

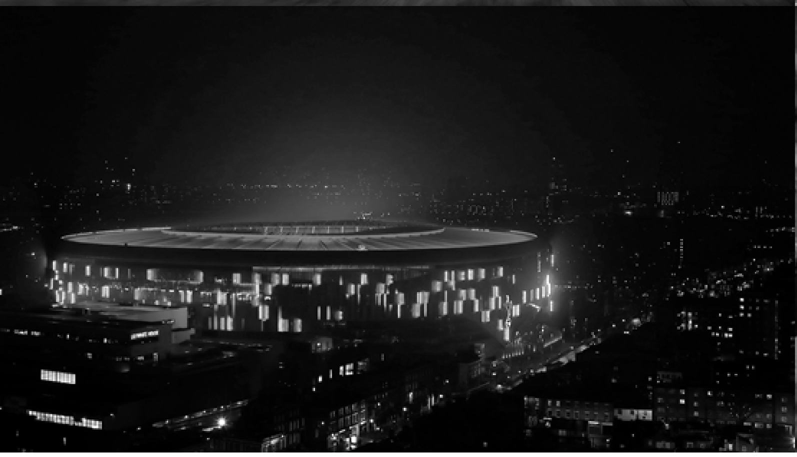
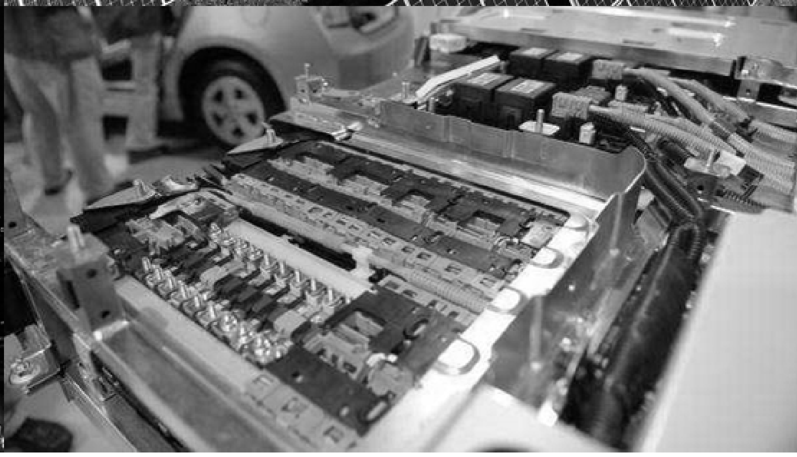

ANNUAL REPORT

For the fiscal year 30 June 2021

VivoPower International PLC

Certified B Corporation

VivoPower International PLC

VivoPower International PLC is an international electric vehicle, critical power services, solar energy, battery and microgrid technology company whose core purpose is to deliver sustainable energy solutions to its customers. VivoPower has operations in Australia, Canada, the Netherlands, the United Kingdom and the United States

Nasdaq: VVPR

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Highlights

Accomplishments for the Year ended 30 June 2021

- ✓ Revenues declined 16% to $40.4m primarily due to COVID-19 related lockdowns.
- ✓ Gross profit declined to $6.3m but gross margin increased due to operational efficiencies.
- ✓ Adjusted EBITDA down to $(1.4) million due to revenue decline and increased overheads to support hyperscale growth.
- ✓ Cash increased from $2.8 million to $8.6 million: $32 million net capital raises proceeds.
- ✓ Reduction in group net debt from $23.1 million to $14.5 million.
- ✓ Completed acquisition of 100% of Tembo e-LV for an aggregate of $7.1 million and $0.2 million equity. Secured 4,825 potential commitments and conversion kits orders to date.
- ✓ Electric vehicle ("EV") Landcruiser conversion program with Toyota Australia.
- ✓ Completed Tottenham Hotspur Football Club SES feasibility study.

*All references to $ are references to USD unless otherwise noted.

	Year Ended 30 June			Three Months Ended 30 June	Year Ended 31 March
(US dollars in thousands, except per share data)	**2021**	**2020**	**2019 (unaudited)**	**2019**	**2019**
Revenue	40,411	47,986	43,545	13,617	39,036
Gross profit	6,327	7,101	6,093	1,657	6,310
Operating (loss)/profit	(4,782)	2,169	(5,217)	(33)	(5,410)
Adjusted EBITDA (1)	(1,448)	3,937	(3,770)	404	(3,990)
Basic earnings per share (dollars)	(0.46)	(0.38)	(0.83)	(0.11)	(0.83)
Adjusted earnings per share (dollars)(2)	(0.28)	(0.12)	(0.66)	(0.07)	(0.68)

1. Adjusted EBITDA is a non-IFRS financial measure. We define Adjusted EBITDA as earnings before interest, taxes, depreciation and amortisation, impairment of assets, impairment of goodwill, one-off non-recurring costs including restructuring expenses and non-cash equity remuneration. We believe that Adjusted EBITDA and Adjusted earnings per share provides investors and other users of our financial information consistency and comparability with our past financial performance, facilitates period-to-period comparisons of operations and facilitates comparisons with our peer companies, many of which use similar non-IFRS or generally accepted accounting principles in the United States ("GAAP") financial measure to supplement their IFRS or GAAP results, as applicable.

2. Adjusted earnings per share (EPS) is a non-IFRS financial measure. We define Adjusted EPS as net earnings less restructuring and non-recurring costs, divided by the weighted average number of shares on issue during the period.

Chairman and Chief Executive's Statement and Review

This time last year VivoPower International PLC ("VivoPower" or the "Company") was half-way through executing upon a hyper-turnaround and had just announced a new strategy, titled Sustainable Energy Solutions ("SES") with a stated plan to add an electric vehicle capability. Fast forward a year and it is pleasing to report that whilst COVID-19 lockdowns in Australia adversely affected revenue and profitability for the 2021 fiscal year, the VivoPower team has delivered on key results well ahead of schedule and targets. Key results delivered include:

- Successful completion of an award-winning hyper-turnaround plan, delivering on all 7 points of the plan ahead of schedule and without compromising creditors or effecting job losses that were not attributable to performance;
- Completed acquisition, onboarding and integration of electric vehicle business, Tembo e-LV ("Tembo") into the group;
- Secured exclusive distribution deals for Tembo conversion kits globally , with potential commitments and orders of 4,825 electric vehicle conversion kits;
- Executed binding letter of intent with Toyota Motor Corporation Australia ("TMCA") in relation to electrification of Toyota Landcruisers with an initial focus on off road applications in Australia (and as a pre-cursor to a potential Master Services Agreement);
- Secured first holistic end to end SES project with Tottenham Hotspur Football Club in the United Kingdom (U.K.), with feasibility studies completed before 30 June 2021;
- Completed equity raisings totalling US$32 million in net proceeds;
- Reduced net debt from $23 million to $14 million, remedied net current asset deficiency and significantly increased cash reserves;
- Secured full management and economic control of US solar joint venture; and
- Debuted in the Real Leaders Impact Awards as one of the Top 50 impact companies globally.

As mentioned before and notwithstanding the above achievements, VivoPower's revenue and profits declined versus the prior financial year. This was principally due to the adverse impact of strict COVID-19 lockdowns and border controls in Australia. Key financial results and metrics for the fiscal year ended 30 June 2021 were as follows:

- Annual revenues of $40.4 million, a decline of 15.8% compared to $48 million for the previous fiscal year;
- Gross profit of $6.3 million, a decline of 11.3% compared to $7.1m for the previous fiscal year;
- Underlying EBITDA of $(1.4 million) compared to a $3.9 million EBITDA profit for the previous fiscal year, reflecting COVID-19 lockdowns in Australia and also increased investment in operational expenditure to support growth plans for Tembo and SES;
- Statutory earnings per share (EPS) loss of ($0.46) represented a decline versus ($0.38) EPS loss for the previous fiscal year, whilst underlying EPS loss was ($0.28) versus ($0.12) loss.

At the time of writing, lockdowns and border restrictions remain in place in Australia. However, there is now clarity on when these will end with the Federal Government of Australia confirming that once vaccination rates hit 70%, lockdowns will cease and when they hit 80%, borders will be reopened. Based on current vaccination rates, this is expected to be in November 2021. Despite this near-term outlook, we have accelerated our diversification to be less reliant on Australia and this is a key driver for seeking distribution agreements for Tembo EV conversion kits in Canada, the Nordic region (encompassing Norway, Finland, Sweden and Iceland) as well as Mongolia.

Given the strong pipeline of contracted opportunities we have for both our Electric Vehicle and Critical Power Services business units, we are confident of the medium to long term outlook.

For the financial year ending 30 June 2022, we have set the following enterprise objectives:

- Expand SES pipeline and delivery capabilities;
- Grow Aevitas business unit to support SES;
- Deliver Tembo orders on schedule and on budget;
- Advance Tembo product design, supply, and quality initiatives;
- Cement partnerships with TMCA and global distributors;
- Execute on corporate initiatives to support growth.

On behalf of the rest of the Board, I would like to take this opportunity to thank all of our stakeholders for their support and engagement. I would also like to thank and commend my fellow team members at VivoPower for their relentless commitment to execution excellence and for exceeding the very ambitious strategic and operational targets we had set this time last year. It has been an honour for all of the team to be awarded the prestigious Turnaround Management Association Award for the best turnaround globally in the small companies category. That however is history and the entire VivoPower team and Board are now fully focussed on the hyperscaling mission we have before us in relation to Tembo and our broader SES strategy.

Kevin Chin

Chairman and Chief Executive Officer
14 September 2021

Strategic Report

Principal Activities

VivoPower is a sustainable energy solutions company whose core purpose is to provide its customers with turnkey decarbonisation solutions that enable them to achieve net zero carbon status. It does this by delivering an enterprise solution encompassing electric vehicles, critical power services, battery and microgrid technology as well as solar. The Company is focussed on harder to decarbonise sectors including mining, infrastructure and utilities, involving customised and ruggedised requirements, including off road electric vehicles. VivoPower is a certified B Corporation with operations in Australia, Canada, the Netherlands, the United Kingdom and the United States (U.S.).

Management analyses our business in five reportable segments: Critical Power Services, Electric Vehicles, Sustainable Energy Solutions, Solar Development and Corporate Office. Critical Power Services is represented by VivoPower's wholly owned subsidiary Aevitas. In turn, Aevitas wholly owns J.A. Martin Electrical Pty Limited ("J.A. Martin") and Kenshaw Electrical Pty Limited ("Kenshaw"), both of which operate in Australia with a focus on the design, supply, installation and maintenance of critical power, control and distribution systems, including for solar farms. Electric Vehicles is represented by Tembo e-LV B.V. ("Tembo"), a Netherlands-based specialist battery-electric and off-road vehicle company delivering electric vehicles ("EV") for mining and other rugged industrial customers globally. Sustainable Energy Solutions (("SES") is the design, evaluation, sale and implementation of renewable energy infrastructure to customers, both on a standalone basis and in support of Tembo EVs. Solar Development is represented by Caret LLC and comprises 12 solar projects in the United States. Corporate Office is the Company's corporate functions, including costs to maintain the Nasdaq public company listing, comply with applicable SEC reporting requirements, and related investor relations and is located in the U.K. See Note 4.2 to our consolidated financial statements included herein for a breakdown of our financial results by reportable segment.

Critical Power Services

Through a holding entity called Aevitas which was formed in 2013 and acquired by VivoPower in December 2016, VivoPower has two wholly-owned Australian subsidiaries, J.A. Martin and Kenshaw, VivoPower provides critical energy infrastructure generation and distribution solutions including the design, supply, installation and maintenance of power and control systems. The businesses are trusted power advisers to over 750 active government, commercial and industrial customers. Headquartered at Newcastle, in the Hunter Valley region of New South Wales, J.A. Martin and Kenshaw, are well situated to capitalise on a strong operating environment driven by growth in public and private sector investment in infrastructure, renewable energy, mining and healthcare.

With a gross regional product of more than A$50 billion, the Hunter Valley region is Australia's leading regional economy. It has a multi-faceted economy and a skilled workforce, with traditional strengths in mining and advanced manufacturing complemented by fast-growing service, knowledge, and renewables sectors.

The Critical Power Services businesses have several core competencies, encompassing a range of electrical, mechanical, and non-destructive testing services. In addition, the businesses are preparing to be responsible for delivering electrical services and infrastructure to support VivoPower's EV and SES offerings, including on-site renewable generation, batteries and microgrids, EV charging stations, and emergency backup power solutions.

J.A. Martin Electrical Pty Limited

J.A. Martin is a specialised industrial electrical engineering and power services company that has been servicing the largest commercial and industrial belt in Australia, the Newcastle and Hunter Valley region in New South Wales, for more than 50 years since its founding in 1968.

Operating from two premises in New South Wales, J.A. Martin's facility in Newcastle manufactures industrial switchboards and motor control centres, manages turnkey project installations, service and maintenance, and provides design and engineering services. It also has an office and workshop facility in the Hunter Valley for servicing the mining and industrial sectors.

J.A. Martin is ISO9001 (Quality Management) and ISO45001 (Occupational Health and Safety) certified; tangible evidence of its commitment to quality, and health and safety, and positions it to service some of the largest and most respected mining and industrial firms in the world.

J.A. Martin's core competencies include customised industrial switchboard and motor control centre design, manufacture and maintenance; industrial electrical engineering; project management for mining, infrastructure and industrial applications; solar farm electrical contracting and engineering, procurement and construction ("EPC"); electrical maintenance and servicing; and industrial, mining and infrastructure CCTV and data cabling.

In the fiscal year ended 30 June 2021, J.A. Martin serviced almost 250 customers across a broad range of industries, including solar farms, grain handling and agriculture, water and gas utilities, cotton gins, commercial buildings, and mining. With 132 employees and a fleet of 76 vehicles, the business has built a strong reputation for high quality engineering and design, delivered on time and budget, supported by a high-level of quality and service.

Notwithstanding a history and core business centred in the industrial, manufacturing and mining sectors, J.A. Martin has over the past 3 years developed a strong reputation and position in the Australian solar EPC market, focusing on small and medium sized solar projects. During the financial year, J.A. Martin completed the provision of electrical installation and services for its seventh solar farm, the 39MWdc Molong Solar Farm near the town of Orange, New South Wales, and has commenced work on two further solar projects, bringing its total of contracted or completed solar project work to 470MW.

As a result of strong growth in the Australian solar generation market, J.A. Martin's revenue base has been transformed from a traditional reliance on the industrial, manufacturing and mining sectors. This growth is expected to continue with the New South Wales Government's Electricity Strategy and Electricity Infrastructure Roadmap setting out a plan to deliver Renewable Energy Zones ("REZs") in five regions across New South Wales (N.S.W.), including the Hunter Valley-Central Coast region where J.A. Martin is headquartered. By connecting multiple renewable energy generators and ancillary storage in the same location, REZs capitalise on economies of scale and will play a vital role in delivering affordable, reliable, and clean energy generation to help replace the state's existing power stations as they close over the coming decades.

J.A. Martin's traditional customer base includes companies that operate in or service the mining sector, which is Australia's largest industry as measured by contribution to gross domestic product. Over the past 12 months, the mining sector in Australia has performed strongly and has continued to do so notwithstanding the effects of the global COVID-19 pandemic. Given its experience in the sector, J.A. Martin is well positioned to benefit from future growth in the mining industry in Australia.

Revenue earned within Australia is comprised of the following activities:

	Year Ended 30 June			Three Months Ended 30 June	Year Ended 31 March
(US dollars in thousands)	2021	2020	2019 (unaudited)	2019	2019
Electrical installation projects	11,200	11,420	11,009	774	8,375
Electrical service contracts	5,131	3,494	5,082	2,986	7,361
Electrical switchboard manufacturing	4,093	3,582	4,041	1,813	4,949
Total revenue	20,424	18,496	20,132	5,573	20,685

While there is no material seasonality which impacts J.A. Martin, in FY2021, the business continued to be impacted by operational disruptions caused by lockdowns attributable to the COVID-19 pandemic. This has resulted in delays to the commencement of several projects and restricted access to clients' sites, resulting in slower completion of scheduled works and hence revenue recognition. Through the implementation of workplace health and safety best practices and adherence to public health directives, J.A. Martin mitigated the impact of the pandemic to some degree, however the additional costs and operational inefficiencies caused have adversely affected profitability margins.

J.A. Martin sources its supplies from a large number of domestic and international suppliers based on competitive pricing, reliable delivery, product performance, and past business relationships over its more than 50-year history. Supplier relationships are core to the realisation of its commercial goals and ability to meet the demands of customers in a competitive marketplace. With most electrical equipment manufactured outside of Australia, the business has also had to adapt to longer lead times from suppliers caused by the COVID-19 induced disruption to supply chains.

With almost 250 active customers for the year-ended 30 June 2021, the business is not reliant upon any one customer, nor is the business dependent on any one patent, license, material contract, or process. Further, there are no government regulations which are material to the business, beyond those generally applicable to all businesses within the same statutory regime.

VivoPower continues to believe that J.A. Martin, through its experience, capability, and track record, is well positioned competitively to benefit from the strong growth outlook for Australian solar as well as the cyclical rebound of the mining sector.

Kenshaw Electrical Pty Limited

Kenshaw is a specialised provider of critical electrical power, critical mechanical power and non-destructive testing services that has been headquartered in the Newcastle and Hunter Valley region of New South Wales for almost 40 years since its founding in 1981.

Operating from three premises across New South Wales and the Australian Capital Territory, Kenshaw's head office is in Newcastle, with additional branches in Canberra and most recently, Sydney. The business' success has been built on the capability of its highly skilled personnel to be able to provide a wide range of critical power generation solutions, products and services across the entire life cycle for electric motors, power generators, mechanical equipment and non-destructive testing. In addition, by partnering with several leading uninterruptible power supply ("UPS") providers, the business is able to offer fully integrated UPS design, sales and installation.

With ISO9001 (Quality Management) certification evidence of its commitment to quality, Kenshaw is able to provide regular and responsive service on a contracted and ad-hoc basis to a loyal client base of over 500 local, national and multinational clients ranging from data centres, hospitals, mining and agriculture to aged care, transport and utility services.

Kenshaw's core competencies include: generator design, turn-key sales and installation; generator servicing and emergency breakdown services; customised motor modifications; wheel cartridge motor electric repair and refurbishment; and non-destructive testing services including asset management of critical plant and equipment using diagnostic testing such as motor testing, oil analysis, thermal imaging and vibration analysis; and industrial electrical services.

The growing data centre sector also continues to be a key market for Kenshaw. According to TeleGeography, COVID-19 pandemic-led demand for video conferencing, online schooling, entertainment, social networking and platforms to support remote working led to a 47% increase in global internet traffic in 2020, above initial forecasts of 28%. This translated to a spike in requirements for data storage, computing and networking. In its H2 2020 Asia Pacific Data Centre Trends report, CBRE Group, Inc., reported that total data centre net absorption in the Asia Pacific Tier 1 markets of Tokyo, Sydney, Singapore and Hong Kong SAR, reached 322MW in 2020, double that of 2019 and setting a record high. The report also forecasts that Sydney's data centre supply pipeline is set to reach a new high of over 100MW per annum from 2021-2024, well above the past three-year average of 60MW.

VivoPower believes Kenshaw is benefiting from the growth in the data centre market through its long-term relationship with one of Australia's leading data centre companies and newly established relationships with other data centre providers. In addition, with a growing base of completed installation projects, the business is actively targeting the provision of contracted ongoing management of these power generator assets, through its Generator Service and Non-Destructive Testing divisions. The well-established Canberra branch and new Sydney branch, form an integral part of this offering by allowing for locally stored equipment and personnel with an aim for Kenshaw to become entrenched at its clients' sites for the entire lifecycle of the assets.

In addition to the data centre sector, the health and aged care sectors continue to be a key market for Kenshaw. An increase in regulatory requirements and the ageing of the population are driving growth in both sectors, with Australia currently in the middle of a significant demographic transition, as people in the baby boomer generation reach 65. The 2020 Intergenerational Report by the Australian Treasury Department forecasts that the population will continue to age with 23% of the population projected to be over 65 by 2060-61 – a rise of approximately seven percentage points from 2020-21. Australian Government health spending is projected to continue to increase as a share of Gross Domestic Product ("GDP") from 4.1% in 2018-19 to 6.2% in 2060-61, with aged care spending expected to increase from 1.2% of GDP in 2020-21 to 2.1% of GDP in 2060-61.

Kenshaw benefits from these demographic tailwinds through serving longstanding customers such as Health Infrastructure New South Wales, Public Works Advisory, Hunter New England Health, Anglican Care and Ramsay Health, for which it delivers customised critical back up power solutions and services as well as generator maintenance and thermal imaging services. These services utilise Kenshaw's custom developed Generator Service App which results in more accurate reporting of servicing and detailed condition reporting.

As for J.A. Martin, Kenshaw's traditional customer base includes companies that operate in or service the mining sector, which is Australia's largest industry as measured by contribution to gross domestic product. Over the past 12 months, the mining sector in Australia has performed strongly and has continued to do so notwithstanding the effects of the global COVID-19 pandemic. Given its experience in the sector, Kenshaw is well positioned to benefit from future growth in the mining industry in Australia.

Revenue earned in Australia is comprised of the following activities:

	Year Ended 30 June			Three Months Ended 30 June	Year Ended 31 March
(US dollars in thousands)	**2021**	**2020**	**2019** *(unaudited)*	**2019**	**2019**
Generator sales and installation	11,479	23,579	16,373	6,381	11,095
Generator service and non-destructive testing	1,761	4,199	4,384	1,178	1,744
Motor sales and overhaul	5,169	1,565	1,660	377	4,276
Total revenue	18,409	29,343	22,417	7,936	17,115

While there is no material seasonality which impacts Kenshaw, in FY2021, the business continued to be adversely impacted by operational disruptions due to strict lockdowns attributable to the COVID-19 pandemic. This has resulted in delays to the commencement of several projects and restricted access to clients' sites, particularly in the health and aged care sectors, resulting in slower completion of scheduled works and hence revenue recognition. Through the implementation of workplace health and safety best practices and adherence to public health directives, Kenshaw has been able to mitigate the impact of the pandemic to some degree, however the additional costs and operational inefficiencies caused have adversely affected profitability margins. In addition, with most electrical equipment manufactured outside of Australia, the business has also had to adapt to longer lead times from suppliers caused by the COVID-19 induced disruption to supply chains.

Relationships with its primary suppliers enables Kenshaw to sell and service their equipment as a dealer or agent. The business is a primary supplier and service agent for Cummins, Deutz and CAT generators, and WEG electric motors, and maintains long term relationships with other equipment manufacturers such as Siemens, Toshiba and Teco. This allows Kenshaw to offer a complete solution to its clients with flexibility of product choice.

For the year ended 30 June 2021, 19% (year ended 30 June 2020: 69%; three months ended 30 June 2019: 76%) of Kenshaw's revenue was earned from one customer. While this customer has been less active in FY2021, it is still expected to continue to provide significant revenue in future years. However, with almost 500 active customers for the year ended 30 June 2021, the business is not solely reliant on this customer, nor is the business reliant on any one patent, license, material contract, or process. Further, there are no government regulations which are material to the business, beyond those generally applicable to all businesses within the same statutory regime.

VivoPower continues to believe that Kenshaw, through its experience, capability, and track record, is well positioned competitively to benefit from the strong growth outlook for Australian data centres, aged and health care infrastructure as well as the cyclical rebound of the mining sector.

Electric Vehicles

Tembo e-LV B.V. and subsidiaries, Tembo 4x4 B.V. and FD 4x4 B.V. ("Tembo") is a specialist battery-electric and off-road vehicle company that designs and builds ruggedised light electric vehicle solutions for customers across the globe in the mining, infrastructure, utilities, and government services sectors.

VivoPower acquired 51% of Tembo on 5 November 2020 for €4.0 million. On 2 February 2021, the Company completed the acquisition of the remaining 49% of Tembo, for a consideration of $2.2 million and 15,793 shares in the Company.

Despite the global impact of the COVID-19 pandemic and following the completion of 100% of Tembo by VivoPower, Tembo was able to generate long-term business opportunities from new and existing customers internationally. A 7 year distribution agreement was executed with GB Auto Group Pty Limited and GB Electric Vehicles Pty Ltd (together "GB Auto"), who, as a result, will be the exclusive Australia-wide distributor of Tembo's products. As part of the agreement, GB Auto committed to the purchase of a minimum of 2,000 Tembo e-LV kits (Landcruiser and Hilux models) in the first 4 years of the agreement. In June 2021, a definitive agreement was executed with Acces Industriel Mining Inc. ("Acces") whereby Acces has exclusive distributorship rights in Canada for Tembo's electric light vehicles in Canada. Under the agreement, Acces intends to purchase 1,675 Tembo e-LV conversion kits by December 2026. In the same month, a non-binding heads of terms was signed with Artic Trucks Limited ("Arctic"), with a potential commitment from Arctic to purchase 800 Tembo e-LV conversion kits over the ensuing 5.5 years for the Nordic market (including Norway, Finland, Sweden and Iceland), with the definitive agreement expected to be signed shortly. In July 2021, a definitive agreement was signed with Tembo's existing Mongolian dealer, Bodiz International Group LLC ("Bodiz"), who intends to purchase 350 Tembo e-LV conversion kits by December 2026.

During the second half of the financial year, Tembo accelerated the development of its 72kWh battery platform for the Landcruiser model in accordance with the highest automotive product development process standards, including but not limited to Advanced Product Quality Planning (APQP) and Product & Design Validation Plans (PVP & DVP)in cooperation with GB Auto and Toyota Motor Corporation Australia Limited ("Toyota Australia"). In recent months, Tembo's team of engineers have collectively developed an enhanced product, which is undergoing extensive testing and at the same time the first customer prototype vehicles for this enhance product are being assembled in Australia.

In parallel to the development activities, a network of preferred suppliers has been set up. These have been selected based on quality, safety and durability, amongst other criteria. Consideration has also been given to cost, delivery, service as well as other requirements that are dictated to within the automotive industry, and to align with VivoPower's sustainability goals and principles.

Furthermore, Tembo has been focusing on enhancing its quality standards and credentials, by obtaining, for example, the ISO 9001:2015 Quality Management Systems accreditation. An initiative remains underway to obtain a number of other quality standards, including, but not limited to ISO 14001:2015 Environmental Management System.

In addition, the VivoPower board and leadership team have worked closely with the Tembo management team to further reinforce a culture of safety as well as to identify and implement industry best practice health and safety standards.

In June 2021, a binding Letter of Intent ("LOI") was signed with Toyota Australia to formalize a collaboration program between VivoPower, Tembo and Toyota Australia for electrification of Toyota Landcruiser vehicles, with an initial focus on the mining sector in Australia. This LOI is a precursor to a potential MSA (Master Services Agreement) which all parties are working towards at present.

Tembo is focused on a number of objectives in the coming year, including securing additional distribution agreements globally, completing the development and commencing full scale production of the 72kWh Toyota Landcruiser electric conversion kit, expanding its assembly and production capabilities in the Netherlands (including potentially moving to new purpose built facilities) as well as in other markets and advancing research and development into the next generation of electric conversion kits and batteries. Tembo is well placed to capitalise on the very strong increase in demand for fleet electrification solutions from customers in harder to decarbonise sectors such as mining, infrastructure and utilities.

Revenue earned in the Netherlands is comprised of the following activities:

	Year Ended 30 June			Three Months Ended 30 June	Year Ended 31 March
(US dollars in thousands)	**2021**	**2020**	**2019** *(unaudited)*	**2019**	**2019**
Conversion kits	137	-	-	-	-
Vehicle spec conversion	1,219	-	-	-	-
Accessories	37	-	-	-	-
Total revenue	1,394	-	-	-	-

Sustainable Energy Solutions ("SES")

In August 2020, VivoPower announced a strategic pivot to enter the electric vehicle ("EV") sector, due to interest from the Company's existing customer base, with an initial focus on the mining, infrastructure and utilities sectors. At the same time, VivoPower also announced that it would undertake a strategic pivot to a SES strategy, where its core mission is to help corporate customers achieve their decarbonisation goals.

The key differentiator of VivoPower's strategy is that the Company intends to focus on delivering a holistic, SES to customers that comprise of the following 3 key elements:

- EV and battery leasing;
- critical power "electric-retrofit" of customer's sites (e.g., warehouses and depots) to enable optimised EV battery charging and encompassing renewable power generation (including solar), battery storage and microgrids; and
- EV battery reuse and recycling (including potential second life applications as an element of critical power requirements on a customer's site).

In Australia, the SES business draws on the experience and capabilities of VivoPower's Critical Power Services businesses (J.A. Martin and Kenshaw) to deliver solutions to customers, whilst in other markets, it intends to partner with experienced local critical power services companies.

In June 2021, VivoPower announced that it successfully completed its first full suite SES feasibility study with English Premier League Football Club Tottenham Hotspur F.C. ("THFC") evaluating solar, battery and microgrid solutions for THFC's stadium and training ground in the United Kingdom. VivoPower and THFC are now discussing the potential of moving forward with the implementation of one or more SES projects.

Given that the SES business segment was only newly established during the past financial year, it has generated immaterial revenues and has not incurred any significant costs. VivoPower expects there to be significant growth going forward, which will also necessitate investment in people and technology. VivoPower is actively working to originate new SES projects for both new and existing (through J.A. Martin and Kenshaw) customers of the VivoPower group of companies, with significant projects already proposed to major Australian mining companies.

Solar Development

Historic Solar Development Business

As a consequence of the Company's strategic pivot to a SES strategy, VivoPower no longer intends to engage in solar project development activities in isolation, only if it's a component of a SES for a corporate customer that it is helping to achieve decarbonisation goals. This segment has historically been characterised as the Solar Development segment and encompassed the Company's solar development activities in the U.S. and Australia.

VivoPower's historic strategy in relation to solar development has been to minimise capital intensity and maximise return on invested capital by pursuing a business model predicated on developing and selling projects prior to construction and continually recycling capital rather than owning assets. The stages of solar development can be broadly characterised as: (i) early stage; (ii) mid-stage; (iii) advanced stage; (iv) construction; and (v) operation. Our business model is to work through the development process from early stage through to advanced stage, and then sell those projects that have completed the advanced stage of development, also known as "shovel-ready" projects, to investors who will finance construction and ultimately own and operate the project.

Successful solar development requires an experienced team that can manage multiple work streams on a parallel path, from initially identifying attractive locations, to land control, permitting, interconnection, power marketing, and project sale to investors. Rather than build a substantial team internally to accomplish all of these activities, our business model has been to joint venture on a non-exclusive basis with existing experienced project development teams so that multiple projects can be advanced simultaneously and allow us to focus on provision of capital, project management, and marketing and sale of projects. In Australia we partnered with ITP Renewables ("ITP"), a global leader in renewable energy engineering, strategy and construction, and energy sector analytics. In the U.S., we entered into a development joint venture with Innovative Solar Systems, LLC ("ISS"). VivoPower assumed management control of this U.S. solar development joint venture in June 2020, having spent the prior 12 months initially focused on monetizing the projects in the portfolio, on an individual, group or whole of portfolio basis. VivoPower and its joint venture partner, ISS, were unable to align on monetization in relation to any of the projects. VivoPower subsequently engaged in a detailed review of the joint venture partner's performance as a developer relative to the contractual agreement and decided to exercise its rights to assume management control of the joint venture. This was announced in June 2020. Subsequently, in June 2021 VivoPower announced that it had secured a settlement resulting in the Company gaining full ownership of the remaining 50% of the equity interest in the portfolio from ISS for nominal consideration of US$1.

United States Solar Development

VivoPower's portfolio of U.S. solar projects is held by its now wholly owned subsidiary, Caret, LLC ("Caret") (formerly Innovative Solar Ventures I, LLC), previously a joint venture with ISS. VivoPower invested in the joint venture in April 2017 and secured a 50% economic ownership in a diversified portfolio consisting originally of 38 solar projects in 9 states across the U.S. with a combined potential electrical generating capacity of 1.8 GW.

In June 2021, VivoPower announced that it had secured a settlement resulting in the Company gaining full ownership of the remaining 50% of the equity interest in the portfolio from ISS for $1.

Of the original 38 projects, we decided to discontinue or put on hold 26 projects as we considered them less economically attractive versus other projects at this stage and did not want to invest further capital in them for the time being. The 12 remaining projects are in various stages of development as summarised below and all are being further developed for future sale and/or partnerships, with an expectation of full realisation within the next 12 to 24 months, although nearer term opportunities may be pursued if they arise.

While a significant number of projects have been discontinued or put on hold during the year ended 30 June 2021, the overall investment in the portfolio is not considered impaired as the discontinued or on hold projects may still realise value in the future. After securing full economic control on 30 June 2021, a fair value assessment based on discounted future cashflows was performed and confirmed by our auditors. This did not result in any impairment of the capitalised intangible development costs, as compared to the equity accounted and held for sale project balances previously reported. In fact, VivoPower recorded a net gain of $0.9 million in respect of Caret, LLC ("Caret"), in the year ended 30 June 2021, comprising a loss of $7.0 million in respect of its 50% share of discontinued solar development projects in the joint venture, offset by a gain of $7.8 million on acquisition of the remaining 50% of the joint venture on 30 June 2021. The acquisition resulted in a bargain purchase, as the consideration of $5.4 million comprises no cash outflow, only the fair value of pre-acquisition equity interest held by VivoPower (after adjustment for abandoned projects in the year), which is lower than the fair value of acquired net assets of $13.2 million.

				Early Stage		Mid Stage			Advanced Stage	
Project	State	Capacity (MW)	Development Stage	Land Control	Interconnection Queue	Environmental Studies	Zoning / Use Permit	Interconnection Study	Interconnection Agreement	Power Purchase Agreement
Active Solar Projects										
TX 75	TX	55	Advanced	✓	✓	✓	✓	✓	*Eligible*	
NM 88	NM	87	Mid	✓	✓	✓	✓			
TX 107	TX	93	Mid	✓	✓	✓	✓			
TX 137	TX	28	Advanced	✓	✓	✓	✓	✓	*Eligible*	
TX 144	TX	82	Advanced	✓	✓	✓	✓	✓	*Eligible*	
TX 145	TX	62	Advanced	✓	✓	✓	✓	✓	*Eligible*	
TX 165	TX	62	Advanced	✓	✓	✓	✓	✓	*Eligible*	
TX 177	TX	34	Advanced	✓	✓	✓	✓	✓		
TX 195	TX	41	Advanced	✓	✓	✓	✓	✓		
TX 276	TX	55	Mid	✓	✓	✓	✓			
TX 307	TX	55	Mid	✓	✓	✓	✓			
TX 341	TX	28	Advanced	✓	✓	✓	✓	✓		
Subtotal	12 Projects	682								
Discontinued Solar Projects										
SC 76	SC	21	Discontinued - FY21							
FL 78	FL	75	Discontinued - FY20							
GA 83	GA	27	Discontinued - FY21							
SC 84	SC	30	Discontinued - FY19							
GA 86	GA	27	Discontinued - FY21							
GA 90	GA	27	Discontinued - FY21							
SC 97	SC	28	Discontinued - FY19							
GA 111	GA	27	Discontinued - FY21							
GA 112	GA	20	Discontinued - FY19							
SC 129	SC	28	Discontinued - FY21							
SC 132	SC	28	Discontinued - FY21							
FL 168	FL	43	Discontinued - FY20							
TX 207	TX	83	Discontinued - FY21							
WA 211	WA	56	Discontinued - FY21							
KS 229	KS	69	Discontinued - FY21							
CO 239	CO	55	Discontinued - FY21							
KS 244	KS	34	Discontinued - FY21							
OK 267	OK	41	Discontinued - FY21							
CO 269	CO	55	Discontinued - FY21							
KS 291	KS	34	Discontinued - FY21							
TX 305	TX	41	Discontinued - FY21							
CO 320	CO	41	Discontinued - FY21							
FL 330	FL	41	Discontinued - FY20							
OK 339	OK	69	Discontinued - FY21							
WA 370	WA	74	Discontinued - FY21							
CO 371	CO	86	Discontinued - FY21							
Subtotal	26 Projects	1,162								
Original Portfolio	38 Projects	1,844								

◆ Project has completed Interconnection Studies and executed an Interconnection Agreement, however, studies and agreement will likely need to be redone.

* Development of these projects has been put on hold due to economic considerations.

The Company does not intend to acquire any additional utility-scale solar projects in the United States at this time and is focused on maximizing value from its current portfolio of projects.

Australia Solar Development

VivoPower has developed, built, acquired and operated a diverse portfolio of operating rooftop solar projects in Australia, totalling just under 23 MW across over 80 sites in every Australian state and the Australian Capital Territory. These projects were fully contracted with commercial, municipal and non-profit customers under long-term PPAs. Pursuant to the Company's strategy to recycle development capital, we were able to profitably monetize these projects, having completed the sale of the Amaroo Solar Project (0.6 MW) in February 2018, the Express Power Portfolio of solar projects (0.2 MW) in September 2018, the Juice Capital Portfolio of solar projects (0.3 MW) in November 2018, and the Sun Connect Portfolio of solar projects (1.6 MW) between January and October 2019.

In July 2018, VivoPower entered into a definitive investment agreement with ITP for the development of a portfolio of utility-scale solar projects in New South Wales. ITP is a global leader in renewable energy engineering, strategy, and construction, as well as in energy sector analytics. Under the terms of the investment agreement, VivoPower would fund up to 1.4 cents per watt (AC) of development costs per project in exchange for a 60% equity stake in each project, with an opportunity to achieve a sale and transfer at multiple stages, as early as shovel-ready. The Company commenced development of two solar projects under the ITP investment agreement, the 15 MW Yoogali Solar Farm and the 5 MW Daisy Hill Solar Farm, both located in the Riverina region of New South Wales, with both projects achieving advanced stages of development since that time. In February 2021, VivoPower announced the successful sale of its 60% equity stake in the Daisy Hill Solar Farm project to its development partner, ITP, for total consideration representing a 2.1x multiple of the Company's invested capital in the project. Subsequently, VivoPower also agreed to sell its stake in the Yoogali Solar Farm project to ITP for immaterial consideration.

The sale of its interests in these projects are in line with VivoPower's strategic pivot to refocus efforts only on customer-centric SES projects in the future and it does not intend to develop any standalone solar projects in Australia that are not part of its broader SES strategy.

JOBS Act

In April 2012, the JOBS Act was signed into law. The JOBS Act contains provisions that, among other things, reduce certain reporting requirements for an "emerging growth company." As an "emerging growth company," we have irrevocably elected not to take advantage of the extended transition period afforded by the JOBS Act for the implementation of new or revised accounting standards, and as a result, we will comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth companies. Section 107 of the JOBS Act provides that our decision to not take advantage of the extended transition period for complying with new or revised accounting standards is irrevocable. In addition, we are in the process of evaluating the benefits of relying on the other exemptions and reduced reporting requirements provided by the JOBS Act.

Subject to certain conditions set forth in the JOBS Act, if as an "emerging growth company" we choose to rely on such exemptions, we may not be required to, among other things, (i) provide an auditor's attestation report on our system of internal controls over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act, (ii) provide all of the compensation disclosure that may be required of non-emerging growth public companies under the Dodd-Frank Wall Street Reform and Consumer Protection Act, (iii) comply with any requirement that may be adopted by the PCAOB regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements (auditor discussion and analysis), or (iv) disclose certain executive compensation-related items such as the correlation between executive compensation and performance and comparisons of our chief executive officer's compensation to median employee compensation.

These exemptions will apply for a period of five years following the completion of the Business Combination or until we no longer meet the requirements of being an "emerging growth company," whichever is earlier.

Financial Results

	Year Ended 30 June	
(US dollars in thousands)	**2021**	**2020**
Revenue from contracts with customers	40,411	47,986
Costs of sales	(34,084)	(40,885)
Gross profit	6,327	7,101
General and administrative expenses	(11,133)	(5,479)
Gain on SES development	769	1,589
Other income	1,511	724
Depreciation of property and equipment	(1,089)	(898)
Amortisation of intangible assets	(1,167)	(868)
Operating (loss)/profit	(4,782)	2,169
Restructuring and other non-recurring costs	(2,880)	(3,410)
Finance income	2,179	33
Finance expense	(2,590)	(3,182)
Loss before income tax	(8,073)	(4,390)
Income tax	115	(713)
Loss for the year	(7,958)	(5,103)
Adjusted EBITDA	(1,448)	3,937

Management analyses our business in five reportable segments: Critical Power Services, Electric Vehicles, Sustainable Energy Solutions, Solar Development, and Corporate Office.

During the year ended 30 June 2021, the Group generated statutory revenue of $40.4 million, gross profit of $6.3 million, operating loss of $4.8 million and a net loss of $8.0 million. For the year ended 30 June 2020, the Group generated revenue of $48.0 million, gross profit of $7.1 million, operating profit of $2.2 million, and a net loss of $5.1 million.

Adjusted EBITDA for the year ended 30 June 2021 was a loss of $1.4 million, compared to a profit of $3.9 million for the previous year. Adjusted EBITDA is a non-IFRS financial measure. We define Adjusted EBITDA as earnings before interest, taxes, depreciation and amortisation, impairment of assets, impairment of goodwill, other finance income and expenses, one-off non-recurring costs including restructuring expenses and non-cash equity remuneration.

The results of operations for the year ended 30 June 2021, reflect a period of investment in hyperscaling of the Electric Vehicles business since acquisition, and growth in the corporate functions and management team to be able to sustainably support planned international growth.

Revenue in Critical Power Services declined by $9.1 million to $38.8 million in the year, as a result of delays in delivery on orders, contracts and projects due to COVID-19 related lockdowns. Electric Vehicles contributed $1.4 million revenue in the 8 months since acquisition. Solar Development contributed $0.2m of revenues but there was no contribution as yet from Sustainable Energy Solutions.

The reduction in revenue in the year caused a $0.8 million reduction in gross profit to $6.3 million, although this reduction was mitigated by a $0.8 million increase in other income (primarily Jobseeker government allowance in Australia during COVID-19 lockdowns). Gross margins improved in percentage terms from 15% to 16% as a result of continued focus on cost control. Electric Vehicles also contributed $0.1 million in gross profit since acquisition while Solar Development contributed $0.2 million.

The $0.7 million gain on Solar Development projects in the year ended 30 June 2021 comprised a $0.9 million net gain in respect of Caret LLC, in the year ended 30 June 2021, resulting from a loss of $7.0 million in respect of the Company's 50% share of discontinued solar development projects in the joint venture, offset by a bargain purchase gain of $7.8 million on acquisition of the remaining 50% of the joint venture on 30 June 2021. This gain was offset by a $0.2 million loss on solar development projects in VivoPower Pty Ltd in Australia. By comparison, the $1.5m gain on Solar Development projects in the year ended 30 June 2020 comprised a $2.3 million gain on sale of VivoRex, LLC in the U.S and a $0.5 million gain on the sale of Sun Connect portfolio in Australia, partly offset by a $1.2 million loss on discontinued projects in the ISS portfolio.

The results for the year ended 30 June 2021 also reflect a $5.6 million increase in general and administrative costs to $11.1 million. The increase comprises $1.1 million non-cash equity incentive costs, $1.8 million increase in salaries and professional fees costs in UK and for the new SES business unit, and $1.4 million in the Electric Vehicles segment in the 8 months since acquisition.

The results of operations for the year ended 30 June 2021 include $2.9 million restructuring and other non-recurring costs. A further $2.0 million costs were incurred in the year related to disputes with a former CEO, Dr. Philip Comberg. Following a court hearing in March 2020 and a final ruling on the Comberg claim in September 2020, $1.5 million of the incurred costs were spent and a further $0.5 million provided for disputed legal success fees. A further $0.6 million cost was incurred in relation to the acquisition of Tembo. Restructuring and other non-recurring costs are further described in Note 8 to the consolidated financial statements.

In the year ended 30 June 2021, net finance costs of $0.4 million include $1.0 million income for waiver of historic accrued interest and dividends on Aevitas convertible preference shares and loan notes following agreement by certain holders to exchange the instruments for non-convertible Aevitas preference shares in August 2020, interest on the AWN related party loan of $2.0 million and interest on the Aevitas convertible preference share, loan notes and non-convertible preference shares of $1.2 million, and foreign exchange gains of $2.1 million.

As at 30 June 2021, the Group's current assets were $24.0 million (as at 30 June 2020: $20.5 million, 30 June 2019: $36.3 million), which was comprised of $8.6 million (as at 30 June 2020: $2.8 million; 30 June 2019: $7.1 million) of cash and cash equivalents, $1.1 million restricted cash (as at 30 June 2020: $1.0 million; 30 June 2019: $0.6 million;), $12.7 million (as at 30 June 2020: $12.6 million; 30 June 2019: $15.0 million) of trade and other receivables, and nil (as at 30 June 2020: $4.1 million, 30 June 2019: $13.5 million) of assets held for sale related to the ISS Joint Venture portfolio, following acquisition of the remaining 50% of the joint venture by the Company.

Current liabilities were $13.4 million as at 30 June 2021 (as at 30 June 2020, $19.7 million; 30 June 2019: $29.1 million). The decrease (despite the addition of new trade creditor balances for Tembo on acquisition) reflects payment of outstanding corporate trade creditors and accrued AWN related party loan interest following the capital raise in October 2020.

Current asset-to-liability ratio as at 30 June 2021 was 1.79:1 (as at 30 June 2020: 1.04:1; 30 June 2019: 1.25:1; 31 March 2019: 1.43:1).

As at 30 June 2021, the Company had net assets of $40.4 million (as at 30 June 2020 $17.9 million; 30 June 2019: $22.5 million), including intangible assets of $47.4 million (as at 30 June 2020: $29.8 million; 30 June 2019: $31.8 million) following the Tembo and ISV joint venture acquisitions. Property, plant and equipment increased to $2.6 million as at 30 June 2021 from $2.5 million as at 30 June 2020, reflecting replacement capital expenditure and acquired Tembo assets, less depreciation.

Cash inflow for the year ended 30 June 2021, was $5.5 million, arising from cash inflow from financing activities of $23.5 million less cash outflow from operating activities of $15.4 million and cash used by investing activities of $2.7 million. At 30 June 2021, the Company had cash reserves of $8.6 million (30 June 2020: $2.8 million) and debt of $23.1 million (30 June 2020: $26.0 million), giving a net debt position of $14.5 million (30 June 2020: $23.1 million).

Net cash outflows from investing activities of $2.7 million in the current year comprised $0.4 million proceeds from sale of solar development project assets in Australia, offset by $0.9 million purchases of property, plant and equipment and a net $2.1 million cash outflow on acquisition of Tembo e-LV. The outflow on acquisition comprised $7.1 million consideration, less $4.9 million cash acquired.

Cash inflows from financing activities of $23.5 million in the year ended 30 June 2021 comprising primarily $32.0 million net proceeds from capital raise less $2.2 million repayment of AWN related party loan principal and $5.3 million interest on borrowings, primarily Arowana Holdings Limited ("AWN") loan and Aevitas hybrid interest, including catch up on amounts accrued from prior periods.

Year Ended 30 June 2021 Compared to Year Ended 30 June 2020:

Year Ended 30 June 2021 (US dollars in thousands)	Critical Power Services	Solar Development	Electric Vehicles	Corporate Office	Total
Revenue	38,832	185	1,394	-	40,411
Costs of sales	(32,792)	-	(1,292)	-	(34,084)
Gross profit	**6,040**	**185**	**102**	-	**6,327**
General and administrative expenses	(3,004)	(1,309)	(1,923)	(4,897)	(11,133)
Gain on solar development	36	733	-	-	769
Other income	1,511	-	-	-	1,511
Depreciation and amortisation	(1,902)	(4)	(346)	(4)	(2,256)
Operating profit/(loss)	**2,681**	**(395)**	**(2,167)**	**(4,901)**	**(4,782)**
Restructuring and other non-recurring costs	(27)	-	(631)	(2,222)	(2,880)
Finance expense – net	1,687	(24)	(1)	(2,073)	(411)
Profit/(loss) before taxation	**4,341**	**(419)**	**(2,799)**	**(9,196)**	**(8,073)**
Income tax	(714)	96	733	-	115
Profit/(loss) for the period	**3,627**	**(323)**	**(2,066)**	**(9,196)**	**(7,958)**

Year Ended 30 June 2020 (US dollars in thousands)	Critical Power Services	Solar Development	Electric Vehicles	Corporate Office	Total
Revenue	47,914	69	-	3	47,986
Costs of sales	(40,865)	(20)	-	-	(40,885)
Gross profit	7,049	49	-	3	7,101
General and administrative expenses	(2,745)	(469)	-	(2,265)	(5,479)
Gain on solar development	41	1,548	-	-	1,589
Other income	724	-	-	-	724
Depreciation and amortisation	(1,718)	(45)	-	(3)	(1,766)
Operating profit/(loss)	3,351	1,083	-	(2,265)	2,169
Restructuring and other non-recurring costs	(124)	(1,296)	-	(1,990)	(3,410)
Finance expense – net	(1,436)	(9)	-	(1,704)	(3,149)
Loss before taxation	1,791	(222)	-	(5,959)	(4,390)
Income tax	15	(728)	-	-	(713)
Loss for the period	1,806	(950)	-	(5,959)	(5,103)

Principal Risks and Uncertainties

VivoPower is exposed to a number of risks and uncertainties which could have a material impact on the Group's long-term performance and could cause actual results to differ materially from historical and expected results.

Market demand for our products and services

Our business and revenues depend on the demand for our products and services. The market demand for electric vehicles, critical power services, sustainable energy solutions and solar development projects is heavily influenced by a range of factors that include the governmental economic, fiscal, and political polices at both the national and state levels in both the U.S., Australia, Europe, the United Kingdom and the rest of the world, as well as global economic and political factors affecting the cost, availability, and desirability of renewable energy, other energy sources. Other external factors such as the COVID-19 pandemic may also affect demand for our products and services.

Competitiveness of our products and services

Our products and services need to be competitive in terms of price and quality with competition in each of our markets. Tembo in particular operates in a market that is relatively new, rapidly evolving, characterised by rapidly changing technologies, new competitors, evolving government regulation and industry standards, frequent new vehicle announcements and changing consumer demands and behaviours. In order to stay competitive and relevant, it needs to continuously innovate and invest in product development and new technologies. Our critical power services businesses face pricing pressure in a competitive market and must continually improve cost efficiencies.

Operational scale up of electric vehicle assembly and delivery capabilities

Tembo faces operational risks as a maker of battery-electric ruggedised and off-road vehicles embarking on an exponential scale up of its assembly and delivery capabilities. Growth is dependent on securing appropriate premises and equipment, achieving design and manufacturing process goals, achieving compliance with safety regulations and standards, recruiting, and retaining suitably qualified personnel, overcoming any delays and, resolving any supply chain shortages, to be able to deliver the volume and quality of products required to meet customer commitments.

Delivering electric vehicle products and services to customers requirements and regulatory standards

Following the acquisition of Tembo, we signed distribution agreements with a number of partners globally, to sell Tembo EV conversion kits. In addition, we signed a binding letter of intent with Toyota Australia to initially provide electrification solutions for the Toyota Landcruiser model, with a focus initially on off road applications in Australia, and which is subject to further negotiation of a master service agreement. Meeting the technical specifications, quality and safety standards of our customers and partners is a key driver of ensuring Tembo's brand, reputation, revenue and future prospects. Product failures in service could leave us exposed to future warranty claims. Failure to meet the required regulations and standards in the markets we serve could require product recalls and fines and penalties.

Development and scale up of the SES solutions business

Whilst we have experience in developing, financing, building and operating solar power systems and distributed generation solar systems, we have limited experience and track record in combining this experience to then develop and offer a complete SES solution with microgrids, battery recycling and reuse and are still in the process of building the capabilities in the team. Developing and/or acquiring these capabilities is a key factor in expanding our SES solutions business.

Supply chain execution

Materials deliveries from suppliers are at risk of disruption due to external events and factors such as COVID-19 and semiconductor shortages. Overcoming challenging supply chain issues is a key factor in our businesses being able to deliver goods and services to our customers in line with their requirements and meet our revenue growth targets.

Ability to secure capital at attractive rates and terms.

Our businesses are capital intensive requiring significant investment in operational expenditure and capital expenditure to realise the growth potential of our electric vehicle, critical power services, sustainable energy solutions and solar development businesses. In addition, we are subject to significant and ongoing administrative and related expenses required to operate and grow a public company. Together these items impose substantial requirements on our cash flow. As a result, we expect to require some combination of additional financing options in order to execute our strategy and meet the operating cash flow requirements necessary to operate and grow our business.

Currency fluctuations.

We conduct business in the U.S., Australia, the Netherlands and the U.K. As a result, we are exposed to risks associated with fluctuations in currency exchange rates, particularly between the U.S. dollar, the British Pound, the Euro and the Australian dollar.

Ability to attract and retain talent

We are looking to rapidly hyperscale our business, in the face of fierce competition for talent and short timeframes. To achieve our operational goals, we need to attract high calibre talent quickly.

Employees

People are central to our business and the contribution of talented and motivated employees is vital to the continued success of the Group. The Group has a policy of keeping employees informed of, and engaged in, its business strategy through regular briefings and team meetings. Employee involvement at all levels is encouraged.

It is a policy of the Group to recruit, develop and promote people on merit and to treat everyone equally regardless of their race, ethnic origin or nationality, age, gender, sexual orientation, disability, religion or belief.

The Group gives every consideration to applications for employment from disabled persons where the requirements of the position may be adequately covered by the abilities of the applicant concerned. In the event of members of staff becoming disabled, ways are examined to ensure that their employment with the Group continues and that the appropriate training is arranged. It is the policy of the Group to ensure that the training, career development and promotion of disabled employees should, as far as possible, be the same as that of other employees.

The table shows, as per required quoted company regulations, the number of staff of each gender employed at the Company and their level of seniority.

	Female	Male	Total
Directors	1	5	6
Senior Manager	8	18	26
Employees	35	206	241
Total	44	229	273

Health and Safety

The health and safety of the Group's employees, customers, and visitors is of primary importance. The Group is committed to creating and maintaining a safe and healthy working environment. Health and safety audits and risk assessments, including fire risk assessments, are carried out regularly.

The Environment

The Group recognises the importance of environmental responsibility and believes that its direct activities have a positive impact on the environment as the Company facilitates greater use of renewable energy. In addition, lightly damaged solar panels, that would have otherwise been bound for landfill, are donated to charity.

Communities

VivoPower has maintained an active program of community involvement in the locations we operate, including support for local children's sport teams and engagement with other worthwhile causes supported by our employees. In addition, as noted above, the Company donates lightly damaged solar panels to a charity that provides aid to the impoverished, supports local education initiatives, and assists with charitable renewable energy projects.

B Corporation Certification

VivoPower became certified as a B Corporation in April 2018. Consistent with this certification, the shareholders approved changes to the Articles of Association of the Company at its annual general meeting on 20 August 2018, to include:

(i) the purposes of the Company are to promote the success of the Company for the benefit of its members as a whole and, through its business and operations, to have a material positive impact on society and the environment, taken as a whole;

(ii) in exercising the powers of the Company, a Director shall have regard to, among other matters, stakeholder interests such as:

a. the likely consequences of any decision in the long term;

b. the interests of the Company's employees;

c. the need to foster the Company's business relationships with suppliers, customers and others;

d. the impact of the Company's operations on the community and the environment;

e. the desirability of the Company maintaining a reputation for high standards of business conduct; and

f. the need to act fairly as between members of the Company.

As a B Corporation, the Company is committed to continuously improve its B Corporation score and deliver on the B Corporation triple bottom line of Planet, People and Profit.

The Directors consider the Company's ongoing commitment to B Corporation certification and continual improvement thereunder as the primary means by which the Directors have had regard to the matters set out in section 172(1) of the Companies Act 2006 when performing their duty to act in the way most likely to promote the success of the Company for the benefit of its members as a whole.

The Strategic Report comprising pages 7 to 24 was approved by the Board and signed on its behalf by:

Kevin Chin
Executive Chairman
14 September 2021

Directors' Report

The Directors are pleased to present their report and the audited financial statements of VivoPower International PLC ("the Company") and its subsidiary undertakings (together "the Group") for the year ended 30 June 2021. Subsidiary and associated undertakings are listed in Note 15 to the financial statements.

Directors

The following table sets forth the names, ages and positions of our directors and executive officers. Unless otherwise indicated, the business address for all of our directors and executive officers is The Scalpel, 18th Floor, 52 Lime Street, London EC3M 7AF, UK.

Name	Age	Position	Appointed	Resigned
Directors:				
Kevin Chin (1)(4)	48	Chairman	*27 April 2016*	
Matthew Cahir (3)	56	Non-Executive Director	*16 June 2020*	
Peter Jeavons (1)(2)(3)(4)	56	Non-Executive Director	*16 June 2020*	
William Langdon (1)(2)(3)	60	Non-Executive Director	*16 June 2020*	
Michael Hui	41	Non-Executive Director	*22 January 2020*	
Gemma Godfrey (1)(2)(4)	37	Non-Executive Director	*15 December 2020*	
Executive Officers:				
Kevin Chin (1)(4)	48	Chief Executive Officer	*25 March 2020*	

(1) Member (or in the case of Mr. Chin, non-voting observer) of the Audit and Risk Committee.

(2) Member of the Remuneration Committee.

(3) Member of the Nomination Committee.

(4) Member of the Sustainability Committee, established December 18, 2020

The following sets forth biographical information regarding our directors and executive officers. There are no family relationships between any director or executive officer and any other director or executive officer.

There are no other arrangements or understandings with major shareholders, customers, suppliers or others, pursuant to which any person referred to above was selected as a director or member of senior management, except that: Kevin Chin is the Chairman of AWN, which is a beneficial owner of 44.2% (as at 30 June 2021) of VivoPower and is himself the beneficial owner of 10.4% of VivoPower, primarily through The Panaga Group Trust (5.6%) and Arowana Partners Group Pty Ltd (4.3%).

Kevin Chin

Kevin Chin is the founder of Arowana, a diversified investment group with operating companies across the U.K., U.S., Asia and Australia, as well as owning other unlisted companies and investments. One of those operating companies is AWN, which is listed on the Australian Securities Exchange. AWN is the largest shareholder in VivoPower, as well as owning other unlisted companies and investments.

Over his 25-plus year career, Mr. Chin has accumulated extensive experience in "hands on" strategic and operational management having served as CEO, CFO and COO of various public and private companies across a range of industries, including solar energy, software, traffic management, education, funds management and vocational education. He is the author of the business book, HyperTurnaround! which chronicles the privatization, rapid turnaround and subsequent global scale up of a software company called RuleBurst Haley culminating in a sale to Oracle. Mr. Chin regularly writes for Inc.com on topics such as turnarounds and growing pains challenges. He also has significant international experience in private equity, buyouts of public companies, mergers and acquisitions and capital raisings as well as funds management, accounting, litigation support and valuations with prior roles at LFG, J.P. Morgan, PWC and Deloitte.

Mr. Chin holds a Bachelor of Commerce degree from the University of New South Wales where he was one of the inaugural University Co-Op Scholars with the School of Banking and Finance. He is also a qualified Chartered Accountant and a Fellow of FINSIA, where he was a curriculum writer and lecturer in the Master of Applied Finance program. Mr. Chin resides primarily in London, United Kingdom.

Matthew Cahir

Matthew Cahir has had a 35-plus year career focused on the enterprise software, technology and telecommunications sectors. In the last 15 years, he has held a number of global executive leadership roles, including as CEO, President and COO. His key expertise has been working for private equity and venture capital backed firms focused on turning around distressed or underperforming portfolio companies.

Mr. Cahir has worked for the Goldman Sachs backed Nuxeo, Exeter Group, the Francisco Partners backed Mincom and RuleBurst Haley (acquired by Oracle) among others. He is a global expert and teacher in sales strategy and execution and has worked with the world's leading teams at firms that include Vista Equity Partners, Accenture, Oracle, SAP and CA. He resides in Virginia, just outside of Washington, D.C.

Mr. Cahir is Chairman of the Nominations Committee of the Company.

William Langdon

William Langdon has had a 25-plus year career in the software, technology and enterprise data sectors after starting his career at Disney in finance and marketing. He served as CFO of venture-backed OmniTicket Network and after served in a series of senior management roles at digital mapping leader NAVTEQ (acquired by Nokia). After starting in European Sales, he became General Manager of the global Distribution division and President of NAVTEQ's first acquisition, a digital mapping company based in Seoul, South Korea. Since that time, he has served in a series of senior management roles with venture-backed French technology start-ups including Goldman Sachs backed Nuxeo and Intersec, backed by Highland Europe.

Mr. Langdon received his MBA from Yale University and is a member of the Singula Institute Board of Directors. He resides in New York City, United States.

Mr. Langdon serves as Chairman of the Audit and Risk Committee of the Company.

Peter Jeavons

Peter Jeavons has over 30 years' experience working in a number of executive-level international roles predominantly focused on leading technology and enterprise software solutions across many industry sectors. His career has been spent working for small start-ups, medium-sized and large corporate businesses, helping to drive strong growth, turnarounds and with involvement from both sides in successful merger and acquisition activities. He specialises in policy, regulatory and legislative compliance=-based solutions and has a strong interest in how technology can help to drive sustainability and save the planet.

Mr. Jeavons was part of the global leadership team of RuleBurst Haley, which was acquired by Oracle and then successfully relaunched their regulatory compliance solution as a native SaaS platform internationally. During his career he has also worked for companies including Infor, who are another large enterprise software company and was responsible for the European business at Nuxeo, a Goldman Sachs backed, open source, enterprise content management software provider

He currently leads the EMEA business for First Insight, the market leader in machine-led, artificial intelligence and predictive analytics for retailers. Mr. Jeavons completed his Non-Executive Director's diploma with Pearson in 2013 and is also supporting other software start-ups to scale their operations internationally. He resides in London, United Kingdom.

Mr. Jeavons is Chairman of the Remuneration and Sustainability Committees of the Company.

Michael Hui

Michael Hui brings a unique background to the VivoPower Board given his dual Information Technology and Law degrees and experiences. During his career, he has built significant expertise across a diverse range of sectors in both an investment as well as an operational capacity.

Mr. Hui serves as the Director of Private Enterprise Investments (Australasia) for VivoPower's largest shareholder, AWN Holdings and also the broader Arowana group. In 2011, he joined Arowana as an Investment Director, and since then he has worked across a range of Arowana's operating businesses including education and asset management. Mr. Hui led the formation and structuring of the Arowana Australasian Special Situations Fund (AASSF) and most recently, the building of Arowana's education business, EdventureCo. His primary focus at present is driving corporate development (including mergers and acquisitions and technology-based transformation), working alongside the leadership teams of Aevitas and EdventureCo. Previously, Michael was Co-founder and CEO of an online-payments business, and spent more than 10 years as a lawyer practicing corporate and commercial law. He resides in Brisbane, Australia.

Gemma Godfrey

Gemma Godfrey is a non-executive director and advisor with global board experience across financial services, technology, media, public policy and sustainable energy. With an 18-year career, her track record of strategic planning, innovation and consumer insight helps ambitious businesses achieve their goals.

Mrs. Godfrey is Chair of the Investment Management Group of national IFA network, IWP. She is also a Non-Executive Director of advanced technologies company, Creativemass, and a business expert on ITV's Good Morning Britain. She was the Founder and CEO of an FCA-authorised digital investing service, which was acquired by FTSE 250 insurer JLT. She pioneered new technology and went on to launch a digital media business for News U.K., part of News Corp.

A former boardroom adviser to Arnold Schwarzenegger on 'The Apprentice,' Mrs. Godfrey was an advisor to the U.K. Government on its 10-year strategy to improve the nation's financial wellbeing. She was previously Head of Investment Strategy at FTSE-AIM wealth manager, Brooks Macdonald, and Chair of the Investment Committee of Credo Group. Mrs. Godfrey started her career at Goldman Sachs and GAM, with a background in quantum physics. She resides in London, United Kingdom.

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and Accounts for the Group and parent company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and parent company financial statements for the financial period. Under that law they have elected to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRS) adopted by the European Union and applicable law and have elected to prepare the financial statements for Company under the same methodology.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent company and of their profit or loss for that period. In preparing each of the Group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable IFRSs adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and,
- prepare the financial on the going concern basis unless it is inappropriate to presume that the Group and parent company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and parent company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and parent company and to prevent and detect fraud and other irregularities.

This annual report and financial statements together with the Notice of Annual General Meeting and other information regarding the Group may be viewed on the Company's website at www.vivopower.com.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of the financial statements may differ from the legislation in other jurisdictions in which the Company operates, including the U.S. and Australia.

The Directors consider the Company's ongoing commitment to B Corp certification and continual improvement thereunder, as discussed on page 21 of the Strategic Report, as the primary means by which the Directors have had regard to the matters set out in section 172(1) of the Companies Act 2006 when performing their duty to act in the way most likely to promote the success of the Company for the benefit of its members as a whole.

Directors' Insurance and Indemnities

The Directors have the benefit of the indemnity provisions contained in the Company's Articles of Association and the Company has maintained throughout the year directors' and officers' liability insurance for the benefit of the Company, the Directors and its officers.

The Company has entered into qualifying third-party indemnity arrangements for the benefit of all its Directors in a form and scope which comply with the requirements of the Companies Act 2006 and which were in force throughout the year and remain in force.

Future Developments

A detailed description of the Group's business operations, results for the year ended 30 June 2021, and likely future developments are presented in detail in the Strategic Report.

Financial Instruments

The Group's principal financial instruments are bank balances, cash and medium-term loans. The main purpose of these financial instruments is to manage the Group's funding and liquidity requirements. The Group also has other financial instruments such as trade receivables and trade payables which arise directly from its operations. The Board has overall responsibility for the establishment and oversight of the Group's risk management framework. Policy for managing risks is set by the Chief Executive Officer and is implemented by the Group's finance department. All risks are managed centrally with a tight control of all financial matters. For additional information on the composition of financial instruments, management objectives and policies, risk exposure and mitigation refer to Note 29 of the financial statements.

Going Concern

The financial statements have been prepared on a going concern basis, as the directors believe the Company will be able to meet its liabilities as they fall due.

As at 30 June 2021, the Company had unrestricted cash totalling $8.6 million, compared to $2.8 million as at 30 June 2020, $7.1 million as at 30 June 2019 and $4.5 million as at 31 March 2019. The improved cash position in the year follows the successful capital raise and at the market ("ATM") share issuances performed in the year ended 30 June 2021.

Over the next twelve months, the Company expects a rebound in revenues and EBITDA generation in critical power systems, growing overheads in electric vehicles as the operation prepares for series production, and revenue and costs in SES related to Tottenham Hotspur projects and scaling up the business more generally. Furthermore, the Company will be investing in capitalised development costs in electric vehicles in preparation for Tembo series production, and capitalised development costs in SES, to fund development of the U.S. solar portfolio towards future sales, and development of microgrid, EV charging and battery energy storage capabilities. The Company will also be investing in property, plant and equipment, particularly in Tembo.

The Company estimates that the net additional funding requirement in the year ended 30 June 2022 is a minimum of $15 million. The Company is planning to finance this funding requirement through, asset backed financing for investment in property, plant and equipment and software, debtor and inventory financing solutions, and if required hybrid equity or ordinary equity, depending on what is best suited to the Company's growth needs. The Directors believe these actions will provide sufficient cash to support business operations and meet obligations as they become due through September 2022.

To ensure success of the business, the directors have prepared and reviewed additional plans to mitigate any cash flow risk that may arise during the next twelve months. These include:

- Regular re-forecasting process and flexing of opex and capex cost growth according to liquidity needs;
- Phased approach to hiring of personnel to sustain growth of the Tembo business;
- Obtaining COVID-19 relief where available, e.g. Jobsaver COVID-19 payroll subsidy in Australia;
- Staging the timing of property plant and equipment and software capex to match asset backed financing inflows;
- Obtain R&D grants in the U.K. and Europe to help fund investment in electric, solar and battery technologies;
- Careful project planning and commercial structuring of SES projects;
- Possible sale, spin off or distribution in specie of Caret, LLC;
- Staging the timing of equity raises to minimise dilution; and
- Renegotiation of terms on loans and supply chain.

Based on the foregoing, the directors believe that the Company is well placed to manage its business risk successfully, despite some current economic and political uncertainty. The directors therefore have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they have continued to adopt the going concern basis in preparing the financial statements.

Legal Proceedings

On February 26, 2018, the Company's former Chief Executive Officer, Phillip Comberg, filed a legal claim alleging the Company committed a repudiatory breach of his service agreement in connection with the termination of his employment on October 4, 2017. Mr. Comberg claimed damages of £0.62 million related to the notice period in his service agreement, £0.54 million related to shares in the Company he alleges were due to him, and other unquantified amounts related to bonuses and past service fees alleged to be due. On April 9, 2018, the Company filed a defence and counterclaim, denying that a repudiatory breach was committed by the Company and denying the other claims asserted by Mr. Comberg, claiming that Mr. Comberg was terminated for cause. On November 26, 2018, the Company agreed to a settlement of the counterclaims against Mr. Comberg for an undisclosed amount.

After aborted attempts at settlement, the matter was heard in the U.K. High Court in the first two weeks of March 2020, with judgement ruled in September 2020. The Company was successful in defending the majority of the claims, with a total of £0.62m ($0.90 million) of the claims being settled in favour of Mr.

Comberg. However, final costs and interest of $1.76 million awarded to him were higher than budgeted. The $2.66 million payments resulted in an additional restructuring and non-recurring expense of $1.5 million during the year ended 30 June 2021, over and above utilisation of the $1.1 million brought forward provision as at 30 June 2020.

A further provision of $0.48 million for disputed legal success fees related to the Mr. Comberg litigation has also been recorded at 30 June 2021.

Donations

During the year ended 30 June 2021, the Group made no political donations nor other political expenditures.

Greenhouse Gas Emissions

Due to the difficulty of calculation, it is not currently practical for the Company to obtain information on greenhouse gas emissions resulting from our activities or operations or from use of purchased energy. Accordingly, no disclosure is made in this regard.

Share Capital

As at 30 June 2021, there were 18,506,064 ordinary shares in issue. No shares were repurchased during the year.

At the Company's Annual General Meeting in 2017, the Directors were given authority to allot shares up to an aggregate nominal amount of $1,560.00. At the Company's Annual General Meeting on 6 October 2020, the Directors were given authority to allot shares up to an aggregate nominal amount of $180,000.00. Following the issuance of ordinary share capital in the equity capital raise in October 2020, utilising over $40,000 nominal amount of authorised shares allotment, at the Company's Exceptional General Meeting on 18 December 2020, Directors were given a new authority to allot shares up to an aggregate nominal amount of $180,000.00.

During the year, the Company completed a series of capital raises on Nasdaq. A total of 4,091,019 ordinary shares were issued, comprising 3,382,350 ordinary shares issued on October 19, 2020 as an underwritten public offering pursuant to an F-1 registration statement filed with the SEC on October 14, 2020, and 708,669 ordinary shares issued during June 2021, as at the market price, pursuant to an F-3 registration statement filed with the SEC on December 21, 2020.

In February 2021, the Company issued 49,750 ordinary shares to Tottenham Hotspur Football Club ("THFC") as part of the exclusive global battery partnership agreement.

During the year, the Company issued 792,126 ordinary shares to employees, directors and consultants of the Company under the Omnibus Incentive Plan.

In February 2021, the Company issued 15,793 ordinary shares as part consideration for the purchase of the non-controlling interest in Tembo e-LV B.V.

On 30 June 2021, holders of convertible preference shares and convertible loan notes in Aevitas Group Limited, exercised their right to convert the debt instruments into ordinary shares in VivoPower International PLC. As disclosed in Note 31, a total of 2,005,190 restricted ordinary shares were issued at a contracted price of $10.20 on July 21, 2021. Of the 2,005,190 ordinary shares issued, 1,959,339 were issued to funds owned by AWN, the Company's largest individual shareholder.

There are no specific restrictions on the transfer of shares in the Company, which is governed by the Articles of Association and prevailing legislation, nor is the Company aware of any agreements between holders of securities that may result in restrictions on the transfer of shares or that may result in restrictions on voting rights.

There are no persons holding securities carrying special rights regarding control of the Company, no special rights attaching to shares under employee share schemes, no restrictions on voting rights, nor any significant agreements that take effect, alter or terminate on change of control of the Company following a takeover, with the exception of the conversion rights attached to the convertible preference shares and convertible loan notes in Aevitas Group Limited as described in Note 24 to the consolidated financial statements.

Substantial Interests

The following table sets forth information with respect to beneficial ownership of our ordinary shares as of the date of this Annual Report by each person known to us to beneficially own 5% or more of our ordinary shares.

The beneficial ownership of VivoPower's ordinary shares is determined based on 20,641,995 ordinary shares issued and outstanding on 18 August 2021. Beneficial ownership is determined according to the rules of the SEC, which generally provide that a person has beneficial ownership of a security if such person has or shares the power to vote or direct the voting thereof, or to dispose or direct the disposition thereof or has the right to acquire such powers within 60 days.

	Number of Shares	Percentage of Issued Capital
AWN Holdings Limited (2)	10,136,125	49.1%
The Panaga Group Trust (1)	1,039,201	5.0%

(1) According to a Schedule 13D filed on 9 January 2017, on behalf of Kevin Chin, The Panaga Group Trust (the "Trust"), Panaga Group Pty Ltd. (the "Trustee"), Mr. Chin, the Trust and the Trustee share sole voting and dispositive control over the shares reported. The business address of these entities is Level 11, 110 Mary Street, Brisbane, QLD 4000, Australia.

(2) According to a Schedule 13D filed 31 January 2017, on behalf of AWN Holdings Limited (formerly Arowana International Limited) ("AWN"), Arowana Australasian Special Situations Fund 1 Pty Limited ("Arowana Fund Co"), Arowana Australasian VCMP 2, LP ("Arowana Fund GP"), Arowana Australasian Special Situations Partnership 1, LP ("Arowana Fund"), Arowana Energy Holdings Pty Ltd. ("Arowana Energy"), AWN, as the controlling shareholder of each of Arowana Fund Co, Arowana Fund GP, Arowana Fund and Arowana Energy, may be deemed to beneficially own 8,176,804 ordinary shares. This amount includes 5,718,879 ordinary shares held directly by AWN, 488,435 ordinary shares directly held by certain entities controlled by AWN, 1,027,203 ordinary shares held by Arowana Fund and 942,287 ordinary shares held by Arowana Energy. On 21 July 2021, VivoPower International PLC issued a further 1,959,339 ordinary shares to funds owned by AWN, being conversion of the convertible preference shares and convertible loan notes in Aevitas Group Limited into ordinary shares in VivoPower International PLC, in accordance with terms of conversion of the instruments. The business address of these entities is c/o AWN Holdings Ltd, at Level 11, 153 Walker Street, North Sydney, NSW 2060, Australia.

Dividends

The Company has never declared or paid any dividends on our ordinary shares, and we currently do not plan to declare dividends on our ordinary shares in the foreseeable future. Any determination to pay dividends to holders of our ordinary shares will be at the discretion of our board of directors and will depend upon many factors, including our financial condition, results of operations, projections, liquidity, earnings, legal requirements, restrictions in our debt arrangements and other factors that our board of directors deem relevant.

Articles of Association

The Company's Articles of Association may only be amended by special resolution at a general meeting of shareholders.

Auditors

PKF Littlejohn LLP has indicated its willingness to continue as auditor. In accordance with s489 of the Companies Act 2006, a resolution to re-appoint them as auditors for the ensuing year will be put to the members at the forthcoming Annual General Meeting.

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The Directors' Report comprising pages 23 to 30 was approved by the Board and signed on its behalf by:

Kevin Chin
Chairman
14 September 2021

Corporate Governance

The Company's shares have been listed on NASDAQ since 29 December 2016. The Board is accountable to the Company's shareholders for good governance and this statement describes principles of corporate governance that have been applied by the Company.

The Directors believe that good corporate governance, involving risk appraisal and management, prudent decision-making, open communication and business efficiency, is important for the long-term benefit of the stakeholders in the Group.

Board of Directors

The Board is collectively responsible for providing leadership of the Group within a framework of prudent and effective controls and constructively challenges and helps to develop and communicate the Group's strategic aims.

The Board is comprised of the Chief Executive Officer and Chairman, and five non-executive directors. The Board has determined that Peter Jeavons, Gemma Godfrey and William Langdon are independent in accordance with the listing rules of Nasdaq. All directors are given regular access to the Company's operations and personnel as and when required. Their biographies on pages 23 to 25 illustrate their relevant corporate and industry experience to bring judgement on issues of strategy, performance, resources and standards of conduct which are vital to the success of the Group.

The Board considers the overall strategic direction, development and control of the Group and reviews trading performance, investment opportunities and other matters of significance to the Group. Various decisions require Board approval, including but not limited to the approval of the annual budget, larger capital expenditure proposals, acquisitions and disposals. Board papers, which are distributed to all directors in advance of each meeting, follow a set agenda although further subjects are added for discussion as the need arises.

The Board is scheduled to meet normally no less than six times per year to enable the Board to discharge its duties effectively and to consider those matters which specifically require Board review and decision. In addition, meetings are also convened on an ad hoc basis when there is urgent or delegated business which cannot wait until the next scheduled meeting.

The following table sets out the number of meetings of the Board, excluding ad hoc meetings, and its committees during the year ended 30 June 2021 and the attendance of the members at those meetings (attended/eligible to attend):

	Board	Audit and Risk Committee	Remuneration Committee	Nominations Committee
Kevin Chin	12/ 12	2 / 2*	5 / 5*	-/-
Michael Hui	12 / 12	2 / 2	1 / 1	-/-
Peter Jeavons	12 / 12	3 / 3	5 /5	1 / 1
William Langdon	12 / 12	3 / 3	5 /5	1 / 1
Matthew Cahir	12 / 12	2 / 3	5 / 5	1 / 1
Gemma Godfrey	5 / 5	1 / 1	1 / 1	-/-

* attended as an observer

Audit and Risk Committee

The Audit and Risk Committee is comprised of William Langdon (who is Chair of the Audit and Risk Committee), Gemma Godfrey and Peter Jeavons. All members have been determined by the Board to be independent under the applicable Nasdaq listing standards. Peter Jeavons, William Langdon and Matt Cahir joined the committee on 16 June 2020. Matt Cahir resigned from the committee on 30 June 2021. Gemma Godfrey joined the committee on 01 July 2021, Ashwin Roy served on the committee from his appointment on September 20, 2019, until his resignation on 16 June 2020. Shimi Shah and Peter Sermol also served on the committee until their resignations on 16 June 2020.

Upon the resignation of Edward Hyams, an independent director, on 16 November 2018, the Company no longer complied with Nasdaq's audit committee requirements as set forth in Listing Rule 5605, which requires a minimum of three independent directors on the committee. On 20 September 2019, Ashwin Roy joined the committee as an independent director, enabling the Company to regain compliance with Listing Rule 5605 on that date.

An invitation is also extended to the auditors to attend meetings of the Audit and Risk Committee in order to discuss issues relating to the audit and financial control of the Group. The auditors also have direct access, should they so require, to the Audit and Risk Committee. The Audit and Risk Committee has responsibility within the terms of reference for, among other things, the planning and review of the Group's annual and interim financial statements, the supervision of its auditors in the review of such financial statements and the review and monitoring of their independence.

The Audit and Risk Committee focuses particularly on the Group's compliance with legal requirements and accounting standards, and on ensuring that effective systems for internal financial control are maintained.

Remuneration Committee

The Remuneration Committee is comprised of Peter Jeavons (Chair of the Remuneration Committee), William Langdon and Gemma Godfrey, each of whom the Board has determined is independent under the applicable Nasdaq listing standards. Peter Jeavons and William Langdon joined the committee on June 16, 2020, and Matthew Cahir served on the committee from his appointment on 16 June 2020, until his resignation on 30 June 2021. Gemma Godfrey joined the committee on 01 July 2021. Shimi Shah, Ashwin Roy and Peter Sermol served on the committee until their resignations on June 16, 2020.

Nominations Committee

The Nomination Committee of the board of directors is comprised of Matthew Cahir (who is Chair of the Nomination Committee), William Langdon, and Peter Jeavons, all of whom joined the committee on 16 June 2020, and each of whom the Board has determined is independent under the applicable Nasdaq listing standards. Ashwin Roy served on the committee from his appointment on 20 September 2019, until his resignation on June 16, 2020. Shimi Shah and Peter Sermol served on the committee until their resignation on 16 June 2020. Edward Hyams also served on the committee until his resignation on 16 November 2018. Shimi Shah joined the Nomination Committee on 28 December 2017.

Sustainability Committee

The Sustainability Committee was formed on 18 December 2020 and is comprised of Peter Jeavons (Chair of the Sustainability Committee), Kevin Chin and Gemma Godfrey. The Sustainability Committee's duties include, but are not limited, to overseeing and monitoring of the Company's Safety and Health policies, B Corp certification, environmental policies, community and staff engagement, and corporate social responsibility policies.

Internal Control

The Board oversees management's activities in relation to the systems of internal control. Management has responsibility for maintaining the Group's system of internal control and for reviewing its effectiveness. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve the Group's strategic business objectives and can only provide reasonable assurance against material misstatement or loss.

The key elements of the system of internal control are:

Control environment

There is sufficient segregation of duties and authorisation controls on approval of customer and supplier contracts, recruitment of staff, approval of purchases and payment of suppliers.

Financial reporting

The senior management team has regular meetings to discuss all aspects of the business and review financial performance against budget and provides a monthly summary report to the Board. The Group has a sustainable system of financial reporting and forecasting covering profits, assets, liabilities, cash flow and capital expenditure. The systems include regular monitoring of cash, monthly reporting of financial results. Budgets and business plans are prepared annually and reviewed by the Board.

Capital investment

For any significant investment, a detailed proposal is first approved by the Company's Investment Committee, then by the board of directors of VivoPower International Services Limited ("Services Board"). Any major investment is always approved by the Board or the Services Board. The Company's Investment Committee process contains five stages to ensure the Company has an explicit understanding of a portfolio's purpose, objective and a clear definition of success in determining whether the portfolio achieves that purpose and meets that objective. The five stages include:

(i) Completion of a Lead Qualification Form to provide a project overview, indicative returns, capital required, risks, timeline and areas to consider in future diligence;

(ii) First Investment Committee Meeting ('IC1') to provide a comprehensive summary of the project including detailed legal, technical, financial information and risks;

(iii) Second Investment Committee Meeting ('IC2') which includes everything in IC1 plus summary of transaction documentation and update on diligence;

(iv) Board approval to fund the project, and formally recommend that project executes transaction documentation; and

(v) Board approval to execute the transaction documentation.

Communications with Shareholders

The Company encourages two-way communications with shareholders. The Board endeavours to maintain good relationships with its institutional shareholders by holding regular meetings after results are published with further dialogue as requested.

The Company's Annual General Meeting will be held on 26 October 2021. The notice of the meeting is sent to shareholders at least 21 days before the meeting.

This annual report and financial statements together with the Notice of Annual General Meeting and other information regarding the Group may be viewed on the Company's website at www.vivopower.com.

Remuneration Report

This report has been prepared in accordance with the provisions of the UK Companies Act 2006 and Schedule 8 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended in 2013).

Statement by the Chairman of the Remuneration Committee

On behalf of the Remuneration Committee (the "Committee"), I am pleased to present the Remuneration Report for the year ended 30 June 2021.

The Remuneration Committee is comprised of Peter Jeavons (Chair of the Remuneration and Nomination Committee), William Langdon and Gemma Godfrey, each of whom the Board has determined is independent under the applicable Nasdaq listing standards. Peter Jeavons and William Langdon joined the committee on 16 June 2020, and Matthew Cahir served on the committee from his appointment on 16 June 2020, until his resignation on 30 June 2021. Gemma Godfrey joined the committee on 01 July 2021. Shimi Shah, Ashwin Roy and Peter Sermol served on the committee until their resignations on 16 June 2020.

The Committee has a written charter, a form of which is available free of charge on VivoPower's website at www.vivopower.com. The Committee's duties, which are specified in our Remuneration Committee Charter, include, but are not limited to:

- setting the remuneration policy for all executive directors and executive officers, including pension rights and any compensation payments;
- reviewing the appropriateness and relevance of the remuneration policy;
- determining total individual compensation packages;
- reviewing and designing share incentive and share option plans, determining awards thereunder and administering such plans;
- approving design of and targets for performance-related pay schemes;
- determining pension arrangements;
- appointing compensation consultants;
- approving contractual appointment terms for directors and senior executives; and
- related duties.

The Company's objective with respect to remuneration of directors is to attract and retain high-calibre individuals who are able to bring an appropriately senior level of experience and judgement to bear on issues of strategy, performance, resources and standard of conduct.

No changes are proposed to the Directors Remuneration Policy for Executive and Non-Executive Directors as approved by shareholders on 5 September 2017.

The Company's Annual Report on Remuneration, disclosing the compensation paid to directors in respect of the year ended 30 June 2021 is provided below.

Annual Report on Remuneration ***(audited)***

Executive Directors

Kevin Chin was appointed as Executive Chairman and Chief Executive Officer of the Company with effect from 25 March 2020. Prior to Mr Chin's appointment, the Company had no Executive Directors since Carl Weatherley-White, former Chief Executive Officer, resigned as a Director on 28 December 2017.

Directors

The amount earned by each Director for the years ended 30 June 2021 and 2020, three months ended 30 June 2019 and the year ended 31 March 2019 is set out in the table below:

	Year ended 30 June						Three months ended 30 June	Year Ended 31 March 2019
Directors	Salary and fees	Bonus and LTIP	Pension and other Benefits	Long Term Incentive	2021 Total	2020 Total	2019 Total	2019 Total
Edward Hyams	-	-	-	-	-	-	-	£33,326
Gary Hui	-	-	-	-	-	-	-	£110,837
Shimi Shah	-	-	-	-	-	£57,748	£15,000	£81,063
Peter Sermol	-	-	-	-	-	£57,748	£15,000	£61,750
Ashwin Roy	-	-	-	-	-	£30,438	-	-
Kevin Chin (Chairman)	£104,885	-	-	-	£104,885	£156,559	£48,750	£195,000
Matthew Cahir	£82,289	-	-	-	£82,289	£1,590	-	-
Peter Jeavons	£82,289	-	-	-	£82,289	£1,590	-	-
William Langdon	£82,289	-	-	-	£82,289	£1,590	-	-
Michael Hui	£73,063	-	-	£16,934	£89,997	£9,000	-	-
Gemma Godfrey	£57,003	-	-	-	£57,003	-	-	-

Mr. Chin was paid a salary of £68,000 ($92,119) per annum as Chairman during the year, payable to Arowana Partners Group Pty Ltd. In addition to his monthly salary, along with other directors of the Company, on December 14, 2020, Mr. Chin was granted 7,788 ($50,000) RSUs ("Restricted Stock Units") vesting in the year, to bring compensation in line with market levels as benchmarked by Pearl Meyer.

Mr. Cahir was paid a salary of $48,000 per annum from 1 July 2020, to 31 December 2020, which was increased to $50,000 per annum from 1 January 2021. The total $49,000 fees for the year were elected to be received as 41,533 RSUs. On 14 December 2020, Mr. Cahir was also granted 7,788 ($50,000) RSUs vesting in the year, to bring compensation in line with market levels as benchmarked by Pearl Meyer. Mr. Cahir also received an additional cash sum of $5,000 for electing to receive his salary as RSUs, and $7,500 as chair of the remuneration committee.

Mr. Cahir is also paid a consulting fee as President of VivoPower USA and sales director for electric vehicles, via Middleburg Juice Company, LLC. The Remuneration Committee (with Mr. Cahir recused) approved an extension to Mr. Cahir's consulting agreement effective 1 July 2021, with cash remuneration of $32,000 per month and healthcare allowance of $5,000 per month. In addition, Mr. Cahir is entitled to a $27,000 per month sales incentive payable in shares in the Company after two years, based on the Company share price at 2 June 2021, subject to Company performance and existing and future sales agreements being realised in-line with the Company's revenue goals and expectations.

Mr. Jeavons was paid a salary of $48,000 per annum from 1 July 2020, to 31 December 2020, which was increased to $50,000 per annum from 1 January 2021. The total $49,000 fees for the year were elected to be received as 41,533 RSUs. on December 14, 2020, Mr. Jeavons was also granted 7,788 ($50,000) RSUs vesting in the year, to bring compensation in line with market levels as benchmarked by Pearl Meyer. Mr. Jeavons also received an additional cash sum of $5,000 for electing to receive his salary as RSUs, and $7,500 as chair of the nomination committee. The remuneration committee also approved non-chair members of the audit and risk committee and remuneration committees to receive an annual fee of $4,000 per annum from 1 July

2021. Accordingly, Mr. Jeavons is entitled to receive $4,000 per annum as member of the audit and risk committee.

Mr. Langdon was paid a salary of $48,000 per annum from 1 July 2020, to 31 December 2020, which was increased to $50,000 per annum from 1 January 2021. The total $49,000 fees for the year were elected to be received as 41,533 RSUs. On December 14, 2020, Mr. Langdon was also granted 7,788 ($50,000) RSUs vesting in the year, to bring compensation in line with market levels as benchmarked by Pearl Meyer. Mr. Langdon also received an additional cash sum of $5,000 for electing to receive his salary as RSUs, and $7,500 as chair of the audit and risk committee. From 01 July 2021, Mr. Langdon is entitled to receive $4,000 per annum as member of the remuneration committee.

Mr. Hui was paid a salary of $48,000 per annum from 1 July 2020, to 31 December 2020, which was increased to $50,000 per annum from 1 January 2021. Mr. Hui also receives equity-based remuneration in relation to his involvement in management of Critical Power Services segment, and the hyper-turnaround and hyperscaling program. Of the 17,500 ($13,125) annual retention RSUs granted on April 1, 2020, vesting annually from June 2021 to June 2026, 3,500 RSUs ($2,625) vested in the current year. Of the 52,500 ($39,375) performance RSUs vesting quarterly from September 2020 to June 2023, dependent on meeting quarterly performance goals, 27,095 RSUs ($20,321) vested in the current year. On December 14, 2020, Mr. Hui was also granted 7,788 ($50,000) RSUs vesting in the year, to bring compensation in line with market levels as benchmarked by Pearl Meyer.

Mrs. Godfrey was employed from December 15, 2020 to 30 June 2021. Mrs. Godfrey is paid a salary of $50,000 per annum and received all of her salary for the current year as cash. On December 15, 2020, Mrs. Godfrey was also granted 7,788 ($50,000) RSUs vesting in the year, to bring compensation in line with market levels as benchmarked by Pearl Meyer. Mrs. Godfrey is entitled to receive $8,000 per annum as member of the audit and risk and remuneration committees.

There are no pension benefits available to Directors nor any additional benefit if a Director were to retire early.

No discretion was exercised in the award of Directors' remuneration.

No payments were made to any past Director during the period nor in connection with a Director's loss of office during the period.

There are no agreements with the Company and its Directors or employees for compensation for loss of office or employment that occurs because of a takeover bid.

Directors' Interests

The Directors' beneficial interest in the 18,506,064 issued ordinary shares of the Company as at 30 June 2021 are detailed below.

	Number of Shares Beneficially Owned		Outstanding scheme interests at 30 June 2021	Total of all share interests and outstanding scheme interests, at 30 June 2021		
Name and address of beneficial owner [1]		**Unvested scheme interests (not subject to performance measures)**	**Vested but unexercised scheme interests**	**Total shares subject to outstanding scheme interests**		**Percentage of Outstanding Shares**
Kevin Chin [2]	1,814,298[3] [4]	-	101,612[6]	-	1,915,910	10.4%
Matthew Cahir	295,000	-	-	-	295,000	1.6%
Peter Jeavons	32,007	-	-	-	32,007	0.2%
William Langdon	36,135	-	-	-	36,135	0.2%
Michael Hui	19,483	-	6,445	-	25,928	0.1%
Gemma Godfrey	-	-	7,954	-	7,954	0.0%
All directors and executive officers as a group (6 persons)	2,196,923	-	116,011	-	2,312,934	12.5%

(1) Unless otherwise indicated, the business address of each of the individuals is c/o VivoPower International PLC, The Scalpel, 18th Floor, 52 Lime Street, London EC3M 7AF, U.K.

(2) The business address is c/o AWN Holdings Limited, at Level 11, 110 Mary Street, Brisbane, QLD 4000, Australia.

(3) Represents shares held by Arowana Partners Group Pty Ltd, Borneo Capital Pty Limited, The Panaga Group Trust and KTFC Superannuation Fund, of which Mr. Chin is a beneficiary and one of the directors of the corporate trustee of such fund.

(4) Does not include shares held by AWN Holdings Limited, of which Mr. Chin is a director.

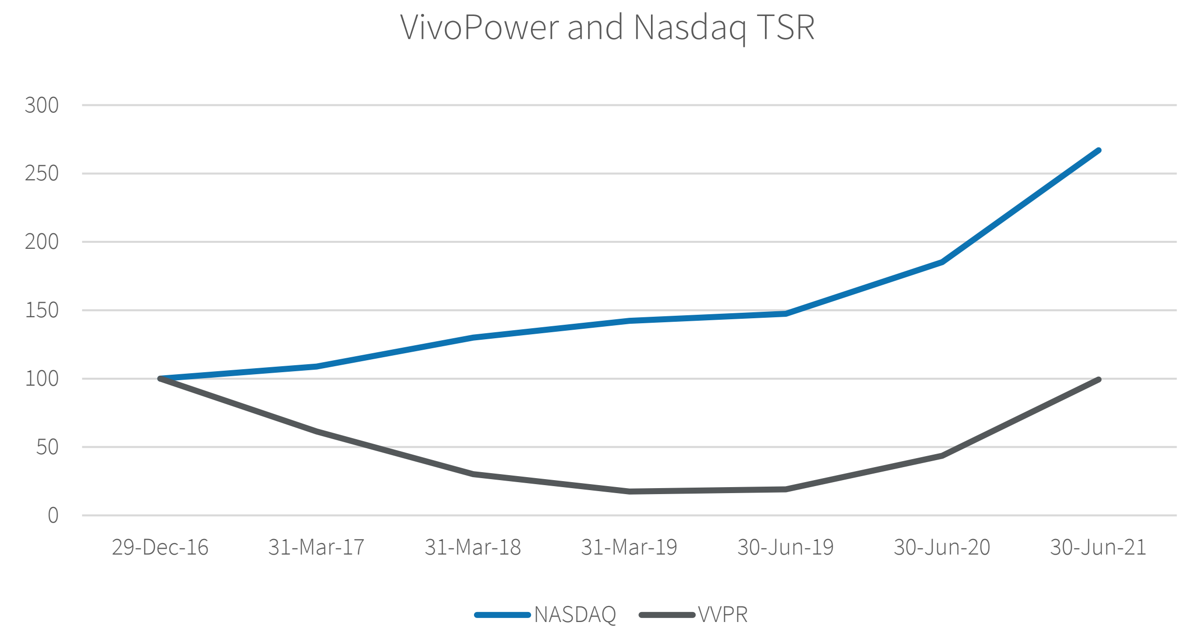
Minimum shareholding requirements

The Company currently does not have any applicable shareholding guidelines. The Remuneration Committee reserves the right to implement shareholding guidelines. If shareholding guidelines are implemented, these will be disclosed in the relevant Annual Report on Remuneration.

Comparison to Company Performance

Performance graph and table and comparison to Chief Executive Officer pay

The following graph shows total shareholder return ("TSR") for the Company for the period from its listing on 29 December 2016 to 30 June 2021, relative to the Nasdaq Composite Index. The Nasdaq Composite Index is considered an appropriate comparator for VivoPower:



The following table shows details of the compensation paid to the individual(s) in the role of Chief Executive Officer:

	Single figure of remuneration				Bonus as % of maximum				LTIP as % of maximum			
	Year Ended		Three Months Ended	Year Ended	Year Ended		Three Months Ended	Year Ended	Year Ended		Three Months Ended	Year Ended
	30 June			31 Mar	30 June			31 Mar	30 June			31 Mar
	2021	2020	2019	2019	2021	2020	2019	2019	2021	2020	2019	2019
Kevin Chin	£365,898	£71,081	N/A	N/A	0%	0%	N/A	N/A	£84,383	0%	N/A	N/A
Art Russell	N/A	£193,875	£66,094	£25,336	0%	0%	0%	0%	0%	0%	0%	0%
Carl Weatherley-White	N/A	N/A	N/A	£321,019	N/A	N/A	N/A	0%	N/A	N/A	N/A	15%

Kevin Chin was appointed Chief Executive Officer on 25 March 2020. In his capacity as Chief Executive, Mr. Chin was paid £325,000 base salary and £38,000 annual professional development allowance in the year. Mr. Chin also receives equity-based remuneration in relation to his involvement in leading the hyper-turnaround and hyperscaling program. Of the 87,200 ($65,400) annual retention RSUs granted on 1 April 2020, vesting annually from June 2021 to June 2026, 17,440 RSUs ($13,080) vested in the current year. Of the 261,600 ($196,200) performance RSUs vesting quarterly from September 2020 to June 2023, dependent on meeting quarterly performance goals, 135,012 RSUs ($101,259) vested in the current year.

In addition to these amounts paid to Mr Chin as Chief Executive Officer, Mr Chin is also paid in his capacity as Chairman, as detailed above.

Art Russell was appointed Interim Chief Executive Officer on 26 February 2019, and he resigned on 17 February 2020. The information presented for the year ended 31 March 2019 reflects his compensation for the period from his appointment on 26 February 2019 to 31 March 2019. The information presented for the year ended 30 June 2020 reflects his compensation for the period from 1 July 2019 to his resignation on 17 February 2020.

Carl Weatherley-White was appointed as Chief Executive Officer and a Director on 4 October 2017 and resigned as a Director on 28 December 2017, remaining as Chief Executive Officer until his resignation on 12 February 2019.

Relative importance of pay

The table below shows the total pay for all of the Group's employees compared to other key financial indicators.

(US dollars)	Year Ended 30 June 2021	Year Ended 30 June 2020	Three Months Ended 30 June 2019	Year Ended 31 March 2019
Employee remuneration	17,395,000	16,457,000	4,114,000	17,413,000
Distributions to shareholders	NIL	NIL	NIL	NIL

Implementation of Remuneration Policy

Executive Directors

The Company has had no Executive Directors since Carl Weatherley-White, former Chief Executive Officer, resigned as a Director on 28 December 2017, until the appointment of Kevin Chin as Executive Chairman and Chief Executive Officer on 25 March 2020.

Cash and Equity Compensation

Mr. Chin is employed by a related company, Arowana Partners Group Pty Ltd, which charges fees for Mr. Chin's services to VivoPower International Services Limited. Pursuant to a deed of variation dated 29 June 2020, Mr. Chin's original non-executive directorship appointment, dated 1 August 2016, was varied to reflect Mr. Chin assuming the positions of Executive Chairman and Chief Executive Officer of VivoPower International PLC, effective from 25 March 2020. The cost of Mr. Chin's executive service agreement is paid by VivoPower International Services Limited and incorporates the cost of any support resources required by Mr. Chin to fulfil the role.

Following a review by Pearl Meyer of Mr. Chin's compensation plan as Chief Executive Officer, to align to the new strategy and additional responsibilities, the remuneration committee approved an increase to Mr. Chin's remuneration to £325,000 base salary and £38,000 annual professional development allowance, effective 1 July 2020.

Mr. Chin has also been granted 87,200 RSUs and 261,600 PSUs in the Company, issued pursuant to the Company's Omnibus Incentive Plan adopted on 5 September 2017, at an issue price of $0.75 per share, based on the Company share price on 25 March 2020. The RSUs vest annually over 5 years. The PSUs vest quarterly over 3.25 years and are subject to achieving performance goals. This was approved by the Remuneration and Nomination Committee of the Board on 16 June 2020. Amounts vesting in the year ended 30 June 2021 are detailed above.

Non-Executive Directors

Cash and Equity Compensation

The Company will pay annual retainers to non-executive directors in line with the remuneration policy approved by shareholders on 5 September 2017. The Company intends to keep the value of annual retainers under review and will consider from time to time whether the amount and terms on which retainers are payable are appropriate given the Company's economic position and wider market conditions. Any changes to retainers will be compliant with the remuneration policy and will be disclosed in the Remuneration Report for the relevant financial year.

The fee levels are reviewed on an annual basis and may be increased by the Company, taking into account factors such as the time commitment of the role and market levels in companies of comparable size and complexity. Fees may be amended before any annual review to reflect any changes to the Director's role or Board committee memberships which occur during the period or when making a new appointment.

Following an independent review and market benchmarking exercise by Pearl Meyer in the current year, the Remuneration Committee approved the increases to Board remuneration detailed below.

Directors receive an annual retainer for service on the Board, payable monthly in arrears, with supplementary retainers payable for additional Board responsibilities, including membership of committees, as follows:

Annual retainer for Board membership	$50,000
(increased from $48,000 effective 1 January 2021);	
Annual retainer for the Chairman of the Board	£68,000
(effective 1 July 2020).	

Directors are also entitled to an additional fee for each committee they are a member or chairman of, except for unpaid committee membership for the Nomination and Sustainability Committees, as follows:

Annual retainer for Committee Chairmanship	$7,500
Annual retainer for the Committee membership	$4,000
(Membership fee only applicable from 1 July 2021 onwards);	

Directors can individually elect to receive their retainer remuneration as an RSU, or in cash, or a combination of RSUs and cash.

In addition to the retainer paid monthly noted above, on 14 December 2020, each director was granted 7,788 ($50,000) RSUs ("Restricted Stock Units") vesting in the year, to bring compensation in line with market levels as benchmarked by Pearl Meyer.

Mr. Hui has also been granted 17,500 RSUs and 52,500 PSUs in the Company, in relation to his involvement in management of Critical Power Services segment, and the hyper-turnaround programme. The Award was issued pursuant to the Company's Omnibus Incentive Plan adopted on 5 September 2017, at an issue price of $0.75 per share, based on the Company share price on 25 March 2020. The RSUs vest annually over 5 years. The PSUs vest quarterly over 3.25 years and are subject to achieving performance goals. Amounts vesting in the year ended 30 June 2021 are detailed above.

Benefits

The Company will provide benefits to Non-Executive directors in line with the remuneration policy approved by shareholders on 5 September 2017. The Company intends to keep the value of benefits under review and will consider whether the amount and terms on which benefits are provided are appropriate given the Company's economic position and wider market conditions. Any changes to benefits will be compliant with the remuneration policy outlined above and will be disclosed in the Remuneration Report for the relevant financial year.

Consideration of Matters Relating to Directors' Remuneration

Remuneration Committee

The members of the Committee during the year ended 30 June 2021 and their attendance at meetings of the Committee, are set out below:

	Attendance
William Langdon	5/5
Peter Jeavons	5/5
Matthew Cahir	5/5

No Non-Executive Directors are involved in deciding their own remuneration.

The Committee retained Pearl Meyer to advise the Committee on various matters, including the Equity Incentive Plan and changes to remuneration levels for the Board of Directors and Chief Executive. Pearl Meyer is a signatory to the Remuneration Consultants' Code of Conduct. The Committee has reviewed the operating processes in place at Pearl Meyer and is satisfied that the advice it receives is independent and objective.

DLA Piper, Shoosmiths LLP and Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. provide the Company with legal advice. Advice from , DLA Piper, Shoosmiths LLP and Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. is made available to the Remuneration Committee, where it relates to matters within its remit.

Statement of voting at general meeting

The Annual Report on Remuneration for the year ended 31 March 2019 and for the three months ended 30 June 2019 was approved by shareholders at the Annual General Meeting held on 23 September 2019. The resolution to approve the report was approved by 99.95% of voting shareholders.

The Annual Report on Remuneration for the year ended 30 June 2020 was approved by shareholders at the Annual General Meeting held on 6 October 2020. The resolution to approve the report was approved by 99.0% of voting shareholders.

The Remuneration Report was approved by the Board and signed on its behalf by:

P. J.

Peter Jeavons
Chair of the Remuneration Committee
14 September 2021

Independent Auditor’s Report to the Members of VivoPower International PLC

Opinion on the Consolidated Financial Statements

Opinion

We have audited the financial statements of VivoPower International plc (the ‘parent company’) and its subsidiaries (the ‘group’) for the year ended 30 June 2021 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Statements of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006 and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group’s and of the parent company’s affairs as at 30 June 2021 and of the group’s loss for the year then ended;
- the group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the parent company’s financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors’ assessment of the group’s and parent company’s ability to continue to adopt the going concern basis of accounting included obtaining an understanding of the basis of preparation of Board approved budgets and cash flow forecasts, assessing the accuracy of historic forecasts, testing the key underlying assumptions and performing sensitivity analysis on possible changes which could impact the available headroom. We also reviewed and evaluated the Board approved memorandum on going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent company’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our application of materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the group financial statements as a whole to be $850,000 (2020 - $995,000). This was calculated by applying a percentage to revenue (1.5%) and net assets (3%). Benchmarks of revenue and net assets have been selected as we consider these to be the most significant determinants of the group's performance for shareholders. The group has revenue generating subsidiaries in Australia and the Netherlands, together with a portfolio of solar project assets in Australia and the U.S. There is no change to the materiality benchmarks from prior periods.

The parent company materiality was $90,000 (2020 - $87,000) based upon 5% of the adjusted loss before tax in order to ensure adequate coverage of expenditure.

Performance materiality is the application of materiality at the individual account or balance level set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. Performance materiality for the group and parent company was set at 70% of overall materiality.

Component materiality for significant and/or material subsidiary undertakings ranged from $365,000 to $30,000 (2020 - $500,000 to $50,000).

We agreed with the Audit Committee that we would report to them all individual audit differences identified during the course of our audit in excess of $42,250 for the group and $4,500 for the parent company.

Our approach to the audit

In designing our audit, we determined materiality, as above, and assessed the risk of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

The accounting records of all significant and/or material subsidiary undertakings were audited by component auditors in Australia and the Netherlands, under the oversight of us as group auditor in accordance with International Standard on Auditing 600, based upon component materiality and risk to the group.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the scope of our audit addressed this matter
Revenue recognition	
Revenue for the year ended 30 June 2021 amounted to \$40.4 million and details of the related critical judgements and estimates are disclosed in note 3.1. There is a risk of material misstatement of revenue from contracts with customers arising from the following areas which makes this a key focus for our audit: • identification of performance obligations in customer contracts; • judging the timing of satisfaction of performance obligations; • allocation of transaction price; • measuring the stage of completion for long term contracts (outputs versus inputs method) and • determining the costs incurred to obtain or fulfil contracts with customers.	Our testing in this area included the following: • Reviewing the work undertaken by component auditors in accordance with the issued component instructions, including regular communication throughout the audit; • Updating and checking by walkthrough tests our understanding of the internal control environment for the significant income streams; • Substantively testing a sample of contracts concluded and in progress at the year-end, including contract assets and liabilities and deferred and accrued income; • Testing the project stage of completion having reference, where applicable, to independent survey reports; and • Reviewing post year-end cash receipts and documents to test the completeness, cut-off and accuracy of revenue around the year-end.
Recoverability of intangible assets	
As at 30 June 2021 the carrying value of goodwill and intangible assets was \$47.4 million. Details of these assets and the related critical judgements and estimates are disclosed in notes 3.2 and 14. Each year management is required to assess whether goodwill is impaired and consider whether the carrying value exceeds the recoverable amount using discounted cash flows. Intangible assets subject to amortisation are assessed for indicators of impairment. The calculation of the recoverable amount is dependent on various significant judgements and estimates, including forecasts and discount rates. The subjectivity of the judgements and estimates and the significant carrying value of the assets makes this a key area of focus for our audit.	Our testing in this area included the following: • Reviewing and challenging management's value in use calculations including the rationale behind the key assumptions and cash flow forecasts; • Checking the mathematical accuracy of the value in use calculations; • Performing sensitivity analysis on reasonably possible changes in key assumptions and the impact on the headroom; • Assessing the accuracy of budgets and forecasts used in prior periods to actual results; • Performing an independent assessment to identify any indicators of impairment; and

- Reviewing independently prepared reports, including an assessment of the competence and objectivity of the preparer; and
- Assessing the appropriateness of disclosures in respect of the judgements and estimates on whether an impairment exists including the sensitivity analysis on the headroom (refer to Note 12).

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the group and parent company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the group and parent company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group and parent company financial statements, the directors are responsible for assessing the group and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research, application of cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from federal, state and local government regulations relating to the electricity and utility market and health and safety regulations.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to enquiries of management, review of minutes, review of legal / regulatory correspondence, obtaining direct confirmations from legal advisers and discussions with internal legal counsel.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the estimates, judgement and assumptions applied by management in their assessment of impairment of goodwill and intangible assets gave the greatest potential for management bias. Details of how we addressed that risk are included in the key audit matters section of this report.
- We addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

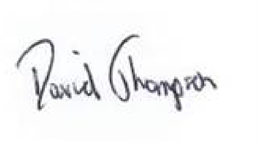
- We communicated the risk of non-compliance with laws and regulations, including fraud, to the component auditors who incorporated this into their testing, which was reviewed by the group audit team.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor’s report.

Use of our report

This report is made solely to the company’s members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company’s members those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



David Thompson (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

14 September 2021

Consolidated Statement of Comprehensive Income

(US dollars in thousands, except per share amounts)	Note	Year Ended 30 June		Three Months Ended	Year Ended
		2021	2020	30 June 2019	31 March 2019
Revenue from contracts with customers	4	40,411	47,986	13,617	39,036
Cost of sales		(34,084)	(40,885)	(11,960)	(32,726)
Gross profit		**6,327**	**7,101**	**1,657**	**6,310**
General and administrative expenses		(11,133)	(5,479)	(1,291)	(7,685)
Gain on solar development – net	5	769	1,589	38	(2,615)
Other income	6	1,511	724	-	-
Depreciation of property, plant and equipment	13	(1,089)	(898)	(214)	(430)
Amortisation of intangible assets	14	(1,167)	(868)	(223)	(990)
Operating (loss)/profit	7	**(4,782)**	**2,169**	**(33)**	**(5,410)**
Restructuring and other non-recurring costs	8	(2,880)	(3,410)	(525)	(2,017)
Finance income	10	2,179	33	-	4
Finance expense	10	(2,590)	(3,182)	(796)	(3,243)
Loss before income tax		**(8,073)**	**(4,390)**	**(1,354)**	**(10,666)**
Income tax	11	115	(713)	(92)	(557)
Loss for the period		**(7,958)**	**(5,103)**	**(1,446)**	**(11,223)**
Losses attributed to:					
Equity owners of VivoPower International Plc		(7,571)	(5,103)	(1,446)	(11,223)
Non-controlling interests	12	(387)	-	-	-
		(7,958)	**(5,103)**	**(1,446)**	**(11,223)**
Other comprehensive income/(expense)					
Items that may be reclassified subsequently to profit or loss:					
Currency translation differences recognised directly in equity		1,601	(1,028)	(102)	(2,998)
Total comprehensive loss for the period attributable to owners of the company		**(6,357)**	**(6,131)**	**(1,548)**	**(14,221)**
Earnings per share attributable to the owners of the company (dollars)					
Basic	26	(0.46)	(0.38)	(0.11)	(0.83)
Diluted	26	(0.46)	(0.38)	(0.11)	(0.83)

All results are generated from continuing operations.

Consolidated Statement of Financial Position

(US dollars in thousands)	Note	Year Ended 30 June 2021	Year Ended 30 June 2020	Year Ended 30 June 2019	Year Ended 31 March 2019
ASSETS					
Non-current assets					
Property, plant and equipment	13	2,575	2,486	2,951	1,205
Intangible assets	14	47,449	29,849	31,762	32,366
Deferred tax assets	11	2,495	1,347	2,113	2,054
Investments accounted for using the equity method	16	-	8,225	-	-
Total non-current assets		**52,519**	**41,907**	**36,826**	**35,625**
Current assets					
Cash and cash equivalents	17	8,604	2,824	7,129	4,522
Restricted cash	18	1,140	1,013	632	1,319
Trade and other receivables	19	12,712	12,556	14,992	10,399
Inventory	20	1,537	-	-	-
Assets classified as held for sale	21	-	4,080	13,530	13,530
Total current assets		**23,993**	**20,473**	**36,283**	**29,770**
TOTAL ASSETS		**76,512**	**62,380**	**73,109**	**65,395**
EQUITY AND LIABILITIES					
Current liabilities					
Trade and other payables	22	8,917	15,395	24,639	17,923
Income tax liability		708	75	449	287
Provisions	23	2,802	2,897	1,718	1,710
Loans and borrowings	24	1,004	1,312	2,327	887
Total current liabilities		**13,431**	**19,679**	**29,133**	**20,807**
Non-current liabilities					
Loans and borrowings	24	22,087	24,642	19,359	18,380
Provisions	23	165	169	2,100	2,222
Deferred tax liabilities	11	411	-	1	1
Total non-current liabilities		**22,663**	**24,811**	**21,460**	**20,603**
TOTAL LIABILITIES		**36,094**	**44,490**	**50,593**	**41,410**
EQUITY					
Share capital	25	222	163	163	163
Share premium	25	76,229	40,215	40,215	40,215
Cumulative translation reserve		(1,465)	(3,307)	(2,279)	(2,177)
Other reserves	26	15,314	21,408	20,076	19,846
(Accumulated deficit)/retained earnings		(49,882)	(40,773)	(35,659)	(34,062)
Equity and reserves attributable to owners		**40,418**	**17,706**	**22,516**	**23,985**
Non-Controlling interest		-	184	-	-
TOTAL EQUITY		**40,418**	**17,890**	**22,516**	**23,985**
TOTAL EQUITY AND LIABILITIES		**76,512**	**62,380**	**73,109**	**65,395**

These financial statements were approved by the Board of Directors on 14 September 2021 and were signed on its behalf by:

Kevin Chin, Chairman

VivoPower International PLC for the year ended 30 June 2021

Consolidated Statement of Cash Flow

(US dollars in thousands)	Note	Year Ended 30 June 2021	Year Ended 30 June 2020	Three Months Ended 30 June 2019	Year Ended 31 March 2019
Cash flows from operating activities					
Loss for the period		(7,958)	(5,103)	(1,446)	(11,223)
Income tax		(115)	713	-	913
Finance income		(2,179)	(33)	-	(4)
Finance expense		2,590	3,182	796	3,243
Depreciation of property, plant and equipment		1,089	898	214	430
Amortisation of intangible assets		1,167	868	223	990
Gain (/loss) on solar development		(769)	(1,589)	(38)	2,615
Disposal of treasury shares	26	-	-	62	86
Increase in equity instruments	26	-	113	368	815
Shared based payments		1,078	-	-	-
(Increase)/decrease in trade and other receivables		(6)	2,411	(4,593)	(2,543)
(Increase) in inventory		(807)	-	-	-
(Decrease)/increase in trade and other payables		(9,372)	(6,851)	6,716	3,841
(Decrease)/increase in provisions		(95)	1,295	(114)	(728)
Corporation tax payments		-	(477)	-	-
Net cash from/(used in) operating activities		**(15,377)**	**(4,573)**	**2,188**	**(1,565)**
Cash flows from investing activities					
Interest received	10	-	-	-	4
Proceeds on sale of property plant and equipment	7	36	432	-	464
Purchase of property, plant and equipment	13	(937)	(884)	(400)	(348)
Investment in capital projects	13	-	(277)	-	(245)
Proceeds on sale of capital projects	7	366	1,023	84	11,981
Acquisitions - consideration	12	(7,089)	-	-	-
Acquisitions – cash acquired	12	4,942	-	-	-
Net cash from/(used in) investing activities		**(2,682)**	**294**	**(316)**	**11,856**

VivoPower International PLC for the year ended 30 June 2021

(US dollars in thousands)	Note	Year Ended June 30 2021	Year Ended June 30 2020	Three Months Ended June 30 2019	Year Ended 31 March 2019
Cash flows from financing activities					
Other borrowings	24	18	-	-	-
Lease repayments	24	(360)	(422)	(63)	(304)
Financing agreements proceeds	24	-	-	-	4,000
Financing agreements repayments	24	-	-	-	(6,000)
Proceeds from issuance of ordinary shares	26	34,866	-	-	-
Costs associated with issuance of shares	26	(2,819)	-	-	-
Debtor finance borrowings/(repayments)	24	(518)	(347)	150	751
Loans from related parties	24	-	1,300	766	-
Repayment of loans from related parties	24	(2,226)	(257)	-	(1,520)
Bank loan borrowings	24	(33)	344	-	
Chattel mortgage borrowings	24	32	300	-	
Finance expense	10	(5,296)	(515)	(796)	(3,243)
Transfer from/(to) restricted cash	18	(127)	(381)	687	(1,319)
Net cash from/(used in) financing activities		**23,537**	**22**	**744**	**(7,635)**
Net (decrease)/increase in cash and cash equivalents		5,478	(4,257)	2,616	2,656
Cash and cash equivalents at the beginning of the period	17	2,824	7,129	4,522	1,939
Effect of exchange rate movements on cash held		302	(48)	(9)	(73)
Cash and cash equivalents at the end of the period	17	**8,604**	**2,824**	**7,129**	**4,522**

Non-cash investing and financing transactions during the year-ended June 30, 2021 comprise:

- 792,126 shares issued to Incentive Award participants at nominal value: $1.1 million;
- 15,793 shares issued as non-cash consideration for the acquisition of the non-controlling interest in Tembo: $0.2 million.
- Exchange of Aevitas convertible preference shares and convertible loan notes to Aevitas preference shares: $3.0 million.
- Conversion of Aevitas convertible preference shares and convertible loans notes to ordinary share capital in the Company: $20.5 million.

Consolidated Statement of Changes in Equity

(US dollars in thousands)	Share capital	Share premium	Cumulative translation reserve	Other reserves	(Accumulated deficit) /retained earnings	Non-controlling interest	Total
At 31 March 2019	163	40,215	(2,177)	19,846	(34,062)	-	23,985
Change in accounting policy (see Note 2.18)	-	-	-	-	20	-	20
Restated at 1 April 2019	**163**	**40,215**	**(2,177)**	**19,846**	**(34,042)**	**-**	**24,005**
Total comprehensive loss for the year	-	-	(102)	-	(1,446)	-	(1,548)
Equity instruments	-	-	-	(3)	-	-	(3)
Disposal of treasury shares	-	-	-	233	(171)	-	62
	-	-	(102)	230	(1,617)	-	(1,489)
At 30 June 2019	**163**	**40,215**	**(2,279)**	**20,076**	**(35,659)**	**-**	**22,516**
Total comprehensive loss for the year	-	-	(1,028)	-	(5,103)	-	(6,131)
Equity instruments	-	-		971	-	-	971
Other reserves	-	-	-	17	(11)	-	6
Employee share scheme	-	-	-	344	-	-	344
Non-controlling interest	-	-	-	-	-	184	184
	-	-	(1,028)	1,332	(5,114)	184	(4,626)
At 30 June 2020	**163**	**40,215**	**(3,307)**	**21,408**	**(40,773)**	**184**	**17,890**
Loss for the year	-	-	-	-	(7,571)	(387)	(7,958)
Other comprehensive income/(expense)	-	-	1,842	(241)	-	-	1,601
	163	40,215	(1,465)	21,167	(48,344)	(203)	11,533
Transactions with owners in their capacity as owners							
Equity instruments	-	-	-	(3,141)	-	-	(3,141)
Capital raises	49	34,317	-	(2,804)	-	-	31,562
Other share issuances	1	736	-	(15)	-	-	722
Employee share awards	9	961	-	107	-	-	1,077
Non-controlling interest	-	-	-	-	(1,538)	203	(1,335)
	59	**36,014**	**-**	**(5,853)**	**(1,538)**	**203**	**28,885**
At 30 June 2021	**222**	**76,229**	**(1,465)**	**15,314**	**(49,882)**	**-**	**40,418**

For further information on Other Reserves please see Note 26.

1. Reporting entity

VivoPower International PLC ("VivoPower" or the "Company") is a public company limited by shares and incorporated under the laws of England and Wales and domiciled in the United Kingdom. The address of the Company's registered office is The Scalpel, 18th Floor, 52 Lime Street, London EC3M 7AF, United Kingdom.

In July 2019, the Board of Directors of the Company adopted a resolution to change the Company's fiscal year end from 31 March to 30 June commencing 30 June 2019. Comparative information in these consolidated financial statements refer to the three months ended 30 June 2019 and the year ended 31 March 2019. Any amounts shown for the year ended 30 June 2019 are unaudited.

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities'). As at 30 June 2021, the Company no longer has an ultimate controlling party, as AWN Holdings Limited holds a 44% equity interest in the Company as at 30 June 2021, and 49% following the issuance of restricted shares on 21 July 2021 following conversion of Aevitas convertible preferred shares and convertible notes that redeemed on 30 June 2021.

In prior periods, the ultimate controlling party and the results into which these financials were consolidated was AWN Holdings Limited, a company registered in Australia.

2. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

2.1. Basis of preparation

VivoPower International PLC consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board, IFRIC interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. The consolidated financial statements have been prepared under the historical cost convention, except when accounting for acquisitions, whereby fair values have been applied.

The preparation of financial statements with adopted IFRS requires the use of critical accounting estimates. It also requires the management to exercise judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where the assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

The financial statements have been prepared on a going concern basis, as the directors believe the Company will be able to meet its liabilities as they fall due.

As at 30 June 2021, the Company had unrestricted cash totalling $8.6 million, compared to $2.8 million as at 30 June 2020, $7.1 million as at 30 June 2019 and $4.5 million as at 31 March 2019. The improved cash position in the year follows the successful capital raise and ATM share issuances performed in the year ended 30 June 2021.

Over the next twelve months, the Company expects a rebound in revenues and EBITDA generation in critical power systems, growing overheads in electric vehicles as the operation prepares for series production, and revenue and costs in SES related to Tottenham Hotspur projects and scaling up the business more generally. Furthermore, the Company will be investing in capitalised development costs in electric vehicles in preparation for Tembo series production, and capitalised development costs in SES, to fund development of the U.S. solar portfolio towards future sales, and development of microgrid, EV charging and battery energy storage capabilities. The Company will also be investing in property, plant and equipment, particularly in Tembo.

The Company estimates that the net additional funding requirement in the year ended 30 June 2022 is a minimum of $15 million. The Company is planning to finance this funding requirement through , asset backed financing for investment in property, plant and equipment and software, debtor and inventory financing solutions, and if required hybrid equity or ordinary equity, depending on what is best suited to the Company's growth needs. The Directors believe these actions will provide sufficient cash to support business operations and meet obligations as they become due through September 2022.

To ensure success of the business, the directors have prepared and reviewed additional plans to mitigate any cash flow risk that may arise during the next twelve months. These include:

- Regular re-forecasting process and flexing of opex and capex cost growth according to liquidity needs;
- Phased approach to hiring of personnel to sustain growth of the Tembo business;
- Obtaining COVID-19 relief where available, e.g. Jobsaver COVID-19 payroll subsidy in Australia;
- Staging the timing of property plant and equipment and software capex to match asset backed financing inflows;
-
- Obtain R&D grants in the U.K. and Europe to help fund investment in electric, solar and battery technologies;
- Careful project planning and commercial structuring of SES projects;
- Possible sale, spin off or distribution in specie of Caret, LLC; ;
- Staging the timing of equity raises to minimise dilution; and
- Renegotiation of terms on loans and supply chain.

Based on the foregoing, the directors believe that the Company is well placed to manage its business risk successfully, despite some current economic and political uncertainty. The directors therefore have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they have continued to adopt the going concern basis in preparing the financial statements.

All financial information presented in US dollars has been rounded to the nearest thousand.

2.2. Basis of consolidation

The consolidated financial statements include those of VivoPower International PLC and all of its subsidiary undertakings.

Subsidiary undertakings are those entities controlled directly or indirectly by the Company. The Company controls an investee when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The results of the subsidiaries acquired are included in the Consolidated Statement of Comprehensive Income from the date of acquisition using the same accounting policies of those of the Group. All business combinations are accounted for using the purchase method. The consideration transferred in a business combination is the fair value at the acquisition date of the assets transferred and the liabilities incurred by the Group and includes the fair value of any contingent consideration arrangement. Acquisition-related costs are recognised in the income statement as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

All intra-group balances and transactions, including any unrealised income and expense arising from intra-group transactions, are eliminated in full in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.3. Business combination

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired businesses
- equity interests issued by the Company
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Acquisition-related costs are expenses as incurred.

The excess of the:

- consideration transferred
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

2.4. Intangible assets

All intangible assets, except goodwill, are stated at fair value less accumulated amortisation and any accumulated impairment losses. Goodwill is not amortised and is stated at cost less any accumulated impairment losses. Any gain on a bargain purchase is recognised in profit or loss immediately.

Goodwill

Goodwill arose on the effective acquisition of VivoPower Pty Ltd, Aevitas O Holdings Limited ("Aevitas") and Tembo e-LV B.V. Goodwill is reviewed annually to test for impairment.

Negative goodwill arose on the acquisition of the remaining 50% share in the ISS Joint Venture, constituting a bargain purchase. The gain was immediately recognised in the profit and loss.

Other intangible assets

Intangible assets acquired through a business combination are initially measured at fair value and then amortised over their useful economic lives. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Development expenditure includes the product development project for ruggedised electric vehicles in Tembo, pre-series-production expenditure on developing vehicle specifications and production processes. Capitalised costs include primarily internal payroll costs and external consultants.

Development expenditure on U.S. solar projects includes securing land rights, completing feasibility studies, negotiating power purchase agreements, and other costs incurred to prepare project sales for Notice to Proceed with construction and hence sale to a partner as a shovel ready project.

For both electric vehicles product development project, and U.S. solar development projects, it is the Company's intention to complete the projects, it expects to obtain adequate technical, financial and other resources to complete the projects, and management consider that it is probable for the future economic benefits attributable to the development expenditure to flow to the entity; and that the cost of the assets can be measured reliably. Accordingly, the development expenditure is recognised under IAS 38 – Intangible Assets as an intangible asset.

All other expenditure, including expenditure on internally generated goodwill and brands, and research costs are recognised in the profit and loss as incurred.

Amortisation is calculated on a straight-line basis to write down the assets over their useful economic lives at the following rates:

- Development expenditure - 5 to 10 years
- Customer relationships – 5 -10 years
- Trade names – 15 to 25 years
- Favourable supply contracts – 15 years
- Other – 5 years

2.5. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and the costs directly attributable to bringing the asset into use.

When parts of an item of property, plant and equipment have different useful lives, they are accounted as separate items (major components) of property, plant and equipment.

Depreciation is calculated on a straight-line basis so as to write down the assets to their estimated residual value over their useful economic lives at the following rates:

- Computer equipment - 3 years
- Fixtures and fittings - 3 to 20 years
- Motor vehicles - 5 years

- Plant and equipment – 3.5 to 10 years
- Right-of-use assets – remaining term of lease

2.6. Assets classified as held for sale

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying value and fair value less costs to sell. An impairment loss is recognised for any subsequent write-down of the asset to fair value less costs to sell.

2.7. Inventory

Inventories are stated at the lower of cost and net realizable value, in accordance with IAS 2 – Inventories. The cost includes all direct and indirect variable production expenses, plus fixed expenses based on the normal capacity of each production facility. The net realizable value of inventories intended to be sold corresponds to their selling price, as estimated based on market conditions and any relevant external information sources, less the estimated costs necessary to complete the sale.

2.8. Leases

The Group leases offices, workshops, motor vehicles, and equipment for fixed periods of 2 months to 6 years but may have extension options. Extension options are not recognised by the Group in the determination of lease liabilities unless renewals are reasonably certain.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Until 31 March 2019, leases of property, plant and equipment were classified as either finance leases or operating leases, as further described below. From April 1, 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. The Group has applied IFRS 16 – Leases using the modified retrospective approach.

Assets and liabilities arising from a lease are initially measured on a present value basis, with lease payments discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Group's incremental borrowing rate is used. The Group presents lease liabilities in loans and borrowings in the Statement of Financial Position.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the Statement of Comprehensive Income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are presented in property, plant and equipment and depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Prior to April 1, 2019, leases were classified as finance leases whenever the terms of the lease transferred substantially all the risks and rewards of ownership to the lessee. All other leases were classified as operating leases. Assets held under finance leases were initially recognised as property, plant and equipment at an amount equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments at the inception of the lease, and then depreciated over their useful economic lives. Lease payments were apportioned between the repayment of capital and interest. The capital element of future lease payments was included in the Statement of Financial Position as a liability. Interest was charged to the Statement of Comprehensive Income so as to achieve a constant rate of interest on the remaining balance of the liability. Rentals payable under operating leases were charged to the Statement of Comprehensive Income on a straight-line basis over the lease term. Operating lease incentives were recognised as a reduction in the rental expense over the lease term.

2.9. Impairment of non-financial assets

Goodwill is allocated to cash-generating units for the purposes of impairment testing. The recoverable amount of the cash-generating unit ('CGU') to which the goodwill relates is tested annually for impairment or when events or changes to circumstances indicate that it might be impaired.

The carrying values of property, plant and equipment, investments and intangible assets other than goodwill are reviewed for impairment only when events indicate the carrying value may be impaired.

In an impairment test the recoverable amount of the cash-generating unit or asset is estimated in order to determine the existence or extent of any impairment loss. The recoverable amount is the higher of fair value less costs to sell and the value in use to the Group. An impairment loss is recognised to the extent that the carrying value exceeds the recoverable amount. In determining a cash-generating unit's or asset's value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time-value of money and risks specific to the cash-generating unit or asset that have not already been included in the estimate of future cash flows. All impairment losses are recognised in the Statement of Comprehensive Income.

An impairment loss in respect of goodwill is not reversed. In the case of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. These impairment losses are reversed if there has been any change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent so that the asset's carrying amount does not exceed the carrying value that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.10. Financial Instruments

Financial assets and liabilities are recognised in the Group's Statement of Financial Position when the Group becomes a party to the contracted provision of the instrument. The following policies for financial instruments have been applied in the preparation of the consolidated financial statements.

From April 1, 2018, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss; and,
- those to be measured at amortised cost.

The classification depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial assets are classified as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect contractual cash flows; and,
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or,

- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Cash and cash equivalents

For the purpose of preparation of the Statement of Cash Flow, cash and cash equivalents includes cash at bank and in hand.

Restricted cash

Restricted cash are cash and cash equivalents whose availability for use within the Group is subject to certain restrictions by third parties.

Bank borrowings

Interest-bearing bank loans are recorded at the proceeds received. Direct issue costs paid on the establishment of loan facilities are recognised over the term of the loan on a straight-line basis. The initial payment is taken to the Statement of Financial Position and then amortised over the full-length of the facility.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for the expected future issue of credit notes and for non-recoverability due to credit risk. The Group applies the IFRS 9 – Financial Instruments simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure expected credit losses, trade receivables and contract assets have been grouped based on shared risk characteristics. In the year ended 31 March 2018, the impairment was based on the incurred loss model.

Trade and other payables

Trade and other payables are non-interest bearing and are stated at amortised cost using the effective interest method.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Repurchase of share capital (treasury shares)

When share capital recognised as equity is repurchased as equity by the Company the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity, and excluded from the number of shares in issue when calculating earnings per share.

2.11. Taxation

Income tax expense comprises current and deferred tax.

Current tax is recognised based on the amounts expected to be paid or recovered under the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided on temporary timing differences that arise between the carrying amounts of assets and liabilities for financial reporting purposes and their corresponding tax values. Liabilities are recorded on all temporary differences except in respect of initial recognition of goodwill and in respect of investments in subsidiaries where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that it will not reverse in the foreseeable future. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the asset can be offset. Deferred tax is measured on an undiscounted basis using the tax rates and laws that have been enacted or substantively enacted by the end of the accounting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, they relate to income taxes levied by the same tax authority and the Group intends to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Current and deferred tax are recognised in the Statement of Comprehensive Income, except when the tax relates to items charged or credited directly to equity, in which case it is dealt with directly in equity.

2.12. Provisions

Provisions are recognised when the Group has a present obligation because of a past event, it is probable that the Group will be required to settle that obligation, and it can be measured reliably.

Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the date of Statement of Financial Position.

Where the time value of money is material, provisions are measured at the present value of expenditures expected to be paid in settlement.

2.13. Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares, excluding the shares held as treasury shares. Currently there are no diluting effects on EPS for ordinary shares, therefore, diluted EPS is the same as basic EPS.

2.14. Foreign currencies

The Company's functional and presentational currency is the US dollar. Items included in the separate financial statements of each Group entity are measured in the functional currency of that entity. Transactions denominated in foreign currencies are translated into the functional currency of the entity at the rates of exchange prevailing at the dates of the individual transactions. Foreign currency monetary assets and liabilities are translated at the rates of exchange prevailing at the end of the reporting period.

Exchange gains and losses arising are charged to the Statement of Comprehensive Income within finance income or expenses. The Statement of Comprehensive Income and Statement of Financial Position of foreign entities are translated into US dollars on consolidation at the average rates for the period and the rates prevailing at the end of the reporting period respectively. Exchange gains and losses arising on the translation of the Group's net investment foreign entities are recognised as a separate component of shareholders' equity.

Foreign currency denominated share capital and related share premium and reserve accounts are recorded at the historical exchange rate at the time the shares were issued, or the equity created.

2.15. Revenue from contracts with customers

Revenue comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of the Group's activities. Revenue is shown net of discounts, value-added tax, other sales related taxes, and after the elimination of sales within the Group.

Revenue comprises development revenues, electrical installations, electrical servicing and maintenance, generator sales, vehicle spec conversion and conversion kits. Revenue is recognised upon satisfaction of contractual performance obligations.

The Company adopted IFRS 15 - Revenue from Contracts with Customers with effect from the date of incorporation.

The Group has a number of different revenue streams and the key components in determining the correct recognition are as follows:

Development revenue, which is revenue generated from development services relating to the building and construction of solar projects, is recognised on a percentage completion basis as the value is accrued by the end user over the life of the contract. The periodic recognition is calculated through weekly project progress reports.

On longer-term power services projects such as large-scale equipment provision and installation, the performance obligation of completing the installation is satisfied over time, and revenue is recognised on a percentage completion basis using an input method. Revenue for stand-alone equipment sales is recognised at the point of passing control of the asset to the customer. Other revenue for small jobs and those completed in a limited timeframe are recognised when the job is complete and accepted by the customer.

Revenue for sale of electric vehicles, kits for electric vehicles and related products is recognised upon delivery to the customer. Where distribution agreements are agreed with external parties to participate in the assembly of vehicles, revenue recognition will be assessed under IFRS 15 - Revenue from Contracts with Customers, to establish the principal and agent in the relationship between the parties and with the end customer.

Warranties are of short duration and only cover defective workmanship and defective materials. No additional services are committed to which generate a performance obligation.

No adjustment is made for the effects of financing, as the Company expects, at contract inception, that the period between when the goods and services are transferred to the customer and when the customer pays, will be one year or less.

If the revenue recognised for goods and services rendered by the Company exceeds amounts that the Company is entitled to bill the customer, a contract asset is recognised. If amounts billed exceed the revenue recognised for goods and services rendered, a contract liability is recognised.

Incremental costs of obtaining a contract are expensed as incurred.

2.16. Other income

Other income in relation to government grants, is recognized in the period that the related costs, for which the grants are intended to compensate, are expensed.

2.17. Employee Benefits

Pension

The employer pension contributions are associated with defined contribution schemes. The costs are therefore recognised in the month in which the contribution is incurred, which is consistent with recognition of payroll expenses.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount because of past service provided by the employee and the obligation can be reliably measured.

Short-term compensated absences

A liability for short-term compensated absences, such as holidays, is recognised for the amount the Group may be required to pay because of the unused entitlement that has accumulated at the end of the reporting period.

Share based payments

Shares issued to employees and other participants under the Omnibus Incentive Plan 2017 are recognised over the expected vesting period, using the grant date share price, in accordance with IFRS 2.

2.18. Restructuring and other non-recurring costs

Restructuring and other non-recurring costs are by nature one-time incurrences and do not represent the normal trading activities of the business and accordingly are disclosed separately on the Consolidated Statement of Comprehensive Income in accordance with IAS 1 – Presentation of Financial Statements in order to draw them to the attention of the reader of the financial statements. Restructuring costs are defined in accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets as being related to sale or termination of a line of business, closure of business locations, changes in management structure, or fundamental reorganizations.

Other non-recurring costs include litigation expenses for former employees, including fees for legal services and provisions under IAS 37 for legal fee dispute resolutions that are probable to result in a quantifiable financial outflow by the Company.

Other non-recurring costs also include legal and professional costs for project review and investigation detailed review and sales campaign for solar projects managed by the ISS Joint Venture partner.

Other non-recurring costs also include one-off costs resulting from acquisition of Tembo e-LV and subsidiaries.

2.19. New standards, amendments and interpretations

The following accounting standards and their amendments were adopted during the financial year.

International Accounting Standards	Effective date
IAS 1 and 8 - Definition of Material (amendments)	1 January 2020
Various amendments to references to conceptual framework	1 January 2020
International Financial Reporting Standards	**Effective date**
IFRS 3 - Business Combinations (amendment)	1 January 2020

The adoption of these policies has had no material impact on the Group or the Company.

The following accounting standards and their amendments were in issue at the year-end but will not be in effect until after this financial year.

International Accounting Standards (amendments)	Effective date*
IAS 1 (amendments) - Presentation of Financial Statements regarding classification of liabilities	1 January 2023
IAS 1 (amendments) - Presentation of Financial Statements regarding the amendments of disclosure of accounting policies	1 January 2023
IAS 8 (amendments) - Accounting Policies, Changes in accounting estimates and error to distinguish between accounting policies and accounting estimates	1 January 2023
IAS 37 (amendments) - Provisions, Contingent Liabilities and Contingent Assets outlines the accounting for provisions, with contingent assets and contingent liabilities 1 January 2022	1 January 2022
IAS 16 (amendments) – Property, Plant and Equipment	1 January 2022
IFRS 3 (amendments) – Business Combinations reference to Conceptual Framework	1 January 2022
IFRS 2018-20 Annual Improvements to IFRS Standards 2018 -2020	1 January 2022

*Years beginning on or after

The Directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Group or Company in future periods.

3. Significant accounting judgements and estimates

In preparing the consolidated financial statements, the directors are required to make judgements in applying the Group's accounting policies and in making estimates and making assumptions about the future. These estimates could have a significant risk of causing a material adjustment to the carrying value of assets and liabilities in the future financial periods. The critical judgements that have been made in arriving at the amounts recognised in the consolidated financial statements are discussed below.

3.1. Revenue from contracts with customers – determining the timing of satisfaction of services

As disclosed in Note 2.15 the Group concluded that solar development revenue and revenue from other long-term projects is recognised over time as the customer simultaneously receives and consumes the benefits provided. The Group determined that the percentage completion basis is the best method in measuring progress because there is a direct relationship between the Group's effort and the transfer of services to the customer. The judgement used in applying the percentage completion basis affects the amount and timing of revenue from contracts.

3.2. Impairment of non-financial assets

The carrying values of property, plant and equipment, investments and intangible assets other than goodwill are reviewed for impairment only when events indicate the carrying value may be impaired. Goodwill is tested annually for impairment or when events or changes to circumstances indicate that it might be impaired.

Impairment assessments require the use of estimates and assumptions. To assess impairment, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time-value of money and risks specific to the related cash-generating unit. Judgement was applied in making estimates and assumptions about the future cash flows, including the appropriateness of discounts rates applied, as further disclosed in Note 14. These estimates and assumptions are subject to risk and uncertainty. Therefore, there is a possibility that changes in circumstances will impact these projections, which may impact the recoverable amount of assets and/or CGUs.

3.3. Operating profit/(loss)

In preparing the consolidated financial statements of the Group, judgement was applied with respect to those items which are presented in the Consolidated Statement of Comprehensive Income as included within operating profit/(loss). Those revenues and expenses which are determined to be specifically related to the on-going operating activities of the business are included within operating profit/(loss). Expenses or charges to earnings which are not related to operating activities, are one-time costs determined to be not representative of the normal trading activities of the business, or that arise from revaluation of assets, are reported below operating profit/(loss).

3.4. Litigation provision

A provision of $0.48 million for disputed legal success fees related to the Mr. Comberg litigation recorded at 30 June 2021 is estimated by management, making a judgement in conjunction with advice from legal counsel, on the likely outcome of the claim.

3.5. Income taxes

In recognizing income tax assets and liabilities, management makes estimates of the likely outcome of decisions by tax authorities on transactions and events whose treatment for tax purposes is uncertain. Where the outcome of such matters is different, or expected to be different, from previous assessments made by management, a change to the carrying value of the income tax assets and liabilities will be recorded in the period in which such determination is made. The carrying values of income tax assets and liabilities are disclosed separately in the Consolidated Statement of Financial Position.

3.6. Deferred tax assets

Deferred tax assets for unused tax losses amounting to $1.9 million at 30 June 2021 (30 June 2020: $0.8 million; 30 June 2019: $1.005 million; 31 March 2019: $1.005 million) are recognised to the extent that it is probable that sufficient taxable profit will be available against which the losses can be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realise the deferred tax assets recorded at the reporting date could be impacted.

3.7. Share option reserve

As part of the Initial Public Offering Listing, VivoPower issued an amended and restated unit purchase option (UPO) replacing the options issued by Arowana Inc. The options are viewed as a share-based award granted to Early Bird Capital. The cost of the award is recognised directly in equity and is applied against capital raising costs. As the option holder has the right to receive shares in the Company, the share-based payment transaction would be equity settled. The fair value of the options was determined at the grant date, using the Black Scholes Model, and not remeasured subsequently. As the options have no vesting conditions the related expense was recognised immediately. As the options have no vesting conditions the related expense was recognised immediately. The options lapsed during the year ended 30 June 2020.

3.8. Exchangeable preference shares and exchangeable notes

As part of the IPO listing process VivoPower acquired Aevitas. The instruments previously issued by Aevitas were restructured to become exchangeable into VivoPower shares. The Company considered IAS 32 paragraph 16 in determining the accounting treatment. The Company has determined the instruments to be treated as equity under the “fixed-for-fixed” rule meaning that both the amount of consideration received/receivable and the number of equity instruments to be issued must be fixed for the instrument to be classified as equity. Both elements are satisfied within the instruments.

3.9. Fair value measurement

The fair values of financial assets and liabilities recorded in the statement of financial position are measured using valuation techniques including discounted cash flow (DCF) models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Changes in assumptions about these factors could affect the reported fair value. When the fair values of non-financial assets/CGUs need to be determined, for example in business combinations and for impairment testing purposes, they are measured using valuation techniques including the DCF model. Further information about the significant judgements, estimates and assumptions impacting the fair value measurements in business combinations is contained in Note 12.

4. Revenue and segmental information

The Group determines and presents operating segments based on the information that is provided internally to the Board of Directors, which is the Group’s chief operating decision maker.

Management analyses our business in five reportable segments: Critical Power Services, Electric Vehicles, Sustainable Energy Solutions, Solar Development and Corporate Office. Critical Power Services is represented by VivoPower’s wholly owned subsidiary Aevitas. In turn, Aevitas wholly owns J.A. Martin Electrical Pty Limited (“J.A. Martin”) and Kenshaw Electrical Pty Limited (“Kenshaw”), both of which operate in Australia with a focus on the design, supply, installation and maintenance of critical power, control and distribution systems, including for solar farms. Electric Vehicles is represented by Tembo e-LV B.V. (“Tembo”), a Netherlands-based specialist battery-electric and off-road vehicle company delivering electric vehicles ("EV") for mining and other rugged industrial customers globally. Sustainable Energy Solutions (("SES") is the design, evaluation, sale and implementation of renewable energy infrastructure to customers, both on a standalone basis and in support of Tembo EVs. Solar Development is represented by Caret and comprises 12 solar projects in the United States. Corporate Office is the Company's corporate functions, including costs to maintain the Nasdaq public company listing, comply with applicable SEC reporting requirements, and related investor relations and is located in the U.K. No segmental information is presented for SES as amounts related to SES in the current period are immaterial. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including any revenues and expenses that relate to the transactions with any of the Group's other components. Operating segments results are reviewed regularly by the Board of Directors to assess its performance and make decisions about resources to be allocated to the segment, and for which discrete financial information is available.

Segment results that are reported to the Board of Directors include items directly attributable to a segment as well as those that can be allocated to a segment on a reasonable basis.

4.1. Revenue

Revenue by geographic location is as follows:

(US dollars in thousands)	Year ended 30 June		Three Months Ended 30 June	Year Ended 31 March
	2021	2020	2019	2019
Australia	39,018	47,983	13,507	37,889
United States	-	-	110	1,147
Netherlands	1,393	-	-	-
United Kingdom	-	3	-	-
Total revenue	40,411	47,986	13,617	39,036

Revenue by product and service is as follows:

(US dollars in thousands)	Year ended 30 June		Three Months Ended 30 June	Year Ended 31 March
	2021	2020	2019	2019
Electrical products and related services	38,832	47,917	13,484	37,799
Development fees	185	69	-	90
Conversion kits	137	-	-	-
Vehicle spec conversion	1,219	-	-	-
Accessories	38	-	-	-
Other revenue	-	-	133	1,147
Total revenue	40,411	47,986	13,617	39,036

The Group did not have any customers representing more than 10% of revenue for the year ended 30 June 2021 (year ended 30 June 2020: one; three months ended 30 June 2019: one; year ended 31 March 2019: one).

4.2 Operating segments

a) Segment results of operations

Results of operations by reportable segment are as follows:

Year Ended 30 June 2021 (US dollars in thousands)	Critical Power Services	Solar Development	Electric Vehicles	Corporate Office	Total
Revenue from contracts with customers	38,832	185	1,394	-	40,411
Costs of sales	(32,792)	-	(1,292)	-	(34,084)
Gross profit	6,040	185	102	-	6,327
General and administrative expenses	(3,004)	(1,309)	(1,923)	(4,897)	(11,133)
Gain on solar development - net	36	733	-	-	769
Other income	1,511	-	-	-	1,511
Depreciation and amortisation	(1,902)	(4)	(346)	(4)	(2,256)
Operating profit/(loss)	2,681	(395)	(2,167)	(4,901)	(4,782)
Restructuring costs and other non-recurring costs	(27)	-	(631)	(2,222)	(2,880)
Finance income	2,163	-	10	6	2,179
Finance expense	(476)	(24)	(11)	(2,079)	(2,590)
Profit/(loss) before income tax	4,341	(419)	(2,799)	(9,196)	(8,073)
Income tax	(714)	96	733	-	115
Profit/(loss) for the period	3,627	(323)	(2,066)	(9,196)	(7,958)

Year Ended 30 June 2020 (US dollars in thousands)	Critical Power Services	Solar Development	Electric Vehicles	Corporate Office	Total
Revenue from contracts with customers	47,914	69	-	3	47,986
Costs of sales	(40,865)	(20)	-	-	(40,885)
Gross profit	7,049	49	-	3	7,101
General and administrative expenses	(2,745)	(469)	-	(2,265)	(5,479)
Gain on solar development - net	41	1,548	-	-	1,589
Other income	724	-	-	-	724
Depreciation and amortisation	(1,718)	(45)	-	(3)	(1,766)
Operating profit/(loss)	3,351	1,083	-	(2,265)	2,169
Restructuring costs and other non-recurring costs	(124)	(1,296)	-	(1,990)	(3,410)
Finance expense – net	(1,436)	(9)	-	(1,704)	(3,149)
Profit/(loss) before income tax	1,791	(222)	-	(5,959)	(4,390)
Income tax	15	(728)	-	-	(713)
Profit/(loss) for the period	1,806	(950)	-	(5,959)	(5,103)

Three Months Ended 30 June 2019 (US dollars in thousands)	Critical Power Services	Solar Development	Electric Vehicles	Corporate Office	Total
Revenue from contracts with customers	13,484	133	-	-	13,617
Costs of sales	(11,864)	(96)	-	-	(11,960)
Gross profit	1,620	37	-	-	1,657
General and administrative expenses	(567)	(206)	-	(518)	(1,291)
Gain/(loss) on solar development - net	5	41	-	(8)	38
Depreciation and amortisation	(422)	(14)	-	(1)	(437)
Operating profit/(loss)	636	(142)	-	(527)	(33)
Restructuring and other non-recurring costs	(15)	(39)	-	(471)	(525)
Finance expense – net	(358)	(49)	-	(389)	(796)
Profit/(loss) before income tax	263	(230)	-	(1,387)	(1,354)
Income tax	(92)	-	-	-	(92)
Profit/(loss) for the period	171	(230)	-	(1,387)	(1,446)

Year Ended 31 March 2019 (US dollars in thousands)	Critical Power Services	Solar Development	Electric Vehicles	Corporate Office	Total
Revenue from contracts with customers	37,800	1,236	-	-	39,036
Costs of sales	(32,317)	(409)	-	-	(32,726)
Gross profit	5,483	827	-	-	6,310
General and administrative expenses	(2,823)	(2,148)	-	(2,714)	(7,685)
Loss on solar development - net	(30)	(2,585)	-	-	(2,615)
Depreciation and amortisation	(1,272)	(140)	-	(8)	(1,420)
Operating profit/(loss)	1,358	(4,043)	-	(2,722)	(5,410)
Restructuring and other non-recurring costs	(8)	7	-	(2,016)	(2,017)
Finance expense – net	1,354	(221)	-	(1,664)	(3,239)
Loss before income tax	(4)	(4,260)	-	(6,402)	(10,666)
Income tax	(572)	15	-	-	(557)
Loss for the period	(576)	(4,245)	-	(6,402)	(11,223)

b) Segment net assets

Net assets by reportable segment are as follows:

As at 30 June 2021 (US dollars in thousands)	Critical Power Services	Solar Development	Electric Vehicles	Corporate Office	Total
Assets	35,604	24,693	9,027	7,188	76,512
Liabilities	(9,442)	(767)	(2,093)	(23,792)	(36,094)
Net assets/(liabilities)	26,162	23,926	6,934	(16,604)	40,418

As at 30 June 2020 (US dollars in thousands)	Critical Power Services	Solar Development	Electric Vehicles	Corporate Office	Total
Assets	38,519	22,965	-	896	62,380
Liabilities	(14,481)	(1,697)	-	(28,312)	(44,490)
Net assets/(liabilities)	24,038	21,268	-	(27,416)	17,890

As at 30 June 2019 (US dollars in thousands)	Critical Power Services	Solar Development	Electric Vehicles	Corporate Office	Total
Assets	45,881	26,534	-	694	73,109
Liabilities	(21,171)	(5,766)	-	(23,656)	(50,593)
Net assets/(liabilities)	24,710	20,768	-	(22,962)	22,516

As at 31 March 2019 (US dollars in thousands)	Critical Power Services	Solar Development	Electric Vehicles	Corporate Office	Total
Assets	35,472	29,538	-	385	65,395
Liabilities	(13,603)	(6,085)	-	(21,722)	(41,410)
Net assets/(liabilities)	21,869	23,453	-	(21,337)	23,985

5. Gain/(loss) on Solar Development

(US dollars in thousands)	Year Ended 30 June		Three Months Ended 30 June	Year Ended 31 March
	2021	2020	2019	2019
VivoRex contract obligations	-	2,768	-	(1,902)
Australia solar projects	(165)	496	-	(247)
ISS Joint Venture - 50% share of discontinued projects	(6,950)	(1,675)	-	(868)
NC Projects sale	-	-	-	402
Gain on acquisition of remaining 50% ISV from ISS	7,848	-	-	-
Other gains	36	-	38	-
Total gain/(loss) on Solar Development	769	1,589	38	(2,615)

The Company recorded a net loss for solar projects in Australia, related primarily to the sale of its 50% interest in the Yoogali Solar Farm on 1 June 2021. The loss on sale of $0.2 million comprised disposal of $0.2 million net book value of intangible assets. Additionally, the Company recognised $0.1 million gain on the disposal of Daisy Hill.

The Company recorded a loss of $7.0 million in respect of its share of discontinued Solar Development projects in the joint venture, Innovative Solar Ventures I, LLC ("ISS Joint Venture"), prior to acquisition of the remaining 50% interest by the Company on 30 June 2021.

On 30 June 2021, the Company completed its acquisition of the remaining 50% share in the ISS Joint Venture. As detailed in Note 12.b, the difference between consideration of $5.4 million, being the fair value of pre-acquisition equity interest held by VivoPower, and fair value of acquired net assets of $13.2 million, resulted in a gain of $7.8 million. Results of operations for the portfolio are reported within the Sustainable Energy Solutions (formerly Solar Development) segment.

On 2 July 2019, the Company sold its 100% interest in VivoRex, LLC, for $1 and recorded a gain for accounting purposes of $2.8 million as a result of the disposal of onerous contract obligations of $2.5 million and other liabilities of $0.5 million, less cash and other current assets of $0.2 million. Results of operations for VivoRex, LLC, are reported within the SES (formerly Solar Development) operating segment, as disclosed in Note 4.2, and for the year ended 30 June 2020 accounted for $nil (three months ended 30 June 2019: $0.1 million; year ended 31 March 2019: $1.959 million; 2018: $0.645 million) of the operating loss reported for this segment.

The Company also recorded a gain on sale of $0.5m for Solar projects in Australia, related primarily to the sale of its 100% interest in the Sun Connect portfolio, in October 2019. The gain on sale of $0.3 million, comprised proceeds $1.0 million, less disposal of $0.8 million net book value of intangible assets and $0.1 million other net liabilities. Results of operations for the Sun Connect portfolio are reported within the Solar Development operating segment, as disclosed in Note 4.2.

The Company also recorded a $1.7 million loss on discontinued Solar Development projects in the ISS Joint Venture.

The loss on Solar Development for the year-ended 31 March 2019, totalling $2.6 million, is comprised of a $1.9 million provision for onerous contracts related to future obligations to purchase Solar Renewable Energy Certificates (“SRECs”) from the NC Projects, discontinued Solar Development projects in the ISS Joint Venture ($0.9 million), and a correction to the gain on the sale of Amaroo solar project reported in the prior year ($0.3 million), offset by a gain on sale of the NC Projects ($0.4 million).

On 25 May 2018, the Company sold its 14.5% and 10.0% equity interests in the NC-31 and NC-47 projects, respectively, to the majority investor at the fair market value of these projects. The proceeds of sale, net of transaction costs, were $11.4 million. A gain on sale of $0.4 million was realised after the impairment recognised in the prior year.

6. Other income

The Australian government’s Jobkeeper allowance helped keep Australian citizens in jobs and supported businesses affected by the significant economic impact of the COVID-19 pandemic. The allowance is included in other income and recognised in the period that the related costs, for which it is intended to compensate, are expensed. There are no unfulfilled conditions or other contingencies attaching to these grants. The Group did not benefit directly from any other forms of government assistance. The Company has reclassified the 2020 comparative in the Consolidated Statement of Comprehensive Income for amounts receivable under the Jobkeeper allowance. This is now included in other income, whereas previously in the year ended 30 June 2020 this was included in revenue. All comparative figures in the associated notes to the financial statements have been amended accordingly. The amount re-classified is $0.7 million.

7. Operating profit/(loss)

Operating profit/(loss) is stated after charging/(crediting):

(US dollars in thousands)	Year Ended June 30		Three Months Ended 30 June	Year Ended 31 March
	2021	2020	2019	2019
Amortisation of intangible assets	1,167	868	223	990
Depreciation of property, plant and equipment	1,089	898	214	430
Operating lease costs – land and buildings	-	-	-	548
Operating lease costs – motor vehicles	-	-	-	65
Operating lease costs – other equipment	-	-	-	33
Gain on foreign exchange	2,179	33	-	-
Auditors' remuneration – audit fees	163	161	97	253
Auditors' remuneration – audit related services	-	-	-	26
Auditors' remuneration – tax services	12	11	-	28
Directors' emoluments	676	398	104	611
Loss/(gain) on disposal of solar development	(769)	(1,589)	(38)	2,615

8. Restructuring and other non-recurring costs

	Year Ended June 30		Three Months Ended 30 June	Year Ended 31 March
(US dollars in thousands)	2021	2020	2019	2019
Corporate restructuring – workforce reduction	-	163	-	102
Corporate restructuring – litigation provision	2,042	1,104	-	-
Corporate restructuring – professional fees	179	1,031	518	1,776
Project review and investigation costs	-	1,112	7	139
Relocation costs	27	-	-	-
Acquisition related costs	632	-	-	-
Total	2,880	3,410	525	2,017

Restructuring and other non-recurring costs by nature are one-time incurrences, and therefore, do not represent normal trading activities of the business. These costs are disclosed separately in order to draw them to the attention of the reader of the financial information and enable comparability in future periods.

During a prior fiscal period, the Board undertook a strategic restructuring of the business to align operations, personnel, and business development activities to focus on a fewer number of areas of activity. Associated with this restructuring was the departure of a number of employees and contractors from the business. The workforce reduction cost represents the total salary, benefit, severance, and contract costs paid in the year or accruing to these individuals in the future for which no services will be rendered to the Company. Professional fees represent legal fees incurred to resolve certain disputes related to some of these separations in both the current and prior year. Terminated and restructured projects are the costs incurred related to solar business development activities in Asia for which the decision was made not to proceed for economic reasons, and costs of detailed review and investigation for the ISS Joint Venture portfolio in the U.S.

In the year ended 30 June 2021, the Company also incurred non-recurring costs for legal, accounting, tax advisory and due diligence costs of $0.6 million related to the acquisition of Tembo e-LV in November 2020.

9. Staff numbers and costs

The average number of employees (including directors) during the period was:

	Year Ended June 30		Three Months Ended 30 June	Year Ended 31 March
	2021	2020	2019	2019
Sales and Business Development	13	11	9	9
Central Services and Management	35	27	31	32
Production	164	171	139	138
Total	212	209	179	179

Their aggregate remuneration costs comprised:

(US dollars in thousands)	Year Ended 30 June		Three Months Ended 30 June	Year Ended 31 March 2019
	2021	2020	2019	2019
Salaries, wages and incentives	14,550	13,565	3,310	14,327
Social security costs	795	803	213	1,044
Pension contributions	850	792	185	788
Short-term compensated absences	1,200	1,296	406	1,254
Total	17,395	16,456	4,114	17,413

Directors' emoluments for the year ended 30 June 2021 were $675,806 (year ended 30 June 2020: $536,979; three months ended 30 June 2019: $103,925; (year ended 31 March 2019: $611,450) of which the highest paid director received $92,119 (year ended 30 June 2020: $205,673; three months ended 30 June 2019: $62,136; year ended 31 March 2019: $254,084). Director emoluments include employer social security costs.

Key Management Personnel:

(US dollars in thousands)	Year Ended 30 June		Three Months Ended 30 June	Year Ended 31 March
	2021	2020	2019	2019
Salaries, wages and incentives	1,949	1,009	388	2,354
Social security costs	102	79	28	176
Pension contributions	64	36	13	45
Equity incentives	244	111	27	130
Short-term compensated absences	2	-	-	-

Total	2,361	1,235	456	2,705

Key management personnel are those below the Board level that have a significant impact on the operations of the business. The number of key management personnel, including directors for the year ended 30 June 2021 was 10 (year ended 30 June 2020: 7; three months ended 30 June 2019: 10; year ended 31 March 2019: 10).

10. Finance income and expense

(US dollars in thousands)	Year Ended 30 June		Three Months Ended 30 June	Year Ended 31 March
	2021	2020	2019	2019
Finance income				
Foreign exchange gains	2,179	33	-	-
Interest received	-	-	-	4
Total finance income	2,179	33	-	4

(US dollars in thousands)	Year Ended 30 June		Three Months Ended 30 June	Year Ended 31 March
	2021	2020	2019	2019
Finance expense				
Related party loan interest payable	1,986	1,653	387	1,588
Convertible loan notes and preference shares interest payable	1,228	1,185	307	1,284
Waived dividends and interest on convertible preference shares and loan notes	(995)	-	-	-
Financing agreement finance cost payable	-	-	-	206
Debtor invoice finance cost payable	97	174	51	164
Lease liabilities interest payable	92	95	22	1
Bank interest payable	-	-	6	-
Provisions – unwinding of discount	-	-	42	-
Foreign exchange losses	92	-	(19)	-
Other finance costs	90	75	-	-
Total finance expense	2,590	3,182	796	3,243

Interest paid in the year of $5.3 million includes $2.2 million of accrued interest on Aevitas convertible preference shares and convertible loan notes from prior periods.

11. Taxation

a) Tax charge/(credit)

(US dollars in thousands)	Year Ended 30 June		Three Months Ended 30 June	Year Ended 31 March
	2021	2020	2019	2019
Current tax				
UK tax	-	-	-	29
Foreign tax	(848)	53	(162)	(217)
Total current tax	(848)	53	(162)	(188)
Deferred tax				
Current year	-	-	-	-
UK tax	(51)	(202)	-	267
Foreign tax	1,014	(564)	70	(636)
Total deferred tax	963	(766)	70	(369)
Total income tax	115	(713)	(92)	(557)

The difference between the total tax charge and the amount calculated by applying the weighted average corporation tax rates applicable to each of the tax jurisdictions in which the Group operates to the profit before tax is shown below.

(US dollars in thousands)	Year Ended 30 June		Three Months Ended 30 June	Year Ended 31 March
	2021	2020	2019	2019
Loss before income tax	(8,073)	(4,390)	(1,354)	(10,666)
Group weighted average corporation tax rate	22.2%	24.6%	22.0%	21.8%
Tax at standard rate	1,789	1,080	297	2,325
Effects of:				
Expenses that are not deductible for tax purposes	(833)	(106)	(49)	41
Adjustment to prior year tax provisions	137	-	-	(64)
Deferred tax assets not recognised on tax losses	(978)	(1,687)	(340)	(2,859)
Total income tax for the period Recognised in the Consolidated Statement of Comprehensive Income	115	(713)	(92)	(557)

b) Deferred tax

	As at 30 June			As at
(US dollars in thousands)	**2021**	**2020**	**2019**	**31 March 2019**
Deferred tax assets	2,495	1,347	2,113	2,054
Deferred tax liabilities	(411)	-	(1)	(1)
Net deferred tax asset/(liability)	2,084	1,347	2,112	2,053

These assets and liabilities are analysed as follows:

Deferred tax assets	**Tax losses**	**Other timing differences**	**Total**
31 March 2019	1,005	1,049	2,054
Credit to comprehensive income	-	59	59
30 June 2019	1,005	1,108	2,113
Charged to comprehensive income	(191)	(575)	(766)
30 June 2020	814	533	1,347
Credit to comprehensive income	776	109	885
Acquisitions	263	-	263
30 June 2021	1,853	642	2,495

Deferred tax liabilities	**Accelerated allowances**	**Other timing differences**	**Total**
30 June 2019	(1)	-	(1)
Credit to comprehensive income	1	-	1
30 June 2020	-	-	-
Credit to comprehensive income	-	78	78
Acquisition of subsidiary (Note 12)	-	(489)	(489)
30 June 2021	-	(411)	(411)

Deferred tax has been recognised in the current period using the tax rates applicable to each of the tax jurisdictions in which the Group operates. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities.

12. Business Combination

(a) Tembo e-LV

On 5 November 2020, VivoPower International PLC acquired 51% of the ordinary issued share capital of Tembo e-LV B.V. a specialist battery-electric and off-road vehicle company located in The Netherlands. The non-controlling interest representing 49% of the ordinary issued share capital was acquired on 2 February 2021.

Purchase consideration

(Amounts in thousands)	EUR	USD
Cash consideration for 51% acquisition	4,000	4,916

The assets and liabilities recognised as a result of the acquisition are as follows:

(Amounts in thousands)	EUR	USD
Cash and cash equivalents	4,021	4,942
Trade and other receivables	100	123
Inventory	594	730
Property, plant and equipment (Note 13)	167	206
Deferred tax asset (Note 11)	214	263
Trade and other payables	(541)	(665)
Related party payable	(1,024)	(1,259)
Other non-current liabilities	(181)	(222)
Deferred income	(578)	(711)
Deferred tax liability (Note 11)	(398)	(489)
Remediation provision	(282)	(336)
Fair value of identifiable net assets acquired	2,092	2,582
Non-controlling interests (49%)	(1,025)	(1,260)
Net assets acquired	1,067	1,322
Cash consideration for 51% acquisition	4,000	4,916
Surplus on acquisition	2,933	3,594
Allocation of surplus:		
Goodwill (Note 14a)	1,340	1,698
Other intangible assets (Note 14b)	1,593	1,896
	2,933	3,594

	EUR	USD
Acquisition of Non-controlling interest:		
Cash paid	1,800	2,173
Ordinary shares issued	197	237
Total consideration for non-controlling interest	1,997	2,410
Non-controlling interest acquired:		
At acquisition	(1,025)	(1,259)
Loss attributable to non-controlling interest	319	387
At date of acquisition of non-controlling interest	(706)	(873)
Surplus on acquisition of non-controlling interest	1,291	1,538

Purchase consideration - cash outflow		
(Amounts in thousands)	**EUR**	**USD**
Outflow of cash to acquire subsidiary, net of cash acquired		
Cash consideration - 51%	4,000	4,916
Cash consideration - 49%	1,800	2,173
Less: Balances acquired		
Cash	4,021	4,942
Net outflow of cash - investing activities	1,779	2,147

Acquisition-related costs of $0.6 million that were not directly attributable to the issue of shares are included within restructuring and other non-recurring costs in the income statement.

Goodwill represents the value of gaining immediate access to an established business in the electric vehicles market, including the skilled workforce, which are not separately recognised and do not meet the criteria for recognition as an intangible asset under IAS 38. None of the goodwill recognised is expected to be deductible for income tax purposes. Separately recognised intangible assets acquired comprise $1.5 million of customers contracts and $0.4 million of trade names, based on a purchase price allocation performed by management.

Intangible assets acquired comprise $1.5 million customer contracts and $0.4 million of trade names, based on a purchase price allocation performed by management. Customer contracts are valued in years 1-5 include revenue from acquired customer relationships representing 25% of total revenue, average attrition rate 25% per annum, average EBIT 3.7%, weighted average cost of capital 13.0%. Trade names are valued using a relief from royalty method of the income valuation approach over a 6-year life based on a 5% industry average royalty rate.

The Company recognises non-controlling interests in an acquired entity at the non-controlling interests' proportionate share of the acquired entity's identifiable net assets.

The non-controlling interest representing 49% of the ordinary issued share capital, comprising $1.3 million at acquisition, less $0.4 million loss recorded in the profit and loss account between 5 November 2020 and 2 February 2021, total $0.9 million, was acquired by the Company on 2 February 2021, for $2.2 million cash and

15,793 shares in the Company ($0.2 million). The $1.5 million difference between consideration and acquired non-controlling interest was credited directly to equity.

The remediation provision recognised was a present obligation of Tembo e-LV immediately prior to the business combination. The execution of the remediation was not conditional upon it being acquired by the Company. From the date of acquisition, Tembo contributed $1.4 million of revenue and $2.8 million of loss before tax from continuing operations. If the acquisition had taken place at the beginning of the year, Group revenue from continuing operations would have been $41.1 million and loss before tax from continuing operations for the Group would have been $8.3 million.

(b) ISS Joint Venture

On 30 June 2021, the Company purchased the remaining 50% share in the ISS Joint Venture for a consideration of $1, plus the $5.4 million fair value of pre-acquisition equity interest held by the Company.

Fair value of net assets acquired included capitalised project expenses and were recorded at fair value.

The acquisition resulted in a bargain purchase worth $7.8 million as a result of the litigation settlement and is recognized in the Statement of Comprehensive Income within gain/loss on Solar Development as set out Note 5.

Purchase consideration (US dollars in thousands)		
Cash		
Fair value of pre-acquisition equity interest		5,393
Total consideration		5,393
Less: Fair value of acquired net assets:		
Cash	2	
Deposits	990	
Capitalised project development expenses (Note 14b)	12,249	
		13,241
Gain on bargain purchase		7,848

No revenue or profit or loss has been recognized since the acquisition date.

The net cash flow resulting from the acquisition was $ nil.

13. Property, plant and equipment

(US dollars in thousands)	Computer Equipment	Motor Vehicles	Plant and Equipment	Fittings and Equipment	Right-of-Use Assets	Total
Cost						
At 31 March 2019	**543**	**1,629**	**1,029**	**176**	**-**	**3,377**
Change in accounting policy (Note 2.18)	-	(371)	-	-	2,152	1,781
Restated at 1 April 2019	**543**	**1,258**	**1,029**	**176**	**2,152**	**5,158**
Foreign exchange	(5)	(13)	(11)	(2)	(20)	(51)
Additions	7	45	222	16	110	400
Disposals	-	(8)	-	-	-	(8)
At 30 June 2019	**545**	**1,282**	**1,240**	**190**	**2,242**	**5,499**
Foreign exchange	(11)	(26)	(26)	(4)	(46)	(113)
Additions	36	359	189	9	570	1,163
Disposals	(94)	(252)	(171)	-	(483)	(1,000)
At 30 June 2020	**476**	**1,363**	**1,232**	**195**	**2,283**	**5,549**
Foreign exchange	41	145	26	18	196	426
Additions	125	230	395	6	182	938
Acquisitions from business combinations	-	4	114	-	88	206
Disposals	(80)	(174)	(156)	(97)	(58)	(565)
At 30 June 2021	**562**	**1,568**	**1,611**	**122**	**2,691**	**6,554**

US dollars in thousands)	Computer Equipment	Motor Vehicles	Plant and Equipment	Fittings and Equipment	Right-of-Use Assets	Total
Depreciation						
At 31 March 2019	**380**	**1,079**	**645**	**68**	**-**	**2,172**
Change in accounting policy (Note 2.18)	-	(123)	-	-	318	195
Restated at 1 April 2019	**380**	**956**	**645**	**68**	**318**	**2,367**
Foreign exchange	(3)	(12)	(7)	-	(3)	(25)
Charge for the period	27	1	17	6	163	214
Disposals	-	(8)	-	-	-	(8)
At 30 June 2019	**404**	**937**	**655**	**74**	**478**	**2,548**
Foreign exchange	(7)	(15)	(11)	(1)	(3)	(37)
Charge for the period	55	171	107	13	552	898
Disposals	(79)	(257)	(4)	-	(16)	(346)
At 30 June 2020	**373**	**836**	**747**	**86**	**1,021**	**3,063**
Foreign exchange	31	85	70	8	77	271
Charge for the period	66	206	167	8	642	1,089
Disposals	(71)	(157)	(112)	(46)	(58)	(444)
At 30 June 2021	**399**	**970**	**872**	**56**	**1,682**	**3,979**

(US dollars in thousands)	Computer Equipment	Motor Vehicles	Plant & Equipment	Fittings & Equipment	Right-of-Use Assets	Total
Net book value						
At 31 March 2019	163	550	385	108	-	1,205
At 30 June 2019	141	344	585	116	1,764	2,951
At 30 June 2020	103	527	485	109	1,262	2,486
At 30 June 2021	163	598	739	66	1,009	2,575

14. Intangible assets

	As at 30 June			As at
(US dollars in thousands)	2021	2020	2019	31 March 2019
Goodwill	25,794	21,919	22,387	22,622
Other intangible assets	21,655	7,930	9,375	9,744
Total	47,449	29,849	31,762	32,366

a) Goodwill

	As at 30 June			As at
(US dollars in thousands)	2021	2020	2019	31 March 2019
As at 1 July / 1 April	21,919	22,387	22,622	24,482
Goodwill on acquisition of Tembo	1,698	-	-	-
Foreign exchange	2,177	(468)	(235)	(1,860)
Carrying value	25,794	21,919	22,387	22,622

The carrying amounts of goodwill by Cash Generating Unit ("CGU") are as follows:

	As at 30 June			As at
(US dollars in thousands)	2021	2020	2019	31 March 2019
Aevitas O Holdings Pty Ltd (allocated to the Critical Power Services segment)	13,658	12,483	12,751	12,884
VivoPower Pty Ltd (allocated to the Solar Development segment)	10,319	9,436	9,636	9,738
Tembo (allocated to the Electric Vehicle segment)	1,817	-	-	-
Total	25,794	21,919	22,387	22,622

The Group conducts impairment tests on the carrying value of goodwill and intangibles annually, or more frequently if there are any indications that goodwill might be impaired. The recoverable amount of the Cash Generating Unit ("CGU") to which goodwill has been allocated are determined from value in use calculations. The key assumptions in the calculations are the discount rates applied, expected operating margin levels and long-term growth rates. Management estimates discount rates that reflect the current market assessments while margins and growth rates are based upon approved budgets and related projections.

The Group prepares cash flow forecasts using the approved budgets for the coming financial year and management projections for the following two years. Cash flows are also projected for subsequent years as management believes that the investment is held for the long term. These budgets and projections reflect management's view of the expected market conditions and the position of the CGU's products and services within those markets.

The CGU represented by Aevitas O Holdings Limited was assessed to have a value in excess of its carrying value and hence no additional adjustments to goodwill were considered necessary. Key assumptions used in the assessment of impairment were discount rate based on the weighted average cost of capital of 10% (30 June 2020: 10.6%; 30 June 2019: 8.8%; 31 March 2019: 8.8%) and annual growth rate of 3% per annum. No sensitivity analysis is provided as the Company expects no foreseeable changes in the assumptions that would result in impairment of the goodwill.

Following the strategic pivot of the solar development business into sustainable energy solutions, management have re-assessed the applicability of the CGU which the VivoPower Pty Ltd goodwill and intangibles should be included within, for impairment assessment purposes. Whilst the strategic pivot requires development of new capabilities in the Company related to battery technology and grid connectivity, a significant portion of the existing technology, project execution methodology and management team of VivoPower Pty Ltd continue to provide solar development activity in the sustainable energy solutions segment. Furthermore, revenue streams of sustainable energy solutions include a significant solar component. Therefore, management have concluded that the VivoPower Pty Ltd goodwill and intangible assets can be included within the SES segment. Management have only included the solar element of future revenue streams when assessing impairment of VivoPower Pty Ltd goodwill and intangible assets.

The solar element of the CGU represented by VivoPower Pty Ltd was assessed to have a value in excess of its carrying value and hence no additional adjustments to goodwill were considered necessary.

Key assumptions used in the assessment of impairment were weighted average cost of capital of 10.7% (30 June 2020: 10.9%; 30 June 2019: 11.0%; 31 March 2019: 11.0%), an average annual growth rate in years 1-5 of 120% during the hyperscaling phase of the business, an average of 53% of revenue derived from supporting infrastructure for electric vehicle sales will relate to solar infrastructure in years 1-5, with an average of 20% of electric light vehicles sold by the Company in years 1-5 will be sold with an additional sustainable energy solution; an average of 69% of standalone renewable power generation, storage and distribution projects revenue will relate to solar development in years 1-5.

If the conversion rate of sustainable energy solutions from supporting infrastructure for electric vehicles is only 5% instead of management's estimate of 20%, the Company would have had to recognise an impairment of $0.3 million. If the implementation rate is nil instead of management's estimate of 20%, the Company would have had to recognise an impairment of $4.8 million. If the forecast revenue for standalone renewable power generation, storage and distribution projects reduces by 90% compared to management's estimate, the Company would have had to recognise an impairment of $3.4 million.

The CGU represented by Tembo e-LV B.V. and subsidiaries was assessed to have a value in excess of its carrying value and hence no additional adjustments to goodwill were considered necessary. Key assumptions used in the assessment of impairment were discount rate based on the weighted average cost of capital of 10% and average annual growth rate of 748% per annum in years 1-5. No sensitivity analysis is provided as the Company expects no foreseeable changes in the assumptions that would result in impairment of the goodwill.

b) Other intangible assets

(US dollars in thousands)	Customer Relationships	Trade Names	Favourable Supply Contracts	Solar Projects	Product development	Other Intangible Assets	Total Intangible Assets
Cost							
At 31 March 2019	5,097	2,476	4,229	-	-	158	11,960
Foreign exchange	(55)	(26)	(44)	-	-	(1)	(126)
Additions	-	-	-	-	-	12	12
Disposals	(50)	-	-	-	-	-	(50)
At 30 June 2019	4,992	2,450	4,185	-	-	169	11,796
Foreign exchange	(103)	(51)	(86)	-	-	(4)	(244)
Additions	461	-	-	-	-	-	461
Disposals	(968)	-	-	-	-	(9)	(977)
At 30 June 2020	4,382	2,399	4,099	-	-	156	11,036
Foreign exchange	411	225	385	-	-	13	1,034
Additions	46	-	-	-	513	-	559
Acquisitions from business combinations	1,492	404	-	12,248	-	-	14,144
Disposals	(550)	-	-	-	-	-	(550)
At 30 June 2021	5,781	3,028	4,484	12,248	513	169	26,223

(US dollars in thousands)	Customer Relationships	Trade Names	Favourable Supply Contracts	Solar Projects	Product development	Other Intangible Assets	Total Intangible Assets
Amortisation							
At 31 March 2019	1,064	384	657	-	-	111	2,216
Foreign exchange	(6)	(4)	(7)	-	-	(1)	(18)
Amortisation	100	41	70	-	-	12	223
At 30 June 2019	1,158	421	720	-	-	122	2,421
Foreign exchange	(24)	(9)	(15)	-	-	(2)	(50)
Amortisation	404	160	273	-	-	31	868
Disposals	(133)	-	-	-	-	-	(133)
At 30 June 2020	1,405	572	978	-	-	151	3,106
Foreign exchange	131	54	92	-	-	18	295
Amortisation	622	229	298	-	18	-	1,167
At 30 June 2021	2,158	855	1,368	-	18	169	4,568

(US dollars in thousands)	Customer Relationships	Trade Names	Favourable Supply Contracts	Solar Projects	Product development	Other Intangible Assets	Total Intangible Assets
Net book value							
At 31 March 2019	4,033	2,092	3,572	-	-	47	9,744
At 30 June 2019	3,834	2,029	3,465	-	-	47	9,375
At 30 June 2020	2,977	1,827	3,121	-	-	5	7,930
At 30 June 2021	3,623	2,173	3,116	12,248	495	-	21,655

Customer relationships, trade names and favourable supply contracts have an average remaining period of amortisation of 9 years, 12 years and 12 years respectively.

Additions in the year comprise $0.5 million of post-acquisition electric vehicle product development costs in Tembo and $0.1 million of project development costs relating to the Yoogali Solar project in VivoPower Pty Ltd.

Intangible assets were acquired as part of business combinations during the year. They are recognised at their fair value at the date of acquisition and, where applicable, are subsequently amortised on a straight-line basis over their estimated useful economics lives:

(i) Development expenditure

$12.2 million of development expenditure as part of the acquisition of the remaining 50% interest in Innovative Solar Ventures I, LLC as described in Note 12b. No amortisation has been charged as the acquisition took place on 30 June 2021.

(ii) Customer relationships and trade names

$1.5 million and $0.4 million of customer relationships and trade names, respectively, as part of the acquisition of Tembo as described in Note 12a. Tembo has customer relationships with a number of mining and industrial companies. The contracts can be expected to last at least 5 years. The trade name of Tembo 4x4 is capitalized and amortized over 6 years.

Intangible assets disposed of in the year relate to the Yoogali and Daisy Hill Solar projects in Australia as described in Note 5. Both intangible assets were categorised in customer relationships.

15. Investment in subsidiaries

The principal operating undertakings in which the Group's interest at 30 June 2021 is 20% or more are as follows:

Subsidiary undertakings	Percentage of ordinary shares held	Registered address
VivoPower International Services Limited	100%	28 Esplanade, St Helier, Jersey, JE2 3QA
VivoPower USA LLC	100%	251 Little Falls Drive, Wilmington, DE, USA 19808
VivoPower US-NC-31, LLC	100%	
VivoPower US-NC-47, LLC	100%	
VivoPower (USA) Development, LLC	100%	

Caret, LLC (formerly Innovative Solar Ventures I, LLC)	100%	
VivoPower Pty Ltd	100%	153 Walker St, North Sydney NSW, Australia 2060
VivoPower WA Pty Ltd	100%	
VVP Project 1 Pty Limited	100%	
Amaroo Solar Pty. Ltd.	100%	
Aevitas O Holdings Pty Ltd	100%	
Aevitas Group Limited	99.90%	
Aevitas Holdings Pty Ltd	100%	
Electrical Engineering Group Pty Limited	100%	
J.A. Martin Electrical Limited	100%	
Kenshaw Electrical Pty Limited	100%	
VivoPower Philippines Inc.	64%	Unit 10A, Net Lima Building, 5th Avenue cor. 26th Street, E-Square Zone, Crescent Park West, Bonifacio Global City, Taguig, Metro Manila
VivoPower RE Solutions Inc.	64%	
V.V.P. Holdings Inc. *	40%	
Tembo e-LV B.V.	100%	Hoek 54A, 5571GK, Bergeijk, Netherlands
Tembo 4x4 e-LV B.V.	100%	
FD 4x4 Centre B.V.	100%	

Associate and Joint Venture Undertakings	**Percentage of shares held**	**Registered address**
VVPR-ITP TopCo Pty Limited	50%	153 Walker St, North Sydney NSW, Australia 2060

* V.V.P. Holdings Inc. is controlled of VivoPower Pty Ltd notwithstanding only owning 40% of the ordinary share capital.

16. Investments accounted for using the equity method

(US dollars in thousands)	**% Owned**	**As at 30 June 2021**	**2020**	**2019**	**As at 31 March 2019**
Caret, LLC (formerly Innovative Solar Ventures I, LLC)	100%	-	8,225	-	-
Total		-	8,225	-	-

In April 2017, the Company entered into a 50% joint venture with an early-stage solar development company, Innovative Solar Systems, LLC, to develop a diversified portfolio of 38 utility-scale solar projects in 9 different states, representing a total electricity generating capacity of approximately 1.8 gigawatts, through an investment entity called Innovative Solar Ventures I, LLC (the "ISS Joint Venture").

Under the terms of the ISS Joint Venture, the Company committed to invest $14.1 million in the ISS Joint Venture for its 50% equity interest, after reducing the commitment by $0.8 million in potential brokerage commissions that have not been required and which have been credited towards the Company's commitment. The $14.1 million commitment was allocated to each of the projects based on monthly capital contributions determined with reference to completion of specific project development milestones under an approved development budget for the ISS Joint Venture. To June 29, 2021, the Company contributed $13.1 million of the $14.1 million commitment to the ISS Joint Venture, leaving a remaining capital commitment at 30 June 2021, of $1.1 million, which was recorded in trade and other payables. 20 projects within the portfolio were discontinued in the year ended 30 June 2021, resulting in a write off of capitalised costs of $7.0 million related to those projects, as shown in Note 5.

The joint venture was accounted for as an investment under the equity method at 31 March 2018. During the year ended 31 March 2019, the Company made the decision to sell its portfolio of solar projects held within the ISS Joint Venture, and the Joint Venture assets were reclassified as assets held for sale. In the year ended 30 June 2020, sale of the entire portfolio was not successful and the Company commenced a process to take control of the portfolio from the Joint Venture partner, which was expected to result in a slower project realisation timeframe. Accordingly, the portion of the investment that was expected to be realised in near term sales within 12 months remained in assets held for sale, whereas the remainder of the portfolio was reclassified back to investments accounted for under the equity method.

On 30 June 2021, the Company acquired the remaining 50% of Caret, LLC from Innovative Solar Systems, LLC, for a consideration of $1. Accordingly, the book value of $8.1 million of the investments accounted for using the equity method have been derecognised upon acquisition, and the fair value of 100% of the consolidated capitalised project development costs recorded as an intangible asset upon acquisition, as detailed in Note 12b

17. Cash and cash equivalents

	As at 30 June			As at
(US dollars in thousands)	**2021**	**2020**	**2019**	**31 March 2019**
Cash at bank and in hand	8,604	2,824	7,129	4,522

The credit ratings of the counterparties with which cash was held are detailed in the table below.

	As at 30 June			As at
(US dollars in thousands)	**2021**	**2020**	**2019**	**31 March 2019**
A+	5,423	-	252	17
A	-	-	233	14
A-	2	554	-	-
AA-	3,179	2,270	6,644	4,491
Total	8,604	2,824	7,129	4,522

18. Restricted cash

	As at 30 June			As at
(US dollars in thousands)	**2021**	**2020**	**2019**	**31 March 2019**
Bank guarantee security deposit	1,140	1,013	632	816
Preferred supplier agreement escrow	-	-	-	503
Total	1,140	1,013	632	1,319

At 30 June 2021, there is a total of $1.1 million (30 June 2020, $1.0 million; 30 June 2019, $0.6 million; 31 March 2019: $0.8 million) of cash which is subject to restriction as security for bank guarantees provided to customers in support of performance obligations under power services contracts.

19. Trade and other receivables

(US dollars in thousands)	As at June 30 2021	2020	2019	As at March 31 2019
Current receivables				
Trade receivables	4,959	3,112	6,193	5,899
Contract assets	2,723	3,382	3,929	1,800
Prepayments	2,837	432	2,919	628
Other receivables	2,011	5,475	1,951	2,072
Current tax receivable	182	155	-	-
Total	12,712	12,556	14,992	10,399

In accordance with IFRS 15, contract assets are presented as a separate line item. The Company has not recognised any loss allowance for contract assets.

Analysis of trade receivables:

(US dollars in thousands)	As at June 30 2021	2020	2019	As at 31 March 2019
Trade and other receivables	4,959	3,119	6,195	5,929
Less: credit note provision	-	(7)	(2)	(30)
Total	4,959	3,112	6,193	5,899

The maximum exposure to credit risk for trade receivables by geographic region was:

(US dollars in thousands)	As at June 30 2021	2020	2019	As at 31 March 2019
USA	-	-	108	78
Australia	4,349	3,112	6,085	5,821
Netherlands	610	-	-	-
Total	4,959	3,112	6,193	5,899

The aging of the trade receivables, net of provisions is:

(US dollars in thousands)	As at June 30 2021	2020	2019	As at 31 March 2019
0-90 days	4,918	3,055	6,093	5,765
Greater than 90 days	41	57	100	134
Total	4,959	3,112	6,193	5,899

20. Inventory

(US dollars in thousands)	As at June 30 2021	2020	2019	As at 31 March 2019
Raw materials	1,537	-	-	-
Total	1,537	-	-	-

21. Assets classified as held for sale

(US dollars in thousands)	% Owned	As at 30 June 2021	2020	2019	As at 31 March 2019
Caret, LLC (formerly Innovative Solar Ventures I, LLC)	50%	-	4,080	13,530	13,530
Total		-	4,080	13,530	13,530

The Company's portfolio of U.S. solar projects was held through 50% ownership in the ISS Joint Venture until June 29, 2021. On 30 June 2021, the Company acquired the remaining 50% of the ISS Joint Venture from Innovative Solar Systems, LLC, and accordingly existing book value of joint venture assets held for sale have been derecognised and included in the acquisition accounting, leaving nil balance in assets held for sale on 30 June 2021.

During the year ended 31 March 2019, the Company made the decision to sell its portfolio of U.S. solar projects and accordingly, the investment had been reclassified to current assets as assets held for sale. Assets classified as held for sale are included within the Solar Development segment in Note 4.2.

Reconciliation of the ISS Joint Venture investment is as follows:

(US dollars in thousands)	As at 30 June 2021	2020	2019	As at 31 March 2019
Capital commitment	-	15,044	15,044	15,044
Commission credit	-	(770)	(770)	(770)
Discontinued projects	-	(2,079)	(847)	(847)
Acquisition costs	-	110	103	103
Net assets	-	12,305	13,530	13,530

Allocation of the net book value of the equity accounted investment in the ISS Joint Venture, between current assets held for sale, and non-current investments (as disclosed in Note 16), until acquisition and consolidation on 30 June 2021, was as follows:

(US dollars in thousands)	As at 30 June 2021	2020	2019	As at 31 March 2019
Assets classified as held for sale	-	4,080	13,530	13,530
Investments accounted for using the equity method	-	8,225	-	-
Net assets	-	12,305	13,530	13,530

The table below provides summarised financial information for the ISS Joint Venture. The information disclosed reflects the amounts presented in the financial statements of ISS Joint Venture, amended to reflect adjustments made by the Company when using the equity method, including fair value adjustments and modifications for differences in accounting policy. The summarised financial information for the ISS Joint Venture does not represent the Company's share of those amounts.

(US dollars in thousands)	As at 30 June 2021	2020	2019	As at 31 March 2019
Current assets	-	2	1,187	1,187
Non-current assets	-	23,277	27,107	27,107
Net assets	-	23,279	28,294	28,294

Reconciliation to carrying amounts of the ISS Joint Venture (including amounts disclosed within Investments, see Note 16):

(US dollars in thousands)	As at 30 June 2021	2020	2019	As at 31 March 2019
Opening net assets	24,390	28,294	28,294	28,294
Commission credit	-	(1,546)	-	1,514
Commission credit on abandonments	-	144	-	-
Sundry income	-	90	-	-
Project swaps	-	-	-	281
Abandoned projects	(13,900)	(2,592)	-	(1,795)
Acquisition of controlling interest	(10,490)	-	-	-
Net assets	-	24,390	28,294	28,294
VivoPower share in %	N/A	50%	50%	50%
VivoPower share in $ (excluding funding obligation)	-	12,195	14,148	14,148
Commission credit	-	-	(721)	(721)
Acquisition costs	-	110	103	103
Net Assets	-	12,305	13,530	13,530

22. Trade and other payables

(US dollars in thousands)	As at 30 June 2021	2020	2019	As at 31 March 2019
Trade payables	4,325	4,807	5,554	5,675
Accruals	648	370	2,247	1,952
Related party payable	-	504	1,527	1,378
Payroll liabilities	1,413	1,383	1,209	1,165
Sales tax payable	624	496	1,054	764
Contract liabilities	1,129	6,013	10,095	4,978
Other creditors	778	1,822	2,953	2,011
Total	8,917	15,395	24,639	17,923

In accordance with IFRS 15 – Revenue from Contracts with Customers, contract liabilities are presented as a separate line item. Contract liabilities relate to the Company's obligation to transfer goods or services to customers for which the Company has received consideration (or the amount is due) from customers. Contract liabilities are recorded as revenue when the Company fulfils its performance obligations under the contract.

Of the $10.1 million and $5.0 million contract liabilities balance at 30 June 2019 and 31 March 2019, respectively, $2.4 million was not recognised as revenue in the year ended 30 June 2020 due to contract postponement. The revenue was recognised in the first half of the year ended 30 June 2021. The $6.0 million of the contract liabilities balances at 30 June 2020, was fully recognised as revenue in the year ended 30 June 2021.

23. Provisions

	As at 30 June			As at 31 March
(US dollars in thousands)	**2021**	**2020**	**2019**	**2019**
Current provisions				
Employee entitlements	1,802	1,561	1,510	1,459
Litigation	485	1,104	-	-
Warranty	209	232	-	-
Remediation	306	-	-	-
Employee terminations	-	-	112	157
Onerous contracts	-	-	96	94
Total current provisions	2,802	2,897	1,718	1,710
Non-current provisions				
Employee entitlements	165	169	148	227
Onerous contracts	-	-	1,952	1,995
Total non-current provision	165	169	2,100	2,222
Total provisions	2,967	3,066	3,818	3,932

Employee entitlements include long term leave and vacation provisions.

On 26 February 2018, the Company's former Chief Executive Officer, Phillip Comberg, filed a legal claim alleging the Company committed a repudiatory breach of his service agreement in connection with the termination of his employment on 4 October 2017. Mr. Comberg claimed damages of £0.62 million related to the notice period in his service agreement, £0.54 million related to shares in the Company he alleges were due to him, and other unquantified amounts related to bonuses and past service fees alleged to be due. On April 9, 2018, the Company filed a defence and counterclaim, denying that a repudiatory breach was committed by the Company and denying the other claims asserted by Mr. Comberg, claiming that Mr. Comberg was terminated for cause. On 26 November 2018, the Company agreed to a settlement of the counterclaims against Mr. Comberg for an undisclosed amount.

After aborted attempts at settlement, the matter was heard in the U.K. High Court in the first two weeks of March 2020, with judgement ruled in September 2020. The Company was successful in defending the majority of the claims, with a total of £0.62 million ($0.90 million) of the claims being settled in favour of Mr. Comberg. However final costs and interest of $1.76 million awarded to him were higher than budgeted. The $2.66 million payments resulted in an additional restructuring and non-recurring expense of $1.5 million during the year ended 30 June 2021, over and above utilisation of the $1.1 million brought forward provision as at 30 June 2020.

A further provision of $0.48 million for disputed legal success fees related to the Mr. Comberg litigation has also been recorded at 30 June 2021.

Warranty provisions in Australia relate to the servicing of generators and is based on a percentage of revenue generated.

The remediation provision comprises additional work required on electric vehicles, comprising a combination of remediation, testing or conversion of drivetrains to 72kwH.

(US dollars in thousands)	Employee Entitlements	Employee Terminations	Remediation	Onerous Contracts	Litigation	Warranty	Total
At 31 March 2019	**1,686**	**158**	-	**2,088**	**-**	**-**	**3,932**
Foreign exchange	(18)	-	-	-	-	-	(18)
Additional provisions	146	-	-	-	-	-	146
Reverse unused provisions	(41)	-	-	-	-	-	(41)
Unwinding of discount	-	-	-	42	-	-	42
Provisions utilised	(116)	(45)	-	(82)	-	-	(243)
At 30 June 2019	**1,657**	**113**	-	**2,048**	**-**	**-**	**3,818**
Foreign exchange	(41)	-	-	-	-	-	(41)
Additional provisions	1,659	176	-	-	1,104	232	3,171
Reverse unused provisions	(72)	(28)	-	-	-	-	(100)
Disposals	-	-	-	(2,048)	-	-	(2,048)
Provisions utilised	(1,473)	(261)	-	-	-	-	(1,734)
At 30 June 2020	**1,730**	**-**	-	**-**	**1,104**	**232**	**3,066**
Foreign exchange	170	-	-	-	-	14	184
Additional provisions	1,306	-	306	-	2,042	122	3,776
Reverse unused provisions	(67)	-	-	-		(112)	(179)
Provisions utilised	(1,172)	-	-	-	(2,661)	(47)	(3,880)
At 30 June 2021	**1,967**	**-**	306	-	**485**	**209**	**2,967**

24. Loans and borrowings

(US dollars in thousands)	As at 30 June 2021	2020	2019	As at 31 March 2019
Current liabilities				
Debtor invoice financing	-	508	901	751
Lease liabilities	669	641	660	136
Shareholder loans	-	-	766	-
Chattel mortgage	88	51	-	-
Project financing agreement	59	-	-	-
Bank loan	152	66	-	-
Other borrowings	36	46	-	-
Total current liabilities	1,004	1,312	2,327	887
Non-current liabilities				
Lease liabilities	326	714	1,117	138
Shareholder loan	21,175	23,401	18,242	18,242
Chattel mortgage	244	249	-	-
Project financing agreement	183	-	-	-
Bank loan	159	278	-	-
Total non-current liabilities	22,087	24,642	19,359	18,380
Total liabilities	23,091	25,954	21,686	19,267

In the prior fiscal year, on 30 June 2020 the Company refinanced its $23.4 million shareholder loan due to AWN Holdings Limited (“AWN”), its largest shareholder. The shareholder loan bore interest at 10.0% per annum plus a line fee of 2.0% per annum, payable monthly in advance. No interest or line fee settlements were required until after a corporate liquidity event had occurred. Principal was repayable in 9 equal monthly instalments from July 2021 until March 2022. Security granted to AWN comprised a Specific Security Deed over the assets of Aevitas O Holdings Pty Ltd and general security over the assets of VivoPower International PLC.

In December 2020, following the successful capital raise in October 2020, the Company and AWN agreed some further amendments to the terms of the loan, reducing the interest rate from 10.0% to 8.0% per annum, and reduction in line fee from 2.0% to 0.8% per annum, payable monthly in advance. Principal is repayable in 60 equal monthly instalments of $0.35 million from July 2021 to June 2026, as well as an immediate stand-alone repayment of $2.2 million principal, paid in April 2021.

On 30 June 2021, the Company agreed a further refinancing of its shareholder loan with AWN, to align the repayment schedule with the timing of the investment and revenue growth plan in Electric Vehicles. Under the amended terms, the repayment of principal has been deferred to 1 January 2023, with monthly instalments of $0.35 million over the following sixty months, resulting in loan maturity extending from 30 June 2026, to 31 December 2027. In addition, the Company will cash settle a refinancing fee of approximately $0.34 million in two tranches on 30 June 2022 and 31 December 2022. The interest rate and line fee remain unchanged at 8% and 0.8% respectively and other terms remain unchanged.

In May and June 2020, the Company obtained $0.3m government backed loans in Australia to provide additional liquidity during the COVID-19 pandemic.

In addition to lease liabilities, in the year ended 30 June 2021, J.A. Martin Electrical Pty Limited and Kenshaw Electrical Pty Limited have also taken out vehicle financing in the form of chattel mortgages, totalling $0.3 million.

During the year ended 30 June 2021, two project financing agreements and a property lease were acquired as part of the acquisition of Tembo. The project financing arrangements have a balance of $0.2 million as at 30 June 2021 and are repayable quarterly over 6 and 8 months, respectively.

The obligations under lease liabilities are as follows:

	Minimum lease Payments				Present value of minimum lease payments			
	As at 30 June			As at 31 March	As at 30 June			As at 31 March
(US dollars in thousands)	2021	2020	2019	2019	2021	2020	2019	2019
Amounts payable under lease liabilities:								
Less than one year	683	695	692	147	669	641	660	136
Later than one year but not more than five	379	759	1,299	143	326	714	1,117	138
	1,062	1,454	1,991	290	995	1,355	1,777	274
Future finance charges	(67)	(99)	(214)	(16)	-	-	-	-
Total lease obligations	995	1,355	1,777	274	995	1,355	1,777	274

25. Called up share capital

	As at 30 June			As at
(US dollars in thousands)	2021	2020	2019	31 March 2019
Allotted, called up and fully paid				
Ordinary shares of $0.012 each	$222,074	$162,689	$162,689	$162,689
Number allotted	18,506,064	13,557,376	13,557,376	13,557,376
Ordinary shares of $0.012 each	$222,074	$162,689	$162,689	$162,689

Movements in ordinary shares:

	Shares	Par value	Share premium	Total
	No.	USD 000	USD 000	USD 000
At 31 March 2019	13,557,376	163	40,215	40,378
At 30 June 2019	13,557,376	163	40,215	40,378
At 30 June 2020	**13,557,376**	**163**	**40,215**	**40,378**
Capital raises[1]	4,091,019	49	34,317	34,366
THFC investment[2]	49,750	1	499	500
Employee share scheme issues[3]	792,126	9	961	970
Acquisition of non-controlling interest in subsidiary[4]	15,793	-	237	237
At 30 June 2021	**18,506,064**	**222**	**76,229**	**76,451**

[1] During the year, the Company completed a series of capital raises on Nasdaq. A total of 4,091,019 ordinary shares were issued, comprising 3,382,350 ordinary shares issued on October 19, 2020 as an underwritten public offering pursuant to an F-1 registration statement filed with the SEC on October 14, 2020, and 708,669 ordinary shares issued during June 2021, as at the market (ATM) price, pursuant to an F-3 registration statement filed with the SEC on December 21, 2020.

[2] In February 2021, 49,750 ordinary shares were issued to Tottenham Hotspurs Football Club ("THFC") as part of the exclusive global battery partnership

[3] 792,126 shares were issued to employees and directors of the Company and consultants to the Company under the Omnibus Incentive Plan during the year.

[4] In February 2021, 15,793 restricted ordinary shares were issued as part consideration for the purchase of the non-controlling interest in Tembo e-LV B.V.

On 30 June 2021, holders of convertible preference shares and convertible loan notes in Aevitas Group Limited, exercised their right to convert the debt instruments into ordinary shares in VivoPower International PLC. A total of 2,005,190 restricted ordinary shares were issued at a contracted price of $10.20 on July 21, 2021. Of the 2,005,190 ordinary shares issued, 1,959,339 were issued to funds owned by AWN, the Company's largest individual shareholder.

Each share has the same right to receive dividends and repayment of capital and represents one vote at shareholders' meetings. Proceeds received in addition to the nominal value of the shares issued during the year have been included in share premium. The costs associated with the issuance of new shares are included within other reserves (see note 26). Share premium has also been recorded in respect of the share capital related to employee share awards.

26. Other reserves

(US dollars in thousands)	Equity instruments[1]	Preference shares[1]	Shares pending issue[2]	Capital raising costs[3]	Equity incentive costs[4]	Share awards issuance[4]	Treasury shares[5]	Share option reserve[6]	Foreign exchange	Total
At 31 March 2019	26,090	-	-	(9,722)	-	-	(246)	3,713	11	19,846
Equity instruments	(3)	-	-	-	-	-		-	-	(3)
Disposal of treasury shares	-	-	-	-	-	-	233	-	-	233
At 30 June 2019	26,087	-	-	(9,722)	-	-	(13)	3,713	11	20,076
Equity instruments	970	-	-	-	1	-	-	-	-	971
Other reserves	-	-	-	3,713	17	-	-	(3,713)	-	17
Employee share scheme	-	-	-	-	326	-	13	-	5	344
At 30 June 2020	27,057	-	-	(6,009)	344	-	-	-	16	21,408
Conversion to Aevitas preference shares	(2,998)	2,998	-	-	-	-	-	-	-	-
Interest on equity instruments	114	185	-	-	-	-	-	-	-	299
Equity instruments payments	(3,317)	(123)	-	-	-	-	-	-	-	(3,440)
Conversion to ordinary shares pending issue in VivoPower International PLC	(20,466)	-	20,466	-	-	-	-	-	-	-
Capital raising costs	-	-	-	(2,804)	-	-	-	-	-	(2,804)
Share issuance costs	-	-	-	(15)	-	-	-	-	-	(15)
Equity incentives cost less shares issued	-	-	-	-	1,078	(971)	-	-	-	107
Other movements	(390)	210	-	-	-	-	-	-	(61)	(241)
At 30 June 2021	-	3,270	20,466	(8,828)	1,422	(971)	-	-	(45)	15,314

[1] Equity instruments held at 30 June 2020 were convertible preference shares and convertible loan notes in Aevitas Group Limited ("Aevitas Group") which must convert to shares of VivoPower at $10.20 per share no

later than 30 June 2021. The Company classified these instruments as equity under the “fixed-for-fixed” rule meaning that both the amount of consideration received/receivable and the number of equity instruments to be issued is fixed.

There were 2,473,367 convertible preference shares outstanding with a face value of AU$3.00 per share and a value held in reserves of AU$11,059,348 at 30 June 2020, representing their face value plus dividends accrued. Convertible preference shares were subordinated to all creditors of Aevitas Group, ranked equally amongst themselves, and ranked in priority to ordinary shares of Aevitas Group.

There were 2,473,367 convertible loan notes outstanding with a face value of AU$7.00 per share and a value held in reserves of AU$25,075,203, representing their face value plus the dividends accrued. The convertible loan notes ranked equally with the unsecured creditors of Aevitas Group.

Dividends or interest were payable quarterly in arrears at a rate of 7% on the capitalised value to December 29, 2016, the date at which they became convertible to VivoPower shares. At maturity, or if a trigger event such as a change of control of Aevitas Group or VivoPower, a listing event, or a disposal of substantially all of the assets of Aevitas Group had occurred, the convertible preference shares and convertible loan notes in Aevitas Group convert to VivoPower ordinary shares at a price of US$10.20 per share

On August 7, 2020, the Company offered one new Aevitas Preference Share, with an issue price of $10, in exchange for each combined convertible note and convertible preference share, with an issue price of $7 and $3 respectively. Dividends are payable quarterly, in arrears, at a rate of 7%. Of the 2,473,367 holders of combined convertible note and convertible preference shares, 426,528 holders accepted the terms of the new Aevitas Preference Shares and received 426,528 Aevitas Preference Shares (A$4,265,280) on August 31, 2020, in exchange for the combined convertible notes and convertible preference shares previously held. The new Aevitas Preference Shares are subordinated to all creditors of Aevitas Group, rank equally amongst themselves, and rank in priority to Aevitas Group Limited ordinary shares for the payment of dividends.

The 426,528 holders which exchanged on August 31, 2020, had earned $26,708 interest on the convertible loan note in the year ended June 20, 2021, up until exchange, and this was paid in full along with $11,447 dividends that accrued over the same pre-exchange period on the convertible preference shares. Post-exchange, $185,480 dividends of the Aevitas Preference Shares have been earned, with $121,905 of those paid by 30 June 2021. And the 426,528 Aevitas Preference Shares have a face value of $3,208,922 (A$10 per share), recognised together with the dividends payable.

On 30 June 2021, the remaining 2,005,190 holders of convertible preference shares and convertible loan notes in Aevitas Group Limited (“Aevitas Group”), exercised their right to convert the instruments into ordinary shares in VivoPower International PLC. The cumulative balance of face value and accrued unpaid interest and dividends outstanding of the convertible preference shares and convertible loan notes at 30 June 2021 of $20.5 million, was redeemed on that date, and VivoPower International PLC recognised the requirement to issue 2,005,190 restricted ordinary shares, based on a contracted conversion price of $10.20 per share.

[2] $20.5 million recognition in equity of the 2,005,190 restricted ordinary shares pending issuance at a contracted conversion price of $10.20 per share. The 2,005,190 restricted ordinary shares were issued on July 21, 2021.

[3] During the year the Company incurred $2.8m of transaction costs associated with a series of capital raises on Nasdaq and an issue of shares to Tottenham Hotspurs Football Club.

[4] During the year $1,422,000 was expensed towards share incentive awards to employees, directors, and consultants of the Company under the Omnibus Incentive Plan. Amounts are expensed at the award grant price over the vesting period, adjusted for actual quantities upon vesting. Of the expenses recorded, $971,000 of shares were delivered to participants in the year. During the year ended 30 June 2020, share incentives were granted to employees and directors of the Company, under the Company’s 2017 Omnibus Incentive Plan. Of the share awards granted, $344,000 of shares fully vested or had a vesting period commencing in the year ended 30 June 2020.

[5] On March 30, 2017, the Company repurchased 129,805 shares at a price of $4.50 for a total sum of $591,911, including commission, and held them as treasury shares. During the year ended 31 March 2019, 75,805 of these shares were awarded to employees under the Company's 2017 Omnibus Incentive Plan. Based on the closing market value of these shares on the day of award, $85,660 was expensed as employee compensation and remaining cost of $260,011 was charged against retained earnings.

[6] The share option reserve represents 828,000 share options granted to Early Bird Capital as part of the initial public share offering. The 0ptions entitled the holder to buy VivoPower ordinary shares at US$8.70 at any time before April 30, 2020. The options were originally accounted for as a share-based award and accordingly, the cost of the award was recognised directly in equity and was applied against capital raising costs. The fair value of the options was determined at the grant date, using the Black Scholes Model, and not remeasured subsequently. The options lapsed in April 2020, accordingly the reserve has been released and credited against capital raising costs.

27. Earnings per share

The earnings and weighted average numbers of ordinary shares used in the calculation of earnings per share are as follows:

(US dollars in thousands)	Year Ended 30 June 2021	Year Ended 30 June 2020	Three Months Ended 30 June 2019	Year Ended 31 March 2019
Loss for the year/period attributable to equity owners	(7,571)	(5,103)	(1,446)	(11,223)
Weighted average number of shares in issue ('000s)	16,307	13,557	13,557	13,557
Basic loss per share (dollars)	(0.46)	(0.38)	(0.11)	(0.83)
Diluted loss per share (dollars)	(0.46)	(0.38)	(0.11)	(0.83)

28. Pensions

The Company's principal pension plan comprises the compulsory superannuation scheme in Australia, where the Company contributes 9.5%. A pension scheme is also in place for U.K. employees, where the Company contributes 7% (year ended 30 June 2020: 4%). A pension scheme is also in place for Netherlands employees where the Company contributes 10.3%. The pension charge for the year represents contributions payable by the Group which amounted to $0.8 million (year ended 30 June 2020: $0.79 million; 3 months ended June 20, 2019: $0.27 million; year ended 31 March 2019: $0.76 million).

29. Financial instruments

(US dollars in thousands)	As at 30 June			As at 31 March
	2021	2020	2019	2019
Financial assets at amortised cost				
Trade and other receivables	6,970	8,587	8,144	7,971
Cash and cash equivalents	8,604	2,824	7,129	4,522
Restricted cash	1,140	1,013	632	1,319
Total	16,714	12,424	15,905	13,812
Financial liabilities at amortised cost				
Loans and borrowings	23,091	25,954	21,686	19,267
Trade and other payables	5,751	7,504	12,281	11,016
Total	28,842	33,458	33,967	30,283

The amounts disclosed in the above table for trade and other receivables and payables do not agree to the amount reported in the Consolidated Statement of Financial Position as they exclude prepaid expenses, payroll and sales tax payable, current tax receivables and contract assets and liabilities which do not meet the definition of financial assets or liabilities.

(a) Financial risk management

The Group's principal financial instruments are bank balances, cash and medium-term loans. The main purpose of these financial instruments is to manage the Group's funding and liquidity requirements. The Group also has other financial instruments such as trade receivables and trade payables which arise directly from its operations.

The Group is exposed through its operations to the following financial risks:

- Liquidity risk
- Credit risk
- Interest rate risk
- Foreign currency risk

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. Policy for managing risks is set by the Chief Executive Officer and is implemented by the Group's finance department. All risks are managed centrally with a tight control of all financial matters.

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group considers that it has no significant liquidity risk. The Group held unrestricted cash resources of $8.6 million at 30 June 2021 (30 June 2020: $2.8m; 30 June 2019: $7.1 million; 31 March 2019: $4.5 million). The ratio of current assets to current liabilities at 30 June 2021 is 1.79 (30 June 2020: 1.04; 30 June 2019: 1.25; 31 March 2019: 1.43). During the year ended 31 March 2019, the Group established a $3.6 million debtor finance facility to support its working capital requirements, of which nil was drawn at 30 June 2021 (30 June 2020: $0.5 million; 30 June 2019: $0.9 million; 31 March 2019: $0.8 million). In addition, the Group maintains near-term cash flow forecasts that enable it to identify its borrowings requirement so that remedial action can be taken if necessary.

Contractual maturities of financial liabilities, including interest payments, are as follows:

Year ended 30 June 2021 (US dollars in thousands)	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Contractual maturity of financial liabilities					
Trade and other payables (financial liabilities)	5,751	5,751	-	-	-
Borrowings	22,096	411	11,424	10,261	-
Lease liabilities	995	669	326	-	-
Total	28,842	6,831	11,750	10,261	-

Year ended 30 June 2020 (US dollars in thousands)	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Contractual maturity of financial liabilities					
Trade and other payables (financial liabilities)	7,504	7,504	-	-	-
Borrowings	24,598	688	23,873	37	-
Lease liabilities	1,356	649	654	53	-
Total	33,458	8,841	24,527	90	-

Year ended 30 June 2019 (US dollars in thousands)	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Contractual maturity of financial liabilities					
Trade and other payables (financial liabilities)	12,281	12,281	-	-	-
Borrowings	23,397	3,859	19,538	-	-
Lease liabilities	1,991	692	1,077	222	-
Total	37,669	16,832	20,615	222	-

Year ended 31 March 2019 (US dollars in thousands)	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Contractual maturity of financial liabilities					
Trade and other payables (financial liabilities)	11,016	11,016	-	-	-
Borrowings	22,480	2,556	19,924	-	-
Lease liabilities	290	147	143	-	-
Total	33,786	13,719	20,067	-	

(c) Credit risk

The primary risk arises from the Group's receivables from customers and contract assets. The majority of the Group's customers are long standing and have been a customer of the Group for many years. Losses have occurred infrequently. The Group is mainly exposed to credit risks from credit sales, but the Group has no significant concentrations of credit risk and keeps the credit status of customers under review. Credit risks of customers of new customers are reviewed before entering into contracts. The debtor exposure is monitored by Group finance and the local entities review and report their exposure on a monthly basis.

The Group does not consider the exposure to the above risks to be significant and has therefore not presented a sensitivity analysis on the identified risks.

The credit quality of debtors neither past due nor impaired is good. Refer to Note 19 for further analysis on trade receivables.

(d) Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk on sales and purchases that are denominated in currencies other than the respective functional currencies of the Group entities to which they relate, primarily between USD, AUD, EUR and GBP.

The Group's investments in overseas subsidiaries are not hedged as those currency positions are either USD denominated and/or considered to be long-term in nature.

The Group is exposed to foreign exchange risk on the following balances at 30 June 2021:

- Cash and cash equivalents $2.3 million denominated in AUD, $0.9 million denominated in EUR and $0.1 million denominated in GBP.
- Restricted cash $1.1 million denominated in AUD.
- Trade and other receivables $8.4 million denominated in AUD, $1.0 million denominated in EUR and $0.2 million denominated in GBP.
- Trade and other payables $10.6 million denominated in AUD, $1.0 million in EUR and $0.9 million in GBP.
- Borrowings $3.8 million denominated in AUD and $0.3 in EUR.
- Provisions $2.2 million denominated in AUD, $0.3 million in EUR and $0.5 million in GBP.

The non-current shareholder loan of $21.2 million is denominated in USD, upon which there is no foreign currency risk.

(e) Interest rate risk

As a result of the related party loan agreement the Group is exposed to interest rate volatility. However, the interest rate is fixed for the medium term, therefore, the risk is largely mitigated for the near future. The Group will continue to monitor the movements in the wider global economy.

30. Related party transactions

Following dilution due to issuance of ordinary share capital to third parties in the year, AWN is no longer the ultimate controlling party of VivoPower, but retains a significant influence.

Kevin Chin, Chairman and Chief Executive Officer of VivoPower, is also Chief Executive of AWN. During the period, a number of services were provided to the Company from AWN and its subsidiaries; the extent of the transactions between the two groups is listed below.

In the prior fiscal year, on 30 June 2020, the Company refinanced its $23.4 million shareholder loan due to AWN Holdings Limited ("AWN"), its largest shareholder. The shareholder loan bore interest at 10.0% per annum plus a line fee of 2.0% per annum, payable monthly in advance. No interest or line fee settlements were required until after a corporate liquidity event had occurred. Principal was repayable in 9 equal monthly instalments from July 2021 until March 2022. Security granted to AWN comprised a Specific Security Deed over the assets of Aevitas O Holdings Pty Ltd and general security over the assets of VivoPower International PLC.

In December 2020, following the successful capital raise in October 2020, the Company and AWN agreed some further amendments to the terms of the loan, reducing the interest rate from 10.0% to 8.0% per annum, and reduction in line fee from 2.0% to 0.8% per annum, payable monthly in advance. Principal is repayable in 60 equal monthly instalments of $0.35 million from July 2021 to June 2026, as well as an immediate stand-alone repayment of $2.2 million principal, paid in April 2021.

On 30 June 2021, the Company agreed a further refinancing of its shareholder loan with AWN, to align the repayment schedule with the timing of the investment and revenue growth plan in Electric Vehicles. Under the amended terms, the repayment of principal has been deferred to 1 January 2023, with monthly instalments of $0.35 million over the following sixty months, resulting in loan maturity extending from 30 June 2026, to 31 December 2027. In addition, the Company will cash settle a refinancing fee of approximately $0.34 million in two tranches on 30 June 2022, and 31 December 2022. The interest rate and line fee remain unchanged at 8% and 0.8% respectively and other terms remain unchanged.

Michael Hui, non-executive director of VivoPower International PLC, is also an employee and director of AWN. During the year ended 30 June 2021, Mr. Hui invoiced the Company $48,000 for director fees. At 30 June 2021, the Company had an account payable of $nil in respect of these services and an amount accrued of $1,000. Furthermore annual 3,500 RSUs ($2,625) 27,095 quarterly PSUs ($20,321) and 7,788 ($50,000) one-off RSUs vested to Michael Hui in the current year.

From time to time, costs incurred by AWN on behalf of VivoPower are recharged to the Company. During the year ended 30 June 2021, $1,028,096 was recharged to the Company. At 30 June 2021, the Company has a payable to AWN in respect of recharges of $4,345 (30 June 2020: $202,024; 30 June 2019: $1,268,670; 31 March 2019: $1,268,670).

Aevitas was indebted to the following subsidiaries of AWN via their holdings in Aevitas convertible loan notes and convertible preference shares, which converted into rights to VivoPower shares on 30 June 2021, subsequently issued on 21 July 2021. These convertible instruments were accounted for as equity instruments within other reserves, as more fully described in Note 26 to the consolidated financial statements.

Subsidiaries of AWN earned $737,220 of interest on convertible loan notes and $315,951 of dividends on convertible preferred shares during the year ended 30 June 2021. This interest and the dividends, plus amounts outstanding from prior periods, a total of $2,397,488, were paid to AWN subsidiaries during the year ended 30 June 2021. Upon redemption at 30 June 2021, the face value plus interest and dividends outstanding to 30 June 2021, were reinvested into rights to shares in VivoPower International PLC, at a subscription price of $10.20 per share, as follows:

- Arowana Australasian Special Situations 1A Pty Ltd: 666,666 Aevitas convertible loan notes with a Redemption Sum of $4,617,719, and 388,889 Aevitas convertible preferred shares with a Redemption Sum of $1,192,352;
- Arowana Australasian Special Situations 1B Pty Ltd: 666,667 Aevitas convertible loan notes with a Redemption Sum of $4,617,727, and 388,889 Aevitas convertible preferred shares with a Redemption Sum of $1,192,352;
- Arowana Australasian Special Situations 1C Pty Ltd: 666,667 Aevitas convertible loan notes with a Redemption Sum of $4,617,727; and 388,889 Aevitas convertible preferred shares with a Redemption Sum of $1,192,352; and
- Arowana Australasian Special Situations Fund 1 Pty Limited: 833,333 Aevitas convertible preferred shares with a Redemption Sum of $2,555,038

Aevitas is indebted to The Panaga Group Trust, of which Mr. Kevin Chin is a beneficiary and one of the directors of the corporate trustee of such trust, who exchanged 4,697 convertible loan notes and 4,697 convertible preference shares for 4,697 Aevitas Preference Shares, of face value A$46,970. The Panaga Group Trust earned $294 interest on the convertible loan notes and $126 on the convertible preference shares prior to exchange, which was paid during the year ended 30 June 2021.

Chief Executive fees for Kevin Chin in the amounts of $443,816 and training annual allowance of $51,976 were charged to the Company by AWN during the year ended 30 June 2021. Furthermore annual 17,740 RSUs ($13,080) and 135,012 quarterly PSUs ($101,259) vested to APG for Mr. Chin as Chief Executive in the current year.

Chairman's fees for Kevin Chin in the amounts of $92,119 were charged to the Company by Arowana Partners Group Pty Ltd ("APG"), and 7,788 ($50,000) one-off RSUs vested to APG as Chairman in the current year. Mr. Chin is a shareholder and director of Arowana Partners Group Pty Ltd during the year ended 30 June 2021.

On 01 July 2020, Arowana International UK Limited ("AWE"), previously a subsidiary of AWN, ceased to be a subsidiary of AWN, and ownership of this entity is not under common control. Accordingly, AWE is no longer a related party to the Company in the year ended 30 June 2021.

31. Subsequent events

On 21 July 2021, the Company issued 2,005,190 restricted ordinary shares in VivoPower International PLC, pursuant to the contracted terms of conversion of Aevitas convertible preference shares and convertible notes that redeemed on 30 June 2021. Of the new ordinary shares issued, 1,959,339 were issued to AWN Holdings Limited. Following this issuance, the beneficial ownership in VivoPower International PLC held by AWN Holdings Limited increased to 49.1%.

32. Key management personnel compensation

Key management personnel, which are those roles that have a Group management aspect to them are included in Note 9 to the consolidated financial statements.

33. Ultimate controlling party

As at 30 June 2021, the Company no longer has an ultimate controlling party, as AWN Holdings Limited only holds a 44% equity interest in the Company as at 30 June 2021, and 49% following the issuance of restricted shares on 21 July 2021 following conversion of Aevitas convertible preferred shares and convertible notes that redeemed on 30 June 2021

In prior periods, the ultimate controlling party and the results into which these financials were consolidated was AWN Holdings Limited, a company registered in Australia.

Subsidiaries of the Registrant

Name	Jurisdiction
VivoPower International Services Limited	Jersey
VivoPower USA, LLC	United States
VivoPower US-NC-31, LLC	United States
VivoPower US-NC-47, LLC	United States
VivoPower (USA) Development, LLC	United States
Innovative Solar Ventures I, LLC	United States
VivoPower Pty Ltd	Australia
VivoPower WA Pty Ltd	Australia
VVP Project 1 Pty Limited	Australia
Amaroo Solar Pty. Ltd	Australia
Aevitas O Holdings Pty Ltd	Australia
Aevitas Group Limited	Australia
Aevitas Holdings Pty Ltd	Australia
Electrical Engineering Group Pty Limited	Australia
J.A. Martin Electrical Pty Limited	Australia
Kenshaw Electrical Pty Limited	Australia
VivoPower Philippines Inc.	Philippines
VivoPower RE Solutions Inc.	Philippines
V.V.P. Holdings Inc	Philippines
Tembo e-LV B.V.	The Netherlands
Tembo 4x4 e-LV B.V.	The Netherlands
FD 4x4 Centre B.V.	The Netherlands

Company Statement of Financial Position

		30 June			31 March
(US dollars in thousands)	**Note**	**2021**	**2020**	**2019**	**2019**
ASSETS					
Non-current assets					
Deferred tax assets		-	-	349	349
Investments	36	14,513	7,388	7,388	7,388
Intercompany loan receivable		-	24,850	24,353	24,356
Total non-current assets		14,513	32,238	32,090	32,093
Current assets					
Cash and cash equivalents		5,256	306	1	4
Other receivables	37	51,357	16,534	18,577	18,238
Total current assets		56,613	16,840	18,578	18,242
TOTAL ASSETS		71,126	49,078	50,668	50,335
EQUITY AND LIABILITIES					
Current liabilities					
Trade and other payables	38	1,786	3,750	5,347	4,670
Provisions	39	485	1,104	-	-
Total current liabilities		2,271	4,854	5,347	4,670
Equity					
Share capital	40	222	163	163	163
Share premium		76,229	40,215	40,215	40,215
Other reserves	41	12,087	19,185	18,330	18,101
Retained deficit		(19,683)	(15,339)	(13,387)	(12,814)
Total Equity		68,855	44,224	45,321	45,665
TOTAL EQUITY AND LIABILITIES		71,126	49,078	50,668	50,335

Registered number 09978410

As allowed by S408 Companies Act 2006, no profit and loss account is presented in respect of the parent company. The loss for parent company after taxation for the year ended 30 June 2021 was $4,343,000 (year ended 30 June 2020 was $1,952,000; three months ended 30 June 2019: $402,031; year ended 31 March 2019: $2,212,235).

These financials were approved by the Board of Directors on 14 September 2021 and signed on its behalf by:

Kevin Chin
Chairman

VivoPower International PLC for the year ended 30 June 2021

Company Statement of Cash Flow

(US dollars in thousands, except per share amounts)	Note	Year ended 30 June 2021	Year ended 30 June 2020	Three Months Ended 30 June 2019	Year Ended 31 March 2019
Cash flows from operating activities					
Loss for the period		(4,343)	(1,952)	(402)	(2,212)
Income tax		-	-	-	(378)
Foreign exchange loss		87	-	-	-
Finance income		-	-	(2)	-
Finance expense		2	46	-	36
Decrease in provisions		(620)	-	-	-
Increase in trade and other receivables		1,291	-	(11)	(27)
Increase in trade and other payables		(1,203)	-	709	805
Net cash from/(used in) operating activities		(4,787)	(1,906)	294	(1,776)
Cash flows from investing activities					
Acquisition of subsidiary		(7,125)	-	-	-
Intercompany loan funding / (repayments)	37	(14,708)	2,223	(299)	1,796
Net cash (used in)/from investing activities		(21,833)	2,223	(299)	1,796
Cash flows from financing activities					
Capital raise - net		31,570	-	-	-
Finance expense		-	(12)	2	(36)
Net cash from/(used in) financing activities		31,570	(12)	2	(36)
Net increase in cash and cash equivalents		4,950	305	(3)	(16)
Cash and cash equivalents at the beginning of the period		306	1	4	20
Cash and cash equivalents at the end of the period		5,256	306	1	4

VivoPower International PLC for the year ended 30 June 2021

Company Statement of Changes in Equity

(US dollars in thousands)	Share Capital	Share Premium	Other Reserves	Retained Deficit	Total
At 31 March 2019	163	40,215	18,101	(12,814)	45,665
Total comprehensive income for the period	-	-	-	(402)	(402)
Equity instruments	-	-	(3)	-	(3)
Treasury shares granted to employees	-	-	233	(171)	62
	-	-	230	(573)	(343)
At 30 June 2019	163	40,215	18,330	(13,387)	45,321
Total comprehensive income for the period	-	-	(460)	(1,952)	(2,412)
Equity instruments	-	-	971	-	971
Employee share scheme	-	-	344	-	344
	-	-	855	(1,952)	(1,097)
At 30 June 2020	163	40,215	19,185	(15,339)	44,224
Total comprehensive income for the period	-	-	-	(4,344)	(4,344)
Capital raises	49	34,317	(2,821)	-	31,545
Equity instruments	-	-	(4,383)	-	(4,383)
Other share issuances	1	736	-	-	737
Employee share awards	9	961	107	-	1,077
	59	36,014	(7,098)	(4,344)	24,631
At 30 June 2021	222	76,229	12,087	(19,683)	68,855

For further information on “Other Reserves” please see Note 26 within the consolidated financial statements.

Notes to the Company Financial Statements

34. Reporting entity

VivoPower International PLC company financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, IFRIC interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

As allowed by S408 Companies Act 2006, no profit and loss account is presented in respect of the parent company.

35. Basis of preparation

(a) Foreign exchange

The Company's functional and presentational currency is the US dollar. Transactions denominated in foreign currencies are translated into the functional currency of the entity at the rates prevailing at the dates of the individual transactions. Foreign currency monetary assets and liabilities are translated at the rates prevailing at the balance sheet date. Exchange gains and losses arising are charged or credited to the profit and loss account.

(b) Taxation

Deferred taxation is provided in full for material timing differences except where recoverability of a deferred tax is considered to be remote in the foreseeable future. Deferred tax balances are not discounted unless the effects are considered to be material the Company's results.

(c) Investments

Investments held as non-current assets are shown at cost less provision for impairment.

(d) Related party transactions

Details of the related party transactions can be found in Note 30 within the consolidated financial statements.

36. Investment

(US dollars in thousands)		As at 30 June		As at 31 March
	2021	2020	2019	2019
Shares in group undertakings				
Investment in Tembo e-LV	7,125	-	-	-
Investment in VivoPower International Services Limited	7,388	7,388	7,388	7,388
Total	14,513	7,388	7,388	7,388

On 5 November 2020, the Company acquired 51% of the ordinary issued share capital of Tembo e-LV B.V. for $4.9 million. Tembo e-LV B.V. is a specialist battery-electric and off-road vehicle company located in The Netherlands. The non-controlling interest representing 49% of the ordinary issued share capital was acquired on 2 February 2021 for $2.2 million and 15,793 shares in the Company ($0.2 million).

The details of the principal undertakings in which the Group's interest at the period-end was more than 20%, all of which are referred to in Note 15 in the consolidated financial statements.

37. Other receivables

(US dollars in thousands)	As at 30 June			As at 31 March
	2021	2020	2019	2019
Amounts owed by group undertakings	49,484	16,338	18,427	18,099
Prepaid expenses	1,873	196	150	139
Total	51,357	16,534	18,577	18,238

38. Trade and other payables

(US dollars in thousands)	As at 30 June			As at 31 March
	2021	2020	2019	2019
Trade payables	1,334	2,792	-	-
Accrued expenses	401	157	1,158	1,161
Payroll tax liabilities	15	4	25	9
Other borrowings	36	46	-	-
Amounts owed to group undertakings	-	751	1,816	1,848
Total	1,786	3,750	2,999	3,018

39. Provisions

(US dollars in thousands)	Litigation	Total
At 30 June 2019		
Charged/(credited) to profit or loss:		
Additional provisions	1,104	1,104
Provisions utilised	-	-
At 30 June 2020	1,104	1,104
Charged/(credited) to profit or loss:		
Additional provisions	2,042	2,042
Provisions utilised	(2,661)	(2,661)
At 30 June 2021	485	485

40. Share capital

(US dollars in thousands)	As at 30 June			As at 31 March
	2021	2020	2019	2019
Allotted, called up and fully paid:				
Ordinary shares of $0.012 each	$ 222,074	$ 162,689	$ 162,689	$ 162,689
Number allotted:				
Ordinary shares of $0.012 each	18,506,064	13,557,376	13,557,376	13,557,376

	Shares No.	Par value USD 000	Share premium USD 000	Total USD 000
At 31 March 2019	13,557,376	163	40,215	40,378
At 30 June 2019	13,557,376	163	40,215	40,378
At 30 June 2020	13,557,376	163	40,215	40,378
Capital raises[1]	4,091,019	49	34,317	34,366
THFC investment[2]	49,750	1	499	500
Employee share scheme issues[3]	792,126	9	961	970
Acquisition of non-controlling interest in subsidiary[4]	15,793	-	237	237
At 30 June 2020	18,506,064	222	76,229	76,451

[1] During the year, the Company completed a series of capital raises on Nasdaq. A total of 4,091,019 ordinary shares were issued, comprising 3,382,350 ordinary shares issued on 19 October 2020 as an underwritten public offering pursuant to an F-1 registration statement filed with the SEC on 14 October 2020, and 708,669 ordinary shares issued during June 2021, as at the market price, pursuant to an F-3 registration statement filed with the SEC on December 21, 2020.

[2] In February 2021, 49,750 ordinary shares were issued to Tottenham Hotspurs Football Club ("THFC") as part of the exclusive global battery partnership agreement.

[3] 792,126 shares were issued to employees and directors of the Company and consultants to the Company under the Omnibus Incentive Plan during the year.

[4] In February 2021, 15,793 restricted ordinary shares were issued as part consideration for the purchase of the non-controlling interest in Tembo e-LV B.V.

On 30 June 2021, holders of convertible preference shares and convertible loan notes in Aevitas Group Limited, exercised their right to convert the debt instruments into ordinary shares in VivoPower International PLC. A total of 2,005,190 restricted ordinary shares were issued at a contracted price of $10.20 on 21 July 2021. Of the 2,005,190 ordinary shares issued, 1,959,339 were issued to funds owned by AWN, the Company's largest individual shareholder.

Each share has the same right to receive dividends and repayment of capital and represents one vote at shareholders' meetings. Proceeds received in addition to the nominal value of the shares issued during the year have been included in share premium. The costs associated with the issuance of new shares are included within other reserves (see note 41). Share premium has also been recorded in respect of the share capital related to employee share awards.

41. Other reserves

(US dollars in thousands)	Equity instruments	Shares pending issue	Capital raising costs	Equity incentive costs	Share awards issuance	Treasury shares	Share option reserve	Foreign exchange	Total
At 31 March 2019	**26,090**	**-**	**(9,722)**	**-**	**-**	**(246)**	**3,713**	**(1,734)**	**18,101**
Equity instruments	18	-	-	-	-	-	-	-	18
Other reserves	-	-	-	-	-	-	-	(21)	(21)
Treasury shares	-	-	-	-	-	232	-	-	232
	18	**-**	**-**	**-**	**-**	**232**	**-**	**(21)**	**229**
At 30 June 2019	**26,108**	**-**	**(9,722)**	**-**	**-**	**(14)**	**3,713**	**(1,755)**	**18,330**
Equity instruments	971	-	-	-	-	-	-	-	971
Share options lapsed	-	-	3,713	-	-	-	(3,713)	-	-
Equity incentives	-	-	-	350	-	14	-	(480)	(116)
	971	**-**	**3,713**	**350**	**-**	**14**	**(3,713)**	**(480)**	**855**
At 30 June 2020	**27,079**	**-**	**(6,009)**	**350**	**-**	**-**	**-**	**(2,235)**	**19,185**
Capital raises	-	-	(2,821)	-	-	-	-	-	(2,821)
Equity instruments - conversion	(20,466)	20,466	-	-	-	-	-	-	-
Equity instruments - other	(4,384)	-	-	-	-	-	-	-	(4,384)
Equity incentives	-	-	-	1,078	(971)	-	-	-	107
Other movements	(2,229)	-	-	-	-	-	-	2,229	-
	(27,079)	**20,466**	**(2,821)**	**1,078**	**(971)**	**-**	**-**	**2,229**	**(7,098)**
At 30 June 2021	**-**	**20,466**	**(8,830)**	**1,428**	**(971)**	**-**	**-**	**(6)**	**12,087**

42. Employee and directors

The company employed one member of staff during the course of the year. Contractual agreements are in place for six directors to serve on the board of VivoPower International PLC.

See the Directors' Report in the consolidated financial statements for full details of the directors.

Company Information

Advisors

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Principal Bankers
Barclays Bank PLC,
Level 16, 1 Churchill Place,
Canary Wharf,
London, UK E14 5HP

Company Secretary
JTC (UK) Limited
The Scalpel, 18th Floor
52 Lime Street
London, UK EC3M 7AF

Shareholder Information

Country of Incorporation and Main Number of Securities in Issue

Countries of Operation

As of 30 August 2021, the Company's issued share capital consists of 20,641,995 ordinary shares with a nominal value of $0.012 each.

VivoPower International PLC is incorporated in England & Wales. The Company operates in the United Kingdom, United States, Australia, Canada, and Netherlands.

Company Registration

Registered office:
The Scalpel, 18th Floor
52 Lime Street
London, EC3M 7AF, UK

Registered in England & Wales
Company number: 09978410

Financial Calendar

Annual General Meeting ("AGM")

The Company's AGM will be held on 26 October 2021. The notice of the meeting will be sent to shareholders at least 21 days before the meeting.