

VGW HOLDINGS LIMITED

SHAREHOLDER ANNOUNCEMENT - DECEMBER 2021

Dear Shareholders

FY22YTD operating update

As recently announced at the Annual General Meeting, on both a cash and IFRS15 basis (both interim and unaudited), October was a record high for revenue. On an AUD cash basis, November continued to grow, and on an intra-month basis, December again looks to continue to be a record high month.

This shows the VGW Group business in North America continues to trade strongly through the post Covid-19 reopening period. The continued depreciation in AUDUSD does offer a moderate external tailwind to AUD cash generation.

FY22YTD has been a strong period for VGW, with continued growth, margin expansion and strong cash flows.

Recent trends may or may not continue into the remainder of fiscal year 2022, and the evolving pandemic has created an uncertain external operating environment for us all - making forecasting and short term outlooks to some degree difficult to predict.

Announcement of dividend

At the Annual General Meeting in November, the Board foreshadowed that it was likely for a dividend to be considered prior to the end of calendar year 2021.

For calendar year 2022, the Board is aiming for a capital management process which includes the consideration of a dividend after each set of results (full year results after 30 June balance date, interim results after December 31 balance date), and potentially a third capital management event such as an additional dividend or buy-back.

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 \$0.17 per share dividend to eligible shareholders as at a record date of 20 December 2021. This dividend will be paid on or about 23 December 2021, noting that some payments may be delayed due to the holiday period.

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.

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).

Thank you again for your continued support of our business.

Regards

Laurence Escalante
Chief Executive Officer
VGW Holdings Limited