



VELPIC INVESTOR UPDATE

September 2016

Disclaimer



This presentation has been prepared by Velpic Limited (the "Company"). It does not purport to contain all the information that a prospective investor may require in connection with any potential investment in the Company. You should not treat the contents of this presentation, or any information provided in connection with it, as financial advice, financial product advice or advice relating to legal, taxation or investment matters.

No representation or warranty (whether express or implied) is made by the Company or any of its officers, advisers, agents or employees as to the accuracy, completeness or reasonableness of the information, statements, opinions or matters (express or implied) arising out of, contained in or derived from this presentation or provided in connection with it, or any omission from this presentation, nor as to the attainability of any estimates, forecasts or projections set out in this presentation.

This presentation is provided expressly on the basis that you will carry out your own independent inquiries into the matters contained in the presentation and make your own independent decisions about the affairs, financial position or prospects of the Company. The Company reserves the right to update, amend or supplement the information at any time at its absolute discretion (without incurring any obligation to do so).

Neither the Company, nor its related bodies corporate, officers, their advisers, agents and employees accept any responsibility or Liability to you or to any other person or entity arising out of this presentation including pursuant to the general law (whether for negligence, under statute or otherwise), or under the Australian Securities and Investments Commission Act 2001, Corporations Act 2001, Competition and Consumer Act 2010 or any corresponding provision of any Australian state or territory Legislation (or the Law of any similar Legislation in any other jurisdiction), or similar provision under any applicable law. Any such responsibility or liability is, to the maximum extent permitted by Law, expressly disclaimed and excluded.

Nothing in this material should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities. It does not include all available information and should not be used in isolation as a basis to invest in the Company.

Future Matters

This presentation contains reference to certain intentions, expectations, future plans, strategy and prospects of the Company.

Those intentions, expectations, future plans, strategy and prospects may or may not be achieved. They are based on certain assumptions, which may not be met or on which views may differ and may be affected by known and unknown risks. The performance and operations of the Company may be influenced by a number of factors, many of which are outside the control of the Company. No representation or warranty, express or Implied, is made by the Company, or any of its directors, officers, employees, advisers or agents that any intentions, expectations or plans will be achieved either totally, or partially or that any particular rate of return will be achieved.

Given the risks and uncertainties may cause the Company's actual future results, performance or achievements to be materially different from those expected, planned or intended, recipients should not place undue reliance on these intentions, expectations, future plans, strategy and prospects. The Company does not warrant or represent that the actual results, performance or achievements will be as expected, planned or intended.

US Disclosure

This document does not constitute any part of any offer to sell, or the solicitation of any offer to buy, any securities in the United States or to, or for the account or benefit of any "US person" as defined in Regulation S under the US Securities Act of 1933 ("Securities Act"). The Company's shares have not been, and will not be, registered under the Securities Act or the securities Laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States or to any US person without being so registered or pursuant to an exemption from registration including an exemption for qualified institutional buyers.

Company Snapshot



- ASX-listed technology company comprised of two complimentary 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 FY2016 of \$1,460,273
 - Velpic & Dash Digital contribution from 22 October to 30 June 2016 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	552,432,676
• Escrowed	126,004,500
Unlisted Options	127,012,117
Total Ordinary Shares	678,473,176
Market Capitalisation	\$15m
Share Price (5 Sept 2016)	\$0.022
Cash Balance (31 Aug 2016)	\$6.065m
Top 5 Shareholders	
The Trust Company (Australia) Limited	6.83%
Mr Russell Francis	6.02%
Mr Patrick Connell	5.60%
Mr Glen Moora	5.60%
Ms Natalie Olive Horsefield	2.75%



Leadership

- Russell - Renowned for building big, robust, scalable, online applications.

- Leanne - Proven global leader in sales & marketing for SaaS who knows what it takes to build billion dollar businesses



A perfect combination that is the catalyst behind the future of Velpic, Russell and his team are building a world class platform whilst Leanne is leading a global business development strategy.

Russell Francis - CEO

Entrepreneur and Internet pioneer with 23 year international experience. Proven track record building enterprise scale applications.

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.



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

The "Velpic" brand launched

120 lessons completed in first month

Founders decide Velpic's future is a public company

Velpic platform goes live with 2 inaugural clients

Version 2.0 development completed (MVP)

Former General Manager and Global Head of Sales for Xero, Leanne Graham, Appointed Chair

RTO complete with successful recompliance capital raise of \$4m

Velpic identifies 3 pillar go-to-market strategy;
1. Enterprise,
2. Reseller Partners
& 3. SME

National sales team established to accelerate Enterprise customer growth and increase market share

121 lessons completed in one morning

Launch of Version 3.0 enabling SME channel

Reseller Partnership channel launched with key hires

Rights issue successfully completed raising \$5.7m

International expansion initiated with ADP partnership in USA and successful G-Cloud tender in the UK

Version 3.1 launched allowing any document as a lesson and new active user pricing

Increasing Number of Paying Enterprise SaaS clients:

2014

2015

2016

3

5

6

9

13

19

26

32

40

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
- Well funded with \$6m in the bank to execute growth strategy
- Established revenue model, with all “3 pillars” of revenue generation active: Enterprise, Resellers and SME
- Rapidly expanding international presence

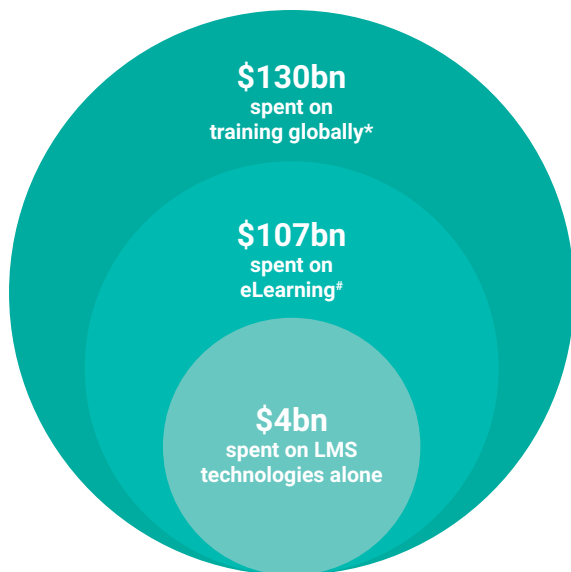
LMS Market – Poised for Rapid Growth



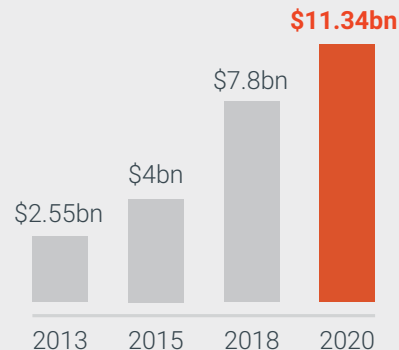
Learning Management System

- A software application for the administration, documentation, tracking, reporting and delivery of eLearning 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

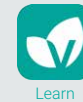
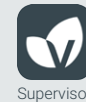
- 'Now' economy on demand
- Cloud-based technology - global market to reach \$191bn by 2020
- 60% of businesses will have at least half their infrastructure in the cloud by 2018

*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



www.canterbury.com.au



www.monadelphous.com.au



www.olamgroup.com



www.kailisbros.com.au



www.alcoa.com/australia



www.shelfsubsea.com



www.ahg.com.au



www.agc-ausgroup.com



www.bgc.com.au



www.infigenenergy.com



www.idemitsu.com.au



www.marineandcivil.com



www.sbia.com.au



www.fugrosm.com



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



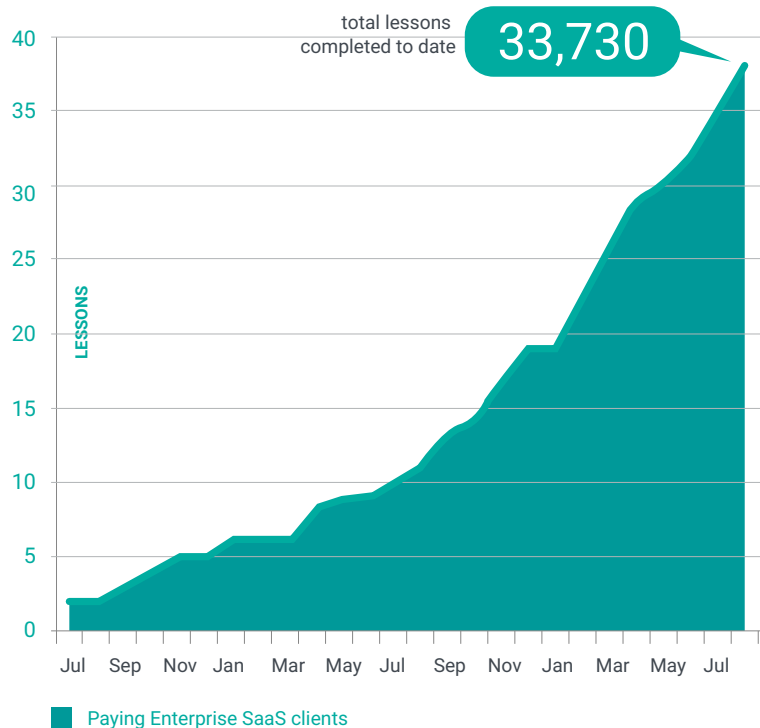
www.neptunems.com

Proven Business



- Proven business model with existing and growing blue-chip ASX 200 customers
- 170% growth in Enterprise clients since becoming a public company in October 2015
- Annualised Recurring Subscription Fees of \$260,000 at August 2016
- Actual Consolidated Revenue of \$1,460,273 for FY16. (From 22 October 2015 to 30 June 2016 - Annualised to \$2.1m)

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

Adobe Premiere

PowerPoint

articulate



PIXAR



Core LMS

moodle

successfactors
An SAP Company



Blackboard

ELMO
Talent Management Software

Video Anywhere, Anytime On Any Device

YouTube

NETFLIX

SurveyMonkey

vimeo

Highly Scalable Business Model



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



Revenue Generation



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

- Accelerate customer growth
- Expand market share

Enterprise

- National Sales Team established
- Continue to expand customer presence across Australia

Activated ✓

Reseller

- Multiple reseller partnerships secured
- Partner manager appointed with sole focus on growing reseller channel
- Highly scalable with one partnership providing access to a customer network

Activated ✓

SME

- Lucrative and rapidly growing LMS market segment
- Access through recent launch of Version 3.0 of Velpic platform
- Version 3.0 to act as launchpad for international expansion strategy

Recently Launched ✓

SME Pricing Potential



SMEs

30 million in the USA

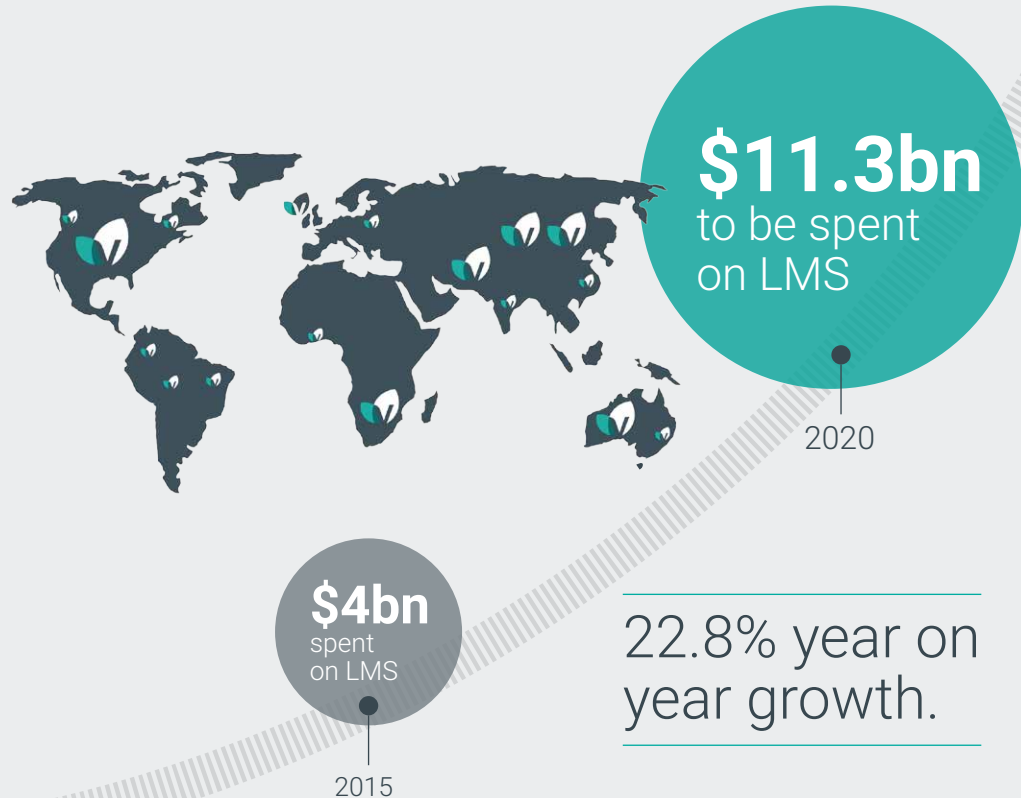
5 million in the UK

2 million in AU

Companies are changing
the way they're using LMS

Continuous learning

Knowledge sharing



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
---	----------------

With Velpic

Cost to complete 2 Induction Lessons in Velpic	\$12
--	-------------

Saving over 99% per employee compared
to traditional instructor-led inductions

2016 Growth Strategy





Thank you

www.velpiclimited.com

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

Investors

Russell Francis

Chief Executive Officer
Velpic Ltd

t +61 8 6160 4455

m +61 408 822 380

russell@velpic.com

Media

Ben Grubb

Senior Account Manager

t +61 414 197 508

ben.grubb@mcpartners.com.au

Sales

Glen Moora

Executive Director & BDM
Velpic Ltd

m +61 418 919 172

glen@velpic.com