

ASX ANNOUNCEMENT

19 October 2016

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

AMENDMENT OF CONTRIBUTION AGREEMENT

Further to the announcement made on 11 August 2016, the Board of Arowana International Limited (ASX: AWN) is pleased to announce that AWN, VivoPower International PLC ("VivoPower International") and Arowana Inc. ("ARWA") have amended the Contribution Agreement entered into between the parties ("Contribution Agreement").

The material amendments to the Contribution Agreement for AWN include:

- a new requirement for a minimum of 26% of ARWA public ordinary holders to waive their right to redeem their ARWA shares for US\$10.20 in cash from ARWA, replacing the previous requirement that at least 67% of ARWA public ordinary holders waive these rights;
- as a consequence, the cash subscription for VivoPower International shares to be undertaken by ARWA will now be an amount between US\$22.0m and US\$84.5m (less transaction costs); and
- the notes and preference shares in Aevitas will be amended so that they remain on issue following the IBC (instead of being redeemed for cash) and upon a future redemption, any redemption proceeds will be automatically reinvested into new VivoPower International shares. The terms of the existing notes and preference shares will also be amended, such that they each pay a coupon of 7.0% p.a., with the obligations guaranteed by VivoPower International.

The conditional buyback by VivoPower International of shares held by AWN will continue to be subject to greater than 67% of ARWA public holders waiving their right to redeem their ARWA shares.

Upon completion of the varied IBC, AWN and its subsidiaries are now expected to own between 30% and 57% of VivoPower International shares depending on the level of ARWA shareholder redemptions.

With respect to VivoPower International's previous estimate of US\$18.0 million Adjusted EBITDA for the year ending 31 March 2017 for the post-closing combined group, VivoPower International now estimates Adjusted EBITDA for such period for the post-closing combined group of between US\$18.0 million and US\$20.0 million. The new estimate, which is based on the outlook for VivoPower International's existing projects, and the business's pipeline of projects, is subject to risks and uncertainties, including general market conditions, the performance of the business's existing projects and the rate of pipeline conversion. VivoPower International is providing the adjusted forecast solely for information purposes, and expects to continue to present an estimate of US\$18.0 million Adjusted EBITDA for the year ending 31 March 2017 for the post-closing combined group in the proxy statement/prospectus to be used in connection with the business combination and in their other filings with the Securities and Exchange Commission in the United States.

AROWANA INTERNATIONAL LIMITED

ABN 83 103 472 751

Level 11, 153 Walker Street
North Sydney NSW 2060

Level 11, 110 Mary Street, Brisbane QLD 4000
PO Box 15575, City East QLD 4002

Tel: +61 (0)2 8083 9800 Fax: +61 (0)2 8083 9804

Tel: +61 (0)7 3182 3200 Fax: +61 (0)7 3182 3299

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Further information about the impact of the IBC for AWN will be set out in the shareholder booklet to be produced in connection with the IBC.

On behalf of the Board of AWN

Tom Bloomfield
Company Secretary

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