



VELPIC INVESTOR UPDATE

May 2016

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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 induction platform targeting the large and growing Learning Management Systems market, expected to be worth US\$11.3 billion by 2020
- Substantial revenue growth for 1H FY2016 of \$581,017 (2H FY2015 of \$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-leading and high profile Board & management team, including Chairperson Leanne Graham (former top Xero executive)

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	\$23m
Share price (5 May 2016)	\$0.048
Cash balance (31 March 2016)	\$2.016m
Top 5 Shareholders	
Russell Francis	7.69%
Glen Moora	7.69%
Patrick Connell	7.69%
Natalie Horsefield	5.23%
The Trust Company (Australia) Limited	3.37%



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 year 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 year 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.



Milestones achieved so far

2014

2015

2016

Development of
Version 2.0
completed

The 'Velpic'
brand
launched

120 lessons
completed
in one month

Velpic
platform
goes live
with 2 inaugural
clients

Backing from
leading
Australian
technology
investor
Tony Gandel

Leanne Graham,
ex-Xero Executive,
appointed
Chairperson

Launch of
On Demand
feature
opening up
customer
service market

Entry into
retail and
agricultural
market verticals
through new
customers

Successful
capital raise
of \$4m and
ASX listing

Customer
expansion
on Australia's
east coast

Completion of
national sales
team to accelerate
customer growth
and increase
market share

Completed
lessons in
one day
accelerates
to 121

International
expansion
accelerated
with launch of
Version 3.0

Increasing Number of Paying Enterprise SaaS clients:



Investment Proposition



- Innovative cloud-based service technology transforming workforce training, education and induction
- Customer validated, convenient, efficient and cost-effective eLearning platform
- Significant market opportunity with global Learning Management System market projected to be valued at \$11.3 billion by 2020
- Existing blue-chip client base with strong growth pipeline
- Experienced Board and management in place to drive commercial growth
- All channels in sales strategy activated; execution continues to accelerate growth strategy to drive near-term newsflow catalysts

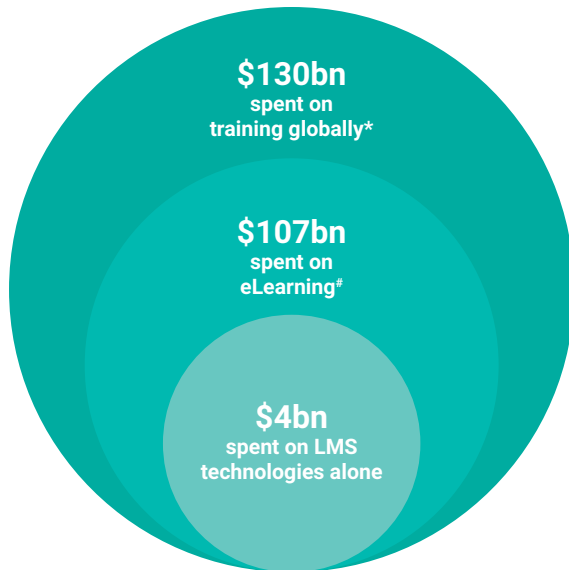
LMS Market – Poised for Rapid Growth



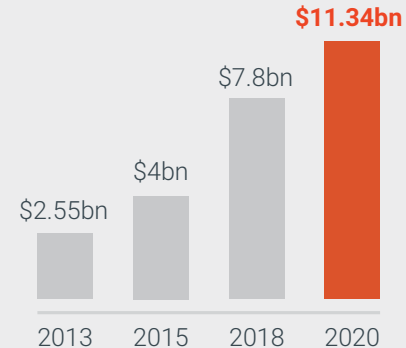
Learning Management System

- A software application for the administration, documentation, tracking, reporting and delivery of e-learning education or training programs
- High growth market due to increasingly mobile population, distributed workforce and cloud infrastructure

Corporate Training Snapshot



LMS Market Growth**



- Market forecast to grow at 22.8% CAGR**
- Of companies using learning technologies - 74% use LMS***

*Corporate Learning Factbook 2014: Bersin by Deloitte

** Markets and Markets: LMS Report

***2014 Training Industry Report

#Global Industry Analysts Forecasts 2015



Demand Drivers Support Growth Prospects

- By 2020, 25% of global mid-market and large enterprises will have invested in a cloud-based HCM (human capital management) suite for administrative HR and talent management
- By 2018, at least 98% of organisations will deploy at least one HCM SaaS application

Source: Gartner, March 2016



Employer

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



Employee

- Proactive
- Upskilling & continuous improvement
- On demand

23% of employees leave due to lack of training and development opportunities*



Online

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

*National Research Business Institute



Video eLearning Platform in the Cloud

- Unique SaaS-based solution for businesses to train and induct staff with easy-to-use integrated video training
- Dramatically expands on the capabilities of traditional LMSs
- Hosted in the cloud – no IT and no software to install
- Completely mobile solution provides options for businesses with remote operations
- Recurring monthly SaaS fees and Pay Per View fees - no capex



Velpic is
a game changer



Reduce training time
by up to

↓ **75%**



Boost content
retention by up to

↑ **60%**



Reduce cost
to train by up to

↓ **70%**

Strong Customer Validation



Recent East Coast Client Acquisitions

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



www.monadelphous.com.au



www.olamgroup.com



www.kailisbros.com.au



www.alcoa.com/australia



www.ahg.com.au



www.agc-ausgroup.com



www.bgc.com.au



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www.catalano.com.au



www.cargotec.com



www.coffey.com



www.directgroup.com.au



www.clough.com.au



www.wbho.com.au



www.scee.com.au



www.comops.com.au



www.mineralresources.com.au



www.laingorourke.com



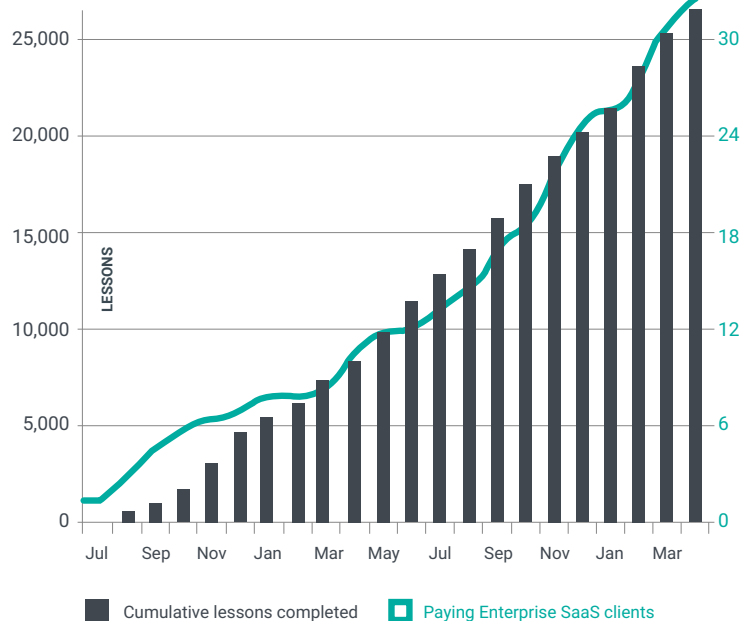
www.neptunems.com

Proven Business



- Proven business model with existing and growing blue-chip ASX 200 customers
- Strong Customer Growth in March Quarter peaking at 18% per month
- Annualised PPV and SaaS fees of \$235,000 at March 2016
- Actual Group Professional Service fees of \$2.3m in FY2015, including Dash Digital contribution

Velpic Growth



Competitive Positioning

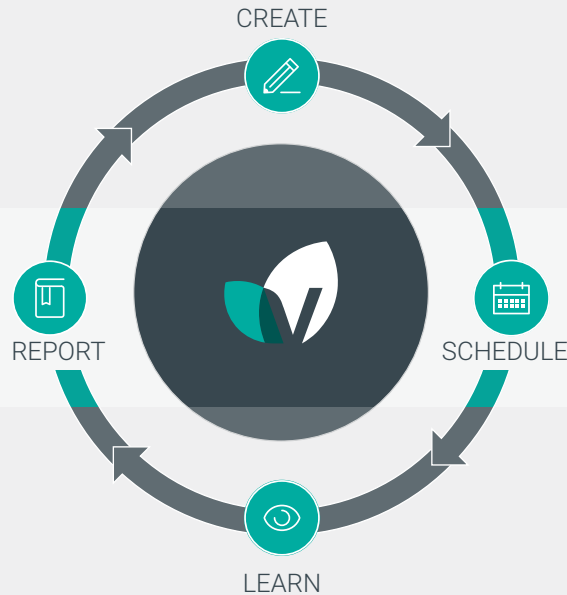


- Significant development and integration required to achieve full functionality with existing technologies
- Velpic dramatically expands upon the capabilities of traditional LMSs

Video Content
Creation

Core LMS

Video Anywhere,
Anytime On
Any Device



PowerPoint
Adobe Premiere
articulate

PIXAR
Cp

moodle
successfactors
An SAP Company

Bb
Blackboard
ELMO
Talent Management Software

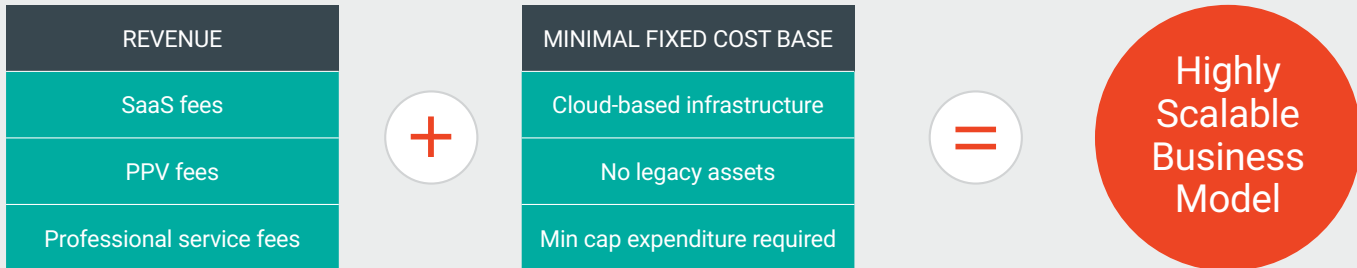
YouTube
SurveyMonkey

NETFLIX
vimeo

Highly Scalable Business Model



-
- SaaS & PPV fees build an ever increasing recurring revenue stream
-



Capturing the Market



'Three-Pillar Sales Strategy' to achieve key growth initiatives

- Accelerate customer growth
- Expand market share

Enterprise	Reseller	SME
<ul style="list-style-type: none">National Sales Team establishedContinue to expand customer presence across Australia	<ul style="list-style-type: none">Multiple reseller partnerships securedPartner manager appointed with sole focus on growing reseller channelHighly scalable with one partnership providing access to a customer network	<ul style="list-style-type: none">Lucrative and rapidly growing LMS market segmentAccess through recent launch of Version 3.0 of Velpic platformVersion 3.0 to act as launchpad for international expansion strategy
Activated ✓	Activated ✓	Recently Launched

Mobilising International Growth – Version 3.0



- Third and final major sales channel recently activated – 3 months ahead of schedule
- New features includes 'Self Sign Up' and automatic payment options to facilitate SME client interest for trials and purchases without sales assistance
- Fully automated sign up service provides scalability opportunity with minimal additional overhead
- Revenue generated via monthly subscription fee, with PPV fees for SME clients included in new pricing packages
- Digital Marketing Strategy
 - Search Engine Optimisation (SEO)
 - Search Engine Marketing (SEM)
 - Online content marketing

Velpic is well funded to execute Version 3.0 marketing strategy

SME Pricing Potential



SMEs

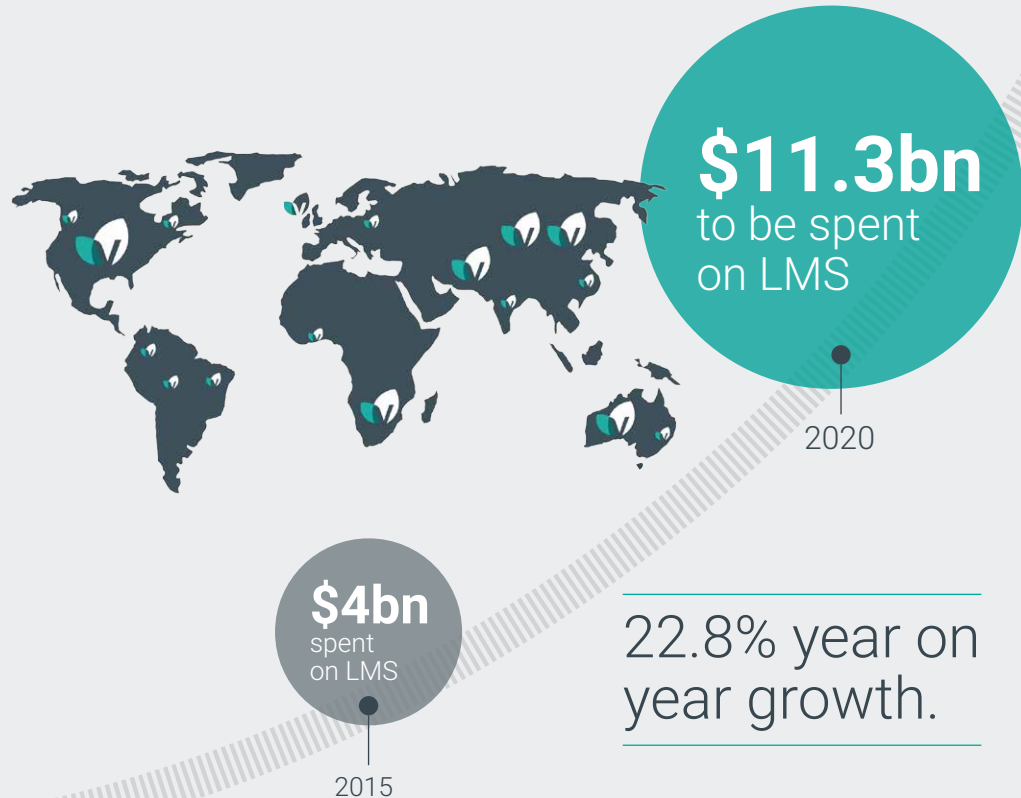
30 million in the USA

5 million in the UK

2 million in AU

If <1% of those SMEs use Velpic's smallest plan (LITE \$50/month) =

\$200 million
revenue per year.



Enterprise Pricing Scenario




International Sales and Logistics Business

7,000+ Staff

Annual Spend on Traditional LMS	\$120,000
Staff to manage corporate training	4

With Velpic

Annual Spend on Velpic	\$34,000
Staff to manage corporate training	1 person, 1 day per fortnight



Saving over 70% per year plus nearly
4 x FTE compared to traditional LMS


International Construction Company

1,300 staff working on a single project in WA

Average cost per employee to fly to Perth, accommodation and 2 days of instructor led classroom induction	\$2,000
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With Velpic

Cost to complete 2 Induction Lessons in Velpic	\$12
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Saving over 99% per employee compared
to traditional instructor led inductions

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

Enterprise
Partners
On Demand
Content Library
SME



SaaS and
PPV fees

LITE	STANDARD	PLUS RECOMMENDED	ENTERPRISE
All the basic tools to get your training started.	Feature-rich with enhanced training capabilities for growing businesses.	Our most popular package. Ideal for businesses with high compliance and training requirements.	Premium package with unlimited scope to train your staff. The choice for training heavyweights.
\$50 per month	\$150 per month	\$350 per month	POA

2016 Growth Strategy





Continue International Expansion

Complete integration of Velpic's eLearning platform onto ADP Marketplace	Accelerate client acquisition across Australia	Drive SME customer growth with Version 3.0
<ul style="list-style-type: none">Exposure to 630,000 clients, 35 million end-users in more than 100 countries	<ul style="list-style-type: none">Continue growth momentum with national enterprise sales team	<ul style="list-style-type: none">Continue execution of digital marketing strategies to capture SME segment of fast growing LMS market



Thank you

www.velpiclimited.com

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