

# VPC Specialty Lending Investments PLC

## VICTORY PARK CAPITAL

Monthly Report – February 2024

### Ordinary Share Return Statistics (As at 29 February 2024)

NAV Returns (Total Returns)	Month To Date	Last Three Months	Last Twelve Months
Gross Revenue Returns	0.98%	2.47%	12.55%
Gross Capital Returns	-4.35%	-9.99%	-19.55%
Expenses and Fees	-0.28%	-1.11%	-4.18%
F/X and Other Returns	-0.07%	-0.07%	-0.43%
Total NAV Return	-3.72%	-8.70%	-11.61%

### The Company's Performance (As at 29 February 2024)

Net Asset Value ("NAV")	£ 217,312,121
NAV per Share <sup>1</sup>	78.09p
Share Price (29 February 2024 Close)	53.00p
Premium / (Discount) to NAV	-32.13%
Trailing Twelve Month Dividend	8.00p
Trailing Twelve Month Dividend Yield	15.09%
Look-through Gearing Ratio	0.18x
Look-through Gearing Ratio – Company Level	0.18x
Look-through Gearing Ratio – Non-Recourse	0.00x

### Portfolio Update

For the month of February, the Company generated a gross revenue return of 0.98% (0.82p), a gross capital return of -4.35% (-3.62p), and a total NAV return of -3.72% (-3.08p). The impact of expenses and fees during the month was -0.28% (-0.23p), and other capital returns were -0.07% (-0.05p).

On 28 February 2024, two of the Company's eCommerce investments, Razor Group GmbH ("Razor") and PerchHQ LLC ("Perch"), closed on a transaction in which Razor acquired Perch in an all-stock deal. The existing Razor asset backed debt investment retains its structural position, and the entirety of the Perch asset backed debt investment was restructured into a preferred equity security ("Class A Preferred Units") that is junior only to the Razor asset backed investment. As part of the transaction, Razor secured an incremental €34.5 million in new equity financing that is subordinate to both the Razor asset backed investment and the Class A Preferred Units. More information about the transaction can be found [here](#).

Per the Investment Manager's valuation policy and IFRS, upon closing the transaction in February, the Company revised the valuation of the newly created Class A Preferred Units to fair market value versus amortized cost. To derive a value the Company utilised a yield analysis to value the Class A Preferred Units considering the new capital structure of the combined companies. This resulted in an unrealised loss of \$3.9 million and a NAV impact of -1.33%. The Razor asset backed debt investment continues to be valued under IFRS 9 for potential expected credit losses, some of which were released in February due to the transaction structure in the amount of \$1.8 million and a NAV impact of 0.60%.

Furthermore, as previously disclosed, the Company has indirect exposure to Razor and Perch through its fund investment in VPC Synthesis, L.P. ("Synthesis"). The Synthesis investment was also impacted by these changes in the valuation in February, resulting in an unrealised loss of \$9.0 million and a NAV impact of -3.10%. Under U.S. GAAP, this valuation adjustment is required to be made to the 31 December 2023 audited financial statements since the business combination between the Razor and Perch businesses was completed, impacting the value prior to the issuance of the audited financial statements of Synthesis. Therefore, the Company's 31 December 2023 NAV published in the newsletter will differ from the final audited financial statements by £6.4 million. The initial 31 December 2023 valuation was determined using the information available at the time including a probability weighting of the potential Razor and Perch merger which was approved by a third party valuation provider.

Within the top ten investment tables below, 92% of the Company's gross asset investment value as at 29 February 2024 is disclosed. The new assets following the merger described above of Perch and Razor are now reported in the table as Razor.

On 4 April 2024, one of the Company's equity investments, Sunbit Inc., announced it is number 47 out of 500 on The Financial Times' key list of The Americas' Fastest Growing Companies 2024 and #3 among the Fintech, Financial Services & Insurance companies represented. The company was also named a Best Startup Employer (Forbes) and the recipient of the Best Consumer BNPL Platform (Fintech Breakthrough) award for 2024. Learn more [here](#).

### Investment Profile Maturity Update

The Profile of Contractual Maturities less Projected Borrowing Paydowns chart has been updated to reflect the new maturity dates associated with the resulting investments from the Company's recent eCommerce strategic combinations, including the Razor and Perch combination disclosed above, pushing certain maturities out to 2028.

Even though maturity dates may be extended on certain investments, the Investment Manager and the Company will continue to look for ways to exit the investments before the stated maturity date, where possible, realising the Company's assets in an orderly manner that achieves a balance between maximising the value received from investments and making timely returns of cash to Shareholders.

See "Endnotes" at the end of this newsletter. Please refer to the Glossary of Terms posted on the Company's website.

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### Capital Return Mechanism

On 5 April 2024, the Company held a General Meeting at which shareholders approved the Capital Return Mechanism. On 9 April 2024, the Board decided to make an initial distribution to shareholders of \$15 million, equivalent to approximately £11.9 million as at the date of release, through the issue and redemption of B Shares. More information can be found [here](#).

### Top Ten Asset Backed Lending Investments & Equity Market Value Roll Forward (as at 29 February 2024)<sup>2</sup>

#### Asset Backed Lending Investments

Portfolio Company	Beginning Carrying Value	Investment Activity <sup>3</sup>	Change in Valuation	Change in Fx <sup>4</sup>	Ending Carrying Value <sup>5</sup>
Deinde Group, LLC (d/b/a, Integra Credit)	£ 38,220	£ -	£ -	188	£ 38,408
Razor Group GmbH	18,285	1,718	1,346	258	21,607
FinAccel Pte Ltd	17,704	-	-	87	17,791
Heyday Technologies, Inc.	11,868	-	-	58	11,926
Counsel Financial Holdings LLC	8,516	-	-	42	8,558
Juvo Solutions, LLC	7,438	77	-	36	7,552
Caribbean Financial Group Holdings, L.P.	4,196	-	-	21	4,216
Dave, Inc.	3,783	-	-	19	3,801
Moonshot Brands, Inc.	3,331	4	-	16	3,351
SellerX Germany GMBH & Co. KG	2,089	1	(1)	11	2,100

#### Equity Investments

Portfolio Company	Beginning Carrying Value	Investment Activity <sup>3</sup>	Change in Valuation	Change in Fx <sup>4</sup>	Ending Carrying Value <sup>5</sup>
wefox Holding AG	£ 19,560	£ -	£ -	(185)	£ 19,375
Razor Group GmbH	1,683	13,139	(4,124)	883	11,581
L&F Acquisition Holdings Fund, L.P.	5,941	-	43	29	6,013
Caribbean Financial Group Holdings, L.P.	5,944	-	-	29	5,973
FinAccel Pte Ltd	3,977	-	-	20	3,997
Sunbit, Inc.	3,469	-	-	17	3,486
Keller Lenkner LLC	2,750	-	-	14	2,763
West Creek Financial, Inc.	2,554	5	(5)	13	2,567
Pattern Brands, LLC	2,017	-	-	10	2,027
Kueski, Inc.	1,976	-	-	10	1,986

#### Fund Investments

Name of Associate	Beginning Carrying Value	Investment Activity <sup>3</sup>	Change in Valuation	Change in Fx <sup>4</sup>	Ending Carrying Value <sup>5</sup>
VPC Synthesis, L.P.	£ 21,805	£ -	(6,995)	107	£ 14,916
VPC Offshore Unleveraged Private Debt Fund Feeder, L.P.	976	-	-	5	981

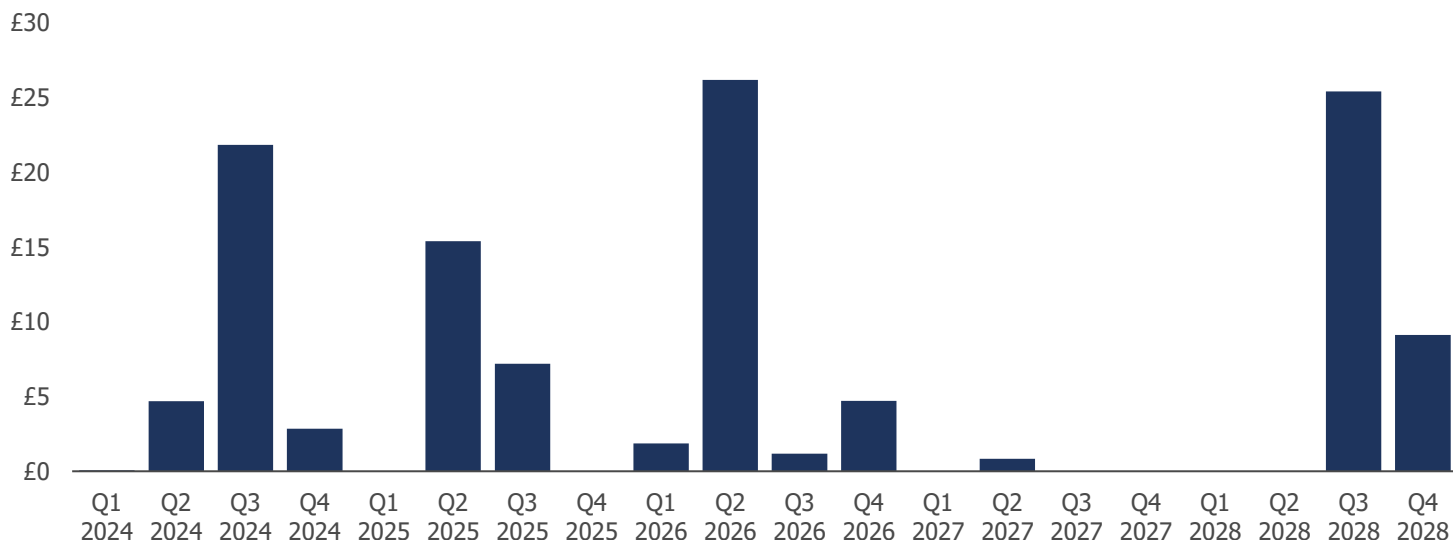
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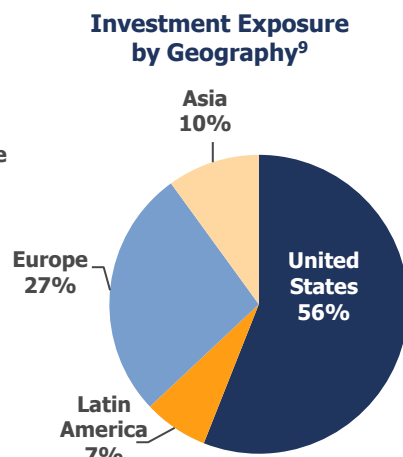
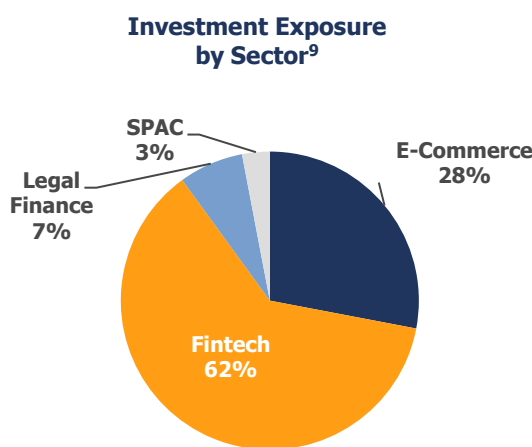
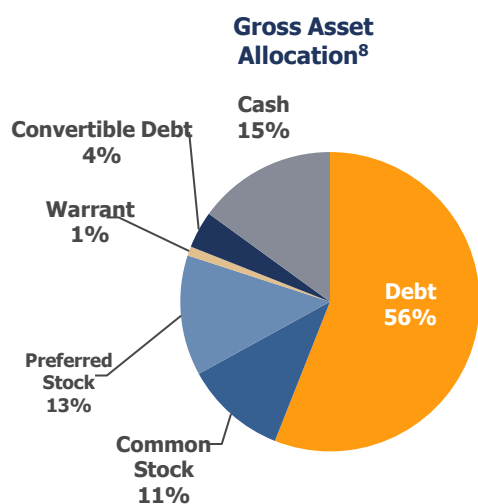
## Asset Backed Lending Investments: Contractual Maturities less Projected Borrowing Paydowns (As at 29 February 2024)<sup>6,7</sup>



## Asset Backed Lending Investments: Expected Credit Loss Reserve Roll Forward (As at 29 February 2024)

Beginning Provision for Expected Credit Losses	Change in Expected Credit Losses	Currency Translation on Expected Credit Losses	Ending Provision for Expected Credit Losses
£ 6,574,950	-£ 4,842,188	£ 16,384	£ 1,749,147

## Ordinary Share Portfolio Composition (As at 29 February 2024)<sup>8</sup>



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# VPC Specialty Lending Investments PLC

# VICTORY PARK CAPITAL

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## Ordinary Share Performance and Dividend Summary (As at 29 February 2024)

NAV Return	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
2024	-0.05%	-3.72%											-1.00%
2023	1.05%	0.47%	-2.45%	0.34%	0.49%	-1.90%	1.53%	0.05%	-1.39%	0.40%	-1.09%	-5.14%	-7.10%
2022	-2.07%	-0.26%	2.54%	-1.94%	0.38%	-2.77%	1.47%	-0.25%	-3.26%	0.61%	-0.25%	-1.22%	-6.97%
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%
Share Price Performance <sup>10</sup>	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
2024	-7.40%	-13.54%											-19.94%
2023	0.36%	0.48%	-9.31%	5.00%	-4.51%	-9.19%	5.49%	-4.11%	-1.86%	-0.44%	0.29%	-19.94%	-20.34%
2022	0.22%	-1.08%	-1.75%	-3.12%	0.00%	-4.14%	-4.08%	-1.25%	-5.57%	9.79%	1.34%	0.12%	-9.87%
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%
Dividend Per Share	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
2024	-	2.00p											-
2023	-	-	2.00p	-	-	-	2.00p	-	2.00p	-	2.00p	-	8.00p
2022	-	-	2.00p	-	-	2.00p	-	-	2.00p	-	-	2.00p	8.00p
2021	-	-	2.00p	-	2.00p	-	-	2.00p	-	-	2.00p	-	8.00p

## Performance Fee Attribution (As at 29 February 2024)

Month to Date (as a percentage of NAV)	Revenue Return	Capital Return	Total Return
NAV Return before Performance Fee	0.71%	-4.43%	-3.72%
Performance Fee	0.00%	0.00%	0.00%
Total Return	0.71%	-4.43%	-3.72%
Month to Date (pence per share)	Revenue Return	Capital Return	Total Return
Return per Ordinary Share before Performance Fee	0.59p	-3.67p	-3.08p
Performance Fee	0.00p	0.00p	0.00p
Total Return per Ordinary Share	0.59p	-3.67p	-3.08p

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### 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 2007, the Investment Manager has been actively involved in the specialty lending marketplace and has made more than \$9.5 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 6<sup>th</sup> Floor, 65 Gresham Street, London, EC2V 7NQ, United Kingdom.

### VPC Specialty Lending Investments PLC

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Website: [www.vpcspecialtylending.com](http://www.vpcspecialtylending.com)

### The Company’s Investment Objective

The Company’s investments will be realised in an orderly manner, that is, with a view to achieving a balance between returning cash to Shareholders promptly and maximising value.

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 “Asset Backed Lending.” Asset Backed 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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### Endnotes

1. Based on total shares outstanding, less shares held in treasury.
2. Amounts shown in thousands. The tables represent the monthly roll forward of the top ten Asset Backed Lending and Equity positions held as at 31 January 2024 from 31 December 2023. The carrying values are not inclusive of interest/fees received.
3. Investment activity is inclusive of follow on fundings, paydowns and PIK capitalized during the period.
4. The change in F/X represents the unrealized F/X income (loss) on the investment and does not include any impact of the Company's hedging program. The Company's hedging policy on non-GBP investment exposure can be found in the Company's prospectus.
5. Totals may not foot due to rounding.
6. The Gross Asset Value has been converted to the reporting currency of the Company and may fluctuate month over month due to changes in the foreign exchange rates. Non-GBP investment exposure is hedged by the Company and the hedging policy can be found in the Company's prospectus.
7. Amounts shown in millions. The table reflects the current stated maturities on the underlying asset backed lending investment facilities and the amounts shown reflect the current carrying value of the investments less projected paydowns on the Company's gearing facility. These investments can and may be held for a longer period than the current stated maturities with a view to enabling their inherent value to be realised successfully. The strategy for realising individual investments and repaying the Company's gearing facility will be flexible and may need to be altered to reflect changes in the circumstances of a particular investment or in the prevailing market conditions. Amounts shown in £ millions. Please refer to the Glossary of Terms posted on the Company's website.
8. Percentages calculated on a look-through basis to the Company's investee entities and SPVs.
9. Calculations using gross asset exposure and not reduced for gearing. Excludes cash.
10. Based on issue price of 100p.