



31 January 2019

VPCL Quarterly Activities Report

Quarter Ended 31 December 2018

Highlights

- First quarterly payment of \$233K from Damstra for the purchase of LMS received in January 2019. Upfront payment of \$1M already received from Damstra in the quarter ended 31 December 2018.
- Investment in NowForce sold with \$1.2M received in the quarter ended 31 December 2018.
- Payment from Choose Digital of \$50K for consulting service line of business received in the quarter ended 31 December 2018.
- The Company has completed its R&D tax registration and expects to receive \$145K in March 2019.
- Closing cash on 30 January 2019 of \$2.4M.

VPCL Limited (ASX: VPC) ("VPCL" or "the Company") is pleased to provide an update of the Company's activities for the quarter ended 31 December 2018.

An EGM was held on 21 September 2018 where shareholders approved the sale of the Velpic business. Completion of the sale was announced to the market on 5 October 2018. An upfront payment of \$1M was received under the terms of the sale agreement in the quarter ending 31 December 2018. VPCL will now receive quarterly payments of \$233,333 commencing in January 2019 until the quarter ending September 2021.

During the December 2018 Quarter the Company progressed the sale of its investment in Nowforce. The Company received \$1.2M during the December 2018 quarter. Under the terms of the sales

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agreement VPCL is entitled to further payments if certain milestones are met. The Company will update the market in respect to any further payments received.

All conditions in respect to the sale of the Dash Digital to Choose Digital were fulfilled during the September 2018 Quarter. VPCL confirms the payment of \$50K has been received.

In September the Company made a strategic investment of \$500k, which investment was made subject to various conditions precedent. As at 31 December, those conditions precedents had been satisfied.

VPCL has reduced and continues to review all operating costs with a view to preserving cash. VPCL continues to review potential future investments.

Leanne Graham
Director
VPCL Limited

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Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Pursuant to Listing Rule 4.7B(b), this Quarterly Report will be the last lodged by the Company, it having complied with the requirement under the Listing Rules to provide the same to ASX for the first eight quarters following its re-admission under Listing Rule 11.1.3

Name of entity

VPCL LIMITED

ABN

65 149 197 651

Quarter ended ("current quarter")

31 December 2018

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities			
1.1 Receipts from customers		10	402
1.2 Payments for			
(a) research and development		-	-
(b) product manufacturing and operating costs		(78)	(236)
(c) advertising and marketing		(8)	(121)
(d) leased assets		-	-
(e) staff costs		(257)	(1,130)
(f) administration and corporate costs		(146)	(407)
(g) good and services tax paid		-	-
1.3 Dividends received (see note 3)		-	-
1.4 Interest received		1	3
1.5 Interest and other costs of finance paid		-	-
1.6 Income taxes benefit (R&D incentive)		-	-
1.7 Government grants and tax incentives		-	-
1.8 Other - tenement costs		-	-
1.9 Net cash from / (used in) operating activities		(478)	(1,489)

2.	Cash flows from investing activities		
2.1	Payments to acquire/disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	(500)
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	1,202	1,202
	(d) intellectual property	1,050	1,050
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	2,252	1,752

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	437	1,948
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(478)	(1,489)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	2,252	1,752
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	2,211	2,211

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,211	437
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,211	437

6. Payments to directors of the entity and their associates

6.1 Aggregate amount of payments to these parties included in item 1.2

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
95
-

Fees and salaries paid to Directors

7. Payments to related entities of the entity and their associates

7.1 Aggregate amount of payments to these parties included in item 1.2

7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

N/A

8. Financing facilities available

Add notes as necessary for an understanding of the position

8.1 Loan facilities

8.2 Credit standby arrangements

8.3 Other (please specify)

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
-	-
-	-
-	-

N/A

9. Estimated cash outflows for next quarter*

\$A'000

9.1 Research and development

9.2 Product manufacturing and operating costs

9.3 Advertising and marketing

9.4 Leased assets

9.5 Staff costs

9.6 Administration and corporate costs

9.7 Other (provide details if material)

- capital raising costs

- investment

9.8 Total estimated cash outflows*

-
-
-
-
37
261
-
-
-
298

* The estimated cash outflows for the quarter will be partially offset by the cash inflows for the quarter.

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)

Acquisitions

Disposals

10.1 Name of entity

N/A

N/A

10.2 Place of incorporation or registration

N/A

N/A

10.3 Consideration for acquisition or disposal

N/A

N/A

10.4 Total net assets

N/A

N/A

10.5 Nature of business

N/A

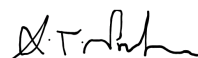
N/A

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:

(Director)



Date:

Print name:Leanne Graham.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.