

VGW SHAREHOLDER ANNOUNCEMENT - FEBRUARY 2021

Dear Shareholders,

Financial results

VGW Holdings Limited and its controlled entities (**VGW** or the **Group**) has released its half-year results for the period ended 31 December 2020. The Group has seen very strong financial performance over the period, and while growth challenges remain for us, we are very well-positioned to execute our strategic objectives as we start this new calendar year.

For the six months to 31 December 2020, revenue increased to \$945m (H1 FY2019 \$215m).

This represents AUD revenue growth of >300% compared to the prior corresponding period, even during a period of significant appreciation in the AUDUSD cross rate.

This very strong revenue growth was driven by targeted marketing, continued development of our sophisticated payments stack, and engagement with our products and games.

Total comprehensive income after tax for the period was \$115.8m, compared to an H1 FY2019 loss of \$5.2m.

Capital management

Recent financial performance has been very strong, with the group generating significant cashflows. It remains the board's preference to distribute surplus cash profit where appropriate to shareholders.

Since 30 June 2020, the group has paid \$0.22 per share of dividends to shareholders, totalling approximately \$131m.

The Group is pleased to note, subject to continuation of trading and operating conditions, that it is targeting the payment of a dividend of between \$0.08 and \$0.12, or more, per share to eligible shareholders with a record date likely to be in mid to late March 2021, and payment date in late March or early April 2021. It is important to note that no determination has been made at this time.

Further updates regarding potential capital management will be provided in due course. On this basis, it is important that shareholders keep their information with our share registry Advanced

Share Registry up-to-date (including address, bank account details and relevant tax information).

Community support

As part of our regular employee engagement, one of our key focus areas is social connection. VGW is partnering with SheCodes by sponsoring and volunteering at their software development workshops.

Founded by Kate Kirwin, SheCodes (formerly Perth Web Girls) is an organisation aimed at getting more women in technology with a goal to inspire 100,000 women across Australia to enter tech careers in 5 years. This an initiative our employees feel strongly about supporting - and is also one we have directly benefited from with the recruitment of software development graduates from the recent SheCodes Plus program.

Providing liquidity to shareholders

Shareholders continue to have the opportunity to buy and sell VGW shares via Primary Markets (www.primarymarkets.com.au).

Primary Markets is a global, independent marketplace for unlisted companies which allows VGW shareholders to trade their shares in a transparent, orderly environment. Primary Markets' service is effectively an 'over the counter' market in VGW shares, which is similar to listing shares on an exchange such as the ASX, albeit in a smaller trading ecosystem.

Year to date performance and outlook

Recent months have continued to demonstrate the ability of the Group to generate meaningful operating profit and cash flow. January's revenue and indicative (unaudited) margin metrics indicate the best month ever for the Group for both revenue and earnings.

VGW's continued development of its payments capability has reduced operational risk and strengthened our payments relationships - ensuring we are well placed for growth ahead.

However, our obligation to maximise returns implies that VGW may not necessarily generate those levels of operating profit in the quarters or halves to come - as opportunities to reinvest in headcount growth, product development, user acquisition and new opportunities may drive operating profit lower.

Recent trends may or may not continue into the remainder of 2021 - but most importantly, VGW is focused on the continued long-term growth of its operating businesses, while remaining profitable and cash flow positive. The recent pandemic has created an uncertain external

operating environment for us all and makes forecasting and short term outlooks difficult to predict.

The growth our business has achieved over the past few years is unparalleled and VGW truly has become an Australian business success story. Thank you again for your continued support of our business. I look forward to seeing you all soon.

Regards,

Laurence Escalante
Chief Executive Officer
VGW Holdings Limited