

Wednesday 27 December 2017

Completion of Rights Issue

- Completion of the rights issue, applications received for 102,766,717 shares (\$822,133)
- Solid support from shareholders and new investors
- Net proceeds from the rights issue will be primarily used to make a strategic acquisition in NowForce, launch Velpic Security as the exclusive reseller of NowForce in Australia & New Zealand and to integrate the two platforms

Velpic Limited (ASX: VPC) (“Velpic” or “the Company”) is pleased to announce that its non-renounceable rights issue announced on Monday 27th November 2017 closed on 20 December 2017, raising \$822,133.82 before costs. The Company will issue a total of 102,766,717 shares and 29,362,002 free attaching options (2 cents before 30/11/19).

The funds raised represent 38% of the potential maximum of the Rights Issue and the Company would like to thank all shareholders for their support. The maximum issue under the Prospectus was \$2.17m (271m shares).

Jindalee Partners Pty Ltd (AFSL: 488739) and Merchant Corporate Advisory Pty Ltd (AFSL:303566) acted in the role of lead managers and advisors, with Merchant partially underwriting up to \$1m.

Net proceeds, in conjunction with existing cash reserves, will be used to:

- Fund the strategic acquisition of approximately 5% of NowForce for US\$1 million
- Launch Velpic Security as the exclusive reseller of NowForce in Australia & New Zealand

- Integrate the two platforms to promote sales growth both nationally and internationally.

In the event that the Company does not close the shortfall then the remaining investment amount in NowForce will reduce proportionately as detailed in the Prospectus 30th November 2017.

Following the capital raise, Velpic plans to accelerate its strong customer growth momentum through:

- Existing Velpic Sales growth
- New NowForce sales in Australian & New Zealand
- NowForce reselling Velpic embedded within its core platform internationally, particularly in the USA, where it already has existing clients including Multinationals, USA Federal Agencies and a number of North America's most prestigious Universities

Quotation of new shares and new options on the ASX is expected to occur on 2 January 2018.

Russell Francis, CEO Velpic, commented: *"To have such a strong take-up of our offer demonstrates the confidence that our shareholders have in Velpic and our growth strategy going forward. We would like to thank our shareholders for their support of this offer which provides us with the opportunity to accelerate our revenue growth in 2018."*

****ENDS****

For further information, please contact:

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About Velpic

Velpic has developed a unique online platform that provides a scalable, cloud-based training, induction and education solution for businesses. The platform allows companies 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 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.