

6 October 2015

## Successful \$4M capital raising completed to accelerate growth of Velpic's eLearning Platform

### Highlights

- ❑ Successful completion of \$4 million capital raise by Velpic Limited as part of acquisition by International Coal
- ❑ Strong support from new and existing Australian institutional and sophisticated investors, including leading Australian technology investor, Tony Gandel. Capital raise managed by leading broking house, Baillieu Holst
- ❑ Funds raised will enable Velpic to:
  - Accelerate sales growth of its eLearning platform across Australia's east coast
  - Complete development of and launch a Small and Medium Enterprise (SME) version to better access the small business sector
  - Expand its customer presence internationally
- ❑ Velpic's cloud-based eLearning platform has global potential to disrupt a large and growing Learning Management System (LMS) market expected to be worth \$7.8bn by 2018
- ❑ Well funded and strategically positioned to execute on growth strategy
- ❑ Velpic on track to complete recompliance listing by end of October

Velpic Limited ASX:VPC is pleased to announce that it has successfully raised \$4 million through a Prospectus issue of ordinary shares to new and existing domestic investors. The Placement was completed at 2.5 cents per share.

Velpic Group consists of two complementary trading entities: Velpic, a completely online cloud-based video eLearning platform, and Dash Digital, a brand technology agency.

The funds raised place Velpic in a strong position to accelerate sales growth of its SaaS eLearning platform technology across Australia's east coast. In addition, it will allow the Company to complete the development of and launch an SME version of the Velpic platform to better access the small business sector. The funds will also enable the Company to expand its customer presence internationally targeting the USA, New Zealand, the United Kingdom, Singapore, Hong Kong and South Africa.

With a solid list of existing clients already using the technology, including many ASX 200 clients, the Velpic platform has global potential to disrupt the traditional LMS market which is expected to grow from \$2.5 billion in 2013 to \$7.8 billion by 2018.

The Velpic platform allows businesses to create their own training lessons and distribute them to staff and contractors, who can access the platform from any location on any device including smart-phones, tablets and desktop environments. The Velpic platform is established and revenue generating through its monthly SaaS fees, along with Pay Per View (PPV) fees for each lesson completed. Over the past 12 months Velpic Group has achieved Group revenues of approximately \$2m and momentum is expected to continue into FY2016.

The capital raising was managed by broking house Baillieu Holst and attracted strong interest from both retail and institutional investors including Sanlam Private Wealth, Alignment Capital, Shaw and Partners, as well as leading Australian technology investor, Tony Gandel.

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**Velpic Managing Director, Russell Francis, commented:**

*“Velpic has received strong support from new and existing shareholders throughout the acquisition process and I look forward to working with them as we relaunch the business in an exciting new direction. With the successful fundraising completed, we are very excited about the global opportunity ahead. The management team are confident that Velpic is well positioned to accelerate customer growth and become a leading eLearning platform in the large and growing Learning Management System (LMS) market, expected to be worth over \$7.8bn by 2018.”*

The successful capital raising is part of International Coal's acquisition of Velpic Group. Under the acquisition agreement, International Coal will also issue Consideration Shares to Velpic as part of the consideration to acquire Velpic Group, as approved by shareholders at its Extraordinary General Meeting on 3 September 2015.

International Coal was renamed Velpic Limited (ASX Code:VPC) on Friday 2 October 2015 and is expected to be re-admitted to the ASX by the end of October 2015. This date is indicative only and the ASX has yet to give conditional approval to re-admit the Shares to Official Quotation, pending recompliance with Chapters 1 and 2 of the ASX Listing Rules and the satisfaction of ASX requirements for readmission of International Coal's shares following a change to the nature and scale of its activities.

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

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**About the Velpic Group**

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 has been over two years in development, and 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.

Velpic has an extensive list of ASX 200 clients using the platform, and the Velpic Group has achieved revenue of approximately \$2m over the past 12 months.

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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