

2 February 2018

## Completion of Rights Issue Shortfall Placement

- 100% of rights issue shortfall successfully placed
- Further shares issued to sophisticated investors on same terms as rights issue raising an additional \$79,124
- A total of 281,279,824 additional shares issued (raising \$2,250,238 before costs) over the rights issue allotment, shortfall and further placement
- Net Cash position of \$3.25m after all costs and the full investment of US\$1m into NowForce as per previous announcement
- Solidly positioned to grow revenues and cash-flows over 2018

**Velpic Limited** (ASX: VPC) (“Velpic” or “the Company”) is pleased to announce that it has completed placing 100% of the shortfall under its non-renounceable rights issue announced on 27<sup>th</sup> November 2017. The sum of \$822,133 was raised under the rights issue itself, with a further \$1,348,981 raised by placing the shortfall. The Company also took the opportunity, due to the level of demand, to place a further 9,890,554 shares (plus free attaching options) under its Chapter 7 capital raising capacity. Pricing was at \$0.008 per share with free attached listed options on a 2:7 basis, raising \$79,124. These options have a strike price of 2 cents and expire 30 November 2019. All amounts raised are before costs.

After all costs and the full investment of US\$1,000,000 into NowForce, Velpic’s closing cash balance as at 1 February 2018 is \$3.25m. Velpic is well-funded to pursue its 2018 growth strategy which includes launching Velpic Security in Australia & New Zealand and integrating the Velpic and NowForce platforms to promote sales growth.

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

The Velpic's Sales Team is already seeing demand for Velpic Security and consequently, a pipeline of opportunities has already been established. The entry level pricing for the security product starts at AU\$25,000 per annum, which is significantly higher than the current average pricing for Velpic LMS of approximately AU\$7,200 per annum.

The increased magnitude of revenue per customer combined with the higher margin per customer will greatly accelerate the Company's earnings growth. In addition, there are significant cross-selling opportunities between Velpic's LMS and Security offerings:

- Velpic's existing LMS clients in the mining and oil & gas sectors are a rich source of opportunities for NowForce in Australia
- Following the integration of Velpic LMS and NowForce, Velpic will also be sold as a white-labelled product by NowForce and its global distribution partners particularly in North America

This provides Velpic with an opportunity to grow its international presence with the first integrated features expected to be available at the end of March 2018.

Russell Francis, CEO Velpic, commented: *"To have such a strong take-up of the placement in December and the Rights Issue in January demonstrates the confidence that our shareholders have in Velpic and our growth strategy going forward. We are very pleased with the accelerated roll out of Velpic Security and the partnership with NowForce which is already providing us with opportunities for revenue growth in 2018."*

**\*\*ENDS\*\***

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**Velpic LMS**

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.

**Velpic Security**

Velpic Security is a unique platform for all organisations concerned with security of staff, clients and assets. The platform allows businesses to manage and respond to any security incidents as well as providing proactive personal security training online. Powered by NowForce, Velpic Security provides user-friendly solutions for personal safety apps, cloud-based computer aided dispatch and mobile response tools to reduce response times, increase situation awareness and enhance communications in security and public safety situations. NowForce is an industry disrupting, one-stop solution for campus security, private security and public safety organisations and has been named as a Top 10 Homeland Security Solution Provider by govCIO in the USA.