Entities

Corporate Directory

Arowana International Limited

ABN 83 103 472 751

Registered Office

Level 11, 153 Walker Street

North Sydney NSW 2060

Telephone: +61 (2) 8083 9800

Directors

Mr Kevin Tser Fah Chin (Executive Chairman)

Hon. John Moore (Non Executive Director)

Mr Robert John McKelvey (Non Executive Director)

Mr Anthony Paul Kinnear (Non Executive Director)

Share Registry

Boardroom Limited

Grosvenor Place

Level 12, 225 George Street

Sydney NSW 2000

Telephone: +61 (2) 9290 9600

Facsimile: +61 (2) 9279 0664

www.boardroomlimited.com.au

Auditor

PKF Hacketts Audit

Level 6, 10 Eagle Street,

Brisbane QLD 4000

www.pkf.com.au

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AROWANA INTERNATIONAL LIMITED

1H, FY2017 RESULTS PRESENTATION

February 2017

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- is not an offer or recommendation to purchase or subscribe for securities in Arowana International Limited, nor is it an invitation to any person to acquire securities in Arowana International Limited;
- is not personal advice and does not take into account the potential and current individual investment objectives or the financial situation of investors; and
- contains information in summary form and does not purport to be complete.

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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.



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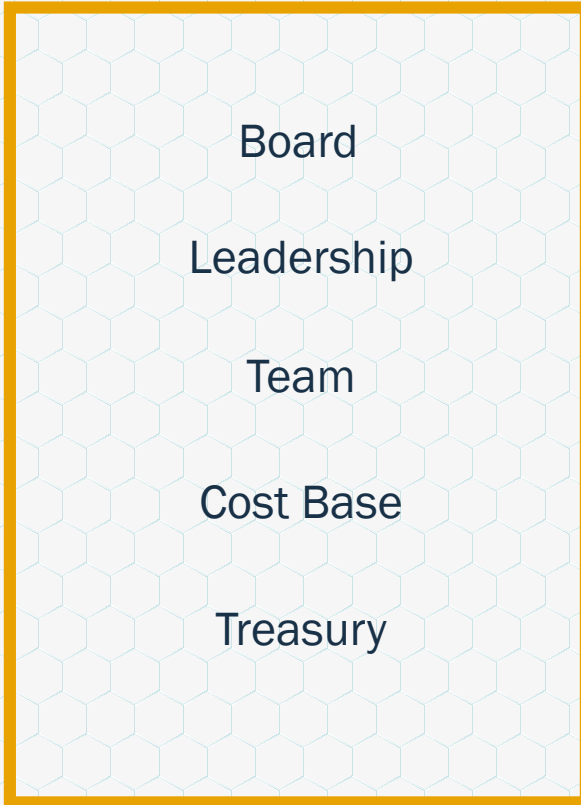


EXECUTIVE OVERVIEW

1H, FY2017 BUSINESS UNIT OVERVIEW

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Enterprise Office



Operating Companies



Funds Management



1H, FY2017 EXECUTIVE SUMMARY

Substantial revenue and EBIT growth has been delivered

- Underlying consolidated group revenue up 1,033% to \$19.1m; statutory revenue up 700% to \$22.4m
- Underlying consolidated group EBIT of \$9.3m from loss of (\$2.5m); statutory EBIT up to \$9.6m from loss of (\$21.4m)
- Results primarily reflect exponential growth from VivoPower International PLC (VivoPower International)

Balance sheet remains ungeared and flexible

- Net cash as at 31 December 2016 of \$11.4m
- Additional \$26.2m of investments & loans can be potentially monetised within 6 to 12 months
- Underlying NTA of \$1.11 per share; statutory NTA of \$0.34 per share

VivoPower International listed on NASDAQ

- Reverse merger listing of VivoPower International on NASDAQ main board completed on 29 December 2016
- AWN continues to hold 60.3% VivoPower International (and therefore consolidates)
- AWN has 2 out of 5 board seats including Non Exec Chair position

Intueri equity accounting “drag” materially reduced

- Non-cash provision of \$0.5m in 1H, FY2017 (impacting balance sheet carrying value)
- Share of equity accounted losses and other equity items of Intueri of \$6.9m in 1H, FY2017 (impacting statutory profits)
- AWN continues to hold 24.9% of Intueri in a passive capacity (and equity accounts for the stake)

Dividend payable and FY17 outlook and beyond

- Dividend of 0.3 cents per share declared (record date 24 March 2017, payment date 31 March 2017)
- Strong operating momentum expected to continue, especially for VivoPower International
- Focus on further building out Arowana Funds Management and Everthought Education globally

In 12 months, we have scaled up and listed VivoPower International on the main board of NASDAQ (despite Brexit and Trump), established Everthought Education, scaled up Arowana Funds Management and transformed the Group’s growth trajectory

NOTE: 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 review



1H, FY2017 STATUTORY RESULTS OVERVIEW

Period Ended	31 Dec 2016 A\$m	31 Dec 2015 A\$m	vs PCP ^{1,2} %	Comments
Operating Revenue	18.4	1.6	1,050	Primarily reflects exponential growth from VivoPower International
Other Income	2.1	0	<i>nmf</i>	Dividend income in AASSF I and other revenues of VivoPower Australia and Everthought Education
Interest Income	1.8	1.2	50	Includes contribution from securities held in AASSF I
Total Revenue	22.4	2.8	700	
EBITDA	9.9	(21.3)	<i>nmf</i>	Reflects strong growth across all business units and funds
EBIT	9.6	(21.4)	<i>nmf</i>	Reflects low depreciation and capital intensity of the Group
PBT	11.3	(20.3)	<i>nmf</i>	Includes net interest income
Tax	(4.3)	1.0	<i>nmf</i>	Represents tax payable across jurisdictions
NPAT	7.0	(19.3)	<i>nmf</i>	
EPS	3.9 cents	(12.1) cents	<i>nmf</i>	
DPS	0.3 cents	0.5 cents	(40)	
NTA per share ³	33.7 cents	62.0 cents	(46)	Increase in intangible assets post VivoPower International transaction

1. PCP represents "previous corresponding period"

2. NMF represents "no meaningful figure"

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 \$26.3m shareholder loan to VivoPower International PLC and its \$26.2m Aevitas hybrid securities holdings (please see Underlying NTA in the appendices)

NOTE: Numbers may not compute exactly due to rounding

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1H, FY2017 UNDERLYING RESULTS OVERVIEW

Period Ended	31 Dec 2016	31 Dec 2015	vs PCP (%) Comments
<i>All figures in A\$000s</i>			
VivoPower International	15,552	1	<i>nmf</i> Attributable to exponential international growth
Everthought Education	1,186	0	100 Includes part year contribution only; prior period comparison meaningless
Thermoscan	1,297	1,273	2 Reflects tepid operating environment
Arowana Funds Management	699	246	184 Reflects strong growth in Funds Under Management and performance of underlying funds
Enterprise Office	339	162	109 Includes operational consulting revenue and fees from non consolidated entities
Total Revenue	19,074	1,683	1,033
VivoPower International	11,101	(89)	<i>nmf</i> Reflects BTO (build, transfer, operate) profits from solar projects internationally
Everthought Education	284	0	100 Includes part year contribution from Perth acquisition and incremental opex spend on platform
Thermoscan	335	305	10 Reflects further productivity gains
Arowana Funds Management	(171)	(598)	71 Reflects FUM growth and strong underlying performance of AASSF I in particular
Enterprise Office	(1,992)	(2,043)	2 Includes incremental costs related to building global platform of VivoPower International
Total EBITDA	9,557	(2,425)	494
VivoPower International	11,100	(89)	<i>nmf</i> Minimal depreciation reflects asset and capital light business model
Everthought Education	142	0	100 Reflects depreciation on fixed asset investments
Thermoscan	267	227	18 Reflects depreciation of fleet
Arowana Funds Management	(171)	(598)	71 No allocation of depreciation to this business unit
Enterprise Office	(2,013)	(2,060) ⁴	2 Enterprise office costs broadly in line with previous corresponding period despite global operations
Total EBIT	9,326	(2,519)⁴	470
Realised FX gains / (losses)	833	(4)	<i>nmf</i> Realised FX gains / (losses) relating to ordinary course of business
Interest Income	1,847	1,158	59 Includes interest earned on securities in the AASSF I portfolio
Interest Expense	(169)	(7)	100
Net Interest Income	1,677	1,151	46
Total underlying PBT	11,836	(1,372)	963
Tax (expense) / benefit	(4,308)	957	(550)
Underlying Group NPAT	7,528	(415)	1,914

1. Divisional EBIT excludes any internal management fees
2. Includes adjustments to exclude the impact on non-recurring items (including Intueri impairment and share of associate income, unrealised FX gains / losses, discontinued businesses etc.)
3. Numbers may not compute exactly due to rounding
4. Restated for consistency with current year treatment

NOTE: 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 review



1H, FY2017 COMMENTARY: ENTERPRISE OFFICE

Board governance and composition

- Rob McKelvey to be formally appointed as Lead Director
- In recruitment mode for another Non-Executive Director that has a global mindset, experience and track record
- Seeking to also bolster Advisory Board with additional global experts

Enterprise Office team strategy

- Team composition has traditionally been weighted heavily towards investment professionals
- Strategy since 1 July has been to pivot to being heavily weighted to operations professionals (operational engineers)
- Build up of big data analytics units has commenced with appointment of an in-house Data Scientist

Leadership training and development

- Roll out of leadership development programme has commenced, as part of Arowana University curriculum
- Focus is on leadership in a V.U.C.A (volatile, uncertain, complex and ambiguous) world
- Commitments made to invest heavily in “best of breed” programmes to build V.U.C.A leaders from within Arowana

Fixed cost base management

- Fixed cost base has been managed tightly despite supporting global scaling up of VivoPower International
- An area for continuous improvement is in relation to tighter management of project and transaction costs
- Commitments made to invest in technology solutions that further automate back office and middle office functions

Treasury and cash management

- Global span of operations increases complexity of treasury management, given FX overlay
- FX management protocols and processes have been put in place, including risk management controls and limits
- Cash and working capital management protocols and processes have also been enhanced during the period

The Arowana Enterprise Office is the “nerve centre” of Arowana International and we will be further investing in leadership development, personnel, technology and risk management so that it can better help our business units to scale up rapidly



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OPERATING COMPANIES DIVISION

1H, FY2017 COMMENTARY: OPERATING COMPANIES DIVISION



VIVOPOWER INTERNATIONAL

International solar power business that has its HQ in London

Geographic coverage across Australia, Asia, UK and USA

AWN maintains a 60.3% shareholding



EVERTHOUGHT EDUCATION

Australian fee for service education provider HQ in Brisbane

Campuses currently located in Brisbane and Perth

AWN controls with 100% shareholding



THERMOSCAN INSPECTION

Australian based thermography company HQ in Brisbane

Leader in its field with operations and clients nationally

AWN controls with 100% shareholding

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1H, FY2017 COMMENTARY: VIVOPOWER INTERNATIONAL

All figures in A\$ 000's	Statutory half year ended 31 December 2017 ¹	Underlying half year ended 31 December 2017	Underlying half year ended 31 December 2016	Underlying % change 1H FY2017 vs 1H FY2016
Revenue	15,552	15,552	1	nmf
EBITDA	11,101	11,101	(89)	nmf
EBIT	11,100	11,100	(89)	nmf

- VivoPower International consummated its reverse merger and NASDAQ main board listing on 29 December 2016 but remains a 60.3% consolidated subsidiary of Arowana International
- Results above reflect part period contribution only from VivoPower Australia and Aevitas which became wholly owned subsidiaries of VivoPower International on 29 December 2016
- Exponential growth in revenue and profits were primarily as a result of the on schedule and on budget BTO (build, transfer, operate) activities in the United States (where VivoPower International has been building 90MW DC of pre-sold solar projects; refer next page for more information)
- Industry research suggests that any tax changes by the Trump administration are unlikely to have a material adverse impact on the solar industry in the US; this perspective is matched by on the ground anecdotal evidence where activity levels remain buoyant
- In the short to medium term, management is focussed on further building its solar project pipeline (it is currently in exclusive due diligence on 2+ GW of solar projects across the US, UK, Singapore and Australia) and contracting on BTO revenues for FY18 and beyond

1. Statutory results for half year ended 31 December 2016

Note: 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

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VIVOPOWER INTERNATIONAL: 1H, FY2017 IN PICTURES

NC-31 (43MW DC) was completed on budget and on time..



.. and will power 4,700 homes, offsetting 28,500 tonnes of CO2



NC-47 (47MW DC) is on target for completion in March...



.. and will power 5,100 homes, offsetting 31,000 tonnes of CO2



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1H, FY2017 COMMENTARY: EVERTHOUGHT EDUCATION

All figures in A\$ 000's	Statutory half year ended 31 December 2017 ¹	Underlying half year ended 31 December 2017	Underlying half year ended 31 December 2016	Underlying % change 1H FY2017 vs 1H FY2016
Revenue	1,186	1,186	nmf	nmf
EBITDA	284	284	nmf	nmf
EBIT	142	142	nmf	nmf

- Everthought Education was formally established on 1 December 2016 following the acquisition and re-branding of Evolution Academy, complementing Keystone Training which was acquired on 1 July 2016
- Results above reflect part period contribution only from Evolution Academy and significant capex and opex investment in the Everthought Education shared services platform that will enable it to scale up rapidly in the medium term
- Everthought Education derived 63% of its revenue from non government fee for service students in H1, FY2017, of which 75% of this is from international students; it has zero exposure to the Commonwealth Government's failed VET FEE HELP and VET Student Loans schemes
- The Commonwealth Government has recently indicated that it will be strongly receptive to enabling more international students to come to Australia, following tightening of visa entry requirements for the USA, UK and New Zealand
- In the short to medium term, management is focussed on completing the build out of the shared services platform while driving international student enrolment and revenue

1. Statutory results for half year ended 31 December 2016

Note: 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

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EVERTHOUGHT EDUCATION: 1H, FY2017 IN PICTURES

Rebranding has been completed ..



..as has onboarding of both campuses



Trades shortages continue to drive demand ..



..especially from international students



1H, FY2017 COMMENTARY: THERMOSCAN

All figures in A\$ 000's	Statutory half year ended 31 December 2017 ^{1, 2}	Underlying half year ended 31 December 2017	Underlying half year ended 31 December 2016	Underlying % change 1H FY2017 vs 1H FY2016
Revenue ²	1,297	1,297	1,273	1.9%
EBITDA	335	335	305 ^{2,3}	9.8%
EBIT	248	267	227 ^{2,3}	17.6%

- Revenue was marginally ahead of 1H, FY2016 despite continued tepid market conditions
- Leaner sales architecture has helped to deliver revenue growth despite these conditions
- EBIT for the half-year was up 18% on the previous corresponding period
- Continued strong cost management and impact of new productivity initiatives have helped drive the positive profit result
- Management is cautiously optimistic for the second half of the year and is focussed on driving sales revenue growth by winning more national accounts

1. Statutory results for half year ended 31 December 2016

2. Excludes any internal management fee charges

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

Note: 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

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THERMOSCAN: 1H, FY2017 IN PICTURES

A number of key accounts were won..



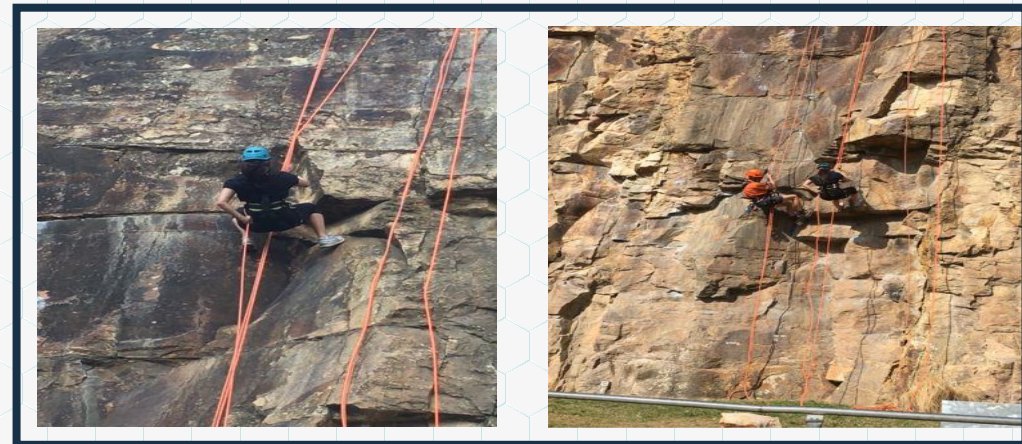
..despite having a leaner sales and technical workforce



Fleet optimisation helped margin improvement..



..as did team building which led to productivity gains



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FUNDS MANAGEMENT DIVISION



1H, FY2017 COMMENTARY: FUNDS MANAGEMENT DIVISION



AAVOF (A\$69m FUM)

ASX listed investment
company (LIC)

Mandate to invest in
Australasian stocks

Highly forensic research
underpins concentrated
portfolio

AAVOF outperforming
benchmarks as at 31 Jan



AASSF I (A\$46m FUM)

Unlisted fund

Invests in growth or
turnaround situations with
positive asymmetric risk and
yield

SIV (Special Investor Visa)
compliant fund

Expect to close by 30 June
2017 ahead of schedule



AFM (New Funds TBA)

Product Development

Distribution

Marketing

Risk Management

Compliance



1H, FY2017 COMMENTARY: AAVOF

Period ended		31 Dec 2016	31 Dec 2015	vs PCP (%)
FUM (A\$m)	Funds Under Management	68.9	49.2	40.0%
Fund Performance (%) (inception to 31 January 2017)	AAVOF	14.7%	5.0%	n/a
	ASX/S&P200 Accumulation index	13.8%	(3.1%)	n/a
Portfolio (A\$m) (at market value)	ASX /NZ listed securities	48%	54%	n/a
	International listed securities	4%	0%	n/a
	Cash	48%	46%	n/a

- As at 31 December 2016, Arowana Australasian Value Opportunities Fund Limited (AAVOF) had total FUM of **\$68.9m** (2015: \$49.2m)
- Net portfolio return from inception to 31 January 2017 was **+14.7%** versus the ASX/S&P200 accumulation index **+13.8%** for the same period
- The AAVOF portfolio has outperformed the index despite maintaining average cash balance of 59% since inception
- Outperformance is attributable to the strong performance of the invested capital portion of the portfolio
- FUM is tracking ahead of management budget but focus remains on growing to at least \$100m by 31 December 2017 through a combination of absolute performance and a digital marketing campaign to drive awareness



1H, FY2017 COMMENTARY: AASSF I

Period Ended		31 Dec 2016	31 Dec 2015	vs PCP (%)
FUM (A\$m)	Funds Under Management	45.7	32.1	42.4%
Fund Capital (A\$m)	Committed	32.0	28.0	14.3%
	Called & Invested	30.0	26.5	13.0%
Fund Performance (%) (inception to 31 Dec 2016)	AASSF I	21.4%	nmf	nmf
Portfolio (A\$m) (at cost or market value)	VivoPower International shares (at 31 Dec 2016 valuation) (2015: Shares in Arowana Inc. and VivoPower Pty Ltd)	16.4	9.3	n/a
	VivoPower Aevitas exchangeable securities (at 31 Dec 2016 valuation)	26.2	22.8	n/a
	Evolution Group convertible notes (at cost)	3.0	0.0	n/a
	Other Net Assets (at cost)	0.0	0.0	n/a

- As at 31 December 2016, the Arowana Australasian Special Situations Fund I (AASSF I) had FUM of **\$45.7m** (2015: \$32.1m)
- The AASSF I portfolio is practically fully invested with no excess cash and other net assets held at 31 December 2016
- Gross portfolio internal rate of return (IRR) from inception (1 August 2014) to 31 December 2016 was **21.4%**
- Management is focussed on completing the realisation of the underlying portfolio investments with a target date before 30 June 2017
- In addition, work has commenced on a follow on fund to be called the Arowana Specialty Income Opportunities Fund (ASIOF)





APPENDICES

UNDERLYING FINANCIAL POSITION

Explanation of underlying financial information

Underlying financial information represents profit and loss information derived from the unaudited management accounts for the relevant operating entities in respect of the half year ended 31 December 2016 and 31 December 2015 respectively adjusted as follows:

- To exclude all revenue and costs associated with previous operating activities that have now ceased
- To exclude non recurring revenue and cost items
- To exclude the impact of the Group's 24.9% investment in Intueri Education Group (otherwise accounted for under the equity method)

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.



CASH MOVEMENT BREAKDOWN

AWN Cash Reconciliation	A\$	Comments
Cash @ 30 June 2016	24,059,869	As per audited balance sheet at 30 June 2016
Cash @ 31 December 2016	13,233,469	As per audited balance sheet at 31 December 2016; includes USD7,028,374
Total Cash Movement	(10,826,400)	
NC 31 & NC 47 Projects	(4,202,988)	VivoPower International US solar projects (construction in progress)
Aevitas cash	1,723,227	Represents cash in new subsidiary of VivoPower International that has been consolidated
Property plant & equipment	(299,278)	Represents fixed assets purchased
Everthought Education	(3,712,166)	Payments to acquire Keystone Training and Evolution Academy
Employment expenses	(3,479,153)	Group employee expenses for all consolidated entities
Other net operating cashflows	(4,596,595)	Includes net interest income, non recurring items and regular operating revenue and expenses
Other financing cashflows	(7,604,940)	Includes finance lease repayments and capital raising costs (of VivoPower International)
FX movement	(33,776)	USD bank accounts forex movement
Dividend payment	(474,512)	FY 2015 final dividend of 0.3 cents per share paid in September 2016
Capital raised	11,853,781	Capital contributed (net of capital raising costs) to AASSF1 and VivoPower International
Total Cash Movement	(10,826,400)	

NOTE: Breakdown above is unaudited and classifications are based on management accounts

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STATUTORY NTA BREAKDOWN

NTA Breakdown	A\$	Comments
Group cash	13,233,469	Refer previous page for cash movement breakdown
Intueri (IQE) shareholding	718,002	At equity accounted valuation after impairment assessment and provision
NC-31 and NC-47 projects	20,780,722	VivoPower International US solar projects
AASSF I Investments:		AASSF I is the Arowana Australasian Special Situations Fund I
• Evolution Group convertible notes	3,000,000	At cost (excluding any accrued interest)
• Viento (VIE) shareholding	525,756	At equity accounted valuation
Net Working Capital	10,559,598	Receivables less payables
PPE	3,573,639	At cost (net of depreciation)
Other Assets	1,385,961	At cost
Other Liabilities	(336,270)	Includes provisions only
Borrowings	(204,532)	Thermoscan and Aevitas finance leases
Net Tangible Assets (\$)	53,236,345	Excludes goodwill, intangibles and tax assets
Total Shares on Issue (#)	158,170,799	As at 31 December 2016
NTA per share (cents)	33.7 cents	As at 31 December 2016

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



UNDERLYING NTA BREAKDOWN

NTA Breakdown	A\$	Comments
Group cash	9,832,679	Includes US\$5.99 million; refer previous page for cash movement breakdown
Intueri (IQE) shareholding	718,002	At equity accounted valuation after impairment assessment and provision
Investment in VivoPower International PLC	113,861,312	60.3% of issued capital at 31 December 2016 valuation ¹
VivoPower Aevitas Exchangeable Securities	26,235,726	At redemption value
USD Loans receivable	26,318,579	From VivoPower International PLC at 31 December 2016
AASSF I Investments:		AASSF I is the Arowana Australasian Special Situations Fund I
• Evolution Group convertible notes	3,000,000	At cost (excluding any accrued interest)
• Viento (VIE) shareholding	525,756	At equity accounted valuation
Net Working Capital	(5,762,972)	Receivables less payables (including deferred acquisition consideration payable)
PPE	604,443	At cost (net of depreciation)
Other Assets	667,351	At cost
Other Liabilities	(37,844)	Includes provisions only
Borrowings	(15,161)	Thermoscan equipment finance
Net Tangible Assets (\$)	175,947,871	Excludes goodwill, intangibles and tax assets
Total Shares on Issue (#)	158,170,799	As at 31 December 2016
NTA per share (cents)	111.2 cents	As at 31 December 2016

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

1. The valuation implied by the market transaction price of USD \$10.20 per share (and in line with VWAP analysis).



FY2017 ENTERPRISE PRIORITIES

1

VivoPower International

Complete NASDAQ listing (and potential dual listing) and deliver on forecasts



2

Education Sector

Scale up Everthought Education & assist in Intueri turnaround (where allowed)



3

Operating Companies

To deliver long term EBIT CAGR of 10% to 20%



4

Arowana Leadership

Coach & develop team to master and practice V.U.C.A leadership



5

Funds Management

Grow FUM base for Arowana Funds Management to \$200m

6

Investor Universe

Build new relationships with aligned investors with similar timeframes





QUESTIONS & ANSWERS

