



# VELPIC INVESTOR UPDATE

March 2016

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# Corporate Summary

# Company Snapshot



- ASX listed technology company comprised of two complementary entities:
  - Velpic: an innovative eLearning platform
  - Dash Digital: a brand technology agency
- The Velpic platform is a visually inspired, cloud based, eLearning training and inductions platform targeting the large and growing Learning Management Systems market, expected to be worth \$10 billion by 2020
- Substantial revenue growth for 1H FY2016 of \$581,017 (2H FY2015 - \$16,774)
  - Velpic & Dash Digital contribution from 22 October to 31 December 2015 only
- Strong and growing customer base, including many ASX 200 companies
- Driven by an industry learning and high profile Board & management team, including Chairperson Leanne Graham (former Top Xero executive)
- Well capitalised to accelerate customer growth and market penetration of Velpic platform

## Security Details

ASX Symbol	VPC
Existing Shares on issue:	
• Listed	361,909,745
• Escrowed	126,040,500
Unlisted options	35,200,000
Total Ordinary Shares	487,950,245
Market capitalisation	\$27,325,213
Share price (10 March 2016)	\$AU 0.056

Top 5 Shareholders	
Russell Francis	7.69%
Glen Moora	7.69%
Patrick Connell	7.69%
Natalie Horsefield	5.23%
The Trust Company (Australia) Limited	3.68%



# About Velpic Group



- Transforming workplace training, education and induction

Two complementary entities:



A cloud-based  
video eLearning  
platform

Providing  
businesses a cost  
effective turnkey  
solution to train  
& up-skill their  
workforce

Simple and  
manageable SaaS  
application

Significant  
growth  
potential in  
LMS market

Brand  
Technology  
Agency  
offering brand,  
marketing,  
web & app  
development

Established  
& revenue  
generating



# Board and Management Team



## **Russell Francis - CEO**

Entrepreneur and internet pioneer with 23 years international experience. Proven track record building enterprise scale applications.



## **Patrick Connell - Executive Creative Director**

Extensive expertise in corporate identify and marketing strategies. 28 years in the design industry working with government, public and private clients.



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

Over 20 years diversified experience in the financial services sector, including private equity. International public and private company directorships.



## **Dan Rohr - Non-Executive Director**

Chartered accountant with more than 20 years management, corporate advisory, finance and IT experience in listed and unlisted companies.



## **Leanne Graham - Non-executive Chairperson**

Former Xero executive and leading SaaS expert. Over 28 years of executive sales and technology experience in early stage and listed companies.



## **Glen Moora - Director & BDM**

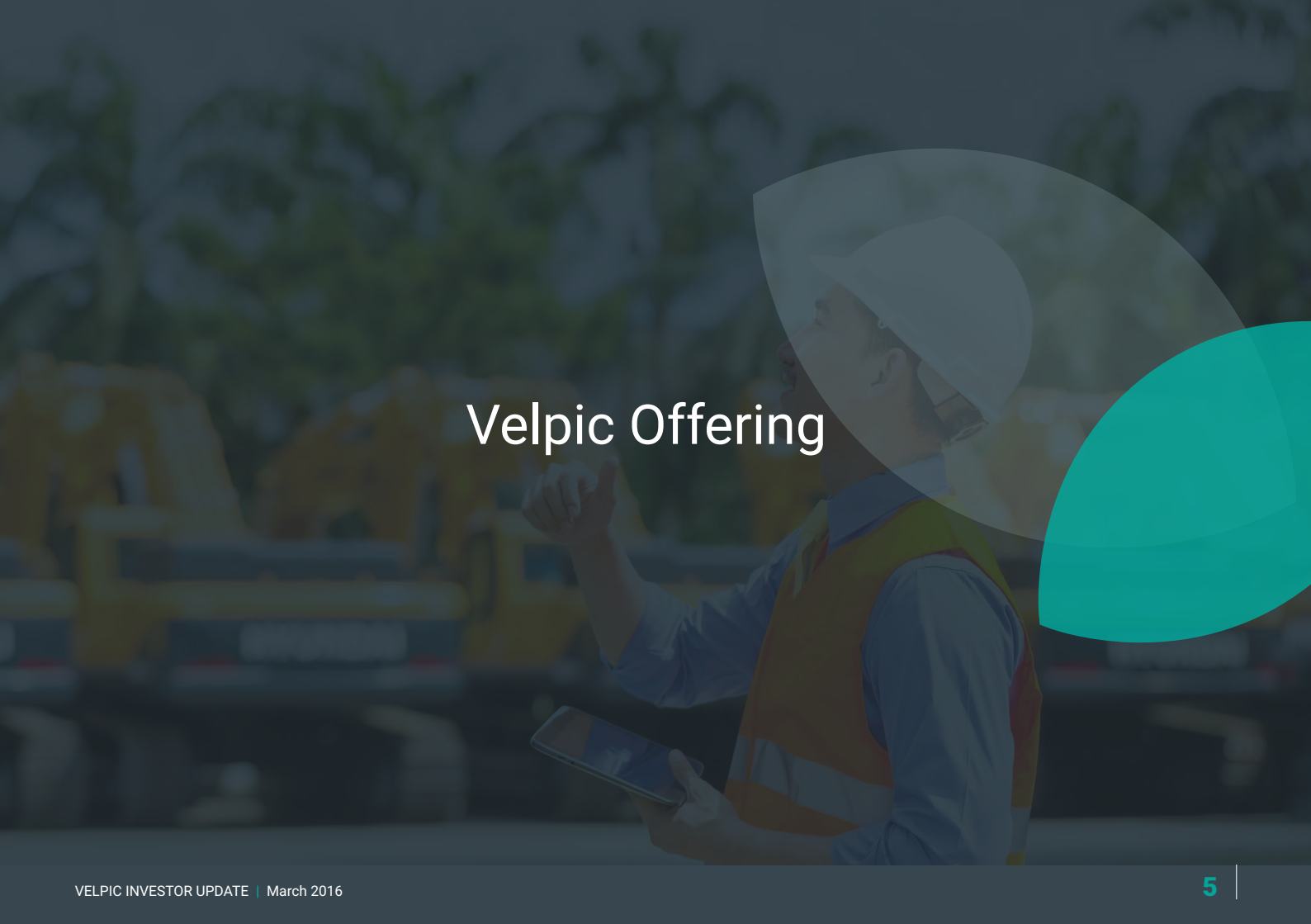
Entrepreneur with successful track record expanding into new territories, developing new business and strategic partnerships.



## **Russell Francis, awarded Most Disruptive CIO/CTO at the Talent Unleashed Awards**

Judges included Sir Richard Branson, founder of Virgin Group, Steve Wozniak, Apple co-founder and SEEK CEO Andrew Bassat.

Further validation that Velpic is well positioned to disrupt the global \$130bn L&D marketplace.



# Velpic Offering

# Market Opportunity



- The global LMS market is projected to grow at 20.8% CAGR in the next five year to reach approx. \$10 billion by 2020 (sourced from Markets and Markets)
- Learning Management Systems is a software application used to plan, implement and assess a specific learning process
- Strong growth market due to increasingly mobile population, distributed workforce and cloud infrastructure



## Employer

- Productivity & efficiency increases
- Cost effective solutions
- In-house training, not external instructions
- L&D spending has grown to more than \$130bn globally



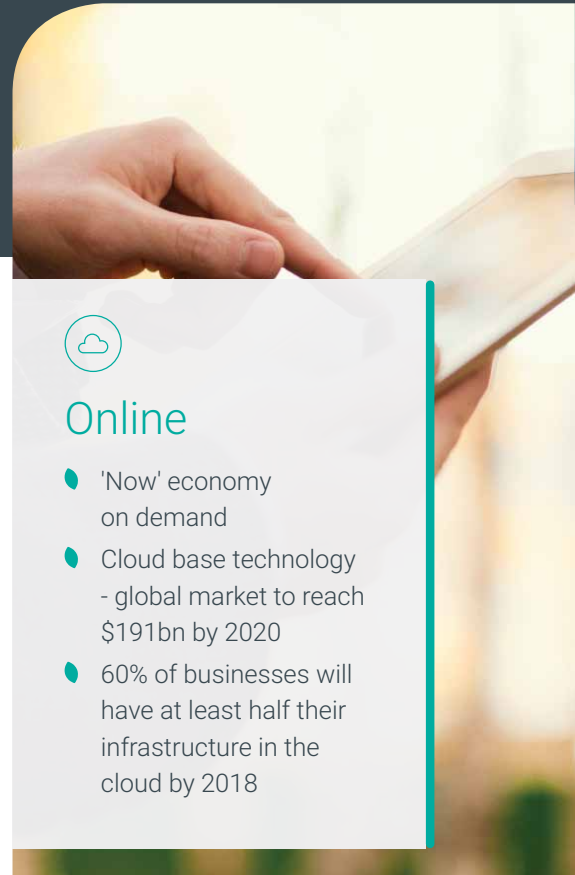
## Employee

- Proactive
- Up-skilling & continuous improvement
- On demand
- BYOD



## Online

- 'Now' economy on demand
- Cloud base technology - global market to reach \$191bn by 2020
- 60% of businesses will have at least half their infrastructure in the cloud by 2018





# Investment Proposition



- Innovative video eLearning platform technology for workforce training, education & induction
- Proven business model offering easy to use integrated video training to the large and growing LMS market, worth over \$10bn by 2020
- Strong customer validation with growing blue chip client base
- Highly scalable, low cost eLearning platform with strong recurring income from SaaS and PPV revenue
- Growth strategy executed for accelerated customer acquisition and market penetration
- Experienced and highly credible board and management in place to execute on strategy and drive commercial growth
- Key near term newsflow catalysts and activity pipeline



## Video eLearning Platform in the Cloud

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



# Robust Technology & Market Position



- Significant development and integration required to achieve full functionality with existing technologies
- Velpic dramatically expands upon the capabilities of traditional LMSs



Video Content  
Creation

Core LMS

Video Anywhere,  
Anytime On  
Any Device



 PowerPoint  
 Adobe Premiere  
 articulate

 PIXAR  
 Cp

 moodle  
 successfactors  
An SAP Company

 Blackboard  
 ELMO  
Talent Management Software

 YouTube  
 SurveyMonkey

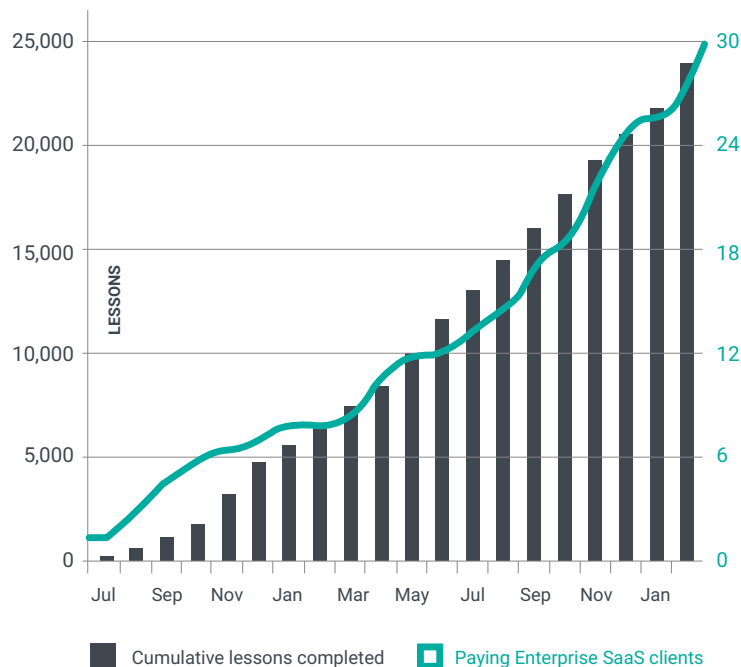
 NETFLIX  
 vimeo

# Proven Business



- Proven concept with existing and growing blue-chip ASX 200 customers
- Strong Customer Growth in December Quarter - average 14% per month
- Annualised PPV and SaaS fees of \$200k as of December 2015
- Actual Group Professional Services fees of \$2.3m in FY15, including Dash Digital contribution

## Velpic Growth



# Recent Achievements



- Backing from leading Australian technology investor, Tony Gandel
- National Enterprise Sales Team established to accelerate customer growth across Australia and increase market share
- Activation of two additional revenue streams
  - On-Demand
  - Lesson Marketplace
- Commencement of international growth strategy
  - Business Development Manager appointed in New Zealand
  - Inclusion in global 'ADP Marketplace' with exposure to 630,000 clients, 35 million end-users in more than 100 countries

# Strong Customer Validation

## Recent East Coast Client Acquisitions

- Coffey
- Direct Group
- Cargotec
- Olam Group
- Infigen Energy



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[www.scee.com.au](http://www.scee.com.au)



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[www.laingorourke.com](http://www.laingorourke.com)



[www.neptunems.com](http://www.neptunems.com)

# Alcoa Case Study



- Alcoa sign up to the new Velpic eLearning Platform in the Cloud
- Alcoa initially used platform to provide inductions for staff working at aluminium refineries, and is now utilising new "Lesson Marketplace" feature
- Velpic to receive subscription fee revenue for providing access to its eLearning platform along with pay per view (PPV) fees for each lesson completed
- Strong validation of the Velpic cloud-based eLearning platform offering from a world leading aluminium producer



# Focused Growth Strategy



# Highly Scalable Business Model



- Strong recurring SaaS and PPV revenue
- SaaS & PPV Fees build an ever increasing recurring revenue stream

REVENUE
SaaS fees
PPV fees
Professional service fees



MINIMAL FIXED COST BASE
Cloud based infrastructure
No legacy assets
Min cap expenditure required



Highly  
Scalable  
Business  
Model

# Capturing the Market



## “Three Pillar Sales Strategy”

to accelerate customer growth and increase market share

Enterprise	Reseller	SME
<ul style="list-style-type: none"><li>● National Sales Team established</li><li>● Continue to expand customer presence across Australia</li></ul>	<ul style="list-style-type: none"><li>● Multiple reseller partnerships secured</li><li>● Partner manager appointed with sole focus on growing reseller channel</li><li>● Highly scalable with one partnership providing access to a customer network</li></ul>	<ul style="list-style-type: none"><li>● Lucrative and rapidly growing LMS market segment</li><li>● Entry through launch of Version 3.0 of Velpic platform</li></ul>
Activated ✓	Activated ✓	Coming 2016

# Revenue Generation



- Multiple revenue streams to bolster SaaS and PPV fees
- High revenue scalability through reseller partnerships
- Attractive balance of strong recurring revenue and 'zero touch' components



# 2016 Growth Strategy



## 1 Customer growth

- Continue customer growth momentum on east coast of Australia. Recent client wins include:
  - Coffey
  - Direct Group
  - Cargotec
  - Olam Group
  - Infigen Energy

## 2 Continue platform development

- Launch expert modules marketplace & new features
- Complete development of version 3.0

## 3 Expand into new SME market

- Enter SME market through launch of version 3.0 by Q3 CY2016

## 4 Expand into new geographies

- International expansion commenced with New Zealand
- Inclusion in ADP Marketplace
- 2017 – follow through with targets US, UK, Singapore, Hong Kong and South Africa

### Activity pipeline & newsflow

# Activity Pipeline

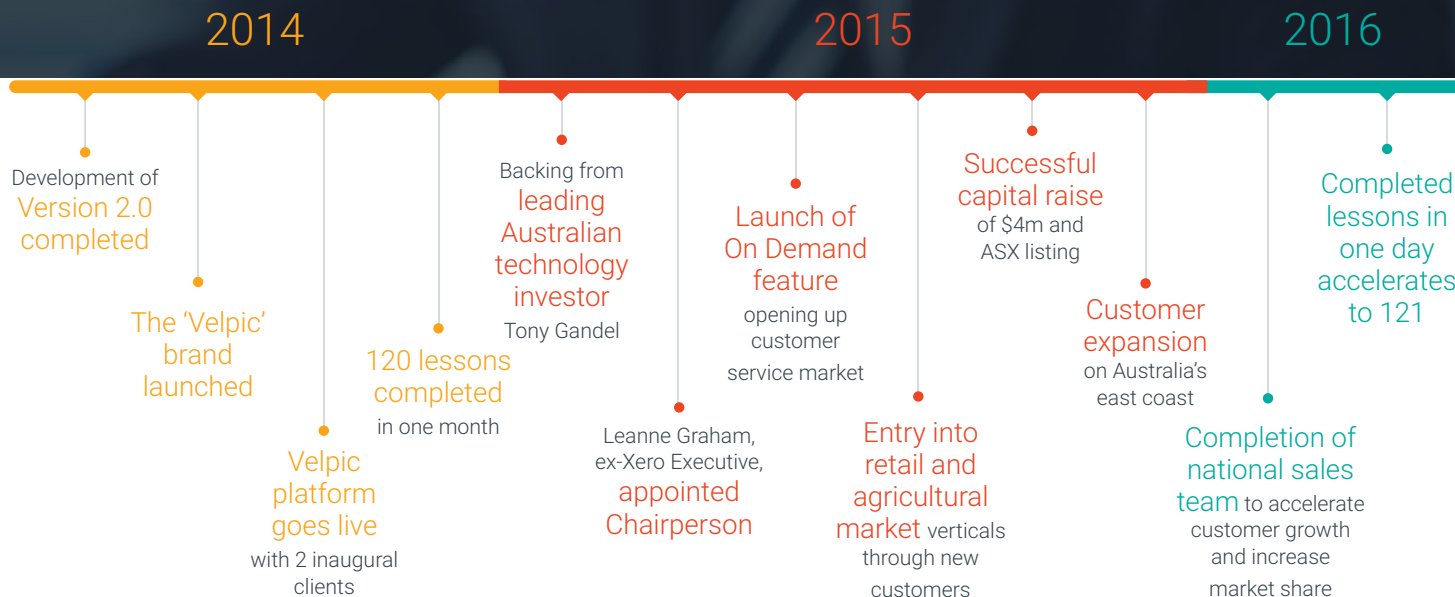


Continue International Expansion	Accelerate client acquisition across Australia	Launch Version 3.0 and activate third major sales channel
<ul style="list-style-type: none"><li>• New Zealand – BDM recently appointed, activity accelerated to commence client acquisition</li><li>• Integration of Velpic's eLearning software into ADP's globally distribute application ecosystem</li></ul>	<ul style="list-style-type: none"><li>• Continue growth momentum with national enterprise sales team</li></ul>	<ul style="list-style-type: none"><li>• Capture SME segment – a significant contributor to the broader global LMS market</li></ul>



# Appendix

# Milestones achieved so far



## Increasing Number of Paying Enterprise SaaS clients:





# Thank you

[www.velpiclimited.com](http://www.velpiclimited.com)

[NSW](#) | [VIC](#) | [WA](#) | [QLD](#) | [NZ](#)

## Investors

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