

## **VGW SHAREHOLDER ANNOUNCEMENT - OCTOBER 2021**

Dear Shareholders

### **FY21 financial results**

VGW Holdings Limited and its controlled entities (**VGW** or the **Group**) has released its full-year results for the period ended 30 June 2021. The Group has seen very strong financial performance over the period, and we are very well-positioned to execute our strategic objectives as we start this new financial year.

For the twelve months to 30 June 2021, revenue increased to \$2,225m (FY20 \$779m).

This represents AUD revenue growth of >186% compared to the prior corresponding period

This very strong revenue growth was driven by targeted marketing, continued development of our sophisticated technical stack, and exciting developments in our products and games.

Profit before tax for the period was \$358m, compared to \$99m in FY20.

Acceleration in revenue has persisted through the Covid-19 reopening in North America, and VGW continues to cycle strong growth even through Covid-19 disrupted periods.

August 2021 was an all-time high for monthly revenue on unaudited monthly management accounts, and September 2021 looks to be a further record based on real time indications.

Recent trends may or may not continue into the remainder of 2021, and the recent pandemic has created an uncertain external operating environment for us all - making forecasting and short term outlooks to some degree difficult to predict.

### **Future IPO and liquidity plans**

No time pressure exists for listing - but VGW remains open to future liquidity events.

VGW is highly profitable and has no requirements for additional funding; however does recognise the potential benefits for the Group and shareholders in providing liquidity on an appropriate basis - with an IPO the most likely path. A North American listing venue is now far more likely than the ASX.

Shareholders are already able to access liquidity via the over-the-counter trading platform at [primarymarkets.com](http://primarymarkets.com) which has seen increased volumes and higher traded share prices. There has been increasing inbound interest from a range of private and institutional investors, and this year marked the first investment bank facilitated block trade in VGW shares.

The continued growth in VGW's revenue, cash flows and dividends has created greater capacity to consider a broad range of additional liquidity options. The Board and management acknowledge that there may be some benefits in being listed on an appropriate securities exchange, including with respect to:

- raising the profile of the business;
- talent acquisition and retention;
- having a currency for acquisitions; and
- offering liquidity to existing shareholders.

The Board considers the issue on a regular basis, and VGW's executive team includes very significant experience in IPOs including on listing venues such as the NYSE.

### **Announcement of dividend**

Recent financial performance continues to be very strong, with the group generating significant cash flows. It remains the Board's preference to distribute surplus cash profit where appropriate.

It follows that the Board has determined to pay a \$0.20 per share dividend to eligible shareholders as at a record date of 1 October 2021. This dividend will be paid on or about 7 October 2021.

This dividend will be franked, although no franking percentage has been determined at this time. In due course (within a few months of the end of the relevant financial year) shareholders will be formally notified (via the issue of distribution statements) of franking credits to be distributed with this and any other potential future dividends paid during this financial year, to maximise this benefit for all shareholders. This dividend will not be declared to be from conduit foreign income. Where applicable, any non-resident withholding tax will be withheld.

Further updates regarding business operations and any 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 email address, bank account details and relevant tax information).

### **Providing liquidity to shareholders**

Shareholders continue to have the opportunity to buy and sell VGW shares via Primary Markets ([www.primarymarkets.com](http://www.primarymarkets.com)).

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.

### **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 is 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.

Thank you again for your continued support of our business.

Regards

**Laurence Escalante**  
Chief Executive Officer  
VGW Holdings Limited