



13 December 2018

ASX: VPC (in voluntary suspension)

UPDATE

VPCL Limited (**VPC** or **Company**) is please to provide the following update on its activities:

1. Investment into Lumi

VPC is pleased to announce a strategic investment of \$500,000 to acquire a minority interest (5.21%) in alternative lender and new Australian financial technology company, Lumi, as part of Lumi's recent capital raising of \$31.5million (comprising of \$25 million in debt and \$6.5 million in equity).

Lumi is the first pre-revenue lending fin-tech business in Australia to set up a warehouse securitisation program, in a bid to lower the cost of capital and to allow small to medium-sized enterprises (SMEs) a more efficient way to access capital. Securitisation is the practice of pooling together contractual liabilities and selling the cashflow receivables to investors in the form of securities. Securitisation is an efficient method to raise debt as it separates the credit risk of the issuer or seller and the underlying cashflows. An additional feature of securitisation is the ability to tranche the receivables according to risk and seniority.

New applicants can get unsecured business loans from as little as \$5,000 up to \$100,000, provided they have a valid ABN, a gross annual turnover for the business of at least \$60,000, and have been operating for a minimum of 6 months.

Lumi combines API accessibility with rich data sources to inform its credit decisioning. It does this by augmenting traditional credit data inputs with the applicant's social footprint to get a holistic view of the applicant's ability to service the loan

Lumi is a member of Australian Finance Industry Association (AFIA), the leading industry advocate for Australia's finance sector and is a proud member of Fintech Australia, the peak body for financial technology start-ups across the nation. Further details on Lumi and its operations can be found at: www.lumi.com.au

Speaking about this investment, Chairperson Leanne Graham stated: "Lumi aligns well with our philosophy of investing in high potential growth businesses while having a particular interest in financial services. With the major banks under increasing pressure and not lending



to small businesses, Lumi is perfectly placed to fill that gap in the market with data-driven technology, improved levels of customer service and a high level of transparency.”

2. Acceptance of offer for interest in NowForce

On 25 October 2018, the Company announced that the sale of its investment in NowForce was nearing the final stages. The Company is now pleased to advise that the various shareholders of NowForce, of which the Company is only a minor holder, have accepted an offer for all of their respective interests in NowForce. The Company is now expected to imminently receive an initial payment of approximately \$1.245 million (US\$895,900) for its interest in NowForce with a further approximate \$219,000 (US\$158,000) held in an escrow account for 18 months from completion. Further deferred payments may be received by the Company subject to the achievement of certain metrics by NowForce over the coming 12 months up to US\$660,000 (approximately \$917,000 subject to exchange rates) on or around March 2021. The initial payment represents the return of the initial investment made by the Company into NowForce in November 2017.

3. General

The Company now currently has approximately \$1.007 million in cash at bank, with a further \$1.245 million expected to be received imminently once initial funds are received from the NowForce sale, taking the Company’s cash to \$2.252 million. The Company continues to investigate opportunities for new investment or acquisition following the disposal of the Company’s main business undertaking to Damstra Technology in October 2018 and will advise the market as soon as it is able in relation to any developments.

The Company remains in voluntary suspension.