



31st January 2020

VPCL Quarterly Activities Report

Quarter Ended 31 December 2019

Highlights

- The lump sum deferred consideration payment of \$2.05m from Damstra in relation to the sale of the LMS business was received on 16 October 2019;
- Interest received on Pro 9 loan, discussions are underway with Pro 9 on repayment of principal; and
- Closing cash on hand at 31 December 2019 of \$3.35M.

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 2019.

Damstra

As announced on 17 October 2019 VPCL received the final lump sum consideration of \$2.05m in respect of the sale of the Velpic business. VPC received total cash of \$2.516m from the sale of the Velpic business.

Lumi Financial

As reported in the media, Lumi Financial has recently undertaken a further capital raising at a premium of 144% to the VPC entry price. The Board continues to explore its options in respect to this investment including the possible sale of its shares to convert that interest to cash.

Nowforce

VPC expects to receive a further circa \$235,000 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 milestones. As at the date of this report VPC has not received any payments in respect to the deferred consideration.

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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. Subsequent to year end, VPC received a payment of \$16,953 in interest from Pro9. VPCL is in ongoing discussion with Pro 9 as to whether it extends the loan or seeks repayment of the principal.

Other activities

As outlined previously, the Company continues to progress a short list of opportunities for the acquisition of new assets and aims to be in a position to announce a new transaction as soon as possible ahead of the Company's re-compliance with Chapters 1 and 2 of the Listing Rules.

This announcement has been authorised for release to the ASX by the VPCL Board.

Leanne Graham

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")

31 December 2019

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	-	3
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(5)	(5)
(d) leased assets	-	-
(e) staff costs	(20)	(49)
(f) administration and corporate costs	(89)	(255)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
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)	(87)	(87)
1.9 Net cash from / (used in) operating activities	(200)	(392)

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 (6 months) \$A'000
	(d) intellectual property	2,050	2,050
	(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)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	2,050	1,540

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	1,504	2,205
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(200)	(392)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	2,050	1,540
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 (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	3,354	3,354

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	3,354	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)	3,354	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	39
9.6 Administration and corporate costs	82
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	121

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: 31/01/2020

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.