

VPC Specialty Lending Investments PLC

VICTORY PARK CAPITAL

Monthly Report – December 2021

Monthly Investment Highlights

- The Company had its best year since inception with a full year return of 27.60% and a quarter to date return of 4.72% as well as a gross revenue return of 13.03% (11.31p) for 2021;
- For the month of December, the Company generated a gross revenue return of 1.14% (1.35p) and a gross capital return of -5.38% (-6.40p);
- The primary driver of the gross capital returns was an unrealised loss on the Company's investment in Bakkt Holdings, Inc. (Bakkt) of -5.59% (-6.64p) due to the movement in publicly traded share price during the month;
- The impact of expenses and fees during the month was +0.44% (0.53p) due to the decrease in performance fee accrual and other capital returns were -0.17% (-0.20p); and
- The Company generated a total NAV return of -3.97% (-4.72p) for December 2021. The total return excluding Bakkt was 0.78% (0.93p).

Ordinary Share Return Statistics (As at 31 December 2021)¹

NAV Returns (Total Returns)	Month To Date	Last Three Months	Last Twelve Months
Gross Revenue Returns	1.14%	3.13%	13.03%
Gross Capital Returns	-5.38%	2.96%	22.92%
Expenses and Fees	0.44%	-1.67%	-8.62%
F/X and Other Capital Returns	-0.17%	0.30%	0.27%
Total NAV Return	-3.97%	4.72%	27.60%

Monthly Commentary

For 2021, the Company had its best year since inception with a full year return of 27.60% and a quarter to date return of 4.72% as well as a gross revenue return of 13.03% (11.31p). The Company continues to see strong underlying performance across the balance sheet investment portfolio. During the month, the Company fully exited its preferred equity investment in Sunbit, Inc. The realised gain on the sale was \$1.75 million.

On 20 December 2021, L&F Acquisition Corp. (NYSE: LNFA) ("LNFA"), a special purpose acquisition company sponsored by JAR Sponsor, LLC ("VPC Sponsor"), an affiliate of Victory Park Capital, announced it has entered into a definitive agreement to combine with ZeroFox (<https://www.zerofox.com/>), an enterprise software-as-a-service leader in external cybersecurity. For more information on the transaction please see the ZeroFox and LNFA press releases, which can be found [here](#) and [here](#). Through VPC Sponsor, the Company currently owns 130,220 Class B Shares and 167,284 private placement warrants in LNFA, held at an aggregate cost basis of US\$168,051.

As of 31 December 2021, the Company is valuing its founders share position in VPC Impact Acquisition Holdings Sponsor III, LLC based on the post-forfeiture share quantity of 868,386 DAVE common shares. Of the original founders shares issued, 15% were forfeited due to the quantity of public shares redeemed upon the closing of the business combination transaction with Dave on 5 January 2022. An additional 25% of the original founders shares issued are subject to the following earn-out provisions: 15% must trade at or above a \$12.50 VWAP (volume weighted average price) for 20 trading days within a 30 consecutive trading day period; and, 10% must trade a \$15.00 VWAP for 20 trading days within a 30 consecutive trading day period. The remaining 60% of the founders share quantity are not subject to forfeiture. In conjunction with these earn-out provisions assigned to these shares, 60% of the DAVE common shares are valued at the 31 December 2021 closing price of \$10.25 less a 20% market risk and illiquidity discount; 15% are valued using a Black Scholes model based on the 31 December 2021 closing price and a strike price of \$12.50; and 10% are valued using a Black Scholes model based on the 31 December 2021 closing price and a strike price of \$15.00. The private placement warrants held by VPC Impact Acquisition Holdings Sponsor III, LLC continue to be valued using a Black Scholes approach based on the 31 December 2021 closing price and its strike price of \$11.50 as there was no change in valuation methodology from the previous month.

During the month, the Investment Manager purchased 63,223 shares of the Company with 20% of its monthly management fee following the announcement of the October NAV.

The Company's Performance (As at 31 December 2021)¹

Net Asset Value ("NAV")	£317,614,783
NAV per Share ²	114.14p
Share Price (31 December 2021 Close)	92.20p
Premium / (Discount) to NAV	-19.22%
Trailing Twelve Month Dividend	8.00p
Trailing Twelve Month Dividend Yield	8.68%
Look-through Gearing Ratio	0.34x
Look-through Gearing Ratio – Company Level	0.28x
Look-through Gearing Ratio – Non-Recourse	0.06x

1. Please refer to the Glossary of Terms posted on the Company's website.

2. Based on total shares outstanding, less shares held in treasury.

3. Calculated as the weighted average repurchase price of the shares less the latest announced NAV as at the date of the repurchase divided by the latest announced NAV as at the date of the repurchase.

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Events Subsequent to 31 December 2021

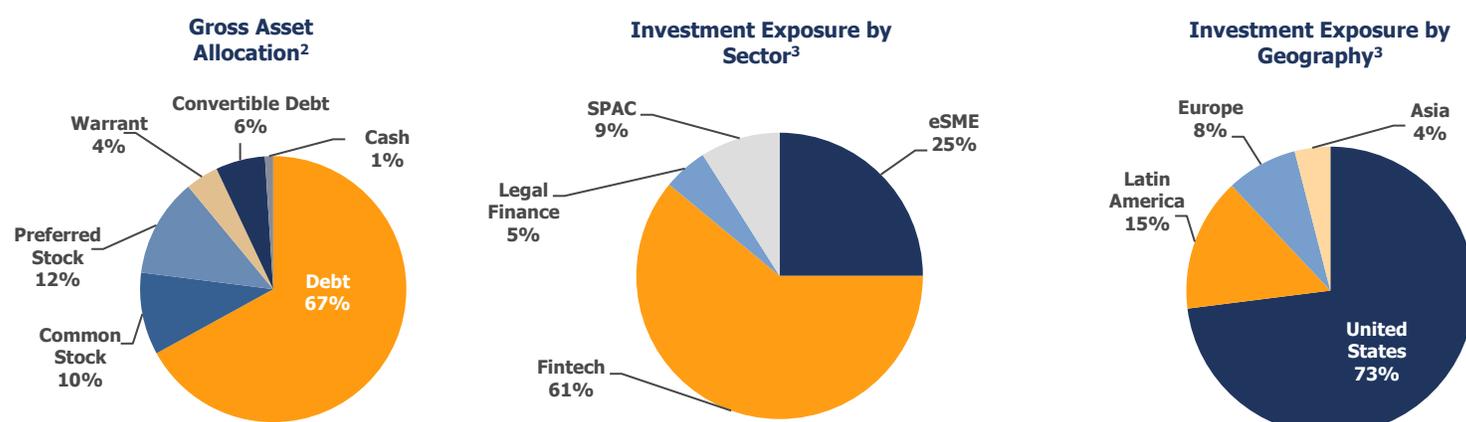
In January 2022, the Company partially exited its equity investment in Kueski, Inc. The realised gain on the sale was \$4.37 million. As reflected in the December 2021 NAV, these gains were marked prior to the sale.

On 5 January 2022, VPC Impact Acquisition Holdings III, Inc. (NYSE: VPCC) ("VPCC"), a special purpose acquisition company sponsored by Victory Park Capital, and Dave, Inc. announced that the business combination closed following approval by the VPCC stockholders. Further details on the announcement can be found [here](#).

On 17 January 2022, one of the Company's privately held investments, Beforepay closed its IPO and began trading on the Australian Stock Exchange under the ticker B4P. Beforepay is a mobile app platform that connects to a consumer's bank account and allows them to budget for upcoming expenses. In conjunction with the IPO, the Company received 629,516 shares of Beforepay common stock subject to two lock-up periods. A market risk and illiquidity discount will be applied with these lock-up periods in mind for valuation purposes going forward.

Following the announcement of the November NAV, the Investment Manager purchased 59,656 shares of the Company with 20% of its monthly management fee.

Ordinary Share Portfolio Composition (As at 31 December 2021)¹



Ordinary Share Performance and Dividend Summary (As at 31 December 2021)¹

NAV Return	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
2021	7.14%	1.89%	-0.18%	0.85%	1.03%	3.87%	0.36%	3.89%	2.01%	14.44%	-4.78%	-3.97%	27.60%
2020	0.89%	0.08%	-3.55%	0.91%	1.26%	1.08%	1.30%	1.25%	2.29%	2.16%	1.73%	2.09%	11.12%
2019	0.58%	0.46%	0.73%	1.03%	0.56%	2.39%	1.04%	0.84%	0.98%	0.95%	0.96%	0.73%	11.34%

Share Price Performance ⁴	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
2021	9.78%	3.01%	-5.84%	2.63%	-1.40%	-0.94%	5.71%	-2.82%	1.97%	8.18%	-3.36%	0.22%	17.15%
2020	3.32%	-4.70%	-29.87%	-12.59%	35.81%	2.96%	0.00%	-5.15%	2.24%	0.00%	12.19%	9.61%	0.64%
2019	1.56%	-0.77%	-6.46%	-1.38%	-2.24%	3.44%	8.03%	-3.46%	5.44%	-4.53%	0.00%	3.17%	1.82%

Dividend Per Share	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
2021	-	-	2.00p	-	2.00p	-	-	2.00p	-	-	2.00p	-	8.00p
2020	-	-	2.00p	-	2.00p	-	-	2.00p	-	-	2.00p	-	8.00p
2019	-	-	2.00p	-	2.00p	-	-	2.00p	-	-	2.00p	-	8.00p

¹Please refer to the Glossary of Terms posted on the Company's website.

²Percentages calculated on a look-through basis to the Company's investee entities and SPVs.

³Calculations using gross asset exposure and not reduced for gearing. Excludes cash.

⁴Based on issue price of 100p.

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Performance Fee Attribution (As at 31 December 2021)¹

Month to Date	Revenue Return	Capital Return	Total Return
NAV Return before Performance Fee	0.89%	-5.56%	-4.67%
Performance Fee	-0.13%	0.83%	0.70%
Total Return	0.76%	-4.73%	-3.97%

Month to Date	Revenue Return	Capital Return	Total Return
Return per Ordinary Share before Performance Fee	1.05p	-6.60p	-5.55p
Performance Fee	-0.16p	0.99p	0.83p
Total Return per Ordinary Share	0.89p	-5.61p	-4.72p

Portfolio Statistics^{1,2}

	Balance Sheet Loans
Weighted Average Coupon	10.41%
Weighted Average Remaining Life (months)	26.47

¹Please refer to the Glossary of Terms posted on the Company's website.

²Underlying portfolio data as of most recent available reporting period.

Company Overview

VPC Specialty Lending Investments PLC (“VSL” or the “Company”) is a UK-listed investment trust focused on asset-backed lending to emerging and established businesses (“Portfolio Companies”) with the goal of building long-term, sustainable income generation. VSL identifies investment opportunities across various industries and geographies to offer shareholders access to a diversified portfolio of opportunistic credit investments, originated by non-bank lenders with a focus on the rapidly developing technology-enabled lending sector. The Company completed its IPO on 17 March 2015 with a premium listing on the Official List of the U.K. Listing Authority and trading on the Main Market of the London Stock Exchange. The Company’s trading symbol is VSL for the Ordinary Shares.

The Company’s investment manager is Victory Park Capital Advisors, LLC (“VPC” or the “Investment Manager”). VPC is an SEC-registered investment adviser and acts as the AIFM of the Company.

Since 2010, the Investment Manager has been actively involved in the specialty lending marketplace and has made more than \$8.8 billion of investments and commitments across various financial technology Portfolio Companies, spanning multiple geographies, products and structures and continues to deploy capital into existing and new Portfolio Companies.

Important Information

All data in this monthly report (the “report”) is at or to the final day of the calendar month identified in the heading of the report’s front page unless otherwise stated.

Past performance should not be seen as an indication of future performance. The value of investments and any income may fluctuate and investors may not get back the full amount invested. The views expressed are those of VPC at the time of writing, are subject to change without notice and do not constitute investment advice. Whilst VPC has used all reasonable efforts to ensure the accuracy of the information contained in this report, we cannot guarantee the reliability, completeness or accuracy of the content.

This report is provided for the purpose of information only, and if you are unsure of the suitability of this investment you should take independent advice. NAV performance is not linked to share price performance and shareholders may realise returns that are lower or higher in performance.

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The Company is registered in England (registered number 9385218) with its registered office at 6th Floor, 65 Gresham Street, London, EC2V 7NQ, United Kingdom.

The Citywire award won by the Company does not constitute any form of advice or recommendation and is not intended to be relied upon by shareholders in making (or refraining from making) any investment decisions. Shareholders shall seek independent professional advice for any investment decisions.

VPC Specialty Lending Investments PLC

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The Company’s Investment Objective

The Company’s investment objectives are to:

- ❖ generate an attractive total return for shareholders of consistent distributable income and capital growth through asset-backed lending;
- ❖ achieve portfolio diversification to emerging and established businesses across different industries and geographies with the goal of building long-term, sustainable value; and
- ❖ enable shareholders to benefit from equity upside through equity-linked securities issued in conjunction asset-backed lending.

VPC identifies and finances emerging and established businesses globally and seeks to provide the Company with attractive yields on its portfolio of credit investments. VPC offers a differentiated private lending approach by financing Portfolio Companies through asset-backed delayed draw term loans, which is referred to as “Balance Sheet Lending.” Balance Sheet Lending affords various structural protections and covenants which are designed to limit downside risk while providing shareholders with strong income returns.

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