



31st October 2019

VPCL Quarterly Activities Report

Quarter Ended 30 September 2019

Highlights

- During the quarter the lease on the company's former operating premises expired. Expiration of the lease has reduced monthly operating costs by \$17,114 per month;
- The agreed loan funds of \$670k to Pro9 Global Ltd were fully extended, with repayment anticipated by 31 December 2019;
- Closing cash on hand at 30 September 2019 of \$1.5M;
- The lump sum deferred consideration of \$2.05m from Damstra in relation to the sale of the Velpic business was received on 16 October 2019.

VPCL Limited (ASX: VPC) ("VPCL" or "the Company") is pleased to provide an update of the Company's activities for the quarter ended 30 September 2019.

Damstra

As announced on 17 October 2019 VPCL has received the lump sum consideration of \$2.05m in respect to the sale of the Velpic business. VPC received total cash of \$2.516m from the sale of the Velpic business. Post the receipt of this payment VPC has circa \$3.519m in cash.

Operating Expenses

As announced in the previous quarter the Company has reduced operating expenses to a minimum. The lease on the prior premises expired in August 2019 and as a result the Company has reduced operating expenses by a further \$17,114 per month. VPC has no employees and operating costs have been reduced to a minimum monthly spend.



Lumi Financial

As reported in the media Lumi Financial has recently completed a capital raising at an 80% premium to the VPC entry price. The Board continues to explore its options in respect to this investment including the possible sale of its shares.

Nowforce

VPC expects to receive a further circa \$219,000 from the sale of its investment in Nowforce Ltd in May 2020. Further deferred payments of up to US \$660,000 may be received by VPC on or around March 2021 subject to the achievement of certain metrics. As at the date of this report VPC has not received any payments in respect to the deferred consideration.

Pro 9 Loan

A short term loan to Pro9 Global of up to \$670,000 has been fully extended. This loan provides the opportunity for VPC to earn interest over and above what would have been received in the banking system. The loan is secured against Pro9s current and future assets and the principal and interest are repayable on 31 December 2019.

The Company continues to explore opportunities for the acquisition of new assets and hopes to make an announcement in the near future, or as soon as a suitable acquisition can be agreed and finalised.

A handwritten signature in black ink, appearing to read 'Chris Mews', with a small dot above the 's'.

Chris Mews
Director
VPCL Limited

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

Name of entity

VPCL LIMITED

ABN

65 149 197 651

Quarter ended ("current quarter")

30 September 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (.....months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	3	3
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(29)	(29)
(f) administration and corporate costs	(166)	(166)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(192)	(192)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (.....months) \$A'000
	(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	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	(510)	(510)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(510)	(510)

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	2,205	2,205
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(192)	(192)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(510)	(510)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (.....months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	1,504	1,504

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	1,504	1,504
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,504	1,504

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**

34

-

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 <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
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.		

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	32
9.6 Administration and corporate costs	82
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	114

N/A

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/Company secretary)

Date: 31 October 2019

Print name: Chris Mews

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.