

29 November 2017

Oversubscribed Capital Raising Completed

- Significantly oversubscribed placement completed to raise \$969,247
- Funds raised will be applied to help fund Velpic's strategic investment in NowForce, launch Velpic Security in Australia & New Zealand and to integrate the two products
- Velpic will proceed with proposed non-renounceable Rights Issue Prospectus

Velpic Limited ("Velpic" or the "Company") (ASX: VPC) is pleased to announce that it has received commitments to raise \$969,247 through a placement of fully paid ordinary shares at an issue price of \$0.008 per share, with free attaching options on a 2 for 7 basis (exercisable at 2 cents, expiring 30 November 2019) ("Placement"). The Placement was to sophisticated investors, none of whom are related parties of the Company.

The Placement was significantly oversubscribed. The Company used its entire Listing Rule 7.1 capacity of 15% (101,770,976 equity securities (shares)), with the remainder (20,384,949 shares and 34,615,978 options) from its 7.1A capacity.

At the close of trade on Friday 24 November 2017, Velpic's share price was \$0.011 with a Listing Rule 7.1A.3 calculated 15 Day VWAP of \$0.0107¹.

The Placement will be completed in a single tranche pursuant to the Company's ASX Listing Rule 7.1A capacity, for a total of approximately 121,155,925 new shares at an issue price of \$0.008 per share, and 34,615,978 free attaching options.

The following information is provided under Listing Rule 3.10.5A:

¹ source: Bloomberg

1. The new shares represent an increase in the Company's issued share capital of 15.15%. Examples of the dilution factor to existing shareholders can be illustrated as follows:

Holder	Existing Holding on issued shares of 678,473,176		Holding following issue of Placement Shares capital of 799,629,001	
	Number	%	Number	%
1	100,000,000	14.7	100,000,000	12.5
2	50,000,000	7.35	50,000,000	6.25
3	10,000,000	1.47	10,000,000	1.25
4	5,000,000	.735	5,000,000	.625

2. The Company proceeded with the placement to be able to secure funds relatively quickly to allow it commit to the NowForce deal. The Company will now proceed with a Rights Issue under which all Shareholders will be able to participate, as referred to further below.
3. Jindalee Partners Pty Ltd (AFSL: 488739) ("Jindalee") and Merchant Corporate Advisory Pty Ltd (AFSL: 303566) ("Merchant") acted in the role of lead managers and advisors. The Company will pay a fee of 6% in relation to the Placement. There were no other fees or costs incurred.

The Placement proceeds will partly fund Velpic's strategic investment in NowForce, launch Velpic Security in Australia & New Zealand and contribute to the integration of the two products as announced by the Company on 27 November 2017.

Through the integration of Velpic and NowForce, the partnership will bring a novel and unique solution to an international market. Initial integration planning has seen Velpic and NowForce identify four strategic new features that will be added to NowForce's Incident Response software:

1. **Skills Matrix** - NowForce can send the most appropriately skilled first responder to any incident type based on skills acquired and stored within Velpic.

2. **App Training** - Velpic can quickly on-board new users of NowForce and train them how to use the three NowForce apps right from within the apps themselves.
3. **Continuous Learning** - Velpic will power Continuous Learning required by responders presented directly to them from within the NowForce Responder App so that any responder, like paramedics, security personnel, even maintenance staff can maintain and improve their knowledge by performing Velpic lessons based on their role and the skills required for that role.
4. **Artificial Intelligence (AI)** – Velpic to proactively educate NowForce users of potentially critical incident types by embedding Velpic lessons directly within the NowForce Personal Safety App. For example, on a university campus where there has been a spike in young people reporting harassment, Velpic NowForce can see this trend automatically (via AI) and then send every potentially affected person on campus a quick video on how to avoid or handle these situations. Thus, Velpic NowForce would become the first ever Incident Response platform that can actually proactively prevent incidents from happening in the first place.

The Velpic NowForce global partnership will extend beyond platform integration with Velpic appointed as NowForce's sole distributor in Australia & New Zealand to service the growing \$8.8b¹ Australasian security industry. Under its exclusive reseller agreement with NowForce, Velpic will launch Velpic Security, a new specialised service in Australia & New Zealand that will sell the integrated Velpic NowForce industry-leading platform. Velpic Security will specifically target local industries including education, mining, oil & gas, venues and the public sector.

¹ Ibis research and NZSA

Commenting on the Placement, CEO Russell Francis stated:

"The strong support for this placement was extremely pleasing and the funds raised in conjunction with the Rights Issue to follow will allow Velpic to execute on a transformative partnership with NowForce. In this single transaction, Velpic will enhance its recurring revenue channels, expand platform sales internationally, address an entire

new market sector and maintain its global first-mover-advantage with significant platform innovation. I would like to thank the investors that participated.”

Velpic will now proceed with its proposed partly underwritten (\$1m), non-renounceable Rights Issue as also referred to in its announcement of 27 November 2017. This Rights Issue will be on a 2 for 5 basis raising a maximum of \$2,171,114 through the issue of a maximum of 271,389,270 shares (and 77,539,791 free attaching options) with an identical structure and pricing as the completed Placement. It is anticipated that the Prospectus for this rights issue will be lodged with ASIC and released on the ASX on 30 November 2017.

Mr Harry Karelis, a director of the Company, is also a Director of Jindalee and has abstained from all discussions and negotiations with respect to the subject matter of Jindalee’s engagement by the Company, and has not received any benefit from the Company in relation to this.

****ENDS****

For further information, please contact:

Investor queries:

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About Velpic (www.velpic.com)

Velpic has developed a unique online platform that provides a scalable, cloud-based training, induction and education solution for businesses. The platform allows businesses to create their own training lessons and distribute them to staff and contractors, who can access the Velpic Platform on all devices including mobile phones and tablets. The cloud-based platform



ASX: VPC

has global potential and is set to disrupt the traditional Learning Management System (LMS) marketplace, and Velpic already has an extensive list of ASX 200 clients using the platform.