



# VELPIC INVESTOR UPDATE

MARCH 2017

# Company Update

## Highlights

- 405% increase in new recurring revenue from March Qtr 2016 to March Qtr 2017
- 313% increase in new clients from March Qtr 2016 to March Qtr 2017
- 226% increase in new recurring revenue from December Qtr 2016 to March Qtr 2017
- Approaching 80 clients, approx \$0.5m in Annualised Committed Monthly Revenue (ACMR)
- Virtual Reality capabilities added

## Awards



# POSITIONING

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# Traditional LMS platforms and their pitfalls

**A learning management system (LMS) is a software application for the administration, documentation, tracking, reporting and delivery of educational courses or training programs.**

## TRADITIONAL LMS:

- Require a large installation of software
- Large upfront capital cost
- Several technologies to perform the one task
- On premises installation meaning updates are not automatic
- Ongoing costs for maintenance & support
- Old fashioned interfaces that are not optimised for mobile devices
- Not optimised for new media content like video and VR
- Used primarily for the recording of compliance training information
- Used for cumbersome long term training regimes more like running a university

# How Velpic Differs – key advantages

- Cloud based – instant on application with no software to install
- Low cost – no upfront investment in software and reduces the cost to train employees by 70%<sup>1</sup> compared to traditional instructor led training
- Mobile solution – users can undertake training anywhere at anytime
- Video content creates far more engaging learning experiences and boosts retention by up to 60%<sup>1</sup> compared to traditional reading based training
- Marketplace of video training content available to eliminate the need to create customised content in time constrained situations
- Simple and easy for users to upload and create custom content – reducing the time to create bespoke training content
- Provides the ability to present training via a micro-learning model – allow time poor staff to complete short, sharp modules of training on any device
- One single platform to create, schedule, deliver and report on training across the enterprise – reduces the need for several costly and complex solutions

<sup>1</sup> Bachman, K (Corporate E-Learning: Exploring A New Frontier) 2000



# How it works



## Video eLearning Platform in the Cloud

- Unique solution for businesses to train and induct staff with integrated video training
- Dramatically expands on the capabilities of traditional LMS
- Lessons on demand, anywhere, any time on any device
- Easy in-house video content creation and editing
- Recurring SaaS fees
- Hosted in the cloud
- Enterprise grade platform technology
- VR Lesson Enabled

# Velpic – Inspired Learning

## Goodbye LMS. Hello Velpic

Velpic is a modern learning tool that anyone can use to create engaging content. From HR onboarding to team collaboration, and even sales and customer training.

### Workplace training doesn't have to be a chore

At Velpic we know that traditional workplace learning can be boring. You simply can't win if you are bored, let alone constrained to legacy systems that do not deliver innovation.

With our unique authoring tools, our Virtual Reality capabilities and our ease of use on any device, anywhere at anytime, we help organisations increase productivity, engage the workforce in a fun and inclusive manner and ultimately gain better results.

<sup>1</sup> CIPD (2015), Page 6, Annual Survey Report - Learning and Development 2015

<sup>2</sup> Bachman, K (Corporate E-Learning: Exploring A New Frontier) 2000

**3/4 of companies use  
eLearning to train employees<sup>1</sup>**



**↑ 60%**  
increase in learning  
retention<sup>2</sup>



**↓ 70%**  
reduction in  
training costs<sup>2</sup>



# METRICS UPDATE

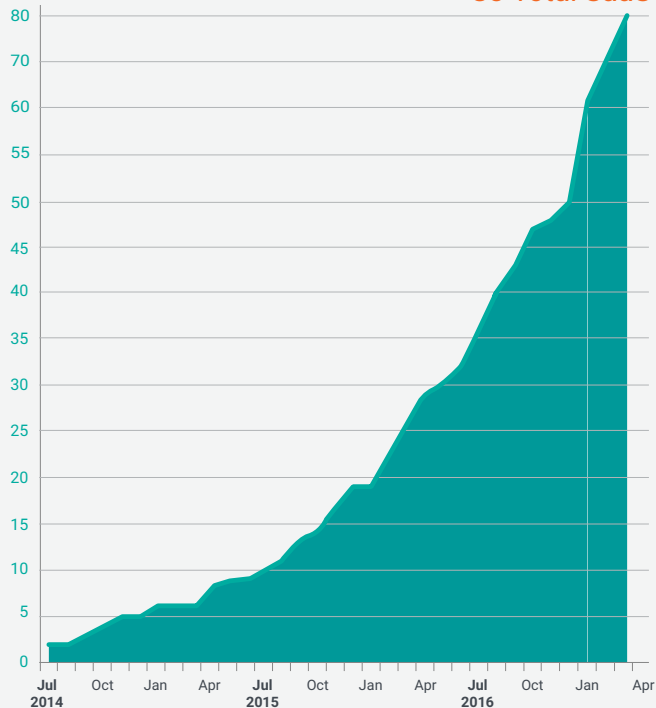
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# Where are we now

## Customer Growth

Approaching  
80 Total SaaS



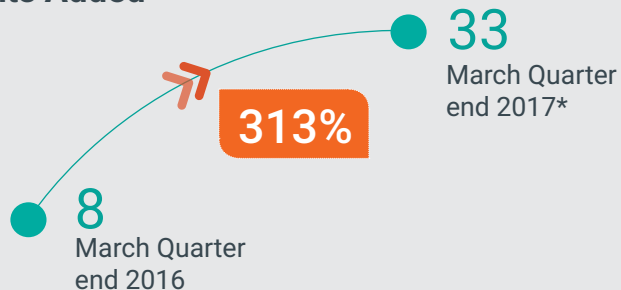
## FIRST MOVER ADVANTAGE

- Off-the shelf video content
- Custom video content creator and lesson editor
- Cloud-based technology making it accessible anywhere, anytime

# Core Metrics

\* Anticipated closing results

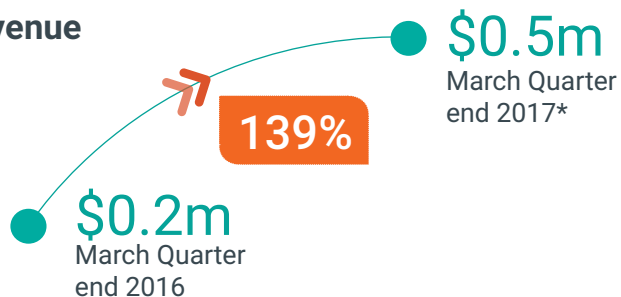
## New Accounts Added



## New Recurring Revenue

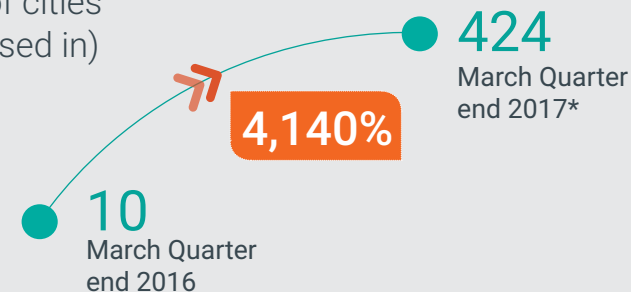


## Annualised Committed Monthly Revenue

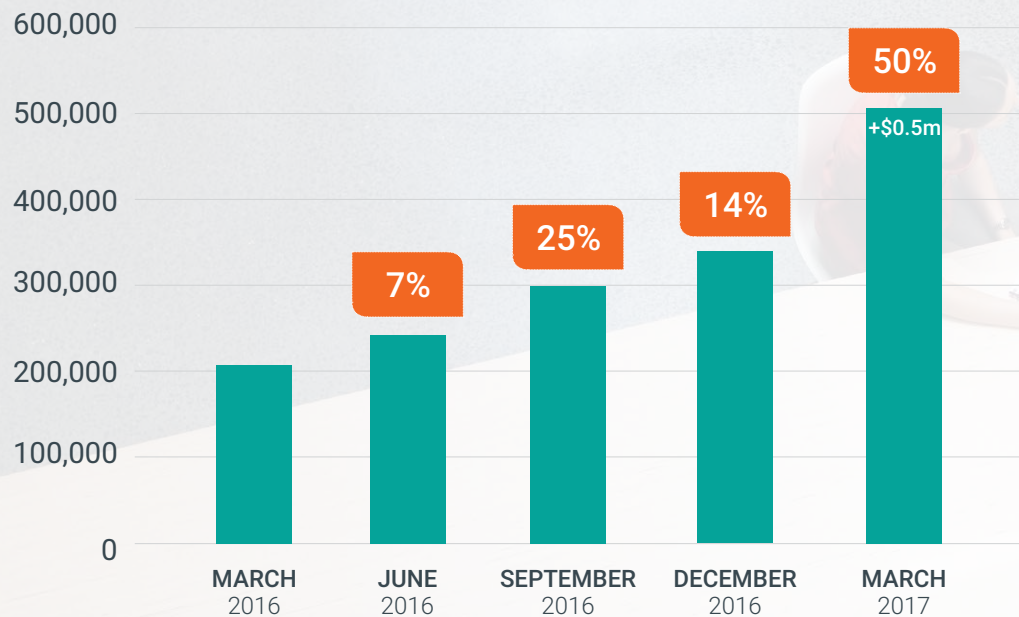


## Global Expansion

(number of cities Velpic is used in)



# Growth in Annualised SaaS Revenue





# GROWTH STRATEGY

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# Where are we going

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## • Global Expansion

- New Velpic dedicated partner in North America

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## • Innovation

- New features unique to Velpic
- Easier to create content

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## • Expanded market place to support more content

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## • Expand on NEW predictable and scalable revenue model

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# How we will accelerate growth

## Building a Predictable & Scalable Revenue Model

### Acquisition

- Increase subscription customers
- Grow Average Revenue Per Account (ARPA) through a robust feature roadmap with new training services and capabilities
- Opportunistic Verticals - Schools Partnership, Hospitality, Sports

### Retention

- Innovation as represented through Virtual Reality and future plans
- Low Hanging Fruit - upgrade of existing customers

### Monetisation

# Building a Predictable and Scalable Revenue Model

## Increase subscription customers to grow recurring revenue stream

Achieved 313% in client growth in March YOY quarter

Representing 226% increase in new recurring revenue from December quarter 2016 to March quarter 2017

Established Velpic office in Sydney in January 2017 with addition of two senior and highly successful sales executives.

### **Ms Rhonda Robati** **Chief Revenue Officer**

+20 years  
technology  
sales expertise



### **Mr Ashwin Thomas** **Director of Sales**

Extensive sales  
network and  
experience and  
ex-Salesforce



### **Reseller Partnerships**

20+ reseller partnerships providing international presence

### **Marketplace Strategy**

- Online Lesson Market place launched in Nov 2016
- Platform in global cloud marketplace AppDirect
- Available in UK Government's G-Cloud

### **International Expansion to Target Wider Customer Audience**

- Focusing on New Zealand and the USA initially
- Expansion to the UK, Singapore, Hong Kong and South Africa

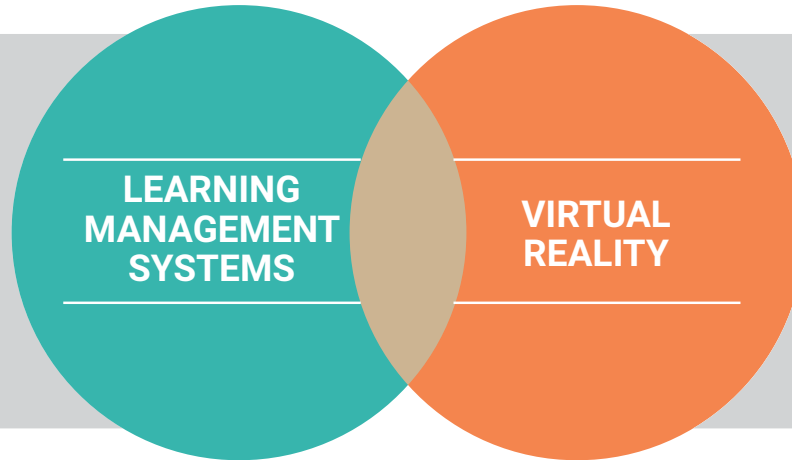
# LMS Market Opportunity

## Targeting the traditional LMS market with engaging and innovative learning experiences with video content and VR

LMS market to be worth  
**\$15.7 billion** by 2021<sup>1</sup>

**74%** of companies using learning technologies, use an LMS<sup>2</sup>

High growth sector due to increasing mobile population and distributed workforces



VR market expected to be worth **\$30 billion** by 2020<sup>3</sup>

By 2018 it is expected over **17 million** people will be active users of VR products<sup>4</sup>.

### Sources:

1. Market and Markets LMS Report

2. 2014 Training Industry Report

3. [www.digi-capital.com/news/2016/01/augmentedvirtual-reality-revenue-forecast-revised-to-hit-120-billion-by-2020/#.WNImNXSGMUF](http://www.digi-capital.com/news/2016/01/augmentedvirtual-reality-revenue-forecast-revised-to-hit-120-billion-by-2020/#.WNImNXSGMUF)

4. [www.digitalpulse.pwc.com.au/infographic-virtual-reality-training](http://www.digitalpulse.pwc.com.au/infographic-virtual-reality-training)

# BUSINESS MODEL AND FINANCIALS

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# Business Model

## Two complementary businesses:

- **Velpic:** an innovative eLearning Platform
- **Dash Digital:** a brand technology agency



A unique online platform that provides a scalable, cloud-based training, induction and education solution for businesses

**24% REVENUE\***



Offers digital branding, marketing, web and app development services

**76% REVENUE\***

\*Based on 31 December 2016 financial results

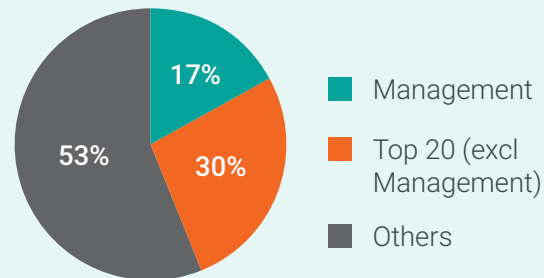


# Company Snapshot

As at 27 March 2017

ASX	VPC
Share Price	\$0.027
Fully Paid ordinary shares	552,436,757
Restricted/Escrowed fully paid ordinary shares	126,040,500
Options:	
Listed \$0.06 Options	97,011,300
Options to acquire fully paid ordinary shares	40,666,736
Market Cap (undiluted)	\$18.3 million
Enterprise Value	\$13.2 million
Cash Balance (31 December 2016)	\$5.1 million

## CAPITAL STRUCTURE



## Top 5 Shareholders

The Trust Company (Australia) Limited	7.57%
Mr Russell Francis	6.02%
Mr Patrick Connell	5.60%
Mr Glen Moora	5.60%
Ms Natalie Olive Horsefield	2.75%

# Board



## **Russell Francis** Chief Executive Officer

Industry-disrupting entrepreneur and technology architect with more than 25 years international experience. Proven track record building enterprise scale applications. Won Talent Unleashed Awards Most Disruptive CIO/CTO Award in 2015 judged by Sir Richard Branson, Steve Wozniak and a panel of global business and technology luminaries.

## **Leanne Graham** Non-Executive Chairperson

Over 28 years of executive sales and technology experience, having being the highly successful former General Manager and Global Head of Sales for Xero's New Zealand operations. Significant sales and technology experience in early stage and listed companies.

## **Harry Karelis** Non-Executive Director

More than 25 years diversified experience in the financial services sector, including private equity, Asian emerging markets, natural resources, healthcare, life science and medical technologies. Holds several international public and private company directorships and possessing considerable cross-border experience.

## **Daniel Rohr** Non-Executive Director

A Chartered Accountant and CFO with over 25 years management, corporate advisory, finance and accounting experience, Daniel has served in numerous listed and unlisted companies across a range of industries including digital technology, mining, real estate and financial services.

# Investment Proposition

- Innovative eLearning platform delivering engaging workforce training and education
- Business generated sales revenue of \$0.9 million in 1H 2017 (unaudited revenue of \$1.1m for 8 months to Feb 17)
- Targeting the significant learning management systems (LMS) market, expected to be worth over \$15.7 billion globally by 2021\*
- Scalable revenue model focused on increasing Annualised Committed Monthly Revenue (ACMR)
- New virtual reality product to take advantage of the rapidly growing VR market and expected to drive customer and revenue growth
- Highly experienced sales team driving customer growth, approaching 80 clients at end of March quarter 2017
- Experienced, highly credible board & management in place to execute strategy and drive commercial growth

\*Market and Markets LMS Report

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