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30 October 2020

VPCL Quarterly Activities Report

Quarter Ended 30 September 2020

Highlights

- Cash of $500,000 was received in relation to the investment in Lumi
- Interest payment on the loan to Pro 9 was received and the cash of $200,000 and 2.5 million Settlement Shares in Pro 9 Global Ltd were received in settlement of the loan;
- Current cash today is $3.9M

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 2020.

Lumi Financial Holdings Ltd

After the Board reviewed its position in Lumi and the market outlook for unlisted illiquid investments of this type, VPCL agreed to sell to its investment in this company. VPCL fully recovered the initial capital invested. Proceeds of this sale, $500,000, were received in July 2020.

Pro 9 Global Ltd Loan

During the quarter VPCL received a further interest repayment of $9,091 in respect to the short-term loan provided to Pro 9. In August 2020, the Company reached a deed of settlement with Pro 9 and during September 2020, VPCL received $200,000 in cash and 2.5 million shares in Pro 9 Global Ltd in full settlement of the loan extended to Pro 9.

Other

The Board has conducted due diligence on numerous acquisition opportunities across various sectors. VPCL is in the final stages of its ASX submission and expects to make an announcement shortly subject to the satisfaction of the final ASX requirements. VPCL will then expect to hold a shareholder meeting as soon as possible followed by a re-compliance of Chapters 1 and 2 of the Listing Rules.

VPCL Limited ACN 149 197 651 (ASX:VPC)
Unit 36/38 Manchester Lane
Melbourne Vic 3000

+61 7 5221 8011
vpcl@rockwallpartners.com.au

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During the quarter, the Company also completed the voluntary winding up of two subsidiary entities relating to the former LMS and Brand Technology Agency businesses, in order to simplify operations under a single trading entity. Formal notification was received from ASIC in July and August 2020, respectively.

In accordance with Listing Rule 4.7C.3, VPCL had no substantive business activities during the quarter other than those described above. There were payments made to Related Parties amounting to $33,600, which were in respect to services to executive and non-executive Directors and the payment was consistent with prior quarters.

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

Leanne Graham
Director
VPCL Limited

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Melbourne Vic 3000

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

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Name of entity	
VPCL LIMITED	
ABN	**Quarter ended ("current quarter")**
65 149 197 651	30 September 2020

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	-	-
	(d) leased assets	-	-
	(e) staff costs	(33)	(33)
	(f) administration and corporate costs	(91)	(91)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	9	9
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**	**(115)**	**(115)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	500	500
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	200	200
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**700**	**700**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
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 period	3,342	3,342
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(115)	(115)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	700	700

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
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 period**	**3,927**	**3,927**

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	3,927	3,927
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)**	**3,927**	**3,927**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	33
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Fees and salaries paid to Directors

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7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

7.5	**Unused financing facilities available at quarter end**	-

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

N/A

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	(115)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	3,927
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	3,927
8.5	**Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**	34

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

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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.

Date: 10/30/2020 .....

Authorised by: .....
Leanne Graham (Director / Company Secretary)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow 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 cash flow 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.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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