


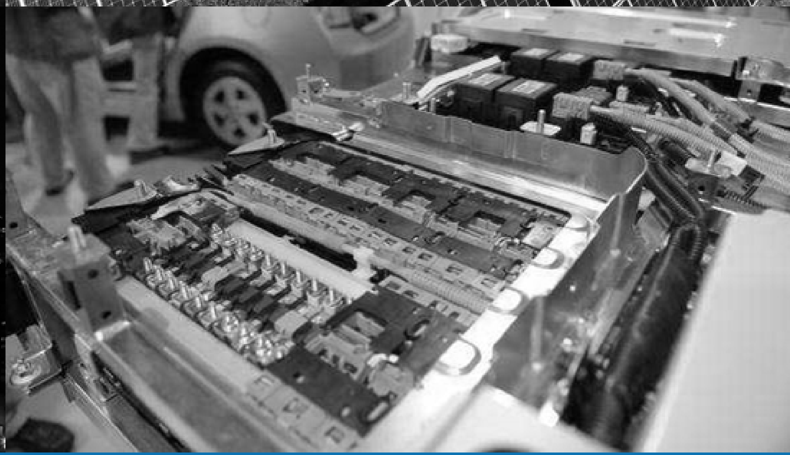

ANNUAL REPORT

For the fiscal year 30 June 2022

VivoPower International PLC

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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, United Arab Emirates, the United Kingdom and the United States

Nasdaq: VVPR

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Highlights

Accomplishments for the Year ended 30 June 2022

- ✓ Revenues ^ declined 7% to $37.6m primarily due to COVID-19 related lockdowns. Down 3% year-on-year on a constant AUD/USD FX basis
- ✓ Gross profit ^ declined to $1.6 million due to impact of COVID-19 related compliance costs and supply chain/logistics related cost increases, including $1.9 million of one-off Bluegrass overruns
- ✓ Adjusted EBITDA ^ down to $(10.4) million due to revenue decline, increased costs and increase in headcount and marketing costs to support growth
- ✓ Statutory net after-tax loss of ($21.6) million for FY22 and earnings per share ("EPS") of ($1.04) per share, as compared to a ($8.0) million loss and ($0.49) per share in FY21
- ✓ Cash decreased from $8.6 million to $1.3 million, but increased to $8.9 million post balance date following completion of divestitures and $5.0 million NASDAQ shelf issuance in July 2022
- ✓ Toyota partnership cemented with a Design Services Agreement. Distribution partner network and geographic reach expanded; additional 3,350 e-LV conversion kits committed
- ✓ Divestiture of non-core businesses in Aevitas - refocus on Solar growth including Edenvale Solar Farm contract

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

^ Amounts include discontinued operations

	Year Ended 30 June		
(US dollars in thousands, except per share data)	**2022**	**2021**	**2020**
Revenue ^	37,618	40,411	47,986
Gross profit ^	1,585	6,327	7,101
Operating (loss)/profit ^	(14,640)	(4,782)	2,169
Adjusted EBITDA (1)	(10,353)	(1,448)	3,937
Basic earnings per share (dollars)	(1.04)	(0.49)	(0.38)
Adjusted earnings per share (dollars) (2)	(1.02)	(0.28)	(0.12)

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

VivoPower International PLC ("VivoPower" or the "Company") had a strong year in terms of executing on its sustainable energy solutions (SES) strategy. However, it was a difficult year from a financial results perspective, adversely affected by strict COVID lockdowns and policies in our key markets, especially Australia as well as adverse foreign exchange movements.

Key achievements during the financial year included:

- Tembo distribution partner network and geographic reach considerably expanded; additional commitments for 3,350 e-LV conversion kits, thus increasing total EV kit commitments and orders to 8,000+;
- Delivered on some EV kit orders globally despite strong headwinds from supply chain and logistics delays and made significant progress on development of next generation long-range 72kWh conversion kits;
- Executed Design Services Agreement with Toyota Australia, cementing our partnership to be commercially engaged in next stage of electrification design for LandCruiser 70;
- Completed and contracted solar farms to over 650MWdc across seven projects in Australia including 204MWdc Edenvale Solar Farm and 119MWdc Hillston Solar Farm;
- Moved to new expanded facilities for Kenshaw and Tembo increasing capacity to grow significantly;
- Established Tembo presence directly in Australia, the Philippines and the United Arab Emirates as part of globalisation program to be near our customers

Post balance date, we were able to execute on the following:

- Divestiture of non-core businesses in Aevitas to refocus on growth in Aevitas Solar;
- Competed shelf issuance with a placement to an institutional investor with $5.0 million in net equity proceeds;
- Memorandum of Understanding (MOU) signed with state owned enterprise (SOE) in Jordan for 1,000 Tembo e-LV kits;
- Achieved B Corporation recertification and recognized in the B Corp Best For The World program as being in the top 10% globally amongst B Corporations for Governance.

As mentioned before and notwithstanding the above achievements, VivoPower's revenue and profits declined versus the prior financial year. Key financial results and metrics for the fiscal year ended 30 June 2022 were as follows:

- Annual revenues including discontinued operations of $37.6 million, a decline of 6.9% compared to $40.4 million for the previous fiscal year (declined 3% on a constant AUD / USD exchange rate basis);
- Gross profit including discontinued operations of $1.6 million, a decline of 74.9% compared to $6.3m for the previous fiscal year;
- Underlying EBITDA of $(10.4) million compared to a $(1.4) million EBITDA profit for the previous fiscal year, reflecting COVID-19 lockdowns in Australia, FX fluctuations and increased investment in operational expenditure to support growth plans for Tembo;
- Statutory earnings per share (EPS) loss of $(1.04) represented a decline versus $(0.49) EPS loss for the previous fiscal year, whilst underlying EPS loss was $(1.02) versus $(0.31) loss for the previous fiscal year.

Notwithstanding the above, the tailwinds for our various business units have strengthened in the past few months, with developments such as the ratification of the Inflation Reduction Act in the United States and the added government impetus in Australia that is fuelling a record level of solar power development.

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 2023, we have set the following enterprise objectives:

- Deliver Tembo e-LV commitments on schedule and budget
- Execute on Tembo microfactory and continue R&D
- Expand Tembo addressable market & partnership base
- Scale-up Aevitas solar, expand capabilities & diversify customer base
- Grow SES business with new capabilities and partnerships
- Execute on corporate initiatives to enable sustainable growth

On behalf of the rest of the Board, I would like to take this opportunity to thank all of our stakeholders for their continued support and engagement. I would also like to than colleagues at VivoPower for their relentless commitment to execution excellence. As a company, we remain committed to delivering impact on a triple bottom line basis across people, profit and planet.

Kevin Chin

Chairman and Chief Executive Officer
September 2022

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, the United States (U.S.) and the United Arab Emirates.

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 Kenshaw Electrical Pty Limited ("Kenshaw") and Kenshaw Solar Pty Ltd. ("Kenshaw Solar"), previously J.A. Martin Electrical Pty Limited, 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 Netherlands") and Tembo EV Australia Pty Ltd ("Tembo Australia"), (in combination "Tembo"), a 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, Kenshaw and Kenshaw Solar. Aevitas 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, the businesses have operations across the Eastern-seaboard of Australia, and 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.

The Hunter Valley region is the leading regional economy in Australia, contributing over A$34.7 billion to the New South Wales economy and generating over 44% of the state's electricity needs. It has a multi-faceted economy and a skilled workforce, with traditional strengths in mining and advanced manufacturing complemented by fast-growing defence, 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.

Kenshaw Solar (previously J.A. Martin Electrical Pty Limited)

Kenshaw Solar (previously J.A. Martin) is a specialized 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.

In line with VivoPower's strategy to focus on its core electrical vehicle, renewable critical power and sustainable energy solutions businesses, the non-solar business of J.A. Martin was deemed non-core and sold to ARA on 01 July 2022. The remaining solar division of J.A. Martin now operates as Kenshaw Solar, under the management of the Kenshaw leadership team from the new, expanded Kenshaw location in Newcastle. Kenshaw Solar continues to deliver existing contracts in place at the time of the divesture in respect of the Blue Grass and Edenvale Solar Farms and is actively seeking new projects in the solar market as part of the Kenshaw Solar growth strategy.

Results of the non-solar operations of J.A. Martin are included in discontinued operations. Included within the net assets of the discontinued operation sold to ARA are a facility in Newcastle which 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.

Kenshaw Solar 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.

Notwithstanding a history and core business centred in the industrial, manufacturing and mining sectors, Kenshaw Solar has over the past four years developed a strong reputation and position providing electrical services to the Australian solar market. During the fiscal year, Kenshaw Solar completed the provision of electrical installation and services for its eighth solar farm, the 119MWdc Hillston Solar Farm, and has commenced work on two further solar projects, bringing its total of contracted or completed solar project work to 664.8MW.

As a result of strong growth in the Australian solar generation market, Kenshaw Solar's revenue base has been transformed from a traditional reliance on the industrial, manufacturing and mining sectors to an increasing exposure to the renewables sector. Through its work on the Blue Grass and Edenvale Solar Farms, the business has made inroads into the Western Downs region of Queensland, dubbed "The Energy Capital of Queensland", and expects to see further growth from this region. The Western Downs' energy sector is growing significantly due to geography and environmental conditions, along with existing transmission infrastructure that gives energy providers access to interstate connectors and transmission lines. As a result, the region is a prime destination for renewable energy. There are over A$4.0 billion worth of approved projects in the renewable energy sector in the region, including 24 solar farms and A$2.4 billion worth of projects under construction, constituting nearly a quarter of Australia's total investment in renewables.

Kenshaw Solar'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 continued to perform strongly notwithstanding the effects of the global COVID-19 pandemic and rising geopolitical tensions, in particular the breakdown in the relationship between China and Australia.

Revenue earned within Australia is comprised of the following activities:

	Year ended June 30					
	2022		2021		2020	
(US dollars in thousands)	Kenshaw Solar	JA Martin	Kenshaw Solar	JA Martin	Kenshaw Solar	JA Martin
Electrical installation projects	8,671	6,090	4,172	7,028	3,786	7,634
Electrical service contracts	-	5,328	-	5,131	-	3,494
Electrical switchboard manufacturing	-	3,750	-	4,093	-	3,582
Total revenue	**8,671**	**15,168**	**4,172**	**16,252**	**3,786**	**14,710**

In fiscal year ended 30 June 2022, ("FY2022"), the business continued to be impacted by operational disruptions caused by absenteeism and supply chain disruption attributable to the COVID-19 pandemic. This has resulted in delays to the execution and completion of several projects and restricted access to clients' sites, resulting in slower completion of scheduled works and hence revenue recognition, and higher costs in delivering contracted goods and services. Through the implementation of workplace health and safety best practices and adherence to public health directives, Kenshaw Solar has mitigated the impact of the pandemic to some degree, however the additional costs and operational inefficiencies caused have adversely affected profitability margins.

Kenshaw Solar's solar division has also been materially affected by high levels of rainfall along the east coast of Australia in the first half of 2022, with Australia experiencing more rain in the first five months of the year than the average rainfall. This La Nina weather pattern continues to linger along the east coast and is expected to persist into at least September. As a consequence, the occurrence of delays attributable to adverse weather have risen, resulting in delayed project completions and higher costs.

Kenshaw Solar 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 realization 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 adapted to longer lead times from suppliers caused by the COVID-19 induced disruption to supply chains, however this effect has not been entirely mitigated and supply chain challenges persist.

With the sale of the non-solar J.A. Martin operations, Kenshaw Solar will need to diversify its customer-base in order to reduce its reliance on its key solar partner, Grupo Gransolar, S.L. The business is not 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.

Kenshaw Electrical Pty Limited

Founded in 1981, Kenshaw is a specialized provider of critical electrical power and critical mechanical power services that is headquartered in Newcastle, in the Hunter Valley region of New South Wales, Australia.

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 Sydney. The business's success is 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 and mechanical equipment. 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) and ISO45001 (Occupational Health and Safety) certification as evidence of its commitment to quality and safety, 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, health infrastructure, mine operators and agriculture to aged care facilities, transport providers and utility services.

Kenshaw's core competencies include: generator design, turn-key sales and installation; generator servicing and emergency breakdown services; customized motor modifications; wheel cartridge motor electric repair and refurbishment; and industrial electrical services.

The data centre sector continues to be a key market for Kenshaw. Fuelled by the trend of digital transformation and the emergence of remote working, online schooling and virtual entertainment during the COVID-19 pandemic, and compounded by the growing impact of big data and the internet of things, Australian data centre providers are experiencing significant increases in demand for their storage and processing capabilities. Recent changes by the New South Wales government to relax planning approvals for data centre development should stimulate further growth in new supply within Kenshaw's home state. In the Sydney market alone, 2021-2024 pipeline of 456MW is almost equivalent to the existing total capacity of 488MW.

VivoPower believes Kenshaw continues to benefit 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 and facility management service providers. In addition, with a growing base of completed installation projects, the business actively targets the provision of contracted ongoing monitoring and maintenance of these critical UPS assets, through its Generator Service division. The well-established Canberra branch and newer 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. In Australia, health spending has generally grown faster than the rest of the economy over the past 40 years. The 2021 Intergenerational Report ("IGR") by the Australian Treasury Department forecasts that Australian Government health spending will continue to increase as a share of Gross Domestic Product ("GDP") from 4.1% in 2018-19 to 6.2% in 2060-61. Funding for public hospitals is projected to be the fastest growing component of that health spending, nearly doubling in nominal terms between 2020-21 to 2031-32.

In the aged care sector, Australian Government spending has increased by over 40% in real terms since 2012-13. The reforms announced as part of the 2021-22 Budget will deliver a substantial structural increase in the level of funding for aged care. By 2023-24, the IGR forecasts that Australian Government spending on aged care is expected to be around A$4.5 billion higher per year as a result of the reforms (an increase of around 17%). This represents an increase in annual spending equivalent to around 0.2 percentage points of GDP. The number of older Australians requiring aged care services is expected to increase as the population ages. In the near term, the impacts of the baby boomer generation moving into their 70s and 80s will be particularly marked. A key driver of aged care spending is the number of people over the age of 70. The IGR predicts that number of people aged 70 and over will more than double over the next 40 years, reaching around 6.9 million people by 2060-61.

Kenshaw benefits from these demographic and government spending 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 customized critical back up power solutions and generator maintenance services. These services utilize Kenshaw's custom developed Generator Service App which results in more timely, detailed and accurate reporting of servicing and condition.

Kenshaw's traditional customer base also includes companies that operate in or service the mining sector, which is Australia's largest industry as measured by contribution to GDP. Over the last year, the mining sector in Australia has continued to perform strongly. Given its experience in the sector, Kenshaw is well positioned to benefit from future growth in the mining industry in Australia.

	Year Ended 30 June		
(US dollars in thousands)	**2022**	**2021**	**2020**
Generator sales and installation	5,206	11,479	23,579
Generator service and non-destructive testing	1,767	1,761	4,199
Motor sales and overhaul	5,315	5,169	1,565
Total revenue	**12,288**	**18,409**	**29,343**

While there is no material seasonality which impacts Kenshaw, in FY2022, the business continued to be adversely impacted by operational disruptions caused by absenteeism and supply chain disruption attributable to the COVID-19 pandemic. This has resulted in delays to the execution and completion of several projects and restricted access to clients' sites, resulting in slower completion of scheduled works and hence revenue recognition, and higher costs in delivering contracted goods and services. 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.

With almost 500 active customers for the year ended 30 June 2022, 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 continued strength of the Australian mining sector.

Electric Vehicles

Tembo e-LV B.V. and subsidiaries, Tembo 4x4 e-LV B.V. and FD 4x4 Centre B.V. ("Tembo Netherlands") and Tembo EV Australia Pty Ltd ("Tembo Australia") are specialist battery-electric and off-road vehicle companies that design and build electric battery conversion kits to replace ICE in ruggedized light electric vehicle solutions for customers across the globe in the mining, infrastructure, utilities, and government services sectors.

During the year, Tembo has opened offices in both Australia as well as United Arab Emirates (UAE) and will shortly open an office in the UK. These offices are designed to provide closer alliances with our Distribution Partners.

Despite the global impact of the COVID-19 pandemic along with its many lock-downs and following the completion of 100% acquisition of Tembo by VivoPower, Tembo was able to generate long-term business opportunities from new and existing customers internationally. 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 were 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. In September 2021, GHH Germany signed a Distribution Agreement to purchase 3,000 conversion kits, covering 50 countries, over the next 5 years.

During the second half of the fiscal 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 close cooperation with 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 as the first customer prototype vehicles for this enhanced product are being assembled in Australia. The enhanced product has significantly more power along with a much extended range and payload capability.

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 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. In June 2022 Tembo achieved ISO 14001:2015 certification for its Environmental Management Systems

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

In May 2022, a Design Services Agreement ("DSA") was signed with Toyota Australia to formalize the development program between VivoPower, Tembo and Toyota Australia for electrification of Toyota Landcruiser vehicles, with an initial focus on the mining sector in Australia. This DSA is a precursor to a potential Distribution Agreement.

Tembo is focused on a number of objectives in the coming year, including securing additional distribution agreements globally, completing the development and commencement of full scale production of the

72kWh Toyota Landcruiser electric conversion kit, expanding its assembly and production capabilities in the Netherlands as well as in other markets, and advancing research and development into the next generation of electric conversion kits and batteries.

Under the proposed agreement, the Jordanian Organization intends to sell 1,000 Tembo e-LV conversion kits from execution of this agreement until 30th September 2027.

Tembo is well placed to capitalize on the very strong increase in demand for fleet electrification solutions from customers in harder to decarbonize sectors such as mining, infrastructure and utilities.

Revenue earned within the Netherlands post acquisition is comprised of the following activities:

	Year Ended 30 June		
(US dollars in thousands)	**2022**	**2021**	**2020**
Conversion kits	789	137	-
Vehicle spec conversion	301	1,219	-
Accessories	400	38	-
Total revenue	1,490	**1,394**	**-**

As the table above illustrates, Tembo was able to increase revenues from delivery of EV conversion kits by 375% versus the previous year. However, this was constrained by global supply chain and logistics delays that affected the whole industry. In addition, the increased revenues from sales of conversion kits was offset by a reduction in vehicle conversion revenues (as resources were re-directed to focusing on the new 72 kwH battery kit development).

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 an SES strategy, where its core mission is to help corporate customers achieve their decarbonization goals.

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

- EV and battery leasing;
- Critical power "electric-retrofit" of customer's sites (e.g., warehouses and depots) to enable optimized 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 December 2021, VivoPower executed a Memorandum of Understanding signed with Relectrify, a leading supplier of battery energy storage systems utilizing second-life EV batteries, with the collaboration extended to explore future redeployment of Tembo batteries.

In August 2022 the Company has invested in a Green Gravity Energy Pty Ltd, an Australian company specializing in energy storage solutions in former mining locations.

Given that the SES business segment was established in early FY2021, it has generated minimal revenues to date. The Company 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 bog (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 an SES strategy, VivoPower no longer intends to engage in solar project development activities in isolation, unless if it's a component of a sustainable energy solution for a corporate customer that it is helping to achieve decarbonization goals. This segment has historically been characterized 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 minimize capital intensity and maximize 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 characterized as: (i) early stage; (ii) mid-stage; (iii) advanced stage; (iv) construction; and (v) operation. Our business model has been 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") in April 2017 and in June 2021, VivoPower announced that it had secured full ownership of the remaining 50% of the equity interest in the portfolio from ISS for a 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"), owning a diversified solar project 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.

Of the 12 projects in the portfolio that were active at the start of the fiscal year, 4 additional projects were discontinued or put on hold during the year ended 30 June 2022, in order to focus development efforts on the most advanced and economically attractive projects in the portfolio. As these projects were previously identified as being at high risk of being unviable, no value was attributed to them in the fair value assessment preformed upon acquisition of a controlling interest in the portfolio in June 2021. Accordingly, no write off of capitalized project costs is required for the 4 projects that have been discontinued in FY2022.

The 8 remaining projects are all in Advanced stages of development as summarized below and all are being further developed for future sale and/or partnerships including in the context of the 'power-to-x' strategy announced by the Company in August 2021 which is currently being pursued with a focus on joint venture opportunities in the sustainable cryptocurrency mining and high-performance computing data infrastructure sectors. The Company is currently actively evaluating partnership or joint development opportunities with cryptocurrency mining and data centre developers in relation to a number of project sites in its US solar portfolio. However, no exclusive or definitive agreements have been executed during the year ended 30 June 2022. VivoPower expects a full realization within the next 12 to 24 months, although nearer term opportunities may be pursued if they arise.

				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	ü	ü	ü	ü	ü	*Eligible*	
NM 88	NM	87	Advanced	ü	ü	ü	ü			
TX 144	TX	82	Advanced	ü	ü	ü	ü	ü	*Eligible*	
TX 145	TX	62	Advanced	ü	ü	ü	ü	ü	*Eligible*	
TX 165	TX	62	Advanced	ü	ü	ü	ü	ü	*Eligible*	
TX 177	TX	34	Advanced	ü	ü	ü	ü	ü		
TX 195	TX	41	Advanced	ü	ü	ü	ü	ü		
TX 341	TX	28	Advanced	ü	ü	ü	ü	ü		
TX 107	TX	93	On hold	ü	ü	ü	ü	ü	-	
TX 137	TX	28	On hold	ü	ü	ü	ü	ü		
TX 276	TX	55	On hold	ü	ü	ü	ü	ü		
TX 307	TX	55	On hold	ü	ü	ü	ü	ü		
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	1,160								
Original Portfolio	38 Projects	1,842								

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 23MW 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					
	2022			2021		
(US dollars in thousands)	Continuing	Discontinued	Total	Continuing	Discontinued	Total
Revenue from contracts with customers	22,448	15,168	37,616	23,975	16,436	40,411
Costs of sales	(20,308)	(13,842)	(34,150)	(19,614)	(14,470)	(34,084)
Cost of sales - COVID-19 disruption	(1,881)	-	(1,881)	-	-	-
Gross profit	**259**	**1,326**	**1,585**	**4,361**	**1,966**	**6,327**
General and administrative expenses	(13,326)	(1,485)	(14,811)	(9,651)	(1,482)	(11,133)
Gain on SES development	(13)	-	(13)	769	-	769
Other income	662	324	986	960	552	1,512
Depreciation of property and equipment	(770)	(445)	(1,215)	(638)	(451)	(1,089)
Amortisation of intangible assets	(850)	(322)	(1,172)	(815)	(352)	(1,167)
Operating (loss)/profit	**(14,038)**	**(602)**	**(14,640)**	**(5,014)**	**233**	**(4,781)**
Restructuring and other non-recurring costs	(443)	-	(443)	(2,877)	(3)	(2,880)
Finance income	173	2	175	2,176	3	2,179
Finance expense	(8,604)	(174)	(8,778)	(2,450)	(140)	(2,590)
Loss before income tax	**(22,912)**	**(774)**	**(23,686)**	**(8,165)**	**93**	**(8,072)**
Income tax	1,968	149	2,117	138	(24)	114
Loss for the year	**(20,944)**	**(625)**	**(21,569)**	**(8,027)**	**69**	**(7,958)**
Adjusted EBITDA	(10,518)	166	(10,352)	(2,483)	1,035	(1,448)

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 2022, the Group (including discontinued operations) generated total revenue of $37.6 million, gross profit of $1.6 million, operating loss of $14.6 million and a net loss of $21.6 million. Of these amounts, continuing operations of the Group generated revenue of $22.4 million, gross profit of $0.3 million, operating loss of $14.0 million and a net loss of $20.9 million. For the year ended 30 June 2021, the Group (including discontinued operations) generated total 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 2021, the Group generated continuing revenue of $24.0 million, gross profit of $4.4 million, operating loss of $5.0 million, and a net loss of $8.0 million.

Adjusted EBITDA (including discontinued operations) for the year ended 30 June 2022 was a loss of $10.4 million, compared to a loss of $1.4 million for the previous year. Adjusted EBITDA for continuing operations was a loss of $10.5 million, compared to a loss of $2.5 million for the previous year. Adjusted EBITDA is a non-IFRS financial measure. We define Adjusted EBITDA as earnings before interest, taxes, depreciation and amortization, 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 for the year ended 30 June 2022 reflect a challenging year, with numerous headwinds including strict COVID lockdowns in our key markets during the first half of the year, followed by supply chain shortages, extended logistics delays and COVID-19 related costs in the second half of the year which affected our ability to operate and deliver efficiently. Our financial results were adversely affected, with revenues constrained and group operating losses exacerbated by a US$1.9 million one off COVID driven loss in relation to the Bluegrass Solar project in Australia and foreign exchange impact.

Revenue in Critical Power Services (excluding discontinued operations) declined by $1.4 million to $21.0 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 $1.5 million revenue in the year, with sales activity remaining limited in the current product development phase. There was no revenue contribution from Solar Development or Sustainable Energy Solutions in the year (year ended 30 June 2021: $0.2 million).

Gross profit (including discontinued operations) has reduced $4.7 million to $1.6 million, although this decrease was partly mitigated by $1.0 million other income (year ended 30 June 2021: $1.5 million) for government relief for COVID-19 allowance in Australia. Gross margins decreased in percentage terms from 16% to 4% as a result of COVID-19 lockdowns and impact on supply chain. This includes $1.9 million of non-recurring costs on the Blue Grass project in Kenshaw Solar (formerly J.A. Martin), specifically impacted by state border closures during the project execution phase. Excluding these non-recurring costs, gross margin was 9% including discontinued operations, and 10% for continuing operations. Electric Vehicles also contributed $0.01 million in gross profit (prior year: $0.1 million) while Solar Development contributed nil (prior year: $0.2 million).

The gain on Solar Development projects was net nil for the year ended 30 June 2022 comprised $0.1 million write off of costs incurred on uneconomic projects in Caret, offset by $0.1 million gain on sale of tangible assets in Critical Power Systems.

The results for the year ended 30 June 2022 also reflect a $3.7 million increase in general and administrative costs related to continuing operations to $13.3 million. The increase includes a $0.7 million increase in marketing expenses, a $0. 8 million increase in non-cash equity remuneration, and a $1.9 million increase in Corporate salaries, professional fees, IT expenses and investor relations costs to support worldwide growth.

The results of operations for the year ended 30 June 2022 include $0.4 million restructuring and other non-recurring costs. These costs include $0.4 million remediation provisions in Electric Vehicles, $0.2 million other restructuring costs in Corporate, offset by $0.1 million release of unutilized provision for disputed legal success fees following settlement in the year.

Net finance costs from continuing operations of $8.4 million for the year ended 30 June 2022 include $3.4 million interest on related party loans, $4.5 million net foreign exchange losses and $0.2 million dividends from Aevitas Preference Shares.

As at 30 June 2022, the Group's current assets were $21.2 million (as at 30 June 2021: $24.0 million; 30 June 2020: $20.5 million), which was comprised of $1.3 million (as at 30 June 2021: $8.6 million; 30 June 2020: $2.8 million) of cash and cash equivalents, $1.2 million restricted cash (as at 30 June 2021: $1.1 million; 30 June 2020: $1.0 million;), $9.0 million (as at 30 June 2021: $12.7 million; 30 June 2020: $12.6 million) of trade and other receivables, and $8.2 million (as at 30 June 2021: nil, 30 June 2020: $4.1 million) of assets held for sale related to the JAM ex-solar segment sale and Caret LLC (formerly ISS Joint Venture) portfolio, following acquisition of the remaining 50% of the joint venture by the Company.

Current liabilities were $22.9 million as at 30 June 2022 (as at 30 June 2021, $13.4 million; 30 June 2020: $19.7 million). The increase reflects additional shareholder loans and accrued interest.

Current asset-to-liability ratio as at 30 June 2022 was 0.92:1 (as at 30 June 2021: 1.79:1; 30 June 2020: 1.04:1).

As at 30 June 2022, the Company had net assets of $22.0 million (as at 30 June 2021 $40.4 million; 30 June 2020: $17.9 million), including intangible assets of $40.1 million (as at 30 June 2021: $47.4 million; 30 June

2020: $29.8 million). Property, plant and equipment increased to $3.7 million as at 30 June 2022 from $2.6 million as at 30 June 2021, reflecting additional leased properties, less depreciation and assets transferred to assets held for sale.

Cash outflow for the year ended 30 June 2022, was $6.9 million, arising from cash inflow from financing activities of $3.6 million and cash used in investing activities of $5.3 million less cash inflow from operating activities of $5.1 million. At 30 June 2022, the Company had cash reserves of $1.3 million (30 June 2021: $8.6 million) and debt of $28.6 million (30 June 2021: $23.1 million), giving a net debt position of $27.3 million (30 June 2021: $14.5 million).

Net cash outflows from investing activities of $5.3 million in the current year comprised $1.2 million net purchases of property, plant and equipment and a net $4.3 million cash outflow which includes additional intangibles pertaining to capitalized staff costs.

Cash inflows from financing activities of $3.6 million in the year ended 30 June 2022 comprises primarily $4.2 million interest on borrowings, primarily AWN loan less finance expense paid amounting to $0.6 million.

Year Ended 30 June 2022 Compared to Year Ended 30 June 2021:

	Continuing operations						Discontinued operations	
Year Ended 30 June 2022 (US dollars in thousands)	**Critical Power Services**	**Solar Development**	**Electric Vehicles**	**Sustainable Energy Solutions**	**Corporate Office**	**Total Continuing**	**Critical Power Services**	**Total**
Revenue from contracts with customers	20,958	-	1,490	-	-	22,448	15,168	37,616
Costs of sales - other	(18,804)	-	(1,504)	-	-	(20,308)	(13,842)	(34,150)
Cost of sales – COVID-19 disruption	(1,881)	-	-	-	-	(1,881)	-	(1,881)
Gross profit	**273**	**-**	**(14)**	**-**	**-**	**259**	**1,326**	**1,585**
General and administrative expenses	(1,568)	(80)	(2,578)	(1,660)	(7,440)	(13,326)	(1,485)	(14,811)
Gain/(loss) on solar development	103	(139)	-	23	-	(13)	-	(13)
Other income	662	-	-	-	-	662	324	986
Depreciation and amortization	(1,165)	-	(443)	(3)	(9)	(1,620)	(767)	(2,387)
Operating profit/(loss)	**(1,695)**	**(219)**	**(3,035)**	**(1,640)**	**(7,449)**	**(14,038)**	**(602)**	**(14,640)**
Restructuring and other non-recurring costs	45	-	(429)	-	(59)	(443)	-	(443)
Finance expense - net	(7,470)	-	(974)	23	(10)	(8,431)	(172)	(8,603)
Profit/(loss) before income tax	**(9,120)**	**(219)**	**(4,438)**	**(1,617)**	**(7,518)**	**(22,912)**	**(774)**	**(23,686)**
Income tax	1,349	-	575	192	(148)	1,968	149	2,117
Loss for the year	**(7,771)**	**(219)**	**(3,863)**	**(1,425)**	**(7,666)**	**(20,944)**	**(625)**	**(21,569)**

VivoPower International PLC for the year ended 30 June 2022

Year Ended 30 June 2021 (US dollars in thousands)	Continuing operations						Discontinued operations	
	Critical Power Services	Solar Development	Electric Vehicles	Sustainable Energy Solutions	Corporate Office	Total Continuing	Critical Power Services	Total
Revenue from contracts with customers	22,396	185	1,394	-	-	23,975	16,436	40,411
Costs of sales - other	(18,322)	-	(1,292)	-	-	(19,614)	(14,470)	(34,084)
Cost of sales – COVID-19 disruption	-	-	-	-	-	-	-	-
Gross profit	**4,074**	**185**	**102**	**-**	**-**	**4,361**	**1,966**	**6,327**
General and administrative expenses	(1,522)	(1,309)	(1,923)	-	(4,897)	(9,651)	(1,482)	(11,133)
Gain/(loss) on solar development	36	733	-	-	-	769	-	769
Other income	960	-	-	-	-	960	552	1,512
Depreciation and amortization	(1,099)	(4)	(346)	-	(4)	(1,453)	(803)	(2,256)
Operating profit/(loss)	**2,449**	**(395)**	**(2,167)**	**-**	**(4,901)**	**(5,014)**	**233**	**(4,781)**
Restructuring & other non-recurring costs	(24)	-	(631)	-	(2,222)	(2,877)	(3)	(2,880)
Finance expense - net	1,824	(24)	(1)	-	(2,073)	(274)	(137)	(411)
Profit/(loss) before income tax	**4,249**	**(419)**	**(2,799)**	**-**	**(9,196)**	**(8,165)**	**93**	**(8,072)**
Income tax	(691)	96	733	-	-	138	(24)	114
Loss for the year	**3,558**	**(323)**	**(2,066)**	**-**	**(9,196)**	**(8,027)**	**69**	**(7,958)**

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.

Inflation. The economic volatility attributable to COVID-19 and Russia's invasion of Ukraine is part of and contributing to a larger trend of rising inflation around the globe, which may have a significant adverse effect on economic activity and VivoPower's business.

Ability to secure capital at attractive rates and terms.

Our businesses are capital intensive requiring significant investment in operational expenditure and capital expenditure to realize 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 legal and financial compliance costs. 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, United Arab Emirates, 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	4	5
Senior Manager	8	20	28
Employees	26	200	226
Total	**35**	**224**	**259**

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. VivoPower recertified as a B Corporation in 2022 and was recognized in the Best For The World program as being in the top 5% amongst B Corporations for Governance. Consistent with this certification, the shareholders approved changes to the Articles of Association of the Company at the annual general meeting on August 20, 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
27 September 2022

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 2022. 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)	49	Chairman	27 April 2016	
Matthew Cahir	57	Non-Executive Director	16 June 2020	17 March 2022
Peter Jeavons (1)(2)(3)(4)	57	Non-Executive Director	16 June 2020	
William Langdon (1)(2)(3)	61	Non-Executive Director	16 June 2020	
Michael Hui	42	Non-Executive Director	22 January 2020	
Gemma Godfrey (1)(2)(3)(4)	38	Non-Executive Director	15 December 2020	
Executive Officers:				
Kevin Chin (1)(4)	49	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

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 47.5% as at 30 June 2022 (42.8% as at 31 August 2022) and is the beneficial owner of 9.6% of VivoPower as at 30 June 2022 (8.6% as at 31 August 2022), primarily through The Panaga Group Trust (4.9%) and Arowana Partners Group Pty Ltd (4.4%).

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.

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.

Matthew Cahir

Matthew Cahir served as Director and Chairman of the Nominations Committee until his resignation on 17 March 2022.

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 UK-adopted international accounting standards 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 UK-adopted international accounting standards 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 2022, 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 30 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 2022, the Company had unrestricted cash totalling $1.3 million, compared to $8.6 million as at 30 June 2021 and $2.8 million as at 30 June 2020. Nevertheless as disclosed in note 32 - Subsequent Events, after the year end date the Company received $2.6 million initial net cash proceeds from the sale of the J.A. Martin Electrical ex-solar business and $5.0 million net proceeds from the registered direct offering shelf issuance cap raise in July 2022.

Over the next twelve months, the Company expects a recovery in revenues and continued EBITDA generation in critical power systems, growing revenue and costs in scaling up electric vehicles as the operation prepares for series production. The Company will also be investing in further capitalized development costs in electric vehicles in preparation for Tembo series production. In addition, it expects to fund selective development of the U.S. solar portfolio to maximize future sales proceeds, as well as development of microgrid, EV charging and battery energy storage capabilities, as part of the scaling up of the SES business unit. 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 2023 is a minimum of $25 million, at least partially received in Q1 FY2023. The Company is planning to finance this funding requirement through equity investment, European Innovation Council Accelerator grant, asset-backed financing for investment in property, plant and equipment and software and debtors, supply chain and inventory financing solutions, depending on what is best suited to the Company's growth needs.

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;
- Staging the timing of property, plant and equipment and software capex to match asset-backed financing inflows;
- Obtain Research & Development 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;
- Purchase order financing, debtor financing facilities;
- 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 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 04 October 2017. On 09 April 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, 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 awarded to him were $1.76 million. Of the remaining provision as at 30 June 2021 of $0.5 million for unpaid costs, $0.4 million was spent in the year ended 30 June 2022, resulting in a $0.1 million release of the remaining unutilized provision.

On 31 May 2022 the William Q. Richards Estate filed a complaint alleging the Company improperly included 495 acres of land owned by the William Q. Richards Estate in the reinvestment zone of the tax abatement agreements executed on 14 March 2022 between Cottle County, Texas and the Company's subsidiaries Innovative Solar 144, LLC and Innovative Solar 145, LLC. The complaint requested the Cause of Action to nullify and/or declare the tax abatement agreements void. The William Q. Richards Estate filed an amended complaint on 18 August 2022, further detailing their claims and requesting unspecified damages. The Company will file a defence in September 2022, denying each of the Causes of Action and claims stated in the complaint. The Company expects to be successful in its defence, accordingly no provision has been recorded as at 30 June 2022 in relation to this matter.

Donations

During the year ended 30 June 2022, 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 2022, there were 21,318,118 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 82,644 ordinary shares were issued under an F-3 registration statement filed with the SEC on December 21, 2020.

During the year, the Company issued 682,220 ordinary shares were issued to employees, directors and consultants of the Company under the Omnibus Incentive Plan.

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 26, 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.

During the year ended 30 June 2022, 42,000 restricted shares were issued to corporate advisors in exchange for investor relations services.

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 26 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 23,669,763 ordinary shares issued and outstanding on 31 August 2022. 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)	10,136,145	42.8%
Armistice Capital Master Fund Ltd	1,709,230	7.2%

(99) 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. The business address of these entities is c/o AWN Holdings Limited., at Level 11, 153 Walker Street, North Sydney, NSW 2060, Australia.

On 21 July 2021, AWN Holdings Limited was issued a further 1,959,339 restricted ordinary shares VivoPower International PLC, pursuant to the contracted terms of conversion of Aevitas convertible preferred shares and convertible loan. As at 30 June 2022, AWN held a 47.5% equity interest in the Company, reducing to 42.8% following the shelf issuance in July 2022.

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
27 September 2022

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 2022 and the attendance of the members at those meetings (attended/eligible to attend):

	Board	Audit and Risk Committee	Remuneration Committee	Nominations Committee
Kevin Chin	8/ 8	- / -	4 / 4*	-/-
Michael Hui	8/ 8	-/ -	- / -	-/-
Peter Jeavons	8/ 8	3 / 3	5 /5	- / -
William Langdon	8/ 8	3 / 3	5 /5	-/-
Matthew Cahir	5/ 5	- / -	- / -	-/-
Gemma Godfrey	8/ 8	3 / 3	5 / 5	-/-

* 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 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 June 16, 2020.

Nominations Committee

The Nomination Committee of the board of directors is comprised of Gemma Godfrey (who is Chair of the Nomination Committee), William Langdon, and Peter Jeavons joined the committee on 16 June 2020, and each of whom the Board has determined is independent under the applicable Nasdaq listing standards. Matthew Cahir served on the committee from 16 June 2020 until his resignation on 17 March 2022. Gemma Godfrey joined the committee on 17 March 2022.

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 2022.

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 from the Committee 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 2022 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 2022, 2021 and 2020 is set out in the table below:

	Year ended 30 June						
Directors	**Salary and fees**	**Bonus and LTIP**	**Pension and other Benefits**	**Long Term Incentive**	**2022 Total**	**2021 Total**	**2020 Total**
Shimi Shah	-	-	-	-	-	-	£57,748
Peter Sermol	-	-	-	-	-	-	£57,748
Ashwin Roy	-	-	-	-	-	-	£30,438
Kevin Chin (Chairman)	£68,000	-	-	-	£68,000	£104,885	£156,559
Matthew Cahir	£28,962	-	-	-	£28,962	£82,289	£1,590
Peter Jeavons	£52,127	-	-	-	£52,127	£82,289	£1,590
William Langdon	£46,461	-	-	-	£46,461	£82,289	£1,590
Michael Hui	£37,774	-	-	£6,586	£44,360	£89,997	£9,000
Gemma Godfrey	£43,817	-	-	-	£43,817	£57,003	-

Mr. Chin was paid a salary of £68,000 ($92,029) 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 $50,000 per annum from 1 July 2021 to February 2022 as a result of his resignation as a director on 17 March 2022.

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. Following his resignation on 17 March 2022, the Committee approved the continued monthly payment of $32,000 per month and healthcare allowance of $5,000 per month until the end of his notice period on 17 September 2022, in accordance with the terms of his contract. In December 2021, the Committee approved an equity award of 70,000 ($229,600) RSUs in relation to short term incentives for the year ended 30 June 2021, vesting in December 2021. In addition, the Committee approved the following equity awards to Mr. Cahir following his resignation in March 2022, being fulfilment of business development incentives for the year ended 30 June 2022:

- a business development payment of 182,432 ($270,000) RSUs, vesting 01 May 2022;
- a business development stretch payment of 109,459 ($162,000) RSU's vesting conditional on certain commercial settlement goals being achieved. These goals were achieved and RSU's vested during the year ended 30 June 2022.
- a business development upside payment of 36,486 ($54,000) RSUs vesting conditional on certain commercial settlement goals being achieved. This condition remains outstanding as at 30 August 2022.
- 2.5 points in a future Caret Omnibus incentive plan.

Mr. Jeavons was paid a salary of $50,000 per annum during the year. Mr. Jeavons also received an annual fee of $7,500 as chair of the sustainability committee, $7,500 annual fee as chair of the remuneration committee and $4,000 annual fee as member of the audit and risk committee. Mr. Jeavons elected to receive 75% of all his fees for the year in equity (7,099 RSUs), 25% in cash.

Mr. Langdon was paid a salary of $50,000 per annum during the year. Mr. Langdon also received an annual fee of $7,500 as chair of the audit and risk committee and $4,000 annual fee as member of the remuneration committee. Mr. Langdon elected to receive 100% of his salary as equity (1,989 RSUs) and 100% of his committee fees in cash.

Mr. Hui was paid a salary of $50,000 per annum during the year. 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, 8,124 RSUs ($6,093) vested in the current year.

Mrs. Godfrey is paid a salary of $50,000 per annum. Mrs. Godfrey also received $4,000 annual fee as member of the audit and risk committee and $4,000 as member of the remuneration committee. Mrs. Godfrey elected to receive 25% of her salary and committee fees as equity; 75% in cash.

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 21,318,118 issued ordinary shares of the Company as at 30 June 2022 are detailed below.

	Number of Shares Beneficially Owned		Outstanding scheme interests at 30 June 2022	Total of all share interests and outstanding scheme interests, at 30 June 2022		
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]	2,018,080[3] [4]	-	25,749[6]	-	2,043,819	8.6%
Peter Jeavons	36,155	-	1,771	-	37,926	<1%
William Langdon	37,225	-	1,711	-	38,936	<1%
Michael Hui	29,711	-	5,168	-	34,879	<1%
Gemma Godfrey	-	-	495	-	5,934	<1%
All directors and executive officers as a group (6 persons)	2,126,610	-	34,894	-	2,161,504	9.1%

(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.

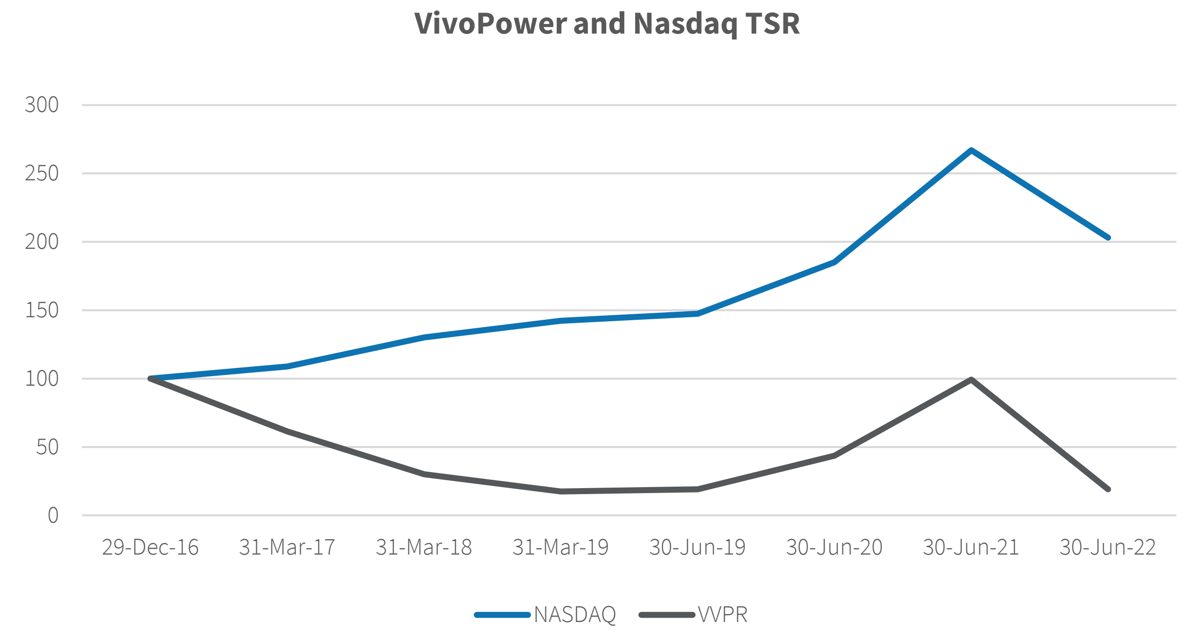
Minimum shareholding requirements

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 2022, 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		
	Year ended 30 June			Year ended 30 June			Year ended 30 June		
	2022	2021	2020	2022	2021	2020	2022	2021	2020
Kevin Chin	£367,428	£365,898	£71,081	0%	0%	0%	£206,273	£84,383	-
Art Russell	N/A	N/A	£193,875	0%	0%	0%	-	-	-
Carl Weatherley-White	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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 2022	Year Ended 30 June 2021	Year Ended 30 June 2020
Employee remuneration	18,088,000	17,395,000	16,457,000
Distributions to shareholders	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 2022 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.

An independent review and market benchmarking exercise by Pearl Meyer was conducted in the year ended 30 June 2021, following which the Remuneration Committee approved the increases to Board remuneration detailed below. No further changes to Directors remuneration have occurred in the current year.

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 December 2020, 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 2022 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 2022 and their attendance at meetings of the Committee, are set out below:

	Attendance
William Langdon	5/5
Peter Jeavons	5/5
Gemma Godfrey	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.

Shoosmiths LLP and Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. provide the Company with legal advice. Advice from 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 30 June 2021 was approved by shareholders at the Annual General Meeting held on 26 October 2021. The resolution to approve the report was approved by 99.37% 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 26 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
27 September 2022

VivoPower International PLC for the year ended 30 June 2022

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 2022 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and parent company Statement of Financial Position, the Consolidated and parent company Statements of Cash Flows, the Consolidated and parent company Statement of Changes in Equity 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 UK-adopted international accounting standards 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 2022 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards 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 directors' 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 to actual results, 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 $672,000 (2021 - $850,000). This was calculated by applying a percentage to revenue (1.5%, 2021 -1.5%) and net assets (3%, 2021 – 3%). We selected revenue and net assets as the materiality benchmarks as we considered 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 United States of America. There is no change to the materiality benchmarks and percentages from the prior period.

The parent company materiality was $100,000 (2021 - $90,000) based upon 2% of expenses (2021 - 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 to reflect the risk associated with the judgemental and key areas of management estimation in the financial statements.

Overall component materiality for significant and/or material subsidiary undertakings ranged from $25,000 to $370,000 (2021 - $30,000 to $365,000). Performance materiality for all components was set at 70% of overall component materiality.

We agreed with the Audit and Risk Committee that we would report to them all individual audit differences identified during the course of our audit in excess of $33,600 (2021 – $42,250) for the group and $5,000 (2021 - $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 in determining judgements and estimates by the directors that represented a risk of material misstatement due to fraud.

The accounting records of all significant and/or material subsidiary undertakings in Australia were audited by component auditors, under the oversight of us as group auditor in accordance with International Standard on Auditing 600, based upon component materiality and the risk to the group. The significant subsidiary undertakings in Netherlands is subject to a full scope audit by the PKF Littlejohn London team with relevant sector experience.

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 2022 amounted to $22.5 million and details of the related critical judgements and estimates are disclosed in note 3. There is a risk of misstatement of revenue from contracts with customers arising from the following areas which makes this a key focus of our audit: • identification of performance obligations in customer contracts; • judging the timing of satisfaction of performance obligations; • allocation of transaction price; • measuring of 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 work in this area included: • Updating our understanding of the internal control environment for the significant revenue streams, and checking by walkthrough tests our understanding of the internal control environment for the significant income streams; • Reviewing the work undertaken by component auditors in accordance with the issued component instructions, including regular communication throughout the audit; • Performing controls testing on the key controls applicable to the contract and revenue cycle; • Substantively testing a sample of contracts concluded and in progress at the year-end, including contract assets and liabilities and deferred and accrued income, and testing the stage of completion; • Reviewing post year-end cash receipts and documents to test the completeness, cut-off and accuracy of revenue around the year-end; and • Ensuring the revenue related disclosures in the financial statements are complete and accurate.
Recoverability of intangible assets	
As at 30 June 2022 the carrying value of goodwill and intangible assets was $40.1 million. Details of these assets and the related critical judgements and estimates are disclosed in notes 14 and 3.2. 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. Impairment assessments require the use of estimates, judgements and assumptions. The calculation of the recoverable amount is dependent on various significant judgements and estimates, including forecasts and discount rates.	Our work in this area included: • 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;

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.

- Performing an independent assessment to identify any indicators of impairment; and
- Assessing the appropriateness of the group's disclosure in respect of the judgements and estimates, on whether an impairment exists and the sensitivity analysis on the headroom (refer to Note 14).

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 sectors.
- 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 electric vehicle market, 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 and regulatory correspondence, obtaining direct confirmations from legal advisers and review of market announcements.
- 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.

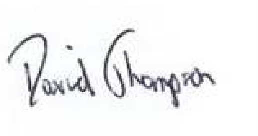
- We communicated the risk of non-compliance with laws and regulations, including fraud, to the component auditors who incorporated this into their testing, which was reviewed by the group audit team.

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

27 September 2022

VivoPower International PLC for the year ended 30 June 2022

Consolidated Statement of Comprehensive Income

(US dollars in thousands, except per share amounts)	Note	Year Ended 30 June 2022	2021	2020
Revenue from contracts with customers	4	22,448	23,975	33,129
Cost of sales		(20,308)	(19,614)	(27,701)
Cost of sales – non-recurring		(1,881)	-	-
Gross profit		**259**	**4,361**	**5,428**
General and administrative expenses		(13,326)	(9,651)	(4,225)
Gain on solar development – net	5	(13)	769	1,589
Other income	6	662	960	432
Depreciation of property, plant and equipment	13	(770)	(638)	(401)
Amortisation of intangible assets	14	(850)	(815)	(546)
Operating (loss)/profit	7	**(14,038)**	**(5,014)**	**2,277**
Restructuring and other non-recurring costs	8	(443)	(2,877)	(3,410)
Finance income	10	173	2,176	27
Finance expense	10	(8,604)	(2,450)	(2,974)
Loss before income tax		**(22,912)**	**(8,165)**	**(4,080)**
Income tax	11	1,968	138	(742)
Loss for the continuing operations		**(20,944)**	**(8,027)**	**(4,822)**
(Loss)/profit from discontinued operations		(625)	69	(281)
Loss for the period		**(21,569)**	**(7,958)**	**(5,103)**
Losses attributed to:				
Equity owners of VivoPower International Plc		(21,569)	(7,571)	(5,103)
Non-controlling interests		-	(387)	-
		(21,569)	**(7,958)**	**(5,103)**
Other comprehensive income/(expense)				
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences recognised directly in equity		1,043	1,601	(1,028)
Total comprehensive loss for the period attributable to owners of the company		**(20,526)**	**(6,357)**	**(6,131)**
Earnings per share attributable to the owners of the company (dollars)				
Continuing Operations				
Basic	28	(1.01)	(0.49)	(0.36)
Diluted	28	(1.01)	(0.49)	(0.36)
Discontinued Operations				
Basic	28	(0.03)	(0.00)	(0.02)
Diluted	28	(0.03)	(0.00)	(0.02)

VivoPower International PLC for the year ended 30 June 2022

Consolidated Statement of Financial Position

(US dollars in thousands)	Note	Year Ended 30 June 2022	2021	2020
ASSETS				
Non-current assets				
Property, plant and equipment	13	3,743	2,575	2,486
Intangible assets	14	40,081	47,449	29,849
Deferred tax assets	11	4,668	2,495	1,347
Investments accounted for using the equity method	16	-	-	8,225
Total non-current assets		**48,492**	**52,519**	**41,907**
Current assets				
Cash and cash equivalents	17	1,285	8,604	2,824
Restricted cash	18	1,195	1,140	1,013
Trade and other receivables	19	9,036	12,712	12,556
Inventory	20	1,435	1,537	-
Assets classified as held for sale	21	8,214	-	4,080
Total current assets		**21,165**	**23,993**	**20,473**
TOTAL ASSETS		**69,657**	**76,512**	**62,380**
EQUITY AND LIABILITIES				
Current liabilities				
Trade and other payables	23	15,106	8,917	15,395
Income tax liability		132	708	75
Provisions	24	1,104	2,802	2,897
Loans and borrowings	25	5,109	1,004	1,312
Liabilities classified as held for sale	22	1,497	-	-
Total current liabilities		**22,948**	**13,431**	**19,679**
Non-current liabilities				
Loans and borrowings	25	23,452	22,087	24,642
Provisions	24	57	165	169
Deferred tax liabilities	11	1,234	411	-
Total non-current liabilities		**24,743**	**22,663**	**24,811**
TOTAL LIABILITIES		**47,691**	**36,094**	**44,490**
EQUITY				
Share capital	26	256	222	163
Share premium	26	99,418	76,229	40,215
Cumulative translation reserve		(139)	(1,465)	(3,307)
Other reserves	27	(6,118)	15,314	21,408
Accumulated deficit		(71,451)	(49,882)	(40,773)
Equity and reserves attributable to owners		**21,966**	**40,418**	**17,706**
Non-Controlling interest		-	-	184
TOTAL EQUITY		**21,966**	**40,418**	**17,890**
TOTAL EQUITY AND LIABILITIES		**69,657**	**76,512**	**62,380**

These financial statements were approved by the Board of Directors on 27 September 2022 and were signed on its behalf by:

Kevin Chin, Chairman

VivoPower International PLC for the year ended 30 June 2022

Consolidated Statement of Cash Flow

		Year Ended 30 June		
(US dollars in thousands)	**Note**	**2022**	**2021**	**2020**
Cash flows from operating activities				
Loss from continuing operations		(20,944)	(8,027)	(4,822)
(Loss)/profit from discontinued operations		(625)	69	(281)
Income tax		(1,926)	(115)	713
Finance income		-	(2,397)	(33)
Finance expense		5,334	2,889	3,182
Depreciation of property, plant and equipment	13	770	1,089	898
Amortisation of intangible assets	14	1,172	1,167	868
Gain/(loss) on solar development		13	(769)	(1,589)
Increase in equity instruments	26	-	-	113
Shared based payments		1,876	1,078	-
Decrease/(increase) in trade and other receivables		3,438	(813)	2,411
Increase in inventory		102	-	-
Increase/(decrease) in trade and other payables		6,232	(9,453)	(6,851)
(Decrease)/increase in provisions		(572)	(95)	1,295
Corporation tax payments		-	-	(477)
Net cash used in operating activities		**(5,130)**	**(15,377)**	**(4,573)**
Cash flows from investing activities				
Proceeds on sale of property plant and equipment	7	57	36	432
Purchase of property, plant and equipment	13	(1,165)	(937)	(884)
Investment in capital projects		(4,254)	-	(277)
Proceeds on sale of capital projects	7	19	366	1,023
Acquisitions–- consideration		-	(7,089)	-
Acquisitions–- cash acquired		-	4,942	-
Net cash (used in)/from investing activities		**(5,343)**	**(2,682)**	**294**

VivoPower International PLC for the year ended 30 June 2022

		Year Ended June 30		
(US dollars in thousands)	**Note**	**2021**	**2020**	**2019**
Cash flows from financing activities				
Other (repayments)/borrowings	25	(85)	18	-
Lease repayments	25	-	(360)	(422)
Capital raise proceeds	26	243	34,866	-
Capital raise costs		(47)	(2,819)	-
Debtor finance repayments	25	(4)	(518)	(347)
Loans from related parties	25	4,231	-	1,300
Repayment of loans from related parties	25	-	(2,226)	(257)
Bank loan (repayments)/borrowings	25	(166)	(33)	344
Chattel mortgage borrowings	25	74	32	300
Finance expense	10	(636)	(5,296)	(515)
Transfer to restricted cash	18	(55)	(127)	(381)
Net cash from financing activities		**3,555**	**23,537**	**22**
Net (decrease)/increase in cash and cash equivalents		(6,918)	5,478	(4,257)
Cash and cash equivalents at the beginning of the period	17	8,604	2,824	7,129
Effect of exchange rate movements on cash held		(401)	302	(48)
Cash and cash equivalents at the end of the period	17	**1,285**	**8,604**	**2,824**

Non-cash investing and financing transactions during the year-ended 30 June 2022 comprise:

- 682,220 shares issued to Incentive Award participants at nominal value: $1.9 million;
- 2,005,190 shares issued following the cancellation of Aevitas hybrid instruments: $20.5 million;
- Right-of-use assets additions and the related lease liability during the year: $2.5 million and $1.5 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 30 June 2019	163	40,215	(2,279)	20,076	(35,659)	-	22,516
Loss for the year	-	-	-	-	(5,103)	-	(5,103)
Other comprehensive expense	-	-	(1,028)	-		-	(1,028)
	163	**40,215**	**(3,307)**	**20,076**	**(40,762)**	**-**	**16,385**
Transactions with owners in their capacity as owners							
Equity instruments	-	-	-	971	-	-	971
Other reserves	-	-	-	17	(11)	-	6
Employee share scheme	-	-	-	344	-	-	344
Non-controlling interest	-	-	-	-	-	184	184
	-	**-**	**-**	**1,332**	**(11)**	**184**	**1,505**
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**
Loss for the year	-	-	-	-	(21,569)	-	(21,569)
Other comprehensive income/(expense)	-	-	1,326	(283)	-	-	1,043
	222	**76,229**	**(139)**	**15,031**	**(71,451)**	**-**	**19,892**
Transactions with owners in their capacity as owners							
Capital raises	1	243	-	(122)	-	-	122
Other share issuances	1	217	-	(144)	-	-	74
Employee share awards	8	2,287	-	(417)	-	-	1,878
Conversion of Aevitas equity instruments	24	20,442	-	(20,466)	-	-	0
	34	**23,189**	**-**	**(21,149)**	**-**	**-**	**2,074**
At 30 June 2022	**256**	**99,418**	**(139)**	**(6,118)**	**(71,451)**	**-**	**21,966**

For further information on Other Reserves please see Note 27.

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.

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'). Since 30 June 2021, the Company no longer has an ultimate controlling party, as AWN Holdings Limited holds less than 50% equity interest in the Company, being 47.5% as at 30 June 2022 and 42.8% as at 31 August 2022. 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 2022, the Company had unrestricted cash totalling $1.3 million, compared to $8.6 million as at 30 June 2021 and $2.8 million as at 30 June 2020. Nevertheless as disclosed in note 32–- Subsequent Events, after the year end date the Company received $2.6 million initial net cash proceeds from the sale of the J.A. Martin Electrical ex-solar business and $5.0 million net proceeds from the registered direct offering shelf issuance cap raise in July 2022.

Over the next twelve months, the Company expects a recovery in revenues and continued EBITDA generation in critical power systems, growing revenue and costs in scaling up electric vehicles as the operation prepares for series production. The Company will also be investing in further capitalized development costs in electric vehicles in preparation for Tembo series production. In addition, it expects to fund selective development of the U.S. solar portfolio to maximize future sales proceeds, as well as development of microgrid, EV charging and battery energy storage capabilities, as part of the scaling up of the SES business unit. 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 2023 is a minimum of $25 million. The Company is planning to finance this funding requirement through equity investment, European Innovation Council Accelerator grant, 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.

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;
- Staging the timing of property plant and equipment and software capex to match asset backed financing inflows;
- Obtain Research & Development 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;
- Purchase order financing, debtor financing facilities;
- 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 during the year ended 30 June 2021.

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 to 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 and discontinued operations

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.

A discontinued operation is a component of the Company that has been disposed of or is classified as held for sale and represents a separate major line of business or geographical area of operations. The results of discontinued operations are presented separately in the statement of profit or loss.

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.

Leases are recognized 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.

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.

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.

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.

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 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 Share-based Payments.

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 Financial Reporting Standards	Effective date
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform – Phase 2	1 January 2021

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*
IFRS 16 (amendments) – Leases : Covid-19 related Rent Concessions beyond 30 June 2021	1 April 2021
IAS 1 (amendments)–- Presentation of Financial Statements regarding classification of liabilities as Current or Non-current	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 – Definition of 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
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

No litigation provision was recorded at 30 June 2022. The provision of $0.5 million for disputed legal success fees related to the Mr. Comberg litigation recorded at 30 June 2021 was estimated by management, making a judgement in conjunction with advice from legal counsel, on the likely outcome of the claim. $0.4 million of this provision was utilized in the year ended 30 June 2022, and the remainder released.

3.5. Capitalization of product development costs

The Group capitalizes costs for product development projects in the EV segment. The capitalization of costs is based on management's judgement that technological and economic feasibility is confirmed, and all other recognition criteria within IAS 38 can be demonstrated. In determining the amounts to be capitalized, management makes assumptions regarding the expected future cash generation, discount rates to be applied and the expected period of benefits. As of 30 June 2022, the carrying amount of capitalized development costs were $3.8million (2021: $0.5million).

3.6. Contingent consideration on disposals

Included within the assessment of recoverable value for impairment purposes of assets held for sale related to the sale of the JA Martin ex-solar business, are estimates of the contingent consideration included within the sale agreement. The contingent consideration receivable 12 months following sale, is based on a multiple of earnings before interest, tax, depreciation and amortization of the business. Fair value of contingent consideration $4.5 million applied a contracted 4.5x multiple to year 1 forecast EBITDA of $2.7 million, discounted at 10% to net present value, less purchase price paid.

3.7. 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.

3.8. Deferred tax assets

Deferred tax assets for unused tax losses amounting to $4.1 million at 30 June 2022 (30 June 2021: $1.9 million; 30 June 2020: -$0.08 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.

3.9. 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. The options lapsed during the year ended 30 June 2020.

3.10. 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.

Whilst the majority of the Aevitas exchangeable preference shares and exchangeable notes were converted into ordinary shares in VivoPower in July 2021 a minority of investors in the instruments elected to accept new Aevitas Preference Shares. The Company considered IAS 32 paragraph 16 in determining the accounting treatment and has determined the new Aevitas Preference Shares instruments should be treated as equity.

3.11. 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.

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 from continuing operations by geographic location is as follows:

(US dollars in thousands)	Year ended 30 June		
	2022	2021	2020
Australia	20,958	22,582	33,126
United States	-	-	-
Netherlands	1,490	1,393	-
United Kingdom	-	-	3
Total revenue	**22,448**	**23,975**	**33,129**

Revenue from continuing operations by product and service is as follows:

(US dollars in thousands)	Year ended 30 June		
	2022	2021	2020
Electrical products and related services	20,958	22,396	33,060
Development fees	-	185	69
Vehicle spec conversion	789	137	-
Conversion kits	301	1,219	-
Accessories	400	38	-
Total revenue	**22,448**	**23,975**	**33,129**

The Group did not have any customers representing more than 10% of revenue for the year ended 30 June 2022 (year ended 30 June 2021: none; year ended 30 June 2020: one).

4.2. Operating segments

a) Segment results of operations

Results of operations by reportable segment are as follows:

	Continuing operations						Discontinued operations	
Year Ended 30 June 2022 (US dollars in thousands)	**Critical Power Services**	**Solar Development**	**Electric Vehicles**	**Sustainable Energy Solutions**	**Corporate Office**	**Total Continuing**	**Critical Power Services**	**Total**
Revenue from contracts with customers	20,958	-	1,490	-	-	22,448	15,168	37,616
Costs of sales - other	(18,804)	-	(1,504)	-	-	(20,308)	(13,842)	(34,150)
Cost of sales – COVID-19 disruption	(1,881)	-	-	-	-	(1,881)	-	(1,881)
Gross profit	**273**	**-**	**(14)**	**-**	**-**	**259**	**1,326**	**1,585**
General and administrative expenses	(1,568)	(80)	(2,578)	(1,660)	(7,440)	(13,326)	(1,485)	(14,811)
Gain/(loss) on solar development	103	(139)	-	23	-	(13)	-	(13)
Other income	662	-	-	-	-	662	324	986
Depreciation and amortization	(1,165)	-	(443)	(3)	(9)	(1,620)	(767)	(2,387)
Operating profit/(loss)	**(1,695)**	**(219)**	**(3,035)**	**(1,640)**	**(7,449)**	**(14,038)**	**(602)**	**(14,640)**
Restructuring and other non-recurring costs	45	-	(429)	-	(59)	(443)	-	(443)
Finance expense - net	(7,470)	-	(974)	23	(10)	(8,431)	(172)	(8,603)
Profit/(loss) before income tax	**(9,120)**	**(219)**	**(4,438)**	**(1,617)**	**(7,518)**	**(22,912)**	**(774)**	**(23,686)**
Income tax	1,349	-	575	192	(148)	1,968	149	2,117
Loss for the year	**(7,771)**	**(219)**	**(3,863)**	**(1,425)**	**(7,666)**	**(20,944)**	**(625)**	**(21,569)**

	Continuing operations						Discontinued operations	
Year Ended 30 June 2021 (US dollars in thousands)	**Critical Power Services**	**Solar Development**	**Electric Vehicles**	**Sustainable Energy Solutions**	**Corporate Office**	**Total Continuing**	**Critical Power Services**	**Total**
Revenue from contracts with customers	22,396	185	1,394	-	-	23,975	16,436	40,411
Costs of sales - other	(18,322)	-	(1,292)	-	-	(19,614)	(14,470)	(34,084)
Cost of sales – COVID-19 disruption	-	-	-	-	-	-	-	-
Gross profit	**4,074**	**185**	**102**	**-**	**-**	**4,361**	**1,966**	**6,327**
General and administrative expenses	(1,522)	(1,309)	(1,923)	-	(4,897)	(9,651)	(1,482)	(11,133)
Gain/(loss) on solar development	36	733	-	-	-	769	-	769
Other income	960	-	-	-	-	960	552	1,512
Depreciation and amortization	(1,099)	(4)	(346)	-	(4)	(1,453)	(803)	(2,256)
Operating profit/(loss)	**2,449**	**(395)**	**(2,167)**	**-**	**(4,901)**	**(5,014)**	**233**	**(4,781)**
Restructuring & other non-recurring costs	(24)	-	(631)	-	(2,222)	(2,877)	(3)	(2,880)
Finance expense - net	1,824	(24)	(1)	-	(2,073)	(274)	(137)	(411)
Profit/(loss) before income tax	**4,249**	**(419)**	**(2,799)**	**-**	**(9,196)**	**(8,165)**	**93**	**(8,072)**
Income tax	(691)	96	733	-	-	138	(24)	114
Loss for the year	**3,558**	**(323)**	**(2,066)**	**-**	**(9,196)**	**(8,027)**	**69**	**(7,958)**

Year Ended 30 June 2020 (US dollars in thousands)	Continuing operations						Discontinued operations	
	Critical Power Services	Solar Development	Electric Vehicles	Sustainable Energy Solutions	Corporate Office	Total Continuing	Critical Power Services	Total
Revenue from contracts with customers	33,057	69	-	-	3	33,129	14,857	47,986
Costs of sales - other	(27,681)	(20)	-	-	-	(27,701)	(13,184)	(40,885)
Cost of sales – COVID-19 disruption	-	-	-	-	-	-	-	-
Gross profit	**5,376**	**49**	**-**	**-**	**3**	**5,428**	**1,673**	**7,101**
General and administrative expenses	(1,491)	(469)	-	-	(2,265)	(4,225)	(1,254)	(5,479)
Gain/(loss) on solar development	41	1,548	-	-	-	1,589	-	1,589
Other income	432	-	-	-	-	432	292	724
Depreciation and amortization	(899)	(45)	-	-	(3)	(947)	(819)	(1,766)
Operating profit/(loss)	**3,459**	**1,083**	**-**	**-**	**(2,265)**	**2,277**	**(108)**	**2,169**
Restructuring & other non-recurring costs	(124)	(1,296)	-	-	(1,990)	(3,410)	-	(3,410)
Finance expense - net	(1,234)	(9)	-	-	(1,704)	(2,947)	(202)	(3,149)
Profit/(loss) before income tax	**2,101**	**(222)**	**-**	**-**	**(5,959)**	**(4,080)**	**(310)**	**(4,390)**
Income tax	(14)	(728)	-	-	-	(742)	29	(713)
Loss for the year	**2,087**	**(950)**	**-**	**-**	**(5,959)**	**(4,822)**	**(281)**	**(5,103)**

b) Segment net assets

Net assets by reportable segment are as follows:

As at 30 June 2022 (US dollars in thousands)	Critical Power Services	Solar Development	Electric Vehicles	Sustainable Energy Solutions	Corporate Office	Total
Assets	30,878	22,505	14,201	1,170	903	69,657
Liabilities	(13,452)	(377)	(4,528)	(485)	(28,849)	(47,691)
Net assets/(liabilities)	**17,426**	**22,128**	**9,673**	**685**	**(27,946)**	**21,966**

As at 30 June 2021 (US dollars in thousands)	Critical Power Services	Solar Development	Electric Vehicles	Sustainable Energy Solutions	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	Sustainable Energy Solutions	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**

5. Gain/(loss) on Solar Development

	Year Ended 30 June		
(US dollars in thousands)	2022	2021	2020
VivoRex contract obligations	-	-	2,768
Australia solar projects	23	(165)	496
ISS Joint Venture - 50% share of discontinued projects	-	(6,950)	(1,675)
Gain on acquisition of remaining 50% ISV from ISS	-	7,848	-
Other gains/(losses)	(36)	36	-
Total gain/(loss) on Solar Development	**(13)**	**769**	**1,589**

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 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.

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

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.

7. Operating profit/(loss)

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

(US dollars in thousands)	Year Ended June 30		
	2022	2021	2020
Amortisation of intangible assets	850	815	546
Depreciation of property, plant and equipment	770	638	401
Auditors' remuneration – audit fees	177	163	161
Auditors' remuneration – tax services	12	12	11
Directors' emoluments	693	676	398
Loss/(gain) on disposal of solar development	13	(769)	(1,589)

8. Restructuring and other non-recurring costs

	Year Ended June 30		
(US dollars in thousands)	**2022**	**2021**	**2020**
Corporate restructuring – professional fees	189	179	1,031
Corporate restructuring – litigation provision	(128)	2,039	1,104
Project review and investigation costs	-	-	1,112
Corporate restructuring – workforce reduction	-	-	163
Relocation costs	-	27	-
Remediation - electric vehicle work	382	-	-
Acquisition related costs	-	632	-
Total	443	2,877	3,410

In the year ended 30 June 2022, the Company incurred non-recurring costs related to restructuring activities of $0.2 million and one-off remediation expenses of $0.4 million, offset by $0.1 million release of unutilized provision related to the Comberg Claims.

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.

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.

9. Staff numbers and costs

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

	Year Ended June 30		
	2022	**2021**	**2020**
Sales and Business Development	13	13	11
Central Services and Management	29	35	27
Production	212	164	171
Total	**254**	**212**	**209**

Their aggregate remuneration costs comprised:

	Year Ended 30 June		
(US dollars in thousands)	**2022**	**2021**	**2020**
Salaries, wages and incentives	15,237	14,550	13,565
Social security costs	730	795	803
Pension contributions	844	850	792
Short-term compensated absences	1,277	1,200	1,296
Total	**18,088**	**17,395**	**16,456**

Directors' emoluments for the year ended 30 June 2021 were $376,584 (year ended 30 June 2021: $675,806; year ended 30 June 2020: $536,979) of which the highest paid director received $91,029 (year ended 30 June 2020: $92,119; year ended 30 June 2020: $205,673). Director emoluments include employer social security costs.

Key Management Personnel:

	Year Ended 30 June		
(US dollars in thousands)	**2022**	**2021**	**2020**
Salaries, wages and incentives	1,578	1,949	1,009
Social security costs	151	102	79
Pension contributions	114	64	36
Equity incentives	392	244	111
Short-term compensated absences	-	2	-
Total	**2,235**	**2,361**	**1,235**

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 2022 was 10 (year ended 30 June 2021: 10; year ended 30 June 2020: 7).

10. Finance income and expense

	Year Ended 30 June		
(US dollars in thousands)	**2022**	**2021**	**2020**
Finance income			
Foreign exchange gains	173	2,176	27
Interest received	-	-	-
Total finance income	**173**	**2,176**	**27**

	Year Ended 30 June		
(US dollars in thousands)	**2022**	**2021**	**2020**
Finance expense			
Related party loan interest payable	3,351	1,986	1,653
Convertible loan notes and preference shares interest payable	217	1,228	1,185
Waived dividends and interest on convertible preference shares and loan notes	-	(995)	-
Financing agreement finance cost payable	-	-	-
Debtor invoice finance cost payable	24	7	52
Lease liabilities interest payable	133	42	44
Bank interest payable	3	-	-
Foreign exchange losses	4,709	92	-
Other finance costs	167	90	40
Total finance expense	**8,604**	**2,450**	**2,974**

11. Taxation

a) Tax charge/(credit)

(US dollars in thousands)	Year Ended 30 June 2022			Year Ended 30 June 2021			Year Ended 30 June 2020		
	Continuing	Dis-continued	Total	Continuing	Dis-continued	Total	Continuing	Dis-continued	Total
Current tax									
UK tax	(52)	-	(52)	-		-	-	-	-
Foreign tax	818	-	818	(825)	(23)	(848)	24	29	53
Total current tax	**766**	**-**	**766**	**(825)**	**(23)**	**(848)**	**24**	**29**	**53**
Deferred tax									
Current year									
UK tax	(96)	-	(96)	(51)	-	(51)	(202)	-	(202)
Foreign tax	1,297	149	1,446	1,014	-	1,014	(564)	-	(564)
Total deferred tax	**1,201**	**149**	**1,350**	**963**	**-**	**963**	**(766)**	**-**	**(766)**
Total income tax	**1,968**	**149**	**2,117**	**138**	**(23)**	**115**	**(742)**	**29**	**(713)**

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 2022	2021	2020
Loss before income tax	(22,912)	(8,165)	(4,080)
Group weighted average corporation tax rate	26.6%	22.2%	24.6%
Tax at standard rate	6,095	1,813	1,004
Effects of:			
Expenses that are not deductible for tax purposes	-	(833)	(106)
Adjustment to prior year tax provisions	-	137	-
Deferred tax assets not recognised on tax losses	(4,127)	(979)	(1,640)
Total income tax for the period Recognised in the Consolidated Statement of Comprehensive Income/(Loss)	1,978	138	(742)

b) Deferred tax

	As at 30 June		
(US dollars in thousands)	**2022**	**2021**	**2020**
Deferred tax assets	4,668	2,495	1,347
Deferred tax liabilities	(1,234)	(411)	-
Net deferred tax asset	**3,434**	**2,084**	**1,347**

These assets and liabilities are analysed as follows:

Deferred tax assets	**Tax losses**	**Other timing differences**	**Total**
30 June 2019	1,005	1,108	2,113
Credit to comprehensive income	(191)	(575)	(766)
30 June 2020	814	533	1,347
Charged to comprehensive income	776	109	885
Acquisitions	263	-	263
30 June 2021	1,853	642	2,495
Credit to comprehensive income	2,227	(54)	2,172
30 June 2022	4,080	588	4,667

Deferred tax liabilities	**Accelerated allowances**	**Other timing differences**	**Total**
30 June 2020	-	-	-
Credit to comprehensive income	-	78	78
Acquisition of subsidiary (Note 12)	-	(489)	(489)
30 June 2021	-	(411)	(411)
Credit to comprehensive income	-	(823)	(823)
30 June 2022	-	(1,234)	(1,234)

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	991	
Capitalised project development expenses (Note 14b)	12,248	
		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 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	-	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**
Additions	(41)	(154)	(146)	(10)	(214)	(565)
Acquisitions	28	184	343	209	2,470	3,234
Disposals	0	(150)	(48)	-	(53)	(251)
Reclass to assets held for sale	(231)	(1,015)	(320)	(74)	(1,295)	(2,935)
At 30 June 2022	**318**	**433**	**1,440**	**247**	**3,599**	**6,037**

US dollars in thousands)	Computer Equipment	Motor Vehicles	Plant and Equipment	Fittings and Equipment	Right-of-Use Assets	Total
Depreciation						
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**
Foreign exchange	(33)	(95)	(93)	(6)	(167)	(394)
Charge for the period (including discontinued operations)	69	186	179	22	752	1,208
Disposals	-	(131)	(9)	-	(53)	(193)
Reclass to assets held for sale	(197)	(719)	(232)	(43)	(1,115)	(2,306)
At 30 June 2022	**238**	**211**	**717**	**29**	**1,099**	**2,294**

(US dollars in thousands)	Computer Equipment	Motor Vehicles	Plant & Equipment	Fittings & Equipment	Right-of-Use Assets	Total
Net book value						
At 30 June 2020	103	527	485	109	1,262	2,486
At 30 June 2021	163	598	739	66	1,009	2,575
At 30 June 2022	80	222	723	218	2,500	3,743

The non-solar segment of Kenshaw Solar (formerly J.A. Martin Electrical PTY Limited) was sold on 01 July 2022 and is reported in the current period as a discontinued operation. Revenues relating to the discontinued operation for the period amounted to $15.2 million (30 June 2021: $15.2 million; 30 June 2020: $14.9 million). The total expenses amounted to $14.4 million (30 June 2021: $17.6 million; 30 June 2020: $16.9 million).

14. Intangible assets

	As at 30 June		
(US dollars in thousands)	**2022**	**2021**	**2020**
Goodwill	18,269	25,794	21,919
Other intangible assets	21,812	21,655	7,930
Total	40,081	47,449	29,849

a) Goodwill

	As at 30 June		
(US dollars in thousands)	**2022**	**2021**	**2020**
As at 1 July	25,794	21,919	22,387
Reclass held for sale assets	(5,289)	-	-
Goodwill on acquisition of Tembo	-	1,698	-
Foreign exchange	(2,236)	2,177	(468)
Carrying value	18,269	25,794	21,919

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

	As at 30 June		
(US dollars in thousands)	**2022**	**2021**	**2020**
Aevitas O Holdings Pty Ltd (allocated to the Critical Power Services segment)	7,222	13,658	12,483
VivoPower Pty Ltd (allocated to the Solar Development segment)	9,451	10,319	9,436
Tembo (allocated to the Electric Vehicle segment)	1,595	1,817	-
Total	18,269	25,794	21,919

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 (being Critical Power Services) 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 11% (June 30, 2021: 10%; June 30, 2020: 10.6%) and annual growth rate of 3% per annum.

The solar element of the CGU represented by VivoPower Pty Ltd goodwill 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 11.3% (June 30, 2021: 10.7%), an average annual growth rate in years 1-5 of 72% during the rapid growth phase of the business, with the assumption that an average of 50% of electric light vehicles sold by the Company in fleet sizes over 50 vehicles will be sold with an additional sustainable energy solution.

The CGU represented by Tembo e-LV and subsidiaries was assessed to have a value in excess of its carrying value. Key assumptions used in the assessment of impairment were discount rate based on the weighted average cost of capital of 11% and average annual growth rate of 280% per annum in years 1-5. Growth rates reflect commencement of planned series production at volume during the 5 year period, as the product development project is completed for the current variant, to meet customer demand per sales agreements of over 6,609 units with major international distribution partners, including Acces, Bodiz and GHH. No sensitivity analysis is provided as the Company expects no foreseeable changes in the assumptions that would result in impairment of the goodwill.

The CGU represented by Caret LLC solar projects was assessed to have a value in excess of its carrying value and hence no adjustments to capitalized development costs were considered necessary. Key assumptions used in the assessment of impairment were weighted average cost of capital of 11.2%, $2.3 million free cash flow from project sales in years 1-4, 26% retained equity interest post spin off deal, resulting in first post funding round free cash flow in year 5; 3% growth beyond year 5.

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 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	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**
Foreign exchange	(542)	(271)	(376)	-	(63)	(13)	(1,265)
Additions	-	-	-	878	3,355	19	4,252
Disposals	-	(9)	-	-	-	-	(9)
Reclass to Assets held for sale	(2,687)	(1,385)	-	-	-	-	(4,072)
At 30 June 2022	**2,552**	**1,363**	**4,108**	**13,126**	**3,805**	**175**	**25,129**

(US dollars in thousands)	Customer Relationships	Trade Names	Favourable Supply Contracts	Solar Projects	Product development	Other Intangible Assets	Total Intangible Assets
Amortisation							
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**
Foreign exchange	(208)	(79)	(115)	-	(2)	(13)	(417)
Amortisation	405	181	274	-	(10)	-	850
Disposals	-	-	-	-	10	-	10
Reclass to Assets held for sale	(1,232)	(462)	-	-	-	-	(1,694)
At 30 June 2022	**1,123**	**495**	**1,527**	**-**	**16**	**156**	**3,317**

(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 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
At 30 June 2022	**1,429**	**868**	**2,581**	**13,126**	**3,789**	**19**	**21,812**

Customer relationships, trade names and favourable supply contracts have an average remaining period of amortisation of 8 years, 11 years and 11 years respectively. Solar projects and electric vehicle product development costs are incomplete and not generating revenue and therefore are not amortized in FY2022.

Additions in the year comprise $3.4 million electric vehicle product development costs in Tembo and $0.9 million of solar project development costs in Caret LLC. $2.1 million net book value of customer relationship and trade name intangible assets of Kenshaw Solar ex-solar business sold to ARA in July 2022, was reclassified out of intangible assets into assets held for sale as at 30 June 2022.

15. Investment in subsidiaries

The principal operating undertakings in which the Group's interest at 30 June 2022 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	100%	
Caret Decimal, 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	100%	
Aevitas Holdings Pty Ltd	100%	
Electrical Engineering Group Pty Limited	100%	
Tembo EV Australia Pty Ltd.	100%	
Kenshaw Solar Pty Ltd (formerly J.A. Martin Electrical Pty Limited)	100%	
Kenshaw Electrical Pty Limited	100%	
VivoPower International IMEA DMCC	100%	Unit No: 4522, DMCC Business Centre, Level No 1, Jewellery & Gemplex 3, Dubai, United Arab Emirates
VivoPower Philippines Inc.	64%	Unit 10A, Net Lima Building, 5th Avenue cor. 26th Street, E-Square Zone,
VivoPower RE Solutions Inc.	64%	
V.V.P. Holdings Inc. *	40%	

Subsidiary undertakings	Percentage of ordinary shares held	Registered address
		Crescent Park West, Bonifacio Global City, Taguig, Metro Manila
Tembo e-LV B.V.	100%	Marinus van Meelweg 20, 5657 EN, Eindhoven, Netherlands
Tembo 4x4 e-LV B.V.	100%	
FD 4x4 Centre B.V.	100%	

* 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 2022	2021	2020
Caret, LLC (formerly Innovative Solar Ventures I, LLC)	50%	-	-	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 fIr the ISS Joint Venture. To 29 June 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.

Reconciliation of the ISS Joint Venture investment is as follows:

	As at 30 June		
(US dollars in thousands)	**2022**	**2021**	**2020**
Capital commitment	-	-	15,044
Commission credit	-	-	(770)
Discontinued projects	-	-	(2,079)
Acquisition costs	-	-	110
Total	-	-	12,305

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:

	As at 30 June		
(US dollars in thousands)	**2022**	**2021**	**2020**
Assets classified as held for sale	-	-	4,080
Investments accounted for using the equity method	-	-	8,225
Total	-	-	12,305

The table below provides summarized 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 summarized financial information for the ISS Joint Venture does not represent the Company's share of those amounts.

	As at 30 June		
(US dollars in thousands)	**2022**	**2021**	**2020**
Current assets	-	-	2
Non-current assets	-	-	23,277
Total	-	-	23,279

Reconciliation to carrying amounts of the ISS Joint Venture:

	As at 30 June		
(US dollars in thousands)	**2022**	**2021**	**2020**
Opening net assets	-	24,390	28,294
Commission credit	-	-	(1,546)
Commission credit on abandonments	-	-	144
Sundry income	-	-	90
Project swaps	-	-	-
Abandoned projects	-	(13,900)	(2,592)
Acquisition of controlling interest	-	(10,490)	-
Net assets	-	-	24,390
VivoPower share in %	N/A	N/A	50%
VivoPower share in $ (excluding funding obligation)	-	-	12,195
Commission credit	-	-	-
Acquisition costs	-	-	110
Net Assets	-	-	12,305

17. Cash and cash equivalents

	As at 30 June		
(US dollars in thousands)	**2022**	**2021**	**2020**
Cash at bank and in hand	**1,285**	**8,604**	**2,824**

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

	As at 30 June		
(US dollars in thousands)	**2022**	**2021**	**2020**
A+	171	5,423	-
A	-	-	-
A-	2	2	554
AA-	1,112	3,179	2,270
Total	**1,285**	**8,604**	**2,824**

18. Restricted cash

	As at 30 June		
(US dollars in thousands)	**2022**	**2021**	**2020**
Bank guarantee security deposit	1,195	1,140	1,013
Preferred supplier agreement escrow	-	-	-
Total	**1,195**	**1,140**	**1,013**

At 30 June 2022, there is a total of $1.2 million (30 June 2021, $1.1 million; 30 June 2020, $1.0 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

	As at June 30		
(US dollars in thousands)	**2022**	**2021**	**2020**
Current receivables			
Trade receivables	3,866	4,959	3,112
Contract assets	694	2,723	3,382
Prepayments	787	2,837	432
Other receivables	3,507	2,011	5,475
Current tax receivable	182	182	155
Total	**9,036**	**12,712**	**12,556**

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:

	As at June 30		
(US dollars in thousands)	**2022**	**2021**	**2020**
Trade and other receivables	3,866	4,959	3,119
Less: credit note provision	-	-	(7)
Total	**3,866**	**4,959**	**3,112**

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

	As at June 30		
(US dollars in thousands)	**2022**	**2021**	**2020**
Australia	2,684	4,349	3,112
Netherlands	1,181	610	-
Total	**3,866**	**4,959**	**3,112**

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

	As at June 30		
(US dollars in thousands)	**2022**	**2021**	**2020**
0-90 days	3,306	4,918	3,055
Greater than 90 days	560	41	57
Total	**3,866**	**4,959**	**3,112**

20. Inventory

	As at June 30		
(US dollars in thousands)	**2022**	**2021**	**2020**
Raw materials	1,435	1,537	-
Total	**1,435**	**1,537**	**-**

21. Assets classified as held for sale

	%	As at 30 June		
(US dollars in thousands)	**Owned**	**2022**	**2021**	**2020**
Caret, LLC (formerly Innovative Solar Ventures I, LLC)	50%	-	-	4,080
Kenshaw Solar Pty Ltd (formerly J.A. Martin Electrical Pty Limited)	100%	8,214	-	-
Total		**8,214**	**-**	**4,080**

The ex-solar operations of Kenshaw Solar (formerly J.A. Martin Electrical PTY Limited) were sold to ARA Electrical Engineering Services Pty Limited on 01 July 2022. As disclosed in note 22, the assets and liabilities of the disposed operation meet the definition of discontinued operation under IFRS 5. Accordingly assets and liabilities of the discontinued operation have been reclassified to assets and liabilities held for sale. As detailed in note 22, assets held for sale of $8.2 million as at 30 June 2022 comprise goodwill $5.3 million, intangible assets $2.1 million, property, plant and equipment $0.6 million and trade and other receivables $0.2 million.

The Company's portfolio of U.S. solar projects was held through 50% ownership in the ISS Joint Venture until 29 June 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.

22. Discontinued operations

On 01 July 2022, the ex-solar operations of J.A. Martin Electrical Pty Limited were sold to ARA Electrical Engineering Services Pty Limited. As the intention to sell and process to locate a buyer for the business was initiated prior to 30 June 2022, but the sale only became definitive on 01 July 2022, the results of the non-solar segment business of J.A.Martin Electrical Pty Limited are reported in the current period as a discontinued operation, and also adjusted in comparative periods. The associated assets and liabilities of the discontinued operation are presented as held for sale within current assets (see note 21) and current liabilities as at 30 June 2022.

Financial information relating to the discontinued operation for the period to the date of disposal is set out below:

Financial performance and cash flow information

The financial performance and cash flow information presented are for the years ended 30 June 2022, 2021 and 2020:

	As at 30 June		
(US dollars in thousands)	**2022**	**2021**	**2020**
Revenues	15,168	16,436	14,857
Other income	324	552	292
Expenses	(16,266)	(16,895)	(15,459)
Profit before income tax	(774)	92	(310)
Income tax expense	149	(23)	29
Loss from discontinued operations	(625)	69	(281)
Net cash inflow/(outflow) from operating activities	(625)	69	(281)
Net cash inflow/(outflow) from investing activities	-	-	-
Net cash inflow/(outflow) from financing activities	-	-	-
Net increase in cash generated by subsidiary	(625)	69	(281)

Assets and liabilities of disposal group classified as held for sale

The following assets and liabilities were reclassified as held for sale in relation to the discontinued operation as at 30 June 2022:

(US dollars in thousands)	2022	2021
Assets classified as held for sale		
Trade and other receivables	239	-
Property, plant and equipment	629	-
Goodwill	5,289	-
Intangible assets	2,056	-
Total assets of disposal group classified as held for sale	8,214	-
Liabilities directly associated with assets classified as held for sale		
Trade and other payables	91	-
Provisions - current	1,126	-
Lease liabilities - current	157	-
Provisions - non-current	74	-
Lease liabilities - non-current	49	-
Total liabilities of disposal group classified as held for sale	1,497	-

	USD 000	AUD 000
Consideration received or receivable		
Cash	2,623	3,807
Fair value of contingent consideration	4,472	6,490
Less costs to sell	(345)	(500)
Total disposal consideration	6,750	9,797
Estimated carrying amount of net assets sold	6,716	9,747
Gain on sale	34	50

Disposal consideration $6.8 million comprised cash purchase price $3.4 million (A$5.0 million) less working capital adjustment $0.8 million (A$1.2 million). Fair value of contingent consideration $4.5 million applied a contracted 4.5x multiple to year 1 forecast EBITDA of $2.7 million, discounted at 10% to net present value, less purchase price paid. Costs to sell comprised advisory fees of $0.3 million. Net book value of net assets sold was $6.7 million, resulting in gain on disposal of $0.03 million.

23. Trade and other payables

	As at 30 June		
(US dollars in thousands)	2022	2021	2020
Trade payables	5,685	4,325	4,807
Accruals	3,978	648	370
Related party payable	477	-	504
Payroll liabilities	2,210	1,413	1,383
Sales tax payable	949	624	496
Contract liabilities	974	1,129	6,013
Other creditors	833	778	1,822
Total	15,106	8,917	15,395

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 $1.1 million deferred income balance at June 30, 2021, $0.9 million was recognized as revenue in the year ended June 30, 2022. The $6.0 million of the contract liabilities balances at June 30, 2020, was fully recognized as revenue in the year ended June 30, 2021. It is expected that the total $1.0 million deferred income balance as at June 30, 2022, will be included in revenue in the year ended June 30, 2023.

24. Provisions

	As at 30 June		
(US dollars in thousands)	**2022**	**2021**	**2020**
Current provisions			
Employee entitlements	635	1,802	1,561
Litigation	-	485	1,104
Warranty	116	209	232
Remediation	353	306	-
Total current provisions	1,104	2,802	2,897
Non-current provisions			
Employee entitlements	57	165	169
Total non-current provision	57	165	169
Total provisions	1,161	2,967	3,066

Employee entitlements include long term leave and vacation provisions. $1.13 million current provisions and $0.07 million long term provisions relating to discontinued ex-solar JA Martin operations were reclassified to liabilities held for sale in current liabilities, as at 30 June 2022.

Of the $0.5 million provision for disputed legal success fees recorded at 30 June 2021 in relation to litigation of the Company's former Chief Executive Officer, Mr. Comberg, for alleged breach of contract, $0.4 million was utilized in the year, whilst $0.1 million remained unused and was reversed in the year.

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 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**
Foreign exchange	(165)	-	(37)	-	-	(18)	(221)
Additional provisions	1,312	-	84	-		103	1,500
Reverse unused provisions	(35)	-	-	-	(100)	(142)	(277)
Disposals and transfers to AHFS	(1,200)	-	-	-	-	-	(1,200)
Unwinding of discount	6	-	-	-	-	-	6
Provisions utilised	(1,192)	-	-	-	(385)	(37)	(1,614)
At 30 June 2022	**692**	-	**353**	-	-	**116**	**1,161**

25. Loans and borrowings

(US dollars in thousands)	As at 30 June 2022	2021	2020
Current liabilities			
Debtor invoice financing	-	-	508
Lease liabilities	505	669	641
Shareholder loans	4,285	-	-
Chattel mortgage	142	88	51
Project financing agreement	-	59	-
Bank loan	145	152	66
Other borrowings	32	36	46
Total current liabilities	**5,109**	**1,004**	**1,312**
Non-current liabilities			
Lease liabilities	1,959	326	714
Shareholder loan	21,121	21,175	23,401
Chattel mortgage	264	244	249
Project financing agreement	108	183	-
Bank loan	-	159	278
Total non-current liabilities	**23,452**	**22,087**	**24,642**
Total liabilities	**28,561**	**23,091**	**25,954**

On 30 June 2021, the Company agreed a refinancing of its existing $21.1 million shareholder loan with AWN, with repayment of principal from 1 January 2023 in sixty monthly instalments of $0.35 million to loan maturity on 31 December 2027. The interest rate and line fee was agreed at 8% and 0.8% respectively, but no interest or line fee settlements were required until after a corporate liquidity event had occurred. In addition, the Company agreed to cash settle a refinancing fee of approximately $0.34 million in two tranches on 30 June 2022 and 31 December 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.

On 30 June 2022 further amendments to the loan were agreed with AWN, (i) to defer repayment of principal to commence on 01 October 2023, with repayments over 60 months to 30 September 2028, (ii) to defer interest payments from 01 October 2021, becoming due and payable on the earlier of a) completion by VivoPower of a debt or equity raise of at least US$25 million, and b) 01 October 2023.

During the period from 01 October 2021 to the earlier of a) 30 September 2023 or b) the date a minimum Prepayment of US$1,000,000 is made, the interest rate and line fee will increase to 10.00% and 2.00% per annum respectively. The previous refinancing fee of $0.34 million remains accruing but becomes payable at the earlier of a) US$1.0 million prepayment being made or b) 01 October 2023.A new facility extension fee of $0.355 million was agreed with AWN, to accrue immediately but becoming payable on 01 October 2023.

In December 2021, a short term loan of $1.1 million (A$1.5 million) was provided from AWN to Aevitas O Holdings Pty Limited at an interest rate of 10.0%, increasing to 12.5% from 01 January 2022. The term of the loan was initially set as 30 April 2022, then extended to the earlier of 01 October 2023 or the completion by VivoPower International PLC of a debt or equity raise of at least US$25 million. A facility extension fee of $29,000 (A$40,000) is payable on 01 October 2023.

A short term $3.0 million loan was provided from AWN Holdings to Aevitas O Holdings Pty Limited on 22 February 2022, with interest rate of 10.00% per annum payable on the principal sum upon maturity. The initial expiry date of 13 May 2022 was extended to the earlier of a) 01 October 2023 or the b) completion by VivoPower International PLC of a debt or equity raise of at least US$25 million. A new facility extension fee of US$85,000 was also agreed to accrue immediately, but payable on 01 October 2023.

Lease liabilities have increased by $1.5 million in the year to $2.5 million, following $1.0 million capitalization of a new leased right-of-use asset in December 2021 in Kenshaw Electrical Pty Ltd, on relocation to a new larger facility in Newcastle, New South Wales, and $1.0 million in May 2022 due to the relocation of Tembo operations to a new larger facility in Eindhoven, offset by lease payments in the year and transfer of $0.2 million of lease liabilities to liabilities held for sale following announcement of the sale of the ex-solar business of Kenshaw Solar to ARA.

Depreciation expense on right-of-use assets and interest expense on associated lease liabilities for the year ended 30 June 2022 amounting to $0.8 million and $0.1 million respectively, are recognized in the Consolidated Statement of Comprehensive Income. Total lease payments for the year ended 30 June 2022 amounted to $0.4 million.

The obligations under lease liabilities are as follows:

	Minimum lease Payments As at 30 June			**Present value of minimum lease payments As at 30 June**		
	2022	**2021**	**2020**	**2022**	**2021**	**2020**
Amounts payable under lease liabilities:						
Less than one year	546	683	695	444	669	641
Later than one year but not more than five	2,546	379	759	2,020	326	714
	3,091	1,062	1,454	2,464	995	1,355
Future finance charges	(627)	(67)	(99)	-	-	-
Total lease obligations	**2,464**	995	1,355	**2,464**	995	1,355

26. Called up share capital

	As at 30 June		
(US dollars in thousands)	**2022**	**2021**	**2020**
Allotted, called up and fully paid			
Ordinary shares of $0.012 each	$255,819	$222,074	$162,689
Number allotted	21,318,118	18,506,064	13,557,376
Ordinary shares of $0.012 each	$255,819	$222,074	$162,689

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

Movements in ordinary shares:

	Shares No.	Par value USD 000	Share premium USD 000	Total USD 000
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**
Conversion of equity instruments[5]	2,005,190	24	20,442	20,466
Capital raises[1]	82,644	1	243	244
Other share issuances[6]	42,000	1	217	218
Employee share scheme issues[3]	682,220	8	2,287	2,295
At 30 June 2022	**21,318,118**	**256**	**99,418**	**99,674**

1. During the year ended 30 June 2021, 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. In the year ended 30 June 2022, a further 82,644 ordinary shares were issued under the same registration statement.
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. During the year ended 30 June 2022, 682,220 shares (year ended 30 June 2021: 792,126 shares) were issued were issued to employees and directors of the Company and consultants to the Company under the Omnibus Incentive Plan.
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.
5. 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 entities owned by AWN Holdings Limited, the Company's largest individual shareholder.
6. During the year ended 30 June 2022, 42,000 restricted shares were issued to corporate advisors in exchange for investor relations services.

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 27). Share premium has also been recorded in respect of the share capital related to employee share awards.

27. 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 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	(2,998)	2,998	-	-	-	-	-	-	-	-
Interest on equity instruments	114	185	-	-	-	-	-	-	-	299
Equity instruments payments	(3,317)	(123)	-	-	-	-	-	-	-	(3,440)
Conversion to ordinary shares	(20,466)	-	20,466	-	-	-	-	-	-	-
Capital raising costs	-	-	-	(2,804)	-	-	-	-	-	(2,804)
Share issuance costs	-	-	-	(15)	-	-	-	-	-	(15)
Equity incentives cost less	-	-	-	-	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**
Issuance of shares	-	-	(20,466)	-	-	-	-	-	-	(20,466)
Share issuance costs	-	-	-	-	-	(1,879)	-	-	-	(1,879)
Capital raising costs	-	-	-	(122)		-	-	-	-	(122)
Equity incentives cost less	-	-	-	-	1,318	-	-	-	-	1,318
Other movements	-	-	-	-	-	-	-	-	(283)	(283)
At 30 June 2022	**-**	**3,270**	**-**	**(8,950)**	**2,740**	**(2,850)**	**-**	**-**	**(328)**	**(6,118)**

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 31 August 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 31 August 2020, had earned $26,708 interest on the convertible loan note in the year ended 20 June 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. During the year ended 30 June 2021, $20.5 million was recognized 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 21 July 2021.
3. The $0.1 million of transaction costs incurred in the year ended 30 June 2022 (year ended 30 June 2021: $2.8 million) relate primarily to capital raises on Nasdaq.
4. During the year ended 30 June 2022, $1.9 million was expensed towards share incentive awards to employees, directors, and consultants of the Company under the Omnibus Incentive Plan (year ended 30 June 2021: $1.4 million). Amounts are expensed at the award grant price over the vesting period, adjusted for actual quantities upon vesting. Of the expenses recorded, $1.9 million of shares were delivered to participants (year ended 30 June 2021: $1.0 million).

During the years ended 30 June 2021 and 30 June 2022, the following awards under the Incentive Plan have been granted, and have vested or forfeit:

	Number of RSUs, PSUs and BSAs (thousands)	$'000 Weighted average grant date fair value
Outstanding at 30 June 2020	812	662
Granted	184	1,621
Vested	(535)	(1,095)
Forfeit	-	-
Outstanding at 30 June 2021	462	$1,188
Granted	527	1,367
Vested	(612)	(1,460)
Forfeit	(98)	(233)
Outstanding at 30 June 2022	279	862

28. Earnings / (loss) per share

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

	As at 30 June		
(US dollars in thousands)	**2022**	**2021**	**2020**
Loss for the year/period attributable to equity owners	(21,569)	(7,571)	(5,103)
Weighted average number of shares in issue ('000s)	20,722	16,307	13,557
Basic loss per share (dollars)	(1.04)	(0.49)	(0.38)
Diluted loss per share (dollars)	(1.04)	(0.49)	(0.38)

29. Pensions

The Company's principal pension plan comprises the compulsory superannuation scheme in Australia, where the Company contributes 10% during the year, and for FY2023, the Company will contribute 10.5%. A pension scheme is also in place for U.K. employees, where the Company contributes 7% (year ended 30 June 2021: 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 $0.9 million (year ended 30 June 2021: $0.79 million; year ended 30 June 2020: $0.79 million).

30. Financial instruments

	As at 30 June		
(US dollars in thousands)	**2022**	**2021**	**2020**
Financial assets at amortised cost			
Trade and other receivables	7,373	6,970	8,587
Cash and cash equivalents	1,285	8,604	2,824
Restricted cash	1,195	1,140	1,013
Total	9,853	16,714	12,424
Financial liabilities at amortised cost			
Loans and borrowings	28,561	23,091	25,954
Trade and other payables	10,973	5,751	7,504
Total	39,534	28,842	33,458

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 liquidity risk is effectively managed and mitigated. The Group held unrestricted cash resources of $1.3 million at 30 June 2022 (30 June 2021: $8.6 million; 30 June 2020: $2.8m). The ratio of current assets to current liabilities at 30 June 2022 is 0.92 (30 June 2021: 1.79; 30 June 2020: 1.04).

The Group maintained a A$2.1 million debtor finance facility to support its working capital requirements in JA Martin, of which nil was drawn at 30 June 2022 (30 June 2021: nil; 30 June 2020: $0.5 million). Following sale of ex-solar JA Martin operations on 01 July 2022, the JA Martin debtor finance facility was cancelled, but indicative terms for a new facility with a limit of A$2.5 million and variable interest rate that is currently 7.75% have been received by Kenshaw, as well as a trade finance facility of $0.5 million.

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 2022 (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)	10,973	10,973	-	-	-
Borrowings	26,097	4,604	11,283	10,211	-
Lease liabilities	2,464	506	846	1,112	-
Total	**39,534**	**16,083**	**12,129**	**11,323**	**-**

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**	**-**

(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 2022:

- Cash and cash equivalents $0.8 million denominated in AUD, $0.3 million denominated in EUR and $0.1 million denominated in GBP.
- Restricted cash $1.2 million denominated in AUD.
- Trade and other receivables $5.7 million denominated in AUD, $2.1 million denominated in EUR and $1.0 million denominated in GBP.
- Trade and other payables $7.5 million denominated in AUD, $1.8 million in EUR and $0.6 million in GBP.
- Borrowings $2.0 million denominated in AUD and $1.1 in EUR.
- Provisions $0.8 million denominated in AUD and $0.4 million in EUR.

The non-current shareholder loan of $21.1 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.

31. Related party transactions

AWN is not the ultimate controlling party of VivoPower, but retains a significant influence. As at 30 June 2022, AWN held a 47.5% equity interest in the Company, reducing to $42.8% following the shelf issuance in July 2022.

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.

On 30 June 2021, the Company agreed a refinancing of its existing $21.1 million shareholder loan with AWN, with repayment of principal from 1 January 2023 in sixty monthly instalments of $0.35 million to loan maturity on 31 December 2027. The interest rate and line fee was agreed at 8% and 0.8% respectively, but no interest or line fee settlements were required until after a corporate liquidity event had occurred. In addition, the Company agreed to cash settle a refinancing fee of approximately $0.34 million in two tranches on 30 June 2022 and 31 December 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.

On 30 June 2022 further amendments to the loan were agreed with AWN, (i) to defer repayment of principal to commence on 01 October 2023, with repayments over 60 months to 30 September 2028, (ii) to defer interest payments from 01 October 2021, becoming due and payable on the earlier of a) completion by VivoPower of a debt or equity raise of at least US$25 million, and b) 01 October 2023.

During the period from 01 October 2021 to the earlier of a) 30 September 2023 or b) the date a minimum Prepayment of US$1,000,000 is made, the interest rate and line fee will increase to 10.00% and 2.00% per annum respectively. The previous refinancing fee of $0.34 million remains accruing but becomes payable at the earlier of a) US$1.0 million prepayment being made or b) 01 October 2023.A new facility extension fee of $0.355 million was agreed with AWN, to accrue immediately but becoming payable on 01 October 2023.

In December 2021, a short-term loan of $1.1 million (A$1.5 million) was provided from AWN to Aevitas O Holdings Pty Limited at an interest rate of 10.0%, increasing to 12.5% from 01 January 2022. The term of the loan was initially set as 30 April 2022, then extended to the earlier of 01 October 2023 or the completion by VivoPower International PLC of a debt or equity raise of at least US$25 million. A facility extension fee of $29,000 (A$40,000) is payable on 01 October 2023.

A short term $3.0 million loan was provided from AWN Holdings to Aevitas O Holdings Pty Limited on 22 February 2022, with interest rate of 10.00% per annum payable on the principal sum upon maturity. The initial expiry date of 13 May 2022 was extended to the earlier of a) 01 October 2023 or the b) completion by VivoPower International PLC of a debt or equity raise of at least US$25 million. A new facility extension fee of US$85,000 was also agreed to accrue immediately, but payable on 01 October 2023.

Michael Hui, non-executive director of VivoPower International PLC, is also an employee and director of AWN. During the year ended 30 June 2022, Mr. Hui invoiced the Company $50,000 for director fees. At 30 June 2022, the Company had an account payable of $8,333 in respect of these services. Furthermore annual 3,500 RSUs ($2,625) and 8,124 quarterly PSUs ($6,093) 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 2022, $343,806 was recharged to the Company (year ended 30 June 2021: $1,028,096). At 30 June 2022, the Company has a payable to AWN in respect of recharges of $313,688 (30 June 2021: $4,345; 30 June 2020: $202,024).

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 with 4,697 Aevitas Preference Shares of face value A$46,970. The Panaga Group Trust earned $2,729 ($1,880) dividends on the Aevitas Preference Shares during the year ended 30 June 2022.

Chief Executive fees for Kevin Chin in the amounts of $434,969 and training annual allowance of $51,388 were charged to the Company by Arowana International U.K. Limited (“AWE”) during the year ended 30 June 2022.

On 01 July 2020, Arowana International U.K. 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 years ended 30 June 2021 and 2022.

Chairman's fees for Kevin Chin in the amounts of $91,029 were charged to the Company by Arowana Partners Group Pty Ltd ("APG") in the current year. A further $219,608 costs incurred by APG on behalf of the Company were recharged to the Company in the year. At 30 June 2022, the Company had an account payable of $163,263 in respect of these services. Mr. Chin is a shareholder and director of Arowana Partners Group Pty Ltd during the year ended 30 June 2022.

Annual 17,740 RSUs ($13,080) and 40,479 quarterly PSUs ($30,359) and 70,000 ($229,600) RSUs related to short term incentive compensation for the year ended 30 June 2021, vested to APG for Mr. Chin as Chief Executive in the current year.

On 26 November 2021, APG provided a loan of $0.37 million to Caret LLC, to provide working capital assistance. The loan incurred interest during the year of $22,895 at 8% plus a 2% facility fee, plus a one-off establishment fee of $7,400. The loan plus interest were repaid in August 2022.

32. Subsequent events

On 01 July 2022, the ex-solar operations of Kenshaw Solar (formerly J.A. Martin Electrical PTY Limited) were sold to ARA Electrical Engineering Services Pty Limited. Disposal consideration $6.8 million comprised cash purchase price $3.4 million (A$5.0 million) less working capital adjustment $0.8 million (A$1.2 million). Fair value of contingent consideration $4.5 million applied a contracted 4.5x multiple to year 1 forecast EBITDA of $2.7 million, discounted at 10% to net present value, less purchase price paid. Costs to sell comprised advisory fees of $0.3 million. Net book value of net assets sold was $6.7 million, resulting in gain on disposal of $0.03 million.

On 29 July 2022, the Company entered into a Securities Purchase Agreement to issue and sell, in a registered direct offering directly to an investor, (i) an aggregate of 2,300,000 ordinary shares (the "Shares"), nominal value $0.012 per share, at an offering price of $1.30 per share and (ii) an aggregate of 1,930,770 pre-funded warrants exercisable for Ordinary Shares at an offering price of $1.2999 per Pre-Funded Warrant, for gross proceeds of approximately $5.5 million before deducting the placement agent fee and related offering expenses.

The Pre-Funded Warrants were sold to the Investor whose purchase of Ordinary Shares in the Registered Offering would otherwise result in the Investor, together with its affiliates and certain related parties, beneficially owning more than 4.99% of the Company's outstanding Ordinary Shares immediately following the consummation of the Registered Offering, in lieu of Ordinary Shares. Each Pre-Funded Warrant represents the right to purchase one Ordinary Share at an exercise price of $0.0001 per share. The Pre-Funded Warrants are exercisable immediately and may be exercised at any time until the Pre-Funded Warrants are exercised in full.

In a concurrent private placement, we agreed to issue to the investor, Series A Warrants exercisable for an aggregate of 4,230,770 Ordinary Shares at an exercise price of $1.30 per share. Each Series A Warrant will be exercisable on February 2, 2023 and will expire on February 2, 2028. The Series A Warrants and the Ordinary Shares issuable upon the exercise of the Series A Warrants were offered pursuant to the exemption provided in Section 4(a)(2) under the Securities Act of 1933, as amended (the "Securities Act"), and Rule 506(b) promulgated thereunder.

33. 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.

34. Ultimate controlling party

As at 30 June 2022, AWN held a 47.5% equity interest in the Company, reducing to 42.8% following the shelf issuance in July 2022. Since 30 June 2021, the Company no longer has an ultimate controlling party.

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
Caret, LLC	United States
Caret Decimal, LLC	United States
Tembo EV Australia Pty Ltd	Australia
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
Kenshaw Solar Pty Ltd (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
VivoPower International IMEA DMCC	United Arab Emirates

VivoPower International PLC for the year ended 30 June 2022

Company Statement of Financial Position

		30 June		
(US dollars in thousands)	**Note**	**2022**	**2021**	**2020**
ASSETS				
Non-current assets				
Deferred tax assets		-	-	-
Investments	37	14,513	14,513	7,388
Intercompany loan receivable		-	-	24,850
Total non-current assets		**14,513**	**14,513**	**32,238**
Current assets				
Cash and cash equivalents		9	5,256	306
Other receivables	38	54,642	51,357	16,534
Total current assets		**54,651**	**56,613**	**16,840**
TOTAL ASSETS		**69,164**	**71,126**	**49,078**
EQUITY AND LIABILITIES				
Current liabilities				
Trade and other payables	39	2,350	1,786	3,750
Provisions	40	-	485	1,104
Total current liabilities		**2,350**	**2,271**	**4,854**
Equity				
Share capital	41	256	222	163
Share premium	41	99,418	76,229	40,215
Other reserves	42	(9,061)	12,087	19,185
Retained deficit		(23,799)	(19,683)	(15,339)
Total Equity		**66,814**	**68,855**	**44,224**
TOTAL EQUITY AND LIABILITIES		**69,164**	**71,126**	**49,078**

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 2022 was $4,116,000 (year ended 30 June 2021 was $4,343,000; year ended 30 June 2020 was $1,952,000).

These financials were approved by the Board of Directors on 27 September 2022 and signed on its behalf by:

Kevin Chin
Chairman

VivoPower International PLC for the year ended 30 June 2022

Company Statement of Cash Flow

(US dollars in thousands, except per share amounts)	Note	Year ended 30 June 2022	2021	2020
Cash flows from operating activities				
Loss for the period		(4,116)	(4,343)	(1,952)
Income tax		-	-	-
Foreign exchange loss		30	87	-
Finance income		-	-	-
Finance expense		13	2	46
Decrease in provisions		(485)	(620)	-
Increase in trade and other receivables		815	1,291	-
Increase in trade and other payables		564	(1,203)	-
Net cash used in operating activities		**(3,179)**	**(4,787)**	**(1,906)**
Cash flows from investing activities				
Acquisition of subsidiary		-	(7,125)	-
Intercompany loan funding / (repayments)		(4,129)	(14,708)	2,223
Net cash (used in)/from investing activities		**(4,129)**	**(21,833)**	**2,223**
Cash flows from financing activities				
Capital raise - net		2,074	31,570	-
Finance expense		(13)	-	(12)
Net cash from/(used in) financing activities		**2,061**	**31,570**	**(12)**
Net increase in cash and cash equivalents		(5,247)	4,950	305
Cash and cash equivalents at the beginning of the period		5,256	306	1
Cash and cash equivalents at the end of the period		**9**	**5,256**	**306**

VivoPower International PLC for the year ended 30 June 2022

Company Statement of Changes in Equity

(US dollars in thousands)	Share Capital	Share Premium	Other Reserves	Retained Deficit	Total
At 30 June 2019	**163**	**40,215**	**18,330**	**(13,387)**	**45,321**
Total comprehensive loss 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 loss 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**
Total comprehensive loss for the period	-	-	-	(4,116)	(4,116)
Capital raises	1	243	121	-	123
Equity instruments	24	20,442	(20,466)	-	-
Other share issuances	1	217	(144)	-	74
Employee share awards	8	2,287	(417)	-	1,878
	34	23,189	(21,148)	(4,116)	(2,041)
At 30 June 2022	**256**	**99,418**	**(9,061)**	**(23,799)**	**66,814**

For further information on “Other Reserves” please see Note 27 within the consolidated financial statements.

Notes to the Company Financial Statements

35. 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.

36. 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 31 within the consolidated financial statements.

37. Investment

	As at 30 June		
(US dollars in thousands)	**2022**	**2021**	**2020**
Shares in group undertakings			
Investment in Tembo e-LV	7,125	7,125	-
Investment in VivoPower International Services Limited	7,388	7,388	7,388
Total	**14,513**	**14,513**	**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.

38. Other receivables

	As at 30 June		
(US dollars in thousands)	**2022**	**2021**	**2020**
Amounts owed by group undertakings	53,583	49,484	16,338
Prepaid expenses	1,059	1,873	196
Total	**54,642**	**51,357**	**16,534**

39. Trade and other payables

	As at 30 June		
(US dollars in thousands)	**2022**	**2021**	**2020**
Trade payables	1,319	1,334	2,792
Accrued expenses	971	401	157
Payroll tax liabilities	28	15	4
Other borrowings	32	36	46
Amounts owed to group undertakings	-	-	751
Total	**2,350**	**1,786**	**3,750**

40. Provisions

(US dollars in thousands)	**Litigation**	**Total**
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**
Charged/(credited) to profit or loss:		
Additional provisions	(100)	(100)
Provisions utilised	(385)	(385)
At 30 June 2022	**-**	**-**

41. Share capital

	As at 30 June		
(US dollars in thousands)	**2022**	**2021**	**2020**
Allotted, called up and fully paid:			
Ordinary shares of $0.012 each	$255,819	$ 222,074	$ 162,689
Number allotted:			
Ordinary shares of $0.012 each	21,318,118	18,506,064	13,557,376

	Shares No.	Par value USD 000	Share premium USD 000	Total USD 000
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**
Conversion of equity instruments	2,005,190	24	20,442	20,466
Capital raises[1]	82,644	1	243	244
Other issuances[5]	42,000	1	217	218
Employee share scheme issues[3]	682,220	8	2,287	2,295
At 30 June 2022	**21,318,118**	**256**	**99,418**	**99,674**

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. In the year ended 30 June 2022, a further 82,644 ordinary shares were issued under the same registration statement.

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 During the year ended 30 June 2022, 682,220 shares (year ended 30 June 2021: 792,126) were issued to employees and directors of the Company and consultants to the Company under the Omnibus Incentive Plan.

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.

5 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 entities owned by AWN Holdings Limited, the Company's largest individual shareholder.

6 During the year ended 30 June 2022, 21,000 restricted shares were issued to Corporate Profile LLC and 21,000 restricted shares were issued to FON Consulting Ltd in exchange for investor relations services.

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 42). Share premium has also been recorded in respect of the share capital related to employee share awards.

42. 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 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**
Equity instruments - conversion	-	(20,466)	-	-	-	-	-	-	(20,466)
Share issuance costs	-	-	-	-	(1,879)	-	-	-	(1,879)
Capital raising costs	-	-	(121)	-	-	-	-	-	(121)
Equity incentives	-	-	-	1,318	-	-	-	-	1,318
Other movements	-	-	-	(6)	-	-	-	6	-
	-	**(20,466)**	**(121)**	**1,312**	**(1,879)**	**-**	**-**	**6**	**(21,148)**
At 30 June 2022	**-**	**-**	**(8,951)**	**2,740**	**(2,850)**	**-**	**-**	**-**	**(9,061)**

43. Employee and directors

The company employed one member of staff during the course of the year. Contractual agreements are in place for five 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

Company Registrars
Computershare Inc.
250 Royall Street
Canton, MA, USA 02021

Correspondence address:
Computershare Inc.,
P.O. Box 505000,
Louisville, KY, USA 40233

Independent Auditors
PKF Littlejohn LLP,
15 Westferry Circus,
Canary Wharf,
London, UK E14 4HD

Legal Advisers
DLA Piper
160 Aldersgate Street, Barbican,
London, UK, EC1A 4HT

Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.

44 Montgomery Street, San Francisco, CA 94104

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 31 August 2022, the Company's issued share capital consists of 23,369,763 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 25 October 2022. The notice of the meeting will be sent to shareholders at least 21 days before the meeting.