



VPCL LIMITED

ACN 149 197 651

36/38 Manchester Lane
Melbourne Vic 3000

31 July 2019

Settlement of Deferred Consideration

VPCL Ltd (VPC or the Company) is pleased to advise that an agreement has been reached with Damstra to settle the deferred component of the sale of the LMS business in a single lump sum payment.

Under the terms of the sale of the LMS business to Damstra, Damstra is required to pay 3.5 times the total annual revenue earned by Damstra, from all contracts that were assigned to Damstra, over the three years after settlement up to a total payment of \$2.8m. To date the maximum outstanding consideration is circa \$2.3m.

VPC and Damstra entered into an agreement to potentially bring forward the deferred consideration by the payment of a lump sum of \$2.05m payable on 15 October 2019.

Terms of the agreement are as follows:

- One off payment by Damstra to VPCL of \$2.05m as full and final settlement of the balance of the deferred consideration for the sale of LMS;
- Payment of the \$2.05m to be received by 15 October 2019;
- If the \$2.05m payment is not made in full by 15 October 2019 then Damstra is required to pay VPCL all quarterly payments due plus an interest component of \$100,000 and will continue to pay the deferred consideration in quarterly instalments as they have previously been doing and in line with the original agreement.

Leanne Graham said "We are pleased to have negotiated this early settlement deal with Damstra, once realised it will be a great result for VPCL and Shareholders. It adds significant value to the Company - as we prepare for a RTO to bring us back to market for accelerated growth".

Leanne Graham
Director
VPCL Ltd

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