

7 June 2016

Launch of \$5.85m Renounceable Rights Issue To Accelerate International Expansion

Highlights

- 2 for 5 renounceable rights issue to raise up to A\$5.85 million
- Offer partially underwritten by CPS Capital to A\$2 million
- Shareholders will receive 1 free attaching option for every 2 new shares subscribed for with an exercise price of \$0.06 and term of 24 months
- Funds to be used to accelerate international growth plans and continued development of innovative features for Velpic's unique cloud-based video eLearning platform

Velpic Limited (ASX: VPC) ("Velpic" or "the Company") is pleased to announce a renounceable rights issue to raise up to \$5.85 million (before costs). The capital raising has been designed to provide existing shareholders the opportunity to participate on relatively attractive terms. The ex-date for the issue is 10 June 2016 and any shares bought prior to this date will be entitled to participate. The issue is renounceable and new investors will be able to trade rights from 10 June 2016.

Under the offer, eligible shareholders will be able to subscribe for 2 new shares for every 5 existing shares they hold at an issue price of \$0.03 per share, together with one free attaching option for every 2 new shares subscribed for with an exercise price of \$0.06 and term of 24 months. The offer price represents a 30% discount to the volume weighted average trading price (VWAP) for the 30 days trading to 3 June 2016.

The issue is partially underwritten by CPS Capital to A\$2 million who act as Lead Manager and Underwriter.

Net proceeds from the rights issue will be used primarily to accelerate the Company's international growth plans through digital marketing and partnerships, and to continue developing and implementing innovative features within the Velpic cloud-based video eLearning platform. These

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activities, combined with the completed activation of all major sales channels and the recent launch of Version 3.0 of the Velpic platform, will help the Company achieve its key growth objectives of expanding and expediting market penetration and accelerating client acquisition.

Velpic Chief Executive, Russell Francis, commented:

“The Company is poised to significantly expand its international reach following the recent roll-out of Version 3.0 of the eLearning platform, which can now be accessed globally, and the partnership sales channel that enables anyone to sell Velpic anywhere in the world.”

“Funds raised from the rights issue will help the Company to accelerate its global expansion plans, maintain our strong customer growth momentum and uphold our competitive advantage in the rapidly growing Learning Management System market.”

Shareholders on the record date with a registered address in Australia and New Zealand will be eligible to participate in the rights issue.

The proposed timetable for the rights Issue is as follows:

Prospectus lodged with ASIC and the ASX	7 June 2016
Shares trade Ex Entitlement	10 June 2016
Rights trading commences	10 June 2016
Record date to determine entitlement (Record Date)	14 June 2016
Prospectus with Entitlement & Acceptance Form dispatched	15 June 2016
Offer opens for receipt of Applications	15 June 2016
Rights trading ends	17 June 2016
Deferred settlement trading commences	20 June 2016
Closing date for acceptance (Closing Date)	24 June 2016
Notify ASX of shortfall	28 June 2016

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Issue of new securities	30 June 2016
Deferred settlement trading ends	30 June 2016
Dispatch of shareholding statements	1 July 2016
Normal trading of new securities expected to commence	1 July 2016

The proposed timetable is subject to the Listing Rules and the above dates may be changed without notice.

Further information on the rights issue will be contained within a prospectus which will be lodged with ASIC on or about 7 June 2016, and mailed to eligible shareholders shortly after the Record Date. Shareholders may view all the Company's ASX announcements, including those relating to the Offer on the Company's website: <https://velpiclimited.com>. Applications will be made to the ASX for official quotation of the new shares and new options.

Persons should consider the prospectus before deciding whether to acquire securities, and will need to complete the personalised entitlement and acceptance form that will accompany the prospectus.

****ENDS****

For further information, please contact:

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About the Velpic Group

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The Velpic Group consists of two related entities: Velpic, a cloud-based video e-Learning platform, and Dash Digital, a brand technology agency.

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 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.

Dash Digital is a full service digital branding, marketing, web and app development organisation that seamlessly blends creative and development talents across all disciplines – visual design, print graphics, websites, software development and online marketing.

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